

28 March 2018

CABINET – 9 APRIL 2018

A meeting of Cabinet will be held at 5.30pm on Monday 9 April 2018 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 5 February 2018.

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 3 April 2018).

Growth and Investment Portfolio

5. World Rugby Hall of Fame Scrutiny Review.

Corporate Resources Portfolio

6. Asset Management Strategy.
7. Medium Term Financial Strategy.
8. Human Resources Strategy and Resources.
9. Rate Relief for Ratepayers.

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

10. Response to Technical Consultation on the approach to measuring the relative needs of local authorities.
11. Endorsement of Strategic Risk Register.
12. Risk Management Progress Report.
13. Appointments to Outside Bodies – Miscellaneous Appointments.
14. Motion to Exclude the Public under Section 100(A)(4) of the Local Government Act 1972.

To consider the following resolution:

“under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of information defined in paragraphs 1, 2 and 3 of Schedule 12A of the Act.”

PART 2 – EXEMPT INFORMATION

Growth and Investment Portfolio

Nothing to report to this meeting.

Corporate Resources Portfolio

1. Bell House – options appraisal.

Communities and Homes Portfolio

2. Procuring a Replacement Housing Management System.

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

3. Exemption to Contracts Standing Orders – Appointment of Programme Officer for the Rugby Borough Local Plan.
4. Urgent Decision under Delegated Powers - Planning Enforcement - Direct Action.
5. Write Offs.

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

The Reports of Officers (Ref. CAB 2017/18 – 9) are attached.

Membership of Cabinet:

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

CALL- IN PROCEDURES

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

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

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

AGENDA MANAGEMENT SHEET

Name of Meeting	Cabinet
Date of Meeting	9 April 2018
Report Title	World Rugby Hall of Fame Scrutiny Review
Portfolio	Growth and Investment
Ward Relevance	All
Prior Consultation	Consultation with Visit England and local rugby clubs
Contact Officer	Michael Beirne Telephone: 01788 533213 Email: michael.beirne@rugby.gov.uk
Report Subject to Call-in	Yes
Report En-Bloc	No
Forward Plan	Yes
Corporate Priorities	The review relates to the following corporate priorities: <ul style="list-style-type: none">• Promote and grow Rugby's visitor economy with our partners.
Statutory/Policy Background	<p>At a meeting of Cabinet on 6 February 2017, it was agreed that Overview and Scrutiny has a clear role in the ongoing operation of the Hall of Fame.</p> <p>The overview and scrutiny chairs agreed this review should be included in the work programme for 2017/18 and this was approved by Brooke Overview and Scrutiny Committee.</p> <p>A draft one-page strategy for this review was agreed Brooke Overview and Scrutiny Committee on 6 April 2017. A scrutiny group was appointed and began its work in April 2017.</p>

Summary	The scrutiny group reviewed a number of areas including current visitor numbers, free admission days and a marketing plan for the attraction. The group met four times, drawing on evidence from customer data, existing promotional activities, local rugby clubs, Visit England and the travel trade. A number of recommendations have been developed to endorse the implementation of a marketing plan, incentives, new tourism signage and improvements to the visitor experience at the attraction.
Risk Management Implications	There are no risk management implications arising from this report.
Financial Implications	A number of recommendations, notably relating to marketing activities will require additional financial investments, however World Rugby are committed to covering 50% of the cost of these, as outlined in the marketing plan's budget schedule.
Environmental Implications	There are no environmental implications arising from this report.
Legal Implications	There are no legal implications arising from this report.
Equality and Diversity	There are no equality and diversity implications arising from this report.
Options	<ol style="list-style-type: none"> 1: To approve the review recommendations. 2. To approve the review recommendations with amendments. 3. To not approve the review recommendations.
Recommendation	Recommendations 1-6 of the scrutiny group (as detailed in section 1 of the report) be approved.
Reasons for Recommendation	The review recommendations are based on evidence gathered by the scrutiny group and endorsed by Brooke Overview and Scrutiny Committee on 7 December.

Cabinet – 9 April 2018

World Rugby Hall of Fame Scrutiny Review

Report of the Brooke Overview and Scrutiny Committee

Recommendation

Recommendations 1-6 of the scrutiny group (as detailed in section 1 of the report) be approved.

1. BACKGROUND

At a meeting of Cabinet on 6 February 2017, it was agreed that Overview and Scrutiny has a clear role in the ongoing operation of the Hall of Fame.

The overview and scrutiny chairs agreed this review should be included in the work programme for 2017/18 and this was approved by Brooke Overview and Scrutiny Committee.

A draft one-page strategy for this review was agreed Brooke Overview and Scrutiny Committee on 6 April 2017. A scrutiny group was appointed and began its work in April 2017. The scrutiny group aimed to focus one meeting to each of the below topics:

1. Community Days – what pattern of free entry days (in line with the decision of Council) should be adopted?
2. Draft Marketing Strategy and Action Plan
3. Partner/Stakeholder Engagement
4. Wrap-up and Recommendations

2. FINDINGS AND RECOMENDATIONS

The scrutiny group has now completed its work and the report is attached at appendix 1.

The group met four times, drawing on evidence from customer data, existing promotional activities, local rugby clubs, Visit England and the travel trade.

A number of recommendations have been developed to endorse the implementation of a marketing plan, incentives, new tourism signage and improvements to the visitor experience at the attraction.

A number of recommendations, notably relating to marketing activities will require additional financial investments, however World Rugby are committed to covering 50% of the cost of these, as outlined in the marketing plan's budget schedule.

The chairman of the scrutiny group, Councillor Kathryn Lawrence, will attend the Committee meeting to present the report.

A report will be presented annually to an Overview and Scrutiny committee providing an update on the progress of the group's recommendations.

Name of Meeting: Cabinet
Date of Meeting: 9 April 2018
Subject Matter: World Rugby Hall of Fame Scrutiny
Originating Department: Brooke Overview and Scrutiny Committee

LIST OF BACKGROUND PAPERS

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



REVIEW OF THE WORLD RUGBY HALL OF FAME

October 2017

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TASK GROUP MEMBERSHIP

The task group consisted of the following members:

Councillor **Kathryn Lawrence** (Chair)
Councillor **David Cranham**
Councillor **Claire Edwards**
Councillor **Anthony Gillias**
Councillor **Bill Lewis**

FOR FURTHER INFORMATION

Please contact:

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Town Centre and Tourism Team Leader
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ACKNOWLEDGEMENTS

The Group would like to thank the following organisations for their valuable contribution to this review:

- Visit England
- Rugby Welsh RFC
- St Andrews RFC
- Old Laurentians RFC
- Rugby Lions RFC
- Wasps RC

The Group are also thankful to the following officers who have supported them throughout the review process:

- Rob Back (Head of Growth and Investment)
- Michael Beirne (Town Centre and Tourism Team Leader)
- Matthew Deaves (Communication, Consultation and Information Manager)
- Victoria Gabbitas (Arts Heritage and Visitor Services Manager)

CHAIR'S FOREWORD

The World Rugby Hall of Fame is an innovative and interactive visitor attraction which focuses on the game of Rugby from its birth to the game as it is played today throughout the world. The development of the attraction has meant a considerable financial investment for Rugby Borough Council. Therefore, it is important that a clear marketing strategy and plan for the attraction be devised and recommended to Council for implementation.

After a very successful launch in November 2016 and widespread interest from local residents and tourists, it became apparent that in order to maintain and improve on visitor numbers, there needed to be a review of progress to date.

The decision to charge an entrance fee for all visitors has resulted in a dramatic decline in visitor numbers.

There has been a very positive response from local residents to "free entry" days and the working party has considered and suggested a number of ways to promote the attraction to visitors.

I would like to thank Michael Beirne, the Town Centre and Tourism Team Leader, for his work in advising the scrutiny group, the officers who have contributed their expertise, the members of the scrutiny group for their experiences and ideas and Veronika Beckova, Democratic Services Officer, for managing to produce the minutes of our meetings.

The scrutiny group's recommendations as set out in this report offer a positive marketing plan and strategy which will enable to the World Rugby Hall of Fame to establish its place in the Town Centre and Tourist Economy.

Councillor Kathryn Lawrence
Chair

1. RECOMMENDATIONS

The scrutiny Group proposes the following recommendations to Cabinet:

1.	To adopt the World Rugby Hall of Fame Marketing Strategy and development of a three year action plan.
2.	To improve visitor numbers by introducing incentives to visit the World Rugby Hall of Fame and gift shop, including: <ul style="list-style-type: none"> • Six free admission days per year • Annual visitor passes • Free or discounted tickets for local rugby clubs • Discount vouchers for the gift shop
3.	To review the current World Rugby Hall of Fame visitor experience including: <ul style="list-style-type: none"> • Meet and greet • Customer service • Queue management for large groups • Capturing information about visitors and their feedback
4.	To recommend a Visitor Economy Working Party review of signage for coach parking and drop off points.
5.	To actively seek sponsorship.
6.	To publish an annual report to Brooke Overview and Scrutiny Committee, providing an update on the Marketing Strategy and action plan, including the recommendations provided in the report.

1.1 Alignment with the Corporate Strategy

The review relates to the following corporate priorities:

GROWTH AND INVESTMENT: Promote and grow Rugby’s visitor economy with our partners

2. OBJECTIVES

2.1 Background

At a meeting of Cabinet on 6 February 2017, it was agreed that Overview and Scrutiny has a clear role in the ongoing operation of the Hall of Fame.

The overview and scrutiny chairs agreed this review should be included in the work programme for 2017/18 and this was approved by Brooke Overview and Scrutiny Committee.

A draft one-page strategy for this review was agreed Brooke Overview and Scrutiny Committee on 6 April 2017. A scrutiny group was appointed and began its work in April 2017.

2.2 The One Page Strategy

The ‘one-page strategy’ is the name given to the scoping document for the review. It defines the task and the improvements being aimed for and how these are going to be achieved. The review’s one-page strategy, revised by the Head of Growth and Investment in June 2017 and agreed by Brooke Overview and Scrutiny Committee on 13 July 2017, is as follows:

What is the broad topic area?

World Rugby Hall of Fame

What is the specific topic area?

For many years it has been an aspiration of the Council to build on the town’s status as the Birthplace of the Game by attracting more visitors to the town. In May 2016 Council agreed the procurement of a four-year license from World Rugby to host the World Rugby Hall of Fame visitor attraction on the 1st floor of the Art Gallery and Museum building in the town centre. The attraction formally opened on schedule on 18 November 2016.

“World Rugby” (formally the International Rugby Board) is the governing body of the game of Rugby Union. The attraction is the first physical embodiment of the Hall of Fame into which greats of the game are inducted.

The Council’s experience in, and operation of, this new visitor attraction is developing and improving however it is necessary to ensure effective ongoing Member engagement with the attraction, specifically with reference to marketing activities and key target markets. The group will be tasked with making recommendations to Cabinet (or the Visitor Economy Working Party) with the overall objective of adopting a marketing strategy and plan for the attraction.

What should be considered?

It is suggested that the group dedicates one meeting to each of the below topics:

1. Community Days – what pattern of free entry days (in line with the decision of Council) should be adopted?
2. Draft Marketing Strategy and Action Plan
3. Partner/Stakeholder Engagement (see “who shall we consult” below)
4. Wrap-up and Recommendations

Who shall we consult?

A selection of the following:

- Head of Growth and Investment/Arts, Heritage and Tourism Team
- Visit England/Shakespeare’s England
- Rugby School
- Wasps RFC
- RFU/Local Rugby Clubs
- Travel and Tour operator(s)
- A comparable visitor attraction to the World Rugby Hall of Fame

How long should it take?

It is suggested that the scrutiny group dedicates one meeting to each of the above topics, taking place in May, July and September.

What will be the outcome?

The scrutiny group will be tasked with making recommendations to Cabinet (or the Visitor Economy Working Party) with the overall objective of adopting a marketing strategy and plan for the attraction.

3. METHODOLOGY

The scrutiny group met four times between April 2017 and October 2017. Their evidence that the group considered included:

- Introductory briefing setting out the context for the review
- World Rugby Hall of Fame Marketing Strategy and Rugby Borough Council Action Plan 2017/18
- External feedback from Visit England, Rugby Welsh RFC, St Andrews RFC, Old Laurentians RFC, Rugby Lions RFC and Wasps RC
- Past and present service structure
- Breakdown of visitor numbers by borough and out of town residents; national and international; schools and other groups
- An analysis, carried out by World Rugby, on a sample of visitor figures between November 2016 and August 201
- Familiarisation Day on 15 November 2017
- Promotional material for the attraction, group tours and secondary school visits

4. FINDINGS

4.1 Introduction and Background

- 4.1.1 For many years it has been an aspiration of the Council to build on the town's status as the Birthplace of the Game by having a world class visitor attraction here in the town. In May 2016, Council agreed to the procurement of a four-year licence from World Rugby to host the World Rugby Hall of Fame visitor attraction on the 1st floor of the Art Gallery and Museum building in the town centre.
- 4.1.2 "World Rugby" (formally the International Rugby Board) is the governing body of the game of Rugby Union. World Rugby has the intellectual property rights to the Hall of Fame into which greats of the game are inducted. The attraction hosted here in Rugby will be the first physical embodiment of the Hall of Fame.
- 4.1.3 The Hall of Fame opened on Thursday 18 November. The opening day and the first inductions to the new Hall of Fame were hugely successful and created a wide spread media and public attention. The opening weekend incorporated a range of family activities attracting more than 1,000 visitors to the attraction.
- 4.1.4 The entrance and foyer to the Rugby Art Gallery and Museum building has been dramatically improved. The new Visitor Centre and Gift Shop creates a focus for all visitors to the building. Operation of the café will be subject to formal tender later in the year to ensure the best offer for visitors and the best value for money for the Council.
- 4.1.5 The new gift shop has seen a significant improvement in our ability to display merchandise, an increased sales area and a large range of branded World Rugby Hall of Fame stock. The branded stock is supplied by World Rugby with the Council taking a proportion of all sales.
- 4.1.6 The revised external signage to the building has been implemented to now include iconic World Rugby and Hall of Fame branding. The lamppost banners and temporary pedestrian signage in the town centre will remain in place indefinitely. Wider road and tourism signage is being reviewed with relevant sections of Warwickshire County Council.

4.2 Free Community Days

As part of the Council's commitment to the residents of the borough, six free community days were agreed by the scrutiny group to enable residents to enjoy free access to the attraction:

- 1 Sundays during the Rugby Festival of Culture (end of June/beginning of July)
- 1 Sunday during the Heritage Open Days (beginning of September)
- additional Sundays allocated throughout the year

Officers are in charge of producing a detailed calendar.

4.3 World Rugby Hall of Fame Marketing Strategy and Rugby Borough Council Action Plan 17/18

4.3.1 Introduction and content

In November 2016, the World Rugby Hall of Fame opened on the first floor of the existing Rugby Art Gallery and Museum. It required an investment of £1.2 million from Rugby Borough Council and provided a legacy for the town's Rugby World Cup 2015 events programme. The newly developed relationship with the sport's governing body is helping Rugby promote its USP as the birthplace of the game to a greater extent than has been previously possible.

The attraction itself provides a highly interactive experience and uses the latest HD touch-screen technology. Visitors take an inspirational journey through time using the latest HD touch-screen technology, from the game's humble origins to its global present played by 7.73 million men, women and children.

The purpose of this document is to outline ways the Council will promote the attraction through new or existing channels, at varying local, regional and national levels. It is based on and considers a higher level strategy, produced by World Rugby who will also deliver a range of marketing activities through their global channels – for reference, this covers the below:

- PR opportunities such as quarterly announcements surrounding details about induction/events/artefact donations at the WRHOF.
- Bi-annual events in the Art Gallery including the annual induction ceremony taking place in November and other 'talk' series which profiles an inductee and/or panel member.
- The World Rugby Hall of Fame will be the future starting location for all future Men's, Women's and Sevens Rugby World Cup Trophy Tours.
- Integration into larger international event such as the World Rugby Awards and Rugby World Cup.
- Website, World Rugby TV and social media channels to a broad international audience, including paid promotions.
- World Rugby databases will be leveraged to communicate new news to subscribers at least once per quarter.
- Offers for all World Rugby Tournament ticket holders.
- Annual refreshes of the exhibition itself to ensure it remains relevant, newsworthy and entertaining, as well as driving repeat visits.
- The development of a new video promoting the attraction and wider Rugby Town offer.

4.3.2 Mission Statement

To promote an interactive, interactive and immersive state-of-the-art visitor attraction; the only physical place in the world to experience rugby's greats and the moments that defined the sport.

4.3.3 Objectives

The three objectives below each focus on different elements of the World Rugby Hall of Fame; the standard visitor offer, group packages and the education programme. Specific

target markets and marketing tactics are described in more detail throughout this document.

- Increase the number of visitors in to the World Rugby Hall of Fame in the 17/18 financial year.
- Encourage groups and organisations to visit the attraction through structured packages incorporating the wider Rugby Town offer, with the number of people signing up to these representing 20 per cent of total annual visitors.
- Deliver an education programme for all key stages including additional activities within the Rugby Art Gallery and Museum building increasing the number of schools and pupils in the 17/18 academic year.

4.3.4 Target Markets

There are several key target markets to promote the World Rugby Hall of Fame – outlined below. For each of these, marketing activities will be delivered at varying local, regional, national and international levels.

- Rugby supporters and clubs – people interested in the game, fans of neighbouring regional clubs and communities activity engaged with Warwickshire based clubs.
- Families – linking to other events and activities taking place in the town, including specifically within the Rugby Art Gallery and Museum building.
- Tourists – day trips or those visiting nearby locations in the Midlands.
- Groups and organisations – promoting packages incorporating the wider Rugby Town offer.
- Schools – promoting the Education Programme and directly through schools to encourage parents to also visit the attraction.

4.3.5 Tactics

The following integrated marketing activities will be delivered to achieve the objectives of this marketing plan including a full schedule of timescales, budget and catchment areas.

- Promotion directly through the 55 local rugby clubs located in Warwickshire with the support of the RFU and selected regional clubs starting during the 17/18 season. This will include programmes, fixture cards and websites alongside pitch-side opportunities.
- Paid digital marketing campaigns during the start of the 17/18 season, Six Nations and Autumn Internationals. These will target rugby supporters and families within a 1.5 hour drive of Rugby.
- Developing a Community Partnership with Wasps and activation in the fanzone at the Ricoh Arena on match-days (full proposal from the club expected).
- Radio advertising through the Rugby, Coventry and Warwickshire Quidem Group networking covering two six week periods (Six Nations and Summer Holidays).
- Linking to the town centre events programme including Bikefest, St George's Day, Festival of Culture, Food and Drink Festival and the Christmas lights switch-on event. These will provide a number of opportunities including coverage in marketing materials, social media activity, promotion of group tours and special offers.
- Community days – approximately six free days during the year when admission to the attraction is free. Some of these will coincide with the town's heritage open days and wider events (details to be confirmed).

- Leaflet distribution throughout high footfall transport and travel destinations e.g. airports, train stations and motorway services within the Midlands.
- Internal rail or bus advertising on routes across the Midlands – these will cover two six week periods (Six Nations and Summer Holidays).
- Offers and discounts at specific times during the year linked to ‘The Rugby Town’ 17/18 marketing calendar.
- Direct marketing to tour operators – using the Visitor Information Centre as a main point of contact, group packages and the promotional video developed by World Rugby.
- Attending trade shows to establish links with tours operators including Best of Britain and Ireland and Explore GB in addition to the World Rugby Conference and Exhibition.
- Networking events – targeting the local business community to promote group packages and hospitality.
- E-newsletters and direct marketing to schools using existing networks and contacts.

4.3.6 ‘The Rugby Town’ 17/18 marketing calendar

In addition to this document, a separate marketing plan has been developed for the town centre. This includes a new brand, ‘The Rugby Town’, providing modern design elements to be used for a website, offers and promotions, social media activity, offers and promotion, mailshots, events, advertising, printed publications and campaigns associated with the free town centre Wi-Fi network. These activities will be driven by the below 17/18 marketing calendar. In the same way that World Rugby will use a number of existing channels to promote the World Rugby Hall of Fame, the Council will do the same through its wider activities.

Month	Primary focus	Secondary focus
April	St George’s Day	Easter Holiday activities Upcoming @BENN Hall
May	Bikefest	Rugby Collection Night at Your Museum
June	Festival of Culture	Summer offers Upcoming @BENN Hall
July	Summer Holiday activities	-
August		-
September	Food and Drink Festival	Autumn offers
October	Autumn Half Term activities	-
November	Lights switch-on	Rugby Open Hall of Fame induction
December	Christmas	Winter offers
January	Rugby Open	‘The Year Ahead’
February	Valentines	Spring Half Term activities
March	Mother’s Day	Spring offers

In addition to the town centre marketing plan, a number of projects are being delivered to develop Rugby as a visitor destination – this includes:

- The development of a Destination Management Partnership involving organisations, businesses and attractions with an interest in promoting Rugby’s tourism offer.

- Customer service programmes to enhance the visitor experience at the World Rugby Hall of Fame, Rugby Art Gallery and Museum, Visitor Centre, gift shop and café.
- Improvements to signage in and around the town alongside better promotion of coach parking facilities.
- Volunteer opportunities to support the town centre events programme and World Rugby Hall of Fame group packages.

4.3.7 Schedule

The Council will oversee the delivery of the below marketing activities in partnership with World Rugby (including financial contributions). Because most of the tactics in this marketing plan are focused on local and regional audiences, with some exceptions, it also provides a clear distinction between the promotional remit of for the Council compared to World Rugby's activities on a global scale. Importantly, the World Rugby Hall of Fame brand and asset guidelines will need to be adhered to at all times.

Tactic	Target market	Catchment	Timing
Promotion through rugby clubs	Rugby supporters and clubs	Warwickshire and region	August – April
Digital marketing activities	Rugby supporters and clubs, families, tourists	1.5 hour drive of Rugby	Start of the 17/18 season, Six Nations and Autumn Internationals
Unpaid social media campaigns	Rugby supporters and clubs	Warwickshire and region	August – April
Wasps community partnership	Rugby supports and clubs, families	Coventry and wider fan base	August – April
Radio advertising	Rugby supporters and clubs, families	Rugby, Coventry and Warwickshire	Six Nations and start of 17/18 season
Rugby Town Events programme	Rugby supporters and clubs, families, tourists	Rugby and Warwickshire	See 'The Rugby Town' 27/18 marketing plan
Leaflet distribution	Rugby supporters and clubs, families, tourists	Midlands	Ongoing
Rail or bus advertising	Rugby supporters and clubs, families, tourists	Midlands	Six Nations and stars of 17/18 season
Direct marketing to tour operators	Tourists	Regional, national and international	Ongoing
Trade shows and exhibitions	Tourists	Regional, national and international	Best of Britain and Ireland, Explore GB, WR Conference and Exhibition
Networking events	Groups and organisations	Local Businesses	Ongoing
E-newsletters and direct marketing to schools	Schools	Rugby and Warwickshire	Key schedule planning periods

4.3.8 Monitoring and key performance indicators

The success of the marketing plan will be measured and evaluated in a number of ways – outlined below.

- Visitors will be asked ‘how did you found out about us’ at point of sale, either online or at the Visitor Information Centre. Options on Sports Booker, the customer relationship management system, will need to be updated and reflect the different tactics being delivered.
- Further consideration of how to evaluate the impact of specific tactics will be needed, each time a campaign is developed, include unique discounts or offers.
- Methods for collecting and monitoring customer feedback will also need to be established.
- Weekly reports on visitor numbers broken down by demographics and type of visitor will be provided by Rugby Borough Council.
- On a quarterly basis, a more detailed report, evaluating the effectiveness of specific campaigns and providing recommendations for future marketing activities will be produced.

4.4 External feedback

4.4.1 Visit England – opportunities for promotion/collaboration

Visit England are happy to consider targeted promotion of the World Rugby Hall of Fame, subject to appropriate campaign themes and alignment with current objectives at the time. Support could include social media and online support, inclusion in “What’s new” documents and PR campaigns, and pitching to relevant media at meetings and appropriate briefings.

Visit England’s response is supportive but illustrates the difficulties in establishing a potential collaboration. Visit England campaigns are generally thematic and we would need to demonstrate alignment with a campaign in order to feature. This approach was very successful during Rugby World Cup 2015, culminating in an accompanied visit of approximately 90 international journalists.

4.4.2 Local Rugby clubs

On Thursday 24 August, the Tourism and Town Centre Team Leader met with local rugby clubs. Four clubs attended the meeting - Rugby Welsh, St Andrews, Old Laurentians RFC and Rugby Lions. A number of opportunities for joint promotion were discussed and can be summarised as:

- Local rugby clubs would appreciate the opportunity to be involved more widely in the annual induction ceremony.
- In particular the opportunity for rugby communities to interact with players and personalities at the event was highlighted.
- Other ideas included holding other events within the town on the same day of the induction, for example a skills session on The Close with a famous player or inductee.

- Rugby clubs would welcome free admission days during the year for their supporters or players. Additional activities could be organised in the building such as registration days to increase footfall.
- Club secretaries are the best route to engage with opposition teams and supporters who may be visiting the town during the season. Rugby-based clubs would be happy to communicate promotional materials or special offers to attract this target market.
- Programmes or pitch side advertising could be offered in exchange for some of the above activities.

4.4.3 Wasps RFC

For the 17/18 rugby season, a community partnership has been established with Premiership rugby club, Wasps RFC, who are based at the Ricoh Arena. The team have experienced high levels of success since their relocation to Coventry in 2014 and are attracting a growing fan base in the region. The agreement with the club provides the following benefits:

- Access to big screens in the stadium and match-days fanzone to screen the Rugby FM film for the World Rugby Hall of Fame. Match-day attendance during the 16/17 season was 323,000 with an average of 5,000 people visiting the fanzone for each game.
- Leaflet distribution through a Community School Program which has so far reached 10,000 school children in 2017.
- Inclusion in two e-shots during the season to a databased of 60,000 supporters.
- A partner in the Wasps Buzz Points loyalty programme. This allows fans to gain credit points through purchasing season tickets, attending games, purchasing additional tickets and making purchases at the club store. These points can then be redeemed via discounts with attractions such as Warwick Castle and Sea Life Centre.
- Inclusion in the suggested itinerary for groups visiting the stadium for tours and match-day experiences.

4.5 Analysis on a sample of 5,186 visitor figures between November 2016 and August 2017

Admission

75% = Free Admission

14% = Paid Admission

11% = Unknown (no date provided)

Gender

49% = Male (also includes those who said Mr and Mrs)

30% = Female

21% = Unknown (first initial or no/invalid name provided)

Country of Residence

72% = UK

9% = International (top three countries = New Zealand, Australia and South Africa
*opportunity for future tours)

19% = Unknown (although based on postcode, majority UK)

How did they hear about us?

29% = Live in area

26% = Unknown (did provide response)

16% = Word of Mouth

10% = Local Press

<1% = Street Signs, Website, Social, Other, Leaflet, Building Signs, RAGM attractions, Other, Search Engine, TripAdvisor

Promo Information via email?

4926 = No

259 = Yes

4.5 Travel Trade and Group Tours

Group Visits

- *Bronze Package* – cost: £5 per person, minimum: 15 people per group, duration: 45 to 60 minutes – this is a self-led visit to the WRHOF.
- *Silver Package* – cost: £10 per person, minimum: 15 people up to maximum of 35 per group with groups of more than 35 people being met by two Town Guides, duration: 2 hours 30 minutes – the package includes the tour of the WRHOF, the Webb Ellis Rugby Football Museum and a historic walking tour of Rugby.
- *Gold Package* – cost: £22.50 per person, minimum: 15 people up to maximum of 35 per group with groups of more than 35 people being met by two Town Guides, duration: 4 to 5 hours – the package incorporates the Silver Package and a Tour of Rugby School and is operational during term time if booked in advance.

Secondary School Visits – Key stage 4, 5 and 6

- *World Rugby Hall of Fame Visit* – maximum of 35 students bookable on the day. £45 per group or £5 per student for small groups.
- *World Rugby Hall of Fame Museum Tour* – advanced booked tour with a staff member and activities. £45 per class. Maximum of 35 pupils per tour. Duration: 45 minutes.

5. CONCLUSIONS

The scrutiny group drew the following conclusions from the evidence that it gathered:

- *The following incentives and offers are to be considered:*
 - *'one off' purchase of an entry ticket with free return for a year*
 - *10 per cent off at the gift shop vouchers*
 - *2 for 1 on the back of an admission ticket*
 - *rugby football clubs to receive free admission tickets on occasions such as an induction or match games*
- *The gift shop and the local offer is currently under review. The Hall of Fame stock will remain the same as per the agreement with World Rugby.*
- *Continue to actively engage with tour operators to promote the attraction. A familiarisation event will be held in mid-November for tour operators to visit Rugby and to see what is on offer.*
- *Following a meeting of the Tourism and Town Centre Team Leader and local rugby clubs, the feedback will be presented to World Rugby.*
- *Explore opportunities to align promotion with an upcoming Visit England campaign, and host familiarisation visits as required.*
- *Monitor the impact of the Wasps community partnership and look at further opportunities to work together in the future.*
- *A recommendation will be made to the Visitor Economy Working Party to look at the signage for coach parking and drop off points for the Hall of Fame.*
- *Lamp posts' signage to be reviewed each year following an induction.*
- *Signage to the Hall of Fame and the visitor welcome to be reviewed to improve the overall visitor experience.*
- *Rugby Art Gallery and Museum has introduced a project to encourage new volunteers, a new way of managing them and measuring their value. Appropriate training for volunteers is required to improve operation of the attraction.*
- *A way of capturing information about visitors and feedback, other than the visitor book, is to be considered. This could include an electronic device with a short questionnaire or a push button customer feedback device.*
- *The sponsorship position remained unchanged during the review. It's important to continue pursuing sponsorship.*
- *Recommendations and related actions will also be uploaded to the Rugby Performance Monitoring System to allow members to monitor ongoing progress.*
- *A report on the outcomes of the review will be submitted for consideration to Brooke Overview and Scrutiny Committee in December 2017 and to Cabinet in January 2018.*

AGENDA MANAGEMENT SHEET

Report Title: Asset Management Strategy 2018-2023

Name of Committee: Cabinet

Date: 9th April 2018

Report Director: Head of Corporate Resources and Chief Financial Officer

Portfolio: Corporate Resources

Ward Relevance: All

Prior Consultation: SMT, Asset Management Group.

Contact Officer: David Collins (Property Manager)
(01788) 533846:
email:david.collins@rugby.gov.uk

Public or Private: Public

Report subject to Call-In: Yes

Report En-Bloc: No

Forward Plan: Yes

This report relates to the following priorities:

Corporate Priorities:

CORPORATE RESOURCES-

- Optimise income and identify new revenue opportunities
- Prioritise use of resources to meet changing customer needs and demands
- Ensure that the council works efficiently and effectively

COMMUNITIES AND HOMES-

- Ensure residents have a home that works for them and is affordable
- Understand our communities and enable people to take an active part in them

ENVIRONMENT AND PUBLIC REALM –

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

GROWTH AND INVESTMENT –

- Promote sustainable growth and economic prosperity
- Promote and grow Rugby's visitor economy with our partners

Statutory / Policy Background:

The current Asset Management Strategy (AMS) is out of date and a new Asset Management Strategy is recommended best practice by The Ministry of Housing, Communities, and Local Government, (MHCLG) and The Royal Institution of Chartered Surveyors (RICS)

Summary:

To set the overall principles of an asset management strategy for the next 5 years.

Financial Implications:

An Asset Management Plan (AMP) will be developed from the AMS which will be considered alongside future capital and revenue budgets.

Risk Management Implications:

To be considered later at project level

Environmental Implications:

To be considered later at project level

Legal Implications:

To be considered later at project level

Equality and Diversity:

Equality and diversity impact has been completed and is included as annex 2 of the strategy

Options:

Asset Management principles are set out in the Asset Management Strategy (AMS). Project options will be considered at a later stage in the Asset Management Plan and within individual project options appraisals

Recommendation:

IT BE RECOMMENDED TO COUNCIL THAT -

- (1) the Asset Management Strategy 2018 to 2023 be approved; and
- (2) a Cabinet led cross party joint members/officers working group be established to determine a detailed Asset Management Plan (AMP).

Reasons for Recommendation:

To provide a framework to determine future Asset Management Principles and help determine the specific Asset Management Plan

Cabinet - 9th April 2018

Asset Management Strategy 2018 to 2023

Report of the Head of Corporate Resources and Chief Financial Officer

Recommendation

IT BE RECOMMENDED TO COUNCIL THAT -

- (1) the Asset Management Strategy 2018 to 2023 be approved; and
- (2) a Cabinet led cross party joint members/officers working group be established to determine a detailed Asset Management Plan (AMP).

1. Introduction

The previous Asset Management Strategy (AMS) helped enable the delivery of very notable projects within the Borough including a new Crematorium and a new Leisure Centre.

The new AMS now sets out a vision and asset principles for both the housing stock and corporate assets (the previous strategy concentrated on corporate assets only).

The AMS will set out parameters within which council property officers will operate and set priorities for their work plans over the next five years.

The value of expenditure on enhancing maintaining and running the Council's built assets is very significant second only to staffing costs. Ownership of land and property is also a potential income and capital generator. Therefore, efficient and effective asset management is vital to ensuring that the assets held by the Council are appropriate in enabling the delivery of its strategic objectives.

Guidance by The Royal Institution of Chartered Surveyors on the preparation and benefit of an AMS has largely remained in place now for ten years but was updated in 2012 in the following publications:

Local Authority Asset Management Best Practice 2012

RICS Public Sector Asset Management Guidelines 2012

The new Asset Management Strategy 2018 to 2023 is prepared based on these publications and sets out asset principles to be followed to develop a robust Asset Management Plan (AMP).

The AMP will set out the projects to be implemented under the strategy and allows for overall consideration of project priorities, and both monetary and staff resources to deliver these projects.

The AMP will be based on the principles contained in the strategy and will be developed by a Cabinet led cross party joint officer/member working party. The terms of reference will be agreed by the group with the over-riding target to complete an agreed AMP by the end of October 2018.

2. Asset Management Strategy

The detailed asset management strategy 2018 to 2023 is attached as appendix 1.

It is set out to cover the following topics:

Context for Rugby

General Fund Properties

Housing Fund Properties

Financial Impact

Links to other strategies and objectives

Organisational arrangements for asset management

Performance management and monitoring

Asset Management Principles

The monitoring of asset management

Review and Updating Arrangements

Current Projects are included in a schedule within Annex 1 of the strategy

An equality impact assessment is included as Annex 2 to the strategy

3. Working Party

It is proposed that a Cabinet led cross party joint members/officers working group be established to determine a detailed Asset Management Plan (AMP).

This group will agree its own detailed terms of reference which will include its scope and individual responsibilities to produce the AMP. The required outcome is a detailed AMP which will include individual project milestones and timelines.

The production of a proposed AMP is the end of October 2018.

The group will also consider and make recommendations on the resources (both staff and monetary), required to implement the proposed AMP.

4. Conclusion

Agreeing and documenting asset management principles in a strategy is the first step in developing a robust action plan for what is a significant resource held by the Council.

The production of a robust asset management plan is the second step to managing the council assets to the optimum benefit of the council.

Therefore, the recommendations to approve the strategy and establish a Cabinet led cross party joint officer/member working group.

Name of Meeting:
Cabinet

Date of Meeting:
9th April 2018

Subject Matter:
Asset Management Strategy

Originating Department:
Property Services/Corporate Resources

List of Background Papers

There are no background papers relating to this item.

Asset Management Strategy 2018-2023

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Annex Contents

Annex 1	Asset Management Strategy Current Projects
Annex 2	Equality Impact Assessment/Analysis

Foreword

A new Asset Management Strategy (AMS) provides an exciting opportunity to plan, recognise and celebrate the success of the great buildings and communities we have in Rugby and to look forward to some future spaces and buildings we may create.

Some recent examples of projects include



Rugby Hall of Fame



Rainsbrook Crematorium



Swimming Pool at the Queen's Diamond Jubilee Leisure Centre

Other recent achievements include:

- *Regeneration of 39 less popular homes in Hillmorton and replacement with 23 new homes, which are in high demand.*
- *Energy efficient initiatives; installation of solar PV's on some of our corporate buildings/ external wall insulation in some of our housing properties.*
- *Completion of the legal agreement and commencement of the new doctor's surgery and community building in Brownsover Dec 2017.*
- *Exchange of contract on 40 affordable homes in Cawston and Gateway North 2018.*

Such projects have improved our asset base and assisted in the development of the Town and Borough.

The AMS facilitates the delivery of the Corporate Strategy, "to optimise the use of our land and assets" and take a commercial approach in the management of those assets and resources where appropriate.

The AMS sets out the high-level integrated vision of the Council's approach to all its property assets both operational buildings/land held in the General Fund (GF) and affordable housing/land held in the Housing Revenue Account (HRA).

This vision will be supplemented by an Asset Management Plan (AMP), which will be drafted once the AMS is agreed. The AMP will set priorities for individual projects timescales and a resource work plan for implementation of individual projects. The AMP will be a product of a joint officer/member working group and will be based on the principles and project list detailed in this AMS in section 7,8 and annex 1.

It is an exciting time in Rugby for asset management as we:

- Have a new Local Plan going through the adoption process – which will set our vision for development and growth of the borough for the next 30-years.*
- Work with private developers, property advisors and registered provider partners to increase the supply of housing, utilise land holdings, develop and make best use of our property assets and public buildings.*

We aim to take a commercial view of our assets and seek innovative commercial solutions where appropriate, but above all to ensure our assets meet the needs of its customers and the organisation and are utilised and managed efficiently and effectively.



*Cllr Carolyn Robbins
Portfolio Holder –
Corporate Resources*



*Mannie Ketley
Head of Corporate
Resources and
Chief Financial Officer*



*David Collins
Property Services
Manager*

1.0 Introduction

The value of expenditure on enhancing, maintaining and running Rugby's assets is very significant, second only to staffing costs of the Council. Ownership of land and property is also a potential income and capital receipt generator.

Therefore, efficient and effective asset management is vital to ensuring that the assets held by the Council are appropriate in enabling the delivery of its strategic objectives.

The previous Asset Management Strategy covered the period 2009 to 2013. This has been completely reviewed and rewritten. The previous strategy formed the basis of the redevelopment of the new leisure centre, new crematorium, and is therefore illustrative of the value of such a strategy.

Having an up to date asset management strategy is considered best practice and is recommended by the Royal Institute of Chartered Surveyors (RICS). The most recent guidance is contained in the following publications which have been considered in the preparation of Rugby's strategy:

- Local Authority Asset Management Best Practice 2012 (RICS).
- RICS Public Sector Property Asset Management Guidelines 2012.

Current guidance puts more emphasis on the customer (internal and external) and specific project plans for individual identified sites, therefore these principles have been followed in the preparation of this strategy.

The Council's Asset Management Strategy is intrinsically linked to other Council strategy documents including:

- Corporate Strategy 2017-2020.
- Housing Strategy 2018-2020.
- Housing Acquisition and Disposal Strategy 2017.
- Medium Term Financial Strategy 2018 – 2020.

The draft Local Plan for the area prepared by the Council's Planning department also has an influence on the Asset Management Strategy (AMS) and Asset Management Plan (AMP).

The Strategy is intended to help optimise the deployment and utilisation of land, buildings and other assets to support delivery of front line services including operational buildings such as the Town Hall and the provision of social housing to meet the objectives set out in the Council's Housing Strategy.

This is set against a background of ever tightening and unpredictable funding.

The Strategy set out principles to be followed in the preparation of the AMP. The AMP will follow on from this strategy and will be based on a cabinet led cross party working group with officers, which will determine priorities and timescales that will ultimately assist in determining the level and mobilisation of both physical labour and financial resources.

Once the AMP is agreed, the implementation of the plan will remain the responsibility of the Senior Management Team and the Property Manager will be the lead officer responsible for delivery. Furthermore an asset management group of council officers representing all portfolio's will assist the co-ordination and communication of the strategy and plan and integration with other Council strategies and plans. Individual Project Boards headed by a member of SMT will be instigated for all projects more than £2M.

2.0 The Context for Rugby

2.1 General Fund Properties

The Council has a relatively small and diverse corporate asset portfolio, including a range of properties, car parks, parks, playing fields and allotments. There are some 40 buildings, ranging from the large and modern such as the Rugby Art Gallery and Museum, to the small and old such as toilet and changing room blocks. The portfolio includes the Town Hall, Queen's Diamond Jubilee Leisure Centre and Works Depots at Hunters Lane and Albert Street as well as a small number of properties leased to charitable organisations.

The Council also has a number of land holdings in the form of small to large plots of land (0.1 acre to 3 acres) around the Borough. It has used these land holdings to promote regeneration and to generate capital receipts or rental streams in the past. Given reducing revenue budgets it is now considered a priority.

Generally, the Borough consists of a main population centre of Rugby Town with outlying rural villages. Rugby is a market town with a history of near full employment largely based on its industrial roots but with a new emergence of jobs based in the logistics\distribution industry. There are however some hot spots of low income population and deprivation around the Borough which are highlighted in the LSP's Rugby Regeneration Strategy 2016 to 2019.

2.2 Housing Properties

The Council owns and manages a retained housing stock of approximately 3,800 properties.

There are a number of issues at a national and more local level which impact on the development and delivery of the Housing Strategy, but these are examined in the Council's Housing Strategy 2018 to 2020 and are not re-examined in this strategy

The Housing Strategy 2018- 2020 sets out the overarching objective to

Work with partners to identify, meet and sustain the housing needs of the people of Rugby

This is supported by three core priorities:

- 1. Helping people to access a suitable high-quality home, that meets their needs, at a price they can afford***
- 2. Making the best use of the Borough's current and planned housing supply***
- 3. Helping people to acquire the skills, information and support that they require to be self-reliant and achieve healthier outcomes***

The aim of the Asset Management Strategy is to enable asset management principles to support and help deliver the Housing Strategy. The emerging Housing Revenue Account business plan will have close links to the AMS and the aim will be to ensure that housing assets are best placed to meet current and emerging housing needs over the thirty-year lifespan of the business plan.

Close co-ordination and communication will be maintained between the Corporate Resources and Communities and Homes portfolios. Lead officers responsible are the Property Services Manager and Communities Projects Manager.

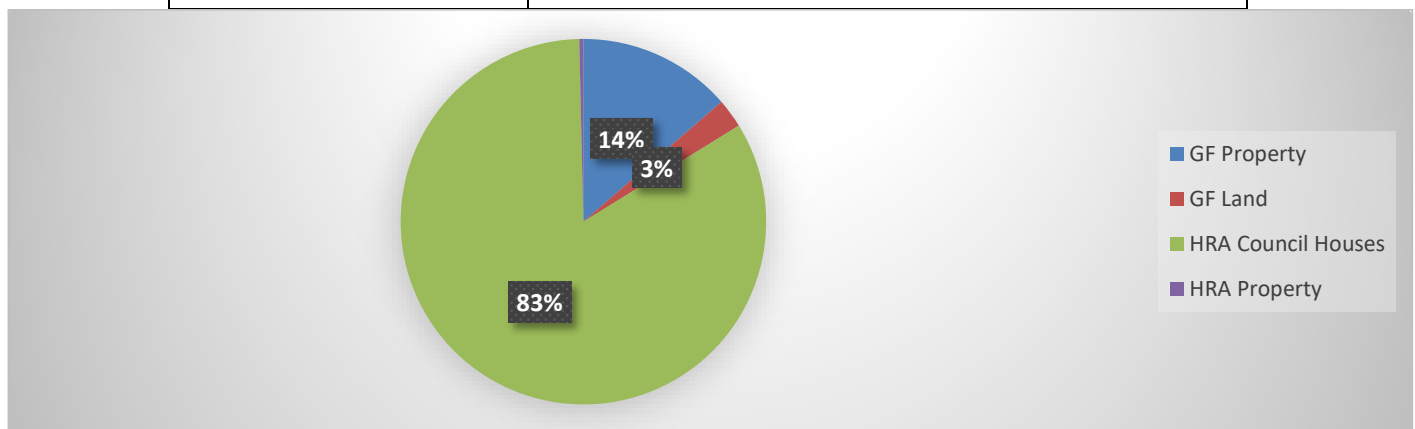


External Wall Insulation Project at Long Lawford

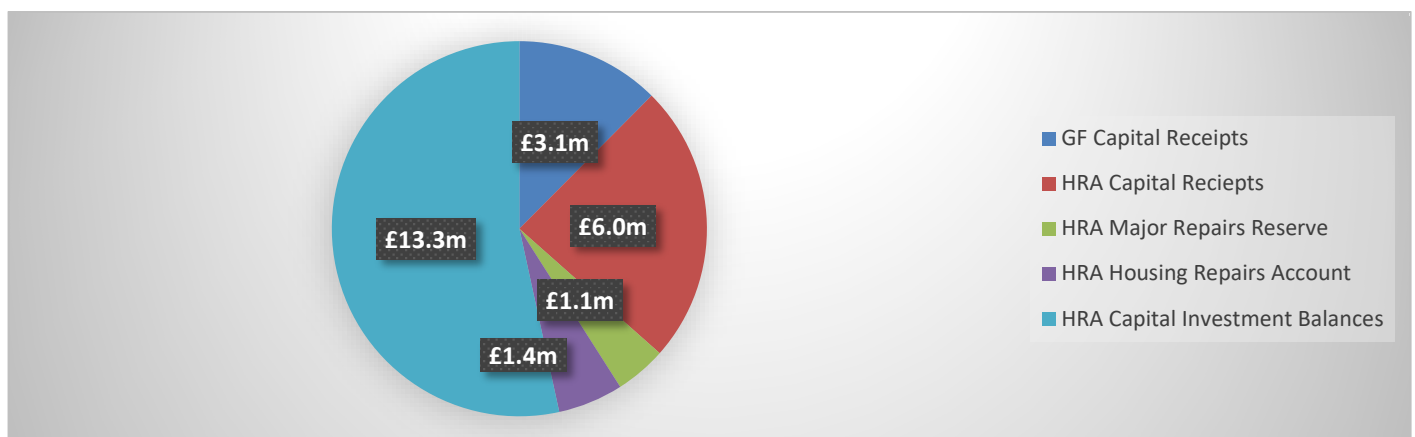
3.0 Financial Impact

The following table and chart shows how our property assets are split between the General Fund and Housing Revenue Account:

Property	£m
GF Property	29.8
GF Land	5.6
HRA Council Houses	182.4
HRA Property	0.8



As part of the Asset Management Plan, condition information will be obtained for all of our assets enabling identification of financial resources required for investment in maintenance and enhancement. The following chart shows current resources available for this, however it is expected additional resources beyond those shown below are likely to be required and in the context of our medium term financial strategy, decisions would be made further down the line on whether those come from revenue sources or borrowing.



4.0 Links to other Council Strategies and Objectives

The diagram below illustrates the relationship between asset management and wider Council influences and the difference between the Asset Management Strategy and Asset Management Plan.

Figure 1: How asset management plans fit into the wider picture
(RICS Asset Management Guidelines 2008)

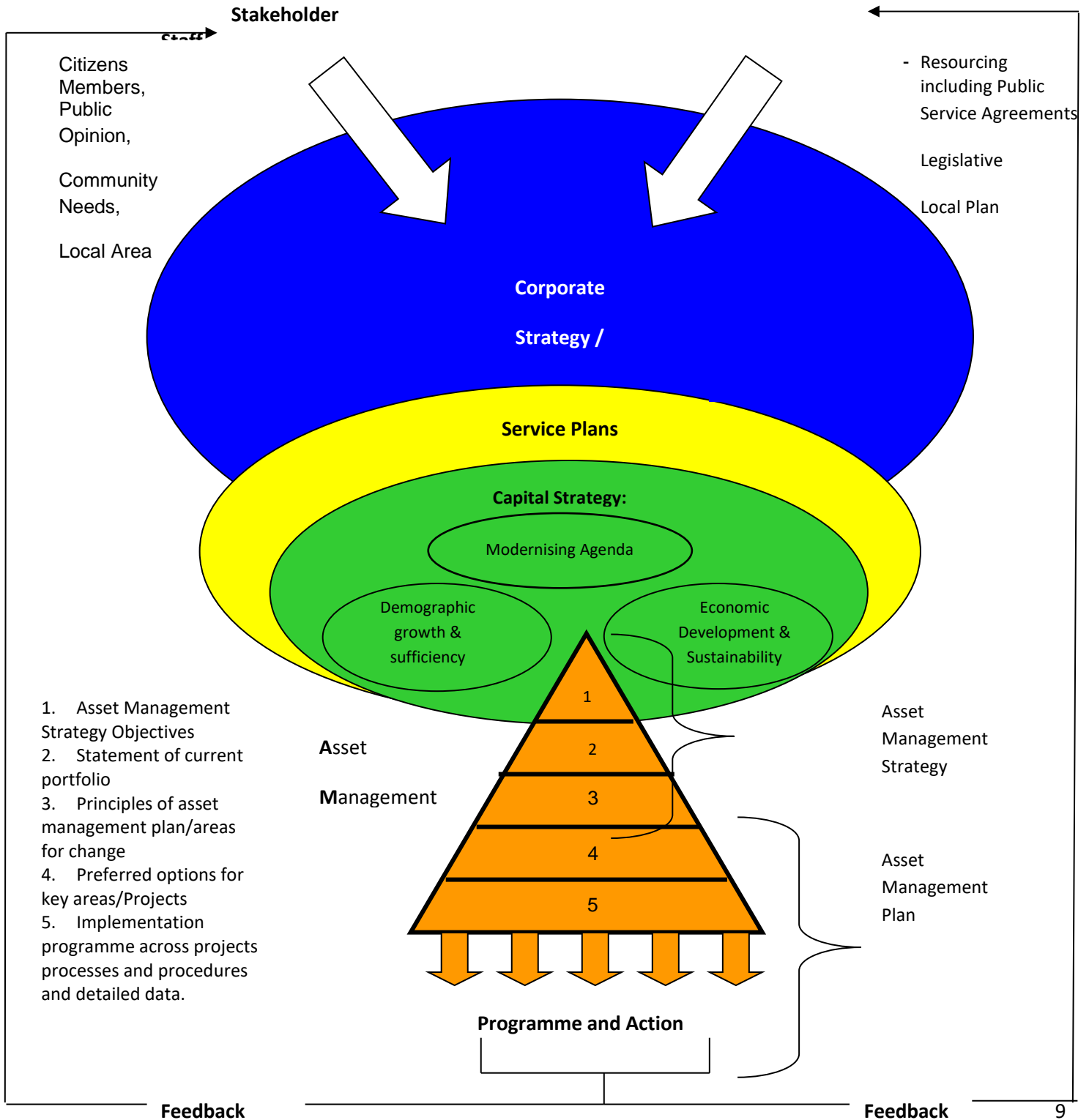
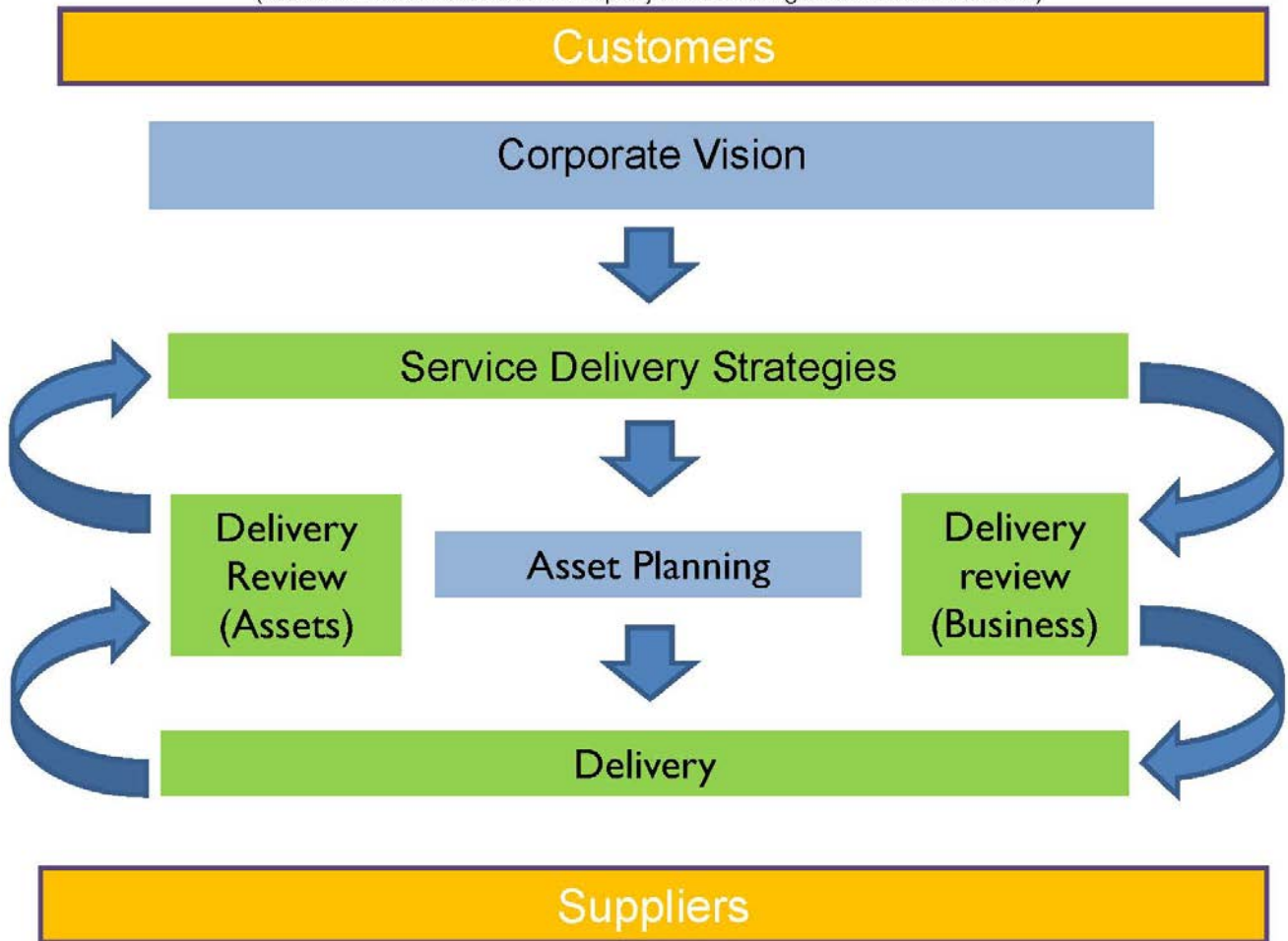


Figure 2: Asset Management Process Map

Asset Management Strategy Process Map

(based on RICS Public Sector Property Asset Management Guidelines 2012)



The Asset Process map in Figure 2 above illustrates how best practice asset management service feeds into service plans.

4.1 The Corporate Strategy 2017-2020

The overarching Corporate Priorities for the Council for 2017-20 are to:

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

The objectives for the Corporate Resources Portfolio are:

4. Optimise income and identify new revenue opportunities
5. Prioritise use of resources to meet the changing customer needs and demands
6. Ensure that the council works efficiently and effectively

The objectives for the Communities and Homes Portfolio are:

7. Ensure residents have a home that works for them and is affordable
8. Deliver digitally-enabled services that residents can access
9. Understand our communities and enable people to take an active part in them

The objectives for the Environmental and Public Realm Portfolio are:

10. Enhance our local open spaces to make them places where people want to be
11. Continue to improve the efficiency of our waste and recycling services
12. Protect the public



Caldecott Park

The objectives for the Growth and Investment Portfolio are:

13. Promote sustainable growth and economic prosperity
14. Promote and grow Rugby's visitor economy with our partners
15. Encourage healthy and active lifestyles to improve wellbeing within the Borough

These objectives have been considered and integrated into the list of projects within the Asset Management Action Plan. As noted previously the priority timing and resourcing of the action plan will follow on from the Asset Management Plan and the final version will be agreed by a Cabinet led cross party officer/member working group.

4.2 The Local Plan (The Rugby of the Future)

In summer 2017, the Council submitted its Local Plan to the Planning Inspectorate for approval, with a decision expected in early 2018. The Plan sets out the vision for Rugby through to 2031 and the main points regarding the Council's own Asset Management Plan are as follows:

- In 2031, Rugby will be a place where the community has worked together to create a Borough where people are proud to live, work and visit
- Strong links and relationships within the Coventry and Warwickshire sub-region and neighbouring East Midlands authorities will be maintained and strengthened
- Rugby Town Centre will be a prosperous and attractive town centre which complements and connects to the retail parks on Leicester Road, offering a wide range of shops, leisure and entertainment opportunities to those who visit alongside the businesses, public services and new homes that serve local residents
- The economy will be strong and provide a range of high quality employment opportunities suitable for the whole community, which will in-turn be supported through excellent links to local schools, Warwickshire College and local universities
- Most of the new sustainable housing and employment development will be focused on Rugby's urban area. Sustainable growth of main rural settlements will also take place to meet the housing needs of the rural population and provide support for rural infrastructure and services. Infrastructure to support growth will be phased into developments in such a way to ensure impacts are properly mitigated
- All Borough residents will have the opportunity to live in decent homes that they can afford through the provision of a variety of housing that meets the needs of all sectors of the community. Those areas within the Borough in need of regeneration will have focused attention to ensure improvement
- The Borough's local neighbourhoods will each have local services, community facilities and usable public spaces. Residents within the Borough will be well connected by a sustainable public transport system, incorporating excellent rail and bus links to ensure access to employment, health and local services, and a network of footpaths/cycle paths providing pedestrian links to local facilities and the open countryside
- The sustainable growth of the Town and Borough to meet the needs of the community will be balanced with protection and enhancement of the Borough's historic environment and existing natural assets through the creation of a strategic green infrastructure network. Development will be accommodated in ways that reduces our carbon footprint as well as protecting and enhancing the area

There are obvious and clear links between the objectives of the Local Plan and the Housing Strategy and new Asset Management Strategy. From an economic development perspective, the prosperity that the Borough seeks does rely on sufficient homes, that are of a decent standard and affordable, to ensure the take up of jobs, and as a means of attracting further employment opportunities.

The Council can also stimulate growth in the release of brownfield land and the promotion of development from within its own asset base (for both residential and employment development).

In other words, the Council's own Asset Management Strategy can help and support in the delivery of the Local Plan and these considerations have been made in the Asset Management Principles contained in the Strategy sections 7 and 8 and the list of specific projects noted in Annex 1.

4.3 The Equality and Diversity Objectives of the Council

There are also clear links between the Asset Management Strategy and the corporate equality and diversity objectives, which are to:

- Improve the quality, collection and use of equality data to enable the Council to make informed decisions on policy, service design and delivery
- Deliver services which are accessible and welcoming to all communities and can respond to the different needs and aspirations of customers
- Improve how the Council engages with communities, partners and customers
- Develop a diverse workforce that reflects the communities we serve and is valued and respected
- Develop and foster good relations between different groups and communities

Considerations will be made in the Asset Management Plan particularly, regarding the collection and storage of tenant data and the delivery of services to the community.

4.4 ICT Policy

There are a number of references to ICT in the Council's objectives and in particular '*deliver digitally -enabled services that residents can access*'. Changes in the use of ICT and the move to a more digital environment will influence the Asset Management Strategy. In particular:

- A move towards modern ways of working could impact on the use of the Council's offices and public buildings as more services are e-enabled and by the greater use of flexible and mobile working
- The demand from customers for more e-enabled services becomes more pronounced
- The strive for efficiency savings and information sharing can be more efficiently delivered with more sophisticated IT solutions and packages

Consideration and improvement in the asset management and housing management ICT systems are considered in the AMS and AMP.

The Council has a number of systems for asset management data storage and management. These are Technology Forge (Estates and Financial asset data), Cartology and QGIS (locational and mapping estates system), Ohms/Anite (housing and contractor ordering system), One Serve Repairs service helpdesk system and the Customer Service Arrow helpdesk system.

The Technology Forge system to become the main and fully integrated asset management system. This would be beneficial as having a fully integrated property information system will, in time, provide a one stop shop for corporate property information including; ownership details, legislative compliance data, maintenance data and performance data, ordering, and helpdesk data. It will also include finance and capital reporting modules for finance purposes.

5.0 Organisational Arrangements for Asset Management

How best practice asset management is delivered across the portfolios is also important to ensure it is managed consistently and communicated accurately.

The following are newly agreed terms of reference for a cross council Asset Management Group (AMG).

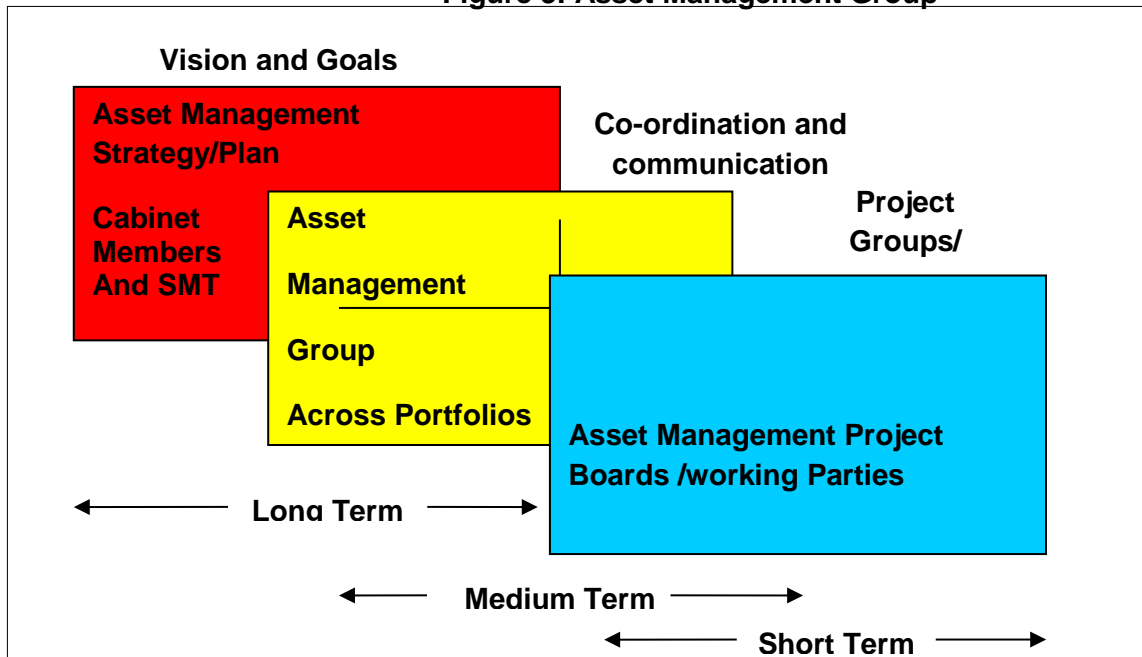
5.1 Organisational Fit

The diagram below illustrates the fit of the Asset Management Group (AMG) within the organisation.

The AMG overall objectives are:

- To help develop, maintain, champion, and assist in preparation and delivery of the Asset Management Plan (AMP)
- To communicate, work with and, co-ordinate service areas and working parties to deliver the AMP
- To identify new initiatives for consideration within the AMP

Figure 3: Asset Management Group



5.2 Overview of Asset Management Responsibilities

Members

- Final sign off of the other strategies under which the Asset Management Plan (AMP) sits
- Overview and final sign off of AMS and AMP
- Attendance and input to the Cabinet led cross party joint officer/member working party to prioritise projects, agree AMP, and ensure sufficient cash and staff resource is allocated for implementation
- Ongoing scrutiny

SMT

- Final officer sign off on AMP
- Agree high level vision and goals
- Receive an annual asset management update report and agree any proposed changes/updates to the Asset Management Strategy/Plan
- Allocate sufficient resource to implement the AMP and appoint Project Boards and a Project Sponsor to be the SMT representative and oversee specific larger projects. Project Boards will be considered for all projects in excess of £2M

- Authorise all spends above individual offers delegated authority levels or any expenditure on projects not within the current AMP

AMG

- Senior Officers committee with membership drawn from all portfolios across the Council
- Chaired and led by the Property Manager who has officer responsibility to deliver the AMS
- Co-ordinate different service areas to implement AMP
- Communicate drive and champion AMP across service areas
- Comment on and make recommendations on associated Council strategies, policies and procedures
- Appoint working parties and set targets to report back to AMG and SMT
- Agree draft AMP
- Consider and recommend updates and new projects within AMP
- Convenes every 2 months

Project Boards

- Appointed by SMT for projects in excess of £2M to manage and run individual projects
- Terms of reference for each board identified in a project initiation document (PID)
- Provide regular updates into SMT and AMG
- Project Board members to be generally selected from AMG officers and members

Working Parties

- Undertake detailed work on specific projects and buildings, noted in the AMP, under the direction of AMG

6.0 Performance Management and Monitoring

Recent asset management achievements have been as follows:

- Completion of the agreement for the NHS to develop the Brownsover Surgery and Community Centre (December 2017)
- Exchange of contracts on 34 social rent houses at Cawston (January 2018)
- Exchange of contracts on 6 affordable homes at Coton Park (January 2018)
- Securing funding for a One Public Estate project alongside Warwickshire County Council (Jan 2018)
- The Queen's Diamond Jubilee Leisure Centre completed in 2013
- The Rainsbrook Crematorium
- Regenerated 39 less popular homes in Hillmorton and replaced them with 23 new homes, which are in high demand.
- Energy efficient initiatives; installation of solar PV's on some of our corporate buildings, external wall insulation in some of our housing properties
- Completion of The World Rugby Hall of Fame in 2016

A list of proposed asset management principles is included in section 8 and current AMP projects in Annex 1. It is proposed that these will become the focus of the Asset Management Plan and be discussed within the Cabinet led cross party member/officer working party. Terms of reference will be drafted to set priorities and allocate sufficient resource to progress projects in line with the set targets. The aim for this working party is to have an agreed and prioritised project list with timescales by the end of October 2018.

Alongside the above officers are attending service planning sessions to set new performance management and monitoring targets. Performance indicators will be considered within this review.

The action plan will be uploaded on to the Council's performance management system for monitoring and updating by those that have been assigned actions, that they are accountable to lead.

There will also be an annual evaluation of the action-plan and strategy to ensure that it remains fit for purpose.

7.0 Asset Management Principles to be adopted in AMP

The AMS principles in section 8 and site-specific project list included in Annex 1 has been compiled from the Council strategies but principally the Corporate Strategy.

The overarching objective for the Corporate Asset Management Strategy is:

To provide a framework of principles to deliver optimum assets and optimum management of assets to promote, support, and sustain the Council's public buildings and social housing for the people of Rugby.

This is supported by the following core priorities

1. To achieve the optimum use of land and staff resource to deliver safe, efficient, effective and sustainable buildings and easy to use services for customers, tenants and employees
2. To achieve the optimum use of land and staff resources to deliver capital and revenue income streams from surplus or inefficient land and property assets
3. To ensure asset management best value and programme management is at the centre of Council decisions in order to achieve its corporate priorities

Whilst the Housing Revenue Account, Right to Buy receipts and Homes England grants are ring fenced for affordable housing, the asset management of both General Fund and Housing Revenue Account properties is the responsibility of the Property Manager. This arrangement has been in place since 2013 and enables the service to be more efficient and effective. It also promotes a consistent approach and better communication across all Council assets.

Whilst separate, both funds are also interlinked as some housing duties are a statutory General Fund function, for example the provision of temporary accommodation. Therefore, the asset management principles have been and should be applied across both funds rather than separated and duplicated. This allows for a more efficient and consistent cross council view on assets.

The Council's Strategic Objectives have been considered and a list developed to form the following Asset Management Principles/Actions. These are not placed in order of priority or importance, but work as a whole as an interlinked strategy.

8.0 Asset Management Principles discussed

1. Acquire or redevelop homes to meet the Housing Service Strategy and customer need by:		
<p>Acquiring Affordable homes (section 106 or discounted properties) direct from developers and house builders to satisfy affordable homes needs and utilise Right to Buy receipts</p>	<p>Acquiring homes off the open market to satisfy affordable homes needs and utilise Right to Buy receipts</p>	<p>Utilise Homes England investment/RP status to lever in grants for larger directly managed affordable homes on council owned development sites (sites over 12 units)</p>
<p>In 2013 the Government introduced new rules which allow the Council as a registered provider of affordable housing the ability to re-use capital receipts from right to buy monies. These monies are generated from the sale of its existing affordable housing stock and must be used to re-invest in new stock. Right to buy receipts can fund up to 30% of the costs new affordable homes developments or purchases. Under current right to buy guidelines tenants enjoy discounts on their purchases which means that replacing the stock to fulfil the Councils housing obligations with comparable homes at similar costs is difficult. Additionally, if these receipts are not used within 3 years they must be repaid to central government.</p> <p>Under planning guidelines in most private housing developments (above 12 units) the developer is obliged to provide a proportion of affordable homes. The current local plan states this should be at a rate of 25% of the proposed number of units as a baseline. In the market place, developers offer these affordable units to the market (to Affordable Homes Registered Providers such as ourselves) and as the rent flow is discounted for affordability of tenants the price bid/paid is also discounted.</p>	<p>Whilst it is anticipated that the previous policy will generate more replacement affordable housing stock at lower prices the purchase of one off opportunities is still valid for the reasons stated previously by reusing right to buy receipts. One off purchases also facilitate individual or bespoke uses, or in specific identified need areas where there are no larger developers operating or affordable homes offered to the market. Generally, these purchases are at open market price so not as efficient as those noted previously.</p>	<p>The Council in January 2018 confirmed its investment partner (IP) status with Homes England (HE), previously The Homes and Community Agency (HCA). This status allows the authority to bid for government grants for building affordable homes. In October 2017 the Government announced an additional £2bn funding <i>for a new generation of council and housing association affordable homes</i> making a total of £9bn grant funding available. Larger development opportunities (above 12 units) are usually considered suitable for such grants.</p>
<p>Corporate Strategy Objective: 1,2,3,4,5,6,7,9,13,15</p>		



Completed new homes at Pettiver crescent, Hillmorton



Newly acquired houses at Cawston

2. Dispose of small and difficult parcels of land to free up cash and staff resources

The Council owns many relatively small parcels of land in both the Housing Revenue Account and General Fund. These can be disused or dilapidated sites, or plots of land capable of sustaining a small number of houses, or a small commercial development. These types of sites are normally extremely complicated from a legal perspective and require substantially and proportionately more money and staff resource to develop. Given the objective to be efficient, effective and sustainable it is proposed that these sites are put to the open market and sold. This allows capital receipts to be reinvested in more efficient portfolio assets.

For example, the sale of disused and or dilapidated garage sites (HRA) could be reinvested in new affordable homes purchased under policy 1. Garage sites tend to fit into this category as they have complicated legal titles can be difficult to develop and not popular with tenants. Consideration of specific sites is however outside the scope of this strategy but would be considered within the AMP.

Corporate Strategy Objective: 1,2,3,4,5,6,7,9,13,15

3. Ensure statutory, health and safety and disability compliance for all Council built environment assets by:

Reviewing existing procedures/practices

The fundamental and underpinning principle of any asset management strategy is that the Council ensures it complies with all legislation applicable to the built environment. Legislation in this area is both extensive and comprehensive and includes such matters as energy certification, gas certification, electrical certification, disability access and many more. The Asset Management team has already embarked on its own statutory compliance audit to ensure that the Council meets minimum standards and to determine where enhanced standards are applicable. The management action plan flowing from this audit should be included in the overall asset management plan.

Ensuring there are policies and procedures in the Council's management of all building and construction works.

This principle builds on the requirement contained previously but specifically relates to all building and construction work across the council. Nuneaton and Bedworth Borough Council currently provides a shared service speciality in this area and it is envisaged that they will provide further help and guidance to achieve progress in this area. Any action plan recommended will become part of the AMP.

Corporate Strategy Objective: 1,2,3,4,5,6,7,8,9,12,13,15

4. Ensure efficient and effective space, energy usage, and sustainability within the Council’s built assets to maximize value by:

Reviewing the Carbon Management Plan for energy and sustainability	Undertake an Accommodation Review	Reviewing the use of Town Centre Car Parks	Consider use of initiatives to improve fuel poverty for Council tenants in the Borough	Producing an Asset Management Planned Maintenance and Capital Replacement Programme
<p>The Councils energy and sustainability credentials and carbon management plan require review and updating. There has been a vacancy for an Energy and Sustainability Officer for several months, so this role needs to be filled and the review undertaken. Any action plan resulting from the review will be incorporated in the AMP.</p>	<p>The Council should constantly review its accommodation needs alongside service area business reviews (see figure 2 AMP Process map).</p> <p>The Council will constantly assess redevelopment options and usage of Council buildings and land and where appropriate consider sales to gain a capital receipt or to re-invest capital to produce a revenue stream. The Council will also consider redevelopment or sale of assets for service efficiency or operational reasons.</p> <p>The Council is currently considering the Town Hall site within the Government sponsored one Public Estate Initiative (OPE). Outcomes from this project will be included in the AMP.</p>	<p>There are a number of redevelopment opportunities presented by town centre car parks owned by the Council. It is also recognised that parking in towns helps promote economic vibrancy. It is therefore proposed that a Town Centre Parking strategy is commissioned to determine town centre car parking numbers and locations to help identify surplus land which can be redeveloped.</p> <p>The redevelopment potential of each car park should also be an input into the car parking strategy. Once this is completed any development opportunities would be added into the AMP.</p>	<p>There are opportunities to reduce fuel poverty in affordable homes by promoting energy saving programmes such as upgrades of old heating systems and running warm home energy/insulation projects, alongside energy awareness campaigns.</p>	<p>Effective and efficient planned maintenance and capital replacement programmes are based on good condition survey information. As part of the AMP it is therefore proposed that condition survey information is reviewed alongside the other principles of asset management contained in this strategy. Once this has been undertaken a 20-year plan should be produced for planned maintenance and a capital replacement programme for both Housing Revenue Account and General Fund properties.</p>

Corporate Strategy Objective: 1,2,3,4,5,6,7,8,9,12,13,14,15

Rugby Town Hall
Completed Solar Panel Project



Rugby Art Gallery and Museum
Home of the World Rugby Hall of Fame



5. Efficient and Effective Asset Management Systems and internal communication procedures

As discussed in section 4.4 ICT policy, there remains a large number of different information and data system within the built environment function in the Council. It is proposed that systems are reviewed and an overarching system and/or interfaces are introduced. Asset Management as a function lies between two Portfolio's and is managed by 3 different teams so it is also important that internal communications are effective and efficient.

A list of proposed site-specific projects for consideration in the AMP is contained in Annex 1.

The final Asset Management Plan will detail priorities, set target timescales, profile staff resources and identify projects.

9.0 Monitoring the Asset Management Plan

The Asset Management Plan will be uploaded on to the Council's performance management system for monitoring and updating by those that have been assigned actions that they are accountable to lead.

There will also be an annual evaluation of the action-plan and strategy to ensure that it remains fit for purpose.

10.0 Strategy Review and Update

The Strategy and Plan will be reviewed annually and re-written every five years.

Annex 1

Asset Management Strategy Current Projects

Annex 2

Equality Impact assessment

**Annex 1 Asset Management Strategy
Current Projects**

No	Project Location/Task	Project Description	Fund	Current Status	Asset Strategy Principle
1	Market Quarter	Unused Land of approx 1.67 hectares	General	Options appraisal completed , Marketing target to commence March 18	4
2	Bell House	Site Acquisition 2017	General Fund (lease to Housing Fund)	Options appraisal under way - plan to build 18 no affordable units	1
3	Garage Sites	Disposal	Housing	Cabinet report prepared on phased approach	3
4	Town Hall	One public Estate project	General	Government grant approved for fesibility study	4
5	Biart Place and Rounds Gardens	Refurbishment/Redevelopment options appraisal	Housing	Review commenced	1,3,4
6	Gas Street - 2 locations	Options appraisal	General	Project identified	4
7	Development plots	Options appraisal	General	Project Identified	3
8	Albert Street	Options appraisal	General	Project Identified	4
9	Cawston Meadows	Affordable Homes Acquisition of 34 units	Housing	Contracts exchanged 3 units completed	1

Annex 1 Asset Management Strategy

Current Projects

10	Coton Park	Affordable Homes Acquisition of 6 units	Housing	Heads of terms agreed	1
11	Various	Affordable homes acquisitions	Housing	Negotiations commenced	1
12	Best Practice Statutory Compliance	All asset management services	Housing and General	Review commenced	3
13	Best Practice CDM regulations	All Portfolio's	Housing and General	Fee proposal received form shared service provider	3
14	Best Practice Asset management systems	All Portfolio's	Housing and General	SMT report prepared	5
15	RAGM	Lottery Fund bid additional space		In progress	4
16	Best Practice Energy and sustainability policy	All Portfolio's	Housing and General	Proposed review when officer in post	4
17	Best Practice client/contractor and internal client relationships	Throughout Asset Team, Repairs Team and Housing Teams and cross council	Housing and General	Review commenced	5
18	Best Practice Planned Maintenance and Capital Replacement Programme	Asset Team	Housing and General	Review Required - review building condition information undertake new surveys where required and implement new capital programme based on survey information	4

EQUALITY IMPACT ASSESSMENT/ ANALYSIS (EqIA)

Asset Management Strategy 2018 to 2013



Equality Impact Assessment

Service Area	Resources
Policy/Service being assessed	Asset Management Strategy 2018 to 2023
Is this is a new or existing policy/service?	New Strategy (old strategy out of date covered 2009 to 2013)
If existing policy/service please state date of last assessment	N/A
EqlA Review team – List of members	D Collins, M Dickson, W Winter.
Date of this assessment	26 th Feb 2018
Signature of responsible officer (to be signed after the EqlA has been completed)	

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

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



Form A1

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



High relevance/priority



Medium relevance/priority



Low or no relevance/ priority

Note:

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

Business Unit/Services:	Relevance/Risk to Equalities																										
State the Function/Policy /Service/Strategy being assessed:	Gender			Race			Disability			Sexual Orientation			Religion/Belief			Age			Gender Reassignment			Pregnancy/ Maternity			Marriage/ Civil Partnership (only for staff)		
Principles in Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
1 Buy section 106 affordable houses			✓			✓			✓			✓			✓			✓			✓			✓			✓
2 Acquire homes off open market			✓			✓			✓			✓			✓			✓			✓			✓			✓
3 Dispose small sites			✓			✓			✓			✓			✓			✓			✓			✓			✓
4 HCA grants			✓			✓			✓			✓			✓			✓			✓			✓			✓
5 Statutory compliance			✓			✓			✓			✓			✓			✓			✓			✓			✓
6 Construction H&S			✓			✓			✓			✓			✓			✓			✓			✓			✓
7 Efficient energy use			✓			✓			✓			✓			✓			✓			✓			✓			✓
8 Property/Accommodation reviews			✓			✓			✓			✓			✓			✓			✓			✓			✓
9 Use of public carparks			✓			✓	✓					✓			✓			✓			✓			✓			✓
10 Information and data			✓	✓					✓			✓			✓			✓			✓			✓			✓

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

<u>Stage 1 – Scoping and Defining</u>	
(1) What are the aims and objectives of Plan/Strategy/Service/Policy?	To provide objectives to manage our built assets including operational properties, affordable housing and vacant land and buildings.
(2) How does it fit with Rugby Borough Council's Corporate priorities?	The principles of asset management contained in the plan are linked back to corporate strategy in detail within the document which demonstrates close alignment to corporate objectives.
(3) What are the expected outcomes?	Improved use of assets and resources used to manage them
(4) Which of the groups with protected characteristics is this intended to benefit? (see form A1 for list of protected groups)	The benefit should span all protected groups
<u>Stage 2 - Information Gathering</u>	
(1) What type and range of evidence or information have you used to help you make a judgement about the plan/ strategy/ service/ policy?	The previous asset management strategy led to the development of the new Leisure centre and Crematorium
(2) Have you consulted on the plan/ strategy/ service/policy and if so with whom?	Asset Management Group which a group consisting of officers across all portfolios and SMT
(3) Which of the groups with protected characteristics have you consulted with?	None applicable at this stage. The disabled forum would be consulted when a Town Centre Car Parking Strategy is reviewed and in any specific accommodation projects. The asset management strategy is also closely aligned to the Housing strategy which has been subject to a separate equality and diversity review.

Stage 3 – Analysis of impact			
<p>(1) From your data and consultations is there any adverse or negative impact identified for any particular group which could amount to discrimination?</p> <p>If yes, identify the groups and how they are affected.</p>	RACE No	DISABILITY No	GENDER No
	MARRIAGE/CIVIL PARTNERSHIP No	AGE No	GENDER REASSIGNMENT No
	RELIGION/BELIEF No	PREGNANCY MATERNITY No	SEXUAL ORIENTATION No
(2) If there is an adverse impact, can this be justified?	N/A		
(3) What actions are going to be taken to reduce or eliminate negative or adverse impact? (this should form part of your action plan under Stage 4.)	N/A		
(4) How does the plan/strategy/service/policy contribute to the promotion of equality? If not what can be done?	<p>It supports the Housing strategy which reinforces and supports equality and diversity in affordable housing provision by the Council.</p> <p>It supports using assets effectively and efficiently thus supports the Councils overall financial position</p>		
(5) How does the plan/strategy/service/policy promote good relations between groups? If not what can be done?	N/A		
(6) Are there any obvious barriers to accessing the service? If yes how can they be overcome?	N/A		

<u>Stage 4 – Action Planning, Review & Monitoring</u>																														
<p>If No Further Action is required then go to – Review & Monitoring</p> <p>(1) Action Planning – Specify any changes or improvements which can be made to the service or policy to mitigate or eradicate negative or adverse impact on specific groups, including resource implications.</p>	<p>EqlA Action Plan</p> <table border="1" data-bbox="875 424 2112 655"> <thead> <tr> <th data-bbox="875 424 1120 501">Action</th> <th data-bbox="1120 424 1364 501">Lead Officer</th> <th data-bbox="1364 424 1615 501">Date for completion</th> <th data-bbox="1615 424 1865 501">Resource requirements</th> <th data-bbox="1865 424 2112 501">Comments</th> </tr> </thead> <tbody> <tr> <td data-bbox="875 501 1120 539"></td> <td data-bbox="1120 501 1364 539"></td> <td data-bbox="1364 501 1615 539"></td> <td data-bbox="1615 501 1865 539"></td> <td data-bbox="1865 501 2112 539"></td> </tr> <tr> <td data-bbox="875 539 1120 577"></td> <td data-bbox="1120 539 1364 577"></td> <td data-bbox="1364 539 1615 577"></td> <td data-bbox="1615 539 1865 577"></td> <td data-bbox="1865 539 2112 577"></td> </tr> <tr> <td data-bbox="875 577 1120 616"></td> <td data-bbox="1120 577 1364 616"></td> <td data-bbox="1364 577 1615 616"></td> <td data-bbox="1615 577 1865 616"></td> <td data-bbox="1865 577 2112 616"></td> </tr> <tr> <td data-bbox="875 616 1120 655"></td> <td data-bbox="1120 616 1364 655"></td> <td data-bbox="1364 616 1615 655"></td> <td data-bbox="1615 616 1865 655"></td> <td data-bbox="1865 616 2112 655"></td> </tr> </tbody> </table>					Action	Lead Officer	Date for completion	Resource requirements	Comments																				
Action	Lead Officer	Date for completion	Resource requirements	Comments																										
<p>(2) Review and Monitoring State how and when you will monitor policy and Action Plan</p>	<p>Strategy to be reviewed annually</p>																													

Please annotate your policy with the following statement:

‘An Equality Impact Assessment/ Analysis on this policy was undertaken on (date of assessment) and will be reviewed on (date three years from the date it was assessed).

26th Feb 2018

AGENDA MANAGEMENT SHEET

Report Title:	Medium Term Financial Strategy 2018-2023
Name of Committee:	Cabinet
Date:	9th April 2018
Report Director:	Head of Corporate Resources and Chief Financial Officer
Portfolio:	Corporate Resources
Ward Relevance:	All
Prior Consultation:	SMT
Contact Officer:	Chris Blundell, Financial Services Manager & Deputy Chief Financial Officer (01788) 533410: email:chris.blundell@rugby.gov.uk
Public or Private:	Public
Report subject to Call-In:	Yes
Report En-Bloc:	No
Forward Plan:	Yes
Corporate Priorities:	<p>This report relates to the following priority(ies):</p> <p>CORPORATE RESOURCES</p> <ul style="list-style-type: none">• Optimise income and identify new revenue opportunities• Prioritise use of resources to meet changing customer needs and demands• Ensure that the council works efficiently and effectively

Statutory / Policy Background:

Summary:

This strategy sets out the key principles and financial polices required to enable the Council to meet it objectives and ambition of becoming financially self-sufficient by the end of the decade

Financial Implications:

As detailed in the report

Risk Management Implications:

As detailed in the report

Environmental Implications:

None

Legal Implications:

None

Equality and Diversity:

An Equality Impact Assessment has been undertaken and is included at Appendix 2

Recommendation:

IT BE RECOMMENDED TO COUNCIL THAT the Medium Term Financial Strategy 2018-2023 (at Appendix 1 to the report) and associated financial policies be approved.

Reasons for Recommendation:

The key principles and financial polices presented within this strategy will enable the Council to meet it objectives and ambition of becoming financially self-sufficient by the end of the decade

Cabinet - 9th April 2018

Medium Term Financial Strategy 2018-2023

Report of the Head of Corporate Resources and Chief Financial Officer

Recommendation

IT BE RECOMMENDED TO COUNCIL THAT the Medium Term Financial Strategy 2018-2023 (at Appendix 1 to the report) and associated financial policies be approved.

1. Introduction

This is the first Medium Term Financial Strategy (MTFS) that been produced in accordance with the Council's new Corporate Strategy '*Proud of our past, fit for the future*'.

2. Medium Term Financial Strategy

The purpose of this MTFS is to provide the Council with a sound financial plan that outlines the key principles and financial policies required to enable it to meet its objectives and achieve its ambition of becoming financially self-sufficient by the end of the decade without reliance on central government funding.

The detailed Medium Term Financial Strategy 2018 to 2023 is attached as Appendix 1.

It is set out to cover the following topics:

- Some contextual background on the operating and financial environment within which this strategy has been developed
- The plans and policies to direct the Council towards achieving financial self-sufficiency
- The approach the Council will take to ensure delivery of excellent value for money services
- The Council's key principles for financial management that will be followed over the lifetime of this strategy
- The Council's reserves and their position to mitigate financial risks

Throughout all the topics set out above, this strategy sets out a suite of financial policies that have been developed to provide a framework to guide financial management, planning and decision making throughout the life of the strategy.

In particular, the strategy documents how the Council's pro-growth agenda has put it well on the path to achieving self-sufficiency. However, the continuing austere times for the sector means adaption of key but uncertain funding streams is necessary to create certainty within this unstable financial environment.

An Equality Impact Assessment has been undertaken and is included at Appendix 2.

3. Conclusion

The approval of this MTFs and the policies within it will provide a financial plan to facilitate the provision excellent value for money services and achievement of financial self-sufficiency

Name of Meeting:
Cabinet

Date of Meeting:
9th April 2018

Subject Matter:
Medium Term Financial Strategy 2018-23

Originating Department:

Property Services/Corporate Resources

List of Background Papers

There are no background papers relating to this item.



Medium Term Financial Strategy 2018-2023



Foreword

Strategic planning sits at the heart of good public financial management. It is this attribute that has enabled the Council to continue to invest in new and existing services for our customers, whilst ensuring charges are kept at levels which enable the provision of high-quality services our customers deserve.

Rugby Borough Council is no exception to the funding and resource issues experienced across the whole sector; the scale of reductions has hit us all hard. However, it is how we have chosen to react to our circumstances that proves how exceptional we are.

In this strategy you will see how our pro-growth agenda has put us well on our path to achieving self-sufficiency, however the continuing austere times for the sector means we need to adapt our uncertain funding streams to create our own certainty within this unstable financial environment.

The purpose of this Medium Term Financial Strategy is to provide the Council with a sound financial plan that outlines the key principles and financial policies required to enable it to meet its objectives and achieve its ambition of becoming financially self-sufficient by the end of the decade without reliance on central government funding.



Cllr Carolyn Robbins

Portfolio Holder for
Corporate
Resources



Mannie Ketley

Head of Corporate
Resources &
Chief Financial
Officer



Chris Blundell

Financial Services
Manager & Deputy
Chief Financial
Officer



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1. Introduction

This is the first Medium Term Financial Strategy (MTFS) that has been produced in accordance with the Council's new Corporate Strategy '*Proud of our past, fit for the future*'. The new strategy sets out three overarching corporate priorities that reflect the need for public services to change and reform.

These are:

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

This MTFS will primarily focus on addressing the first two overarching priorities and provide a plan to provide excellent value for money services and achieve financial self-sufficiency. This plan is constructed by a suite of financial policies, which are set out throughout this document, to provide a framework that will guide financial planning and decision making throughout the life of the strategy.

Other key strategies that inform and inter-link with this MTFS document are:

- Treasury Management Strategy
- Asset Management Strategy
- Medium Term Financial Plan (MTFP)
- Capital Strategy
- Value for Money (VfM) strategy
- Procurement strategy
- Commercial strategy
- HRA business plan

2. Background - Local Government Operating and Financial Environment

2.1 Local Government Funding

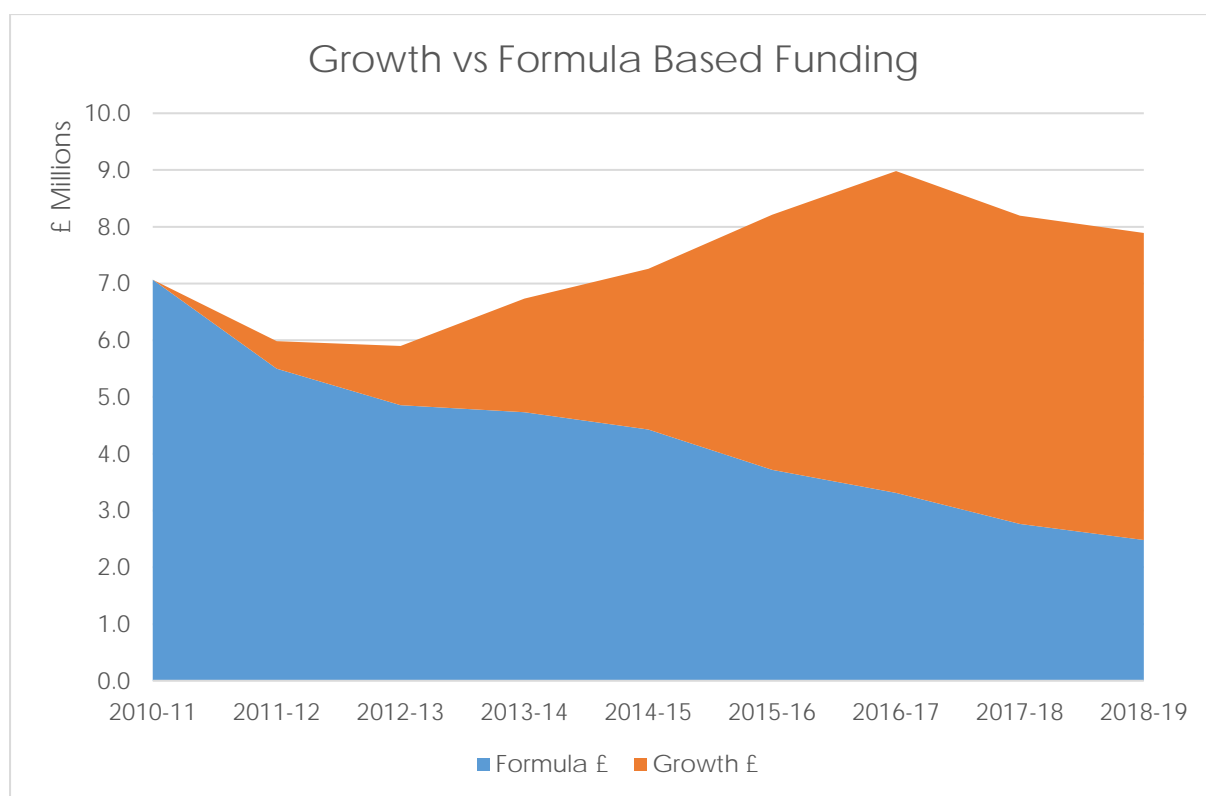
Local authorities have taken the biggest hit in terms of central government cuts since 2010. The Council has seen significant reductions in some of its core funding streams since 2010, most notably Revenue Support Grant (RSG) which has reduced from £3.2m in 2013/14 to £150,000 in 2018/19.

Not only has the quantum of funding reduced across local government but so has the composition and the basis upon which it is allocated. In 2011/12 government



introduced the New Homes Bonus (NHB) and the Retained Business Rates system both with the underlying objective to incentivise local authorities to generate economic growth in their localities. These new growth incentivising schemes differed to previous formula based funding streams, such as RSG, that distributed funding based on need and local resources. Further detail of how both schemes work is provided in section 3.

The chart below illustrates how significant this shift in funding methodology has been. The chart shows how the Council’s “going for growth” agenda has led to growth based funded schemes, such as NHB making up an increasing proportion of the Council’s funding base. Whilst, formula based allocations, such as RSG, have reduced during the same period.

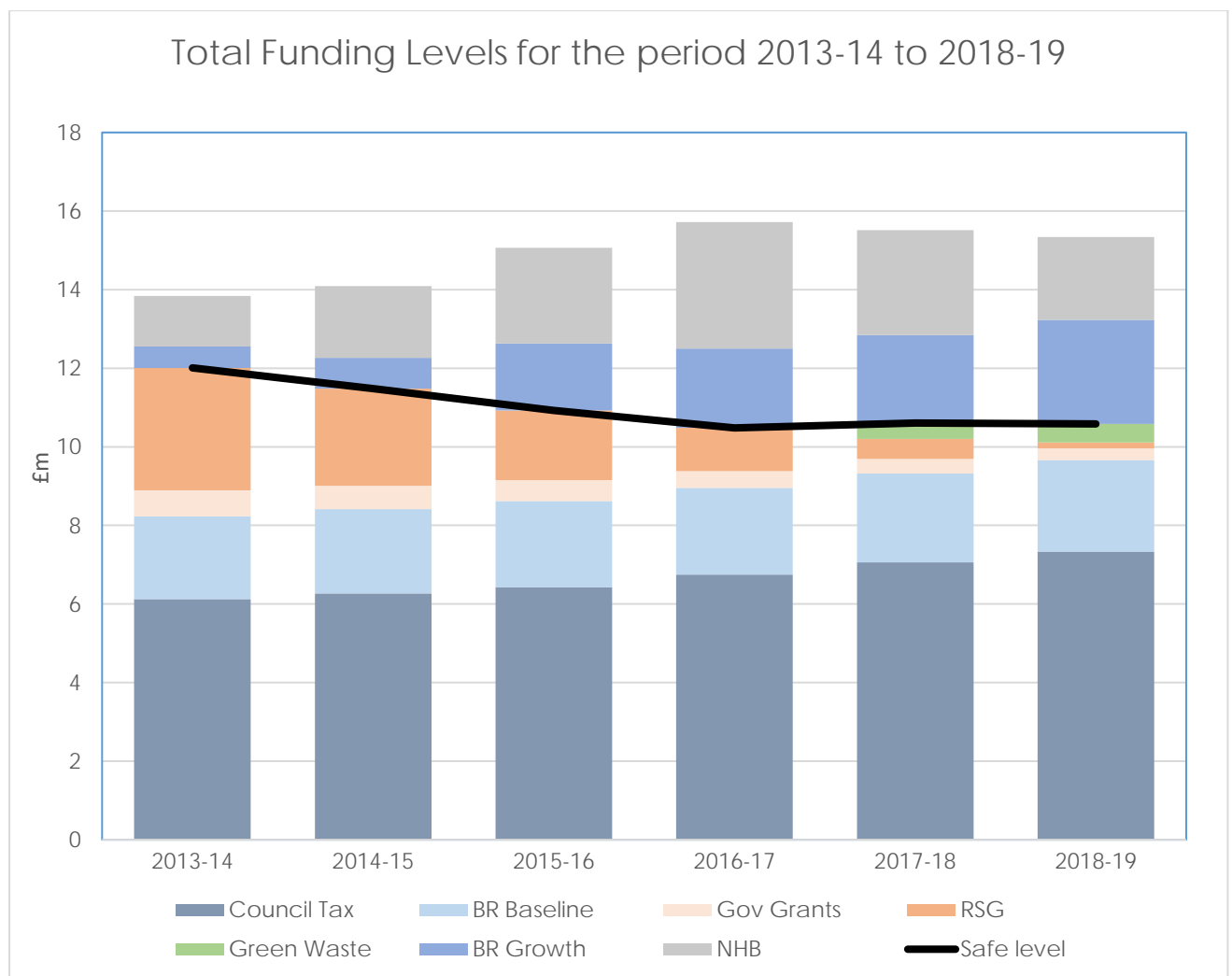


Whilst NHB and retained business rates have been financially rewarding for the Council, both schemes are subject to more risk than traditional formula based allocations. Key risk factors include government policy changes and the state of the national economy, both of which are largely outside of the Council’s control or influence.



With reference to the risk of policy changes to the local government finance system, alongside the 2016/17 Local Government Finance Settlement, the Government announced the 'Fair Funding Review' that will address concerns about the fairness of current funding distributions. More detail is provided in section 3.3 about how this review may affect the Council's business rates allocations.

The chart below shows how the Council's net expenditure has been financed between 2013/14 and 2018/19. The 'safe level' line distinguishes those income sources relatively certain or within the Council's control and those which are exposed to more risk.





Above the 'safe level' line are income sources more at risk, being income from NHB and the additional growth that has been generated from business rates. Below the line are the more certain allocations, such as council tax and business rates baseline income.

To achieve financial self-sufficiency the council will need to reduce the reliance of these riskier funding streams in our base budget. This strategy explains how the Council will adapt these more uncertain funding streams to start to create our own certainty within this unstable finance environment.

2.2 HRA Policy Issues

On 19 June 2017 the Government launched a Housing Green Paper in the aftermath of the Grenfell Tower fire. A wide-ranging, top-to-bottom review of all the issues facing the social housing sector will include:

- The overall quality of social homes;
- Service management: the way social homes and their tenants are taken care of;
- The rights of tenants and how their voices can be better heard; and
- What can be done to ensure tenants complaints are taken seriously and dealt with properly, making sure that tenants have clear, timely avenues to seek redress when things do go wrong

As well as the above, many outstanding policy areas originating from the Welfare Reform and Work Act (2016) and the Housing and Planning Act (2016) have yet to be finalised. These include:

- Introduction of a High Value Asset levy on councils to fund the introduction of Right-to Buy proposals in the Housing Association sector – this had been deferred in 2017/18 and following an announcement in the budget to further trial the scheme is now not expected to commence prior to April 2019
- End of lifetime tenancies with a move to 2 to 5 year fixed term tenancies with some exceptions – the government had been ready to consult prior to the General Election but there has been no decision on an implementation date yet



The future of both policies will remain uncertain as their introduction depends on approval of regulations by Parliament where available time for debate is at a premium whilst Brexit negotiations are undertaken.

One area of policy uncertainty has now been addressed, on 4th October 2017 the Department for Communities and Local Government (DCLG), now known as the Ministry of Housing, Communities and Local Government (MHCLG), announced that social landlords will be allowed to increase social housing rents "limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020." This represents a return to previous rent settlements, which was meant to run from 2015 to 2025 but was replaced with a 4-year reduction by 1% annually from 2016.

All of these policy changes and uncertainties will be reflected in the updating of the HRA Business Plan.

2.3 Organisational Transformation and Efficiency

The Council has a strong track-record of delivering organisational transformation and efficiency savings, to meet the challenges of the national deficit reduction programme. Through sound financial management and an embedded culture of organisational efficiency, as demonstrated through our service reviews and systems thinking methodology, the Council has protected front-line services, invested in major assets such as a new leisure centre, crematorium and the World Rugby Hall of Fame, whilst also keeping council tax low for residents.

Some of the most notable savings achieved in recent years include:

- **Restructure of the Senior Management Team**, moving from two Executive Directors and six Heads of Service to one Executive Director and four Heads of Service, resulting in savings of approximately £200,000 per year for the General Fund
- **Voluntary redundancies from nine officers** were accepted, at a cost of £205,000, but providing annual year-on-year savings of £222,000 and therefore paying back the initial costs within twelve months.

In addition, the Council's Digitalisation transformation project is underway, which will harness improved use of IT for delivering services to our customers and improving efficiency. Examples of initiatives underway include the introduction of "route optimisation" software, for the waste service and the use of electronic forms for Benefit



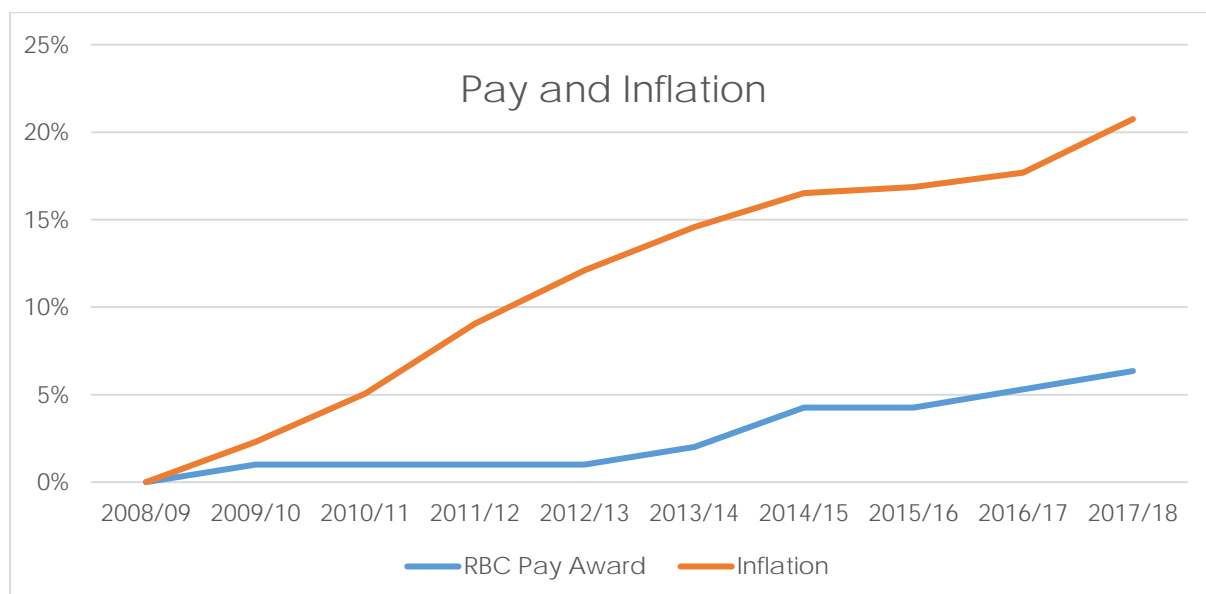
claims. Across the medium-term it is expected that digitalisation will produce annual efficiency savings for the Council in the region of £250,000.

The Council is also continuing to explore opportunities for income generation and alternative service delivery models including commercial opportunities, social enterprises and trusts. Within the 2018-22 Medium Term Financial Plan (MTFP) a prudent £200,000 is programmed in for achievement from such sources from 2019/20.

The Council’s major success to date on the income generation front has been the introduction of a charged for garden waste collection service from the 1st April 2017/18. The budget forecast for 2017/18 was based on 10,000 subscriptions providing an income of £400,000 for the Council. However, by the end of December 2017 more than 22,000 residents had subscribed to the garden waste collection service, generating an income of almost than £900,000. The 2017/18 budget was based on a subscription take up of 25%, equating to approximately 11,000 homes, with staggered increases across the MTFP rising to 52.5% in 2020/21. Therefore, this higher than expected take-up in 2017/18 has brought the income in-line with where it had forecast to be by the third year of operation. Whilst further significant increases in take-up are not programmed in the MTFP, maintaining this current level of subscription will aid the Council’s financial sustainability.

2.4 Pay

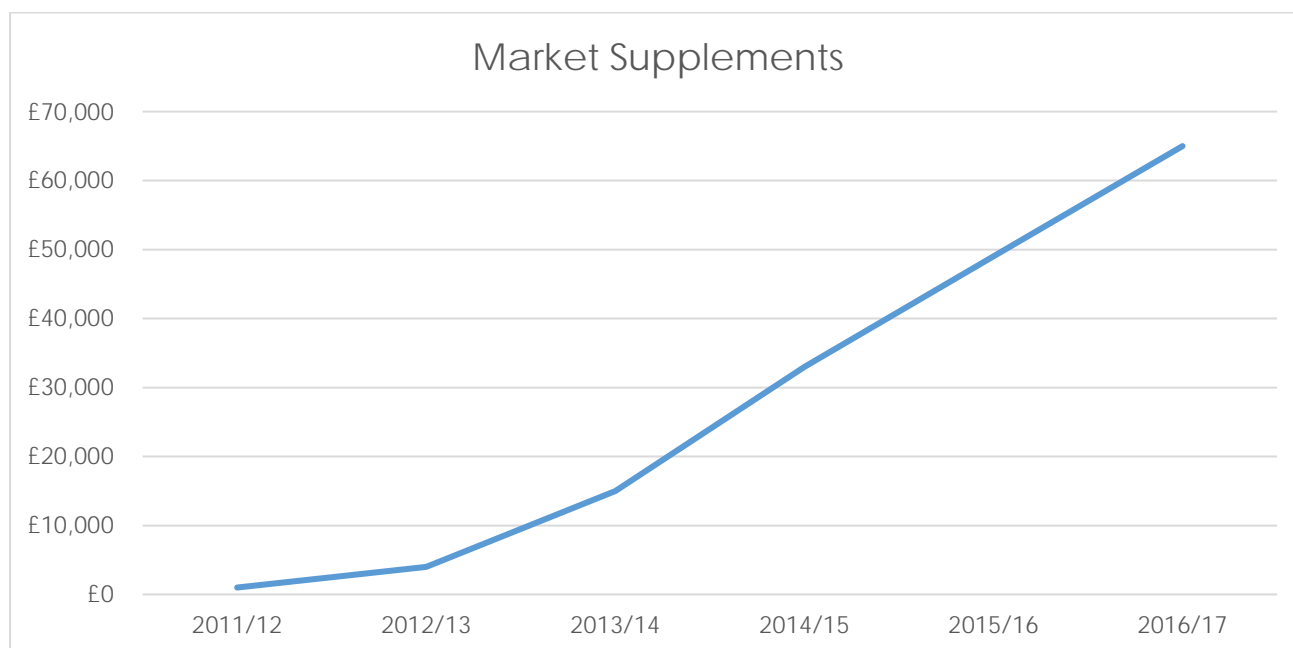
In addition to the savings identified above, expenditure pressures have also been mitigated by pay control over this period, with pay freezes or below inflation increases.





The chart shows how pay and general prices have increased since the financial crisis in 2008, with a 21% increase in prices (as measured by the Consumer Price Index including owner occupiers housing costs (CPIH) index) and a 6% cumulative increase in pay. This relatively lower increase in pay has eased pressures on the Council's finances during this period of reducing finances, for instance had pay tracked inflation since 2008 then the Council's general fund salary costs would be approximately £1.9 million higher in 2017 and the HRA's would be £425,000.

However, it has led to a 15% real terms reduction in earnings during this period. The effect of this restraint can be seen in an increase in the volume and value of market supplements paid. The chart below shows how the total value of the allocation of market supplements has increased in recent years.



These increases have occurred as improvements in the labour market across the wider economy have driven up salaries for certain professions. Consequently, the Council has seen an increase in employee turnover and it has been necessary to offer more market supplements to recruit and retain staff, particularly for those roles that are not local government specific.

In addition, the Council's positioning as a lower quartile paying authority is a contributory factor to some of the recruitment and retention issues that have been experienced.



Financially, the Council has benefited from this pay position during the economic downturn, alongside overall pay restraint. However, now that the market has strengthened it is starting to become problematic and the organisation is finding necessary to undertake multiple recruitment campaigns for some posts, because the quality of candidates needed are not always attracted in certain roles.

Finally in relation to pay, as reported during the 2018/19 budget setting process, national consultation is underway on the options to incorporate the National Living Wage into the pay-scales alongside a harmonisation of the differentials on the scale-points. It is anticipated that an on-going pressure of approximately £130,000 will be borne by the Council should the preferred option be adopted; however this pressure has already been recognised in the MTFP 2018-22.

2.5 Brexit

It should be noted that the Council has no direct exposure to loss of funding from the European Union. However, the outcome of Brexit and the consequent wider impact upon the UK economy remains uncertain. The availability of total funding for local government is influenced by the state of the economy and the condition of national finances, which to an unknown direction and magnitude could be affected by the outcome of Brexit. Moreover, given the Council's increasing reliance on growth backed funding allocations, the outcome of Brexit may pose an increased risk to the income from these schemes.

2.6 Demography

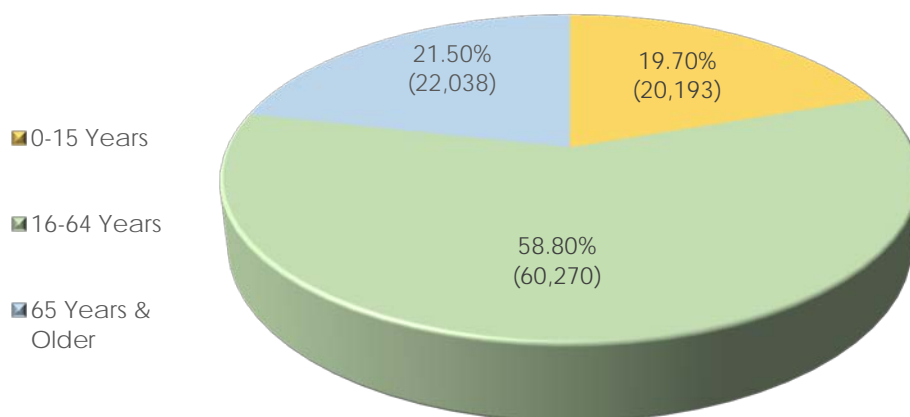
Population Growth

Office for National Statistics Mid-year estimates for 2014¹ reported that Rugby's estimated population was 102,500, with the age profile as presented below. Rugby borough is one of the fastest growing in England, with further growth expected with the delivery of Houlton, a new community development on the site of the old Rugby Radio Station.

¹Office for National Statistics. (2014). 2014 mid-year population estimates. (www.ons.gov.uk)



Composition of Rugby Population



The Office for National Statistics provides a set of population projections from 2012 up to 2037, at local authority level². The projections are based on the 2012 mid-year population estimates, in addition to a set of underlying demographic assumptions (births, deaths, migration) based on local trends. **Rugby Borough is projected to have highest rates of population growth, across all the districts and boroughs in Warwickshire. This reflects higher levels of development over recent years continuing, with an expectation the population will grow by 19% over this 25-year period.** Rugby Borough is also projected to see a 26.9% or 11,000 increase in the number of households from 2012 to 2037, taking the total to over 53,000.

A growing population is likely to improve the productive capacity of the economy and grow the Council's business rates and council tax yields, however, it will increase demand for many of our services, such as waste collection and street cleansing and existing problems such as housing affordability may intensify as a result. For example, due to the increase in the number of homes in the borough, in 2015/16 it was necessary to introduce an additional household waste collection round at an annual cost of £250,000.

² Office for National Statistics. (2012). 2012-based Sub-National Population Projections. (www.ons.gov.uk)



Ageing Population

Population growth can be partially attributed to people living longer, with life expectancies in Warwickshire higher than both regional and national averages. However, it is projected that population change will be more heavily influenced by migration in the future³.

In line with national and regional trends, the number of adults aged 85+ is projected to increase significantly, with a 193% increase in the size of this demographic group. Whilst an ageing population can be thought of as positive, reflective of improved healthcare, this is also perhaps the largest demographic issue facing the country. This places a higher burden on the shrinking working age population, and leads to a number of challenges for public services, particularly around the Council's corporate priority to '*Enable our residents to live healthy, independent lives*'. The Council's housing services, both Housing Revenue Account and General Fund, are likely to face increasing demand to meet the needs of this demographic group.

Whilst an ageing population can present challenges to service delivery, it also presents opportunities to the wider economy and local communities. Many people are now working longer, with 1 million people over 65 in the UK workforce and their expertise can bring benefits to the workplace. A 2013 study commissioned by Scottish Widows found one in twenty people were starting their own business after they had retired⁴.

Data from the English Longitude Study of Ageing conducted in 2008-09⁵, found that just over a quarter of women aged 60 or over and men aged 65 or over said they were involved in voluntary work.

Such volunteering can provide a direct benefit for service delivery for the Council. For example, the Parks and Open Spaces service is seeing an increasing trend in volunteering and in 2017 the service benefited from over 10,000 hours of volunteering.

³ Warwickshire Observatory. (2016). 2015/16 Quality of Life Report. (www.warwickshireobservatory.org)

⁴ Scottish Widows. (2013). Retirement Revolution. (www.scottishwidows.co.uk)

⁵ Royal Voluntary Service. (2009). The impact of volunteering on wellbeing in later life. (www.royalvoluntaryservice.org.uk)



A Healthy Population

Enabling our residents to live healthy, independent lives is one of the Council's overarching corporate priorities.

As of 2015/16 Public Health England identified⁶ that Rugby has similar health outcomes for adults when compared to the benchmark of England. Only 64.6% of adults in Rugby attain the recommended guidelines of 150 minutes physical activity each week, 0.3% less than the national average. With regards to obesity levels, 60.2% of adults are classified as overweight or obese.

Childhood obesity rates exponentially increase from Reception to Year 6, nationally the number of overweight children between these two age groups trebles. The data set is from 2016/17, so slightly more up-to-date than adult data, and again health outcomes are similar to the national average.

12.4% of reception children are classified as overweight whilst 9.3% are obese however, in Year 6 this increases to 16% and 18.9% as overweight and obese, respectively. At Reception and Year 6, children in the poorest decile are almost twice as likely to be obese compared those in the most affluent decile⁷.

The Department of Health have calculated that the direct cost of obesity to the NHS is estimated to be £4.2billion a year, this is for both adults and children. Unfortunately, data is not available on the financial costs this will have on Rugby or Warwickshire alone however, Public Health Warwickshire are in the process of calculating the return on investment and cost benefit analysis via Change Makers.

The Council dedicates a significant proportion of its expenditure to the health and wellbeing agenda. Gross expenditure on these priorities include, but are not limited to:

Service / Activity	Spend £'000	Commentary
The Queens Diamond Jubilee Leisure Centre	1,900	This is the approximate gross operating expenditure incurred by the centre operator. The Council receives a £300,000 management fee from the operator.
Disabled Facilities Grants	600	These grants pay towards the cost of providing adaptations and facilities to enable a disabled person to continue to live in their home.

⁶ Public Health England. (2017). Public Health Outcomes Framework. <https://fingertips.phe.org.uk/profile/public-health-outcomes-framework>

⁷ Health & Social Care Information Centre (2015). Statistics on Obesity, Physical Activity and Diet.



		This scheme is partially funded by central government support
On-Track	189	Engaging with young people in diversionary activities through the medium of sports
Play Rangers	84	Programmes for 5 to 10 year olds for play and activity in the natural environment
Sport Development	42	Programmes focussed at improving well-being and activity of older people
Family Weight Management	145	Promoting healthy lifestyles with interventions targeted specific groups
Leisure and Community Grants	190	The Council awards grants to a number of voluntary and community organisations, to improve health and well-being within our communities.

Despite the positive influence of these initiatives, there is still more work to be done in terms of cross sector working with partner agencies across Warwickshire. **To improve health and wellbeing outcomes for Rugby residents, the Council will continue to look for further engagement and funding from those organisations with a public health responsibility to invest in preventative measures that are likely to be delivered by organisations such as ourselves.**

Diversity

The projections suggest migration will be the leading driver of population growth in Rugby by 2027. The projections also indicate that it is internal migration, rather than international migration that will cause this increase⁸.

Rugby is the most diverse borough in Warwickshire, according to the 2011 Census, 7% of residents in Rugby Borough do not have English as a main language, compared with just 1% of residents in North Warwickshire Borough. Again, meeting the needs and ensuring our services are accessible to this customer group places an additional demand on the Council's finances. On an annual basis the Council invests approximately £30,000 in community services and other initiatives, including translation services, to support these groups.

⁸ Warwickshire Observatory. (2016). 2015/16 Quality of Life Report. (www.warwickshireobservatory.org)



Rurality

Rugby Borough also has a mix of urban and rural settlements within its boundaries. Both rural and urban settlement types bring their own set of challenges for service provision, whether that be that the delivery of environmental, recreational or cultural services. Although Rugby Borough is classified as 'significantly rural' by the Rural Services Network (RSN) it has not qualified for additional Rural Service Delivery Grant sparsity funding, nor it is classed to have high enough measures of deprivation to receive specific funding that many urban authorities benefit from. This means that Rugby does not attract dedicated funding to help tackle some of the varied but specific problems faced by our rural and urban communities.

2.7 Welfare reform

The roll out of Universal Credit (UC) has contributed to an increase in the number of our tenants in arrears, due to the time it is taking for Department for Work and Pensions (DWP) to process the claims. There were approximately 400 tenants in receipt of universal credit at the end of March 2017 and the rent arrears exceeded total £330,000.

Overpayments in Housing Benefit (HB) can result from timing delays in the reporting of changed circumstances and previously calculated payments being made. The Council currently collects overpayments of HB from claimants ongoing entitlement, but when a customer transfers onto UC the overpayments are ranked 18th in order of debt priority and therefore it will become more difficult to collect debts directly from payment of UC.

Aside from the demographic pressures previously mentioned and the consequent general impact on services, demand has been particularly acute across housing services both for the HRA and General Fund housing services.

Homelessness represents an increasing service and financial pressure for the Council. Historically the Council has used Bed and Breakfast to house the homeless in need of temporary accommodation. However, with increasing number of individuals to house this is becoming an unaffordable option and other alternatives are now being utilised.

To mitigate this pressure, the Council leased its first Private Sector Leasing (PSL) scheme property via a private landlord in June 2016. Since then 25 units of private sector accommodation have been secured, which will house local people in housing need.



The Council is continuing to expand this initiative and by the summer of 2018 it is expected the PSL portfolio will be nearer 40 units.

As the Council reduces its reliance for Bed and Breakfast accommodation for homelessness placement the Council will see a decrease in related expenditure and Benefit Subsidy received relating to this type of temporary accommodation.

However, fundamentally the Council will see a significant reduction in the level of Benefit subsidy received, relating to the use of Bed & Breakfast, due to the change from Housing Benefit to UC. The reduced central government Local Housing Allowance (LHA) rate means less income is received per case in comparison to higher rates available from Housing Benefits.

Overall there will be a net financial pressure of approximately £73,000 for 2018/19 due to these issues.

3. Financial Self-Sufficiency

As explained above, the Corporate Strategy sets out the Council's objective to achieve financial self-sufficiency by 2020. This has been defined as:

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

The following sections will set out how the Council plans to achieve this objective, including options to optimise income and identify new revenue opportunities and reduce our reliance on riskier funding streams within our base budget.

3.1 Commercialisation and Income Generation

Studies undertaken across the region have identified the Council is in amongst the lower-quartile of local authorities in terms of the level of fees and charges generated as a proportion of the total expenditure incurred. Fees and charges support only



approximately 10% of the Council's service expenditure, in comparison to nearly 27% by authorities in the top-quartile. The phasing out of "core" grants highlights the importance to become more commercial in our approach and maximise income.

In 2018, the Council will publish its Commercial Strategy that will set the framework, with defined objectives, for commercial activity including existing activity and projects for the delivery of new commercial activity. It will be essential that the Council continues to consider the availability of resources, both financial and human, across the medium-term to ensure the deliver the commercial strategy.

Whilst the Commercial Strategy is being implemented, it is important that the Council continues to review its existing fees and charges. The Council has adopted a two-stage review of fees and charges which is incorporated into the annual budget process. The process is designed such that at stage one service managers identify the charging approach that is most appropriate for the service and this is subsequently followed by critical challenge of the proposed charge by Financial Services at the second stage of the review.

The purpose of these reviews is to ensure a rigorous and critical approach to the setting of fees and charges and achieve optimisation of service income. The outputs of the reviews should deliver:

- Making changes to existing fees and charges where appropriate;
- Introducing new fees/charges where appropriate;
- Better understanding the value of the services currently provided; and
- Benchmarking our charges to other providers; both competitors and neighbours.

Analysis from the first two years of reviews have suggested that many of our fees and charges have remained set at historical levels for a substantial period.

To address this inertia it is proposed that, as a default, **all locally set fees and charges will be increased annually by an appropriate measure of inflation**, unless the service has exceptional circumstances and a solid business case to do otherwise.

To facilitate this change in policy, and allow sufficient time for scrutiny, a report will be submitted to Cabinet early in the budget setting process each year to approve the proposed increases for the forthcoming year.



Policy:

- Consideration of resource availability, both financial and human, across the medium-term to implement the Council's Commercial Strategy;
- Fees and charges continue to be reviewed annually; and
- As default all locally set fees and charges will be increased by inflation, with the increases and exceptions approved by Cabinet.

3.2 Corporate Income

The Council's three core corporate income streams that support the General Fund Budget are:

- Retained Business Rates
- New Homes Bonus
- Council Tax

As explained earlier in the report, whilst the Council has benefited from increased income from NHB and business rates these two schemes are more inherently risky than traditional local funding allocations. Therefore, to achieve financial self-sufficiency the organisation will need to reduce the reliance of these riskier funding streams in our base budget.

The following sections set out the Financial policies the Council will adopt to achieve this alongside other policy considerations for these corporate income streams.

3.3 Retained Business Rates

How the current system works

Councils retain up to half of the rates revenue raised from businesses in their local area, with the remainder retained centrally by the government. In a two-tier area, such as Warwickshire, the money is split with the county council receiving 10% of the rates and Rugby Borough retaining 40%.

When the system was introduced, the government had stated an intention to ensure that each local authority's allocation for the first year (2013/14) was similar to what it would have received in that year had the previous Formula Grant system continued. For this it calculated for each individual local authority a 'funding baseline', largely



based on the previous formula grant system. It also calculated a 'business rates baseline' based on the average of business rates collected in the two years prior (2011/12 & 2012/13). Where an authority's business rates baseline exceeds its funding baseline, they pay the difference to central government as a tariff, which is used to pay for a top-up for authorities whose funding baseline is less than its business rates baseline. These tariffs and top-ups are updated each year by the business rates multiplier, in-line with inflation.

For Rugby Borough Council our funding baseline for 2018/19 is £2.3m and our business rate baseline is £15.0m, so the Council pays a tariff of £12.7m (£15.0m - £2.3m).

Councils also keep up to 50% of growth in their business rate receipts arising from new or expanding businesses. Local authorities which pay tariffs are also liable to pay a levy of up to half of this type of growth. Levy revenue is then used to fund the safety net system to protect those councils that fall below their funding baseline. As previously mentioned, Rugby has experienced substantial growth of £5.4m above the baseline since the system was introduced. This growth is subject to a 50% levy payment, so only £2.7m of the £5.4m is retained by the Council. After this some other adjustments are made for S106 grants and the benefit of pooling, which total £400,000.

Therefore, our retained business rates budget for 2017/18 is £5.4m, which equals the funding baseline of £2.3m, plus retained growth of £2.7m and other adjustments of £400,000.

The Government's stated intention is that they will otherwise stay fixed until the reset in 2020.

Future development

The previous government had set out plans to allow local government as a sector to retain 100% of business rates from 2019/20. However, following the General Election in June, the plans for 100% rate retention were placed on hold, whilst options for proceeding without primary legislation were being reviewed.

Subsequently, the Secretary for State announced in the 2018/19 local government settlement that local share of growth retained under the system will increase from 50% to 75% by 2020/21. This increase in the growth retention rate will be enabled by the transfer of Public Health and other grants into the retention system.

The Government has reiterated its intention to reach full 100% retention in the future, however to ensure the system remains 'fiscally neutral' for the Government new or



additional responsibilities would have to be devolved to local government. Such devolution requires primary legislation, which due to the current lack of parliamentary capacity will not be feasible in the medium-term.

However, the main financial risk the Council and the sector as a whole faces is not when or whether 100% business rates system is implemented, but an impending reset of the current system. The reset presents twin risks, specific to the resets of both the 'funding baseline' and the 'business rates baseline'. These risks are expanded in the following sections.

Funding Baselines and the Fair Funding Review

Funding baselines for local authorities are based on an assessment of local authorities' relative needs and resources. These funding baselines have previously been delivered through both RSG and retained business rates, but with RSG due to end in the near term these funding baselines will be allocated solely through business rates in the long term. The methodology behind the funding allocations were introduced over ten years ago, and has not been updated since the introduction of the 50% business rates retention system in 2013/14.

Since that time, demographic pressures have affected local areas in different ways, as has the cost of providing particular services. In recognition of these pressures, the Government last year announced a review to address concerns about the fairness of current funding distributions. The outcome of this review will enable the Government to reconsider how the relative needs and resources of local authorities should be assessed in a world in which they will continue to have greater control over the money that they raise.

The design of this system or the direction and magnitude of the reallocation of funding will not be known until the outcome of the review, but it is anticipated the review will indicate the need to shift resources towards authorities with adult social care responsibilities. As set out above, the Council's funding baseline for 2018/19 is £2.3m and as such this amount of funding is at risk from the outcome of the Fair Funding Review.

Business Rates Baseline Reset

Rugby Borough Council is a pro-growth authority and has taken a proactive approach to generate growth in the local economy. **Therefore, being significantly above our business rates baseline level, the likelihood of a baseline reset in 2020/2021 remains**

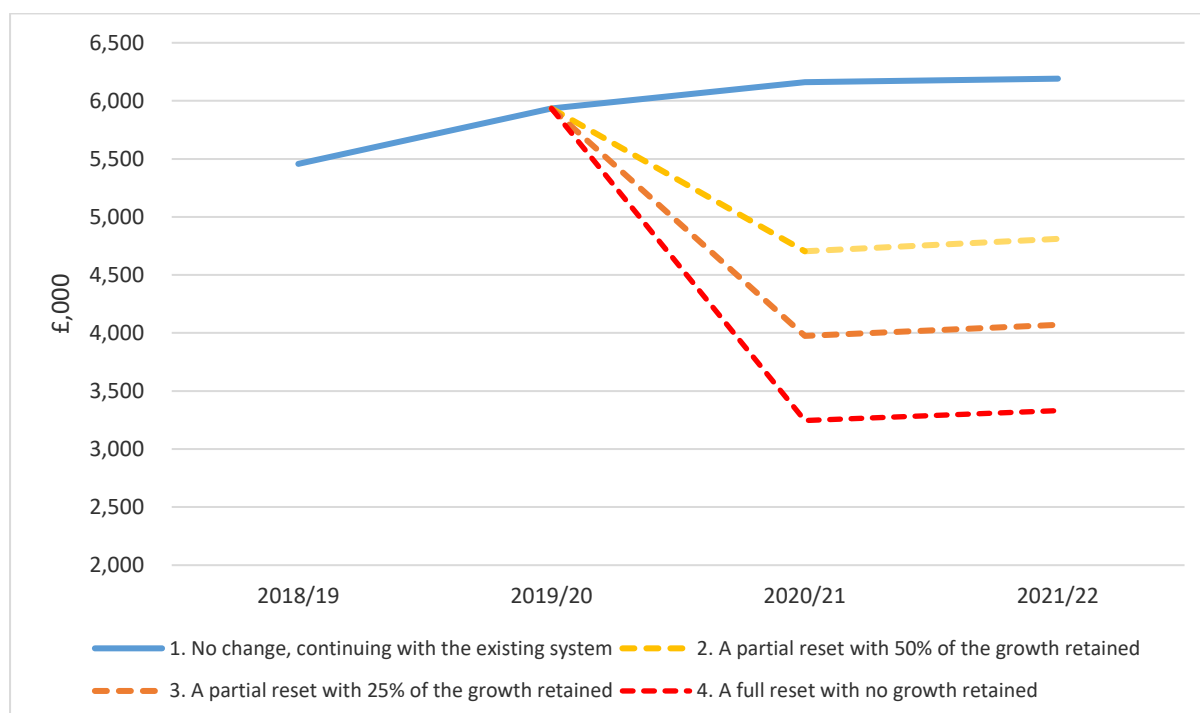


the factor with the potential to have the largest financial impact on the Council. The Government has previously consulted on a partial reset but the Council has since been advised that the Government are actively considering a full 100% baseline reset in 2020/21.

Officers have taken advice from the Chartered Institute of Public Finance and Accountancy's (CIPFA) Funding Advisory Service to model what a partial or full reset of the 'business rate baseline' might look like in 2020/21.

The table and chart below shows the implications of the income from retained business rates under some varying potential scenarios.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
1. No change, continuing with the existing system	5.459	5.934	6.162	6.191
2. A partial reset with 50% of the growth retained	5.459	5.934	4.704	4.811
3. A partial reset with 25% of the growth retained	5.459	5.934	3.975	4.071
4. A full reset with no growth retained	5.459	5.934	3.246	3.331





The Council has lobbied government firmly on our view that growth should be retained by the authority for longer than the reset period.

Whatever method is used to arrive at new formulae, it is hoped that councils are given time to adjust to changes in their level of funding, using damping mechanisms to ensure no local authority would see their funding increase or fall by more than a set amount each year. **Until this is confirmed the financial outcome of a reset without any such protection will be presented.** The above projections also only show the impact of a 'business rates baseline' reset and do not consider the possible financial implications of a 'funding baseline' reset.

Rugby Borough Council's Policy Approach

To mitigate the income volatility shown above and prepare for the reset, it is proposed to set a sustainable income position for business rates across the medium-term.

It is proposed that this smoothing of the budget position be facilitated by contributing to the budget equalisation reserve in the first two years of the medium-term plan. This will taper the net budget reductions caused by the reset and prevent a cliff-edge drop in the net budget at 2020/21.

For 2018/19 a sustainable budget position has been assessed equivalent to the income the Council will receive in 2020/21 if a partial reset is implemented where 50% of the growth can be retained. This is the most favourable scenario of the three reset options that have been modelled and therefore this has been considered a reasonable and prudent starting point.

For 2019/20 the income budget has been set at the mid-point between the income received under the scenarios where 50% and 25% of growth are retained, providing a position where 37.5% of growth has been considered a sustainable position.

Beyond the reset, it is **proposed to gradually reduce and taper the amount of business rates growth included in the base budget, with the long-term aim of only including an amount equivalent to the 'funding baseline' in the base budget.** This will help us to meet our objective of becoming financially self-sufficient by reducing the reliance in the base budget of funding that can be subject to arbitrary changes from central government.

Beyond the reset, **it is proposed that growth retained above the funding baseline is utilised to make revenue contributions to finance capital or one-off expenditure,** to reduce the extent of borrowing for the General Fund capital programme. As



explained in more detail in section 4.4, approximately £2.4million or 16.4% of the Council's General Fund revenue budget is committed to debt repayments and associated interest costs. Moving to this funding model would significantly reduce the amount of interest costs that the Council pays and as such provide more capacity and flexibility within our revenue budget.

Policy

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

3.4 New Homes Bonus

Background

The government set out the rationale for New Homes Bonus (NHB) to incentivise local authorities to encourage new homes locally by contributing to visible benefits for local communities and countering resistance to growth in housing.

NHB is a non-ring-fenced payment the Ministry of Housing, Communities & Local Government (MHCLG) has paid, since April 2011, to local authorities for every home added to their council tax register.

Initially the MHCLG paid an amount equivalent to the national average for that home's council tax band every year for six years. However, fundamental changes to the NHB scheme were announced within the 2017/18 Local Government Finance Settlement. Including a reduction in the number of years that NHB is allocated for, reducing from 6 years to 4 years, and the introduction of a "deadweight" factor that means that NHB will not be received for approximately the first 150 homes that are delivered each year in Rugby; this is equivalent to a 0.4% baseline.



Consequently, Rugby stands to lose approximately £3.8m over the remaining three years of the settlement period, compared to the initial scheme design.

Future Development

In the 2018/19 finance settlement the Secretary of State announced that there would be no changes to the scheme in the forthcoming year. However, assurance was not given beyond 2018/19 and as such the Council still faces risks from future potential changes to the scheme. Informal discussions across the sector have intimated that the baseline may be increased to 0.7%. The table below presents the loss of income if the baseline was increased from 0.4% to 0.7%.

	0.4% Baseline	0.7% Baseline	NHB Loss
2019/20	2,472,958	1,710,323	-762,635
2020/21	2,968,230	1,799,559	-1,168,671
2021/22	4,027,050	2,430,399	-1,596,651

The Council's NHB Policy

For the same reasons explained above for business rates, to achieve financial self-sufficiency, the organisation will need to taper its reliance within our core income budget. It is proposed that the Council move to an approach where **a proportion of the Council's NHB allocations be withdrawn from the base budget by the 2020, with the monies ring-fenced for revenue contributions to capital expenditure** to reduce the reliance on borrowing to finance the General Fund capital programme.

Policy

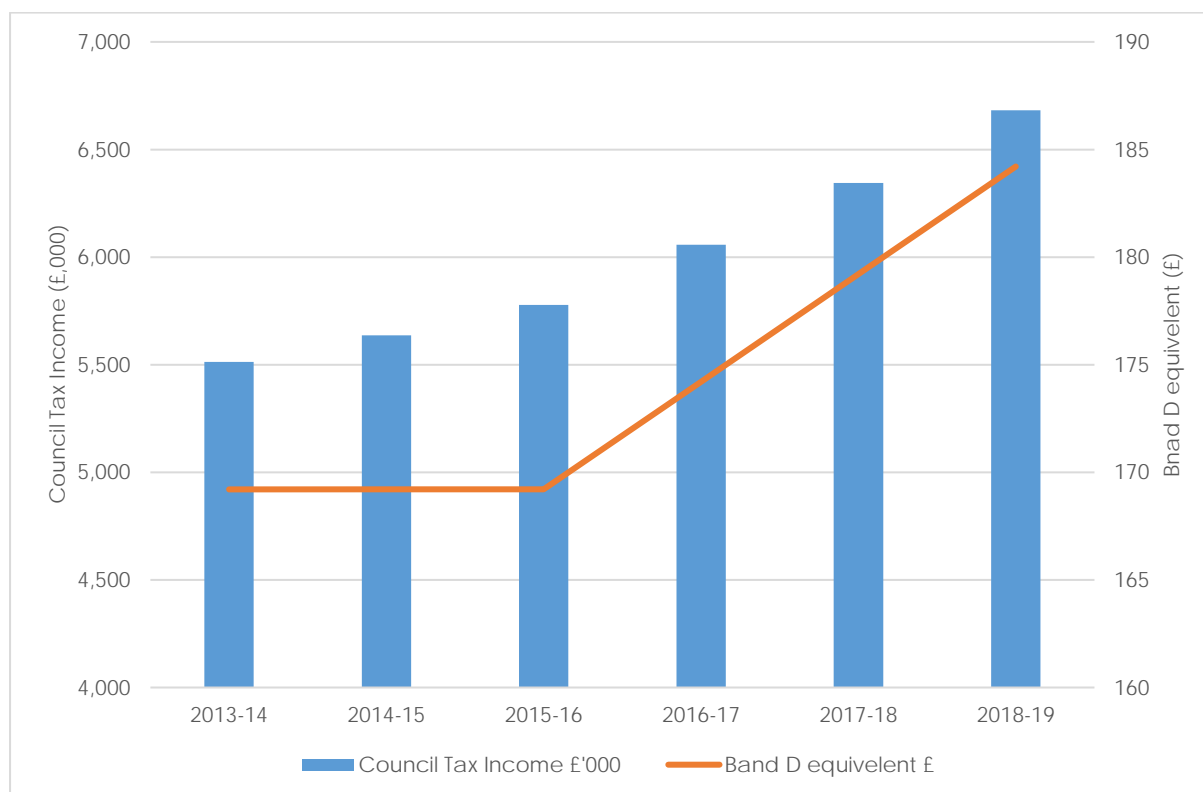
A proportion of the Council's NHB allocations be withdrawn from the base budget by the 2020, with the monies ring-fenced for revenue contributions to capital expenditure.



3.5 Council Tax

The following table and chart shows the amount of council tax income since 2013/14.

	Council Tax Income £'000	Band D equivalent £	Taxbase
2013/14	5,512	169.21	32,577
2014/15	5,637	169.21	33,312
2015/16	5,777	169.21	34,142
2016/17	6,058	174.21	34,771
2017/18	6,344	179.21	35,400
2018/19	6,682	184.21	36,271



The table and chart show strong growth in the council tax yield over the period, with income rising by £1.2million or 21%. This is due to both a strong 11% increase in the taxbase, coupled with moderate increases in the Band D equivalent since 2016/17.



The Government has retained the potential to use their capping powers. The Localism Act includes the requirement for a referendum should a council tax increase be “excessive”.

In the 2018/19 local government finance settlement the Secretary of State announced that Council’s would be allowed to increase their council tax requirement by 3% without triggering a referendum. Previously for districts this limit has been the higher of 2% or £5.

The increase in referenda threshold in recent years marks a clear change in policy in the way that council tax increases are viewed by the Government. Previous government had strongly incentivised Council’s to keep council tax low, with lower referenda thresholds and the award of Council Tax Freeze Grant. However, the loosening of thresholds has been accompanied in a change of government rhetoric and policy position. For example, the maximum increases have been incorporated in to the Government’s own published figures for local government funding. Also, the Government has stated that the rationale for the increase in the limit is to allow council tax increases to keep track with inflation, which again indicates that cash increases are being viewed as favourable and necessary by government.

It is also worth noting that there is a wide range of Band D council tax equivalents across the district councils, with the highest in 2017/18 being £341.76 and the lowest £80.46. For context, in 2017/18 Rugby’s was £179.21(including special expenses but excluding parish precepts) which was just above the median £172.86.

As such, the application of these limits has an uneven impact across authorities with a 3% increase equating to only £2.41 for the lowest Band D and £10.25 for the highest. As such district councils collectively have been lobbying for a removal of the 3% limit and to replace it with an absolute limit in the region of £7.50. For, context the threshold for Police and Crime Commissioners was set at £12 on a Band D in 2018/19.

Whilst the setting of council tax will always remain a political decision, **for financial planning purposes it is proposed the rate of increase will continue to be forecast at maximum allowable increase** across the medium-term.

The other major factor that affects the overall amount of council tax collected over the medium-term, is the change in the tax base during this period, which is largely determined by anticipated growth in house numbers. The medium-term forecasts for tax base growth are informed by the Housing Trajectory, which is developed by the Economic Development team.



The table below summarises this forecast.

	2017	2018	2019	2020
Growth in year	596	939	1,004	1,186

The other key factor that affects the council tax base and consequently the overall yield is the level of Council Tax Support provided to residents. In 2013/14 Council Tax Support was introduced as a replacement to Council Tax Benefit and the scheme works by offering eligible residents a discount on their council tax bill.

The financial implications of offering these discounts is a reduction in the overall council tax base. Since the scheme's inception, the economic climate has remained relatively stable, as has the number of claimants as a proportion of the overall tax base. However, should economic conditions deteriorate either nationally or locally, it is expected that therefore the number of eligible claimants would increase and conversely the tax base and yield would reduce.

Therefore, on an annual basis the Council will review the Council Tax Reduction scheme to ensure it remains affordable. Measures that the Council can consider achieving this include reducing the amount of support available or the distribution of discounts payable, whilst closely analysing the associated impact for customers. Further consideration will also be given to establishing an earmarked reserve to mitigate possible reduction in the council tax base due to changes in economic conditions

Policy

To summarise, the Council financial planning policy in relation to council tax is to:

- Project increases in the council tax rate in-line with the maximum allowable increase;
- Forecast council tax base increases based on the housing trajectory;
- Annually consider the affordability of the Council Tax Support scheme depending on economic conditions and other factors;
- Set up a reserve to mitigate possible reduction in the council tax base due to change in economic conditions; and
- Aim to set council tax so that there is a nil surplus or deficit on the collection fund.



3.6 Negative Revenue Support Grant (RSG)

In addition to the above income streams, the Council has historically funded its services from the core RSG. As previously mentioned these allocations have reduced significantly in recent years, and the Council will only receive £150,000 in 2018/19 and nil beyond this.

What is of significant concern however, is that under the existing funding settlement the Council will soon be required to make negative RSG payments to central government. In 2019/20 the payment is forecast to be £250,000 and in 2021/21 the forecast is £350,000.

In the 2018/19 finance settlement the Minister for Housing, Communities and Local of state responded to the sectors concerns about negative RSG. In his statement he said that *"I do recognise the strength of feeling in local government around this issue. So, I can confirm that my department will be looking at fair and affordable options for dealing with negative RSG and we will formally consult on proposals in the spring"*.

The Council will continue to respond to any consultations on this topic.

4. Delivering excellent value for money services

This section sets out the strategy for addressing the second overarching corporate priority.

4.1 Approach to budgeting

Like many authorities, the Council has taken a traditional incremental approach to budgeting. Incremental budgeting uses the last year's budget as a starting point, and makes incremental changes according to new legislative requirements, additional or reduced resources, service developments, anticipated inflation and labour costs. This approach has helped Rugby to make significant savings to date but it is less well suited to scrutinising the cost and effectiveness of spending overall.

It is essential that the Council strengthens its understanding of the cost of service delivery and scrutinise this within the context of the service benefits provided to customers.



A potential vehicle for delivering this enhanced service value analysis is the adoption of alternative financial planning models. Experience and research across the sector⁹ have identified potential benefits of implementing alternative budgeting approaches, such as:

- Better understanding of unit costs and the relationship between inputs, outputs and outcomes;
- Reduce costs by identifying budgets that do not add value or contribute enough to outcomes, simultaneously driving better outcomes by highlighting areas where investment can be more effective.

Further detail and findings from this research are presented at Annex 1.

Given the benefits and challenges of moving to an alternative model, **it is proposed the options for budget development are explored further by members and officers during 2018/19.**

However, embedding a new approach to budgeting would be a lengthy process that will incorporate substantial change to policy, practice and culture. In the interim it is important that the council further develops its understanding the cost of delivery those services. Therefore, in advance of the proposed review, **for the 2019/20 budget setting process a zero-based approach with outcome based budgeting elements will be trialled across a limited number of service areas.** These services areas will be identified and selected on a risk based approach, by considering factors such as; the total level of service spend, relative growth or savings in recent years, variance to prior year budgets, availability and quality of output and outcome data.

Policy

- It is proposed that options for budget development are explored further by members and officers; and
- zero-based approach with outcome based budgeting elements, across a limited number of service areas be trialled for the 2019/20 budget setting process.

⁹ New Local Government Network. (2014). Integrating financial and strategic planning for outcomes. (www.nlgn.org.uk)

Grant Thornton. (2017). All about outcomes based budgeting (www.grantthornton.co.uk)



4.2 Service Reviews

These alternative approaches to budgeting are closely aligned to the Systems Thinking methodology that the Council has used for many years to deliver improvements for its customers. This has helped the Council to operate as efficiently and effectively as possible whilst ensuring the customer is at the heart of service provision and delivery.

To ensure the momentum is not lost, it will be important to carry on reviewing our processes and where this methodology has not yet been implemented the Council should challenge services to explain why they have not carried out reviews or what they have done instead to drive continual improvement. The outcome of these reviews will also provide intelligence to target services that may be suitable for alternative budget approaches.

4.3 Operation of Financial Management and Control

The Council's budget setting and monitoring arrangements have historically been extensively centralised, with the Financial Services team responsible for practical completion of almost all aspects of the processes. The integrated budgeting module with our financial management system will 'go live' in 2018/19. This system change will facilitate the decentralisation of our financial management processes and allow Budget Officers to take greater control and ownership of their budgets, whilst still allowing Financial Services to retain the necessary degree of central control and co-ordination.

This represents a fundamental shift in the Council's approach to financial management, but one that provides the opportunity for the Financial Services team to move away from some tasks that are predominantly of a data and information management nature and concentrate on the provision of more value-added activities. The move towards this approach is essential to ensure the Council has a richer understanding of the relationship between our inputs, outputs and outcomes and that the Council is effective in the scrutiny of the effectiveness of cost and spending overall.



4.4 Reviewing Capital Investment Decisions

The Council's capital programme for 2017/18 is £5.4m for the General Fund and £14.4m for the HRA. The majority of this spend is comprised of the following key schemes:

General Fund	
Vehicles	£1,551,200
IT Refresh	£203,450
Open spaces refurbishment – Whitehall recreation ground	£489,130
Carbon management plan – installation of solar panels	£611,750
Disabled Facilities Grants	£539,360
Great central walk bridges	£530,200
HRA	
Cawston meadows – acquisition of 34 new units	£4,665,000
Purchase of council houses	£1,685,000
Window replacement	£2,828,180
Energy efficiency long lawford external cladding	£293,700
Energy efficiency external cladding phase 2	£900,000
Kitchen improvements	£707,120
Heating upgrades	£770,000
Bathrooms	£321,780

Business Case Methodology

A corporate approach must be taken to capital investment decisions with the allocation of resources, the whole-life cost and prioritisation of projects being fully justifiable in terms of the Council's objectives. To meet this requirement the capital investment proposals must be accompanied by a full business case, developed and appraised in-line with the HM Treasury's Five Case Model framework¹⁰.

The business case in support of a new policy, new strategy, new programme or new project must evidence:

- That the intervention is supported by a compelling **case for change** that provides holistic fit with other parts of the organisation and public sector– the "*strategic case*";
- That the intervention represents best **public value** – the "*economic case*";

¹⁰ HM Treasury. (2018). The Green Book. (www.gov.uk)



- That the proposed deal is attractive to the market place, can be procured and is **commercially viable** – the “*commercial case*”;
- That the proposed spend is **affordable** – the “*financial case*”; and
- That what is required from all parties is **achievable** – “*the management case*”.

Research by the Her Majesty’s Treasury (HMT) has shown that application of this methodology has been shown to:

- Reduce the costs and timescales associated with producing business cases and to improve the efficiency and throughput of the spending approval process through clearer structure and presentation;
- Raise the quality of spending proposals, both in terms of their scoping and delivery and public value, as a result of the more effective comparison of alternative options for the achievement of objectives;
- Support the prioritisation of spending proposals and the management of spending portfolios through provision of standard information.

Financing

Prior year budget update reports have already identified the extent to which the Council’s capital programme is financed by borrowing and that the Council’s current level of capital receipts is approximately £3.1m for the General Fund and £5.8m for the HRA.

The 2018/19 General Fund budget includes approximately £1.9m of revenue expenditure that will be incurred in relation to the Minimum Revenue Provision (MRP) for the repayment of borrowing undertaken to support capital expenditure and associated borrowing costs, which equates to approximately 13.2% of the Council’s net revenue budget. Furthermore, the Council also incurs approximately £470,000 of interest costs on this debt, which equates to 3.2% of the net revenue budget. Therefore £2.4million or 16.4% of the Council’s revenue budget is already committed to debt repayments and associated interest costs.

A significant proportion of this debt relates to funding the new Leisure Centre, for which the Council has benefitted by at least £500,000 per annum in reduced in management fees. Another substantial proportion of this debt relates to the Crematorium, which is significant income generating service.

However, as shown in the section above, much of the capital expenditure projected for the medium-term does not relate to income generating schemes, but schemes for the procurement of short life assets that are necessary to ensure the Council maintains operational services, for example replacement vehicles and IT equipment.



Considering this upward trend in revenue expenditure it is necessary for the Council to ensure all investment decisions are made on a sound basis and where possible consideration be given to alternative funding options.

Considering this, it is **proposed that a financing model is moved to where borrowing will only be used for longer life assets** where there is a solid financial case for doing so, either through delivery of additional savings or income generation. **Therefore, for all shorter life assets the Council will move across the medium-term to fund the expenditure from on-going revenue contributions.**

General Fund capital receipts will only be used to generate additional income for the Council, be that through investment interest earned on our cash holdings or income generated from capital investment projects that provide a positive financial return on investment. However, given the restrictions placed on the use of Right to Buy receipts by central government, receipts from Council house sales will be reinvested in a housing capital programme or used to improve and replace existing assets.

Policy

- Move to a financing model where short life assets are financed from revenue contributions;
- Longer life assets are financed from borrowing, but only where there is a strong business case for the investment;
- GF capital receipts be used solely to provide a financial return; and
- HRA capital receipts be invested in a housing programme or used to improve existing assets



5. Key Principles for Financial Management

To ensure the Council's financial resources are aligned to support the delivery of the Corporate Strategy the following principles will be embedded in to financial management over the life of this strategy:

General	
Conduct	The Council will conduct its financial management with integrity, probity and in accordance with the standards and expectations of a publicly funded body
Information	The Council will ensure that its published financial information is accurate, transparent, reliable and understandable
Balance	Maintain a balanced and sustainable General Fund and Housing Revenue Account budget, protecting front line service provision and minimising the impact on staff wherever possible
Optimise income and identify new revenue opportunities	
Commercial Approach	<p>To give our residents best value for money it is essential that income received for appropriate services is optimised. This means looking at the way services are delivered and how they are paid for.</p> <p>This will be facilitated by the adoption and implementation of the Council's Commercial Strategy and framework in 2018</p>



	Sufficient resources must be in place to support the move to a more commercial Council, with the objective of all commercial activity being self-funded by 2020
Fees and Charges Review	As part of the annual budget process, the Council will continue to consider its income generation opportunities by completing a two-stage review of fees and charges, as recommended by the scrutiny review of fees and charges in 2014/15, to ensure a rigorous and critical approach to the setting of fees and charges and achieve optimisation of service income;
Annual Increases	It is proposed that from 2018/19 onwards the Council will seek to increase its fees and charges annually by the rate of inflation (CPI) except where legal requirements, contractual obligations, market forces or other special circumstances render this inappropriate.
Debt Recovery	Maximise the Council's income with prompt recovery of debt
Ensure that the council works efficiently and effectively	
Approach	In this electronic age our digital technology must be fit for purpose. Savings have already been made from its use and the Council will continue to invest in new technology as it is



	<p>developed and our workforce will be continually trained to use all new methods of working.</p> <p>The Council will ensure that financial planning is robust and it continues to provide our residents with the best services at an affordable price.</p> <p>The Council will manage its assets efficiently and ensure they are utilised to bring maximum benefit for all.</p>
<p>Financial Planning</p>	<p>The Council will ensure that robust estimation techniques continue to be developed for financial planning purposes, for key activity income and expenditure items across the medium-term.</p> <p>Where relevant the Council will engage will external advisors to assist with the development of suitable financial planning models and assumptions. This is in particular regards to business rates and NHB, as these two income sources present the greatest financial risks and opportunities.</p> <p>To identify and consider at the earliest possible stage any financial pressures that the Council will face from continuing growth in the borough</p>
<p>Digitalisation</p>	<p>To continue with the IT transformation programme to release savings from fundamental changes to the way we work.</p>



<p>Service Reviews</p>	<p>Review our services to increase efficiency, remove waste and provide better value for money</p> <p>To continue with the momentum of service reviews to eliminate "waste demand"</p>
<p>Corporate Savings</p>	<p>To include appropriate amounts in the Council's revenue budgets for the achievement of corporate savings targets.</p>
<p>Keep tight control of our finances</p>	<p>Carry out regular budget monitoring, working closely with budget holders to highlight variances accurately, discuss corrective action and report to Management Team and Committees.</p> <p>If, because of in-year financial monitoring, it appears to the authority that there has been deterioration in its financial position, it will take corrective action/measures as are considered necessary to deal with the matter.</p> <p>It will hold its managers accountable for their overall budgets.</p>
<p>Assets</p>	<p>A corporate approach must be taken to capital investment decisions with the allocation of resources, the whole-life cost and prioritisation of projects being fully justifiable in terms of the Council's objectives.</p> <p>To meet this requirement the all capital investment proposals must be</p>



	<p>accompanied by a full business case, developed and appraised in-line with the HM Treasury's Five Case Model framework.</p>
<p>Procurement</p>	<p>The Council is actively working to modernise and streamline its current processes and procedures to achieve maximum efficiency.</p> <p>Our operating principles are to:</p> <ul style="list-style-type: none"> • Provide services that represent good value for money in procurement • Identify best practice in procurement and challenge current methods • Maximise local Social Value and Environmental Sustainability • Deliver efficiency savings both cashable and non-cashable • Be open to and seek opportunities for partnership or collaborative work with other authorities • Ensure Procurement is conducted within EU / UK legislation and is compliant
<p>Prioritise use of resources to meet changing customer needs and demands</p>	
<p>Approach</p>	<p>It is important that the council is up to date with modern ways of working. To this end the Council will ensure that it is a forward-looking organisation that provides for today and plans for the future. This will include working more closely with neighbouring authorities and</p>



	forming partnerships with other organisations.
Delivery Models	The Council will continue to explore alternative means of service delivery including partnering, enabling, outsourcing, shared services, trading arrangements and will aim to make best use of IT and changes to our work processes to ensure cost effective, economic and efficient services are provided at the level the customer requires.
Partnerships	<p>Plan and deliver services in partnership with other public sector organisations, including:</p> <ul style="list-style-type: none"> • Working with the Local Enterprise and Local Strategic Partnership and other regional partners • Work in partnership with other precepting bodies to understand the financial implications of any planned service changes • To increase the level of shared services and collaborative working where possible to achieve further efficiency savings • Consider shared procurement opportunities where better terms can be secured <p>In addition, the Council will seek to manage all its assets cost-effectively, including consideration of community or alternative third sector organisations asset transfers to achieve a local social, economic or environmental benefit</p>



<p>Risk Management</p>	<p>The Council will base its decisions on complete, reliable, timely financial information and after an evaluation of the risk implications.</p> <p>All reserves and balances will be held corporately to support the delivery of the Council's corporate priorities and an annual assessment of general balances will be undertaken at least annually to ensure that there are sufficient levels to mitigate future financial risks.</p> <p>Maintain a treasury management function that balances risk with maximising income</p>
<p>Staff Investment</p>	<p>The Council will seek to develop the workforce so staff have the right skills in the right roles to meet changing needs and demands.</p> <ul style="list-style-type: none"> • Hold central training and development budgets, available for all staff to access • Maximise the use of our apprentice levy contributions, to ensure value for money in the technical and professional development of our staff • Provide a range of affordable in-house training solutions to complement external training options



6. Risks and Reserves

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 over the medium-term, by making short-term contributions towards balancing the budget and give the Council time to plan service changes and further efficiencies.

The Council's core General Fund reserves consist of General Fund Balances, the Business Rates Equalisation Reserve and the Budget Stability Reserve.

At Cabinet's meeting on the 30th October 2017 a risk assessment against General Fund balances was presented, considering various risks that may affect the Council's finances over the short to medium term to arrive at a recommended prudent level of balances of £1.95m. This assessment was revisited for 2018/19 council tax setting determination and the recommended balances were still considered to be appropriate.

Balance / Reserve	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
General Fund Balances	2,600	2,575	2,575	2,575
Business Rates Equalisation	450	1,000	2,600	2,600
Budget Stability	175	175	175	175
Total	3,225	3,750	5,350	5,350

The table above shows the forecast movement in core reserves across the medium-term. The key change is the increase in the Business Rates Equalisation reserve, which reflects the proposed policy to not include in the base budget the total growth from business rates income. As explained in previous sections, this is essential to ensure that the Council is not unduly exposed to the risk of the forthcoming reset of the business rates system and this reserve accumulation will mitigate this exposure and assist in the transition to the new business rate retention system.

For the HRA the Council expects to hold balances of £1.4m at the end of 2017/18, which is more than the £1.0m minimum provision identified in the risk assessment.

Similarly to the General Fund, there are numerous areas of policy development that may result in a greater risk exposure and subsequently there may be a need for us to hold a higher level of reserves and balances to mitigate this in the future. Officers are



monitoring these developments closely and an updated financial risk assessment will be incorporated into the 2019/20 rent setting process.

Policy

- All reserves will be held corporately; and
- All transfers to or from reserves will be subject to member approval.

7. Conclusion

Ensuring the Council provides excellent value for money whilst delivering the corporate priorities is a key priority in itself. Without identifying opportunities for efficiency and income generation and putting in place processes to deliver these, it will be difficult to meet the increasing expectations of local and national stakeholders.

This MTFS identifies the steps the Council needs to take to achieve this objective and continue to build upon its track record of sound financial management.

Summary of Research on the Prevalence of Alternative Budgeting Models Across Local Government

A report by the New Local Government Network¹ (NLGN) in 2014 explored alternative and more innovative approaches to financial planning being used across the sector. The report sets out the following theoretical approaches:

Incremental Budgeting	A method of budgeting that uses the previous years' budget as a model and makes small, incremental changes each time.
Incremental Plus	As above, but mixed with elements of other models such as outcome-based budgeting, or zero-based budgeting.
Outcomes-based Budgeting	A method of budgeting in which funds are allocated accordingly to a set of predefined outcomes or priorities.
Zero-based Budgeting	A method of budgeting that starts completely from scratch – from a 'zero base'. Each budgeting decision is made as if for the first time. This means that each decision must be justified, and services that previously received a certain amount of funding are not guaranteed to receive it again.

The NLGN analysis found that 39% of Councils now use only 'incremental budgeting', whilst another 39% use it in tandem with outcome or zero-based budgeting methods.

Broadly speaking, Rugby has followed an incremental approach for setting its 2017/18 budget. The NLGN offer the following critique of Incremental Based Budgeting.

Positives of this approach:

- Relatively low-cost in terms of time and labour intensiveness.
- Does not involve much conflict.
- For minor financial changes, the process can be an efficient way of testing relative priorities.
- Allowed councils to make significant savings and deliver balanced budgets to date.

Limitations of this approach:

- Effective way to distribute new money, but much weaker at scrutinising the cost and effectiveness of existing spending.
- Often leads to salami slicing, where the headline budget for each silo service area is squeezed without fundamentally questioning the impact each cut has on outcomes.
- Duplication & Silos: Because each department considers its spending reductions separately, it is easy to overlook efficiencies that could be made across departments. Can hinder joined up thinking about problems and impede an integrated approach to service delivery.

- Can lead to a focus on the budget for next year rather than planning for the medium and long term. Many solutions will only deliver the desired positive outcomes and savings over a much longer period.
- An incremental approach is often alienating or demoralising for Councillors if presented with a menu of options for what not to spend money on, rather than considering how it could be spent better. Members elected with imagination and zeal can be given little real input into future plans for services.

The report also sets out the key benefits of adopting alternative approaches:

- Provides better evidence to link spending to strategic goals
- Opportunity to provide a more transparent and participatory budgeting process with members operational staff and in the budget setting process.

This and other publications³ have identified additional potential positive outcomes, such as:

- Better understanding of unit costs and the relationship between inputs, outputs and outcomes
- Better to allocate and prioritise resources
- Reduce costs by identifying budgets that do not add value or contribute enough to outcomes, simultaneously driving better outcomes by highlighting areas where investment can be more effective.
- It can also help provide a clear narrative for council members and the public, a narrative that conveys the council's intent to improve services in priority areas, whilst also driving value for money.
- The alternative approaches also challenge the status quo, and encourages a questioning attitude among managers. Moreover, it responds to changes in the business environment.

However, there are number of challenges to move towards such approach, as identified by Grant Thornton²

- many councils do not have sophisticated enough processes and use proxy data, this can make obtaining accurate and relevant performance data difficult
- national data that can be benchmarked on a consistent basis is also patchy, making it difficult to know 'what good looks like'
- due to outcomes being driven by multiple internal and external factors, and single budgets driving multiple outcomes, it can be tricky to find a direct correlation between resources deployed and outcomes achieved
- many services are rooted in statutory obligations which can inhibit resource re-prioritisation and also flexibility over some outcomes
- the complex analysis will require an investment of resources, councils will need assurance and confidence about the cost to implement and the expected benefit

1. <http://www.nlgn.org.uk/public/2014/integrating-financial-and-strategic-planning-for-outcomes/>

2. <https://www.grantthornton.co.uk/insights/all-about-the-outcomes-based-budgeting/>

3. <http://www.room151.co.uk/technical/zero-hero-savings-with-zero-based-budgeting/>

EQUALITY IMPACT ASSESSMENT/ ANALYSIS (EqIA)
Medium Term Financial Strategy 2018-23



Equality Impact Assessment

Service Area	Corporate Resources
Policy/Service being assessed	Medium Term Financial Strategy 2018-23
Is this is a new or existing policy/service? If existing policy/service please state date of last assessment	New (revised)
EqlA Review team – List of members	Chris Blundell,
Date of this assessment	22.3.18
Signature of responsible officer (to be signed after the EqlA has been completed)	

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

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



Form A1

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



High relevance/priority



Medium relevance/priority



Low or no relevance/ priority

Note:

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

Business Unit/Services:	Relevance/Risk to Equalities																										
State the Function/Policy /Service/Strategy being assessed:	Gender			Race			Disability			Sexual Orientation			Religion/Belief			Age			Gender Reassignment			Pregnancy/ Maternity			Marriage/ Civil Partnership (only for staff)		
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medium Term Financial Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Are your proposals likely to impact on social inequalities e.g. child poverty for example or our most geographically disadvantaged communities? If yes please explain how.																								NO			
Are your proposals likely to impact on a carer who looks after older people or people with disabilities? If yes please explain how.																								NO			

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

<u>Stage 1 – Scoping and Defining</u>	
(1) What are the aims and objectives of Plan/Strategy/Service/Policy?	To provide the Council with a sound financial plan that outlines they key principles required to enable it to meet its objectives and achieve its ambition of becoming financially self-sufficient by the end of the decade without reliance on central government funding
(2) How does it fit with Rugby Borough Council's Corporate priorities?	Supports delivery.
(3) What are the expected outcomes?	To facilitate the achievement of the Council's Corporate Priorities through efficient and effective use of the Council's resources.
(4) Which of the groups with protected characteristics is this intended to benefit? (see form A1 for list of protected groups)	This strategy is not focused at benefiting any individual protected group and is intended to benefit all residents of Rugby Borough
<u>Stage 2 - Information Gathering</u>	
(1) What type and range of evidence or information have you used to help you make a judgement about the plan/ strategy/ service/ policy?	<p>This strategy includes contextual information about the Council's operating and financial environment. This context has been formed by drawing reference to demographic information produced by bodies including the Warwickshire Observatory and The Office for National Statistics (ONS).</p> <p>Information on financial best practice has been produced by referring to guidance produced by HM Treasury and research and analysis undertaken by independent organisations, such as the Chartered Institute of Public Finance and Accountancy (CIPFA) and the New Local Government Network.</p>
(2) Have you consulted on the plan/ strategy/ service/policy and if so with whom?	Senior Management Team.

(3) Which of the groups with protected characteristics have you consulted with?	SMT includes: different gender age and BME		
<u>Stage 3 – Analysis of impact</u>			
(1) From your data and consultations is there any adverse or negative impact identified for any particular group which could amount to discrimination? No If yes, identify the groups and how they are affected.	RACE	DISABILITY	GENDER
	MARRIAGE/CIVIL PARTNERSHIP	AGE	GENDER REASSIGNMENT
	RELIGION/BELIEF	PREGNANCY MATERNITY	SEXUAL ORIENTATION
(2) If there is an adverse impact, can this be justified?	Not applicable		
(3) What actions are going to be taken to reduce or eliminate negative or adverse impact? (this should form part of your action plan under Stage 4.)	Not applicable		
(4) How does the plan/strategy/service/policy contribute to the promotion of equality? If not what can be done?	Not applicable		
(5) How does the plan/strategy/service/policy promote good relations between groups? If not what can be done?	Not applicable		

(6) Are there any obvious barriers to accessing the service? If yes how can they be overcome?	No																													
<u>Stage 4 – Action Planning, Review & Monitoring</u>																														
<p>If No Further Action is required then go to – Review & Monitoring</p> <p>(1) Action Planning – Specify any changes or improvements which can be made to the service or policy to mitigate or eradicate negative or adverse impact on specific groups, including resource implications.</p>	<p>EqIA Action Plan</p> <table border="1" data-bbox="891 687 2130 916"> <thead> <tr> <th data-bbox="891 687 1133 762">Action</th> <th data-bbox="1137 687 1379 762">Lead Officer</th> <th data-bbox="1384 687 1626 762">Date for completion</th> <th data-bbox="1630 687 1872 762">Resource requirements</th> <th data-bbox="1877 687 2130 762">Comments</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Action	Lead Officer	Date for completion	Resource requirements	Comments																				
Action	Lead Officer	Date for completion	Resource requirements	Comments																										
(2) Review and Monitoring State how and when you will monitor policy and Action Plan	Revised Medium Term Financial Strategy due for April 2020, when the Corporate Strategy is refreshed.																													

Please annotate your policy with the following statement:

‘An Equality Impact Assessment/ Analysis on this policy was undertaken on (date of assessment) and will be reviewed on (date three years from the date it was assessed).

AGENDA MANAGEMENT SHEET

<i>Name of Meeting</i>	Cabinet
<i>Date of Meeting</i>	9 th April 2018
<i>Report Title</i>	Human Resources Strategy and Policies
<i>Portfolio</i>	Corporate Resources
<i>Ward Relevance</i>	No
<i>Prior Consultation</i>	Senior Management Team. Trade unions will be consulted.
<i>Contact Officer</i>	Suzanne Turner, Human Resources Manager extension: 3570
<i>Report Subject to Call-in</i>	No
<i>Report En-Bloc</i>	No
<i>Forward Plan</i>	Yes
<i>Corporate Priorities</i>	Ensure the Council works efficiently and effectively
<i>Statutory/Policy Background</i>	There is no statutory requirement for a local authority to have an HR Strategy. Our HR Strategies are aligned to our Corporate Strategies.
<i>Summary</i>	An HR Strategy is recommended to ensure management actions are put into place to provide a suitable workforce for the future.
<i>Risk Management Implications</i>	None identified.

<i>Financial Implications</i>	To provide a more proactive HR Service we need to increase the complement of HR Business Partners and the cost of this is £19,570 in 2018/19 be included to be met from General Fund Balances.
<i>Environmental Implications</i>	None
<i>Legal Implications</i>	An effective HR Service will encourage better people management practices in the Council. Thereby reducing weaknesses in Employment Tribunal cases.
<i>Equality and Diversity</i>	Measures in the HR Strategy will help ensure we fulfil our duties under the 2010 Equalities Act. An Equality Impact Assessment is attached at Appendix 2.
<i>Options</i>	<ol style="list-style-type: none"> 1. To approve the HR Strategy and HR resources 2. To not approve the HR Strategy and/or the HR resources. 3. To request changes are made to either the HR Strategy and/or the HR resources.
<i>Recommendation</i>	The HR Strategy (attached at Appendix 1) and the increase to HR resources, be approved and a supplementary revenue budget of £19,570 in 2018/19 be included to be met from General Fund Balances.
<i>Reasons for Recommendation</i>	To provide a more proactive HR service, improving people management practices and embed our corporate values within the Council. Ultimately supporting the Council to provide services to our customers and meet the objectives in our Corporate Strategy.

Cabinet – 9 April 2018

Human Resources Strategy and Policies

Report of the Head of Corporate Resources

Recommendation

The HR Strategy (attached at Appendix 1) and the increase to HR resources, be approved and a supplementary revenue budget of £19,570 in 2018/19 be included to be met from General Fund Balances.

1.1 Introduction

The Council has previously had HR strategies covering its workforce.

With the introduction of the Corporate Strategy 2017 – 2020 and our corporate values (CAN DO), it is appropriate to have a HR Strategy which aligns to these, provides the workforce that can deliver those corporate priorities and embed our corporate values.

Historically HR has provided a largely reactionary support service to the organisation within the constraints of its limited resources. Having seen the benefits brought about from having a dedicated HR business partner to the Environment & Public Realm portfolio and the ability to provide a much more pro-active support service it is proposed to move to this method of service delivery for all portfolios.

This requires the Council to increase resources at the HR Business Partner level as outlined below.

1.2 Human Resources Strategy

This strategy attached at Appendix 1 identifies how the Council needs to shape its workforce to best meet future customer demands. The strategy sets out broad objectives to be achieved, what the HR team will deliver and how we can measure that contribution. There are six principles as follows:

- 1) Attract & retain a CAN DO workforce
- 2) Develop leadership
- 3) Build workforce skills and capability
- 4) Nurture employee engagement, wellbeing and diversity

- 5) Continuous review of terms & conditions and remuneration
- 6) Provide an excellent HR service

1.3 Human Resources

In January 2017, HR resources were reshuffled to provide an extra HR Business Partner. This post was partly funded by the Works Services Unit. It provided a dedicated HR Business Partner to support and guide the management teams in Environment and Public Realm. Having this level of HR Business Partner resource has brought many benefits, for example: sickness is now much better managed, with regular return to work interviews and formal sickness meetings. Long-term absence cases have been addressed and seen either a return to work or bringing employment to an end. This HR Business Partner has been able to challenge and coach managers to improve people management practices, especially with having difficult conversations with our employees.

The current HR staffing resource is as follows:

HR Manager x 0.7
HR Business Partner x 3 (one manages Payroll and our HR and Payroll system)
Organisational Development Officer x 0.8
Recruitment and HR Support Officer
HR and Payroll Assistant (50% on HR)

This represents a ratio of 1:93 (for every 93 employees we have one HR employee).

XpertHR (industry) Survey 2016 gave a national median average ratio of 1:62 and a mean average ratio of 1:99, which includes Equality and Diversity staff.

Including our E&D Officer into the ratio makes it 1:87.

This shows that HR resources are at the lower end of the national average. By increasing the HR resources by one full time post this ratio reduces to 1:74, which is consistent with the national benchmark.

To move to a similar service delivery model across all the portfolios would require an additional FTE, however initially a part-time (0.6 FTE) position can be considered and a review undertaken during the course of 2018/19.

A supplementary revenue budget of £19,570 is requested in this report for 2018/19, to be met from GF balances.

This will allow a dedicated HR Business Partner to support each portfolio and Head of Service.

1.4 Consultation

Senior Management Team has been consulted on the Human Resources Strategy. Once approved, the strategy will be shared with our trade unions and managers.

Name of Meeting: Cabinet
Date Of Meeting: 9th April 2018
Subject Matter: Human Resources Strategy and HR Resources
Originating Department: Corporate Resources

LIST OF BACKGROUND PAPERS

Document No.	Date	Description of Document	Officer's Reference	File Reference
1.		Human Resources Strategy 2018 - 2023		
2.		Equality Impact Assessment of the HR Strategy		



Human Resources Strategy 2018-2020

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Foreword

Our staff are our biggest and most valued asset – without you we cannot deliver our vast number of services which range from every day services touching the lives of many, to the crisis services which help improve the lives of those few most in need.

You are the eyes and ears of our organisation – based on what you see and hear you are the best placed person to suggest how our services need to change to meet the needs of our customers, or provide our services in the most efficient and effective way.

We understand that the current financial climate creates a difficult operating environment. We're all feeling the impact of fewer resources to deliver our aims and objectives. However, it is everybody's responsibility to challenge and question the ways in which we work – long gone should be the days of "we've always done it this way". We need to embrace the opportunities presented to us and ensure we are fit for the future.

*The purpose of this HR strategy is to outline how we continue **Building Success Together** by providing support to you and enable you to deliver the high-quality services our customers deserve*



Cllr Carolyn Robbins
Portfolio Holder for
Corporate Resources



Mannie Ketley
Head of Corporate
Resources &
Chief Financial Officer



Suzanne Turner
HR Manager

Our strategy



We will continue to provide the confidential and supportive environment that enables you to come and seek our advice, however the focus for our service will be to take a proactive position in how we provide advice and support to our managers, their employees and the wider organisation.

We will endeavour to understand the challenges faced by your services, the skills gaps, the resourcing issues and assist you in implementing policies and devising action plans to meet our Corporate objectives and service standards.

In order to achieve this we have developed 6 principles;

- 1) Attract & retain a CAN DO workforce
- 2) Develop leadership
- 3) Build workforce skills and capability
- 4) Nurture employee engagement and wellbeing
- 5) Continuous review of terms & conditions and remuneration
- 6) Provide an excellent HR service

Our corporate values

In 2017, over 190 employees helped to develop our corporate values framework. A number of workshops were held and discussions took place about what matters to each of us.

The results were a set of values we're all very proud of and can easily apply in all aspects of our day-to-day work.



Work is currently underway to embed these values within the organisation; from the outset they are covered within the new starter induction programme, 1-1 Meeting templates have been redesigned with these values in mind and to ensure consistency across the organisation. Our existing training programme and course material has been aligned to these values and further work will continue in this area to develop our “The way we work” programme. This programme of training will be mandatory for all staff and an additional “The way we manage” programme will be mandatory for all team leader and management positions within the organisation.

We firmly believe that our values are an important driver for achieving long term and sustainable success for the organisation. Our workforce is a very important part of the future of the council and working within our Values will ensure that they are trained with the right skills to match the challenges and risks we will face. By having the right people in the right place at the right time will go a long way to help us achieve our over-arching strategic objectives. The 6 HR principles will support managers and employees to do this.

You can find more out more about our values, the values framework and a toolkit for managers on SharePoint follow this link:

<https://rugby.sharepoint.com/sites/RBC/SitePages/RBC%20Intranet%20Home.aspx>

Our equality and diversity journey

Alongside our commitment to our corporate values, we maintain our commitment to equality and diversity.

We have already succeeded in demonstrating our “Excellent” in May 2014; the only Borough Council to be assessed as excellent. Our re-accreditation by the Equality Peer Challenge Team in 2017 is further testament to how well we have embedded the Equality Framework for Local Government (EFLG) in the work we do.

The EFLG consists of five performance areas;

- Knowing your communities;
- Leadership, partnership and organisational commitment;
- Involving your communities;
- Responsive services and customer care and
- Skilled and committed workforce.

We believe our corporate values, the HR principles outlined in this strategy and the objectives of our Corporate Strategy compliment these performance areas of the EFLG.

In delivering our HR principles we will continue to support our commitment to excellence in equality and diversity and the proud work we have all achieved to date.



Our principles

1. Attract and retain a CAN DO workforce

How will we do this?

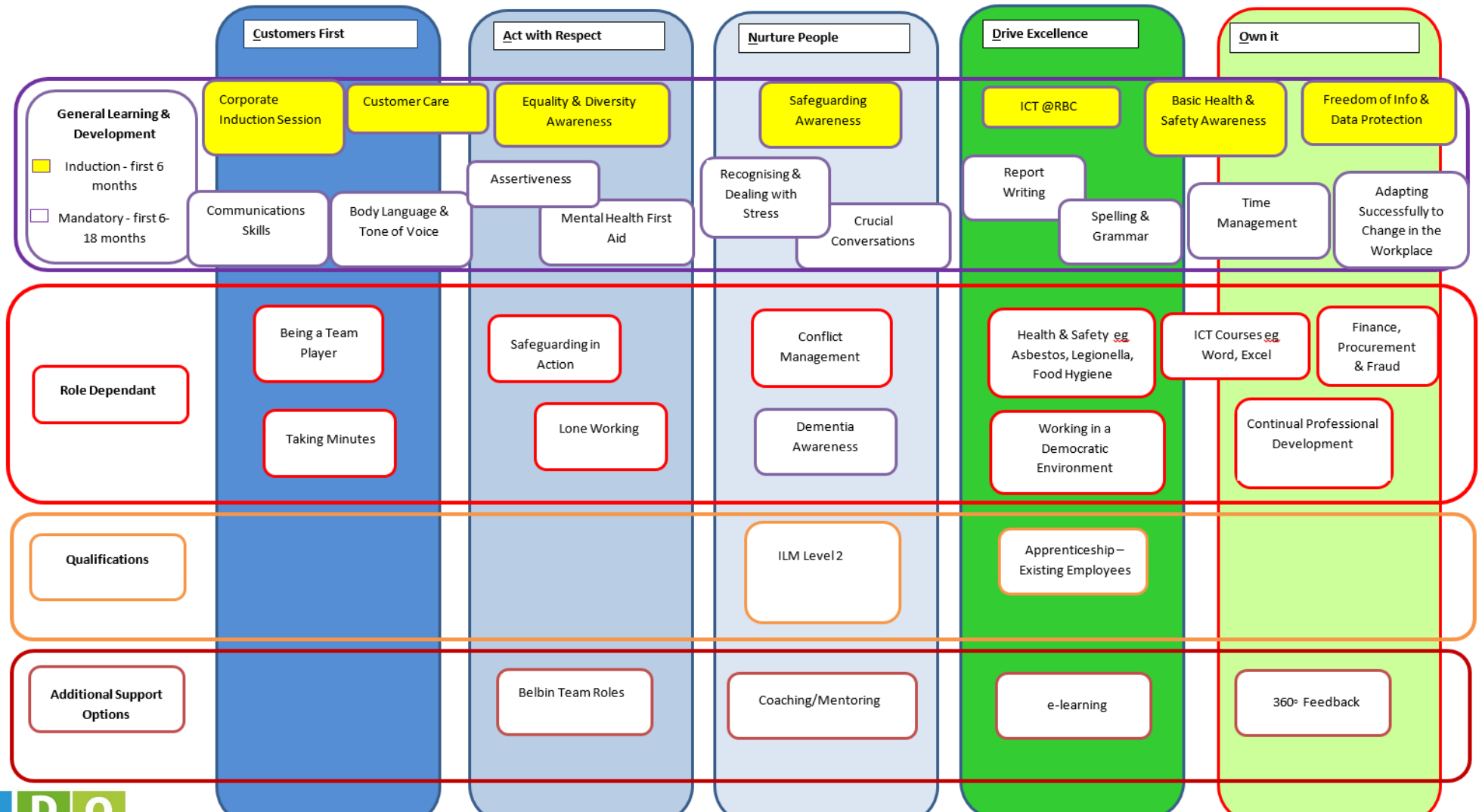
- We will develop recruitment material and selection processes that enable us to attract and identify talent that meets our needs.
- We will roll out mandatory training for all employees; ***The Way We Work***.
- We will actively raise awareness of the profile of the Council as a place to start and develop your career.
- We recognise we have an ageing workforce and we will work with service managers to identify succession plans and opportunities for knowledge/skills transfer.
- We will be a critical friend and review barriers to entry for jobs in the organisation and promote alternative options for consideration.
- We will work to identify progression pathways in different Council professions
- We will review the accuracy and quality of person specifications.

How will we measure our success?

- Number of job offers accepted
- Staff turnover rates and reasons for leaving
- Number of succession plans in place and being actively managed
- Number of staff completing our internal training programmes.
- Number of staff achieving externally accredited qualifications.
- Year-on-year comparator of disciplinaries and grievances



The Way We Work – Learning and Development for Employees



2. Develop leadership

How will we do this?

- We will support newly appointed / promoted team leaders and managers with their management responsibilities by identifying skills gaps and advising on action plans.
- We will continue to develop and deliver mandatory training for all team leader and management positions; ***The Way We Manage***.
- We will support service managers regularly on a 1-1 basis with driving excellence within their services and to be their very best.
- We will work with service managers and senior management team to identify future leaders and develop talent management plans.

How will we measure our success?

- Number of internal promotions into management positions.
- Number of succession plans in place for management positions and being actively managed
- Proportion of team leaders and managers on track with their internal mandatory training programmes.
- Number of staff achieving externally accredited management qualifications.
- Employee Survey ranking of management capability

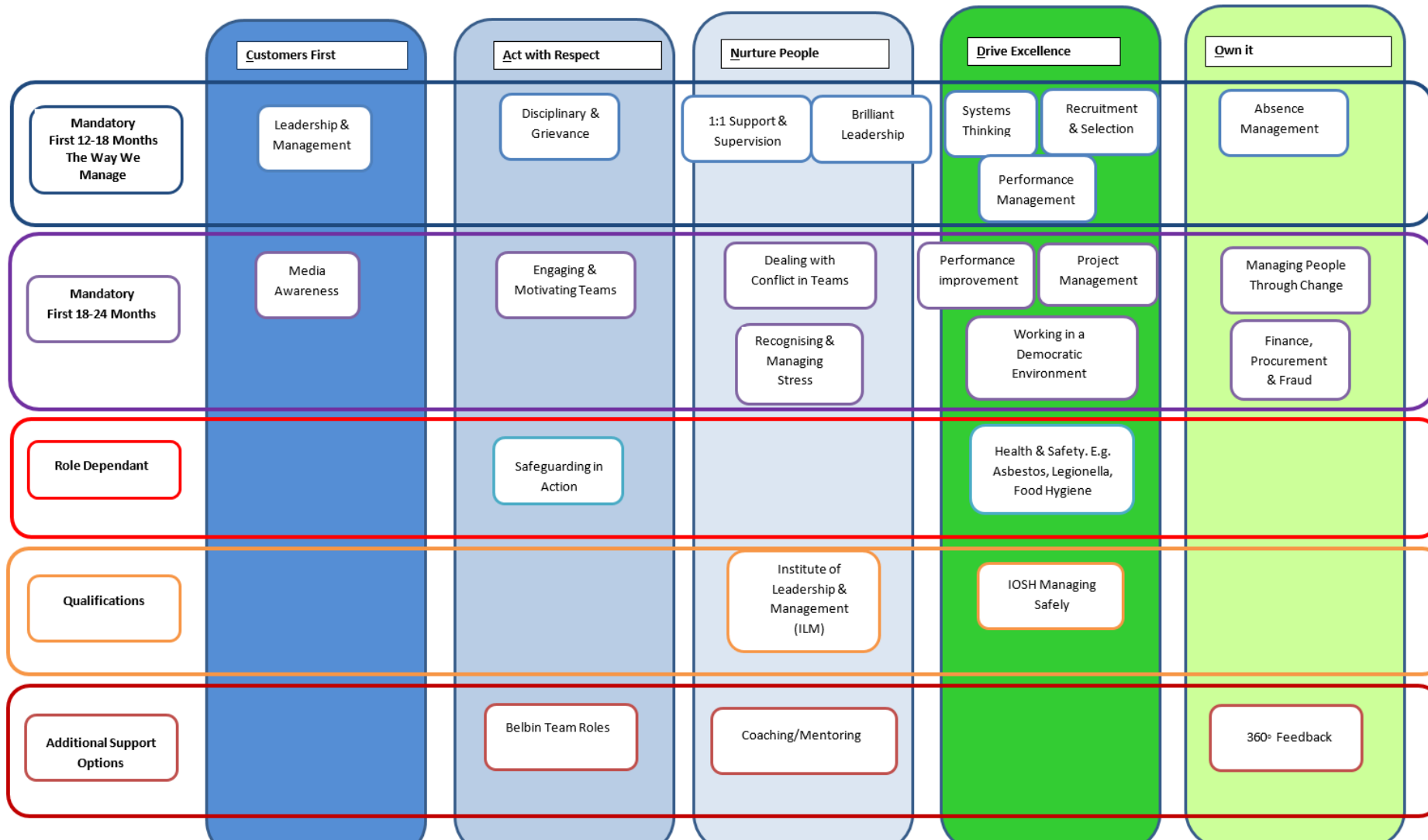
LA Challenge 2017



A regional event for aspiring managers, which challenges them to running a fictitious Local Authority for the day. It is a competition with various categories of awards. Competitors experience all the challenges of decision making, dealing with a variety of stakeholders as well as writing a strategy and a newsletter.



The Way We Manage – Learning and Development for Managers and Team Leaders



3. Build workforce skills and capability

How will we do this?

- We will hold an up to date log of training you have undertaken alongside required training for your role to ensure your skills match the requirements of the role.
- We will work with colleagues from around the organisation, alongside service managers to identify skills gaps and advise on action plans, particularly based on feedback from systems thinking reviews and internal audit findings.
- We will support service managers to triangulate all sources of HR data to build a continuous and current picture of what reality looks like at team level and where required suggest solutions for consideration.
- We will use a variety of methods for delivering training and imparting knowledge, recognising that our diverse services require differing options.
- We will attend team meetings to raise awareness of our learning and development activities and identify where more tailored content is required.
- We will review types of roles which exist and duties being carried out to ensure opportunities for learning and improving efficiency and effectiveness are not missed.

How will we measure our success?

- Proportion of training data that is up to date within the HR system.
- Number / proportion of staff receiving training of any kind.
- Number of training courses delivered via e-learning, metacompliance or other non-traditional methods.
- Number of service specific training sessions delivered.
- Number of capability cases

4. Nurture employee engagement, wellbeing and diversity

How will we do this?

- We will support service managers to ensure 1-1's are carried out as expected.
- We will continue to engage with our employees to canvass opinions and suggestions.
- We will continue regular dialogue with our Trade Union colleagues and Corporate Learning Group.
- We will continue to facilitate health and wellbeing events for all employees
- We will provide targeted occupational health, counselling, mentoring and coaching support.
- We will access medical interventions to facilitate an earlier return to work for absent employees.
- We will review reasons for absence to identify ways to support our employees proactively e.g. offer flu vaccinations.
- We will ensure that equality and diversity is embedded in all HR policies and that we fulfil our duties under the 2010 Equalities Act.
- We will continue to adopt the Disability Confident initiative, guaranteeing interviews for candidates with a disability who meet the essential job requirements
- We will strive to have effective two-way communication with our employees; this is both to keep employees informed but also for employees to feel they have a voice.
- We will facilitate employee support groups across the organisation, such as one for those who have or are experiencing mental illness/stress/anxiety and one for employees from a LGBT group.

How will we measure our success?

- Proportion of workforce receiving regular 1-1's
- Share and act on employee survey results
- Number of employees attending wellbeing events
- Employee absence statistics
- Regular consultation meetings with employees and their representatives eg Trade Union consultation
- Number of employees receiving wellbeing support
- Workforce profile to better reflect the Rugby population profile
- Staff disability disclosure rates
- Review our gender pay gap



5. Continuous review of our terms and conditions & remuneration

How will we do this?

- Whilst acknowledging the results of Single Status and our position as a lower quartile paying authority we will review how our salaries compare to the market and highlight areas for consideration if necessary.
- We will continually review working arrangements across all services to ensure consistency in application of our terms and conditions. Any locally applied terms and conditions will be justified by business needs
- We will explore non-salary related benefits for our staff to provide more flexible employment packages to meet needs of individual employees.
- We will explore ways to achieve a work/life balance through use of flexible job roles

How will we measure our success?

- Benchmarking of salary data
- Analyse reasons for unsuccessful recruitment campaigns
- Review our gender pay gap
- Number of employees accessing flexible working arrangements
- Number of non-salary related benefits offered to employees

6. Provide an excellent HR service

How will we do this?

- We will review, develop and ensure HR policies are fit for purpose and can be utilised efficiently and effectively.
- We will continue on our digitalisation journey and ensure HR processes are efficient and effective.
- We will deliver proactive support through a business partnering approach taking time to understand the needs and objectives of our services.
- We will ensure our learning and development programmes are aligned to the organisation's objectives and values.
- We will ensure equality and diversity objectives and our corporate values are embedded in all HR aspects.

How will we measure our success?

- Customer satisfaction rates
- Measure performance against key milestones in our digitalisation plans
- Review and act on feedback received during employee engagement
- Measure performance against E&D peer assessment recommendation
- Measure performance against the HR service plan

Building Success Together – HR Strategy



Corporate Resources Objectives

Optimise income & identify new revenue opportunities

Prioritise use of resources to meet changing customer needs & demands

Ensure that the council works efficiently & effectively

Corporate Values



HR Strategy – our 6 principles

These underpin the Corporate Resources Objectives and work within the Corporate Values

Objective 1

Attract & retain a CAN DO workforce

Examples: Workforce Planning, CAN DO on application form, links with schools, promote careers in Council, flexible job roles

Objective 2

Develop leadership

Examples: The Way We Manage, ILM, 360 feedback, coaching & mentoring, succession planning, WM Challenge, HR Policies support

Objective 3

Build workforce skills & capability

Examples: Training sessions & e-learning, HRBP support, absence management, performance management, Induction,

Objective 4

Nurture employee engagement & wellbeing

Examples: Reward & Recognition system, 1:1s, Team Meetings, Employee Briefings, Corp Man Forum, wellbeing days, Employee Support Group

Objective 5

Continuous review of terms & conditions and remuneration

Examples: Job Evaluation, pay bench marking, equal pay gap monitoring, work/life balance, flexible job roles

Objective 6

Provide an excellent HR service

Examples: HR polices, HR support & advice, stream lined processes, up to date knowledge & info

EQUALITY IMPACT ASSESSMENT/ ANALYSIS (EqIA)

Human Resources Strategy



Equality Impact Assessment

Service Area	Corporate Resources
Policy/Service being assessed	HR Strategy
Is this is a new or existing policy/service? If existing policy/service please state date of last assessment	New (revised)
EqlA Review team – List of members	Suzanne Turner,
Date of this assessment	16.3.18
Signature of responsible officer (to be signed after the EqlA has been completed)	

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

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



Form A1

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



High relevance/priority



Medium relevance/priority



Low or no relevance/ priority

Note:

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

Business Unit/Services:	Relevance/Risk to Equalities																										
State the Function/Policy /Service/Strategy being assessed:	Gender			Race			Disability			Sexual Orientation			Religion/Belief			Age			Gender Reassignment			Pregnancy/ Maternity			Marriage/ Civil Partnership (only for staff)		
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
HR Strategy		✓		✓			✓				✓			✓		✓				✓				✓			✓
Are your proposals likely to impact on social inequalities e.g. child poverty for example or our most geographically disadvantaged communities? If yes please explain how.																								NO			
Are your proposals likely to impact on a carer who looks after older people or people with disabilities? If yes please explain how.																								NO			

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

<u>Stage 1 – Scoping and Defining</u>	
(1) What are the aims and objectives of Plan/Strategy/Service/Policy?	To have a strategy that provides a workforce for the Council that supports delivery of the Corporate Strategy. Also to set out service standards for the HR Service
(2) How does it fit with Rugby Borough Council's Corporate priorities?	Supports delivery of all the Corporate Priorities by providing a workforce that is trained and capable of delivering those priorities. There is a direct link to the following priorities: prioritise use of resources to meet changing customer needs and demands; and ensure that the council works efficiently and effectively.
(3) What are the expected outcomes?	The expected outcome of this strategy is that it will help by providing the necessary workforce to deliver against each priority.
(4) Which of the groups with protected characteristics is this intended to benefit? (see form A1 for list of protected groups)	We wish to better match our workforce profile to the local population. This will impact advantageously on: age (younger employees), BME groups, those with a disability and particularly those suffering with mental health issues.
<u>Stage 2 - Information Gathering</u>	
(1) What type and range of evidence or information have you used to help you make a judgement about the plan/ strategy/ service/ policy?	Workforce Planning. CAN DO Values. Corporate Strategy. Employee Survey. Feedback from Heads of Service and Managers.
(2) Have you consulted on the plan/ strategy/ service/policy and if so with whom?	Already consulted Senior Management Team, however there are plans to engage with trade unions.
(3) Which of the groups with protected characteristics have you consulted with?	SMT includes: different gender age and BME

Stage 3 – Analysis of impact			
<p>(1) From your data and consultations is there any adverse or negative impact identified for any particular group which could amount to discrimination? No</p> <p>If yes, identify the groups and how they are affected.</p>	RACE Positive impact	DISABILITY Positive impact	GENDER
	MARRIAGE/CIVIL PARTNERSHIP	AGE Positive impact	GENDER REASSIGNMENT
	RELIGION/BELIEF	PREGNANCY MATERNITY	SEXUAL ORIENTATION
(2) If there is an adverse impact, can this be justified?			
(3) What actions are going to be taken to reduce or eliminate negative or adverse impact? (this should form part of your action plan under Stage 4.)	There is no adverse impact as a result of the HR Strategy. The HR Strategy should improve equality and diversity in the council.		
(4) How does the plan/strategy/service/policy contribute to the promotion of equality? If not what can be done?	To have a workforce profile that better reflects the local population. The principles in the HR Strategy support the promotion of equality eg: nurture employee engagement, wellbeing and diversity; attract and retain a CAN DO workforce.		
(5) How does the plan/strategy/service/policy promote good relations between groups? If not what can be done?	Improved and more proactive HR service to pick up on relationship issues and address these. In line with our Nurturing principle we will be setting up an employee support groups to ensure that people under the different protected characteristics have a voice.		
(6) Are there any obvious barriers to accessing the service? If yes how can they be overcome?	No We recognise some staff may need support to access this strategy. We have measures in place to help with this eg Disability Confident; making reasonable adjustments to allow people to stay in work.		

<u>Stage 4 – Action Planning, Review & Monitoring</u>																														
<p>If No Further Action is required then go to – Review & Monitoring</p> <p>(1) Action Planning – Specify any changes or improvements which can be made to the service or policy to mitigate or eradicate negative or adverse impact on specific groups, including resource implications.</p>	<p>EqIA Action Plan</p> <table border="1" data-bbox="891 499 2134 727"> <thead> <tr> <th data-bbox="891 499 1133 576">Action</th> <th data-bbox="1133 499 1379 576">Lead Officer</th> <th data-bbox="1379 499 1626 576">Date for completion</th> <th data-bbox="1626 499 1877 576">Resource requirements</th> <th data-bbox="1877 499 2134 576">Comments</th> </tr> </thead> <tbody> <tr> <td data-bbox="891 576 1133 616"></td> <td data-bbox="1133 576 1379 616"></td> <td data-bbox="1379 576 1626 616"></td> <td data-bbox="1626 576 1877 616"></td> <td data-bbox="1877 576 2134 616"></td> </tr> <tr> <td data-bbox="891 616 1133 655"></td> <td data-bbox="1133 616 1379 655"></td> <td data-bbox="1379 616 1626 655"></td> <td data-bbox="1626 616 1877 655"></td> <td data-bbox="1877 616 2134 655"></td> </tr> <tr> <td data-bbox="891 655 1133 695"></td> <td data-bbox="1133 655 1379 695"></td> <td data-bbox="1379 655 1626 695"></td> <td data-bbox="1626 655 1877 695"></td> <td data-bbox="1877 655 2134 695"></td> </tr> <tr> <td data-bbox="891 695 1133 727"></td> <td data-bbox="1133 695 1379 727"></td> <td data-bbox="1379 695 1626 727"></td> <td data-bbox="1626 695 1877 727"></td> <td data-bbox="1877 695 2134 727"></td> </tr> </tbody> </table>					Action	Lead Officer	Date for completion	Resource requirements	Comments																				
Action	Lead Officer	Date for completion	Resource requirements	Comments																										
<p>(2) Review and Monitoring State how and when you will monitor policy and Action Plan</p>	<p>Monitor at least quarterly. Revised HR Strategy due for April 2020, when the Corporate Strategy is refreshed.</p>																													

Please annotate your policy with the following statement:

‘An Equality Impact Assessment/ Analysis on this policy was undertaken on (date of assessment) and will be reviewed on (date three years from the date it was assessed).

AGENDA MANAGEMENT SHEET

Report Title:	Rate Relief for Ratepayers
Name of Committee:	Cabinet
Date:	9th April 2018
Report Director:	Head of Corporate Resources and Chief Financial Officer
Portfolio:	Corporate Resources
Ward Relevance:	
Prior Consultation:	None
Contact Officer:	Chryssa Burdett X3495
Public or Private:	Public
Report subject to Call-In:	Yes
Report En-Bloc:	No
Forward Plan:	No
Corporate Priorities:	This report relates to the following priority: GROWTH AND INVESTMENT - Promote sustainable growth and economic prosperity
Statutory / Policy Background:	Local Government Finance Act 1988
Summary:	The Government announced several measures in the 2017 Budget to help ratepayers with changes to their rate bills. The second year is detailed now along with some amendments to year one
Financial Implications:	The measures are being funded by the Government

Risk Management Implications:	There are no risk management implications for this report
Environmental Implications:	There are no environmental implications for this report
Legal Implications:	There are no legal implications for this report
Equality and Diversity:	There are no equality and diversity implications for this report
Options:	
Recommendation:	An amendment to Rugby's local discretionary revaluation support for ratepayers policy, approved on 30 October 2017 be made to increase the qualifying threshold for support from a rateable value of £100,000 to £125,000.
Reasons for Recommendation:	The Government is funding this relief

Cabinet – 9th April 2018

Rate Relief for Ratepayers

Report of the Head of Corporate Resources and Chief Financial Officer

Recommendation

An amendment to Rugby's local discretionary revaluation support for ratepayers policy, approved on 30 October 2017 be made to increase the qualifying threshold for support from a rateable value of £100,000 to £125,000.

1.1 INTRODUCTION

The Local Government Finance Act 1988 allows the Council to grant Discretionary Rate Relief. The Government announced several measures in the 2017 Budget to help ratepayers with changes to their rate bills from 1 April 2017. The purpose of this report is to provide members with an update on the impact of the various measures for the Borough's ratepayers in 2017/18 but also in 2018/19.

1.2 PUBLIC HOUSE RELIEF

The first one of these measures is £1,000 for public houses where the Rateable Value is less than £100,000.

This has now been extended for a second year. Any pub which has to pay less than £1,000 in business rates will get a lower amount and it will be apportioned if they occupy for less than the year. It will only be given to pubs where you can go in to buy a drink without having to purchase food. Private members clubs and restaurants will not qualify.

The cost of this measure is being fully reimbursed by Central Government, but there is a policy that was noted at Cabinet report of 4 September 2017.

The amount given in 2017/18 was £46,915.77 to 51 pubs. The amount given in 2018/19 will be £45,490 to 46 pubs.

1.3 SUPPORTING SMALL BUSINESSES

The second one of the measures is to ensure that no business losing small business rate relief or rural rate relief as a result of revaluation faces a bill of more than £600 per year.

18 businesses received this help in 2017/18 totalling £20,241.23. In 2018/19, 16 business will receive this help totalling £19,563.65. The Government is fully funding this measure.

1.4 LOCAL DISCRETIONARY FUND

The third measure was to have a locally designed scheme to help those businesses that have been hardest hit by the revaluation. It is a scheme for 4 years with reducing amounts of funding from the Government for each year.

Rugby has been granted £278,000 for 2017/18 and a scheme was designed to help all businesses that have had a rates increase. Rugby was responsible for designing their local scheme. The condition to receiving the funding was to have Cabinet approval. The scheme was approved at 30 October 2017 Cabinet and the Council has until 30 September 2018 to utilise this allocation.

The scheme adopted by Rugby, along with Nuneaton & Bedworth BC and North Warwickshire BC, provides support to businesses with a rateable value of up to £100,000 and to date £232,468 has been awarded. It has not been possible to fully utilise the allocations as award amounts vary as businesses move in and out of premises and some businesses have declined the relief due to state aid rules. Therefore, in order to maximise the allocation granted to Rugby, consideration could be to increase the level of rateable value for which support can be awarded. Having undertaken a modelling exercise, increasing the threshold to businesses with a rateable value of up to £125,000 enables a further 11 local businesses to be supported, at an approximate cost of £41,500.

The policy gave 45% of any increase in 2017/18. The policy allowed for 22% of any increase in 2018/19, however modifying the scheme to 22.5% would make it easier for ratepayers to see that the relief is half of what they received in 2017/183. Rugby has been granted £135,000 in 2018/19.

Name of Meeting:
Cabinet

Date of Meeting:
9th April 2018

Subject Matter:
Rate Relief for Ratepayers

Originating Department:
Resources

List of Background Papers

There are no background papers relating to this item.

AGENDA MANAGEMENT SHEET

Report Title:	Response to Technical Consultation – Fair Funding Review
Name of Committee:	Cabinet
Date:	9 th April 2018
Portfolio:	Resources and Corporate Governance
Ward Relevance:	All Wards
Prior Consultation:	None
Contact Officer :	Mannie Ketley, Head of Corporate Resources and Chief Financial Officer
Public or Private:	Public
Report subject to Call-In:	No
Report En-Bloc:	Yes
Forward Plan:	Yes
Corporate Priorities:	This report relates to all of the Council's priorities.
Statutory / Policy Background:	Alongside the 2016/17 Local Government Finance Settlement, the Government announced the Fair Funding Review that will address concerns about the fairness of current funding distributions. The outcome of this review will enable the Government to reconsider how the relative needs and resources of local authorities should be assessed in a world in which they will continue to have greater control over the money that they raise.

Summary:	The Department for Communities and Local Government is consulting on the approach to measuring the relative needs of local authorities.
Financial Implications:	The fair funding review will set new baseline funding allocations for local authorities by delivering an up-to-date assessment of their relative needs and resources, using the best evidence available.
Risk Management Implications:	There are no risk management implications arising from this report.
Environmental Implications:	There are no environmental implications arising from this report.
Legal Implications:	There are no legal implications arising from this report.
Equality and Diversity:	There are no Equality and Diversity implications arising from this report.
Options:	The consultation response was submitted on 12 th March 2018.
Recommendation:	The response to the Government's Fair Funding consultation paper be noted.
Reasons for Recommendation:	For information.

Cabinet – 9th April 2018

Response to Technical Consultation – Fair Funding Review

Report of the Head of Corporate Resources and Chief Financial Officer

Recommendation

The response to the Government's Fair Funding Review Technical consultation be noted.

Introduction

Funding baselines for local authorities, as determined by the local government finance settlement, are based on an assessment of local authorities' relative needs and resources. The methodology behind this assessment was introduced over ten years ago, and has not been updated since the introduction of the 50% business rates retention system in 2013/14.

Since that time, demographic pressures have affected local areas in different ways, as has the cost of providing particular services. In recognition of these pressures, the Government has committed to the design of a new finance system that will shape the future of local government.

Alongside the 2016/17 Local Government Finance Settlement, the Government announced the Fair Funding review. The review will address concerns about the fairness of the current distribution of funding to local authorities, ensuring that funding allocations reflect the relative 'need to spend', and taking into account the capacity of authorities to fund local services through local income.

The Government aims to work towards a system that is, as far as is practicable, more simple and transparent whilst providing as much discretion as possible to local councils over the use of resources so as to empower the transformation of local services and ensure that councillors are accountable for deciding how funding is used locally.

The Government is working towards an implementation date for the review of 2020/21, whilst keeping this under review as work progresses, alongside wider policy developments in local government finance and adult social care.

Technical Consultation on relative need – December 2017

Stage one of the review began in July 2016, when the Government published a Call for Evidence to help see what the Fair Funding review could look like. The Council's response to these questions were reported to Cabinet on 31st October 2016.

This consultation is the next step in the process, seeking views on what factors drive local government spending, and how we account for this in a way that draws a more transparent and understandable link between local circumstances and local resources.

The Government plans to follow this consultation with a series of technical papers that will consider other aspects of the review, including the assessment of the relative resources of local authorities and transitional arrangements to the new funding distribution.

The technical consultation on relative needs can be viewed using the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/669440/Fair_funding_review_consultation.pdf

The Council's response at Appendix 1 was compiled by Financial Services with reference to the Rural Services Network response and LG Futures Fair Funding Review Support provided to the Society of District Council Treasurers.

Name of Meeting:
Cabinet

Date of Meeting:
9 April 2018

Subject Matter:
Response to Technical Consultation on the approach to measuring the relative needs of local authorities

Originating Service:
Financial Services

List of Background Papers

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

Fair Funding Relative Needs Technical Consultation

Response from Rugby Borough Council

Question	Data Source
<p>1): What are your views on the Government’s proposals to simplify the relative needs assessment by focusing on the most important cost drivers and reducing the number of formulas involved?</p>	
<p>It would be preferable to have a simple formula, as this would aid transparency. In particular it would be advantageous for any system to facilitate clear and clean communication of the factors underpinning any funding changes to members, residents and other stakeholders. However, this simplicity should not be achieved at the cost of accuracy or fairness and the primary objective of the formula should be to allocate funding on a fair basis.</p> <p>It is recommended the formulae incorporate complex analysis, covering detailed and relevant data sets to assess how needs should be allocated, but ultimately that the funding is allocated on a clear and transparent basis. Reference should be drawn to the four-block model, where this transparency was not achieved due to an unduly complex presentation for funding allocation.</p>	<p>Response to Fair Funding Review July 2016</p>
<p>2): Do you agree that the Government should use official population projections in order to reflect changing population size and structure in areas when assessing the relative needs of local authorities?</p>	
<p>Key messages:</p> <ul style="list-style-type: none"> • We agree population projections should be used to ensure the assessments are not quickly out of date. • However, we have concerns over the accuracy of the ONS projections and would recommend that assessments use data from the Local Planning process instead. • We agree the formula should reflect age profiles and other population characteristics. <p>We agree that the Government should endeavour to implement a system that accurately reflects ‘future need’ to ensure the assessments are not quickly out of date. As a high growth area Rugby has seen an increase in demand and cost of providing services in recent years, as demonstrated by our need to introduce additional waste collection rounds. This means additional investment in vehicles, running costs and employees.</p>	

<p>However, as the consultation rightly identifies cost of different services can be driven by different sections of the population and any population assessment needs to address this. For example, as with many other local authority regions the age structure of the population in Rugby has changed over the 2001 to 2014 period. Based on ONS data, the most significant growth in population has been in the 60-74 age group, followed by the 75 and over group. This can have an impact on the cost of delivering services, as the age structure can determine the use of digital services and the need for more officer time and resource.</p> <p>Other notable population changes have been the increasing transient population in Rugby, which due to social and cultural differences has contributed to an increased weight of waste per household and a lower recycling rate. We also have a higher than average proportion of population growth that has been generated by international migration. This has had an impact on the cost of services to ensure our residents can access our services, such as from the use of our Language Line.</p> <p>Although the Council strongly supports future proofing the needs assessment, we have serious concerns about the accuracy of certain ONS products and whether they sufficiently capture the expected rate of population growth in pro-growth authority areas such as Rugby.</p>	<p>ONS</p>
<p>For instance:</p> <ul style="list-style-type: none"> • Based on ONS data, Rugby's projected population from 2011 to 2031 is expected to grow by 15.8% • Based on the Local Plan, Rugby's projected population increase between 2010 and 2035 is expected to be 30% <p>Further extracts from our "Updated Assessment of Housing Need and Local Plan" support Rugby's position as a region of exceptional growth, significantly in excess of ONS projections:</p> <ul style="list-style-type: none"> • Rugby is the fastest growing town in the West Midlands and one of the fastest growing in England. • Over the period 2001 to 2014, population growth was particularly strong in Rugby – a 17.1% increase over the 13 year period. • This growth is above the West Midlands region (8.2%) and the average for England as a whole (9.8%). • Rugby Borough Council aims to meet its housing requirement by providing for a minimum of 12,400 new homes, at an indicative rate of 620 dwellings per annum. 	<p>ONS</p> <p>RBC Local Plan 2011-2031 Sept 2016</p> <p>Updated Assessment of Housing Need: Coventry & Warks HMA Sept 2015</p>

Based upon the evidence above, we propose that information extracted from the Local Planning processes would be a more reliable and robust data source for population projections.	
3): Do you agree that these population projections should not be updated until the relative needs assessment is refreshed?	
<p>Key messages:</p> <ul style="list-style-type: none"> • We do not agree. • We recommend a system of floors and ceilings is used to reset the data in instances where projections are not sufficiently accurate. <p>Whilst we understand the concern that updating population projections during the settlement period would reduce the amount of certainty, this provision must not be at the cost of accuracy.</p> <p>As stated above, we would support any move that provided reliable and updated population figures to be included in the 2020/21 Settlement. However, due to our concerns about the accuracy of certain ONS products, if more reliable and accurate data sources cannot be utilised, then we would recommend that other methods are embedded in the system to ensure accuracy of population figures.</p> <p>One alternative, would be to operate a system of floors and ceilings in the model. In this instance, if updated projections or other new data proves that the initial estimates used in the needs assessment were inaccurate then the assessment should be re-opened and the new data used in instances where these floors or ceilings are breached.</p> <p>This approach would ensure that for the majority of authorities where growth has been experienced in-line with projections can enjoy certainty over the needs assessment period, whilst those authorities where growth has significantly differed are suitably funded.</p>	
4): Do you agree that rurality should be included in the relative needs assessment as a common cost driver?	

<p>We support the Rural Services Network Response to this question as below.</p> <p><i>We STRONGLY SUPPORT the inclusion of rurality as a common cost driver.</i></p> <p><i>We agree with the assertion in the consultation document that the alterations in weightings for sparsity for 2013/14 'may have only partially reflected the challenges faced in delivering some services in rural areas'.</i></p>	<p>Rural Services Network response</p>
<p>5): How do you think we should measure the impact of rurality on local authorities' 'need to spend'? Should the relative needs assessment continue to use a measure of sparsity or are there alternative approaches that should be considered?</p>	
<p>We support the Rural Services Network Response to this question as below.</p> <p><i>We recognise past difficulties in finding a measure which adequately reflects rurality. However, we do feel that the existing sparsity measure provides a good proxy for rurality particularly in terms of measuring potential time loss through travel.</i></p> <p><i>That is not to say that there may not be further potential measures for rurality. We have undertaken reviews in the past which have shown significant cost penalties for provision of services in rural areas associated with 'lost' travel time but these have been deemed too limited to meet MHCLG statistical criteria.</i></p> <p><i>We feel that this is an important cost driver, deserving of further work to establish the additional cost of delivering services to rural areas and if this cannot be undertaken then an increase to the weight of the sparsity indicator should be used.</i></p>	<p>Rural Services Network response</p>

<p>6): Do you agree that deprivation should be included in the relative needs assessment as a common cost driver?</p>	
<p>We agree that deprivation should be included in the relative needs assessment as a common cost driver. From a district council perspective, our experience is that deprivation has an impact on some of our services. For example, poor housing leads to need for inspection, action, prosecution of landlords.</p> <p>However, we support the Rural Services Network Response to this question and share their concerns that:</p> <ul style="list-style-type: none"> <i>We feel that only some of the services, such as housing and homelessness, intended for inclusion in the foundation formula correlate to deprivation. We do not feel that many foundation formula services correlate to deprivation and we would want to ensure that deprivation is not overstated in the foundation formula.</i> <i>We agree that deprivation measures are currently too narrowly focussed around benefits take-up and would STRONGLY SUPPORT a wider definition of deprivation as proposed with Indices of Multiple Deprivation.</i> 	<p>Rural Services Network response</p>
<p>7): How do you think we should measure the impact of deprivation on ‘need to spend’? Should the relative needs assessment use the Index of Multiple Deprivation or are there alternative measures that should be considered?</p>	
<p>We agree that the relative needs assessment should use the Index of Multiple Deprivation as a way of measuring the impact of deprivation on the needs assessment.</p> <p>There needs to be improvements to how the IMD data is complimented during the 10-year period between censuses by a local needs assessment that monitors deprived neighbourhoods changing population and their needs. This information will identify priority projects to tackle Income Deprivation, Employment Deprivation, Education, Skills and Training Deprivation, Health Deprivation and Disability. The information could also identify additional support needs for recent and established migrant communities.</p> <p>Rugby has small pockets of deprivation that mainly affect ten super output areas within the borough. Many of the deprivation issues that affect the super output areas are entrenched and have not significantly improved during the past twenty years. Additional and external resources have not been available for super output deprivation, most of the additional resources are only available for wards of deprivation. Additional resources for super output areas</p>	

<p>would make a significant impact to populations whose quality of life and life expectancy is considerably reduced because of poverty and deprivation.</p> <p>To compliment the IMD data, Rugby Borough Council works with local communities to draw up community audits which identifies issues that the communities feel is most important to their neighbourhoods. The issues raised in the audits are included in the Regeneration Strategy 16-19 which is overseen by the Local Strategic Partnership.</p> <p>Further deprivation complexity is demonstrated in Rugby as the area benefits from high employment and the population of Rugby is generally more qualified and relatively higher paid than comparable regional and national averages, as commuters can be in London within 50 minutes from Rugby. Consequently, a small house here is often rented and this in turn has pushed up private sector rents in the area and as such has affected the affordability for low earners.</p> <p>However, these market conditions are making it increasingly challenging for Rugby Borough Council to discharge our homelessness duties. Low earners can only attract benefit at lower LHA rates that is determined across a wider region, which as stated above rents are relatively lower. This is placing further financial pressure on lower earning Rugby residents, as they are required to meet an increasing rent differential and this has correlated with an increasing incidence of homelessness in Rugby.</p> <p>Coupled to an increased instance of homelessness, higher rents are also making it harder and more expensive for the Council to secure suitable private sector properties to house homelessness, placing an increasing financial burden on the Council.</p> <p>This evidence, suggests that more complex and robust measure of deprivation is required to reflect the intricacies of the pressures faced by Councils.</p>	
<p>8): Do you have views on other common cost drivers the Government should consider? What are the most suitable data sources to measure these cost drivers?</p>	
<p>We feel that the Fixed Cost sum currently included in the Mixed Costs RNF, but not mentioned in the consultation, should form part of the Foundation Formula. Although not significant in terms of the whole formula, these amounts are significant for the smallest local authorities, many of which are in rural areas.</p> <p>The current fixed cost is simply a notional amount per local authority. There is no way to determine the actual value of funding that is allocated on this basis.</p>	<p>LG Futures SDCT presentation March 2018 Suggested response</p>

<p>Every local authority must incur a minimum level of costs necessary to provide statutory services. On a per capita basis, these minimum costs will be significantly higher for smaller authorities than larger ones. Including fixed costs as a common cost driver will more fairly reflect the fact that authorities with fewer residents lack the same economies of scale as larger ones.</p> <p>In terms of data sources, the fixed cost element could be based on 'bottom up' estimates of the minimum employee and running costs facing local authorities. For example, this could be based on an estimate of the minimum number of senior management and officer positions required to run a local authority, multiplied by the average salary for each position. Similar estimates could be made to estimate minimum running costs, such as physical office space.</p>	
<p>9): Do you have views on the approach the Government should take to Area Cost Adjustments?</p>	
<p>We agree that there should be a reflection of the differences in the costs of inputs, but that the weightings should be appropriate and that the current multiplicative application overstates some of these differences.</p> <p>For example, in the existing formula, the inclusion of private sector wages overestimates the difference in local government wage and salary costs across the country because of the existence of national pay scales. In this instance, the Council recommends that any future assessment should only focus on differences in public sector wages.</p> <p>We would also welcome an approach that considers the inclusion of other factors, including sparsity, in this assessment.</p>	
<p>10a): Do you have views on the approach that the Government should take when considering areas which represent a small amount of expenditure overall for local government, but which are significant for a small number of authorities?</p>	

<p>Two of the guiding principles of the new formula are that it should be simple and transparent. Adding a large number of factors that drive a relatively small amount of funding will significantly impact on the ability to achieve these objectives.</p> <p>There will be issues, such as coroners and drainage boards, that are significant to a small number of authorities but to aid the transparency and simplicity of the needs assessment it is suggested that such allocations are made as specific grants, outside of the assessment, to the relevant authorities.</p>	
<p>10b): Which services do you think are most significant here?</p>	
<p>We do not have any views as to which services are more significant here.</p>	
<p>11a): Do you agree the cost drivers set out above are the key cost drivers affecting adult social care services?</p>	
<p>N/A</p>	
<p>12a): Do you agree that these are the key cost drivers affecting children's services?</p>	
<p>N/A</p>	
<p>12b): Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting children's services?</p>	
<p>N/A</p>	

13a): Do you agree that these are the key cost drivers affecting routine highways maintenance and concessionary travel services?	
N/A	
13b): Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting routine highways maintenance or concessionary travel services?	
N/A	
14a): Do you have views on what the most suitable cost drivers for local bus support are?	
N/A	
15a): Do you agree that these are the key cost drivers affecting waste collection and disposal services?	
<p>We agree that these are the most relevant cost drivers.</p> <p>Number of households – the fast pace of growth in Rugby has resulted in the need for additional waste collection rounds. This has resulted in additional investment in vehicles, running costs and staffing.</p> <p>Types of property – properties in rural areas tend to have longer driveways, which increases the time taken to collect waste.</p> <p>Travel Times – the main factor affecting travel times is the distance from collection to disposal of waste. If a landfill site is to its maximum then time and fuel costs are incurred travelling to alternative sites. Inadequate Highways infrastructure can also impact on travel times particularly in areas of new housing.</p>	
Deprivation - The increasing transient population in Rugby results in social and cultural differences which has led to an increased weight of waste per household and a lower recycling rate.	

<p>Other factors to consider are:</p> <ul style="list-style-type: none"> • The rules regarding the minimum levels of staff on collection rounds and the cost of Agency staff to comply with this • changes in legislation which may increase the minimum wage and increase staffing costs • changes in legislation towards fuel technology – if need to swap from diesel to electric vehicles will mean a huge capital investment • Increasing fuel prices 	
<p>15b): Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting waste collection and disposal services?</p>	
<p>No comment</p>	
<p>16a): Do you agree these remain the key drivers affecting the cost of delivering fire and rescue services?</p>	
<p>N/A</p>	
<p>16b): Do you have views on which other data sets might be more suitable to measure the cost drivers for fire and rescue services?</p>	
<p>N/A</p>	
<p>17a): Do you agree these are the key cost drivers affecting the cost of legacy capital financing?</p>	
<p>It is proposed that outstanding debt assumptions are revisited and the assessment is updated to reflect a current position on the financing requirements for this legacy debt.</p>	

<p>For instance, due to geographical or other fortuitous events, some authorities may have been able to generate significant capital receipts that will have led to the elimination of this debt. A re-visitation of the debt position will ensure that authorities only receive funding for actual financing cost needs.</p>	
<p>17b): Do you have views on what the most suitable data sets are to measure these or other key cost drivers affecting legacy capital financing?</p>	
<p>No comment</p>	
<p>18a): Are there other service areas you think require a more specific funding formula?</p>	
<p>No comment</p>	
<p>18b): Do you have views on what the key cost drivers are for these areas, and what the most suitable data sets are to measure these cost drivers?</p>	
<p>No comment</p>	
<p>19): How do you think the Government should decide on the weights of different funding formulas?</p>	
<p>Our opinion is that the weighting assigned to different formulas should <u>not</u> be based on the proportion of local government spending assigned to those services.</p> <p>This would penalise shire districts, who have seen the greatest reduction in spending power as a result of the austerity measures since 2010/11.</p> <p>LG Futures estimates that between 2010/11 and 2019/20, shire districts will have experienced a cumulative reduction in spending power of 25%, compared to a reduction of 15% for unitaries and 1% for county councils.</p>	<p>LG Futures SDCT presentation March 2018 Suggested response</p>

<p>This reflects sharper reductions to the lower-tier element of local authority funding, and the greater potential for upper-tier service providers to raise council tax revenue, including the adult social care precept.</p> <p>Basing future weightings on expenditure would perpetuate the uneven impact of these cuts on shire districts, for which there was no apparent methodological basis. If weightings are to be applied in this manor they should be based on expenditure prior to the onset of austerity measures.</p> <p>Furthermore, when weighting formulas, lower-tier services should account for at least the same proportion of overall needs as in the existing formula. In 2013/14, the control total for district-level EPCS was equivalent to 25% of the combined control totals for children’s and adults’ social services, highway maintenance and county-level EPC.</p>	
<p>20): Do you have views about which statistical techniques the Government should consider when deciding how to weight individual cost drivers?</p>	
<p>The Council believes expenditure based regression simply reinforces the current funding pattern. This allocation method protects areas with historically higher spending patterns as they continue to be supported by enhanced grant allocations, which in turn disincentives the drive for change and efficiencies.</p> <p>Furthermore, under this approach the assessment of need is unduly influenced by local policy choices. An assessment of need should be driven by the requirement and demand for local services, not by prior decisions on local service provision. By deriving funding allocations on this basis previous political decisions effectively restrict and entrench the development of future local policy.</p> <p>Government should consider whether it would be more equitable to move to a system that is underpinned by allocations made on a per-capita basis, in a similar manner to the schools funding formula, where all citizens would be guaranteed a base level of funding with further but limited top-ups made on the basis factors such as deprivation or sparsity.</p> <p>The Council supports the LGA’s recommendation that the derivation of funding formulae in other sectors, such as health and police, and in other countries be explored.</p>	<p>Response to Fair Funding Review July 2016</p>

21): Do you have any comments at this stage on the potential impact of the options outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.	
No comment	

AGENDA MANAGEMENT SHEET

Report Title:	Endorsement of Strategic Risk Register
Name of Committee:	Cabinet
Date:	9th April 2018
Report Director:	Head of Corporate Resources and Chief Financial Officer
Portfolio:	Corporate Resources
Ward Relevance:	None
Prior Consultation:	None
Contact Officer:	Mannie Ketley - Head of Corporate Resources and Chief Finance Officer
Public or Private:	Public
Report subject to Call-In:	Yes
Report En-Bloc:	Yes
Forward Plan:	No
Corporate Priorities:	This report relates to the following priority(ies): CORPORATE RESOURCES - Ensure that the council works efficiently and effectively
Statutory / Policy Background:	Section 3 of the Accounts and Audit Regulations 2015 states that the Council must ensure it has a sound system of internal control which includes effective arrangements for the management of risk.
Summary:	The Senior Management Team and the Strategic Risk Management Group carried out a full review and update of the Strategic Risk Register in January 2018.

All necessary amendments have now been made to the register with the next review due in May. The updated register is enclosed at Appendices A to C.

Financial Implications:

No direct financial implications

Risk Management Implications:

Failure to implement, improve and embed the Risk Management programme would increase the risk that the Council does not achieve its objectives.

Environmental Implications:

No direct implications

Legal Implications:

No direct implications

Equality and Diversity:

No assessment carried out as no policy or service delivery decision is being taken

Options:

None

Recommendation:

The updated Strategic Risk Register be endorsed.

Reasons for Recommendation:

To ensure that the Council's strategic risks are identified and mitigated accordingly.

Cabinet - 9th April 2018

Endorsement of Strategic Risk Register

Report of the Head of Corporate Resources and Chief Financial Officer

Recommendation

The updated Strategic Risk Register be endorsed.

1. REPORT

- 1.1 The Senior Management Team and the Strategic Risk Management Group carried out a full review and update of the Strategic Risk Register in January 2018. All necessary amendments have now been made to the register with the next review due in May. The updated register is enclosed at Appendices A to C.
- 1.2 Cabinet is asked to endorse the updated Strategic Risk Register.

Name of Meeting:
Cabinet

Date of Meeting:
9th April 2018

Subject Matter:
Risk Management Progress Report

Originating Department:

List of Background Papers

There are no background papers relating to this item.

STRATEGIC RISK REGISTER – APPENDIX A

**RUGBY BOROUGH COUNCIL
RISK ASSESSMENT FORM**

CORPORATE STRATEGY PRIORITY : <u>Effectiveness</u>		<i>[Risk Management Officer to complete]</i>	
RISK TYPE : Strategic		Risk Code :	
COMPLETED BY: Senior Management Team (SMT) & SRMG		DATE: January 2018	
		Category :	

Risk	Opportunities	Consequences	Existing Internal Controls	Assessment of Risk based on the review of existing controls			Direction of Risk
				Likelihood	Impact	Risk Rating	
Failure to recruit and retain key staff at all levels of the organisation (1)	- Places focus on 'growing our own', which is motivating for internal staff	- Repeated failed recruitment rounds leading to consequent loss of organisational drive, key skills and corporate knowledge - Key staff leaving with consequent loss of organisational drive, key skills and corporate knowledge	- Ongoing review and assessment by individual members of SMT - Active horizon scanning of current and emerging circumstances which may affect assessment and/or judgements - Action plans developed as required - Market supplements - Benchmarking - Apprenticeship scheme - Maximise opportunities to enhance the apprenticeship levy - Training and development - Development and greater use of digitalisation and IT	4	2	8	↔
Current support services model unable to respond to rapidly changing service demands (2)	- Closer work between front line and support services to articulate future service direction and needs	- Failure to support infrastructure development of new services	- Ongoing review and assessment by individual members of SMT - Active horizon scanning of current and emerging circumstances which may affect assessment and/or judgements - Action plans developed as required - Development and greater use of digitalisation and IT	2	3	6	↔

STRATEGIC RISK REGISTER – APPENDIX A

Risk	Opportunities	Consequences	Existing Internal Controls	Likelihood	Impact	Risk Rating	Direction
<p>Failure to deliver the Council's Emergency Plan</p> <p>(3)</p>	<ul style="list-style-type: none"> - Increase resilience in coping with disaster 	<ul style="list-style-type: none"> - Loss of life - Loss of property - Economic damage - Loss of reputation - Major service disruption/failure (in the event of pandemic illness affecting RBC employees) - Loss of data - National censure 	<ul style="list-style-type: none"> - Cyclical system embedded to ensure controls and risks are checked, actions developed and then implemented - Active review and consideration of changing circumstances which may affect existing assessment and/or judgements - Periodic testing and exercises - Regular reviews - Insurance in place - New plan in place - Partnership working with WLRP (Warwickshire Local Resilience Forum) - Horizon scanning - Periodic testing and exercises 	1	3	3	↔
<p>Insufficient safety and resilience resources resulting in a failure to manage corporate health & safety risks</p> <p>(4)</p>	<ul style="list-style-type: none"> - Overall review of corporate focus and effectiveness - Create a safer working environment - Reduced level of insurance claims 	<ul style="list-style-type: none"> - Increased likelihood of unsafe working practices - Limited organisational resource and capability to respond to emergencies - Loss of life - Injury 	<ul style="list-style-type: none"> - Ongoing review of resources by SMT - Partner support and communication - Clarity on existing internal arrangements - Action plans developed as required - Regular pattern of assessment of risks in the Council's operational environments - Embedded policy and practice - Health and safety is a standing agenda item on team meetings and 1:1 agendas 	4	3	12	New
<p>Increased sickness absence leading to reduced service resilience</p> <p>(5)</p>		<ul style="list-style-type: none"> - Customer complaints - Reputational damage - Failure of statutory service 	<ul style="list-style-type: none"> - Absence management policy in place including return to work procedure - Occupational health referrals - Mentoring process - 1 to 1s - Flu jabs offered to staff - Safe systems of work - Provision of counselling support 	3	2	6	New

STRATEGIC RISK REGISTER – APPENDIX A

**RUGBY BOROUGH COUNCIL
RISK ACTION PLAN**

This action plan is to be used when the risk assessment form has been completed.

Original Risk Score	Further Action / Controls	Desired Score			Status: Being considered /In progress /Completed	Officer Responsible	Target completion date	Actual completion date	Review Frequency
		Likelihood	Impact	Residual Risk Rating					
6 (2)	Corporate strategy action planning	1	3	3	In progress	Chris Green	April 2018		Monthly
12 (4)	Address training gaps	1	3	6	Being considered	Dan Green	September 2018		Quarterly
	Compliance monitoring				Being considered	Dan Green	September 2018		Quarterly
	Service managers to raise health & safety concerns at next CMF				Being considered	Dan Green	March 2018		Monthly
	Recruit and appoint to vacant posts				In progress	Dan Green	May 2018		Quarterly
6 (5)	Consider training customer service staff to cover control centre	2	2	4	Being considered	Raj Chand	June 2018		Quarterly
	Promote use of support groups				Being considered	SMT	June 2018		Quarterly

STRATEGIC RISK REGISTER – APPENDIX B

**RUGBY BOROUGH COUNCIL
RISK ASSESSMENT FORM**

<p>CORPORATE STRATEGY PRIORITY : <u>Funding</u></p> <p>RISK TYPE : Strategic</p> <p>COMPLETED BY: Senior Management Team (SMT) & SRMG</p>	<p><i>[Risk Management Officer to complete]</i></p> <p>Risk Code :</p> <p>Category :</p> <p>DATE: January 2018</p>
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Risk	Opportunities	Consequences	Existing Internal Controls	Assessment of Risk based on the review of existing controls			Direction of Risk
				Likelihood	Impact	Risk Rating	
<p>Unable to meet the requirements of our community</p> <p>(1)</p>	<ul style="list-style-type: none"> - Reframe service expectations 	<ul style="list-style-type: none"> - Inability to maintain all current services - Possible reduction of services at short notice - Increase in customer complaints - Failure to deliver all statutory services - Reputational damage - Inability to maintain inward investment - Failure to maintain the momentum and consistency of the Systems Thinking programme - Budget pressure - Council Tax increases - Overspending - Reduced resources - Pressure from partners - Poor audit judgement - Reducing staff morale - Central Government Censure - Procurement of goods and services do not provide Value for Money - Partnerships are ineffective - Social exclusion - Increase in crime and disorder 	<ul style="list-style-type: none"> - Ongoing review and assessment by individual members of SMT, including partnership arrangements - Active horizon scanning of current and emerging circumstances which may affect assessment and/or judgements - Action plans developed as required - Dialogue with central government - Medium term financial planning - Further exploration of shared collaborative and devolved service arrangements - Scrutiny - Internal and external audit - Finance and Performance Quarterly reports - Peer reviews - Cabinet and Council reports - Ongoing review and assessment - Performance management - Corporate Change and Improvement Plan - Refresh Corporate Strategy - Constitution and legislation provides guidance and direction - Communication with the community when changes take place - Detailed service analysis 	3	3	9	↔

STRATEGIC RISK REGISTER – APPENDIX B

Risk	Opportunities	Consequences	Existing Internal Controls	Likelihood	Impact	Rating	Direction
Insufficient local economic growth (2)	- Economic plans to embrace wider range of business opportunities	- Inability to maintain all current services - Reduction in NNDR income - Redundancies - Reduced quality of service - Reduced customer satisfaction - Reputational loss	- Ongoing review and assessment by individual members of SMT - Active horizon scanning of current and emerging circumstances which may affect assessment and/or judgements - Action plans developed as required - Economic development service – work with WCC and LEP to provide additional business support services - Local Plan	1	3	3	↔

STRATEGIC RISK REGISTER – APPENDIX B

**RUGBY BOROUGH COUNCIL
RISK ACTION PLAN**

This action plan is to be used when the risk assessment form has been completed.

Original Risk Score	Further Action / Controls	Desired Score			Status: Being considered /In progress /Completed	Officer Responsible	Target completion date	Actual completion date	Review Frequency
		Likelihood	Impact	Residual Risk Rating					
9 (1)	- Adoption of new Borough Local Plan	3	3	9	In progress	Rob Back	Mar 2018		Quarterly
3 (2)	- Adoption of new Borough Local Plan	1	3	3	In progress	Rob Back	Mar 2018		Quarterly

STRATEGIC RISK REGISTER – APPENDIX C

**RUGBY BOROUGH COUNCIL
RISK ASSESSMENT FORM**

CORPORATE STRATEGY PRIORITY : <u>Governance</u>		<i>[Risk Management Officer to complete]</i>	
RISK TYPE : Strategic		Risk Code :	
COMPLETED BY: Senior Management Team (SMT) & SRMG		DATE: January 2018	
		Category :	

Risk	Opportunities	Consequences	Existing Internal Controls	Assessment of Risk based on the review of existing controls			Direction of Risk
				Likelihood	Impact	Risk Rating	
Loss of local sovereignty through failure to manage partnership arrangements and emerging development of combined authority (1)	- Explore shared or integrated local service provision	- Lack of local voice - Potential for short or medium term service disruption - Cost of transition - Loss of funding - Lack of clarity on roles and responsibilities - Damage to reputation - Poor Value for Money - Silo working - Failure of contractors	- Ongoing review and assessment by individual members of SMT - Active horizon scanning of current and emerging circumstances which may affect assessment and/or judgements - Action plans developed as required - Regular pattern of review and assessment of risks and operational environments - Where assessment identifies actions required these are discussed at SMT, some matters will be raised informally with Cabinet and/or Portfolio holders - Action plans developed as required - Executive Director joining Warwickshire-wide Integration Executive as part of Warwickshire Cares: Better Together - Work co-operatively with other council and public sector organisations (to be implemented/actioned when combined/shared authorities being considered)	1	3	3	↓

STRATEGIC RISK REGISTER – APPENDIX C

Risk	Opportunities	Consequences	Existing Internal Controls	Likelihood	Impact	Risk Rating	Direction
<p>Loss of senior staff leading to potential weakness in organisational management</p> <p>(3)</p>	<p>- Review/revise corporate focus and priorities</p>	<p>- Potential for short to medium term service disruption</p> <p>- Competing demands</p> <p>- Regular meetings leading to saturation of officer time</p> <p>- Other jobs not being completed on time, if at all</p> <p>- Impact on morale</p> <p>- Mistakes being made</p> <p>- Contribution value drops</p>	<p>- Ongoing review and assessment by individual members of SMT</p> <p>- Active horizon scanning of current and emerging circumstances which may affect assessment and/or judgements</p> <p>- Action plans developed as required</p> <p>- Regular pattern of review and assessment of risks and operational environments</p> <p>- Where assessment identifies actions required these are discussed at SMT, some matters will be raised informally with Cabinet and/or Portfolio holder</p>	3	2	6	↑
<p>Change of political leadership</p> <p>(4)</p>	<p>- Review/revise corporate focus and priorities</p>	<p>- Potential for medium to long term disruption</p>	<p>- Ongoing review and assessment by individual members of SMT</p> <p>- Active horizon scanning of current and emerging circumstances which may affect assessment and/or judgements</p> <p>- Action plans developed as required</p> <p>- Regular pattern of review and assessment of risks and operational environments</p> <p>- Where assessment identifies actions required these are discussed at SMT, some matters will be raised informally with Cabinet and/or Portfolio holder</p> <p>- New Corporate Strategy in place</p>	1	3	3	↔

STRATEGIC RISK REGISTER – APPENDIX C

Risk	Opportunities	Consequences	Existing Internal Controls	Likelihood	Impact	Risk Rating	Direction
<p>Breach of legislation</p> <p>(5)</p>		<ul style="list-style-type: none"> - Legal action taken against RBC - Adverse publicity - Fines/prison sentences 	<ul style="list-style-type: none"> - Ongoing review and assessment by individual members of SMT - Active horizon scanning of current and emerging circumstances which may affect assessment and/or judgements - Action plans developed as required - Regular pattern of review and assessment of risks and operational environments - Where assessment identifies actions required these are discussed at SMT, some matters will be raised informally with Cabinet and/or Portfolio holder - Internal/external audit - Scrutiny - Departmental checks - Peer reviews - Insurance arrangements in place 	3	3	9	↑

STRATEGIC RISK REGISTER – APPENDIX C

<p>Failure to deliver statutory requirements</p> <p>(6)</p>		<ul style="list-style-type: none"> - Legal action taken against RBC - Cost implication - Adverse publicity - Central Government censure 	<ul style="list-style-type: none"> - Ongoing review and assessment by individual members of SMT - Active horizon scanning of current and emerging circumstances which may affect assessment and/or judgements - Action plans developed as required - Regular pattern of review and assessment of risks and operational environments - Where assessment identifies actions required these are discussed at SMT, some matters will be raised informally with Cabinet and/or Portfolio holder - Internal/external audit - Scrutiny - Departmental checks - Peer reviews - Business Continuity Plan in place 	2	3	6	↑
<p>Failure to comply with GDPR leading to loss of data, fines, reputational damage and stakeholder concern</p> <p>(7)</p>	<ul style="list-style-type: none"> - Streamlining record keeping and retention 	<ul style="list-style-type: none"> - Substantial fines and damages - Reputational damage - Adverse media coverage - Stakeholder concern - Potential takeover of Council - Inability to provide services 	<ul style="list-style-type: none"> - Ongoing assessments with departments including consideration of the nature of personal data held, the purpose of processing, location, retention periods, legal basis for processing, policy covering the use of data where applicable, the volume of processing, whether third parties are involved and whether or not there is a compliant contract in place. - Briefing session at CMF - Data protection officer in post - Cyber essentials security certification - ISO27002 compliance - Compulsory induction training 	3	3	9	New

STRATEGIC RISK REGISTER – APPENDIX C

**RUGBY BOROUGH COUNCIL
RISK ACTION PLAN**

This action plan is to be used when the risk assessment form has been completed.

Original Risk Score	Further Action / Controls	Desired Score			Status: Being considered /In progress /Completed	Officer Responsible	Target completion date	Actual completion date	Review Frequency
		Likelihood	Impact	Residual Risk Rating					
3 (1)	- Constitutional updates to ensure that appropriate powers are delegated to officers	1	3	3	Completed	Lynne Rothwell	Oct 2017	Dec 2017	Quarterly
9 (5)	- Full review and update of licensing procedures	2	3	6	In progress	Dan Green	April 2018		Quarterly
9 (7)	Identify who all our information owners are	1	2	2	In progress	Matthew Deaves	March 2018		Monthly
	Internal audit review to be incorporated within work plan for 2018/19				Being considered	Chris Green	March 2019		Quarterly
	Training programme for information owners				In progress	Matthew Deaves	May 2018		Monthly
	Complete GDPR implementation project				In progress	Matthew Deaves	May 2018		Quarterly

AGENDA MANAGEMENT SHEET

Report Title:	Risk Management Progress Report
Name of Committee:	Cabinet
Date:	9th April 2018
Report Director:	Head of Corporate Resources and Chief Financial Officer
Portfolio:	Corporate Resources
Ward Relevance:	None
Prior Consultation:	None
Contact Officer:	Mannie Ketley - Head of Corporate Resources and Chief Finance Officer
Public or Private:	Public
Report subject to Call-In:	No
Report En-Bloc:	Yes
Forward Plan:	No
Corporate Priorities:	<p>This report relates to the following priority(ies): CORPORATE RESOURCES - Ensure that the council works efficiently and effectively</p>
Statutory / Policy Background:	<p>Section 3 of the Accounts and Audit Regulations 2015 states that the Council must ensure it has a sound system of internal control which includes effective arrangements for the management of risk.</p>
Summary:	<p>The content of the report details the progress which has been made, the work currently being undertaken and the work that is planned for the next twelve months</p>

to continue to improve and embed the Risk Management programme.

Financial Implications:

No direct financial implications

Risk Management Implications:

Failure to implement, improve and embed the Risk Management programme would increase the risk that the Council does not achieve its objectives.

Environmental Implications:

No direct implications

Legal Implications:

No direct implications

Equality and Diversity:

No assessment carried out as no policy or service delivery decision is being taken

Options:

None

Recommendation:

The progress made within the Risk Management programme be noted.

Reasons for Recommendation:

To ensure that Risk Management remains embedded within the day to day work of the Council, including Members and Officers.

Cabinet - 9th April 2018

Risk Management Progress Report

Report of the Head of Corporate Resources and Chief Financial Officer

Recommendation

The progress made within the Risk Management programme be noted.

1. BACKGROUND

- 1.1 The Council's Risk Management Strategy specifies that Cabinet receive a report every twelve months on the progress being made to ensure that Risk Management remains embedded within the day to day work of the Council. The last report was submitted on 9th January 2017.

2. OVERVIEW

- 2.1 This report provides a brief overview of the progress which has been made during the last twelve months. Further information is provided on the work currently being undertaken and the work that is planned for the next twelve months to continue to improve and embed the Risk Management programme.
- 2.2 The key focus for the Risk Management programme is to embed risk management within the day to day work of the Council. Strategic Risk Management Group will continue to review the work that has been undertaken and is planned to take place over the next twelve months. This will ensure that the Council's strategic, operational and project risks, encompassing all elements of the Council's processes, are regularly monitored and reviewed.

3. PROGRESS MADE

- 3.1 The Strategic Risk Register was reviewed by the Strategic Risk Management Group (SRMG) in December 2017 and by the Senior Management Team in January 2018, with the next quarterly review due in May 2018. The SRMG reviews the register on a quarterly basis, ensuring that it remains valid and up to date. All recent amendments have been actioned and the regular quarterly reviews have been scheduled. The Strategic Risk Register is focussed to reflect the associated risks within the Corporate Strategy and the corporate priorities that it identifies.

3.2 All operational risk registers are currently being reviewed. In support of the new Corporate Strategy, the Corporate Assurance and Improvement team are facilitating delivery of action planning workshops across the Council. The opportunity is being taken to review and update operational risk registers during those workshops. Specific consideration is being given to any additional risks associated with the key projects planned to support delivery of the Corporate Strategy. Following completion of this exercise, the rolling programme of Operational Risk Register reviews will continue. All managers and service heads are aware that Operational Risk Registers are subject to ongoing review.

4. FUTURE WORK

4.1 The rolling programme of Operational Risk Register reviews has highlighted a number of risks which apply across the Council, and which would therefore benefit from being considered and managed at the corporate level. Those risks which would benefit from a more corporate approach will form part of a new corporate risk register, which will be reported to and considered by the SRMG. It is expected that managing such risks at the corporate level will lead to a more effective, and consistent, response across the Council.

4.2 The Senior Management Team is committed to ensuring that effective risk management is built in to the day to day normal operation of the Council. With that commitment in mind, a Corporate Assurance Officer was appointed in November 2017 to provide additional resilience and support to the risk management function. This will enable the Corporate Assurance and Improvement team to deliver an enhanced level of ongoing support to managers to ensure more effective day to day management of risks.

4.3 Furthermore, the Senior Management Team has determined that all managers will be required to attend a one day risk management training course in the summer of 2018. By making the training compulsory, managers will understand and recognise that the Council is committed to embedding effective risk management. Managers will understand their own risk management duties and recognise this as a core component of their day to day role.

4.4 Service managers will be expected to review and update their Operational Risk Registers as soon as planned operational changes are identified. Such changes might include changes in resources, or changes in operational procedures and controls. Identifying, evaluating and managing such risks and opportunities at an early stage, and ensuring that appropriate mitigating actions are implemented, could reduce the likelihood or impact of an adverse event whilst ensuring that opportunities are effectively managed.

- 4.5 The annual review and update of the Risk Management Strategy is due to be carried out. The opportunity will be taken to re-review the content of the document in line with the latest best practice and to incorporate the planned future work, as outlined above. The Strategy will be reviewed at the next meeting of the SRMG in May 2018.

Name of Meeting:
Cabinet

Date of Meeting:
9th April 2018

Subject Matter:
Risk Management Progress Report

Originating Department:

List of Background Papers

There are no background papers relating to this item.

AGENDA MANAGEMENT SHEET

Report Title:	Appointments to Outside Bodies - Miscellaneous Appointments
Name of Committee:	Cabinet
Date:	9 April 2018
Report Director:	Executive Director
Portfolio:	Corporate Resources
Ward Relevance:	All Wards
Prior Consultation:	Trustees of Hillmorton Charities and Trustees of Lawrence Sheriff Almshouses
Contact Officer:	Linn Ashmore, Democratic Services Officer Tel: 01788 533522
Public or Private:	Public
Report subject to Call-In:	Yes
Report En-Bloc:	Yes
Forward Plan:	Yes
Corporate Priorities:	This report does not specifically relate to any Council priorities, but should be considered by the Panel / Cabinet for the following reasons: To ensure continuity of the council's representation on outside bodies.
Statutory / Policy Background:	N/A
Summary:	Three terms of office on Outside Bodies (Miscellaneous Appointments) require appointment.
Financial Implications:	There are no financial implications for this report

Risk Management Implications:	There are no risk management implications for this report
Environmental Implications:	There are no environmental implications for this report
Legal Implications:	There are no legal implications for this report
Equality and Diversity:	There are no equality and diversity implications for this report
Options:	<p>To formally endorse the appointment of Trustees to Hillmorton Charities and Lawrence Sheriff Almshouses.</p> <p>Risks: None Benefits: Continuity of representation.</p>
Recommendation:	<ol style="list-style-type: none"> (1) Councillor Miss Lawrence be re-appointed by Rugby Borough Council as a representative to the Trustees of Hillmorton Charities for a four-year term of office expiring on 9 April 2022; (2) Mr Ron Price be re-appointed by Rugby Borough Council as a representative to the Trustees of Hillmorton Charities for a four-year term of office expiring on 9 April 2022; and (3) Councillor Gillias be appointed to the Trustees of Lawrence Sheriff Almshouses for a 3 year term of office expiring on 9 April 2021.
Reasons for Recommendation:	To ensure continuity of representation.

Cabinet – 9 April 2018

Appointments to Outside Bodies - Miscellaneous Appointments

Report of the Executive Director

Recommendation

- (1) Councillor Miss Lawrence be re-appointed by Rugby Borough Council as a representative to the Trustees of Hillmorton Charities for a four-year term of office expiring on 9 April 2022;
- (2) Mr Ron Price be re-appointed by Rugby Borough Council as a representative to the Trustees of Hillmorton Charities for a four-year term of office expiring on 9 April 2022; and
- (3) Councillor Gillias be appointed to the Trustees of Lawrence Sheriff Almshouses for a 3 year term of office expiring on 9 April 2021.

1. TRUSTEES OF HILLMORTON CHARITIES

The current appointment of Councillor Miss Lawrence to the Trustees of Hillmorton Charity expired on 6th January 2018 and the current appointment of Mr Ron Price is due to expire on 7th April 2018.

The Trustees have been consulted and they endorse the re-appointment of Councillor Miss Lawrence and Mr Ron Price.

2. VACANCY – TRUSTEES OF LAWRENCE SHERIFF ALMSHOUSES

A vacancy has arisen for the Trustees of Lawrence Sheriff Almshouses due to the resignation of Mrs Fiona Palmer.

The Trustees of Lawrence Sheriff Almshouses have been consulted and have not nominated a replacement. The Trustees have requested that the Council makes a new appointment. Councillor Gillias has expressed an interest in becoming a Trustee of the Almshouses.

Name of Meeting:
Cabinet

Date of Meeting:
9 April 2018

Subject Matter:
Appointments to Outside Bodies - Miscellaneous Appointments

Originating Department: Executive Director

There are no background papers relating to this item.