

22 November 2017

CABINET – 4 DECEMBER 2017

A meeting of Cabinet will be held at 5.30pm on Monday 4 December 2017 in the Council Chamber, Town Hall, Rugby.

Adam Norburn
Executive Director

A G E N D A

PART 1 – PUBLIC BUSINESS

1. Minutes.

To confirm the minutes of the meeting held on 30 October 2017.

2. Apologies.

To receive apologies for absence from the meeting.

3. Declarations of Interest.

To receive declarations of –

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

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

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

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

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

4. Question Time.

Notice of questions from the public should be delivered in writing, by fax or e-mail to the Executive Director at least three clear working days prior to the meeting (no later than Tuesday 28 November 2017).

Item to be considered not within any specific portfolio

5. Compliance with the General Data Protection Regulation.

Growth and Investment Portfolio

Nothing to report to this meeting.

Corporate Resources Portfolio

6. Draft General Fund Revenue and Capital Budgets 2018/19 and Medium Term Financial Plan 2018/21.

7. Finance and Performance Monitoring 2017/18 - Quarter 2.

8. Council Tax Reduction Scheme.

9. Results of Internal Audit External Quality Assessment.

Communities and Homes Portfolio

10. A potential Council-led lottery in Rugby.

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

11. Treasury Management Report 2017/18 – Progress Report.

12. Appointments to Outside Bodies – Miscellaneous Appointments.

13. 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

Nothing to report to this meeting.

Communities and Homes Portfolio

Nothing to report to this meeting.

Environment and Public Realm Portfolio

Nothing to report to this meeting.

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

1. Write Offs.

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

The Reports of Officers (Ref. CAB 2017/18 – 6) 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

Report Title:	Compliance with the General Data Protection Regulation
Name of Committee:	Cabinet
Date:	4th December 2017
Report Director:	Executive Director
Portfolio:	No specific portfolio
Ward Relevance:	All
Prior Consultation:	Cabinet, Senior Management Team
Contact Officer:	Matthew Deaves
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 Cabinet in order for the council to be compliant with a new legal framework.
Statutory / Policy Background:	The European Union General Data Protection Regulation (GDPR) comes into force on 25 May 2018. The Data Protection Bill currently being considered by parliament makes some amendments to the Regulation and defines the regulatory regime.
Summary:	This report summarises the proposed new Data Protection Policy, along with related statutory provisions and good practice. It

	updates members on progress towards compliance.
Financial Implications:	None.
Risk Management Implications:	The GDPR introduces a new system of administrative fines and individual remedy, that could expose the council to penalties of up to 20,000,000 euros plus individual settlements, per offence.
Environmental Implications:	None.
Legal Implications:	Compliance with the EU GDPR will be a statutory requirement from 25 May 2018.
Equality and Diversity:	The GDPR imposes new requirements on how the council treats some equality data.
Options:	Not applicable.
Recommendation:	<ol style="list-style-type: none"> 1. The Data Protection Policy, as detailed in Appendix 1 of the report, be approved. 2. The Article 37 appointment and associated changes to job roles, as detailed in part 3 of the report, be noted. 3. The progress towards compliance, as outlined in part 4 of the report, be noted. 4. A further report on compliance be brought to cabinet before 25 May 2018.
Reasons for Recommendation:	To ensure that the council is substantially compliant with the provisions of the General Data Protection Regulation by 25 May 2018.

Cabinet - 4th December 2017

Compliance with the General Data Protection Regulation

Report of the Executive Director

Recommendation

1. The Data Protection Policy, as detailed in Appendix 1 to the report, be approved;
2. the Article 37 appointment and associated changes to job roles, as detailed in part 3 of the report, be noted;
3. the progress towards compliance, as outlined in part 4 of the report, be noted; and
4. a further report on compliance be brought to Cabinet before 25 May 2018.

1.0 Introduction

- 1.1 The General Data Protection Regulation (GDPR) is the new data protection framework for the EU and will apply in the UK from 25 May 2018. It replaces all current data protection legislation, including the Data Protection Act 1998 (DPA). It gives stronger protections to individuals, and promotes lawful, fair and transparent processing by data controllers.
- 1.2 The data protection bill, currently making its way through the parliamentary process, will translate the provisions of the GDPR into UK law. This means that the GDPR will continue to apply after the UK has left the EU.
- 1.3 Section 3 of the data protection bill also legislates for the EU Law Enforcement Directive, which covers protections on personal data processed in relation to preventing, detecting, investigating and prosecuting criminal activity.
- 1.4 The GDPR and the Law Enforcement Directive place great emphasis on the documentation that data controllers must maintain in order to demonstrate accountability. Compliance within all areas listed in this report will require the council to review its approach to information governance and how we manage data protection as a corporate issue.
- 1.5 The GDPR will impose significant changes on how we interact with residents, the way in which we record information relating to residents, the way in which we communicate our processing activities to residents and a number of other areas all relating to the council's processing activities. It will have a significant impact on all service areas and our contractual arrangements with external companies and suppliers.

2.0 Data protection policy

- 2.1 The GDPR includes provisions that promote accountability and governance. These complement the GDPR's transparency requirements. While the principles of accountability and transparency have previously been implicit requirements of data protection law, the GDPR's emphasis elevates their significance. The new accountability principle requires the council to demonstrate that we comply with the principles.
- 2.2 The council will be expected to put into place comprehensive but proportionate governance measures. Good practice tools such as privacy impact assessments and privacy by design are now legally required in certain circumstances.
- 2.3 These measures are designed to minimise the risk of data protection breaches and uphold the protection of personal data. This will mean that we will need additional guidance, policies and procedures, and current policies will be updated. The new data protection policy, attached at Appendix 1, is the first of these measures.
- 2.4 The data protection policy defines the scope and various definitions used in the policy, setting out in a policy statement the council's commitment to compliance with the GDPR. It highlights individual roles and responsibilities, how the council will comply with the data protection principles and the rights of data subjects. It sets out how the council will ensure consent for data processing where applicable, how it will keep data secure, and when data will be deleted.
- 2.5 Once adopted the council's focus will move to various internal policies, staff training, audits of processing activities, and reviews of HR policies. Amongst other measures these will set out detailed procedures for incident reporting, carrying out privacy impact assessments, and updating the council's register of processing activity, for example.
- 2.6 The council will be required to maintain relevant documentation on processing activities. These must be made available to the Information Commissioner on request, and information from within this documentation must be communicated with data subjects at the appropriate time.

3.0 Article 37 and responsibilities

- 3.1 Article 37 states that all public authorities must appoint a Data Protection Officer (DPO). The DPO's role is:
 - to inform and advise the organisation and its employees about their obligations to comply with the GDPR and other data protection laws;
 - to monitor compliance with the GDPR and other data protection laws, including managing internal data protection activities, advise on data protection impact assessments; train staff and conduct data audits;

- to be the first point of contact for supervisory authorities (the Information Commissioner) and for individuals whose data is processed (employees, customers etc).
- 3.2 Article 38 provides details relating to the position of the DPO within the council. This role must report directly to the most senior level of management, but must be independent of it. The post holder must not have a conflict of interests in carrying out their duties, so should not be the organisation's Senior Information Risk Owner (SIRO) or have responsibility for IT security or personal data processing activities.
- 3.3 Article 38 also states that the council must support the DPO in performing their tasks by providing the resources necessary and by maintaining their expert knowledge.
- 3.4 The DPO must be allowed to act independently of the council and should not receive instructions from their employer on how they are to discharge their statutory functions. The DPO cannot be dismissed or penalised by the council for performing these tasks.
- 3.5 The Communications, Consultation and Information Manager meets all of the requirements of the Data Protection Officer and has carried out the roles outlined in Article 37 for a number of years. The post holder has been formally appointed to this role.
- 3.6 While the Article 37 role is the only appointment defined by the GDPR, the council has other roles that form part of the organisational and technical measures needed to protect the rights of data subjects. These are outlined in the table below:

Role	Reports to	Responsibilities
Executive Director		Senior manager with ultimate responsibility for compliance
Data Protection Officer [Role held by Communications, Consultation and Information Manager]	Executive Director	Advocates on behalf of data subjects; liaises with Information Commissioner; advises on data protection.
Communication, Consultation and Information Officer	Data Protection Officer	Administration of data subject access requests; day to day liaison with Information Commissioner; data protection advice.

Senior Information Risk Owner (SIRO) [Role held by Head of Communities and Homes]	Executive Director	Determines the most effective and proportionate information control measures
IT Security Officer [Role held by Corporate ICT Manager]	SIRO	Provides current awareness on risk.
IT Security Architect [Role held by Security and Compliance Lead Officer]	IT Security Officer	Provides assurance on technical aspects of the IT Security Architecture.
Information Asset Owners [Role held by individual managers and team leaders]	Heads of Service	Responsible for deciding scope and purpose of individual data processing activities.

4.0 Progress towards compliance with the GDPR

- 4.1 The governance changes needed to become compliant with the GDPR, and related provisions, are set out in sections 2 and 3 of this report, above. However there are a number of organisational and technical measures that will also need to be in place.
- 4.2 Article 30 of the GDPR requires the council to maintain records of processing activities (ROPA). For every processing activity this must include:
- (a) the name and contact details of the controller and the data protection officer;
 - (b) the purposes of the processing;
 - (c) a description of the categories of data subjects and of the categories of personal data;
 - (d) the categories of recipients to whom the personal data have been or will be disclosed;
 - (e) where applicable, transfers of personal data to a country outside of the European Economic Area, along with details of the relevant safeguards;
 - (f) the retention period that applies to the different categories of data;
 - (g) a general description of the technical and organisational security measures that apply.

- 4.3 Articles 13 and 14 of the GDPR require data controllers to provide data subjects with a privacy notice, setting out:
- (a) the identity and the contact details of the controller;
 - (b) the contact details of the data protection officer;
 - (c) the purposes of the processing for which the personal data are intended as well as the legal basis for the processing;
 - (d) the recipients or categories of recipients of the personal data, if any;
 - (f) where applicable, the fact that the controller intends to transfer personal data to a third country, reference to the appropriate or suitable safeguards and the means by which to obtain a copy of them or where they have been made available.
 - (g) the period for which the personal data will be stored, or if that is not possible, the criteria used to determine that period;
 - (h) the existence of the right to request from the controller access to and rectification or erasure of personal data or restriction of processing concerning the data subject or to object to processing as well as the right to data portability;
 - (i) where the processing is based on consent, the existence of the right to withdraw consent at any time;
 - (j) the right to lodge a complaint with a supervisory authority;
 - (k) whether the provision of personal data is a statutory or contractual requirement, or a requirement necessary to enter into a contract, as well as whether the data subject is obliged to provide the personal data and of the possible consequences of failure to provide such data;
 - (l) the existence of automated decision-making, including profiling, and meaningful information about the logic involved, as well as the significance of such processing for the data subject.
- 4.4 The effect of these articles is that the council needs to hold much more information about the data it holds and processes, and the reasons for processing the data. We are carrying out a comprehensive data audit to gather this information from every team and service area. This audit is being carried out by the IT and the communications, consultation and information teams, with help and support from the corporate assurance and improvement team. So far this audit has identified the best part of one hundred data processing activities. This number is expected to continue to rise as the audit considers activities in greater detail.

- 4.5 For each processing activity we are identifying which of the five permitted legal bases allows the council to carry out the processing. These are: consent; performance of a legal contract; compliance with a legal obligation; to protect the data subject's vital interests; to carry out a task in the public interest or to exercise official authority.
- 4.6 Where data is shared with other organisations or where IT systems are held by suppliers or other third parties, the separation of responsibilities must normally be defined by contract. From the data audit described in paragraph 4.4 above the council is identifying all relevant third parties and the risk to the data subject of non-compliance. The procurement team are considering whether it would be appropriate to provide a schedule of standard terms to add to all new contracts, or by variation to existing contracts.
- 4.7 The ROPA identified in paragraph 4.4 will provide the relevant information to update the council's retention schedule and draft up to date and compliant privacy notices, as described in paragraph 4.3.
- 4.8 The GDPR gives data subjects new rights to access, update and correct their data, and in some circumstances to ask controllers to stop processing their data altogether. There is also a new right to be forgotten, and a new responsibility to inform the Information Commissioner in the event of any data breach. We will need to update our internal processes to take account of these rights.
- 4.9 Article 5 requires data controllers to use appropriate technical and organisational measures to secure personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage. The SIRO and IT Security Officer are leading on the technical measures, which include working towards compliance with ISO/IEC 27002. Progress on this has been reported to the audit and ethics committee.
- 4.10 The "organisational measures" provision is intended to make sure that data controllers have an organisational culture that understands the need to protect personal data and only use it for the purpose for which it was collected. The council will introduce a programme of mandatory training for all appropriate staff. The provisions of the GDPR also apply to all councillors, who in certain circumstances may be data controllers in their own right and will need to register with the Information Commissioner. Members will also be required to undertake training before the GDPR comes into effect.
- 4.11 Article 9 of the GDPR prohibits the council from processing special categories of personal data about racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data, data concerning health or data concerning a natural person's sex life or sexual orientation. Processing this data is permitted when certain conditions apply, but the draft data protection bill specifies that in these cases the council must have a written policy covering their use. We are reviewing the council's relevant policies to make sure that they satisfy this requirement.

- 4.12 Section three of the draft data protection bill applies to all individuals and organisations that have a statutory role in enforcing criminal law. It puts the law enforcement directive into UK law, and applies to the council's regulatory activities and the community safety partnership. The relevant provisions are similar to the GDPR but give fewer rights to data subjects with a consequential increase in restrictions in accessing and processing the data. These include strict requirements to log every access to personal data, with the reason for access. We are exploring the potential impact that this may have on the authority.
- 4.13 The potential penalties and reputational damage, and the possible risk to data subjects associated with non-compliance with the GDPR have been reflected in the council's strategic and operational risk registers.

5.0 Next steps

- 5.1 While much of the GDPR is known and preparations are underway, as outlined in sections 2, 3 and 4 above, some provisions will be varied by the data protection bill.
- 5.2 The data protection bill is currently at its second reading in the House of Lords and has yet to be debated in the House of Commons. There therefore remains a great deal of uncertainty about what will be included in the Act when it passes into law.
- 5.3 The council will continue to monitor the draft bill as it progresses through the committee stages and will update the project plan accordingly.
- 5.4 It is suggested that a further report, outlining progress towards achieving compliance with the GDPR and any relevant changes to the draft data protection bill, is brought back to Cabinet before 25 May 2018.

Name of Meeting:
Cabinet

Date of Meeting:
4th December 2017

Subject Matter:
Compliance with the General Data Protection Regulation

Originating Department:
Communications, consultation and information.

List of Background Papers

Document No.	Date	Description of Document	Officer's Reference	File Reference
1.	27 April 2016	Regulation on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).		
2.	13 December 2016	Article 29 Data Protection Working Party - Guidelines on Data Protection Officers.		
3.	August 2017	Draft data protection bill 2017.		

Rugby Borough Council
Data protection policy
December 2017

1. Introduction

1.1 Background to the General Data Protection Regulation ('GDPR')

The General Data Protection Regulation 2016 replaces the EU Data Protection Directive of 1995 and supersedes the laws of individual Member States that were developed in compliance with the Data Protection Directive 95/46/EC. Its purpose is to protect the "rights and freedoms" of natural persons (i.e. living individuals) and to ensure that personal data is not processed without their knowledge, and, wherever possible, that it is processed with their consent.

1.2 Definitions used by the organisation

Material scope (Article 2) – the GDPR applies to the processing of personal data wholly or partly by automated means (i.e. by computer) and to the processing other than by automated means of personal data (i.e. paper records) that form part of a filing system or are intended to form part of a filing system.

Territorial scope (Article 3) – the GDPR will apply to all controllers that are established in the EU who process the personal data of data subjects, in the context of that establishment. It will also apply to controllers outside of the EU that process personal data in order to offer goods and services, or monitor the behaviour of data subjects who are resident in the EU.

1.3 Article 4 definitions

Establishment – the main establishment of the controller in the EU will be the place in which the controller makes the main decisions as to the purpose and means of its data processing activities. The main establishment of a processor in the EU will be its administrative centre. If a controller is based outside the EU, it will have to appoint a representative in the jurisdiction in which the controller operates to act on behalf of the controller and deal with supervisory authorities.

Personal data – any information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

Special categories of personal data – personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade-union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person's sex life or sexual orientation.

Data controller – the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of personal data; where the purposes and means of such processing are determined by Union or Member State law, the controller or the specific criteria for its nomination may be provided for by Union or Member State law.

Data subject – any living individual who is the subject of personal data held by an organisation.

Processing – any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

Profiling – is any form of automated processing of personal data intended to evaluate certain personal aspects relating to a natural person, or to analyse or predict that person's performance at work, economic situation, location, health, personal preferences, reliability, or behaviour. This definition is linked to the right of the data subject to object to profiling and a right to be informed about the existence of profiling, of measures based on profiling and the envisaged effects of profiling on the individual.

Personal data breach – a breach of security leading to the accidental, or unlawful, destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed. There is an obligation on the controller to report personal data breaches to the supervisory authority and where the breach is likely to adversely affect the personal data or privacy of the data subject.

Data subject consent - means any freely given, specific, informed and unambiguous indication of the data subject's wishes by which he or she, by a statement or by a clear affirmative action, signifies agreement to the processing of personal data.

Child – the GDPR defines a child as anyone under the age of 16 years old, although this may be lowered to 13 by the United Kingdom government. The processing of personal data of a child is only lawful if parental or custodian consent has been obtained. The controller shall make reasonable efforts to verify in such cases that consent is given or authorised by the holder of parental responsibility over the child.

Third party – a natural or legal person, public authority, agency or body other than the data subject, controller, processor and persons who, under the direct authority of the controller or processor, are authorised to process personal data.

Filing system – any structured set of personal data which are accessible according to specific criteria, whether centralised, decentralised or dispersed on a functional or geographical basis.

2. Policy statement

- 2.1 The management of Rugby Borough Council, located at Town Hall, Evreux Way, Rugby CV21 2RR are committed to compliance with all relevant EU and Member State laws in respect of personal data, and the protection of the “rights and freedoms” of individuals whose information Rugby Borough Council collects and processes in accordance with the General Data Protection Regulation (GDPR).
- 2.2 Compliance with the GDPR is described by this policy and other relevant policies such as the Information Security Policy, along with connected processes and procedures.
- 2.3 The GDPR and this policy apply to all of Rugby Borough Council’s personal data processing functions, including those performed on customers’, clients’, employees’, suppliers’ and partners’ personal data, and any other personal data the organisation processes from any source.
- 2.4 The Data Protection Officer is responsible for reviewing the register of processing in the light of any changes to Rugby Borough Council’s activities (as determined by changes to the data inventory register and the management review) and to any additional requirements identified by means of data protection impact assessments. This register will be made available on the supervisory authority’s request.
- 2.5 This policy applies to all Employees/Councillors and interested parties of Rugby Borough Council such as outsourced suppliers. Any breach of the GDPR or this policy will be dealt with under Rugby Borough Council’s disciplinary policy and may also be a criminal offence, in which case the matter will be reported as soon as possible to the appropriate authorities.
- 2.6 Partners and any third parties working with or for Rugby Borough Council, and who have or may have access to personal data, will be expected to have read, understood and to comply with this policy. No third party may access personal data held by Rugby Borough Council without having first entered into a data confidentiality agreement, which imposes on the third party obligations no less onerous than those to which Rugby Borough Council is committed, and which gives Rugby Borough Council the right to audit compliance with the agreement.

3. Responsibilities and roles under the General Data Protection Regulation

- 3.1 Rugby Borough Council is a data controller under the GDPR.
- 3.2 Senior Management Team and all those in managerial or supervisory roles throughout Rugby Borough Council are responsible for developing and encouraging good information handling practices within Rugby Borough Council; responsibilities are set out in individual job descriptions.

- 3.3 The Data Protection Officer, a role specified in the GDPR, should be a senior manager. The Data Protection Officer is accountable to the Executive Director of Rugby Borough Council for the management of personal data within Rugby Borough Council and for ensuring that compliance with data protection legislation and good practice can be demonstrated.
- 3.4 The Communications, Consultation and Information Manager, who Senior Management Team considers to be suitably qualified and experienced, has been appointed to the role of Data Protection Officer. The Data Protection Officer will take responsibility for Rugby Borough Council's compliance with this policy on a day-to-day basis. Managers, team leaders and Heads of Service will remain responsible for all data processing that takes place within their area of responsibility.
- 3.5 The Data Protection Officer has specific responsibilities in respect of procedures such as the Subject Access Request Procedure and is the first point of call for Employees/Councillors seeking clarification on any aspect of data protection compliance.
- 3.6 Compliance with data protection legislation is the responsibility of all Employees/Councillors of Rugby Borough Council who process personal data.
- 3.7 Rugby Borough Council's data protection training policy sets out specific training and awareness requirements in relation to specific roles and Employees/Councillors of Rugby Borough Council generally.
- 3.8 Employees/Councillors of Rugby Borough Council are responsible for ensuring that any personal data about them and supplied by them to Rugby Borough Council is accurate and up-to-date.

4. Data protection principles

All processing of personal data must be conducted in accordance with the data protection principles as set out in Article 5 of the GDPR. Rugby Borough Council's policies and procedures are designed to ensure compliance with the principles.

- 4.1 Personal data must be processed lawfully, fairly and transparently
Lawful – the borough council will identify a lawful basis before processing personal data.

Fairly – the borough council will make relevant information available to data subjects in the form of a privacy notice. Privacy notices will be provided whether the personal data was obtained directly from the data subjects or from other sources.

Transparently – privacy notices will be understandable and accessible. Information will be communicated to in an intelligible form using clear and plain language.

Rugby Borough Council will provide information asset owners with clear guidance on how to produce and communicate privacy notices.

The specific information that must be provided to the data subject must, as a minimum, include:

- 4.1.1 the identity and the contact details of the controller and, if any, of the controller's representative;
 - 4.1.2 the contact details of the Data Protection Officer;
 - 4.1.3 the purposes of the processing for which the personal data are intended as well as the legal basis for the processing;
 - 4.1.4 the period for which the personal data will be stored;
 - 4.1.5 the existence of the rights to request access, rectification, erasure or to object to the processing, and the conditions (or lack of) relating to exercising these rights, such as whether the lawfulness of previous processing will be affected;
 - 4.1.6 the categories of personal data concerned;
 - 4.1.7 the recipients or categories of recipients of the personal data, where applicable;
 - 4.1.8 where applicable, that the controller intends to transfer personal data to a recipient in a third country and the level of protection afforded to the data;
 - 4.1.9 any further information necessary to guarantee fair processing.
- 4.2 Personal data can only be collected for specific, explicit and legitimate purposes
Data obtained for specified purposes must not be used for a purpose that differs from those formally notified to the supervisory authority as part of Rugby Borough Council's GDPR register of processing.
- 4.3 Personal data must be adequate, relevant and limited to what is necessary for processing
- 4.3.1 Information asset owners are responsible for ensuring that Rugby Borough Council does not collect information that is not strictly necessary for the purpose for which it is obtained.
 - 4.3.2 All data collection forms (electronic or paper-based), including data collection requirements in new information systems, must include a fair processing statement or link to privacy statement and approved by the Data Protection Officer.
 - 4.3.3 The Data Protection Officer will ensure that, on a regular basis all data collection methods are reviewed to ensure that collected data continues to be adequate, relevant and not excessive.
- 4.4 Personal data must be accurate and kept up to date with every effort to erase or rectify without delay
- 4.4.1 Data that is stored by the data controller must be reviewed and updated as necessary. No data should be kept unless it is reasonable to assume that it is accurate.
 - 4.4.2 The Data Protection Officer is responsible for ensuring that all staff are trained in the importance of collecting accurate data and maintaining it.

- 4.4.3 It is also the responsibility of the data subject to ensure that data held by Rugby Borough Council is accurate and up to date. Completion of a registration or application form by a data subject will include a statement that the data contained therein is accurate at the date of submission.
 - 4.4.4 Employees/Councillors, residents, business owners and all other data subjects should be required to notify Rugby Borough Council of any changes in circumstance to enable personal records to be updated accordingly. It is the responsibility of Rugby Borough Council to ensure that any notification regarding change of circumstances is recorded and acted upon.
 - 4.4.5 The Information Asset Owners are responsible for ensuring that appropriate procedures and policies are in place to keep personal data accurate and up to date, taking into account the volume of data collected, the speed with which it might change and any other relevant factors.
 - 4.4.6 On at least an annual basis, Information Asset Owners will review the retention dates of all the personal data processed by Rugby Borough Council, by reference to the data inventory, and will identify any data that is no longer required in the context of the registered purpose. This data will be deleted/destroyed securely in line with any data destruction guidance that may apply.
 - 4.4.7 The Data Protection Officer is responsible for responding to requests for rectification from data subjects. This must be completed in line with any guidance that may apply and within one month, but can be extended to a further two months for complex requests. If Rugby Borough Council decides not to comply with the request, the Data Protection Officer must respond to the data subject to explain its reasoning and inform them of their right to complain to the supervisory authority and seek judicial remedy.
 - 4.4.8 The Information Asset Owner is responsible for making appropriate arrangements that, where third-party organisations may have been passed inaccurate or out-of-date personal data, to inform them that the information is inaccurate and/or out of date and is not to be used to inform decisions about the individuals concerned; and for passing any correction to the personal data to the third party where this is required.
- 4.5 Personal data must be kept in a form such that the data subject can be identified only as long as is necessary for processing.
- 4.5.1 Where personal data needs to be retained beyond the processing date, it will be minimised, encrypted, anonymised, pseudonymised or otherwise protected in order to protect the identity of the data subject in the event of a data breach.
 - 4.5.2 Personal data will be retained in line with the retention schedule and, once its retention date is passed, it must be destroyed securely in line with any data destruction guidance that may apply.
 - 4.5.3 The Data Protection Officer must approve any data retention that exceeds the retention periods defined in the retention schedule, and must ensure that the justification is clearly identified and in line with the

requirements of the data protection legislation. This approval must be written.

4.6 Personal data must be processed in a manner that ensures the appropriate security

The Senior Information Risk Owner will carry out a risk assessment taking into account all the circumstances of Rugby Borough Council's controlling or processing operations.

In determining appropriateness, the Data Protection Officer and Senior Information Risk Owner should also consider the extent of possible damage or loss that might be caused to individuals (e.g. staff or residents) if a security breach occurs, the effect of any security breach on the data subjects and Rugby Borough Council itself, and any likely reputational damage including the possible loss of trust.

When assessing appropriate technical measures, the Senior Information Risk Owner will consider the following:

- Password protection;
- Automatic locking of idle terminals;
- Removal of access rights for USB and other memory media;
- Virus checking software and firewalls;
- Role-based access rights including those assigned to temporary staff;
- Encryption of devices that leave the organisation's premises such as laptops;
- Security of local and wide area networks;
- Privacy enhancing technologies such as pseudonymisation and anonymisation;
- Identifying appropriate international security standards relevant to Rugby Borough Council.

When assessing appropriate organisational measures the Data Protection Officer and Senior Information Risk Owner will consider the following:

- The appropriate training levels throughout Rugby Borough Council;
- Measures that consider the reliability of employees (such as references etc.);
- The inclusion of data protection in employment contracts;
- Identification of disciplinary action measures for data breaches;
- Monitoring of staff for compliance with relevant security standards;
- Physical access controls to electronic and paper based records;
- Adoption of a clear desk policy;
- Storing of paper based data in lockable fire-proof cabinets;
- Restricting the use of portable electronic devices outside of the workplace;
- Restricting the use of employee's own personal devices being used in the workplace;
- Adopting clear rules about passwords;
- Making regular backups of personal data and storing the media off-site;
- The imposition of contractual obligations on the importing organisations to take appropriate security measures when transferring data outside the EEA.

Rugby Borough Council's compliance with this principle is contained in its information security management system, which has been developed in line with ISO/IEC 27002.

4.7 The controller must be able to demonstrate compliance with the GDPR's other principles (accountability)

The GDPR includes provisions that promote accountability and governance. These complement the GDPR's transparency requirements. The accountability principle in Article 5(2) requires data controllers to demonstrate that they comply with the principles and states explicitly that this is their responsibility.

Rugby Borough Council will demonstrate compliance with the data protection principles by implementing data protection policies, adhering to codes of conduct, implementing technical and organisational measures, as well as adopting techniques such as data protection by design, DPIAs, breach notification procedures and incident response plans.

5. Data subjects' rights

5.1 Data subjects have the following rights regarding data processing, and the data that is recorded about them:

- 5.1.1 To make subject access requests regarding the nature of information held and to whom it has been disclosed.
- 5.1.2 To prevent processing likely to cause damage or distress.
- 5.1.3 To prevent processing for purposes of direct marketing.
- 5.1.4 To be informed about the mechanics of automated decision-taking processes that will significantly affect them.
- 5.1.5 To not have significant decisions that will affect them taken solely by automated process.
- 5.1.6 To sue for compensation if they suffer damage by any contravention of the GDPR.
- 5.1.7 To take action to rectify, block, erase, including the right to be forgotten, or destroy inaccurate data.
- 5.1.8 To request the supervisory authority to assess whether any provision of the GDPR has been contravened.
- 5.1.9 To have personal data provided to them in a structured, commonly used and machine-readable format, and the right to have that data transmitted to another controller.
- 5.1.10 To object to any automated profiling that is occurring without consent.

5.2 Rugby Borough Council ensures that data subjects may exercise these rights:

- 5.2.1 Data subjects may make data access requests as described in the Subject Access Request Procedure; this procedure also describes how Rugby Borough Council will ensure that its response to the data access request complies with the requirements of the GDPR.
- 5.2.2 Data subjects have the right to complain to Rugby Borough Council related to the processing of their personal data, the handling of a request

from a data subject and appeals from a data subject on how complaints have been handled. These complaints will be dealt with in line with the complaints procedure.

6. Consent

- 6.1 Rugby Borough Council understands 'consent' to mean that it has been explicitly and freely given, and a specific, informed and unambiguous indication of the data subject's wishes that, by statement or by a clear affirmative action, signifies agreement to the processing of personal data relating to him or her. The data subject can withdraw their consent at any time.
- 6.2 Rugby Borough Council understands 'consent' to mean that the data subject has been fully informed of the intended processing and has signified their agreement, while in a fit state of mind to do so and without pressure being exerted upon them. Consent obtained under duress or on the basis of misleading information will not be a valid basis for processing.
- 6.3 There must be some active communication between the parties to demonstrate active consent. Consent cannot be inferred from non-response to a communication. Rugby Borough Council must be able to demonstrate that consent was obtained for the processing operation.
- 6.4 For sensitive data, explicit written consent of data subjects must be obtained unless an alternative legitimate basis for processing exists.
- 6.5 In most instances, consent to process personal and sensitive data is obtained routinely by Rugby Borough Council using standard consent documents e.g. when signing a new contract, or during induction for participants on programmes.
- 6.6 Where Rugby Borough Council provides online services to children, parental or custodial authorisation must be obtained. This requirement applies to children under the age of 13.

7. Security of data

- 7.1 All Employees/Councillors are responsible for ensuring that any personal data that Rugby Borough Council holds and for which they are responsible, is kept securely and is not under any conditions disclosed to any third party unless that third party has been specifically authorised by Rugby Borough Council to receive that information and has entered into a confidentiality agreement.
- 7.2 All personal data should be accessible only to those who need to use it, and access may only be granted in line with the Access Control Policy. All personal data should be treated with the highest security and must be kept:
 - in a lockable room with controlled access; and/or
 - in a locked drawer or filing cabinet; and/or
 - if computerised, password protected in line with corporate requirements in the Access Control Policy; and/or
 - stored on (removable) and encrypted storage media provided by the borough council for this purpose.
- 7.3 Care must be taken to ensure that PC screens and terminals are not visible except to authorised Employees/Councillors of Rugby Borough Council. All

Employees/Councillors are required to enter into an Acceptable Use Agreement before they are given access to organisational information of any sort.

- 7.4 Manual records may not be left where they can be accessed by unauthorised personnel and may not be removed from business premises without explicit written authorisation. As soon as manual records are no longer required, they must be destroyed securely.
- 7.5 Personal data may only be deleted or disposed of in line with the retention schedule. Manual records that have reached their retention date are to be shredded and disposed of as 'confidential waste'. Hard drives of redundant PCs are to be removed and immediately before disposal. If outsourced, suppliers will be treated as a data processor and a destruction certificate must be provided.
- 7.6 Processing of personal data 'off-site' presents a potentially greater risk of loss, theft or damage to personal data. Staff must be specifically authorised to process data off-site.

8. Disclosure of data

- 8.1 Rugby Borough Council must ensure that personal data is not disclosed to unauthorised third parties which includes family members, friends, government bodies, and in certain circumstances, the police. All Employees/Councillors should exercise caution when asked to disclose personal data held on another individual to a third party. It is important to bear in mind whether or not disclosure of the information is relevant to, and necessary for, the conduct of Rugby Borough Council's business.
- 8.2 All requests to provide data for one of these reasons must be supported by appropriate paperwork and where not part of a contract all such disclosures must be specifically authorised by the Data Protection Officer.

9. Retention and disposal of data

- 9.1 Rugby Borough Council shall not keep personal data in a form that permits identification of data subjects for longer a period than is necessary, in relation to the purpose(s) for which the data was originally collected.
- 9.2 Rugby Borough Council may store data for longer periods if the personal data will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes, subject to the implementation of appropriate technical and organisational measures to safeguard the rights and freedoms of the data subject.
- 9.3 The retention period for each category of personal data will be set out in the retention schedule along with the criteria used to determine this period including any statutory obligations Rugby Borough Council has to retain the data.
- 9.4 Rugby Borough Council's data retention and data disposal procedures will apply in all cases.
Personal data must be disposed of securely in accordance with the sixth principle of the GDPR – processed in an appropriate manner to maintain security, thereby protecting the "rights and freedoms" of data subjects.

10. Data transfers

10.1 All exports of data from within the European Economic Area (EEA) to non-European Economic Area countries (referred to in the GDPR as ‘third countries’) are unlawful unless there is an appropriate “level of protection for the fundamental rights of the data subjects”.

The transfer of personal data outside of the EEA is prohibited unless one or more of the specified safeguards, or exceptions, apply:

10.1.1 An adequacy decision

The European Commission can and does assess third countries, a territory and/or specific sectors within third countries to assess whether there is an appropriate level of protection for the rights and freedoms of natural persons. In these instances no authorisation is required. Countries that are members of the European Economic Area (EEA) but not of the EU are accepted as having met the conditions for an adequacy decision.

A list of countries that currently satisfy the adequacy requirements of the Commission are published in the *Official Journal of the European Union*. http://ec.europa.eu/justice/data-protection/international-transfers/adequacy/index_en.htm

10.1.2 Privacy Shield

If Rugby Borough Council wishes to transfer personal data from the EU to an organisation in the United States it should check that the organisation is signed up with the Privacy Shield framework at the U.S. Department of Commerce. The obligation applying to companies under the Privacy Shield are contained in the “Privacy Principles”. The US DOC is responsible for managing and administering the Privacy Shield and ensuring that companies live up to their commitments. In order to be able to certify, companies must have a privacy policy in line with the Privacy Principles e.g. use, store and further transfer the personal data according to a strong set of data protection rules and safeguards. The protection given to the personal data applies regardless of whether the personal data is related to an EU resident or not. Organisations must renew their “membership” to the Privacy Shield on an annual basis. If they do not, they can no longer receive and use personal data from the EU under that framework.

Assessment of adequacy by the data controller

In making an assessment of adequacy, the UK based exporting controller should take account of the following factors:

- the nature of the information being transferred;
- the country or territory of the origin, and final destination, of the information;
- how the information will be used and for how long;
- the laws and practices of the country of the transferee, including relevant codes of practice and international obligations; and
- the security measures that are to be taken as regards the data in the overseas location.

10.1.3 Model contract clauses

Rugby Borough Council may adopt approved model contract clauses for the transfer of data outside of the EEA. If Rugby Borough Council adopts model contract clauses approved by the Information Commissioner there is an automatic recognition of adequacy.

10.1.4 Exceptions

In the absence of an adequacy decision, Privacy Shield membership and/or model contract clauses, a transfer of personal data to a third country or international organisation shall only take place on one of the following conditions:

- the data subject has explicitly consented to the proposed transfer, after having been informed of the possible risks of such transfers for the data subject due to the absence of an adequacy decision and appropriate safeguards;
- the transfer is necessary for the performance of a contract between the data subject and the controller or the implementation of pre-contractual measures taken at the data subject's request;
- the transfer is necessary for the conclusion or performance of a contract concluded in the interest of the data subject between the controller and another natural or legal person;
- the transfer is necessary for important reasons of public interest;
- the transfer is necessary for the establishment, exercise or defence of legal claims; and/or
- the transfer is necessary in order to protect the vital interests of the data subject or of other persons, where the data subject is physically or legally incapable of giving consent.

11. Information asset register/data inventory

11.1 Rugby Borough Council has established a data inventory as part of its approach to address risks and opportunities throughout its GDPR compliance project. Rugby Borough Council's data inventory determines:

- business processes that use personal data;
- source of personal data;
 - volume of data subjects;
 - description of each item of personal data;
 - processing activity;
 - recipients, and potential recipients, of the personal data;
 - the role of Rugby Borough Council throughout the data flow;
 - key systems and repositories;
 - any data transfers; and
 - retention and disposal requirements.

It also maintains the inventory of data categories of personal data processed and documents the purpose(s) for which each category of personal data is used.

11.2 Rugby Borough Council is aware of any risks associated with the processing of particular types of personal data.

- 11.2.1 Rugby Borough Council assesses the level of risk to individuals associated with the processing of their personal data. Data protection impact assessments (DPIAs) are carried out in relation to the processing of personal data by Rugby Borough Council, and in relation to processing undertaken by other organisations on behalf of Rugby Borough Council. The method by which DPIAs are carried out will be approved in writing by the Data Protection Officer.
- 11.2.2 Rugby Borough Council shall manage any risks identified by the risk assessment in order to reduce the likelihood of a non-conformance with this policy.
- 11.2.3 Where a type of processing, in particular using new technologies and taking into account the nature, scope, context and purposes of the processing is likely to result in a high risk to the rights and freedoms of natural persons, Rugby Borough Council shall, prior to the processing, carry out a DPIA of the impact of the envisaged processing operations on the protection of personal data. A single DPIA may address a set of similar processing operations that present similar high risks.
- 11.2.4 Where, as a result of a DPIA it is clear that Rugby Borough Council is about to commence processing of personal data that could cause damage and/or distress to the data subjects, the decision as to whether or not Rugby Borough Council may proceed must be escalated for review to the Data Protection Officer.
- 11.2.5 The Data Protection Officer shall, if there are significant concerns, either as to the potential damage or distress, or the quantity of data concerned, escalate the matter to the supervisory authority.
- 11.2.6 Appropriate controls will be selected and applied to reduce the level of risk associated with processing individual data to an acceptable level, by reference to Rugby Borough Council's current risk appetite and the requirements of the GDPR.

AGENDA MANAGEMENT SHEET

Report Title:	Draft General Fund Revenue & Capital Budget 2018/19 and Medium Term Financial Plan 2018-22
Name of Committee:	Cabinet
Date:	4 th December 2017
Report Director:	Head of Corporate Resources & Chief Financial Officer
Portfolio	All Portfolios
Ward Relevance	All Wards
Prior Consultation	None
Contact Officer	Mannie Ketley - Head of Corporate Resources & Chief Financial Officer
Report Subject to Call-in	Yes
Report En-Bloc	No
Forward Plan	Yes
Corporate Priorities	This report relates to the following priority(ies): All Council Priorities
Risk Management Implications	The Council has a statutory duty to set an annual General Fund Revenue budget that will enable it to determine the level of council tax.
Financial Implications	As detailed in the main report.
Environmental Implications	There are no environmental implications arising from this report.
Legal Implications	There are no legal implications arising from this report.

Equality and Diversity

There are no Equality and Diversity implications arising from this report. It may be necessary later on in the budget process to carry out Equality Impact Assessments of the implications of any service changes.

Recommendation

- (1) The updated draft General Fund Revenue and Capital Budget position for 2018/19 be considered alongside the Council's 2018-22 Medium Term Financial Plan;
- (2) Cabinet considers the key decisions identified to date and identifies other policy or service changes required for consideration to deliver a balanced budget for 2018/19;
- (3) A detailed scheme by scheme review be carried out of the items in the Capital Programme in order to rationalise the overall programme in terms of affordability and sustainability; and

Reasons for Recommendation

This updated overview of the Council's General Fund revenue and capital budgets needs to be considered by Cabinet as part of the budget setting process and to ensure its affordability and contribution to the Council's ambition to achieve self-sufficiency by 2020.

The report includes proposals for savings and income generation which require consideration for inclusion in the 2018/19 draft budgets and also the medium term.

Cabinet – 4th December 2017

Draft General Fund Revenue & Capital Budget 2018/19 and Medium Term Financial Plan 2018-22

Report of the Head of Corporate Resources and Chief Financial Officer

Recommendation

- (1) The updated draft General Fund Revenue and Capital Budget position for 2018/19 be considered alongside the Council's 2018-22 Medium Term Financial Plan;
- (2) Cabinet considers the key decisions identified to date and identifies other policy or service changes required for consideration to deliver a balanced budget for 2018/19; and
- (3) A detailed scheme by scheme review be carried out of the items in the Capital Programme in order to rationalise the overall programme in terms of affordability and sustainability.

1. Introduction

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

The first budget report was presented to Cabinet on 30th October 2017 and the purpose of this report is to present an updated draft General Fund revenue position (see section 3), a capital position (see section 4) for 2018/19 and onwards, plus an updated Medium Term Financial Plan (see section 5), since the report to Cabinet in October.

Cabinet will further consider more detailed updates on the draft revenue and capital General Fund budgets right through to final budget setting and Council Tax determination at Full Council on 27th February 2018.

This report includes seven appendices;

- **Appendix 1** is a summary position for 2018/19 detailing the various changes made to the 2017/18 original budget.
- **Appendix 2** identifies by service the proposed growth items for 2018/19. This appendix also shows whether corresponding savings (Appendices 3 or 4) have been identified to offset the growth.
- **Appendix 3** identifies by service the proposed income increases (-) or shortfalls (+) for 2018/19.
- **Appendix 4** identifies by service proposed savings items for 2018/19. The

appendix also shows where savings have been used to offset proposed growth (Appendix 2) and details are provided.

- **Appendix 5** identifies the draft capital programme for 2018/19 onwards based on scheme proposals from budget officers, along with proposed funding splits, revenue implications, and a projection for capital receipts usage.
- **Appendix 6** provides a more detailed appraisal of the draft capital programme for 2018/19 onwards.
- **Appendix 7** shows an initial Medium Term Financial Plan 2018-22.

2. Budget Context and Development

2.1. Overview and Context

The initial budget report to Cabinet in October presented a draft 2018/19 budget showing a deficit of approximately £425,000. There has been minimal change in the forecast income and expenditure position since October except for an expansion in the key decisions for Members to consider, as shown in section 2.4, which has resulted in a marginal deficit for 2018/19 of £6,260.

However, a number of these key decisions are based only on initial indicative estimates of the possible savings that could be realised and therefore at this stage are presented to Members primarily for their consideration for further development. Should Members wish not to continue to explore these options then other alternative savings will need to be identified in order to deliver a balanced budget.

The 2018-22 Medium Term Financial Plan has also been revised to reflect the inclusion of the additional key decisions. As reported in October, the MTFP also continues to be presented on a dual basis, varied depending on different scenarios for the future of retained business rates

2.2 Financial Self-Sufficiency

It is necessary to remove reliance on arbitrary funding from central government which doesn't 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 forthcoming medium term financial strategy will cover these aspects and more in greater detail to enable the Council to meet its ambition to become self-sufficient.

2.3. Autumn Budget and Finance Settlement

The Chancellor of the Exchequer, Philip Hammond presented his first Autumn Budget to Parliament on 22nd November 2017. This report was dispatched in advance of the Chancellor's budget and therefore any announcements with direct implications for local government have not been incorporated into this report. If there are any such

announcements for which the implications for Rugby Borough can be identified, then an update will be provided at the meeting by the Head of Corporate Resources.

The Local Government Finance Settlement is expected later in December, however as reported previously, because the Council has accepted the four-year settlement offer little change to the projections contained within this report are expected.

The main candidates for potential change from either announcement are likely to be minor amendments to either business rates or New Homes Bonus. In terms of business rates, the Chancellor may offer some form of additional relief to businesses due to a 3.9% increase in their rates bill next year, however it is expected that the Council would be compensated for any such support and therefore there should be no overall impact on the budget for 2018/19.

For New Homes Bonus there may be an amendment made to the baseline funding level. This is currently set at 0.4% of growth, which for Rugby means that the Council does not receive NHB funding for the first 150 homes delivered each year. For every 0.1% increase in the baseline the Council would lose approximately £50,000 and therefore this budget projection is still subject to some uncertainty.

2.4. Key Decisions

As explained above, the 2018/19 draft budget currently presents a broadly balanced position, however this position includes estimated financial implications that relate to a number of key policy decisions that Members will need to consider in order to achieve a balanced budget.

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

Key Decision / Policy Change	£'000	Development Stage
Savings from voluntary redundancies	-100	Indicative
Additional council tax raised by levying a £5 increase in the Band D compared to a 2% increase	-50	Fully costed
Increase in council tax from changes in policy on empty properties	-35	Advanced
Review of Environment and Public Realm services	-300	Indicative
Implement waste curb-side collection for all properties	-75	Indicative
Reduce opening times at the Hall of Fame	-100	Indicative
Total	-660	

Voluntary Redundancies

Senior Management will be considering accepting voluntary redundancy requests from staff. The exact timescales for the consideration of these requests has yet to be finalised, but it is expected that Cabinet will be presented with a proposal at its January meeting. As such savings above are only presented in an indicative basis, based upon an estimated four to five proposals being accepted.

Council Tax

It is anticipated that district councils will again be permitted to increase their Band D equivalent council tax by £5 for 2018/19. Therefore, the amounts shown in the table above represent the additional income that can be raised by increasing the Band D equivalent by £5 compared to the income generated by a 2% increase.

Exempt Policy

This key decision was deferred from the 2017/18 budget setting process and represents the addition council tax that would be collected if the relief on empty properties was reduced from six months to one month.

Review of Environment and Public Realm services

The Council's largest portfolio in terms of General Fund revenue expenditure is Environment and Public Realm. It is also the portfolio that has undertaken the fewest efficiency reviews in recent years and there is potential for savings to be realised. An initial indicative assessment has identified potential savings from a number of areas including Street Cleansing and Grounds Maintenance

Also there are a number of services within the Environment and Public Realm portfolio with potential for significant income generation. Therefore, following refinement further, details of savings and income generation items for Members' consideration will be included in the next budget report.

Waste Collection

The Waste and Transport Manager has recently completed an analysis of the current round configurations and has estimated that ceasing doorstep collections from approximately 1,000 properties in the Borough would result in an operational saving of £75,000. This is the equivalent to one vehicle and its associated crew.

Hall of Fame

In light of the current position regarding income it is necessary to review the current costs of making this facility available 7 days a week. Details on how costs can be reduced will be included in the next budget report.

2.5. Business Rates

The business rates forecasts continue to be produced on the same basis and estimates as presented to Cabinet in October. As reported in October, the main financial risk the Council faces is an impending reset of the current system. Resetting the system would redistribute the business rates growth generated since 2013/14, the point at which the retained rates system was introduced. Earlier this year, the Government consulted on a partial reset but we have since been advised that the Government are actively considering a full 100% baseline reset in 2020/21.

Officers have taken advice from the CIPFA Funding Advisory Service in order to model what a partial or full reset would look like in 2020/21. The table below shows the indicative findings of the potential scenarios.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
1. No change, continuing 50% retention & no reset	4.970	5.100	5.790	5.900
2. Continuing 50% retention with partial 50% reset	4.970	5.100	4.230	4.300
3. Continuing 50% retention with full 100% reset	4.970	5.100	2.660	2.700
4. Introduction of 100% retention with partial 50% reset	4.970	5.100	4.230	4.370
5. Introduction of 100% retention with full 100% reset	4.970	5.100	2.660	2.760

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

2.6. Fees and Charges

The fees and charges review is nearing completion and the outcome of this exercise will be reported to Cabinet at its January meeting.

2.7. Other Significant Items

The section below sets out the other significant income and expenditure items included in the draft 2018/19 budget.

- Continuation of the **£150,000** budget on annual basis for the re-assignment of the out of town retail business rates for the benefit of the town centre.
- The removal of the **£200,000** in the 2017/18 allocation for the development of the Local Plan.
- A **£100,000** decrease in ticket income for the Hall of Fame
- An approximate **£608,000** increase resulting from the anticipated 2% pay award, remodelling of pay scales, staff progression through pay scales and an increase in employer pension contributions.
- An increase of **£475,000** income from the Garden Waste Services
- A saving of **£168,000** from a reconfiguration of the collection rounds for the Garden Waste Service.
- An **£80,000** reduction in the management fee received from the leisure centre operator as a result of the planned five-yearly equipment replacement programme.
- Government has enabled local councils to apply a 20% increase in Planning Fees, with the stipulation that this income is reinvested in the service. As such, any increased income that would be generated from the revised fees would actually see a net nil effect.

3. Draft Portfolio and Corporate Revenue Budgets

The following table shows an overview of the draft revenue budget for 2018/19.

Draft General Fund Revenue Summary 2018/19	2017/18 Revised Budget £	Budget Adjustments £	Salary Adjustments £	2018/19 Draft Budget £
EXPENDITURE:				
Committed Expenditure:				
Growth and Investment	3,296,180	-23,990	76,620	3,348,810
Corporate Resources	1,523,900	153,900	86,710	1,764,510
Environment and Public Realm	7,624,040	-813,550	351,280	7,161,770
Communities and Homes	1,070,670	40,290	107,910	1,218,870
Executive Director	1,897,250	95,270	27,870	2,020,390
Key Decisions		-660,000	0	-660,000
Digitalisation Savings		-160,000		-160,000
Internal Recharges		-143,000		-143,000
Total Portfolio & Corporate Budgets	15,412,040	-1,511,080	650,390	14,551,350
Less Capital Charge Adjustment	-2,391,670	0	0	-2,391,670
Less Corporate Savings Target	-200,000	0	0	-200,000
Less Pension (IAS 19) Adjustment	-309,330	15,040	0	-294,290
Net Portfolio & Corporate Budgets	12,511,040	-1,496,040	650,390	11,665,390
Net Cost of Borrowing	627,610	-44,000	0	583,610
Revenue Contribution to Capital Outlay	87,500	0	0	87,500
Contribution to Reserves	264,160	-264,160	0	0
Minimum Revenue Provision (MRP)	1,475,550	130,000	0	1,605,550
Parish Council Precepts	731,090	20,000	0	751,090
TOTAL EXPENDITURE	15,696,950	-1,654,200	650,390	14,693,140
INCOME:				
Revenue Support Grant	-510,930	358,250	0	-152,680
Retained Business Rates (Net of Tariff)	-4,495,690	-474,310	0	-4,970,000
New Homes Bonus Funding	-2,671,540	559,190	0	-2,112,350
Government Grants	-375,350	78,350	0	-297,000
Council Tax	-7,062,870	-271,130	0	-7,334,000
Collection Fund Surplus(-)/Deficit	-355,900	528,790	0	172,890
Contribution from Reserves	-120,000	120,000	0	0
TOTAL INCOME	-15,592,280	899,140	0	-14,693,140
OVERALL TOTAL VARIANCE ON 2017/18 BUDGET	104,670	-755,060	650,390	0

The revised draft general fund revenue budget is showing a balanced budget for 2018/19.

4. Draft Portfolio Capital Budgets

Appendix 5 shows the draft position for the 2018/19 capital programme and onwards. As can be seen, the total capital programme proposed for 2018/19 (including proposed carry-forward budgets from previous years) is **£2.5m**. Excluding grants and other contributions, this leaves a net **£1.4m** of expenditure to be financed in 2018/19.

Forecast General Fund capital receipts are £3.134m at the beginning of financial year 2018/19. As noted in previous years it is not considered prudent to allow overall General Fund capital receipts to be depleted, as this will subject the Council to interest rate risks in future years and in emergency situations. In other words, it maintains the stability currently provided by retaining a reasonable level of capital receipts as any future borrowing would have to be undertaken at the interest rates available in the market at the time. A revised Asset Management Strategy, incorporating future plans for the Council's General Fund asset portfolio, will be presented to members for adoption in 2017/18.

The additional revenue financing implications of this first draft programme for 2018/19 to 2020/21 upon future years are as follows:

	2019/20 £'000	2020/21 £'000
Additional Minimum Revenue Provision (MRP)	135	121
Additional Interest Costs	31	31
Total	166	152
Cumulative Effect		318

In light of these revenue financing implications, it is important to give consideration to the scale of the Council's capital programme for future years and also to the re-introduction of General Fund revenue contributions towards the financing of capital schemes. **Therefore, it is recommended that a more detailed examination of the capital schemes is undertaken in order to arrive at a capital programme which is affordable and sustainable.** The results of that review and amendments to capital cost estimates will be included within future budget preparation reports to Cabinet.

For the 2018/19 draft General Fund revenue budget there is an approximate £130,000 increase in MRP resulting from the additional borrowing undertaken to finance the 2017/18 capital programme as approved by Council in February this year.

5. Medium Term Financial Plan 2018-2022

Appendix 6 shows a forecast position for the next 4 financial years. This shows a balanced budget for 2018/19, but a deficit of **£655,000** in 2019/20. There are two scenarios presented representing scenario 2 and 3 of the different Business Rates models as shown in section 4.

Scenario 2 shows the possible financial implications if a partial reset of business rates system is implemented, resulting in deficits of **£1.3m** and **£429,000** in 2020/21 and 2021/22 respectively. Scenario 3 shows the potential impact of a full reset of the business system, which could result in substantial deficits of **£2.9m** and **£2.0m** in 2020/21 and 2021/22 respectively. As with the draft 2018/19 budget the MTFP 2018-22 is also includes a number of key decisions that members will need to consider.

Other major assumptions within the MTFP:

- NHB and Business Rates growth based on planned growth as informed by Economic Development officers.
- A significant reduction in income from ticket sales from The Hall of Fame.
- On-going reductions in core funding (Revenue Support Grant) from Central Government from **£153,000** in 2018/19 to nil by 2019/20 as set out in the four-year funding settlement.
- 'Negative RSG' payments being required to be made by the Council to government from 2019/20 onwards.
- A £10 increase in the Garden Waste subscription charge in 2020/21
- Assumed Digitalisation efficiencies of **£160,000** in 2018/19, in addition to the £40,000 already achieved in 2017/18.
- Prudent estimates of **£200,000** from commercialisation in 2019/20.
- Salary budgets amended to reflect 2% pay awards across the MTFP.
- An on-going annual corporate savings target of £200,000, this is deemed to be a prudent allocation because the target has been met or exceeded in previous years.
- A significant increase in the recycling gate fee in 2019/20.

6. Conclusion

Following the expansion of number of the key decisions for Member's consideration a broadly balanced draft budget has been presented for 2018/19. The development of these key decisions are currently at a very early stage and therefore are primarily presented for an indication of whether they are to be explored and developed further.

However, due to the current challenging financial environment further savings still need to be identified in order to deliver a balanced budget across the medium term. In particular, the high level of uncertainty around retained Business Rates and the potential for a reset of the system presents a considerable risk to the Councils finances from 2020/21 onwards.

Name of Meeting: Cabinet

Date of Meeting: 4th December 2017

Subject Matter: Draft General Fund Revenue and Capital Budget 2018/19

Originating Department: Resources

LIST OF BACKGROUND PAPERS

Draft General Fund Revenue and Capital Budget 2018/19 – Cabinet 30th October 2017

Draft General Fund Revenue Summary 2018/19	2017/18 Original Budget £	In Year Adjustments £	2017/18 Revised Budget £	Corporate Adjustments £	Total Inflation £	Salary Adjustments £	Proposed Growth Items (Appendix 2) £	Proposed Income Adjustments (Appendix 3) £	Savings (Appendix 4) £	2018/19 Draft Budget £
EXPENDITURE:										
Growth & Investment	3,205,800	+90,380	3,296,180	-82,430	+5,510	+76,620	+36,580	+341,110	-324,760	3,348,810
Corporate Resources	1,580,800	-56,900	1,523,900	+34,880	+0	+86,710	+159,600	+2,740	-43,320	1,764,510
Environment & Public Realm	7,633,450	-9,410	7,624,040	+123,760	+0	+351,280	+29,670	-485,000	-481,980	7,161,770
Communities & Homes	1,027,280	+43,390	1,070,670	+40,350	+4,450	+107,910	+263,090	-194,560	-73,040	1,218,870
Executive Director's Office	1,860,040	+37,210	1,897,250	-32,150	+0	+27,870	+127,420	+0	+0	2,020,390
Key Decisions				-660,000						-660,000
Digitalisation Savings				-160,000						-160,000
Internal Recharges				-143,000						-143,000
PORTFOLIO EXPENDITURE	15,307,370	+104,670	15,412,040	-575,590	9,960	650,390	616,360	-335,710	-923,100	14,551,350

Less Capital Charge Adjustment	-2,391,670	0	-2,391,670	+0	0	0	0	0	0	-2,391,670
Less Corporate Savings Target (including salary voids)	-200,000	0	-200,000	0	0	0	0	0	0	-200,000
Less Pension Adjustment	-309,330	0	-309,330	+15,040	0		0	0	0	-294,290
NET PORTFOLIO EXPENDITURE	12,406,370	+104,670	12,511,040	-560,550	+9,960	+650,390	+616,360	-335,710	-923,100	11,665,390

Net Cost of Borrowing	627,610	0	627,610	-44,000	0	0	0	0	0	583,610
Minimum Revenue Provision (MRP)	1,475,550	0	1,475,550	+130,000	0	0	0	0	0	1,605,550
Revenue Contribution to Capital Outlay	87,500	0	87,500	0	0	0	0	0	0	87,500
Contribution to Budget Stability Reserve	264,160	0	264,160	-264,160	0	0	0	0	0	0
TOTAL EXPENDITURE (before Parish Precepts)	14,861,190	+104,670	14,965,860	-738,710	+9,960	+650,390	+616,360	-335,710	-923,100	13,942,050

Parish Council Precepts and Council Tax Support	731,090	0	731,090	+20,000	0	0	0	0	0	751,090
TOTAL EXPENDITURE	15,592,280	+104,670	15,696,950	-718,710	+9,960	+650,390	+616,360	-335,710	-923,100	14,693,140

INCOME:										
Revenue Support Grant	-510,930	0	-510,930	+358,250	0	0	0	0	0	-152,680
Retained Business Rates (Net of Tariff)	-4,495,690	0	-4,495,690	-474,310	0	0	0	0	0	-4,970,000
New Homes Bonus Funding	-2,671,540	0	-2,671,540	+559,190	0	0	0	0	0	-2,112,350
Government Grants	-375,350	0	-375,350	+78,350	0	0	0	0	0	-297,000
Council Tax	-7,062,870	0	-7,062,870	-271,130	0	0	0	0	0	-7,334,000
Collection Fund Surplus(-)/Deficit	-355,900	0	-355,900	+528,790	0	0	0	0	0	172,890
Contribution from Reserves & Balances	-120,000	0	-120,000	+120,000	0	0	0	0	0	0
TOTAL INCOME	-15,592,280	0	-15,592,280	+899,140	0	0	0	0	0	-14,693,140

OVERALL VARIANCE ON 2018/19 BUDGET	0	+104,670	104,670	+180,430	+9,960	+650,390	+616,360	-335,710	-923,100	0
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Proposed Growth Items 2018/19

Portfolio/Service	Amount (£)	Justification:	Corresponding savings? Y / N / Partial (Y = Total growth offset)
Growth & Investment (G&I)			
The Benn Hall & Tool Shed Café			
Contract Cleaning	16,880	Increase in Contract Cleaning budget to reflect the new cleaning contract, offset with savings on cleaning staff salaries (See Appendix 4)	Y
Visitor Centre			
Salaries	19,700	Increase due to post regrade and an increase to a full FTE.	
Sub Total (G&I)			
	36,580		

Corporate Resources (CR)			
General Financial Expenses			
Payment card costs	5,000	Increase in payment card costs reflecting an increase in use in this method of payment	N
Public Offices			
Corporate Cleaning	13,220	Net additional cost to the General Fund of the new cleaning contract.	
Housing Benefit Payments			
Housing Benefit Payments	72,100	Increase in net cost of Housing Benefit payments following revised forecasts for anticipated expenditure and subsidy for 2018/19	N
Legal Services			
Training	2,500	Increase required for on-going training commitments within this service. This is fully off-set by savings found within the service, as shown in Appendix 4.	Y
Retired Employees			
Employers Pension contribution	66,780	Increase reflects the expected rise in the Council's contribution for pensions	N
Sub Total (CR)			
	159,600		

Environment & Public Realm (E&PR)			
Parks, Recreation Grounds & Open Spaces			
Salaries	24,670	Additional Grounds Maintenance operative to carry out work previously provided by an external contractor, this is fully off-set by savings in payments to external contractors as shown in Appendix 4	
Waste Collection and Recycling			
Fuel	5,000	Anticipated increase in fuel costs based on current oil prices	N
Sub Total (E&PR)			
	29,670		

Communities & Homes (C&H)			
Customer and Information Services			
Software Maintenance	9,050	Increased Software Maintenance costs resulting from the recent Agresso Financial Management System Upgrade of £7,850 and purchasing a further Room Booking System add on module for £1,200. The costs related to the Agresso upgrade were fully offset by salary savings recognised within Financial Services in previous years.	Y
Housing Options Team - HRA Temporary Accommodation			
Rental of HRA Properties for Temporary Homeles	236,420	An increase in budget is required to account for the increased use of HRA Void Properties being used for temporary accommodation, this increase is mostly offset by income from Housing Benefit and Universal credit, see Appendix 3.	P

Proposed Growth Items 2018/19

Portfolio/Service	Amount (£)	Justification:	Corresponding savings? Y / N / Partial (Y = Total growth offset)
Housing Options Team - Private Sector Leasing Scheme			
Room Hire, Conference & Seminar Fees and Hou	600	Increased budgets required for Landlords Forum Meetings for the Private Sector Leasing Scheme, Conferences and Housing Law reference books as per the new administration of the expanded Private Sector Leasing Scheme	Y
			Y
Housing Strategy & Enabling			
External Contractor Payments	1,560	The Act on Energy contract of £8,390 to adapt Rugby Borough residents homes to make them more energy efficient has ceased and has been replaced by the Rugby Warm and Well Contract which is £9,950 per year causing an increase of £1,560. This increase is fully offset by savings shown in appendix 4.	Y
Woodside Park			
Legal Fees	1,000	Anticipated increased legal costs resulting in better debt recover procedures	Y
Contribution to Repairs and Maintenance Reserve	14,310	Increased contribution to the repairs and maintenance reserve to ensure there are sufficient funds available to fund repairs and replace damaged property and infrastructure as per recent trends - Fully offset be increased pitch fee income	
Central Telephone Service			
Mobile Phone Contract	150	New Mobile Phone Contract for the New Benefits and Homelessness Manager	N
Sub Total (C&H)	263,090		

Executive Director's Officer (EDO)			
Electoral Services			
Borough Elections	127,420	Re-establishment of budget for Borough Elections in 2018/19. There was no budget in 2017/18 as this was a fallow election year.	N
Sub Total (EDO)	127,420		

OVERALL TOTALS	616,360
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Proposed Income Adjustments 2018/19

Portfolio/Service	Amount (£) + = Reduction - = Increase	Justification:
Growth & Investment (G&I)		
Building Control Services		
Reimbursements - Warwick District Council	+17,700	Building Control Services are provided under a shared service arrangement, which is led by Warwick District Council. Building Control officers no longer have a physical base at the Town Hall in Rugby and therefore this budget has been adjusted as related premises expenditure can no-longer be recharged to the partnership.
Queen's Diamond Jubilee Centre		
Management Fee	+108,470	Annually the Council receives an income in the region of £340,000 from the leisure centre operator in the form of a management fee. 2018/19 will be the fifth year of operation and in accordance with the terms of the contract there will be a one-off reduction to facilitate the five-yearly equipment replacement programme. It should be noted this reduction had been included in previous Medium Term Financial Plans and income will return to normal contracted levels in 2019/20.
Sports and Recreation		
Family Weight Management	+108,130	For the last three years Rugby Borough Council has administered a county-wide Family Weight Management contract, with a further year extension recently being awarded. The current contract is due to end in June 2018 and it is currently uncertain whether the contract will be extended beyond this period. The project was wholly backed by Public Health funding provided by Warwickshire County Council and should the contract not be extended there will be a reduction in income. This will be largely offset by a corresponding reduction in salary and other related costs, see Appendix 4.
Tool Shed Café		
Sales	+8,810	Following the change in management of the café, moving to an external provider, there will be no income received by Rugby Borough Council.
Hall of Fame		
Ticketing Income	+100,000	Current year projections are showing a shortfall of £100,000. Budgets for 2018/19 have been revised to reflect this reduction.
Venue Hire Income	-2,000	As per a previous cabinet report an additional £2,000 income is expected to be generated from Venue Hire
Sub Total (G&I)	341,110	

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Corporate Resources (CR)		
General Financial Expenses		
Card Payments	+8,000	Due to the introduction of the Second Payment Directive within EU legislation, which came into force in January 2016, all member states have had to implement these rules as national law by 13th January 2018. Within this legislation, credit card charges cannot be made after this date. Other options within this service are being explored to make savings.
Legal Services		
Reimbursement of Court Costs	-5,260	Increased income based upon previous years recovered court costs.
Sub Total (CR)	2,740	

Environment & Public Realm (E&PR)		
Car Parks and Parking		
Car Park season Tickets	-10,000	Additional income expected due to new business moving into the Town Centre and requesting a block of Season Tickets
Parks, Recreation Grounds & Open Spaces		
Football Pitches (Training Sessions)	-1,000	From 1st April a pitch hire charge will be introduced to allow football clubs to use the pitches for training sessions.
Regulatory Services		
Dog Control Order	-1,000	Introduction of an income budget for Dog Control Orders, to reflect the level of fixed penalty notices being issued.
Prescribe Process Application Fees	+2,000	Application fees are set annually by Government. Anticipated decrease in income for Prescribe Process Application Fees as businesses with improved processes attract lower fees.
Waste Collection and Recycling		
Garden Waste Income	-475,000	Increased income following a higher than anticipated take up of the service in 2017/18. An increase of £200,000 had been expected in 2018/19, but due to the success of the scheme, this has now been increased to £475,000.
Sub Total (E&PR)	-485,000	

Proposed Income Adjustments 2018/19

Portfolio/Service	Amount (£) + = Reduction - = Increase	Justification:
Communities & Homes (C&H)		
Customer and Information Services		
FLARE Shared Service	-2,900	The charge to Nuneaton and Bedworth Borough Council for the Shared FLARE IT Systems Officer has been reviewed and increased in line with rises in salary expenditure. This increased income is partially offset by a small budget for the sale of refurbished obsolete IT Equipment.
Counter Fraud Initiative	25,000	The income received from Warwickshire County Council utilising our Agresso Specialist ITC Officer will cease in 2018/19 as this was a temporary agreement to implement new systems.
Housing Options Team - HRA Temporary Properties		
HRA Properties - Income from Rents	-234,700	Anticipated Housing Benefit and Universal Credit income offsetting the cost of the increased use of HRA properties for Temporary Accommodation
Income from Rents	-26,780	Additional surplus generated from the expansion of the Private Sector Lease Scheme to house the homeless. This medium of housing is more cost effective than using bed and Breakfast. (*****Including PLS Officers Hours Increase see budget prep sheet for ref)
Income from Benefits	72,930	The Council will see a decrease in Benefit Subsidy received relating to Bed and Breakfast temporary accommodation as it reduces its reliance for this type of accommodation for Homelessness placement and increases the use of the Private Sector Leasing Scheme. However, fundamentally the Council will see a significant reduction in the level of Benefit subsidy received due to the change from Housing Benefit to Universal credit. In particular, the reduced central government Local Housing Allowance (LHA) rate means a smaller fixed amount of income is received per week in comparison to higher rates available from Housing Benefits. Overall there will be a reduction of £127,000 of income to the council, however, this is offset by a £54,000 reduction in income from the use of Bed and Breakfast accommodation providing a net income reduction of approximately £73,000.
Non SLA Recharges	-5,000	A new income budget resulting from grant being transferred from the Housing Benefits Team across to the Housing Options Team for extra assistance with customer universal credit claims.
Income Fees & Charges	-5,000	New agreements in place with Housing Associations allowing them to access our Housing Waiting List.
Welfare Services		
Lifeline Income	-2,420	Expenditure & Income budget adjustment to reflect increasing income from increased Private Sector Lifeline Customers
Woodside Park		
Pitch Fees	-15,690	Increased Pitch Fees and Sewage Infrastructure charges resulting from a recent rents review and consultation. The increased income will fund improvements to the site
Sub Total (C&H)	-194,560	
OVERALL TOTALS	-335,710	
Summary Proposed Income Adjustment 2018/19		
Total reduction in income	+451,040	
Total increase in income	-786,750	
Net Change To Income	-335,710	

Proposed Savings 2018/19

Portfolio/Service	Amount (£)	How can these be achieved?	Adverse impact on service delivery? Y/N
Growth & Investment (G&I)			
Economic Development			
Community Infrastructure	-200,000	The removal of the £200,000 in the 2017/18 allocation for the development of the Local Plan.	N
Sports and Recreation			
Salaries	-105,100	Net salary savings from the cessation of the Family Weight Management funded scheme. See Appendix 3.	Y
The Benn Hall			
Salaries	- 19,660	Savings are mainly due to the salary savings made as part of the new cleaning contract	N
Sub Total (G&I)	- 324,760		
Corporate Resources (CR)			
Corporate Property Administration			
Gas	-2,540	Small savings are expected compared to the 2017/18 budget	N
Financial Services			
Salaries	-33,090	Transfer of the Finance and Trade Waste Officer to the Waste Collection and Recycling service	N
Legal Services			
Reference books	-7,690	Saving identified for the use of electronic subscriptions for reference books. This saving will be partially used to fund on-going training needs within the service, see Appendix 2.	N
Sub Total (CR)	- 43,320		
Environment & Public Realm (E&PR)			
Crematorium			
Service costs	-27,700	Net savings following reviews to expenditure budgets and fees and charges.	
Miscellaneous Highways Services			
Salary savings	-24,810	Reduction of one Highway Operative post following a review of the service.	
Tree Surgery	-35,100	net savings realised by transferring the tree maintenance from Rugby Borough Council to Warwickshire County Council	N
Parks, Recreation Grounds & Open Spaces			
Tree Inspections	-14,640	Net salary savings realised following the appointment of Birmingham City Council to deliver the service.	N
External Contractor	-24,000	Reduction in costs by providing the service in house, offset by increased salary expenditure relating to an additional Grounds Maintenance operative as shown in Appendix 3, and therefore a marginal net £270 saving will be realised.	N
Salary savings	-37,390	Savings achieved through: * disestablishment of apprentice gardener post (£16,000) * temporary gardener post (£21,000) * the appointment of an apprentice horticulturist following the retirement of a gardener (£3,000) * reduction in hours for some grounds maintenance operatives and other minor changes to the establishment £14,000)	N

Proposed Savings 2018/19

Portfolio/Service	Amount (£)	How can these be achieved?	Adverse impact on service delivery? Y/N
Street Cleansing			
Salary savings	-50,700	Net salary savings following a review of the Street Cleansing service.	N
Waste Collection and Recycling			
Disestablishment of surplus refuse/recycling rounds	-167,860	It is proposed that following the deployment of Route Optimiser project the Garden Waste Service be reconfigured, with a reduction from five to three rounds. It is anticipated savings can be realised from the reduced use of agency staff and related vehicle running costs.	N
Salary savings	-99,780	net reduction in salary costs following restructure of WSU service	
Sub Total (E&PR)	- 481,980		

Communities & Homes (C&H)			
Customer Support Services			
Stationery	-3,000	Stationary spend is reducing in line with the paperless and digitalisation culture, so the budget has been reduced. Further reductions are expected in future years.	N
Housing Strategy and Enabling			
Care & Repair Contribution Grant - Payments to Other Agencies	-12,000	The contribution to the Care & Repair scheme for home adaptations will no longer occur as this responsibility is now part of the HEART Shared Service and administered centrally as part of the Scheme	N
Professional Subscriptions	-300	Removal of Chartered Institute of Housing Subscription due to a voluntary redundancy	N
Salaries	-57,740	Savings resulting from Voluntary Redundancy of the Housing & Regeneration Manager	N
Sub Total (C&H)	- 73,040		

OVERALL TOTALS	- 923,100
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Savings from Digitalisation - Corporate Adjustment - 160,000

Summary Proposed Savings Adjustment 2018/19	
Total savings with no adverse impact on service delivery	- 715,430
Total savings with an adverse impact on Service delivery	- 207,670
Overall Total	- 923,100

General Fund Capital Programme 2018/19 and Onwards

Head of Service	Score	Portfolio / Scheme Name	Capital				Revenue Implications							
			Gross Expenditure			External Contributions / Earmarked Reserves		Internal Resources		Running Costs		Estimated Interest costs		Minimum Revenue Provision
			2018/19	2019/20	2020/21	2018/19	Future Years	2018/19	Future Years	2018/19*	Full Year	2018/19*	Full Year	2019/20
			1	2	3	4	5	6	7	8	9	10	11	12
								£	£	£	£	£		
		Growth & Investment												
			0	0	0	0	0	0	0	0	0	0	0	
		Communities & Homes												
RC		ICT Refresh Programme - Desktop	125,730	75,930	75,930	0	0	125,730	151,860	0	0	1,570	3,140	25,150
RC		ICT Refresh Programme - Infrastructure	64,510	117,510	132,510	0	0	64,510	250,020	0	0	810	1,610	12,900
RC		ICT Refresh Programme - AV Equipment	4,000	20,000	0	0	0	4,000	20,000	0	0	50	100	800
RC		ICT Mobile Device Management Solution	35,000	0	0	0	0	35,000	0	0	0	440	880	7,000
RC		Disabled Facilities Grants ²	539,360	539,360	539,360	539,360	1,078,720	0	0	0	0	0	0	0
			768,600	752,800	747,800	539,360	1,078,720	229,240	421,880	0	0	2,870	5,730	45,850
		Environment & Public Realm												
DG		Vehicle Replacement ³	434,000	434,000	434,000	0	0	434,000	868,000	0	0	5,430	10,850	62,000
DG		Open Spaces Refurbishments - Rokeby Play Area	179,050	179,050	179,050	50,000	100,000	129,050	258,100	0	0	1,610	3,230	8,600
DG		Open Spaces Refurbishments - Safety Improvements	50,000	50,000	50,000	0	0	50,000	100,000	0	0	630	1,250	3,330
DG		Open Spaces Refurbishments - Street Furniture	42,450	42,450	42,450	0	0	42,450	84,900	0	0	530	1,060	4,250
DG		Cemetery Infrastructure Work	11,420	11,420	11,420	0	0	11,420	22,840	0	0	140	290	570
DG		Great Central Way Bridge Repairs	163,840	163,840	163,840	0	0	163,840	327,680	8,000	16,000	2,050	4,100	3,280
DG		Purchase of Waste Bins ¹	87,500	87,500	87,500	87,500	175,000	0	0	0	0	0	0	0
			968,260	968,260	968,260	137,500	275,000	830,760	1,661,520	8,000	16,000	10,390	20,780	82,030
		Corporate Resources												
MK		Corporate Property Enhancement	100,000	100,000	100,000	0	0	100,000	200,000	0	0	1,250	2,500	5,000
			100,000	100,000	100,000	0	0	100,000	200,000	0	0	1,250	2,500	5,000
		Total Draft GF Capital Programme	1,836,860	1,821,060	1,816,060	676,860	1,353,720	1,160,000	2,283,400	8,000	16,000	14,510	29,010	132,880

¹ To be financed via S106 developer contributions / direct revenue contributions.

² From 2015/16, Disabled Facilities Grant allocation was amalgamated into the Better Care Fund (BCF) to be provided by the Department of Health. Plans for the use of the fund must be developed by Clinical Commissioning Groups (CCGs) and local authorities and signed off by the local Health and Wellbeing Board. The indicative grant levels for 2018/19 onwards are based on the 2017/18 award and may be subject to revision. From October 2016, the management of the Council's DFG assessments and allocations will be undertaken by the HEART shared services organisation.

³ Vehicle replacement programme under review

* Half year is included

Carry Forward from Previous Years

Head of Service	Note	Portfolio / Scheme Name	Capital						Revenue Implications					
			Gross Expenditure			External Contributions		Internal Resources		Running Costs		Estimated Interest costs		Minimum
			2018/19	2019/20	2020/21	2018/19	Future Years	2018/19	Future Years	2018/19*	Full Year	2018/19*	Full Year	2019/20
			1	2	3	4	5	6	7	8	9	10	11	12
	£	£	£	£	£	£	£	£	£	£	£	£		
RB		Growth & Investment												
RC		Communities & Homes												
		Environment & Public Realm												
DG		Rainsbrook Cemetery Preparation	100,000	0	0	0	0	100,000	0	0	0	1,250	2,500	5,000
		Corporate Resources												
MK		Carbon Management Plan	607,980	0	0	0	0	607,980	0	0	0	7,600	15,200	30,400
			607,980	0	0	0	0	607,980	0	0	0	7,600	15,200	30,400
		Total Carry Forward Proposals	707,980	0	0	0	0	707,980	0	0	0	8,850	17,700	35,400

Capital						Revenue Implications						
Gross Expenditure			External Contributions		Internal Resources		Running Costs		Estimated Interest costs		Minimum Revenue Provision	
2018/19	2019/20	2020/21	2018/19	Future Years	2018/19	Future Years	2018/19*	Full Year	2018/19*	Full Year	2019/20	
Overall Total	2,544,840	1,821,060	1,816,060	676,860	1,353,720	1,867,980	2,283,400	8,000	16,000	23,360	46,710	168,280

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

	2017/18	2018/19 ³	2019/20	2020/21
	£	£	£	£
Balance brought forward	2,146,360	3,134,490	3,134,490	3,134,490
Add assumed in year receipts	1,000,000			
Less financing of capital expenditure	-11,870			
Less financing short-life assets				
Balance carried forward	3,134,490	3,134,490	3,134,490	3,134,490

³ The Council's indemnity contribution of £1m to underwrite the Local Authority Mortgage Scheme (LAMS) is scheduled to be returned in September 2017 .

General Fund Draft Capital Programme 2018/19 & Onwards

Capital Appraisal Information

Portfolio
Capital Scheme
Gross Budget Requirement 2018/19 - 2020/21
External Funding
RBC Funding 2018/19 - 2020/21
Budget Officer
Strategic Case: Outline relevant national and local policies and strategies
Commercial Case: Outline the procurement arrangements that ensures the deal is achievable and attractive to the market place
Financial Case: Outline the capital and revenue costs / savings over the life span of the project
Management Case: Outline the governance, plans, and resources that are in place for successful implementation.

Communities & Homes
ICT Refresh Programme - Desktop
£277,590
£0
£277,590
Raj Chand
The Desktop provision is made up of: * Client devices, such as Laptops, PCs and Terminals; * Server services that directly relate to desktop provisioning. The Council has adopted a rolling refresh programme that spreads the cost and effort of updating the desktop across all financial years. Drivers for updating the desktop provision are: * To ensure that the authority is running on fit for purpose equipment; * to replace aging equipment before it fails and impacts service delivery; * and, in line with PSN requirements and security best-practice, devices must be under manufacturer support and they must be patched and/or upgraded to the latest software version. If the authority is to retain PSN Code of Connection IT equipment must be fully supported and updated. Failing to comply would leave us open to security breaches and the associated fines that they would incur. Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable. Suppliers are sourced using Crown Commercial Services Digital Marketplace and associated framework RM3733. The Desktop Virtualisation project will release cost savings of around £5,000 over the traditional PC replacement programme and it will make management and patching of Windows Desktop Operating Systems easier and less time consuming, thus realising practical efficiencies and aiding PCN compliance. ICT desktop has an estimated asset life of five years and therefore minimum revenue provision for the 2018/19 scheme will be £25,150 per annum; £15,190 per annum for the 2019/20 scheme; and £15,190 per annum for the 2020/21 scheme. The IT service employ an industry standard programme management technique for desktop replacement.

Communities & Homes
ICT Refresh Programme - Infrastructure
£314,530
£0
£314,530
Raj Chand
The IT infrastructure provision is made up of: * Physical and Virtual Servers; * Storage Area Networks; * Network Switches, Routers & WIFI; * Firewalls and Backup and Business Continuity solutions. The Council has adopted a rolling refresh programme that spreads the cost and effort of updating the infrastructure across all financial years. Drivers for updating the infrastructure are: * To ensure that the authority is running on fit for purpose equipment; * To replace aging equipment before it fails and impacts service delivery; * and in line with PSN Requirements and security best-practice, devices must be under manufacturer support and they must be patched and/or upgraded to the latest software version. If the authority is to retain PSN Code of Connection compliance there are no direct alternatives that are financially viable. Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable. Suppliers are sourced using Crown Commercial Services Digital Marketplace and associated framework RM3733. With each successive generation of hardware they become more energy efficient with reduced heat output. Such reductions will directly reduce running costs and support a future refresh of the Town Hall cooling systems to smaller more efficient units. ICT hardware has an estimated asset life of five years and therefore minimum revenue provision for the 2018/19 scheme will be £12,000 per annum; £23,500 per annum for the 2019/20 scheme; and £26,500 per annum for the 2020/21 scheme. The IT service employ an industry standard programme management technique for the infrastructure replacement.

Communities & Homes
ICT Refresh Programme - AV Equipment
£24,000
£0
£24,000
Raj Chand
Much of the audio/visual equipment will become redundant in the next 2 years due to its age plus additional equipment will be required to support digitalisation. The programme will consist of: replacement of the ctouch devices in CR1, CR2 and the Benn hall; and introduction of display equipment into CR3 and room 104. The life expectancy of IT equipment is 5 years, which is based on both physical component life expectancy and the equipment's ability to be upgraded for security purposes and to support appropriate operating systems & software. The combined desktop & infrastructure refresh programmes have been re-designed to accommodate changes to working practices brought about by digitalisation, but without any particular increase to previous year's total budgets, however it has never incorporated audio/visual equipment as these used to sit in Business Support. Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable. Suppliers are sourced using Crown Commercial Services Digital Marketplace and associated framework RM3733. ICT desktop has an estimated asset life of five years and therefore minimum revenue provision for the 2018/19 scheme will be £800 per annum and the 2019/20 scheme will be £4,000 per annum The IT service employ an industry standard programme management technique for the infrastructure replacement.

Communities & Homes
ICT Mobile Device Management Solution
£35,000
£0
£35,000
Raj Chand
The authority is required to utilise a Mobile Device Management (MDM) solution in order to ensure the security of our mobile devices, such as smartphones, and to protect any data they may store or access. The current solution is now 5 years old and due to changes in working practices brought about by digitalisation it is no longer fit for purpose. It has also been identified through market research that the cost per device over 5 years can be reduced from £296 to circa £240 which means a total contract saving of £8,000. The replacement will be a more modern & cheaper alternative. The project can be completed in one year. The MDM solution ensures that: * we operate secure mobile devices as required by PSN and as recommended by external audit and ISO27001; * we have total control over our mobile estate and the ability to audit its use & effectiveness; * we can support modern ways and the wider digitalisation programme. Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable. Suppliers are sourced using Crown Commercial Services Digital Marketplace and associated framework RM3733. This scheme will realise an annual revenue saving on maintenance of £5,400. ICT MDM has an estimated asset life of five years and therefore minimum revenue provision for the scheme will be £7,000 per annum. The IT service employ an industry standard programme management technique for the infrastructure replacement.

General Fund Draft Capital Programme 2018/19 & Onwards

Capital Appraisal Information

Portfolio
Capital Scheme
Gross Budget Requirement 2018/19 - 2020/21
External Funding
RBC Funding 2018/19 - 2020/21
Budget Officer
Strategic Case: Outline relevant national and local policies and strategies
Commercial Case: Outline the procurement arrangements that ensures the deal is achievable and attractive to the market place
Financial Case: Outline the capital and revenue costs / savings over the life span of the project
Management Case: Outline the governance, plans, and resources that are in place for successful implementation.

Environment & Public Realm
Vehicle Replacements
£1,302,000
£0
£1,302,000
Adam Norburn
The Vehicle Replacement scheme covers the provision of front line delivery services in procuring new vehicles for the Council's Works Service Unit (WSU) as existing fleet reaches the end of useful economic life. Acquisitions scheduled for 2018/19 include: * Two refuse freighters * One tractor ; * One ride on mower ; and * Four Vans (various)
Procurement is undertaken in compliance with contract standing orders, utilising established framework agreements where applicable.
A funding appraisal is undertaken in conjunction with the Council's treasury and leasing advisors to ascertain the optimal source of financing in advance of vehicle acquisition. The appraisal measures the benefits of outright purchase cost, anticipated maintenance costs, residual value, and leasing contracts. Vehicles have an estimated asset life of seven years and therefore minimum revenue provision for the 2017/18 scheme will be £157,310 per annum.
The existing fleet is monitored to gauge useful economic lives, potential increased maintenance costs and market indications of pricing for replacement vehicles over a medium term horizon.

Environment & Public Realm
Open Spaces Refurbishment - Rokeby Play Area
£179,050
£50,000
£129,050
Rob Back
Every site refurbishment is undertaken in partnership with the local community. This includes community associations, external funding partners, voluntary agencies and other statutory bodies. The sites have been identified within the Play Strategy and Open Space Strategy which the Council has adopted, along with information on the general condition survey of play equipment. The next play area highlighted by recent health & safety inspection is Rokeby play area. The Council has a duty to provide facilities which are safe to use and which comply with the laws governing access to disabled people. Failure to discharge this responsibility will leave the Council liable. There is significant evidence to suggest that investment in parks brings about wider social benefits. Research from the Edinburgh Council in Scotland found that for every £1 invested in parks, £12 was given back in social, economic & environmental benefits. Whilst Exeter University suggests people will exercise more if they have quality parks to do this in. The Local Government Association has also recently published the report "the role of the local government in mental health and wellbeing" which also highlights the significant role that parks and green spaces play in helping to reduce the nation's healthcare costs.
All procurement is undertaken in line with our own procurement rules and processes to ensure value for money.
The refurbishment offers good value for money and and the Council will be seeking some external funding from the landfill tax. The alternative is to close and remove the play area, restoring the land back to grass, which would cost about £50k with no community gain. The scheme has an anticipated asset life of fifteen years and therefore minimum revenue provision will be £8,600 per annum.
Each open space that is highlighted for improvement undergoes a phased approach which includes consultation in partnership with the local community, design and implementation. Rokeby play area has not been refurbished for over 20 years and is now at the end of its useful life and without investment would need to be closed and removed. Some items will need to be moved within the next 6 months due to their poor condition.

Environment & Public Realm
Open Spaces Refurbishment - Safety Improvements
£150,000
£0
£150,000
Rob Back
The Council is responsible for 41 play areas and 17 youth facilities along with nearly 300 hectares of green spaces. The most serious health and safety issues have been dealt with through a programme of capital refurbishments in the last few years, but in the current financial climate the council needs to focus on the essential health and safety works. This capital scheme will address sites with the most pressing health and safety issues, and where minimal investment will not extend the life of the capital asset, fully refurbish the play area. The Council has a duty to provide facilities which are safe to use and which comply with the laws governing access to disabled people. Failure to discharge this responsibility will leave the Council liable. The sites have been identified within the Play Strategy and Open Space Strategy which the Council has adopted, along with information on the general condition survey of play equipment. There is significant evidence to suggest that investment in parks brings about wider social benefits. Research from the Edinburgh Council in Scotland found that for every £1 invested in parks, £12 was given back in social, economic & environmental benefits. Whilst Exeter University suggests people will exercise more if they have quality parks to do this in. The Local Government Association has also recently published the report "the role of the local government in mental health and wellbeing" which also highlights the significant role that parks and green spaces play in helping to reduce the nation's healthcare costs.
All procurement is undertaken in line with our own procurement rules and processes to ensure value for money.
The investment of £50k to address essential health & safety issues offers good value for money as this could be the cost of just one successful insurance claim against the Council. Schemes have an anticipated asset life of fifteen years and therefore minimum revenue provision for the 2018/19 programme will be £3,330 per annum.
Each open space that is highlighted for improvement undergoes a phased approach which includes consultation in partnership with the local community, design and implementation. Failure to deal with urgent health & safety issues could lead to insurance claims and prosecutions against the Council.

Environment & Public Realm
Open Spaces Refurbishment - Street Furniture
£127,350
£0
£127,350
Rob Back
This scheme provides for the long term permanent street furniture installations throughout Rugby and the surrounding areas. New benches are compliant with Disability Discrimination guidelines (seating height, arm rests etc.). New litter bins have a colour contrast to aid the visually impaired. Replacement street furniture, litter bins, and bus shelters are only considered where refurbishment will not prove economically viable.
Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.
Street Furniture works have an anticipated asset life of ten years and therefore the minimum revenue provision for these works will be £4,250 per annum.
Each item of street furniture that is highlighted for refurbishment/replacement undergoes a phased approach which includes consultation in partnership with the local community, design and implementation. Failure to deal with urgent health & safety issues could lead to insurance claims and prosecutions against the Council.

General Fund Draft Capital Programme 2018/19 & Onwards

Capital Appraisal Information

Portfolio	Environment & Public Realm	Environment & Public Realm	Environment & Public Realm	Corporate Resources
Capital Scheme	Cemetery Infrastructure Work	Purchase of Waste Bins	Great Central Walk Bridges	Corporate Property Enhancements
Gross Budget Requirement 2018/19 - 2020/21	£30,000	£262,500	£491,520	£300,000
External Funding	£0	£262,500	£0	£0
RBC Funding 2018/19 - 2020/21	£30,000	£0	£491,520	£300,000
Budget Officer	Rob Back	Adam Norburn	Rob Back	Mannie Ketley
Strategic Case: Outline relevant national and local policies and strategies	<p>To undertake essential infrastructure replacement including memorial safety in the Borough Council's cemeteries.</p> <p>The Council has a duty of care to all cemetery users in relation to the general condition of footpaths and other infrastructure.</p> <p>The Ministry of Justice has also issued guidance to Local Authorities on how to deal with the issue of memorial safety and the Council is currently producing its own policy statement.</p>	<p>The Council has a statutory responsibility for the provision of domestic waste collection within the Borough. The scheme provides for the acquisition of bins for new housing developments funded via S106 agreements or developer contributions.</p>	<p>The Council has a statutory requirement to undertake structural inspections every six years and general inspections every two years of its Great Central Way Bridge assets. Work has been ongoing since 2009, and prior detailed inspections are showing major structural problems with several bridges on the route that need immediate / mid-term / long term repairs. The Council has a long term commitment for the upkeep of these bridges. As some of these bridges carry main highways into Rugby, the Council cannot risk the possibility of closing bridges due to poor maintenance. The Great Central Way Bridges were re-valued as at 31st March 2016 at £15.9m on the basis of re-instatement costs for insurance purposes.</p>	<p>Corporate Property Enhancements include works undertaken on the Council's non-housing assets consequent to legislative requirements (Fire Safety, Disability Discrimination Act, etc.) and to mitigate current and/or future maintenance requirements and asset devaluation. A refresh of the Council's Asset Management Strategy will occur in 2017/18 and inform options concerning non-housing asset future maintenance beyond 2018/19. Programmed works for the period include:</p> <ul style="list-style-type: none"> • Roof enhancements at the Town Hall (2018/19)
Commercial Case: Outline the procurement arrangements that ensures the deal is achievable and attractive to the market place	<p>Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.</p>	<p>Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.</p>	<p>The Council will tender for structural works based on the independent reports prepared by invasive engineering surveys to be undertaken in late 2016. Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.</p>	<p>Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.</p>
Financial Case: Outline the capital and revenue costs / savings over the life span of the project	<p>Cemetery infrastructure works have an anticipated asset life of twenty years and therefore the minimum revenue provision for these works will be £570 per annum.</p>	<p>Purchase of waste bins for new housing developments will be funded via S106 agreements / developer contributions.</p>	<p>In advance of the 2016 survey results an estimated construction budget of £150,000 per annum has been requested for works based on historic data. Budget requirements will be revised in light of survey results and programme scheduling. Once structural works have been undertaken bridge lifespans are estimated at fifty years and therefore minimum revenue provision of £3,820 per annum.</p>	<p>Corporate Property Enhancement works have an anticipated asset life of twenty years and therefore the minimum revenue provision for these works will be £5,000 per annum.</p>
Management Case: Outline the governance, plans, and resources that are in place for successful implementation.			<p>The Council works in partnership with Warwickshire County Council as the highways authority to provide and maintain some of the bridges and will seek to work collaboratively to minimise public inconvenience and optimise value for money.</p>	

General Fund Draft Capital Programme 2018/19 & Onwards

Capital Appraisal Information

Portfolio	Communities & Homes			
Capital Scheme	Disabled Facilities Grants			
Gross Budget Requirement 2018/19 - 2020/21	£1,478,760			
External Funding	£1,478,760			
RBC Funding 2018/19 - 2020/21	£0			
Budget Officer	Raj Chand			
Strategic Case: Outline relevant national and local policies and strategies	The provision of grants to provide adaptations to the homes of disabled people in the borough. This is a mandatory requirement made by the Amendment by the Regulatory Reform Orders 2002 and 2008 and the Housing Grants and Construction and Regeneration Act 1996. Recommendations for adaptations are made following a home visit by the Occupational Health Therapists with the scheme administered in the borough by HEART service from October 2016			
Commercial Case: Outline the procurement arrangements that ensure supply side can deliver requirements on an efficient market basis	Funding levels have been estimated based on the continuation of DFG grant levels in 2016/17 via the Better Care Fund, administered by Warwickshire County Council. Allocations for 2018/19 are not expected until February/March 2018 and estimates will be revised accordingly at this time in light of predicted demand.			
Financial Case: Outline the capital and revenue costs / savings over the life span of the project				
Management Case: Outline the governance, plans, and resources that are in place for successful implementation.				

MEDIUM TERM FINANCIAL PLAN: GENERAL FUND 2018-22

	2018/19 £ 000's	2019/20 £ 000's	SCENARIO 2		SCENARIO 3	
			2020/21 £ 000's	2021/22 £ 000's	2020/21 £ 000's	2021/22 £ 000's
BASE BUDGET	15,592	15,304	16,417	17,121	16,417	17,111
PORTFOLIO EXPENDITURE						
Salaries - 1% pay award, incremental progression, pension and NI increases and other minor changes to the establishment	419	403	371	316	371	316
Anticipated 2% pay award (additional 1% on amounts shown above)	138	141	145	149	145	149
Remodelling of pay scales	130	140	150	150	140	150
Garden waste income	-475	-25	0	0	0	0
Waste service configuration	-168	170	0	0	0	0
Income from Hall of Fame entry	100	0	0	0	0	0
Other anticipated service budget adjustments	-232	-60	-17	-142	-17	-142
Inflation Provision	7	10	10	10	10	10
Sub total	15,511	16,083	17,076	17,604	17,066	17,594
CORPORATE ITEMS						
Change in net cost of borrowing	-44	-64	-37	75	-37	75
Change in contribution to Balances and Reserves	0	0	0	0	0	0
Contribution to Budget Stability Reserve	-264	0	0	0	0	0
Contribution to Business Rates Equalisation Reserve	0	0	0	0	0	0
Change in Minimum Revenue Provision (MRP)	130	130	-45	-267	-45	-267
Change in Parish Council Precepts	20	20	20	20	20	20
Revenue implications from Capital Programme	0	0	0	0	0	0
Negative Revenue Support Grant	0	248	107	49	107	49
Total	15,353	16,417	17,121	17,481	17,111	17,471
INCOME						
Retained Business Rates (50% local share)	-4,970	-5,100	-4,230	-4,300	-2,660	-2,700
Revenue Support Grant	-153	0	0	0	0	0
Government Grants	-297	-267	-240	-216	-240	-216
Council Tax - from a 2% increase	-7,334	-7,661	-8,010	-8,406	-8,010	-8,406
Collection Fund Surplus(-)/Deficit	173	0	0	0	0	0
Contribution from Reserves to fund one-off expenditure	0	0	0	0	0	0
New Homes Bonus Funding	-2,112	-2,037	-2,300	-3,115	-2,300	-3,115
TOTAL	-14,693	-15,065	-14,780	-16,037	-13,210	-14,437
BUDGET VARIANCE	660	1,352	2,341	1,444	3,901	3,034
KEY DECISIONS						
Voluntary Redundancy Savings	-100	-100	-100	-100	-100	-100
Additional Council Tax from a £5 increase in the Band D	-50	-102	-153	-205	-153	-205
£10 increase in garden waste subscription charge	0	0	-225	-225	-225	-225
Increase in Council Tax from changes in policy on empty properties	-35	-35	-35	-35	-35	-35
Review of Environment and Public Realm Services	-300	-300	-300	-300	-300	-300
Waste curb-side collection for all properties	-75	-75	-75	-75	-75	-75
Reduce opening times at the RAGM	-100	-100	-100	-100	-100	-100
TOTAL	-660	-712	-988	-1,040	-988	-1,040
BUDGET VARIANCE	0	640	1,353	404	2,913	1,994

Agenda No 7

AGENDA MANAGEMENT SHEET

Report Title:	Finance & Performance Monitoring 2017/18 – Quarter 2
Name of Committee:	Cabinet
Date:	4 th December 2017
Report Director:	Head of Corporate Resources & Chief Financial Officer
Portfolio	All Portfolios
Ward Relevance	All Wards
Prior Consultation	None
Contact Officer	Mannie Ketley - Head of Corporate Resources & Chief Financial Officer
Report Subject to Call-in	Yes
Report En-Bloc	No
Forward Plan	Yes
Corporate Priorities	This report relates to the following priority(ies): All Council Priorities
Risk Management Implications	This report is intended to give Cabinet an overview of the Council's spending and performance position for 2017/18 to inform future decision-making.
Financial Implications	As detailed in the main report.
Environmental Implications	There are no environmental implications arising from this report.
Legal Implications	There are no legal implications arising from this report.

Equality and Diversity

No new or existing policy or procedure has been recommended.

Recommendation

- 1) The Council's anticipated financial position for 2017/18 be considered;
- 2) A Supplementary General Fund capital budget of £10,000 be approved for 2017/18 for the enhancement of the Council's HR and Payroll system, to be funded from borrowing;
- 3) A General Fund capital budget of £13,870 be approved for 2017/18 for Weighbridge Digitalisation to be funded from revenue salary savings found within the Work Services Unit;
- 4) A net nil supplementary General Fund revenue budget of £12,000 be approved, to implement the local discretionary rate relief scheme which will be fully funded from central government grant; and
- 5) A General Fund revenue budget virement to Corporate Savings of £48,000 be approved following salary savings within Environmental Services.

IT BE RECOMMENDED TO COUNCIL THAT:

- 6) A HRA capital budget of £50,000 for 2017/18 for Door Security Systems be approved to be met from the Sheltered Housing earmarked reserve;
- 7) A supplementary HRA capital budget of £1,811,590 be approved for 2017/18 for Housing Window Replacement to be funded from the Major Repairs Reserve; and
- 8) Performance summary and performance data included in Appendix 4 be considered and noted.

Reasons for Recommendation

The performance and financial position of the Council's General Fund revenue and capital budgets need to be noted by Cabinet to ensure Members are fully aware of the current status.

The report also includes supplementary, virement and savings requests that will require consideration for inclusion in the current 2017/18 budgets.

Agenda No 7

Cabinet – 4th December 2017

Finance & Performance Monitoring 2017/18 – Quarter 2

Report of the Head of Corporate Resources & Chief Financial Officer

RECOMMENDATION

- 1) The Council's anticipated financial position for 2017/18 be considered;
- 2) A Supplementary General Fund capital budget of £10,000 be approved for 2017/18 for the enhancement of the Council's HR and Payroll system, to be funded from borrowing;
- 3) A General Fund capital budget of £13,870 be approved for 2017/18 for Weighbridge Digitalisation to be funded from revenue salary savings found within the Work Services Unit;
- 4) A net nil supplementary General Fund revenue budget of £12,000 be approved, to devise a local discretionary rate relief scheme which will be fully funded from discretionary rate relief grant; and
- 5) A General Fund revenue budget virement to Corporate Savings of £48,000 be approved following salary savings within Environmental Services.

IT BE RECOMMENDED TO COUNCIL THAT:

- 6) A HRA capital budget approval of £50,000 for 2017/18 for Door Security Systems be approved to be met from the Sheltered Housing earmarked reserve;
- 7) The supplementary HRA capital budget of £1,811,590 is requested for approval for 2017/18 for Housing Windows Replacement to be funded from the Major Repairs Reserve; and
- 8) Performance summary and performance data included in Appendix 4 be considered and noted.

1. INTRODUCTION

This is the second of the quarterly finance and performance monitoring reports for 2017/18, which combines both finance (revenue and capital) and performance monitoring. The purpose of the report is to inform Cabinet of the Council's overall financial and performance position for the year to-date and also the year-end projections as supplied by officers. A final report will be presented to Cabinet in June 2018 for year-end.

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

- General Fund (GF) Revenue Budgets - Section 2 and Appendix 1;
- Housing Revenue Account (HRA) Revenue Budgets - Section 2 and Appendix 2;
- Capital Budgets - Section 4 and Appendix 3;
- Performance – Section 5 and Appendix 4

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

2. GENERAL FUND (GF) REVENUE BUDGETS:

2.1 Overview and key messages

- There is a favourable variance to date of **£395,100**, based on actual spend to the end of the Quarter 2 against profiled budgets.
- GF services show an anticipated favorable variance of **£256,600** at year-end.
- This includes forecast income of £870,000 from the green waste service subscriptions, exceeding income expectations for the year by **£470,000**.
- An adverse variance of **£195,000** from underachievement of ticketing income and ancillary services including sale of guidebooks and hospitality from the Hall of Fame.
- The Corporate Savings Target has been set at **£200,000** for 2017/18, to include all savings achieved through more efficient working and savings realised through vacant posts. To date officers have been able to identify **£188,640**.

2.2 Major Variances

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

Portfolio / Service Area	Variance at Quarter 2 £	Variance Forecast to Year-End £
Growth and Investment		
Art Gallery & Museum- The variance relates to an overspend on salaries for data transfer work of the Collections database.	+12,000	+17,900
Benn Hall - The service has seen an increase in bar sales over the first half of the year, given the busy Christmas period is likely that sales will overachieve at year-end.	-19,100	-18,200
Planning Services- The variance to date relates to an underachievement of planning income.	+176,200	+100,000
Hall of Fame - The variance to date relates to an underachievement of ticketing income and ancillary services including sale of guidebooks, hospitality etc. It is expected that the income will not be recovered by year-end.	+95,300	+195,000
Sports & Recreation- The variance relates to an unbudgeted spend on salaries and an underachievement of income.	+32,200	+41,400
Other minor variances	-2,000	+800
Subtotal	+294,600	+336,900

Corporate Resources		
Legal Services – Variance relates to an overachievement of income received from court cases.	-18,400	-28,900
Housing Benefit Payments – The variance is due to an increased net cost of Housing Benefit payments following the mid-year subsidy claim.	+4,900	+72,100
General Financial Services - The variance to period relates to debt management expenses which are due to be recharged to the HRA at year-end, plus a projected overspend on payment card costs at year-end.	+31,000	+14,500
Resources- The variance relates to recruitment expenses for vacant posts. Approximately £25,000 has been spent on advertising for professional positions which can be offset with salary savings in the region of £50,000 in areas such as Planning, Legal, Audit & Risk Assurance and IT.	+8,300	+32,100
Other minor variances	+7,200	-4,200
Subtotal	+33,000	+85,600

Environment and Public Realm		
Allotments- The service will incur implementation charges as part of the service being moved to a new provider.	+5,100	+16,700
Cemeteries – Higher than anticipated income from burial and license income.	-49,700	-42,000
Crematorium – Sales of memorial items continue to improve and exceed budget expectations.	-23,900	-13,100
Regulatory Services – A number of salary vacancies has resulted in the service projecting an underspend to year-end.	-47,800	-55,100
Parks, Recreation Grounds & Open Spaces – Unplanned repairs on park equipment following incidence of vandalism and a general need for additional repairs maintenance.	+12,400	+20,800
Safety & Resilience- Variance relates to salary vacancies.	-5,900	-19,000
Green Waste Scheme – Following the successful launch of the Green Waste Scheme the service had recognised £868,000 of income by the end of September, representing a £468,000 overachievement against budgeted to Quarter 2.	-450,700	-450,700
Refuse and Recycling - Reduced charges for recycling gate fee have been recognised to date, however a prudent forecast has been made to year-end due to the volatility of the charges throughout the year.	-135,000	-33,400
Works Services Unit – The variance to year-end is mainly due to an overachievement of income on the Trade Waste service (-£95,000) plus forecast salary savings from vacant posts of approximately £150,000. These salary savings will be considered for allocation against the corporate savings target, once a review of the structure of the Waste and Transport team has been completed. These underspends are offset by an underachievement of income on the Highways service (+£140,000) and other variances within the service.	-21,900	-79,900
Other minor variances	-11,500	-5,800
Subtotal	-728,900	-661,500

Communities and Homes		
Customer & Information Services – Increase in the number of mobile devices issued as part of the digitalisation scheme.	+14,300	+16,300
Housing Options Team – Increased costs of temporary accommodation due to a rise in demand, but due to new Universal Credit procedures the Council is not able to recover costs at the level of previous Housing Benefit Subsidy.	+18,500	+63,200
Other minor variances	-17,200	-2,000
Subtotal	+15,600	+77,500

Executive Directors Office		
Minor variances (no individual variances +/-£10k)	-9,400	-1,800
Subtotal	-9,400	-1,800
Other Corporate Items		
Net Cost of Borrowing - Exchange rate gains following sale of Icelandic bank assets	0	-93,300
Net Variance	-395,100	-256,600

Positive Figures (+): Overspend/Underachievement of income
Negative Figures (-): Underspend/Additional income

2.3 Anticipated General Fund Balances

	£	£
GF Balance at 31st March 2017		-2,159,350
Approved budget carry forwards from 2016/17	+136,870	
Contribution from balances 2017/18	+120,000	
Supplementary budget approvals/pending	+59,720	
Anticipated variance to the end of 2017/18	-256,630	
Amount to be added to balances		+59,960
Anticipated GF Balance at 31st March 2018		-2,099,390

Positive Figures (+): Contribution from Balances
Negative Figures (-): Contribution to Balances

The table above shows that GF balances are forecast to be just below £2.1 million at the end of 2017/18, after considering the projected variance and other budget adjustments.

2.4 General Fund Risks

The main financial risks to the delivery of the forecast year-end position for 2017/18 are:

- **Hall of Fame** - Receipt of budgeted ticket income and sponsorship income from the Hall of Fame, with significant income yet to be secured against annual budgets of £165,000 and £200,000 respectively
- **Housing Options** – Universal Credit continues to impact on the amount of income that can be recovered from temporary accommodation, however the Council has measures in place to mitigate this rise
- **Highways** – The Highways service within the WSU has an anticipated reduction in income of £140,000 due to market conditions, which is being investigated by the budget officer

- **Recycling Gate Fee** – the level of fee paid is heavily influenced by the prevailing market conditions for the sale of recycled materials. The actual fee paid at year-end could vary significantly in either direction from the amount currently forecast depending on the market conditions for the remainder of the year.
- **Crematorium Income** – whilst the service continues to establish a strong proportion of the local market, actual income received is largely determined by mortality rates which can be affected by seasonal and other factors outside of the Council's control.

2.5 Supplementary Budget Requests

HR & Payroll System – Recommendation 2

Additional budget had been requested to enhance and develop the Council's I-Trent HR & Payroll system. The scheme will deliver:

- Enhancement of the Learning and Development module
- Development of the expenses module to include non-mileage claims
- Development of the annual leave module to include flexi-time functionality
- An improved interface with the finance system

Weighbridge Digitalisation – Recommendation 3

An automated weighbridge system installed at the Work Services Unit in Hunters Lane will provide a smoother and quicker service to users of the depot. There will be a financial saving achieved through the need of less manual officer time, and a time saving through the more efficient recording of data.

The funding for this project is to be met from savings already achieved in the service, following the resignation of a part-time member of staff and the subsequent disestablishment of that post.

Discretionary Relief – Recommendation 4

On the 30th October Cabinet approved the Council's scheme to provide discretionary revaluation support for business ratepayers. A budget has been requested to fund the implementation costs of £9,000 for software changes and £3,000 for billing, which will be wholly met by 'New Burdens' grant funding provided by central government.

3 HOUSING REVENUE ACCOUNT (HRA) REVENUE BUDGETS:

3.1 Context

Housing Rents were set by Council on 7th February 2017, in the context of rent policy changes from government, most notably the imposition of 1% rent reductions for the period 2016/17 until 2019/20.

3.2 Overview and key messages

- There is an underspend to date of **£143,360**, based on actual spend to the end of the Quarter 2 and monitored against profiled budgets.
- HRA services show an anticipated underspend of **£315,440** at year-end.
- In accordance with principles set out in the Council's response to the implementation of HRA self-financing in 2012/13 all in-year surpluses will be utilised in the repayment of debt subject to the maintenance of a prudent HRA working balance. The HRA revenue balance currently stands at £1.431m and will be reviewed in light of service requirements and risks in preparation for 2018/19 rent setting.

3.3 Major Variances

A summary of the key variances follows:

HRA Income and Expenditure	Variance at Quarter 2 £	Variance Forecast to Year-End £
Rent income from dwellings, land, and buildings - Income levels for service charges and garages are currently lower than estimates. This is subject to change based on the turnover rate of re-lets, voids and Right to Buy applications during the remainder of the financial year.	+21,760	-930
Supervision and Management – Forecast variance arising from net effect of replacing current CCTV/Concierge monitoring contract with in-house provision; vacant posts within the following teams: Estate Management; Property Maintenance, Independent Living Service offset by redundancy costs arising from housing services restructure	-164,010	-202,930
Provision for bad or doubtful debts – the level of arrears categorised as 'Above 52 weeks' has risen from £71,000 to £150,000 over a 12-month period and the contribution to the provision has been increased in 2017/18 to reflect this.	0	+65,000
Interest and investment income –outturn is based on current forecast HRA balances and market interest rate expectations.	0	-181,040
Other minor variances	-1,110	+4,460
Net Variance	-143,360	-315,440

Positive Figures (+): Overspend/Underachievement of income
Negative Figures (-): Underspend/Additional income

3.4 Anticipated HRA Balances

	£	£
HRA Balance at 31st March 2017		-1,431,000
Anticipated underspend to the end of 2017/18	-315,440	
Supplementary budget approvals/pending	+37,430	
Indicative allocation of underspends to amounts set aside for the repayment of debt	+278,010	
Amount to be taken from balances		0
Anticipated HRA Balance at 31st March 2018		-1,431,000

Positive Figures (+): Contribution from Balances
 Negative Figures (-): Contribution to Balances

It is anticipated that £278,010 will be utilised to increase the amount set aside for the repayment of debt in 2017/18, subject to a review of ongoing HRA revenue balances based on risk analysis.

4 CAPITAL:

4.1 General Fund Capital – Overview

- The General Fund capital programme is currently budgeted at £5.408 million for 2017/18 (including £1.197m carry forwards from 2016/17.)
- At the end of Quarter 2, the General Fund capital programme shows an overspend of **£60,060** against profiled budgets.
- There is currently a projected underspend to year-end of **£628,640**.

4.2 General Fund Capital – Major Variances

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

Portfolio / Service Area	Variance at Quarter 2 £	Variance Forecast to Year-End £
Growth and Investment	-500	0
Communities and Homes		
Capital Digitalisation Work – a supplementary capital budget will be requested at year end to be met from the Digitalisation and Commercialisation reserve.	+32,820	+32,820
Payroll/HR Scheme – a supplementary capital budget is requested for approval to be funded from borrowing.	+4,080	+10,000
Other minor variances	+3,550	0
Subtotal	+40,450	+42,820
Environment and Public Realm		
Rainsbrook Cemetery Preparation – it is anticipated that the £100,000 of spend will be deferred and slipped in to 2018/19, as the project is delayed whilst officers liaise with the Environment Agency to provide data on the protection of water courses prior to commencement of works.	-1,290	-100,000
Weighbridge Digitalisation – a capital budget is requested for approval to be funded from revenue savings (see section 2.5)	0	+13,870
Capital Expenditure Section 106 – a capital budget will be requested at year end to be funded from s.106 income	+13,680	+13,950
Other minor variances	-3,690	0
Subtotal	+8,700	-72,180
Corporate Resources		
Carbon Management Plan – it is anticipated the project will be delayed due to staff resource restrictions and procurement timetabling. A carried forward request to 2018/19 will be submitted at the year-end if required.	-3,280	-607,450
Other minor variances	+14,690	+8,170
Subtotal	+11,410	-599,280
Net Variance	+60,060	-628,640

Positive Figures (+): Overspend

4.3 HRA Capital - Overview

- The HRA capital programme is currently budgeted at £12.314 million for 2017/18 (including £0.420m carry forwards from 2016/17).
- At the end of Quarter 2, the HRA capital programme shows an overspend of **£606,960** against the profiled budget.
- There is currently a projected overspend to year-end of £1,833,590 which relates predominantly to a requested supplementary budget for the Housing Window and Door Replacement scheme.

4.4 HRA Capital – Major Variances

A summary of the key variances follows:

	Variance at Quarter 2 £	Variance Forecast to Year- End £
Housing Window and Door Replacement – a supplementary HRA capital budget of £1,811,980 to be met from the Major Repairs Reserve is requested for 2017/18 for completion of the scheme. This is the result of an omission from capital estimates at HRA budget setting in February 2017. This will bring the total budget for the project to £11.150m during the period 2014/15 to 2017/18 as opposed to the initial estimate of £12m at project inception.	+620,880	+1,811,980
Other minor variances	-13,920	+21,610
Net Variance	+606,960	+1,833,590

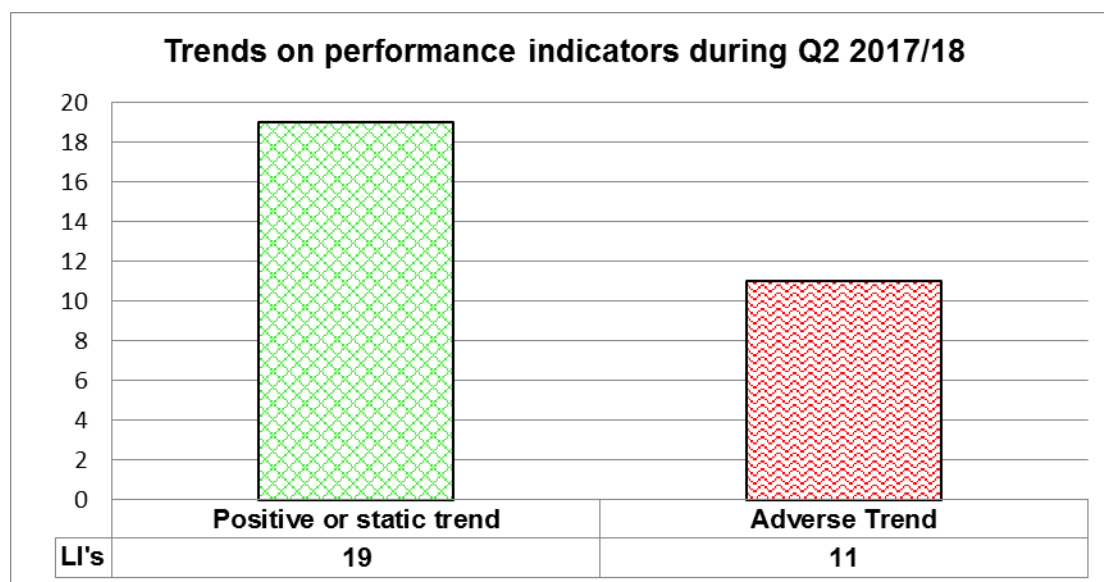
Positive Figures (+): Overspend
Negative Figures (-): Slippage / Underspend

5. PERFORMANCE

This is the monitoring report for the second quarter of 2017/18 and the reported data for each portfolio can be seen in Appendix 4. To further interrogate the data please login to the Rugby Performance Management System (RPMS).

Q2 Summary:

On the whole the Council is performing reasonably well over the range of data that is currently reported with 63% of the performance indicators showing as a positive trend or falling within the 5% tolerance of a target.



Communities & Homes

- The Voids & Lettings data for end to end time is undergoing data cleansing to assure accuracy of the data and may be altered during Q3, if changes occur they will be visible on the RPMS. Due to the Housing restructure this will fall under the Corporate Resources portfolio as of Q3.
- The rent arrears collection indicator is currently undergoing a data quality review so the data may be altered depending on the outcome of the review which is expected to be completed by the end of the calendar year.

Corporate Resources

- The processing of benefits claims has taken less time this quarter compared to Q1. Due to the Housing restructure this will fall under the Communities & Homes portfolio as of Q3.

Environment & Public Realm

- This portfolio is performing well.

Growth & Investment

- The number visits to the leisure centre currently only has data for two months for this quarter and this is likely due to data coming from an external organisation.

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

Name of Meeting: Cabinet

Date of Meeting: 4th December 2017

Subject Matter: Finance & Performance Monitoring 2017/18 – Quarter 2

Originating Department: Corporate Resources

LIST OF BACKGROUND PAPERS

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

General Fund**Revenue Budget Monitoring 2017/18 April 2017 to September 2017****Key:**

+ = over spend / income shortfall

- = under spend / additional income

	Profiled Budget to Qtr 2	Actual Spend to Qtr 2	Variance to Profile Qtr 2	Current Budget	Projection to Year-End	Variance to Year-End
Portfolio Expenditure :-	£'000	£'000	£'000	£'000	£'000	£'000
Growth & Investment	2,173	2,468	295	3,298	3,635	337
Corporate Resources	8,032	8,065	33	1,609	1,695	86
Environment & Public Realm	4,218	3,489	-729	7,440	6,779	-661
Communities & Homes	759	775	16	1,071	1,148	77
Portfolio Expenditure	15,182	14,797	-385	13,418	13,257	-161
Executive Director Office	1,351	1341	-10	1,897	1,895	-2
	16,533	16,138	-395	15,315	15,152	-163
Less Corporate Savings Target				-200	-200	0
Less IAS 19 Pension Adjustment				-309	-309	0
Less Capital Charge Adjustment				-2,392	-2,392	0
Net Expenditure				12,414	12,251	-163
Net Cost of Borrowing				628	534	-94
MRP Adjustment				1,476	1,476	0
Revenue Contribution to Capital Outlay				88	88	0
Total Expenditure (before Parish Precepts)				14,606	14,349	-257
Parish Council Precepts & Council Tax Support				731	731	0
Total Expenditure				15,337	15,080	-257

Housing Revenue Account (HRA)**Revenue Budget Monitoring 2017/18 April 2017 to September 2017**

Appendix 2

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

Description	Profiled Budget to Qtr 2 £'000	Actual Spend to Qtr 2 £'000	Variance to Profile Qtr 2 £'000	Current Budget £'000	Projection to Year-End £'000	Variance to Year-End £'000
Income						
Rent income from dwellings	-7,791	-7,808	-17	-16,253	-16,301	-48
Rent income from land and buildings	-75	-70	+5	-152	-149	3
Charges for services	-706	-685	+21	-1,473	-1,440	33
Contributions towards expenditure	-64	-51	+13	-215	-204	11
Total Income	-8,636	-8,614	+22	-18,093	-18,094	-1
Expenditure						
Transfer to Housing Repairs account	0	0	0	3,237	3,237	0
Supervision and Management	1,404	1,240	-164	4,659	4,456	-203
Rents, Rates, Taxes and other charges	3	2	-1	3	3	0
Depreciation & Impairment	3,681	3,681	0	3,681	3,681	0
Debt Management Cost	0	0	0	15	15	0
Provision for Bad or Doubtful Debt	0	0	0	131	196	65
Amounts set aside for the repayment of debt	0	0	0	4,922	4,922	0
Total Expenditure	5,088	4,923	-165	16,648	16,510	-138
Net Cost of Services	-3,548	-3,691	-143	-1,445	-1,584	-139
HRA Share of Corporate & Democratic Core Costs	200	200	0	200	205	5
Interest Payable & Similar Charges	0	0	0	1,251	1,251	0
Interest & Investment Income	0	0	0	-26	-207	-181
Net Operating Expenditure	-3,348	-3,491	-143	-20	-335	-315
Contributions to (+) / from (-) Reserves	0	0	0	57	57	0
Surplus(-)/Deficit(+) for year	-3,348	-3,491	-143	37	-278	-315

Capital Budget Monitoring 2017/18
April 2017 to September 2017

Appendix 3

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

Portfolio	Profiled Budget to Qtr 2 £'000	Actual Spend to Qtr 2 £'000	Variance to Profile to Qtr 2 £'000	Current Budget £'000	Projection to Year-End £'000	Variance to Year-End £'000
Growth & Investment	3	3	0	49	49	0
Corporate Resources	172	183	+11	953	354	-599
Environment & Public Realm	467	476	+9	3,299	3,226	-73
Communities & Homes	740	780	+40	1,107	1,150	+43
Sub Total General Fund	1,382	1,442	+60	5,408	4,779	-629
Housing Revenue Account	2,336	2,943	+607	12,314	14,148	+1,834
Overall Total	3,718	4,385	+667	17,722	18,927	+1,205

Performance Report for Cabinet Q2 2017/18

Report Author: Christopher Trezise (Admin)



RPMS


How to analyse the trend data

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

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

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

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

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

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

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









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

Communities & Homes Portfolio




Equality & Diversity Data Set

Performance Indicator (PI)	Latest Data Available	Performance Trend Analysis	Portfolio
Ethnic Minority representation in the workforce - employees	9.4% Q2 2017/18	  	6 - CH Portfolio
Despite showing an adverse short-term trend the reduction in ethnic minority representation is 0.1% from last quarter.			

Homelessness Data Set




Performance Indicator (PI)	Latest Data Available	Performance Trend Analysis	Portfolio
Number of homeless preventions made by Rugby Borough Council	35 Q2 2017/18	  	6 - CH Portfolio
This represents a slight drop on the last quarter's figure. It remains difficult to prevent and relieve homelessness as the most effective prevention/relief is via alternative accommodation. This options is not available in the vast majority of cases due to difficulties in accessing the private rental sector.			
Number of homeless preventions made due to financial advice being provided by Citizens Advice Bureau	84 Q2 2017/18	  	6 - CH Portfolio
There continues to be a significant number of customers requiring financial advice services. This could be related to housing and living costs rising faster than earnings.			
The number of households accepted for re-housing	33 Q2 2017/18	 N/A N/A	6 - CH Portfolio
Although lower than the acceptances in the last quarter this figure is within the expected margin.			
The number of homeless decisions made each quarter	57 Q2 2017/18	 N/A N/A	6 - CH Portfolio
This shows a drop on the previous quarter. Casework is becoming ever more complex resulting in turnaround times being longer in terms of decision making.			

Housing Rents Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis	Portfolio
Rent Collection and Arrears Recovery	92.93%	Q2 2017/18	  	6 - CH Portfolio

This performance indicator is still subject to a data quality review and the data may be inaccurate. Review is expected to be complete by end of calendar year.







Housing Voids

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis	Portfolio
Average void rent loss	£394.67	September 2017	  	

Despite an increase in rent loss in September this comes after a decrease in loss of £134 during July and August. In total there was a loss of £1,180 for Q2 which compared to Q1 gives a £50 reduction in rent loss for the quarter.

Corporate Resources Portfolio

Benefits Operational Dataset

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Number of households in receipt of benefits	5,979	Q2 2017/18				6 - CR Portfolio
Benefits - average end to end time for claims (days)	22.41	September 2017				6 - CR Portfolio




On average for the quarter the end to end times to process benefits claim was 22 days which is 2 days faster than the average for Q1.

Financial Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
% of Council Tax collected (cumulative over 10 months per year)	57.20%	Q2 2017/18				6 - CR Portfolio
Percentage of Non-domestic Rates collected (cumulative over 10 months per year)	55.8%	Q2 2017/18				6 - CR Portfolio













The non-domestic rates is showing as an adverse short-term and long-term trend however it is only 0.1% lower than Q2 2016/17.

Gas Certification Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Percentage of properties with a gas appliance that have a valid gas certificate	99.67	September 2017				6 - CR Portfolio






Although this shows as an adverse trend it falls within the set target.

Sickness Absence Data Set










Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Number of working days lost due to long term sickness absence	352	Q2 2017/18				6 - CR Portfolio
Number of working days lost due to short term sickness absence	566	Q2 2017/18				6 - CR Portfolio
Number of staff on long term sickness absence	16	Q2 2017/18				6 - CR Portfolio
Number of staff on short term sickness absence	108	Q2 2017/18				6 - CR Portfolio

Environment & Public Realm Portfolio

Environmental Data Set




Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Cumulative Tonnage of household waste sent for reuse, recycling and composting	7309	Q2 2017/18		N/A	N/A	6 - EPR Portfolio
No. of Flytipping incidents reported	255	Q2 2017/18				6 - EPR Portfolio
Percentage of household waste sent for reuse, recycling and composting	67.9%	Q2 2017/18		N/A	N/A	6 - EPR Portfolio

Food Hygiene Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
% of premises within the Rugby Borough that have attained the Food Hygiene Rating 5	70.5%	Q2 2017/18				6 - EPR Portfolio
There are currently 70.5% of food premises rated 5. The figure in Q1 was 70.3% so there is a slight increase.						
% of premises within the Rugby Borough that have attained the Food Hygiene Rating 4 and above	84.4%	Q2 2017/18				6 - EPR Portfolio
% of premises within the Rugby Borough that have attained the Food Hygiene Rating 3 and above	91.8%	Q2 2017/18				6 - EPR Portfolio

The 1.4% drop is not significant and is within normal fluctuation as we do around 400 inspections per year and it would only equate to around 1 or 2 businesses over the quarter.

Parks Data Set




Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Quality rating of Parks and the Grounds	2.75	Q2 2017/18				6 - EPR Portfolio
Average end to end time in days for determining applications of works to protected trees	29	Q2 2017/18				6 - EPR Portfolio

Growth & Investment Portfolio

Benn Hall Data Set






Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
No. of tickets sold at the Benn Hall	716	September 2017				6 - GI Portfolio
Footfall through the door at the Benn Hall	4,279	September 2017				6 - GI Portfolio

Land Charges Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Average end to end time for Land Charge Searches (Days)	3.27	September 2017				6 - GI Portfolio

The average end to end time for September took half a day longer than in August.

Sports & Rec Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Total number of young people contacts - Borough wide ages 5-19	21,613	Q2 2017/18		N/A	N/A	6 - GI Portfolio
Total grant aid obtained from external funding sources	£75,938.00	Q2 2017/18		N/A	N/A	6 - GI Portfolio
Leisure Centre Visits	60,668	August 2017				6 - GI Portfolio

August is the latest data available for this indicator.

AGENDA MANAGEMENT SHEET

Report Title:	Council Tax Reduction Scheme 2018/2019
Name of Committee:	Cabinet
Date:	4 th December 2017
Report Director:	Head of Corporate Resources and Chief Financial Officer
Portfolio:	Corporate Resources
Ward Relevance:	All
Prior Consultation:	Head of Corporate Resources and Chief Financial Officer
Contact Officer:	David Wortley, Benefits Manager, 01788 533440
Public or Private:	Public
Report subject to Call-In:	No, this report will be subject to a final decision by Council at its meeting in December 2017
Report En-Bloc:	No
Forward Plan:	No
Corporate Priorities:	This report relates to the following priority(ies): CORPORATE RESOURCES - Ensure that the council works efficiently and effectively CORPORATE RESOURCES - Optimise income and identify new revenue opportunities
Statutory / Policy Background:	The Local Government Finance Bill 2012

Summary:	To recommended to Council the adoption of a Council Tax Reduction Scheme for 2018/2019
Financial Implications:	Funding for the provision of a Local Council Tax Reduction Scheme is no longer separately identified within the Revenue Support Grant. The cost of awards are met by the major preceptors, however the cost of administering a scheme is borne by Rugby Borough Council.
Risk Management Implications:	There is a statutory requirement to adopt a Local Council Tax Reduction Scheme
Environmental Implications:	There are no environmental implications for this report
Legal Implications:	The Council is required to adopt a Local Council Tax Reduction Scheme for the financial year 2018/2019 by 31 st January 2018
Equality and Diversity:	The changes will affect all customers and an Equality Impact Assessment is included with this report.
Options:	<ol style="list-style-type: none"> 1. Recommend Full Council to approve the proposed scheme. 2. Identify changes to the proposed scheme, to be subjected to public consultation.
Recommendation:	IT BE RECOMMENDED TO COUNCIL THAT the Council Tax Reduction Scheme for 2017/2018 be adopted as the Council's Local Council Tax Reduction Scheme for 2018/2019.
Reasons for Recommendation:	To enable the Council to deliver a Council Tax Reduction Scheme for 2018/2019

Cabinet – 4th December 2017

Council Tax Reduction Scheme 2018/2019

Report of the Head of Corporate Resources and Chief Financial Officer

Recommendation

IT BE RECOMMENDED TO COUNCIL THAT the Council Tax Reduction Scheme for 2017/2018 be adopted as the Council's Council Tax Reduction Scheme for 2018/2019.

1. Background

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

2. Proposals considered for 2018/2019

- 2.1 The estimated cost of the scheme for customers of working age will be in the region of £2,206,898, for the current financial year. The cost to Rugby Borough Council would be in the region of £264,827, with the County Council and Police Commissioner funding the remaining costs.
- 2.2 Council Tax Reduction is currently limited to a maximum of 85% of a customer's weekly Council Tax liability, the actual amount received depends on their income and family circumstances.
- 2.3 Modelling has been undertaken to establish the impact of reducing the current cap of 85%. Results based on current year claim data are shown below:

Cap limit	85% (Current)	80%	75%	70%
Estimated cost of scheme	£2,206,898	£2,092,814	£1,943,492	£1,795,653
Cost to Rugby BC	£264,827	£251,138	£233,219	£215,478
Potential saving		£13,689	£31,608	£49,349

2.4 Reducing the maximum amount of support available would result in customers paying an increased level of Council Tax. A customer in a Town Centre Band A property would currently pay a minimum of £170 per year. Under the above proposals this would increase up to a minimum of £340 per year. A customer in a Town Centre Band C property would see an increase from £226 to £452 per year. This would represent a significant increase for those on fixed incomes.

2.5 It is also anticipated that a substantial increase could lead to an increase in Council Tax arrears. The potential increase in arrears has been modelled and could result in any potential savings from changing the scheme being offset by an increase in the level of bad debt.

3. Proposed Scheme for 2018/2019

3.1 It is proposed to carry forward the scheme for 2017/2018 without any amendment.

4. Equality Impact Assessment

4.1 An Equality Impact Assessment for the proposed scheme is attached at Appendix 1. The Council operates a Discretionary Council Tax Reduction Scheme to provide additional support on a case by case basis.

Name of Meeting:
Cabinet

Date of Meeting:
4th December 2017

Subject Matter:
Council Tax Reduction Scheme 2018/2019

Originating Department:
Corporate Resources

List of Background Papers

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

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

* Exempt information is contained in the following documents:

Document No.	Relevant Paragraph of Schedule 12A
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* There are no background papers relating to this item.

(*Delete if not applicable)

EQUALITY IMPACT ASSESSMENT/ ANALYSIS (EqIA)

Council Tax Reduction Scheme 2018



Equality Impact Assessment

Service Area	Resources
Policy/Service being assessed	Council Tax Reduction Scheme
Is this is a new or existing policy/service?	Revised scheme to be introduced from April 2018
If existing policy/service please state date of last assessment	November 2016
EqlA Review team – List of members	David Wortley
Date of this assessment	06 November 2017
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)		
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Council Tax Reduction Scheme			X			X			X			X			X			X			X			X			X
Are your proposals likely to impact on social inequalities e.g. child poverty for example or our most geographically disadvantaged communities? If yes please explain how. The new scheme will continue to impact on those customers who have a third child, or where a customer with three or more children make a new claim for Council Tax Reduction . This is due to the fact that one of the components used in the calculation, known as the child premium, is being restricted to a maximum of two children. This means that these customers will receive less help towards their Council Tax. This change will mirror changes made to Housing Benefit, certain																								YES			

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

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

<u>Stage 1 – Scoping and Defining</u>	
(1) What are the aims and objectives of Plan/Strategy/Service/Policy?	The scheme is designed to assist customers pay their Council Tax with effect from April 2018.
(2) How does it fit with Rugby Borough Council's Corporate priorities?	It is a statutory duty for the Council to provide a Local Council Tax Reduction Scheme.
(3) What are the expected outcomes?	The Council needs to develop a scheme of support that will be based on a fixed grant basis rather than being demand led.
(4) Which of the groups with protected characteristics is this intended to benefit? (see form A1 for list of protected groups)	All customers will be able to apply for assistance with the payment of Council Tax. This will be based on the income received by the household compared to the basic cost of living calculated by the Council for each applicant.
<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?	Council Tax Reduction caseload data for 2017/2018. This has enabled the impact of the new scheme to be modelled for individual customers.
(2) Have you consulted on the plan/ strategy/ service/policy and if so with whom?	Due to no changes being proposed to the scheme, public consultation has not been undertaken.
(3) Which of the groups with protected characteristics have you consulted with?	

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>	<p>RACE No</p>	<p>DISABILITY No. Income from disability living allowance and personal independence payments will be disregarded when calculating entitlement</p>	<p>GENDER No</p>
	<p>MARRIAGE/CIVIL PARTNERSHIP No</p>	<p>AGE Yes – only working age claimants will be affected</p>	<p>GENDER REASSIGNMENT No</p>
	<p>RELIGION/BELIEF No</p>	<p>PREGNANCY MATERNITY Yes Customers who have their third child in the new financial year or have a break in claim will receive less support compared to a similar customer already in receipt of benefit who will be protected from the changes within the scheme.</p>	<p>SEXUAL ORIENTATION No</p>
<p>(2) If there is an adverse impact, can this be justified?</p>	<p>The changes are in line with changes introduced within Housing Benefit</p>		
<p>(3) What actions are going to be taken to reduce or eliminate negative or adverse impact? (this should form part of your action plan under Stage 4.)</p>	<p>A discretionary fund will be available to provide additional support in exceptional circumstances. This will be dealt with on a case by case basis.</p>		

(4) How does the plan/strategy/service/policy contribute to the promotion of equality? If not what can be done?	N/A
(5) How does the plan/strategy/service/policy promote good relations between groups? If not what can be done?	N/A
(6) Are there any obvious barriers to accessing the service? If yes how can they be overcome?	None

<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"> <thead> <tr> <th>Action</th> <th>Lead Officer</th> <th>Date for completion</th> <th>Resource requirements</th> <th>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	The Council Tax Reduction Scheme is subject to annual review																									

AGENDA MANAGEMENT SHEET

Report Title:	Results of Internal Audit External Quality Assessment
Name of Committee:	Cabinet
Date:	4th December 2017
Report Director:	Head of Corporate Resources and Chief Financial Officer
Portfolio:	Corporate Resources
Ward Relevance:	None
Prior Consultation:	Audit & Ethics Committee
Contact Officer:	Chris Green - Corporate Assurance and Improvement Manager
Public or Private:	Public
Report subject to Call-In:	No
Report En-Bloc:	No
Forward Plan:	No
Corporate Priorities:	Ensuring that the Council works efficiently and effectively
Statutory / Policy Background:	Public Sector Internal Audit Standards
Summary:	The report sets out the results of the internal audit external quality assessment, and details the progress made so far towards implementing the agreed action plan.
Financial Implications:	None
Risk Management Implications:	None

Environmental Implications: None

Legal Implications: None

Equality and Diversity: None

Options: None

Recommendation: Cabinet receives the positive results of the internal audit external quality assessment.

Reasons for Recommendation: To ensure that the internal audit function is effective and operates in compliance with the Public Sector Internal Audit Standards

Cabinet - 4th December 2017

Results of Internal Audit External Quality Assessment

Report of the Head of Corporate Resources and Chief Financial Officer

Recommendation

Cabinet receives the positive results of the internal audit external quality assessment.

Report

- 1.1 The Public Sector Internal Audit Standards, introduced in April 2013, require that an independent external assessment of the internal audit service be carried out every 5 years. That assessment can be in the form of a full external quality review, or an independently validated self-assessment. The Council opted for a full external quality review, which is arguably more comprehensive.
- 1.2 The Audit & Ethics Committee approved the commissioning of Tilia Solutions to deliver the external assessment, which was completed in September 2017 with the final report being issued in October 2017.
- 1.3 **The full report is included at Appendix A and concludes that there are “no areas of non-compliance with the standards that would affect the overall scope or operation of the internal audit activity. Significant progress has been made over the last two years to update the audit approach”.** The report also highlighted “some minor actions needed to ensure full compliance with the standards, especially to makes the terms of reference more explicit”. An action plan has been agreed, which is being delivered by the Corporate Assurance and Improvement Manager. See Appendix B.
- 1.4 Significant progress has already been made towards delivering the action plan. Six of the ten formal recommendations have been implemented. An update on the progress made is included at Appendix B. It is expected that the full action plan will be completed by May 2018 and the Cabinet should have confidence that from this date the Council will be operating in full compliance with the standards. A progress update will be provided to each meeting of the Audit & Ethics Committee until the action plan is completed, and the Head of Corporate Resources and Chief Finance Officer is supervising delivery of the action plan.

Name of Meeting:
Cabinet

Date of Meeting:
4th December 2017

Subject Matter:
Results of Internal Audit External Quality Assessment

Originating Department: Corporate Assurance and Improvement

List of Background Papers

Document No.	Date	Description of Document	Officer's Reference	File Reference
1.	04/12/17	Appendix A Final Report RBC		
2.	04/12/17	Appendix B EQA Action Plan Progress Update		

FINAL

**Review of the Internal Audit Function
at
Rugby Borough Council**

20 October 2017

Elizabeth Humphrey CPFA

Review of Rugby Borough Council's Internal Audit function (September 2017)

Internal audit within the public sector in the United Kingdom is governed by the Public Sector Internal Audit Standards (PSIAS) which have been in place since 1 April 2013, were revised on 1 April 2016 and have been further revised on 1 April 2017. The standards require periodic self-assessments and an assessment by an external person every five years. Now that Rugby Borough Council's audit function has been operating under the standards for over four years and the head of audit (the Corporate Assurance and Improvement Manager) has been in post for almost two years, this was deemed a good time for the first external review. The review also included checking compliance with the Local Government Advisory Note (LGAN) where this has requirements in addition to those in the PSIAS.

The review was carried out through a process of interview and document review. A list of interviewees is included at appendix 2. I should like to thank all those who took the time to talk to me for their help. I reviewed seven audits carried out during the 2015/16, 2016/17 and 2017/18 financial years and I examined key documents including the Charter and reports to the Audit and Ethics Committee (referred to as A&E below).

I identified no areas of non-compliance with the standards that would affect the overall scope or operation of the internal audit activity. Significant progress has been made over the last two years to update the audit approach. There remain some minor actions needed to ensure full compliance with the standards, especially to make the terms of reference more explicit, and I have made some practical and pragmatic medium priority recommendations (R) and lower priority suggestions (S) to support this. The Corporate Assurance and Improvement Manager (referred to as the CAE below) will need to take action to implement them and an action plan is included as appendix 1.

Summary findings and recommendations

Standard	Compliance	Findings	Recommendations and suggestions	Rec no
Mission	Complies	The Charter includes the newly developed internal audit mission		
Core principles of internal audit	Complies	No significant problems were identified with following the Core Principles and the work to be undertaken by the Assurance and Improvement team regarding bringing together the Council's strategic plans, risks and performance into a corporate dashboard will help. Addressing some of the matters highlighted below will also support the Principles further	See R3, R4, S8 and S9	

Standard	Compliance	Findings	Recommendations and suggestions	Rec no
Code of Ethics	Complies	All interviewees stressed the emphasis placed on ethics by the audit team and their independence and objectivity The audit manual contains a link to the Principles of Public Life rather than details of the principles	Strengthen the emphasis placed on ethics by discussing the implications of the Code in team meetings Include full details of the Principles of Public Life in the manual	S1 S2
Attribute standards				
1000 Purpose, authority and responsibility	Partial	<p>Standards 1000.AI and 1000.CI There is no definition of the nature of assurance and consultancy work in the Charter</p> <p>Standard 1010 There is no reference to the Core Principles in the Charter</p> <p>There is no detail about how resource requirements are assessed in the Charter</p> <p>The Charter refers to fraud being part of the function's role but does not explain the role of audit in relation to fraud</p>	Revise the charter to: <ul style="list-style-type: none"> • Include definitions of assurance and consultancy work, making the link to assurance more explicit and making the link to the annual audit opinion • Include information about the Core Principles, showing how audit delivers against them • Explain how resource requirements are assessed, including the role of external providers • Include information on audit's role in relation to fraud, stating that it does not have a responsibility to identify cases of fraud 	RI
1100 Independence and objectivity	Complies	Several different activities come under the leadership of the CAE and appropriate safeguards to manage these have been put in place Standard 1110 There is no annual confirmation of independence to the A&E Standard 1111 The CAE has free access to the A&E chair and members but does not meet the committee in private formally	Include a positive confirmation of audit's independence in the annual audit report Introduce annual formal private meetings between the A&E and the CAE	R2 S3

Standard	Compliance	Findings	Recommendations and suggestions	Rec no
1200 Proficiency and due professional care	Complies	Standard 1220.A1 The annual audit plan considers the complexity, materiality and significance of those items included in the plan, but this information is not included in the planning for individual audits Standard 1220.A2 In common with many small audit teams, the function does not use specialist data analysis tools	Include relevant information from the annual plan in terms of reference for individual audits to emphasise their focus Ask the IT audit contractor if they could undertake data analysis activities	R3 S4
1300 Quality assurance and improvement programme	Partial	Standard 1310 and 1311 and LGAN p12 Quality assurance activities are undertaken but there is no over-arching strategy (QAIP) showing how the different activities link together, when they should be undertaken, who should be involved or their scope LGAN p13 Performance indicators are now in place for the service and have been reported. They should be reported over time, showing trends	Include details in the QAIP regarding the conduct of QAIP reviews, including how often, who is involved and their scope. Invite A&E members and other appropriate staff to be included in the quality assurance programme periodically Ensure that performance indicators reported in the Annual Audit Report show trends over time	R4 S5 R5
Performance standards				
2000 Managing the internal audit activity	Complies	The audit process is well managed, reflecting the work that has been undertaken recently. The planned work to link the Council's strategic objectives, risk and performance will support the risk-focus of the audit plan Standard 2050 There are plans to undertake an assurance mapping exercise. In the meantime, the audit opinion could be supported by greater understanding of the sources of assurance in relation to IT	Discuss assurance providers, including external audit, with IT to identify all possible sources of assurance and report this work to the A&E	S6

Standard	Compliance	Findings	Recommendations and suggestions	Rec no
		<p>LGAN p17 The audit manual does not show the process to follow when serious issues are identified during an audit</p>	<p>Include details in the manual of the process to follow when serious interim findings are identified during an audit</p>	R6
<p>2100 Nature of work</p>	Complies	<p>Standard 2110.A1 Aspects of ethical activities have been audited but coverage could be broader</p> <p>Standard 2110.A2 IT audit is provided by a contractor, internally and also by external audit. Planning this work together would be a more efficient use of resources and also provide greater assurance on IT</p> <p>Standard 2120.A2 Consideration of fraud risks has recently been added to the audit terms of reference but they are not ruled out explicitly when they are not relevant to the scope of an audit</p> <p>Standard 2120.A3 and LGAN p20 Risk registers are updated if risks are identified in audits but this is done by the CAE, diluting the responsibility of risk owners</p> <p>Standard 2130.A1 There is no explicit link made between audits and the delivery of the Council's strategic objectives</p>	<p>Include examination of ethical issues in all relevant audits, bringing this work together at the year end to form an opinion on ethical activities See S6</p> <p>Ensure that fraud risks are ruled out explicitly if they are not relevant to a planned audit</p> <p>Ensure risk owners take responsibility for updating risk registers as necessary following audits</p> <p>Make the link between organisational objectives, audits and audit plans clear in the terms of reference</p>	<p>R3 S7</p> <p>R3</p> <p>R7</p> <p>R3</p>
<p>2200 Engagement planning</p>	Partial	<p>Standards 2201 and 2210 The audit terms of reference does not always cover:</p> <ul style="list-style-type: none"> • Strategies and objectives of the activity being reviewed 	<p>Expand the audit terms of reference as indicated</p>	R3

Standard	Compliance	Findings	Recommendations and suggestions	Rec no
		<ul style="list-style-type: none"> • How the activity controls its performance • The framework used by the activity to manage its governance, risk and control processes • The probability of errors and non-compliance • Opportunities to add value <p>The use of the Council's risk management approach on the terms of reference, including risk scoring and consequences, is excellent practice and could be improved by considering the causes of risks in addition</p>	<p>Include risk causes in the terms of reference</p>	R3
2300 Performing the engagement	Complies	The review showed that audits are well-performed and clearly documented		
2400 Communicating the results	Partial	<p>Standard 2420 Audit reports are long, with repeated text, and generally, but not consistently, written in the third person</p> <p>Standard 2440.AI and CI Reports do not include the name of the CAE and may not be sent out by him</p> <p>Standard 2450 The annual internal audit opinion should conclude on the organisation's governance, risk and control arrangements. The annual report refers only to control while the AGS refers to governance and control</p>	<p>Consider writing reports in the first person to improve ownership and ease reading Reduce duplication in reports between the summary, detail and action plans</p> <p>At the very least, include the CAE's name on audit reports</p> <p>The annual audit opinion should cover risk management, controls and governance. If no conclusion can be drawn on a specific area, then that should be identified</p>	S8 S9 R8 R9
2500 Monitoring progress	Complies	The follow-up process as set out in the manual complies with the standards but it was not entirely clear	Specify, both in the audit manual and in audit reports, which recommendations will	R10

Standard	Compliance	Findings	Recommendations and suggestions	Rec no
		which recommendations would always be followed up and those interviewed all had a slightly different understanding of the process	always be followed up and ensure that the A&E and auditees understand the process	
2600 Communicating the acceptance of risks	Complies	There was no evidence that risks have been left unmitigated following an audit, highlighting the importance placed by the officers at the Council on audit findings		

The Corporate Assurance and Improvement Manager has details of the findings, standard by standard.

Elizabeth Humphrey CPFA

Appendix I: action plan

Recommendations

No	Recommendation	Response	Responsible officer	Action date
R1	Revise the charter to: <ul style="list-style-type: none"> • Include definitions of assurance and consultancy work, making the link to assurance more explicit and making the link to the annual audit opinion • Include information about the Core Principles, showing how audit delivers against them • Explain how resource requirements are assessed, including the role of external providers • Include information on audit's role in relation to fraud, stating that it does not have a responsibility to identify cases of fraud 	Agreed; the Charter will be updated to include: <ul style="list-style-type: none"> • the required definitions; • information about the Core Principles for the Professional Practice of Internal Auditing and how audit delivers against them; • an explanation of how resource requirements are assessed, including the role of external providers; • an explanation of audit's role in relation to fraud. The updated Charter will be communicated to the Senior Management Team and submitted to the Audit & Ethics Committee for endorsement at the November 2017 meeting.	Corporate Assurance and Improvement Manager	30/11/17
R2	Include a positive confirmation of audit's independence in the annual audit report	Agreed; the latest report included a statement of how internal audit demonstrates its independence but did not explicitly state that it was independent. Will ensure that the annual report contains an explicit statement for 2017/18 onwards.	Corporate Assurance and Improvement Manager	31/05/18
R3	Expand the audit terms of reference to include: <ul style="list-style-type: none"> • Relevant information from the annual audit plan to emphasise their focus • Examination of ethical arrangements, where relevant 	Agreed; the standard terms of reference template will be expanded to incorporate the recommended additions. The update template will then be used for all assurance assignments.	Corporate Assurance and Improvement Manager	30/11/17

No	Recommendation	Response	Responsible officer	Action date
	<ul style="list-style-type: none"> • Ruling out of fraud risks explicitly if they are not relevant to a planned audit • A clear link between organisational objectives, audits and audit plans • Strategies and objectives of the activity being reviewed • How the activity controls its performance • The framework used by the activity to manage its governance, risk and control processes • The probability of errors and non-compliance • Opportunities to add value • Risk causes 			
R4	Include details in the QAIP regarding the conduct of QAIP reviews, including how often, who is involved and their scope	Agreed; an overarching Quality Assurance and Improvement Programme will be communicated to the Senior Management Team and presented to the next meeting of the Audit & Ethics Committee.	Corporate Assurance and Improvement Manager	30/11/17
R5	Ensure that performance indicators reported in the Annual Audit Report show trends over time	Agreed; this will be incorporated within routine progress reports and the annual report once sufficient comparative data is available.	Corporate Assurance and Improvement Manager	31/05/18
R6	Include details in the manual of the process to follow when serious interim findings are identified during an audit	Agreed; the audit manual will be updated to document the process in place.	Corporate Assurance and Improvement Manager	30/11/17
R7	Ensure risk owners take responsibility for updating risk registers as necessary following audits	Agreed; this will be communicated via the Corporate Management Forum.	Corporate Assurance and Improvement Manager	31/12/17

No	Recommendation	Response	Responsible officer	Action date
R8	At the very least, include the CAE's name on audit reports	Agreed; this will be implemented for all future final audit reports.	Corporate Assurance and Improvement Manager	30/11/17
R9	The annual audit opinion should cover risk management, controls and governance. If no conclusion can be drawn on a specific area, then that should be identified	Agreed; the opinion statement will be expanded for 2017/18 onwards.	Corporate Assurance and Improvement Manager	31/05/18
R10	Specify, both in the audit manual and in audit reports, which recommendations will always be followed up and ensure that the A&E and auditees understand the process	Agreed; the audit manual will be updated as recommended. Auditees will be advised of the process via the Corporate Management Forum.	Corporate Assurance and Improvement Manager	31/12/17

Suggestions

No	Suggestion	Response	Responsible officer	Action date
S1	Strengthen the emphasis placed on ethics by discussing the implications of the Code in team meetings	Agreed; will include a session on the Code in an upcoming team meeting and periodically thereafter.	Corporate Assurance and Improvement Manager	31/12/17
S2	Include full details of the Principles of Public Life in the manual	Agreed; at present the Manual contains a link to the seven principles but the full details will be included.	Corporate Assurance and Improvement Manager	30/11/17
S3	Introduce annual formal private meetings between the A&E and the CAE	Agreed; will discuss with the Chair and Vice Chair and schedule an annual private meeting.	Corporate Assurance and Improvement Manager	31/03/18
S4	Ask the IT audit contractor if they could to undertake data analysis activities	Agreed in Principle – this will depend on the nature of the assurance work being undertaken. Where deemed relevant, the IT audit contractor will be asked to support data analysis activity.	Corporate Assurance and Improvement Manager	31/03/18
S5	Invite A&E members and other appropriate staff to be included in the quality assurance programme periodically	Agreed; this will be considered and incorporated within the overarching QAIP to be presented to the Audit & Ethics Committee in November 2017.	Corporate Assurance and Improvement Manager	30/11/17
S6	Discuss assurance providers, including external audit, with IT to identify all possible sources of assurance and report this work to the A&E	<p>Agreed; a preliminary discussion has already been held with the IT Auditor and Corporate ICT Manager and it is considered that there is no overlap between the IT work of internal audit and external audit for the current year – although there may have been previously. A further meeting has been arranged for 06/11/17 to formally consider assurances which may already be provided by other external sources, and the nature of those assurances. Duplicated assurance will be avoided.</p> <p>The outcome of this work will be reported to the Audit & Ethics Committee including information on the various sources of assurance and the nature of that assurance.</p>	Corporate Assurance and Improvement Manager	30/11/17

No	Suggestion	Response	Responsible officer	Action date
S7	Bring work on ethical arrangements together at the year end to form an opinion on ethical activities	Agreed; this will be incorporated within the next annual report.	Corporate Assurance and Improvement Manager	31/05/18
S8	Consider writing reports in the first person to improve ownership and ease reading	Agreed; this will be implemented for all future audit reports.	Corporate Assurance and Improvement Manager	30/11/17
S9	Reduce duplication in reports between the summary, detail and action plans	Agreed; the content of reports will be reviewed and duplication removed. This will be implemented for all future audit reports.	Corporate Assurance and Improvement Manager	30/11/17

Appendix 2: interviewees

Person	Position
Chris Blundell	Financial Services Manager and Deputy Chief Finance Officer
P Dudfield	Chairman, Audit and Ethics Committee
J Eaves	Vice-Chairman, Audit and Ethics Committee
Steve Garrison	Democratic Services Manager and Monitoring Officer
Chris Green	Corporate Assurance and Improvement Manager
Mannie Ketley	Head of Corporate Resources and Chief Finance Officer
Debbie McCarthy	Customer and Business Support Services Manager
Adam Norburn	Executive Director and Head of Paid Service
Minakshee Patel	Equalities and Diversity Advisor
Andy Singleton	Corporate ICT Manager
Pamela Thomas	Auditor

APPENDIX B – UPDATE ON DELIVERY OF ACTION PLAN ARISING FROM THE INTERNAL AUDIT EXTERNAL QUALITY ASSESSMENT

No	<u>Recommendation</u>	<u>Response</u>	<u>Responsible Officer</u>	<u>Agreed Action Date</u>	<u>Progress Update</u>
R1	<p>Revise the charter to:</p> <ul style="list-style-type: none"> • Include definitions of assurance and consultancy work, making the link to assurance more explicit and making the link to the annual audit opinion • Include information about the Core Principles, showing how audit delivers against them • Explain how resource requirements are assessed, including the role of external providers • Include information on audit’s role in relation to fraud, stating that it does not have a responsibility to identify cases of fraud 	<p>Agreed; the Charter will be updated to include:</p> <ul style="list-style-type: none"> • the required definitions; • information about the Core Principles for the Professional Practice of Internal Auditing and how audit delivers against them; • an explanation of how resource requirements are assessed, including the role of external providers; and • an explanation of audit’s role in relation to fraud. <p>The updated Charter will be communicated to the Senior Management Team and submitted to the Audit & Ethics Committee for endorsement at the November 2017 meeting.</p>	Corporate Assurance and Improvement Manager	30/11/2017	<p>ACTION IMPLEMENTED</p> <p>The updated Charter was presented to the meeting of the Audit & Ethics Committee (A&E) on 27/11/2017 for approval. See Appendix C to this report.</p> <p>The updated Charter has been communicated to SMT.</p>
R2	<p>Include a positive confirmation of audit’s independence in the annual audit report</p>	<p>Agreed; the latest report included a statement of how internal audit demonstrates its independence but did not explicitly state that it was independent. Will ensure that the annual report contains an explicit statement for 2017/18 onwards.</p>	Corporate Assurance and Improvement Manager	31/05/2018	<p>This will be addressed when the next annual report is written in May 2018.</p>

APPENDIX B – UPDATE ON DELIVERY OF ACTION PLAN ARISING FROM THE INTERNAL AUDIT EXTERNAL QUALITY ASSESSMENT

No	Recommendation	Response	Responsible Officer	Agreed Action Date	Progress Update
R3	<p>Expand the audit terms of reference to include:</p> <ul style="list-style-type: none"> • Relevant information from the annual audit plan to emphasise their focus • Examination of ethical arrangements, where relevant • Ruling out of fraud risks explicitly if they are not relevant to a planned audit • A clear link between organisational objectives, audits and audit plans • Strategies and objectives of the activity being reviewed • How the activity controls its performance • The framework used by the activity to manage its governance, risk and control processes • The probability of errors and non-compliance • Opportunities to add value • Risk causes 	<p>Agreed; the standard terms of reference template will be expanded to incorporate the recommended additions. The update template will then be used for all assurance assignments.</p>	<p>Corporate Assurance and Improvement Manager</p>	<p>30/11/2017</p>	<p>ACTION IMPLEMENTED</p> <p>The standard terms of reference has been updated to incorporate the recommended additions.</p>

APPENDIX B – UPDATE ON DELIVERY OF ACTION PLAN ARISING FROM THE INTERNAL AUDIT EXTERNAL QUALITY ASSESSMENT

No	Recommendation	Response	Responsible Officer	Agreed Action Date	Progress Update
R4	Include details in the Quality Assurance and Improvement Programme (QAIP) regarding the conduct of QAIP reviews, including how often, who is involved and their scope	Agreed; an overarching QAIP will be communicated to the Senior Management Team and presented to the next meeting of the Audit & Ethics Committee.	Corporate Assurance and Improvement Manager	30/11/2017	ACTION IMPLEMENTED The QAIP was presented to the Audit & Ethics Committee for approval on 27/11/2017. The QAIP has been communicated to SMT.
R5	Ensure that performance indicators reported in the Annual Audit Report show trends over time	Agreed; this will be incorporated within routine progress reports and the annual report once sufficient comparative data is available.	Corporate Assurance and Improvement Manager	31/05/2018	This will be addressed when the next annual report is written in May 2018.
R6	Include details in the manual of the process to follow when serious interim findings are identified during an audit	Agreed; the audit manual will be updated to document the process in place.	Corporate Assurance and Improvement Manager	30/11/2017	ACTION IMPLEMENTED The audit manual has been updated as agreed.
R7	Ensure risk owners take responsibility for updating risk registers as necessary following audits	Agreed; this will be communicated via the Corporate Management Forum.	Corporate Assurance and Improvement Manager	31/12/2017	Not yet implemented.
R8	At the very least, include the Chief Audit Executive (CAE)'s name on audit reports	Agreed; this will be implemented for all future final audit reports.	Corporate Assurance and Improvement Manager	30/11/2017	ACTION IMPLEMENTED The standard audit report template has been updated to include the name of the Corporate Assurance and Improvement Manager.

APPENDIX B – UPDATE ON DELIVERY OF ACTION PLAN ARISING FROM THE INTERNAL AUDIT EXTERNAL QUALITY ASSESSMENT

No	Recommendation	Response	Responsible Officer	Agreed Action Date	Progress Update
R9	The annual audit opinion should cover risk management, controls and governance. If no conclusion can be drawn on a specific area, then that should be identified	Agreed; the opinion statement will be expanded for 2017/18 onwards.	Corporate Assurance and Improvement Manager	31/05/2018	This will be addressed when the next annual report is written in May 2018.
R10	Specify, both in the audit manual and in audit reports, which recommendations will always be followed up and ensure that the A&E and auditees understand the process	Agreed; the audit manual will be updated as recommended. Auditees will be advised of the process via the Corporate Management Forum.		30/11/2017	ACTION IMPLEMENTED The audit manual has been updated as agreed. The process was communicated to all managers on 26/10/2017.

APPENDIX B – UPDATE ON DELIVERY OF ACTION PLAN ARISING FROM THE INTERNAL AUDIT EXTERNAL QUALITY ASSESSMENT

No	Suggestion	Response	Responsible Officer	Agreed Action Date	Progress Update
S1	Strengthen the emphasis placed on ethics by discussing the implications of the Code in team meetings.	Agreed; will include a session on the Code in an upcoming team meeting and periodically thereafter.	Corporate Assurance and Improvement Manager	31/12/2017	Not yet implemented.
S2	Include full details of the Principles of Public Life in the manual	Agreed; at present the manual contains a link to the seven principles but the full details will be included.	Corporate Assurance and Improvement Manager	30/11/2017	ACTION IMPLEMENTED The audit manual has been updated as agreed.
S3	Introduce annual formal private meetings between the A&E and the CAE	Agreed; will discuss with the Chair and Vice Chair and schedule an annual private meeting.	Corporate Assurance and Improvement Manager	31/03/2018	Meeting arranged for 27/11/2017.
S4	Ask the IT audit contractor if they could to undertake data analysis activities	Agreed in principle – this will depend on the nature of the assurance work being undertaken. Where deemed relevant, the IT audit contractor will be asked to support data analysis activity.	Corporate Assurance and Improvement Manager	31/03/2018	Not yet implemented. This will depend on the content of next year’s internal audit plan. There are no remaining audits in the current year plan that would lend themselves to this approach.
S5	Invite A&E members and other appropriate staff to be included in the quality assurance programme periodically	Agreed; this will be considered and incorporated within the overarching QAIP to be presented to the A&E Committee in November 2017.	Corporate Assurance and Improvement Manager	30/11/2017	ACTION IMPLEMENTED This has been incorporated within the Quality Assurance and Improvement Programme.

APPENDIX B – UPDATE ON DELIVERY OF ACTION PLAN ARISING FROM THE INTERNAL AUDIT EXTERNAL QUALITY ASSESSMENT

No	<u>Suggestion</u>	<u>Response</u>	<u>Responsible Officer</u>	<u>Agreed Action Date</u>	<u>Progress Update</u>
S6	Discuss assurance providers, including external audit, with IT to identify all possible sources of assurance and report this work to the A&E	Agreed; a preliminary discussion has already been held with the IT Auditor and Corporate ICT Manager and it is considered that there is no overlap between the IT work of internal audit and external audit for the current year – although there may have been previously. A further meeting has been arranged for 06/11/17 to formally consider assurances which may already be provided by other external sources, and the nature of those assurances. Duplicated assurance will be avoided. The outcome of this work will be reported to the Audit & Ethics Committee including information on the various sources of assurance and the nature of that assurance.	Corporate Assurance and Improvement Manager	30/11/2017	A verbal update was provided at the Audit & Ethics Committee meeting on 27/11/17.
S7	Bring work on ethical arrangements together at the year end to form an opinion on ethical activities	Agreed; this will be incorporated within the next annual report.	Corporate Assurance and Improvement Manager	31/05/2018	This will be addressed when the next annual report is written in May 2018.

APPENDIX B – UPDATE ON DELIVERY OF ACTION PLAN ARISING FROM THE INTERNAL AUDIT EXTERNAL QUALITY ASSESSMENT

No	<u>Suggestion</u>	<u>Response</u>	<u>Responsible Officer</u>	<u>Agreed Action Date</u>	<u>Progress Update</u>
S8	Consider writing reports in the first person to improve ownership and ease reading	Agreed; this will be implemented for all future audit reports.	Corporate Assurance and Improvement Manager	30/11/2017	ACTION CLOSED It has been advised that the Council's adopted approach is to write reports in the third person and accordingly the current practice will continue.
S9	Reduce duplication in reports between the summary, detail and action plans	Agreed; the content of reports will be reviewed and duplication removed. This will be implemented for all future audit reports.	Corporate Assurance and Improvement Manager	30/11/2017	ACTION IMPLEMENTED The standard audit report template has been updated to reduce the level of duplication in the audit findings.

AGENDA MANAGEMENT SHEET

Report Title: A potential council-led lottery for Rugby

Name of Committee: Cabinet

Date: 4th December 2017

Report Director: Head of Communities and Homes

Portfolio: Communities and Homes

Ward Relevance: All

Prior Consultation: Senior Management Team and Cabinet briefing in September 2017

Contact Officer: Michelle Dickson (Communities and Projects Manager)

Public or Private: Public

Report subject to Call-In: Yes

Report En-Bloc: No

Forward Plan: Yes

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

COMMUNITIES AND HOMES - Understand our communities and enable people to take an active part in them
COMMUNITIES AND HOMES - Deliver digitally-enabled services that residents can access
CORPORATE RESOURCES - Optimise income and identify new revenue opportunities

Statutory / Policy Background: The establishment and running of lotteries is covered by the Gambling Act 2005.

Summary:

This report sets out the potential for introducing a Council-led lottery for Rugby as a means to help support the local community and voluntary sector.

The indicative start-up costs for launching a council led lottery for Rugby would be in the region of £8,000:

- £5,000 start-up costs, including both the Gambling Licence and Lotteries Council membership fee for the first year
- £3,000 minimum marketing to launch the lottery

Financial Implications:

The on-going annual costs are likely to be:

- £5,000 licencing and additional marketing to make people aware of the lottery
- £5,000 in officer time to administer the lottery and contract management of the ELM

More needs to be understood about:

- The appetite of the voluntary and community sector (VCS) for such a scheme
- The quantum ticket sales required to make such a scheme work
- The potential revenue income for the VCS

Risk Management Implications:

Environmental Implications:

There are no environmental implications for this report

Legal Implications:

The establishment of a local lottery must comply with the requirements of the Gambling Act 2005.

Equality and Diversity:

Some members of the community may be opposed to any form of gambling, on moral or religious grounds.

Options:

1. Give further consideration to the creation of a Rugby lottery and better understand the issues outlined under risk management implications.
2. Decide not to pursue a lottery for Rugby at this time and review in 12 months
3. Decide not to pursue a lottery for Rugby

Recommendation:

IT BE RECOMMENDED TO COUNCIL THAT delegated authority be given to the Head of Communities and Homes to:

- progress with the due diligence works required to develop the business case for a Rugby Borough Council led lottery; and
- subsequently launch a Rugby Borough Council led lottery, if the business case for doing so is sufficiently robust

Reasons for Recommendation:

The business-case will give particular consideration to issues around:

1. The appetite of the voluntary and community sector (VCS) for such a scheme
2. The quantum ticket sales required to make such a scheme work
3. The potential revenue income for the VCS
4. Ongoing resource requirements
5. Risk

Cabinet - 4th December 2017

A potential council-led lottery for Rugby

Report of the Head of Communities and Homes

Recommendation

IT BE RECOMMENDED TO COUNCIL THAT delegated authority be given to the Head of Communities and Homes to:

- progress with the due diligence works required to develop the business case for a Rugby Borough Council led lottery; and
- subsequently launch a Rugby Borough Council led lottery, if the business case for doing so is sufficiently robust

1.0 Introduction

Since 2015, thirty-three councils have either set up / or are in the process of setting up local lotteries (please see appendix 1). The closest local council lottery to Rugby is Daventry District Council's which is set to go live at the beginning of 2018.

As there is no instant gratification for players, participation in a lottery can be viewed as being low-risk gambling.

It can also be viewed as an opportunity to protect current levels of council funding for the voluntary and community sector.

2.0 Current funding for Rugby's voluntary and community sector

In 2017 /18 RBC committed to funding the local voluntary and community sector of £191,400, made up of:

- Community Grants – £63,400
- Community Association service level agreement funding - £37,500
- Service level agreement with the Foodbank - £2,500
- Contracts with CAB and WCAVA - £88,000

A local lottery, delivered on-line, does present a potential additional income stream opportunity to help support the community and voluntary sector, in addition to the community grant funding awarded by the council.

3.0 Mechanisms for delivering a lottery

The simplest way for a council to operate a lottery is to engage the services of an external lottery manager (ELM) defined in the Gambling Act 2005 as:

Someone that makes arrangements for a lottery on behalf of a society or local authority but is not a member, officer or employee of the society or local authority. A society or local authority and an ELM must be separate entities and be able to demonstrate that they are independent of one another

There would be a contractual arrangement between the appointed ELM and the council. The ELM would manage the lottery on the council's behalf, including website management, administering ticket payments, prize management, licensing and the provision of marketing materials.

ELM's are not primarily to be a vehicle for the creation of profit for commercial organisations. The intention is that they enable societies and local authorities to raise funds for their own non-commercial purposes.

4.0 The Gatherwell ELM model

Gatherwell (please see appendix 2) is the main provider of council lotteries. Whilst any contract with an ELM would have to go through a procurement process, it is worth considering the Gatherwell model as a means to understand how a lottery could potentially operate.

Gatherwell manage all aspects of the on-line lottery on the local authority's behalf. They also have an insurance policy in place to cover jackpot wins and suspension/failure of the lottery.

Tickets cost £1 each and each £1 is split as follows:

- 60% (more than double that of the National Lottery) goes toward good causes
- 20% goes towards prizes
- 17% ELM costs
- 3% VAT

Individual supporters have two choices as to how the 60% for good causes, generated by the purchase of their ticket is distributed:

1. The whole 60% can go to a *central community fund*, set up by the council. This fund can be defined as a centralised pot of funding that the Council will allocate, at its own discretion, to the voluntary and community sector. This fund can potentially be administered as part of the wider community grants programme.
2. 50% to a specified local good cause that is registered with the lottery, with the remaining 10% going to the Council's central community fund (to be allocated as per above)

Players select a line made up of 6 numbers running from 0-9. Numbers can be used more than once within the line. There is a 1:50 chance of winning a prize (free tickets; £25; £250; £1,000, £2,000 and a maximum prize of £25,000. All prizes are paid by direct debit.

The council would determine:

- The terms and conditions that good causes would need to agree to
- Applications from organisations seeking the status of a local good cause to benefit from lottery funding

5.0 Potential income from a local lottery

Based on the model of 60% of ticket sales going direct to good causes, table 1 highlights the potential income generated for good causes through ticket sales:

Weekly ticket sales	Annual amount generated for good causes (£'s)
500	15,600
1,000	31,200
1,500	46,800
2,000	62,400
2,500	78,000

6.0 potential start-up costs for establishing a local lottery

Aylesbury Vale allowed £4,000 as initial start-up costs (licensing and marketing) for their lottery, with the on-going costs to be met from ticket sales. However, Daventry have allowed £10,000 for their initial start-up costs.

Gatherwell have advised that the indicative start-up costs for launching a council led lottery for Rugby would be in the region of £8,000:

- £5,000 start-up costs, including both the Gambling Licence and Lotteries Council membership fee for the first year
- £3,000 minimum marketing to launch the lottery

7.0 Potential running costs for a Rugby lottery

Other councils have told us that they are allowing for between £750 and £3,500 per annum in respect of additional marketing costs, alongside £1,000 for the required annual license fee. In addition, they have allowed for approximately £5,000 per annum in officer time to run the lottery.

Based on the data currently available, it is estimated that on-going minimum costs of £10,000 be allowed for:

- £5,000 licencing and additional marketing to make people aware of the lottery
- £5,000 in officer time to administer the lottery and contract management of the ELM. This will be met from existing staff resources.

8.0 Potential risks and benefits to consider

There are a number of risks to consider:

- The voluntary and community sector choose not to engage
- The lottery does not perform and income is not as expected. The worst-case scenario is that initial start-up costs are effectively written off
- The ticket sales fall short of what was expected or decrease
- Marketing costs – the communications team has highlighted this as a key issue
- The ELM fail to perform as expected
- Although the ELM will promote the lottery, more promotion maybe required to sign-post people to the lottery in the first place
- Reputational issues in the event that the lottery initiative does not work out

There also potential benefits to be considered:

- It is an opportunity to review how the council resources the community and voluntary sector. By setting the criteria for the lottery beneficiaries it can ensure that it ties this in with meeting its corporate objectives and those of the Rugby Borough Regeneration Strategy.
- Checks can be established, similar to those already in place for the administration of the council's community grants programme, to ensure that beneficiaries are safe organisations, as far as is practicably and reasonably possible

9.0 Conclusion

The establishment of a local lottery would be an opportunity to provide an additional revenue stream for the voluntary and community sector. Robust due diligence will enable further informed decision-making.

Name of Meeting:
Cabinet

Date of Meeting:
4th December 2017

Subject Matter:
A potential council-led lottery for Rugby

Originating Department:
Communities and Homes

List of Background Papers

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

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

* Exempt information is contained in the following documents:

Document No.	Relevant Paragraph of Schedule 12A
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* There are no background papers relating to this item.

(*Delete if not applicable)

Gatherwell - Local Authority Lotteries

Local Authority	Status
Aylesbury Vale	Live
Blaby	Live
Broxborne	Live
Chiltern & South Bucks	Live
Corby	Live
Essex County Council	Live
Hart	Live
London Borough Barking & Dagenham	Live
Melton	Live
Mendip	Live
Newcastle Under Lyme	Live
North Lincs	Live
Portsmouth	Live
Rushmoor	Live
Somerset West	Live
South Staffs	Live
Thanet	Live
Torbay	Live
Tunbridge Wells	Live
Wycombe	Live
Bexley	Awarded
Bracknell Forest	Awarded
Breckland	Awarded
Cherwell	Awarded
Daventry	Awarded
Eastbourne	Awarded
Gloucester	Awarded
Harborough	Awarded
Havant	Awarded
Kings Lynn & West Norfolk	Awarded
Mansfield	Awarded
Nuneaton	Awarded
Peterborough	Awarded
South Oxfordshire	Awarded
Stoke City	Awarded
Tandridge	Awarded

Data source: Gatherwell

Background to Gatherwell.

Gatherwell was founded in 2013 by its 3 Directors with a mission to help good causes raise money by raising money within the community for the community. Together, the directors have more than 60 years' experience in the Gambling, Marketing and Sales industries.

Since 2013 they have already made a huge difference to hundreds of communities, projects and good causes. Their first product 'Your School Lottery' is helping more than 500 schools across the UK deal with increasing austerity pressures. With their other products they have helped a wide range of causes from food banks to fallen and injured firefighters.

They are also extremely proud to have been chosen as the UK's first online local authority lottery provider by Aylesbury Vale District Council. Vale Lottery launched on 28th November 2015 and continues to exceed expectations with 35 other local Authorities having now awarded Gatherwell the business of delivering local authority led lotteries.

Data source: Gatherwell

AGENDA MANAGEMENT SHEET

Report Title:	Treasury Management Report 2017/18 - Progress Report
Name of Committee:	Cabinet
Date:	4 th December 2017
Report Director:	Head of Corporate Resources and Chief Financial Officer
Portfolio:	Corporate Resources
Ward Relevance:	All
Prior Consultation:	Treasury Management Strategy 2017/18 – 2019/20 Council 28 th February 2017
Contact Officer:	Mannie Ketley, Head of Corporate Resources and Chief Financial Officer 01788 533416
Public or Private:	Public
Report subject to Call-In:	Yes
Report En-Bloc:	No
Forward Plan:	Yes
Corporate Priorities:	All
Statutory / Policy Background:	The Council's Treasury Management activities are strictly regulated by the Local Government Act 2003 and the CIPFA Code of Practice on Treasury Management.
Summary:	The report sets out the Treasury Management activities for the first half of 2017/18

Financial Implications:	The report ensures that the Council is aware of the current Treasury Management position.
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:	No new or existing policy or procedure has been recommended.
Options:	
	IT BE RECOMMENDED TO COUNCIL THAT -
Recommendation:	(1) the report be noted; and (2) the monitoring and the review of the Treasury Management indicators be agreed.
Reasons for Recommendation:	To comply with the Code of Practice

Cabinet – 4th December 2017

Treasury Management Report 2017/18 - Progress Report

Report of the Head of Corporate Resources and Chief Financial Officer

Recommendation

IT BE RECOMMENDED TO COUNCIL THAT -

(1) the report be noted; and

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

1.1 INTRODUCTION

On 28th February 2017, in accordance with the *CIPFA Code of Practice for Treasury Management in the Public Sector*, Council approved the Treasury Management Strategy for 2017/18 – 2019/20. The Code requires the Council to approve a treasury management strategy before the start of each financial year, a mid-year report, and an annual report after the end of each financial year.

This is a report on the Treasury Management activities for the first half of 2017/18 (the mid-year report). Treasury Management is defined as:

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

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

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

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

1.2 ECONOMIC REVIEW APRIL – SEPTEMBER 2017

The first half of 2017/18 has seen UK economic growth moderate to just below 2% and the Bank of England's Quarterly Inflation Report, released in August, suggests that growth will perform within a range of 1.6% to 1.7% through to the end of 2018. Some Monetary Policy Committee (MPC) members have expressed concerns about inflation threatening price stability, particularly with the £ significantly weaker since the June 2016 EU Referendum.

Unemployment, on the Independent Labour Organisation Measure, fell to a 42-year low of 4.4%, and with full-time jobs continuing to be created and vacancy rates also increasing, there is some concern that there will be a squeeze upwards in pay inflation. Currently this is running at 2.1%, but views are divided as to whether this number will move up strongly in the second half of 2017 and in 2018, given the headwinds of: the uncertainties surrounding Brexit talks; a flat-lining housing market; and the household savings ratio having hit an all-time low.

This last point should not be under-estimated, as it suggests that consumers – the mainstay of the UK's economic performance to date – are struggling to cope with rising prices and negative real earnings. It will be important to monitor consumer confidence over the coming months and for the MPC to be careful not to undermine the current levels of growth by pre-emptively increasing Bank Rate beyond the reversal of the emergency monetary stimulus implemented in August 2016. Furthermore, business sentiment surveys suggest the UK will enjoy no more than tepid growth over the coming months.

'Forward guidance' released by the MPC following its meeting on 2 November 2017 indicates Bank Rate will rise only twice more in the next three years to reach 1.0% by 2020.

1.3 OUTLOOK FOR INTEREST RATES

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

%	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20
Bank Rate	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00
5yr PWLB Rate	1.50	1.60	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.10
10yr PWLB Rate	2.10	2.20	2.30	2.40	2.40	2.50	2.60	2.60	2.70	2.70
25yr PWLB Rate	2.80	2.90	3.00	3.00	3.10	3.10	3.20	3.30	3.30	3.40
50yr PWLB Rate	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10	3.20

1.4 INTERIM INVESTMENT REPORT AND SUMMARY OF TRANSACTIONS

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

The average investment balance held between April and September 2017 was £67.731m and the average rate of return was 0.93%, 0.69% above the local authority benchmark of 0.24%. This generated investment income of £312,610. The investment income received exceeded the budgeted to date figure by approximately £138,930. Investment income is apportioned between General Fund, HRA, and other reserves (S106, Major Repairs Reserve, etc.) based on average balances and cash-flows during the course of the financial year.

The average debt balance held between April and September 2017 (General Fund & Housing Revenue Account) was £105.271m and the average rate paid was 2.10%, generating interest payable of £1,101,380. Interest payable was slightly lower than the budgeted to date figure by approximately £700.

The latest year end position for 2017/18 for the General Fund net cost of borrowing (interest paid less interest received) is to be £82,470 under budget¹. This is based on the forecast for investment balances to fall during the next six months; for market interest rates to remain static or rise only slightly; and utilising the investment products prescribed in the 2017/18 – 2019/20 investment strategy, as reported to Council on February 28th 2017.

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

	Principal Amount £m	Interest Rate %
Investments - as at 31 st March 2017	56.770	1.01
- matured in period	72.567	
- arranged in period	<u>94.489</u>	
- as at 30 th Sept 2017	78.692	0.95
Debt - as at 31 st March 2017	101.221	2.30
- matured/repaid in period	9.000	
- arranged in period	<u>17.100</u>	
- as at 30 th Sept 20167	109.321²	2.10
Net Investments at 31st March 2017	-44.451	
Net Investments at 30th September 2017	-30.629	

No debt restructuring took place during the period 1st April 2017 to 30th September 2017.

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

² Includes temporary borrowing

1.5 DEBT MANAGEMENT STRATEGY

The borrowing strategy approved (in February) did not identify a specific need for the Council to borrow this financial year to support the capital programme, but highlighted the diminishing level of capital receipts available to finance the General Fund 'standard' capital programme from 2017/18 onwards. The Council will look to match financing with asset life where appropriate and has the option to utilise the Public Works Loan Board (PWLB), other authorities, or 'internal borrowing', that is cash supporting the Council's reserves, balances and cash flow as a temporary measure. The Council continues to monitor the progress of the UK Municipal Bonds Agency (UKMBA), created by the Local Government Association with local authority shareholders.

The outlook for interest rates (see section 1.3) shows a slight rise in PWLB rates over the medium term, although rates remain at historic lows compared to long term trends. The Council has some flexibility to borrow funds this year for use in future years, subject to capital financing requirements, and consideration will be given to undertaking new loans in advance of need where a pre-determined interest cost is important to the whole-life cost of a project. The Housing Revenue Account (HRA) Capital and Revenue estimates for 2018/19 and HRA medium term financial plan contained elsewhere on this agenda indicate that a proportion of HRA self-financing debt will require rescheduling over the period 2018/19 – 2028/29. Officers will review the HRA borrowing pool in light of this requirement and look to match any refinancing with the cash flow expectations contained within the revised HRA 30-year business plan.

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

1.6 TREASURY MANAGEMENT INDICATORS

The Council measures its exposures to treasury management risks using the following indicators. Council is asked to note the following indicators as at 30th September 2017.

Security: average credit rating

To measure the security of its portfolio, the Council compares the historic risk of default of its investments against a maximum target rate.

As an example, based on historic data, a AAA (least risk) rated investment has 0% chance of default within 1 year and a 0.05% chance of default within 3 years. A BBB+ (most risk) rated investment has a 0.22% chance of default within 1 year and a 1.21% chance of default within 3 years.

Using these criteria, the Council's overall portfolio at 30th September 2017 had a 0.032% risk of default.

Credit quality	£000's of portfolio at 30 th September	Historic Risk of Default (within 1 year)	£000's Estimated loss (weighted by length of investment)
AAA	48,114	0.00%	0
AA-	0	0.06%	0
A-,A, A+	25,578	0.08%	21
BBB+	1,000	0.22%	2
Total/average	74,692¹	0.032%	23

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

	Target	Actual	Met?
Historic risk of default	0.25% (max)	0.032%	✓

Liquidity: cash available within 7 days (without penalty)

The Council has adopted a voluntary measure of its ability to access cash at short notice by monitoring the amount of cash available to meet unexpected payments. The target of £2m is based on average cash flow requirements. The actual level of liquid resources is much higher than this and reflects the current low interest rate environment.

	Target	Actual	Met?
Cash available at 7 days' notice (without penalty)	£2m	£19.908m	✓

Interest rate exposures

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

	Limit ¹ £000's	Actual £000's	Met?
Upper limit on fixed rate exposures based on net debt (investments and borrowing combined)	111,000	79,321	✓
Upper limit on variable rate exposures based on net debt (investments and borrowing combined)	0	-37,407	✓

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

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

Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk – that all borrowing falls due for repayment at the same time. The repayment structure of fixed rate borrowing (loans of 12 months or longer) was:

	Upper Limit	Lower Limit	Actual	Met?
Under 12 months	20%	0%	16%	✓
12 months and within 24 months	30%	0%	20%	✓
24 months and within five years	60%	0%	35%	✓
Five years and within 10 years	60%	0%	8%	✓
10 years to 20 years	75%	0%	2%	✓
20 years to 30 years	75%	0%	5%	✓
30 years +	75%	0%	14%	✓

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

Principal sums invested for periods longer than 364 days

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

	2017/18	2018/19	2019/20
Limit on principal invested beyond year end	£20.00m	£20.00m	£20.00m
Actual principal invested beyond year end	£16.88xm	£16.88m	£14.88m
Within limit?	✓	✓	✓

Name of Meeting:
Cabinet

Date of Meeting:
4th December 2017

Subject Matter:
Treasury Management Report 2017/18 - Progress Report

Originating Department:
Corporate Resources

List of Background Papers

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

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

* Exempt information is contained in the following documents:

Document No.	Relevant Paragraph of Schedule 12A
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* There are no background papers relating to this item.

(*Delete if not applicable)

AGENDA MANAGEMENT SHEET

Report Title:	Appointments to Outside Bodies - Miscellaneous Appointments
Name of Committee:	Cabinet
Date:	4 December 2017
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:	Two terms of office on Outside Bodies (Miscellaneous Appointments) require appointments.
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 appointments to the Trustees to Hillmorton Charities and Lawrence Sheriff Almshouses.</p> <p>Risks: None Benefits: Continuity of representation.</p> <p>(1) Mrs Josephine Royle be appointed by Rugby Borough Council as a representative to the Trustees of Hillmorton Charities for a four-year term of office expiring on 4 December 2021; and</p>
Recommendation:	<p>(2) Councillor Mrs Roodhouse be appointed to the Trustees of Lawrence Sheriff Almshouses for a three-year term of office expiring on 4 December 2020.</p>
Reasons for Recommendation:	To ensure continuity of representation.

Cabinet - 4 December 2017

Appointments to Outside Bodies - Miscellaneous Appointments

Report of the Corporate Resources Portfolio Holder

Recommendation

- (1) Mrs Josephine Royle be appointed by Rugby Borough Council as a representative to the Trustees of Hillmorton Charities for a four-year term of office expiring on 4 December 2021; and
- (2) Councillor Mrs Roodhouse be appointed to the Trustees of Lawrence Sheriff Almshouses for a three-year term of office expiring on 4 December 2020.

1. VACANCY – TRUSTEES OF HILLMORTON CHARITIES

A vacancy has arisen to the Trustees of Hillmorton Charities following the resignation of Mrs Chris Bunyard.

The Trustees met on 9 October 2017 and agreed to appoint Mrs Josephine Royle as replacement. Mrs Royle has held the position of Associate Trustee for a number of years regularly attending meetings but without voting rights.

Cabinet is requested to agree the appointment of Mrs Royle for a four-year term of office.

2. VACANCY – TRUSTEES OF LAWRENCE SHERIFF ALMSHOUSES

Cabinet on 30 October 2017 resolved that nominations be submitted to Democratic Services as soon as possible for a representative to be appointed to the vacant position on the Trustees to Lawrence Sheriff Almshouses.

Councillor Mrs Roodhouse has been nominated and Cabinet is asked to endorse this.

The Trustees of Lawrence Sheriff Almshouses have been consulted.

Name of Meeting:
Cabinet

Date of Meeting:
4th December 2017

Subject Matter:
Appointments to Outside Bodies - Miscellaneous Appointments

Originating Department:
Executive Director's Office

There are no background papers relating to this item.