



THE RUGBY BOROUGH COUNCIL

You are hereby summoned to attend an ORDINARY MEETING of the Rugby Borough Council which will be held at the TOWN HALL, RUGBY on Tuesday 28th February 2017 at 7.00 p.m.

A G E N D A

PART 1 – PUBLIC BUSINESS

1. Apologies for absence.
2. Minutes
To approve the minutes of the Special Meeting of Council held on 7th February 2017.
3. Declaration of Interests
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.
4. To receive the Mayor's Announcements.
5. Questions pursuant to Standing Order 10.

6. To receive the reports of Cabinet and Committees which have met since the last meeting of the Council and to pass such resolutions and to make such orders thereon as may be necessary:

(a) Cabinet – 6th February 2017

(1) Finance and Performance Monitoring 2015/16 – Quarter 3 – Leader and Deputy Leader of the Council.

(2) Treasury Management Strategy 2016/17 – 2018/19 – Resources and Corporate Governance Portfolio Holder.

(b) Audit and Ethics Committee – 14th February 2017

(1) Appointment of External Auditor.

7. To receive and consider the Reports of Officers

(a) Council Tax Determination 2017/18 - to receive the report of the Chief Financial Officer.

8. Correspondence.

9. Common Seal.

To order the affixing of the Common Seal to the various orders, deeds and documents to be made or entered into for carrying into effect the several decisions, matters and things approved by the Council and more particularly set out in the Committees' Reports adopted at this meeting.

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

To consider passing the following resolution:

“under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item on the grounds that it involves the likely disclosure of information defined in paragraph 1 of Schedule 12A of the Act.”

PART 2 – EXEMPT INFORMATION

1. To receive the private reports of Cabinet which have met since the last meeting of the Council and to pass such resolutions and to make such orders thereon as may be necessary:

(a) Private Report of Cabinet – 6th February 2017

(1) Election of Mayor and Appointment of Deputy Mayor 2017/18 – Resources and Corporate Governance Portfolio Holder.

DATED THIS 14th day of February 2017

Executive Director

To: The Mayor and Members of Rugby Borough Council

QUESTIONS AT COUNCIL

A Councillor may ask a Question at the meeting by giving notice in writing of the Question to the Chief Executive no later than midday on Wednesday 22nd February 2017. The rules relating to Questions are set out in Standing Order 10 of Part 3a of the Constitution.

REPORT OF CABINET

6th February 2017

PRESENT:

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

Councillors Mrs A'Barrow, Cranham, Ms Edwards, Gillias, Lewis, Mrs O'Rourke, Roodhouse and Sandison.

1. FINANCE AND PERFORMANCE MONITORING 2016/17 – QUARTER 3

Cabinet considered a report concerning the Council's anticipated financial position for 2016/17 together with performance monitoring information for the third quarter.

All Members received the report as part of the Cabinet agenda and are requested to bring their copies to the meeting.

Recommendation of Cabinet

Cabinet decided to recommend to Council that –

- (1) the carry forward to 2017/18 of a £268,780 General Fund capital budget for the purchase of vehicles capital scheme be approved;
- (2) a supplementary HRA capital budget of £75,060 for 2016/17 for the Property Repairs Team vehicles be approved, to be funded from HRA capital balances;
- (3) the carry forward to 2017/18 of a £10,000 HRA capital budget for the Property Repairs Team vehicles be approved; and
- (4) the carry forward to 2017/18 of the following HRA capital budgets be approved:
 - a) Patterdale Sheltered Scheme Improvements £262,500;
 - b) Roof Refurbishments – Rounds Gardens £283,930;
 - c) Roof Refurbishments – Biart Place £204,860; and
 - d) Housing Window Replacement £700,000.

Recommended that – the recommendation of Cabinet be approved.

2. ALLOCATIONS POLICY REVIEW

Cabinet considered the following report.

Background

The last review of the council's Housing Allocations Policy took place in 2016 in response to Welfare Reform and legislative changes. It was agreed that the policy would be reviewed early 2017 and during the last 6-months the Homes and Advice Team Leader has been working on the revised policy. The Consultation process included:

- Elected Members (Members' conversation – 23/11/16)
- Tenant representatives (Tenant's Panel Meeting - 07/12/16)
- Other Local authorities (emails 23/11/16)
- Voluntary organisations (emails - 02/11/16, 14/11/16 and 23/11/16)
- RBC staff (meetings- 21/09/16, 26/09/16, 28/09/16, 03/10/16, 06/10/16 and 11/10/16),
- Housing Associations (emails -02/11/16 and14/11/16)

The key changes to the policy have been made as a direct result of the consultation process, which would make the policy more flexible and responsive to the needs of people who approach the council and its partner organisations for housing through the Housing Waiting List (see Table 1 in Appendix 1). The Policy has also had regard to the Welfare Benefit changes and aims to protect the Housing Revenue Account.

The Main Changes to the Allocations Policy

The main changes to the Policy are:

- A restriction on all people under 35 being allocated one-bedroom accommodation unless a successful affordability check has been completed and if not only being offered shared (flats or houses not rooms) accommodation.
- An income and expenditure form will be completed for all people that are interested in joining the housing waiting list.
- Households with a right to succession and assignment will have increased priority from band 2 to band 1.
- Council tenants who are under occupying their property and need to move for affordability reasons will have increased priority from band 2 to band 1.
- Those residents who have a housing need because they are sharing facilities to only cover those not living with their family.
- Increase the criteria to the Rural Allocations Policy to include 'someone needing care from a person in the Parish'.
- The Incentive Scheme be changed from the £500 currently paid to tenants to £1000.
- Introduce an expectation that potential tenants will be 'tenancy-ready' before commencing their tenancy with a commitment to train those who are not or refer to a relevant support agency.

Under 35s and Shared Accommodation

The Spending Review in November 2015 announced that from 1 April 2018 the benefit rates for new social housing tenants under the age of 35 will be capped at the shared room Local Housing Allowance rate, instead of the 1-bedroom allowance rate. This will apply to tenancies that commenced from on 1 April 2016.

The shared room rate is currently £65.65 per week and tenants impacted by this cap will be required to make up the shortfall in benefit, which is likely to be in the region of £15 per week on a 1-bed property. If tenants are on a low income they are unlikely to be able to afford to cover the shortfall and as such a recommendation has been made to restrict access to 1-bed accommodation for applicants under 35 who are on benefits unless an affordability check shows that they can afford the property. The shared accommodation rates will be capped at or below Local Housing Allowance rates.

A copy of the amended Allocations Policy is available in the Members' Room.

Conclusion

The policy will be reviewed in 12 months-time to take into account the potential changes in the Welfare Benefit system and the Housing and Planning Act 2016.

Recommendation of Cabinet

Cabinet decided to recommend to Council that the revised Allocations Policy be approved.

Recommended that – the recommendation of Cabinet be approved.

3. TREASURY MANAGEMENT STRATEGY 2017/18 – 2019/20

Cabinet considered the following report.

Introduction

In February 2012 the Council adopted the CIPFA Treasury Management in the Public Services: Code of Practice 2011 edition, which requires the Council to approve a treasury management strategy before the start of each financial year.

In addition, the Department for Communities and Local Government (CLG) issued revised guidance on local authority investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.

This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance. The strategy for 2017/18 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

The Capital Prudential Indicators 2017/18 – 2019/20

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

Capital Expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members will be asked to formally approve the following forecasts at respective rent setting and Council tax setting Councils in February:

Capital expenditure £'000	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
General Fund	4,092	5,674	3,626	1,670	1,670
HRA	6,325	6,922	4,065	3,870	3,180
Total	10,417	12,596	7,697	5,540	4,850

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a borrowing need.

Capital expenditure £'000	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
General Fund	4,092	5,674	3,626	1,670	1,670
HRA	6,325	6,922	4,065	3,870	3,180
Total	10,417	12,596	7,697	5,540	4,850
Financed by:					
Capital receipts	383	210	506	506	506
Capital grants	1,394	708	803	543	543
Capital reserves	5,076	5,695	2,143	2,035	1,346
Revenue	1,112	1,105	1,493	1,397	1,397
Net financing need for the year	2,452	4,878	2,752	1,059	1,058

The Council's borrowing need (the Capital Financing Requirement)

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

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life. The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has no such schemes within the CFR. The Council is asked to approve the CFR projections below:

£'000	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Capital Financing Requirement					
CFR – General Fund	23,496	27,159	28,128	27,247	26,246
CFR – HRA	68,007	61,907	56,826	52,075	47,652
Total CFR	91,503	89,066	84,954	79,322	73,898
Movement in CFR	1,478	-2,437	-4,112	-5,632	-5,424

Movement in CFR represented by					
Net financing need for the year (above)	2,452	4,878	2,752	1,059	1,058
Less MRP/VRP and other financing movements	974	7,315	6,864	6,691	6,482
Movement in CFR	1,478	-2,437	-4,112	-5,632	-5,424

Minimum revenue provision (MRP) policy statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP). CLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:

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

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

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

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

For authorities, such as Rugby Borough Council, which participate in the Local Authority Mortgage Scheme (LAMS) using the cash- backed option; the mortgage lenders require a 5 year cash advance from the local authority to match the 5 year life of the indemnity. The cash advance placed with the mortgage lender provides an integral part of the mortgage lending, and should therefore be treated as capital expenditure and a loan to a third party. The Capital Financing Requirement (CFR) will increase by the amount of the total indemnity. The cash advance is due to be returned in full at maturity, with interest paid annually. Once the cash advance matures and funds are returned to the local authority, the returned funds are classed as a capital receipt, and the CFR will reduce accordingly. As this is a temporary (5 year) arrangement and the funds will be returned in full, there is no need to set aside

prudent provision to repay the debt liability in the interim period, so there is no MRP application. The position is reviewed on an annual basis.

Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an on-going impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources £'000	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
General Fund balances	1,867	2,343	2,343	2,343	2,343
HRA Revenue balances (inc Major Repairs Allowance)	6,667	2,160	3,904	5,743	8,369
Capital receipts reserve#	6,126	7,276	8,426	10,576	11,726
Capital grants unapplied	709	709	709	709	709
Earmarked reserves / other balances	21,264	19,584	17,904	16,224	14,544
Total core funds	37,046	32,072	33,286	35,595	37,691
Working capital*	332	500	500	500	500
Under (-) /over borrowing (see page 8)	5,411	9,948	-833	-22,801	-27,377
Expected investments	42,789	42,520	32,953	13,294	10,814

*Working capital balances shown are estimated as at year end; these may be higher mid-year

The Local Government Finance Act 2003 prohibits the use of capital resources to fund revenue expenditure

Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

Ratio of financing costs to net revenue stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure (as per Section 1.2) by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

%	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
General Fund	11	12	15	14	14
HRA	7	46	37	35	35

The estimates of financing costs include current commitments and the proposals in the 2017/18 General Fund and HRA budget reports.

General Fund

Funding the current and proposed capital programme will take up an increasing proportion of the Council's General Fund finances over the medium term, rising to 14% of the revenue budget by 2017/18 or 1.75 times more than in 2014/15.

HRA

The higher ratio of financing costs within the HRA reflects the HRA business plan strategy to repay debt associated with the self-financing settlement of 2012/13. The fall in ratio estimated in 2015/16 reflects the decision to divert resources to fund capital expenditure in that year. These estimates may change as a result of decisions arising in the 2016/17 rent setting report to commence debt restructuring in the light of changing rent limits.

Estimate of the incremental (additional year-on-year) impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme to be presented to Council compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

£	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Council tax - band D	3.01	0.80	0.70	-1.11	-5.14

The reduction in the incremental impact on Band D Council tax from 2015/16 onwards reflects the forecast increase in investment returns relative to the increase in borrowing interest costs during that period.

Estimates of the incremental impact of capital investment decisions on housing rent levels

Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

£	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Estimate	Estimate	Estimate	Estimate
Weekly housing rent levels	-32.12	34.91	-8.41	-2.16	-0.26

The movement in the incremental impact on housing rent levels within the HRA reflects the scheduling within the HRA business plan strategy to repay debt associated with the self-financing settlement of 2012/13. The movement between 2015/16 and 2016/17 in particular shows the impact upon rents of diverting resources from debt repayment in 2014/15 to contributions towards capital expenditure in 2015/16 and back to debt repayment in 2016/17. Subsequent decreases reflect debt restructuring which is forecast in light of the government policy to reduce rents by 1% per annum until 2019/20.

Recommendation of Cabinet

Cabinet decided to recommend to Council that –

- (1) the Treasury Management Strategy for 2017/18 – 2019/20 be approved; and
- (2) the Prudential and Treasury Management indicators for 2017/18 – 2019/20 be approved.

Recommended that – the recommendation of Cabinet be approved.

**COUNCILLOR M STOKES
CHAIRMAN**

EQUALITY IMPACT ASSESSMENT/ ANALYSIS (EqIA)

Allocations Policy – January 2016



Equality Impact Assessment

Service Area	Housing
Policy/Service being assessed	Allocations Policy
Is this is a new or existing policy/service? If existing policy/service please state date of last assessment	Existing Policy updated from January 2014
EqIA Review team – List of members	Holly Reid, Homes and Advice Team Leader
Date of this assessment	22 December 2016
Signature of responsible officer (to be signed after the EqIA 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 A2 – Details of Plan/ Strategy/ Service/ Policy

<u>Stage 1 – Scoping and Defining</u>	
(1) What are the aims and objectives of Plan/Strategy/Service/Policy?	To provide the council with a clear Housing Waiting List Allocations Policy to meet the needs of applicants for social housing.
(2) How does it fit with Rugby Borough Council's Corporate priorities?	To facilitate the provision and upkeep of good quality housing to meet local needs and to cater for the growth of Rugby
(3) What are the expected outcomes?	<p>The expected outcomes of the policy are to:</p> <ul style="list-style-type: none"> • Provide housing applicants in Rugby with a fair and easy to understand way of letting social housing properties • House those in the greatest housing need • Make best use of social housing stock in the area
(4) Which of the groups with protected characteristics is this intended to benefit? (see form A1 for list of protected groups)	Applicants for social housing including those nominated to housing association partners. These applicants can fall into all of the protected characteristics: gender, race, disability, sexual orientation, religion/belief, age, gender reassignment, pregnancy/ maternity, marriage/civil partnership. However the Council only collects information from waiting list applicants on gender, race, disability, age and pregnancy/ maternity.
<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?	We have said previously that we would start to review the policy in November 2016. We have also considered the changes to policy in the Housing and Planning Act 2016 and the welfare benefit changes including the introduction of caps to the housing element of Universal Credit for those under 35.

Appendix 1

<p>(2) Have you consulted on the plan/ strategy/ service/policy and if so with whom?</p>	<p>Consultation with a wide variety of organisations including local authorities (emails 23/11/16), voluntary organisations (emails - 02/11/16, 14/11/16 and 23/11/16), Elected Members (Member's conversation – 23/11/16) RBC staff (meetings- 21/09/16, 26/09/16, 28/09/16, 03/10/16, 06/10/16 and 11/10/16), housing associations (emails - 02/11/16 and 14/11/16) tenant representatives (Tenant's Panel Meeting - 07/12/16)</p>		
<p>(3) Which of the groups with protected characteristics have you consulted with?</p>	<p>As above consulted in line with the Warwickshire Compact guidelines. Consultation with a wide variety of organisations including local authorities (emails 23/11/16), voluntary organisations (emails - 02/11/16, 14/11/16 and 23/11/16), Elected Members (Member's Conversation – 23/11/16) RBC staff (meetings- 21/09/16, 26/09/16, 28/09/16, 03/10/16, 06/10/16 and 11/10/16), housing associations (emails -02/11/16 and 14/11/16) tenant representatives (Tenant's Panel Meeting - 07/12/16) These organisations represent people from all the relevant protected characteristics as laid out in question 4.</p>		
<p><u>Stage 3 – Analysis of impact</u></p>	<p>Please see the enclosed sheet for a breakdown of the Housing Waiting List (Table 1 – Breakdown of applicants on the Housing Waiting List)</p>		
<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</p>	<p>GENDER No</p>
	<p>MARRIAGE/CIVIL PARTNERSHIP N/A</p>	<p>AGE Yes – under 35</p>	<p>GENDER REASSIGNMENT N/A</p>
	<p>RELIGION/BELIEF No</p>	<p>PREGNANCY MATERNITY No</p>	<p>SEXUAL ORIENTATION N/A</p>
<p>(2) If there is an adverse impact, can this be justified?</p>	<p>The Council will no longer be offering one bedroom flats to those under 35 unless they can afford to live in these properties. The Council has taken this action because from April 2018 those people under 35 will have their housing element of their Universal Credit capped to a 'Single Room Rate' which is well below the rent charged on a council one-bedroomed property. The Council cannot afford the rent loss and does not want to increase the chances of tenants falling into rent arrears. The Council will instead offer a room in a shared house which will be more affordable to the tenant.</p>		

Appendix 1

<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>The policy has been developed taking into account relevant legislation including case law so the potential for discrimination is mitigated by this. The Council will be conducting an income assessment to investigate if people under 35 can afford to live in a one-bedroomed flat.</p>
<p>(4) How does the plan/strategy/service/policy contribute to the promotion of equality? If not what can be done?</p>	<p>It recognises the needs of vulnerable individuals such as the disabled, people with mental health and learning disability vulnerabilities and those fleeing violence and provides them with priority through the policy to enable them to access affordable housing in the borough. For example it is ensured that through the policy and the allocation procedure those with a physical disability are able to access adapted properties.</p>
<p>(5) How does the plan/strategy/service/policy promote good relations between groups? If not what can be done?</p>	<p>This is difficult to manage as vacancies may arise across the Borough and so it is looked at on an individual basis depending on the personal circumstances of the tenant or applicant.</p>
<p>(6) Are there any obvious barriers to accessing the service? If yes how can they be overcome?</p>	<p>No, the service was made more accessible especially for vulnerable applicants following the End-to-End review which removed UChoose in 2013 and reverted back to a waiting list scheme. The Housing Options Team also provides a flexible service to meet the needs of individuals who for example can't access the Town Hall for interviews.</p> <p>The policy document can be made available in different languages on request and the Housing Options Team where required can assist people through Language Line and through the assistance of other officers who speak different languages. The Housing Options Team will also provide practical assistance for customers who are having difficulties completing applications</p>

Stage 4 – Action Planning, Review & Monitoring

<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 data-bbox="860 347 1120 424">Action</th> <th data-bbox="1120 347 1364 424">Lead Officer</th> <th data-bbox="1364 347 1615 424">Date for completion</th> <th data-bbox="1615 347 1865 424">Resource requirements</th> <th data-bbox="1865 347 2132 424">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																										
<p>(2) Review and Monitoring State how and when you will monitor policy and Action Plan</p>	<p>The Allocations Policy will be reviewed in November 2017</p>																													

Please annotate your policy with the following statement:
'An Equality Impact Assessment/ Analysis on this policy was undertaken on (22/12/16) and will be reviewed on (November 2017).'

Table 1 – Breakdown of applicants on the Housing Waiting List

	Number	Percentage of waiting list
Gender		
Female	1090	57.70%
Male	799	42.30%
Race		
Asian British	25	1.32%
Asian Indian	6	0.32%
Asian Pakistani	6	0.32%
Bangladeshi	3	0.16%
Black African	52	2.75%
Black British	33	1.75%
Black Caribbean	18	0.95%
Chinese	6	0.32%
Mixed : Other Mixed Background	4	0.21%
Mixed : White & Asian	4	0.21%
Mixed : White & Black African	5	0.26%
Mixed : White & Black Caribbean	18	0.95%
Not Available	143	7.57%
Other	11	0.58%
Other Asian	5	0.26%
Other Black	16	0.85%
Travellers	1	0.05%
White British	1233	65.27%
White Eastern European	150	7.94%
White European Other	104	5.51%
White Gypsy	2	0.11%
White Irish	3	0.16%
White Other	41	2.17%
Disability		
Learning	4	0.21%
Medical	10	0.53%
Mental	11	0.58%
Mobility	33	1.75%
Sensory	5	0.26%
Prefer not to say	3	0.16%
Left blank	1823	96.51%

Age		
<1	39	2.06%
1 to 10	498	26.36%
11 to 20	259	13.71%
21 to 30	298	15.78%
31 to 40	257	13.61%
41 to 50	147	7.78%
51 to 60	129	6.83%
61 to 70	143	7.57%
71 to 80	78	4.13%
81 to 90	30	1.59%
91 to 100	11	0.58%
Pregnancy		
The data is unreliable but likely to be under 10 women		

APPENDIX 2

SPECIFIED AND NON-SPECIFIED INVESTMENTS

SPECIFIED INVESTMENTS

All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable.

	Minimum Credit Criteria	Maximum Limit
Specified Investments (limit per counterparty)		
UK Government	-	Unlimited
Local Authorities	-	£5m
Money Market Funds	AAA	Unlimited
Pooled Fund / Institution	AAA/A1	Unlimited

All investments with maturities up to 1 year, high credit criteria:			
	Minimum Credit Criteria	Maximum Limit	Maximum Maturity Period
Debt Management Agency Deposit Facility	-	Unlimited	1 year
Term deposits – local authorities and other public institutions	-	£5m	1 year

Term deposits with nationalised banks and building societies:			
	Minimum Credit Criteria	Maximum Limit	Maximum Maturity Period
UK part nationalised banks	UK Sovereign rating	£5m	1 year
Banks part nationalised by high credit rated countries UK and non UK*	UK Sovereign rating	£5m	1 year
The countries approved for investing with their banks: Canada, Denmark, Finland, France, Germany, Luxembourg, Netherlands, Norway, Singapore, Sweden, Switzerland, UK, Australia, Belgium, Hong Kong, USA, Abu Dhabi (UAE), Qatar			

Other instruments:			
	Minimum Credit Criteria	Maximum Limit	Maximum Maturity Period
Collateralised deposit	UK Sovereign rating	£5m	1 year
Certificates of deposits issued by banks and building societies	UK Sovereign rating	£5m	1 year
UK Government Gilts	UK Sovereign rating	Unlimited	1 year
Bonds issued by multilateral development banks	Long term AA	£5m	1 year
Treasury Bills	UK Sovereign rating	Unlimited	1 year

Collective Investment Schemes structures as Open Ended Investment Companies (OEICs):			
	Minimum Credit Criteria	Maximum Limit	Maximum Maturity Period
Government Liquidity Funds	Long Term AA	£5m	1 year
Money Market Funds	Variable NAV Long Term AA	£5m	1 year
Money Market Funds	Stable NAV Long Term AA	£5m	1 year
Enhanced Cash Funds	Long Term AA	£5m	1 year
Bonds Funds	Long Term AA	£5m	1 year
Gilt Funds	Long Term AA	£5m	1 year

NON-SPECIFIED INVESTMENTS (MATURITIES OVER ONE YEAR)

These are any investments which do not meet the specified investment criteria. A maximum of £20 million will be held in aggregate in non-specified investment.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the following categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

Term deposits with nationalised banks and building societies:			
	Minimum 'High* Credit Criteria	Maximum Limit	Maximum Maturity Period
UK part nationalised banks	UK Sovereign rating	£5m	5 year
Banks part nationalised by high credit rating (sovereign rating) countries UK and non UK*	Sovereign rating A	£5m	5 year
The countries approved for investing with their banks: Canada, Denmark, Finland, France, Germany, Luxembourg, Netherlands, Norway, Singapore, Sweden, Switzerland, UK, Australia, Belgium, Hong Kong, USA, Abu Dhabi (UAE), Qatar			

Maturities of any period:			
	Minimum 'High* Credit Criteria	Maximum Limit	Maximum Maturity Period
Structured deposits	In accordance with Capita's Credit Worthiness Criteria	£5m	5 years
Municipal Bonds	UK sovereign rating	£5m	5 years
Commercial Paper	Short term F2 Long term A	£5m	5 years
Corporate Bonds / Corporate Bond Funds / Gilt Funds	Short term F2 Long term A	£5m	5 years
Floating Rate Notes	Long Term A	£5m	5 years
Covered Bonds	Long Term AA-	£5m	10 years
Un-rated Bonds	Internal due diligence	£5m	10 years
CCLA Property Fund	Non-rated internal due diligence	£2m	10 years
CCLA Diversified Income Fund	Non-rated internal due diligence	£2m	10 years
Property Funds	Non-rated internal due diligence	£2m per fund	10 years

Maturities in excess of 1 year:			
	Minimum 'High* Credit Criteria	Maximum Limit	Maximum Maturity Period
Term deposits – local authorities and other public institutions	-	£5m	5 years
Certificates of deposits issued by banks and building societies	UK sovereign rating	£5m	5 years
UK Government Gilts		Unlimited	5 years
Bonds issued by multilateral development banks	AA	£5m	5 years
Corporate Bonds	Short Term F2 Long Term A-	£5m	10 years
Green Energy Bonds	Internal Due Diligence	£5m	10 years
Collateralised Term Deposit	Local Authority	£5m	5 years
Sovereign Bond Issues (i.e. other than the UK government)	AA	£5m	5 years
Property Bonds	Non-rated internal due diligence	£5m per bond	5 years

Collective Investment Schemes structured as Open Ended Investment Companies (OEICs):			
	Minimum 'High* Credit Criteria	Maximum Limit	Maximum Maturity Period
Bond Funds	AA	£5m	5 years
Gilt Funds	AA	£5m	5 years

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by the Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

REPORT OF AUDIT AND ETHICS COMMITTEE

14 February 2017

PRESENT:

Mr P Dudfield (Chairman), Mr J Eves (Vice Chairman), Councillors Mrs Crane, Mistry and Roodhouse

1. APPOINTMENT OF EXTERNAL AUDITOR

Audit and Ethics Committee considered the following report.

Purpose

This report set out options in relation to new arrangements for appointing the Council's auditor, further to the Local Audit and Accountability Act 2014 (the Act).

Introduction

The Local Audit and Accountability Act 2014 brought to a close the Audit Commission and established transitional arrangements for the appointment of external auditors and the setting of audit fees for all local government bodies in England.

Before 1 April 2015, auditors were appointed under contracts let by the Audit Commission. Under transitional arrangements, Public Sector Audit Appointments (PSAA) are currently responsible for managing the existing contract, which will end when the 2017/18 accounts are completed. PSAA is an independent, not-for-profit company limited by guarantee, established by the Local Government Association.

Therefore, a new approach to the appointment of the Council's external auditors must be approved by the Council for the 2018/19 accounts, under one of the new processes provided for in the Act.

There were three options available to the Council for appointing an auditor for the 2018/19 accounts:

- **Option 1:** undertake an individual auditor procurement and appointment exercise;
- **Option 2:** undertake a joint audit procurement and appointing exercise with other bodies, those in the same locality for example; or
- **Option 3:** opt-in to a 'sector led body' scheme where specified "appointing person" status has been granted under the relevant Regulations.

Background, Fees and Audit Scoping

During recent years the Council has benefited from a reduction in fees compared with historic levels. This has been the result of a combination of factors including new contracts negotiated nationally by the Audit Commission and changes to the scope of the audit. The Council's external audit fee for 2015/16 was £55,000.

Current fees are based on discounted rates offered by the firms in return for substantial market share. When the contracts were last negotiated nationally by the Audit Commission they covered NHS and local government bodies and offered maximum economies of scale. External auditor fees levels are likely to increase when the current contracts end in 2018 due to the loss of these economies of scale.

The scope of the audit would still be specified nationally. The National Audit Office (NAO) is responsible for writing the Code of Audit Practice which all firms appointed to carry out the Council's audit must follow. Not all accounting firms will be eligible to compete for the work, they will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council. The registration process had not yet commenced and therefore the number of firms was not known, but it was reasonable to expect that the list of eligible firms would be less than ten. Grant Thornton UK LLP, the Council's current auditor was likely to be included. Small, more local independent firms were unlikely to meet the eligibility criteria.

In response to the consultation on the new arrangements the Local Government Association (LGA) successfully lobbied for councils to be able to 'opt-in' to a sector led body appointed by the Secretary of State under the Act (Option 3). The sector led body would negotiate contracts with the firms nationally, maximising the opportunities for the most economic and efficient approach to procurement of external audit on behalf of the whole sector.

Option Appraisal

For options 1 and 2, the Council would need to establish an auditor panel, to advise the authority on:

- selecting and appointing an auditor
- whether to adopt a policy on obtaining non-audit services from the auditor
- any proposal to enter into a liability limitation agreement
- maintaining an independent relationship with its auditor
- the outcome of any investigation of an auditor's resignation from office or any proposal to remove a local auditor from office

Under options 1 and 2, the function of appointing an auditor remains with the Council, but the Council must consult and take into account the advice of its audit panel. Members of the panel must be wholly or by majority independent members and an independent member must chair the panel.

Option 1, due to the requirement for constitution by a majority of independent non-Councillor members the Council would have to set up a new auditor panel and would not be able to use an existing committee or sub-committee, such as the Audit and Ethics Committee, to act as the auditor panel.

Option 1 offers potential for a bespoke contract. However, there is limited elected member involvement on the auditor panel itself, as set out above. The Council would bear all costs of setting up and running the audit panel, and of the procurement exercise.

Option 2, the Council may:

- set up an auditor panel with one or more other authorities
- ask another authority's auditor panel to carry out the functions of the authority in question

Under Option 2, joint arrangements offer the Council less influence over arrangements and also an increased risk of independence issues arising (where an auditor has recently or is currently carrying out work such as consultancy or advisory work for an authority, and so is not eligible to act as auditor). However, costs of the panel and the procurement exercise would be shared between authorities involved.

Option 3, the Secretary of State for Communities and Local Government has specified PSAA as an appointing person. This allows PSAA to make auditor appointments from 2018/19 on behalf of relevant principal authorities that opt into its scheme. Opted-in arrangements will be for a compulsory specified period – currently indicated to be for three or five years.

Under Option 3, Rugby Borough Council would not itself appoint the auditor. However, the PSAA must consult an individual authority about any proposed auditor appointment for the Council. The PSAA have identified the potential benefits to opting-in as including:

- assured appointment of a qualified, registered, independent auditor
- appointment, if possible and requested, of the same auditors to bodies involved in significant collaboration/joint working initiatives or combined authorities, to enhance efficiency and value for money
- on-going management of independence issues
- securing highly competitive prices from audit firms
- minimising scheme overhead costs
- savings from one major procurement
- distribution of surpluses to participating bodies
- a scale of fees which reflects size, complexity and audit risk
- a strong focus on audit quality to help develop and maintain the market for the sector
- enabling time and resources to be deployed on other pressing priorities
- setting the benchmark standard for audit arrangements for the whole of the sector

PSAA have indicated that they require confirmation by 9 March 2017 if the Council wishes to opt into the national scheme.

Financial Implications

For **options 1 and 2**, (a local or joint auditor panel), costs arise in relation to:

- recruiting independent appointees (members),
- servicing the Panel, running a bidding and tender evaluation process,
- letting a contract; and
- panel members' allowances.

The LGA estimated initial costs to be about £15,000, with further ongoing expenses.

Option 3, (opting-in), provides an opportunity to limit the fees increases after 2018, by allowing the Council to benefit from large scale collective procurement arrangements, and removing the costs of establishing and administering a local auditor panel. The Council will have to agree to opt-in before the PSAA begins its procurement exercise, but the PSAA must consult opted-in authorities (and others) before specifying or varying the scale of fees.

Legal Implications

The Local Audit (Appointing Person) Regulations 2015 require that any decision to accept an invitation to become an opted in authority (that is, choose Option 3) must be made by a Full Council meeting as a whole (that is, cannot be delegated).

Consultees

To date, there was no appetite apparent from other Warwickshire authorities to set up a joint audit panel.

Conclusion

In the light of the resource and other implications of the different options as set out in this report, it was considered that Option 3 provided the preferred option for new arrangements.

Recommendation of Audit and Ethics Committee

Audit and Ethics Committee decided that it be recommended to Council that it opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

Recommended that – the recommendation of Audit and Ethics Committee be approved.

**MR P DUDFIELD
CHAIRMAN**

COUNCIL - 28th FEBRUARY 2017
REPORT OF THE CHIEF FINANCIAL OFFICER
COUNCIL TAX DETERMINATION 2017/18

1. INTRODUCTION

In order to determine overall Council Tax levels for 2017/18, a number of items need to be brought together.

A booklet “Draft General Fund Capital and Revenue Budgets and Council Tax for 2017/18” giving comprehensive details of the procedures and decisions required for setting Council Tax levels is attached with this agenda.

Also included are Appendices 2 to 5 updated extracts from the “Draft General Fund Capital and Revenue Budget 2017/18” report which was presented to Cabinet on 6th February 2017. Appendix 2 can be cross referenced to page 1 of the “Draft General Fund Capital and Revenue Budgets and Council Tax for 2017/18” booklet.

Details of the proposed Capital Programme are presented in the Draft General Fund Capital and Revenue Budgets and Council Tax for 2017/18 booklet.

2. BUDGET POSITION

At the time of writing this report the announcement of the Final Local Government Finance Settlement has not been received. It is anticipated that this will be announced on 22nd February 2017 and any amendments to the draft settlement will be verbally delivered by the Chief Financial Officer at the Council Meeting on 28th February 2017.

Draft budgets have been presented to Cabinet meetings from October through to February, all of which have presented a balanced position. However, this position has been largely underpinned by the estimated financial implications that relate to a number of key financial decisions that Members have considered in order to deliver a balanced budget.

The table overleaf shows the outcome of the decisions made to date against the key policy changes.

Key Decision / Policy Change	Outcome	Indicative Estimate £'000	Draft 2017/18 Budget £'000
Green Waste	£40 charge approved	-400	-400
Hall of Fame	Entry fee approved	-250	-165
Voluntary Redundancies	Approved	-220	-220
£5 increase in Council Tax (compared to 2%)	To be considered at Council Tax setting on 28th February	-53	-53
Reduction in Empty Property Reliefs	Deferred to facilitate an external consultation	-35	0
Total		-958	-838

As shown above, the majority of the key decisions have been resolved to assist with balancing the Council's 2017/18 budget. The deferral of the reduction in Council Tax reliefs for empty properties and the approved charging structure for the Hall of Fame have left a shortfall of **£120,000** against these decisions, which will be met from a contribution from balances, for the purposes of setting a balanced budget. However, as 2017/18 progresses it may be that less than this amount or no contribution from balances is required should in-year savings exceed current targets as has been the case in 2016/17, or if income from key decisions exceed estimated levels.

The remaining key decision left for Council to consider, is the level of Council Tax to be charged in 2017/18. As per the key decisions, this report proposes a £5 increase in the average Band D, which will provide an additional **£53,000** per annum compared to a 2% increase making a total increase of **£316,770** compared to 2016/17.

Following the completion of this year's Fees and Charges Review, a number of services have amended their charges for 2017/18 and a more robust methodology has been adopted by managers to ensure future costs are fully recovered, wherever possible. The financial implications of any such changes in fees and charges have been reflected in the 2017/18 draft budget.

This exercise will continue to be an on-going process, with Budget Officers working with Financial Services to ensure best value for our residents is maintained whilst also making sure that the fees charged do not rise to a level which negatively impacts on customers of the borough using the service.

After consideration of all these proposals, the 2017/18 budget continues to show a balanced position.

However, despite the resolution of these key decisions the Medium Term Financial Plan 2017-20 (MTFP) continues to show budget deficits in later years, largely due to the changes in local financing that have previously been reported to Cabinet. Appendix 8 shows the MTFP with budget shortfalls of

£473,000 and **£601,000** for 2018/19 and 2019/20 respectively. Members should be mindful of the need to close these gaps in later years when preparing their resolutions and amendments for the 2017/18 budget.

In terms of the capital programme, compared to the budget report presented to Cabinet on the 6th February, there have been no further amendments. Details of the proposed capital programme are presented at Appendices 6 and 7.

3. EQUALITY

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

For this budget there is no anticipated impact on any of the above mentioned groups resulting from any specific budget adjustments. An overall Equality Impact Assessment has been carried out however and is included at Appendix 9.

4. AVERAGE COUNCIL TAX LEVELS

The Borough Council element of the Council Tax calculation for an average Band D property is determined from the total combined spending of the Borough Council and all Parish Councils, less the total of government grant income and retained business rates, and this net total divided by the approved Council Tax Base.

The 2017/18 Council Tax Base was presented to Cabinet on 9th January 2017. The Tax Base for the whole area of 35,400.80 is the figure notified to Warwickshire County Council and the Police and Crime Commissioner and included in the resolution at Appendix 1.

The actual Council Tax levels (the ‘doorstep’ levels) within the Borough will depend upon individual property bands, the County and Police precepts and any parish precepts in parished areas. The actual annual percentage increase will depend on the Council’s special expenses scheme and whether the taxpayer lives in the town area or a parished area.

At this stage, for budget setting purposes it has been assumed there will be a £5 increase in the relevant Band D, equivalent to a 2.96% increase in Council Tax for 2017/18.

This is the maximum increase in Council Tax for 2017/18 that the Secretary of State has permitted for district councils before being required to seek the approval of their local electorate in a referendum.

5. STATEMENT OF THE CHIEF FINANCIAL OFFICER

Under the Local Government Act 2003, the Chief Financial Officer must make a formal statement on the adequacy of available Council reserves and balances and also the robustness of the proposed budget. The Chief Financial Officer will do this as part of the Budget and Council Tax resolution for 2017/18. A template resolution is shown at Appendix 1. This will include the actual budget figures being proposed by the ruling group when it is presented to full Council on 28th February 2017. The final figures in the resolution will be those approved by Council at the meeting.

6. CONCLUSION

The Council must decide on an affordable level of spending for the coming year, including which of the proposed items as shown in Appendices 3, 4, & 5 respectively and proposed capital schemes it is able to support.

7. RECOMMENDATION

The Council pass a resolution in the form set out in Appendix 1 with the inclusion of the appropriate figures as approved at the meeting.

COUNCIL MEETING - 28th FEBRUARY 2017

COUNCIL TAX DETERMINATION 2017/18

RECOMMENDED THAT:-

- (1) the Council's General Fund Capital budget for 2017/18 be as shown within item 2.1 on pages 10 to 12 of the booklet "Draft General Fund Capital and Revenue Budgets and Council Tax for 2017/18".
- (2) the Council's General Fund Revenue budget for 2017/18 be as shown within items 1.1 to 1.4 on pages 1 to 6 of the booklet "Draft General Fund Capital and Revenue Budgets and Council Tax for 2017/18". With the following variations:
- | | £ | |
|-----|---|----------|
| (a) | | 0 |
| (b) | | 0 |
| (c) | | 0 |
| (d) | | 0 |
| (e) | | 0 |
| | | <u>0</u> |
| | | <u>0</u> |
- (3) the Council Tax requirement for the Council's own purposes for 2017/18 (excluding Parish precepts) be calculated as £xxxxxx, equating to a £xx increase for a Band D property;
- (4) the Council note that in the professional opinion of the Chief Financial Officer the level of reserves and balances as detailed in Section 1.6 on pages 8 & 9 of the "Draft General Fund Capital and Revenue Budgets and Council Tax for 2017/18" booklet are adequate to support the level of spending in the proposed capital and revenue budgets for 2017/18 and onwards;
- (5) the Council note that fees and charges for 2017/18 have been set following active challenge and discussion;
- (6) it be noted that at its meeting on 6th February 2017 Cabinet confirmed the following amounts for the year 2017/18 calculated in accordance with regulations under section 33(5) of the Local Government Finance Act 1992:-
- (a) **35,400.80** being the amount calculated by the Council in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as its Council Tax base for the year.

(b) Part of the Council's area

Parish of	
Ansty	123.33
Binley Woods	979.47
Birdingbury	156.80
Bourton & Draycote	132.73
Brandon & Bretford	281.14
Brinklow	446.90
Burton Hastings	92.10
Cawston	1,536.73
Church Lawford	158.66
Churchover	390.23
Clifton-upon-Dunsmore	519.89
Combe Fields	64.65
Copston Magna	20.10
Cosford	8.01
Dunchurch	1,323.30
Easenhall	98.65
Frankton	164.44
Grandborough	206.81
Harborough Magna	176.54
Kings Newnham	29.33
Leamington Hastings	226.99
Long Lawford	1,268.35
Marton	212.93
Monks Kirby	221.90
Newton & Biggin	301.06
Pailton	221.52
Princethorpe	166.93
Ryton-on-Dunsmore	650.94
Shilton & Barnacle	329.98
Stretton Baskerville	7.61
Stretton-on-Dunsmore	501.33
Stretton-under-Fosse	95.75
Thurlaston	205.53
Wibtoft	25.30
Willey	39.36
Willoughby	189.67
Withybrook	114.84
Wolfhampcote	149.86
Wolston	965.64
Wolvey	495.81
Rugby Town Area	21,967.99
MOD Properties	131.70

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

- (7) consequent upon the above revised tax base for Rugby Special Expenses Area the following amounts be now calculated by the Council for the year 2017/18 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992, as amended:-

	£	
(a)	xxxxxxx	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act (<i>gross expenditure including parish precepts</i>);
(b)	xxxxxxx	being the aggregate of the amounts which the Council estimates for the items set out in Section 31(A)(3) of the Act (<i>gross income</i>);
(c)	xxxxxxx	being the amount by which the aggregate at 7(a) above exceeds the aggregate at 7(b) above, calculated by the Council in accordance with Section 31(A)(4) of the Act as its Council Tax requirement for the year;

- (d) **xxxxxxx** being the amount at 7(c) above divided by the amount at 6(a) above, calculated by the Council in accordance with Section 31(B) of the Act, as the basic amount of its Council Tax for the year (*including parish precepts*);
- (e) **xxxxxxx** being the aggregate amount of all special items referred to in Section 34(1) of the Act (*parish precepts and town area special expenses*);
- (f) **xxxxxxx** being the amount at 7(d) above less the result given by dividing the amount at 7(e) above by the amount at 6(a) above, calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates (*Rugby Borough Council Tax excluding parish precepts and town area special expenses*);

(g) Part of the Council's area

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

being the amounts given by adding to the amount at 7(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 7(b) above, calculated by the Council in accordance with Section 34(3) of the Act as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate (*Rugby Borough Council plus parish/town area Council Tax for each parish/town area at Band D*);

(h) the amounts set out in Annex 1, being the amounts given by multiplying the amounts at 7(f) and 7(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands (*Rugby Borough Council plus parish/town area Council Tax for each parish/town area for each Band*);

- (8) it be noted that for the year 2017/18 Warwickshire County Council and Warwickshire Police & Crime Commissioner have stated the following amounts in precepts issued to the District Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Valuation Bands £	Warks. County Council £	Police & Crime Commr. £
A	865.92	127.99
B	1,010.24	149.32
C	1,154.56	170.65
D	1,298.88	191.98
E	1,587.52	234.64
F	1,876.16	277.30
G	2,164.80	319.97
H	2,597.76	383.96

and

- (9) having calculated the aggregate in each case of the amounts at 7(h) and 8 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts set out at Annex 2, as the amounts of Council Tax for the year 2017/18 for each of the categories of dwellings shown;
- (10) The Council has determined that its relevant basic amount of Council Tax for 2017/18 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2017/18 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

Draft General Fund Revenue Summary 2017/18	2016/17 Original Budget £	In Year Adjustments £	2016/17 Revised Budget £	Corporate Adjustments £	Total Inflation £	Salary Adjustments £	Proposed Growth Items (Appendix 2) £	Proposed Income Adjustments (Appendix 3) £	Savings (Appendix 4) £	2017/18 Draft Budget £
EXPENDITURE:										
Growth & Investment	3,059,770	+196,280	3,256,050	-325,620	0	+34,760	+365,000	-62,740	-61,650	3,205,800
Corporate Resources	2,033,370	+86,110	2,119,480	-652,190	+20,000	+104,880	+76,600	-31,420	-56,550	1,580,800
Environment & Public Realm	7,463,520	-136,960	7,326,560	+632,590	+910	+58,400	+12,500	-397,510	-11,000	7,622,450
Communities & Homes	1,145,030	-65,170	1,079,860	-135,300	+3,020	+24,430	+203,210	-122,950	-24,990	1,027,280
Executive Director's Office	1,782,180	-61,550	1,720,630	+269,140	0	-43,310	0	+0	-86,420	1,860,040
PORTFOLIO EXPENDITURE	15,483,870	+18,710	15,502,580	-211,380	23,930	179,160	657,310	-614,620	-240,610	15,296,370
Less Capital Charge Adjustment	-2,126,560	+39,820	-2,086,740	-304,930	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	-344,580	+28,700	-315,880	+6,550	0	0	0	0	0	-309,330
NET PORTFOLIO EXPENDITURE	12,812,730	+87,230	12,899,960	-509,760	+23,930	+179,160	+657,310	-614,620	-240,610	12,395,370
Net Cost of Borrowing	670,110	0	670,110	-42,500	0	0	0	0	0	627,610
Minimum Revenue Provision (MRP)	1,191,580	0	1,191,580	+283,970	0	0	0	0	0	1,475,550
Revenue Contribution to Capital Outlay	87,500	0	87,500	0	0	0	0	0	0	87,500
Contribution to Budget Stability Reserve	0	0	0	+264,160	0	0	0	0	0	264,160
TOTAL EXPENDITURE (before Parish Precepts)	14,761,920	+87,230	14,849,150	-4,130	+23,930	+179,160	+657,310	-614,620	-240,610	14,850,190
Parish Council Precepts and Council Tax Support	715,180	0	715,180	+15,910	0	0	0	0	0	731,090
TOTAL EXPENDITURE	15,477,100	+87,230	15,564,330	+11,780	+23,930	+179,160	+657,310	-614,620	-240,610	15,581,280
INCOME:										
Revenue Support Grant	-1,098,450	0	-1,098,450	+587,520	0	0	0	0	0	-510,930
Retained Business Rates (Net of Tariff)	-4,225,800	0	-4,225,800	-269,890	0	0	0	0	0	-4,495,690
New Homes Bonus Funding	-3,221,280	0	-3,221,280	+549,740	0	0	0	0	0	-2,671,540
Government Grants	-426,810	0	-426,810	+51,460	0	0	0	0	0	-375,350
Council Tax	-6,746,100	0	-6,746,100	-316,770	0	0	0	0	0	-7,062,870
Collection Fund Surplus(-)/Deficit	1,364,890	0	1,364,890	-1,720,790	0	0	0	0	0	-355,900
Contribution from Reserves & Balances	-1,123,550	0	-1,123,550	+1,003,550	0	0	0	0	0	-120,000
TOTAL INCOME	-15,477,100	0	-15,477,100	-115,180	0	0	0	0	0	-15,592,280
VARIANCE ON 2016/17 BUDGET	0	+87,230	87,230	-103,400	+23,930	+179,160	+657,310	-614,620	-240,610	-11,000
2017/18 Estimated Revenue Implications of the Draft Capital Programme (see Appendix 5)	0	0	0	+11,000	0	0	0	0	0	11,000
OVERALL VARIANCE ON 2016/17 BUDGET	0	+87,230	87,230	-92,400	+23,930	+179,160	+657,310	-614,620	-240,610	0

Proposed Growth Items 2017/18

Portfolio/Service	Amount (£)	Justification:	Corresponding savings? Y / N / Partial (Y = Total growth offset)
Growth & Investment (G&I)			
Economic Development			
Community Infrastructure Levy	200,000	One year budget required to complete the Councils commitment for the Local Plan as outlined at Council in December 2015.	N
Business Development	15,000	A new budget to deliver a business support programme, which will include coaching and workshops within the borough.	N
Town Centre Improvements			
Town Centre Improvements	150,000	Continuation on an annual basis for the re-assignment of the out of town retail business rates for the benefit of the town centre.	N
Sub Total (G&I)	365,000		
Corporate Resources (CR)			
General Financial Expenses			
Business Rate Forecasting	5,000	This amount is required for the Business Rate forecasting system, this will enhance the accuracy of the Council's medium term business rates forecasting. It will also provide a more efficient process for the Council and allow officers to focus on more value added activities.	N
West Midlands Combined Authority	25,000	The increase reflects the costs of joining the West Midlands Combined Authority as reported at Special Council on 9th June 2016.	N
Human Resources			
Terms and Conditions Review	23,000	General Fund financial implications of the Terms and Conditions review for 2017/18, as detailed elsewhere on this Cabinet agenda	N
Pay Benchmarking	23,600	General Fund financial implications of the Pay Benchmarking review for 2017/18, as detailed elsewhere on this Cabinet agenda	N
Sub Total (CR)	76,600		
Environment & Public Realm (E&PR)			
Regulatory Services			
Funeral Expenses	2,500	More demand for assistance with funerals that are imposed on the service for people without means. This is a statutory service.	N
Environmental Protection Fixed Penalty Notices	10,000	Service expansion due to additional work on environmental crime activities, to be offset with income from work taken on for Harborough District Council for fly tipping as agreed at Cabinet 27th June 2016 see appendix 4.	Y
Sub Total (E&PR)	12,500		
Communities & Homes (C&H)			
Customer and Information Services			
Annual Maintenance & Licencing of Meta Compliance Software	2,000	New system maintenance for the new internal Wider Area Network for the benefit of the whole council.	N
Annual Maintenance & Licencing of Refuse Vehicle Route Optimiser Software	36,000	New WebAspex Routemaster Optimiser Software Maintenance, first year revenue maintenance.	Y
Annual Maintenance & Licencing of SportsBooker Room Booking System and Increased EPOS Till Maintenance	2,910	New Booking System to replace the existing TopLevel system. This system will be used for internal room bookings, holiday activity sessions and The Hall of Fame and will be fully funded with savings identified in appendix 5	Y
Annual Maintenance for new HRA Lifeline System	9,360	New Annual maintenance contract agreed, due to new Lifeline Telecare system upgrade in the HRA Control Centre. The annual maintenance was previously paid from HRA budgets, but will now be maintained by RBC Central ITC Services and charged back to the HRA via internal recharges	Y
Housing Options Team			
Rent B&B Temp Accommodation	25,000	Bed & Breakfast costs are expected to increase, due to increased demand on the service, offset with increased Housing Benefit income see appendix 4.	Y
Private Sector Leasing Scheme	31,500	Expansion of the Private Sector Leasing service will result in additional costs. There will be corresponding income to offset this cost see appendix 4.	Y
Payments to Deepmore Road Hostel	3,070	Increased charges to reflect additional payments to HRA for the use of Deepmore Road Hostel for Homeless accommodation. Corresponding income shown on appendix 4.	Y
Housing Strategy & Enabling			
Eastern European Link Worker	22,350	On the 9th January 2017 Cabinet Approved the extension of the Eastern European Link Worker post for 2 years. Savings through the cessation of various schemes will help fund this cost (see appendix 5).	P
HEART Shared Service - Home Environment Assessment Response Team			
Employee & General Running Expenses	54,700	The New HEART Shared Service Scheme is a joint venture with all of the Warwickshire District/Borough Councils and Warwickshire Council. The scheme will facilitate Home adaptations and Improvements to enable the Elderly and Disabled to remain in their existing homes. The scheme expenditure is fully offset with income originating from grant award by Central Government which will be centrally pooled and distributed back to all members of the shared scheme to fund allocated expenses. See appendix 4	Y

Proposed Growth Items 2017/18

Portfolio/Service	Amount (£)	Justification:	Corresponding savings? Y / N / Partial (Y = Total growth offset)
Communities & Homes (C&H) Continued.			
Syrian Resettlement Programme			
Rents	13,200	Public Sector Letting Scheme Property Rents paid to landlords to accommodate Syrian Refugees. The rental expenditure is fully offset with income from Universal Credit on (see Appendix 4), so there is no cost to the Council to facilitate this scheme.	Y
Voids & New Equipment	3,120	Budget to provide furniture and homeware to Private Sector Leased Properties and redecoration budget to ensure property is in good condition when Refugee tenants change address. This expenditure is fully offset (see Appendix 4) by contributions from Warwickshire County Council and Universal Credit Income.	Y
Sub Total (C&H)	203,210		

OVERALL TOTALS	657,310
Summary Proposed Growth 2016/17	
Total increase where savings or income offset	188,860
Total increase without savings or income offset	468,450
Overall Total	657,310

Proposed Income Adjustments 2017/18

Portfolio/Service	Amount (£) + = Reduction - = Increase	Justification:
Growth & Investment (G&I)		
Art Gallery and Museum		
Arts Council	+8,430	The funding for this scheme has now ended, therefore corresponding income and salary expenditure budgets have been removed.
Queen's Diamond Jubilee Centre		
Contract Payment	-38,220	Increase in the management payments as per the contract including CPI element
Sports and Recreation		
Street Sports	+23,480	The funding for this scheme has now ended, therefore corresponding income and salary expenditure budgets have been removed (see appendix 5)
Family Lifestyles	+108,570	Reduction in income following the expected cessation of the scheme in July 2017, therefore corresponding operating expenditure and salary budgets of £58,750 have been removed (see appendix 3)
The Benn Hall & Tool Shed Café		
Hall of Fame		
Net Operating Income	-165,000	Anticipated net income from the operation of The Hall of Fame
Sub Total (G&I)	-62,740	
Corporate Resources (CR)		
Corporate Property Administration		
Contribution to Running Expenses	+10,490	As the councils utility costs have fallen, the recoverable income budget has been reduced to reflect the amount chargeable to Warwickshire County Council for their share of costs at the Library
Corporate Property Management		
Property Rental	-2,900	The increased income reflects revised leasing charges for corporate land and properties
Housing Benefits Administration		
Universal Credit Support Funding	-39,010	This DWP funding is to reimburse officer time for the clerical process of Universal Credit
Sub Total (CR)	-31,420	
Environment & Public Realm (E&PR)		
Crime and Disorder		
Eastern European Project Work	+5,340	Cessation of Grant Funding for this scheme.
Violence	+5,000	Reduction of Police Crime Commissioner Grant
Parks, Recreation Grounds & Open Spaces		
Football Pitches Income	+2,150	Reduction of the income budget from hire of sports pitches based on recent levels of income received.
Regulatory Services		
Environmental Protection	-10,000	Additional work fully reimbursed from Harborough District Council for investigative work being carried out for Fly Tipping (see appendix 3)
Waste Collection and Recycling		
Refuse & Recycling	-400,000	Introduction of a £40 per bin charge for the collection of household green waste to be introduced from 1st April 2017
Sub Total (E&PR)	-397,510	

Proposed Income Adjustments 2017/18

Portfolio/Service	Amount (£) + = Reduction - = Increase	Justification:
Communities & Homes (C&H)		
Housing Options Team		
Private Sector Leasing Scheme HB Income	-35,100	Private Sector Leasing income from Housing Benefit (see appendix 3)
Reimbursements for Bed & Breakfast	-12,000	Increased income expected from Housing Benefits to offset the increase in temporary accommodation costs (see appendix 3)
Lease Income from Deepmore Road Hostel	-3,070	Additional income from the new contractor managing Deepmore Road Hostel (see appendix 3)
Syrian Resettlement Program Administration Contribution	-4,000	A £4,000 external contribution to the Private Sector Leasing Officer's salary for administering the Syrian Resettlement Programme
HEART Shared Service - Home Environment Assessment Response Team		
HEART Shared Service External Contract Income	-39,700	RBC's budgeted allocation of grant income from centrally pooled HEART shared service grant to offset expenditure of the scheme (See appendix 3)
Contribution from HEART Shared Service Capital Scheme	-15,000	A grant contribution to offset the expenditure of the scheme (See appendix 3)
House Purchase and Improvement Loans		
Insurance and Interest on advances	+2,240	The change reflects the amounts of interest and chargeable interest on loans outstanding
Communities & Homes (C&H) Continued		
Syrian Resettlement Programme		
Private Sector Leasing Scheme Universal Credit Income	-16,320	The corresponding income sourced from Universal Credit using the Private Sector Leasing Scheme to offset rental expenditure paid to landlords to enable RBC to facilitate the Syrian refugee programme accommodation requirement.
Sub Total (C&H)		
	-122,950	
OVERALL TOTALS		
	-614,620	
Summary Proposed Income Adjustment 2016/17		
Total reduction in income	+126,380	
Total increase in income	-97,560	
Net Change To Income	28,820	

Proposed Savings 2017/18

Portfolio/Service	Amount (£)	How can these be achieved?	Adverse impact on service delivery? Y/N
Growth & Investment (G&I)			
Art Gallery and Museum			
Arts Council Scheme	-8,430	This funding was used to enhance rooms at the Art Gallery and Museum with installation of spot lights, projectors and staff training. This was one off funding for this scheme and has now ended, therefore corresponding income and salary expenditure budgets have been removed (see appendix 4)	N
Sports and Recreation			
Street Sports	-23,480	This scheme provided informal sports activities for 14 to 25 year olds. The funding for this scheme has now ended, therefore corresponding income and salary expenditure budgets have been removed (see appendix 4)	Y
Family Lifestyles	-21,730	The funding for this scheme is expected to end in July 2017, therefore corresponding operating expenditure and salary budgets of £58,750 have been removed (see appendix 4)	Y
The Benn Hall & Tool Shed Café			
Visitor Centre			
Town Centre CCTV and Management			
External Contractor	-8,010	Saving on external contractor providing CCTV following cabinet report.	N
Sub Total (G&I)	- 61,650		
Corporate Resources (CR)			
Corporate Property Administration			
Electricity and Gas	-13,620	Net reduction in usage and tariff costs	N
Resources			
Shared services - training	-17,610	Following a report to Cabinet on 31 October for the restructure of Human Resources the shared service with Nuneaton and Bedworth Borough Council will be terminated and the employee be transferred to a new post within the approved establishment.	N
Housing Benefits Payments			
Housing Benefits	-25,320	Reduction in net cost of Housing Benefit payments following revised forecasts for anticipated costs and subsidy for 2017/18	
Sub Total (CR)	- 56,550		
Environment & Public Realm (E&PR)			
Crime and Disorder			
Burglary	-1,000	Reduction of Burglary budget in line with reduction of PCC Grant	N
Personal Anti Social Behaviour	-1,000	Reduction of Personal Anti Social Behaviour budget in line with reduction of PCC Grant	N
CSP 3 year plan	-3,000	Removal of Crime and Safety Prevention 3 year rolling plan as not required until 2020	N
Miscellaneous Highways Services			
Subcontractors- Great Central Way Bridges	-6,000	Efficiency savings for maintaining GCWB due to revised working arrangements with Warwickshire County Council	N
Sub Total (E&PR)	- 11,000		

Proposed Savings 2017/18			
Portfolio/Service	Amount (£)	How can these be achieved?	Adverse impact on service delivery? Y/N

Communities & Homes (C&H)			
Customer and Information Services			
Maintenance & Licencing of Figtree Software	-4,230	Insurance software contract has been cancelled, so budget is no longer required, as existing council software systems can be used	N
Maintenance & Licencing of TopLevel Room Booking Software	-4,710	TopLevel System to be replaced with new SportsBooker Room Booking system (see appendix 3)	N
Housing Strategy and Enabling			
Various Housing Strategy Schemes	-14,550	The following schemes have been identified for potential removal and these savings are proposed to be used to fund the Eastern European Worker (see Appendix 3): * £3,000 - Domestic Abuse Payments to WCC * £6,550 - Rural Enabling * £5,000 - Act On Energy Boiler Servicing Grant	Y
Woodside Park			
Council Tax charge for vacant plots	-1,500	The council has to meet the loss of vacant plots, however there has been no spend for three years due to higher than expected occupancy	N
Sub Total (C&H)	- 24,990		

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

OVERALL TOTALS - 240,610

Summary Proposed Savings Adjustment 2016/17		
Total savings with no adverse impact on service delivery	-	155,530
Total savings with an adverse impact on Service delivery	-	85,080
Overall Total	-	240,610

General Fund Capital Programme 2017/18 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
			2017/18	2018/19	2019/20	2017/18	Future Years	2017/18	Future Years	2017/18*	Full Year	2017/18*	Full Year	2018/19
			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	65,040	42,040	42,040	0	0	65,040	84,080	0	0	810	1,630	13,010
RC		ICT Refresh Programme - Infrastructure	138,410	148,410	148,410	0	0	138,410	296,820	0	0	1,730	3,460	27,680
RC		Income Management System Upgrade	10,000	0	0	0	0	10,000	0	0	0	130	250	2,000
RC		CSW Superfast Broadband	80,000	0	0	0	0	80,000	0	0	0	1,000	2,000	4,000
RC		Disabled Facilities Grants ²	492,920	492,920	492,920	492,920	985,840	0	0	0	0	0	0	0
			786,370	683,370	683,370	492,920	985,840	293,450	380,900	0	0	3,670	7,340	46,690
		Environment & Public Realm												
SL		Vehicle Replacement	1,101,170	434,000	434,000	0	0	1,101,170	868,000	0	0	13,760	27,530	157,310
SL		Open Spaces Refurbishments - Whitehall Recreation Ground	489,130	0	0	310,470	0	178,660	0	0	0	2,230	4,470	11,910
SL		Open Spaces Refurbishments - Safety Improvements	50,000	150,000	150,000	0	100,000	50,000	200,000	3,000	6,000	630	1,250	3,330
SL		Open Spaces Refurbishments - Street Furniture	42,820	42,820	42,820	0	0	42,820	85,640	0	0	540	1,070	2,850
SL		Cemetery Infrastructure Work	11,420	11,420	11,420	0	0	11,420	22,840	0	0	140	290	570
SL		Great Central Way Bridge Repairs	160,770	160,770	160,770	0	0	160,770	321,540	8,000	16,000	2,010	4,020	3,220
SL		Purchase of Waste Bins ¹	87,500	87,500	87,500	87,500	175,000	0	0	0	0	0	0	0
			1,942,810	886,510	886,510	397,970	275,000	1,544,840	1,498,020	11,000	22,000	19,310	38,630	179,190
		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	2,829,180	1,669,880	1,669,880	890,890	1,260,840	1,938,290	2,078,920	11,000	22,000	24,230	48,470	230,880

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 2017/18 onwards are based on the 2016/17 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.

* 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
			2017/18	2018/19	2019/20	2017/18	Future Years	2017/18	Future Years	2017/18*	Full Year	2017/18*	Full Year	2018/19
			1	2	3	4	5	6	7	8	9	10	11	12
	£	£	£	£	£	£	£	£	£	£	£	£		
RB		Growth & Investment												
RC		Communities & Homes												
		Environment & Public Realm												
SL		Vehicle Replacement	251,960	0	0	0	0	251,960	0	0	3,150	6,300	35,990	
SL		Rainsbrook Cemetery Preparation	197,600	0	0	0	0	197,600	0	0	2,470	4,940	9,880	
			449,560	0	0	0	0	449,560	0	0	5,620	11,240	45,870	
		Corporate Resources												
MK		Carbon Management Plan	347,000	0	0	0	0	347,000	0	0	4,340	8,680	17,350	
			347,000	0	0	0	0	347,000	0	0	4,340	8,680	17,350	
		Total Carry Forward Proposals	796,560	0	0	0	0	796,560	0	0	9,960	19,920	63,220	

Overall Total	Capital						Revenue Implications					
	Gross Expenditure			External Contributions		Internal Resources		Running Costs		Estimated Interest costs		Minimum Revenue Provision
	2017/18	2018/19	2019/20	2017/18	Future Years	2017/18	Future Years	2017/18*	Full Year	2017/18*	Full Year	2018/19
	3,625,740	1,669,880	1,669,880	890,890	1,260,840	2,734,850	2,078,920	11,000	22,000	34,190	68,390	294,100

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

	2016/17	2017/18	2018/19 ³	2019/20
	£	£	£	£
Balance brought forward	2,101,660	1,972,170	1,972,170	2,972,170
Add assumed in year receipts			1,000,000	
Less financing of capital expenditure	-129,490			
Less financing short-life assets				
Balance carried forward	1,972,170	1,972,170	2,972,170	2,972,170

³ The Council's indemnity contribution of £1m to underwrite the Local Authority Mortgage Scheme (LAMS) is scheduled to be returned in September 2018 .

General Fund Draft Capital Programme 2017/18 & Onwards

Capital Appraisal Information

Portfolio	Communities & Homes	Communities & Homes	Communities & Homes	Communities & Homes
Capital Scheme	ICT Refresh Programme - Desktop	ICT Refresh Programme - Infrastructure	CSW Superfast Broadband	Disabled Facilities Grants
Gross Budget Requirement 2017/18 - 2019/20	£149,120	£435,230	£80,000	£1,478,760
External Funding	£0	£0	£0	£1,478,760
RBC Funding 2017/18 - 2019/20	£149,120	£435,230	£80,000	£0
Budget Officer	Raj Chand	Raj Chand	Raj Chand	Raj Chand
Strategic Case: Outline relevant national and local policies and strategies	The IT Desktop provision is made up of the following components: 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 in order that the systems remain secure and fit for purpose. 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 retain PSN Code of Connection compliance that IT equipment must be fully supported and updated. Failing to comply would not only mean we are the only authority not to be connected to the PSN but it would leave us open to security breaches and the associated fines that they would incur.	The IT infrastructure provision is made up of the following components: Physical and Virtual Servers; Storage Area Networks; Network Switches and Routers; and Firewalls. The Council has adopted a rolling refresh programme that spreads the cost and effort of updating the infrastructure across all financial years in order that the systems remain secure and fit for purpose. 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 retain PSN Code of Connection compliance there are no direct alternatives that are financially viable. As part of an ongoing review of Business Continuity, cloud service providers such as Microsoft Azure have been reviewed however they are prohibitively expensive to run full time for all services and they are only suitable for short term disaster recovery use.	Council agreed to match funding of £240,000 in October 2014 to support Broadband UK Phase 2 as part of the government strategy to extend superfast broadband to 95% of UK properties by 2017. 2017/18 is the final year of the delivery programme with £80,000 allocated as part of the funding timeline.	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	Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.	Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.	As outlined in Cabinet report October 2014	
Financial Case: Outline the capital and revenue costs / savings over the life span of the project	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 scheme will be £13,010 per annum.	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 scheme will be £27,680 per annum.	As outlined in Cabinet report October 2014	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 2017/18 are not expected until February/March 2017 and estimates will be revised accordingly at this time in light of predicted demand.
Management Case: Outline the governance, plans,			As outlined in Cabinet report October 2014	From October 2016, service delivery has been

Portfolio	Environment & Public Realm	Environment & Public Realm	Environment & Public Realm	Environment & Public Realm
Capital Scheme	Vehicle Replacements	Open Spaces Refurbishment - Whitehall Recreation Ground	Open Spaces Refurbishment - Safety Improvements	Open Spaces Refurbishment - Street Furniture
Gross Budget Requirement 2017/18 - 2019/20	£1,969,170	£489,130	£384,560	£148,140
External Funding	£0	£310,470	£100,000	£0
RBC Funding 2017/18 - 2019/20	£1,969,170	£178,660	£284,560	£148,140
Budget Officer	Sean Lawson	Sean Lawson	Sean Lawson	Sean Lawson
Strategic Case: Outline relevant national and local policies and strategies	The Vehicle Replacement scheme covers the provision of front line delivery services in procuring new vehicles for the Council's Works Service Unit (WSU) as existing fleet reaches the end of useful economic life. The scheme relates to Council priorities 4 & 5. Enable and sustain an environment in which our residents can take pride and which impresses our visitors. Enable the delivery of excellent VFM services in line with corporate plans. Acquisitions scheduled for 2017/18 include: 4 * refuse freighters ; JCB digger ; Street Sweeper ; and 10 * Vans (various)	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. Following the completion of the new Queens Diamond Jubilee Leisure Centre in 2012/13 there has been an increased demand for improved facilities on Whitehall Recreation Ground to reflect the modern facilities that the leisure centre now offers. The current facilities are in a poor condition and without investment would need to be removed altogether.	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	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.
Commercial Case: Outline the procurement	Procurement is undertaken in compliance with	All procurement is undertaken in line with our	All procurement is undertaken in line with our	Procurement for works will follow the
Financial Case: Outline the capital and revenue costs / savings over the life span of the project	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.	Following an unsuccessful bid to the Heritage Lottery Fund in 2015/16 we do have an agreed action plan of improvements which will be tailored to suit the available budget and also help to identify any suitable external funding grants such as Landfill Tax. The scheme has an anticipated asset life of fifteen years and therefore minimum revenue provision will be £11,910 per annum.	The bid includes anticipated external funding of £100,000 utilising developer contributions (S106 agreements) Schemes have an anticipated asset life of fifteen years and therefore minimum revenue provision for the 2017/18 programme will be £4,100 per annum.	Schemes have an anticipated asset life of fifteen years and therefore minimum revenue provision for the 2017/18 programme will be £3,290 per annum.
Management Case: Outline the governance, plans,	The existing fleet is monitored to gauge useful	Each open space that is highlighted for	Each open space that is highlighted for	

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 2017/18 - 2019/20/19	£30,000	£262,500	£492,390	£300,000
External Funding	£0	£262,500	£0	£0
RBC Funding 2017/18 - 2019/20	£30,000	£0	£492,390	£300,000
Budget Officer	Sean Lawson	Sean Lawson	Sean Lawson	Mannie Ketley
Strategic Case: Outline relevant national and local policies and strategies	To undertake essential infrastructure replacement including memorial safety in the Borough Council's cemeteries. The Council has a duty of care to all cemetery users in relation to the general condition of footpaths etc. that you would reasonably expect. The Ministry of Justice has also issued guidance to Local Authorities on how to deal with the issue of memorial safety. and we are currently producing our own policy statement.	The Council has a statutory responsibility for the provision of domestic waste collection within the Borough.	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.	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 2016/17 and inform options concerning non-housing asset future maintenance. Programmed works for the period include: <ul style="list-style-type: none"> • Structural works and water proofing at the John Barford Car Park (2017/18) • Roof enhancements at the Town Hall (2018/19)
Commercial Case: Outline the procurement arrangements that ensure supply side can deliver requirements on an efficient market basis	Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.	Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.	The Council will tender for structural works based on the independent reports prepared by invasive engineering surveys 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.	Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.
Financial Case: Outline the capital and revenue costs / savings over the life span of the project	Cemetery infrastructure works have an anticipated asset life of twenty years and therefore the minimum revenue provision for these works will be £500 per annum.	Purchase of waste bins for new housing developments will be funded via S106 agreements / developer contributions.	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.	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.
Management Case: Outline the governance, plans, and resources that are in place for successful implementation.			The Council works in partnership with Warwickshire County Council as the highways authority to provide and maintain some of the bridges and will seek to work collaboratively to minimise public inconvenience and optimise value for money.	

MEDIUM TERM FINANCIAL PLAN: GENERAL FUND 2017-20

	2017/18 £ 000's	2018/19 £ 000's	2019/20 £ 000's
BASE BUDGET	15,477	15,591	15,455
PORTFOLIO EXPENDITURE			
Salaries - savings from senior management restructure	-200	0	0
Salaries - savings from other disestablished posts	-100	-60	0
Salaries - savings from voluntary redundancies	-220	0	0
Salaries - pay awards, pension and NI increases and other minor changes to the establishment	241	239	231
Waste Service Reconfiguration	-400	-300	-100
Income from Charging for Hall of Fame Entry	-165	0	0
Other Anticipated service budget adjustments	422	27	-25
Inflation Provision on non pay budgets RPI/CPI as relevant	5	50	50
Sub total	15,060	15,547	15,611
CORPORATE ITEMS			
Change in net cost of borrowing	-43	18	-53
Change in contribution to Balances	0	0	0
Contribution to Budget Stability Reserve	264	-264	0
Contribution to Business Rates Equalisation Reserve	0	0	0
Change in Minimum Revenue Provision (MRP)	283	123	119
Change in Parish Council Precepts	16	20	20
Potential revenue implications from Capital Programme	11	11	0
Total	15,591	15,455	15,697

INCOME			
Revenue Support Grant	-511	-153	0
Retained Business Rates (50% local share)	-4,496	-4,970	-4,970
Government Grants	-375	-297	-267
Council Tax - from a 2% increase	-7,010	-7,252	-7,549
Collection Fund Surplus(-)/Deficit	-356	0	0
Contribution from Reserves to fund one-off expenditure	-120	0	0
New Homes Bonus Funding	-2,670	-2,069	-2,016
TOTAL	-15,538	-14,741	-14,802
BUDGET VARIANCE	53	714	895

KEY DECISIONS			
Voluntary Redundancy Savings	0	-100	-100
Additional Council Tax from a £5 increase in the Band D	-53	-106	-159
Increase in Council Tax from changes in policy on empty properties	0	-35	-35
TOTAL	-53	-241	-294
BUDGET VARIANCE	0	473	601