

Overview & Scrutiny Committee Tuesday 4 June 2024

A meeting of the above Committee will be held in Shire Hall, Market Place, Warwick on Tuesday 4 June 2024, at 6.00pm.

Councillor H Adkins

Councillor D Armstrong

Councillor A Barton

Councillor M Collins

Councillor A Day

Councillor M Luckhurst

Councillor D Harrison

Councillor A Milton

Councillor J Payne

Councillor D Russell

Councillor P Redford

Councillor D Russell

Councillor C Wightman

Emergency Procedure

At the commencement of the meeting, the emergency procedure for Shire Hall will be announced.

Agenda

1. Appointment of Chair

To appoint the Chair of the Committee for the municipal year 2024/25.

2. Appointment of Vice Chair

To appoint the Vice Chair of the Committee for the municipal year 2024/25.

3. Apologies for Absence

- (a) to receive apologies for absence from any Councillor who is unable to attend; and
- (b) to receive the name of any Councillor who is to act as a substitute, notice of which has been given to the Chief Executive, together with the name of the Councillor for whom they are acting.

4. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be disclosed during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

5. **Minutes**

To confirm the minutes of the meeting held on 13 May 2024.

(To follow)

6. **Work Programme, Forward Plan & Comments from Cabinet**

To consider a report from Governance Services.

(Pages 1 to 38)

7. **Annual Performance Update from the South Warwickshire Community Safety Partnership (2023/24)**

To consider a report from Safer Communities, Leisure, and Environment.

(Pages 1 to 15)

8. **Housing Revenue Account Budget and the Associated Risks.**

To consider a confidential appendix from Housing.

(Pages 1 to 7)

(Appendices 1 to 6)

(Appendix A Pages 1 to 14)

9. **Appointments to the Budget Review Group**

To appoint five Councillors, one from each Political Group on the Committee, (including the Chairman of the Committee as the Liberal Democrat Group representative) to the Budget Review Group for the Council for 2024/25 municipal year which is due to meet on as per the defined Terms of Reference.

10. **Appointment of Children's and Adults' Safeguarding Champion**

To appoint a Member of Overview & Scrutiny Committee as the Council's third Children's and Adults' Safeguarding Champion.

11. **Cabinet Agenda – (Non-Confidential Items and Reports) – Wednesday, 5 June 2024**

To consider the non-confidential items on the Cabinet agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the morning after Group meetings.

(Circulated Separately)

12. **Public & Press**

To consider resolving that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following items by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

13. **Cabinet Agenda – (Confidential Items and Reports) – Wednesday, 5 June 2024**

To consider the confidential items on the Cabinet agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the morning after Group meetings.

**(Circulated separately)
(Not for publication)**

14. **Confidential Appendix to Item 8 - Housing Revenue Account Budget Associated Risks**

To consider a confidential appendix from Housing.

(Pages 1)

15. **Work Programme, Forward Plan & Comments from Cabinet**

To consider confidential Appendix 3 to the Work Programme from Governance Services.

(Pages 1 to 3)

Published Friday 24 May 2024

General Enquiries: Please contact Warwick District Council, Town Hall, Parade, Royal Leamington Spa, CV32 4AT.

Telephone: 01926 456114

E-Mail: committee@warwickdc.gov.uk

For enquiries about specific reports, please contact the officers named in the reports. You can e-mail the members of the Committee at

boardscommittee@warwickdc.gov.uk

Details of all the Council's committees, councillors and agenda papers are available via our website on the [Committees page](#)

We endeavour to make all of our agendas and reports fully accessible. Please see our [accessibility statement](#) for details.

The agenda is available in large print on request, prior to the meeting, by emailing committee@warwickdc.gov.uk or telephoning (01926) 456114

Overview and Scrutiny Committee

Minutes of the meeting held on Monday 13 May 2024 at Shire Hall, Warwick at 5.31pm.

Present: Councillor Milton (Chair); Councillors Armstrong, Collins, Day, Luckhurst, Payne, Redford, Russell, and C Wightman.

Also Present: Councillor Davison – Leader of the Council and Councillor Sinnott Portfolio Holder for Safer Communities, Leisure & Environment.

93. **Apologies and Substitutes**

- (a) Apologies for absence were received from Councillors Barton, Browne, D Harrison; and
- (b) Councillor Wightman substituted for Councillor Sullivan.

94. **Declarations of Interest**

There were no declarations of interest made.

95. **Minutes**

The minutes of the following Overview and Scrutiny Committee meetings were taken as read and signed by the Chair as a correct record:

- a) 5 March 2024;
- b) 26 March 2024; and
- c) 9 April 2024.

96. **Cabinet Agenda (Non-Confidential items and reports) – Thursday 15 May 2024**

The Committee considered the following items which would be discussed at the meeting of the Cabinet on Wednesday 15 May 2024.

Item 4 - Newbold Comyn Cycle Trails

The Committee held a good discussion regarding the process of procurement and how the contract would be managed moving forward.

The Committee had asked for Cabinet to consider the following points:

- the procurement process should include how resident feedback would be integrated and looking at measurables within the contract e.g. promoting courses and how often they are open;
- learning from previous procurement exercises should be included;
- the social value element should be a factor to be considered in determining the successful tender;
- at paragraph 1.6.7 in the report the first bullet point should stop after “reputational damage”; and

- the Committee asked to ensure that the tender is well publicised, particularly amongst local businesses, to maximise opportunity to respond.

97. **Public and Press**

Resolved that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below:

Minute Number	Paragraph Number	Reason
98, 99	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

98. **Cabinet Agenda (Confidential items and reports) – Thursday 15 May 2024**

The Committee considered the following confidential items which would be discussed at the meeting of the Cabinet on Wednesday 15 May 2024.

Item 7 & 8 Confidential Appendix to Item 4 -Newbold Comyn Cycle Trails

The Committee discussed the confidential appendices to the report and comments made to Cabinet were recorded as above.

99. **Minutes**

The confidential minutes of the Overview and Scrutiny Committee meeting held on 9 April 2024 were taken as read and signed by the Chair as a correct record.

(The meeting resumed public session.)

(The meeting ended at 6.10pm)

CHAIR
4 June 2024

Overview & Scrutiny Committee
4 June 2024

Title: Work Programme, Forward Plan & Comments from Cabinet
Lead Officer: Ruweni Fernando, Committee Services Officer (Scrutiny)
Portfolio Holder: Not applicable
Public report
Wards of the District directly affected: Not applicable

Summary

This report informs Members of Overview & Scrutiny Committee:

- (1) of the Committee's work programme for 2024-2025 (Appendix 1);
- (2) responses that Cabinet gave to comments and recommendations made by the Overview & Scrutiny Committee regarding the reports to Cabinet 10 April 2024 and 15 May 2024 (Appendix 2 and confidential Appendix 3);
- (3) of the Corporate Projects List (Appendix 4); and
- (4) of a report on the General Fund Budget Medium Term Financial Strategy that was recently removed from the Work Programme by mistake and may need to be reinstated.

Recommendations

- (1) That Members consider the work programme (Appendix 1), the themes the Committee intends to scrutinise this year and agree changes to its Work Programme appropriately.
 - (2) That the Committee:
 - identifies any Cabinet items on the [Forward Plan](#) on which it wishes to have an input before the Cabinet makes its decision; and
 - nominates a Member to investigate that future decision and report back to the Committee.
 - (3) That Members note the responses made by Cabinet on the Comments from the Cabinet report (Appendices 2 and 3).
 - (4) That the Committee reviews the Projects List in Appendix 4 to the report with a view to prioritising which projects it wishes to scrutinise.
 - (5) That the Committee consider whether to reinstate the General Fund Budget Medium Term Financial Strategy report to the Work Programme and at which meeting the report should be presented.
-

1 Background/Information & Reasons for the Recommendation

- 1.1 The five main roles of overview and scrutiny in local government are: holding to account; performance management; policy review; policy development; and external scrutiny.

Agenda Item 6

- 1.2 Two of the five main roles of overview and scrutiny in local government are to undertake pre-decision scrutiny of Cabinet decisions and to feed into policy development.
- 1.3 The pre-decision scrutiny of Cabinet decisions falls within the role of 'holding to account'. To feed into the pre-decision scrutiny of Cabinet decisions, the Committee needs to examine the Council's Forward Plan and identify items which it would like to have an impact upon.
- 1.4 The Council's Forward Plan is published 28 days before each Cabinet meeting and sets out the key decisions that are expected to be taken by the Cabinet in the next twelve months.
- 1.5 A key decision means a decision made in the exercise of an executive function by any person (including officers) or body which meets one or more of the following conditions:

- (1) The decision is likely to result in the Council incurring expenditure or the making of savings in excess of £150,000. Excluded from this are all loans to banks or other financial institutions made in accordance with the Treasury Management Strategy.

Officers' delegated powers to make the cabinet decisions are subject to the key decision/call-in regime where it is likely that the Council would incur expenditure or make savings above the threshold of £150,000.

In relation to letting contracts the key decision is the proposal to let a contract for a particular type of work. The subsequent decision to award the contract to a specific contractor will not be a key decision provided the value of the contract does not vary above the estimated amount by more than 10% for contracts with a value of up to £500,000 or 5% for contracts of over £500,000.

- (2) The decision is likely to be significant in terms of its effects on communities living or working in any two or more Wards.

In considering whether a decision is likely to be significant, a decision-maker will need to consider the strategic nature of the decision and whether the outcome will have an impact, for better or worse on the amenity of the community or quality of service provided by the Council to a significant number of people living or working in the locality affected.

- 1.6 The Forward Plan is considered at each meeting and allows the Committee to look at future items and become involved in those Cabinet decisions to be taken if members so wish.
- 1.7 The Forward Plan also identifies non-key decisions to be taken by Cabinet in the next twelve months, and the Committee, if it wishes, may also pre-scrutinise these decisions.
- 1.8 There may also be policies identified on the Forward Plan, either as key or non-key decisions, which the Committee could pre-scrutinise and have an impact upon how these are formulated.

Agenda Item 6

- 1.9 The Committee should be mindful that any work it wishes to undertake would need to be undertaken without the need to change the timescales as set out within the Forward Plan.
- 1.10 At each meeting, the Committee will consider its work programme and make amendments where necessary, and also make comments on specific Cabinet items, where notice has been given by 9am on the morning after Group meetings. The Committee will also receive a report detailing the response from the Cabinet, on the comments the Committee made on the Cabinet agenda in the previous cycle.
- 1.11 The Committee will consider issues that have due significance with reference to the following criteria:
 - The number of residents impacted and the significance of that impact.
 - The amount of spend involved.
 - It concerns a strategic priority of the Council or key project.
- 1.12 On the day of publication of the Cabinet agenda all Councillors are sent an e-mail asking them to contact Committee Services, by 09.00am on the day of the Overview and Scrutiny Committee meeting to advise which Cabinet items they would like the Committee to consider.
- 1.13 The proposed plan at Appendix 1 has been developed in order for the Committee to focus on the four agreed core themes (Risk, Climate Emergency Action Plan, Medium Term Financial Strategy and Corporate Strategy).
- 1.14 Appendix 4 to the report sets out the Corporate Projects List for the Committee to determine what it is they would like to scrutinise.
- 1.15 At the Committee's 23 January 2024 meeting, a report on the General Fund Budget Medium Term Financial Strategy was requested for the Committee's meeting in April 2024. This was wrongly removed from the Work Programme whilst the usual Committee Services Officer dealing with Overview & Scrutiny Committee was on annual leave. The Committee now needs to decide whether to reinstate the report to the Work Programme and if so, at which meeting the report should be considered.

Criteria for Items on the work plan	Scheduled Meeting dates
<ol style="list-style-type: none"> 1. High Risk 2. High Value 3. Major Project 4. Decreasing Performance 5. Statutory/Constitution requirement 	<p>4/6/2024 2/7/2024 30/7/2024 (NC) 3/9/2024 24/9/2024 (NC) 15/10/2024 13/11/24 (NC) 3/12/2024 21/1/2025 (NC) 4/2/2025 18/2/2025 (NC) 18/3/2025 *NC = No Cabinet meeting</p>

Agenda Item 6
Appendix 1 – Overview & Scrutiny Committee Work Programme

Title	Lead Officer / Councillor	Meeting Date	Where did item originate from	Notes	Continue?
Elect a Chair and Vice Chair if this was not done after Annual Council		4/6/2024	Standing Annual Item on the agenda	On-going at the first meeting of each Municipal Year	5
To appoint members to the Budget Review Group (add the Group's remit which is saved to the annex in the Constitution)		4/6/2024	Standing Annual Item on the agenda.	On-going at the first meeting of each Municipal Year	5
Appoint Children's and Adults' Safeguarding Champion		4/6/2024	Standing Annual Item on the agenda.	On-going at the first meeting of each Municipal Year	5
<p>Summary of the role, responsibilities and performance of the SWCSP.</p> <p>Invite Councillor Falp (non-Exec rep) and the PH Safer Communities to O&S (This report was originally scheduled 2023/24 so the reps for that year were Councillors Sinnott and Falp)</p>	Liz Young / Marianne Rolfe.	4/6/2024	This is a Statutory requirement	Annual report next due March 2025 (It should have been given in March 2024 which makes next report March 2025)	5

Agenda Item 6
Appendix 1 – Overview & Scrutiny Committee Work Programme

Title	Lead Officer / Councillor	Meeting Date	Where did item originate from	Notes	Continue?
See minute 76, 6 February 2024 for details requested in the report.					
Housing Revenue Account Budget and the risks associated with it	Lisa Barker Councillors Chilvers & Wightman	4/6/2024	O&S 23 January 2024		
Quarterly Budget Update	Steven Leathley Councillor Chilvers	TBC			1 & 2
Review of the Significant Business Risk Register	Chris Elliott Councillor Davison	2/7/2024 & Cabinet 3/07/2024	Forward Plan ref 1374		Yes to identify themes and risks
Leisure Services Provider 2017 – contract ref WDC0108	Marianne Rolfe Councillor Sinnott	2/7/2024	O&S Feb 2024 and also 26 March 2024	See minutes of 26 March 2024 meeting for content the Committee wish to see covered in the report.	2
General housing repairs & voids Contract ref WDC0007	Steve Partner Councillor Wightman	30/7/2024	O&S Feb 2024	List of points that should be covered in	

Agenda Item 6
Appendix 1 – Overview & Scrutiny Committee Work Programme

Title	Lead Officer / Councillor	Meeting Date	Where did item originate from	Notes	Continue?
				the report are in the minutes of 6 Feb meeting. On 12 March 2024, the CSO advised the two Heads of Service (SP and LB) that the report was required for July meeting. A reminder will be sent nearer the time.	
Change Programme – Case for Change – a specific update on Change Programme progress following the Programme Board meeting scheduled in June 2024.	Darren Knight	30/7/2024	O&S 5 March 2024		
Future High Streets Fund update – if everything is on track, the Committee will accept a short report to this effect following liaison with the O&S Chair.	Martin O’Neill	30/7/2024	O&S February 2023	Every 3 months until further notice	1, 2, and 3
Climate Change Action Programme Update (and discussion paper on how best to focus and scrutinise the five themes below) <ol style="list-style-type: none"> 1. Offsetting and any potential for getting involved in early policy development; 2. Issue of adaptation; 	Dave Barber Councillor Davison	30/7/2024	O&S Jan 2024		2&3

Title	Lead Officer / Councillor	Meeting Date	Where did item originate from	Notes	Continue?
3. Data tracking (including carbon emissions) and how this can be most efficient. 4. Biodiversity Action Plan 5. Residents Engagement & Communication					
Homelessness - Committee to discuss and formulate a brief for a report to be considered (date for the meeting when the report will be considered TBC).	Discussion lead by the Chair.	30/7/2024	O&S 5 March 2024		
Quarterly Budget Updates	Steven Leathley Councillor Chilvers	3/9/2024 (Cab report)			1 & 2
Six-month post opening update on the "Relocation of Office Accommodation and the Provision of Public Facing Access to Council Services, including, financial cost of each aspect, savings, communication and residents feedback	Steve Partner Dave Elkington Tracy Dolphin Councillor J Harrison	15/10/2024			3
Quarterly Budget Updates	Steven Leathley Councillor Chilvers	15/10/2024 (Cab report)			1 & 2
Park Exercise Permit Report on how the scheme has performed along with some data, including date on how much of officers' time is being spent	Ann Hill / Councillor Sinnott	15/10/2024	Cabinet 10 April 2024 and O&S 9 April 2024		

Appendix 1 – Overview & Scrutiny Committee Work Programme

Title	Lead Officer / Councillor	Meeting Date	Where did item originate from	Notes	Continue?
with the implementation and governance of the scheme					
<p>Corporate Strategy - the Corporate Strategy should be reviewed on a yearly basis, in the same way that the annual governance statement comes through scrutiny to make sure the Council is properly governed. More specifically, the Committee would like to see an annual strategy progress update, looking at the big picture and how the Council is working towards its goals and values</p> <p><i>"In response to the request from the Overview & Scrutiny Committee to provide clarity on the review process on the "who, what, when and how", this would be set out in the first annual report to Overview & Scrutiny Committee in November 2024".</i></p>	Chris Elliott Councillor Davison	13/11/2024 (NC)	O&S 3 October 2023		3
Council's Performance Data – to help shape the data in a positive and constructive way	Graham Leach Councillor Davison	13/11/2024 – subject to Review with Chair & Vice Chair of Committee, in early July, of SAP performance and new Policy, Performance &			3 & 4

Appendix 1 – Overview & Scrutiny Committee Work Programme

Title	Lead Officer / Councillor	Meeting Date	Where did item originate from	Notes	Continue?
		Complaints Manager in post.			
Milverton Homes (MH) – the Committee has requested a specific meeting be set up around the time that the Milverton Homes’s AGM is held. There was a suggestion that non-executive directors from MH could be invited to attend. Also see the Summary of Comments from O&S meeting 9 April (confidential version). Graham Leach and Andrew Rollins were advised of the requirements following 9 April meeting.	Andrew Rollins	November 2024 A non-Cabinet meeting to coincide around the time of the Milverton Homes AGM specifically to discuss MH.	O&S 9 April 2024		
Quarterly Budget Updates	Steven Leathley Councillor Chilvers	4/2/2024 (Cab Report)			1 & 2
O&S End of Term report.	Committee Services Officer.	18/3/2025	Standing Annual Item, Constitution requirement	Annual report - last scheduled O&S meeting in the municipal year.	5

Scheduled Briefing Notes to All Councillors requested by the Committee

Title	Lead Officer	Update Due by (end of Month)
Children's and Adults' Safeguarding Champions: End of Term Report.	Marianne Rolfe/Jane Rostron	April every year
Members' Annual Feedback on Outside Appointments / Annual review of membership/participation of Outside Bodies (Includes a short synopsis on Champions)	Graham Leach (report collated by the Scrutiny Officer)	April every year
Review on the Identification and Remediation of Damp and Mould in Council Homes to include: <ul style="list-style-type: none"> • What was happening with the policy; • Was it being put into action; and • The impact it has made 	Steve Partner Councillor Wightman	April 2024
Noise Nuisance Investigations: Review of the Policy and the service area's performance in respect of all forms of noise nuisance more generally. – Moved to briefing paper to all Councillors for information setting out performance and append to work plan for comment consideration of further scrutiny	Marianne Rolfe	April 2024
Minimum Energy Efficiency Standards Enforcement Process – Private Sector Housing - Briefing for all Councillors of how this process is working.	Paul Hughes Councillor Wightman	June 2024
Update - plans to improve accessibility to, and the condition / cleanliness of, toilets and play areas for people living with disabilities. - Update to all Councillors from Officers on the work that has taken place following the meeting at Committee.	Zoe Court Councillor Roberts	June 2024

Agenda Item 6
Appendix 1 – Overview & Scrutiny Committee Work Programme

Title	Lead Officer	Update Due by (end of Month)
Review additional Licensing Scheme to include: <ul style="list-style-type: none"> • How effective it had been. • How many licenses had been issued. • Was there enough resources in place 	Paul Hughes Councillor Wightman	August 2024
<p>Resident Engagement Strategy (report to Cabinet August 2023). The Committee is keen to understand a) how is it going? And b) what are we learning? (include some examples of changes that have been made as a result of the consultation.) - Change to Councillor Briefing session in first instance covering these areas. Also raised by Asset Compliance Committee as an area that needs to be understood</p> <p>The question that sits behind this is as-to whether this is a good use of the Council's resources. There are benefits to us as a Council from getting resident feedback and what we'd like to get is visibility of those. This is 'value for money' in its broadest sense (No need to come with figures and a ROI.)</p> <p>Housing is one of the biggest ways that we impact residents' lives and getting a bit more visibility amongst members of some of the good things we do but also some of the challenges residents face will be valuable"</p>	Sally Kelsall/ Councillor Wightman	September 2024
Revised Arrangements for Destination Management Organisations	Martin O'Neil	Martin please advise

**Response from the meetings of Cabinet on the O&S Committee's Comments –
10 April 2024 and 15 May 2024**

10 April Meeting:

Item 4 – Park Exercise Permit

Scrutiny Comment:

The Committee did not scrutinise this report at the meeting because a report on the subject shortly before the scheme was introduced had been considered by the Committee. Following consideration of that report, the Committee had requested a follow-on report after the scheme had been in operation for a while to check that the permits were operating in the way intended and then to discuss if the scheme should continue. The follow-on report was never forthcoming because various issues arose which stymied the operation of the scheme in the way intended to produce measurable results.

The recommendations in the report to Cabinet did not include an option on whether to proceed or not with the scheme but was purely to determine if the terms and conditions of the scheme should be changed.

The Committee requested that a report should be produced after the summer period on how the scheme was performing along with some data, including data on how much of officers' time was being spent with the implementation and governance of the scheme.

Cabinet Response:

The recommendations in the report were approved.

Item 5 – Revisions to fees for markets in 2024

Scrutiny Comment:

The Overview & Scrutiny Committee did not scrutinise this report at the meeting but made comments to Cabinet.

The Committee requested that when in the future these same types of recommendations are made, more evidential data backing up the proposals being made should be provided; if fees are to be reduced then there should be options provided to mitigate or alternative plans that help to overcome some of the challenges being faced.

The Committee raised a concern that footfall numbers were reducing but there were no plans to reduce the fees. Markets were an important part of communities and the economy in towns.

Members of the Committee wish to remind Cabinet that these assumptions are built into our budget for the year and therefore making changes after the budget has been set could be problematic.

Cabinet Response:

Item 8 – Joint Waste Contract – Customer Services

Scrutiny Comment:

The Overview & Scrutiny Committee did not scrutinise this report at the meeting because it had very recently considered a report on the subject under its own Work Programme and it is one of the Council's contracts the Committee has chosen to scrutinise.

The Committee thanked officers for their work in bringing that report to it proactively. The Committee welcomed the recommendations in the report to Cabinet.

Cabinet Response:

The recommendations in the report were approved.

Item 13 – Milverton Homes Ltd Business Plan Revision

Scrutiny Comment:

The Overview & Scrutiny Committee held good discussions supported by officers and would like to further explore Milverton Homes. The Committee is intending to set up a specific meeting to coincide with the time when Milverton Homes will hold its AGM (November). This will allow Members to better understand the assumptions going into the business plan and the mechanisms for running the business over the next 12 months.

The Committee asked that more attention should be placed on the way words and language could be interpreted in reports. The use of "no liability" stated in the report at paragraph 10.1 should more accurately have made plain that the Council was taking measures to mitigate the liability, so the statement "no liability" was technically incorrect. The word "constrained" at paragraph 1.1.4 was also problematic because it did not explain why this was and that the arrangements being used were perfectly valid and used in other Authorities.

Cabinet Response:

The recommendations in the report were approved.

15 May meeting:

Item 04 - Newbold Cycle Trails

Scrutiny Comments:

The Overview & Scrutiny Committee held a good discussion regarding the process of procurement and how the contract would be managed moving forward.

The Committee has asked for Cabinet to consider the following points:

- the procurement process should include how resident feedback would be integrated and looking at measurables within the contract e.g. promoting courses and how often they are open;
- learning from previous procurement exercises should be included;
- the social value element should be a factor to be considered in determining the successful tender;
- at paragraph 1.6.7 in the report the first bullet point should stop after "reputational damage"; and

- the Committee asked to ensure that the tender is well publicised, particularly local businesses, to maximise opportunity to respond.

Cabinet Response:

The recommendations in the report were approved.

Live; Feasibility; or New	Ref and role: E = Enabler, F = Full Control	Project Name	Delivery Timescale	Lead portfolio	Project Description	Budget committed	Funding Sources	Proposed Status	Priority
Priority 1: Deivering Valued, Sustainable Services									
New	49F	Change Programme and Digital Strategy Implementation	2027	Transformation	To deliver quality customer services whilst reducing costs in line with the medium term financial strategy	Service Transformation Reserve; Change Programme Delivery Reserve	Internal	Continue	HIGH
Live	24F	Staff and Service decant from Riverside House site	2024	Strategic Leadership/ Transformation	Decant of staff and services from Riverside House	Budget committed for new customer access facility in Pump Rooms. Budget for relocation to Saltisford One. Saving of circa £300,000 per annum projected.	Internal. Budget Committed	Continue	HIGH
Live	26F	Replacement Development Services software solution	2024	Transformation	To replace the current Acolaid/Idox system	Currently £350k set aside for procurement + Yr 1 licenses. No additional officer resource required. Ultimate finance unknown - will be clarified through procurement process.	Internal	Continue	HIGH
Priority 2: Low Cost, Low Carbon Energy Programme									

New	58F	Low Cost Low Carbon Energy Programme	2024 to 2027	Climate Change	Establish programme and define full range of projects including rows below	None yet (except those noted below)	Mix of Housing Investment Programme (£5m over 6 years); climate change budget (up to £500k per year); external grants such as Green Homes Grants, PSDS grants and Swimming Pool Fund; potential also for external private funding - see project 53E	Continue	HIGH
-----	-----	--------------------------------------	--------------	----------------	--	-------------------------------------	---	----------	------

Live	34F	Decarbonisation of Council buildings	2025	Climate Change	Heat decarbonisation, renewable energy, energy efficiency measures and other major works	None yet	Swimming Pool Fund for NBC Leisure Centre; Climate Change budget or REG Reserve for Jubilee House, Temperate House; PSDS for Spa Centre and Althorpe	Continue	HIGH
Feasibility	31P	Investment in or construction of a Solar Farm	Unknown	Climate Change	Feasibility of collaborating with a solar farm developer including the potential to invest in its development as a way of generating income and providing low cost, carbon energy for the Council	None	Renewable Energy Generation Reserve (REN); or borrowing/green bonds (potential savings or income)	Continue	HIGH for feasibility stage (then subject to feasibility)

Feasibility	37F	Renewable Energy for WDC Assets	2024 to 2025	Climate Change	Consider and deliver rooftop/ground mounted solar; direct wire or PPA with local solar farm for inclusion in the Programme	None.	Renewable Energy Generation Reserve (REN) with potential savings or income	Continue	HIGH
Feasibility	51F	Register Housing Stock with a retrofit carbon offset schemes (such as HACT)	2024	Housing		None	N/A (Potential income)	Continue	MEDIUM
Feasibility	52E	Upscale Home Energy Help (Able to Pay) Scheme	2024/25	Climate Change	Support for energy retrofit advice and deliver for "Able to Pay" households	£40,000 from Climate Change Budget, plus £10k funding from UKSPF	Internal with potential for future funding through Strategic Energy Partner and/or WMIZ	Continue	HIGH for feasibility stage (then subject to feasibility)
Feasibility	53E	Establish a strategic energy partnership with an energy provider	2025	Climate Change	Partner with energy provider to support Low Cost Low Carbon investment in energy supply, and retrofit	None. Potential procurement costs around £40-50k if carried out in partnership with other LAs	Procurement costs internal (Climate Change budget). Thereafter, self-funding / income source	Continue	HIGH for feasibility stage (then subject to feasibility)

Feasibility	54F	Establish a retrofit and renewable energy investment fund for homes, community buildings		Climate Change	Explore funding streams such as green bonds, UKIB etc	None.	£500k available in Renewable Energy Generation Reserve. Will require either external funding or borrowing to supplement if carried out at scale.	Continue	HIGH for feasibility stage (then subject to feasibility)
Priority 3: Creating Vibrant, Safe and Healthy Communities of									
Live	12Pi	Leamington town centre Future High Street Fund (FHSF) – Spencer Yard	2023	Arts and Economy	Alteration and renovation of buildings in Spencer Yard complex into accommodation for digital creative companies.	Funding of £12m committed under FHSF. No extra resources required at this stage.	External grant (budget in place)	Continue	MEDIUM
Live	12Piv	Leamington town centre Future High Street Fund (FHSF) – Redevelopment of Town Hall Phase 1	2024	Arts and Economy	· Leamington Town Hall	Funding of £12m committed under FHSF. No extra resources required at this stage.	External grant (budget in place)	Continue	HIGH

Live	12Pii	Leamington town centre Future High Street Fund (FHSF) – Stoneleigh Arms	2024/25	Arts and Economy	Redevelopment of the former Stoneleigh Arms and School House	Funding of £12m committed under FHSF. No extra resources required at this stage.	External grant (budget in place)	Continue	HIGH
Live	12Piii	Leamington town centre Future High Street Fund (FHSF) – Relocation of Sorting Office	2025/26	Arts and Economy	Phase 1 -Relocation of Sorting Office Phase 2 redevelopment of vacated site for vibrant commercial purposes	Funding of £12m committed under FHSF. No extra resources required at this stage (subject to content of April report).	External grant (budget in place)	Continue	HIGH
Feasibility	11P	Planning Framework for Leamington's Creative Quarter	2024	Place / Arts and Economy	SPD for the Court Street/Althorpe Street/Wise Street area.	Cost set out and agreed in Cabinet report in September	Internal; Borrowing (potential income)	Continue	MEDIUM
Feasibility	11P	Leamington Creative Quarter	2024	Arts and Economy	Community Masterplan for Christchurch Gardens (Feasibility)	No more resources needed to do feasibility study. But study will indicate what might be needed to complete envisaged works.	None required for feasibility	Continue	MEDIUM subject to feasibility
Feasibility	11P	Leamington Creative Quarter	? TBD	Arts and Economy	Levelling Up bid relating to Bath Street/High Street area (unsuccessful)	None (although CIL allocation made of £3.7m)	TBC (part CIL)	On hold	LOW

Feasibility	46P	Leamington Town Centre Transformation of Parade	2024	Place	Creation of Transformation Framework and Programme for the Parade and adjoining area Leamington Town Centre	Consultants work commissioned. Should be complete by late summer 24	Internal for feasibility - budget in place.	Continue	HIGH for feasibility stage (then subject to feasibility)
Feasibility	23F	Covent Garden Multi-storey car park redevelopment	2024	Place, Housing, Neighbourhood	Redevelopment of Covent Garden multi-storey car park to generate income, deliver enhanced public services and support the town centre	Latest report 20/01/23. No additional officer resource required. £1m allowed in proposed budget for demolition. Feasibility study funding agreed. Ultimate cost of community well-being hub scheme to be identified as part of feasibility study.	Internal for feasibility - budget for demolition and feasibility in place	Continue	HIGH for feasibility stage (then subject to feasibility)
Feasibility	27P	St Mary's Lands hotel	Unknown	Neighbourhood	Construction of a hotel on St Mary's Lands, Warwick	n/a	Predominantly external	Continue	MEDIUM for feasibility stage (and then subject to feasibility)

Feasibility	28P	St Mary's Lands - golf	Unknown	Neighbourhood	Improvements to driving range and replacement of club house. Scheme could also extend to footpath/cycle scheme to Warwick Parkway.	Consultants carrying out some work on a preliminary basis.	Predominantly external	Continue	MEDIUM for feasibility stage (and then subject to feasibility)
New	45P	Investment Zone (no 1 page summary but see Cabinet Report Sept 2023)	2024 onwards	Strategic Leadership, Arts and Economy	Working with WMCA to deliver Investment Zone in and around Coventry airport	Potential significant impact on budget depending on agreement. Report proposed for February Cabinet.	N/A (Potential income)	Continue	HIGH
Priority 3: Creating Vibrant, Safe and Healthy Communities of the Future (part 2)									
Live	08P	Leper Hospital (St Michaels Place) site regeneration	2023	Housing	Affordable housing to be constructed. Site includes remains of the Grade II listed St Michael's Church, Master's House and Scheduled Monument	Latest report 22/04/20. Funding of £1m committed. c.£400k required but currently no request of Council	External	Continue	HIGH

Live	25F	Sale of Riverside House site	2024	Strategic Leadership	Site development for housing as per Local Plan allocation	Latest report 20/01/23. No additional officer resource required. This will generate a receipt and a revenue saving. Scheme will generate soem Section 106 receipts for particular schemes eg bridge over river.	External	Continue	HIGH
Feasibility	22F	Linen St Multi-storey car par redevelopment	Unknown	Strategic Leadership	To demolish and replace car park; relocation of CCTV facilities	Latest report 12/08/21. Project Officer required and ultimate finance unknown although there is a Cabinet approval of £50,000 for feasibility	Internal/External	Continue	HIGH for fasibility stage (then subject to feasibility)
Live	01E	Kenilworth School relocation		Strategic Leadership	Relocation of Kenilworth School from split sites to a single site at South Crest Farm	S278 works outstanding.	N/A	Complete	N/A

New	57E	Kings High School Site Regeneration	TBD	Housing	Enable delivery of site for housing and to help the town centre (can also be considered a town centre economic development scheme)	Potential for Grant aid from WMCA	Internal - HIP; external grant	Conitnue	LOW
Feasibility	40P	Harbury Lane Gypsy and Travellers Site – no 1 page summary	Unknown	Place	Gypsy and Traveller on existing LFC Stadium site	Potential for grant aid from external sources.	External grant	Continue	MEDIUM for feasibility stage (and then subject to feasibility)
Priority 3: Creating Vibrant, Safe and Healthy Communties of									
Feasibility	20P	New Queen Elizabeth 2 nd Park	2026	Neighbourhood	Creation and operational commissioning of a legacy park on River Leam/Avon following the Commonwealth Games and to commemorate Queen Elisabeth 2nd Park. This is linked to the relocation of Athletics Track.	Homes England have committed £750k toward the sceheme. HE will undertake design of scheme. Cabinet report is agreed would enable £1m for implementation with other funds to be sought. Project Officer(s) resource may be required.	External S106 (plus other sources)	Continue	HIGH (phase 1); LOW (Phase 2)

Live	10P	Tach Brook-country park phase 1	2024/25	Strategic Leadership	Design and creation of Tach Brook Country Park, a 50-hectare space between Leamington and Bishops Tachbrook	Latest report 20/01/23. Funding of £4.1m committed. No extra resources required	External S106 (in place)	Continue	HIGH
Feasibility	21P	Tach Brook - country park phase 2	Unknown	Strategic Leadership	Design creation and operational commissioning of an additional country park of another 50 plus ha adjacent to Bishop's Tachbrook	No officer resource required	External S106	On hold	LOW
Live	02P	Kenilworth Wardens Cricket Club relocation (also linked to Local Plan housing development)	2026 (?)	Place	Relocation of the Wardens Cricket Club from Glasshouse Lane to Castle Farm sport fields	Latest report 29/09/22. Forward Funding of £1m committed. Site Delivery Officer/ Project Officer is required to support the Wardens	Forward funding in place. CIL; development value	Continue	HIGH
Live	03E	Kenilworth Rugby Club relocation (also linked to Local Plan housing development)	2025 (?)	Place	Relocation of Kenilworth Rugby Club to a new site at Bullimore Wood between Warwick Road and the A46 and construction of new clubhouse	Latest Report 29/06/20. Forward Funding of £300k committed. Site Delivery Officer/ Project Officer is required to support the Rugby Club	Forward funding in place. CIL; development value	Continue	HIGH

Feasibility	17P	Europa Way - Athletics Track relocation	2024/25	Resources	Relocation of Athletics Track	Latest report 20/01/23. No additional officer resource required. There is a CIL contribution of £225,000 for feasibility (latest estimate cost c£4m with £1.8m agreed and a report on the Cabinet agenda to address this gap)	External S106; CIL?; Internal	Continue	HIGH for feasibility stage (then subject to feasibility)
Feasibility	16F	Europa Way - Community Stadium	2027/28	Resources/Place	Construction of a community football stadium for use by Leamington FC and community with associated enabling development. Link to Harbury Lane Travellers site (Project 40P)	Latest report 06/07/22. No additional officer resource required. Stadium likely to cost £13m + but there are also expected capital receipts and CIL to help fund the scheme.	CIL; Development Value	Continue	HIGH for feasibility stage (then subject to feasibility)
Live	05F	Construction of new Leisure Centre at Castle Farm	2024	Strategic Leadership	Castle Farm to be rebuilt completely with larger sports hall, new outdoor changing rooms, a petanque terrain and two exercise studios		N/A	Complete	Completed

Live	05F	Construction of new Leisure Centre at Castle Farm	2024	Communities and	operational commissioning of site	within existing budgets	N/A	Complete	completed
Live	06F	Construction and commissioning of new swimming pools at Abbey Fields	2024	Strategic Leadership	Additional family pool, new café, refurbished changing rooms, and studio rooms for community use	Discussions taking place re updated costings.	Internal plus CIL (funding agreed)	Continue	HIGH
Live	04F	Operational commissioning of cycle trails at Newbold Comyn	2023	Strategic Leadership / Communities and Leisure	Construction of cycle trails plus operational management and procurement of hub operator	Latest report 25/05/22. Funding of £1m committed. No extra resources required	Grant - funding committed	Continue	HIGH
Feasibility	35F	Construction of an artificial turf pitch at Newbold Comyn to replace turf pitch	2024/25	Strategic Leadership	Construction and commissioning of an artificial turf pitch to replace turf pitch	Latest report 06/07/22. No officer resource required but ultimate finance unknown although there is a S106 contribution of £60,000 (latest estimate c£2m)	No funding required for feasibility.	Stop	MEDIUM for feasibility stage (and then subject to feasibility)

Feasibility	36F	Newbold Masterplan implementation feasibility studies	2023/2028	Strategic Leadership	Assessment of income earning facilities, visitor centre, woodland craft areas, plays areas refurbishment, nature reserve maintenance plan, cycle access, Car parks and transport provision.	Latest report 25/05/22. No officer resource required but ultimate finance unknown	No funding required for feasibility. Poetnail tto use BNG Credit to part fund	Continue	MEDIUM
Live	39F	Newbold Comyn Landscape and Environmental Management Plan (LEMP)	2024	Strategic Leadership	To deliver outstanding elements of the Newbold Comyn Masterplan	No financial commitment, but the LEMP is a commitment as part of the planning permission	TBC	Continue	HIGH
Feasibility	50P	Tach Brook Country Park Phase 3	Unknown	Strategic Leadership	Including land to the West of Europa Way	Cost as yet undetermined but will seek further contributions from developers and other external sources.	S106	Continue	LOW
Live	14F	UKSPF	2023-2026	Strategic Leadership	Many projects agreed by Cabinet to deliver the investment plan	Funding of £3.5m to be committed. Programme Co-ordinator recruited	External (Government) - budget in place	Continue	Various

Feasibility	42P	Bowls Facility /International Championships	2024-27	Communities and Leisure	TBC		Can this be an invest to save?	Continue	MEDIUM for feasibility stage (and then subject to feasibility)
Priority 3: Creating Vibrant, Safe and Healthy Communities of									
Feasibility	18P	Europa Way – Footpath and cycleway	Unknown	Resources	Creation of footpath and cycleway linking Stadium, Athletics Track, Myton School and Fusilers Way and Myton Road	Latest report 06/07/22. No additional officer resource required but ultimate finance unknown although there is a CIL contribution of £150,000 for feasibility (latest estimate cost of £2m with £1m agreed and a report on the Cabinet agenda to address this gap). WCC have also indicated that this scheme might be eligible for part of their bid to Government for active travel investment.	External (CIL; partners; grants). Potential for some internal	Continue	HIGH

Feasibility	19P	Europa Way - New Foot/Cycle Bridge	Unknown	Resources	Creation of a new bridge over Europa Way to link country park and other open spaces and a smaller one over the Tach Brook	Will require some input from WDC officers but scheme design will be lead by WCC.	S106 (some in p	Continue	MEDIUM for feasibility stage (and then subject to feasibility)
Feasibility	11P	Leamington Creative Quarter	2024	Arts and Economy	Feasibility study for a bridge between Spencer Yard and The Pump Room Gardens	No funds committed. Feasibility will consider costs.	Feasibility - no funding required.	Continue	LOW for feasibility (then potentially put on hold)
Feasibility	29P	Hydrogen Hub Feasibility	Unknown	Climate Change	The potential to bring forward a hydrogen hub linked to solar farm to provide low carbon fuel for a range of vehicles including HGVs buses and potential RCVs	Latest report November 2023. Project on hold until 2026	N/A (on hold)	Stop	N/A

Feasibility	30P	Low Carbon enabling development at New House Farm	Unknown	Strategic Leadership	Enable land to be made available for Tach Brook country park Phase 2 by working with landowners to bring forward a low carbon development which could include land for a Park and Ride, Hydrogen Hub and other low carbon community facilities	Latest report 23/09/21. Funding of £100k committed. No officer resource required but ultimate finance unknown	N/A	Stop	N/A
Feasibility	32P	Cycle Hire Scheme	2024	Strategic Leadership	Introduction of a local cycle-hire and eCargo schemes	Latest report 04/11/21. No officer resource required but ultimate finance unknown	N/A	Stop	N/A
Feasibility	33F	Abbey Fields Cycle link	2024	Strategic Leadership	Linking National Cycle Route 41 through Abbey Fields	Latest report 04/11/21. No officer resource required. Likely overall cost in region of £500k, with costs split between WCC, KTC and WDC. WDC funding may be available from Climate Change Action Fund	Internal and external (partners)	Continue	MEDIUM for feasibility stage (and then subject to feasibility)

New	48E	Oakley Wood Footpath Link CPO (Late addition – needs 1 page summary preparing)	2024	Strategic Leadership	Support for Parish Council to deliver footpath link	None	external - parish council funded	Continue	LOW	
Live	13P	Trees for our Future Programme	160,000 trees by 2030	Strategic Leadership	Enable tree planting including delivery on WDC land and enabling of others to do the same	Latest report 25/05/22. No officer further resource required but ultimate finance unknown and achieving target not certain. Funding in budget for 23/24 and 24/25	Internal (Funding for two further years allowed for in MTFS)	Review	TBC	
Feasibility	84F	Woodland Creation	Mar-25	Strategic Leadership	Purchase of site to deliver a new woodland and habitat to support BAP	None, but may utilise Trees for the Future	Potnetial to utlise Trees for the Future Funding (see project 13P)	Continue	MEDIUM for feasibility stage (and then subject to feasibility)	
Priority 3: Creating Vibrant, Safe and Healthy Communties of										

Live	07E	Lillington new surgery and health hub	2023	Place	Building of a new medical centre to replace or complement existing health facilities in Lillington and North Leamington	Funding of £2.75m committed. No extra resources required	CIL (committed)	Continue	HIGH
New	55F	Relocation of Christine Ledger Sq CCTV assets	At least 1yr prior to works at christine ledger	Communities and Leisure	relocation of CCTV assets	Unfunded unless included in project	TBC	Continue	MEDIUM
New	43P	Kenilworth Health Hub	2024-27	Place	Provision of new integrated health and well being facilities			Continue	LOW
New	44E	East of Kenilworth Community Centre	2027	Place	New community centre	Commitment to utilise S106	S106. If S106 funding is insufficient we will need to decide whether we scale the project to the money or find more money	Continue	MEDIUM

Feasibility	41E	Community Facility for Packmores Estate	2024- 27	Communities and Leisure	New community centre	Provision has been made in the Community Projects Reserve for another £225k in 24/25 (partially spent)	Funding for feasibility agreed	Continue	MEDIUM for feasibility stage (and then subject to feasibility)
New	85F	Replacement for former Pump Rooms Shop	2025	Arts and Economy	Identiy location and bring forward proposals for a shop to replace th former Pump Rooms shop		TBC	Continue	HIGH
Priority 2 and Priority 3: Housing Development Opportunities									
Live	59F	Waverley Riding Stables	2024	Housing	17 new low carbon homes with 7 affordable	yes	Internal HIP - budget commtted	Continue	HIGH
Live	60F	1 Warwick Street	2025	Housing	15 low carbon apartments within former office block		Internal HIP	Continue	TBC
Live	61F	Turpin Court	2025	Housing	c6 new low carbon affordable homes	yes	Internal HIP - budget commtted	Continue	TBC
Live	62F	Leyes Lane	Unknown	Housing	c287 new low carbon homes with c115 affordable	Land yes not build	TBC (external required)	Continue	HIGH
Live	63F	Rouncil Lane	Unknown	Housing	c130 new low carbon homes with c52 affordable	Land yes not build	TBC (external required)	Continue	HIGH

Feasibility	64E	Juniper Way	Unknown	Housing	c77 new low carbon affordable homes	yes	Internal HIP - budget commtted	Stop	
Feasibility	65E	Guide Dogs	Unknown	Housing	c47 low carbon new homes of which 19 affordable	No	HIP	Continue	TBC
Feasibility	66F	Crown Way Clinic	Unknown	Housing	12 low carbon units possibly all social rent	No	HIP	Continue	TBC
Live	67F	Lowsonford Rural	2025	Housing	replacing 2 obsolete Council homes with 4 new low carbon homes	No	HIP	Continue	TBC
Live	68F	Christine Ledger Square	2024	Housing	Demolishing obsolete high rise tower block (2024) to regenerate the area with new Council homes	yes demolition. no for regeneration	HIP	Continue	TBC
Live	69F	Europa Way Phase 2	2024	Housing	Purchase of 24 new low carbon affordable homes	yes	Internal HIP - budget commtted	Continue	HIGH
Feasibility	70F	Confidential under NDA	2024-2027	Housing	Purchase of c225 new and existing affordable homes	No	HIP	Continue	TBC
Feasibility	71F	Fusilier Way	2024-2026	Housing	purchase of c20 new 1 bed flats from WCC scheme	No	HIP	Continue	TBC
Live	72F	Crewe Lane	now - 2027	Housing	Purchase of 248 new affordable zero carbon homes	yes	Internal HIP - budget commtted	Continue	HIGH

Live	73F	Hatton	2024 onward	Housing	Purchase of 60 affordable new homes	yes	Internal HIP - budget commtted	Continue	TBC
Live	74F	The Asps (Bloor)	2024 onward	Housing	Purchase of 51 new affordable homes	yes	Internal HIP - budget commtted	Continue	HIGH
Live	75F	Thickthorn phase 1	2024 onward	Housing	Purchase of 20 new affordable homes	yes	Internal HIP - budget commtted	Continue	TBC
Feasibility	76F	Thickthorn phase 2	Unknown	Housing	Purchase of c200 new affordable homes	No	HIP	Continue	TBC
Feasibility	77E	Wardens	2027 onward	Housing	Purchase of c55 new affordable homes	No	HIP	Continue	TBC
Live	78E	Rugby Club 1	Unknown	Housing	Purchase of 88 new affordable homes with Carbon additionality	No	HIP	Continue	TBC
Live	79E	Rugby Club 2	Unknown	Housing	Purchase of 30 new affordable homes with Carbon additionality	No	HIP	Continue	TBC
Feasibility	80F	Tournament Fields	unknown	Housing	Purchase of 32 affordable homes with Carbon additonality	No	HIP	Continue	TBC
Live	81F	The Asps 2	2004 onward	Housing	Purchase of 82 Affordable homes with Carbon additionality	yes	Internal HIP - budget commtted	Continue	TBC

Feasibility	82F	Oakley wood phase 3	Unknown	Housing	Purchase of 60 low Carbon affordable homes	No	HIP	Continue	TBC
Feasibility	83F	Chesterton Green	Unknown	Housing	Purchase of 100 low Carbon homes	No	HIP	Continue	TBC

Title: Annual Performance Update from the South Warwickshire
Community Safety Partnership (2023/24)
Lead Officer: Liz Young, Safer Communities & Civil Contingencies
Manager
Portfolio Holder: Councillor Jim Sinnott
Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	21/05/25	Jim Sinnott
Finance	NA	-----
Legal Services	NA	-----
Chief Executive	21/05/24	Chris Elliott/Darren Knight/Dave Barber
Head of Service(s)	21/05/24	Marianne Rolfe
Section 151 Officer	NA	-----
Monitoring Officer	21/05/24	Graham Leach
Leadership Co-ordination Group	NA	-----
Final decision by this Committee or rec to another Cttee / Council?	No (Information only report)	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No	
Accessibility Checked?	Yes	

1 Summary

- 1.1 Local Authorities have a legal duty to undertake scrutiny of crime and disorder at least every 12 months in accordance with the Crime and Disorder (Overview and Scrutiny) Regulations 2009.
- 1.2 The South Warwickshire Community Safety Partnership (SWCSP) is the statutory body for reducing crime, disorder, substance misuse and reoffending in South Warwickshire therefore the Council has taken the view that by scrutinising the effectiveness and performance of the Partnership, it is fulfilling its legal duty. Annual Performance Reports are therefore presented to this Committee on an annual basis.
- 1.3 This report highlights performance against priorities from 1 April 2023 to 31 March 2024.

2 Role and Responsibilities of SWCSP

- 2.1 Please refer to the Terms of Reference (Appendix 1) and SWCSP Partnership Plan 2021 – 2025 (Background Papers) which explain the governance and the roles and responsibilities of the SWCSP.
- 2.2 The current membership of the SWCSP Strategic Member Board is:

Cllr Jim Sinnott (Chair) – Warwick District Council
Cllr Natalie Gist (Vice Chair) – Stratford District Council
Cllr Judy Falp – Warwick District Council
Cllr Ian Davison – Warwick District Council
Cllr Andy Crump – Warwickshire County Council (Fire & Rescue)
Cllr Wallace Redford – Warwickshire County Council
Cllr Jem Pemberton – Warwickshire County Council
CI Faz Chishty – Warwickshire Police
Jackie Channell – NHS Integrated Care Board
Andy Wade – Warwickshire Probation Service

Also invited is the Police & Crime Commissioner and/or his representative.

The meeting is supported by senior officers from the responsible authorities.

3. SWCSP Priorities

- 3.1 CSPs must procure a comprehensive Strategic Assessment process every 4 years to inform priority setting and update the Community Safety Partnership Plan which sets out how the CSP is going to address the priorities.
- 3.2 The last Strategic Assessment was conducted in 2020, and an interim review of the Priorities and supporting action plans was carried out in 2023 and the refreshed document was adopted by the Board in September 2023. Current priorities are listed in Table 1.

SWCSP Priorities 2023 - 2025

Violent Crime	Focus on domestic abuse and the night time economy
Rape & Serious Sexual Offences	Focus on relationship between offender and victim, and student demographic
Serious Acquisitive Crime	Responding to volume crime and disorder emerging post Covid-19 including personal robbery in Stratford-upon-Avon District
Acquisitive Crime in Rural Areas	Including 'Rural Crime and Wildlife Strategy' definition
County Lines	Focus on knife crime, links to violence and substance misuse, and exploitation in Warwick District
Personal ASB	Focus on non-Covid-19 related incidents in Stratford-upon-Avon District
Cyber fraud	Focus on raising awareness and crime prevention
Hate crime	Focus on racism and homophobic related offences and incidents
Cross cutting themes	Reducing re-offending; drugs and alcohol

Table 1.

3.3 There are currently 3 SWCSP Action Plans to address the Priorities:

- **Serious Violence** – comprises 6 sub plans: Knife Crime, Night Time Economy, Domestic Abuse, Rape and Serious Sexual Offences, County Lines, Exploitation
- **ASB**
- **Rural Crime**

NB: For reasons of confidentiality, it's not possible for the detailed action plans to be shared outside of the SWCSP given that some information is classed as official/sensitive. The Partnership Plan does however provide a summary of content.

3.4 The SWCSP also takes account of a number of existing strategies and plans, contributing to their aims and objectives through participation in the relevant Strategic Partnership Groups and ensuring delivery of local interventions across these themes:

- Warwickshire Hate Crime Action Plan
- Warwickshire Drugs and Alcohol Strategic Plan
- Warwickshire Prevent Delivery Plan
- Warwickshire Cyber Crime Strategy
- Violence Against Women and Girls (VAWG) Strategy
- Warwickshire Integrated Offender Management Strategy
- OPCC Police and Crime Plan

4 Resources to Deliver Action Plans

- 4.1 The SWCSP does not have its own budget. The work of the SWCSP is funded through the core budgets of partners, via an annual bid to the Office of the Police and Crime Commissioner and through external government funding opportunities.
- 4.2 During 2023/24 the SWCSP has been successful in bids to the OPCC, Safer Streets Round 5 and the new Serious Violence Fund, totaling **£144,424**. Table 2 shows the breakdown of that funding for Warwick District, the interventions being delivered as detailed within the relevant CSP Action Plans, and the CSP Priorities to which they relate.

GRANT/FUND	KEY INTERVENTIONS DELIVERED IN WARWICK DISTRICT	LINK TO CSP PRIORITIES
<p>OPCC £41,600</p>	<p>Target Hardening Interventions Warwick District (3k)</p> <p>Providing victims of Cuckooing, Domestic Abuse and ASB subscription free video doorbells to enhance feelings of safety within the home.</p> <p>Street Marshal Scheme - Leamington NTE (5k)</p> <p>Providing enhanced Street Marshal coverage to support the safe management of the nighttime economy during busy periods.</p> <p>Your Town Your Choice & Best Bar None Initiative (8.6k)</p> <p>Working in partnership with key stakeholders to provide community safety messages to users of the nighttime economy. Best Bar none has seen 20 town centre venues commit to ensuring their venues are safe and welcoming places for all.</p> <p>South Warwickshire Youth Diversion - Music Project (15k)</p> <p>Offering young people vulnerable to exploitation, opportunities to learn new skills in a positive environment and alongside qualified mentors. 19 young people have been referred into the project with subject areas now including computer game development and theatrical makeup.</p> <p>SEE CASE STUDY – APPENDIX 2</p> <p>CCTV Control Room Double Crewing (10k)</p> <p>Double crewing of CCTV staff during busy periods</p>	<p>Violent Crime</p> <p>County Lines</p> <p>Hate Crime</p> <p>Rape and Sexual Offences</p>

<p>SERIOUS VIOLENCE £10,000</p>	<p>Safe Space Initiative (7k)</p> <p>Leamington’s Safe Space (based at South Lodge) has been operational every Friday night from 22.00 – 04.00 since November 2023, ensuring that users of the nighttime economy have access to support and signposting.</p> <p>Warwick District Council’s Safe Space provision is the first of its kind in Warwickshire demonstrating our ongoing commitment to Community Safety. The scheme forms part of a package of interventions to enhance feelings of safety, reduce crime and disorder and protect people from harm.</p> <p>Safe Space Overview & Data</p> <p>Detached Youth Work – Warwick Mop & Pump Room Gardens. (3k)</p> <p>Providing a visible presence from youth workers for events such as Warwick Mop to engage with young people and safeguard from harm.</p>	<p>Violent Crime</p> <p>Hate Crime</p> <p>Rape and Sexual Offences.</p> <p>County Lines</p>
<p>SAFER STREETS ROUND 5 £102,814</p>	<p>Community Warden Team: Staffing, Resources and Training</p> <p>Funding has been used to increase the number of Community Wardens and purchase a variety of resources to support delivery of service. This includes two electric vans, new radios & body cameras, defibrillators, and water safety kits. In addition, the team have received training on a variety of key topics such as Fixed Penalty Notices, Dog Handling, County Lines, Profile Awareness and Conflict Management.</p> <p>Community Warden Overview</p>	<p>Violent Crime</p> <p>County Lines</p> <p>Hate Crime</p> <p>Rape and Sexual Offences</p> <p>Personal ASB</p>

Table 2.

5. Performance Monitoring and Review

5.1 The Business Intelligence Team (WCC) produce a series of quarterly reports for the SWCSP providing an overview of crime and disorder data which they obtain from the following sources:

- Police crime and incidents
- MASH referrals now Children and Families Front Door referrals
- Child Exploitation, Missing and Trafficking Framework
- Youth Justice Service
- Education Data
- Substance Misuse – CGL and Compass
- Domestic Abuse – Refuge and DACs: MARAC Performance Data
- Rural Crime Officer, Warwickshire Police

- 5.2 The [SWCSP Annual Performance Overview 2023/24](#) provides breakdowns of offences for the different crime types pertaining to each of the CSP Priorities by quarter since April 2023 and gives year to date comparisons.

6. Successful Outcomes

- 6.1 External funding has enabled the Community Safety Team to deliver successful projects and interventions addressing actions that support the CSP Priorities. These are some of the key achievements and outcomes:
- Successful delivery of Safer Streets Round 4 project – focussed on **enhancing feelings of safety within the Eagle Recreation Ground** in Leamington. Installation of CCTV and additional lighting alongside foliage management and improvements to park furniture has created a safer place for all to enjoy. (58k received from Home Office). Feedback from one resident – *'I wanted to say how much my family and I are enjoying Eagle Rec. The grass cutting and tidying of the space looks great. There's a lovely community feel in the early light evenings with lots of different groups using the space for football, cricket and kids enjoying the park.'*
 - Successful delivery of OPCC funded projects which focussed on **diversionary activities for young people** on the periphery of criminal activity and/or vulnerable to exploitation. Access to professional music studio sessions, theatrical makeup courses and computer game development have all had a positive impact on young people across the district. The Community Safety team have provided Video Doorbells for vulnerable individuals & families who have experienced issues around Domestic Abuse, Serious Violence, County Lines or ASB.
 - The team also launched an initiative to improve the operating standards of licenced premises in Leamington Town Centre. 20 venues signed up to receive free training on issues such as **Violence Against Women & Girls (VAWG) and drugs awareness**. WDC staff have been trained to conduct annual assessments to ensure venues are safe and welcoming.
 - Successful delivery of Serious Violence funding projects which included the formation of **Leamington's Safe Space** initiative. Based out of South Lodge on Friday evenings the Safe Space team have been on hand to support anyone who feels unsafe or in need of support whilst using the nighttime economy. The team have supported people with a variety of issues including Domestic Abuse, Serious Violence, Mental Health, and intoxication.
 - The Community Safety Team hosted a **Your Town Your Choice** event on Friday 13 October in Leamington Town Centre. A variety of partners were in attendance to promote a safe night out in Leamington. Cllrs and SLT joined the CST for a walk of the town showcasing the CCTV and Emergency Contact Point Services. There was some fantastic engagement and feedback received from partners.

- The **expansion of the Community Warden Team** has been made possible through Safer Streets 5, and most recently Hotspot Response Funding. The Team now has 8 full time staff (plus the Animal Warden). The funding covered the provision of 2 new electric vans, so the reach of the team is now significant as is their ability to quickly respond and be deployed to incidents across the district.

7. Risks and Challenges

- 7.1 The increased capacity of the Community Safety Team, with the addition of a second Community Safety Officer in January 2024 (grant funded fixed term contract to 31 March 2025) and having the Wardens, has put WDC in a much stronger position than our counterparts in the other districts and boroughs in that we can quickly respond to any funding opportunities that come up and be confident we have the operational resources to deliver. Funding applications are time consuming, resource intensive and have a very tight turnaround time but we are very much on the front foot as is clearly evidenced by our successes in the levels of external investment we have drawn in over the past 2 years.
- 7.2 However, the significant reliance on grant funding carries risks, and the challenges of finding alternative ways of sustaining this current level of service beyond March 2025 which is when all current funding streams conclude.
- 7.3 The Warden Team provides a much needed 'boots on the ground' visible presence, playing a pivotal role in keeping the community safe, providing ongoing reassurance and engagement with residents and key stakeholders, and responding, on average, to 200 incidents per month covering all crime types.
- 7.4 This success in itself presents a risk to the Council's reputation. If posts have to be terminated due to lack of resources post March 2025 and the service detrimentally impacted as a result, the reaction of residents and key stakeholders is likely to be a negative one.

8. Specific Workstreams 2023/24

- 8.1 In addition to the Board overseeing the Strategic Assessment process, priority setting and action plan implementation, it has other responsibilities to fulfil and is required to input into specific work streams. During 23/24 key activity has been:
- Feeding into the development and agreement of the **Warwickshire Serious Violence Prevention Strategy 2024-30**
 - Ensuring the local implementation of the **Warwickshire Serious Violence Strategy Delivery Plan** through alignment with the SWCSP Serious Violence Crime Action Plan
 - Inputting into the comprehensive **Warwickshire Domestic Homicide Review (DHR)** process and assisting in implementing the recommendations of that review
 - Participation in the **Home Office Consultation on the Review of CSPs and ASB Powers**

- Commissioning, overseeing, and approving **DHR Review Reports** for submission to the Home Office – currently there are 3 ongoing DHRs in Stratford District and 6 in Warwick District
- Ongoing **monitoring of South Warwickshire-wide and local emerging issues** through the Violence Against Women and Girls Board, Drug and Alcohol Strategic Partnership, Hate Crime Partnership Board, Anti-Social Behaviour Steering Group, Modern Slavery Steering Group, Integrated Offender Management Delivery Board, and local Community Safety Partnership operational and problem-solving meetings.

Background papers:

[SWCSP Performance 2022/23 - Overview & Scrutiny Report 19 April 2023](#)

[SWCSP Partnership Plan 2021 - 2025](#)

Appendices:

1. SWCSP Terms of Reference (Updated April 2023)
2. LAMP Music Project Case Study

South Warwickshire Crime and Disorder Reduction Partnership

Terms of Reference

Contents:

- 1. South Warwickshire Community Safety Partnership Board (SWCSP)**
 - 2. South Warwickshire Community Safety Partnership Operational Group (SWOP)**
-

Overview:

The two Crime & Disorder Reduction Partnerships for Stratford-on-Avon & Warwick Districts were formally merged in September 2008.

The South Warwickshire Community Safety Partnership (SWCSP) has a Board at the Executive /Strategic level and the [South Warwickshire Operational Group \(SWOP\)](#) at the tactical/delivery level.

The Strategic Member Board meets in order to fulfil its statutory duties as follows:

- May –Review annual performance against priorities
- November – Review 6 monthly performance and consider additional priorities
- February – Receive and agree the Strategic Assessments (or mid-period analysis), endorse any new priorities, set and targets, and refer any strategic issues to the relevant forums for consideration and action.

*Special meetings may also be convened as required.

SWCSP is charged with developing and agreeing realistic and challenging targets annually to address crime and disorder. Based on factors which will include past performance, trend analysis, MORiLE assessments, PESTELO considerations and comparison with family groups, SWOP will propose targets to the Strategic Member Board for endorsement and adoption. Once agreed, SWOP incorporates those targets into the individual delivery plans for each district-based action plan.

[SWOP meets quarterly in February, May, September, and November, monitoring progress against each action plan and identifying remedial action where performance and projection analysis indicates that the partnership is in danger of missing a target. Should SWOP be unable to take the necessary action to bring performance back on track, because, for example, additional partnership resource is required, or a partner is not contributing as required, this will be referred to the Strategic Member Board for action.](#)

Strategic/Executive Level – SWCSP Strategic Member Board

Notes:

- The Crime and Disorder Act (CDA) Review (2008) proposed a split between the strategic and operational decision-making responsibilities

of CDRPs/CSP's. This was supported by the Department for Communities and Local Government (DCLG) as it aligned with the overall role for the Local Strategic Partnerships established in their consultation at that time.

- The CDA review encouraged CDRP mergers as a means to creating greater co-terminosity across agency boundaries where it is clear that the results will benefit local communities by facilitating the delivery of better outcomes for them, whilst maintaining local focus.
- The CDA review required an ongoing strategic intelligence assessment to replace the 3-year audit.
- The CDA review required Portfolio Holders for Community Safety to sit on the CDRP. The Portfolio Holder's participation in the strategic decision-making process is mandatory.

How does this governance structure address these issues?

- The meetings (three times per annum), with elected members/senior officers, is where the strategic direction will be decided for the CSP, based on the latest strategic intelligence data and advice, thus clearly separating strategy from operational delivery
- This top-level strategic meeting will include the portfolio holders and other key elected members, with representation from all the responsible authorities as defined by the Crime and Disorder Act (1998)

Terms of Reference and Role of the Strategic Member Board

This is the Member-led Board giving high-level strategic direction and is responsible for:

- Receiving the Strategic Assessment
- Setting the strategic priorities for the next period
- Directing the work of SWOP (delivery)
- Receiving exception reports on progress towards overall SWCSP strategic targets
- Continuous improvement of partnership performance

In order to facilitate the achievement of the above, meetings will operate as follows:

- Frequency & Timing – meetings will be held three times per annum – usually February, May and November, the timing dictated by the production of the Strategic Assessment and aligned with the performance reporting timetable. Agenda and papers will be sent out at least one week prior to the meetings. The hosting of the meeting (virtually or face to face by agreement) will alternate between Stratford and Warwick districts.
- Chair – the Chair shall be nominated by the Strategic Member Board. It is suggested that the Chair could rotate between the portfolio holders from the county and the two districts. The chairing of the group to be reviewed every two years.
- Vice Chair - the Vice Chairs shall be the other two portfolio holders.
- Membership – membership (10 in total) shall be as follows:
 - 2 elected members from Stratford-upon-Avon District Council
 - 2 elected members from Warwick District Council

- 2 elected members from Warwickshire County Council (1 from each Area Committee)
- 1 Warwickshire Fire Authority representative
- 1 Coventry and Warwickshire Integrated Care Board Group Member
- 1 Warwickshire Probation representative
- 1 Warwickshire Police Officer- South Warwickshire Chief Inspector

Voting – should a vote be required only the above members will be allowed to vote and if votes are tied the Chair will have the casting vote.

Also invited to attend: Police & Crime Commissioner, Deputy Police & Crime Commissioner

Officers attending to include representatives from

- Stratford-on-Avon District Council (*a Senior Officer*) *
- Warwick District Council (*a Senior Officer*) *
- 2 x Chairs of SWOP
- Warwickshire County Council Group Manager Community Safety
- Warwickshire Police –Inspectors Neighbourhood Policing
- Fire & Rescue (Principal Officer)
- Probation (Senior Officer)
- Warwickshire Business Intelligence (Research Officer Crime & Community Safety)

Substitution arrangements – if any of the substantive members are unable to attend a scheduled meeting, they may nominate an appropriate representative to attend that meeting in their place. The name of this substitute should be notified to the officer support to the meeting in advance.

Delivery/Operational Level – South Warwickshire Operational Group

Notes:

- The CDA review required CSP's to adopt an intelligence-led, problem-solving, and outcome-orientated approach to community safety along the lines of the National Intelligence Model
- There is a requirement to produce an annual rolling four-year community safety action plan, underpinned by strategic intelligence assessments and informed by consultation and engagement with communities

How does this governance structure address these issues?

- SWCSP is taking an intelligence-led, problem-solving, and outcome-orientated approach. This second-tier group, comprising only officers, will be concentrated on this approach guided by the strategic assessment and monthly intelligence.

Outline Terms of Reference and Role of the South Warwickshire Operational Group

This is the operational officer group responsible for:

- Receiving annual priorities from the Strategic Member Board

- Developing an intelligence-led action planning approach based on the priorities agreed at the Strategic Board as a result of the findings of the Partnership Strategic Assessment
- Commissioning quarterly analysis of recorded crime
- Receiving quarterly reports on progress towards strategy targets
- Receiving detailed trend analysis and hot spotting in relation to the strategic priorities agreed at the Strategic Board
- Evaluating the effectiveness of action plans

In order to facilitate the achievement of the above, meetings will operate as follows:

- Frequency & Timing – meetings will be quarterly during February, May, September and November with the May and November meetings taking place shortly **after** the Strategic Member Board meetings in order to respond promptly to any new directions. Agenda and papers will be sent out at least one week prior to the meetings. Hosting (virtually or face to face) will alternate between Stratford and Warwick District.
- Chair - the Chairing of the meetings will alternate between the respective district council CSP lead officers.
- Vice Chair – the Vice Chair shall be the South Warwickshire Police Inspector, Neighbourhood Policing

Membership – membership shall be officer representatives from the responsible and relevant authorities and other agencies as follows:

- Stratford-on-Avon District Council (Community Safety Manager)
- Warwick District Council (Community Safety Manager)
- Warwickshire County Council (South Warwickshire Community Safety Lead/Project Officers)
- Warwickshire Police (South) Inspectors Neighbourhood Policing
- Warwickshire Police (South) Safer Neighbourhood Sergeants
- Warwickshire Police (South) ASB/PCSO's
- District Council, Anti-social behaviour, environmental health, and licensing
- Warwickshire Business Intelligence (Research Officer Crime & Community Safety)
- C&W Integrated Care Board
- Fire & Rescue (Group Commanders)
- Probation
- Registered Social Landlords

Substitution arrangements – if any of the substantive members are unable to attend a scheduled meeting, they may nominate an appropriate representative to attend that meeting in their place. The name of this substitute should be notified to the officer support to the meeting in advance.

'Ben' - Case Study

Ben was sign posted to LAMP 6 months ago. Due to nearly getting kicked out of school last year. Due entering the life of drugs alcohol robbery from shops and entering a street gang from Birmingham. I approached the school for help and his head of year sign posted him to Lamp. Which I could not thank enough.

Since Ben has been within the LAMP project, I have seen him mature giving me and his siblings, teacher respect and as also started to believe within himself. Without a doubt I believe Ben would have never got to this stage of his life without the support and encouragement from his mentors within LAMP.

He's now focusing on his studies. Being more motivated ay school and personal life. I've seen and his teachers has seen a huge change within Ben due to attending lamp.

Ben was missing a male role model being the 2nd born to a 5-member single parent family and sadly his father not having any input to his life I feel Ben missed that male role model and lost himself.

With him working alongside Simon and Luke he gained what he had missed for years within 6 months. He gained his self-confidence and believed within himself. Which showed amongst others.

Within such a short positive investment of the time and encouragement they saved a child from a life of crime.

And I as a parent could not thank them enough without the support of LAMP, I sadly would not like to imagine whet situation I would be in with my son today.

Ben himself didn't want to attend lamp when I first took him there but now, he reminds me every Wednesday morning not to pick him up late from school as he's off to LAMP tonight. Which is amazing to see the dedication he's out forward and the fact he actually enjoys spending his time there and away from the streets.

Vic – Ben's mum

My name is Luke Spate and I can be contacted on lukespate@leamingtonlamp.co.uk I am a Therapeutic Youth and Community Work Practitioner, part of my role is to deliver support and mentoring on the OPCC funded creative engagement sessions at Leamington LAMP.

Ben came to OPCC LAMP after being identified as a young person who is at serious risk of being involved in criminal activity. Ben has been with us for over 6months, he has attended every week (bar illness) and has engaged in creative song/lyric writing and beat making. He is an exemplary young man and a testament to how a

young person can switch it around with the right focus, engaging environment, and a little belief. At first, we could see he was a little shy and he was holding a lot of shame around how he had behaved at school and in his free time with peers, he was being associated with known drug dealers and perpetrators of violence within his community. We were quickly able to build a rapport with him and that has blossomed into a great mentoring relationship. We have been in close contact with Bens family through this time and his siblings would regularly come and visit us during pick up time. Mom has been very vocal in how much our intervention has meant to Ben and

his family unit. "...it feels like I have my son back" was one of the many stand out comments she had vocally made about her son's time here.

Ben is a young black man that was struggling to find meaningful connection, I am of the belief that having 2 positive male mentors who also fall into the category of "BAME" on this project has been a real plus for Ben's engagement and his willingness to learn and co-operate. Although the main focus was around his lyric writing whilst here, we would often have discussions around his wellness and his relationships with peers, as well as his relationship with education, future goals, and his focus.

I have seen an immense growth in Ben and to witness him prioritize his final months in education has been a true pleasure to witness. I wholeheartedly believe that Ben will be ready to take on the challenge of his next goal in attending Sixth Form, this is something that he did not think would be possible before joining us. He is making positive choices, and he is concerned for his future, he is also concerned about the decisions he makes.

He is now self-motivating and is wanting to do the best he can with what he has got. I would never hesitate to recommend him on any pathway outside of us. We at LAMP would like to invite Ben back in the future to continue his creative journey so he can continue to build his self-confidence and have a creative outlet away from negative influence. I would trust he would make a great peer mentor and positive role model to other young people that come through our OPCC project with a little input on Peer Mentor Training, something I am well versed in and would not be a difficult thing for us to put in place.

I personally want to thank you OPCC for funding this project, I genuinely believe we have saved this young man from being involved in serious criminal activity and possibly even worse. This work is greatly needed, and Ben's story and journey is a perfect example as to why it is needed.

My name is Simon Lewis, and I am Music Technology Lead at Leamington Lamp. Part of my role was to engage with potential 'at risk' young people to take part in activities in Leamington LAMP based around music and art activities.

I was introduced to Ben through the OPCC project as someone who was struggling in his home and school life. Also, he was making friends with some other young people who may have been involved with anti-social behaviour and crime.

When he first arrived, I found him to be a quiet but very well-mannered young man. This was not a surprise for a young person coming to a new environment alone. Our first sessions were himself performing and recording vocals over some of the songs he liked. Initially his lyrics could be perceived as sometimes being

explicit and had some negative connotations regarding crime and sometimes violent. I did not stop him straight away from doing this. He would finish and we would listen back, and I would explain that words in general are very powerful and can carry energy wherever he goes. I questioned him whether he wants to carry that energy throughout with him all the time. Over the next few weeks, we would sit together and find alternative words and ways for him to get his point across. I was not going to completely change the way he wanted to express himself, rather a redirection. Eventually he naturally started to write more positive and introspective lyrics all by himself.

Ben has also had some good experiences with producing his own music for himself to record and perform on. We will develop this skill even more in the coming weeks and months so he can have a fully-fledged project all produced and performed by himself. He has also created a portfolio with an interview style Q&A which will be going on the LAMP website.

Feedback from his mom been extremely positive with Ben now very much focused on his exams with hopes of gaining high grades which will create such a positive outlook for his future.

Leamington LAMP: Riverside: Adelaide Road: Leamington Spa: 01926 886699 Registered in England
No: 08676549



Autism Professionals
Award Winner 2019



Title: Housing Revenue Account Budget and the Associated Risks
 Lead Officer: Lisa Barker/Steven Leathley
 Portfolio Holder: Cllr Paul Wightman
 Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder		Cllr Paul Wightman
Finance	21/05/2024	Steven Leathley
Legal Services	17/05/2024	Kathryn Tebbey
Chief Executive	21/05/2024	Chris Elliott
Director of Climate Change		Dave Barber
Head of Service(s)	17/05/2024	Author
Section 151 Officer		Andrew Rollins
Monitoring Officer	21/05/2024	Graham Leach
Leadership Co-ordination Group		
Final decision by this Committee or rec to another Cttee / Council?	No although the Committee may wish to make comment to Cabinet and/or Council	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	Yes within section 3.	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	Yes, Overview and Scrutiny Workplan	
Accessibility Checked?	Yes	

1. Summary Why O&S asked for the report (defined objective by O&S)

1.1 The O&S Committee added this item to its Work Programme at its meeting in January 2024. O&S asked to consider the Housing Revenue Account Budget and the risks associated with it.

2. What the service is being delivered (and its performance and how is performance validated)

2.1 The Housing Revenue Account (HRA) is the financial account used to record expenditure and income concerned with running the council's housing stock and closely related services or facilities. It is a ring-fenced account and can only be used to provide services to, or for the benefit of, Council housing tenants. The HRA Business Plan is a key strategic document which sets out the Council's income and expenditure plans for delivering Council Housing Services.

2.2 The Housing Revenue Account Business Plan (HRA BP) is reviewed annually and updated to reflect changes in legislation, the housing market and business assumptions.

2.3 The Council must present a 30-year HRA BP as a minimum but has adopted a 50-year HRA BP which must remain viable in line with the longer-term financial commitments, allowing the Council to manage and maintain its housing stock, to proceed with the projects already approved by Cabinet, to service the debt created by the HRA becoming self-financing, to service the debt from new borrowing and provide a financial surplus.

2.4 The most recent HRA BP is attached as Appendix A to this report.

3. The key risks to the service and how they are being managed.

The HRA BP will continue to be regularly monitored and an annual update provided to Cabinet to ensure the financial model remains robust.

Key risks	How they are managed
<p>Over focus on Decarbonisation of the Housing Stock leading to</p> <ul style="list-style-type: none"> • Potential lack of finance for statutory Health and Safety issues. • Over reliance on borrowing to fund repairs/Health and Safety measures to existing stock for which no additional income is achieved. • Potential lack of finance for Statutory requirements eg Decent Homes • Inability to build new homes given the continued increased levels of homelessness (doubling since 2018) and applications to join the housing register at between 150 and 200 per month. 	<p>Officers provide advice for Cabinet to make a decision.</p> <p>A programme of work is being developed against which progress is monitored.</p> <p>The Housing Revenue Account Business Plan is reviewed Annually.</p>
<p>Balancing the HRA in light of government policy and ambitions to decarbonize the stock, achieve increased carbon efficiencies on new homes and deliver new homes:</p> <p>Decent Homes (DHS) DHS 2 has been consulted on potentially considerably more onerous. – Statutory requirement</p> <p>Fire Safety and Building Safety legislation – frequently changing legislation and regulation. Statutory requirement risks of reputational and financial damage</p> <p>Disrepair – ambulance chasers. Statutory requirement. Considerable rise in claims</p> <p>New Homes – key requirement</p> <p>Asylum and Immigration – impact on waiting lists and local housing market. Demands out of WDC control but lead by the Home</p>	<p>Member of ARCH (Association of Retained Council Housing) which lobbies on behalf of Local Authorities.</p> <p>Key relationships with DCN and LGA for lobbying power.</p> <p>Housing Managers membership of Chartered Institute of Housing to add voice.</p> <p>Horizon Scanning</p> <p>Building in known factors into the HRA BP.</p> <p>Advice to Cabinet/Council to enable informed decisions</p>

<p>Office. No consultation on numbers which have increased 209% from last year.</p> <p>Damp, Mould and Condensation – Awaabs Law. Statutory requirement and increasing presentations.</p> <p>Qualifications for Housing Managers – statutory requirement</p> <p>Rents and rent setting – Self-financing in 2012 (30-year business plans) yet by 2015-2021 cap extended to reducing rents, and again in 2022, rents capped from 11% rise to 7%. The latter cost the Council £1m which is an annual loss going forward.</p> <p>Pressing need for additional resources to support the impacts of new government policy.</p>	
<p>Viability and Capacity of the HRA eg thorough Right to Buy</p> <p>Since 1st April 2018 - Council owned rented stock has increased from 5508 – 5554 (31 Oct 2023).</p> <p>193 new homes (17 buy backs and 176 rented) but this is against 145 disposals through the right to buy over the same period.</p> <p>Note 28 shared ownership properties have also been delivered providing a low-cost home ownership product to those who cannot afford full purchase products.</p>	<p>Through a Housing Development Programme however, this is subject to agreement in relations to Political priorities and needs to be balanced against statutory responsibilities</p> <p>The Housing Revenue Account Business Plan is reviewed Annually.</p>
<p>New Regulatory Regime (Housing Regulator/Building Safety Regulator).</p> <p>New Consumer Standards</p> <p>Increased powers for the Regulators.</p> <p>Strengthened powers for the Housing Ombudsman</p> <p>New requirements for handling of Housing related Complaints including revised (shorter) investigative timelines.</p>	<p>External assessments of performance (Pennigtons/ Housing Quality Network , the latter still to report) against the Consumer Standards producing Action Plans to improve performance and ensure best practice.</p> <p>Asset Compliance Committee established as part of action plan for improved monitoring and governance.</p>

<p>Regulatory Inspections and Judgements on a four yearly basis</p> <p>Pressing need for additional resources to deliver these additional demands.</p>	
<p>In respect to future borrowing to facilitate house building as per the October 2018 removal of the HRA Borrowing Cap there are risks relating to the percentage rate that the Council is able to borrow and the impact to the associated interest that must be paid alongside the repayment of the loan principal. This issue will be kept under close watch and The Link Group (the Council's Treasury advisors) will be consulted regularly for forecasts.</p> <p>The interest rate charged by the PWLB fluctuate twice daily. If borrowing is assessed as the preferred method of funding each scheme will be evaluated on viability including the cost of borrowing and if PWLB rates are deemed to be too high alternative sources of borrowing from other reputable organisations will need to be considered, this may increase the timescales to borrowing and include additional Legal Fees.</p> <p>Historically, the HRA has borrowed from Council General Fund (Internal Borrowing) which has provided a return on investment for the General Fund however, Internal Funds are no longer at a level for this method to be sustained.</p>	<p>Once PWLB borrowing takes place, rates are fixed which provides surety over borrowing.</p> <p>Modelling is undertaken which enables appraisal of interest only (maturity) and annuity loans.</p> <p>Modelling also considers options for short term loans to be utilised where predictions are for interest rates to fall in the medium term.</p> <p>Where interest rates are high, Modelling also considers options for medium term loans to be utilised where interest rates are expected to be lower at the time of maturity (when the loan needs to be refinanced).</p> <p>See confidential Appendix for further information*</p>
<p>Inflation continues to be high due to the ongoing global factors such as the War in Ukraine and the Cost-of-Living Crisis still impacting on UK's economy. Prior to these fluctuations an expectation of CPI and RPI inflation was 1.5%-2.00% annually. In comparison CPI reached 11.1% and RPI 14.2% in 2022/23. Current inflation as per</p>	<p>Modelling is undertaken prior to borrowing with options including interest only against annuity considered.</p>

the most recent ONS published data is 4% as at December 2023, this is still higher than pre-pandemic levels.	
The affordability of Borrowing will impact the long term HRA and it's income available to fund future projects and annual budgets. Maturity loans will have to be paid in full or refinanced at Maturity (traditionally this is 40 years after the original loan has been taken out).	Within the HRA Business Plan, all Maturity loans are shown at maturity dates, an assessment is made to ensure that HRA Reserve can finance the repayments, or the cost of refinancing the loan.
Cash Flow of the Organisation. The HRA must be able to afford the repayments as part of the wider cash flow and Treasury Management of the Council (both General Fund and HRA).	This may be a deciding factor on the types of loans taken, Annuity (Interest and Principal payment) or Maturity (Interest only and principal paid on maturity).
Unexpected costs due to age or condition of properties and their attributes.	Stock condition Surveys, External Wall surveys, Fire Risk Assessments, concrete condition surveys, assessment of RAAC. Retrofit assessments. Horizon scanning of the experience of others.
Universal Credit mass migration is currently starting across the district with a view that all those on legacy benefits will need to apply by May 2024, when any current legacy benefits will end. There is a risk this mass roll out will affect arrears as those that don't apply or may not how to, could effectively have no income.	The bad debt provision within the HR BP will remain at 1.6%. This will be assessed regularly.

4. What is working well and what is not working so well

Working well

- 4.1 The Housebuilding programme is enabling the Council to mitigate strongly against the Right to Buy which in turn provides stability in the income expectations contained within the HRA BP.
- 4.2 The Commercial approach adopted.
- 4.3 Obtaining external support to validate our performance.

4.4 Obtaining external advice to support officer decision making in relation to programmes of work.

Working not so well

4.5 Balancing and preparing for all of the demands placed upon the HRA.

4.6 Taking account of the impacts of key decisions which have a considerable affect on the HRA before making that decision.

4.7 Governance for Housing being split between Portfolio Holders.

5. One Change to improve performance.

5.1 For O&S to consider in detail, and provide advice to Cabinet upon, how best to balance the demands upon the HRA to ensure that Housing Need is met whilst delivering the many facets of the Corporate Strategy that impact upon it.

Appendix One: Housing Revenue Account Business Plan Assumptions 2024

Assumption	2023 Business Plan	2024 Business Plan	Explanatory Notes
2012 Self Financing Borrowing	50 Year Maturity Loan Interest payment will continue to be facilitated until 2051/52 with a view to the Capital Repayment being re-financed in line with specialist Treasury Advice over a phased period of 2051/52-2061/62 resulting in the £136.2m Self Financing loan capital repayment fully or partially being profiled over a further Period with a view to the debt being fully repaid at a later date. This will be considered and reviewed in the next 30 years	No Change to 2023 Assumptions	A 50 Year Maturity Loan from the PWLB originally resulted in the £136m loan being settled in full by 2061/62. The debt profiling of the current PWLB maturity loan capital repayments in 2051/52-2061/62 was causing severe restrictions on the HRA Business Plan. Specialist Treasury Management Advice has been sought in relation to refinancing this debt to enable more flexibility in the Business Plan and to enable a further level of flexibility in relation to dealing with the unknown financial impacts of cost of living crisis that has seen inflation rise and the ability to continue to deliver the construction and purchase of Social and Affordable housing to meet local housing need during this period.
Warwick Affordable Rents	<p>All new Affordable rents to be set at the National Rent Policy Levels of 80% of Market Rents.</p> <p>Existing tenants will not be affected by this change and will continue to pay rents calculated using the "Warwick Affordable Rents" Calculation.</p> <p>Prior to 2020 Affordable rents were set at a Special "Warwick Affordable Rent" which is calculated at a lower rate of affordable rent which is effectively the mid-point between affordable and social rent.</p>	No Change to 2023 Assumptions	<p>The National Rent Policy States Affordable Rents are to be set at 80% of market rents in line with being granted permission from Homes England to become an investment partner.</p> <p>Warwick Affordable Rents were historically set at a point where only relatively small levels of stock were given permission from Homes England to charge affordable rents, now that the council has achieved Homes England Investment Partner Status this policy is not deemed effective and reduces the viability of housing construction and acquisition schemes moving forwards.</p>

Assumption	2023 Business Plan	2024 Business Plan	Explanatory Notes
	<p>Where Benefit is used as payment for Affordable Rent (dependant on specific circumstances) 80% of Market Rate Rent can be claimed (Housing Benefit/Universal Credit) which in some cases will be in excess of the Local Housing Allowance (LHA) rates used for rent caps in the private sector</p>		<p>As this was a change to Rent policy in 2020 this request was included for authorisation in the HRA Rent Setting Report in February 2021 with Existing Tenants paying rents using the Warwick Affordable calculation being able to continue until their tenancy ceases in applicable housing stock.</p> <p>Where Benefit is used as payment for Affordable Rent (dependant on specific circumstances) 80% of Market Rate Rent can be claimed (Housing Benefit/Universal Credit) which in some cases will be in excess of the Local Housing Allowance (LHA). LHA rates are used for rent caps in the private sector and are not applicable to the Councils Social or Affordable Housing Rents as long as the rents are set in line with national rent policy then benefit will cover the cost of the weekly rent in most circumstances in line with DWP legislation.</p>
<p>General Inflation</p>	<p>Salary Inflation for the next year to be estimated at September 2020 CPI 1.5% +1% = 2.5%</p> <p>Contract Inflation Estimated at 2%</p> <p>Long Term Rents Inflation estimated over the remaining plan on average to be CPI + 1% = 2% p.a.</p> <p>Fuel Inflation – Fixed 3-year contract so not inflated.</p>	<p>Salary costs have been inflated in line with the Local government pay settlement announced in the Autumn Statement on 17th November 2022.</p> <p>Contract inflation for repairs and major works has increase significantly due to high inflation and where applicable has been inflated between 10-13% depending on the inflation indices generally linked to RPI at a certain month which differs in each contract.</p>	<p>The economic impact of high inflation, Cost of Living Crisis and economic instability, has seen CPI and RPI Increase significantly in at the beginning of 2023, this gradually reduced towards the end of 2023 but still remains higher than pre-pandemic levels.</p> <p>To ensure prudence an estimate of future salaries, contracts, rent and fuel inflation increases has been factored into the financial modelling to ensure that realistic assumptions have been built into the HRA BP.</p>

Assumption	2023 Business Plan	2024 Business Plan	Explanatory Notes
		<p>Long term Rent Inflation from years 5-50 of the HRA BP has been assumed at 2%</p> <p>Fuel Inflation – Electricity Costs have doubled, and Gas costs have quadrupled as per ESPO in line with a newly procured contract.</p> <p>All other general expenditure between 2023/24 & 2024/25 has been inflated by 2% as part of the Councils Budget setting process.</p>	<p>Housing Industry assumptions suggest a fluctuating economic impact with be felt for the next 3-5 financial years, in the prior business plan it was anticipated inflation would remain at very low levels however we have seen inflation rising and other costs increasing.</p>
Homes England Grant	<p>The Council has been awarded Home’s England Investment Partner status and is able to bid for Affordable Homes Grant when considering the viability of housing construction and purchase schemes, where deemed viable Homes England Grant will be sought as a preferential means of financing schemes in line with applicable conditions attached.</p> <p>In Prior Business Plans only small or limited schemes have incorporated Homes England Grant subsidy.</p>	No Change to 2020 Assumptions	<p>Homes England are able to award the Council grant subsidy in the HRA in the form of a recyclable conditional capital grant which contributes to the cost of construction of Social, Affordable and Shared Ownership Housing which ensures the deliverability of much needed housing in the district and increases the viability of the HRA Business Model</p>
Social & Affordable Dwelling Rents	<p>CPI would have been 10.8% in September +1% meaning social and affordable rents would have to be increased by 11.8% which was considered unaffordable to tenants by central government.</p>	<p>From 2024/25 CPI+1 = 7.7%, based on September CPI being 6.7% using Office for Budgetary Responsibility Forecasts</p>	<p>From April 2020 the Government advised a new rents policy stating rents charged are to increase by CPI + 1% per year based on September CPI for a five-year period.</p> <p>However due to the cost-of-living crisis and CPI increasing to 11% in Q3 of the 2022/23 financial year the government announced a</p>

Assumption	2023 Business Plan	2024 Business Plan	Explanatory Notes
	<p>The Government instead has enforced a new 7% Rent Cap for 1 year in 2023/24 in place of national rent policy inflation.</p>	<p>From year three onwards it is assumed CPI will return to the 2% and continue at that level for the remainder of the business plan.</p> <p>All void properties rents will be revised to target social rent.</p>	<p>7% Rent Cap in the 17th of November Autumn Statement. The Cap is for 1 financial year.</p> <p>Following this the Office for Budgetary Responsibility is forecasting CPI at approximately 6.7% in September 2023 so if the Cap is removed and CPI+1% is allowed again as per the National 2020 Rent policy the rent inflation at CPI+1% in April 2024 a rent increase of 6.7% has been applied to the Business Model. After that point inflation is expected to return to 2.5% for longer term estimates.</p> <p>For void properties, the Council is able to set the base rent as the Target Social Rent (also known as Formula Rent).</p>
<p>Shared Ownership Dwelling Rents</p>	<p>In 2023/24 a 7% Rents Cap was applied to the Shared Ownership Rents in place of applying National Rent Policy of RPI+0.5% which in November 2022 was 14% so rents would have been inflated by 14.5%.</p> <p>Even though the 7% Cap was not specifically included in the rent cap legislation, the National Housing Federation advised registered providers to voluntarily adopt this cap due to the abnormally high RPI indices and in line with assisting tenants in the cost-of-living crisis.</p>	<p>On 12th October 2023 it was announced, rents for new Shared Owners will increase once a year by no more than the Consumer Prices Index (CPI+1%) meaning a total increase of 7.7% from April 2024</p> <p>Existing Share Ownerships will remain on RPI+.05. In 2023/24 RPI had reduced to 5.3% by November 2023. Therefore, rent inflation of 5.8% has been applied for 2024/25.</p> <p>After this point a 2.5% long range estimate has been applied for the remainder of the business model</p>	<p>Existing shared ownership tenancies will continue to adopt lease agreements based on the existing Housing & Communities Agency (HCA) template lease with rents increased by RPI + 0.5% annually, new share ownership tenancies will go up by CPI +1%.</p> <p>The Impact the economic instability in 2022 has rapidly and unexpectedly increased RPI in such a short period of time.</p> <p>For modelling purposes these fluctuations have been fed into the HRA BP, in years 3-50 averaged out at 2.5% for the remainder of the business plan to reflect the economy recovering and to ensure prudence.</p>

Assumption	2023 Business Plan	2024 Business Plan	Explanatory Notes
		which is in line with historic RPI levels.	
Garage Rents	<p>Increase of 10% per year for 5 years from 2020/21.</p> <p>CPI + 1% for the remainder of the business plan following this 5-year period. Averaging at 2%</p>	No Change to 2023 Assumptions	<p>Garage rent increases are not governed by national guidance. Any increase that reflects costs of the service, demand, market conditions and the potential for income generation can be considered.</p> <p>In 2020 an Increase of 10% per year for 5 years was approved until 2025/26.</p> <p>CPI + 1% averaging at 2% is assumed for the remainder of the business plan after 2025 when CPI should return to normal levels.</p> <p>Historically 2018/19 incurred an Increase of 5% per year and prior to this an average £4 per garage increase was in place until 2017-18.</p>
Rents Other	Increase by assumed long term CPI of 2% per year for the remainder of the business plan.	<p>No Change to 2023 Assumptions</p> <p>Shop and commercial property rent reviews are undertaken upon the grant of a new lease/tenant using market commercial rent valuations.</p>	Within the Housing Revenue Account, the Council has a number of shops and etc. which whilst still forming part of its Operational non-current assets are leased out on a commercial basis in order to derive rental income.
Bad Debts as a % of Gross Rents	In real terms in 2022/23 there was no change to the previous year contribution to the Bad debts provision and no further amounts were needed to be written off and	Due to the mass migration of the universal credit completing May 2024. The bad debt provision within the HR BP will remain at 1.6%. This will be assessed regularly.	The continuation of economic instability must be treated with caution so a prudent estimate of 1.6% is adopted.

Assumption	2023 Business Plan	2024 Business Plan	Explanatory Notes
	<p>in the 2021/22 Outturn report presented to 29th September Cabinet this was presented in Item 4 Appendix B</p> <p>For prudence and in light of current economic instability and uncertainty of the future a 1.8% provision will be estimated for 2023/24.</p> <p>The remainder of the business plan will reduce to 1.6% in line with pre-Covid-19 economic conditions.</p> <p>Appendix 6 of this report shows that the balance of the Bad Debts Reserve of £1,980m has only slightly changed in comparison to the last financial year.</p>		<p>The Governments various tenant and rent protection schemes over the pandemic have ensured arrears and bad debts have remained manageable.</p> <p>Prior to Covid-19 the Government began to introduce Universal Credit across the county in 2015. Initially it was expected that this change to Universal Credit would increase the level of bad debts significantly but the phasing of this roll out seems to have negated this assumption.</p>
Void Rent Loss as a % of Gross Rents	0.7%. for housing rents. 26% for garage rents.	0.7%. for housing rents. 26% for garage rents.	<p>Housing voids of 0.7% are driven by the need to repair and maintain stock in between tenancies, and an increased focus on ensuring tenants are in the most suitable housing stock.</p> <p>Approximately 26% of garage stock is vacant.</p> <p>Housing voids have not been negatively affected by the impact of Covid-19 so this assumption will not change.</p>
No. of Garages Demolished	42 Garages were demolished in 2017/18. It is currently assumed	No Change to 2023 Assumptions	Garage sites are regularly reviewed to assess, where appropriate, sites to be

Assumption	2023 Business Plan	2024 Business Plan	Explanatory Notes
	no further garages will be demolished in the Business Plan		considered for future redevelopment and parking needs. A review is currently being undertaken and developments will be presented to Cabinet for approval.
Management Costs	<p>No changes to overall structure agreed at Budget Setting. Costs to increase by CPI +1%.</p> <p>When homes sold, assume no saving in management costs.</p>	<p>No changes assumed to business plan other than specific inflation increases on specific costs that have been inflated as part of the budget setting process.</p> <p>When homes sold, assume no saving in management costs.</p> <p>When new dwellings are adopted increase management costs in line with average costs per dwelling</p>	Staffing and newly adopted housing stock costs for future years will be updated on an annual basis as changes become apparent.
Revenue Repairs & Maintenance Costs	<p>Assume a one off increases of 10-13% on Materials/Labour on specific Major works and repairs contracts for 2023/2024</p> <p>When dwellings sold, save 100% of average unit repairs cost.</p> <p>When new dwellings are adopted increase using average costs per unit.</p>	<p>Annual costs increase of CPI + 1% assumed + additional 1% to take account of changes in building materials cost.</p> <p>When dwellings sold, save 100% of average unit repairs cost.</p> <p>When new dwellings are adopted increase using average costs per unit.</p>	<p>Moving to Schedule of Rates and prices will increase in line with RPI plus a percentage to reflect the increase in the costs of building materials.</p> <p>Dwellings lost through right to buy sales and acquisitions of social, affordable, and shared ownership dwellings will be adjusted for.</p> <p>When new dwellings are adopted increase using average costs per unit appropriately in line with new build guarantee timescales.</p> <p>All Repairs and works contracts have been assessed in line with high inflation and inflated appropriately.</p>

Assumption	2023 Business Plan	2024 Business Plan	Explanatory Notes
Capital Maintenance Costs	<p>A 10-year Housing Improvement Plan is in place assessing each of the 10 years independently in line with Stock Condition Survey, Climate Emergency Works, and Fire Safety works, alongside Grant funded works.</p> <p>After this 10-year period annual costs increases assumed at CPI + 1%.</p> <p>Assume a 1 off increases of 10-13% on Materials/Labour on specific Major works and repairs contracts for 2023/2024</p>	<p>A 10-year Housing Improvement Plan is in place assessing each of the 10 years independently in line with Stock Condition Survey, Climate Emergency Works, and Fire Safety works, alongside Grant funded works.</p> <p>After this 10-year period annual costs increases assumed at CPI + 1%.</p>	<p>Specialist Capital works such as Fire Safety and Climate Change works are accounted for separately in the business plan using an updated 10-year Housing Investment Plan.</p> <p>Dwellings lost through Right to buy sales and acquisitions of Social, affordable, and shared ownership dwellings will be adjusted for.</p> <p>All Capital Maintenance Contracts have been assessed in line with high inflation and inflated appropriately.</p>
No. of Right-To-Buy Sales	<p>1,636 total RTB sales are estimated over the full 50-year business plan</p>	<p>1617 total RTB sales, a small reduction on the previous business plan.</p>	<p>It is anticipated the current economic uncertainty will maintain a lower lever of sales for the next 2-5 years.</p> <p>A reduction of estimated sales to 28 units will be assumed in the next 2 years, 30 for the following 4 years, gradually returning to pre-covid levels of 32 sales per year from 2030/31 after this for the remainder of the business plan.</p>
Income from RTB sales reserved for 1-4-1 replacement	<p>£600k for the HRA and £450k for the GF in RTB receipts for 2022/23 and 2023/24</p> <p>Assume an increase to pre-pandemic levels of sales and increase to £1.4m for the remainder of the BP.</p>	<p>£500k for the HRA and £450k for the GF in RTB receipts for 2023/24 and 2024/25</p> <p>Assume an increase to pre-pandemic levels of sales and increase to £1.4m for the remainder of the BP.</p>	<p>The Council entered the Right to Buy Capital Receipts Pooling arrangement with MCHLG in 2012 in line with HRA Self Financing. As part of the agreement the Council is only able to retain a predetermined % of the Right to Buy Capital Receipts.</p> <p>The reduction in RTB Sales during the pandemic has resulted in a reduction in the</p>

Assumption	2023 Business Plan	2024 Business Plan	Explanatory Notes
			<p>sales receipts retained to support 1-4-1 replacement of sold homes.</p> <p>From 1 April 2021 (MHCLG) changed the rules in the Right to Buy (RTB) Pooling Receipts Retention Agreements. A summary of the changes affecting the HRA BP are:</p> <ul style="list-style-type: none"> • The timeframe to spend increased from 3 years to 5 years. • The percentage to fund new homes increased from 30% to 40% • Authorities can use receipts for ownership and First Homes, affordable and social rent,
Income from RTB sales available for any purpose	£0	No Change to 2023 Assumptions	<p>Assume council continues current policy of using such receipts to support General Fund Capital Financing in line with the Right to Buy Receipts Pool Legislation</p> <p>Local authority share - calculated to approximate to what authorities General Fund would have retained had the pre-2012 pooling system continued when they retained 17% of all net RTB receipts.</p>
New Homes - Rents	A mix of Warwick Affordable, Social Rent, Shared Ownership.	A mix of "National" Affordable, National Affordable, Social Rent and Shared Ownership.	<p>New properties will be let as specified in the mix at the time of acquisition or as per the Section 106 specification. A mix of Social Rent, Shared Ownership, and National Affordable and Affordable Rent will be applicable.</p> <p>Warwick affordable rents were historically set mid-way between Target Rent and National Affordable rent (80% of market</p>

Assumption	2023 Business Plan	2024 Business Plan	Explanatory Notes																																						
			rent) however National levels of Affordable Rents were adopted on new Affordable Housing Stock from 2020 onwards.																																						
Interest Rate on HRA Balances	0.7% over the life of the BP.	No Change to 2023 Assumptions	Income from Interest generated from HRA Balances																																						
Interest Rate on HRA Debt	Actual rates for current debt (average 3.5%)	No Change to 2023 Assumptions	This is a fixed rate of interest on the HRA Self Financing debt over the life of the loan. Authorisation to refinance the repayment of the loan was ascertained in 2020 but the original loan agreement states the loan is due to be repaid in phases over a 10-year period annually from 2051/52 to 2061/62.																																						
PWLB Borrowing Rates on New Borrowing	<p>New PWLB Borrowing using Annuity Loans has been forecast at the interest rates as per the below table by Link Treasury Management Services. These percentages are net of the 0.2% certainty discount the council receives for providing an annual capital financing plan to the PWLB.</p> <table border="1" data-bbox="421 1018 680 1401"> <thead> <tr> <th>Year</th> <th>%</th> </tr> </thead> <tbody> <tr><td>2022/23</td><td>3.9</td></tr> <tr><td>2023/24</td><td>3.7</td></tr> <tr><td>2024/25</td><td>3.6</td></tr> <tr><td>2025/26</td><td>3.5</td></tr> <tr><td>2026/27</td><td>3.0</td></tr> <tr><td>2027/28</td><td>3.0</td></tr> <tr><td>2028/29</td><td>3.0</td></tr> <tr><td>2029/30</td><td>3.0</td></tr> <tr><td>2030/31</td><td>3.0</td></tr> </tbody> </table>	Year	%	2022/23	3.9	2023/24	3.7	2024/25	3.6	2025/26	3.5	2026/27	3.0	2027/28	3.0	2028/29	3.0	2029/30	3.0	2030/31	3.0	<p>Taking the 50-year rate average from the Link and Capital Economics as a proxy for the 40-year loans. The long-range forecast with economy recovering show the % will not drop below 3.5% or anywhere near pre-pandemic levels.</p> <table border="1" data-bbox="931 1018 1191 1353"> <thead> <tr> <th>Year</th> <th>%</th> </tr> </thead> <tbody> <tr><td>2024/25</td><td>4.1</td></tr> <tr><td>2025/26</td><td>3.9</td></tr> <tr><td>2026/27</td><td>4.0</td></tr> <tr><td>2027/28</td><td>3.5</td></tr> <tr><td>2028/29</td><td>3.5</td></tr> <tr><td>2029/30</td><td>3.5</td></tr> <tr><td>2030/31</td><td>3.5</td></tr> <tr><td>2031/32</td><td>3.5</td></tr> </tbody> </table>	Year	%	2024/25	4.1	2025/26	3.9	2026/27	4.0	2027/28	3.5	2028/29	3.5	2029/30	3.5	2030/31	3.5	2031/32	3.5	<p>The Covid-19 pandemic saw Borrowing rates for the HRA in 2020-2021 drop as low as 0.6% and increase up to 6.5% in the recent economic instability.</p> <p>Where new borrowing has already been secured for acquisition and developments the actual PWLB rate secured on that borrowing is included in the business plan.</p>
Year	%																																								
2022/23	3.9																																								
2023/24	3.7																																								
2024/25	3.6																																								
2025/26	3.5																																								
2026/27	3.0																																								
2027/28	3.0																																								
2028/29	3.0																																								
2029/30	3.0																																								
2030/31	3.0																																								
Year	%																																								
2024/25	4.1																																								
2025/26	3.9																																								
2026/27	4.0																																								
2027/28	3.5																																								
2028/29	3.5																																								
2029/30	3.5																																								
2030/31	3.5																																								
2031/32	3.5																																								

Assumption	2023 Business Plan	2024 Business Plan	Explanatory Notes
	Long range forecast with economy recovering show the % will not drop below 3% or anywhere near pre-pandemic levels.		
Depreciation	75 Years	No Change to 2023 Assumptions	The depreciation policy for the life of the Housing Stock will be changed from 50 years to 75 years on 2019 as per consultation from property valuation experts Carter Jonas.

Appendix Three : HRA Business Plan Projections 2023 - Variance Analysis(£m)

Projected Net Revenue Expenditure

Year	2022/23 £m	2023/24 £m	Variance £m	Comments for Variances of Interest and of +/- £0.5m
Housing Rent	-27.4	-29.3	-1.9	Rent Increase in line with National Rent Policy
Void Losses	0.2	0.2	0.0	
Service Charges	-0.6	-0.7	-0.2	
Non-Dwelling Income	-1.1	-1.1	0.0	
Grants & Other Income	-0.0	-0.5	-0.5	
Total Income	-28.9	-31.5		
Premises	1.2	1.2	0.0	
Supplies and Services	0.2	0.1	-0.1	
Third Party Payments	0.0	0.0	0.0	
Support Services (Staffing)	8.2	12.5	4.3	Staff Salary Inflation plus inflation
Capital Charges	0.0	0.0	0.0	
Depreciation	6.2	6.2	0.0	
Bad Debt Provision	0.4	0.4	0.0	
Responsive & Cyclical Repairs	7.7	8.5	0.8	Contract Inflation
Total Revenue Expenditure	23.9	28.9		
Finance Administration	0.0	0.0	0.0	
New Borrowing Interest Paid	0.4	1.4	1.0	New Development Loan Interest Paid
Interest Received	-0.1	-0.1	0.0	
Other Appropriations	0.0	0.0	0.0	
Net Operating Income	-4.7	-1.3		
Pension IAS19 /Other HRA Reserve Adj	-0.3	-0.2	0.1	
Self Financing Debt Interest Paid	4.8	4.8	0.0	
Other Appropriations	0.1	0.1	0.0	
Contribution to / from reserves	-0.1	-2.8	-2.6	
Revenue Contribution to Capital Outlay	0.0	0.0	0.0	
Contribution to HRA CIR	0.3	-0.6	-0.9	Increased Inflation Expenditure reduces contribution to HRA CIR
Total Appropriations	4.7	1.3		
Net Revenue Exp/(Income)	-0.0	0.0		
HRA Balance & Reserves				
HRA Closing Balance	1.5	1.5	0.0	
CIR Closing Balance	29.2	10.2	-19.0	New scheme purchases resulting in 492 new properties.
MRR Closing Balance	6.1	5.6	-0.5	Delayed works meant balances increased slightly when budget returned to the MRR
RTB 1-4-1 Closing Balance	0.1	1.6	1.5	
	37.0	18.9		
Projected Capital Expenditure				
Construction/Acquisition of Homes	23.6	44.4	20.8	Phasing of HIP development plan governs the annual budgets so this is variable each year
Capital Maintenance & Improvement	16.7	24.1	7.4	Inflation increases
Total Capital Expenditure	59.5	68.5		
Projected Borrowing				
Borrowing b/f	136.2	136.2	0.0	Existing Self Financing Maturity Loan
Self Financing Loans Repaid	0.0	0.0	0.0	Existing Loan Repayments Due 2061/62 or to be refinanced
Self Financing Borrowing c/f	136.2	136.2		
New Borrowing	25.0	25.0	0.0	Delay in the New Annuity Loan borrowing being taken out from PWLB
New Borrowing Loans Repaid	-0.4	-0.3	0.1	New Annuity Loan Repayments
New Borrowing c/f	24.6	24.7		
Total Borrowing c/f	160.8	160.9		

Housing Investment Programme (HIP) 2023/24 to 2032/33

Construction / Acquisition of Housing:	2023/24 Revised	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Repurchase of Ex-Council Housing	762	500	500	500	500	500	500	500	500	500	5,262
Purchase of Property											
Purchase of property											
Purchase of property	5										5
Refurbishment	1,710										1,710
Purchase of land	0										
Development	150										150
Purchase of Land	0										
Development	3,817										3,817
Purchase of property	709										709
Purchase of Land	0										0
Purchase of property	0										0
Purchase of property	10										10
Development	1,554										1,554
Purchase of property	17,986	9,033	9,033	9,033	9,033						54,120
Birmingham Road	9,700	3,300									13,000
CLS Demolition		1,500									1,500
LA Housing Fund - Syrian/Ukrainian Refugee Scheme	3,388	3,388									6,775
LA Housing Fund 2 - Afghanistan Refugees (6 dwellings)	2,047										2,047
Thickthorn, kenilworth - 20x S106	376	3,750									4,127
The Asps Warwick - 51 x S106	2,201	8,258									10,459
Europa Way 24 Dwellings	752	7,242									7,994
The Asps Warwick - 82 Dwellings	1,588	15,418									17,006
Total Construction / Acquisition of Housing	46,755	52,389	9,533	9,533	9,533	500	500	500	500	500	130,244

Improvement / Renewal Works:	2023/24 Revised	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Stock Condition Survey Works:											
Aids & Adaptations	1,206.1	647.1	647.1	647.1	647.1	647.1	647.1	647.1	647.1	647.1	7,030.0
Defective Flooring	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	593.0
Door Entry/Security/Safety Systems	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	1,500.0
Kitchen & Bathroom Fittings / Sanitaryware Replacement	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	10,000.0
Electrical Fittings / Rewiring	612.4	612.4	612.4	612.4	612.4	612.4	612.4	612.4	612.4	612.4	6,124.0
Water Services	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	91.0
Structural Improvements	250.0	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7	427.3
Improved Ventilation	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	47.0
Major Garage Works	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	246.0
Codependant Asbestos Removal	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	2,000.0
Special capital works - Lift Replacement	197.0	300	300	300	300	0	0	0	0	0	1,397.0
Capital Salaries for Improvement / Renewal Works	303.6	309.7	315.9	322.2	328.6	335.2	341.9	348.8	348.8	348.8	3,303.4
Total Stock Condition Survey Works	4,016.8	3,336.6	3,342.8	3,349.1	3,355.5	3,062.1	3,068.8	3,075.7	3,075.7	3,075.7	32,758.7
Climate Change & Environmental Works:											
Environmental - Roof Coverings	925.0	750.0	525.0	525.0	525.0	525.0	525.0	525.0	525.0	525.0	5,875.0
New - Decarbonisation	500.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	750.0	5,000.0
Environmental - Window/Door Replacement	535.0	535.0	535.0	535.0	535.0	535.0	535.0	535.0	535.0	535.0	5,350.0
Environmental Central Heating Replacement	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	12,398.0
Thermal Improvement Works	223.3	141.3	141.3	141.3	141.3	141.3	141.3	141.3	141.3	141.3	1,495.0
Environmental Works	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	750.0
Environmental Works: Tenant Participation Projects	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7	377.0
Environmental Improvement works - The Crest	600.0										600.0
Environmental Improvement works - The Crest Water Main Repairs	200.0										200.0
Total Climate Change Works	4,335.8	3,528.8	3,303.8	3,303.8	3,303.8	3,303.8	3,303.8	2,553.8	2,553.8	2,553.8	32,045.0

Fire Safety Works:												
Fire & Building safety in Multi Occupancy Use Blocks	5,544.1	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	32,544.1
Hi Rise Cladding Replacement 5x Hi-rises	5,617.0	5,617.0										11,234.0
Total Fire Safety Works	11,161.1	8,617.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	43,778.1
Decarbonisation Grant Works												
Social Housing Decarbonisation Grant - BEIS Wave 1	0.0											0.0
LAD 1B BEIS - Green Homes Grant - Shared with Stratford but not sure how tis gets paid - are SDC managing	0.0											0.0
LAD 2 BEIS - Green Homes Grant - Midlands Energy Hub -The £795 Midlands Energy Hug Grant is part of this - balance may be match funding	0.0											0.0
LAD 2 Match Funding	0.0											0.0
LAD 3 BEIS - Sustainable Warmth Grant - On Gas Delivery - HUG included in this	3,913.8											3,913.8
LAD 2 Match Funding	137.9											137.9
BEIS Wave 2 GRant Funded Works												0.0
BEIS Wave 2 Match Funded Works - Decarbonisation Works	500.0	500.0										1,000.0
Total Grant Funded Works	4,551.7	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5,051.7
Total Improvement/Renewal Works	24,065.4	15,982.4	9,646.6	9,652.9	9,659.3	9,365.9	9,372.6	8,629.5	8,629.5	8,629.5	8,629.5	113,633.5
Total Housing Investment Programme Expenditure	70,820.1	68,371.5	19,179.9	19,186.2	19,192.7	9,865.9	9,872.6	9,129.5	9,129.5	9,129.5	9,129.5	243,877.3

Housing Investment Programme (HIP) Financing Strategy 2023/24 to 2032/33

Housing Investment Programme (HIP) Financing:	2023/24 Revised	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Capital receipts: Buy Back	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	500.0
Capital Receipts: One for One replacement	1,926.2	1,573.8	2,316.7	450.0	1,050.0	450.0	450.0	450.0	450.0	450.0	9,566.7
HRA Capital Investment Reserve	17,002.6	3,250.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	44,252.6
Major Repairs Reserve	7,552.6	6,865.4	6,646.6	6,652.9	6,659.3	6,365.9	6,372.6	5,629.5	5,629.5	5,629.5	64,003.7
S 106 Affordable Housing Contributions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decent Homes Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shared Ownership Sales Capital Receipts	-53.6	4,931	1,135	1,134.5	477.5	0.0	0.0	0.0	0.0	0.0	7,623.8
Homes England Affordable Homes Grant - Turpin Court Garage Site											0.0
Homes England Affordable Homes Grant - Juniper Way											0.0
HRA Market Rate Cross Subsidy Capital Receipts - Cubbington Riding School											0.0
LAD 1B BEIS - Green Homes Grant											0.0
LAD 2 BEIS - Green Homes Grant - Midlands Energy Hub											0.0
LAD 3 BEIS - Sustainable Warmth Grant - On Gas Delivery	3,913.8										3,913.8
BEIS WAVE 2 Match Funding	250.0	250									500.0
LA Housing Fund Grant - Syrian/Ukrainian Refugee Scheme Grant - CIR will fund the Build	1,410.2	1,410.2									2,820.4
LA Housing Fund 2 - Afghanistan Refugees (6 dwellings)	919.2	0.0									919.2
CWLEP Demolition Grant - See CIR	0.0	1,500.0									1,500.0
HRA Additional Borrowing	37,849.1	48,541.2	6,032.1	7,898.8	7,955.8						108,277.1
Housing Revenue Account Related HIP Financing	70,820.2	68,371.5	19,179.9	19,186.2	19,192.7	9,865.9	9,872.6	9,129.5	9,129.5	9,129.5	243,877.3

Estimated Housing Investment Programme Resources at:-

Balances after applying financing	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Capital Receipts: One for One replacement & Buy Back Allowance	24.9	614.9	1,204.9	0.0	600.0	0.0	600.0	1,200.0	1,800.0
HRA Reserves	1,500.0	1,606.2	1,636.6	1,667.0	1,697.4	1,727.8	1,758.2	1,788.6	2,388.6
HRA Capital Investment Reserve	27,871.1	16,433.5	15,770.3	14,910.5	13,366.3	11,914.3	10,062.4	7,779.9	8,379.9
Major Repairs Reserve	6,956.2	4,605.3	4,408.4	4,493.1	4,634.8	4,834.0	5,091.1	5,426.4	6,026.4

HRA Shared Ownership Capital Receipts from New Build Acquisitions	3,085.8	4,273.9	477.5	477.5					
Homes England Affordable Homes Grant - Juniper Way	6,000.0								
LAD 3 BEIS - Sustainable Warmth Grant - On Gas Delivery & Private Sector Landlord Contributions	3,913.8								
BEIS Social Housing Decarbonisation WAVE 2 Grant Funding	250.0	250.0							
LA Housing Fund - Scheme Grant	2,329.2	1,410.2							
CWLEP Dem Grant		1,500.0							
Total Housing Investment Programme Resources	51,931.0	30,694.1	23,497.8	21,548.2	20,298.5	18,476.1	17,511.7	16,194.9	18,594.9

Appendix 5 - HRA Stock Numbers & Asset Valuations

Stock Numbers - Extract from the Councils 2022/23 Financial Statements

	2022/23	2021/22
	Nos.	Nos.
Houses	2,464	2,453
Flats	2,405	2,402
Bungalows	674	672
Total	5,543	5,527

The change in housing stock can be summarised as follows:

	2022/23	2021/22
	Nos.	Nos.
Housing Stock at 31 March	5,527	5,462
New build	46	91
Purchases	1	3
Right to Buy sales	(31)	(26)
Other Sales - Shared Ownership	-	(3)
Housing Stock at 31 March	5,543	5,527

Valuation of Dwellings - Extract from the Councils 2022/23 Financial Statements

	2022/23	2021/22
	£000	£000
Vacant Possession Value of Dwellings (Open Market Value)	1,104,258	1,069,632
Balance Sheet Value of Dwellings (Social Housing Value)	(455,142)	(438,085)
(40% of Open Market Value)		
Economic Cost to Government	649,116	631,548

Appendix 6 - HRA Rent Arrears and Bad Debts

Extracted from the 2022/23 Councils Financial Statements

	2022/23	2021/22	Change
	£000	£000	£000
HRA Rent & Charges Arrears			
Current Tenant Rent Arrears	1,085	1,334	(249)
Former Tenant Rent Arrears	818	725	93
Dwelling Rent Arrears	1,903	2,059	(156)
Garage Rent Arrears	3	51	(48)
Supporting People Charge Arrears	20	20	-
Court Cost Arrears	166	145	21
Overpayment of Benefit Arrears	129	135	(6)
Other Arrears	245	229	16
Total Arrears	2,466	2,639	(173)
Prepayments			
Dwelling Rent Prepayments	(486)	(475)	(11)
Garage Rent Prepayments	(13)	(13)	-
Other Prepayments	(7)	(4)	(3)
Total Prepayments	(506)	(492)	(14)
Net Arrears	1,960	2,147	(187)
HRA Bad Debt Provisions			
Rent Bad Debt Provision	(1,758)	(1,758)	-
Court Cost Bad Debt Provision	(222)	(222)	-
Total Bad Debt Provisions	(1,980)	(1,980)	-
			-
Arrears as a proportion of gross rent net of housing benefit	2022/23	2021/22	
Current Tenant Rent Arrears	5.29%	6.65%	-1.36%
Net Arrears	9.56%	10.59%	-1.03%

Title: Housing Revenue Account Business Plan Review 2024
 Lead Officer: Lisa Barker/ Emma Leeming
 Portfolio Holder: Councillor Wightman
 Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder		Councillor Wightman
Finance	15/02/2024	Emma Leeming/Steven Leathley
Legal Services		N/A
Chief Executive		Chris Elliot
Director of Climate Change		Dave Barber
Head of Service(s)	14/02/24	Lisa Barker
Section 151 Officer	14/02/24	Andrew Rollins
Monitoring Officer		Graham Leach
Leadership Co-ordination Group		
Final decision by this Committee or rec to another Cttee / Council?	No Recommendation to: Council due to Budget Values	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	Yes, partially Budget Setting Reports presented to February 2024 Cabinet	
Accessibility Checked?	Yes	

Summary

The Housing Revenue Account Business Plan (HRA BP) is reviewed annually and updated to reflect changes in legislation, the housing market and business assumptions.

The Council must present a 30-year HRA BP as a minimum but has adopted a 50-year HRA BP which must remain viable in line with the longer-term financial commitments, allowing the Council to manage and maintain its housing stock, to proceed with the projects already approved by Cabinet, to service the debt created by the HRA becoming self-financing, to service the debt from new borrowing and provide a financial surplus.

Recommendation(s)

- (1) That the Cabinet approves the revised HRA BP assumptions, as set out at Appendix 1,
 - (2) The Cabinet approves the revised HRA BP projections for the 50-year period 2023/24 to 2072/73, as set out at Appendix 2.
 - (3) That Cabinet approve the revised 10 year Housing Investment Plan (HIP) capital budgets noted in appendix 4 for the construction and acquisition of new Council housing and funding for major works to housing stock.
-

1 Background/Information

- 1.1 The Housing Revenue Account (HRA) is the financial account used to record expenditure and income concerned with running the council's housing stock and closely related services or facilities. It is a ring-fenced account and can only be used to provide services to, or for the benefit of, Council housing tenants. The HRA BP is a key strategic document which sets out the Council's income and expenditure plans for delivering Council Housing Services.
- 1.2 The HRA BP is reviewed on a regular basis and the underpinning assumptions will require further annual revisions. Without regular reviews, the viability of the BP would be placed at risk and could result in the Council needing to curtail its ambitions. The proposals in this BP will allow for future policy changes, and their financial implications, to be managed within the existing plan, and for investment decisions to be made regarding the existing housing stock and future construction, acquisition, and service projects.
- 1.3 In April 2012 the national Housing Revenue Account Subsidy System (HRASS) was replaced and Council's operating a HRA were required to do so on a 'self-financing' basis. This required each such council to make a payment (and a few to receive a payment) to Government to secure release from the HRASS, each individually calculated and based on an assessment of the assumed payments that would otherwise have been made into the HRASS had it continued to operate for a further 30 years. In WDC's case this required a one-off payment of £136.2m which was loan financed using a mix of 40-50 years Public Works Loan Board Maturity Loans meaning the Interest of £4.765m would be serviced annually for 40-50 years until the £136.2m capital balance would need to be repaid.

- 1.4 On 6th March 2012 Cabinet approved a HRA BP for the period 2012/13 – 2061/62 which, based on the assumptions made at the time, ensured the Council would have a viable plan that provided for the £136.2 Self Financing loan to be repaid under the terms arranged, for the investment and management needs of the housing stock to be met and which provided financial headroom, through the accumulation of revenue surpluses. The historic 2012 plan was for the HRA BP to repay the self-financing debt repayments over a phased 10-year period from 2051/52 to 2061/62.
- 1.5 A revised HRA BP was approved in December 2020 Cabinet which changed the repayment plan for the £136.2m debt and instead a change of direction was taken with a new plan to refinance the loan capital repayment and repay them at a later point in time. As a result of this change the 40-50 Year Maturity Loan Interest payment will continue to be facilitated until 2051/52-2061/62 with a view of the capital repayments being re-financed in line with specialist treasury advice at that point in time.
- 1.6 The HRA Borrowing Cap was removed on 30th October 2018 resulting in greater flexibility for the Council to borrow monies (in full or part) to purchase and/or develop housing alongside utilising other funding sources, including reserves.
- 1.7 Where available, Grants will be actively sought in line with the Council's Affordable Housing Investment Partner Status with Homes England to support currently approved and future housing schemes to lessen the financial impact on the HRA BP.
- 1.8 Development and land purchase schemes approved in separate Cabinet and Council meetings since the HRA BP was last presented in March 2023 have been incorporated into the overall financial assumptions.
- 1.9 The Council declared a climate emergency in 2019. This declaration acted as a catalyst for change in the council and led to the development of a Climate Change Action Programme which has a target of a Net Zero Carbon Council 2025.
- 1.10 The Climate declaration impacts the HRA BP as the Councils Housing Stock needs to be decarbonised which in turn has material cost implications. Where Grant is available, it has been applied for to reduce the costs of these decarbonisation schemes and the forecast budgets can be viewed in Appendix 4 - Housing Investment Plan.
- 1.11 The budgets for key activities such as the Fire Safety and Climate Change works are listed in the HIP in Appendix 4.
- 1.12 After a short consultation, in the Autumn Statement on 17th November 2022 the Chancellor of the Exchequer announced that a one year 7% Rent Cap would be applied in the place of the National Rent Policy, using a Direction to the Regulator of Social Housing and advised this would support people in Social & Affordable Housing in England with the cost of living crisis by limiting the increase in their rents. However, on 4th January 2024, it was announced this would revert to the National Rent Policy (CPI)+1% for Social and Affordable Housing, meaning rents will increase to 7.7% from April 2024.

- 1.13 Shared ownership rents are currently increased once a year by the Retail Prices Index (RPI)+0.5%, meaning the total rent increase from April 2024 will be 5.8%. However, the government recognises that RPI is now an outdated measure of inflation, the government is committed to phasing out of usage by the end of the decade.
- 1.14 On 12th October 2023 it was announced, rents for new shared owners can instead be increased once a year by no more than the Consumer Prices Index (CPI)+1% meaning a total increase of 7.7% from April 2024. This reform brings shared ownership rents into line with the limit that normally applies to annual rent increases in other forms of social housing.
- 1.15 The Council will continue to use lease agreements based on the Homes England template lease for all new shared ownership tenancies which will be increased annually by (CPI)+1%, existing shared ownerships will remain (RPI)+0.5%.
- 1.16 Many of the HRA's Repairs & Maintenance and Major Capital Works Contracts are linked with annual inflation linked to Retail Price Indexation (RPI) which has meant that the budgets for these works have had to be inflated in line with 10-14% inflation which has been added to this HRA BP and has placed extra unexpected strain on the business model.
- 1.17 In 2023 the war in Ukraine and Costs of Living Crisis caused utility costs to also increase by huge and unexpected amounts. The Council sources its gas and electricity from a commercial energy broker ESPO to ensure best value is achieved. Energy price caps were implemented by central government to protect consumers and businesses from these extreme price rises. Because ESPO brokers commercial contracts for the Council, the caps are a lot higher than the actual usage so no benefit can be applied to the HRA budgets.
- 1.18 The Council's electricity contract was renewed in October 2023 and the gas contract is to be renewed in April 2024. At the end of 2023 we began to see prices stabilise and, in some cases, slightly decrease. As part of these contract renewals, it has been predicted that Gas will increase by 15% in the first 6 months of 2024 and then reduce by 25% in the remaining 6 months of 2024. Electricity is predicted to reduce by 15% in 2024, meaning gas and electricity remains high for 2024/25.

1.19 Reasons for the Recommendations

- 1.20 The HRA BP must remain robust, resilient, and financially viable. Revising the HRA BP annually ensures the Council's HRA is able to continue to maintain and improve its housing stock, take steps to tackle climate change and the cost of energy for tenants whilst also delivering much needed new social and affordable housing in the district and facilitate the re-financing of the £136.2m 2012 self-financing loan see paragraph 1.3-1.5.
- 1.21 The HRA details the plans for development and acquisition expenditure in the Housing Investment Plan (HIP) alongside its budgets for the major works of its housing stock and any capital grant related projects. In recent years there have been extra demands placed on the HIP from housing development schemes, but also from the requirement to complete increased levels of work and costs linked with maintaining and improving the housing stock in line with the Climate Emergency announcement in 2019 and increased levels of Fire Safety

Works. The HIP ensures the long-term planning of these costs, schedules of works and developments to ensure there are sufficient resources in place.

- 1.22 As shown in Appendix 2, the balance of the HRA CIR at the end of the current 2023/24 financial year is expected to be £10.2m and, based on current projections, will reduce annually until 2032/33. This will start to increase again when the model forecasts income, in particular that linked to an increase in our housing stock, comes on stream following upfront costs being incurred during the purchase and development phase.
- 1.23 The original self-financing plan was to service the PWLB Maturity Loan interest cost for 40 years and then begin paying the £136.2m debt capital back in intervals of £13m-£19m over a 10-year period from 2051/52-2061/62 using balances accumulated in the HRA CIR & MRR.
- 1.24 By 2061/62 there is a forecast capacity of £196.6m to pay off the outstanding debt of £136.2m made up of balances £172.9m in the CIR and £23.8m in the MRR. At this point the HRA has the option to refinance the loan repayments for the period 2051/52-2061/62 and repay some of the debt. Specialist advice was sought from Link Treasury Management, who confirmed that there is no legal requirement to repay the debt within the original timeframe linked with the Government's original Self-Financing legislation. It was advised that a number of other Local Authorities have taken the decision to refinance their self-financing debt to enable them to focus on house building and other priorities in the short term. Indeed, this is the financial model adopted by many housing associations. Link Treasury Management advised that a similar level of interest repayment should be assumed in the HRA BP for an indefinite period if the decision to refinance the repayment of Debt Capital is made.
- 1.25 Approval of any plans for the partial repayment of debt would need to be revised at that point in time alongside the assessment of further borrowing required. The HRA Business Plan remains viable when continuing to fund the annual £4.765m in self-financing interest payments for the 50-year plan.
- 1.26 The revised HRA BP will be able to maintain existing service provision, fully meet the responsive and cyclical repair needs of the HRA stock and continue to invest in refurbishment and improvement work to maintain the Decent Homes Standard through the HIP.
- 1.27 The removal of the HRA Borrowing cap on the 30th October 2018 by the Department for Levelling up, Housing and Communities (DLUHC), previously known as the Ministry of Housing Communities & Local Government (MHCLG) was implemented to enable Councils to build more homes. During MHCLG's consultation on the matter the borrowing cap was stated to be the biggest barrier to Councils building new homes and as such the cap was removed to "reaffirm the appetite to deliver a new generation of council homes".
- 1.28 From 15 June 2023, the Government introduced the 'HRA rate', which applies an interest rate of the gilt yield plus 40 basis points (0.40%) which is equivalent to the PWLB standard rate less 60 basis points (0.60%). This rate is solely intended for use in Housing Revenue Accounts and primarily for new housing delivery. This HRA Certainty Rate is currently available until June 2025, and although it may be extended, this cannot be assumed.

- 1.29 However, since 2020 the interest rate at which the Council can borrow for HRA Capital Works has increased significantly, in line with inflation and overall interest rate movements. The Council is no longer able to borrow at the pre-2022 level of interest rate, which were at a time that the Council still had significant levels of investments and could not justify the 'carrying costs' of borrowing from the PWLB then when it would have earned less from investing those funds in the short to medium term.
- 1.30 The Council's overall levels of investments have now reduced to a level where the 'internal borrowing' that the HRA has taken from the General Fund can no longer be maintained, and the Council has begun to externalize the borrowing by taking HRA rate loans from the PWLB, taking advantage of the 'HRA Certainty Rate' discount of 0.6%. A £5 million loan for 6 years was taken out on 7 February 2024 at 4.14% to cover the HRA capital expenditure from 21/22 that was reliant on internal borrowing. The longer term loans that the HRA would normally take are significantly higher than this, so loans are being kept shorted, on the expectation that they can be refinanced at maturity at lower interest rates and longer periods.
- 1.31 PWLB rates are expected to reduce the Councils Treasury Management. Link are predicting that borrowing rates will reduce by around 1% by the end of 2025 as long as the economy continues to recover. It is noted that long range PWLB borrowing forecasts to the HRA do not drop below 3.5% which is quite some way from pre-pandemic levels.
- 1.32 Details of all approved borrowing for such schemes and the subsequent timing of repayment of this debt are noted on Appendix 2 and also in the Financing section of the HIP in Appendix 4.
- 1.33 The underpinning HRA BP assumptions are set out in Appendix 1, with explanatory notes documenting all changes from the previous iteration of the HRA BP. These changes have then been applied to the HRA 50 year Plan set out in Appendix 2. A summary of the changes between the previously approved iteration of the HRA BP and the revised current year plan are set out in Appendix 3.
- 1.34 A 10-year HIP was adopted in the December 2020 Cabinet Report to enable the Climate Emergency and Fire Safety works to be completed and enables the HRA BP to remain financially viable as a result of phasing the expenditure across a longer period. The new HIP is noted in Appendix 4 and contains total costs amounting to £113.6m, the following costs are split over a 10-year period:
- £32.759m Stock Condition Survey Works
 - £32.045m Climate Emergency works associated with the Council declaring a Climate Emergency
 - £43.8m required for Fire Safety works in line with Fire Risk Assessments resulting from the Grenfell Tragedy and for the removal of Cladding.
 - £5m Decarbonisation Grant funded works in line with central government partnership schemes.
- 1.35 The Councils housing construction and acquisition plans are also shown in the HIP and total £130m over the 10-year plan. Separate reports have been presented to Cabinet for each scheme accompanied by a full financial appraisal. Where there are reports being presented to Cabinet for approval in March

Cabinet the costs have been included in the HIP to ensure budget is consistent between all reports being considered.

- 1.36 The Financing of the development projects in the HIP are also noted in Appendix 4. The financing is generally funded from a mix of:
- External Borrowing from PWLB
 - The HRA Capital Investment Reserve
 - Right to Buy (RTB) receipts from the sale of council houses
 - Homes England Capital Grant
 - Other Grants
 - Capital Receipts from Affordable Homes Shared Ownership sales
- 1.37 The HIP also contains the planned financing for the HRA's capital major improvement and renewal works to the Councils housing stock, these works are mainly funded by the Major Repairs Reserve (MRR) which is a ring-fenced account within the HRA for the purpose of maintaining and improving existing housing stock, other methods that can be used are a mix of:
- The Major Repairs Reserve
 - Capital Grants
 - Top ups from the HRA Capital Investment Reserve
- 1.38 The works funded using the MRR have been scheduled using separate stock condition surveys which were completed with a specialist housing consultancy, Michael Dyson Associates Ltd and that stock data is still available and has been updated with information of component renewals in the period since the original survey.
- 1.39 The Council then commissioned Pennington to carry out a new 100% stock condition survey which is underway, work should be completed by May 2024.
- 1.40 These surveys have provided information in respect of the condition of the main elements, known as stock attributes, of HRA homes. This survey information, complementing information from our in-house team of surveyors, enables a comprehensive picture of the current state of, and consequently the future investment needs, of a range of stock attributes such as kitchens, bathrooms, roof coverings, windows, doors and rainwater goods.
- 1.41 The surveys undertaken to date allow the Council to fix a baseline position for the entire HRA stock which, in turn, allows for the maintenance needs to be costed for the lifetime of the revised HRA BP. This baseline will continue to be refined in future years through a combination of in-house surveying and data analysis and has been updated to factor in the Climate Change and Fire Safety works. The existing 2024/25 HIP budget allocation will be directed to meet the most pressing needs, with a full revision of the profile of the future HIP to take place next financial year, to ensure that the properties with the poorest condition attributes are remedied as quickly as possible, and a tailored programme is put in place to replace items on a timely basis.
- 1.42 The balance of the MRR is increased annually by the amount of the annual depreciation charge to the HRA stock, which for 2024/25 is an estimated £6.9m. Based on current projections and the large financial strain on the HRA BP to deliver stock condition works, climate change works noted in Appendix 2, the MRR balance is expected to drop as low as £1.2m by 2030/31. It will

however remain sufficient to fund the required level of improvements necessary.

- 1.43 The HRA Housing stock itself is re-valued annually and further confidence in the viability of the HRA BP can be derived from the current valuation noted in Appendix 5 of £455m based on the Existing Use Valuation methodology for social housing or £1.104bn based on an unrestricted use valuation as at 31 March 2023. These valuations are significantly higher than the peak projected total borrowing of £308.6m in 2028/29 resulting from a combination of the £136.2m self-financing debt and additional £172.4m debt resulting from further borrowing to finance housing acquisition schemes. The additional housing acquisition debt is fully serviced from the rents received from the new dwellings.
- 1.44 A number of housing acquisitions, development schemes and land acquisitions have been approved as noted in the HIP at appendix 4, some of which will be funded using borrowing from the PWLB to ensure that sufficient balances remain in the MRR and CIR. There are two historical material Land Purchases contained within the HIP which are yet to have the development plans approved. It is expected that these sites will warrant separate Cabinet approval with the Housing Strategy and Development Team working on the optimum development plan to ensure that these schemes are financially beneficial to the HRA. The cost of carrying these land acquisitions is one of the negative contributing factors to the HRA BP's reducing CIR and MRR balances up to 2025/26. It is expected that once the sites have been developed the rental income will improve the long-term projections for the HRA BP significantly and is likely to improve the capability to repay more of the Self-Financing Debts. Nevertheless, the short term negative financial impact on the HRA is material and must be noted where large parcels of land are purchased especially when there is a significant time lag between purchase and sales or occupation of homes taking place to generate rental income. Alternative delivery models are also being explored that may enable the land to be developed outside the limited capacity of the HRA BP or in partnership with other entities.
- 1.45 The ongoing construction and acquisition projects for new homes aim to offset the projected reduction in the HRA stock resulting from continuation of Right to Buy sales at current levels. The below table shows the anticipated total stock changes as at 2072/73 including potential additional dwelling acquisitions and developments being explored as part of the Councils ambitious housing development plan:

Term	Approved New Build Homes in the HIP & BP	Buy Back of Ex Council Homes	Right to Buy Sales & other Stock Loss	Net HRA stock reduction
2023/24 to 2072/73	+108*	+453	- 1617	-1056

* Assumes all ongoing and previously approved plans are maintained.

- 1.46 The model above demonstrates that even with the potential 561 additional dwellings the net HRA stock reduction is still 886 dwellings in deficit over the 50 year plan. To negate the losses from Right to Buy an additional 1056 dwellings would need to be acquired.

- 1.47 The Council entered the Right to Buy Capital Receipts Pooling arrangement with MCHLG in 2012 in line with HRA Self Financing legislation. As part of the agreement the Council is only able to retain a predetermined % of the Right to Buy Capital Receipts which is how the Council re-acquires replacement housing stock lost through Right to Buy. The level of an authority's retainable Right to Buy receipts in any year also known as 1-4-1 Capital Receipts is the total amount of its Right to Buy Sales receipts it can keep to buy replacement housing stock.
- 1.48 An extract of the Councils receipts retained in 2022/23 are noted below to demonstrate that in reality, these receipts are not adequate to enable the purchase of replacement housing at the rate it is lost.

RTB Pooling Summary	£	%
WDC HRA Transaction Cost	40,300	1
WDC HRA Debt Contribution	870,590	23
WDC General Fund Share (any purpose)	413,625	11
WDC Buy Back Allowance	102,907	3
WDC 1-4-1 Allowance	2,441,248	63
Cumulative Receipt	3,868,670	100
31 Properties Sold - Amount of buy backs and 1-4-1 receipts to purchase replacements per property		82,070

1.49

- 1.50 From 1 April 2021 the Ministry of Housing, Communities and Local Government (MHCLG) changed the rules in the Right to Buy (RTB) Pooling Receipts Retention Agreements between the Secretary of State and authorities under section 11(6) of the Local Government Act 2003 to enable them to retain increased RTB receipts and made amendments to the Local Authorities (Capital Finance and Accounting) Regulations 2003 that came into force on 30 June 2021.

A summary of the changes affecting the HRA BP are:

- The time frame local authorities must spend new and existing RTB receipts before they breach the deadline of having to be returned to Central Government has been extended from 3 years to 5 years on the understanding this will make it easier for local authorities to undertake longer-term planning.
- The percentage cost of a new home that local authorities can fund using RTB receipts was also increased from 30% to 40% to make it easier for authorities to fund replacement homes using RTB receipts, as well as making it easier to build homes for social rent.
- Authorities can use receipts to supply shared ownership and First Homes, as well as housing at affordable and social rent, to help build the types of home most needed in their communities.

- 1.51 The Councils Policy is to spend the 1-4-1 capital receipts in line with the new 40% rule within the 5-year deadline on housing acquisition and development schemes as the RTB pooling rules will allow. Prior to this policy change the Council always managed to meet the deadlines associated with the 3-year rule. Appendix 4 shows that the balance of any remaining receipts in the 5-year cycle will be used to support housing construction/acquisitions within the plan.

- 1.52 There is no such repayment time limit on the councils Buy Back capital receipts, the Council has ensured they are used annually in line with the 50% funding rule to reduce the cost of acquiring former Council Homes.
- 1.53 A number of options will continue to be considered to mitigate the reduction in HRA stock including:
- Acquisition of existing homes
 - Acquisition of s106 affordable homes
 - Redevelopment of existing HRA homes
 - New build on Council owned land, including garage sites
 - New build on acquired land
 - Joint venture options
 - Buy Back of Social Housing
- 1.54 The Council has officially been awarded "Affordable Housing Investment Partner" status from Homes England (HE) in 2020. Where available, grant will be sought to support currently approved and potential new housing schemes to lessen the impact on the HRA BP. Appendix 4 shows that £0.5m further grant will be received and this is on top of the £4.6 in grants already received in last financial year to support the funding of schemes.
- 1.55 Due to this new agreement with HE and to ensure that all future acquisitions remain viable, all future Affordable Housing Acquisitions linked with Homes England will need rents to be set at the national standard of Affordable rents which are 80% of local market rents. Existing Affordable Housing tenants housed in the HRA's current affordable schemes will continue to pay the historic "Warwick Affordable" rents for the remainder of their tenancy which are charged at a mid-point between Local Market Rent and Social Rent to buffer the impact of this change. This policy change was approved in the HRA Rent Setting report in February 2024 and is assumed in the HRA BP projections.
- 1.56 As part of the HE capital grant conditions, the Council has a new legal responsibility to maintain a recycled capital grant register in the case that the HRA ever disposes of any land or dwellings which were funded using HE Affordable Homes Grant. In the case of a RTB sale or sale of land the Council must either pay back the capital receipt to HE or recycle it and reinvest it by purchasing a replacement affordable home compliant dwelling. This register will be maintained in perpetuity for as long as the dwellings and land are held on the Council's HRA asset register. It is expected that Right to Buy sales to dwellings purchased using HE grant will only start in 7-15 years when the new build dwellings become affordable to tenants with longer RTB discounts.
- 1.57 It has recently been investigated that where HE grant is used to fund a affordable housing scheme an exemption from the RTB pooling agreement can be claimed to enable the Council to retain more of the capital receipt if RTB sales occur on new build stock. If this is found to be an exemption that the Council can claim, it is recommended that this is implemented to improve the financial viability of the HRA PB and its ability to purchase replacement housing stock lost through RTB.
- 1.58 The Council and registered providers can purchase affordable, social rent and shared ownership dwellings from developers at below market value as they are subsidised by the Homes England Affordable Homes Programme 2020-2024. It is usual for a mix of social, affordable, and shared ownership dwellings to be

sold in a pre-agreed mix, in line with planning regulations. This enables the Council to increase stock numbers by enabling the dwellings to be purchased at below market value, allowing the Council's HRA to fund the purchase using the reduced levels of social and affordable rents which must be charged to tenants residing in social and affordable dwellings.

- 1.59 When shared ownership dwellings are purchased as part of affordable homes acquisitions the Council's HRA must find buyers to purchase between 10-25% of the dwelling initially and then pay a % of market rent for the remaining % of the dwelling. This initial % purchase in turn generates a capital receipt for the Council's HRA which is retained to cross subsidise the cost of the Council purchasing the dwellings in such schemes. The shared owners are then able to buy a further % of the dwelling known as "staircasing" until they own 100% or a locally capped % of the dwelling in some circumstances. There is no requirement for the owner to purchase latter % shares, Appendix 4 shows that £7.623m is anticipated from shared ownership sales in the 10-year HIP.
- 1.60 All shared ownership capital receipts must be retained by the Council's HRA to ensure the HRA BP remains viable and such receipts are reinvested to reduce acquisition expenditure.
- 1.61 Industry experts Savills advised the negative impact of the cost of living crisis and Covid-19 pandemic will be felt for 3-5 years due to fluctuating rent inflation and increased rent arrears due to the economic uncertainty. Appendix 6 shows an analysis of the changes in rent arrears from 2021/2022 to 2022/23 using an extract from the Council's Financial Statements. Net arrears have reduced by £187k, however, this has not negatively affected the bad debt provision which remains the same as last financial year.
- 1.62 During the Pandemic smart rent arrears software was purchased which has resulted in minimal arrears increases alongside introducing a number of approaches to reduce the levels of arrears caused by the Covid-19 pandemic. It is anticipated that this is a temporary increase in arrears will return to pre-pandemic levels in due course as the economy recovers.
- 1.63 The HRA BP will continue to be carefully monitored, the stock condition information maintained and improved, and an annual review of the underpinning assumptions undertaken to allow any further revisions to be reported to Cabinet as part of the HRA budget setting process. However, members will note that there is still a considerable level of uncertainty in respect of the current volatile economic conditions, high inflation and the costs of living crisis, prudent assumptions have been factored into this model as noted in Appendix 1 but if the economy does not recover fully in the next 3-5 years this could impact the BP further and may impact the HRA's ability to provide the same level of Climate Change and Stock Condition works.

2 Alternative Options

- 2.1 The assumptions underpinning the HRA BP could be left unchanged from those that underpinned the version approved by Cabinet in 2023. This has been rejected as it would result in the BP not reflecting the most up to date policies, strategies, and research on the conditions of the local housing and land markets. The plan would therefore not be able to deliver services in a way that is viable, maintain services and service the debts taken on by the Council.

- 2.2 Members could choose to vary the assumptions within the HRA BP or agree alternative policies, service standards and investment options. If these alternative options were financially viable and deliverable, the HRA BP could be amended. However, officers consider that, given the uncertainties around what will ultimately emerge into legislation from the Housing and Planning Act, it would be prudent to retain the current assumptions and policy positions that underpin the HRA BP at this stage.

3 Legal Implications

- 3.1 There are no Human Rights Act implications relating to this Business Plan. Legal implications and the associated financial cost of compliance to national housing standards and Government rent policy have been incorporated into the HRA BP.

4 Financial

- 4.1 Effective monitoring and forecasting of expenditure and income is a fundamental part of the proper financial management of the Council, enshrined within the Code of Financial Practice and the monthly Budget Review process.
- 4.2 Under the 'Self Financing' regime the Council took on £136.2m of debt in return for the ability to locally determine decisions on future investment in the housing stock, management services and building the financial capacity to provide new homes. It is essential to project income and expenditure over the full 50-year plan rather than the 5-year period used for the Medium-Term Financial Strategy, although actual investment programmes will continue to be managed and monitored on shorter periods.
- 4.3 A series of informed assumptions underpin the income and expenditure projections and changes to these provide the basis for revisions to the HRA BP. For example, at the 31st March 2023 the Council owned approximately 5,543 socially rented, affordable rent homes and shared ownership properties as shown in appendix 5. Sale of properties impacts on both income and expenditure – there is a marginal reduction in maintenance and improvement costs, which fluctuate through the plan period, and a more significant one in terms of lost rental income which is fixed throughout the plan period and projected to increase annually. It has been assumed that the number of RTB sales will stay at reduced levels of 28 units for the next 2 years, 30 units for 4 years after that. Then continue as per current levels at approximately 32 units per year. Sale levels are influenced by the discounts available to tenants, the availability of mortgage finance and the prevailing market prices of homes in the district.
- 4.4 The Housing (Right to Buy) (Limit on Discount) (England) Order 2014 (the Order) provides for an annual change to the maximum Right to Buy discounts. This change is calculated in line with the percentage change in the Consumer Prices Index (CPI) published by the Office of National Statistics (ONS) from the September before the previous year to the September of the previous year. This increase takes effect on 6 April each year.
- 4.5 The Department indicated it would inform Right to Buy landlords in January each year of the new maximum Right to Buy discounts for the following financial year, based on the relevant September CPI figure. In respect of the financial year 2023/24, the relevant September 2023 CPI figure is 6.7 per cent and the new maximum discounts for 2024/25 will

be £102,400. The revised HRA BP set out at Appendix 2 shows that over the 50-year business plan the Council will suffer a net loss of properties through RTB even if the potential new build numbers, referred to in paragraph 1.46 and themselves dependent on a range of financial viability considerations and the availability of suitable development sites, are achieved. However, the viability of the HRA BP is not compromised by this potential net reduction in stock levels and, as options to replace the RTB losses are worked up, there will be a further revision to the BP.

- 4.6 The MRR is used to fund capital repairs of the HRA stock. The contributions to the reserve are based on depreciation calculations which fluctuate depending on overall HRA stock component values.
- 4.7 The HRA BP presents the financial position as at the date reported to Cabinet and includes all pre-approved housing acquisitions and development schemes to date.

5 Corporate Strategy

- 5.1 Warwick District Council has adopted a Corporate Strategy which sets three strategic aims for the organisation:
- 5.2 Delivering valued, sustainable services – Better return/ use of our assets. Full cost accounting, continued cost management. Seek best value for money, ensuring that the HRA is able to set a balanced budget whilst maintaining service provision.
- 5.3 Low cost, low carbon energy across the district - Where possible we have reduced the charges of energy to our tenants by spreading increases over an average of 3 years. In 2024/25 we also increased charges based on the actual cost on a property-by-property basis to keep increases to a minimum.
- 5.4 Creating vibrant, safe and healthy communities of the future - The HRA budgets provide the necessary resources to enable tenants' needs to be met and support improvement of services relating to Council Housing Stock. Setting sufficient budgets and planning for the future ensures the business plan remains viable to meet service provision and provide a safe environment for residents.

6 Environmental/Climate Change Implications

- 6.1 As part of the HRA repairs, maintenance, replacement and investment work, consideration is given to the environmental impact. The Council has a work programme for decarbonising and increasing the energy efficiency of the housing stock in response to the Climate Emergency declared by the Council. The Council is focused on delivering Council dwellings and services which enable them to meet their agreed strategic outcomes.

7 Analysis of the effects on Equality

- 7.1 Tenants of Council housing include some of the most marginalised and disadvantaged households within our communities. Providing tenants with a home that is built and maintained to a decent standard, is safe and energy efficient will improve the quality of life of occupants, enabling their home to be a springboard to achieve better health, education, and life outcomes.

8 Data Protection

9 Not Relevant Health and Wellbeing

9.1 See Paragraph 7.1

10 Risk Assessment

- 10.1 The HRA BP will continue to be regularly monitored and an annual update provided to Cabinet to ensure the financial model remains robust.
- 10.2 Inflation continues to be high due to the ongoing War in Ukraine and the Cost-of-Living Crisis still impacting on UK's economy. Prior to these fluctuations an expectation of CPI and RPI inflation was 1.5%-2.00% annually. In comparison CPI reached 11.1% and RPI 14.2% in 2022/23. Current inflation as per the most recent ONS published data is 4% as at Dec 2023, this is still higher than pre-pandemic levels.
- 10.3 Universal Credit mass migration is currently starting across the district with a view that all those on legacy benefits will need to apply by May 2024, when any current legacy benefits will end. There is a risk this mass roll out will affect arrears as those that don't apply or may not know how to, could effectively have no income.
- 10.4 The bad debt provision within the HR BP will remain at 1.6%. This will be assessed regularly.
- 10.5 In respect to future borrowing to facilitate house building as per the October 2018 removal of the HRA Borrowing Cap there are risks relating to the % rate that the Council is able to borrow and the impact to the associated interest that must be paid alongside the repayment of the loan principal. This issue will be kept under close watch and Link Treasury Management will be consulted regularly for forecasts.

The interest rate charged by the PWLB fluctuates daily. If borrowing is assessed as the preferred method of funding each scheme will be evaluated on viability including the cost of borrowing and if PWLB rates are deemed to be too high alternative sources of borrowing from other reputable organisations will need to be considered.

11 Consultation

- 11.1 It is recommended the review of the HRA BP and HRA HIP are approved to enable the budgets to be revised accordingly.
- 11.2 It is recommended the HRA BP continues to be revised annually as a minimum.

Background papers:

- HRA Business Plan – Cabinet December 2023
- HRA Budget and Rent Setting Report – Cabinet – February 2024

Supporting documents:

- Appendix 1 HRA Business Plan Assumptions
- Appendix 2 HRA Business Plan Projections
- Appendix 3 HRA Business Plan Variances
- Appendix 4 Housing Investment Plan (HIP)
- Appendix 5 HRA Stock Valuations
- Appendix 6 HRA Rent Arrears and Bad Debts