

An additional meeting of the Cabinet will be held at Shire Hall, Market Place, Warwick on Wednesday 15 November 2023 at 6.00pm.

Councillor I Davison (Chairman)

Councillor E Billiald
Councillor J Chilvers
Councillor J Harrison
Councillor J Kennedy

Councillor C King
Councillor W Roberts
Councillor J Sinnott
Councillor P Wightman

Also attending (but not members of the Cabinet):

Chair of the Overview & Scrutiny Committee	Councillor A Milton
Liberal Democrat Group Observer	Councillor A Boad
Conservative Group Observer	Councillor A Day
Whitnash Residents Association Group Observer	Councillor J Falp

Emergency Procedure

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

Agenda

1. **Apologies for Absence**
2. **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.

Part 1

(Items upon which a decision by Council is required)

3. Participation in the West Midlands Investment Zone

To consider a report from the Chief Executive.

(Pages 1 to 19)

Part 2

(Items upon which a decision by Council is not required)

4. Future High Streets Fund Update

To consider a report from Place, Arts & Economy

(Pages 1 to 14)

5. Public and 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 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.

Item Numbers	Paragraph Numbers	Reason
6	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

6. Confidential Appendix to Item 5 – Future High Streets Fund

To consider the confidential appendix from Place, Arts & Economy **(To follow)**

(Not for publication)

Published Tuesday 7 November 2023

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456114

Title: Participation in the West Midlands Investment Zone

Lead Officer: Chris Elliott, Chief Executive

(chris.elliott@warwickdc.gov.uk)

Portfolio Holder: Councillor Davison

Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	06.11.23	Cllr Ian Davison
Finance	06.11.23	Andrew Rollins
Legal Services	06.11.23	Ross Chambers (SDC)
Chief Executive/Deputy Chief Executive	06.11.23	Chris Elliott and Darren Knight
Director of Climate Change	06.11.23	Dave Barber
Head of Service(s)	06.11.23	Phil Clarke
Section 151 Officer	06.11.23	Andrew Rollins
Monitoring Officer	06.11.23	Graham Leach
Leadership Co-ordination Group	06.11.23	Cllr Davison; Cllr Wightman; Cllr Boad; Cllr Day; Cllr Falp.
Final decision by this Committee or rec to another Cttee / Council?	Part final decision Recommendation to: Cabinet and to Council	
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	

Summary

- 1.1 To consider becoming a Non-Constituent member of the West Midlands Combined Authority (WMCA).
- 1.2 To seek agreement in principle for participation in the West Midlands Investment Zone initiative; to consider its application to, and implications for, Warwick District; to help to arrive at a decision on participation, and on the terms for participation.

Recommendation(s)

1. That Cabinet recommends to Council that an application for membership of the WMCA as a Non-Constituent member be made in the light of the recent enactment of the Levelling Up and Regeneration Act (LURA).
2. The Cabinet notes the aspirations of, and supports the principle of participation in, the West Midlands Investment Zone (WMIZ) proposed to cover the WMCA area and Warwick District, conditional upon there being agreed without detriment position in respect of business rates income.
3. The Cabinet agrees that as a condition of agreeing to participate in the WMIZ there is a full commitment from partners to net zero carbon emissions from the proposed Gigafactory and related development, and to full commitment to bio-diversity net gain provisions, as set out in legislation as a minimum, within the WDC area.
4. That Cabinet agrees in principle to the governance arrangements for the WMIZ as set out in Appendix 1, being based on either a Joint Committee of the Cabinet or as part of an Investment Zone Board following attaining membership of the WMCA as a Non-Constituent member, using the principles set out in this report but subject to:
 - (i) the Joint Committee/Investment Zone Board is based on one Council one vote;
 - (ii) decisions of the Joint Committee/Investment Zone Board are based on consensus only with any unresolved matters being referred for further discussion;
 - (iii) a further report being received on the full details of the constitutional arrangements before final commitment and agreement.
5. That Cabinet agree to the local delivery arrangements as set out at Appendix 2 to this report.
6. That Cabinet agrees in principle to enter a Memorandum of Understanding (MoU) regarding business rates and their retention across the WMCA area and the Warwick District Council (WDC) area based on the principles in this report, subject to:

- (i) Confirmation from Department of Housing, Levelling Up and communities (DHLUC) providing legislative assurance (or amendments) that enables WDC to share its business rates outside of the district.
- (ii) That the Business Rates Retention (BRR) site is as shown on the map at Plan 1, excluding the UKBIC premises.
- (iii) Written assurance from the WMCA that the proposed Investment Plan for the Investment Zone will fully take account of WDC Strategy and requirements as a principle.
- (iv) That the other principles for determining the BRR spend, set out in this report are amended to reflect a fairness of distribution vis a vis the generation of business rates, after the contribution to initial infrastructure investment in the WMIZ, to deliver visible benefit for and within the District, and without detriment.
- (v) That the following paragraph is applied in practice, according to a more detailed definition of no detriment, to be agreed before final agreement and commitment:

'The allocation of retained business rates to be allocated by the WMCA through the established governance arrangements will be subject to a robust investment plan to be developed and approved by the IZ governance body. There will be a requirement within the investment plan that, over an agreed accounting cycle (not greater than 5-years), sufficient investment will be in projects in those authorities who would otherwise be benefitting from alternative business rate regimes, to ensure that they are no worse off than if they had not agreed to participate in the WMIZ. This will also reflect agreement between WMCA and Government that up until the point of a reset of business rates baselines, Government will allow relaxation of spending requirements within the Investment Zone business rates retention site to allow those rates retained to be invested in local growth.'

- (vi) That written assurance is provided from the WMCA that the BRR funding will only be used for additional expenditure schemes and not be a replacement for any current plans or proposals of the WMCA or its constituent members.
- (vii) a further report being received on the full details of the financial arrangements before final agreement and commitment.

7. That Cabinet agrees for provision to be made within the budget for 2024/25 and up to a subsequent 4 years for project management, development management, highways and environmental team and support costs, as referred to in paragraph 1.7.7 of this report financed by up front provision from the Investment Zone government funding (£80m over 5 years) to deliver a prompt and responsive project management, development management, highways, environmental and related support services.

8. That Cabinet asks the Overview and Scrutiny Committee and the Audit and Standards Committee to undertake an annual review of the scheme to assess the costs and benefits to the WDC area and report to Cabinet.

9. That Cabinet asks Officers consider the financial impact of the amended BRR and of a no detriment position is considered when updating the MTFS.
10. That Cabinet agrees to delegate authority to the Chief Executive in consultation with the Section 151 Officer, Monitoring Officer, and the Leader of the Council to continue negotiations on all the matters above, to enable further reports to be brought forward where required.

1 Reasons for the Recommendations

1.1 Membership of the WMCA

- 1.1.1 WDC currently has Observer status with the WMCA and has had for some years. It has formally and previously asked to become a Non-Constituent Member; this is the same status as the other Warwickshire Boroughs and Districts and WCC have. Until now that change in status would only be possible with Government Parliamentary time being made available and that was estimated to be some time away. However, the Levelling Up and Regeneration Act (LURA) which recently received Royal Assent contains provision which in essence delegate the ability to change membership of the Combined Authority to the relevant Combined Authority. This provision comes into being in December this year meaning that the WMCA could decide early in January 2024 with Non-Constituent membership coming into effect from the next Municipal Year if WDC was to make the formal request now. The WMCA officials have said that our membership as a Non-Constituent would be warmly welcomed though they cannot formally prejudice their formal decision at this stage, but it is clearly in their interest and benefit to have WDC as part of the overall partnership.
- 1.1.2 The WMCA has in essence 2 ranks of membership – the 7 Constituent Councils such as Coventry, and the Non-Constituent Members such as Stratford and Nuneaton Councils. WCC is also a Non-Constituent Member. The difference between the two ranks is marked – the Mayor of the WMCA has no authority over Non-Constituent Member areas, and the powers and funds held by the WMCA largely apply only to the WMCA Constituent Council areas for such as strategic services such as Transport, Skills, Regeneration and Economy.
- 1.1.3 However, becoming a Non-Constituent Member would make it easier for WDC to access those funds that are open to a degree to Non-Constituent Member areas such as housing development, retrofitting, regeneration and potentially transport but one-off areas such as post Commonwealth Games funding. Such membership does not involve WDC giving up any of its powers and responsibilities. The membership fee is the same as Observer status - £30,000 per annum and is already in the Council's budget. For the sake of clarity this step is not the same as the discussion over the summer about the WCC becoming a full member of the WMCA.
- 1.1.4 Non-Constituent Membership is relevant to the WMIZ proposal as the governance would be easier if WDC were a Non-Constituent Member though the proposed terms of reference and the make up of the proposed Governance body would not alter – but the initially proposed Joint Committee would be replaced by an Investment Zone Board. Consequently, when governance is

discussed elsewhere in this report and reference is made to a Joint Committee but if WDC became a Non-Constituent Member then it becomes an Investment Zone Board and so is referred to within brackets.

1.2 Background – Government Policy

- 1.2.1 The Investment Zone [‘IZ’] initiative is a Government programme and as such will need to be operated and governed in accordance with the principles set by the Government in the Investment Zone Policy Prospectus¹. Government is clear that the zone must support one priority sector. The Advanced Manufacturing and Engineering Sector has been agreed by the WMCA as the primary economic sector, particularly around EV and battery development, and its intersectionality with green industries, digital and health-tech.
- 1.2.2 The national programme offers each Investment Zone £80m over 5 years either to be taken entirely as funding or split between up to £45m tax incentives for investors (including Business Rates Relief) and £35m flexible spending. No more than 3 sites totalling 600 hectares may benefit from tax incentives. The balance of the £80m being taken as spending may be spent more widely and is subject to a 60/40 split between capital and revenue.
- 1.2.3 A further 2 areas may be selected as Business Rates Retention (BRR) sites where 100% of the growth in business rates above a base line may be retained for 25 years. It is anticipated by government that these sites will be aligned with the tax incentive sites (if tax sites have been identified). This would give an opportunity to borrow against the anticipated business rates for the purposes of capital investment as well as financing revenue expenditure for example for training/skills development.

1.3 West Midlands Investment Zone (WMIZ) Proposition

- 1.3.1 The WMCA has proposed to Government that Advanced Manufacturing and Engineering is its primary economic sector, particularly focussing on EV and battery development, and its intersectionality with green industries, digital and health-tech.
- 1.3.2 The proposal is that Business Rates Retained (BRR) receipts will first be allocated to meet the cost of any infrastructure needed to enable development of the sites. Retained business rates over and above this will be pooled across the region and applied to the benefit of the priority economic sector, against a plan agreed by the Joint Committee (Investment Zone Board).
- 1.3.3 Three sites have been identified within the WM Investment Zone for the purposes of tax benefits:
- Coventry-Warwick Giga Park
 - Birmingham Knowledge Quarter
 - Wolverhampton Green Innovation Corridor

The Giga Park has been proposed as both a BRR site and a Tax Incentive site. Thus far the Giga Park is the only BRR site proposed by the WMCA although there is a discussion ongoing with Government relating to the Birmingham Knowledge Quarter.

¹ [Investment Zone Policy Prospectus.pdf \(publishing.service.gov.uk\)](#)

- 1.3.4 The Giga Park is situated across the boundary of Coventry City Council with Warwick District Council (WDC), so part of the site falls within Warwick District and outside of the geographical area of the WMCA. This site has been included as part of the Investment Zone because of the potential financial benefits that the inclusion in the Zone, and its development, can bring to the whole of the West Midlands region.
- 1.3.5 The whole of the WMCA area and the whole of the WDC area is proposed as the Investment Zone. If endorsed by WDC, this will enable the important site of the Gigafactory to be included as an Investment Zone tax and a BRR site. This will provide the greatest benefit possible from the scheme for WDC and the whole of the Investment Zone area. The West Midlands proposal, reflecting Government policy, is that BRR receipts and the £80m would first be allocated to meet the cost of infrastructure needed to enable development of the site. Retained business rates over and above this would be pooled across the WMCA and WDC area and applied to the benefit of the priority sector(s).
- 1.3.6 It must be emphasised that the development of the WMIZ is an ongoing process leading up to a final decision by Government in the Spring Budget 2024 in advance of programme start in April 2024. There is still a considerable amount of detailed work to undertake, including baselining business rates, detailed assessment of development costs, delivery models, identifying match-funding routes. As such, the decision being asked of WDC at this stage is solely to give confidence to Government and other partners that the principles of the Investment Zone, its governance and implementation, and the arrangements around business rates, are broadly acceptable. It is not a legally binding commitment. If at any point during those further investigations and assessments it becomes clear through business rate baselining work that the benefits initially envisaged are outweighed by detriment to WDC, then it is not committed to proceeding. Neither position should be treated lightly: the work to progress the Investment Zone cannot proceed without confidence in WDC's position and withdrawal from any proposed scheme could have significant ramifications. However, the WMCA clearly hopes that given the extensive work already committed to developing this proposition, its inclusion within the Investment Zone proposition from the outset and the undoubted long-term economic benefits to be derived from the Giga Park's success, that WDC will continue to remain committed to the scheme.

1.4 Implications for WDC and decisions needed.

- 1.4.1 As the Billing Authority for business rates for the Giga Park sites but outside of the Constituent membership area of the WMCA, the position of Warwick District Council needs to be treated appropriately to ensure that WDC can maximise the benefits and minimise the risks of being part of the Investment Zone. There are three elements to this:
- Financial implications of committing future business rate growth above a new baseline to the IZ, including the need for a Memorandum of Understanding (MOU).
 - WDC's role in the decision making and governance of the zone.
 - Securing the wider economic benefits of the zone and Giga Park sites for the WDC area.

- 1.4.2 As the Local Authorities for the area in which the Giga Park is largely situated both WDC and Warwickshire County Council (WCC) have expressed the expectation that they should have full and equal voting rights on any Board making decisions in relation to the Investment Zone. WDC's agreement (and WCC's given its entitlement to 10% of any growth in business rates) to collecting and sharing retained business rates must be contingent on this expectation being met.
- 1.4.3 In addition, Government requires that a Memorandum of Understanding ('MOU') is signed between the billing authorities collecting business rates that will be retained for reallocation through the IZ Policy, and the WMCA. As there are existing business rate relationships between WDC and WCC, it is anticipated that WCC should also be expected to sign the MOU. It should be noted that although an existing Constituent Member of the WMCA, Coventry City Council will also be required to sign an MOU as the arrangements for IZ business rate retention lie outside the normal BRR arrangements between Coventry and WMCA.
- 1.4.4 Currently the business rates regime that applies in the WDC area is that the growth in business rates above an agreed baseline is shared with the Government taking 50%; WDC taking 40% and WCC 10%. The government has said that it will re-set the baseline nationally at some stage, though it has deferred that step several times. This would mean that WDC will lose some of its current business rates income as inevitably the baseline will be raised.
- 1.4.5 A BRR scheme means that the Government's share is kept locally to be spent locally (in this case within the WMCA plus WDC area) but it also means that WDC and WCC's share above the agreed baseline would also go into the "pot" held for the whole Investment Zone. Currently the sites referred to below do not generate much by way of business rates for WDC as they are largely undeveloped. The government has said that for the designated BRR sites that a reset would be deferred for the whole of the proposed 25 year period.

1.5 Sites and Financing

- 1.5.1 Three sites in the WDC area have been proposed as forming part of the tax incentive and Business Rates Retention (BRR) sites as part of the WM Investment Zone, namely:
- SEGRO Park
 - Whitley South
 - Coventry Airport (Gigafactory)

There is also a smaller site in Coventry – Whitley East, that forms part of the Giga Park proposal. See attached Plan 1. The WDC located sites already have outline planning permission and some reserved matters have already been agreed. Indeed, there is some development underway – UKBIC completed and SEGRO Park South underway. In both Whitley South and SEGRO Park the infrastructure is already in place. It is a reasonable assumption that even without the Investment Zone designation that the Whitley South and SEGRO Park sites would generate business rates over the next few years for WDC and indeed WCC ahead of any reset.

- 1.5.2 Modelling work has been undertaken by officers at WDC, WCC, CCC and WMCA, with support from Amion Consulting and Metro Dynamics to assess the scale of likely costs in bringing forward development in these sites and the potential returns from business rates which will support their sustained delivery over the period, and ultimately contribute to economic sector growth both within the WDC area and across the wider WMCA area.
- 1.5.3 These detailed costings for infrastructure, potential solutions to infrastructure challenges, and business rate baselining are still being worked upon. As such Cabinet is asked only to agree in principle to these sites being put forward for both 100% business rate retention and potential tax incentives.
- 1.5.4 Work is also underway with the Universities of Warwick and Coventry to identify a range of interventions that could be applied across the Investment Zone and with reference to supporting the Giga Park's successful development.
- 1.5.5 In negotiation, as some development has been completed or is underway then there have been revisions to the precise area to be included so that the UK Battery Industrialisation Centre (UKBIC) which is completed is to be excluded. Discussions also took place about the exclusion of the southern part of the SEGRO Park scheme – where development is underway – from the BRR designation. However, the Government has ruled out a compromise whereby this area was to be included in the BRR but that the 40% of the business rates would still come directly to WDC. Exclusion of the SEGRO Park scheme as whole or in part from the BRR would from the modelling exercise undermine the Investment Zone proposal by seriously reducing the business rates take too far.
- 1.5.6 However, this proposed change also highlights the dilemma for WDC, and for WCC. Under the current arrangements for business rates, WDC would receive 40% of the business rates above the agreed baseline from both the Whitley South site and the SEGRO Park scheme anyway, which is roughly estimated at circa £5m per annum when fully built out. Set against this is that the Government has promised to reset the business rates nationally (the Investment Zone business rates would be exempt for 25 years) though it has deferred the reset to at least 2025 and it may well continue to do so; (though this is not helpful to long term financial planning but would benefit the WDC MTFS profile by circa £3m a year). So, the current business rates scheme does offer a tangible financial benefit to WDC.
- 1.5.7 On the other hand, the Gigafactory element is unlikely to happen without Government Grant aid in some form or other. Indeed, an investor has written to the effect that if the Investment Zone proposal goes ahead, they would be prepared to invest in a Gigafactory on this site. This would be a multi-billion £ investment into the local economy with the consequent significant multiplier effects for companies' growth, jobs and income opportunities, skills development, and training as well as a significant opportunity to move on with the decarbonisation of the economy.
- 1.5.8 The Investment Zone proposal gives an opportunity to offer some financial incentives to achieve what is otherwise unlikely to be achieved under the current business rates regime. In addition, the BRR element of the designation offers the opportunity to secure investment in some things that this Council may want to see as part of its overall ambition for the precise area – such as sustainable and active travel investment; training/skills development and so on.

The BRR scheme offers that opportunity in a way that the current Business Rates scheme doesn't. The same issue also applies to wider investment in the local economy and community that this Council wants to see, e.g., the Parade and Creative Industries.

- 1.5.8 There have been several discussions on how to reach a compromise that reflects the need for sufficient incentive to enable the Gigafactory to occur whilst protecting some of the business rates resources that would anyway have come to WDC (and WCC) without the Investment Zone; on the basis that Whitley South and SEGRO Park are allocated sites and already have their infrastructure in place – a without detriment position. To that end the WMCA has offered this approach:

'The allocation of retained business rates to be allocated by the WMCA through the established governance arrangements will be subject to a robust investment plan to be developed and approved by the IZ governance body. There will be a requirement within the investment plan that, over an agreed accounting cycle (not greater than 5-years), sufficient investment will be in projects in those authorities who would otherwise be benefitting from alternative business rate regimes, to ensure that they are no worse off than if they had not agreed to participate in the WM Investment Zone. This will also reflect agreement between WMCA and Government that up until the point of a reset of business rates baselines, Government will allow relaxation of spending requirements within the Investment Zone business rates retention site to allow those rates retained to be invested in local growth.'

- 1.5.9 This could enable this Council (and WCC) a protection to receive the same benefits as would otherwise have been received. However, to be without detriment the business rates ought to be able to come to WDC's General Fund directly and in a timely manner so this will require further work on definition.

1.6 Proposed Governance Arrangements

- 1.6.1 As Warwick District Council is currently neither a Constituent nor Non-Constituent Authority of WMCA, it cannot be granted voting rights on any of the WMCA's existing boards or committees. However, as the Billing Authority collecting business rates and implications for allocation of surplus business rates, WDC should expect to have full voting rights on any IZ decision-making body. As such, until a few days ago, the proposal was to establish a new Investment Zone Joint Committee as part of both the WMCA Governance arrangements as accountable body, with delegated authority from the WMCA Board to make all decisions in relation to the Investment Zone up to a financial threshold to be set by WMCA Board as the Investment Zone's accountable body.
- 1.6.2 The new Investment Zone Joint Committee (IZ Board) would have a remit only for taking decisions only in relation to Investment Zone matters. Decisions of the Joint Committee would be reported to the WMCA Board in the same way as the decisions of its Investment Board. However, as explained in Section 1.1 of this report the opportunity now exists for WDC to become a Non-Constituent Member meaning that if agreed, the Joint Committee would instead be an Investment Zone Board but otherwise the proposed terms of reference and the make-up would be the same. However, until WDC agrees to ask for, and WMCA

agrees to, our request for Non-Constituent Membership, the Joint Committee route is the only available constitutional mechanism available for governance.

1.6.3 It is proposed that the Joint Committee (IZ Board) would have the following responsibilities:

- i. To consider the application of the tax incentive portion of £80 million government grant and the application of the cash portion of £80 million government grant.
- ii. To consider the allocation of surplus retained business rates revenue.
- iii. To ensure accountability for the successful and compliant implementation of the Investment Zone overall.
- iv. To take account of the opportunities from, and implications for, other funding measures and programmes available through the CA and/or its partners.

1.6.4 Warwickshire County Council, a Non-Constituent Authority would also have full voting rights.

1.6.5 Existing WMCA Boards and Committees such as the Innovation Board would advise the Investment Zone Joint Committee (IZ Board), which would align decisions with the overall economic strategic direction set by WMCA's Economic Growth Board. WDC and WCC would need to ensure that their involvement in the Joint Committee (IZ Board) aligns with their own strategies and policies. Proposed Terms of Reference for the Joint Committee (IZ Board) are set out in Appendix 1.

1.6.6 Decisions of the Investment Zone Joint Committee (IZ Board) would also be subject to review and scrutiny by both the WMCA Overview and Scrutiny Committee and the WMCA Audit, Risk and Assurance Committee. Decisions in relation to the Giga Park would also be subject to review by the Warwick District Council's Overview and Scrutiny Committee. To fulfil the 'accountable body' function expected by Government, all decisions would need to be taken in the context of existing WMCA and Regional strategies and spending decisions; and would need to comply with the regional Single Assurance Framework and any other relevant accountability and assurance frameworks in place during the term of the Investment Zone Joint Committee (IZ Board). The decisions of the Joint Committee (IZ Board) must not import any undue risk to the WMCA for financing schemes that result from those decisions nor equally to WDC or indeed to WCC.

1.6.7 The Joint Committee (IZ Board) would be supported by an Officer steering group made up of representative officers of the Member Authorities, WDC, WCC and the Universities to enable decision making. Existing WMCA Forums such as the Innovation Board and Economic Growth Board would also provide advice to inform decisions.

1.6.8 It is proposed that the Joint Committee (IZ Board) would be chaired by the Mayor of the West Midlands. It would include members nominated by each of the Authorities whose area is affected by the Investment Zone, including both WDC and WCC whose members would have full voting rights on the Board. All WMCA Constituent Authorities would be entitled to nominate members. Universities that have signed up to Investment Zone Sites will be non-voting members of

the Board. The proposed membership of the Board is set out in the Terms of Reference at Appendix 1.

1.6.9 The following principles have also been considered in proposing this governance structure:

- i. Decision-making must recognise the economic links and impacts across all parties having responsibility for bringing forward the Investment Zone and its component sites, and particularly the roles played by Warwick District Council and Warwickshire County Council as local planning/billing and transport authorities respectively in relation to most parts of the Giga Park Investment Zone site.
- ii. Governance structures should seek to empower local authorities and delivery partners, including universities involved in the development of the Investment Zone. They should reflect the overall collaborative framework established by Government's Investment Zone Policy, the WMCA's role as accountable body for the Investment Zone, and the potential requirement for escalation routes to resolve risks and unblock barriers.

1.6.10 It is anticipated that each Investment Zone site will have its own delivery body. These will be locally determined and established by the Local Authorities involved in each site and will be expected to have representation from all the major stakeholders in that Investment Zone site, in particular those Universities that have signed-up to the site. This will be the body with responsibility for delivery of development in the Investment Zone and for delivering the expected outcomes. WMCA as accountable body for the overall Investment Zone programme will expect to be represented on these delivery bodies. The site delivery bodies will be expected to report into the Investment Zone Joint Committee on progress and any major risks to delivery. The proposals for the local delivery body are encapsulated in Appendix 2. It is proposed that this is a multi-agency officer working party.

1.6.11 The issue in the proposed governance arrangement is that it is possible that WDC (and WCC) is out voted each and every time by the other WMCA members so even though the Giga Park site is the largest contributor to the BRR funds that the Investment Zone Joint Committee (IZ Board) will have at its disposal then can be no guarantee that WDC would receive a fair share in relation to the contribution its sites make for the whole of the WMCA plus WDC area. This has been raised and verbal reassurances have been given that decisions tend to be made on a consensus basis. This reassurance needs to be asked for as a condition of participation though to support the issue of fairness the WMCA has offered a without detriment position to WDC, and implicitly to WCC, which should help to mitigate this risk (see paragraph 1.5.8). In the context of business rates this means that WDC must be assured of an equivalent benefit to the 40% of business rates that it would receive under the current scheme and therefore that this is a condition of participation.

1.7 Business Rates Arrangements

1.7.1 Under the proposed Investment Zone programme, business rates within the designated business rate retention ('BRR') sites can be retained at 100% for 25

years, free from re-sets. This provides significantly greater certainty to underpin longer term borrowing and financing. The presumption within Government's IZ Policy Prospectus is that initial business rates retention will be ploughed back into the development of the Investment Zone to overcome development barriers such as essential infrastructure. Any surplus beyond that must be allocated to a region-wide, or Investment Zone-wide, pot administered by the WMCA. In this case, responsibilities for allocation of those surpluses will rest with the Investment Zone Joint Committee (IZ Board). Those surpluses must be directed towards projects that support the growth of the primary economic sector within the business rate generating area or elsewhere across the region.

1.7.2 The commitment by the Billing Authorities for business rates to be treated in this way will be covered by an MOU ('Memorandum of Understanding') between the parties affected: the Billing Authorities and the WMCA. As mentioned, it is anticipated that although not a billing authority, WCC will also need to be a signatory to the MOU as it currently receives a share of business rates.

1.7.3 Although the formal MOU has yet to be drafted, its principles and objectives would consist of:

- i. Warwick District Council ('WDC') as the relevant billing authority, agrees to continue to collect business rates for the area including the areas of the Investment Zone BRR site ('the Giga Park') for which it is currently responsible.
- ii. WDC agrees that each year they will calculate the growth in business rates over the agreed base line for the IZ BRR site and inform WMCA of this calculation.
- iii. WDC will be enabled by Order to retain 100% of the growth in business rates over the base line for the IZ BRR site area for which it holds billing responsibilities.
- iv. WDC agree to remit to WMCA any growth in business rates over the baseline from the IZ site for deployment in line with an Investment Plan to be agreed by the IZ Board.
- v. The first call on the Retained Business Rates will be expenditure related to the delivery of the agreed scope of the Giga Park including interest on borrowing, with the specific financial arrangements subject to further detailed agreement by the relevant parties.
- vi. WDC and WMCA will form a Joint Committee (IZ Board) to oversee the development and operation of the Investment Zone including the allocation and administration of the spend of the Retained Business Rates. WDC will have full voting rights on this Joint Committee (IZ Board).

These represent the substantive parts of the proposed MOU which will otherwise contain the normal clauses associated with such an agreement.

1.7.3 Clearly, it is anticipated that the success of the Giga Park will generate significant and long-term economic growth for the district, including job creation, supply chain growth and new skills programmes, and reinvestment from BRR to help drive delivery. The proposals if fully realised overall would yield several billions £s of investment, significant business growth and the creation of thousands of jobs. The issue, or challenge, for WDC and WCC would be how to ensure that residents and businesses benefit from that opportunity.

Training and skills development will therefore be important. Access to those opportunities from a transport perspective will also be important, especially sustainable, and active travel opportunities, pointing to cycleways, bus rail and Very Light Rail (VLR) which then may also offer wider opportunities for the District.

- 1.7.4 From an environmental perspective the proposed Giga Park will not involve any more land than has been allocated in the current Local Plan or that currently has planning permission. This is also true of the Coventry site. The focus of the Giga Park offers the significant opportunity to help decarbonise the economy locally regionally and nationally and to help the wider transition of the economy to a net zero carbon one. Nevertheless, it is important in the context of this Council's ambitions that the development that does comply with expectations around carbon emissions and bio-diversity net gain opportunities.
- 1.7.5 In terms of reinvestment of retained business rates, the following principles have been developed by the WMCA to help inform the work of the Investment Zone Joint Committee (IZ Board) and a more detailed programme for investment:
- It may be appropriate to use retained business rates from IZ sites for a tax increment finance model, but not all must or will be drawn down immediately in the IZ period.
 - The first call on use of retained business rates must be those interventions required to enable business rate uplift – where enabling works are needed to deliver business rate retention.
 - The BRR sites have been selected based on their benefit to the regional advanced manufacturing sector, therefore enabling works on those sites will have region-wide benefit and impacts.
 - The remainder of retained business rates will be pooled and used for regional investments in sector development, to be agreed by the IZ Joint Committee (IZ Board).
- 1.7.6 To the points above must be added the wording offered by the WMCA in paragraph 1.5.8 to ensure no detriment to WDC and to ensure that it is able to fund its own local growth programmes. This will help to overcome the initial fear that it was not possible for WMCA to provide WDC with any guarantees around levels of business rates generated or how these would compare to their existing arrangements. However, the without detriment position does require further definition.
- 1.7.7 WDC could benefit from wider regional sector support programmes funded through the initial IZ £80m fund from Government. Allocations to projects would need to pass through, and comply with, all the usual requirements for public funding. Important in this context is that to ensure this Council has the capacity to provide prompt and appropriate responses to new development, advance funding for its project management, development management, transport (via WCC), environmental and support teams could and should be funded from the £80m.

1.8 Timelines

- 1.8.1 The formal arrangements will be considered by WMCA Board at its Board meeting on 17th November, so it is important that this Council decides one way

or another at its meeting on the 15th. The Government requires the WMCA to make a proposal by the time of the Autumn Statement later this month.

1.8.2 Underpinning all these discussions and negotiations is a series of 'Gateways' that Government have put in place to ensure consistency of programme development across the 8 English Investment Zone areas. Gateway 2 (identification of economic sector and broad geography) has largely concluded. Gateway 3 (governance) relates to overall processes for the IZ development and is progressing well. Gateways 4 and 5 relate to potential interventions and delivery mechanisms. These are being developed through close liaison between officers. It is anticipated that these largely be completed by the end of December 2023 to enable final refinement with Government in the early part of 2024 leading to an announcement at the Spring Budget, and commencement in April 2024.

1.8.3 Any delays in progressing elements of the Investment Zone could lead to the commencement being deferred until April 2025, resulting in a loss of one year BRR income.

1.9 Conclusion

1.9.1 There are several matters which are yet to be decided but in principle there are compelling reasons to support the IZ proposition. However, until those unresolved issues are agreed especially the issue of without detriment then the Council must retain the option of walking away.

2 Alternative Options

2.1 The Cabinet and Council could decide not to participate in the IZ proposal with all the implications for the Gigafactory element set out without within the report above.

2.2 It may be that on the various issues raised there are variations to the recommendations that could be decided. This remains a possibility, but the report follows extensive discussions and so at this juncture no variations are proposed.

3 Legal Implications

3.1 The principle legal issues at stake revolve around the BRR proposal and the governance and have been addressed in the report above.

4 Financial Services

4.1 This proposal could have significant implications for this Council in respect to fits business rate income stream. This matter has similarly been discussed in the report above and so is not repeated here though it is suggested that the Medium-Term Financial Strategy when updated, takes account of identified business rate income from this area.

5 Corporate Strategy

5.1 On this same Council agenda, the Council is to consider a new Corporate Strategy which sets three strategic aims. This proposal is relevant to all 3 strategic aims as follows:

5.1.1 Delivering valued, sustainable services –

In order that the Council can continue to focus its efforts and activities on the

needs of its residents, communities and businesses, this priority will be underpinned by ensuring continued demonstration of financial sustainability through the medium term. This is the foundation for ensuring that there are the resources to continue to enable residents to receive excellent high-quality services that are responsive and accessible to local needs.

The impact of business rates will be significant for the Council financially and so for its services and projects and the wider benefits it wishes to deliver to improve the lives and the environment of the District.

5.1.2 Low cost, low carbon energy across the district –

The Council will look to find ways to reduce energy consumption and bills in Council civic buildings, Council housing, and help others to do the same, such as privately owned homes, businesses, and other public and voluntary sector organisations. Support programmes and initiatives will be developed that meet national standards of accreditation to ensure performance in use is optimised. A performance measurement approach will also be developed to assess the long-term benefits of the improvements made.

The delivery of a Gigafactory via the IZ Zone would assist more generally in creating a low Carbon District.

5.1.3 Creating vibrant, safe, and healthy communities of the future -

We will work with communities, businesses, and public sector partners to enable and support improvements where people's community, economic and housing needs can be met. This will facilitate a better and more sustainable balance with the natural world that will allow our communities and businesses to thrive in a sustainable and safe way.

This proposal directly accords with one of proposals within this section of the Corporate Strategy.

6 Environmental/Climate Change Implications

6.1 This matter has been addressed in the report above.

7 Analysis of the effects on Equality

7.1 An Equality Impact Assessment Is not required at this stage.

8 Data Protection

8.1 Not relevant at this stage.

9 Health and Wellbeing

9.1 There are no direct health and well-being implications but clearly a transition of the vehicular economy away from carbon-based fuels by virtue of battery provision for vehicles will help to reduce air pollution. Respiratory illness is a significant issue in South Warwickshire which can be triggered by air pollution.

10 Risk Assessment

10.1 A risk register will need to be prepared and then managed once negotiations are completed and the Council's final position is agreed. However, at this stage the risks from a WDC perspective relate to BBB and governance which are discussed and addressed comprehensively in the report above.

11 Consultation

11.1 There has been extensive discussion with partner agencies, with Cabinet and with LCG.



Addendum to Agenda Item No 3
Cabinet
15 November 2023

Title: Participation in the West Midlands Investment Zone
Lead Officer: Chris Elliott, Chief Executive
(chris.elliott@warwickdc.gov.uk)
Portfolio Holder: Councillor Davison
Wards of the District directly affected: All

Wards of the District directly affected: All

Contrary to the policy framework: No
Contrary to the budgetary framework: No
Key Decision: Yes
Included within the Forward Plan: Exemption
Final Decision: No recommendation to Council
Accessibility checked: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	13/11/23	Chris Elliot
Programme Director for Climate Change		
Head of Service	13/11/23	Graham Leach
Section 151 Officer		
Monitoring Officer	13/11/23	Graham Leach
Finance		
Legal Services		
Portfolio Holder(s)	13/11/23	Councillor Davison

1. Addendum

- 1.1. Following the publication of the report it was noted that an incorrect version of the proposed Joint Committee terms of reference had been included, at Appendix 1 to the report. The correct terms of reference are appended to this document.

Appendix 1: Draft Terms of Reference

Governance	WM Investment Zone Joint Committee / WM Investment Zone Board
Purpose	Overall responsibility for developing and delivering the West Midlands Investment Zone and ensuring accountability to Government for its successful and compliant implementation.
Membership	<p>Voting Members: Mayor of the West Midlands One representative from each of the WMCA 7 Constituent Authorities One representative from Warwick District Council One representative from Warwickshire County Council</p> <p>Non-Voting Members: Universities that have signed up to the Investment Zone sites.</p> <p>Observers: Overview and Scrutiny Chair from the WMCA Scrutiny Chair from Warwick District Council (in the event of a Joint Committee) Other stakeholders may be invited to attend as observers when appropriate.</p>
Chair	Mayor of the West Midlands.
	Vice Chair - to be appointed from among Members.
Voting	<p>All voting Members shall have one vote.</p> <p>Matters shall be decided by consensus where possible. Where consensus is not achieved, decisions shall be taken on the basis of a simple majority of the votes cast.</p> <p>The Chair shall not have a second or casting vote and in the event of an equality of votes the motion shall not be passed but shall be deferred to the next meeting.</p>
Quorum	Three voting members of the Committee.
Frequency	Quarterly or more frequently as required on the giving of 5 clear working days' notice.
Location	Meetings will be held at locations agreed by its members.
Timing of Meetings	To be determined.
Type of Meeting	Formal meetings shall be held in public except when exempt or confidential information is being considered and the press and public are excluded in accordance with the Local Government Act 1972 (as amended).
Administration	The meeting will be administered by WMCA and papers will be published on both authorities' websites at least 5 clear working days before the date of the meeting.
Allowances	None

<p>Responsibilities</p>	<p>The body will be a collaborative entity with the respective authorities working together to implement the WM Investment Zone in line with Government's Investment Zone Policy Prospectus and Technical Guidance. Its functions will include:</p> <ul style="list-style-type: none"> • Overall responsibility for developing and delivering the Investment Zone. • Approval in principle of Investment Zone sites development proposals and interventions. • Oversight of each Investment Zone Site delivery vehicle's performance in implementing the WM Investment Zone. • Ensuring delivery of the identified and agreed outcomes and outputs. • Allocation of Investment Zone resources in line with a developed and agreed Investment Plan. • Determination of the proportions between the tax incentives and spending elements of the £80 million IZ government grant. • Allocation of the tax incentives element of the £80 million grant and of the spending element of the £80 million grant. • Allocation of surplus retained business rates growth generated by the Investment Zone's BRR site, in line with Government's Investment Zone policy. • The allocation of retained business rates to be allocated by the WMCA through the established governance arrangements will be subject to a robust investment plan to be developed and approved by the IZ governance body. There will be a requirement within the investment plan that, over an agreed accounting cycle (not greater than 5-years), sufficient investment will be in projects in those authorities who would otherwise be benefitting from alternative business rate regimes, to ensure that they are no worse off than if they had not agreed to participate in the WM Investment Zone. This will also reflect agreement between WMCA and Government that up until the point of a reset of business rates baselines, Government will allow relaxation of spending requirements within the Investment Zone business rates retention site to allow those rates retained to be invested in local growth. • To ensure that the decisions of the Board do not import any undue risk to the WMCA in financing schemes that result from those decisions. • Approving reports to Government as part of the WMCA's accountability function.
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Agenda Item 3

Delegation	<p>1) Decisions in relation to the allocation of the initial £80 million government grant up to a total value of £80 million and within Government's proportionate allocation framework between the fund's components.</p> <p>2) All other and subsequent decisions up to a value of £20 million. Decisions above £20million will be required to be taken by the WMCA Board as the accountable body for the Investment Zone.</p> <p>All decisions will need to follow the WMCA's existing assurance frameworks and any introduced through the Deeper Devolution Deal or any subsequent legislative frameworks.</p>
Withdrawal from the Joint Committee	<p>Either Authority may give to the other not less than twelve months' written notice expiring on 31st March in any year of its intention to withdraw from the Joint Committee.</p> <p>Once the Joint Committee ceases to exist, unless that is by way of transitioning into a full Board of WMCA as outlined in 3.13 above, the functions delegated to it will each revert back to the relevant delegating Authority.</p>

Background papers:

Supporting documents:

APPENDIX 1

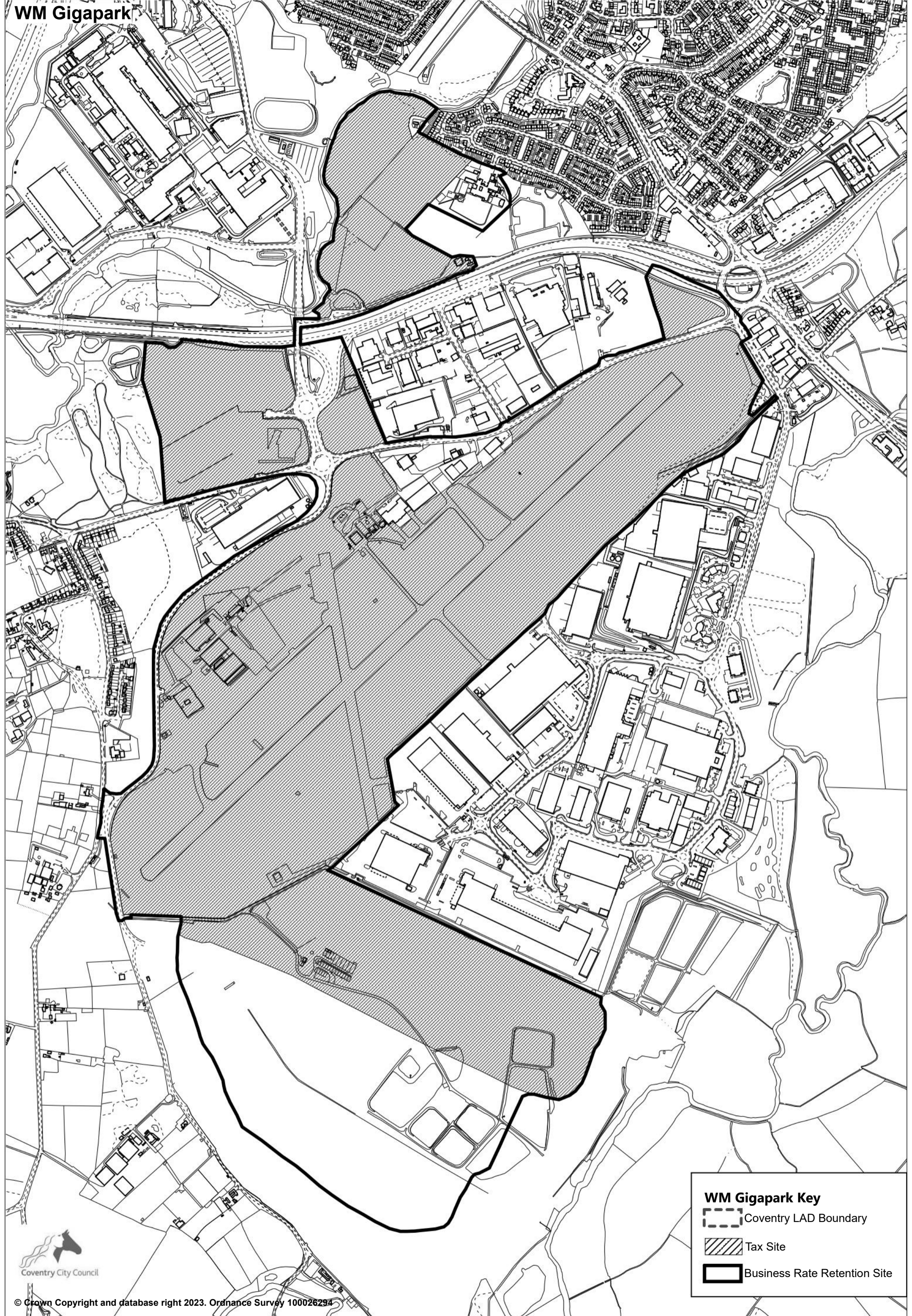
Investment Zone Joint Committee (IZ Board) – Terms of Reference

Governance	Decision-making – Public Joint Committee
Purpose	Overall responsibility for developing and delivering the Investment Zone and ensuring accountability to Government for its successful and compliant implementation.
Accountable To	WMCA Board and Warwick District Council
Membership	<p>Voting Members: The Mayor One representative from each of the 7 Constituent Authority Members One representative from Warwick District Council One representative from Warwickshire County Council</p> <p>Non-Voting Members: Universities that have signed up to the Investment Zone sites.</p> <p>Observers: The Scrutiny Chair from Warwick District Council The Overview and Scrutiny Chair from the WMCA</p> <p>Other stakeholders may be invited to attend as observers when appropriate.</p>
Chair	Chair - the Mayor of the West Midlands Vice Chair -to be appointed by Warwick District Council
Voting	All voting Members shall have one vote
Quorum	Three voting Members to include the member appointed by Warwick District Council
District Council	
Frequency	Quarterly or more frequently as required on the giving of 5 clear working days' notice
Location	Meetings will be hosted at locations to be agreed by the Joint Committee.
Type of meeting	Public




Timing of Meetings	To be determined.
Administration	The meeting will be administered by the WMCA, and papers will be published on both authority websites at least 5 clear working days before the date of the meeting.
Allowances	None
Responsibilities	<p>Overall responsibility for developing and delivering the Investment Zone.</p> <p>Approval in principle of Investment Zone sites development proposals and interventions.</p> <p>Oversight of each Investment Zone Site delivery vehicle's performance in implementing the WM Investment Zone.</p> <p>Ensuring delivery of the identified and agreed outcomes and outputs.</p> <p>Allocation of Investment Zone resources.</p> <p>Determination of the proportions between the tax incentives and spending elements of the £80 million IZ government grant.</p> <p>Allocation of the tax incentives element of the £80 million grant and of the spending element of the £80 million grant.</p> <p>Allocation of surplus retained business rates generated by the Investment Zone's BRR site, in line with Government's Investment Zone policy.</p> <p>To ensure that the decisions of the Board do not import any undue risk to the WMCA in financing schemes that result from those decisions.</p> <p>Approving reports to Government as part of the WMCA's accountability function.</p>
Delegation	<p>Decisions in relation to the allocation of the £80 million government grant up to a total value of £80 million and within Government's proportionate allocation framework between the fund's components.</p> <p>All other decisions up to a value of £20 million.</p> <p>All decisions will need to follow the WMCA's existing assurance frameworks and any introduced through the Deeper Devolution Deal.</p>

WMGF JV Board	
Coventry City Council	Rigby Real Estate
Development of Coventry Airport/WMGF site and attraction of battery manufacturing investor.	
Delivery of on-site infrastructure.	
Land owners.	
Joint investment into preparing site for development on 50:50 basis.	
Established board, WMGF site only.	

Coventry and Warwickshire IZ Board					
Coventry City Council	Warwick District Council	Warwickshire County Council	Coventry University	University of Warwick / WMG	
Rates authority and LPA for Whitley East.	Rates authority and LPA for Whitley South, Coventry	Transport Planning Authority for Whitley South, Coventry	Ensuring that IZ activities strengthen the local advanced manufacturing sector, and that the right connections are being made to CW innovation assets.		
JV Partner for Coventry Airport/WMGF site.	Airport/WMGF and Segro Park	Airport/WMGF and Segro Park	CW IZ “Knowledge Anchors”.		
Transport planning interest in all sites.	Ensuring a joined-up approach to planning decisions on all CW IZ sites, and that all activities complement local economic plans.		Ensuring WM-wide IZ activity (flexible spend and BRR reinvestment) in supply chain and skill develop the sector at WM level.		
All Partners: Working together to attract the right occupiers to CW IZ sites and making sure regional resources (WMGC etc.) are aligned.					
All Partners: Advising CW representatives on the WM IZ Board on how to best represent the interests of CW and CW IZ sites, for example on plans for reinvestment of BRR, and the strategic direction of WMIZ as a whole.					
Membership will be made up of LA officers and University representatives with clear ToR (now in development) and records of actions. Individual LAs responsible for briefing their members, ensuring a common approach to WM IZ board.					



WM Gigapark Key

-  Coventry LAD Boundary
-  Tax Site
-  Business Rate Retention Site



Title: Future High Streets Fund update
Lead Officer: Martin O'Neill
Portfolio Holder: Councillor Ella Billiald
Wards of the District directly affected: Leamington Brunswick,
Clarendon, Willes

Approvals required	Date	Name
Portfolio Holder	6/11/2023	Ella Billiald
Finance	6/11/2023	Andrew Rollins
Legal Services	6/11/2023	Ross Chambers
Chief Executive	6/11/2023	Chris Elliott
Head of Service(s)	6/11/2023	Philip Clarke
Section 151 Officer	16/11/2023	Andrew Rollins
Monitoring Officer	6/11/2023	Graham Leach
Leadership Co-ordination Group	6/11/2023	Chris Elliott
Final decision by this Committee or rec to another Cttee / Council?	Yes and No	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	Yes – Confidential Appendices 1, 2 and 5	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No	
Accessibility Checked?	Yes	

Summary

The report presents an update on the projects being funded by the Department for Levelling Up Housing and Communities (DLUHC) from the Future High Streets Fund (FHSF). It also seeks consent to apply for an extension of time for the use of the allocated funds. There are also confidential elements in respect of two of those project sites and decisions in principle are sought with further reports to follow if agreed.

Recommendation(s)

- (1) That Cabinet agree to make a request to DLUHC for the extension of time to spend the FHSF funds to September 2024.
- (2) That Cabinet notes the progress being made in respect of the projects being funded through the FHSF.
- (3) That Cabinet agrees to the principal of the proposed approach being progressed in respect of the Stoneleigh Arms project outlined in confidential Appendix 1.
- (4) That Cabinet supports officers to continue discussions and bring back a final proposal for Cabinet consideration in relation to the information set out in confidential Appendix 1.
- (5) That Cabinet supports the approach in respect of the confidential site outlined in confidential Appendix 2.
- (6) That authority is delegated to the Chief Executive, in consultation with Section 151 Officer, Group Leaders, the Arts and Economy Portfolio Holder to progress the proposals as set out in confidential Appendix 2 and to then provide a further report to approve the final details of the proposal.
- (7) Subject to recommendations 5 and 6 above being approved that Cabinet agrees to provide £287,000 as a contribution to the scheme outlined in confidential Appendix 2 to be funded from WDC reserves.

1 Reasons for the Recommendations

- 1.1 Warwick District Council (WDC) was successful in its bid to the FHSF in 2020. The total funding awarded amounted to £10.015million. The funding bid was awarded so that a few regeneration projects in the South of Leamington Spa could be delivered and, in doing so, realise a range of economic and social benefits to the town and to revitalise the High Street.
- 1.2 As required by the terms of the fund, for each project a degree of co-funding is required from the public and private sectors. As such, the Council's Creative Quarter Regeneration Development Partner, Complex Development Projects (CDP), has provided co-funding amounting to £7.8million (which includes £4.1million future funding for regeneration beyond the life of the FHSF). WDC have co-funded the programme amounting to £1.9million. This represents a total investment of almost £20million across the FHSF programme.
- 1.3 One of the primary reasons why the FHSF bid was successful was because the Council could demonstrate that the projects in the original bid could deliver a range of economic benefits. As part of this is a requirement that these economic benefits deliver a Benefit Cost Ratio (BCR) of above 1.5-2. The WDC BCR derived an overall BCR in excess of the minimum and officers are required

to report to DLHUC on a quarterly basis in respect of project progress and the BCR. There is a link to the most recent BCR calculation below under the Supporting Documents section.

- 1.4 The original Government deadline to utilise this funding was set at 31 March 2024. However, DLHUC has recently recognised that several local authorities with FHSF funding may not be able to meet the current deadline. As a result, all local authorities with FHSF funding are now formally permitted to apply for an extension up to the 30 September 2024. It is proposed that officers request the extension which will allow more time to deliver the projects and avoid any risk of returning funding to Government. The request has to be made by 17th November 2023. The process to request the extension will take place later in November as part of the quarterly Monitoring and Evaluation process. If projects are still being implemented beyond that 30 September 2024 deadline, the co-funding can still be utilised as it is only the FHSF that must be spent by that date.
- 1.5 This report updates members on further progress on all the FHSF projects since the last report to Cabinet in February 2023 and to the Overview and Scrutiny Committee in July 2023.
- 1.6 **The FHSF projects**
 - 1.6.1 **Sustainable Movement** – this project was designed to deliver a new East/West cycle route through Leamington Spa town centre, but this has not been able to progress within the FHSF timescales. A Project Adjustment Request (PAR) was therefore prepared and submitted to DLUHC asking for approval to reallocate the £506,000 FHSF to be split between two other FHSF projects at the Town Hall Creative Hub (£256K) and the former Stoneleigh Arms/Old School (£250K). Both projects are progressing well and have undergone extensive Value Engineering exercises to ensure the costs of the projects are kept within the available budgets. The availability of reallocated funds will allow some of those items that were subject to Value Engineering to be brought back into the projects and delivered. This business case, including a recalculation of the required BCR as part of the original award of the funding, was presented to DLUHC to consider the PAR. Officers are pleased to report that this was approved by DLUHC on the 5 September 2023, enabling this money to be reallocated.
 - 1.6.2 However, Warwickshire County Council (WCC) and WDC officers will be working to achieve the original cycle scheme via other means including seeking Section 106 contributions from development schemes in the broad corridor of the proposed east/west cycle route. This will then be unconstrained by Government timeline restrictions.
 - 1.6.3 **Spencer Yard** – works have now completed on this site with the launch of The Fold (former URC building) which took place on 12 October 2023. Tenants are also in place at The Fold (Cogent) and the former Nursery (SAE). The Old Dole Office is being marketed with strong interest being shown. The vibrancy of Spencer Yard, and this part of the Old Town should now increase, and a range of events are being arranged to be held in the public space in due course.
 - 1.6.4 **Town Hall Creative Hub** – The Invitation to Tender (ITT) for the Main Contractor procurement was published on 22 September 2023. This is a two-stage tender through a Framework which was selected by the WDC Procurement team to yield the best possible chances of a successful response from the market. The Stage 1 returns are due 6 weeks after publishing, i.e., 3 November 2023. A further 3 weeks is then allocated for the evaluation process

which is expected to be finalised by 24 November 2023. At this point, the contract will be awarded to a contractor. The Stage 2 process is a negotiation period with the contractor on the detailed financials. This is anticipated to last for 3-6 weeks but could be flexed as needed. Completion of Stage 2 is anticipated by mid-January 2024. Mobilisation then can start to take place by the end of January with the objective of starting on-site by February 2024.

- 1.6.5 **Stoneleigh Arms** – A planning application was submitted in July 2023 for the redevelopment of the former Stoneleigh Arms and the Old School buildings. It is anticipated that the application will go before the December Planning Committee for determination. Discussions have been held with Planning and Conservation Officers to work through any outstanding planning and conservation issues prior to consideration by the Planning Committee. In the meantime, CDP have procured at risk a main contractor to be ready to start on-site as soon as the planning process is concluded. Discussions are also underway with local artist organisations as potential occupiers of the completed Stoneleigh Arms building. An outline of the current proposals being considered is included in confidential Appendix 1.
- 1.6.6 Subject to planning permission being granted, a start on site could be in January. The development works are expected to take around 12 months with an anticipated completion towards the end of 2024/early 2025. FHSF money will be utilised first so that this is spent by the revised deadline of 30th September 2024.
- 1.6.7 **Confidential site** – an update on progress is contained in confidential Appendix 2.

2. Alternative Options

- 2.1 Members could choose not to seek an extension of time to spend the FHSF funds, but this would be a decision to hand a very significant sum of money back to the Government and to abandon a few of the projects currently in train. This alternative is not recommended.
- 2.2 Members could choose not to approve the proposal being explored for the Stoneleigh Arms as set out in confidential appendix 1. This alternative option is not recommended as the proposal presents a significant opportunity to contribute to the vibrancy of the South of the town centre with creative spaces being provided for the use of the creative sector and would be a true reflection of the aspirations of the Creative Quarter.
- 2.3 Members may choose not to support the proposed approach outlined in confidential Appendix 2. This alternative option is not recommended as this approach is only realistic option available to deliver this element of the FHSF programme.

3. Legal Implications

- 3.1 Officers are currently working in close collaboration with colleagues from the shared Legal Services across all the FHSF projects. This will ensure that all relevant legislation regarding subsidy control and best value, lease and disposal arrangements and all other statutory requirements are being met and the interests of the Council are foremost in the decision-making process.
- 3.2 Parts of this report are confidential because of the Information relating to the financial or business affairs of any particular person (including the authority holding that information) by virtue of the commercially sensitive negotiations,

would place the Council at a disadvantage for commercially sensitive discussions and may impact on future confidential discussions with other parties if the Council were to be seen as “not to be trusted” with confidential information if it was included in the public domain.

4 Financial

- 4.1 The entirety of the WDC co-funding of £1.9million required to deliver the FHSF projects has previously been agreed by Cabinet and through the award of the FHSF funding. There is also an element of private co-funding from the WDC’s development partner CDP amounting to a total of £7.9million. The proposed additional £287,000 can be provided from reserves.
- 4.2 **Spend Profile** - a summary of the current spend profile against the FHSF allocation is shown at Appendix 3.

5 Environmental/Climate Change Implications

- 5.1 The developments and projects that are being delivered as part of the FHSF programme will be undertaken using sustainable construction methods and these will be agreed as part of the Development Agreements that are required in respect of each project.
- 5.2 With regards to Spencer Yard a comprehensive energy and sustainability strategy was submitted as part of the planning application. CO2 emissions are proposed to be reduced through a combination of enhanced building fabric standards, low energy LED lighting, mechanical ventilation with heat recovery, low carbon heating via air source heat pumps and on-site electricity generation from roof mounted photovoltaic panels. Sustainable modes of transport are also being encouraged by providing covered cycle storage with showering and changing facilities on-site, improved public realm works including lighting and planting to improve the pedestrian experience, and reducing the number of car parking spaces on site.
- 5.3 The EPC ratings on the Old Dole Office and the Nursery are A, and C on the URC which is an achievement for a Listed Building. The Stoneleigh Arms and Old School are also anticipated to achieve A rating EPC. Town Hall ratings are currently being assessed as part of the tender process.

6 Analysis of the effects on Equality

- 6.1 Throughout the stakeholder consultation processes held to date on the FHSF projects, the interests of a diverse range of representatives have been sought to ensure the projects are inclusive and take account of equality and the diverse range of future users of these developments.

7 Data Protection

- 7.1 Not applicable to this report and the FHSF programme.

8 Health and Wellbeing

- 8.1 The FHSF programme and the projects being delivered as part of this allocation of funding are designed to achieve the regeneration of currently unused and to a large extent dilapidated buildings in the south of Leamington Spa town centre. One of the primary objectives of the programme is to improve the health and well-being of residents and visitors as well as those who work in the town centre by providing usable, modern, sustainable, and attractive places in a location that is currently run down and underutilised. As well as the obvious economic benefits these projects will bring to the town centre, it is of prime importance that the health and well-being of all those who utilise them will be

improved through the rejuvenation of the built environment in this area of the town centre.

9 Risk Assessment

- 9.1 As part of the FHSF bid, officers put forward a robust risk management process. This process centres around a comprehensive risk register which is maintained and updated throughout the life of the programme. This is shown in Appendix 4.
- 9.2 The risks associated with the project in confidential Appendix 2 are contained in confidential Appendix 5.

10 Consultation

- 10.1 All of the individual projects that form the overall FHSF programme have or will undertake stakeholder consultation to inform decisions being made on these developments. In particular, the consultation is designed and tailored to each individual development site with a view to gaining an informed and inclusive future use of the buildings having due regard to residents, visitors, businesses, and other local stakeholders.

Background papers:

None

Supporting documents:

Most recent BCR evaluation [Here](#)

Appendix 3 - FHSF spend to date as at October 2023

Claim no.	date	amount
Spencer Yard		
FHSF Budget		£1,530,500
1	17.01.22	£291,461.65
2	29.07.22	£652,018.66
3	31.10.22	£476,791.14
4	12.01.23	£110,228.55 final
Total claimed to date		£1,530,500
FHSF remaining		£0

Town Hall

FHSF Budget (total)*		£1,207,270
FHSF Budget (fees only)**		£188,539.75
1	28.10.22	£36,070.93
2	25.11.22	£8,116.19
3	05.01.23	£13,539.75
4	31.01.23	£8,116.19
5	02.03.23	£19,649.05
6	30.03.23	£14,893.00
7	09.05.23	£14,687.12
8	31.05.23	£29,433.68
9	30.06.23	£16,262.90
10	31.07.23	£1,919.51
11	24.09.23	£659.18
Total claimed to date		£163,347.50
FHSF for fees remaining		£25,192.25
FHSF for total remaining		£1,043,922.50

Stoneleigh Arms / Old School

FHSF Budget***		£2,137,365
1	31.03.23	£49,721.15
1b	19.09.23	£200.00
2	25.09.23	£101,919.03
Total claimed to date		£151,840.18
FHSF remaining		£1,985,524.82

No expenditure yet on the confidential site (appendix 1), and Sustainable Movement has been reallocated to the Town Hall and Stoneleigh Arms / Old School.

Expenditure on recently progressed site of Stoneleigh Arms due to commence shortly as exploratory works have commenced.

* This amount now also includes the reallocation of £256,270 from the former E/W Cycle project that is no longer going ahead under this fund.

** Fees are those being used to deploy the expertise of the specialist conservation architects. This work is essential to assess the overall potential for the Phase 1 development of the building, provide options, and prepare and submit the planning application.

*** This amount now also includes the reallocation of £256K from the former E/W Cycle project that is no longer going ahead under this fund.



RISK REGISTER - STRATEGIC PROJECTS

PROJECT:	Leamington Spa FHSF (without confidential)
STATUS:	Programme
PREPARED BY:	Mark Brightburn
DATE:	27/09/2023
VERSION:	5



RISK REGISTER - STRATEGIC PROJECTS
Leamington Spa FHSF (without confidential)
Version 5
Programme Risks

Risk number	Risk type	Risk Name	Risk description	Risk status	Timescale	Probability rating	Impact rating	Overall score	Overall rating	Mitigation		Probability rating	Impact rating	Overall score	Overall rating
										Underway	Planned				
1	Procurement	Financial stability of delivery/Supply Chain partners	The risk that delivery/supply chain partners experience credit or liquidity issues and cease trading or go into receivership - impact on programme and costs	Active	S/M/L	2. Low	4. High	8	Medium	WDC has adopted appropriate processes in the selection of delivery partners	Ensure WDC and delivery partners test financial stability through procurement process	2. Low	4. High	8	Medium
2	Procurement	Contractual agreements	The risk that contract design is inadequate resulting in additional costs and/or delays	Active	S/M/L	3. Medium	4. High	12	Medium	Terms for engagement with CDP structured through Collaboration Agreement	Adopt best practice in accordance with standard WDC procedures Seek independent expert advice where appropriate	2. Low	4. High	8	Medium
3	Procurement	Construction risk	The risk that a suitable development partner / contractors cannot be secured or are involved only at a late stage in the design process, resulting in the project not being completed on time, to budget or to specification.	Active	M/L	2. Low	4. High	8	Medium	Key delivery partners engaged in design development (WCC and CDP) WDC has agreed outline approach for project delivery, based on a restricted tender process	Timely selection of development partners/contractors.	2. Low	4. High	8	Medium
4	Procurement	Governance	The risk of not agreeing robust governance structures and accountability during the delivery stage	Active	S/M/L	2. Low	4. High	8	Medium	An appropriate governance structure has already been put in place for oversight and management of the programme.	Continued engagement with delivery partners and regular review of governance arrangements	1. Very low	4. High	4	Low
5	Project generic	Design complexity	The risk of not successfully conforming to the required planning permissions - which could impact on quality, cost and programme	Active	S/M/L	3. Medium	4. High	12	Medium	Identified delivery partners with a high level of relevant experience Secured engagement between delivery partners and planning officers	Promote ongoing engagement with planning officers Appraise proposals at key gateways prior to sign off	2. Low	4. High	8	Medium
6	Project generic	Environmental impact	There is a risk of enhanced environmental impacts through changes to land and infrastructure as proposed	Active	S/M/L	2. Low	3. Medium	6	Medium	Addressing the climate change agenda is a priority for the Council and is a primary objective within each and every project.	Undertake an environmental appraisal of projects as part of the option selection process	1. Very low	2. Low	2	Low
7	Project generic	Capital cost estimates	The risks that the costs are greater than currently identified.	Active	M/L	3. Medium	4. High	12	Medium	Work with delivery partners to identified project costs Establish budget for delivery of scheme outputs	Cost scrutiny as part of appraisal at project gateways Ongoing cost management - supervise process	3. medium	4. High	12	Medium
8	Project generic	Demand risk	The risk of not having a sufficient understanding of the occupier demand in the town and future requirements, particularly in light of Covid.	Active	S/M/L	3. Medium	4. High	12	Medium	WDC has secured market advice to inform investment decisions within the town centre CDP secured as development partner	Continue to monitor market trends and activity within the Creative Quarter	2. low	4. High	8	Medium
9	Project generic	Income risk	WDC investment is predicated on income projections. Failure to generate income could impact on wider Council budgets	Active	M/L	3. Medium	3. Medium	9	Medium	WDC has secured appropriate market advice in relation to key schemes. The Council has accepted a risk position to ensure that regeneration opportunities can be realised.	Where possible the Council will pass risk to the private sector	2. Low	3. Medium	6	Medium
10	WDC Specific	Partner engagement	The risk of not demonstrating effective engagement with all stakeholder groups (including Statutory bodies) resulting in delayed approvals, potential planning objections	Active	M/L	2. Low	3. Medium	6	Medium	WDC is engaging with delivery partners	Formalise partnership arrangements within contracts for grant funding Implement identified delivery and governance structures	1. Very low	3. Medium	3	Low
11	WDC Specific	Internal funding capability	Risk that additional funding sought is not secured or delayed.	Active	M/L	3. Medium	4. High	12	Medium	Continue to develop a robust business case with appropriate evidence around market demand and operating models. Co-funding commitment secured	Explore other sources of external funding, governance and delivery models.	1. Very Low	4. High	4	Low

Appendix 4

12	WDC Specific	Land ownership	The main sites are owned by WDC, although certain properties that are subject to proposed redevelopment are either owned by third parties or leased by occupiers	Active	M/L	4. High	4. High	16	High	WDC owns key assets including Town Hall and Spencer Yard Post office acquisition led by WDC - discussions at advanced stage Sorting office acquisition - WDC to lead acquisition through securing relocation premises WCC Strategic Highway authority	WDC to continue to engage with Royal Mail to secure full control of the Post Office and Sorting Depot	4. high	4. High	16	High
13	WDC Specific	Collaboration	The risk of the failure to develop and maintain relationships with delivery partners and other key stakeholders.	Active	M/L	2. Low	2. Low	4	Low	To continue to engage with delivery partners and stakeholders	To continue in the future to engage with delivery partners and stakeholders and draw up on the experience of the capital delivery team.	1. Very low	2. Low	2	Low
14	WDC Specific	Reputation	Risk of delayed approvals and impact on the programme, cost increases or reputational damage to the partners	Active	M/L	4. high	4. high	16	High	Anticipate challenging project stages and maintain focus on critical success factors.	To closely monitor performance and ensure high levels of effective communication with partners and stakeholders	4. high	4. high	16	High
15	WDC Specific	State aid	The risk that the interventions do not comply with State aid regulations. Funding would need to be repaid.	Active	S/M/L	2. low	4. High	8	Medium	To continue to review the state aid advice/position with direct input from Legal colleagues.	Seek expert advice to inform the continued design of the proposed configuration and delivery arrangements	2. Low	4. High	8	Medium
16	Environmental	Community impacts	The risk that local residents object to proposals	Active	M/L	3. Medium	3. Medium	9	Medium	The Leamington Transformation is now preparing a Framework Plan for the town centre Stakeholder engagement in relation to projects	Establish an engagement plan to guide ongoing collaboration with the community in the design, delivery and operation of projects	2. Low	3. Medium	6	Medium
17	Environmental	Site characteristics	The risk that projects encounter delays and cost increases due to unforeseen barriers to delivery	Active	M/L	3. Medium	3. Medium	9	Medium	WDC has secured CDP as a delivery partner for regeneration schemes Initial project design and cost appraisal makes appropriate provision for contingency based on preliminary surveys	WDC to work with CDP to secure detailed site investigations	3. Medium	3. Medium	9	Medium
18	Environmental	Climate Change Emergency	The risk that any new Government targets integrated into legislation will need to be adapted on the development and physical, political and cost impact on the current development	Active	S/M/L	2. Low	3. Medium	6	Medium	To continue to monitor proposed and actual changes/legislative requirements	To continue in the future to monitor proposed and actual changes/legislative requirements	1. Very low	3. Medium	3	Low
19	Environmental	Planning approval	The risk that projects fail to secure the necessary planning consents or that constraints are imposed that result in changes to the scope of the scheme.	Active	S/M/L	2. Low	4. High	8	Medium	To continue to engage with the local planning authority officers	Head of Planning and Head of Development Management both aware of pending applications.	1. Very low	3. Medium	3	Low
20	External influences	Political	The risk that the scheme lacks support from key political stakeholders.	Active	S/M/L	2. Low	4. High	8	Medium	To continue to engage with local politicians through joint member workin group and key cabinet briefing.	Utilise local elected members as a critical part of the co-design process. Ensure Councillor representation upon the Programme Board	1. Very low	3. Medium	3	Low
21	External influences	Economic	The risk that changes in external economic influences occur that result in a failure to achieve the scheme objectives.	Active	S/M/L	4.High	4. High	16	High	To monitor economic conditions and adjust the scheme focus/timing if necessary	To continue to monitor economic conditions and adjust the scheme focus/timing if necessary	4. high	4. High	16	High
22	External influences	BREXIT	There is potential risks arising from BREXIT in terms of financial markets, economic circumstances and demand	Active	S/M/L	3. Medium	3. Medium	9	Medium	To monitor the proposals in relation to BREXIT and adjust the scheme focus/timing if necessary	To continue monitor the proposals in relation to BREXIT and adjust the scheme focus/timing if necessary	3. Medium	3. Medium	9	Medium
23	External influences	COVID-19	The ongoing impact of Covid 19 on the retail market, and operation of the town centre	Active	S/M/L	2.Low	3.Medium	6	Medium	The Council is following government guidance related to any ongoing response and supporting local busienss.	Market appraisals will be updated regularly, continuous engagement with town centre tenants and local residents, appropriate due dilligence for prospective tenants.	2. Low	3. Medium	6	Medium
24	External influences	Legislative	The risk of legislative / regulatory issues resulting in delays to the project or enforced changes to the scope of the proposed development	Active	M/L	2. low	3. medium	0		To continue to monitor proposed and actual changes/legislative requirements	To continue in the future to monitor proposed and actual changes/legislative requirements	2. Low	3. Medium	0	
25	Personnel	Construction Project Management	The Projects team are managing the FHSF project, but are not experts in Construction Management and the Assets Team, who do have surveyors with this experience, are tight on resource to help.	Active	S/M/L	4. High	4. high	16	High	Purcell Architects to increase their RIBA stage 5 inspections to cover the 'Clerk of Wroks' type role. But WDC Project Management of the day to day aspects of the construction works still under review.	This amendment has been made.	2. low	3. medium	6	Medium



RISK REGISTER - STRATEGIC PROJECTS
Leamington Spa FHSF (without confidential)

Version 5

1. Spencer Yard Risks

Risk number	Risk type	Risk Name	Risk description	Risk status	Timescale	Probability rating	Impact rating	Overall score	Overall rating	Mitigation		Probability rating	Impact rating	Overall score	Overall rating
										Underway	Planned				
1	Costs	Capital cost estimates	The risks that the costs are greater than currently identified.	Active	M/L	3. Medium	4. High	12	Medium	Work with delivery partner to identified project costs Establish budget for delivery of scheme outputs	Cost scrutiny as part of appraisal at project gateways Ongoing cost management - supervise process	2. Low	4. High	8	Medium
2	Supply	Demand risk	The risk of not having a sufficient occupier demand for the Old Dole Office	Active	S/M/L	3. Medium	4. High	12	Medium	CDP currently actively marketing the building for sale and rent	Continue to monitor market trends and activity within the Creative Quarter	3. Medium	4. High	12	Medium
3	Funding	Private sector funding	Risk that private sector funding sought is not secured or delayed.	Active	M/L	3. Medium	4. High	12	Medium	CDP have secured adequate private sector funding to cover the remaining costs of the project over and above the FHSF grant.	Continue to monitor costs and be appraised of the level of private sector funding.	2. low	4. High	8	Medium
4	Utilities	Timing	Risk of delay due to timing of utilities work requiring public realm closures	Active	M/L	3. medium	3. Medium	9	Medium	CDP Project Manager anticipating the works programme and booking these in but subject to risk from utility companies	Closely monitor progress on utilities and CDP to appraise of any delay.	2. low	3. Medium	6	Medium
5	Occupiers	Requirements	Risk that the occupiers (Cogent and SAE) have any further requirements not covered in the existing agreements	Active	S/M/L	2. Low	3. Medium	6	Medium	To continue to monitor the agreements with the occupiers	CDP to appraise of any changes.	1. Very low	3. Medium	3	Low



RISK REGISTER - STRATEGIC PROJECTS
Leamington Spa FHSF (without confidential)

Version 5

2. Town Hall Risks

Risk number	Risk type	Risk Name	Risk description	Risk status	Timescale	Probability rating	Impact rating	Overall score	Overall rating	Mitigation		Probability rating	Impact rating	Overall score	Overall rating
										Underway	Planned				
1	Procurement	Procurement route	Risk that the selection of the procurement route (Framework or Open Restricted Tender) does not result in adequate responses.	Active	S/M/L	4. high	4. High	16	High	Worked closely with WDC Procurement team to understand the market restrictions at present in order to select the best route	Invitation to Tender has now been successfully issued, awaiting responses.	3. medium	4. High	12	Medium
2	Procurement	Contractual agreements	The risk that contract design is inadequate resulting in additional costs and/or delays	Active	S/M/L	3. Medium	4. High	12	Medium	Working very closely with both WDC procurement and Purcell Architects and team cost consultant	Regular checks on progress	3. medium	4. High	12	Medium
3	Procurement	Construction risk	The risk that a suitable main contractors cannot be secured resulting in the project not being completed on time, to budget or to specification.	Active	M/L	3. medium	4. High	12	Medium	Working with WDC procurement to find the best route to secure the best result on quality and time	Regular updates with the team	3. medium	4. High	12	Medium
4	Project specific	Capital cost estimates	The risks that the costs are greater than currently identified.	Active	M/L	3. Medium	4. High	12	Medium	Selected a 2 stage procurement of the contractor to enable fixing their price a little later in the process	Regular updates with the team	3. medium	4. High	12	Medium
5	WDC Specific	Tenants	There are a number of tenants in the Town Hall who will need to remain in place during the construction works so planning for their needs adds in risks	Active	M/L	3. medium	4. high	12	Medium	Regular monthly tenants group meetings as the main contractor procurement is undertaken	Move to weekly meetings once the construction is underway	3. medium	4. high	12	Medium
6	FHSF	Spend deadline	Risk of contractor being unable to achieve the FHSF spend deadline of end of March 2024	Active	M/L	3. medium	4. high	12	Medium	This is being built into the specification documents but a risk the contractors may have other views	Assess the contractor returns and select	3. medium	4. high	12	Medium
7	Personnel	Construction Project Management	The Projects team are managing the FHSF project, but are not experts in Construction Management and the Assets Team, who do have surveyors with this experience, are tight on resource to help.	Active	S/M/L	4. High	4. high	16	High	Purcell Architects to increase their RIBA stage 5 inspections to cover the 'Clerk of Works' type role. Seeking to appoint a 'Construction Project Manager' from Atkins via their Framework arrangement.	This is in progress.	3. medium	3. medium	9	Medium



RISK REGISTER - STRATEGIC PROJECTS
Leamington Spa FHSF (without confidential)

Version 5

3. Stoneleigh Arms Risks

Risk number	Risk type	Risk Name	Risk description	Risk status	Timescale	Probability rating	Impact rating	Overall score	Overall rating	Mitigation		Probability rating	Impact rating	Overall score	Overall rating
										Underway	Planned				
1	Procurement	Construction risk	The risk that a suitable contractor cannot be secured or are involved only at a late stage in the design process, resulting in the project not being completed on time, to budget or to specification.	Active	M/L	2. Low	4. High	8	Medium	CDP have selected a contractor suitable to complete this work.	The specification will set out the FHSF spend deadline.	2. low	3. Medium	6	Medium
2	Project specific	Planning approval	The risk of not successfully conforming to the required specifications with the Planning Team - which could impact on quality, cost and programme	Active	S/M/L	4. High	4. High	16	High	Planning & Conservation Officers still have outstanding concerns on the proposals which CDP and architect team are currently engaged on resolving.	A full planning statement has been submitted to give the evidence to the planning officer to be able to support the determination.	4. High	4. High	16	High
3	Project specific	Capital cost estimates	The risks that the costs are greater than currently identified.	Active	M/L	3. Medium	4. High	12	Medium	Work with delivery partners to identified project costs Establish budget for delivery of scheme outputs	Cost scrutiny as part of appraisal at project gateways Ongoing cost management - supervise process	3. medium	4. High	12	Medium
4	Project specific	Demand risk	The risk of not having a sufficient understanding of the occupier demand for the site.	Active	S/M/L	3. Medium	4. High	12	Medium	CDP are undertaking extensive engagement with the local artistic community to put together a viable and affordable proposal.	Updates from CDP and monitoring the rents to artists in particular.	3. Medium	4. High	12	Medium
5	WDC Specific	Reputation	Risk of delayed approvals and impact on the programme, cost increases or reputational damage to the partners	Active	M/L	4. High	4. High	16	High	Planning and cost risks potential to impact on FHSF spend and risk of not making the spend deadline	Monitoring all impacts on delivery	3. medium	4. High	12	Medium



RISK REGISTER - STRATEGIC PROJECTS
Leamington Spa FHSF (without confidential)
Version 5
4. East West Cycle Risks

Risk number	Risk type	Risk Name	Risk description	Risk status	Timescale	Probability rating	Impact rating	Overall score	Overall rating	Mitigation		Probability rating	Impact rating	Overall score	Overall rating
										Underway	Planned				
1	FHSF	Reallocation	This project is not able to proceed and so a Project Adjustment Request to DLUHC has successfully reallocated this to other FHSF projects.	Active	S/M/L	2. Low	4. High	8	Medium	DLUHC have approved the relocation.	The amounts are now in the budgets for the Town Hall and Stoneleigh arms / Old School.	2. low	3. medium	6	Medium

Impact Rating						
Life & Limb	Customer Service	Growth	Regulatory Compliance	Reputation	Management Time	Rating
No injury to tenants, staff and / or general public	Negligible impact on customer service	Negligible impact on market share / growth plans	Negligible impact that is internalised	One off and temporary reputational damage	Insignificant event where the impact can be easily absorbed	1
Minor injury (e.g. cuts & bruises) to tenants, staff and / or general public	Minor impact on customer service	Minor impact on market share / deviation from growth plans	Minor impact that is internalised	Negative multiple day local media coverage resulting in short term damage to reputation	Minor event where the impact can be readily absorbed but some management effort is required	2
Temporary injury (e.g. broken limb) to tenants, staff and / or general public	Short term loss of service / service disruption	Moderate impact on market share / deviation from growth plans	Moderate breach leading to possible reprimand or sanctions	Negative one day national media coverage resulting in short term damage to reputation	Event where the impact cannot be managed under normal operating conditions requiring moderate level of resource or management input	3
Permanent injury (e.g. loss of limb, senses) to tenants, staff and / or general public	Significant, medium term loss of service	Significant impact on market share / deviation from growth plans	Significant breach leading to reprimand or sanctions	Negative multiple day national media coverage resulting in short to medium term damage to reputation	Major event where the impact requires a high level of management effort and resources to rectify	4
Fatality to tenants, staff and / or general public	Severe, prolonged loss of service	Sustained, severe loss of market share / inability to undertake any development	Severe breach leading to suspension or discontinuance of business	Extensive negative national media coverage resulting in severe damage to reputation	Disaster with potential to lead to business collapse (requires almost total management attention)	5

IMPACT				
Insignificant	Minor	Moderate	Major	Catastrophic
1	2	3	4	5

Probability Rating

Title: Asset Compliance Committee & Resources
 Lead Officer: Graham Leach, Head of Governance & Monitoring Officer,
 01926 456114 and graham.leach@warwickdc.gov.uk
 Portfolio Holder: Councillor Davison & Councillor Wightman
 Wards of the District directly affected: None

Approvals required	Date	Name
Portfolio Holder	10/11/23	Ian Davison Paul Wightman
Finance		Andrew Rollins
Legal Services		
Chief Executive	13/11/23	Chris Elliott
Programme Director Climate Change	13/11/23	Dave Barber
Head of Service(s)	13/11/23 13/11/23 13/11/23	Graham leach Lisa Barker Steve Partner
Section 151 Officer	13/11/23	Andrew Rollins
Monitoring Officer	13/11/23	Graham Leach
Leadership Co-ordination Group		
Final decision by this Committee or rec to another Cttee / Council?	No, recommendation (2) and (8) are for Cabinet to pass to Council on 15 November 2023	
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	

Summary

The report sets out the governance structure for Council in response to the recommendations identified by an independent review in respect of social housing stock safety compliance within the Council.

Recommendations

- (1) That the Cabinet notes the Governance Structure set out at Appendix 1;
 - (2) That the Cabinet recommends to Council the establishment of an Assets Compliance Committee with the remit as set out at Appendix 2 to the report;
 - (3) That the Cabinet notes the terms of reference of the Compliance Board (Social Housing Stock) as set out at Appendix 3 to the report;
 - (4) That Cabinet notes the notification letter to Housing tenants as set out at Appendix 4 to the report;
 - (5) That Cabinet endorses the action plan for responding to the report, as set out at Appendix 5 to the report.
 - (6) That the use of £11,000 from the Service Transformation Reserve for 2023/24 for the employment of a Scrutiny Officer for this year and £47,290, per annum, be included within the budget for the next four years for this role.
 - (7) The Cabinet notes the expenditure with Pennington of £62,000 for consultancy work support & training.
 - (8) That Cabinet recommends to Council the revision to the Constitution to include the role of Vice-Chair of Overview & Scrutiny Committee.
-

1 Reasons for the Recommendation

- 1.1 The Social Housing (Regulation) Act came into force from 1 October 2023. As part of the Council's preparedness for this introduction of the Act an external review, by Pennington, of the Council's compliance with the requirements of the Act was undertaken. The review identified significant areas for improvement within the Council including the Governance arrangements for ensuring compliance. This is expected to result in direct intervention from the Regulator for Social Housing with them requiring meetings frequently with evidenced progress. They will also expect to see direct oversight from Councillors of this work.
- 1.2 An all-Councillor briefing took place on 9 November 2023 setting out the findings and the actions from the review. This was to ensure all Councillors were aware before either the regulator or tenants were notified in writing.
- 1.3 There are questions which will need to be considered, as to how the Council, found itself in this position, The reflection will take time and involvement from Councillors in respect of both Overview & Scrutiny Committee and Audit & Standards Committee. However, the immediate response has been and continues to be to mitigate any risks associated with this for Council's tenants and lease holders.
- 1.4 The recommendations clearly identify a need for improved Governance and in response to this, officers produced a proposed Governance Framework, as set out at Appendix 1 to the report. This is based on discussions with both Pennington and other Councils who have self-referred to the regulator.

- 1.5 Over the next 12 to 18 months there will be a significant work undertaken in respect of assurance. This falls in the remit of the Overview & Scrutiny Committee and the Audit & Standards Committee. It is widely accepted that the Overview & Scrutiny Committee is working at capacity and that the additional work, based on officer dialogue with other Council's, will see the relevant body meeting once a month (at least for the first 12 months).
- 1.6 Officers have been advised that having a dedicated Committee for this initial response is recognised as good practice. Therefore, proposals for an additional Committee, including its terms of reference are brought forward. The new Committee is created to undertake this work with a view to having a mixture of knowledge from both the Overview Scrutiny Committee (with their perspective of are we doing the right thing) and the Audit & Standards Committee (are we doing it right).
- 1.7 The initial focus of the new Committee will be to review and challenge the progress in respect to ensuring compliance for safety under the Social Housing (Regulation) Act. They provide assurance on the delivery of this to Cabinet (as the responsible body) on behalf of the Council.
- 1.8 Dates have been set for the new Committee to meet at 6.00pm on:
20 December 2023
22 January 2024
26 February 2024
25 March 2024
22 April 2024

There will also need to be specific training for the Committee members with a view to this being undertaken in December 2023.

- 1.9 This will not take away overall responsibility from either of the existing Committees and the Overview & Scrutiny Committee still able to review and consider any Cabinet reports on this matter and Audit & Standards Committee still considering any Audit reports.
- 1.10 To support the Governance Structure overall a Compliance Board, is also in place, with a remit based on best practice and its remit is set out at Appendix 3 to the report.
- 1.11 The self-referral letter to the regulator as well as the letter to all tenants are included as appendices along with the other appendices so they are in the public domain for transparency and good governance.
- 1.12 There will be a need for the dedicated consultancy work and training for officers and members and for that reason work has been undertaken to secure dedicated consultancy work from Pennington who are an acknowledged expert in this field of work.
- 1.13 Overview & Scrutiny was already considering a request for a dedicated officer to support them in their work, thus enabling more review work to be undertaken (such as Task & Finish Groups). It is now proposed that this post is introduced as a priority for the Council to (a) show commitment to the robust response to the concerns raised and (b) provide appropriate support for Overview & Scrutiny Committee over a longer time. The recommendation is for the budget to be made available for four years. This is considered most appropriate for securing resources into the role and making a commitment beyond the next election in May 2027. This way the new Council after the election can review

the role and need for it but provides a transition phase for the first year of the new Council.

- 1.14 The additional Committee will need support from Civic & Committee Services, and this may not be wholly from a scrutiny perspective. However, this additional officer can help provide insight for the new Committee and provide more direct support for Scrutiny across the Council. This will allow the use of wider resources in the Civic & Committee Team to support this new Committee directly. It also shows a committed response to the challenges which the regulator will expect to see.
- 1.15 There are concerns over the demands on the Chair of the Overview & Scrutiny with a significant number of meetings, over 30 formal meetings, they will now need to attend, if the new Committee is established. To enable this to be reviewed by the Chair of the Committee and provide support for them it is proposed that the Constitution be amended to allow for a Vice-Chair of that Committee. This will enable them to deputise for the Chair of the Committee at any meeting.

2 Alternative Options

- 2.1 At this stage no alternatives were considered as these are robust responses to the challenging position the Council is in.

3 Legal Implications

- 3.1 There are no specific legal implications of the report, and the proposals comply with the relevant aspects of legislation.
- 3.2 The Leader of the Council had consulted with Cabinet, Group Leaders, Chair of Scrutiny and Chair of Audit & Resources and appropriate approvals for officers to bring this as an urgent report due to the significant issues that have been identified.

4 Financial

- 4.1 There will be a need for dedicated and specialist advice from external partners to respond to the issues identified. To achieve this the agreement has been reached with Pennington to provide this at a cost of £62,000. This also includes dedicated training for senior officers, external members of the Compliance Board and Councillors on their responsibilities.
- 4.2 The use of £11,000 from the Service Transformation Reserve for 2023/24 is a decision that can be taken by officers under delegated authority. The £47,290, per annum thereafter would need to be built into the base budget going forward.
- 4.3 There will be further budgetary implications and as these are identified, or resources required these will be reported to Members either to the new Committee (as part of the overall governance and monitoring) or to Cabinet and Council as part of funding requests.

5 Business Strategy

- 5.1 Warwick District Council has adopted a Business Strategy which sets out key areas for service delivery. These proposals are in line with a few of the strands of this in ensuring that the Social Housing provided by the Council is safe, that staff can be effective, services are maintained or improved.

6 Environmental/Climate Change Implications

- 6.1 There will be no direct implications from this report in on the environment.

7 Analysis of the effects on Equality

7.1 It is not considered that an equality impact assessment needs to be undertaken for these proposals.

8 Data Protection

8.1 There is no change in the handling of personal data because of these proposals.

9 Health and Wellbeing

9.1 There are no direct health and wellbeing implications because of these proposals.

10 Risk Assessment

10.1 The Council needs ensuring that it has an appropriate and robust governance structure in place because of the report findings. The failure to adopt measures which have been verified by an external party would lead to greater challenge of the Council's overall competence in handling this matter.

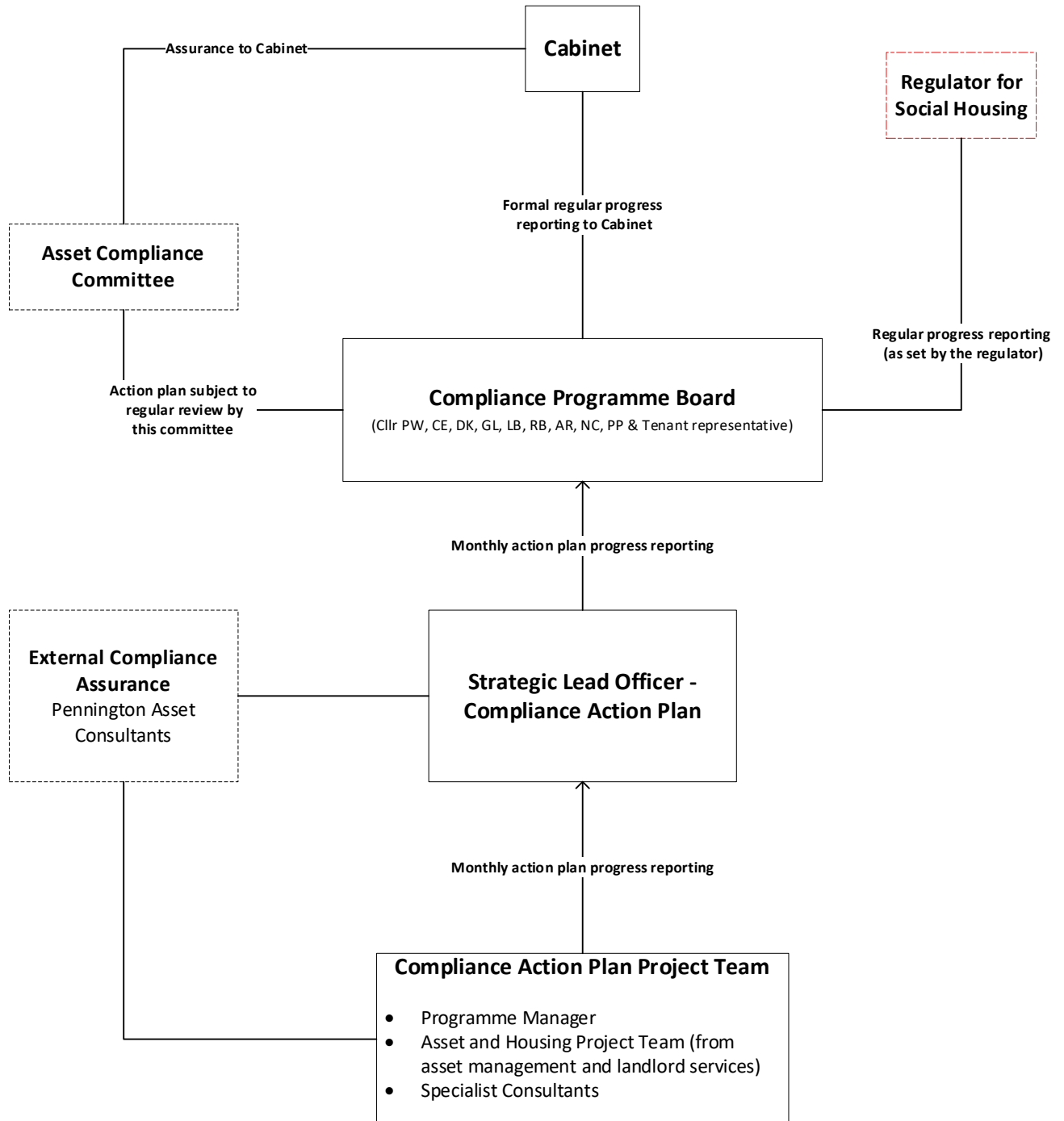
11 Consultation

11.1 The Group Leaders, Chair of Overview & Scrutiny Committee and Chair of Audit & Standards Committee have all considered this report and have raised no objections to it.

Background papers: None

Supporting documents:

Asset Compliance Governance Framework Overview



Terms of Reference Asset Compliance Committee
(adopted by Council ??)

The Committee will meet monthly.

Their purpose will be to review and challenge the progress in respect to ensuring compliance for safety under the Social Housing (Regulation) Act. They provide assurance on the delivery of this to Cabinet (as the responsible body) on behalf of the Council.

The reports will be subject to pre meeting questions process.

The Committee will not be politically proportionate but will be composed of two Councillors from each Political group on the Council.

The Chairs of the Audit & Standards Committee & the Overview & Scrutiny Committees must be on the Committee and will form one of the representatives of their Group.

The Leader of the Cabinet will permit the Chair of this meeting to represent the views of the Group in line with the rights provided to the Chair of the Overview & Scrutiny Committee

The Leader and Portfolio Holder for Housing & Assets will be required to attend each meeting to observe or send a deputy from the Cabinet if they cannot attend.



Warwick District Council

Compliance Board (Social Housing Stock) - Terms of Reference

Overall purpose: to be accountable to Council, Cabinet, Asset Compliance Committee and Regulator for Social Housing for all matters pertaining to the effective delivery of the compliance action plan within the Social Housing Stock.

1. To ensure that the recommendations of the compliance audit carried out by Penningtons, are implemented within suitable time frames.
2. To act upon further requirements set by the regulator.
3. To report to the Asset Compliance Committee and provide it with reports on progress with the Compliance action plan and therefore compliance within the social stock.
4. To ensure that appropriate management of Compliance and Building Safety is adequately in place across the whole of the Councils' Social Housing Stock.
5. To receive and discuss any incident reports involving Compliance and Building Safety.
6. To establish appropriate subgroups to take forward actions on specified matters.
7. To receive and review regular reports from the Strategic Lead Officer, subgroups, external compliance auditors and others as required and ensure all recommendations are implemented.
8. To receive and review safety reports and KPI's from the Strategic Lead Officer, subgroups, contractors and other specialists.
9. To deal with any such Health and Safety matters as directed by the Senior Leadership Team or Cabinet.
10. To consider the safety needs of Officers, Members, customers, tenants, contractors, visitors and any other persons our activities may affect whilst carrying out our undertaking.
11. To identify, promote and encourage specific training programs and increasing levels of relevant competency.
12. To Horizon scan relevant issues and maintain a pro-active stance on all compliance issues.
13. To ensure there are sufficient resources in place to support the delivery of the action plan.

Appendix 3

Constitution:

- The Chairperson, to be the Portfolio Holder for Housing.
- The Vice Chairperson will be the Chief Executive and, in their absence, the Deputy Chief Executive.

Membership:

- Portfolio Holder for Housing
- Chief Executive
- Deputy Chief Executive
- Monitoring Officer
- Head of Housing
- Head of Finance (S151 officer)
- Marketing and Communications Manager
- Tenant representative
- Chief Executive Officer at Association of Retained Council Housing

Co-opted Members:

Personnel can be co-opted from service areas or be external specialists to serve on specific projects or provide specialist advice and information, identified and agreed by the Compliance Board.

In Attendance:

When requested or invited other advisors, such as external specialists, may be asked to attend on an ad hoc basis.

Administration:

Each Compliance Board meeting will be minuted and stored on the project file.

Reporting:

Compliance Board will report progress to the:

- Asset Compliance Committee on a monthly basis.
- Cabinet and Council as decisions are required.

Will provide reports and evidence to the Regulator for Social Housing on terms determined by the regulator.

Meetings:

The Board shall meet monthly but will review this from time to time.

Quorum:

The quorum shall be four members which must include the Monitoring Officer



Housing Services
Lisa Barker - Head of Service

PO Box 2175, Warwick District Council,
Riverside House Milverton Hill,
Royal Leamington Spa, CV32 5QE

direct line: 01926 456442

email: talktohousing@warwickdc.gov.uk

web: www.warwickdc.gov.uk

our ref:
your ref:

13 November 2023

Dear

Housing audit

As your landlord, the safety of your home is of the utmost importance to us, and we are expected to routinely carry out inspections and repairs of all our properties. We recently carried out an independent audit with the help of an external specialist to help us understand what additional work might be required.

We did this because we wanted to ensure that we are doing all that we can to keep you safe in your home and saw this independent assessment as a positive step to giving us confidence that we are providing you with a home that reaches the demanding standards that we set.

The independent audit was extremely thorough and has highlighted some key areas where further work is needed to provide the assurance and high standards required of the council as your landlord.

Plans are now in place to deal with these areas, and we have already started on the improvement actions, but it was clear that right now, we are not able to demonstrate that we meet the required building safety compliance standards.

What did the audit find?

The audit found that the council's property management framework, which should provide assurance that compliance and building safety are being delivered and managed was not as effective as it could be. Record keeping and reporting mechanisms were not providing a clear audit trail of routine or follow-up maintenance being carried out. This in turn, means that we are not able to demonstrate that we are meeting legal and obligatory requirements.

It also found that we need to improve our communication with you and make sure that we are sharing our awareness and information updates about each of the compliance areas more regularly.

What are we doing?

Appendix 4

After receiving the audit report the council has responded quickly, developing a comprehensive action plan, which sets out how we will go about improving our building safety work and when these improvements will be completed by. This will be supported by a new governance framework to oversee all this work, checking, and monitoring our progress. Your Housing Officer and local Councillor have also been made aware of this issue.

The Council has also referred itself to the Regulator of Social Housing, the government appointed national body which oversees landlords like us.

This self-referral demonstrates that we are clear about the need to make improvements and provides an opportunity for us to keep you updated with our progress.

What happens next?

The Regulator will investigate our approach to building safety compliance to see whether it meets the building safety standards required of us and whether there is evidence of any impact on you our tenants and leaseholders. I will keep in touch with you to let you know how we are getting on with our improvement work.

Get in touch:

We understand that you might have more questions about this news. You can find further information on our website: www.warwickdc.gov.uk/housingaudit If you have any further questions, please call us on 01926 456442.

If you need this letter in another format or language, please contact media@warwickdc.gov.uk

We are moving offices:

Please note that from 7 January 2024 if you wish to write to Warwick District Council the postal address will move from:

PO Box 2175
Riverside House
Milverton Hill
LEAMINGTON SPA
CV32 5QE

To: Town Hall
Parade
LEAMINGTON SPA
CV32 5HZ

In person enquiries remain at Riverside House but will be changing in early 2024. We will notify you by post and via Council social media channels when this changes.

Yours sincerely

Lisa Barker
Head of Housing Services

Warwick District Council – Compliance Roadmap Action Plan:

Action Plan Leads	
Cabinet:	Cllr Paul Wightman, Cabinet Member for Housing
Executive Team:	Chris Elliott, CEO & Darren Knight, Deputy CEO
Strategy Lead:	Steve Partner, Head of Neighbourhood and Assets

External assurance:	Letrice Thomas, Pennington Choices
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Priority*		Status Key			
Critical:	Immediate				
High:	Within three months	Off target	Initiated	Completed	Not commenced
Medium:	Within six months				

Acronym	Name:	Job Title:
CE		Chief Executive
DCE		Deputy Chief Executive
HNA		Head of Neighbourhood and Assets
HHC		Head of Housing Health and Communities
HandS		Health and Safety and Premises Manager
CM		Compliance Manager
HF		Head of Finance
MO		Head of Governance and Monitoring Officer
ARM		Audit and Risk Manager
HPC		Head of People and Communications
LSM		Landlord Services Manager
BDCM		Business Development and Change Manger
BDCO		Business Development and Change Officer
PBS		Principal Building Surveyor (Fire Safety and Climate Change)
BSM		Business Support Manager
MCM		Marketing and Communications Manager
SPCM		Strategic Procurement and Creditors Manager

Appendix 5

LDO		Learning and Development Officer						
Report ref no.	Recommendation	Progress	Resources	Lead Officer	Support Officers	Priority	Target comp date	Status
3.2	<p>Recommendation 1 – Governance and assurance structure:</p> <p>Establish an appropriate governance and assurance structure to provide effective oversight of compliance and building safety and clarify responsibilities, accountabilities, and formal approval processes.</p>	<ul style="list-style-type: none"> • Draft governance and assurance structure created and checked with Pennington. • Terms of reference drafted. • Governance structure and ToR approved. • Recruitment underway to appoint a scrutiny committee support officer. • Specialist Cllr scrutiny training planned for December 2023 to support their role in the Governance framework. • First meeting of the Compliance Board planned for December. • External compliance training being arranged for Audit & Scrutiny members before Christmas. • CEO of Association of Retained Council Housing agreed to join compliance board. • Tenant representative confirmed. 	<ul style="list-style-type: none"> • Administrative support for diary management and meeting minutes and papers. • Additional scrutiny support officer to be funded. • External training for Cllr scrutiny members - £975.00 • Pennington Consultants 	DCE	MO HHC	Critical	09.11.23	

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3.2	<p>Recommendation 2 – Compliance awareness session:</p> <p>The Leadership Team and appropriate scrutiny panel / committee should undertake a compliance awareness session to fully understand the latest legal and regulatory obligations placed upon them, the common pitfalls to pay attention to and how to provide more effective oversight, scrutiny and challenge of compliance performance.</p>	<ul style="list-style-type: none"> External trainer has submitted training course proposal. Senior Officer and Cabinet delegates identified. Course outline approved. Purchase order raised. Course booked for SLT Cabinet on the 29.11.2023. Course planned before Christmas for the Asset Compliance Committee – awaiting date. 	<ul style="list-style-type: none"> Pennington Consultants 	DCE	HNA MO	High	22.12.23	
3.2	<p>Recommendation 3 – Compliance and building safety strategy:</p> <p>Develop a standalone compliance and building safety strategy that: sets out your objectives, addresses the recommendations within this report and outlines how they will be achieved. Ensure that you are clear on:</p> <ul style="list-style-type: none"> Legal and regulatory obligations, now and in the future 	<ul style="list-style-type: none"> Pennington Consultants quoted to assist and advise in policy development. Fire Safety policy / strategy out for consultation. 	<ul style="list-style-type: none"> Pennington Consultants 	HNA	HHC HandS CM LSM	High	30/06/24	

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	<ul style="list-style-type: none"> Your overall objectives for property compliance, building safety and resident safety. What actions need to be delivered to achieve these objectives. How you will demonstrate that these actions are deliverable. 							
3.2	<p>Recommendation 4 – Fire Safety Group:</p> <ul style="list-style-type: none"> Broaden the scope of the existing Fire Safety Group to have full oversight of all legal fire and building safety requirements. Develop a term of reference for the group that ensures achieving the requirements of fire and building safety legislation and guidance is included as a standard agenda item. 	<ul style="list-style-type: none"> Terms of Reference Drafted. Draft TOR circulated for comment. Discussed and agreed TOR at Fire Safety Group 19/10/23. 		HHC	HandS	High	09.11.23	
3.3	<p>Recommendation 5 – Data Validation:</p> <p>Undertake a data validation exercise that is coordinated across all compliance areas to gain assurance around all</p>	<ul style="list-style-type: none"> 17/10 Meeting held with BDCM, BDCO and wider team to commence discussions on the specification of primary data search mechanism(s). 	<ul style="list-style-type: none"> Pennington Consultants 	CM	BDCM BDCO	Critical	30.06.24	

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	<p>property assets, compliance programmes and records:</p> <ol style="list-style-type: none"> 1. Download the full asset list from your parent management system into a data validation workbook. 2. Confirm which properties will or will not be subject to each compliance programme. All properties should be defaulted to require an inspection until it can be evidenced otherwise. 3. Record evidence-based reasons for properties not required on each programme. 4. Validate a sample of compliance records to ensure they are valid and in date. 5. Quantify compliance gaps to develop a plan to resolve them. 6. Validation should include categorising buildings (11+ and 18m+) and the smoke and carbon monoxide alarm programmes. 	<ul style="list-style-type: none"> • Full Asset List already available and v1.0 of a 'Validation workbook' has been created. • Order raised with Pennington Choices 						
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	<p>7. Follow the above exercise with regular, documented validation to ensure asset and compliance data remains up to date.</p>							
3.3	<p>Recommendation 6 – Active H configuration:</p> <p>Configure Active H to record the correct compliance programme data and provide appropriate reporting outputs.</p>	<ul style="list-style-type: none"> 17/10 Meeting held with BDCM, BDCO and wider team to commence discussions on the specification of primary data search mechanism(s). 		CM	BDCM BDCO	High	30.06.24	
3.3	<p>Recommendation 7 – Managing follow-up actions:</p> <p>Implement a process for tracking all actions deriving from each of your compliance programmes. You should consider and agree: the platform for recording actions, where the process can be automated, allocation, quality checks, evidence of completion and reporting.</p>	<ul style="list-style-type: none"> Existing FRA actions now all in centralised spreadsheet. Ability to prioritise in relation to property, severity, department etc. Completed actions to be updated in spreadsheet, with completion date added. Comments to be added to outstanding actions. Work already undertaken with ICT on development of the Contractor Web Portal over the last 12 months which supports this Recommendation. The work done to-date is currently in TEST pending Acceptance Testing. 		CM	PBS	High	31.10.24	

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3.3	<p>Recommendation 8 – Changes to asset and programme lists:</p> <p>Formalise and document the process for adding, removing or making changes to properties on Active H, including who has authority to do so.</p> <p>Ensure there is a clear audit trail of uploading and setting attributes against each property and quality assurance checks to ensure each property is on the correct compliance programme.</p>			CM	PBS BDCM	Medium	31.03.24	
3.4	<p>Recommendation 9 – Operational lead for fire safety:</p> <p>Appoint an operational lead for fire safety to have oversight of all fire safety related programmes and performance (fire risk assessment programme and actions, Fire Safety (England) Regulations obligations, fire</p>	<ul style="list-style-type: none"> • Meeting with S151 regarding funding for additional resources • Market testing for suitable candidates • JD / Person specification being developed. • Initial screening interviews held. 	Will require additional budgetary provision and highlighted with S151 officer	HNA	HPC FQ	Critical	31/12/23	

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	equipment servicing, and so on).							
3.4	<p>Recommendation 10 – Operational lead for building safety:</p> <p>Appoint an operational lead for building safety to support the strategic lead (Head of Neighbourhood and Assets) and take overall operational responsibility for day-to-day management of building safety risks in higher-risk buildings, and communications with residents of those buildings.</p> <p>Operational duties can be delegated, however the operational lead should have full oversight of all activities through a clear assurance and ‘lines of defence’ framework</p>	<ul style="list-style-type: none"> • Meeting with S151 regarding funding for additional resources • JD / Person specification being developed. • Market testing for suitable candidates • Initial screening interviews held 	Will require additional budgetary provision and highlighted with S151 officer	HNA	HPC HandS	Critical	30/11/23	
3.5	<p>Recommendation 11 – Compliance reporting:</p> <p>Develop a standalone weekly compliance report that covers the big six compliance areas and</p>	<ul style="list-style-type: none"> • BDCM has been tasked with leading on establishing a live reporting environment e.g., get to a using Power BI • Gas safety daily reporting completed. Work 		HNA	PBS BDCM BDCO	High	31.10.24 Major work will be done in three months – the live/instant	

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	<p>addresses the items raised in the report (Section 3.5).</p> <p>This new report should also be used to provide monthly and quarterly summaries to the management and Leadership Team. Reporting should include follow-up actions: total number of actions, actions by risk/priority, actions completed in time and overdue, and supporting narrative to provide a status summary.</p> <p>Data should be driven from Active H and performance presented in an easy to read format. Use our compliance scorecard examples as a benchmark for current best practice.</p>	<p>commenced on reporting for Lift safety and fire safety.</p> <ul style="list-style-type: none"> SH 08/11 - Variations of this exist already and co-dependant work has already started as part of Recommendation 3.3.x 					reporting will take longer.	
3.6	<p>Recommendation 12 – Policies:</p> <p>The Leadership Team and technical team members should attend a facilitated session to agree policy principles (obligations, inspection programmes, follow-up works, contractor competencies, KPIs, and so on).</p>			HNA	HHC LSM CM BDCM	High	31/01/24	

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	The output of this session will be used to draft seven separate policy documents which should be approved through your updated governance framework, subject to version control and reviewed every two years (or sooner, if there is a change in legislation, regulation or other approved guidance).							
3.6	<p>Recommendation 13 – Process maps & procedures:</p> <p>Once the policies have been approved, develop standalone procedure documents and process maps to support each of your policies.</p> <p>Your procedure documents should clearly outline how each of your service areas are delivered operationally.</p> <p>The process maps should visibly demonstrate the end-to-end process and areas of responsibility for all parties involved.</p>		<ul style="list-style-type: none"> Pennington Consultants quoted for assistance 	HNA	CM PBS LSM	Medium	30/09/24	
3.7	<p>Recommendation 14 – Competence & Training matrix:</p>			HNA	LDO HandS HPPC	High	31/03/24	

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	<p>Develop a training matrix to specify the training, competence and qualification requirements for all employees responsible for oversight and delivery of compliance and building safety programmes.</p> <p>This will identify gaps and ensure training and competence is kept up to date.</p> <p>Any gaps should be addressed by undertaking appropriate qualifications within appropriate timeframes.</p>							
3.7	<p>Recommendation 15 – Compliance and building safety refresher training:</p> <p>The Compliance Team should undertake refresher training that covers all compliance areas to refresh their knowledge and ensure they remain up to date with the latest legislation and obligations.</p>			CM	LDO	Medium	30.06.24	
3.8	<p>Recommendation 16 – Contract management:</p>	<ul style="list-style-type: none"> Meeting booked with AM and Compliance Team Leader 		CM	PBS	Medium	31.03.24	

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	<ol style="list-style-type: none"> 1. Ensure your regular contractor performance meetings include standard agendas, record minutes and monitor key performance indicators. Also incorporate checks of accreditations, insurances, competency, and any changes to staff, and ensure evidence is provided. 2. Undertake regular, documented contractor competency checks (at least annually). 3. Migrate data and records from contractors' systems to Active H to re-establish full control, ownership and accountability of all compliance programme data to ensure programmes are driven by WDC. 	<p>(wk. commencing 13/11) to examine existing meeting format/agendas, etc and establish standard templates for Contract Management recommendations going forward.</p>						
<p>3.9</p>	<p>Recommendation 17 – Internal audit:</p> <ol style="list-style-type: none"> 1. Ensure that your internal audit regime reviews all seven compliance areas at least once every two years, and as a 			<p>HF</p>	<p>ARM</p>	<p>Medium</p>	<p>30.01.24</p>	

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	<p>minimum, establishes whether WDC is compliant with its legal and regulatory obligations.</p> <p>2. Ensure that your internal auditor has the required levels of competence and knowledge of legal, regulatory and best practice compliance obligations to provide a meaningful assurance report with appropriate assurance ratings.</p>							
<p>3.9</p>	<p>Recommendation 18 – External audit:</p> <ul style="list-style-type: none"> Implement 100 per cent desktop checks of compliance records to provide assurance that certification has been completed correctly (for example, nine-point check of gas safety records) and follow-up works are actioned within an appropriate timeframe. Implement a third-party technical auditing regime across all compliance areas to undertake sample checks of contractors’ 			<p>HNA</p>	<p>ARM SPCM CM</p>	<p>High</p>	<p>31/05/24</p>	

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	field work and desktop reviews of compliance records. The auditor(s) should be competent and appropriately accredited.							
3.10	<p>Recommendation 19 – resident communications:</p> <p>Develop and implement a formal resident communications campaign to share key messages around resident health and safety across all areas of property compliance and building safety.</p> <p>This should include consideration of the legal fire and building safety requirements under the Fire Safety (England) Regulations 2022 and Building Safety Act 2022.</p> <p>Also consider how you intend to inform harder to reach groups, such as those without internet access, were English is not their first</p>	<ul style="list-style-type: none"> • Initial activities to date: <ul style="list-style-type: none"> ○ New webpage for further information and FAQs ○ Tenant Building Safety Survey for end of November 2023 ○ Tenant newsletter December 2023 • Campaign scoping underway. 		MCM	HHC CM PBS LSM	Medium	30.06.24	

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	language, or those with disabilities and impairments.							
4.1	<p>Recommendation 20 – Gas and heating safety:</p> <ol style="list-style-type: none"> 1. Implement checks to ensure tenants are receiving LGSRs within 28 days of the service. 2. Display LGSRs in communal areas of buildings served by a communal boiler. 3. Ensure you can demonstrate compliance with the Smoke and Carbon Monoxide (Amendment) Regulations 2022 4. Ensure the following items are addressed as part of policy, procedure and process map development: <ul style="list-style-type: none"> • End-to-end access process. • Managing remedial actions. • New tenant checks to ensure they arrange turn on and test visits. 	<ul style="list-style-type: none"> • SH 08/11 - Meeting on 10/10 to review existing HPM process, existing policy and procedure. • 2009 policy and procedure identified, walk through of existing HPM (ActiveH Case Processing) for Gas Safety No Access. • Further meeting scheduled for 14/11 to identify required updates to Process Mapping 		CM	LSM BDCM BDCO	High	30.06.24	

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	<ul style="list-style-type: none"> • Checks on properties that are not currently connected to the gas mains networks. • Compliance with Dangerous Substances and Explosive Atmosphere Regulations 2002 through risk assessments (where necessary). 							
<p>4.2</p>	<p>Recommendation 21 – Electrical safety:</p> <ol style="list-style-type: none"> 1. Establish a catch-up programme to address the non-compliant properties that do not have a valid test certificate dated within the last five years. 2. Ensure the following items are addressed as part of policy, procedure and process map development: <ul style="list-style-type: none"> • End-to-end access process. Managing remedial actions. • Ensuring Active H captures reinspection dates less than five 			<p>CM</p>	<p>LSM BDCM BDCO</p>	<p>High</p>	<p>31.10.24</p>	

Appendix 5

	years (as recommended by the competent person)							
4.3	<p>Recommendation 22 – Fire safety:</p> <ol style="list-style-type: none"> Complete all outstanding fire risk assessments (FRAs) in line with the fire risk assessor’s recommended reassessment frequency. Extract all FRA actions into an appropriate monitoring platform to accurately track the completion of each action. Record who the actions have been allocated to, action priorities and timeframes, completion dates and supporting evidence (postinspections, certification, before/after photographs, etc.). Ensure you can demonstrate compliance with the Fire Safety (England) Regulations 2022, 	<ul style="list-style-type: none"> Person engaged to carry out fire door checks Fire Safety team undergoing review of FRA and appropriate actions Housing site staff carry out daily inspections Point 2 has been completed 		HNA	CM PBS LSM HHC BDCM HandS	Critical	31/01/24	

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	<p>including undertaking fire door checks.</p> <p>4. Consider undertaking Type 3 FRAs to all properties as this provides a more detailed understanding by assessing a sample of homes within each block.</p> <p>5. Ensure the following items are addressed as part of policy, procedure and process map development:</p> <ul style="list-style-type: none"> • Management and reporting of periodic checks on fire safety equipment. • Housing management issues that impact on fire safety, such as hoarding and allocations. • Person centred fire risk assessments. Incident management, internal investigation and responding to property fires and near misses. Liaison with the local fire and rescue service 							
<p>4.4</p>	<p>Recommendation 23 – Asbestos Management:</p>			<p>CM</p>	<p>LSM BDCM BDCO</p>	<p>Medium</p>	<p>31.10.24</p>	

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	<p>1. Undertake all outstanding reinspection surveys on your communal blocks to ensure asbestos containing materials are being monitored and managed appropriately. Ensure this is followed by a regular, risk-based reinspection programme, with the frequency determined in agreement with the competent person.</p> <p>2. Ensure the following items are addressed as part of policy, procedure and process map development:</p> <ul style="list-style-type: none"> • Establish Appointed Person and Deputy Appointed Person roles (ensuring they are appropriately qualified). • Develop a fit for purpose asbestos management plan. • Use of priority assessment scores and material assessment scores to determine the risk of an asbestos item. 				HandS			
4.5	Recommendation 24 – Water Hygiene:			CM	LSM BDCM BDCO	Medium	30.06.2024	

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	<ol style="list-style-type: none"> 1. Undertake all outstanding legionella risk assessments. 2. Ensure written schemes of control are documented to provide guidance on how to manage and monitor the risks identified within the legionella risk assessments. 3. Ensure the following items are addressed as part of policy, procedure and process map development: <ul style="list-style-type: none"> • Establish Responsible Person and Deputy Responsible Person roles (ensuring they are appropriately qualified). • Managing water hygiene in domestic properties – adopting a practical and proportionate approach. • Managing water hygiene void properties (considering the void standard, removing high risk installations, system flushing, replacing shower heads, etc.) 							
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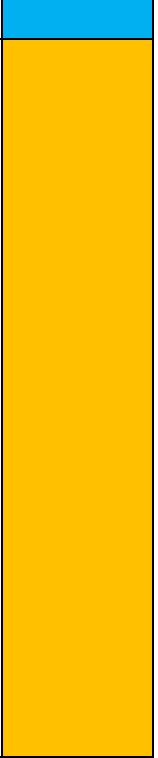
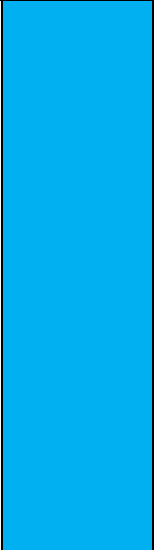
Appendix 5

<p>4.6</p>	<p>Recommendation 25 – Lift Safety:</p> <ol style="list-style-type: none"> 1. Review all thorough examination remedial actions and ensure they are completed. 2. Ensure the following items are addressed as part of policy, procedure and process map development: <ul style="list-style-type: none"> • Establish a formal process for notifying the compliance team of new domestic lifts installations. • Managing remedial action 	<ul style="list-style-type: none"> • 08.11 Ongoing dialogue with Contractor undertaking LOLER Inspections. • 08.11 Initial data extracted from Contractor web portal. 		<p>CM</p>	<p>None</p>	<p>High</p>	<p>31.03.24</p>	
<p>5.2</p>	<p>Recommendation 1 – Building registration:</p> <p>Any higher-risk buildings identified following completion of the wider data validation exercise should be registered with the Building Safety Regulator</p>	<ul style="list-style-type: none"> • Seven higher-risk buildings registered with the BSR. • An identified outcome of the data validation process. 		<p>HNA</p>	<p>BDCM CM</p>	<p>Critical</p>	<p>31.03.24</p>	
<p>5.2</p>	<p>Recommendation 2 – Building safety cases and reports:</p>	<ul style="list-style-type: none"> • Pennington commissioned to prepare draft building safety 	<ul style="list-style-type: none"> • Pennington Consultants 	<p>HNA</p>	<p>HHC LSM PBS</p>	<p>High</p>	<p>31.03.24</p>	

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	<p>Establish and implement an appropriate infrastructure around property and building safety compliance, which includes, an effective assurance framework, defining roles and responsibilities and implementing and documenting supporting policies and procedures.</p> <p>This will allow the safety case and safety case report development project to resume and will include documenting a safety management system and building risk assessment.</p>	<p>cases based on information being supplied.</p> <ul style="list-style-type: none"> Daily safety inspections undertaken by housing teams on site 						
<p>5.2</p>	<p>Recommendation 3 – Golden thread:</p> <p>Document the approach and commitment to delivering golden thread principles for all higher-risk buildings.</p> <p>This should include what information will be held, what systems will be used, how one version of the truth will be maintained, and how digital information will be accessed, managed and shared to support ongoing reviews of the safety case.</p>			<p>HNA</p>	<p>HHC</p>	<p>High</p>	<p>31.03.24</p>	

Appendix 5

<p>5.2</p>	<p>Recommendation 4 – Mandatory occurrence reporting:</p> <p>Develop a mandatory occurrence reporting procedure that captures the principles of reporting and recording safety occurrences as intended by the Act.</p>	<ul style="list-style-type: none"> • Work with AssessNet to add pilot to existing system- initial idea completed 10.10.23. Meeting externally 2.11.23 • Follow up meeting booked for 17.11.23 • External focus group to commence 01.24 	<ul style="list-style-type: none"> • Pennington Consultants quoted at £2,145.00 	<p>HandS</p>	<p>N/A</p>	<p>High</p>	<p>31.07.24</p>	
<p>5.2</p>	<p>Recommendation 5 – Residents’ engagement strategies:</p> <p>Develop building specific residents’ engagement strategies for your higher-risk buildings that include, tenancy management arrangements, allocations, how residents will be involved in decision-making around building safety risks and how they can access safety information.</p>			<p>HNA</p>	<p>MMC LSM HHC</p>	<p>High</p>	<p>March 2024</p>	

Appendix 5

<p>5.2</p>	<p>Recommendation 6 – Complaints procedure:</p> <p>Either develop a separate complaints procedure or ensure the existing generic procedure is updated to ensure that WDC can satisfy itself that building safety issues have been resolved (for example, taking action to minimise the possibility of recurrence, ensuring there is no impact on the risk profile of the building or updating the building risk assessment and safety case).</p>	<ul style="list-style-type: none"> • Draft policy out for consultation with senior officer • Recruitment commenced for a corporate complaints manager 		<p>MO</p>	<p>HHC BSM</p>	<p>High</p>	<p>March 2024</p>	
<p>5.2</p>	<p>Recommendation 7 – Measuring performance:</p> <p>Develop performance measures and assurance reporting, in line with the above, to enable effective oversight to ensure building safety obligations are being achieved.</p>			<p>CM</p>	<p>PBS BDCM</p>	<p>Medium</p>	<p>30.04.24</p>	