Cabinet

Minutes of the meeting held on Thursday 8 February 2024 in Shire Hall, Warwick at 6.00pm.

Present: Councillors Davison (Leader), Billiald, Chilvers, J Harrison, Kennedy, King, Roberts, Sinnott and Wightman.

Also Present: Councillors: Boad (Liberal Democrat Group Observer), Hales (Conservative Group Observer), and Falp (Whitnash Residents Association Group Observer).

80. Apologies for Absence

There were no apologies for absence received.

81. Declarations of Interest

There were no declarations of interest.

82. Minutes

The minutes of the meeting held on 6 December 2023 were taken as read and signed by the Chairman as a correct record.

Part 1
(Items upon which a decision by the Council was required)

83. Election of Chair and Vice-Chair of the Council 2024/25

In accordance with Procedure Rules, Councillor Margrave was nominated to be elected as the Chair and Councillor Tangri was nominated to be elected as the Vice-Chair of the Council for the municipal year 2024/25.

The Cabinet, therefore

Recommended to Council that

(1) Councillor Margrave be elected as the Chair of the Council for the municipal year 2024/25; and

(2) Councillor Tangri be elected as the Vice-Chair of the Council for the municipal year 2024/25.

(The Portfolio Holder for this item was Councillor Davison)
Forward Plan Reference 1,426

84. General Fund Revenue and Capital Budget 2024/25

The Cabinet considered a report from Finance which set out the General Fund Budget for Warwick District Council, including proposals for growth, plus the Medium-Term Forecasts up to 2027/28. It would be presented to

Council alongside a separate report recommending the overall 2024/25 Council Tax Charges for Warwick District Council.

The report presented a balanced budget for 2024/25, which the Council had achieved through a significant use of available reserves. The Council continued to use non-recurrent funding from the Core Finance Settlement, including the Funding Guarantee and New Homes Bonus to support non-recurrent additional activity and replenishing reserve balances, and not to support ongoing core revenue spending.

In advance of the report to approve the 2024/25 Council Tax Charges going to Council, a 2.99% increase had been recommended by officers, in line with the Medium Term Financial Strategy (MTFS) last approved in February 2023.

By law, the Council needed to set a balanced budget before the start of the financial year. As part of this process, it needed to levy a Council Tax from its local taxpayers to contribute to financing General Fund expenditure.

It was prudent to consider the medium term rather than just the current and next financial year in the context of strategic planning and decision making, to align with the Corporate Strategy. Hence, Members received a five-year Medium Term Financial Strategy (MTFS) detailing the Council's financial plans, Capital Programme and Reserves Schedule, covering the period 2023/24 to 2027/28.

The Local Government Act 2004, Section 3, stated that the Council needed to set an authorised borrowing limit. The CIPFA Code for Capital Finance in Local Authorities stated the Council should annually approve Prudential Indicators. These would be included in the Annual Treasury Management Strategy report to Cabinet and Council in March 2024.

The Chief Financial Officer was required to report on the robustness of the estimates made and the adequacy of the proposed financial reserves. This statement was provided as Appendix 1 to the report.

This report was structured to build up and present a holistic view of the Council's finances for Members to assist them in considering the Budget and Council Tax proposals and associated matters.

In preparing the 2024/25 Base Budget the overriding principle was to budget for the continuation of services at the existing level. The following adjustments needed to be made to the 2023/24 Original Budget:

- Removal of any non-recurrent (one-off) and temporary items.
- Addition of inflation.
- Addition of unavoidable pressures.
- Addition of agreed Growth items.
- Inclusion of any identified savings.

Core inflation of 4% had been included in the proposed 2024/25 Budget for staff pay, subject to pay award negotiations.

The following unavoidable cost uplifts had been included in the Budget:

- Known increases on major contracts already in place with agreed uplifts. These included the waste contract, repairs and maintenance, cleaning, and ground maintenance contracts.
- Increased cost of utilities agreed as part of the Council's commercial contracts, covering gas, electricity, and water.
- IT systems used to support services as Housing, Benefits, Council Tax, Business rates and Finance.

As part of agreeing the 2023/24 Budget last year, a series of Budget savings were included. These had continued to be monitored throughout the year and reported to Members as necessary.

The 2024/25 budget showed a deficit of £4.475m. The key drivers of the 2024/25 forecast deficit, compared to when the MTFS was last presented to Members in the December 2023 Quarter 2 (Q2) Budget report included:

- Request for recurrent Growth items £0.821m.
- Increase in revenue borrowing costs driven by new projects agreed in-year.

  Offset by:
  - Increase to investment income driven by higher than forecast interest rates.
  - The inclusion of business rates growth aligned with expected completions in-year.
  - The inclusion of change programme delivery targets from 2024/25.
  - The delay to the introduction of the second homes premium Council Tax charge.

An additional £0.045m Cost of Living Support budget had also been included from 2024 for three years.

To present a balanced budget, it was proposed to use funding from the General Fund Volatility Reserve.

Appendix 2b to the report included details of the breakdown of the Budget over the Council's individual services.

The Chancellor announced the 2023 Autumn Statement on 22 November 2023, which was followed by the Secretary of State giving an update on local government funding in advance of the provisional local government finance settlement 2024-25 on 5 December through a pre-settlement policy statement.

This followed a similar approach to 2023/24, when for the first time a pre-settlement policy statement was published. This outlined the key decisions for the 2023/24 settlement and also for the 2024/25 settlement.

Most of those key decisions remained unchanged from those outlined in 2023/24.

The Provisional Local Government Finance Settlement was then released on 18 December.

The recent announcements and provisional settlement were once again a holding position, designed to offer some stability based on a uniform roll-over of the core elements of the settlement. However, this was the third year in succession that the Government hadonly provided local authorities with a single-year settlement. The hoped for multi-year settlement had again not been forthcoming, and this continued to make financial planning very difficult for local authorities. The settlement was due to be confirmed by the Government in February 2024, ahead of local authorities confirming their budgets for 2024/25.

The Council Tax principles of the Finance Settlement were set out in section 1.5 in the report.

Cap compensation would be paid to mitigate for lost income arising from the decision to freeze the small business rating multiplier in 2024/25. The Services Grant introduced in 2022/23 would be retained again in 2024/25, but further reduced to £0.022m.

For some years the future of the New Homes Bonus (NHB) had been subject to review, adding uncertainty over its continuation.

However, as part of the stability, this had included NHB allocations for 2024/25 of £0.902m. There were no legacy payments attached to these new allocations.

In addition, to bridge the gap and to ensure that all Councils saw a minimum 3% increase in their core spending power (before taking into consideration any local decisions on Council Tax), a further one-off Funding Guarantee allocation of £2.289m would be received. It was noted that the Council had received a provisional increase in core spending power of 4.8% as part of this settlement.

On Wednesday 24 January 2024, the Government announced additional measures for local authorities in England, worth £600 million. This included £500 million of new funding for Councils with responsibility for adults' and children's social care, distributed through the Social Care Grant. Further details on the exceptional provision of this funding would be set out at the upcoming Budget.

In addition, an increase in the funding guarantee so that all local authorities would see a minimum 4% increase in their Core Spending Power, before taking any local decisions on raising Council Tax. It was expected that this would be worth £0.176m to Warwick District Council. However, due to the timing of the announcement, this had not been included in the budget to date. Its inclusion, and how it would be used by the Council, would form part of the Council Tax Report going to Council later in February.

The Council would continue to use NHB and now the Funding Guarantee to fund one-off items, or to support the top-up of reserve balances. This was in view of the uncertainty over future allocations, so it had been prudent not to use this funding to support core revenue expenditure, with this revenue only factored into the Medium-Term Financial Strategy once it had been agreed for each year. The proposal for their use was outlined in

section 1.10 in the report and Appendix 8 to the report.
Funding reforms and changes in funding distribution, including the Fair Funding Review and Business Rates baseline reset, would not be implemented until after the General Election, and therefore 2025/26 at the earliest.

Under the current Business Rate Retention scheme, 50% of rates collected were retained within local government (40% to Warwick District Council / 10% to Warwickshire County Council), with a series of tariffs and top-ups to redistribute the revenue between local authorities to reflect the individual "needs" of authorities, and to distribute revenue to non-billing authorities. For some years, the Government had been planning a move to a 75% scheme to give local authorities more incentive to encourage local businesses on the basis that the local Councils would get to retain a greater proportion of the tax revenue.

The other planned change to the Business Rate Retention system was for there to be a "Re-set" of the Baselines. Under the system, each authority had a Baseline, and got to retain a proportion of the additional tax revenues above this. Authorities such as Warwick had benefitted from this since the scheme began and operated well above Baseline. If there was a re-set to the Baseline, this would reduce the business rates that the Council retained substantially. For the fourth consecutive year the re-set had been delayed, with it now expected to be from 2025/26 at the earliest, with this year being the first following the next expected General Election. Therefore, any delay in changing the baselines was seen to be of benefit to the Council. However, the MTFS did account for a steep decrease in the Council's forecast Business Rate income from 2025/26, where it was expected that District Councils would be impacted the most from any change.

While the details of any reform remained unknown, typically there would be some form of transitional funding available to Councils that were negatively affected. However, for prudence, the MTFS assumed for a 'worst-case' scenario, with this position subject to continual review as and when more information became available.

The Business Rate Retention scheme was very complex, with many components and parameters which drove the funding, and the timing of that funding that Councils received. The Council's Business Rate Retention projections were based on figures provided by Local Government Futures, a specialist consultancy that many local authorities subscribed to. This information was supplemented with local knowledge from being part of a Business Rates Pool with other Councils across Coventry and Warwickshire The Council was part of the Coventry and Warwickshire business rates pool.

This had meant that any tariff payable was made through the pool to central Government, along with the other Warwickshire Councils (including the County Council) and Coventry City Council. The operation of the Coventry and Warwickshire pool had meant that the tariff payments made by the Council were reduced and more business rates income could be kept locally. The members of the pool had once again agreed to remain within the pool going forward into 2024/25.

Given the large fluctuations in the business rates, and the difficulty in projecting the revenue, it was important that the Council continued to retain a “Volatility Reserve”. Any business rates income received in the year above the agreed baseline was allocated to the reserve. In future years, it might be necessary to fund any shortfall to the baseline from the reserve. As the Council currently was operating above the baseline, it had been able to use the overperformance income from prior years to balance the current year budgets, with the 2024/25 being no exception.

As part of the Finance Settlement (section 1.6) the Government had confirmed that for District Councils, their element of Council Tax could increase by the higher of 2.99% or £5 for 2024/25. As 2.99% was higher than £5 for the Council, this was the maximum increase in Council Tax for 2024/25 that was allowed for. Any increase above this level would require a local referendum.

Increasing the Council Tax by the maximum would protect the Council’s tax base and maximise Council Tax revenue. If the Council agreed a lesser increase than 2.99% (or no increase), this would erode the tax revenue of Warwick District Council from 2024/25 in perpetuity. A 2.99% increase would generate an additional £0.308m in 2024/25. If Council Tax was not increased, the Council’s revenue income for all future years would be suppressed by at least this amount. With the Council having to find further revenue savings in future years, the savings to be found would be that much greater. If savings in service provision were not found, it would be necessary to make reductions in services to enable the Council to be able to agree a balanced Budget in future years.

The Tax Base for 2024/25 had now been agreed at 58,280 Band D dwellings, representing an increase of 611 from the prior year’s tax base, and above the forecast used by the government in setting the Local Finance settlement. However, this figure represented a decrease of 520 from what had been allowed for within the Council’s 2023/24 Medium Term Financial Strategy. The decrease reflected the number of new properties across the District now coming forward, following a slowdown in the construction of new properties from the second half of 2023/24 due to the current economic conditions, with inflation and interest rates being higher than what was forecast when the budget was set last year. The figures also reflected the actual impact on the changes to the Local Council Tax Reduction Scheme introduced in 2023/24.

The 2023/24 estimated Council Tax balance in respect of Council Tax income for the current year had recently been reviewed. This gave a total estimated deficit balance of £1.001m as at 31 March 2024. This balance had to be shared with the major preceptors in 2024/25, with the Council’s element being £0.100m. Estimating the tax base was invariably very difficult, and frequently resulted in a deficit or surplus balance which would need to be financed subsequently. The current economic conditions, and the actual impact on the changes to the Local Council Tax Reduction Scheme introduced in 2023/24 had increased the challenge of estimating the tax base with increased levels of certainty. The model used to forecast the tax base was continually revised to take into consideration current economic and sector conditions, with the forecast on new properties being reduced for 2024/25 as a result of the continued challenging market conditions.

The Medium-Term Financial Strategy assumed Council Tax increases for future years of 2.99% per annum from 2024/25. Any departure from this would increase the level of the future deficit, and the values required to be achieved within the change programme.

Therefore, the Officer recommendation within the report was for District Council's element of Council Tax for 2024/25 should be increased by 2.99%. On this basis, the 2024/25 Council Tax for each band would be as follows:

	£
Band A	121.43
Band B	141.67
Band C	161.91
Band D	182.15
Band E	222.63
Band F	263.11
Band G	303.58
Band H	364.30

Members needed to bear in mind their fiduciary duty to the Council Taxpayers of Warwick District Council. Members had a duty to seek to ensure that the Council acted lawfully. They were under an obligation to produce a balanced budget and must not knowingly budget for a deficit. Members must not come to a decision that no reasonable authority could come to, balancing the nature, quality and level of services that they considered should be provided, against the costs of providing such services. By increasing the Council Tax by the maximum amount permitted, Members were ensuring the Council was limiting where possible the size of the financial deficit, and that it was maximising the amount of Council Tax it could receive in-year to support continued delivery of agreed services.

For some years the future of New Homes Bonus (NHB) had been subject to review, adding to uncertainty to its continuation.

It was expected that NHB payments would end in 2022/23. However, due to the 'holding' nature of the Finance Settlement, NHB allocations had once again been included, with £0.902m to be received in 2024/25. There were no legacy payments attached to these new allocations.

In addition, to bridge the gap and to ensure that all Councils saw a minimum 4% increase in their core spending power (before taking into consideration any local decisions on Council Tax), a further one-off funding guarantee allocation of £2.465m would be received.
However, due to the reasons covered in sections 1.3.12-1.3.13 in the report, the previously communicated allocation of £2.289m had been included in the budget to date.

The Council would continue to use NHB and now the Funding Guarantee to fund one-off items, or to support reserves. This was in view of the uncertainty over future allocations, so it had been prudent not to use this funding to support core recurrent revenue expenditure, with this revenue only factored into the Medium-Term Financial Strategy once it had been agreed for each year. The proposal for their use was outlined in section 1.10 in the report and Appendix 8 to the report.

The MTFS was last formally reported to Members in December as part of the Q2 Budget report, with the profile for future years being as follows:

	2023/24	**2024/25**	**2025/26**	**2026/27**	**2027/28**
	£m	**£m**	**£m**	**£m**	**£m**
Deficit-Savings Req(+)/Surplus (-) future years	0.600	4.334	2.476	1.525	1.501

Once the changes outlined 2024/25 through the Budget Setting process had been incorporated into the Strategy, the position of the MTFS was now as follows:

	2023/24	**2024/25**	**2025/26**	**2026/27**	**2027/28**
	£m	**£m**	**£m**	**£m**	**£m**
Deficit-Savings Req(+)/Surplus (-) future years	0.759	4.475	2.434	-0.250	-0.903

Section 1.10.3 in the report proposed how the deficit would be covered through the use of reserves. The below table showed the MTFS once this had been actioned:

	2023/24	**2024/25**	**2025/26**	**2026/27**	**2027/28**
	£m	**£m**	**£m**	**£m**	**£m**
Deficit-Savings Req(+)/Surplus (-) future years	0.0	0.0	2.434	-0.250	-0.903

As part of the MTFS position above, a number of key assumptions had been included, including:

- A 2.99% Council Tax increase per annum.
- A 2% tax base increase per annum.
- A 10% increase per annum on authority controlled and agreed fees and charges.
- Inflation of 4% to 2025/26, and 3% thereafter.

- Revenue expenditure costs associated with additional forecast borrowing.
- Business rates growth based on known developments (taking into consideration the assumed business rates reset from 2025/26).
- Delivery of the Change Programme.

Regarding the Change Programme, the Council's Corporate Strategy made a clear commitment to ensure continued financial sustainability. To contribute this priority and the Council's medium-term financial strategy, there would be an organisational change programme, which would set out the approach and timeframe to achieve financial efficiencies needed. The Change Programme business case - the case for change, would be presented to Cabinet in March for approval. The Change Programme would have senior Cabinet and officer sponsorship and oversight.

The Council was also maximising returns from its investments, through the Local Housing Company and by ensuring reserves were invested when not required. In addition, agreed borrowing was only taken upon need, and where possible, 'internal borrowing' from reserve balances was used to minimise the associated revenue cost. This would be discussed in greater detail as part of the updated Treasury Management Strategy, which would be presented to Cabinet in March, with current performance having last been reported to the Audit and Standards Committee in January 2024.

Members had previously agreed that £1.5m should be the minimum level for the core General Fund Balance. This balance supported the Council for future unforeseen demands upon its resources. In order to consider a reasonable level of general reserves, a risk assessment had been completed (Appendix 4 to the report). This showed the requirement for maintaining this minimum balance to mitigate against the risks that had been identified, where other funding was not available.

The unallocated General Fund Balance was currently forecast to be £1.5m, and therefore was in line with the agreed minimum level.

The Business Rate Retention Volatility Reserve (BRRVR) was used over prior years to deliver a balanced budget. However, to ensure this reserve remained available for its primary purpose of smoothing business rate receipts, any overperformance above a £2m balance had been reallocated to the General Fund Volatility Reserve. Business rates were discussed in section 1.4 in the report, including the expected changes to Business Rate Retention which had been delayed over the last few years. With the result of the expected changes in mind, it was essential that the Council moved away from its reliance on overperformance receipts to balance the budget in future years, with the Change Programme in March due to outline how the Council planned to address the ongoing deficit position.

A change programme delivery reserve had been established from 2024/25, funded with £0.500m from the Services Transformation Reserve. This would be used on an 'invest to save' basis to enable delivery of schemes within the change programme that might require an initial investment in order to deliver recurrent savings.

The Head of Finance had delegated authority to enable drawdown from the Equipment Renewal Reserve within the agreed schedule. Any further requests or requests above the agreed schedule would require Member approval.

The tables in 1.8.6 in the report showed a summary of the key reserve balances available for use by the Council before additional commitments.

The full reserve projections were included within Appendix 5 to the report, alongside an explanation for each reserve. Some of the reserves would have additional commitments not reflected in the schedule, which would reduce the projected balances. It was also noted that some reserves were potentially over-committed, which would either require further funds being allocated in a future year, or a reduction in funded activity. Section 1.10 covered in more detail some of these reserves.

In accordance with the Council's Code of Financial Practice, all new and future capital schemes needed to be in line with the Council's corporate priorities, including its capital strategy. A report supported by the necessary Business Case needed to be prepared for review and approval by Cabinet, identifying the means of funding and, where appropriate, demonstrating an options appraisal exercise had been carried out. Should there be any additional revenue costs arising from schemes, the proposed means of financing such must also have been included in the report and Business Plan.

The Capital Programme had been updated throughout the year as new and amended projects had been approved. Appendix 7 to the report, consisting of five parts, detailed both the General Fund and Housing Investment Programme (HIP) Capital programmes, along with their associated funding. Appendix 6 to the report detailed the variations to the capital programme as new schemes had been approved and projects had been updated.

Slippage and savings on existing schemes were also detailed within Appendix 6 to the report.

The HIP and associated funding were included within Appendix 7 parts 2 and 4. Additional borrowing was the primary source of funding for new construction and acquisition projects. The HIP would be presented again as part of the HRA Business Plan report due in March.

Appendix 7 Part 5 to the report showed the General Fund unallocated capital resources. These totalled £3.320m in 2023/24. The Capital Investment Reserve represented the largest share of this at just under £1.5m, for which the Council had agreed the minimum balance should be £1m. Whilst the Council did hold other reserves to fund capital projects, it was noted that these were limited and had been reserved for specific purposes. In addition to the resources shown, "Any Purposes Capital Receipts" currently totalled £9.728m (see section 1.10.8 of the report).

The Council did have some balances and funding which it was able to use to fund specific projects and service demands. The sums available could be used to fund 'one-off' items only. Any initiatives that would result in a recurring cost to the Council needed to be accommodated within the revenue budget. The proposed usage of these funds and balances were detailed below.

For 2024/25, it was proposed that funding from the General Fund Volatility Reserve should be used to cover the £4.475m General Fund Deficit to enable a balanced budget to be presented.

A General Fund Volatility Reserve (GFVR) had been established during the 2024/25 Budget Setting Process to enable the Medium Term Financial Strategy to be balanced over future years, until the forecast surplus position was achieved from 2026/27.

This was done by repurposing funds from the Business Rate Retention Volatility Reserve (BRRVR) above a balance of £2m. Based on latest projections, £2m was now deemed an appropriate amount for the BRRVR, to now only be used to 'smooth' receipt of business rate income.

Overperformance to date had enabled this reserve to be topped up annually, but given the forecast business rate reset from 2025/26, it might be required to bridge any gaps from underperformance against a potentially higher baseline.

The GFVR currently had a balance of £3.853m (after the 2024/25 budget is balanced) and would be used to cover the forecast 2025/26 deficit of £2.434m.

The Council’s policy was for the General Fund Reserve Balance to be maintained at a minimum level of £1.5m. Following the release of £1m last year from the reserve, the balance was currently £1.5m.

The Service Transformation Reserve was to be used to support one-off costs associated with the change in delivery of services. As of 31 March 2024, the forecast balance was £0.982m, with an annual top up of £0.400m to the reserve from 2025/26 from forecast core-settlement allocations.

The Change Programme Delivery Reserve was a new reserve set up to support the implementation of schemes aligned to the change programme, with the expectation that these should bring recurrent benefit to the Council, either through increased income or service efficiency. It had been allocated £0.500m in 2024/25 from the Service Transformation Fund.

As outlined in section 1.6 in the report, the Council would receive £3.191m in 2024/25 as part of the Local Finance Settlement, made up of New Homes Bonus (£0.902m) and a Funding Guarantee payment (£2.289m).

Appendix 8 to the report outlined how this funding was to be used, primarily to support non-recurrent funding requirements or reserve top-ups.

As of 31 March 2023, the Council held £9.728m in useable Right to Buy Capital Receipts. £3.416m of this balance had been agreed to be used towards a number of projects, with £3m of this value currently planned to be used towards the Kenilworth Leisure Centre projects at Abbey Fields and Castle Farm.

The proposed PPM budget would enable the Council to proactively maintain all existing corporate assets (i.e. all assets owned by the Council other than its Housing Revenue Account homes, shops, garages and land) in a suitable condition unless or until any future decisions were made in respect of individual assets through a Corporate Asset Management Strategy.

The proposed budget allocation for 2024/25 was based on a review of the current PPM data by officers within the Assets Team, in consultation with building managers from other services which held or operated specific assets. The Proposed Corporate Property & Planned Preventative Maintenance (PPM) Programme works 2023/24 was set out at Appendix 11 to the report.

For 2024/25, the total PPM budget was £2.073m. This would be funded using £0.413m from the Annual Revenue PPM budget and a £1.660m drawdown from the Corporate Assets Reserve. The Council made a significant top up to the Corporate Asset Reserve in 2023/24 of £3m, and a top-up from the core settlement in 2024/25 of £0.686m, leaving sufficient capacity in the reserve to address emerging issues. Further detail on the PPM schedule and funding was set out in Appendix 9 to the report.

In the Levelling Up and Regeneration Bill, there was a section relating to Council Tax and changes in the way that Local Authorities (LAs) could apply the Long-Term Empty Property Premium and the opportunity to introduce a premium for furnished second homes. The Levelling-Up and Regeneration Bill, introduced in the House of Commons on 11 May 2022, received Royal Assent on Thursday 26 October 2023.

Section 11b of the Local Government Act 1992 had been updated to allow a local authority to amend how they charged the empty property premium. Currently at Warwick District Council, this was applied at an additional 100% for properties empty over two years, 200% for those empty over five years and 300% for those empty over 10 years. From 1 April 2024, the Bill allowed a local authority to charge the additional 100% after a property had been empty for one year instead of two, with the other bands remaining unchanged.

The second change was that LAs would be able to charge up to an additional 100% premium on all furnished second homes in the District. These were essentially homes not occupied but kept furnished as 'second homes' by their owners, not rented out, just used by the owners as holiday homes etc.

The recommendation was that Warwick District Council should adopt these new measures, with the empty property premium to be introduced from 1 April 2024.

For the second homes premium, a billing authority's first determination under this section needed to be made at least one year before the beginning of the financial year to which it related. Therefore, the recommendation was that Warwick District Council should adopt the new measures, giving notification as part of the 2024/25 Council Tax notice to be published following resolution at Council, expected to take place on 21 February 2024. The policy would then come into force from 1 April 2025.

It should have been noted that approval for their introduction was agreed as part of the 2023/24 Budget Setting Report in February 2023, on the expectation that Royal Assent would have taken place in time for their implementation from 1 April 2023 and 1 April 2024 respectively. As this did not take place until October 2023, the timelines had been updated accordingly.

The MTFS had been updated to reflect the delay to their introduction and was expected to increase the Council Tax received by Warwick District Council as the collecting authority by a forecast £1.3m, which would be distributed amongst the preceptors in the normal way. If implemented, this would equate to a forecast £0.150m per annum from the 2024/25 financial year.

One of the key impacts of the COVID-19 pandemic was how the workflow of the finance service changed to meet the needs of service delivery and additional reporting requirements to central Government, particularly to gain access to available grant funding such as the Income Compensation Scheme.

Consequently, the budget setting process was streamlined into one report that went to Cabinet in February, and this was the process that remained in place currently.

Previously, a draft base budget report was approved by Cabinet in December, before the final report (which included growth, core settlement funding with allocations and some final proposals) went to Cabinet in February.

It was proposed that the process reverted to its original format from the 2025/26 budget cycle. The benefit of this approach was that it would give Senior officers and Cabinet more time to review additional budget requirements, in particular growth requests, before they were put forward for approval.

The revised timetable would be shared with Cabinet in April, which would also include the scheduling for the Statement of Accounts, Quarterly budget monitoring and fees and charges processes.

The Council did not have an alternative to setting a Budget for the forthcoming year. Members could, however, decide to amend the way in which the budget was broken down or not to amend the current year's Budget. However, the proposed 2024/25 budget sought to reflect the decisions made by Members and make appropriate recommendations. Any changes to the proposed budgets would need to be fully considered to ensure all implications (financial or otherwise) were addressed. If any Member was considering suggesting changes to the proposed Budget, these proposals should be discussed (in confidence) with the Head of Finance beforehand to ensure all implications were considered, including funding. If appropriate, alternate Budget papers could be prepared for consideration by Council.

An addendum circulated prior to the meeting advised of an additional recommendation to the report to read:

“that Cabinet recommends to Council to approve the recommendations set out in Appendix 10: CIL Projects List 2024/24 & 2024/25”.

The addendum also advised of further documents which had been circulated relating to the Community Infrastructure Levy (CIL).

The Budget Review Group thanked officers for their hard work in putting together the report.

The Group explored the Medium-Term Financial Strategy and the impact on reserves. They were keen to see the upcoming change management strategy and the assumptions underpinning it.

Members requested that communications material be made available detailing all of the grants that the Council had access to, and information be provided so that residents could see what was being delivered with those grant funds.

Councillor Chilvers proposed the report as laid out.

Recommended to Council that

(1) the proposed 2024/25 revenue budget as detailed in section 1.2 in the report, be approved, and the shortfall on the year of £4.475m is addressed using the General Fund Volatility Reserve, be noted;

(2) the Council Tax charges for Warwick District Council for 2024/25 before the addition of Parish/Town Councils, Warwickshire County Council and Warwickshire Police and Crime Commissioner precepts, for each band with an increase at band D of 2.99%;

	£
Band A	121.43
Band B	141.67
Band C	161.91
Band D	182.15
Band E	222.63
Band F	263.11
Band G	303.58
Band H	364.30

(3) the reserve projections and allocations to and from the individual reserves as detailed in Section 1.8 in the report, including the ICT Replacement, Equipment Renewal and Pre-

Planned Maintenance (PPM) Schedules, be approved;

(4) the General Fund Capital and Housing Investment Programmes as detailed in section 1.9 of the report, and Appendices 7 parts 1 and 2, together with the funding of both programmes as detailed in Appendices 7 parts 3 and 4, be approved. Changes to the programme are outlined in Appendix 6 to the report;

(5) the allocation of project funding outlined in Section 1.10 in the report and summarised in Appendix 8 to the report, be approved;

(6) the 2024/25 Corporate Property Repair and Planned & Preventative Maintenance (PPM) Programme totalling £2.071m as outlined in Appendix 9 and section 1.12, funded from a drawdown from the Corporate Asset Reserve of up to £1.660m, be approved. Members should also note the 5-year programme presented in the appendix, and how this programme can be accommodated by the Corporate Asset Reserve; and

(7) the recommendations set out in Appendix 10 to the report, CIL Projects List 2024/24 & 2024/25, be approved.

Resolved that

(1) the impact on the Medium-Term Financial Strategy (MTFS) due to changes detailed within the report, how these changes are expected to be accommodated through the delivery of an organisational change programme, due to be presented to Cabinet in March, be noted;

(2) the introduction of the empty property premium charge with effect from 1 April 2024, and the second homes premium charge relating with effect from 1 April 2025, be noted. Both charges relate to Council Tax, and are outlined in section 1.12 in the report; and

(3) the budget setting timetable for 2025/26 will be shared with Cabinet in April, as outlined in section 1.13 in the report, be noted.

(The Portfolio Holder for this item was Councillor Chilvers).
Forward Plan Reference 1,427

85. **Housing Revenue Account (HRA) Budget 2024/25 and Housing Rents Setting Report**

The Cabinet considered a report from the Head of Housing which informed Members on the Council's financial position for the Housing Revenue Account, bringing together the latest and original Budgets for 2023/24 and 2024/25. The report presented a balanced budget for 2024/25 and made recommendations to Members in respect of Council tenant housing rents, garage rents and other HRA charges for 2024/25.

From April 2020, a new National Rent Policy came into effect, which included the ability for Councils to increase rents annually by up to (CPI+1%) at September per annum. The Council would increase rents for Social Rent dwellings by (CPI+1%) at the September 2023 rate of 6.7% + 1%, meaning a total rent increase of 7.7% from April 2024.

After a short consultation, in the Autumn Statement on 17th November 2022 the Chancellor of the Exchequer announced that a one year 7% Rent Cap would be applied in the place of the National Rent Policy, using a Direction to the Regulator of Social Housing and advised this would support people in Social & Affordable Housing in England with the cost of living crisis by limiting the increase in their rents. However, on 4 January 2024, it was announced this would revert to the National Rent Policy (CPI+1%) as detailed above.

Details of current rents and those proposed because of these recommendations were set out in Appendix 1 to the report. It was noted that from April 2016, Target Formula rents were applied when a dwelling became void and re-let, existing tenancies prior to this policy change, continued under the historic rent regime with inflation linked in line with national rent policy. Appendix 1 to the report contained the average rents for both Target Formula Rent and Historic Rent policy dwellings.

A comparison of the Council's proposed 2024/25 rents to Local Market Rents, National Formula Rent Caps and Local Housing Allowance Rents was set out in Appendix 2 to the report. The Council's Social Rents were 42% lower than the Local Average Weekly Market Rent. This meant that the Council's housing service reduced the cost of living for tenants, allowing more money to be spent in the wider economy and reducing the social welfare costs of helping lower income tenants afford their rent.

From April 2016, landlords were permitted to set the base rent as the Target Social Rent (also known as Target Formula Rent) for new Social Tenancies. These tenancies were subject to agreed rental policy to comply with the Welfare Reform and Work Act 2016.

The Council adopted the policy to introduce Target Formula Social Rents on new tenancies issued upon a dwelling becoming void and re-let. This phased approach equated to approximately 400 dwellings per year transferring from the prior social rent policy to Target Formula Rents. Existing tenancies commencing prior to April 2016 would remain on the prior rent policy, with rents being inflated by 7.7% (CPI+1%) for 2024/25, in line with Target Social Rents Dwellings.

New Affordable Housing tenancies within the HRA would continue to have their rents set in line with the National Affordable Housing Rate which was 80% of the Local Market Rent, in line with planning permission and grant approvals from Homes England.

Prior to 2020, existing Affordable Housing tenancies were set at a special “Warwick Affordable Rent” which was a mid-point between Social and Affordable rent. Any existing historic tenancies would continue to pay ‘Warwick Affordable’ rents for the remainder of their tenancy to ensure there were no negative financial implications for existing tenants.

Affordable rents and ‘Warwick Affordable’ rents would be inflated in line with national rent policy at (CPI+1%) at September, meaning total rent increasing to 7.7% from April 2024.

Shared Owners purchased a percentage of the property from the Council and were required to pay rent on the proportion of their home which they did not own.

Shared Ownership rents were currently increased once a year by the Retail Prices Index (RPI+0.5%), meaning the total rent increase from April 2024 would be 5.8%. However, the government recognised that RPI was now an outdated measure of inflation, and was committed to phasing out of usage by the end of the decade.

On 12 October 2023, it was announced that rents for new Shared Owners could instead be increased once a year by no more than the Consumer Prices Index (CPI+1%), meaning a total increase of 7.7% from April 2024. This reform brought Shared Ownership rents into line with the limit that normally applied to annual rent increases in other forms of social housing.

The Council would continue to use lease agreements based on the Homes England template lease for all new shared ownership tenancies which would be increased annually by (CPI+1%), existing Shared Ownerships would remain at (RPI+0.5%).

Garage Rent increases were not governed by National Guidance. In 2020/21 as part of the HRA Rent Setting Report, Cabinet approved Garage Rents to be increased by 10% per year over a five-year period, with following years being inflated by CPI. The Council did not have a formal policy for the setting of rents for garages, but the points below contributed to the decision to increase the rents.

Two different rent charges applied to garages, depending upon whether the renter was an existing WDC tenant or not. There were also parking spaces and cycle sheds which were charged for.

Market Research showed that in the private sector, garages were being marketed in the District with rents ranging from £80-£105 per month, depending on quality and location (local market valuations last reviewed January 2024). The average monthly rent for a Council garage was currently £55.19.

The HRA owned a number of dwellings that were sub-leased to the Council’s General Fund to be used as Temporary Accommodation. The reason for the dwellings being sub-let was that Homelessness was a General Fund function and had to be financed separately from the HRA Ringfence, which meant the HRA could not cross subsidise General Fund costs and vice versa, in line with legislation.

The way Lease Financing worked was that the HRA charged the General Fund an annual lease based on the weekly rent that would be charged for a Temporary Accommodation Dwelling. The General Fund Temporary Accommodation team allocated the Temporary Accommodation tenants and charged them rent, which was then collected and paid into the General Fund. At year end, an internal transfer of this rent was made by the Accountancy Team to enable the General Fund to transfer enough Rent to the HRA to pay for the annual lease charge.

Most of the Temporary Accommodation rent was funded by tenants claiming Housing Benefit due to the nature of the service.

During the 2021/22 Social Housing Rent Regulator's inspection of the HRA Rents, it became apparent that the HRA dwellings being sublet to the General Fund as Temporary Accommodation were deemed to have low rents. Although Temporary Accommodation fell outside of the Social Rent Regulators Remit, it was stated that it was good practice to have an annual rent review in place and a firm inflation policy adopted where the HRA owned the stock being sub-let to the General Fund.

There was no official National Rent Policy where Temporary Accommodation was concerned as providers varied greatly across the sector from B&Bs, hotels, private landlords, Local Authorities and Housing Associations, so one flat rate of rental inflation had not been legislatively applied to this sector.

It was proposed that during the 2023/24 financial year, a full review of the HRA Temporary Accommodation Rents was completed, to comply with the Social Rents Regulator's suggestions, a consultation took place in January 2024 with the Local Benefits Office, where it was discovered rents were significantly undercharged and should be increased to £117.69 for a one-bed property, £147.69 for a two-bed property and £173.08 for a three-bed property.

The lease agreements between the HRA and General Fund would be updated to factor in these new revised rents and an annual agreed inflation policy would be implemented.

In determining the 2024/25 Base Budget, the overriding principle was to budget for the continuation of services at the agreed level. The following adjustments needed to be made from the 2023/24 budgets.

- removal of any non-recurrent (one-off) and temporary items;
- addition of inflation (contractual services and pay only);
- addition of previously agreed growth items;
- addition of unavoidable growth items; and
- inclusion of any identified savings.

The table summarised the figures in Appendix 3 to the report and showed how the 2024/25 HRA base budget had been calculated.

	£
Original Approved Net HRA Surplus 2023/24	**(4,031,100)**
Net Increase in Expenditure	900,800
Net increase in Interest on Borrowing	843,400
Net Increase in Income	(2,561,400)
Original Net HRA Surplus 2024/25	**(4,848,300)**

Key drivers of the change in budgets included:

a. Expenditure - the increase in expenditure of £900,800 included the following:

- increased salary costs in-year, including the Working for Warwick pay award, inflation, offset against an increased vacancy factor.

    - increase on contract inflation on existing contracts. This increase is based on individual contract inflation as per contract;
    - increase income as part of the Fees & Charges revive. The increased fees and charges related to Warwick Response;
    - decrease in the budget required for utility costs. Although utility cost was increasing in the new year, last year's estimate budget was high compared to actual charges in year. A full reconciliation of costs had been completed as part of budget setting, including the inflation charges set by the supplier, which had then reduced the budget to expected cost in the year.

- increase in Depreciation for Equipment, Council Dwellings and other HRA Properties;

- interest on Balances Costs represented the increasing revenue cost borrowing to support the HRA's capital programme year-on-year. The amount of interest that was to be credited or debited to the Housing Revenue Account would vary depending on how the net balances and cashflow of the HRA changed. As the HRA's capital programme had begun to rely on external borrowing in recent financial years, due to interest rates and the Council's overall level of investments (of reserves and balances), this borrowing had been deferred, and the HRA had used 'internal borrowing', for which the interest was paid to the General Fund for that fund's share of the investments foregone. As underlying interest rates had risen since the Original Budget 2023/24 was set, the cost to the HRA had risen. However, given how high long-term PWLB (and other borrowing) rates were, this was still cheaper overall to the HRA than replacing the internal borrowing by external debt. When external borrowing was done by the Council on behalf of the HRA, there would be the external interest costs charged to the HRA, and the 'interest on balances' paid to the General Fund would be reduced by a corresponding amount, depending on interest rate differentials.

b. Income - an increase of Gross Income of £2,561,400 included the following:

- HRA Dwelling Rents Income increasing by £2,278,200 in line with 7.7% increase as per Rent Policy;
- garage rents income increasing £74,200 by 10% as above;
- an increase in Shared Ownership of £13,800 in line with the new policy for new Shared Ownership of (CPI+1;
- an increase of £171,700 in Service Charges in relation to heating, lighting and water cost increases; and
- an increase of £83,000 on Legal Fee income in relation to Right to Buy properties.

A number of assumptions had been made in setting the budgets for 2024/25, including the following:

Inflation had been applied in line with specific guidance for each expenditure type. For instance, the Gas and Electricity inflation had been advised by ESPO the Commercial Energy Broker that the Council bought its energy from. The war between Russia and Ukraine had caused utility costs to increase by huge and unexpected amounts. Price Caps were implemented by central government to protect consumers and businesses from these extreme price rises, but because ESPO Broker provided affordable contracts for the Council, the Caps were a lot higher than the actual usage, so could not be applied.

Other inflation factors such as for the major works had been inflated at between 10-14% depending on the contract, staff costs had been inflated in line with the National Local Government annual pay agreement.

Rents - The base rent budget in the report was a baseline calculated from the 7.7% (CPI+1%) as at September 2023 rate. In 23/24, a rent cap of 7% was applied to social and affordable housing and shared ownership for a period of one year, which meant that the increase in income did not cover the costs of the increased inflation on other operation costs. As mentioned previously, the rent cap had now been lifted, allowing WDC to inflate rents by the National Rent Policy rates of (CPI+1%) for Social and Affordable Housing, (RPI+0.5%) for existing Shared Ownership in 2024/25.

Growth/Income Reductions from unavoidable and previously committed growth had been included in the Base Budget.

In terms of the HRA Capital Investment Reserve, any HRA operational surplus above the amount required to maintain the appropriate HRA working balance of £1.5m was transferred into the HRA Capital Investment Reserve (CIR) to be used on future HRA capital projects. If the costs increased to the point that there was a requirement to draw money out of the CIR, then this was noted in the same place in the Budget Appendix 3.

While the current balance of the HRA CIR was £18.032m as at 1 April 2024 , there were numerous demands on this reserve, particularly from new build development schemes, Climate Change and Fire Safety works. The CIR was also being used to support the Major Repairs Reserve as that had been used in full in recent years to support the ongoing improvement works on the Council's housing stock. The full impact of having to drawdown from the HRA CIR would be documented in the forthcoming HRA Business Plan Report being presented to Cabinet at its meeting in March, but in future years, budgets would need to be adjusted to ensure that there were sufficient surpluses to enable the HRA CIR to continue to be topped up.

In terms of Sheltered Housing Heating, Water and Lighting recharges for 2024/25, the costs for electricity, gas, water, and laundry facilities were provided at some sheltered housing schemes and were recovered as a weekly charge. These utility charges were not eligible for Housing Benefit. Tenants were notified of these charges at the same time as the annual rent increase. Appendix 4 to the report contained the charges for 2024/25 which would commence on the 1 April 2024.

A policy of full cost recovery was adopted in the report to Cabinet "Heating, Lighting and Water Charges 2018/19 – Council Tenants" on 7 February 2018. Recharges were levied to recover costs of electricity, gas, and water supply usage to individual properties within one of the sheltered and the five very sheltered housing schemes.

The costs of maintaining communal laundry facilities were also recharged at those sites benefitting from these facilities under the heading of miscellaneous charges.

Utility costs were reviewed in line with Council contracts to ensure affordability. The gas and electricity used to deliver communal heating and lighting was supplied under the provisions of the Council's energy supply contracts. Other measures such as installing Photovoltaic cells (solar panels) at James Court, Tannery Court and Yeomanry Court in April 2012 assisted with reducing tenants' costs with the electricity generated reducing consumption from the national grid.

The charges necessary to fully recover costs for electricity, gas, water, and laundry facilities in 2024/25 were calculated annually from average consumption over the last three years, updated for current costs such as average void levels, Solar panel feed in tariff income, Biomass Boiler feed in tariff subsidy and adjusted for estimated inflation for the forthcoming year. The use of a three-year adjusted average ensured that seasonal and yearly variations were reflected in the calculation.

The cost of gas and electricity had increased due to the Cost of Living Crisis. The Council's electricity contract was renewed in October 2023 and the gas contract was to be renewed in April 2024. At the end of 2023, prices started stabilise and, in some cases, slightly decrease. As part of these contract renewals, it had been predicted that gas would increase by 15% in the first six months of 2024 and then reduce by 25% in the remaining six months of 2024. Electricity was predicted to reduce by 15% in 2024, meaning gas and electricity remained high for 2024/25.

To protect the general public from the huge increases in energy costs, the Government implemented an Energy Price Guarantee which protected customers from increases in energy costs by limiting the amount suppliers could charge per unit of energy used. It currently brought a typical household energy bill in Great Britain for dual-fuel gas and electricity down to around £1,928 per annum from January 24.

Council tenants were on the ESPO business contract. Therefore, the total charges to be paid by Sheltered Housing tenants for their energy was below this cap noted in Appendix 4 to the report. Depending on the location and the number of bedrooms in the dwelling, the total annual bills ranged from £265.20 - £1,198.60 which at the top end of this range was £729.40 less than the £1,928 Energy Price Cap.

This three-year average cost calculation in Appendix 4 shielded tenants to some extent from the huge increases in gas and electricity bills which had been experienced over the last year. However, in 2024/25 it was also decided to forecast further increases based on a per property basis, percentage increase between 2022/23 to 2023/24, rather than use the previous year's mark up of 200% and 100%. This was a more accurate approach to setting budgets and had helped further reduce charges to tenants.

The total cost to the Council in 2024/25 had been calculated at £229,583.40 for Electricity, Heating, Lighting and Laundry and £39,259.74 for Water. This would be recovered by recharging tenants of applicable Sheltered Housing Schemes with the Service Charges being itemised on Appendix 4 to the report.

In terms of reserves the table at section 1.52 in the report presented the latest summary of available as at 1 April 2023. This reflected uncommitted and non-ring-fenced balances as approved by Cabinet at its meeting in February each financial year. This included estimates of reserve balances through to the 1 April 2028 and was subject to final outturn of the current financial year.

As previously noted, the total balances on HRA Reserves would continue to fall over the coming years, as a result of supporting an ambitious Housing Investment Programme (HIP). This covered the acquisition of new properties, ongoing programmes of replacement components driven by the stock condition survey, and decarbonisation and fire safety works driven by the Council's ambitions and legislation.

In terms of alternatives, the purpose of the report was to produce budgets as determined under the requirements of the Financial Strategy, in line with current Council policies. Any alternative strategies would be the subject of separate reports.

The Council had discretion over the setting of Garage Rents. It would be possible to set Garage Rents higher than those proposed to maximise income. However, significantly higher rents might make garages harder to let and so reduce income. Similarly, rents could also be reduced but this would reduce income to the HRA Budget when it was needed.

When it came to dwellings, the Council did have the discretion to decrease rents for existing tenants. However, following the negative impact of the previous rent policy of a four-year fixed -1% rental income reduction and the negative impact of the Covid-19 Pandemic and then the 7% rent cap not matching inflationary operational costs, any decreases would further reduce the level of income for the HRA, which in turn could impact upon the viability of future projects and business requirements.

In terms of Shared Ownership the Council did not have the discretion to change the rent schedule for existing shared ownership dwellings without permission from Homes England, which was determined by the existing terms of the lease. As noted above, permission to apply the 5.8% in line with the National Rent Policy (RPI+0.5) at November 2023 rate would be sought.

The Council did have the discretion to reduce the heating charges charged back to tenants. In 2024/25, the budget included a reduction of 1/5 of communal gas paid from scheme bills - this was calculated into Appendix 4.

Councillor Wightman proposed the report as laid out.

Recommended to Council that

(1) the proposed increase to rents for all Social & Affordable tenanted dwellings (excluding Shared Ownership) for 2024/25 in line with the Chancellor of the Exchequer's one year 7.7% (CPI+1%) as per the National Rent Policy increases, be approved;

(2) Shared Ownership tenanted dwelling rent increases of 5.8% (RPI+0.5%) for one year in line with advice from the National Housing Federation, be approved;

(3) garage rents for 2024/25 continue to be increased by 10% per year, be approved;

(4) the new Temporary Accommodation rent review noted above, be approved; and

(5) the proposed 2024/25 revenue budget, as detailed in the report, be approved.

Resolved that

(1) the HRA Social dwelling rents for all new tenancies created in 2024/25 continue to be set at Target Social (Formula) Rent for Social rent properties, be noted;

(2) the HRA Affordable dwelling rents for all new tenancies created in 2024/25 continue to be set at the standard National Affordable rent level, be noted;

(3) any new Shared Ownership tenancies will continue to adopt lease agreements based on the revised Homes England template lease with rents increased by (CPI+1%) annually, be noted; and

(4) the Sheltered Housing Heating, Water and Lighting recharges for 2024/25, attached at Appendix 4 to the report, be noted.

(The Portfolio Holder for this item was Councillor Wightman).
Forward Plan Reference 1,428.

Part 2
(Items upon which a decision by the Council was not required)

86. **Complaints Policy**

The Cabinet considered a report from the Head of Governance & Monitoring Officer which brought forward the revised Complaints Policy for Warwick District Council.

The Complaints Policy was last updated in 2009 and since then the handling of complaints had remained largely consistent, even with the introduction of the Housing Ombudsman.

The Complaints by the Council were subject, ultimately, by consideration by one of two Ombudsmen. The Council needed to have consideration of this when setting its policy.

The Housing Ombudsman considered complaints about social housing, including the Councils' role as social landlords, and all other complaints were deferred to the Local Government & Social Care Ombudsman. There were some exclusions to the complaints the Ombudsmen would look at and these were detailed on their respective websites.

While the Council had two Ombudsmen to work it was best to provide a single approach and policy for handling of complaints to ensure consistency of approach in responding to complaints, but equally for ease of understanding by officers and customers.

The Policy had been developed to meet the requirements of the Housing Ombudsman Complaint Handling Policy. In addition to this, it was designed to meet the ambitions set out within the recent consultation on a single complaint handling code by the Local Government & Social Care Ombudsman and the Housing Ombudsman.

There was an exception, within the Policy, to the proposed Code which was the further extension to stage 1 complaint investigation timeline as set out below:

"If an extension beyond this time is required to enable the Council to respond to the complaint fully, this should be agreed by both parties. In relationship to Housing Landlord complaints where agreement over an extension period cannot be reached, the Council will provide the Housing Ombudsman's contact details so the resident can challenge the plan for responding and/or the proposed timeliness of a response".

It was envisaged that within the final complaint handling code this provision would be removed and there would be a maximum of 10 working days plus another 10 working days. However, this provision at present was allowed within Complaint Handling code.

The Cabinet needed to be aware of the significant changes in investigation timelines for complaints. These had been set in line with the intentions of the draft complaint handling code. These would need to see prioritisation for handling of complaints by officers within the Council and additional support for those investigating complaints. Performance against this would be monitored by officers over coming months to identify both service specific and Council wide performance issues or learning.

At present, the complaints policy was owned by the Head of Governance who was also responsible for advising and supporting officers on this policy. The Cabinet had approved additional funding for a new role within the Council, as Policy, Performance and Complaints Manager. This new role was part of the response to the recommendations on the Corporate Peer Challenge of investing in the corporate core.

This new role would be responsible for bringing forward the procedures to deliver the new complaints policy but more importantly the performance monitoring of its effectiveness. This would also include close working with colleagues to ensure the action points from investigations were closed and monitoring of themes within complaints across the Council to share with Senior Leadership Team to act on.

The new role of Policy Performance and Complaints Manager would also undertake the investigation of most Stage 2 complaints. This was a change from present where these were undertaken in turn by senior officers at the Council. It was considered that this new approach would improve consistency. It was important to note their role within this was a high-level review of the Stage 1 investigation and should not require detailed knowledge of each service and policy.

Consideration was given to not bringing the new complaints policy forward until the complaint handling code had been finalised. However, the timeline for this was unknown at the time of writing the report and the review of the complaints policy was needed to bring in-line with the current Housing Ombudsman Complaint Handling Code.

Councillor Davison proposed the report as laid out.

Resolved that

(1) the revised Complaints Policy for Warwick District Council, as set out at Appendix A to the report, to come into force from 1 April 2024, be approved; and

(2) authority be delegated to the Head of Governance & Monitoring Officer in consultation with the Leader and Chair of Overview & Scrutiny Committee to make any revisions to the scheme as a result of the publication of a single Code of Complaint handling by the Local Government & Social Care Ombudsman and Housing Ombudsman.

(The Portfolio Holder for this item was Councillor Davison)
Forward Plan Reference 1,381

87. **Refurbishment and Improvement to Existing Paddling Pools**

The Cabinet considered a report from Safer Communities, Leisure & Environment which outlined a recommended option regarding the future of existing paddling pools in Victoria Park and St Nicholas Park which needed significant annual repair due to problems with the sub-base which had led to unplanned closures and higher than normal costs to maintain. This was projected to continue and likelihood of costs increasing as the pools deteriorated further. The report also outlined the impact of the option and its alternatives on the park and park users.

The paddling pools were located in Victoria Park, Royal Leamington Spa and St. Nicholas Park, Warwick providing water play for toddlers and young children within a fenced area adjacent to the play area at the centre of both parks. The pool area was 79m2 at Victoria Park and 62m2 at St. Nicholas Park.

Both pools were maintained by a local firm, Poolcare, who specialised in installation, maintenance and refurbishment of swimming pools and spas nationwide. They undertook twice daily visits and water checks to ensure ongoing water quality. They also checked the area had no hazards - including glass, within the pool area.

They were both free to use and were open usually from May half-term, through the summer until mid- September. Poolcare estimate that the level of use was approximately 140,000 visits to the paddling pools per annum over the 17-week opening period, with St Nicholas Park being generally busier than Victoria Park. This figure accounted for lower use during term time and poor weather as well as significantly higher use during good weather.

In Victoria Park, the history of the pool and maintenance was incomplete, but the original pool was installed in 1933 and the re-surfacing of the pool in Victoria Park was undertaken in 2018. The pool in St Nicholas Park was installed around the 1930’s and remained a popular attraction. It had not been resurfaced since the changes to make it more accessible were undertaken at least 10 years ago.

The paddling pools were a significant cost to the Council on an annual basis and the cost of the additional repairs on top of the annual maintenance cost was increasingly prohibitive.

Every year since 2021, surface repairs had been needed to the pool in Victoria Park. These were caused by a failure in the substructure of the pool plus cracks and leaks due to the age of the pool, as set out in Appendix 1 to the report.

This year, St. Nicholas Park paddling pool was closed at the start of the year due to pipes bursting the day before it was due to open. Victoria Park Paddling Pool had to close part way through the year as the original surface repairs failed and it had to be repaired.

Inspection of the facility and a report providing feedback from the pool maintenance service provider (Poolcare) led officers to conclude that the pools could no longer be sustained with short term repair but required wholesale replacement including a new subbase, pump, and filtration equipment replacement. This was provided in Appendix 2 to the report.

To run the paddling pool in spring/summer 2024, the contractors had advised that there was a high likelihood of closures during the season and that frosts from the winter could cause cracking in the concrete of the pool, to the point the pools were unable to open unless significant repairs were undertaken delaying opening.

For the opening of the pool an extra estimated £10,000 was needed, in addition to the increasing annual maintenance costs to undertake preventative repair works to the cracks and failures in the pool surfacing before the pools could open. Whilst this repair work would allow the operation of the pools for the summer season, users would need to wear shoes in the pool to prevent scrapes and cuts from the surfacing.

To enable an assessment of the anticipated costs and an understanding of the implications of the recommendations, the existing provider Poolcare were approached to provide indicative figures for various options for the paddling pools. The costs for the recommended option were in confidential Appendix 4 to the report, they included a contingency of 15% added to allow for variation and unexpected additions during the planning and procurement process.

The current level of usage of water and electricity was unclear due to single billing of both water and electricity for the whole park. However, one of the criteria of assessment would be the energy efficiency and water in the procurement process to ensure it met the goals of the Council’s corporate strategy.

It was proposed for both parks that the area of the paddling pools were refurbished and upgraded to continue to provide a free family activity in the parks.

All prices quoted within the report were based on works being completed in Spring 2024. However, given that the repairs would take several months to complete and there would be a need to go through procurement processes and gain planning permission, it was likely that the earliest the works would be undertaken in late September 2024.

Following an evaluation of the risks, usage and condition Victoria Park Paddling pool renovation had been prioritised over St Nicholas Park due to concerns of water loss and further closures from surfaces failures. The water loss could not be mitigated by remedial works as the failure was inherent to the pool structure. Alongside the media team, this would be conveyed to the public by a communications plan to support the recommendations and improvement work as it progressed and mitigated negative public relations.

The contractual timescales required a significant lead time to book in the services of companies that undertook this type of specialist work. In addition to procurement processes and the need for planning permission, it was unlikely that this would be able to be accommodated prior to Autumn 2024.

Accordingly, for Summer 2024 it would be necessary to do the additional limited repairs (estimated £10,000 above the existing maintenance budget) or remain closed until after the renovations (Spring 2025).
There was an option of not undertaking any further repairs to either of the pools, leaving them inactive until they were fully repaired. This would mean no paddling pool provision for 2024/25. This would result in saving of the cost of the maintenance contract for both pools plus the additional maintenance and required staffing costs for the year of 2024/5. There was the risk of reputational harm if the paddling pools were not operational in 2024. However, there could be increased Health, Safety and Insurance risks if the pools were opened.

Once the procurement exercise had been undertaken, officers would seek a contract or who could undertake the work over two financial years. The costs for St. Nicholas Park were currently unfunded and at this time procurement exercise for the works could not be procured.

Officers had explored four alternative options for the future of the paddling pools (which were set out in Appendix 3 to the report) to the preferred recommended option to refurbish and upgrade the existing paddling pools.

These were:

- Refurbishment of the existing paddling pool provision only.
- Removal of the existing paddling pool and replacement with water play only.
- No paddling pool provision within the park setting and change the area into different features for the park. I.e., a sensory garden in Victoria Park and a toddler play area in St. Nicholas Park.
- Ongoing repair of the existing pools (costs unknown).

Information relating to the costings and a cost comparison with the recommendation option of repair and improvement were set out in confidential Appendix item 4 to the report.

Appendix 2 to the report provided a report from Poolcare on the current issues at each location and advice on the action needed for the pools to remain active.

Victoria Park

The paddling pool was a stark area which was visually discordant with the surrounding park setting. The irregularly shaped paddling pool was inset and surrounded by hardstanding around the pool area which was enclosed by fencing with access from the park side (not the riverside path). There was no access from the adjacent play area directly to the pool area.

The pool had a large filtration system and pump, however, the sandy subbase beneath the pool was failing. Each year the pool lost more water and required it to be constantly topped up throughout the season. The pool required additional large volumes of water to be added beyond this, which the contractor's action on their daily visits.

In 2022, repairs were required before the pool opened in the spring, but movement from the substructure meant there was a repeated failure within one to two weeks. In 2023, a problem was identified with the pipework, which during pressure treatment was shown to be leaking.

St Nicholas Park

The paddling pool in St Nicholas Park had been regraded to be more accessible using a fibre glass base. The edges were sloped, and the surfacing used a slip resistant paint. This surface had caused cuts and scratches especially when slips happened due to the sloped edges.

It had previously had two fountains added for additional play value and they were how treated water was added to the pool area. There were no other means of adding water to the water body. The pool area was surrounded by hardstanding, and the pump equipment room was located between the adjacent play area and the paddling pool.

The body of water in the pool was small for the level of use it received. This impacted on the water quality. The contractor needed to maintain a careful balance between water cleanliness and chemical concentration added to the water. Currently the maintenance of water quality was a significant concern.

The pump and filter were domestic sized and were not considered to be fit for commercial purpose. The pump failed repeatedly on busy days, and this had significant impact on water quality. Failures of water quality led to paddling pool closures at peak usage and when demand was highest.

The park user survey in Victoria Park was undertaken in Summer 2023 as part of the ongoing management of the parks, as well as to understand the impact of the Commonwealth Games and the associated investment which had occurred. This had allowed a clear understanding of the value given to all the facilities in the park and where further improvements could be made.

There has been no equivalent park user survey undertaken in St. Nicholas

Park to date.

Visiting the play area/paddling pool was the highest reason for visiting the park along with going for a walk/stroll and getting fresh air. 59% of people rated the paddling pool as good or excellent which given the condition of the pool and the recent closures indicated how favourably the facility was considered by the park users. However, this was compared to 94% for the play area and 95% for the bowling greens.

The water play provision within the park was a special offer which differed from the play equipment which could be found on a smaller scale locally. It provided an opportunity for water play in an imaginative and social way, as well as learning the early basics of water safety.

The facilities were available for park users free of charge. This was a significant benefit for families seeking a no-cost activity.

During the open season of summer of 2023, the paddling pool in Victoria Park and St Nicholas Park needed to be closed for repairs and led to criticism of the Council on social media platforms for the Councils management of the asset and the facilities not being available for families to use during the school holidays.

The proposed option was to refurbish and upgrade both the existing paddling pool provision and improve the paddling pool area.

This option renovated the paddling pools and the proposal included a new pool shell, non-slip surfacing, installing a new pool surround, improving the pipework and filter vessel, and replacement of the control panel.

The option would also include further improvements to enhance the facility based on the feedback received. It was recommended that the area around both paddling pools were improved as well as the pool structure itself in a way that responded to the needs of families in the following ways as part of the ongoing improvements to parks and park facilities.

- Jets and fountains.
- Benches around the external fenced area for parents.
- Provision of shade with removable sails or free-standing shade structures.
- Improvement in the surfacing around the exterior of the pool area.

The estimated costs of these were set out in confidential Appendix 4 to the report.

Within the Victoria Park survey, a specific question was asked to gauge what kind of improvements would be supported. The results stated that jets and fountains added to the existing area to improve play value received 61% support, provision of shade (59% support) and more benches for parents to use whilst supervising children in the pool area (57% support).

2023 Victoria Park Survey Results	Yes	No	No opinion
More benches		5%	37%

Provision of shade	59%	5%	35%
Changing screen	33%	17%	50%
Adding other water play features - e.g., jets, fountains	61%	11%	28%
Change of design from a pool to a splash pad	23%	32%	45%

A changing screen was not well received (33% support). Comments regarding the roughness of the non-slip surfacing applied were raised in the feedback comments, with incidents of scrapes and the surface being abrasive to children. The proposal included changing to a non-slip tiled surface.

Within the indicative quotations obtained an improvement in the surfacing around the pool area had been included with a stone resin or rubber resin quoted as an alternative to tarmac to improve the aesthetic value of the spaces. Initial indications advised that a cannon style water feature controlled independently of filtration and could be operated by a timing system (based on works to be completed in spring 2023).

This option would require planning permission to implement. Should this option be agreed, a formal procurement process and planning process would need to be implemented.

A contract would still be required for water testing and quality as well as checks for any glass or trip hazards. The ongoing contract cost was estimated to be more equivalent to cost incurred in 2021 with reduced need to visit the site as frequently to top up water levels and equipment.

To supervise the paddling pools over the summer season (20 May - 15 September between 10.00am and 6.00pm), an exercise had been undertaken to get an idea of the approximate cost for staffing. This was estimated at approximately £20,000.

The staff would undertake checks that children were wearing shoes to limit cuts and abrasions, water quality checks and hazard checks, further reducing the costs of the maintenance contract as well as monitoring capacity.

With staffing in place, there was potential for charging for paddling pool usage. The potential level of income from this was difficult to gauge as there was no clear usage data for the paddling pools. It was estimated that there were 140,000 users, a figure provided by Poolcare, additionally in the survey no data was collected on whether a pay per user scheme would be accepted.

Councillor Roberts proposed the report as laid out.

Resolved that

(1) the condition of the existing paddling pools in Victoria Park, and St Nicholas Park and the need for extensive repairs, be noted;

(2) Victoria Paddling Pool is closed this summer and St. Nicholas Park will open (subject to the completion of the necessary safety works further health and safety evaluation, and should this necessitate the decision to close the paddling pool the decision will be undertaken by the Head of Service in consultation with the Portfolio Holder for Neighbourhood and Green Spaces;

(3) the following be agreed:

(a) an additional £10,000 for temporary repair of the paddling pool at St Nicholas Park, funded through the budget core settlement (as set out within the budget report to Cabinet);

(b) the reallocation of savings made by the closure of Victoria Park paddling pool for staffing of St Nicholas Park Paddling Pool for 2024;

(c) any underspend from these be reported as part of the quarterly budget updates;

(4) officers to progress a project for the renovations of the existing paddling pool provision in Victoria Park and St Nicholas Park including refurbished and upgraded with improvements to the paddling pool area, be noted;

(5) the renovation of Victoria Park Paddling, starting in September 2024, pool not exceeding the value set out in Confidential Appendix 5, that includes a 15% contingency funded from the Corporate Assets Reserve, be agreed; and

(6) officers to seek external funding to help fund the renovations required at St Nicholas Park Warwick and bring forward a proposal for this to a future meeting

(The Portfolio Holder for this item was Councillor Roberts)
Forward Plan Reference 1,415

88. **Packmores Community Centre Update**

The Cabinet considered a report from Housing which sought agreement for the following:

- The use of the land within or adjacent to Priory Pools Park, Warwick as shown at Appendix 1 to the report as the agreed location for a new centre for the Packmores area of Warwick and that a lease for 199 years be provided accordingly at a peppercorn.

- The creation of a Charitable Incorporated Organisation (CIO) which would work in partnership with The Gap to run the proposed new centre.

- The extension of the current Grant/Service Level Agreement with the Gap for an additional three years.

- The release of funds to the Gap to help progress the scheme to Royal Institute of British Architects (RIBA) stage 3.

- To note the proposed draft timetable for delivery of the scheme

In 2007, a repurposed space in the basement of Sussex Court flats owned by Warwick District Council (WDC) was opened to provide residents with access to community support services. This was initially supported by the Council's Community Development team. However, in 2015, the Council Commissioned Warwick Percy Estate Community Projects Limited (known as The Gap) was established to deliver support services for residents living in the Packmores and Cape area of Warwick. The target groups were primarily older people, young people not in education, employment or training (NEETs) and disadvantaged families.

The Gap had been responsible for delivering services within the Warwick West Area (including the Packmores) for the last eight years and the long-term purpose for the community hub was to develop a sustainable facility that supported the local community whilst also having the capacity to support those living further afield. This approach included providing access to local services, facilitating social connections, reducing isolation, and promoting wellbeing.

The existing centre was much smaller than other Community Centres elsewhere in the District. However, despite the current size limitations, it had and continued to provide essential support services for the local community. There was, however, a need to develop new provision due to the following challenges:

- Issues regarding space and capacity.

- The building was no longer fit for purposes due to increased demand for local community support.

- A need for outdoor space (particularly in post pandemic world and relevance of how use of green space improved wellbeing).

- The facilities did not align with the level of need in the area, particularly in comparison to newer services in other new local communities.

- Covid recovery had the potential to increase demand for local services and adapt to new and emerging needs.

At its September 2023 meeting the Cabinet agreed the following:

(1) That Cabinet supported in principle the Packmores Project and agreed that a business case be produced for further consideration by Cabinet.

(2) That Cabinet supported, as part of the production of the Business Case, the work to identify match funding for the project.

(3) That Cabinet approved the proposed partnership and governance arrangements for the project outlined in Appendix 2 to the report.

(4) That Cabinet agreed to undertake exploration work including technical surveys to assess the suitability of a site identified within or adjacent to Priory Pools Park (shown on Appendix 1 to the report) as a potential location for a new Centre for the Packmores area in Warwick.

(5) That Cabinet agreed up to £25,000 by way of a grant to The Gap, funded from the Councils New Homes Bonus Allocations, to carry out exploratory survey work including: Geointegrity, CCTV, drainage & condition, arboriculture, ecological appraisal, Landscape Architect, topographical, site infrastructure and utilities and tree surveys.

That report also set out the next steps for the projects as being:

- Completion of the surveys.
- Completion of the Business Case.
- Agreement to a funding strategy.
- Agreement to how the facility would be managed going forward.

All of the above steps, plus public consultation, would need to be undertaken before an application for planning permission could be made and before WDC was able to give formal consent as a landlord and to drawdown the rest of the allotted funds for this scheme. However, to achieve these next steps, a number of issues needed a steer for and support from the Council.

Since September 2023, a Project Delivery Group (PDG) had been established to provide practical and operational support to progress the business case, complete the specific site surveys to clarify where the building exactly should be located, taking account of a lot of site-specific issues bearing in mind the sensitivity of the area. The PDG had also taken responsibility for coming up with proposals for the structure to run the centre, the identification of funding and most importantly the communication and involvement of residents in the development of the centre.

The project board had also been established and met for the first time on 9 November 2023. The board involved, representatives of residents, local Councillors from all three Local Authorities, and officer representatives from WDC Housing and Green Spaces teams as well as representatives from the Gap and King Henry VIII Endowed Trust. The board meeting was followed up with a site visit on 29 November 2023 to the Priory Pools Parks to view the potential locations in person. Plan 1, shown in Appendix 1 to the report, illustrated the proposed general location of the new community centre given the information available to date and as assessed by the site visit. The precise location would need more survey work to be confirmed and the steps be taken to design it to RIBA stage 3. During that process it would involve local community consultation to help inform the specific design. It would, of course, require planning permission.

The project board was aware of WDC's emerging Net Zero Carbon Planning Policy and would ensure this was the minimum standard applied to the design and performance of the building. However, subject to an assessment of cost, it was intended to go beyond this to deliver a scheme that would not only minimise operational carbon but would also minimise operational costs for the building's operators. In preparing the RIBA Stage 3 report, the designers would be expected to take account the Council's aspirational building standards currently being prepared and therefore liaison with the Programme Director for Climate Change during the RIBA stage 3 work, would be necessary.

Regarding biodiversity, there were opportunities using adjoining land owned by WDC to offset and enhance biodiversity and this would form part of the proposals as would opportunities to enhance access to other areas nearby e.g. allotments. The land identified was WDC General Fund, though the parking would require the existing Housing Revenue Account (HRA) garages to be demolished. The cost of taking the plans to RIBA stage 3 was £48,344 (+VAT) and it was proposed to be financed from the £225k allocated for 2024/25 by way of a grant to The Gap.

At that meeting, a paper on the proposed options for a new governance structure for the new centre was also discussed (see Appendix 2 to the report) and it was agreed to progress option C by creating a new Charitable Incorporated Organisation (CIO) to work in partnership with The Gap (see Appendix 3 to the report). WDC would also need to be prepared to agree to lease the land proposed to be used at a peppercorn to the proposed CIO to enable the organization to raise the funds from other entities. If supported, work would be undertaken to formally register the CIO. There would need to be a Memorandum of Understanding between the CIO and The Gap.

However, there was a complication in this approach in that it relied upon the Gap as a partner organisation to effectively run the facility (at least initially) and when bidding for funds to be the community organisation with a track record. However, the Gap's current contract with WDC would out in June 2026 and at this stage it would not be known who the successful re-tenderer would be. That could be addressed by the Council being willing to extend the Gap's contract by another three years at the current budget allocation (so no more money than was currently budgeted). That would require the Council to waive the procurement code of practice to enable this to occur.

The proposed draft timetable for the project to the point of delivery was set out at Appendix 4 to the report, to be noted as it required further discussion and agreement by the project board.

In terms of alternative options, the Cabinet could decide against any or, all of the recommendations. To do so would hinder the progression of the community facility for the Packmores Community who had been waiting for many years.

Appendix 2 to the report set out other options that were considered for the future governance of the community centre. The Project Board unanimously supported the option proposed in the paper.

Other funding would be required if the Council chose not to enable the drawdown to take the project onto the next step. There was none immediately available from other sources. Experience of other community projects demonstrated that an initial investment to get the "ball" rolling did lead to other bodies investing in such schemes.

The Council had already agreed in principle to the general location, though the terms need to be agreed in detail.

The extension of the Gaps' SLA could be refused but this would create a very difficult situation for the future running of and the bidding for funds, for the proposed new community centre.

Councillor Sinnott proposed the report as laid out.

Resolved that

(1) the general location for a new centre for the Packmores area of Warwick as shown at plan 1, Appendix 1 to the report, be agreed;

(2) the creation of a Charitable Incorporated Organisation (CIO), be agreed, and that in principle a lease is provided on a peppercorn basis for a period of 199 years for the site illustrated on plan 1 at Appendix 1 to the report, subject to the submission of, a full business case and plan;

(3) the existing Service Level Agreement with the Gap is extended from July 2026 until June 2029 subject to the submission and agreement to a full business case and plan, be agreed;

(4) £48,344 (+VAT) is provided as a grant for the Gap, funded from the Council's New Homes Bonus Allocation to progress the proposed Scheme to Royal Institute of British Architects

(RIBA) stage 3, be agreed; and

(5) the high-level daft timetable at Appendix 4 to the report for progressing the scheme, be noted.

(The Portfolio Holder for this item was Councillor Sinnott)
Forward Plan Reference 1,412

89. **Protection of Ground Nesting Birds, St Mary's Lands, Warwick**

The Cabinet considered a report from the Chief Executive which set out reports back from a two-year trial on measures to protect ground nesting birds on St Mary's Lands, Warwick, and proposed options for the future. This report sought approval for the next steps.

Part of the St Mary's Lands open space in Warwick had been used by protected ground nesting birds but given the continuing decline in those species e.g. skylarks, it was agreed that measures should be introduced to help protect them from disturbance during their breeding and nesting season. This took the form of temporary barriers to prevent people and dogs from entering over the breeding season – February to August each year. This had caused some controversy but also support. In February 2022, the then Cabinet agreed the following resolution:

1. the ecologist's report commissioned by the Council, the comments of the Friends of St Mary's Lands (FoSML) and those of other groups (Appendices 2, 3, 3a and 4 to the report) be noted;

2. the continuation of the protection measures as set out in Plan 1 be agreed, and be implemented and be continued for a further two years, then subject to a full evaluation and review;

3. authority be delegated to the Chief Executive and the Leisure Culture and Tourism Portfolio Holder to agree the revised terms of reference for the St Mary's Lands Working Party attached at Appendix 5 to the report, subject to a prior meeting of the working party;

4. A detailed report be brought to the Cabinet regarding the position where in a Working Party's or Partnership's agreed terms of reference, all organisations participating or working with the Council on projects or partnerships, for example, such as the St Mary's Lands Working Party (SMLWP) are asked to disclose their governance arrangements to ensure that they are open and transparent, and that non-disclosure of such arrangements will mean that such groups may therefore be excluded from participation; and,

5. A further report on how the SMLWP engages with the wider community be brought forward for consideration.

Since then, the measures had been carried out for the period February to August in 2022 and in 2023. An ecologist's study was commissioned to evaluate the impact of the measures and that was attached as Appendix 1 to the report. In summary the study concluded that:

i. skylark numbers were improving, showing a steady gain; and

ii. the area north of the Public Right of Way was not a popular location and the fencing should consider the area to the south instead – see plan 1 in Appendix 2 to the report.

The ecologist’s view was that unless there were other wildlife / management gains of installing permanent fencing, it seemed too early to commit to that cost. She would prefer to continue with the temporary fencing in the alternative location and re-visit in a further two years.

The options to be considered included:

a) do nothing / end the trial;
b) continue with a modified area of fencing for a further two years;
c) continue with a fenced area and include the larger area with roping off and signage only (so the Council could test how effective ‘good behaviour’ approaches might be alongside a fenced area); or
d) move to a permanently fenced off area that was seasonally open with permanent signage and bird watching spots along a ‘Skylark Trail’.

As arrangements needed to be put in place in February for the season to August, and as work priority has lain elsewhere meaning there had, as yet, been no opportunity to undertake any wider consultation on the next steps it was proposed that the Council continued with a modified area as shown on Plan 1 in Appendix 2 to the report for a further two years and then undertake a wider consultation.

The consultation process could involve the following approaches:

a) an online survey setting out the improvements in breeding bird populations and what the problems were with a range of measures, including permanent fencing with seasonal access and the creation of the skylark trail with lookout points and wildlife interpretation. The danger here was that the FoSML might canvass negative responses to skewer the outcome and demand the results via a FoIR;
b) a second option would be to hold an event on the Common during the trial period with some play value attached to it (wildlife colouring books, mini-beast trail etc) to try and attract a broader demographic); or
c) a third option might be more of a ‘meet the expert’ nature walk and talk with an opportunity to learn more about the local wildlife from two or three wildlife experts such as the RSPB and Warwickshire Wildlife Trust. The walk and talk could be promoted in the local press but potentially ran the risk of being high-jacked, but at least this option was more informally recorded than a survey.

Of course, it could involve elements of all three approaches. Members feedback on these approaches would be welcome.

In terms of alternative options, Members might have taken a differing view on the risks identified, on the ratings attributed or the mitigations, and might have felt that they wished to indicate changes to be made.

Councillor Roberts proposed the report as laid out.

Resolved that

(1) the ecologists report and recommendations and continuation with the protection measures for another two years, but with the amended area as shown on Plan 1 in Appendix 2 to the report, be noted;

(2) officers to commission a follow up ecologist's study on the proposed further two-year trial, to undertake a consultation with appropriate bodies and the local community, and to report back to Cabinet on the outcome of those measures and the consultation before February 2026; and

(3) the cost of £2,000 for the fencing per annum from the existing budget, and £3,000 for the ecologist work, be approved.

(The Portfolio Holder for this item was Councillor Roberts)
Forward Plan Reference 1,424

90. BetterPoints 'Choose How You Move' Sustainable Travel Incentive-Contract Extension

The Cabinet considered a report from Climate Change which sought approval to extend the current contract with BetterPoints from 8 May 2024 to 8 November 2024, with a total cost for extending the contract being £17375 + VAT and which would be funded by the Climate Change Action Fund.

BetterPoints was a sustainable travel initiative that aimed to encourage residents of Warwick District to travel in a sustainable fashion (e.g., walking, cycling, public transport). Users of the smartphone app tracked their sustainable journeys and received BetterPoints in return, which could be exchanged for rewards. These included money-off vouchers for local businesses and gift cards for national businesses. Points could also be donated to local charities.

The platform also ran partnerships with various local events and businesses at different times of the year to offer limited-time rewards and prizes. Users who travelled sustainably to a partnered event usually received 1000 extra BetterPoints, and partnered businesses would usually give a sponsored prize, to be won by any user who completed a sustainable journey in a certain time window.

Warwick District Council's contract with BetterPoints was currently in a period of extension (August 2023 - May 2024). It was funded by the Climate Change Action Plan Budget. The proposed recommended extension between May and November 2024 would continue the relationship with Better Points within the permitted financial exemption parameters and provide the opportunity to consider the longer-term options for the initiative. A further report would be brought to WDC's Cabinet Committee in Quarter 3 of 2024/25 that would recommend that WDC build on the work undertaken over the last four years and procure through open competition a similar contract lasting an appropriate number of years to provide value for money and stability. The extension time between May and November 2024 would be used to plan what sort of contract would be optimal going forward.

Warwick District Council had used BetterPoints to engage with Warwick District residents and encourage them to travel in a sustainable fashion. The work focused both on sustainable travel to meet the Council's Climate Change ambitions, and on the Council's Health and Well-Being agenda. The scheme aimed to mitigate the climate emergency by reducing traffic congestion in key areas around the District (including high-volume areas like town centres), to improve the air quality of the area by reducing the emissions released each day, and to engage with local businesses. Equally, by engaging with local health prescribers both internally and externally the initiative could drive forward the Council's Health and Wellbeing agenda.

A Year Two evaluation report for August 2022 - August 2023 was attached as Appendix 1 to the report. A summary of the statistics could be found in Section 1.6 in the report alongside the promotions run throughout the past year in Section 1.7 in the report.

Statistics for Warwick District from 1 July - 18 December 2023 included; 221 users that had downloaded the app, bringing the total number of participants that had downloaded the app since the beginning of WDC's contractual relationship with BetterPoints to 1842 (approximately a 60% increase on Year 1); 66785kg C02 avoided; 293597 miles travelled sustainably and a 31% engagement rate on average (from August - December 2023), which was well above the industry average of 5.7% after 30 days. Any user who was active (records at least one trip per month) was said to be engaged and therefore became part of the engagement rate - so 31% of all registered users recorded at least one trip per month. In the "Choose How You Move" Warwick District (CHYMW) Exit Survey for 2023, 130 of 226 participants either agreed or strongly agreed that they were less likely to use a car because of using the BetterPoints app.

Seven local businesses were available on the app from August 2022 - August 2023. Four major events (including EcoFest) had partnered with the scheme and ten app-based promotions, nine of which included prizes, had been offered.

Following on from the evaluation report referenced in Section 1.5 in the report, therefore suggested that the Council should build on the recommendations and extend the contract with BetterPoints until November 2024. This would be achieved via a procurement exemption.

If the permission for the extension between May and November 2024 was granted, there would be Key Performance Indicators (KPI's) agreed for the contract and these would be used to facilitate a review of the relationship that WDC had had with BetterPoints over the last four or so years. This review could then help with a decision as to whether to continue with another contract post November 2024.

A more detailed summary of what the app did could be found in Appendix 2 to the report.

As part of the ongoing promotion of BetterPoints WDC engaged with schools. As an example, WDC worked with Simon Storey who ran the Whitnash Bicycle Bus and the Head Teachers of three Whitnash Primary Schools to promote cycling to school and offered up book vouchers as prizes to the school that recorded the most cycling miles over the prescribed period. The Council had worked with Myton School to produce incentive schemes for sustainable travel and alongside Clean Air Warwick and WDC's Air Quality Officer partnered with Coton End School to promote sustainable travel using quizzes.

WDC were currently working with Warwickshire County Council's Road Safety Education and Safe and Active Travel teams, as well as Kenilworth Town Council (KTC) to promote BetterPoints through a Clean Air Day event in June 2024. Alongside the author of the report, WDC's Air Quality Officer and representatives of KTC, colleagues from WCC had been invited to be involved in a Working Group that was organising the event and it would involve approaching local schools, using BetterPoints as an incentive to think about sustainable travel in a similar way potentially to the way the Council had engaged with the Whitnash Schools mentioned above.

The Council had also been engaging with the Leamington Primary Care Network (PCN) social prescribing and lifestyle clinic lead, to provide Better Points promotional material within GP Surgeries and Health Centres within the area.

In terms of alternative options, Members could decide not to extend the contract and pause the relationship WDC had with BetterPoints and instead provided funding to a Bicycle Mayor, recognised by the global Bicycle Mayor Network (BYCS).

Councillor Davison proposed the report as laid out.

Resolved that

(1) a six-month extension to the contract with BetterPoints, after which a further report will be brought to Cabinet to consider the most effective means to utilise spending on Active Travel, as suggested in Section two of this report, be approved;

(2) an exemption from the code of procurement practice to enable the extension of the contract for a further six months between May and

November 2024, making the total contract value £17375+VAT, be agreed; and

(3) authority be delegated to Programme Director for Climate Change to approve and sign the Service Level Agreement between Warwick District Council and BetterPoints in line with Council Policy.

(The Portfolio Holder for this item was Councillor Davison)
Forward Plan Reference 1,402

91. **Public and Press**

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

Minutes Numbers	Paragraph Numbers	Reason
92, 93	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

92. **Confidential Appendix to Item 9 - Refurbishment and Improvement to Existing Paddling Pools**

The confidential appendix was noted.

93. **Minutes**

The confidential minutes of the 6 December 2023 Cabinet meeting were taken as read and signed by the Chairman as a correct record.

(The meeting ended at 7.00pm)

CHAIR
6 March 2024