

Cabinet

Minutes of the meeting held on Thursday 17 October 2024 in Shire Hall, Warwick at 6.00pm.

Present: Councillors Davison (Leader), Adkins, Chilvers, King, Melrose, Roberts, Sinnott, and Williams.

Also Present: Councillors: Milton (Chair of Overview & Scrutiny Committee), Day (Conservative Group Observer), and Boad (Liberal Democrat Group Observer).

53. **Apologies for Absence**

Apologies for absence were received from Councillor Billiald.

54. **Declarations of Interest**

There were no declarations of interest.

55. **Minutes**

The minutes of the 4 September 2024 meeting were approved and signed by the Chairman as a correct record.

Part 1

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

56. **Fees and Charges**

The Cabinet considered a report from Finance which detailed the proposals for discretionary Fees and Charges in respect of the 2025 calendar year. It also showed the latest Fees and Charges 2024/25 income budgets, initial 2025/26 budgets and the actual out-turn for 2023/24.

The Council was required to update its Fees and Charges in order that the impact of any changes can be fed into the setting of the budget for 2025/26. Discretionary Fees and Charges for the forthcoming calendar year had to be approved by Council.

In accordance with the Financial Strategy and Code of Financial Practice it was appropriate to consider certain other factors when deciding what the Council's Fees and Charges should be such as:

- the impact of the Fees and Charges levels on delivery of the Council's Corporate Strategy;
- the level of prices the market could bear including comparisons with neighbouring and other Local Authorities;
- the level of prices to be sufficient to recover the cost of the service and the impact on Council Finances, where this was not the case;
- the impact of prices on level of usage;
- the impact on the Council's future financial projections within the Medium-Term Financial Strategy.

- Ensuring that fees, particularly those relating to licensing, reflect the current legislation. The regulatory manager had to ensure that the fees charged should only reflect the amount of officer time and associated costs needed to administer them;
- whether a service was subject to competition from the private sector, such as Building Control. This service had to ensure that charges set remain competitive within the market;
- income generated from services including Building control, land charges and licensing was excluded from the Medium-Term Financial Strategy and was managed through ring-fenced accounts, due to the legislation and criteria under which they operated; and
- management of the Council's Leisure Centres was by Everyone Active. The contract definition stated that 'The Contractor shall review the core products and prices in September of each year and submit any proposed changes to the Authority for approval (the "Fees and Charges Report")'. RPI from June was used to set the core fees and charges in agreement with the Councils designated officer, the Sports and Leisure Manager. RPI in June 2024 presented an annual inflation rate of 2.9%. Appendix C to the report outlined the core fees.

An assumption underpinning the Council's Medium Term Financial Strategy (MTFS) was that Fees income would be increased by 10% per annum until 2027/28. Managers had been challenged on ensuring income maximisation and cost recovery where appropriate and had provided commentary on the rationale behind some of the charges highlighted in Appendix B to the report.

As part of a review into the longer-term viability of this assumption within the MTFS first introduced at Budget setting 2023/24, an external review of WDC's fees and charges was commissioned in May 2024.

The review had been carried out by Commercial Gov and had focused on ten key areas of Fees and Charges. The findings of the review had been shared with service managers.

The review by Commercial Gov had been assessed by service managers, with either the recommendations implemented in full, or reasoning provided as to why adopting these as outlined is either not viable or recommended.

Commercial Gov benchmarking indicated that while a 10% increase in fee income could be achieved for 2025/26 (if all recommendations were adopted), ongoing increases of 10% per annum thereafter would be increasingly difficult to deliver. Commercial Gov's recommended approach for future years would see the Council adopt a fees and charges policy which tracked more closely to CPI. This indicated a substantial gap that would need to be addressed in the context of the MTFS as part of the 2025/26 budget process.

In addition to the work carried out by Commercial Gov, historical fees and charges data had been analysed to see:

- whether prior year targets had been achieved in setting budgets;

- how actual income generated compared with the original budget set;
- how the budget target compared with CPI; and
- how significant new fees introduced (such as green waste charging) impacted upon the delivery of budget target and actual income received.

Appendix D to the report provided a summary of this analysis, covering the period 2019-20 to 2024-25. From the summary, in years where a fee target was set at a level above CPI, unless there was a significant new charge introduced, the budget approved fell short of the target. However, the budget set was always above that year's CPI.

	19/20	20/21	21/22	22/23	23/24	24/25
CPI	2.40%	1.70%	0.50%	3.10%	10.10%	6.70%
MTFS target	2%	3.00%	15.00%	15.00%	15.00%	10.00%
Budget Increase	4.00%	5.14%	5.58%	3.33%	27.65%	8.02%
Budget Increase (exc. significant new charges)	4.00%	5.14%	5.58%	2.51%	8.75%	8.28%

However, in all years the actual income generated from fees and charges on general fund services fell short of the budget set.

	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000
Budget	7,058	7,421	7,835	8,096	10,334
Actual	6,647	6,584	7,545	7,561	9,973
Variance	-5.83%	-11.27%	-3.70%	-6.60%	-3.50%
Variance (excluding significant new charges)	-5.83%	-11.27%	-3.70%	-15.22%	-3.73%

It should be noted that the period covered by this review included years where there was a direct impact from COVID-19. The Council's response to the pandemic, driven by the loss of significant income sources (at times due to national policy such as lockdowns), could be seen in the fee targets set (15%) and the fall in actual income received (in 2020/21 and 2021/22).

With inflation (CPI) in August 2024 at 2.2%, with a national target of 2%, this reinforced the Commercial Gov benchmarking data that a year on year 10% increase would be unlikely to be achieved.

Importance should therefore be placed on how service demand and delivery was maximised to achieve the MTFS assumptions rather than on a reliance of above inflation fee increases, which might not even be possible for fees regulated by cost recovery or those set within a competitive commercial environment. Cabinet expected proposals to continue to come forward to the Change Programme to deliver services in a way that delivered better outcomes and value for money for the public.

Alternative options would be:

- leave all fees and charges at 2024 levels or increase at a reduced level. This would increase the level of savings to be found through the Change Programme over the next five years, unless additional activity could be generated to offset this;
- implement all Commercial Gov recommendations in full. The proposals put forward by the review suggested that £599k of additional income could be achieved in 2025/26 just from the areas reviewed. £104k of this income was previously not factored into the 10% assumption within the MTF5;
- increase at a level higher than proposed in the report. Excessive increases could deter usage where the take up was discretionary. Customers might choose to use the service less frequently or use an alternative supplier where one was available; or
- the judgement and expertise of managers was taken into consideration when assessing the two options presented in paragraphs 2.1.2 and 2.1.3 in the report. In some instances, it was deemed that the options were unrealistic and might ultimately result in income reducing due to competition or reduced customer retention. Where possible, managers had used the insights and information proposed by Commercial Gov to propose different approaches to achieving the same or similar levels of income, and these had been included within the proposals.

All the above were considered not to be realistic options given the increased cost of delivering some services, the current position of the Financial Strategy, and the level of savings required.

The Budget Review Group asked Cabinet to consider what the communication strategy would be for the changes in fees and charges this year, including information that will help Councillors explain the reason/rationale for the changes to residents. While the Budget Review Group welcomed that officers would have access to the CommercialGov database, to help evaluate and consider future fees and charges, it recommended to Cabinet that it explore a commercial strategy for the Council.

Two addendums circulated prior to the meeting advised of an additional recommendation, further information regarding section 5 of the report, set out the review, and the outcomes of the review.

Councillor Chilvers proposed the recommendations in the report, the recommendation from the Budget Review Group, and the additional recommendation set out in addendum 1.

Recommended to Council that

- (1) the Fees and Charges proposals set out in Appendix A to the Minutes, to operate from 2 January 2025 unless stated otherwise;
- (2) the changes proposed by Everyone Active to the core products and prices from January 2025, in line with the agreed contract; and

- (3) the Car Parking Charges be endorsed for consultation with relevant stakeholders (including Warwickshire County Council) and are brought back to Cabinet along with the proposed revisions to off Street Parking Orders for consideration.

(The Portfolio Holder for this item was Councillor Chilvers.)
Forward Plan Reference 1,477

57. **Minor revisions to the complaints policy**

The Cabinet considered a report from Governance which brought forward the revised complaints Policy for Warwick District Council.

The Complaints policy was last updated in February 2024 and since then the handling of complaints had remained largely consistent, even with the introduction of the Housing Ombudsman complaint handling code.

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

A few minor changes had been made to the wording of the policy. This provided clarification and ensured the policy followed best practice and the Complaint Handling Codes of the Local Government & Social Care and Housing Ombudsmen.

The Pennington and HQN reports identified the requirement for a Building Safety Risk Complaints Policy – this had been developed in accordance with the requirements of the Building Safety Act 2022 to ensure compliance with the standards set by the Regulator.

The Warwick District Council Compensation Policy had been developed to satisfy the requirements of the Housing Ombudsman in respect of being able to provide evidence for compensation amounts awarded, and to ensure consistency was applied when compensation was considered as a necessary remedy to a complaint.

The Policy, Performance and Complaints manager was conducting a review of Complaint Handling Practices, working closely with colleagues in Housing Services. The need for investment in the Councils “corporate core” was identified in a Peer Review conducted in 2023. An updated version of the Complaints Policy was approved by Cabinet in February 2024 (in line with the Housing Ombudsmans Complaint Handling Code). The review was Council wide but had been adopted first by Housing Services and consisted of the following aspects:

Creation of template documents and a “useful information” factsheet provided to all investigating officers.

All housing complaints were handled by the Customer Engagement Team.

The Policy, Performance & Complaints Manager had been updated as the point of contact for the Housing and Local Government & Social Care Ombudsmen.

Plans for promotion of the complaints policy and best practice through the ICT training system “MetaCompliance” and a newly created Intranet

page.

Plans for complaint handling training briefings for all staff and elected Members – the briefings would be added to an introductory course for all new starters.

Plans for all relevant Staff to complete Housing Ombudsman eLearning.

Plans to train officers in identifying complaints and Heads of Service delegating their authority to the trained officers.

A “complaint recommendations” SharePoint list had been created to record and track progress of Orders/Recommendations/Learning Points from WDC complaint reports and those completed by the Housing and Local Government & Social Care Ombudsmen – the list was being trialled throughout September and October.

All Stage two complaints would be undertaken by the Policy, Performance & Complaints Manager from 1 November 2024.

WDC had purchased a CRM (Customer Relationship Management) system, and the Policy, Performance & Complaints Manager would be working with colleagues to implement the complaints process in the CRM. This would bring about improvements in communication with residents and internal stakeholders, record keeping, access of data, monitoring & reporting, and learning from actions in respect of complaints.

The creation of a compensation policy to be reviewed by Cabinet alongside minor changes to the complaints policy and addition of Building Safety Complaints Appendix (in line with the Building Safety Act 2022).

The revised delegations provided improved clarity on the authority in place and assurance for Councillors on the process used which was the practice normally used at present. The current delegations were as follows:

To All Heads of Service:

- G (7) Authority to agree remedies for a complaint at Stage 1.

To the Chief Executive:

Agree:

1. any proposed remedy at stage 2 includes compensation. This will be considered by the Chief Executive as part of the CE(3) investigator’s report; and
2. any proposed compensation following an investigation by the Local Government Ombudsman in consultation with the Head of Service.

In terms of alternative options, the changes being brought forward were recognised as best practice and aimed to address consistency of administration of complaints, how progress was measured, how the Council acted on learning points from complaints and improve customer engagement. In time, the process would be implemented in the CRM.

Councillor Davison proposed the report as laid out, subject to the change of wording from “Overview and Scrutiny” to “Audit and Standards Committee” in Recommendation 4.

Recommended to Council that the revised delegations to replace G(7) and CE(3) as follows be agreed:

Revised G(7) Delegated authority is given to the Head of Service, (for values over £5,000 the Head of Finance, Head of Governance & Monitoring Officer & Chief Executive, and over £10,000 also the Group Leaders) to authorise compensation payments arising as remedies for complaints at Stage 1. (Any compensation amounts of £5000 or above will be reported to the Overview & Scrutiny Committee)

New Delegation: Delegated authority is given to the Head of Governance Services, in consultation with the relevant Head of Service (and for values over £5,000 the Head of Finance & Chief Executive and over £10,000 also the Group Leaders) to authorise compensation payments arising as remedies for complaints at Stage 2, or from the Ombudsmen. (Any compensation amounts of £5000 or above will be reported to **Audit and Standards** Committee)

Resolved that

- (1) the minor revisions to the Complaints Policy, including the addition of the Building Safety Risk Complaints Policy (Appendix 3 of the Complaints Policy) for Warwick District Council, as set out at Appendix A to the report, to come into force from 1 November 2024, be approved;
- (2) the Compensation Policy for Warwick District Council, as set out at Appendix B to the report, to come into force from 1 November 2024, be adopted; and
- (3) the ongoing work on complaints development within the Council as set out in the report, be noted.

(The Portfolio Holder for this item was Councillor Davison).
Forward Plan Reference 1,493

58. Warwick District Council response to proposed changes to the NPPF and other reforms to the planning system

The Cabinet considered a report from Place, Arts and Economy which confirmed the response submitted on behalf of Warwick District Council to the government consultation on the proposed reforms to the National Planning Policy Framework (NPPF) and other changes to the planning system and to propose an amendment to the scheme of delegation in respect of future similar consultations.

On 30 July 2024, the new government launched a public consultation on some proposed changes to the planning system which would impact Warwick District Council (and all other local authorities across England). The government was seeking views on a proposed approach to revising the National Planning Policy Framework (NPPF) and also on a series of wider policy proposals in relation to increasing planning fees, local plan intervention criteria and appropriate thresholds for certain Nationally Significant Infrastructure Projects.

The consultation was supported by a revised draft of the NPPF which could be viewed on the gov.uk website along with more information and explanation of the consultation.

Although there was no requirement for the Council to make a formal response to consultations such as this, it was usual practice to do so. Given the relatively short period for the consultation (which closed on 24 September 2024) and its timing over the summer period, it was not possible to bring a report to Cabinet with a proposed response from Warwick District Council before the end date of the consultation. Accordingly, it was agreed through the Leadership Coordination Group that a group of Councillors, working alongside the Portfolio Holder for Place, would agree the text of an interim response which would be submitted in accordance with the government deadline, and all Councillors were given an opportunity to review and comment on these. This response was attached at Appendix 1 to this report. It was also agreed that this response would be formally presented to Cabinet at the first available opportunity. This report provided that opportunity. Any further comments made by way of amendments to the recommended response would be submitted to the government as additional comments of this Council. Although, it should be noted that this would be beyond the closing date for the consultation and therefore, WDC could not guarantee they would be considered by government.

The consultation had been structured as a series of 106 questions. The decision had been made to focus on those which were of most direct relevance to, or which had the greatest impact on, Warwick District. Accordingly, as seen in Appendix 1 to the report, responses were provided to most but not all questions.

Because the Council was working alongside Stratford-on-Avon District Council (SDC) to prepare the South Warwickshire Local Plan (SWLP), it was appropriate that the two Councils together considered how it would respond to any matters that would impact on the SWLP. These would include matters concerning plan-making, meeting housing needs, and Green Belt. Accordingly, officers had worked together with colleagues at SDC in the preparation of some of these responses. However, these might, in some cases, be amended to reflect local concerns and priorities.

The issues raised through the changes proposed by this consultation were important and wide ranging. In presenting these consultation responses, officers would draw Cabinet's attention particularly to the following (cross references had been made where appropriate, to the consultations questions):

Meeting housing needs

- The government was proposing to reintroduce mandatory housing targets to underpin work on Local Plan preparation (questions 1-14). (These were abolished under the previous version of the NPPF.). Importantly, in calculating this, the government had developed a new “standard method” for calculating housing needs (15-19). The current standard method approach was introduced in 2018 and was a trend-based model, which looked back at house building in the local area over a number of years. It also factored in levels of affordability of housing (with additional homes directed to those areas where affordability was more challenging). Finally, it included an arbitrary 35% uplift for major cities including, in this area, Coventry. The proposed new standard method had a baseline based on a percentage of existing housing stock levels. It retained the affordability multiplier but did not apply the urban uplift.
- The current standard method has been criticized locally, both because it was a trend-based model which focused more housing on those areas which had seen greater levels of housebuilding in recent years, and because it was based on largely historic (and out of date) data. The major cities uplift had also had the effect of putting more housing into areas such as Coventry, which then put pressure on Warwick District when Coventry had not been able to make provision to meet its needs within its area.
- There was also helpful clarity around affordable housing provision (34, 40, 47-61). Housing colleagues had helped draft the response to these questions.

Green Belt

- There had been a number of significant changes to Green Belt policy (20 – 46). Amongst these changes were proposals to:-
 - a. set criteria for the release of Green Belt land for development and make some minimum planning requirements for land that was released (including (subject to viability) at least 50% affordable housing);
 - b. redefining “inappropriate development” in cases where there was no five-year supply of housing land (as was currently the case in Warwick District); and
 - c. defining “grey belt” areas within the Green Belt. These were areas comprising previously developed land and any other parcels and/or areas of Green Belt land that made a limited contribution to the five Green Belt purposes.
- These changes would have a significant impact on Warwick District, both in terms of how it would consider Green Belt land as it prepared the SWLP, and how it would determine planning applications. Given that it had been determined that Warwick District did not have a five-year supply of housing land, the current NPPF would exclude Green Belt areas from those that might have to be considered favourably for planning approval. The proposed NPPF would not exclude Green Belt land in the same way, opening up the possibility of more development taking place in Green Belt areas outside of the Local Plan process.

Plan-making (43, 103 - 106)

- The consultation set out transitional arrangements for Local Plans that were currently in preparation as to how they would be impacted by the changes proposed in this consultation. These mainly impacted on those at an advanced (regulation 19 and beyond) stage of preparation. This did not cover the SWLP. WDC's Plan would be expected, under these proposals, to follow all the policy direction in this NPPF. This would include the use of the new "standard method" as a basis for deriving housing needs.

Planning fees (89 – 102)

- At the present time, fees for the submission of planning applications were set centrally by government. Outside of the changes to the NPPF, the government were also consulting on proposals to allow local planning authorities to set their own planning fees. They were consulting on the principle of helping local planning authorities recover the full costs of processing planning applications. As an example, given in the consultation, all householder planning applications had a set fee of £258. The government estimated that the average cost (nationally) for local authorities to process such applications is £528. The consultation was asking for views both on the principle of the local setting of fees based on full cost recovery (including how much latitude councils should be given), and its scope.

This was a national planning policy consultation. There was no requirement for the Council to respond however, along with many other local authorities, it was usual practice to do so.

A problem with such consultations was that often the timing of Committee cycles made it impossible to formally prepare and agree a response within the consultation period. This was the case with this consultation. It was also relevant that whilst any responses to such national consultations reflected views within the Council at the time, they were not binding on the Council in any way in terms of future decisions that WDC made.

Currently, there was delegated authority for the Head of Place, Arts & Economy, in consultation with the relevant Portfolio Holder, to respond to Planning Policy consultations, that might affect Warwick District undertaken by neighbouring or overlapping authorities. This delegation specifically excluded national Planning Policy and other national planning-related consultations. Given that such consultations were not binding on the Council, and that sometimes it was not possible to prepare formal Cabinet reports within the timeframe of the consultation, it was proposed that the current delegation was amended as stated in paragraph 1.13 in the report.

In terms of alternative options, there was no requirement on the Council to respond to this consultation, and so an alternative option would be for the Council not to make a response. This was not recommended as it was felt helpful for the Council to make any concerns it might have about the changes known to government through this consultation. It was also an important opportunity to register support for any proposed changes which it considered would be helpful to the Council, particularly in its plan-making work, and in any opportunities to increase planning fees

which would help the Council to cover the cost of supporting the services it provided.

Councillor Davison proposed the report as laid out.

Recommended to Council that the scheme of delegation is amended as set out in paragraph 1.13 in the report.

Resolved that the comments attached as appendix 1 to the recent government consultation on National Planning Policy Framework (NPPF) and other changes to the planning system, be endorsed.

(The Portfolio Holder for this item was Councillor King).
Forward Plan Reference 1,496

Part 2

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

59. **University of Warwick Campus Framework Masterplan Supplementary Planning Document (SPD) – consultation update and proposed adoption**

The Cabinet considered a report from Planning which provided a framework for guiding the level and broad location of growth on the main University of Warwick campus, as well as design principles to be considered when assessing planning applications on the campus. The SPD provided supplementary guidance to Policy MS1 – University of Warwick - of the adopted Warwick District Local Plan and was intended to assist with the determination of future planning applications. The SPD could only be adopted as Council guidance following statutory public consultation and then subsequent formal adoption at Cabinet. Following initial Cabinet approval, in March 2024, a public consultation was held from Friday 24 May to 5 July 2024. It was intended that the SPD was now adopted so that it could be used to help assist with decision making on planning applications.

The SPD would provide supplementary planning guidance to policy MS1 of the adopted Warwick District Local Plan 2011-2029. Policy MS1 stated that "development of the University of Warwick will be permitted in line with an approved Masterplan or Development Brief". There was no such up-to-date Masterplan and Development Brief in place for the area. The SPD could therefore provide a more detailed masterplan framework and supplementary guidance to assist with the determination of future planning applications.

The University's main campus straddled the administrative boundaries of Coventry and Warwick District, with the majority of the academic faculty buildings being located in Coventry, and residential accommodation and sports facilities being largely located within Warwick District. It was important therefore that the SPD was also consistent with Coventry's relevant Local Plan policy. Furthermore, it should be noted that Coventry was also proposing to adopt the SPD.

In terms of alternative options, the Council could not adopt the SPD. If major amendments were required, a revised version of the SPD could be presented to Cabinet in future, subject to further engagement with the University, Coventry City Council, and Warwickshire County Council. Non-adoption was not recommended as there would remain a lack of planning guidance to assist with the determination of planning applications and it would also prevent decision making on how s106 monies were spent via the Monitor and Manage Transport Sub Board and University of Warwick Transport Board.

Councillor King proposed the report as laid out.

Resolved that

- (1) the Statement of Consultation report at Appendix A to the report and the Schedule of Proposed Amendments at Appendix B to the report, be noted; and
- (2) the adoption of the amended University of Warwick Campus Framework Masterplan Supplementary Planning Document at Appendix C to the report, be agreed.

(The Portfolio Holder for this item was Councillor King).
Forward Plan Reference 1,485

60. **Compliance Policies (Asbestos, Building Safety, Electrical Safety, Gas and Heating, Lift Safety and Water Hygiene)**

The Cabinet considered a report from Housing which sought to provide an overview of the policies that had been developed and approved relating to the Asset Compliance project (Pennington Report).

Through the work being completed on the Compliance project (Pennington Report) it was clear that there was a need for a concise set of policies relating to the safety of the Council's assets and housing stock. These policies were a regulatory requirement and in line with current legislation, best practice, and guidance.

In April 2024, members of the Compliance project team met with Pennington Choices to establish the principles of the Compliance policies. Pennington Choices subsequently drafted the policies to ensure that the specific criteria was met and that there was alignment to the operational requirements of the Council.

The draft reports were received and discussed at the Compliance Programme Board and Asset Compliance Committee. There were a few minor modifications made (formatting issues and the change of Head of Neighbourhood and Assets to the Deputy Chief Executive). No other comments were received and the policies were put forward for final consideration by the Portfolio Holder and the Deputy Chief Executive. The policies were a regulatory requirement and therefore there were no alternative options arising from this report.

Councillor Adkins proposed the report as laid out.

Resolved that the policies relating to six Asset Compliance areas: Asbestos, Building Safety, Electrical Safety, Gas and Heating, Lift Safety, and Water Hygiene be approved.

(The Portfolio Holder for this item was Councillor Adkins).
Forward Plan Reference 1,498

61. **Local Growth initiatives Plan – West Midlands Investment Zone (WMIZ)**

The Cabinet considered a report from the Chief Executive which set out the background, the issues, updates and the opportunities in respect of the Local Growth Initiatives funding agreed to be provided under the proposals for the West Midlands Investment Zone (WMIZ). It also set out the immediate proposed investment proposal to be submitted to approval from the West Midlands Combined Authority (WMCA) and the indicative investment plan proposals which would need to be signed off in a year's time for approval by the WMCA.

In July 2024, the Cabinet and then Council agreed the sign off for the Memorandum of Understanding (MoU) regarding the collection and distribution of business rates arising from the identification of the Coventry and Warwick Giga Park which forms one of the three regional sites in the WMIZ. The Giga Park itself is made up of four adjoining sites.

The MoU set out the basic structure for the agreement between this Council, Warwickshire County Council (WCC), Coventry City Council (CCC) and WMCA about the collection and distribution of business rates from the Coventry and Warwick Giga Park over a 25-year period starting from 1 April 2024. The areas of land identified as part of the Giga Park within the WDC area would generate business rates and the government had changed the rules so that 100% of the rates could be kept locally, as opposed to the prior rules whereby the distribution would be WDC 40%, WCC 10%, Gov 50%. Instead, all would go in effect to the WMCA although collected by WDC. The business rates in this area would also be exempt from any reset enabling those funds to be used for borrowing purposes. WDC had negotiated though that as some of the land involved had long been designated in its Local Plan for employment purposes, and as some significant development was underway (with some now operational) that it should be able to retain a share of the business rates from that land.

The MoU therefore committed the WMCA to providing WDC with £90.2m over 25 years from the business rates generated from the Segro Park and Whitley South sites and that it would be protected from a business rates reset. WDC committed to:

- collecting the rates and other appropriate information for the WMCA; and
- providing a Local Growth Initiatives Investment Plan with a financial profile to be agreed with the WMCA by the end of March 2026 – though items could be agreed before that date.

There were some limitations; that there had to be enough business rates paid in from those specific areas, for the money to come to WDC, with any difference to be met by WDC. The funds could only be used for capital expenditure and borrowing costs, although there was no clear definition it had to be for growth, regeneration and housing related items. WDC's share of business rates could not be used to directly support the Council's financial position (General Fund or Housing Revenue Account) or to reduce Council Tax levels.

The MoU was not a legal document and so needed to be turned into a formal legal document. A collaboration agreement also needed to be drafted and concluded. Work had now started on this transformation and officers of WDC and of WMCA suggested that there was one agreement rather than two.

Meanwhile, matters were also progressing on the ground:

- work was underway to prepare for reserved matters applications on the Gigafactory site which were expected to be submitted in the first quarter of 2025;
- funding of about £2m was agreed by the WMIZ Board on 3 October 2024 towards the first set of costs of implementation for the Giga Park;
- the two main units on Segro Park South were completed, with one unit being occupied from June 2024 and the other in the process of taking occupancy;
- the development of Business Rates Relief Policy as part of the mechanism to incentivise companies to move in the Giga Park (funded by the government);
- a new planning application was being developed for the Whitley South site;
- planning staff within WDC were now ready to serve the expected stream of applications and for the discharge of conditions;
- a meeting with the local Parish Councils was held on 1 October 2024 to start the process of ongoing briefing and consultation. It was proposed to hold these meetings every 3 months; and
- a WMIZ Board meeting was held on 3 October 2024 at the UK Battery Industrialisation Centre (UKBIC), adjacent to the Giga Factory site and a suite of papers were considered and agreed.

This Council had been preparing to undertake the next stage of its ambitious programme to renew its social infrastructure in support of the growth of the District as set out in its adopted Local Plan. This plan anticipated a growth of almost 30% in the number of households as well as significant growth in employment provision. Matching that growth with social as well as other infrastructure had been a key consideration. Before the declaration of the WMIZ, this Council had commissioned new leisure facilities, both dry and wet, for the town of Kenilworth and had planned on using some of the receipts from expected business rate growth to help pay for these works. That was part of the issue for this Council in its deliberations with the WMCA over the destination of the business rates and it was now considered appropriate for that source of funding to now come from the LGIIP funds instead.

It was now proposed that the Abbey Fields Swimming Pool project, summarised at Appendix A to the report, along with the Council's

proposed financial profile be put forward for agreement. This proposal would then go to the WMIZ Board in December 2024, and to the WMCA Board overall in early 2025, as the funding was above the delegated threshold for the WMIZ Board (£20m).

In preparing the LGIIP, consideration had been given to:

- the balance of costs arising over the 25-year period as a profile over that period would need sign off from the WMCA and would need to be funded by the developments generating the business rates from the Whitley South and Segro Park sites;
- the balance between the direct capital costs and borrowing costs, as the £90.2m covered both, and so the more WDC could focus on the former the more the Council could achieve on the ground;
- the wider implications of the use of these funds for the Council's revenue position;
- the opportunity that the use of these funds might free up other resources that could then be used to fund key schemes that might not otherwise be able to be included within the LGIIP;
- the opportunity to use these funds to draw in other investment and to spark a multiplier effect and maximise the impact of this investment for the local community and WDC;
- the ability to mix funding streams in a flexible way to tackle any dips/rises in any funding source to maximise the outcome;
- the ability to have worked up sufficient scheme detail in time to be signed off by WDC for inclusion within the LGIIP and whether additional resource is needed; and
- focusing its resources on a limited number of schemes that it could properly support.

In addition, the use of the funds should not be viewed as a compensation pot nor to fund "pet schemes". As the position negotiated by WDC was an exception to the national scheme, WDC should be able to demonstrate openly and in a transparent way that the LGIIP contributed towards the strategic scheme for the WDC area. Reference was therefore made to:

- the Council's Corporate Strategy and in this case Strategic Priorities 2 and 3; in particular, low-cost energy (2); new housing development, especially affordable housing; and town centre regeneration (3);
- the Local Plan - was in effect a growth plan and it set out the anticipated and planned growth of the District over the period 2011 to 2029 and the infrastructure to support that growth; and
- the Council's Corporate Projects list as this set out some of the existing projects that the Council had decided it wished to implement over a period.

Appendix B to the report set out an indicative Investment Plan based on housing retro fit, low carbon new housing, and community infrastructure as the Council's primary three categories for focus. Within and across these three categories Appendix B to the report illustrated the sort of schemes that the LGIIP might eventually include but this would need confirmation. The individual elements might well change as they need to be worked upon. Some might prove not to need other funding or could be funded via another funding stream. The indicative Investment Plan

did not at this stage commit the Council to any of the schemes listed but to have an Investment Plan to be signed off by March 2026, the Cabinet would have to support the investment of time to bring schemes forward. Each scheme or others that the Cabinet wished to decide upon would need individual Cabinet reports as well as an overall report for the LGIIP. It was proposed that Appendix B to the report be used as the basis for the submission to the WMCA now.

The MoU required an indicative LGIIP to be put forward by March 2025 and it was suggested that that be submitted to enable discussion and amendments to be put forward so that it could be considered at the December 2024 WMIZ Board, and if necessary, by the early 2025 WMCA Board. To that end it was proposed that authority be delegated to the Chief Executive in consultation with the S151 and Monitoring Officers and the Cabinet to agree the form of submission but based upon the contents of Appendix B to the report.

The full LGIIP would be worked up over the next year and reported to the Cabinet no later than October 2025 to be put forward to the WMIZ Board in December 2025 and sign off by the WMCA Board in early 2026 to take effect from the 26/27 financial year. This process would be set out within the legal agreement. However, it should be noted that the Council could submit proposals earlier than these dates if it so wished.

In terms of alternative options, the Cabinet could decide to vary any or all the recommendations or to refuse to agree to them. However, time wise the Cabinet needed to put forward an indicative investment plan for agreement by March 2025 and formal sign off by March 2026.

The Overview and Scrutiny Committee noted the report and reminded Cabinet of the indicative nature of the list of projects. Members welcomed and supported Abbey Fields being the first scheme being funded and recognised the potential benefits this could bring. The Committee also explored some of the wider risks presented by the political change and was satisfied that everything was done to mitigate those risks as much as it possibly could.

Councillor Davison proposed the report as laid out.

Resolved that

- (1) the update on the progress of the West Midlands Investment Zone (WMIZ), be noted;
- (2) authority be delegated to the Chief Executive, in consultation with the S151 and Monitoring Officers and Cabinet to agree the submission for the Abbey Fields Swimming Pools capital proposal based upon the contents of Appendix A to the report to be put forward now for approval by the WMCA for the use of business rates generated by the West Midlands Investment Zone;
- (3) delegated authority be given to the Chief Executive in consultation with the S151 and

Monitoring Officers and Cabinet to agree the submission for the indicative Local Growth Initiatives Investment Plan (LGIIP) based upon the contents of Appendix B to the report to be submitted to the WMCA for in principle support; and

- (4) the final version of the LGIIP be reported to Cabinet no later than October 2025 for consideration, be agreed.

(The Portfolio Holder for this item was Councillor Davison).
Forward Plan Reference 1,499

62. **Armed Forces Community Covenant**

The Cabinet considered a report from Safer Communities, Leisure, and Environment which sought approval from Cabinet to re-sign the Armed Forces Community Covenant.

The Armed Forces Covenant was a promise from the nation ensuring that those who serve or who have served in the Armed Forces, and their families, should be treated with fairness and respect in communities, economy, and society they serve with their lives. Those who serve in the Armed Forces, whether a regular or Reserve, those who have served in the past, and their families, should face no disadvantage compared to other citizens in the provision of public or commercial services. Special consideration is appropriate in some cases, especially those who have given the most, such as the injured and the bereaved.

The Covenant was established in its current form in 2011 and since then thousands of different organisations, including businesses, local authorities, universities, and charities had chosen to sign a pledge to honour the Covenant and support their Armed Forces Community. In 2012 Local Authorities across Coventry, Warwickshire, and Solihull signed the Armed Forces Community Covenant Pledge to show their support for the Armed Forces Community. As a result of the Council signing the Covenant an Elected Member Armed Forces Champion was appointed and an Armed Covenant Strategic Partnership and a co-ordination was formed to oversee activity on work to support the Covenant and share good practice.

Building on the good progress of the Covenant, the Armed Forces Act 2021 amended the Armed Forces Act 2006 to create the following legal obligation on specified bodies in all four nations of the UK. This was the Armed Forces Duty which stated:

'When a specified body exercises a relevant function, it must have due regard to: (a) the unique obligations of, and sacrifices made by, the Armed Forces; (b) the principle that it is desirable to remove disadvantages arising for Service people from membership, or former membership, of the Armed Forces, and (c) the principle that special provision for Service people may be justified by the effects on such people of membership, or former membership, of the Armed Forces.'

This legal obligation applied to specified bodies whether or not they had signed the Covenant Pledge.

By signing the Pledge, it provided public recognition of the Council's commitment to its Armed Forces Community and activity to ensure they faced no disadvantage compared to other citizens in the provision of public or commercial services. Special consideration was appropriate in some cases, especially those who had given the most, such as the injured and the bereaved.

The Council had participated in the National Armed Forces Day for a few years. The Council had worked with local military units to plan and deliver a Community Fun Day. Armed Forces was an opportunity to build awareness of the unique sacrifice that our Armed Forces continued to make or had made to the nation. Also, due to the issue of pride, many in the Armed Forces Community did not ask for help and struggled in silence. However, it had been proven that not only did Armed Forces Day provide an opportunity to say thank you, but it also built awareness of the support made available locally, for example, services such as RBL, SSAFA, Help the Heros, the Veterans Contact Point and other local voluntary and community services aimed at providing support. The 2024-Armed Forces Day was one of the biggest and best in the region where over 2,500 people attended, and the Council should build on this success. By the Council agreeing to on-going financial support, this effectively demonstrated commitment to remembering those that were serving / have serviced in the Armed Forces.

The signing event, for the Warwickshire Armed Forces Covenant, was due to take place on Wednesday 6 November at 11.30am and would be held at Shire Hall.

In terms of alternative options, Cabinet could decide not to sign the pledge and not commit to the spirit of the pledge. However, regardless, the Council had a legal obligation under the Armed Forces Duty whether they had signed the Covenant Pledge or not.

Councillor Sinnott proposed the report as laid out.

Resolved that

- (1) Cabinet recommits the Council to the principles and spirit of the Armed Forces Community Covenant and joins Warwickshire County Council and other partners in the Armed Forces signing event (see Appendix 1 to the report for detail on the principles); and
- (2) the £24,000 from the Community Projects Reserve to support events relating to the remembering of conflict and the Armed Services to cover the years 2025-6, 2026-7 and 2027-8. A budget of £8,000 will be allocated to each of these years, be approved.

(The Portfolio Holder for this item was Councillor Sinnott).

Forward Plan Reference 1,052

63. **Leamington Town Centre Transformation Proposals**

The Cabinet considered a report from the Chief Executive, which sought to update on progress with the Transformation of Leamington Town Centre focussed principally on the Parade and around the Old Town area, and sought approval for the revised town centre vision, and to progress the next stages of the transformation work.

Extensive collaborative and inclusive work with both stakeholders and the public had been undertaken through 2024 on the preparation of a refreshed and updated Vision for Leamington town centre. Nationally renowned consultants LDA Design had been leading this work alongside officer teams from all three Local Authorities. The resultant Vision document that was attached at Appendix A to the report was due to be considered by the LTB on 8 October 2024 and if signed off it would then come to each of the three Local Authorities to be considered for approval.

This concluded that piece of work which set out the high-level strategic context for the town centre which would guide all new development and regeneration activity for many years to come.

As the Vision refresh was now complete the next major task for the LTB was to oversee the preparation of the Parade Masterplan, now underway. This work would look at the town's main street to set out what the options might realistically be to deliver transformative change and improvements in line with the overall Vision. The brief was attached in Appendix B to the report. Collaborative workshops/meetings were planned to be held in the coming months through October and November with the same groups that had fed into the Vision work.

The work on the Vision and the Parade masterplan was overseen by the LTB and was commissioned through WCC's procurement process whereby three quotes for up to £100K could be accepted and the work was awarded to LDA Design. This work was funded jointly by WCC/WDC/RLSTC, and this Council's financial contribution was agreed by Cabinet last year.

The LTB had long anticipated that it would need to create a framework that brought together the Vision, the Parade Masterplan, and the various other studies that thus far had been carried on an individual basis to create the next level of detail but to also demonstrate how the various strands and projects hung together.

There were several existing projects that were already well underway with some nearing completion. These include the Future High Street Fund (FHSF) projects at the Town Hall Creative Hub and the former Stoneleigh Arms /Old School, WCC's various movement projects including a strategic Area Strategy, buses, cycling and the Bath Street Area Improvements as well as WDC's Covent Garden and Chandos Street car parks.

Both FHSF projects were on-site and on-track to complete at the end of the year / early 2025. These would complement the successful phase 1 project at Spencer Yard which would receive an award at the Leamington Society Awards ceremony on Wednesday 16 October 2024.

WCC's Local Transport Plan 4 (LTP4) was now moving to the next stage and preparing Area Strategies, one of which would be for Warwick District including Royal Leamington town centre. This would be progressed collaboratively and was seeking to conclude in November 2024. This would also be part of setting the context for the new Transformation Framework.

WCC had also commissioned Atkins to undertake a study looking at options for bus routes in the town centre to feed into and support the Parade Masterplan work. This was aiming to report in November 2024. Planning to improve the cycling infrastructure in the town centre was also continuing and consideration of the most appropriate north south and east west cross-town centre routes would feed into the Transformation Framework.

A meeting to discuss the next allocation of CIL / other funding to WCC from WDC was being programmed to help progress the Bath Street Area Improvements. The intention was to dovetail the Bath Street work with the Parade work given they were part of the same spine of the town centre's function in a co-ordinated way.

The transformation of the town centre would need significant public investment given that a major part of what was needed would be to transport infrastructure and the public realm. Setting out how such improvements might be funded would also then help to attract private sector investment and public sector funding from other sources. Such an approach would also help to counter cynicism that often arose when significant changes were proposed as to how such works were to be funded.

There were a few localized funding opportunities which could be brought together to help address the funding need. These were as follows:

- Local Growth Initiatives Investment Plan - directly or to inject some money into existing CIL schemes and free up CIL to be used for the town centre;
- the Council could also decide to prioritise the town centre transformation for future year's CIL allocations and so build up a significant sum;
- Section 106 agreements that had generated sums for air quality improvements;
- other Section 106 opportunities arising from other development schemes – as identified by the proposed Transformation Framework would also generate funding for transport and public realm improvements; and
- capital receipts from the redevelopment of some Council owned sites which could be re-invested in other schemes.

It was proposed that a review be undertaken of the allocation of CIL receipts both in the existing CIL schedule and of future allocations together with a review of the potential for S106 contributions and other public funding opportunities be brought to the February 2025 Cabinet, for consideration as to whether it was appropriate for the purpose of funding town centre regeneration, and in particular for the Parade and Bath Street.

In terms of alternative options, the Cabinet could choose to decline the first three recommendations or vary them but unless there was commitment to provide resources then WDC would not be able to make any headway on the items for which the LTB had agreed were priorities. It was hard to see, therefore, what other options there were for the Council to consider.

The Cabinet could also decide not to pursue a review as proposed under recommendation 4 but this would leave the funding question open and unanswered, and still to be considered.

The Overview & Scrutiny Committee explored the need for a single, coherent approach to prioritisation and to the wider town centre and welcomed the appointment of a programme director in the future. The Committee recognised that the approach to transport needed to be holistic and Cabinet needed to think quite widely about the needs of different groups of people, including those travelling from rural areas and those that didn't have access to regular and reliable public transport. In addition, when potentially moving the location of bus stops, the Committee emphasised that those most vulnerable would still need to be able to easily access essential facilities. Members were concerned that there was a risk around managing the project going forward, and it was important to recognise what the priorities were, to make sure the desired outcomes were achieved. Members emphasised the importance of engaging local partners such as Warwickshire County Council early on and ensure they are onboard with the project

Councillor King proposed the report as laid out.

Resolved that

- (1) subject to the support of the Leamington Transformation Board (LTB) on 8 October 2024 and the similar agreement of Royal Leamington Spa (RLS) Town Council and Warwickshire County Council (WCC), the Leamington Town Centre Vision 2024 attached at Appendix A to the report, be endorsed;
- (2) the next stage of work is the preparation of the Parade Masterplan, the brief for which is attached at Appendix B to the report, be noted;
- (3) the progress being made on the other co-ordinated Town Centre projects including the Future High Street Fund projects and WCC's various movement projects including buses, cycling and the Bath Street Area Improvements, be noted; and
- (4) a review of the allocation of CIL receipts both in the existing CIL schedule and future allocations together with a review of potential Section 106 contributions and other public

funding opportunities be brought to the February 2025 Cabinet meeting to consider whether this would be appropriate for the purpose of providing a clear and significant funding source for the town centre's transformation programme and especially that of the works for the Parade and Bath Street.

(The Portfolio Holder for this item was Councillor King.)
Forward Plan Reference 1,500

64. **Procurement Exercises over £150,000**

The Cabinet considered a report from finance which sought approval to begin the procurement exercises identified in this report, in line with the agreed Procurement Code of Practice, with details set out in the confidential appendix to the report.

The report brought forward all proposed procurement exercises ready to be sourced, some of which formed key decisions as they were over £150,000; others were provided for advisory purposes. As explained in the report to Cabinet in March 2024, a gap was identified within procurement governance process at WDC which was clarified by Cabinet and Council to confirm that any proposed procurement activity above £150,000 needed to be considered by Cabinet.

These exercises were set out in the confidential appendix (due to the values associated and the Council not wanting to declare the anticipated budget) to the report for consideration. These items and the reason for their procurement were set out within the confidential appendix to the report, so as not to disclose the Council's position in respect of the anticipated cost.

In respect of the housing consultancy advice for Housing Repairs the property consultants would be working with the Council's asset and housing teams to support the responsive repairs and maintenance procurement exercise. The preferred supplier brought sector experience and market insight that would be essential to ensure WDC had an approach that was fit for purpose. Their support would include scope, soft market testing, specification, contract management training, and general advice. WDC Procurement would also be involved on this procurement project throughout to provide guidance and interpretation on WDC Procurement Policy. Shared Legal team would also be involved as required as well. The funding for this would come from the Council's Housing Revenue Account Responsive Repairs budget.

The Cabinet would recall that Temperate House Decarbonisation features as part of the report on Low-Cost Low Carbon Energy went to Cabinet in July 2024. This set out that Corporate Strategy Strategic Goal 1 - Reduce energy consumption and carbon emissions from the Council's public buildings:

"Priority Action (a)- utilising the Renewable Energy Generation Reserve and other funding sources to deliver rooftop solar / low energy lighting in key WDC assets, alongside other decarbonisation works for WDC assets with the greatest potential to benefit from decarbonisation measures. As

part of this we will seek to develop proposals for assets such as the Glasshouse Restaurant and Temperate House; the Pump Rooms; Jubilee House; and the leisure centres.”

In Spring 2024, the Council received a grant offer from Salix for decarbonisation works at the Royal Spa Centre and Althorpe Street Enterprise Hub. Due to issues in delivering the schemes originally included in the grant offer, it was proposed that the grant should be switched to the Temperate House and Restaurant which, subject to formal agreement from the funders and subject to some outstanding practical considerations, achieved better value (in terms of tonnes of CO2 saved per £).

The Council would match fund the grant to deliver a new Air Source Heat Pump system for the Temperate House to replace the existing gas boilers. The works would be funded through the PSDS 3c Grant Funding administered by Salix. The remaining contribution would be provided by WDC from the Climate Change Action Fund. Delegated authority was in place to spend the Climate Action Fund on building decarbonisation ([Report Climate Change Action Programme, Cabinet December 2023](#)). However, due to the value being greater than £150k, Cabinet approval to proceed with the procurement was required.

The priority decarbonisation measure at Temperate house, was the removal of the fossil fuel heating system and its replacement with Air Source Heat Pumps (ASHPs). For successful Installation of ASHPs, alterations to the ventilation system, heating distribution, and building management technologies were required. The grant value that Salix was allowing WDC to retain, had not yet been confirmed. If WDC were successful in retaining a larger portion of grant money, the scheme would be expanded to include LED lighting and rooftop Solar PV. These technologies would be fully integrated into the project to optimise performance and further reduce carbon emissions. For this reason, the total value of the works had been included in the appendix to the report to show the potential cost range.

Heart of England Community Energy (HECE) had also agreed to fund Solar Installations on public buildings across the District. Depending on the finalised value of the Salix grant allocation, it might be decided to utilise the HECE soft loan, to fund the Solar PV installation at Temperate House. This would reduce the match funding required from WDC. Due to the re-allocation of the funding, timescales for scheme implementation were tight, and detailed designs require completion prior to the work beginning onsite. It was necessary to determine the direct award procurement route, considering the limited time frames and the many other project constraints.

In terms of alternative options, in respect of recommendation the Cabinet could decide not to approve some or all the identified procurement activities, however some of these related to the provision of core or statutory services, and to pause or stop at this stage would significantly delay some of these activities where new contracts were required.

Councillor Chilvers proposed the report as laid out.

Resolved that

- (1) the commencement of the procurement exercises of the following and provides Key decision approval where indicated, be noted. Please view in conjunction with the Confidential appendix 1 to the report, in respect of Housing Consultancy advice for Housing Repairs and Temperate House Decarbonisation; and
- (2) the reallocation of Public Sector Decarbonisation 3c grant funding to decarbonisation works at the Temperate House and Restaurant in Jephson Gardens, subject to the formal agreement of the funder, be approved.

(The Portfolio Holder for this item was Councillors Adkins, Chilvers, and Williams.)

Forward Plan Reference 1,464

65. 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
66, 67, & 68	3	Information relating to the financial or business affairs of any particular person (including the authority

Part 2

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

66. Lift Replacement Works and two high rise blocks

The recommendations in the report were approved.

(The Portfolio Holder for this item was Councillor Adkins).

Forward Plan Reference 1,503

(At 7.07pm, the Chair adjourned the meeting due to the fire alarm. The meeting restarted at 7.35pm)

67. Kenilworth Wardens Sports Club Property Matter

The recommendations in the report were approved.

(The Portfolio Holder for this item was Councillor King).
Forward Plan Reference 1,487

68. **Confidential Appendix to Minute Number 64 – Procurement Exercises over £150,000**

The confidential appendix was noted.

(The meeting ended at 7.46pm)

CHAIR
5 December 2024