

Executive
Thursday 18 March 2021

A meeting of the Executive will be held remotely on Thursday 18 March 2021, at 6.00pm and available for the public to watch via the Warwick District Council [YouTube channel](#).

Councillor A Day (Chairman)

Councillor J Cooke
Councillor J Falp
Councillor R Hales

Councillor J Matecki
Councillor A Rhead

Also attending (but not members of the Executive):

Chair of the Finance & Audit Scrutiny Committee
Chair of the Overview & Scrutiny Committee
Green Group Observer
Liberal Democrat Group Observer
Labour Group Observer

Councillor J Nicholls
Councillor A Milton
Councillor I Davison
Councillor A Boad
Councillor M Mangat

Agenda

1. Declarations of Interest

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

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

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

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

2. Minutes

To confirm the minutes of the meeting held on 11 February 2021

(Pages 1 to 178)

Part 2

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

3. Community Infrastructure Levy (CIL) Projects List for 2021/22

To consider a report from Development Services

(Pages 1 to 48)

4. **Response to Local Transport Plan Consultation**

To consider a report from Development Services

(Pages 1 to 19)

5. **HMO Licensing and Planning Permission**

To consider a report from Housing

(Pages 1 to 31)

6. **Baddesley Clinton Conservation Area Review**

To consider a report from Development Services

(Pages 1 to 24)

7. **Draft - Sexual Entertainment Policy**

To consider a report from Health and Community Protection

(Pages 1 to 38)

8. **Review of Significant Business Risk Register**

To consider a report from Finance

(Pages 1 to 23)

9. **Step Back Review Task & Finish Group on the Council's response to Covid 19**

To consider a report from the Deputy Chief Executive (BH)

**(Pages 1 to 4)
(Appendices 1, 4-6 and 10)**

10. **Protection of Nesting Birds and associated issues at St Mary's Land, Warwick**

To consider a report from the Chief Executive

(Pages 1 to 9)

11. **Public and Press**

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

Item Numbers	Paragraph Numbers	Reason
12,13	1	Information relating to an individual
12,13	2	Information which is likely to reveal the identity of an individual
12,13	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

12. **Confidential Appendices to Item 9 – Step Back Review Task & Finish Group on the Council's response to Covid-19**

To consider confidential appendices from the Deputy Chief Executive (BH)

**(Appendices 2, 3a, 3b, 3c, and 7-9)
(Not for publication)**

13. Minutes

To confirm the confidential minutes of the meeting held on 11 February 2021

(Pages 1 to 9)
(Not for publication)

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General Enquiries: Please contact Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ.

Telephone: 01926 456114

E-Mail: committee@warwickdc.gov.uk

For enquiries about specific reports, please contact the officers named in the reports You can e-mail the members of the Executive at executive@warwickdc.gov.uk

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Executive

Minutes of the meeting held remotely on Thursday 11 February 2021 at 6.00pm, which was broadcast live via the Council's YouTube Channel.

Present: Councillors Day (Leader), Cooke, Falp, Hales, Matecki and Rhead.

Also Present: Councillors: Boad (Liberal Democrat Group Observer), Roberts (Green Group Observer), Mangat (Labour Group Observer), Milton (Chair of Overview & Scrutiny Committee) and Nicholls (Chair of Finance & Audit Scrutiny Committee).

73. **Declarations of Interest**

There were no declarations of interest.

74. **Minutes**

The minutes of the meeting held on 17 December 2020 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)

75. **Election of Chairman and Vice-Chairman of the Council 2021/22**

In accordance with Procedure Rules, Councillor Murphy was recommended to be elected as the Chairman and Councillor Heath was recommended to be elected as the Vice-Chairman of the Council for 2021/22.

The Executive, therefore,

Recommended to Council that

- (1) Councillor Murphy be elected as the Chairman of the Council for 2021/22; and
- (2) Councillor Heath be elected as the Vice-Chairman of the Council for 2021/22.

(This is a recommendation Annual Council in May 2021 and not to be considered by Council on 24 February 2021)

76. **Working together with Stratford District Council**

The Executive considered a report from the Chief Executive seeking the recommendation to Council on the principle that further integration, including a potential full merger with Stratford-on-Avon District Council, should be incorporated into the Policy Framework of the Council. The Executive was also requested to ensure that sufficient programme management resources were provided in order to take the programme forward.

At the meeting of the Executive on 13 July 2020, the following recommendations were approved:

- (1) *"the joint statement issued by the Leader of the Council and the Leader of Stratford on Avon District Council (SDC) be endorsed, and in doing so:*
 - i. a jointly commissioned review of local government across South Warwickshire and the wider Warwickshire County area, be agreed;*
 - ii. the Leaders of this Council and of SDC invite all of the other Borough/District Councils in the County, Warwickshire County Council and the Warwickshire Association of Local Councils (WALC) on behalf of the town and parish councils, to participate in the review as equal partners;*
 - iii. the Leader of the Council be the Council's nominee on a multi Council working party to steer the review;*
 - iv. the Leadership Co-ordinating Group (i.e. all the Political Group Leaders and the Executive) act as Warwick District Council's internal steering group of the review and the joint work with SDC;*
 - v. the brief for the review be delegated to the Chief Executive in consultation with the Leader and the Leadership Co-ordinating Group and the report be procured as a matter of urgency; and*
 - vi. provision of cost for the review be made from a source to be determined by the S151 Officer (at the time of writing the cost has not been determined and will be affected by the number of Councils participating).*
- (2) *in the context of the joint statement, exploring with SDC in relation to the following, be agreed:*
 - i. sharing of Senior Management Team posts across the two authorities;*
 - ii. exploration of shared contracts across the two authorities; and*
 - iii. agreement be given in principle to conducting a Joint Core Strategy/Local Plan Review, and a further paper be presented setting out details of a proposed programme, a member and officer governance.*

Further reports be presented to Employment and/or Executive on all of the items above as soon as possible;
- (3) *£35,000 be provided from the Service Transformation Reserve to fund the Council's contribution to the joint study and for additional support in respect of communications; and*
- (4) *the Cabinet of the County Council be asked to reconsider its informal decision to commission a separate business case for a single unitary Council and instead, to participate in the joint study with the other Borough and District Councils to look at all options and to listen to the public's views.*

Recommended to Council that:

- (1) *the principle of joint working with SDC be included as part of the Council's Business Strategy; and*
- (2) *agreement(s) be entered into with SDC pursuant to section 113 of the Local Government Act 1972 and all other enabling powers so that employees can be placed at the disposal of the other Council's as may be required".*

As was identified in the report to the Executive at its 13 July 2020 meeting, there were a number of reasons for further integration with Stratford-on-Avon District Council. These included:

- a strong political relationship between the two organisations;
- recognised sense of place;
- consistent geography already established for the South Warwickshire **Community Safety Partnership, Shakespeare's England, and South Warwickshire Health Partnership**;
- single economic geography with significant number of residents, living in one district and working in the other;
- increased effectiveness, efficiency and ability to deliver value for money by the two authorities;
- ability to produce a joint spatial plan for South Warwickshire, which would set a clear footprint for the area and result in reductions in the cost of producing such a plan;
- ability to have some further influence in relation to the Coventry & Warwickshire Local Enterprise Partnership through having an enhanced voice;
- taking advantage of current vacancies in management teams at both Stratford-on-Avon District Council and Warwick District Council; and
- ability to jointly commission contracts to obtain increased economies of scale.

Since then, the two Councils had together made significant strides across the piece to deliver this agenda. The Executive was asked to note the following series of updates.

Update: Management Team Posts

Since this meeting, further work had continued in relation to the sharing of management team positions. There were now joint roles across the two authorities in relation to the Head of Community and Operational Services/Neighbourhood position (SDC) and the Head of ICT (WDC).

The Employment Committee at its meeting on 16 February 2021, would be considering the sharing of further posts. This would be in relation to the Head of Financial Services (s151 Officer) position (WDC) and the principle that this became a joint post between the two authorities. Related to that though, was a re-distribution of some of the activities which meant that **both Council's Revenue, Benefits and Customer Service Teams** would be line managed by the Head of Revenue and Customer Services post (SDC) and assets activities by the Head of Assets (WDC), bringing a total of five posts then effectively shared by the two Councils.

The WDC Programme Director of Climate Change was proposed to have his remit extended from the WDC area to also cover the SDC area, and this was to be **considered at SDC's Employment and Appointments Committee** on 16 February 2021, and then lead the work on behalf of both authorities

in respect of Climate Emergency. It was expected that the remainder of the Management Team posts would be shared by the middle/end of 2021; this would be subject to the necessary consultation and approvals at that time.

Update: Organisational Change Policy alignment

As a prelude to further staff integration, both Councils would be considering an alignment to the following policies:

- Joint Organisational Change Policy Statement;
- Joint Redeployment Policy and Procedure; and
- Joint Redundancy Policy and Procedure.

These policies and procedures would be considered by the Employment Committee on 23 March 2021, and at Stratford-on-Avon District Council's Employment and Appointment Committee on 16 March 2021. Such joint policies would provide a consistent basis for the introduction of joint working across the two authorities. Alongside this would be monthly meetings of the CEOs and Union Representatives of both Councils, to ensure that staff were engaged, involved and informed continuously.

Update: Organisational Benchmarking with recently established Super Districts

On 1 April 2019, three Super Districts in England came into being, namely, Somerset West and Taunton; East Suffolk; and West Suffolk. Given there were three recent precedents, research on their background, their achievements, and the means of implementation had proved invaluable to officers to better understand what needed to be done and to identify issues to avoid.

Somerset West and Taunton had recently published an audit report on lessons learned, which was particularly valuable information. Both SDC/WDC Chief Executive Officers had also met (virtually) the CEO of East Suffolk, which was the closest in population size to what a South Warwickshire Council would be when created (250,000 compared to a South Warwickshire current size of 273,000).

Update: Shared Contracts

In relation to the proposal of joint contracts, both authorities had approved the approach to jointly procure the next Waste Management Services contract on a consistent approach to service delivery. This was approved by SDC's Council at its meeting on 14 December 2020, and this Council similarly agreed the process at its meeting on 17 November 2020. The tendering of this service had already commenced, with the new joint service anticipated coming into operation in 2022. This sat alongside both Councils also investing in the proposed sub regional Materials Reclamation Facility (MRF).

Update: Joint Core Strategy/Local Plan

Both Councils had agreed a more detailed paper on preparing a Local Plan for South Warwickshire. Proposals were considered separately at this meeting, Minute Number 76 - Joint Cabinet Executive Committee of Stratford-on-Avon District Council - on how the proposed governance would work for this area of work.

Political Alignment

To assist the process overall, it was proposed that the Leaders of both Councils would bring forward proposals for aligning the service Portfolios on each Council.

Study on Integration/Merger with Stratford-on-Avon District Council

It was evident that shared working with Stratford-on-Avon District Council would provide financial benefits that would enable both authorities to preserve valuable public services whilst the budgets of both organisations were under severe financial stress, mainly caused by the implications of the Covid-19 pandemic.

However, in order to help fully evaluate the options available to the two authorities, Deloitte had been commissioned by Warwick District Council to undertake a review of the financial and non-financial benefits of further integration, up to and including the possibility of a full merger between the organisations. The result of their review was attached at Appendix 1 to the report.

This review was an independent report from Deloitte. However, information and detailed discussions were undertaken following interviews with the Chief Executives and Deputy Chief Executives from both authorities, along with the respective Chief Financial Officers. It was recommended that the report should be received and noted.

Conclusions of the Study

The clear recommendation from Deloitte was that in order to achieve the maximum potential financial and non-financial benefits for the residents of South Warwickshire, a full merger of the two District Councils should be considered. This approach had most recently been implemented in parts of Somerset and in Suffolk, as referred to in paragraph 3.8 of the report.

In relation to the expected financial benefits which could be derived from a merger of the two authorities, the report concluded:

"Merging the two Councils could support local government in South Warwickshire to deal with the significant financial challenges it faces. The imperative for resolving the financial challenges is to ensure that local government can continue to deliver or improve services for local communities. Making financial savings from creating efficiencies and removing duplication supports this goal.

In this context a financial assessment has been carried out of the potential costs and benefits. This has found a potential opportunity to generate annual net savings of £4.6m after Year 5. This saving represents a 3.9% reduction in the current combined gross expenditure of both Councils.

Savings have been identified from rationalising the executive teams and the number of Members of both Councils, and also making efficiencies from bringing services together through jointly commissioning contracts or removing duplication in staffing. There are clear opportunities in a variety of areas.

Costs will be incurred in delivering the transformation such as change costs and potential redundancy payments (although this would be minimised through natural turnover as far as possible)."

Section 4 of the Deloitte report provided more details surrounding the potential financial benefits. It was expected that these would total £4.6m over the next five years, made up as follows:

	Area	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26
Costs (£'000s)	Change Costs	200	200	200	0	0
	Redundancy Costs	0	143	369	227	227
	Total Costs	200	343	369	227	227
Savings (£'000s)	Management Team savings	(305)	(611)	(611)	(611)	(611)
	Service Optimisation	(0)	(0)	(1,261)	(2,521)	(3,782)
	Democratic Savings	(0)	(0)	(0)	(172)	(172)
	Total Savings	(305)	(611)	(1,872)	(3,304)	(4,565)
Net Annual (Saving) / Cost		(105)	(268)	(1,302)	(3,077)	(4,338)

In relation to the perceived non-financial benefits arising from such a merger, these were explored in detail at section 5 of the report, and were summarised as follows:

"The super-district would better reflect place and economic geography. It would represent a recognised place in South Warwickshire built around the towns and the key transport routes of the M40 and the Chiltern rail line. There is a consistent geography already established for the South Warwickshire Community Safety Partnership, the Shakespeare's England tourism organisation, and the South Warwickshire Health Partnership. Residents of the South have consistent needs and concerns around areas such as rural transport, traffic and congestion and affordable housing. The super-district could speak up for the interests of the place and the discrete local communities within it, creating a stronger, unified voice than currently exists, and ensuring the place's voice is heard at a strategic level. It would also maintain local political leadership and accountability which will enable engagement with residents and support local decision making.

The super-district could support local government in South Warwickshire to deal with the significant economic challenges it faces by creating stronger services such as an aggregated planning function with one local plan that delivers for residents and business. Merging the Councils would also create a more powerful voice for the South Warwickshire economy that can work within and influence existing partnership organisations and structures such as the West Midlands Combined Authority (WMCA) and the Coventry and Warwickshire Local Enterprise Partnership. Within the WMCA, when Gross Value Added (GVA) is examined, the proposed South Warwickshire economy is the second biggest, second only to Birmingham.

The super-district could improve service delivery across South Warwickshire through delivering economies of scale and making reinvestments in services to drive innovation. It could assess the variation in performance and cost of delivery of services across both Councils, and under a single management structure, deliver greater performance consistency by applying best practice and reducing variation. It could strengthen its managerial and senior leadership, as larger councils are more likely to be able to offer a better compensation package and varied career opportunities. There would also be the opportunity for the super-

district to review areas where different services are provided by the two Councils and consider whether expanding services across the footprint may be advantageous. For example, the super-district may consider the future position on the Housing Revenue Account and associated housing service, and arts and culture service delivery."

Alongside the potential benefits, the report also identified the risks and dis-benefits that may arise from a merger of the two authorities. These were shown in detail; it was the view, however, that the risks could be mitigated and so the very clear benefits outweighed the potential risks given the opportunity for mitigation.

The overall conclusion of the report was shown on page 7 of the report, which stated:

"This high-level business case has found a strong strategic, financial and operational case for merging the two Councils. Such an initiative would have risks that could lead to dis-benefits, but these risks could be managed through an effective implementation approach. Should the two Councils decide to proceed with this initiative, substantial further planning and due diligence should be undertaken to establish a detailed implementation plan."

It was a recommendation to Council, therefore, that subject to Stratford-on-Avon District Council also confirming agreement, that the Council committed to seeking a full merger to create a new single statutory Council for South Warwickshire by 2024.

Vision

To clarify the objective, the following was proposed as a clear statement or vision for the two Councils to work toward:

"To create a single statutory South Warwickshire Council covering all of the activities currently carried out by Stratford-on-Avon District Council and Warwick District Council by 2024".

It was legally possible for two District Councils to merge, and this was covered by section 8-10 of the Local Government and Public Involvement in Health Act 2007. The Government would have to determine any application and it would be appropriate that the individual Councils would need to resolve. 2024 was suggested as a challenging but reasonable deadline, bearing in mind the statutory processes that had to be completed to enable a new Council to come into being. Existing legislation allowed new Councils to come into being only on the 1 April of any one year. The Deloitte report summarised the steps involved.

It was clear from public statements that the Minister of Housing, Communities and Local Government (MHCLG) was supportive of the concept of District Councils merging. However, it would still be necessary for a formal submission to be made from the two authorities to central government and for this to command local support.

Subject to agreement to the recommendations 2, 3 and 4 of the report ,it was further recommended that the respective Chief Executives would

commence work in relation to the development of formal submission to this end. When such a submission was complete, this would require the approval of Full Council before being made to the MHCLG.

In 2019, a statement made by the Secretary of State for Housing, Communities and Local Government included the following:

"Locally-led changes to the structure of local government, whether in the form of unitarisation or **district mergers**, can – with local support – be an appropriate means of ensuring more sustainable local government and local service delivery, enhanced local accountability, and empowered local communities. This statement today continues the Government's commitment to supporting those councils that wish to combine, to serve their communities better and will consider unitarisation and mergers between councils when locally requested."

As stated above, any application to Government for the merging of authorities would need to identify that the proposal had local support. Therefore, as part of the development of any submission, full consultation with the public, businesses and other local stakeholders would be required.

Programme of Implementation

If the Council was supportive of recommendations 2.3 to 2.6 to merge the two organisations, it was proposed that the following next steps were pursued:

The CEOs of both Councils would develop a detailed Programme of Implementation (PI) to identify the steps that would be required to be completed, including:

- Management - Integrate the two Senior Management Teams;
- Services - Integrate teams below Senior Management Teams following appointment of individual Joint Heads of Service;
- ICT – Programme on integrating and simplifying ICT systems;
- People - Harmonisation of staff terms and conditions and all other business systems;
- Procurement - Development of programme of joint procurement;
- Assets - Identification of future accommodation and other service requirements, providing opportunity to dispose of both Elizabeth House and Riverside House;
- Democratic Governance - Review of Corporate Governance arrangements and undertaking a review of both the number of Councillors and of ward boundaries;
- Culture – Creating a new single authority Staff and Councillor culture and ways of working;
- Finances – Harmonising of Council finances especially determining an approach to Council Tax and fees and charges;
- Strategy – Creation of a single corporate strategy/business plan in the run up to and after a new single authority is created; and
- Communications – a plan for all stages for all audiences to make sure everyone was well informed at the same time.

Given the need to make progress speedily, it was proposed that the PI should be prepared for consideration by Members by the end of July 2021.

The scale and scope of work involved was such an undertaking it was recognised within the Deloitte report that such a change programme would need to be properly supported and resourced. This was fully supported by the experience/evidence from the three recently created Super Districts, and had in particular been evidenced in the audit report on lessons learned from Somerset West and Taunton and from the experience of the CEO of East Suffolk. It was therefore recommended that the appointment of Programme Manager and independent HR Support should be made to support the Councils' senior managers in this transition process. The LGA had indicated that they would be in a position to support some of these costs, however, it was suggested that budgetary allowance of £100,000 per year for three years was made by both Councils.

Risk Register and Communication Plan

Alongside the PI, it was proposed that the risk register set out in the Deloitte report should be expanded to become a much more detailed risk register. However, it was worth noting the significant risk that whilst the Councils were permitted to make such an application for merging, this would still require a Government decision. The decision was to support such mergers of Taunton Deane & West Somerset to create Somerset West and Taunton and the merging of authorities to create both East and West Suffolk. However, the proposal to merge West Devon and South Hams went as far as a formal vote but was rejected by one of the Councils in October 2017, even though the two Councils operated one joint staff team then and still do.

A recent Parliamentary Briefing Paper in relation to Local Government Structures had been published, and this provided further details on such mergers. This was attached for information at Appendix 2 to the report.

It was accepted that there would be a number of specific risks that would need to be mitigated in relation to any proposed merger. Within the Deloitte report, these were identified along with the proposed mitigating actions. It was recognised that there could be a perception of remoteness from the new organisation, however, through expanding initiatives such as **SDC's Parish and Partners**, this should be easily overcome.

From experience, any change programme depended upon good and effective two-way communication. This would be important with the local residents and business community, and with other partner agencies. The two-way nature was important so that in creating a new authority, a variety of interests could be taken into account in helping to form it. It was therefore also recommended that a communication plan should be prepared, implemented and monitored.

Monitoring Progress

Progress on the PI, the risk register and the Communications Plan would be regularly reported to both Councils, but it was proposed that more detailed oversight should be given by a Steering Group of Members comprising the Leader and Deputy Leader of both Councils and 4 other Councillors of both Councils representing the other political groups, with formal quarterly reporting of progress to each respective Cabinet/Executive. This would be supported by the CEO and Deputy CEO of both Councils and the

Programme Manager.

Scale of Change

The proposal for merging the two Councils was of a very significant scale. As the report from Deloitte made clear, it would be a change which was significant for every single aspect of both Councils, including that of the public, businesses, staff, contractors and members. Whilst the benefits of the merger had been made clear by the work completed by Deloitte, in making the decision to go forward, it was important that the decision was made on an **"eyes wide open" basis**, and so it was proposed that the scale of change involved was acknowledged.

In terms of alternative options, Members could decide that they wished to proceed no further than the current levels of joint working or indeed even to reverse them, but this would have considerable adverse impacts on the Council, both in service delivery and in longer term financial sustainability, which itself would prove detrimental to service delivery going forward.

Members could also decide that they may wish to proceed but not agree to a full merger. Whilst this would deliver some benefits, the benefits would not be as great as those delivered by a full merger. Members would in any case be required to consider a fuller report on the decision for a merger.

The Leader made Members aware of minor changes to recommendation 2.2 in the report, to read:

*"(c) subject to the approval of recommendation 2.2(a) and 2.2(b) that the Chief Executives of both Councils are asked to ~~prepare~~ **draft** a submission to the Government seeking approval to achieve a merger by 2024, subject to a further report for approval by both Councils.*

*(d) subject to the approval of 2.1(c), 2.2(a) and 2.2(b), that the Chief Executives of both Councils are authorised to prepare a Programme of Implementation (PI) to deliver the vision agreed at ~~2.4~~ **2.2(a)** above for consideration by Members no later than July 2021".*

The Chief Executive advised Members of a further minor change to recommendation 2.2 to read:

*"(e) subject to the approval of 2.2(a) to 2.2 ~~(c)~~ **(d)** above, the sum of £100,000 pa from the Council for the period 2021/22 to 2023/24 be included within the Medium Term Financial Strategy and is funded from the Service Transformation Reserve to ensure that there is sufficient programme management resource to support the Councils through this transition process to a full merger".*

The Overview & Scrutiny Committee was pleased to note the intention to provide quarterly updates but it recommended that this should go further and that there should be a **"Scrutiny Plan"**. This plan should set out points in the project where there were key decisions being made and where matters requiring scrutiny at either or both O&S and F&A were embedded within the plan. Short progress updates should also be provided to each Scrutiny meeting so that the Committees were not overwhelmed with less

frequent, longer reports that effectively meant there was no time to **scrutinise other areas of the Council's operations at those meetings**. Members were required to vote on this because it formed a recommendation to them.

The Overview and Scrutiny Committee was mindful of the amount of time officers required to undertake this project and the Committee would plan its meetings to allow sufficient time to scrutinise with the aim to help the Executive. It would look at whether joint meetings of both Scrutiny Committees would be of assistance, and also joint meetings with Stratford District Council.

Councillor Day accepted the recommendations from the Overview and Scrutiny Committee and thanked its Members for their thoughtful contributions, as well as the contribution from other Groups, and was pleased to see Groups working together so effectively. He also thanked the Chief Executive and other senior officers for the extensive work that had gone into the report in a relatively short space of time.

Councillor Day read a letter he had received from the Leader of Warwickshire County Council, Councillor Izzi Seccombe, who had enquired as to the status of the proposal, and the implications on all Councils in Warwickshire, and requested her concerns be shared with Members of the Executive.

In response, Councillor Day wished to make it clear that the decision taken would be a clear statement of intent, and his colleagues in other Borough and District Councils were meeting frequently to discuss how they had been able to work effectively during the Covid-19 pandemic, and how this would continue in the future. He assured Members that he would be responding to Councillor Seccombe as the Council wished to consult with Warwickshire County Council alongside other local authorities. There had been meetings with WALC and specific Town and Parish Councils, so that they were aware of these proposals, and they would be able to play an active part in this programme in the future. Councillor Day felt that this was an extraordinary opportunity for Warwick District Councillors to shape a modern and agile Local Government for South Warwickshire for the next 50 or more years, and it was a privilege as Councillors to work together to shape and create this new entity to meet the needs of today and the future. He then proposed the report as laid out.

Recommended to Council that

- (1) subject to the same decision being taken by Stratford-upon-Avon District Council, the following **vision statement: "To create a single statutory South Warwickshire Council covering all of the activities currently carried out by Stratford-on-Avon District Council and Warwick District Council by 1 April 2024."**, be approved;
- (2) subject to the same decision being taken by Stratford-upon-Avon District Council, the proposal to integrate all of the activities of each Council, including the ambition of achieving a full

merger by 1 April 2024, be agreed;

- (3) the Chief Executives of both Councils be asked to prepare a submission to the Government seeking approval to achieve a merger by 2024, subject to a further report for approval by both Councils;
- (4) the Chief Executives of both Councils be authorised to draft a Programme of Implementation (PI) to deliver the vision agreed at recommendation 2 above for consideration by Members no later than July 2021;
- (5) the sum of £100,000 pa from the Council for the period 2021/22 to 2023/24 be included within the Medium Term Financial Strategy and is funded from the Service Transformation Reserve to ensure that there is sufficient programme management resource to support the Councils through this transition process to a full merger;
- (6) a Risk Register including an exercise of full disclosure from both authorities be also prepared for consideration by Members alongside the Programme of Implementation;
- (7) a Communication Plan for the Vision and Programme of Implementation (PI) for staff, partner agencies, the public and the business community be prepared and implemented;
- (8) the Programme of Implementation (PI), Risk Register and Communication Plan be overseen and monitored by a Steering Group of members comprising the Leader and Deputy Leader of both Councils and four other Councillors of both Councils representing the other political groups, with formal quarterly reporting of progress to each respective Cabinet/Executive; and
- (9) the scale of change, benefits and risk (and mitigations) that this proposal involves for each Council, be noted.

Resolved that

- (1) the significant progress of implementing the decisions made in 2020 about closer working of the two Councils as set out at paragraphs 3.3 to 3.12 of the report, and including the organisational change policies to be considered by the Employment Committee on 23 March 2021, be noted;

- (2) the Leaders of SDC and WDC will, by the beginning of the new municipal year in May 2021, to align portfolio holder responsibilities, be noted;
- (3) the report prepared by Deloitte, at Appendix 1 to the report, setting out the high level business case of the potential financial and non-financial benefits of a merger of Stratford-on-Avon District Council and Warwick District Council, be noted; and
- (4) the recommendation from the Overview & Scrutiny Committee was accepted and it was agreed to provide (i) a "**Scrutiny Plan**" that will set out points in the project where there were key decisions being made and where matters requiring scrutiny at either or scrutiny committees were embedded within the plan; and (ii) short progress updates to each Scrutiny meeting.

(The Portfolio Holder for this item was Councillor Day)

77. Joint Cabinet /Executive Committee of Stratford-on-Avon and Warwick District Councils

The Executive considered a report from Democratic Services which brought forward proposals for the governance arrangements for the Joint Cabinet/Executive between Stratford on Avon District Council (SDC) and Warwick District Council (WDC) for progressing a Joint Local Development Plan for South Warwickshire.

At its meeting on 1 October 2020, the Executive agreed to proposals to bring forward a Joint Local Plan for South Warwickshire (JLPSW) and asked officers to bring forward proposals for the governance arrangements for this.

The proposals set out had been developed in partnership between SDC and WDC officers. A Joint Cabinet/ Executive Committee was proposed to be created with SDC pursuant to sections 101 and 102 of the Local Government Act 1972, section 9EB of the Local Government Act 2000 and all other relevant legal powers. The purpose of the Joint Committee was to enable the two Councils to work more closely together in developing a Joint Local Development Plan for South Warwickshire, ensuring that decisions were taken collectively and in a timely manner.

The Joint Committee would not undertake any functions, at present, other than those defined within the terms of reference and as defined by law, with its major decisions being:

- (a) endorse technical studies and background reports to inform the preparation of South Warwickshire Local Development Documents, as appropriate;

- (b) approve or recommend to Council (as appropriate) South Warwickshire Local Development Documents for public consultation;
 - (c) recommend to Council adoption of accompanying South Warwickshire Local Development Documents e.g. Local Development Scheme, Statement of Community Involvement;
 - (d) recommend to Council approval of the South Warwickshire Development Plan Document / Local Plan for submission to the Secretary of State for examination; and
 - (e) recommend to Council adoption of the South Warwickshire Development Plan Document / Local Plan.
- (NB. The adoption of the Joint South Warwickshire Local Development Plan would **remain with the individual Council's for final approval.**)

The Constitution document attached as Appendix 1 to the report, and Appendix 1 to Minute Number 77 comprised the terms of reference and standing orders that would apply to the Joint Committee, and would take precedence over the respective Constitutional documents of each of the two Councils. However, where the Constitution for the Joint Committee was silent on an issue, the Constitution of each respective Council would take precedence; for example, the Councillor Code of Conduct.

There would be a review of these arrangements by both Councils towards the end of the first six months of the operation of the Joint Plan Advisory Group, in order to determine if any changes were necessary.

Attention was drawn to a number of features that applied to the arrangements:

- the Chairman would be appointed at the start of each meeting until the start of the next meeting on a rotating basis;
- where Members of one Council were minded to vote to support a proposal and Members of the other Council minded to vote against the proposal, the matter would be referred back to officers to reconsider the specific point of contention;
- each respective Council was not obliged to accept recommendations received from the Joint Committee;
- provided the respective Council was following its own procedure rules, it may revise its decision to prepare joint local development documents with the other Council; and
- the Leader of either Council could at any time withdraw the delegated Executive powers from the Joint Committee.

In terms of alternative options, the Executive could decide not to progress with a Joint Committee and retain the decision-making process as at present. However, this would go against the understanding already in place through previous reports and would lengthen the decision-making process on developing a the JSWLP.

Councillor Day proposed the report as laid out.

Recommended to Council that, subject to Stratford-on-Avon District Council passing similar resolutions:

- (1) preparation of joint local development documents with SDC, pursuant to section 28 of

the Planning and Compulsory Purchase Act 2004, be agreed;

- (2) the proposed Constitution for the Joint Committee as set out in the Appendix 1 to the report, and Appendix 1 to Minute Number 77, be adopted;
- (3) the Council Procedure Rules be amended so that only items that are key decisions (as defined by each authority) taken by the Joint Committee **can be "called in"**; and
- (4) the Chairmen of the Scrutiny Committees of Stratford District Council and Warwick District Council be requested to meet in early May 2021 to consider the potential for joint scrutiny arrangements to scrutinise the Joint Committee.

Resolved that

- (1) subject to Stratford-on-Avon District Council Cabinet passing similar resolutions:
 - (a) the establishment of a Joint Committee with SDC, with terms of reference as set out in Appendix 1 to the report, be agreed;
 - (b) the appointments to the Joint Committee, be confirmed; and
 - (c) the agreed terms of reference for the South Warwickshire Joint Plan Advisory Group that has been established, as set out at Appendix 2 to the report, be noted.
- (2) supporting a review of these proposals in July 2021, with views from all District Councillor sought, in order to determine if any changes are necessary, be agreed; and
- (3) the intention is to have the first meeting of the Joint Cabinet/Executive w/c 8 March 2021, be noted.

(The Portfolio Holders for this item were Councillors Cooke and Day)
Forward Plan Reference 1,171

78. **General Fund Budget and Council Tax 2021/22**

The Executive considered a report from Finance informing Members on the **Council's financial position, bringing together the latest and original** Budgets for 2020/21 and 2021/22, plus the Medium Term Forecasts until 2025/26.

The contents of the report would be presented to Full Council alongside a separate report recommending the overall Council Tax Charges 2021/22 for Warwick District Council.

The report presented a balanced Budget for 2021/22, something which the Council had been able to achieve without having to reduce the services it provided, but with a heavy reliance on reserves and an ambitious savings/ income generation programme. The savings coming out of the Budget proposals agreed by Members in December 2020 had been included within the Budgets. Once again, the Council had not had to rely on New Homes Bonus to support core revenue spending and had been able to allocate this funding to supporting specific project work, while also replenishing reserves.

The Council was now forecasting to achieve an improved position on its 2020/21 Budget compared to the position previously reported to Members at the 24 August Executive meeting, enabling a COVID Contingency budget to be established for 2021/22.

The increase proposed for Council Tax for 2021/22 was £5 per annum at Band D, in line with the maximum permitted under the relevant Council Tax Regulations.

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 next financial year, taking into account the longer-term implications of decisions in respect of 2021/22. Hence, Members received a five-year Medium Term **Financial Strategy detailing the Council's financial plans, Capital Programme** and Reserves Schedule.

The Local Government Act 2004, Section 3, stated that the Council must set an authorised borrowing limit. The CIPFA Code for Capital Finance in Local Authorities stated the Council should annually approve Prudential Indicators.

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 made at Appendix 1 to the report).

The report was structured so as 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. The report was structured as follows:

- 2020/21 Revenue Budget – **update to the year's budget**;
- 2021/22 Revenue Budget – details of main items included within the proposed 2021/22 Budget;
- 2021/22 Local Government Finance Settlement;
- Business Rates – **details of main drivers impacting upon the Council's share of Business Rates**;
- Council Tax – proposals for Warwick District Council level of council tax for 2021/22;

- New Homes Bonus – **details on the Council’s allocation for 2021/22**;
- Medium Term Financial Strategy – revenue projections for the Council for the next five years, taking into account latest information and decisions by Members;
- Reserves and Balances – details on the funds held by the Council and the proposed usage thereof;
- Capital Programme – **details of Council’s capital projects and funding** thereof;
- Appropriation of funding and balances – proposals for the allocation of one-off funding allocations;
- Business Rates – proposed delegations in respect of Reliefs and Grants;
- Pre-Planned Maintenance Programme – agreement to the plan for 2021/22; and
- Local Council Tax Support Scheme – proposed delegation.

The **year’s** revenue budget was last considered by Executive at its 24 August 2020 meeting. At that time, a £5,676,000 adverse position was forecast for the year, which was to be partly supported by the use of non-ring fenced Government grants.

It was agreed that non-ring fenced Government grants received in tranches as part of their support to local authorities, were to be allocated towards the overall revenue deficit projected for the year. As at August, these totalled £1,683,800.

In addition, the Government had also announced a sales fees and charges income compensation scheme. As at August, estimated compensation from the scheme was c£3,100,000.

The remainder of the deficit was to be supported through the use of BRRVR.

Since August, the following notable changes had impacted on the financial position for the year:

Expenditure Growth / Income Reductions:

- income losses as a result of COVID-19, with national restrictions, in addition to local decisions such as offering free parking in the District during December to support the local economy, reducing key income drivers such as car parking, commercial rent and event fee income by a further net (+£308,600);
- increased expenditure as a result of COVID-19, including additional waste collection costs as a result of more waste being generated by homes due to people staying at home (+£600,000); and
- a delay to the CCTV project which was due to be completed in 2020/21 as a result of COVID-19, which was ultimately expected to deliver recurrent savings (+£50,000).

Expenditure Savings / Increased Income

- Additional COVID income grants had been received: Following the release of details to support the sales, fees and charges income compensation scheme, the Council would be eligible to receive a further

(-£400,000) during 2020/21. In addition, further tranches of non-ring fenced support grants (-£156,300), new burdens funding for Business Grants and Council Tax hardship (-£193,400) and funding to support Leisure and Arts Services (-£430,000) had been received.

- The receipt of Furlough grants to support the continued payment of casual staff who typically worked within the cultural and arts services, areas that had been closed throughout the year (-£85,000).
- Expenditure savings from the closure of cultural and arts services, such as the Spa Centre and Town Hall, and the cancellation of a number of events hosted in the District, including the National Bowls Championships (-£593,000).

As a result of the key changes summarised above, the 2020/21 Net Cost of General Fund Services was now £35,894,800, allowing £923,000 to be allocated to the BRRVR, and drawn down if necessary in 2021/22, as part of a COVID-19 Contingency Budget allocation.

To balance the budget in the year, it had been necessary to make use of the BRRVR. When the Substitute Budget was set 12 months earlier (which was implemented following the Council Tax Referendum not taking place in May 2020), the General Fund was due to be receiving £739,900 from the BRRVR, with further significant drawdowns in 2021/22 and 2022/23. With **the Council's financial position having suffered in the year, primarily as a result of the global pandemic**, it had been necessary to increase the contribution from the BRRVR to £2,321,200, so as to present a balanced position for 2020/21.

In preparing the 2021/22 Base Budget, the over-riding principle was to budget for the continuation of services at the existing level. The following adjustments needed to be made to the 2020/21 Original Budget:

- removal of any one-off and temporary items;
- addition of inflation;
- addition of previously agreed Growth items;
- addition of unavoidable Growth items; and
- inclusion of any identified savings.

Inflation of 2% had been applied to general budgets, including most major contracts. 0.5% had been used for Business rates.

In terms of staffing, a 2% increase (+£263,000) had been factored in for 2021/22, subject to a pay award being agreed. Whilst the Chancellor had proposed no pay awards for public sector workers, for local government this was to be determined by the national pay bargaining arrangements.

The following summarised the key drivers of expenditure growth, and income reductions that had been factored into the 2021/22 Revenue Budget.

- waste collection, street cleansing and grounds maintenance contract increases (+£3,409,900);
- waste management – new properties (+£40,200);
- a COVID-19 Contingency Budget to support increased expenditure costs, and further lost income (+£4,015,700). This includes the £923,000 referred to in section 3.2.6 in the report;

- contribution to the Climate Emergency Reserve (+£500,000);
- lone working costs, as agreed at August 2020 Executive (+£26,500); and
- HR Payroll Contract costs following transfer to new provider (+£10,300).

The following summarised the key expenditure savings, and increased income that had been factored into the 2021/22 Revenue Budget.

- Fees and Charges, as agreed at November 2020 Executive (-£503,200);
- Savings Proposals, as agreed at December 2020 Executive (£2,289,000); and
- various COVID-19 support grants to support loss of fee earning income and Council Tax support (-£1,023,700).

On 2 July 2020, MHCLG announced a "comprehensive new funding package for Councils to help address Coronavirus pressures and cover lost income during the pandemic". This included local authorities being able to spread business rates and Council tax collection fund deficits over three years (rather than the usual one). The forecast deficit on the Collection Fund for Council tax as at 31 March 2021 of £146,000 was due to be spread over the three subsequent years as set out below and reflected in the budget as follows:

	31/3/2021 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Collection Fund Deficit	146			
Deficit spread over 3 years charged to General Fund		39	54	54
Pressure / (Benefit)		(107)	54	54

Taking into account all known changes, the 2021/22 budget showed a deficit of £2,846,100. To present a balanced budget, it was proposed to use the BRRVR, as previously agreed within earlier reports presented to Executive.

The Government announced the provisional 2021/22 Finance Settlement in December. The final settlement was expected to be confirmed shortly, ahead of the Council being due to agree its 2021/22 Budget and Council Tax in February. No changes were expected to the final settlement, but Members would be duly informed if necessary.

2021/22 was originally due to be a major year in respect of local government finance, as the following changes were due to come into place:

- Fair Funding Review;
- New Business Rates Retention scheme based on 75% retained in local government, in place of the 50% scheme; and
- reset of the Business Rates Baselines to reflect changes in rates collected locally since the scheme was introduced in April 2013.

These changes were originally due to come in for 2020/21, but were all delayed a year. As a result of the pandemic, the Government had sought to delay these changes again, with them expected to come into force for 2022/23.

With the demise of the former Revenue Support Grant, the main tools that the Government had to control funding of individual local authority funding were:

- Council Tax – for District Councils for 2021/22, this could be increased by up to the higher of 2% and £5, with the latter being the maximum applicable for Warwick District Council, unless a referendum was undertaken in respect of a higher amount.
- Business Rates – whilst local authorities had limited control of the overall revenue from business rates, the Government set out through the Business Rate Retention Scheme how business rates revenue was shared between the billing authority (Warwick District Council), other local authorities and Central Government. This was the key to the financial support local authorities received. The delay to the Reset of the Baselines would serve to greatly assist many District Councils such as Warwick.
- New Homes Bonus – For some years, this had been expected to cease. However, it was to be continued for 2021/22, with Warwick District Council due to receive £3.269m. This was discussed more fully in section 3.7 of the report.
- Other Direct Grants – Over the last year, additional Government funding by way of grant had become increasingly important to make up for increased expenditure and reduced income received by local authorities. Some additional funding for 2021/22 had already been agreed, and had been included within the 2021/22 Budget, set out in paragraphs 3.3.5 and 3.8.3 of the report.

Under the Business Rate Retention Scheme, the Council received approximately £5m per annum. Whilst the business rates base was relatively stable, complexities within the Retention Scheme meant that the element retained by the Council may fluctuate substantially year on year. The causes of these fluctuations were primarily:

- Appeals – There were still many appeals awaiting determination by the Valuation Office. An assessment of the success of these needed to be made and suitable provision had been allowed for within the estimated figures. Whilst it was hoped that this figure was suitably prudent, given the size and nature of some of the appeals, there remained a risk. April 2017 saw the introduction of the new “Check, Challenge, Appeal” regime, seeking to expedite appeals and deter speculative appeals. Following previous revaluations, backdated appeals continued to be lodged for several years. The number of new appeals coming forward since April 2017 continued to be minimal. However, it was still expected that a significant number of appeals would come forward in subsequent years that would be backdated to 2017. It was necessary for an estimate of these future appeals to be allowed for in the 2020/21 and 2021/22 Estimates.
- Accounting for the “Levy” - Under the Business Rate Retention Scheme, the timing of transactions, notably in respect of the “Levy” paid to

central government, would result in substantial swings in the net rates retained by the Council in any specific year.

With the reset of the Business Rate Retention Baseline expected in April **2022, from that date it was expected that the Council's share of business** rates would reduce to more closely align to the Baseline (at the time £3.4m) as it lost its share of increases to the business rate base. A reduction in retained business rates had been allowed for in the projections from 2022/23. However, it was important that reserve funding was allowed for in case the position from 2022/23 was worse than forecast.

Due to the significant fluctuations in the business rates that the Council got to retain in any individual year, in common with most other local authorities, it retained a BRRVR. Since 2018, the balance on this reserve continued to grow and peaked at £7.5m at 31 March 2020. In future years, **the Council's Budget and MTFS were due to be supported by the BRRVR** as allocations were made from the reserve to support revenue spending. Latest forecasts showed the balance on the reserve would be down to £2m as at 31 March 2026.

Since the start of the Business Rate Retention Scheme, the Council had been part of the Coventry and Warwickshire Business Rates Pool. By pooling, local authorities were able to reduce the amount of the levy due to be paid to Central Government, and retain more income locally. For 2020/21, **the Council's Business Rates Retentions** figures included approximately £400k as the gain from pooling for this year. The Executive agreed in the autumn that the Council should seek to be part of the Pool for 2021/22. Within the Provisional Finance Settlement, the Government was proposing that the pools would be able to continue for 2021/22.

The Business Rate Pool had continued to hold a Safety Net to cover the potential decrease in business rates collected. All pool members had agreed that the balance on the Safety Net was far greater than needed, at over £5.5m as at 31 March 2020. Consequently, some of the Safety Net balance had been returned to the billing authorities, with WDC due to receive a total of £566k in 2020/21. Consideration of how this balance was used was discussed in Section 3.11 in the report.

The Business Rates Retention figures within the MTFS were believed to be reasonably prudent, taking into account all the above factors. These figures would continue to be reviewed and Members would be informed of changes as the MTFS was presented in future reports.

As announced within the Provisional Local Government Finance Settlement, District Councils may increase their share of the Council Tax by the greater of up to 2% and £5 without triggering a referendum. This was the same limits as applied for 2020/21.

The national average Council Tax for District Councils was £199, and £244 including Parish/Town **Council precepts. This Council's Council Tax charge** for 2020/21 was £171.86 (excluding Parish and Town Council precepts). **This Council's charge was in the** second lowest quartile (60/172) and when Town and Parish Precepts were included, it fell within the lowest quartile (30/172).

The Council Tax Base was calculated in November of 2020, with the **Council's preceptors** being notified accordingly. The Tax Base for 2021/22 was 55,916.75 Band D equivalents. This was a reduction of over 1,083 Band D Equivalent properties to the figures originally factored into the Financial Strategy for 2021/22, as reported in February 2020. This reduction was primarily related to the impacts of the pandemic, whereby there had been an increased number of Council Tax Support claimants, and new properties had not been completed at the rate originally projected. The reduced forecast growth in the tax base had been factored into the MTFS. **This clearly impacted upon the Council's estimated Council tax income.**

An increase in Council Tax of £5 per annum per Band D was proposed to **fund the Council's core services, in line with the limits discussed in** paragraph 3.6.1 in the report.

The Council's element of the Council Tax was calculated by taking its total budget requirement and subtracting the Council's element of Retained Business Rates. This figure was divided by the 2021/22 tax base (55,916.75 Band D equivalent dwellings) to derive the District Council Band D Council Tax Charge.

The recommendations within the report produced a Band D Council Tax for Warwick District (excluding Parish/Town council precepts) for 2021/22 of £176.86, this being a £5 increase on that of 2020/21. Based on this **increase the District's element of the Council Tax for each of the respective bands would be:**

	£
Band A	117.91
Band B	137.56
Band C	157.21
Band D	176.86
Band E	216.16
Band F	255.46
Band G	294.77
Band H	353.72

The £5 increase in Council tax would generate an additional £279,600 in 2021/22, towards the cost of core services.

The MTFS included increases in Council Tax of £5 per annum in future years. This increase would go towards maintaining core services. It was important that the Council continued to maintain this income base into future years. Costs would continue to face inflationary increases. In addition, there remained **threats to the Council's other income streams**, most notably its share of Business Rates Retention.

Parish and Town Councils throughout the District were asked to submit their precepts for 2021/22 when informed of their Tax Bases. At the time of writing the report, not all precepts had been confirmed. It was estimated that the precepts would total just over £1,500,000 based on prior years. In the Provisional Finance Settlement, the Government had announced it

would continue to defer the setting of referendum principles for Town and Parish Councils. As in previous years, the government had indicated it would keep this approach under review for future years.

The Council Tax was set by aggregating the Council Tax levels calculated by the major participating authorities (the County Council and the Police and Crime Commissioner) and the Parish/Town Councils for their purposes with those for Warwick District Council. The report to the Council Meeting on the 24 February 2021 would provide all the required details. This would be e-mailed to all Members as soon as possible, following the Police and Crime Commissioner and Warwickshire County Council meetings. At the time of writing the report, it was assumed that all the Town/Parish Precepts would have been returned. The Council would then be in a position to:

- (a) consider the recommendations from the Executive as to the Council Tax for District purposes; and
- (b) formally set the amount of the Council Tax for each Parish/Town, and within those areas for each tax band, under Section 30 of the 1992 Local Government Finance Act.

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 have knowingly budgeted for a deficit. Members must not have 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.

Should Members wish to propose additions or reductions to the budget, on which no information was given in this report, they needed to present sufficient information on the justification for and consequences of their proposals to enable the Executive (or the Council) to arrive at a reasonable decision. The report set out relevant considerations for Members to consider during their deliberations, including the statement at Appendix 1 to the report, from the Chief Financial Officer

Section 106 of the Local Government Finance Act 1992, stated that any Member who had not paid their Council Tax or any instalment for at least two months after it became due and which remained unpaid at the time of the meeting, had to declare that at the meeting and not vote on any matter relating to setting the budget or making of the Council Tax and related calculations.

The Council's New Homes Bonus (NHB) for 2021/22 was £3.269m. This was a reduction from the £3.7m awarded for 2020/21.

The NHB calculations were still based on the following parameters:

- since 2018/19 funding was based on four years (this previously being six years); and
- the baseline of 0.4% had continued for 2021/22. New Homes Bonus was only awarded on growth above this level. For Warwick District Council, for 2021/22 the 0.4% baseline represented 261 dwellings. With the total growth of 824 Band D properties, the 2021/22 allocation

was based on 647 properties.

Within the Provisional Funding Settlement, the Government said that **"legacy payments" for 2021/22 would not continue, as was the case for 2020/21**. However, prior year legacy payments from 2018/19 and 2019/20 continued to be part of the 2021/22 allocation. If this was unchanged for 2022/23, the Council would expect to receive NHB of £1.278m for that year. However, with the changes expected to Local Government Finance in 2022/23, it was possible that this legacy payment would not continue.

To date, the Council had used the money to fund various schemes and initiatives and replenish some of its Reserves, and unlike many local authorities, had not used NHB to support core services. It continued to be **the Council's policy to exclude NHB in projecting future funding**.

As in previous years, Platform Housing Group (Waterloo Housing Group had been acquired by Platform) would receive part of this allocation from their agreement with the Council to deliver affordable Housing in the District. £199,600 was due to be paid to Waterloo in 2021/22. Section 3.13 of the report detailed how it was proposed to allocate the Residual Balance for 2021/22.

When Members approved the Substitute 2020/21 Budget in February 2020, the MTFS showed that the Council would be in deficit by £1,762,000 by 2024/25, as shown below.

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Deficit-Savings Req(+)/Surplus(-) future years	0	0	522	1,868	1,762
Change on previous year		0	522	1,346	-106

In August 2020, Members received later updated projections in the quarterly Budget Review Report (section 3.5). The report highlighted any major changes to the Strategy. Taking into account these changes, the savings reported to be found within the MTFS were as follows:

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Deficit-Savings Req(+)/Surplus(-) future years	3,190	6,139	5,701	5,355	5,306
Change on previous year	3,190	2,949	-438	-346	-49

In addition to the funding included within the Budget report to August Executive, additional Government funding had been announced in recent

months, with most of this being attributable to supporting the costs to COVID-19. This had helped to support the MTFS in the short term. This funding included:

Local Government Funding	2020/21	2021/22
	£000s	£000s
Local Council Tax Support	0	170
Lower Tier Services Grant	0	147
Sales Fees and Charges	400	750
Covid funding	0	627
Business Grants - Admin - New		
Burdens funding	170	0
Business Rates Discounts - New		
Burdens funding	12	0
Council Tax Harship - New Burdens		
funding	12	0
Arts Funding re RSC etc	170	80
Leisure Funding	260	0
Total	1,023	1,774

Taking into account some of the further key changes highlighted in section 3.2.5 of the report, the budget showed an improved position of £923,000 in 2020/21. This was to be allocated back to the BRRVR, and drawn down in 2021/22 as part of a COVID-19 Contingency Budget allocation.

In addition to the budget changes highlighted in section 3.3.4 of the report, for 2021/22, a recurring £500,000 from 2022/23 had been included for the maintenance of Council municipal assets, in order to reduce the need for funds to be found annually for the Corporate Asset Reserve (which had a sufficient balance to fund works in 2021/22). From 2023/24, a recurring £500,000 had been allocated to support any further potential increased costs from the new waste contract and associated measures.

Taking into account the above changes, the profile of the MTFS was now as follows:

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Deficit-Savings Req(+)/Surplus(-) future years	0	0	178	-30	-216
Change on previous year	0	0	178	-208	-186

The above profile allowed for the balance on the Business Rate Retention Volatility Reserve to be maintained at £2m. With many significant factors **likely to influence the Council's funding in the short and medium term**, it was vital to maintain adequate reserves.

Members agreed that £1.5m should be the minimum level for the core General Fund Balance. This balance would support the Council for future unforeseen demands upon its resources. In order to consider a reasonable level of general reserves, a risk assessment had been done and was contained at Appendix 4 to the report. This showed the requirement for the General Fund balance of over £1.5 million against the risks identified above. In addition, it would be possible to use some of this reserve towards short term **impacts of the pandemic on the Council's finances. However, in** using this balance, it would be necessary for the balance to be fully re-instated as priority over other Council financial priorities.

The balance on the General Fund Balance was at the time £519,000 above its nominal balance. The use of this excess balance was considered in paragraph 3.13.2 of the report, and below.

The General Fund had many specific Earmarked Reserves. Details of these were attached at Appendix 5 to the report, showing the actual and projected balances from April 2020, along with the purposes for which each reserve was held. The Finance and Audit Scrutiny Committee was especially asked to scrutinise this element and pass comment to Executive.

Those reserves which showed a significant change in the overall balance in the period 1 April 2020 to 31 March 2024 were detailed below and also shown in Appendix 5 to the report:

- i. Business Rates Volatility Reserve – this reserve smoothed out the receipt of business rates income and contributions to the reserve. This reserve had been agreed by Members to support the shortfall on the General Fund over the period 2020/21 to 2022/23, with much of this shortfall being driven by the global pandemic. The use of this reserve was discussed in section 3.8 of the report, with £5.5m being utilised over this period, reducing the balance from £7.5m to £2m. As reported in the 2020/21 Budget report, the balance on this reserve should not be allowed to go below this level, and should ideally be at a level of £2.5m. With the changes to Business Rates Retention expected from 2022/23, it was expected the Council would retain a lesser proportion of business rates, for which the further support from the reserve may be required.
- ii. Service Transformation Reserve / Early Retirement Reserve – on the basis that the Early Retirement Reserve was normally only used for one off staff costs as a result of service staffing changes, it was proposed that this Reserve was merged with the Service Transformation Reserve. £870,000 was proposed to be allocated to the Service Transformation Reserve from the 2021/22 New Homes Bonus. This was primarily towards the up-front costs of the Joint Working with Stratford District Council as considered in the separate report on the agenda for the meeting at Minute Number 75 – Joint Working with Stratford-on-Avon District Council. In addition, some funding allowed to support further projects which may require funding to progress.
- iii. Car Park Displacement Reserve – this reserve was due to be fully depleted with the balance of funding being used towards the Commonwealth Games Projects, as agreed by Members in August 2020.

- iv. Commonwealth Games Reserve – this project was due to receive £150k in 2021/22 and 2022/23, as previously agreed. In addition, £83k was proposed to be allocated to the reserve for Street Dressing.
- v. Corporate Assets Reserve – this reserve would be used in 2021/22 to support the pre-planned maintenance programme. From 2022/23, it was proposed to allocate £500k per annum from the General Fund to support the on-going works to the corporate assets.
- vi. Covent Garden Multi-Storey Reserve – this reserve had held a balance of £900k for some years, this being intended to fund the revenue costs of closure whilst a new car park was developed. With no plans for this site at the time, it was proposed that this funding was re-allocated towards the Future High Street Funds project, as detailed in section 3.11 of the report.
- vii. Enterprise Reserve – as no schemes were proposed at the time to be funded from this reserve, it was proposed to reduce the balance on this reserve to £100k, with £137k apportioned to the Future High Street Fund.
- viii. Public Amenity Reserve – there was sufficient funding for work planned for open spaces and play areas in 2021/22. It was proposed to allocate further funding to this reserve from the anticipated New Homes Bonus for 2022/23.
- ix. Warwick District Climate Emergency Reserve – the Budget proposals presented within the report allowed for £500k per annum from 2021/22 to be allocated to this reserve. This incorporated the £82,500 in 2021/22 for the Trees for the Future project agreed by the Executive at its 1 October 2020 meeting.
- x. ICT Replacement Reserve – this reserve would receive annual contributions of £250,000, amounting to £1m over the period 2020/21 **to 2024/25. The latest forecast for the replacement of the Council's ICT Equipment** was attached at Appendix 6 to the report, for Members approval. If all the items on the schedule were to be funded, further funding would be required for future years.
- xi. Equipment Renewal Reserve – this reserve has been forecast to receive allocations of £100k per annum. Some drawdowns from this reserve have not been needed as soon as profiled. Consequently, within the proposed budget no allocations into the reserve have been allowed for 2020/21 and 2022/23. However, Members were asked to note the significant potential demands on this Reserve in future years, if all of these items were drawn down to this value, the Reserve would be exhausted. The Equipment Renewals Schedule (Appendix 7) was regularly reviewed to assess whether demands were still required, or whether they could be slipped within the programme.

Members were reminded that various allocations were proposed to be made to some of these reserves from the General Fund from 2021/22. These allocations would only be able to be accommodated within future budgets if the savings proposals previously agreed by Members were achieved, in terms of value and timing. The ability of future Budgets to accommodate

further planned appropriations would need to be considered within future Budget reports.

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, and a full business case would be required as part of reports to the Executive for approval. This case would identify the means of funding and, where appropriate, an options appraisal exercise would be carried out. Should there be any additional revenue costs arising from the project, the proposed means of financing such needed to also be included in the Report and Business Plan.

The Capital Programme had been updated throughout the year as new and amended projects had been approved. In addition to the changes throughout the year, it was proposed to add several new schemes to the Capital Programme, as detailed in Appendix 8 to the report. The most notable schemes were detailed below:

Scheme	Year	Amount	Financed From
Coventry And Warwickshire Reinvestment Trust Loan	2020/21	£250k	Service Transformation Reserve
Waste Contract Costs for Depot	2020/21	£528k	Borrowing
HS2 Redesign of Stoneleigh Park Southern Accommodation Bridge	2020/21	£60k	Service Transformation Reserve
Cublington Riding School Land Purchase (GF portion)	2020/21	£1.33m	Internal Borrowing
Recovery (Covid-19) ICT Provision of laptops, remote desktop services and security	2020/21	£237.3k	Business Rates Volatility Reserve, Revenue Contribution and Service Transformation Reserve
Sherbourne Resource Park (Recycling)	2020/21 - 2023/24	£7.105 m	Borrowing
Newbold Comyn Masterplan & Cycling Facilities	2020/21 – 2021/22	£905k	External Contributions
Commonwealth Games	2020/21 – 2022/23	£3.463m	Commonwealth Games Reserve, Parking Displacement Reserve, Community Projects Reserve, Service Transformation Reserve & External Contributions
Kenilworth Rugby Club Relocation Loan	2020/21 - 2021/22	£300k	2021/22 New Homes Bonus
Kenilworth School Loan	2022/23	£11.88m	Internal Borrowing and subsequently S106
Desktop Infrastructure, Physical Server Replacement	2024/25	£74k	ICT Replacement Reserve

Scheme	Year	Amount	Financed From
Infrastructure General, Network General			
Rural & Urban Initiatives Grants – extension of current programme	2024/25	£100k	Capital Investment Reserve
Recycling & Refuse Containers – extension of current programme	2024/25	£80k	Capital Investment Reserve

Some slippage to 2021/22 in the General Fund Programme had been incorporated as reported during the year.

In addition, the following tables showed slippage and savings to schemes that were required to be reported to Members. The full details were within Appendix 8 to the report:

Slippage

Scheme	Year of slippage	Amount	Comments
Play Area Improvement Programme	From 2020/21 to 2021/22	£575k	Delay due to Covid-19 and staff resources.
Financial Management System	From 2020/21 to 2021/22	£234k	Profile of project now agreed.
Leper Hospital Site Regeneration	From 2020/21 to 2021/22	£894.5k	Delay in property acquisition.
Health & Community Protection IT System	From 2020/21 to 2021/22	£129k	Delay in signing contract.

Savings

Scheme	Year	Amount	Comments
Financial Management System	2020/21	£204.6k	Saving.
Leamington Parking Displacement	2020/21	£159.5k	Saving as no longer required.

Slippage and savings on existing schemes were also detailed within Appendix 8 to the report.

The Housing Investment Programme and associated funding were included within parts 2 and 4 of Appendix 9 to the report. The figures here excluded the proposals presented to Members in December 2020, in respect of the proposed Housing Company. As figures were worked up with more

certainty, they would be reported back to Members to consider if they were at variance to the proposals already agreed.

Part 5 of Appendix 9 to the report, showed the General Fund unallocated capital resources. These totalled £1.686m. The Capital Investment Reserve represented the largest share of this at just over £1m, for which the Council had agreed the minimum balance should be £1m. Whilst the Council did hold other reserves to fund capital projects, it should be noted that these were limited and had been reserved for specific purposes. In addition to the **resources shown here, "Any Purposes Capital Receipts"** projected at £8.3m as at 31 March 2021.

The Council did have some balances and funding which it was able to use to fund specific projects and service demands. The sums available were all **"one-off"**, meaning that they could be used to fund one-off items, but not any initiatives that would result in a recurring cost to the Council that had not been accommodated within the revenue budget. The proposed usage of these funds and balances were detailed below.

General Fund Balance

The Council's policy was for the nominal balance to the General Fund

Balance to be £1.5m. As at 31 March 2020, the unallocated balance was £2.019m, giving an excess of £519k to be allocated. This was proposed to form a contingency budget of £500k within the 2020/21 Budget (and if not required in the year to be slipped to 2021/22) and £19k for the monitoring resource to support the Kenilworth School development.

Business Rates Pool Safety Net

As discussed in paragraph 3.5.4 of the report, £566k Safety Net was due to be returned to the Council in 2020/21. This was proposed to be used towards the Future High Streets Fund Project, which would be subject to a further report to Executive.

New Homes Bonus

As discussed in Section 3.7, the Council was due to receive £3.269m in 2021/22. This may be used for any purpose, although the Council had previously agreed some allocations in principle, which were included, along with new proposed allocations. In addition, the Council expected to receive **£1.278m in "legacy payments" in 2022/23. This was also provisionally** allocated below, however, should this funding not be made available, the Council would need to find other sources of funding, or not make the allocations proposed.

New Homes Bonus	2021/22 £	2022/23 £
Commonwealth Games Reserve – agreed 5 annual allocations per Executive March 2018	150,000	150,000
Climate Change year 2 of 3, agreed within February 2020 Budget report (substitute Calculations). Cost of post shared with Stratford DC.	53,000	52,000

New Homes Bonus	2021/22 £	2022/23 £
Platform (previously Waterloo) Housing Group - Joint Venture Commitment	199,600	45,000
Leisure Options Reserve - Kenilworth Leisure - interim development costs, agreed within February 2020 Budget report (substitute Calculations).	370,000	
Masters House/ Leper Hospital – agreed Executive Oct 2019, further allocation on top of £250k, agreed within February 2020 Budget report (substitute Calculations)	250,000	
Kenilworth Rugby FC - allocation agreed March 2020 Exec	300,000	
Voluntary/Community Sector Commissioning – funded from NHB not core budget, as per December 2020 Executive	282,000	282,000
Rural and Capital Initiatives Grants – funded from NHB not core budget as per December 2020 Executive. Allocation reduced from £150k in view of many Towns/Parishes now in receipt of CIL.	100,000	100,000
Service Transformation Reserve - Half joint Council transformation cost per other Executive report on the agenda for this meeting, and funding towards other projects, e.g. Riverside House, Covent Garden car park, Lease disposal, South Warwickshire Culture Review.	870,535	
Public Amenity Reserve – to fund work on Council play areas and open spaces		270,000
Contingency Budget – within 2021/22 revenue budget	200,000	
Kenilworth School – Project Monitor	83,000	
Community Centre Acre Close – feasibility work by Whitnash TC.	25,000	
Joint Local Plan	100,000	200,000
Future High Street Fund	203,000	119,000
Lord Leyster Hospital – underwriting of HLF award match funding		60,000
Commonwealth Games – Street Dressing	83,000	
Total Allocated	3,269,135	1,278,000

Right to Buy (Any Purpose) Capital Receipts.

As at 31 March 2020, the Council held £7.257m in unallocated Right to Buy Capital Receipts. This balance was projected to increase by £1m in 2020/21 to give an anticipated balance as at 31 March 2021 of £8.3m. Most of the balance was proposed to be used towards the Kenilworth Leisure Centre discussed within a separate report on the agenda – Minute Number 83 - Warwick District Leisure Development Programme – Kenilworth Facilities.

Other Capital Receipts

As agreed by Executive at its 1 October 2020 meeting, the sale of land of Queensway would generate a capital receipt of £160k. This was proposed to be used towards the Future High Streets Fund Project.

Enterprise Reserve

The balance on this reserve had been continuing to increase in recent years, without any notable plans for its usage in the medium term. Consequently, it was proposed to release £138,000 from this reserve, leaving £100,000 for specific commitments. This funding released was proposed to be used towards the Future High Streets Fund Project.

Covent Garden Multi Storey Car Park Reserve

This reserve was created to fund the revenue costs and lost income when the car park was closed for redevelopment. With no specific plans now coming forward, the £900,000 in this reserve was proposed to be released to be used towards the Future High Streets Fund Project. When a new project for Covent Garden did come forward, funding would then need to be found for the revenue costs and lost income.

Appendix 10 to the report summarised all the allocations proposed above.

In the financial year, significant additional business rate relief had been awarded by the Government, in view of the pandemic, to many additional businesses, notably in the retail and hospitality sectors. As yet, no announcements had been made in respect of additional reliefs for 2021/22, although these were widely expected. It was possible such announcements **would be part of the Chancellor's Budget scheduled on 3 March 2021.**

Based on the Committee meeting dates at the time, this would not enable any changes to be formally agreed and incorporated into the 2021/22 Business Rate Bills to be issued in March 2021.

It was recommended that the Section 151 Officer, in consultation with the Finance & Business Portfolio Holder, was duly authorised to approve any Business Rate Relief changes agreed by the Government, to be incorporated into the 2021/22 Business Rate billing and beyond.

During 2020/21, there had been a variety of Business Grant and other financial support schemes. Whilst most of these had been prescribed by Government, there had been some for which authorities had to agree their discretionary scheme. In these cases, the Chief Executive had to use his Emergency Powers to get these schemes agreed, and so hastened the award of funding to businesses.

It was possible there would be more discretionary business grant and other financial support schemes in 2021/22 and beyond. To assist with such schemes being agreed and funding being awarded as soon as possible, it was recommended the Section 151 Officer and Head of Development Services, in consultation with the Finance and Business Portfolio Holder, were duly authorised to design and approve any business grant and other financial support schemes proposed by the Government to be implemented. The proposed Pre-Planned Maintenance (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 sound 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 2021/22 was based on a review of the PPM data at the time 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 2021/22 was set out at Appendix 12 to the report.

For 2021/22, the total PPM budget was £1,541,000. This would be funded using £413,000 from the Annual PPM budget and a £1,128,000 drawdown from the Corporate Assets Reserve, of which the balance was projected to be £1.361m at the time as at 31 March 2021. Further detail of the PPM Plan and the associated funding was provided within Appendix 12 to the report.

The Council agreed a new "Banded" Local Council Tax Support Scheme (LCTS) to align with Universal Credit, two years previously, on the basis of the Universal Credit being fully rolled out in 2019/20. Subsequently, the UC full rollout had **been delayed, meaning the Council's banded LCTS would not** be applicable for many recipients. It was proposed that Members would agree that the Local Council Tax Reduction scheme would continue in its format at the time for a further year, with no planned changes to the administration. However, the Head of Finance should continue to exercise delegated powers to agree to any amendments to the scheme which might be required in line with Government announcements, in respect of other income related benefits which, if the scheme was not amended, would otherwise make a claimant worse off.

In terms of alternative options, 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 revise **the year's Budget at the time. However, the proposed latest 2020/21 and 2021/22 budgets** 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 needed to 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.

The Finance & Audit Scrutiny Committee supported the report and took the opportunity to thank all officers for their work in bringing forward the budget for the Council in these challenging times.

Councillor Hales thanked the Head of Finance and officers who had worked so diligently in producing the budget in recent months, and he thanked the Finance and Audit Scrutiny Committee. He then proposed the report as laid out.

Recommended to Council that

- (1) the proposed changes to the 2020/21 budget, be approved;
- (2) the Revised 2020/21 Net Cost of General Fund Services of £35,894,800 as set out in Appendix 2 to the report, which would enable £923,000 to be allocated to a newly established COVID Contingency Budget for 2021/22, be approved;
- (3) the proposed 2021/22 Budget, with a Net Cost of General Fund Services of £27,185,000, and the use of £2,846,100 from the Business Rate Retention Volatility Reserve (BRRVR), be approved;
- (4) the Council Tax charges for Warwick District Council for 2021/22 before the addition of Parish/Town Councils, Warwickshire County Council and Warwickshire Police and Crime Commissioner precepts for each band, be agreed as follows:

	£
Band A	117.91
Band B	137.56
Band C	157.21
Band D	176.86
Band E	216.16
Band F	255.46
Band G	294.77
Band H	353.72

- (5) the projected Medium Term Financial Strategy (MTFS) encompassing the Budget Proposals agreed by Members in December 2020 and the further changes that have been included, be approved;
- (6) the reserve projections and allocations to and from the individual reserves, be approved;
- (7) the ICT Replacement and Equipment Renewal Schedules as set out in Appendices 6 and 7 to the report, be approved;
- (8) the General Fund Capital and Housing Investment Programmes as detailed in parts 1 and 2 of Appendix 9 to the report, together with the funding of both programmes as detailed in parts 3 and 4 of Appendix 9 to the report, and the changes described in the tables in section 3.10 of the report and Appendix 8 to the report,

be approved;

- (9) the allocation of funding summarised in Appendix 10 to the report, be approved;
- (10) the Financial Strategy as set out in Appendix 11 to the report, be approved;
- (11) the Section 151 Officer, in consultation with the Finance and Business Portfolio Holder, be duly authorised to approve any business rate relief changes agreed by the Government to be incorporated into the 2021/22 Business Rate Billing and thereafter;
- (12) the Section 151 Officer and Head of Development Services, in consultation with the Finance and Business Portfolio Holder, be duly authorised to design and approve any business grant and other financial support schemes proposed by the Government to be implemented in 2021/22 and thereafter;
- (13) proposed allocation of £1,541,000 for the 2021/22 Corporate Property Repair and Planned & Preventative Maintenance (PPM) Programmes to fund the list of proposed works set out in Appendix 12 to the report, and the drawdown of funding from the Corporate Asset Reserve of up to £1,128,000 to support the 2021/22 programme, be approved;
- (14) the Head of Assets, in consultation with the Chief Executive/Deputy Chief Executive and the Procurement Manager, be authorised to procure the proposed PPM works as per the Code of Procurement Practice, and authority be delegated to the Head of Assets, the Deputy Chief Executive and the Head of Finance, in consultation with the Finance & Business and Housing & Culture Portfolio Holders, to approve any amendments to the proposed programme of works listed at Appendix 12 and/or revisions to the amount of budget allocated for specific schemes, provided these can be accommodated within the overall PPM budget allocation of £1,541,000; and
- (15) the Local Council Tax Reduction scheme will continue in its current format for a further year with no planned changes to the administration, however, the Head of Finance should continue to exercise delegated powers to agree to any amendments to the scheme which might be required in line with Government

announcements in respect of other income related benefits which if the scheme is not amended would otherwise make a claimant worse off, be agreed.

(The Portfolio Holder for the item was Councillor Hales)
Forward Plan Reference 1,176

79. **Housing Revenue Account (HRA) Budget 2021/21 and Housing Rents**

The Executive considered a report from Finance presenting the latest projections for the Housing Revenue Account (HRA), in respect of 2020/21 and 2021/22 based on at the time levels of service and previously agreed Executive decisions.

The information contained within the report made the recommendations to Council in respect of Council tenant housing rents, garage rents and other HRA charges for 2021/22.

These recommendations would ensure that the Council was operating in compliance with national policy and guidance on the setting of rents for General Needs and Support Housing properties.

From April 2020, a new national rent policy came into effect, with Councils allowed to increase rents by up to CPI (at September) + 1% per annum. The Council would increase rents for Social and Affordable rent dwellings by CPI at September 2020 which was 0.5% + 1%, with the total rent increase being 1.5% from April 2021.

The rent policy prior to this ensured rents charged for existing tenants by local authority housing landlords were reduced by 1% per year, for four years, commencing April 2016. 2019/20 was the final year of this rent reduction. The 1% rent reduction per annum also applied to supported housing, with 2019/20 being the final year of this reduction.

Details of rents at the time and those proposed as a result 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 would continue 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 dwellings.

A comparison of the Councils proposed 2021/22 rents to Local Market Rents, National Formula Rent Caps and Local Housing Allowance Rents was set out in Appendix 2 to the report. The Councils Social Rents were 41% 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 security 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 tenancies. In the Councils case, this represented a small increase over the social rent

charged for tenanted properties and was projected to increase rental income by around £6,000 in 2020/21. These tenancies were subject to agreed rental policy to comply with the Welfare Reform and Work Bill 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 social prior 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 CPI + 1 in line with Target Social Rents Dwellings.

From April 2021, rents on new Affordable Housing Tenancies within the HRA would be charged 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.

The Council had previously agreed "Warwick Affordable" rents between 2014/15 and 2020/21 in relation to properties at Sayer Court Leamington, and Bremridge Close, Barford by adopting a model to charge "Warwick Affordable" rent levels which were a mid-point between 80% Local Market Rent and Social Rent.

The reason for this change resulted from the Council officially being **awarded "Affordable Housing Investment Partner" status from Homes England in 2020**, which enabled the Council to apply for grant funding to assist with the cost of housing developments and charge affordable rents within these schemes. To ensure that all future acquisitions and developments linked with Homes England remained as financially robust as possible, the rents would be set at the national standard of Affordable rents equating to 80% of local market rents.

Existing Affordable Housing 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 were inflated in line with national rent policy at CPI (at September) + 1%. CPI at September was 0.5% and so with the total rent increase is 1.5% from April 2021. This change was noted in the HRA Business Plan projections presented to Executive in December 2020.

At the time the report was written, the Council owned 18 Shared Ownership Dwellings. 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.

The shared ownership properties' rent increases were not governed by national Policy, but the Council adopted the Homes and Communities Agency (HCA) template lease agreement, which included a schedule on rent reviews. Schedule 4 of the lease agreement determined that the rent would be increased by RPI (at November) + 0.5% from April each financial year.

RPI at November 2020 was 0.9% and so the total rent increase would be 1.4% from April 2021.

The Council would continue to use lease agreements based on the existing Housing & Communities Agency (HCA) template lease for all new shared ownership tenancies.

Garage rent increases were not governed by national guidance, although in **recent years' consideration had been made in regard to the level of** increase applied to the garages. Unlike housing rents, there had been no requirement to reduce garage rents. In 2019/20, Members approved a £4 rise in garage rents and in the 2020/21 HRA Rent Setting Report presented to Executive at its 12 February 2020 meeting, it was approved to adopt an increase of 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 following points contributed to the decision to increase the rents.

There were waiting lists for a number of garage sites, whilst other sites had far lower demand; where appropriate, these sites were being considered for future redevelopment as part of the overall garage strategy for the future. 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 £40-£85 per month (local market valuations last reviewed January 2020). The average monthly rent for a Council garage at the time was £46.71.

The location of many of the garage sites and quality of the land, landscape and garage condition constrained the levels of rent that could reasonably be achieved. It was considered that many sites required investment to improve their condition, provide greater community benefits, extend the life or accommodate the development of additional affordable housing. The Housing Service had completed a review of garage sites to determine their optimum potential as an asset of the HRA. Most sites would simply require some form of fairly modest improvement, such as to roofs or to the hardstanding. Others might require more significant work or might benefit from a more strategic redesign and realignment with contemporary expectations. In addition, the garages and external areas at key high rise sites were in need of some redesign and modernisation.

Any additional income generated from Garage Rents for the service would help to alleviate the loss of rental income from dwellings and ensure the continuous viability of the Housing Revenue Account Business Plan. Alongside the rent increase, a review of garage voids had indicated that on average 26% of the total garage stock was void at the time of writing the report, worth approximately £266,650 in potential income in a 12-month period. Work to review each site to potentially reduce the level of voids and possibly attract additional income was in progress.

The Garage Rents would increase by 10% per year from April 2021. On average, Tenants weekly charge would increase by £0.98 per week from £9.80 to £10.78. Non-tenants also would VAT on the charge, so VAT inclusive rates would increase by £1.18 per week, from £11.76 to £12.94.

There were a number of Garages of non-conventional size which were charged varying rates, and these rents would also be increased by 10%.

The Council was required to set a balanced budget for the HRA each year, approving the level of rents and other charges that were levied. The Executive made recommendations to Council that would take into account the base budgets for the HRA and Government guidance at the time on national rent policy.

Appendix 3 to the report summarised the adjustments from 2020/21 base budgets to the 2020/21 latest budgets and 2021/22 base budgets.

The Housing Investment Programme was presented as part of a separate report on the agenda for the meeting, at Minute Number 77 - General Fund 2021/22 Budget and Council Tax – and the recommendations would enable the proposed latest Housing Investment Programme to be carried out and contribute available resources to the HRA Capital Investment Reserve for future development, whilst maintaining a minimum working balance on the HRA of at least £1.5m in line with Council policy.

The dwelling rents had been adjusted to take account of the loss of rent resulting from actual and anticipated changes in property numbers and changes based on the number of actual and forecast Right-To-Buy sales and acquisitions.

The following table summarised how the latest 2020/21 HRA budget had been calculated and how the latest budget at the time had changed from the original 2020/21 approved budget:

	£
Original Approved Net HRA Surplus 2020/21	7,207,400
Net Increase in Expenditure	129,700
Net Increase in Income	0
Latest Net HRA Surplus 2020/21	7,077,700

Key drivers of the increase in Expenditure budgets included:

- increase in Housing Repairs Supervision Costs (+£46,300) following a review of the Housing restructure, a post was identified to have not been included in the original budgets;
- increase in Rates (+£12,400); and
- increase in Supervision and Management Costs (+£71,000).

As a result of the above variations to the 2020/21 HRA budgets, the forecast contribution to the HRA Capital Investment Reserve for the year would be £2.565m, a reduction of £129,700 from the original £2.695m budget.

In determining the 2021/22 Base Budget, the over-riding principle was to budget for the continuation of services at the agreed level. The following adjustments needed to be made to the 2020/21 Original Budgets:

- removal of any 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 below summarised how the 2021/22 HRA base budget had been calculated:

	£
Original Approved Net HRA Surplus 2020/21	7,207,400
Net Decrease in Expenditure	164,500
Net Increase in Income	390,700
Original Net HRA Surplus 2021/22	7,762,600

Key drivers of the change in Expenditure budgets included:

A net reduction in Expenditure from General Supervision & Management of £164,500 consisting of:

- increase in Housing Repairs Supervision Costs (+£34,200) following a review of the Housing restructure, a post was identified to have not been included in the original budgets;
- increase in Rates (+£12,400);
- increased cost of Repairs and Maintenance (+£8,600);
- increase in bad debt provision (+£7,700);
- decrease in Supervision and Management Costs (-£227,400) due to a reduction in the cost of Housing Services; and
- a £390,700 increase of HRA dwelling and Garage rents as per Rent Policy and Inflation.

A number of assumptions had been made in setting the budgets for 2020/21.

Inflation of 2% had been applied to general budgets. 2% had been used for most major contracts, with the exception of the cleaning contract (2.6%). 2.4% had been used for Business rates and a 2% pay award had been applied to salaries.

The base rent budget in the report was a baseline calculated from the rental assumptions presented in the 2020 HRA Business Plan, and as noted in paragraphs 2 to 2.7 in the report.

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

Any HRA surplus above that required to maintain the appropriate HRA working balance was transferred into the HRA Capital Investment Reserve, to be used on future HRA capital projects. The 2021/22 Base Budget allowed for a £3.250m contribution to the reserve.

Notional Interest had been charged to the HRA within the Capital Charges. This represented the cost of tying up resources in the asset. This had been charged against HRA garages and shops at their Existing Use Value (EUV). HRA housing had not been included in this calculation due to the assured nature of tenancies, restricting the **Council's ability to sell occupied housing assets**.

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 2021/22, which would commence on 1 April 2020.

The agreement of heating, lighting and water charges was delegated to the Head of Housing and Head of Finance in consultation with the relevant Portfolio Holders in the **Executive report 'Heating, Lighting and Water Charges 2018/19 – Council Tenants' which was considered by the Executive** at its meeting on 7 February 2018. A policy of full cost recovery was adopted.

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. A new communal Laundry contract was procured for 2020/21 which provided tenants with new Laundry Equipment and an improved repair, service and maintenance contract.

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 tenant's costs with the electricity generated reducing** consumption from the national grid.

A biomass heating system had been installed in Tannery Court and Sayer Court, providing environmental benefits of using a more sustainable fuel. **The capital cost of installation was partly repaid by the Government's Renewable Heat Incentive scheme.**

The charges necessary to fully recover costs for electricity, gas, water and laundry facilities in 2021/22 were calculated annually from average consumption over the previous three years, updated for costs at the time, average void levels and adjusted for one third of any over-recover or under-recovery in previous years. The use of an average ensured that seasonal and yearly variations were reflected in the calculation.

The total cost to the Council in 2020/21 had been calculated at £161,380 for Electricity, Heating, Lighting and Laundry and £33,070 for Water, which had been included in the Supporting People Service Charges budget in Appendix 3 to the report, and would be recovered by being recharged to the tenants of applicable Sheltered Housing Schemes in full.

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

Councillor Matecki proposed the report as laid out.

Recommended to Council that

- (1) the rents for all tenanted dwellings (excluding shared ownership) be increased by 1.5% (CPI 0.5% + 1%) for 2021/22 in line with National Rent Policy, be approved;
- (2) the HRA Social dwelling rents for all new tenancies created in 2021/22 continue to be set at Target Social (Formula) Rent for Social rent properties, be noted;
- (3) the HRA Affordable dwelling rents for all new tenancies created in 2021/22 are set at the standard National Affordable rent level in place of the **previously approved "Warwick Affordable Rent"**, be approved;
- (4) any new shared ownership tenancies will continue to adopt lease agreements based on the existing Housing & Communities Agency (HCA) template lease with rents increased by RPI + 0.5% annually. Existing tenancies 2021/22 rent increase equate to 1.4% (RPI 0.9% + 0.5%) in line with the lease agreement, be noted;
- (5) garage rents for 2021/22 continue to be increased by 10% per year for a period of 5 years (Year 1 commenced in 2020/21), be approved;
- (6) the latest 2020/21 and 2021/22 Housing Revenue Account (HRA) budgets are agreed (Appendix 3 to the report), be approved; and
- (7) the Sheltered Housing Heating, Water and Lighting full recovery recharges for 2021/22 (Appendix 4 to the report), be noted.

(The Portfolio Holder for this item was Councillor Matecki)
Forward Plan Reference 1,177

80. **Treasury Management Strategy 2021/22**

The Executive considered a report from Finance detailing the strategy that the Council would follow in carrying out its Treasury Management activities in 2021/22.

The Council's Treasury Management operations were governed by various Treasury Management Practices (TMPs) that the CIPFA Treasury Management Code required to be produced by the Council, and adhered to by those officers engaged in the treasury management function. These

TMPs had previously been reported to the Executive and were subject to periodic Internal Audit review.

There had been no changes to the TMPs in this cycle.

Under CIPFA's updated *Treasury Management in Public Services Code of Practice* the Council continued to be required to have an approved annual *Treasury Management Strategy*, under which its Treasury Management operations could be carried out. The proposed Strategy for 2021/22 was included as Appendix A to the report.

This Council had **regard to the Government's Guidance on Local Government Investments**. The guidance stated that an *Annual Investment Strategy* must be produced in advance of the year to which it related and must be approved by the full Council. The Strategy could be amended at any time and must be made available to the public. The *Annual Investment Strategy* for 2021/22 was shown as Appendix B to the report.

The Council had to make provision for the repayment of its outstanding long-term debt and other forms of long-term borrowing, such as finance leases. Statutory guidance issued by MHCLG required that a statement on **the Council's Minimum Revenue Provision (MRP) Policy** should be submitted to full Council for approval before the start of the relevant financial year. This was contained in Appendix C to the report.

The *Prudential Code for Capital Finance in Local Authorities* was last revised in 2018 and introduced new requirements for the way that capital spending plans were considered and approved, in conjunction with the development of an integrated Treasury Management Strategy. The Prudential Code required full Council to approve a number of Prudential Indicators, including amounts of borrowing required to support capital expenditure, set out in Appendix D to the report, which needed to be considered when determining **the Council's Treasury Management Strategy for a minimum of the next three financial years**.

The Executive previously requested that the 2020/21 Treasury Management Strategy Statement considered the policy of investing in fossil fuels. The investments which at times the Council may have some exposure to fossil fuel extraction companies were the two corporate equity funds, operational since 2017/18.

Due to being 'pooled funds', the Council was unable to direct or influence where the fund managers placed these investments, and currently around 5% of the pooled funds were in **'fossil fuel' companies**. **Therefore, the** recommendation had previously been made to divest from these two funds no later than the end of 2025. However, officers continued to monitor the situation and sought to identify suitable opportunities to divest at the most financially beneficial time for the Council. Further details on the amount by which the funds would have to increase to avoid a capital loss on disposal, which would be chargeable to the General Fund, were included in paragraph 9.3 of Appendix A to the report. Subject to the immediate financial needs of the Council, which might necessitate the managed closing of these investments, this money could then be re-invested in non-carbon or ESG equity funds, or alternative investments in-line with the Investment Strategy. Further information was included within the report.

In terms of alternative options, an alternative to the strategy being proposed for 2021/22 would be to not alter the current strategy to invest without specific reference to any Environmental, Social and Governance (ESG) issues.

The Finance & Audit Scrutiny Committee noted the report and welcomed the approach of the Finance and Business Programme Advisory Board (PAB) picking up the initial work in this area in respect of the potential Environmental, Social and Governance investment and joint working with Stratford District Council.

Councillor Hales thanked the Finance and Audit Scrutiny Committee Members for their questions at the **Committee's** meeting on 10 February. He also explained that he had spoken to the Chair of the Finance and Business PAB and this item would come to the PAB in September. He thanked the Head of Finance and the report author, the Principal Accountant, and he then proposed the report as laid out.

Recommended to Council that

- (1) the Treasury Management Strategy for 2021/22 as outlined in paragraph 3.3 of the report and contained in Appendix A to the report, be approved;
- (2) the 2021/22 Annual Investment Strategy as outlined in paragraph 3.4 of the report and contained in Appendix B to the report, be approved;
- (3) the Minimum Revenue Provision Policy Statement as outlined in paragraph 3.5 and contained in paragraphs 5.1 to 5.5 of Appendix C to the report, be approved; and
- (4) the Prudential Indicators as outlined in paragraph 3.6 and contained in Appendix D, including the amount of long-term borrowing required for planned capital expenditure, be approved.

(The Portfolio Holder for this item was Councillor Hales)
Forward Plan Reference 1,167

81. **Housing Allocations Policy Review**

The Executive considered a report from Housing which proposed a number of changes to the policy that the Council used to allocate housing in its own stock and for nominating potential applicants to Registered Providers.

The housing allocations policy was a legal requirement. It set out the rules that the Council used to decide who may apply for vacant Council and housing association homes in the District and how decisions would be taken as to who would be offered these vacancies. The overarching aim of the

policy was to get more people into homes appropriate to their circumstances. Since the current Allocations scheme was adopted in 2018, there had been several changes in government guidance in this area of policy. A review of the current policy had proposed a number of changes.

There would be a number of operational and IT changes required in order to implement the proposals, and a reasonable timescale needed to be allowed for the new system to be put in place.

Changes to the policy may be required from time to time to ensure that it remained in line with current best practice and to ensure clarity and consistency across the policy.

In terms of alternative options, not revising the policy had been considered, but this was not deemed appropriate due to the range of new guidance and best practice published since the last review.

The proposals set out in the report were discussed with the Housing and Property Policy Advisory Board in October 2020, when potential alternatives were considered and debated.

Councillor Matecki proposed the report as laid out.

Recommended to Council that

- (1) the revised policy at Appendix 1 to the report, be approved;
- (2) authority be delegated to the Head of Housing Services in consultation with the Housing and Property Portfolio Holder to determine the date that the revised policy takes effect; and
- (3) authority be delegated to the Head of Housing Services in consultation with the Portfolio Holder for Housing and Property to make changes to the policy that are required to ensure it remains in line with best practice, Government Guidance and delivers clarity and consistency across the policy.

(The Portfolio Holder for this item was Councillor Matecki)
Forward Plan Reference 1,157

82. **Minor Changes to the Constitution**

The Executive considered a report from Democratic Services which brought forward some minor changes to the Constitution, in respect of delegations to officers and Council Procedure Rules.

The revision to the Council Procedure rules for the change in definition from special to additional/urgent meetings provided clarification for all parties on the procedures and terminology to be used.

The proposed new delegation to the Head of Housing was to enable use of the powers available to take action against lettings agents who did not register with a redress scheme. It was a legal requirement for letting agents to belong to a government approved independent redress scheme. The role of an independent redress scheme was to provide fair and reasonable resolutions to disputes with members of the public.

The revision to the delegation for Street Trading Consents was included to provide clarity on where the responsibility sat for the approval of licences.

The change to the delegation to the Head of ICT in respect of Street Naming and Numbering was included to provide clarification that the adoptions should be in line with the adopted Policy. The revised Policy was included for approval on the agenda for the meeting – Minute Number 80 – Housing Allocations Policy Review.

The proposal to move a number of delegations to the Head of Customer Service from the Head of Finance was in anticipation of the decision from Employment Committee on 11 February to establish a Joint Post with Stratford District Council. These delegations were the ones that would fall within the remit of that Service Area and no changes were proposed to the wording of them.

The proposed revision to the Code of Procurement Practice was included to provide clarification on the authority to sign contracts for the Council, depending upon their specific value. It also clarified when a contract needed to carry the official seal of the Council.

Following the expiration of the transition period for the UK leaving the EU at 11pm on 31 December 2020, the Public Contract Regulations 2015 were being updated to change any references to EU requirements and the Official Journal of the European Union (OJEU) to those related to UK law. It was recommended that the Code of Procurement Practice was updated to do the same.

In terms of alternative options, consideration was given to leaving the wordings as at present, for those which were revised. However, they were considered to be ambiguous or did not fully align with adopted Policy of the Council. Therefore, this was not considered appropriate approach.

In respect of the new delegation in respect of lettings, no alternative was considered as this was considered necessary for officers to undertake enforcement action.

Councillor Day proposed the report as laid out.

Recommended to Council that

- (1) the revisions to the Constitution, as set out in Appendix 1 to the report, be approved;
- (2) the Licensing & Regulatory Committee be directed to update its delegations to Panels to

include the additional wording set out in italics below:

"The Licensing & Regulatory Committee has also delegated authority to these Sub-Committee to determine the following matters The Issue Street Trading Consents – if objections received *or they are contrary to the adopted Street Trading Policy*"; and

- (3) the Constitution be amended so that any reference to the Official Journal of the European Union (OJEU) is replaced with Public Contracts Directive.

(The Portfolio Holders for this item were Councillors Day, Falp and Matecki)
Forward Plan Reference 1,170

83. **Warwick District Leisure Development Programme – Kenilworth Facilities**

The Executive considered a report from Cultural Services. The current focus of the Warwick District Leisure Development Programme was the two leisure facilities that the Council owned in Kenilworth: Castle Farm Recreation Centre and Abbey Fields Swimming Pool.

At its 13 July 2020 meeting, the Executive gave permission to officers to instruct the Design Team (provided and led by Mace Group) to proceed to the end of RIBA Stage 4 (design only) for both the Castle Farm Recreation Centre and the Abbey Fields Swimming Pool.

The design process for both buildings had now been completed to the end of RIBA Stage 4 (design only) and these designs had been signed off by the Project Board. Members would be invited to view these completed designs in advance of the Planning Application being presented to the Planning Committee. The report therefore focused on the financial aspects of the work.

The report laid out the predicted financial costs of the project to reconstruct the Abbey Fields Swimming Pool and the Castle Farm Recreation Centre, and asked that the impact of these costs was allowed for within the budget for the Council. It sought permission to begin the procurement processes for the demolition and construction contracts for these facilities.

If approval was given, the procurement processes would then continue so that a preferred contractor for the construction and the demolition could be identified and the costs agreed with the contractors. The report then sought permission to let a demolition contract and a construction contract for each of these facilities with the preferred contractors, provided that the agreed costs were within the limits set in this report.

Both facilities included a high level of sustainability in their designs, in order to assist the Council in its intention to become a net zero carbon organisation by 2025. A separate Planning Application had subsequently been submitted for each facility.

The predicted costs of the project to reconstruct Abbey Fields Swimming Pool and Castle Farm Recreation Centre were between £21,200,000 and £22,200,000 for the two projects combined. Of these, the cost of the Abbey Fields Swimming Pool element of the project was predicted to be between £9,381,000 and £9,850,000. The cost of the Castle Farm element of the project was predicted to be between £11,834,000 and £12,426,000.

As the procurement process had not yet been undertaken, these costs had not yet been tested with the market. The market was particularly volatile at the present time due to a number of issues, but primarily the two unprecedented situations of the Covid-19 pandemic and uncertainties following the end of the Brexit transition period. However, these predicted costs had been calculated in considerable detail, based on the current designs, which had been completed to the end of RIBA Stage 4 (design only), which gave a high level of detail on the design. In order to fund this project as effectively as possible, a number of sources would need to be used.

If recommendations 2.3 to 2.5 inclusive of the report were agreed, then it would be appropriate to proceed with a procurement exercise for the demolition contractor and a separate exercise for the construction contractor for each site. It was proposed to carry out separate procurement exercises for these two functions, as demolition was a specialist task. If the main construction contractor was asked to complete the demolition as well as the construction, they would simply employ a sub-contracted demolition contractor and add their own fees on top of the cost of the demolition contractor.

It had not been possible to undertake these exercises to date, as procurement regulations made it clear that the Council should not advertise a procurement opportunity until it was relatively clear that an authority had sufficient resources to enter into the contract.

It was proposed to let separate contracts for the demolition of each of the two buildings, and also separate contracts for the construction of each of the two buildings, making four contracts for demolition and construction in all. This would improve the accuracy of contract management. However, following Procurement Team advice, it was proposed that only one demolition contractor and one construction contractor would be used as this would provide economies of scale on the contract cost. Tenderers would be invited to submit separate costs for each building, on the basis that both buildings would be included within the work. Tenderers would also be asked to submit costs for each building if the other building was not included. Tender costs would be assessed on the basis that both buildings were to be included.

The disconnection and installation of services to the two buildings would not be part of the contracts, as such works had to be undertaken by the Council directly. The Council would enter into contracts with the various service providers directly to deliver this work. Unlike with Phase One of the Leisure Development Programme, both of these project elements involved the complete demolition of the existing building and the disconnection of all services before the construction contractor begins work, and so there would

be no repeat of a situation where the construction contractor was on site but waiting for services to be disconnected or redirected.

As part of the procurement and contractual process, the Council would require both contractors to minimise carbon emissions arising out of the demolition and construction processes.

The proposed timetable for the works was shown in Appendix B to the report. Appendix B to the report also showed the programme advantages of utilising a procurement framework with mini-competition. The revised programme was summarised as follows:

Commence procurement process - February 2021

Finalise documents – March 2021

Select preferred demolition and construction contractors – June 2021

Approval of contractors and costs by Project Board – August 2021

Start on site (demolition) – September 2021

Castle Farm Leisure Centre opens – October 2022

Abbey Fields Swimming Pool opens – December 2022

Once the procurement process was completed, the Council would have identified a preferred contractor for the demolition of the two buildings and a separate preferred contractor for the construction of the two buildings. A price would also have been agreed with each contractor for each building, in the event that it was decided to only proceed with one of the two buildings.

It was proposed that the Executive should approve the entering into a contract with the preferred demolition contractor and a separate contract with the construction contractor, to proceed with the works on the Abbey Fields Swimming Pool site if the combined price for the two contracts was less than the cost cap of £9,850,000. This cost cap represented the predicted cost of the works, plus a maximum of 5% to allow for the current volatility in the market and also for the time delay between the cost prediction and the signing of the contract. The cost cap also included the consultant fees for the remainder of the project, contingency and other sums. For the avoidance of doubt, the sum that the contractors submitted for the work would therefore have to be such that all remaining costs were contained within the cost cap.

The advantage of this recommendation is that if the prices received were less than the cost cap, there would not be a need for a further report to the Executive, which would save time on the project timetable. As shown in paragraph 3.2.6 of the report, this would help to enable completion of both buildings by December 2022.

It was proposed that the Executive should approve recommendation 2.4 in the report, to the Council entering into a contract with the preferred demolition contractor and a separate contract with the construction contractor to proceed with the works on the Castle Farm Recreation Centre if the combined price for the two contracts was less than the cost cap of £12,426,000. This cost cap represented the predicted cost of the works, plus a maximum of 5% to allow for the current volatility in the market, and also for the time delay between the cost prediction and the signing of the contract. The cost cap also included the consultant fees for the remainder

of the project, contingency and other sums. For the avoidance of doubt, the sum that the contractors would submit for the work would therefore have to be such that all remaining costs were contained within the cost cap.

If the Executive agreed recommendation 2.2 of the report, a procurement process would be undertaken. Once a preferred demolition contractor and a preferred construction contractor was identified, the contractors and the Design Team would **undertake a process known as 'value engineering'** which would seek to establish if there were any elements of the design or the demolition, and then construction method that could be altered in order to reduce costs without affecting the efficacy, appearance and sustainability of the completed buildings.

It was possible that the procurement exercise would identify that the agreed costs for either the works at Abbey Fields Swimming Pool or the works at Castle Farm Recreation Centre would be higher than the cost cap for that building.

If this situation occurred, the first action would be to revisit the agreed costs with the demolition contractor and the construction contractor to see if it was possible to agree a cost that was less than the respective cost cap **or caps. This would be done through a process of repeating the 'value engineering' exercise to see** if it was possible to drive more savings into the process.

However, if it proved impossible to reduce the costs of either one or both of the facilities below the cost cap, then a further report would be submitted to the Executive to determine next steps.

One potential source of funding for the Abbey Fields Swimming Pool element of this project was receipts under the Section 106 (s106) process. Based on the sums that had already been agreed in s106 agreements for indoor sport with developers, and other sums that had been calculated as due from developments that were at the Planning Application stage, as shown in Appendix C to the report, it was estimated that £2,500,000 would be available to partly fund the works at Abbey Fields Swimming Pool from this source.

It was not permitted to mix receipts from s106 agreements with receipts under the Community Infrastructure Levy (CIL) process for the same element of a project. It was therefore proposed that all s106 receipts to be used on the Leisure Development Programme at this stage should be allocated to the Abbey Fields Swimming Pool.

However, it needed to be noted that this sum was dependent on developers proceeding with their developments and reaching the trigger points that required them to make the s106 payments. This sum was not therefore guaranteed and so it came with risk, as shown in paragraph 6.2 of the report.

At the present time, £2,767,266 had been agreed with developers as contributions towards the provision of indoor sport that could be used to partly fund the reconstruction of Abbey Fields Swimming Pool. In addition, a further £91,991 had been identified as s106 contributions from developments that were currently at the Planning Application stage. This

second sum still needed to be agreed with the developers concerned, but was calculated in accordance with a nationally-recognised and approved formula. This meant a total of £2,859,257 may be available from this source. The list of projects and amounts was shown as Appendix C to the report. In view of the fact that not all Planning Applications may receive Planning Permission, or progress to full delivery, it was considered prudent to identify £2.5m as being potentially available from this resource.

If the Executive approved recommendations 2.2 to 2.5 inclusive of the report, it would be necessary to provide sufficient funding to complete this project. A number of sources had been identified, in addition to the s106 funding mentioned in section 3.6 above. The first of these was funding from ***Any Use Capital Receipts***.

It was recommended that £7,800,000 should be made available from this source, as shown in section 5 of the report. The unallocated balance of these receipts, as at 31 March 2020, was £7.257m. This balance was projected to increase by £1m in 2020/21, to give an anticipated balance as at 31 March 2021 of £8.3m.

The second additional source of funding was receipts from the Community Infrastructure Levy process. It was not possible to mix s106 receipts with CIL receipts. It was **therefore proposed that £6,000,000 of the Council's CIL** receipts should be allocated to partly fund the works for the reconstruction of the Castle Farm Recreation Centre. It was noted that the Executive was due to receive a report at its March meeting on the allocation of the Community Infrastructure Levy for financial year 2021/22 and beyond, and that recommendation 7 allocated £6 million of this funding at this point.

It was unlikely that sufficient CIL funding would be received by the Council in any one financial year to make the full £6,000,000 available to the Castle Farm project in one year. It was therefore proposed that the funds should be allocated as £3,000,000 in each of two financial years – 2021/22 and 2022/23. It was more usual to agree the allocation of CIL money on a year-by-year basis, but given the scale and importance of this project, it was proposed to make this allocation over a period of two financial years.

CIL was received from developers when certain trigger points of development were reached. Receipts from this source could not therefore be accurately predicted, as income rates may accelerate or slow, depending on the speed of development. This could also be affected by insolvency and substantial external events, such as the current Covid-19 pandemic. It was therefore possible that insufficient funds may be received in the two relevant financial years to make the sums proposed in recommendation 7 available to the project in the relevant year. In this instance, it was proposed that CIL funding should be made available to the Castle Farm element of the Programme in subsequent years, until the £6,000,000 total was reached. In this case, the Council may need to forward fund an element of the funding from one financial year to the next. The cost of financing any such forward funding was shown in paragraph 5.6 of the report.

The third and final additional source of funding was recommended to be a loan from the Public Works Loan Board.

Income from Capital Receipts was forecast to generate £16,300,000 for this project, if recommendations 2.6 and 2.7 of the report were approved. Costs were currently predicted to be between £21,200,000 and £22,200,000. These sums had been calculated in considerable detail, but they were subject to testing in a volatile market. These predictions indicated an initial shortfall in project funding of between £4,900,000 and £5,900,000.

In order to meet this shortfall, it was proposed that a loan should be taken out with the Public Works Loan Board, for a sum not exceeding £6,000,000. The on-going costs of servicing a loan of £6,000,000 and of servicing a loan of £5,000,000 were shown in paragraph 5.3 of the report. The amount of loan to be taken out would be the difference between the income from receipts of £16,300,000 and the final costs of the project.

If the Executive approved recommendations 2.2 to 2.6 of the report inclusive, it was likely that Abbey Fields Swimming Pool and Castle Farm Recreation Centre would close for demolition in the second half of 2021. Both centres were currently closed due to the Government restrictions related to the Covid-19 pandemic, and it was currently not clear when leisure centres in Warwickshire would be permitted to re-open. After the first lockdown in 2020 ended, attendance at the two leisure centres in Kenilworth took longer to recover and figures fell short of the pre lockdown levels by a significant margin. At the present time, the uncertainties of the pandemic meant that both centres were operating at a loss, and the Council was supporting Everyone Active to remain open whenever restrictions allowed, in order to continue to make a fitness offer to local residents.

When it was clear what date leisure centres would be permitted to reopen, and it was also clear what date the two Kenilworth facilities were likely to close for demolition, it was likely that it would not be cost effective to open the facilities between the two dates. It was likely that the costs of re-opening and attempting to encourage customers to return would not be a **cost effective use of the Council's resources, given the short amount of time before the facilities were due to close again.**

Given the uncertainties around Government restrictions and the imminent closure of the facilities for demolition, it was proposed that the Abbey Fields Swimming Pool and the Castle Farm Recreation Centre would not reopen after the current lockdown ended and would remain closed until the start of demolition. If, for any reason, the works to either or both facilities were not progressed, or if the demolition of either building was significantly delayed, then this decision would be revisited.

In terms of alternative options, it would be possible to not undertake any improvements to the facilities at Castle Farm and Abbey Fields. If this decision was to be made then these two buildings would not have the same sort of aspirational, successful and modern facilities as the Council had provided at Newbold Comyn and St Nicholas Park. These two facilities **would not be contributing to encouraging the District's residents to adopt** an increasingly healthy lifestyle in the same way as the two refurbished facilities. Income from the contract with Everyone Active would not be maximised because attendance and income would not be enhanced by newer facilities. The opportunity would be lost to bring the buildings up to

modern design standards, particularly with regard to sustainability. The buildings would not be prepared for use for another 30 years.

It would be possible to freeze the current design process for the two facilities until the financial impact of the Covid-19 pandemic on the Council was known in more detail. However, to delay the project in this way would lead to increased costs for prolongation and for inflation. If the freeze was for more than a few weeks, the current Design Team would probably be re-deployed onto other projects, leading to a lack of continuity and additional re-start costs.

An addendum circulated prior to the meeting advised Members of the following amendment to recommendation 2.8, which had been made in order to retain flexibility on the decision about whether or not to re-open the Abbey Fields Swimming Pool and the Castle Farm Recreation Centre, as the current situation with the Covid pandemic was creating considerable uncertainty around the operation of the two leisure centres:

"2.8 That, subject to agreeing recommendations 2.2 to 2.7 inclusive, Executive delegates to the Deputy Chief Executive (AJ) and the Head of Cultural Services, in consultation with the Portfolio Holder for Environment and Neighbourhood, the decision as to whether or not to re-open, and to what extent, the Abbey Fields Swimming Pool and the Castle Farm Recreation Centre between the current Covid pandemic closure and the closure of the facilities for demolition".

The addendum also advised of amendments to paragraphs 3.8.1, 3.8.2, 3.8.3 of the report, and the new paragraph 3.8.4 which was added to reflect the change to recommendation 2.8, to read:

"3.8.4 Given the uncertainties shown in paragraph 3.8.3 above, it is considered that at present it is too early to make a considered decision as to whether or not to permit Everyone Active to re-open the Abbey Fields Swimming Pool and the Castle Farm Recreation Centre between the end of the current Government restrictions and the start of demolition. It is therefore proposed to delegate to the Deputy Chief Executive (AJ) and the Head of Cultural Services, in consultation with the Portfolio Holder for Environment and Neighbourhood, the decision as to whether to open or not, and to what extent. This decision should be made at the time when it is clear when the leisure centres will be permitted to re-open and when they will be due to close to commence the reconstruction process. This decision will need to balance the importance of providing as many opportunities as is reasonably possible for the residents of Kenilworth and surrounding villages to take part in physical activity with the cost to the Council of providing a temporary solution of this type. It is proposed that the Portfolio Holder for Environment and Neighbourhood should be consulted on this decision as the Portfolio Holder is leading on this project on behalf of the Executive".

The Finance & Audit Scrutiny Committee supported recommendations as amended.

They also welcomed:

- (1) the assurance from the Portfolio Holder in respect of potential delays within Development Services in determining the planning applications for these sites within the 13 weeks due to a backlog in that service area; and
- (2) the understanding that the project would be treated as two separate sites and projects throughout this project to enable them to be more agile in delivery.

The Overview & Scrutiny Committee recommended that the amended recommendation 2.8 should be further amended to include consultation with both the Leadership Co-ordination Group (LCG) and all Kenilworth District Councillors over when and which facilities should be re-opened.

Members were required to vote on this because it formed a recommendation to them.

In relation to the recommendation from the Overview & Scrutiny Committee, Councillor Rhead felt that singling out the Kenilworth Councillors was not appropriate, as this was a matter for Warwick District Council as a whole. When put to a vote, the recommendation from the Overview and Scrutiny was rejected. Councillor Rhead subsequently proposed the report as laid out, and subject to the amendments in the addendum.

Recommended to Council that £7,800,000 from *Any Use Capital Receipts* is used to partly fund the demolition and reconstruction of the Abbey Fields Swimming Pool and the Castle Farm Recreation Centre, be agreed.

Resolved that

- (1) that the RIBA Stage 4 (design only) has been completed for the reconstruction of Abbey Fields Swimming Pool and Castle Farm Recreation Centre and that Planning Applications have been submitted for each of the two buildings and further notes that the current estimated cost for the reconstruction of the Abbey Fields Swimming Pool is between £9,381,000 and £9,850,000 and the current estimated cost for the reconstruction of the Castle Farm Recreation Centre is between £11,834,000 and £12,426,000, be noted;
- (2) the next stage of the process is to begin the procurement exercise for the demolition and construction contracts in order to establish cost certainty and agrees the following three recommendations in this regard, be noted;
- (3) contracts for the demolition and reconstruction of the Abbey Fields Swimming Pool should be entered into by the Council if the costs for this element of the project do not exceed the cost

cap of £9,850,000, be agreed;

- (4) contracts for the demolition and reconstruction of the Castle Farm Recreation Centre should be entered into by the Council if the costs for this element of the project do not exceed the cost cap of £12,426,000, be agreed;
- (5) should the procurement exercise and the **consequent "cost certainty" establish that either** or both of these project elements exceeds the cost cap then a further report be submitted to Executive in respect of the project or projects that has breached the cap, to determine next steps;
- (6) circa £2.5m of developer Section 106 indoor sports contributions is anticipated to be available to help finance the demolition and reconstruction of the Abbey Fields Swimming Pool (full breakdown in Appendix C to this report) but this sum is not guaranteed and comes with a number of risks, be noted;
- (7) in advance of receiving a full report at its March meeting on the allocation of the Community Infrastructure Levy (CIL) for 2021/2022 and beyond, £6m of that levy be used to partly fund the demolition and reconstruction of the Castle Farm Recreation Centre but the sum is not guaranteed and comes with a number of risks be confirmed;
- (8) the balance of funding for the projects, anticipated to be between £5m and £6m (including cash flow costs), be determined by the Head of Finance and financed primarily via a Public Works Loan Board (PWLb) loan; and
- (9) authority be delegated to the Deputy Chief Executive (AJ) and the Head of Cultural Services, in consultation with the Portfolio Holder for Environment and Neighbourhood, the decision as to whether or not to re-open, and to what extent, the Abbey Fields Swimming Pool and the Castle Farm Recreation Centre between the current Covid pandemic closure and the closure of the facilities for demolition.

(The Portfolio Holder for this item was Councillor Rhead)

This item was a key decision but was not included on the Forward Plan, so a Notice of Exemption was published on 20 January 2021.

Part 2

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

84. **Tachbrook Country Park – Masterplan Finalisation**

The Executive considered a report from the Deputy Chief Executive (BH) which presented Members with a proposed final masterplan for Tachbrook Country Park, **to enable a full planning application for the area's change of use to be made.**

The report also requested the acceptance of the principle that the Country **Park should be transferred into the ownership of Bishop's Tachbrook** Parish Council once it was created.

The Warwick District Local Plan 2011-2029 included policy DS13 to allocate land for a Country Park. Through S106 agreements with housing developers and on-going discussions with land owners, an area, including the 56ha identified in the Local Plan, had been and was being secured to create a Country Park. A draft masterplan for the site was drawn up and consulted upon between 30 March and 30 June 2020, and 98% of the 1,294 responses supported the Country Park being created. Full details could be seen at Appendix 1 to the report.

One of the questions in the consultation related to the name of the Country Park, and a greater number of respondents preferred Tachbrook Country Park rather than Tach Brook Country Park.

The consultation included questions about the potential to extend the intended Country Park area further, and this was also supported in the consultation. The project had been split into two broad phases of delivery, to enable the basis of the Country Park to be created, working on currently achievable targets in the first instance, with further development of extensions and improvements to the initial Country Park in a later phase.

The updated objectives for the project had changed since the consultation to focus on progressing the project, in response to delivery plans being affected by the Coronavirus pandemic. These were:

a) Phase 1: Establish the Country Park

- obtain full planning permission to ensure the use of the site was established as a Country Park. This phase of the work related to establishing the local green space as expressed in the Local Plan (2011-2029). To ensure a cohesive set of community facilities was created, this stage of the work would be undertaken in parallel with the development of the proposed Oakley Grove School that would be adjacent to the Country Park;
- create site infrastructure in accordance with the agreed masterplan. Ensure that the delivery would provide opportunities for later enhancement of the site remain open throughout this delivery stage; and
- open the site as a facility for the local residents.

b) Phase 2: Enhance and expand the Country Park

- advance the vision for the Bishop's Tachbrook area by developing further infrastructure that would offer access links via the green areas and away from public roads;
- develop the Country Park further by embracing the opportunity to include more green space linked to the original Country Park; and
- develop the Country Park further by enhancing its quality to include additional facilities, such as a community hub/visitor centre.

The masterplan being considered by the Executive related to the completion of the Phase 1 objectives for the project only. Separate work continued to be undertaken to realise Phase 2 of the project and would be subject to further reports to future Executive meetings.

The masterplan set out a broad framework for the Country Park that could be built upon in detailed design and construction. It was a policy document that expressed **the structure and content of the first phase of the park's** creation and would be used to develop detailed design and to construct the site. It was also required as the basis of the required planning permission to create the Country Park.

At the Executive meeting on 28 November 2018, recommendations relating to a number of projects in the Europa Way area were agreed. The recommendations in the report sat within the context of these previous approvals, the relevant ones being:

- support for a new school on land off Oakley Wood Road provided that the provision of dual use sports facilities, access and integration to the Country Park positioning of buildings, were agreed;
- the use of car parking at the school for the Country Park; and
- the development of a Community Investment Package with Bishop's Tachbrook Parish Council to address the impact of changes in its area, **under a "double lock" arrangement** where the Country Park ownership would be transferred to Bishop's Tachbrook Parish Council and immediately leased back to Warwick District Council.

Delegated authority had been requested to negotiate the detail of these arrangements in consultation with the Portfolio Holder for Environment & Neighbourhood, to enable smooth project progress.

There had also been the development of opportunities to connect the Country Park either side of Europa Way and consideration of future extensions to the Country Park site, but the outcome of that work would be reported to a future Executive, and did not impact on the masterplan for the Phase One area, except to ensure that there was nothing in the masterplan that would prejudice those other opportunities.

After analysis of the consultation responses to the draft masterplan and subsequent technical input from the appointed consultants, officers had proposed some revisions to be made to the original masterplan shown during the public consultation. The original proposal and the revised masterplans were shown at Appendix 2 to the report. The proposals deferred reference to the links to the proposed Oakley Grove School site until they were ready to be brought forward. Confidential Appendix 4 also showed a representation of the final masterplan, with some additional considerations for the central area that were dependent on the outcome of

on-going negotiations on land transfer issues, as set out in Confidential Appendix 3 to the report.

The key elements of the proposed masterplan included:

Land transfers

To enable the Country Park to be created, developers were transferring land to Warwick District Council in accordance with S106 agreements. Legal procedures were nearing a close for most of the site, whilst negotiations continued for some parcels of land. Further information on the transfer of land to complete the park area was shown in Confidential Appendix 3 to the report.

Site access points

The consultation plan referenced a single access point to the site. More detailed examination of the practicalities of creating and managing the Country Park had focused on its practical realisation in two key areas. There was a need to access the site to construct it, in particular, the Country Park was likely to be constructed and operational prior to the creation of Oakley Grove School. Provision therefore needed to be made to access the site for its creation and subsequent maintenance. Since the site was linear in nature, access points would need to be located around the Country Park. These were identified as maintenance access on the plan.

Bearing in mind that the Country Park was to be as accessible as possible to the local community, a number of pedestrian access points in the form of stoned paths leading off housing areas would be created. These were also identified on the plan.

Car Parking

Whilst the principal car parking area to access the Country Park would be located within the shared facilities at the proposed Oakley Grove School, some minor provision had been proposed for parking at the northern and southern end of the Country Park. One of these was adjacent to an allotment area.

Food growing areas

The revised plan showed a change in the balance of provision in the areas shown, bearing in mind the high demand for allotments, local to housing areas. In addition, some of these areas had been re-located for better site maintenance. A mix of community growing areas and orchards had been proposed in one area to the south east of the Country Park. Prior to completing the site, the arrangements for managing these growing areas would need to be finalised to ensure their on-going sustainability and sound maintenance.

Community hub

Initial plans allowed for the provision of a refreshment area that could be enhanced to create wider community facilities at a later date. In Phase 1 of the project, it was planned to create a refreshment area (which included a toilet facility). It was intended to review the provision of wider community facilities within the Country Park site as part of Phase 2 of the project. This would take into account the availability of other community rooms within the locality at places such as the stadium and Oakley Grove School. It would also address the potential to enhance the original (Phase 1) facilities

within the Country Park. The revised plan had removed the potential community hub at the western end of the Country Park because it did not have the potential to be developed over time and presented some practical challenges.

Biodiversity maximisation

A wet area of the site to the west, close to the woodland by Europa Way, was originally identified for a boardwalk area, and had been identified as important to reduce through traffic of visitors and would allow the ecology to flourish. As an alternative, this version of the masterplan had removed paths and the boardwalk in that area, to deter access. This had been replaced by a viewing platform to maintain access to the wildlife. In addition, the boardwalk had been relocated to the linear shaped Sustainable Urban Drain (S U D) to the north east of that area, allowing a way across the SUD and informal access to a water body.

Warwickshire County Council had been involved in securing land adjacent to the proposed Country Park, for the development of a school and associated facilities - Oakley Grove School. This was to be at the eastern end of the proposed Country Park site and S106 agreements meant that the school would provide sports pitches and car parking for the Country Park, to be shared with Warwick District Council. The principal site access for the Country Park would be in the area of the school. The revised masterplan showed this area would be confirmed at a later date, as the plans for the site were being developed and would be the subject of a separate planning application.

Working in partnership with Warwickshire County Council, it had been agreed that due to the links between the Country Park and school site, it was appropriate to aim to submit concurrent planning applications for both developments, allowing full consideration of the plans for the area. As the school was due to open in September 2023, it would be necessary to apply for planning permission for the Country Park in late Spring 2021.

In order to continue the creation of the Tachbrook Country Park, the Executive was asked to approve the masterplan elements that could be wholly delivered by Warwick District Council. As the school development plans were less advanced than those for the Country Park, the masterplan could not yet show the detail of the shared facilities and access in the area where the school would be developed. To avoid delays in preparing the planning application and the delivery of the Country Park for local residents, it was therefore proposed that the masterplan, as set out at Appendix 2 to the report, without the detail for this area, should be approved and subsequently amended under the delegated authority proposed in recommendation 2.2 of the report, when appropriate arrangements on shared facilities had been agreed by the Project Board.

It was also proposed that were any changes required to the details set out at confidential Appendix 4 to the report, as a result of the negotiations detailed in confidential Appendix 3 to the report, these would also be agreed under delegated authority.

As a result of all the land designated for the Country Park having been previously used for different purposes, it was necessary to make a full planning application to change the use of the area to that of a Country

Park. Wood plc had been engaged to provide specialist planning services to support this process, which would include further site surveys and technical statements in support of the planning application.

The preparation for the planning application was already under way, following the agreement of the Executive at its 24 August 2020 meeting, to fund this work. Warwickshire County Council and Warwick District Council officers were working in partnership to co-ordinate information pertaining to both projects to ensure consistency of information that would appear in the planning application. Without the planning permission, the Country Park could not be created but the current masterplan proposal needed the detail of the area in which the school would be located to be finalised. It was therefore proposed that the final details of the planning application would be agreed under delegated powers.

As noted in the November 2018 report to Executive, the principle was established of the Country Park area being transferred to the Parish Council as part of the wider development of a Community Investment Package, to support the Bishop's Tachbrook Parish Council. Discussions with the Parish Council had continued on that basis to provide assurance to residents that the site would remain a green open space available to the community in perpetuity, with the site of the proposed Country Park being leased to Warwick District Council who would be responsible for its on-going management and maintenance.

Formal approval of a transfer of all the land covered by Phase 1 of the scheme, and the current masterplan area, was sought, with the transfer and concurrent lease back to the Council being completed when all the land has been transferred into the **Council's ownership**, through a series of S106 agreements, rather than this being done on a piecemeal basis.

Subject to approval of recommendation 2.4 of the report, appropriate agreements with the Parish Council would **be negotiated to secure the site's** future as a Country Park by the Head of Assets, in consultation with the Portfolio Holder for Environment & Neighbourhood.

In terms of alternative options, there was an option to await the outcome of the development plans to be finalised for the Oakley Grove School proposal before agreeing the final masterplan. However, this was not recommended as it would delay the progress being made towards the site for community use at the earliest possible date.

Councillor Rhead proposed the report as laid out.

Resolved that

- (1) the results of the public consultation on the draft masterplan that ended on 30 June 2020, shown in Appendix 1 to the report, and that these have informed the preparation of the masterplan proposed for agreement in the report, be noted;
- (2) the proposed masterplan shown at Appendix 2 and Confidential Appendix 4 to the report, be agreed. Members noted that there will be a need

to insert arrangements for the area of the site linked to the proposed Oakley Grove School development and confirm the details shown at Confidential Appendix Four at a later date. Authority be delegated to the Chief Executive to agree any amendments to the masterplan in respect of those matters, in consultation with the Portfolio Holder for Neighbourhood Services;

- (3) a full planning application be submitted for the creation of the Country Park in accordance with the masterplan, and authority be delegated to the Chief Executive to agree detailed planning matters, seek any other necessary statutory consents and final land transfer terms, in consultation with the Portfolio Holder for Neighbourhood Services; and
- (4) the Country Park, once completed, be **transferred to the ownership of Bishop's** Tachbrook Parish Council with absolute title but the park be then immediately leased to Warwick District Council for a period of 999 years for the purposes of managing and maintaining the site. Authority be delegated to the Head of Assets to agree appropriate Heads of Terms, in consultation with the Portfolio Holder for Neighbourhood Services to conclude the land agreements.

(The Portfolio Holder for this item was Councillor Rhead)
Forward Plan Reference 1,149

85. **Confirmation of Article (4)(1) Direction for Sherbourne Conservation Area**

The Executive considered a report from Development Services seeking the approval to confirm the Direction made under Article 4(1) of the Town and Country Planning (General Permitted Development) (England) Order 2015, in order to remove certain permitted development rights, outlined in Appendix D to the report, in Sherbourne Conservation Area. The report summarised responses received from affected residents since the implementation of the Direction on 27 August 2020.

It was a requirement under Section 69 of the Planning (Listed Buildings and Conservation Areas) Act 1990 that Local Planning Authorities determined which parts of their area were areas of special architectural or historic interest, the character or appearance of which it was desirable to preserve or enhance, and to designate these areas as Conservation Areas. This resulted in additional planning controls and considerations to protect the historic and architectural elements which made the place special. Local Planning Authorities also had a duty under Section 72 of the same Act to pay special attention to the desirability of preserving or enhancing the character or appearance of that area when exercising planning functions.

Single dwellings within Conservation Areas did nonetheless have certain permitted development rights, meaning that no planning permission was required to undertake a range of works, including replacement of windows, removal and replacement of roofing materials, installation of panels on roofs (such as solar panels) and removal or replacement of boundary walls. The cumulative impact of these small alterations could result in the gradual erosion of the appearance and **character of the District's Conservation Areas**.

In Sherbourne Conservation Area, the Council had been made aware of certain changes that currently benefitted from permitted development rights, which were considered detrimental to the character and appearance of the Conservation Area. Such changes included the use of modern materials, such as uPVC, when replacing historic windows and doors, removal of original boundary walls to facilitate car parking, removal of historic chimneys and construction of hard surfacing. It was important that features such as historic windows, chimneys and boundary walls were retained in order to protect the character of Sherbourne Conservation Area.

The making of an Article 4(1) Direction was a mechanism available to Local Planning Authorities, which offered a level of protection to prevent such alterations that could detrimentally change the character of a Conservation Area.

The Direction for Sherbourne Conservation Area was made on 27 August 2020, for a temporary period of up to six months in order to seek views of residents affected. An alternative option was to make a non-immediate Direction. However, the risk in doing might encourage the implementation of work that the Direction sought to control prior to it coming into force.

The Notice under Article 4(1), together with an explanatory letter and information sheet, was served upon the owners of single dwellings in the streets listed in Appendix A to the report. Upon receipt of the Notice, permitted development rights were removed for up to six months and any works listed in the schedule accompanying the Notice would, during that period, require planning permission. The recipients of the Notice and Barford, Sherbourne and Wasperton Joint Parish Council were invited to make comments on the possibility of the Notice becoming permanent or not.

During the six-month period, two representations in support of the Direction were received by email, and no letters or emails of objection were received.

One resident was pleased that Sherbourne Conservation Area now had extra protection as a result of the Direction, but queried whether there was enough capacity to monitor its implementation.

Another resident congratulated the Council on implementing the Direction and was pleased to know that there was a greater form of protection in the **Conservation Area, although did highlight that the 'horse has bolted' on some of the properties**. In addition, the resident explained that **'quality buildings were usually good on all elevations, and this could cause pockets of loss to the building as a whole'**. **The resident also felt that the Village Hall, Poplars Farmhouse and a steel framed Dutch Barn on Vicarage Lane,**

referred to as 'The Hay Barn', should be included as part of the Schedule annexed to the Direction.

The Council had carefully considered these representations. Officers in Development Services were reminded of the Direction and to be vigilant when carrying out site visits in the area. It was also expected that any additional planning applications, none of which had yet come forward as a result of the Direction, could be met with current resource.

In addition, a Direction that imposed greater restrictions on all elevations would result in an unnecessary level of control to parts of buildings that were not publicly visible in the Conservation Area. It was noted that whilst Sherbourne Village Hall had some architectural and historic merit, the building was in F2 use, therefore not a single dwelling, and as a result, it could not be included as part of this Direction. Poplars Farm House was not considered to have sufficient architectural or historic merit to warrant the restriction of permitted development rights. In addition, Poplars Farm barns were in office use and as a result, could not be included on the Direction. Hay Barn had changed substantially from its original appearance and was not considered to contribute positively towards the appearance or character of the Conservation Area.

In terms of alternative options, one would be to not permanently make the Notice. This would, however, mean that the Conservation Area would only benefit from limited protection and therefore a gradual erosion of the character of the Conservation Area could continue.

A further option would be to consider a blanket Article 4 Direction across the whole of Sherbourne Conservation Area. This would, however, result in an unnecessary level of planning control to properties that did not necessarily contribute positively towards the appearance and character of the Conservation Area.

Councillor Cooke proposed the report as laid out.

Resolved that the confirmation of a Direction under Article 4(1) of the Town and Country Planning (General Permitted Development) (England) Order 2015 to permanently remove the permitted development rights outlined in Appendix D and to serve letters upon all owners confirming the Direction, be authorised.

The Portfolio Holder for this item was Councillor Cooke)
Forward Plan Reference 1,154

86. **Annual Review of Regulation of Investigatory Powers Act (RIPA) Policy**

The Executive considered a report from Finance. The Regulation of Investigatory Powers Act 2000 (RIPA) provided the circumstances in which a local authority might use surveillance techniques in order to prevent and detect crime. Each local authority should have had a policy in place, which set out the circumstances in which these powers might be used and the procedure to be followed.

The Home Office's Code of Practice on Covert Surveillance and Property Interference provided guidance on the use by public authorities of Part II of the Regulation of Investigatory Powers Act ("the 2000 Act"), to authorise covert surveillance that was likely to result in the obtaining of private information about a person.

Paragraph 4.47 of the Code stated that: "Elected members of a local authority should review the authority's use of the 1997 Act and the 2000 Act and set the policy at least once a year".

The report was not concerned with recommending a particular option in preference to others, so there were no alternative options considered.

Councillor Day proposed the report as laid out.

Resolved that the Council's Regulation of Investigatory Powers Policy, be approved.

(The Portfolio Holder for this item was Councillor Day)
Forward Plan Reference 1,178

87. **Use of Delegated emergency powers – Approval of the Policy for Warwick District Council to Administer the Governments Additional Restrictions Grant Scheme**

The Executive considered a report from Development Services, asking that it formally noted the approval of **Warwick District Council's (WDC) policy for the Government's Additional Restrictions Grant (ARG) Scheme, by the Leader** in consultation with the Chair of the Finance & Audit Scrutiny Committee and the Business and Finance Portfolio Holder on 17 November 2020, and finally with the Leadership Coordinating Group on 23 November 2020. This scheme principally, but not exclusively, provided Government funded discretionary grant payments to businesses that did not qualify for grants associated with Non-Domestic Rates (NDR), during the COVID-19 crisis.

The report asked the Executive to formally note the approval of **Addendum 1 to WDC's policy for the Government's ARG scheme, by the Leader** in consultation with the Chair of the Finance & Audit Scrutiny Committee and the Business and Finance Portfolio Holder on 1 December 2020 and finally with the Leadership Coordinating Group on 7 December 2020. Addendum 1 covered a supplemental strand of support under the scheme.

The report also asked Executive to formally note the approval by the **Chief Executive in consultation with Group Leaders, of Addendum 2 to WDC's policy for the Government's ARG scheme** on 12 January 2021. Addendum 2 was once more approved under the Chief Executive's emergency powers, following confirmation from Group Leaders on 19 January 2021, with a minor addition to the text for clarification purposes. Addendum 2 covered a supplemental strand of support under the scheme.

On 31 October 2020, the Government announced the introduction of the ARG. Final guidance was received from the Government on 4 November 2020. At the time of writing the report, the Government urged Local

Authorities to respond promptly to a second national lockdown which commenced on 5 November 2020, for a period of 28 days.

Whilst Local Authorities had until the end of March 2022 to spend allocated funds, more recently, with further national restrictions imposed, the Government had reiterated to Local Authorities the need to be swift in distributing financial support to businesses. To reinforce this direction, the Government had indicated that league tables would be introduced imminently. Given the speed required, it was requested that the Leader and Chief Executive would exercise their emergency delegated powers in consultation with Group Leaders, to approve the policy and its later addendums, in order that payments could be made to local businesses without delay.

A copy of the Policy for the Warwick District Council ARG scheme, Addendum 1 and Addendum 2 was attached at the end of the report for information.

In terms of alternative options, not asking the Leader and Chief Executive to utilise their emergency delegated powers in consultation with Group Leaders to approve this policy and its corresponding addendums, would have prevented Warwick District Council from awarding grants under this scheme in a timely and acceptable manner.

Councillor Hales proposed the report as laid out.

Resolved that formal approval be given to Warwick District Council's policy for the Government's (ARG) scheme and its two addendums, approved under emergency delegated powers as set out in the above summary, to allow Warwick District Council to award the grants in accordance with the policy and guidance from the Government".

(The Portfolio Holder for this item was Councillor Hales)

88. **Use of delegated emergency powers – Approval of the Policy for Warwick District Council for administering the Government's Local Restrictions Support Grant (open) Scheme**

The Executive considered a report from Finance requesting that it noted the approval by the Chief Executive in consultation with Group Leaders, of the **Warwick District Council's policy for the Government's Local Restrictions Support Grant (Open) scheme**. This scheme provided Government funded grants to businesses allowed to open whilst the district was in Tier 2 or Tier 3, but severely impacted by the restrictions in place during those times.

The policy was amended on 23 December 2020 and once more approved **under the Chief Executive's emergency powers**, following confirmation from Group Leaders on 24 December 2020.

Final Government guidance on the Local Restrictions Support Grant (Open) scheme was issued on 10 December 2020, with Local Authorities required to award such grants from the date the authority entered with Tier 2 or Tier 3 of the Governments new local restrictions. As Warwick District Council

entered Tier 3 with effect from 2 December 2020, all grants awarded would have to be paid retrospectively to that date.

With the timescales, it was requested that the Chief Executive exercised his emergency delegated powers in consultation with Group Leaders, to approve the policy in order that payments to local businesses could be made as soon as practicably possible.

A copy of the Policy for the Warwick District Council Local Restrictions Support Grant (Open) scheme was attached at the end of the report for information.

In terms of alternative options, not asking the Chief Executive to utilise his emergency delegated powers in consultation with Group Leaders to approve this policy would have prevented Warwick District Council from awarding grants under this scheme in a timely and acceptable manner.

Councillor Hales thanked the report author, the Business Manager (Enterprise), for their hard work and he felt the policy had set the Council out in terms of how it listened to residents and businesses and the way they had given out the funds to businesses and individuals so quickly. He then proposed the report as laid out.

Resolved that the approval of the Warwick District Council's policy for the Government's Local Restrictions Support Grant (Open) scheme, approved under the Chief Executive's emergency delegated powers in consultation with Group Leaders, to allow Warwick District Council to award the grants in accordance with the policy and guidance from the Government, be noted.

(The Portfolio Holder for this item was Councillor Hales)

89. **Land off Edmonscote Road, Royal Leamington Spa**

The Executive considered a report from Assets, requesting the disposal of land off Edmonscote Road, Leamington Spa, CV32 6AG.

The land in question, shown hatched on the plan at Appendix 1 to the report, covered an area of approximately 20 square metres (approximately 215 square feet) and was located off Edmonscote Road Leamington Spa. It was owned by Warwick District Council (WDC) and was a small piece of open land.

The land had been incorporated into the adjacent residential dwelling, and the owner of this dwelling had requested for the land to be formally transferred into their ownership. Following negotiations between WDC, its external valuers, and the current owner of the adjoining residential dwellings, terms & conditions for the sale of the land in question had been agreed, subject to Executive approval.

These terms and conditions were private and confidential as they fell within the provision of information that related to the financial or business affairs of any particular person, including the authority holding that information,

and, hence, were set out in full in the private & confidential report on the agenda for the meeting - Item Number 24, Minute Number 96.

The proposal would provide WDC with a capital receipt and remove any maintenance responsibility of this piece of land, and any other future concerns that might arise from it.

In terms of alternative options, Members could decide not to proceed with the proposal, but this was not recommended as it would not deliver the proposed benefits.

Councillor Matecki proposed the report as laid out.

Resolved that

- (1) the disposal of the land off Edmonscote Road, Leamington Spa, CV32 6AG, hatched on the plan attached at Appendix 1, be approved, subject to terms & conditions listed in the Private & Confidential Appendix 1, Minute Number 96; and
- (2) the use of this capital receipt, alongside other funding demands, as part of the budget process in February 2021, be agreed.

The Portfolio Holder for this item was Councillor Matecki.

90. **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

Item Numbers	Paragraph Numbers	Reason
91,92	1	Information relating to an individual
91,92	2	Information which is likely to reveal the identity of an individual
93, 94, 95, 96, 97	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Part 1

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

91. **CMT/SMT Review**

The Executive considered a report from the Chief Executive asking Members to note the recent review of the Senior Management Team (SMT) and seeking an amendment to the CMT's structure.

The Executive approved the recommendations in the report.

(The Portfolio Holder for this item was Councillor Day)

This item was a key decision but was not included on the Forward Plan, so a Notice of Exemption was published on 20 January 2021.

92. **Services Revisions to the Civic Office**

The Executive considered a report from Democratic Services bringing forward proposals for savings from within the Civic budget.

The Executive approved the recommendations in the report.

(The Portfolio Holder for this item was Councillor Day)

Forward Plan Reference 1,169

93. **Purchase of s106 Plots at Bishops Tachbrook**

The Executive considered a report from Assets.

The Executive approved the recommendations in the report.

(The Portfolio Holder for this item was Councillor Matecki)

Forward Plan Reference 1,166

Part 2

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

94. **Contract Award for the Social Housing Decarbonisation Project**

The Executive considered a report from Housing.

The Executive approved the recommendations in the report.

(The Portfolio Holder for this item was Councillor Matecki)

Forward Plan Reference 1,174

95. **Confidential Appendices 3 and 4 to Item 12 - Minute Number 84 – Tachbrook Country Park – Masterplan Finalisation**

The Executive noted the confidential appendices in relation to Agenda Item 12, Minute Number 84 – Tachbrook Country Park – Masterplan Finalisation.

96. **Confidential Appendices to Item 17 - Minute Number 89 - Land off Edmonscote Road, Royal Leamington Spa**

The Executive noted the confidential Appendices in relation to Agenda Item 12, Minute Number 89 – Land off Edmonscote Road, Royal Leamington Spa.

97. **Minutes**

The confidential minutes of the meeting held on 10 December were taken as read and signed by the Chairman as a correct record.

(The meeting ended at 8.00pm)

CHAIRMAN
18 March 2021



Joint Cabinet/Executive Committee Constitution

February 2021

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Joint Cabinet/Executive Committee of Stratford-on-Avon and Warwick District Councils

1 Terms of Reference

The Joint Cabinet/ Executive Committee of Stratford-on-Avon and Warwick District Councils has been created under sections 101 and 102 of the Local Government Act 1972, section 9EB of the Local Government Act 2000 and all other relevant legal powers, following decisions taken by the respective Cabinet and Executive of each council in February 2021. The purpose of the Joint Committee at present is to enable the two Council's to work more closely in developing a combined Local Development Plan for South Warwickshire and ensuring that decisions are taken collectively and in a timely manner.

The Joint Committee will not at present undertake any other function than those defined within the terms of reference below and, as defined by law, and as such the adoption of the South Warwickshire Local Development Plan Document / Local Plan will remain with the individual Council's for final approval.

The Constitution for the Joint Committee includes a set of standing orders that takes precedence over the respective constitutional documents of each of the two councils. However, where the Constitution for the Joint Committee is silent on an issue, the Constitution of each respective Council will take precedence.

There will be a review by both authorities towards the end of the first 12 months of the operation of the Joint Committee in order to determine if any changes are necessary.

Terms of reference:

The purpose and functions of the Joint Cabinet/Executive Committee are to:

- Endorse technical studies and background reports to inform the preparation of South Warwickshire Local Development Documents, as appropriate
- Approve or recommend to Council (as appropriate) South Warwickshire Local Development Documents for public consultation
- Recommend to Council adoption of accompanying South Warwickshire Local Development Documents e.g. Local Development Scheme, Statement of Community Involvement
- Recommend to Council approval of the South Warwickshire Development Plan Document / Local Plan for submission to the Secretary of State for examination
- Recommend to Council adoption of the South Warwickshire Development Plan Document / Local Plan

2 Membership

- 2.1 The work of the Joint Cabinet / Executive Committee is that of an Executive function. Therefore, under legislation, its membership can only be drawn from the membership of the Stratford on Avon District Council (SDC) Cabinet and Warwick District Council (WDC) Executive.
- 2.2 The Joint Committee will comprise six members in total, with three Councillors from each of the SDC Cabinet and WDC Executive.
- 2.3 These Councillors will be appointed by the Leader of the respective Council, who will notify their respective Council of their decisions. This will normally take place at the Annual Council meeting of SDC and WDC, but the Leaders are entitled to revise appointments at any time.
- 2.4 Any member who ceases to be a member of the respective Council's Cabinet/Executive will automatically cease to be a member of the Joint Committee and a vacancy will be created for that Council on the Joint Committee until such time as the Leader of the respective Council appoints a replacement.
- 2.5 The Leader of each Council may appoint up to three members, drawn from their respective Cabinet/Executive, as substitutes to attend meetings of the Joint Committee in the absence for any reason of a member selected under paragraph 2.2., who shall be treated in all respects as if they had been appointed under paragraph 2.2.
- 2.6 The Chairmen of the Overview and Scrutiny Committees from both authorities and a member from each political Group not represented on either the SDC Cabinet or WDC Executive may attend meetings as observers.
- 2.7 Any other SDC or WDC Councillor may attend meetings.

3 Appointment of Chairman

- 3.1 The Joint Committee shall appoint a Chairman at the start of each meeting, from amongst the members of the Council that is hosting the meeting.
- 3.2 The Chairman appointed under paragraph 3.1 shall hold the role until the start of the next meeting.

4 Quorum

- 4.1 The quorum to conduct business is four voting members, with no be fewer than two members from each of SDC and WDC.
- 4.2 The Chairman will adjourn the meeting if there is not a quorum present.

5 Management of Meetings

- 5.1 The Proper officers for the meeting will be the Chief Executives of both SDC and WDC, who will normally both (or their nominated deputy) attend the meeting.
- 5.2 The Monitoring Officers for both SDC and WDC (or their nominated deputy) will attend to provide advice to their respective Councillors.
- 5.3 Democratic Services Support will alternate for each meeting between SDC and WDC, depending on which council is hosting the meeting
- 5.4 The date, time, place, agendas, reports and minutes of the meetings of the Joint Committee will be published through both the SDC and WDC websites and the shared Local Plan website.

- 5.5 The meetings will all be broadcast live on a dedicated joint Cabinet/Executive YouTube channel.
- 5.6 Prior to any report being included on the agenda, both Chief Executives, must have approved it for publication, having consulted with relevant members and officers

6 Meetings

- 6.1 There shall be a minimum of four meetings of the Joint Committee each year on dates as determined by the Chairman and published on both Councils' websites.
- 6.2 Meetings will be held on such days and at such times as determined by the Chairman.
- 6.3 The meetings will take place at either: the Town Hall, Royal Leamington Spa; Elizabeth House Stratford Upon Avon; or in a remote online setting for such time as allowed by legislation, or such other venue as agreed by the Chairman.
- 6.4 The Chairman may call additional meetings of the Joint Committee to consider a matter that falls within its remit but cannot await the next scheduled meeting, provided at least five clear working days' notice in writing is given.
- 6.5 Formal meetings of the Joint Committee shall be held in public except when exempt or confidential information is being considered and the press and public are excluded in accordance with the Local Government Act 1972 (as amended).
- 6.6 The agenda and reports will be published and notice sent to Members of the Joint Committee no less than five clear working days before the date of the meeting.
- 6.7 Only the business on the agenda will be discussed at a meeting of the Joint Committee except for urgent matters raised in accordance with the provisions in Section 100B(4)(b) of the Local Government Act 1972.
- 6.8 The decisions from the meeting shall be published on the SDC and WDC websites, with a link from the joint local plan website, within two clear working days of the date on which the Joint Committee met.
- 6.9 The draft minutes of a meeting shall be published on SDC and WDC websites, with relevant links from the joint local plan website, as soon as is reasonably practicable.

7 Delegated Powers

- 7.1 The delegated powers mean those powers to be discharged by the Joint Committee as set out in its terms of reference.
- 7.2 The Joint Committee shall discharge the delegated powers within the respective budgetary and policy frameworks set by SDC and WDC.
- 7.3 When discharging the delegated powers, the Joint Committee shall take decisions only after taking account of advice received in writing or orally from relevant officers of SDC and/or WDC as appropriate, including legal, financial and policy advice.
- 7.4 Prior to making a Key Executive decision the Joint Committee must be satisfied that legal requirements for prior notification of that decision have been complied with.

8 Overview & Scrutiny

- 8.1 Executive decisions made by the Joint Committee are subject to scrutiny by either of the relevant Overview and Scrutiny Committee at SDC or WDC,

including an Overview and Scrutiny Committee's right to recommend that an Executive Decision made but not implemented should be reconsidered by the decision-taker (often referred to as 'call-in').

- 8.2 The processes and procedures for the exercise by the relevant Overview and Scrutiny Committee of its 'call-in' function shall be exercised in accordance with the relevant Constitutions of SDC or WDC, with any final decision being referred back to the Joint Committee for decision.
- 8.3 On receipt of a recommendation from an Overview and Scrutiny Committee following consideration of a call-in, the Joint Committee may accept, reject or amend the decision originally taken. The decision taken by the Joint Committee, following the review of its original decision, will be reported back to the next meeting of each respective Council for information.
- 8.4 If the initial decision is amended in any way, it is subject to a further call-in period.

9 Minutes

- 9.1 At the meeting, the Chairman will move the formal motion "That the minutes of the last meeting be confirmed and signed by the Chairman" and there may only be discussion if there is disagreement about their accuracy.

10 Confidentiality

- 10.1 All Members must respect the confidentiality of any papers marked as such that are made available to them for the purpose of meetings of the Joint Committee or otherwise for so long as those papers remain confidential.
- 10.2 All Members must respect the confidentiality of any meetings or parts of meetings of the Joint Committee for so long as the information considered in those parts remains confidential.
- 10.3 Failure to adhere to the requirements of 9.1 to 9.2 is likely to be considered as a breach of the Member Code of Conduct of the respective Council.

11 Questions to the Joint Committee

- 11.1 Any Member of either Council may, with the Chairman's consent, ask one or more questions on matters within the terms of reference of the Joint Committee.

12 Petitions & Notices of Motion

- 12.1 The Committee will only consider petitions referred to them by the respective Council, under that Council's Petitions Scheme or its procedure rules for Notices of Motion.

13 Public Speaking

- 13.1 Members of the public may address the meeting. An allocation of a maximum of 30 minutes public speaking time at each meeting will be permitted, with a maximum five minutes per person. A member of the public wishing to speak at the meeting must register to do so by 10am the working day before the meeting.

14 Debate at Meetings

- 14.1 The Chairman of the meeting will manage the debate for each item on the agenda as they consider reasonable.

- 14.2 A Member of the Joint Committee may speak on any business on the published agenda of the committee. Matters not relevant to the business on the agenda will not be permitted.
- 14.3 Every Member who speaks must direct their speech strictly to the matter under discussion.
- 14.4 The Chairmen of the Overview and Scrutiny Committees from both authorities, those members appointed from each political Group not represented on either the SDC Cabinet or WDC Executive and any other SDC or WDC Councillor may, at discretion of the Chairman, address the meeting.
- 14.5 In the event that members of the Joint Committee from one council have opposing views to members of the Joint Committee from the other council in relation to an agenda item, the Chairman shall remit the issue back to officers in order to find an acceptable solution

15 Disorderly Conduct

- 15.1 If a member of the public interrupts the proceedings at a meeting, the Chairman may ask them not to interrupt.
- 15.2 If the interruption continues, the Chairman may order their removal from the meeting.
- 15.3 If there is general disturbance in from the public generally, the Chairman may order that those parties be removed.
- 15.4 If misconduct continues, the Chairman may adjourn or suspend the meeting for as long as they consider appropriate.

16 Code of Conduct

- 16.1 Members are bound by the Code of Conduct of the authority which appointed them to the Joint Committee and they should particularly observe the provisions of their respective Codes concerning the declaration of interests when attending meetings of the Joint Committee.

17 Declarations of Interest

- 17.1. At any meeting where a Member becomes aware that a matter under consideration relates to:
 - (a) one of their interests, they must disclose the interest and the nature of the interest in accordance with their respective Council's Code of Conduct if not already entered on the relevant Council's register and/or
 - (b) the donor of any gift and/or hospitality that they have accepted and not yet entered on the relevant Council's public register, the Member must disclose the interest to the meeting and, within 28 days, notify this to either SDC's Monitoring Officer or WDC's Monitoring Officer.

18 Participation in relation to Disclosable Pecuniary Interests

- 18.1. A Member with a disclosable pecuniary interest in any matter must:
 - (a) not participate in any discussion or vote relating to the matter;
 - (b) withdraw from the room or chamber when it becomes apparent that the matter is being considered at that meeting;
 - (c) not exercise functions in relation to that matter; and
 - (d) not take any steps in relation to the matter (except for the purposes of enabling the matter to be dealt with otherwise than by them) unless they

have obtained a dispensation from SDC's Monitoring Officer for SDC Councillors or WDC's Standards Committee for WDC Councillors.

19 Attendance at Meetings

Every member of the Councils attending a meeting of the Joint Committee must sign their name in the attendance book or sheet provided for that purpose. (Suspended until 7 May 2021).

20 Exclusion of the Press and Public

The Joint Committee may, by resolution, exclude the press and public from a meeting during an item of business wherever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item there would be disclosure of information as defined by the Local Government Act 1972 and/or the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

21 Sub-Committees and Working Groups

The Joint Committee shall seek approval from the respective Cabinet and or Executive prior to appointing a Sub-Committees or a working group.

22 Conduct at meetings & Interpretation of the Constitution

The conduct of meetings and the interpretation of this Constitution are at all times a matter for the Chairman, whose ruling is final.

23 Maladministration or Financial Malpractice

23.1. When, in the opinion of the Monitoring Officer of either Council, the Committee is guilty of acts or omissions made or about to be made which are unlawful or amount to maladministration, they shall produce a report which shall be circulated to all members of their Council and the process followed in respective of the appropriate Council's Constitution.

23.2. Where in the opinion of the Chief Financial Officer the Committee

- (i) takes or is about to take a decision which if pursued to its conclusion would involve the Council incurring unlawful expenditure or
- (ii) takes or is about to take a course of action which if pursued to its conclusion could be unlawful and likely to cause the Council loss or deficiency or
- (iii) is about to enter an item of account which is unlawful,

they shall produce a report, in consultation with the Chief Executive and Monitoring Officer, which they shall circulate to all members of the respective Council, and the Council's External auditor and follow the procedure as set out in the respective Council's Constitution.

24 Withdrawal from the Joint Committee

24.1. At any time, either the Cabinet or Executive of each Council may give six months' notice in writing to the other Council of its intention to withdraw from the Joint Committee. Once the Joint Committee ceases to exist, the functions delegated to it will each revert back to the relevant delegating authority. The Leader of either Council can at any time withdraw the delegated Executive powers from the Joint Committee.

STATEMENT BY THE CHIEF FINANCIAL OFFICER

I am required to make this report by the Local Government Act 2003.

Robustness of Budgets

The preparation of the budgets started back in July. As the Head of Finance, and being a qualified and experienced accountant, I have overseen the process. The budgets have used the current year as their base. Budget Review process has shown where these do not form a reasonable basis for the following year. There has been a high level of scrutiny to the budget this year, along with budget monitoring throughout the year, from: -

- Budget Managers, the Senior Management Team (SMT) and Corporate Management Team (CMT)
- Portfolio Holders
- The Executive through the various preceding reports set out in the background papers
- Scrutiny Committees

Consequently, I am satisfied that the budgets are prepared on a robust basis.

Heads of Service should also confirm the robustness of the budgets. Officers in all Services have been actively involved in preparing the budgets with the accountants. SMT members agreed the base budget.

The Budget has been prepared with the backdrop of the Global Pandemic and the continuing uncertainty on the Council's finances from the impact of the UK leaving the EU. The pandemic has impacted upon the Council's expenditure and income streams during 2020/21, as reported to Members throughout the last year. Whilst there has been some financial support from the Government, the Council has still had to rely upon its reserves during the year to a greater extent than originally planned.

With the pandemic continuing, the impact on the Council's finances remains uncertain. Whilst some Government support has been announced for 2021/22, the level announced is unlikely to be insufficient to meet the full financial impact. It is very possible that expenditure budgets will be exceeded and income targets are not met. The 2021/22 Budget does include a Covid 19 Contingency to assist where it is not possible to contain expenditure within budgets. In addition, the Council does have some reserves that may be utilised (as discussed below) and the general Contingency Budget.

Adequacy of Reserves

There has been much discussion over what the appropriate levels of reserves are for a local authority to hold, with various papers being issued on this subject.

However, it is for each authority to determine the right level of reserves, reflecting its individual circumstances and risk appetite.

The Audit Commission in its December 2012 report "Striking a Balance" discussed the reserves held by local authorities. Whilst it recognised it was for each body to determine the level of reserves it should hold, it was important for it to be clear why it was holding those reserves. Within the main report and Appendix 5, the Council's reserves are discussed in detail.

In the Audit Commission's Value for Money Guidance (December 2010) the following is stated: -

"Financial planning

An annual budget is not enough to secure financial resilience. Organisations should set the budget in the context of a longer-term financial strategy and a medium-term financial plan (MTFP) covering for example, a three-to five-year horizon. The MTFP needs to be realistic. Assumptions around inflation, income levels, demographics and future demand for services need to be modelled and based on reasonable predictions.

The financial position of an organisation will depend on a number of factors including the level of borrowing, receivables outstanding, investment risks, council tax collection rates and levels of reserves."

The Council's budget and financial planning regime can be demonstrated to be robust.

The Code of practice on local authority accounting requires the purpose, usage and basis of transactions of earmarked reserves to be identified clearly. This is set out in Appendix 5 of this report and Finance and Audit Scrutiny Committee have been asked to pay particular attention to this (para 3.9 of report). In accordance with best practice on reserves and balances these have therefore been reviewed as part of the annual budget preparation. In addition, there are forecasts for future years which are reflected in the medium term financial strategy. In considering the level of reserves in addition to the cash flow requirements CIPFA recommends that the following factors are considered: -

Budget assumptions	Financial standing and management
The treatment of inflation and interest rates	The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates).
Estimates of the level and timing of capital receipts	The authority's track record in budget and financial management.
The treatment of demand led pressures	The authority's capacity to manage in-year budget pressures.

Budget assumptions	Financial standing and management
The treatment of efficiency savings/productivity gains	The strength of financial information and reporting arrangements.
The financial risks inherent in any significant new funding partnerships, major outsourcing deals or major capital developments	The authority's virement and end of year procedures in relation to budget under/overspends at authority and departmental level.
The availability of other funds to deal with major contingencies	The adequacy of the authority's insurance arrangements to cover major unforeseen risks.

The Cipfa Resilience Index was launched in December 2019 compares the Council to other comparator authorities. This does not suggest any areas where the authority is notably at risk, with levels of ear-marked reserves providing much security in the short/medium term.

I have considered these matters and can advise members that they currently have a satisfactory level of reserves and balances, but need to address the medium term financial forecast in order to deliver balanced budgets in future years. Risks which may impact upon the Council's finances and the Budget, together with controls and mitigations, are set out in Section 6, and a risk assessment against the general fund reserve is set out in Appendix 4. The Council has self-insurance for small items but generally relies on external insurance for claims above £25,000, so there is no major risk in this area.

In making this assessment I have taken into account the contingency budget of £200,000 for 2021/22, and the new Covid 19 Contingency Budget. These provisions reduce the possibility of the Council calling upon its General Fund balances

The Council is undoubtedly facing greater in-year budget risks than in any previous year. Primarily these relate to the global pandemic, as discussed earlier, in addition to risks in relation to the uncertain state of the economy and the impact on the Council of the UK leaving the EU (including on how this may impact upon the Council's partners), the current volatility of the Council's income sources, and the risks associated with capital schemes.

The medium term financial strategy has been prepared on a prudent basis given the uncertainties that face local government finance into the future. Whilst the 2021/22 budget has been prepared prudently, there are undoubtedly risks associated with it. However, with the level of reserves, the Council should be able to manage any risks throughout the year.

In considering future years from 2022/23 there are significant uncertainties relating to the Council's share of Business Rates as result of the Fair Funding Review, the reset of the Business Rate Retention Scheme and the introduction of the 75% Business Rate

Retention Scheme. Prudent estimates for business rates retention have been included from 2022/23, allowing for a significant reduction from the level budgeted for 2021/22. To help meet this reduction, the Council should be able to make use of the Business Rate Retention Volatility Reserve in the short/medium term. However, this will not be sustainable if the Council does not reduce its overall spending level to match its Business Rate income without relying on contributions from the reserve.

Members agreed a series of Budget Proposals in December 2020 which have been included in the 2021/22 Budget and Medium Term Financial Strategy to address the underlying budget deficit in 2021/22 and future years. It is important that officers and Members progress these proposals to make the necessary savings in term of value and timing. Not to achieve these savings will put increased pressure on the Council's more limited reserves, whilst still leaving the full level of savings to be achieved. If the savings are not achieved, there will be risks to services and to the Council's sustained finances.

Mike Snow

Head of Finance

February 2021

General Fund Summary

Appendix 2 to Minute Number 78

Portfolio	Outturn 2019/20 £ A	Original Budget 2020/21 £ B2	Latest Budget 2020/21 £ C	Original Budget 2021/22 £ D	Variance Ref 2020/21 £ C-B2	Variance 2021/22 £ D - B
Assets	887,483	979,700	633,000	264,800	(346,700)	(714,900)
Cultural Services	4,340,575	3,908,400	5,082,500	3,455,500	1,174,100	(452,900)
Strategic Leadership	5,960,059	2,482,900	4,075,500	4,532,700	1,592,600	2,654,800
Development Services	3,405,685	2,211,600	4,969,600	2,654,300	2,758,000	442,700
Finance	2,800,025	2,988,400	3,673,600	1,079,000	685,200	(1,909,400)
Health & Community Protection	3,133,513	2,738,700	4,674,500	2,818,300	1,935,800	79,600
Housing Services - General Fund	1,586,352	1,940,100	2,071,600	2,033,600	131,500	93,500
ICT	(4,680)	(7,800)	187,000	175,500	194,800	183,300
Neighbourhood Services	7,099,883	7,272,800	10,171,800	9,830,400	2,899,000	3,090,600
People and Communication	(22,787)	5,200	355,700	340,900	350,500	335,700
TOTAL GENERAL FUND SERVICES	29,186,109	24,520,000	35,894,800	27,185,000	11,374,800	3,803,000
Replacement of Notional with Actual Cost of Capital:						
- Deduct Notional Capital Financing Charges in Budgets	(11,167,442)	(6,521,200)	(15,968,600)	(6,488,000)	(9,447,400)	33,200
- Add Cost of Loan Repayments, Revenue Contributions and	0		0	0	0	0
- Interest paid	120,241	466,800	467,000	542,000	200	75,200
Revenue Contributions to Capital	1,557,770	1,807,700	857,900	2,261,000	(949,800)	203,300
Contributions to / (from) Reserves	1,704,166	13,316	(1,612,000)	(2,822,000)	(1,625,316)	(6,627,588)
Net External Investment Interest Received	(1,696,260)	(508,100)	(445,800)	(756,900)	62,300	(248,800)
IAS19 Adjustments reversed	(2,920,956)	(2,477,800)	(2,477,800)	(2,477,800)	0	0
Employee Benefits Accruals reversed	(18,544)	0	0	0	0	0
Contributions to / (from) General Fund	2,470,853	0	0	0	0	0
NET EXPENDITURE FOR DISTRICT PURPOSES	19,235,938	17,300,716	16,715,500	17,443,300	(585,216)	(2,761,688)
Less Revenue Support Grant	0	0	0	0	0	0
Less Business Rate Income	(6,385,452)	(4,161,000)	(3,576,100)	(4,324,000)	584,900	(163,000)
Less General Grants	(3,433,878)	(3,726,100)	(3,726,100)	(3,269,100)	0	457,000
Collection Fund (Surplus) / Deficit	(143,000)	185,000	185,000	39,000	0	(146,000)
Surplus / (Deficit) for the Year			316	281		
NET EXPENDITURE BORNE BY COUNCIL TAX	9,273,607	9,598,616	9,598,616	9,889,481	(316)	(2,613,688)
Aggregate Parish Council Expenditure	1,619,423	1,723,904	1,723,904	1,723,904	0	0
COMBINED DISTRICT AND PARISH EXPENDITURE BORNE BY COUNCIL TAX:	(10,893,030)	(11,322,520)	(11,322,520)	(11,613,385)	0	2,613,407

Medium Term Financial Strategy

Appendix 3(i) to Minute Number 78

	2020/21 £'000	2020/21 latest £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Savings from Recurring Dev's (£'000's)			-1		-178	30	216
Net Cost Of General Fund Services	24,520	35,895	27,186	23,973	22,847	22,987	23,311
Investment Interest	-508	-446	-757	-492	-295	-293	-291
New Homes Bonus-unallocated Balance							
Other Financing Adjusments	-6,712	-18,734	-8,985	-8,444	-8,114	-7,900	-7,894
Net Expenditure after adjustments	17,300	16,715	17,444	15,037	14,438	14,794	15,126
Revenue Support Grant							
NNDR (Business Rate Retention, including SBR grant)	-4,161	-3,576	-4,325	-3,539	-3,645	-3,754	-3,864
Collection Fund Balance	185	185	39	54	54		
New Homes Bonus	-3,726	-3,726	-3,269	-1,278			
Other Grants and Government Funding							
Amount being from Council Tax	-9,598	-9,598	-9,889	-10,274	-10,669	-11,071	-11,478
Band D Equivalent	£171.86	£171.86	£176.86	£181.86	£186.86	£191.86	£196.86
% increase on previous year	3.00%	3.00%	2.91%	2.82%	2.75%	2.68%	2.61%
Net Expenditure after adjustments	17,300	16,715	17,444	15,037	14,438	14,794	15,126
Total Grant and Council Tax Income	-17,300	-16,715	-17,444	-15,037	-14,260	-14,824	-15,342
Deficit-Savings Required(+)/Surplus(-) future years					178	-30	-216

	2020/21 £'000	2020/21 latest £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Base Cost of General Fund Services	36,926	24,520	35,895	27,185	23,973	22,669	23,017
Inflation on Controllable Expenditure	273	0	306	377	397	413	426
Recurring Growth	347	1,207	3,254	576	387	263	225
Items funded from Reserves	673	2,159	2,319	425	221	49	49
Total New time limited growth/savings	745	-1,438	-2,969	-5,240	-7,124	-7,280	-7,421
Less previous year 1 Off/Time Limited Growth	-3,477	0	-2,139	650	4,815	6,903	7,231
Changes in Capital Charges	-10,967	9,447	-9,481	0	0	0	0
Net Cost of General Fund Services	24,520	35,895	27,185	23,973	22,669	23,017	23,527
Less:Capital Financing Charges	-6,521	-15,969	-6,488	-6,488	-6,488	-6,488	-6,488
Less IAS19 included above	-2,478	-2,478	-2,478	-2,478	-2,478	-2,478	-2,478
Controllable Expenditure	15,521	17,448	18,219	15,007	13,703	14,051	14,561
Financing Charges etc.							
Loan repayments etc	467	467	542	575	609	615	621
Revenue Contributions to Capital	1,808	858	2,261	259	80	80	80
Contributions to/from reserves	12	-1,612	-2,822	-312	163	371	371
External investment interest	-508	-446	-757	-492	-295	-293	-291
Total Financing Charges etc	1,779	-733	-776	30	557	773	781
Net Expenditure	17,300	16,715	17,443	15,037	14,260	14,824	15,342
NNDR redistributed	-4,161	-3,576	-4,324	-3,539	-3,645	-3,754	-3,864
New Homes Bonus	-3,726	-3,726	-3,269	-1,278	0	0	0
Collection Fund Balance	185	185	39	54	54		
Total AEF/Collection Fund	-7,702	-7,117	-7,554	-4,763	-3,591	-3,754	-3,864
Council Tax borne expenditure	9,598	9,598	9,889	10,274	10,669	11,071	11,478
Equivalent to Band D Council Tax	171.86	171.86	176.86	181.86	186.86	191.86	196.86
% increase on previous year	3.00%	3.00%	2.91%	2.82%	2.75%	2.68%	2.61%
Council Tax Base	55,851	55,851	55,917	56,500	57,100	57,700	58,300

Medium Term Financial Strategy - Recurrent Developments

Appendix 3 (iii) to Minute Number 78

Development	2020/21	2020/21 latest	2021/22	2022/23	2023/24	2024/25	2025/26
	£	£	£	£	£	£	£
Auto Enrolment - National Employment Savings Trust (NEST)	31,900						
AV Town Hall maintenace & support	2,400						
Car Park Income	-32,300						
Catering Contract service charges	-400						
CCTV Contract Savings	-51,000						
CCTV Revenue Savings from new tender	-1,160		-1,160	-1,160	-1,160		
Cleaning Contract	191,500						
Committee services joint post contribution	20,900		700	200			
Elections - Training	5,000						
Employee Costs above inflation growth	50,000		50,000				
Equitrac Support after 5 year period of purchase				1,000			
Fees and Charges	-170,700						
FFF23 Reduction in Council Discretionary spend	-25,000						
FFF24 Review of Community Partnership arrangements	-30,000						
FFF29 Members Allowances	-900						
Gas Costs	21,600						
Government Funding towards IEP	26,000						
Grounds Maintenance	5,844				22,054		
Hedge Maintenance	-4,000						
Heritage Open Days			4,000				
Housing Restructure	55,700						
HR Restructure	-18,000						
IAS19 changes	-136,100						
Increased cost of Financial Management System	40,000						
Insurance premium new contract	-33,000	-4,900	9,900				
Kenilworth Leisure			500,000				
Local Plan	5,000						
New contract terms for Internal Health and Safety IT system - AssessNet	11,240						
NNDR increases on General Fund Properties	28,600		4,400	25,400			
Observer status of the West Midlands Combined Authority	25,000						
Other Minor Rec Dev	-14,000						
Planning Consultancy	47,000						
Planning Policy Assistant	33,000						
Recruitment portal	6,000						
Recycling credits from new developments	-15,838		-14,462	-11,766	-10,406		
Reduced advertising income	-72,700						
Reduced estimated advertising income	73,000						
Reduction in HB/CTB Admin Subsidy	226						
Rental Income	6,600		-4,400				
Restoration of Principal Accountant Post to Full Time	7,500						
Salary budget changes	154,700		-55,900				

	2020/21	2020/21 latest	2021/22	2022/23	2023/24	2024/25	2025/26
Development	£	£	£	£	£	£	£
Senior Management Team Review	47,000						
Street Cleaning	15,000						
Street Cleaning newly adopted roads	34,332		31,350	25,505	22,557	22,557	15,768
Street name and numbering income	900						
Town Hall Transfer							
Waste Contract	-11,799		3,409,900		500,000		
Waste Contract - Vehicle Leasing Saving			-50,000				
Waste Management New Properties	44,000		40,179	32,687	28,909	28,909	20,208
Water charges - Abbey Fields	3,000						
WDC Trees - new contract	-30,000						
Car Park Income		1,120,500	-704,300				
Climate Change delivery			500,000				
Committee teas			2,500				
Crematorium Contract inflation			800				
Crematorium Training		1,000	200				
CSE Course expenses no longer recoverable		2,100					
Data lines - funeral webcasting		8,000					
Fees and Charges			-503,000				
HR Health & Wellbeing E'ers Class 1A NIC contributions Bupa Scheme		2,000					
HR Payroll System - new service provider			10,300				
ICT - Remote Licences			6,000				
Lone working Expenditure			26,500				
Neighbourhood Services joint post contribution		-28,100					
New Programme Team expensiture budgets			5,000				
Other Minor Rec Dev		-44,900	-14,689				
Pay Award - additional 0.75%		150,000	1,500	3,000	3,000	3,100	3,100
PPM Programme				500,000			
Warwick Community Forum		900					
Savings Required	562		-1,262	642	-177,865	208,405	185,477
Total Recurrent Developments	346,608	1,206,600	3,254,056	575,508	387,090	262,970	224,553

Medium Term Financial Strategy - Non Recurrent Developments

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Development	2020/21	2020/21 latest	2021/22	2022/23	2023/24	2024/25	2025/26
	£	£	£	£	£	£	£
Art Gallery revaluation	2,500						
Commercial Rents	12,500	27,200	-17,900				
Community rail partnership 20/21-21/22	5,000		5,000				
Contingency Budget	200,000	-198,200					
Contributions to Equipment Renewals Reserve ceased until 22/23			-100,000				
Dec 19 Exec Agreed Items	20,000						
Election Costs					35,000		
Europa Farm - Farm House additional revenue costs	12,000		12,000				
FFF16q Leisure Options	-922,544		-1,252,456	-1,230,591	-1,331,721	-1,391,653	-1,334,308
HR Business Partner	34,000						
HR Support Officer	6,000						
ICT software upgrade	-25,000						
Insurance Admin Fee for Leaseholder Cover Reduced	1,400						
Internal Audit review - every 5 years	3,500						3,500
Litter bin emptying	10,000						
Litter bins 3 year programme starting 2018/19	98,000						
Local plan	-3,000						
Lottery decision deferred	27,600						
MHCLG Intervention Grant Funding	-132,100	-49,000					
MHCLG Interventions	132,100	49,000					
Newbold Comyn grounds maintenance contract	40,000						
Planning Policy Assistant	-14,000						
Printing devices leases	-4,000		-4,000	-1,000			
Recharge Changes	-193,400		-58,000				
Recruitment costs - Head of ICT and Programme Director	20,000						
Refuse Containers Delivery (declassified Capital)	40,000		40,000	40,000	40,000	40,000	
Salary Budgets	25,000	65,900	-638,800	12,500			
Trans-Midlands Trade Corridor	7,500		7,500				
VE Day Celebrations	8,000						
Climate Change Director - Joint Post with SDC from 21/22	105,000	-15,900	53,000	52,000	15,900		
Cost of Referendum	500,000	-500,000					
Food waste - New Homes Bonus Funded	533,000	-533,000					
Project Legal Costs - New Homes Bonus Funded	65,300						
Waterloo Housing - New Homes Bonus Funded	125,800		199,600	45,000			
Corporate Projects Legal Fees		3,000	50,000				
COVID Additional Exp - Benefits Staff Overtime		8,000					
COVID Additional Exp - Business Rates Software		7,500					
COVID Additional exp - Cleaning / PPE		25,000					
COVID Additional Exp - Events		81,800					
COVID Additional Exp - Everyone Active		965,354					
COVID Additional Exp - Hardship Fund Software		3,000					

Development	2020/21	2020/21 latest	2021/22	2022/23	2023/24	2024/25	2025/26
	£	£	£	£	£	£	£
COVID Additional Exp - ICT		83,000					
COVID Additional Exp - Council Newsletter		25,000					
COVID Exp savings - Events (inc National Bowls Championships, Christmas)		-167,900					
COVID Exp savings - Spa Centre Events		-650,000					
COVID Income loss - Bowls Club		7,400					
COVID Income loss - Building Control		100,000	167,200				
COVID Income loss - Car Parks		1,307,500					
COVID Income loss - Commercial Rent / Concessions		9,575					
COVID Income loss - Edmondscote Track		8,000					
COVID Income loss - Enterprise Development			114,300				
COVID Income loss - Events Cancelled		7,400					
COVID Income loss - Leisure Concession reduced		922,500	1,252,456				
COVID Income loss - Licensing Fees		68,800					
COVID Income loss - Market and Events		25,000					
COVID Income loss - Open Spaces		7,400					
COVID Income loss - Planning fees		700,000					
COVID Income loss - Spa Centre		871,700					
COVID Income loss - Spa Centre concessions		184,200					
COVID Income loss - Sports pitch hire		4,000					
COVID Income loss - Tennis Licence fee		500					
COVID Income loss - Town Hall Hire		51,800					
Digital Transformation			-16,300				
Electoral registration 2 yr trainee post extension			10,900	5,600			
Fees and Charges			-330,000				
Government grant - ACE Cultural COVID arts funding		-170,000	-80,000				
Government grant - Business Grants admin - New Burdens funding		-170,000					
Government grant - Business Rates Discounts - New Burdens funding		-11,700					
Government grant - Casual staff Furlough		-100,000					
Government grant - Council Tax Hardhip - New Burdens funding		-11,713					
Government grant - COVID income compensation scheme 20/21		-3,500,000					
Government grant - COVID support 20/21 tranche 1		-61,000					
Government grant - COVID support 20/21 tranche 2		-1,423,400					
Government grant - COVID support 20/21 tranche 3		-199,700					
Government grant - COVID support 20/21 tranche 4		-156,342					
Government grant - COVID support 21/22 tranche 1			-626,679				
Government grant - Homelessness and Rough Sleeping			-360,300				
Government grant - LCTS			-170,000				
Government grant - Leisure Funding		-260,000					
Government grant - Lower Tier Services			-147,000				
Other legal fees			-92,600				
Other minor non-rec Dev	4,400	-3,216	-9,988				118,118
Premises admin fee reduced			-1,400				
Rec CCTV savings delayed		50,000					

	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Development	£	latest £	£	£	£	£	£
Reduced Arts Development expenditure		-58,500					
Riverside House Relocation - consultancy			20,000				
Sophos AV 3 year renewal					14,600		
Waste Contract		528,000					
Waste Contract - additional COVID related expenditure		600,000					
Waste contract - Consultancy			20,000				
Waste Contract - Recycling publicity and promotional work			10,000	10,000			
Web Services - website upgrade		4,000					
Community Centre Acre Close feasibility - New Homes Bonus Funded			25,000				
Contingency Budget - New Homes Bonus Funded			200,000				
Covid Contingency - New Homes Bonus Funded			923,000				
Joint Local Plan - new Homes Bonus Funded			100,000	200,000			
Kenilworth School Monitor - New Homes Bonus Funded			83,000				
Voluntary/Community Sector Commissioning - New Homes Bonus Funded			282,000	282,000			
Savings Proposals			-2,639,000	-4,656,000	-5,898,000	-5,928,000	-6,208,000
Total Non-Recurrent Developments	744,556	-1,438,042	-2,969,467	-5,240,491	-7,124,221	-7,279,653	-7,420,690

Medium Term Financial Strategy - Reserve Funded Developments

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Development	Reserve	2020/21	2020/21 latest	2021/22	2022/23	2023/24	2024/25	2025/26
		£	£	£	£	£	£	£
Building Control Salary Changes (including Pay Award)	Building Control Reserve	16,400		16,400	16,400	16,400	16,400	16,400
Vehicle Leasing	Business Rate Volatility Reserve	15,000						
Heritage Open Days	Capital Investment Reserve	4,000	-2,715					
2 x Business Support Officer - 2 years FTC	Car Park R&M Reserve	33,700						
4 x Ranger Officers - 2 x 2 years FTC & 2 x 1 year FTC	Car Park R&M Reserve	53,100						
Commonwealth Games project - ongoing administrative costs	Commonwealth Games (Bowls) Reserve	54,000		54,000	54,000			
Commonwealth Games project manager	Commonwealth Games (Bowls) Reserve	46,000		46,000	46,000			
Grounds Maintenance additional staff member for Bowling Greens	Commonwealth Games (Bowls) Reserve	20,000		20,000	20,000			
Junior Bowls	Commonwealth Games (Bowls) Reserve	30,000		30,000	30,000			
Community Emergency Response Fund Grants	Community Emergency Response Fund		169,923					
Arts Development Officer salary fixed term increase	Community Projects Reserve	8,200		8,800				
Chase Meadow Community Centre 3 Year Grant Funding	Community Projects Reserve	11,500		11,500				
Funding pilot "Creative Forum" scheme for 3 year trial period from April 19	Community Projects Reserve	5,000		5,000				
Projects & Development Manager (Arts) - 2 year FTC	Community Projects Reserve	45,300						
St Marys Lands hotel	Community Projects Reserve							
St Marys Lands Plincke (landscape architects)	Community Projects Reserve							
Banner Homes - Shrublands Park	Commuted Sums Reserve	2,358		2,358	2,358	2,358	2,358	2,358
Chestnut Square Lillington	Commuted Sums Reserve	1,181		1,181	1,181	1,181	1,181	1,181
Millpool Meadows	Commuted Sums Reserve	5,945		5,945	5,945	5,945	5,945	5,945
Neighbourhood Services redesign	Commuted Sums Reserve		2,817					
Open Space at Frank Whittle Gardens Leamington (new from 19/20)	Commuted Sums Reserve	748		748	748	748	748	748
Taylor Wimpey re Gog Brook	Commuted Sums Reserve	18,515		18,515	18,515	18,515	18,515	18,515
Corporate Property R & M programme	Corporate Assets Reserve		229,054	1,360,067				
Contribution to Digital by Design reserve	Digital by design reserve		-16,300					
Crematorium / bereavement project	Digital by design reserve		60,400					
ICT restructure	Digital by design reserve	86,300	-26,400	26,400				
2019/20 Final Accounts EMR	Earmarked Reserve		732,200					
Contribution to Elections	Election Reserve					105,000		
Colour Copier	Equipment Renewal Reserve	16,485		16,485	16,485			
Cremator Reline and Bier	Equipment Renewal Reserve	7,700	-7,700					
Media Printing Devices	Equipment Renewal Reserve	18,800		18,800	4,700			
Contingency Budget	General Fund Balance		500,000					
Kenilworth School - Monitor	General Fund Balance		19,000					
ICT Replacement Reserve Schedule	ICT Reserve	124,246	48,479	172,725	172,725	202,952	135,479	135,479
CIL Officer Funded from Planning Investment Reserve	Planning & Investment Reserve	29,400		29,400	29,400	29,400	29,400	29,400
Development Monitoring Officer and Site Delivery Officer (Coventry South)	Planning & Investment Reserve	30,100		30,100	30,100	30,100	30,100	30,100
Enforcement Officer 2 year FTC	Planning & Investment Reserve		30,900					
Kenilworth Rugby Football Club - consultancy costs	Planning & Investment Reserve		20,600					
Principal Planners Regrade, Enforcement Officer	Planning & Investment Reserve	53,000		53,000	53,000	53,000	53,000	53,000
Principal Planners Regrade, Enforcement Officer	Planning & Investment Reserve	7,000		7,000	7,000	7,000	7,000	7,000
Senior EHO Post FTC funded 60% from Planning and Investment Reserve	Planning & Investment Reserve	2,300						
Neighbourhood Plan Referendums expected to take place in 2021/22	Planning Appeals Reserve			39,200				

Development	Reserve	2020/21	2020/21 latest	2021/22	2022/23	2023/24	2024/25	2025/26
		£	£	£	£	£	£	£
Site Development Officer	Planning Appeals Reserve	31,838						
20% Increase in Planning Fees Transferred to Reserve	Planning Investment Reserve	-260,000		-260,000	-260,000	-260,000	-260,000	-260,000
Green Space Development	Public Open Spaces Planning Gain Reserve	8,650		8,650	8,650	8,650	8,650	8,650
Future High Streets Programme Mgr funding for 2020/21	Revenue Grant /		51,100					
salary costs from Future High Streets Grant	Contribution In Advance Monitor							
Planning Enforcement Officer funded from Planning	Revenue Grant /		28,700					
Enforcement Fund Grant	Contribution In Advance Monitor							
Commonwealth Games - Green Parks	Services Transformation Reserve			200,820				
Cultural Services Project Officers x2 FTC: 1) Community	Services Transformation Reserve							
Stadium & 2) Kenilworth projects 41 months. STR to be		40,000	21,276	47,367	37,147			
reimbursed when initial capital receipts from Community								
Stadium enabling works received								
Deliotte joint engagement, review of LG Structure, £44.5k	Services Transformation Reserve		22,250					
total								
Fixed term marketing communications officer	Services Transformation Reserve		14,000	2,800				
FMS Project Manager for new FMS - 3 years FTC	Services Transformation Reserve	52,000		52,000	19,982			
HR support during payroll system implementation	Services Transformation Reserve			48,000				
ICT restructure	Services Transformation Reserve	6,000		121,900	28,200			
Kenilworth Rugby Football Club	Services Transformation Reserve		3,000					
Local Football Facilities project officer - 3 year funding	Services Transformation Reserve	41,600		41,600	30,966			
Local Government Review	Services Transformation Reserve		35,000					
Newbold Comyn project consultant	Services Transformation Reserve		13,800					
NS Project Officers - 3 years FTC	Services Transformation Reserve		30,400	30,400	30,400			
Project Accountant - 3 year FTC	Services Transformation Reserve	52,000		52,000	21,145			
Public Sector Decarbonisation Fund - property surveys	Services Transformation Reserve		15,000					
Senior EHO Post FTC funded 40% from Service	Services Transformation Reserve							
Transformation Reserve		1,600						
Spencer Yard consultancy	Services Transformation Reserve		6,400					
Warwick Sea Scouts Hut Contribution	Services Transformation Reserve	-40,000	40,000					
WFH desks/chairs	Services Transformation Reserve		26,000					
WFH minor alterations/equipment	Services Transformation Reserve		23,000					
Other minor Reserve Funded Items	Services Transformation Reserve	-6,550	6,550					
Total Reserve Funded Developments		673,416	2,096,734	2,319,161	425,047	221,249	48,776	48,776

APPENDIX 4 to Minute Number 78

Risks Influencing the Level of General Fund Balance

Risk Area	Provision
The possibility the Council overspends – risk increased with budgets reduced to reflect prior year underspends, reductions in “non-contractual” budgets.	£0.1 million
Economic cycle issues affect the budget – over and above what can be expected to be contained within routine monitoring procedures, including the potential risks from the Council leaving the EU.	£0.3 million
Development control income adversely affected by planning policies and economic cycle.	£0.2 million
Costs of environmental prosecution or public enquiry. This is always a possibility and is difficult to forecast in terms of cost.	£0.1 million
Car parking income doesn’t achieve budget forecast.	£0.15 million
Uninsurable event – eg environmental or asbestos claim outside terms of insurance policies.	£0.15 million
Costs of potential planning appeals.	£0.2 million
Possible impacts of budget reductions by other public agencies on this council and the area of Warwick District.	£0.1 million
Reduction in Retained Business Rates	£0.1million
Cost arising from unanticipated risks	£0.1 million
Total	£1.5 million

Name of Reserve & Purpose	Use of Reserve / Balance	Management and Control	Review Mechanism
General Fund Reserves			
Art Gallery Gift Reserve To provide finance for major Art Gallery and Museum purchases linked to the specific conditions imposed by the original gift of the money to the Council	Items to be financed from this reserve are charged to the Art Gallery and Museum Account during the year and notified to Finance. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	The Head of Cultural Services has delegated authority to make such purchases as necessary from this reserve subject to reporting retrospectively to the Executive. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	This reserve is reviewed during the final accounts process but as the reserve was created by a private donation and has conditions of use attached to it, levels and potential closure are not applicable
Building Control Reserve The fee earning part of the Building Control service should not make a loss over a rolling three year period. This reserve has been created to assist in this with annual surpluses being paid into it and any annual losses being funded from it. It also funds any improvements required in the service.	Annual surpluses / deficits are credited / debited to this reserve as necessary. If funding improvements e.g. IT, reserve makes the necessary contribution to either the General Fund or Capital Financing as appropriate.	Approval for expenditure to be met from this reserve is delegated to the Head of Development Services and Head of Finance, in consultation with the relevant portfolio holder. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Business Rate Retention Volatility Reserve	Reserve established to provide finance for "smoothing out" future retained Business Rate revenues.	Executive to approve usage.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Capital Investment Reserve To provide finance for the Council's General Fund capital programme not met by other resources such as capital receipts, RCCO, external contributions, other reserves.	This reserve provides the balancing figure for financing the Council's General Fund capital programme and the relevant amount is transferred to the Capital Adjustment Account as part of the final accounts process. Annual "repayments" in respect of recently financed schemes are made to the reserve from the General Fund.	The General Fund capital programme and its financing is approved by the Executive. This sets the contribution from this reserve. Any variation to this figure will be formally agreed by the Executive either as part of the final accounts process or as part of the normal process of revising the General Fund Capital Programme. In addition the reserve is monitored by Finance on a regular basis to provide information for reviews of capital programme resources.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the Estimates and Final Accounts processes where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure. In addition the adequacy of the reserve is reviewed as part of the financial strategy and capital programme setting processes. Normal practice is to keep the level at around £1,000,000.
Car Parks Displacement Reserve	Substantial work is required to be carried out in respect of some of the Council's car parks in forthcoming years.	Transfers to and from this reserve will be approved by the Executive as part of the Budget and Final Accounts processes.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Car Parks Repairs and Maintenance Reserve	Reserve created from car parks revenue repairs and maintenance budget in order to provide resources for future years.	Transfers to and from this reserve will be approved by the Executive as part of the Budget and Final Accounts processes.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.

Name of Reserve & Purpose	Use of Reserve / Balance	Management and Control	Review Mechanism
<i>Cemetery Land Purchase Reserve</i>	To purchase land for cemetery extensions	The General Fund capital programme and its financing is approved by the Executive. This sets the contribution from this reserve. Any variation to this figure will be formally agreed by the Executive either as part of the final accounts process or as part of the normal process of revising the General Fund Capital Programme. In addition the reserve is monitored by Finance on a regular basis to provide information for reviews of capital programme resources.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
<i>Commonwealth Games (Bowls) Reserve</i>	To set aside funds towards funding the project in future years.	The use of this reserve will be agreed by the Chief Executive in consultation with the Leader.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
<i>Community Forums Reserve</i>	To provide finance for the annual programme of Community Forum Grants	February 2013 Executive approved 4 year programme 2014/15 to 2017/18. forums now funded within core budgets.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
<i>Community Projects Reserve</i>	Reserve created from 2017/18 New Homes Bonus to provide finance for various District wide community projects.	Approval for project spend will be way of reports to the Executive.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
<i>Corporate Assets Reserve</i>	To provide finance for refurbishment of facilities following Stock Condition Surveys.	Subject to future Executive reports, approvals from the reserve have been delegated to SAG and the Section 151 Officer in consultation with the portfolio holders for Assets and Finance.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
<i>Covent Garden Multi Storey Reserve</i>	To provide finance to cover lost income and first year's debt charges when the car park is redeveloped.	Authority to spend is delegated to the Head of Finance in line with the actual lost net income and debt charges. Executive to be informed of the use of the reserve and its balance.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
<i>Election Expenses Reserve</i> To provide finance to fund the expense incurred in holding the District Council elections every four years.	The cost of the election is charged to a service account and a contribution from this reserve is credited to the General Fund from this reserve as part of the final accounts process. In the years where no election is held an annual contribution of £30,000 is made to the reserve..	The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
<i>Enterprise Projects Reserve</i>	Reserve is used to smooth surpluses / deficits	Transfers to and from this reserve will be approved by the Executive as part of the Budget and Final Accounts processes, with delegations over usage agreed by Executive (August 2017) to the Head of Development Services up to £20k..	Reserve reviewed by Finance as part of budget estimates and closedown procedures.

Name of Reserve & Purpose	Use of Reserve / Balance	Management and Control	Review Mechanism
Equipment Renewal Reserve To finance a rolling programme of equipment and property replacement and renewal.	Revenue Items to be financed from this reserve are charged to the service accounts during the year. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	Items proposed to be financed from this reserve are first approved by the Executive. Use of reserve is subsequently controlled by SMT, which considers a business case requesting release of funding from the reserve and may approve, if appropriate, followed by approval from Chief Executive and relevant portfolio holders. The standard business case template to be used for SMT's consideration was presented and approved by the September 2011 Executive.	Reserve reviewed as part of Estimates and closedown procedures. Balance increased on basis of Executive approval.
General Fund Early Retirement Reserve To provide finance to cover the one-off pension costs to the General Fund as a result of the early retirement of officers and to provide finance to cover redundancy costs to the General Fund.	Items to be financed from this reserve are charged to the Service Accounts during the year and notified to Finance. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	Approval for expenditure to be met from this reserve is subject to a report to the Executive which previously has been agreed with Finance. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Harbury Lane Reserve	A reserve has been created over a number of years to fund this project.	The use of this reserve will be agreed by the Chief Executive in consultation with the Leader.	The level and continued requirement of this reserve will be reviewed by Finance in conjunction with the Chief Executive and the Leader.
Homelessness Prevention Reserve	From Government grants received in 18/19 and 19/20 towards Homelessness Prevention. A balance of £40k is committed for Rough Sleepers Initiative Interventions.	The Head of Housing Services has delegated authority to draw down from the Reserve in conjunction with the Service Portfolio Holder, Head of Finance and Finance Portfolio Holder.	This money is ring-fenced to prevent or deal with homelessness, with the funding being allocated to the reserve until Council has determined how this money will be spent.
ICT Replacement Reserve To provide finance for the Council's ICT Replacement programme	This reserve has been established in order to provide certainty of finance for the Council's ICT replacement programme.	The ICT Services Manager has delegated authority to spend from this reserve in consultation with the Head of Finance and relevant Portfolio Holders	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer and ICT Manager essentially three times a year: a) when the Financial Strategy is updated b) at budget setting and c) final accounts where depending on the need. A recommendation to the Executive can include increasing / decreasing the balance or complete closure. In addition the adequacy of the reserve is taken into account when revising the capital programme.
Insurance Reserve To provide finance to cover the Council's self insurance against potential claims and to pay for security improvements to the Council's General Fund properties. The reserve also holds sufficient funds to cover any potential claim with regard to the Municipal Mutual Insurance "clawback" re previous claims settled.	Self insurance claims and Security Improvements are charged to the service accounts and the comparable amount is credited to the General Fund from this reserve as part of the final accounts process.	The Insurance Officer has authority to spend up to £15,000 (£1,000 per project) in any one year on security improvements. Items above these thresholds have to be authorised by the Head of Finance. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.

Name of Reserve & Purpose	Use of Reserve / Balance	Management and Control	Review Mechanism
Investment Volatility Reserve	Set up to capture a portion of the gain on corporate equity funds to be used to smooth possible future fluctuations	Authority to spend from this reserve is delegated to the Head of Finance.	The use of this reserve will be included within future Budget reports to be agreed by the Executive.
Leisure Options Reserve	This reserve has been established to cover such items as the reduction in income whilst the Leisure Centre refurbishment programme is under way and also the first year and a half's debt charges arising from the prudential borrowing for this project. The reserve will also fund the re-profiling of the contractor concessions arising from the outsourcing of the Leisure Centres operation.	Authority to spend from this reserve is delegated to the Head of Finance in line with the actual lost income and debt charges incurred.	The continuing need for the reserve will be reviewed by Finance in conjunction with the S151 Officer and Head of Cultural Services, and depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Local Plan Delivery Reserve	The reserve is used for items of work required to help the implementation of the Local Plan. This would include detailed work on a specific proposal to help turn it from a proposal to reality.	Approval to spend from this reserve is delegated to the Chief Executive, Head of Finance and Head of Development Services in consultation with the Deputy Leader (responsible for the Local Plan) and all group leaders.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Other Commuted Sums Reserve Commutated Sums are received from developers in respect of the adoption of public open space or other facilities to be maintained at the Council's expense.	Credits are made annually to the General Fund based on (usually) 1/13 th of the capital sum starting from the year in which the maintenance of the facility begins. This date notified by the relevant Service Area.	The General Fund Estimates and its financing is approved by the Executive. This sets the contribution to / from this reserve. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The balance on this reserve is dictated by receipts from developers.
Planning Appeal Reserve Originally created to provide finance to cover the costs incurred by the Council with regard to appeals against its planning decisions. The Reserve also now pays for issues relating to planning policy, for example the costs associated with the Local Plan, and associated research.	Items to be financed from this reserve are charged to the Planning service account during the year and notified to Finance. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	Approval for expenditure to be met from this reserve is proposed to be delegated to the Head of Development and Head of Finance, in consultation with the relevant portfolio holder. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Planning Investment Reserve	Creation of a reserve into which the 20% uplift in planning fees will be allocated.	To be apportioned by the Head of Finance.	The level and continuing need for the reserve is reviewed by Finance followed by a recommendation to the Executive can include increasing / decreasing the balance or complete closure
Public Amenity Reserve	To provide finance for play area and public open space improvements	The General Fund capital programme and its financing is approved by the Executive. This sets the contribution from this reserve. Any further upward variation in the contribution would have to be approved by the Executive either as part of a report on the particular scheme in question or as part of a revision of the capital programme during the budget monitoring process. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Public Open Spaces Planning Gain Reserve	Expenditure from this reserve will be charged to service accounts during the year. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	The Head of Neighbourhood Services, in agreement with the Head of Finance, has delegated authority to spend from this reserve.	This reserve is reviewed during the final accounts process but as the reserve was created from S106 contributions which generally have conditions of use attached to them, levels and potential closure are not applicable

Name of Reserve & Purpose	Use of Reserve / Balance	Management and Control	Review Mechanism
Services Transformation Reserve	Reserve created to enable services to continue to be provided pending delivery of required savings and to finance "Fit For the Future" schemes so as to help the Council secure the savings needed in its Medium Term Financial Strategy.	The responsibility for the authorisation of expenditure from this reserve is proposed to be with the Chief Executive and Head of Finance in consultation with the relevant portfolio holders, subject to being reported within subsequent budget reports.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Tourism Reserve To provide finance for initiatives relating to the Council's ongoing promotion of tourism	Items to be financed from this reserve are charged to the service accounts during the year. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	Authority to spend delegated to Deputy Chief Executive in consultation with the Development Services Portfolio Holder, Finance Portfolio Holder and S151 Officer.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Digital By Default Reserve	Reserve created to enable digitalisation of services to continue to be provided pending delivery of required savings and to finance "Fit For the Future" schemes so as to help the Council secure the savings needed in its Medium Term Financial Strategy.	The responsibility for the authorisation of expenditure from this reserve is proposed to be with the Chief Executive and Head of Finance in consultation with the relevant portfolio holders, subject to being reported within subsequent budget reports.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Climate Change Reserve	Reserve created to respond to the Climate Emergency Declaration for Council services and across the District.	The responsibility for the authorisation of expenditure from this reserve is proposed to be with the Chief Executive and Head of Finance in consultation with the relevant portfolio holders, subject to being reported within subsequent budget reports.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Community Emergency Response Fund Reserve	Reserve created to respond to the COVID-19 pandemic.	The responsibility for the authorisation of expenditure from this reserve is proposed to be with the Chief Executive and Head of Finance in consultation with the relevant portfolio holders, subject to being reported within subsequent budget reports.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure.
Newbold Benches Donation Reserve	To be used in accordance with the wishes of the benefactor on benches and tree planting at Newbold Comyn.	Head of Service to ensure sums spent in accordance with donation conditions.	Use of the Reserve to be reviewed annually until fully disbursed.

Name of Reserve & Purpose	Use of Reserve / Balance	Management and Control	Review Mechanism
Housing Revenue Account (HRA)			
Housing Capital Investment Reserve To provide finance for new build projects.	To provide finance for new build projects.	The budgets which affect the balance are monitored during the year by Finance and Housing with the effect on the balance being taken into account in future years' projections to ensure the balance conforms to minimum acceptable requirements within the Self Financing Business Plan in order to achieve the required number of new build homes.	The adequacy of the balance is assessed as part of reviewing the Self Financing Business Plan .
Major Repairs Reserve To provide funding for major capital works to the Council's housing stock	The relevant amount required to finance the HRA capital programme is transferred to the Capital Adjustment Account as part of the final accounts process.	The contribution made from this reserve towards capital expenditure is dictated by the developing needs of the HRA Self Financing Business Plan and will be reviewed as part of the formal Business Plan governance process.	The operation of this reserve will be reviewed as part of the ongoing monitoring of the Self Financing Business Plan.
Housing Revenue Account balance To provide a contingency reserve to protect the HRA against any unexpected and adverse revenue or capital cash flows arising during the year.	The balance will be applied as necessary to finance housing landlord revenue or capital budget variations.	The budgets which affect the balance are monitored during the year by Finance and Housing with the effect on the balance being taken into account in future years' projections to ensure the balance conforms to minimum acceptable requirements within the Self Financing Business Plan.	The adequacy of the balance is assessed as part of reviewing the Self Financing Business Plan. The Self Financing Business Plan is based on maintaining a minimum £1.25m balance.
HRA Early Retirement Reserve To provide finance to cover the pension one off costs to the HRA as a result of the early retirement of Housing officers and to provide finance to cover redundancy costs properly chargeable to the HRA.	Items to be financed from this reserve are charged to the HRA during the year and notified to Finance. An appropriate amount is then transferred to the HRA as part of the final accounts process.	Approval for expenditure to be met from this reserve is subject to a report to the Executive which previously has been agreed with Finance. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing / decreasing the balance or complete closure
HRA Rough Sleeping Initiative Reserve	To fund a rough sleeping initiative at the William Wallsgrove hostel, from Government grant received in 2018/19.	To match-fund expenditure incurred by the HRA in 2019/20, up to the level of the Reserve.	The reserve will be extinguished during 2019/20.

GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES

APPENDIX 5b to Minute N

Reserve	Use of Reserve 2020/21 to 2024/25	Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000	Estimated Balance 1/4/2023 £000	Estimated Balance 1/4/2024 £000
GENERAL FUND RESERVES - EARMARKED						
Art Gallery Gift Reserve	Balance on this reserve includes monies transferred from Art Fund Reserve. Currently there is no expenditure to be met from this reserve. External donations of approximately £1k per annum will be credited to this reserve.	132	133	134	135	136
Building Control Reserve	Approvals from this reserve currently cover marketing consultancy (£19k), scanning of paper files (£5k), future improvements to IT systems (£32k) and Building Control salary changes (£16k). Commitments relating to the foregoing not currently in the budgets will reduce the uncommitted 1/4/25 balance to £180k	302	286	269	253	236
Business Rate Retention Volatility Reserve	Reserve set up to "smooth" receipt of business rate income	7,522	5,811	2,965	1,989	1,989
Capital Investment Reserve	The reserve will receive top ups in respect of RUCIS capital schemes in 21/22 and 22/23. The uncommitted balance on the reserve at 31/3/25 is estimated to be £1.045k, just above the £1m minimum balance recommended for this reserve.	1,153	1,132	1,159	1,259	1,259
Car Park Displacement Reserve	The balance is being applied to the Commonwealth Games Leamington Spa Station project.	485	485	-	-	-
Car Parking Repairs and Maintenance Reserve	Reserve created in order to provide resources for future years repairs and maintenance programmes. It is currently funding replacement pay & display ticket machines.	201	114	97	97	97
Cemetery Land Purchase Reserve	Reserve established to provide finance for the purchase of land for cemetery extensions. Currently no such purchases are included in the General Fund Capital Programme. Future contributions to the reserve will be provided for by a surcharge imposed on out of area burial fees.	16	16	16	16	16
Commonwealth Games (Bowls) Reserve	This reserve is currently funding the Project Manager salary costs and various ancillary costs.	48	1	83	-	-
Community Projects Reserve	Reserve created from New Homes Bonus to provide finance for various District-wide community projects.	1,919	976	56	56	56
Corporate Assets Reserve	Reserve created to provide finance for refurbishing facilities following stock condition surveys. General Fund contributions of £500k from 22/23 will be needed to restore balances extinguished by 31/3/22. Drawdown from reserve is subject to future Executive reports.	1,174	1,360	-	500	1,000
Covent Garden Multi Storey Reserve	Balance being repurposed towards the 'Future High Street Fund'	900	900	-	-	-

GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES

APPENDIX 5b to Minute N

Reserve	Use of Reserve 2020/21 to 2024/25	Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000	Estimated Balance 1/4/2023 £000	Estimated Balance 1/4/2024 £000
Election Expenses Reserve	£35k per annum will be credited to the reserve to help defray the costs of General Elections and £90k subsequently released toward funding the General Elections, based on a 4-year cycle	5	40	75	110	5
Enterprise Projects Reserve	Reserve being reduced to cover legal commitments only	238	238	100	100	100
Equipment Renewal Reserve	Projects will be approved by SMT, Chief Executive and relevant Portfolio Holders prior to going ahead. The reserve will receive top ups of £100k per annum and is being used to support a number of projects detailed in appendix 7. If all projects contained in the appendix are approved and spent the reserve may have a negative balance at the end of 24/25.	684	550	9	-501	-541
General Fund Early Retirements Reserve	The balance has been transferred to the Service Transformation Reserve	58	-	-	-	-
Harbury Lane Reserve	This reserve will provide funding towards the proposed travellers site in Harbury Lane	84	84	84	84	84
Homelessness Prevention Reserve	From Government grants received in 18/19 and 19/20 towards Homelessness Prevention. A balance of £40k is committed for Rough Sleepers Initiative Interventions.	559	559	559	559	559
ICT Replacement Reserve	This reserve is to provide for planned ICT replacements and revenue costs. The reserve will be topped up by £250k p.a. but is projected to become negative at the end of 2021/22	94	134	-169	-355	-565
Insurance Reserve	This reserve will be used to cover self insurance against claims and to provide finance for security improvements to mitigate future claims.	274	274	274	274	274
Investment Volatility Reserve	Set up to smooth possible future fluctuations on corporate equity funds.	100	100	100	100	100
Leisure Options Reserve	Balance from Phase 1 of leisure improvements, plus funds for Phase 2. New Homes Bonus contributions totalling £740k	26	396	766	766	766
Local Plan Delivery Reserve	The reserve is funding the Tachbrook Country Park capital budget	44	-	-	-	-
Other Commuted Sums Reserve	Contributions of around £29k will be made to the General Fund each year to fund maintenance of adopted land. In addition, the reserve will fund part of the cost of the Green Spaces Team Leader	390	358	330	301	273
Planning Appeal Reserve	This is funding consultancy for Local Plan, HS2, Kenilworth development brief and site development officer salary etc. costs	475	443	443	443	443
Planning Investment Reserve	This reserve will receive income from the uplift in planning fees. Various posts e.g. temporary Senior EHO, Development Monitoring Officer, CIL Officer etc. are being funded from this reserve	111	221	385	548	712

GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES

APPENDIX 5b to Minute N

Reserve	Use of Reserve 2020/21 to 2024/25	Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000	Estimated Balance 1/4/2023 £000	Estimated Balance 1/4/2024 £000
Public Amenity Reserve	This reserve will provide the finance for the play equipment capital programme. £140k was added from New Homes Bonus in 20/21, to be spent in 21/22	107	246	106	106	106
Public Open Spaces Planning Gain Reserve	Reserve receives a reduced amount of S106 planning development contributions for one-off improvement of Public Open Spaces. It contributes towards capital play area improvements, with £398k planned for 21/22	462	448	51	52	53
Services Transformation Reserve	Current approvals from this reserve include contribution to a number of capital projects, 'Transforming Our Workplace' and various temporary posts. The reserve received a top ups from the New Homes Bonus, and is used to smooth fuunding between financial years	1,087	1,597	1,484	1,316	1,316
Tourism Reserve	Established to help fund tourism initiatives within the District	27	27	27	27	27
Digital By Default Reserve	Utilised for the ICT restructure 2020	130	26	-	-	-
Climate Change Reserve	Tackling the climate emergency declaration - no funding available	-	-	500	1,000	1,500
Community Emergency Response Fund Reserve	Funds for 20/21 used in year	-	-	-	-	-
Newbold Benches Donation Reserve	Donation from a member of public for benches and tree planting	-	10	10	10	10
GENERAL FUND RESERVE TOTAL		18,806	16,964	9,912	9,244	10,011
Change in GF reserves (+ increase / - decrease)		2,383	-1,842	-7,051	-669	767
BALANCES						
General Fund	A core balance of at least £1.5m after liabilities will be maintained as a contingency reserve.	3,118	2,599	2,599	2,599	2,599
Housing Revenue Account (HRA):						
Housing Capital Investment Reserve	Under self financing, this reserve provides the finance for investment in new housing stock	25,322	27,051	16,609	10,167	9,801
Major Repairs Reserve	Under Self Financing this reserve provides the major element of funding for capital maintenance works to the Council's housing stock.	6,500	2,703	1,720	2,656	4,086
Housing Revenue Account balance	To provide a contingency reserve to protect the Housing Revenue Account against adverse in year revenue or capital cash flows arising from unexpected major repairs etc.	1,483	1,511	1,540	1,568	1,597
Housing Early Retirements Reserve	Contributions of £20k in each year will be made. The reserve is funding £25k redundancy and early retirement costs in respect of the Asset Management Team design in 18/19.	21	41	61	81	101

GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES

APPENDIX 5b to Minute N

Reserve	Use of Reserve 2020/21 to 2024/25	Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000	Estimated Balance 1/4/2023 £000	Estimated Balance 1/4/2024 £000
HRA Rough Sleeping Initiative Reserve	To fund scheme at the William Wallsgrove hostel	61	61	61	61	61
HRA TOTAL		33,387	31,367	19,991	14,533	15,645

ICT Replacement Schedule February 2021

Appendix 6 to Minute Number 78

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Microsoft Licences									
Microsoft Desktop Licences	124	124	124	166	166	166	195	195	195
Microsoft Server Licences	35	35	35	37	37	37	44	44	44
DataCentre									
ESX Servers (x 5)				60					
C Class (inc SAN Switch, Ethernet Switch)		30					33		
Fibre Switches (HP 24 Port)		15					18		
Storage Area Network (SAN)		125					130		
Backup Solution				100					
UPS	12					14			
Physical Server Replacement	26			20	15		25		20
Infrastructure (General)	14	14	14	15	15	15	15	15	15
Network									
Network Devices LAN (Core)			150					150	
Network Devices WAN (Remote Sites)			35					35	
Wireless Access Controllers		45							
CyberSecurity (Firewalls, IPS/IDS)			35					35	
Intrusion Prevention		5							
Network General	24	14	14	15	15	15	15	15	15
Telephony									
VoIP Telephony	75					80			
Contact Centre	8					8			
Desktop									
Desktop Infrastructure	27	30	30	48	30	30	33	52	33
View Servers (x 5)	60					60			
Totals	404	436	436	460	277	423	507	540	321

	Capital / Revenue	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Microsoft Licences													
MS Windows Server DataCenter (SA)	Capital	£9,500			£10,355			£11,287			£12,303		
MS SQL Server (SA)	Capital	£16,980			£27,762			£30,261			£32,984		
MS Exchange Server Licences	Capital	£1,117			£1,218			£1,327			£1,447		
Additional SQL Licences	Capital			£15,000									
DataCentre													
ESX Servers	Capital	£19,500			£13,500		£21,000			£12,500			
Storage Area Network (SAN)	Capital		£110,000					£120,000					
Backup Solution	Capital				£80,000						£80,000		
Infrastructure (General)	Capital	£12,500	£12,500	£12,500	£12,500	£13,500	£13,500	£13,500	£13,500	£14,500	£14,500	£14,500	
Network													
Fibre Switches (Fabric)	Capital			£30,000			£30,000						£35,000
Network Devices LAN (Core)	Capital			£70,000						£75,000			
Network Devices WAN (Remote Sites)	Capital			£20,000						£25,000			
Telephony													
VoIP Telephony	Capital			£75,000				£75,000					
Desktop													
PC Replacements	Capital	£35,000	£35,000	£35,000	£35,000	£37,000	£37,000	£35,000	£40,000	£40,000	£40,000	£40,000	
View Servers	Capital	£13,000		£7,000	£20,000		£13,500		£6,250	£18,750			
Totals		£107,597	£157,500	£264,500	£200,335	£50,500	£115,000	£286,375	£59,750	£185,750	£181,234	£89,500	£1,698,041
Reserve Capital Split		£149,573	£161,500	£267,500	£102,256								
Re Profile Difference		-£41,976	-£4,000	-£3,000	£98,079								

Equipment Renewal Schedule February 2021, by Year

Appendix 7a to Minute Number 78

Portfolio	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2029/30 £'000	Grand Total £'000
Assets	8		9	94					110
Culture	80	500	338	95					1013
Health and Community Protection - Environment	0		38	6		10	5		59
People and Communications			205						205
Strategic Leadership - CST		5						5	10
Strategic Leadership - Member Services	11				48				59
Grand Total	99	505	590	195	48	10	5	5	1,456

Equipment Renewal Schedule February 2021

ute Number 78

Year and Description	£'000s
2020/21	99
1 Monitor Labs Nox Monitor - Mn9841A	0
250 ballot boxes	11
AV system in Council Chamber.	80
Beachamp Gardens Tennis Courts	0
Hearth in Cremator #1	8
2021/22	505
Cinema Projector	10
Fujitsu fi-5750C scanner	5
Moving lights	35
Pump Room chairs	40
Refurbishments of Abbey Fields Tennis Courts	65
Replacement Carpet - St Nicholas Park LC All Weather Pitch	350
2022/23	590
1 Monitor Labs Nox Monitor - Mn9841 With Floppy Drive	8
B&K 2250 sound Level Meter/ Matron & calibrator(red)	10
B&K 2250 sound Level Meter/ Matron & calibrator(yellow)	10
B&K 2250 sound Level Meter/Matron & calibrator (Green)	10
Hearth in Cremator #2	9
MFDs (Multi Functional Devices), plus Colour Copier	205
R.P.R. Ag&M - Local History Gallery Refurbishment (WDC assumed external match funding)	100
Replacement sound desk and lighting - Spa Centre	110
Victoria Park Tennis Courts resurfacing	128
2023/24	195
1 Monitor Labs 03 Monitor - MI9812	0
Automatic Bier Replacement	55
Digital projector	40
Front of House / Backstage PA	55
Photometer Envitech PF-12	6
Reline of Cremator #1	39
2024/25	48
150 packflat polling screens	48
2025/26	10
B&K 3650 sound Level Meter(blue)	10
2026/27	5
Portable Weather Station	5
2029/30	5
Fujitsu fi-5750C scanner	5
Grand Total	1,456

CAPITAL VARIATIONS**o Minute Number 78**

	2020/21 £'000's	2021/22 £'000's	2022/23 £'000's	2023/24 £'000's	2024/25 £'000's	TOTAL £'000's
ORIGINAL BUDGETS PER 2020/21 BUDGET BOOK:						
Original General Fund Capital Budgets	10,553.5	2,921.5	614.5	487.0	Not published	14,576.5
Original Housing Investment Programme	14,837.6	5,797.5	5,803.4	5,809.3		32,247.8
TOTAL	25,391.1	8,719.0	6,417.9	6,296.3		46,824.3

ORIGINAL GENERAL FUND CAPITAL BUDGETS PER 2020/21 BUDGET BOOK	10,553.5	2,921.5	614.5	487.0	Not published	14,576.5
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Items slipped from 2019/20 and added to 2020/21 Budgets (see Final Accounts Report 2019/20 for detail on individual schemes - Approved by Executive 13/07/20)	5,693.0	N/A	N/A	N/A	N/A	5,693.0
Items brought forward from 2020/21 to 2019/20 (see Final Accounts Report 2019/20 for detail on individual schemes- Approved by Executive 13/07/20)	-26.0	N/A	N/A	N/A	N/A	-26.0
Rounding adjustments	-1.3	N/A	N/A	N/A	N/A	-1.3
TOTAL adjustments arising from Final Accounts Report:	5,665.7	N/A	N/A	N/A	N/A	5,667.0

INCREASES TO SCHEMES:

Whitnash Community Hub	241.9	11.8	12.6	-		266.3
Local Football Facilities	716.3					716.3
Recycling & Refuse Containers	29.3					29.3
Tach Brook Country Park	250.0					250.0
Kenilworth Wardens Relocation (loan)	312.0					312.0
Community Stadium project	345.5					345.5
Europa Way Option to Buy Former Farmhouse	12.8					12.8
Leisure Centre Refurbishments Phase 2	379.2					379.2
TOTAL Increase to Schemes:	2,287.0	11.8	12.6			2,311.4

NEW APPROVALS:

Desktop Infrastructure					30.0	30.0
Infrastructure Replacement					-	-
Infrastructure General					14.5	14.5
Backup Solution						-
Network					14.5	14.5
Physical Server Replacement					15.0	15.0
Transforming Our Workplace --not yet reported	9.8	9.8				19.6
Coventry And Warwickshire Reinvestment Trust Loan	250.0					250.0
Recycling & Refuse Containers					80.0	80.0
Sherbourne Resource Park Development Costs	400.0	2,678.0	2,087.0	1,002.0		6,167.0
Sherbourne Resource Park Recycling Bins & Caddies			1,445.0			1,445.0
Waste Contract Costs for Depot	528.0					528.0
Street Cleansing/Ground Maintenance Vehicles	1,500.0	400.0				1,900.0
Kenilworth School Loan			11,881.5			11,881.5
Newbold Comyn Masterplan & Cycling Facilities	105.0	800.0				905.0
Bowling Greens (Commonwealth Games)	773.5	105.0	70.0			948.5
Commonwealth Games - General	347.4					347.4
Commonwealth Games - Leamington Station	218.6	1,182.0				1,400.6
Commonwealth Games - Green Parks Enhancements	105.8	220.0				325.8
Commonwealth Games - Access & Transport to/from Victoria Park	173.1	267.8				440.9
Kenilworth Rugby Club Relocation Loan	275.0	25.0				300.0
HS2 Redesign of Stoneleigh Park Southern Accommodation Bridge	60.0					60.0
Future High Street		1,967.0	119.0			2,086.0
Lord Leycester Hospital			60.0			60.0
Recovery (Covid-19) ICT Provision of laptops etc.	163.6					163.6
Recovery (Covid-19) ICT Remote Desktop Services (RDS)	50.0					50.0
Recovery (Covid-19) ICT Security --firewall upgrades/servers	23.7					23.7
TOTAL New Approvals:	4,983.5	7,654.6	15,662.5	1,002.0	154.0	29,456.6

CAPITAL VARIATIONS**o Minute Number 78**

	2020/21 £'000's	2021/22 £'000's	2022/23 £'000's	2023/24 £'000's	2024/25 £'000's	TOTAL £'000's
TOTAL General Fund New/Increases to Capital Approvals during 2020/21:	7,270.5	7,666.4	15,675.1	1,002.0	154.0	31,768.0

SLIPPAGE/BUDGET B/FWD - Changes to start dates or delays on projects mean that it is proposed to slip resources into future years/bring forward from future years - identified as part of budget review

Voice of IP telephone system	-75.0	75.0				-
Contact Centre	-8.0	8.0				-
Physical Server Replacement	-26.0	26.0				-
UPS	-12.0	12.0				-
Car Park Pay & Display Machines-slippage not yet reported	-17.5	17.5				-
Play Area Improvement Programme--slippage not yet reported	-575.0	575.0				-
Whitnash Community Hub-slippage not yet reported	-500.0	500.0				-
Norton Lindsey Community Hub/Shop-Grant	-38.5	38.5				-
CFS Aeroproducts Relocation To Warwick Loan	-100.0		100.0			-
Financial Management System--slippage not yet reported.	-235.0	235.0				-
Skate Park in St. Nicholas Park	-40.0	40.0				-
Kenilworth School HIF Grant (Refcus)	-1,387.0	1,387.0				-
Leper Hospital Site Regeneration-slippage not yet reported.	-894.5	894.5				-
Health & Community Protection IT system--slippage not yet reported.	-129.0	129.0				-
Castle Farm Sports Pitch Drainage	-73.0	73.0	-	-	-	-
TOTAL General Fund Capital Slippage identified during 2020/21:	-4,110.5	4,010.5	100.0	-	-	-

SCHEMES DELETED / REDUCED**/SAVINGS/VIREMENTS:**

Desktop Infrastructure-vired to Recovery (Covid-19) laptops etc.	-60.0					-60.0
Network-vired to Recovery (Covid-19) laptops etc.	-14.6	-5.0				-19.6
£5k reduction not yet reported						
Financial Management System-saving not yet reported	-204.6	-				-204.6
Leisure Centre Refurbishment Phase 2 Kenilworth		-11.8	-7.0			-18.8
Transforming Our Workplace -transferred to Contingency budget	-19.5					-19.5
Rural & Urban Initiatives	-169.9	-50.0	-50.0	-150.0		-419.9
St. John's Flood Alleviation	-100.0					-100.0
Leper Hospital Site Regeneration	-20.0					-20.0
Leamington Parking Displacement-no longer required--not yet reported.	-159.6		-	-		-159.6
2nd Warwick Sea Scouts' Headquarters	-350.0					-350.0
Kenilworth School Loan	-2,000.0					-2,000.0
TOTAL General Fund Reductions / Savings:	-3,098.2	-66.8	-57.0	-150.0	-	-3,372.0

PROPOSED GENERAL FUND CAPITAL PROGRAMME FOR 2021/22 BUDGET BOOK:	16,281.0	14,531.6	16,332.6	1,339.0	154.0	48,638.2
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General Fund Capital Programme

ix 9 Part 1 to Minute Number 78

	Latest Budget 2020/21 £'000	Proposed Expend. 2021/22 £'000	Proposed Expend. 2022/23 £'000	Proposed Expend. 2023/24 £'000	Proposed Expend. 2024/25 £'000	TOTAL 2020/21 to 2024/25 £'000
CAPITAL PROGRAMME SUMMARY						
Strategic Leadership	547.6	402.8	277.0	257.0	74.0	1,558.4
Health & Community Protection	562.5	129.0				691.5
Culture Portfolio	4,449.6	2,395.2	107.2			6,952.0
Finance Portfolio	160.4	335.0	100.0			595.4
Neighbourhood Portfolio	3,072.1	6,671.2	3,612.0	1,082.0	80.0	14,517.3
Development Portfolio	7,488.8	4,598.4	12,236.4			24,323.6
TOTAL GENERAL FUND CAPITAL PROGRAMME	16,281.0	14,531.6	16,332.6	1,339.0	154.0	48,638.2
STRATEGIC LEADERSHIP						
Desktop infrastructure	27.0	30.0	30.0	48.0	30.0	165.0
Infrastructure replacement				60.0		60.0
Infrastructure general	13.5	13.5	13.5	14.5	14.5	69.5
Backup solution				100.0		100.0
Voice of IP telephone system		75.0				75.0
Storage Area Network (SAN)		170.0				170.0
Network devices LAN & WAN	10.0	58.5	233.5	14.5	14.5	331.0
Contact Centre		8.0				8.0
Physical server replacement		26.0		20.0	15.0	61.0
UPS		12.0				12.0
Recovery (Covid-19) ICT Provision of laptops etc.	163.6					163.6
Recovery (Covid-19) ICT Remote Desktop Services (RDS)	50.0					50.0
Recovery (Covid-19) ICT Security --firewall upgrades/servers	23.7					23.7
Transforming Our Workplace	9.8	9.8				19.6
Coventry & Warwickshire Reinvestment Trust Loan	250.0					250.0
TOTAL STRATEGIC LEADERSHIP PORTFOLIO	547.6	402.8	277.0	257.0	74.0	1,558.4
HEALTH & COMMUNITY PROTECTION						
CCTV replacement system	391.5					391.5
Health & Community Protection IT system	171.0	129.0				300.0
TOTAL HEALTH & COMMUNITY PROTECTION PORTFOLIO	562.5	129.0	-	-	-	691.5
CULTURE PORTFOLIO						
Castle Farm sports pitch drainage		73.0				73.0
Leisure centre refurb phase 2 Kenilworth	654.5	11.9	8.8			675.2
Whitnash Community Hub	1,100.7	535.5	28.4			1,664.6
Local football facilities	855.4					855.4
Commonwealth Games - General	347.4					347.4
Commonwealth Games - Leamington Station	218.6	1,182.0				1,400.6
Commonwealth Games - Green Parks Enhancements	105.8	220.0				325.8
Commonwealth Games - Access & Transport to/from Victoria Park	173.1	267.8				440.9
AV system in Council Chamber at Town Hall	80.0					80.0
Bowling Greens - Commonwealth Games	914.1	105.0	70.0			1,089.1
TOTAL CULTURE PORTFOLIO	4,449.6	2,395.2	107.2	-	-	6,952.0
FINANCE PORTFOLIO						
Rural & Urban Initiatives		100.0	100.0			200.0
Financial Management System	160.4	235.0				395.4
TOTAL FINANCE PORTFOLIO	160.4	335.0	100.0	-	-	595.4
NEIGHBOURHOOD PORTFOLIO						
Car park pay & display machines		17.5				17.5
Waste Contract Costs for Depot (Stratford Rd and one-off costs)	528.0					528.0
Street Cleansing/Ground Maintenance Vehicles	1,500.0	400.0				1,900.0
Recycling and refuse containers	89.9	80.0	80.0	80.0	80.0	409.9
Play area improvement programme	18.4	575.0				593.4
Pump Rooms Gardens restoration	83.0					83.0
Tach Brook Country Park	295.8	2,080.7				2,376.5
Purser Drive path	2.0					2.0
Commonwealth Games cycleway upgrade	50.0					50.0
Sherbourne Resource Park Development Costs	400.0	2,678.0	2,087.0	1,002.0		6,167.0
Sherbourne Resource Park recycling bins and caddies			1,445.0			1,445.0
Newbold Comyn Masterplan & Cycling Facilities	105.0	800.0				905.0
Skate park in St. Nicholas Park		40.0				40.0
TOTAL NEIGHBOURHOOD PORTFOLIO	3,072.1	6,671.2	3,612.0	1,082.0	80.0	14,517.3
DEVELOPMENT PORTFOLIO						
Warwick Town Wall		100.0				100.0
2nd Warwick Sea Scouts' headquarters	87.5					87.5
Norton Lindsey Community Hub		38.5				38.5
Kenilworth Wardens relocation	312.2					312.2
Community Stadium project	466.8	86.4	76.0			629.2
Europa Way option to buy former farmhouse (Heathcote Farm)	1,009.7					1,009.7
CFS Aeroproducts relocation to Warwick loan	100.0	100.0	100.0			300.0
Kenilworth Rugby Club Relocation Loan	275.0	25.0				300.0
Kenilworth School loan			11,881.4			11,881.4
Kenilworth School HIF grant	4,628.0	1,387.0				6,015.0
St Mary's Lands Masterplan - Hill Close Grant	20.0					20.0
St Mary's lands masterplan - cycleway	445.0					445.0
St Mary's Lands Masterplan Main Entrance Improvements	3.0					3.0
St Mary's lands masterplan - maintenance & management plan	10.0					10.0
HS2 Redesign of Stoneleigh Park Southern Accommodation Bridge	60.0					60.0
Future High Street		1,967.0	119.0			2,086.0
Lord Leycester Hospital			60.0			60.0
Leper Hospital regeneration	71.6	894.5				966.1
TOTAL DEVELOPMENT PORTFOLIO	7,488.8	4,598.4	12,236.4	-	-	24,323.6

Housing Investment Programme (HIP) 2020/21 to 2029/30

Appendix 9 Part 2 to Minute Number 78

Housing Revenue Account

Construction / Acquisition of Housing:	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Repurchase of Ex-Council Housing	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	3,000.0
Purchase of Property	564.7										564.7
Purchase of property		12,576.1									12,576.1
Purchase of property	4,325.3										4,325.3
Refurbishment	1,200.0										1,200.0
Purchase of land	9,490.0										9,490.0
Development	4,187.4	4,702.5									8,889.9
Purchase of Land - Shared Scheme with General Fund Housing	449.5										449.5
Purchase of property			6,576.2								6,576.2
Purchase of Land	6,250.0	18,350.0		0.0							24,600.0
Total Construction / Acquisition of Housing	26,766.9	35,928.6	6,876.2	300.0	300.0	300.0	300.0	300.0	300.0	300.0	71,671.6
Improvement / Renewal Works:	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Stock Condition Survey Works:											
Aids & Adaptations	647.1	647.1	647.1	647.1	647.1	647.1	647.1	647.1	647.1	647.1	6,471.0
Roof Coverings	890.0										890.0
Defective Flooring	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	59.3	593.0
Door Entry/Security/Safety Systems	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	1,500.0
Window/Door Replacement	500.0										500.0
Kitchen & Bathroom Fittings / Sanitaryware Replacement	1,225.0	1,225.0	1,225.0	1,225.0	1,225.0	1,225.0	1,225.0	1,225.0	1,225.0	1,225.0	12,250.0
Electrical Fittings / Rewiring	612.4	612.4	612.4	612.4	612.4	612.4	612.4	612.4	612.4	612.4	6,124.0
Central Heating Replacement	1,204.8										1,204.8
Water Services	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	91.0
Structural Improvements	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7	19.7	197.0
Improved Ventilation	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	47.0
Thermal Improvement Works	106.3										106.3
Major Garage Works	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	24.6	246.0
Codependant Asbestos Removal	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	2,000.0
Special capital works	1,318.3	150.0									1,468.3
Capital Salaries for Improvement / Renewal Works	286.1	291.8	297.7	303.6	309.7	315.9	322.2	328.6	335.2	341.9	3,132.7
Total Stock Condition Survey Works	7,257.4	3,393.7	3,249.6	3,255.5	3,261.6	3,267.8	3,274.1	3,280.5	3,287.1	3,293.8	36,821.1
Climate Change Works:											
Environmental - Roof Coverings	35.0	925.0	525.0	525.0	525.0	525.0	525.0	525.0	525.0	525.0	5,160.0
Environmental - Window/Door Replacement	35.0	535.0	535.0	535.0	535.0	535.0	535.0	535.0	535.0	535.0	4,850.0
Environmental Central Heating Replacement	35.0	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	1,239.8	11,193.2
Thermal Improvement Works	35.0	141.3	141.3	141.3	141.3	141.3	141.3	141.3	141.3	141.3	1,306.7
Environmental Works	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	750.0
Environmental Works: Tenant Participation Projects	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7	37.7	377.0
Total Climate Change Works	252.7	2,953.8	2,553.8	2,553.8	2,553.8	2,553.8	2,553.8	2,553.8	2,553.8	2,553.8	23,636.9
Fire Safety Works:											
Fire safety in High-rise / Sheltered/ General Needs	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	30,000.0
Total Fire Safety Works	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	30,000.0
Total Improvement/Renewal Works	10,510.1	9,347.5	8,803.4	8,809.3	8,815.4	8,821.6	8,827.9	8,834.3	8,840.9	8,847.6	90,458.0
Total Housing Investment Programme Expenditure	37,277.0	45,276.1	15,679.5	9,109.3	9,115.4	9,121.6	9,127.9	9,134.3	9,140.9	9,147.6	162,129.7

General Fund Capital Programme Financing 2020/21 to 2024/25

o Minute Number 78

Source	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Internal / External Borrowing	2,679.4	4,152.6	15,589.4	1,002.0	-	23,423.4
Capital Receipts	1,594.9	160.0	-	-	-	1,754.9
External Contributions	9,152.2	5,513.4	349.0	-	-	15,014.6
Revenue Contributions to Capital Outlay	213.2	80.0	80.0	80.0	80.0	533.2
Service Transformation Reserve	1,124.2	1,184.7	37.2	-	-	2,346.1
Equipment Renewal Reserve	80.0	-	-	-	-	80.0
Public Amenity Reserve	1.7	140.0	-	-	-	141.7
Planning Public Open Space Reserve	25.3	398.3	-	-	-	423.6
Local Plan Delivery Reserve	44.4	-	-	-	-	44.4
Community Projects Reserve	873.4	895.0	-	-	-	1,768.4
Car Parks R & M Reserve	-	17.5	-	-	-	17.5
Bowls Reserve	46.6	1.3	-	-	-	47.9
Parking Displacement Reserve	-	484.8	-	-	-	484.8
ICT Replacement Reserve	50.5	393.0	277.0	257.0	74.0	1,051.5
Enterprise Reserve	-	138.0	-	-	-	138.0
Covent Garden MSCP Reserve	-	900.0	-	-	-	900.0
Business Rate Retention Volatility Reserve	395.2	-	-	-	-	395.2
Capital Investment Reserve	-	73.0	-	-	-	73.0
Total General Fund Capital Funding	16,281.0	14,531.6	16,332.6	1,339.0	154.0	48,638.2

Housing Investment Programme (HIP) 2020/21 to 2029/30

Appendix 9 Part 4 to Minute Number 78

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Housing Investment Programme (HIP) Financing:	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Capital receipts: UCR	50.0	50.0	50.0	50	50	50.0	50.0	50.0	50.0	50.0	500.0
Capital Receipts: One for One replacement	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	2,500.0
HRA Capital Investment Reserve	1,704.2	13,576.1	9,576.2	3,500.0	2,000.0	2,000.0	4,000.0	4,000.0	4,000.0	2,000.0	46,356.5
Major Repairs Reserve	10,049.7	6,943.7	5,680.9	5,186.8	6,692.9	6,699.1	4,705.4	4,711.8	4,718.4	6,725.1	62,113.8
Housing Revenue Account (RCCO)	122.5	122.5	122.5	122.5	122.5	122.5	122.5	122.5	122.5	122.5	1,225.0
BEIS Decarbonisation Grant	337.7	1,013.2									1,351.0
BEIS Green Homes Grant	0.0	268.0									268.0
Homes England Affordable Homes Grant	1,968.3	1,458.3									3,426.5
HRA Additional Borrowing	22,794.7	21,594.3									44,389.0
Housing Revenue Account Related HIP Financing	37,277.0	45,276.1	15,679.6	9,109.3	9,115.4	9,121.6	9,127.9	9,134.3	9,140.9	9,147.6	162,129.7

General Fund Housing

Construction / Acquisition of Housing:	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Purchase of Land - Shared Scheme with HRA Housing	1,348.0										1,348.0
Total Construction / Acquisition of Housing	1,348.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,348.0
General Fund Housing Financing:	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
General Fund Additional Borrowing	1,348.0										1,348.0
Housing Revenue Account Related HIP Financing	1,348.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,348.0

Estimated Housing Investment Programme Resources at:-	31/3/2020	31/3/2021	31/3/2022	31/3/2023	31/3/2024	31/3/2025	31/3/2026	31/3/2027	31/3/2028	31/3/2029
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Capital Receipts: One for One replacement	0.0	1,150.0	2,300.0	3,450.0	0.0	1,150.0	2,300.0	3,450.0	0.0	1,150.0
HRA Capital Investment Reserve	25,621.1	27,050.9	16,608.8	10,166.6	9,800.6	10,934.6	12,068.6	11,202.6	10,336.6	9,470.6
Major Repairs Reserve	5,561.9	3,359.4	1,719.8	2,655.7	4,085.5	4,009.4	3,927.0	5,838.3	7,743.1	9,641.4
HRA Shared Ownership Capital Receipts	191.0	191.0	191.0	191.0	191.0	191.0	191.0	191.0	191.0	191.0
S 106 Affordable Housing Contributions	405.0	405.0	405.0	405.0	405.0	405.0	405.0	405.0	405.0	405.0
Decent Homes Grant	361.6	361.6	361.6	361.6	361.6	361.6	361.6	361.6	361.6	361.6
Total Housing Investment Programme Resources	32,140.6	32,517.9	21,586.2	17,229.8	14,843.7	17,051.5	19,253.1	21,448.4	19,037.3	21,219.6

Capital Programme 2020/21 to 2024/25

	Proposed expenditure					Total £'000
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	
Capital summary						
Strategic Leadership Portfolio	547.6	402.8	277.0	257.0	74.0	1,558.4
Health & Community Protection Portfolio	562.5	129.0	-	-	-	691.5
Culture Portfolio	4,449.6	2,395.2	107.2	-	-	6,952.0
Finance Portfolio	160.4	335.0	100.0	-	-	595.4
Neighbourhood Portfolio	3,072.1	6,671.2	3,612.0	1,082.0	80.0	14,517.3
Development Portfolio	7,488.8	4,598.4	12,236.4	-	-	24,323.6
Total capital programme (A)	16,281.0	14,531.6	16,332.6	1,339.0	154.0	48,638.2
Capital resources brought forward						
Usable Capital receipts	155.0	-	-	-	-	
Capital Investment Reserve	1,153.4	1,152.1	1,179.1	1,279.1	1,279.1	
Public Amenity Reserve	107.5	245.7	105.7	105.7	105.7	
Equipment Renewal Reserve	683.6	568.3	533.0	611.8	711.8	
ICT Replacement Reserve #	93.8	133.8	-168.7	-355.2	-565.1	
Total capital resources brought forward (B)	2,193.3	2,100.0	1,649.2	1,641.5	1,531.6	
Additions in year to resources						
Borrowing / leasing	2,679.4	4,152.6	15,589.4	1,002.0	-	23,423.4
Capital receipts	1,594.7	160.0	-	-	-	1,754.7
External contributions	9,152.3	-	-	-	-	9,152.3
Revenue Contributions to Capital Outlay (RCCO)	-	-	-	-	-	-
Capital Investment Reserve (net increase)	-	-100.0	-100.0	-	-	-200.0
Other reserves used for capital financing	395.2	-	-	-	-	395.2
Total additions to capital resources in year (C)	13,821.6	4,212.6	15,489.4	1,002.0	-	34,525.7
Total available capital resources (B+C)	16,014.9	6,312.6	17,138.6	2,643.5	1,531.6	34,525.7
less: Capital programme expenditure as above (A)	16,281.0	14,531.6	16,332.6	1,339.0	154.0	48,638.2
Capital resources carried forward (B+C-A)	-266.1	-8,219.0	806.0	1,304.5	1,377.6	
Reduction in capital resources brought forward (C - A)	-2,459.4	-10,319.0	-843.2	-337.0	-154.0	-14,112.5

Note: # ICT Reserve is expected to have a negative balance in 2021/22

Appendix 10 to Minute Number 78								
Project funding	General Fund Balance	BRR Safety Net	Enterprise Reserve	CG MSCP Reserve	NHB 2021/22	Capital Receipt	NHB 2022/23	Total
	2020/21 £000	2021/22 £000	2021/22 £000	2021/22 £000	2021/22 £000	2021/22 £000	2022/23 £000	£000
Commonwealth Games					150.0		150.0	300.0
Climate Change Director (net of share with SDC)					53.0		52.0	105.0
Waterloo Housing (estimate)					199.6		45.0	244.6
Kenilworth Leisure - intial revenue costs					370.0			370.0
Masters House/ Leper Hospital					250.0			250.0
Kenilworth Rugby FC (March 2020 Exec)					300.0			300.0
Voluntary/Community Sector Commissioning					282.0		282.0	564.0
RUCIS					100.0		100.0	200.0
Public Amenity Reserve							270.0	270.0
Service Transformation Reserve					870.5			870.5
Contingency Budget	500.0				200.0			700.0
Kenilworth School - monitor	19.0				83.0			102.0
Community Centre Acre Close feasibility					25.0			25.0
Joint Local Plan					100.0		200.0	300.0
Future High Street Fund		566.0	138.0	900.0	203.0	160.0	119.0	2,086.0
Lord Leycester Hospital							60.0	60.0
CWG - Street Dressing					83.0			83.0
Total	519.0	566.0	138.0	900.0	3,269.1	160.0	1,278.0	6,830.1

Warwick District Council Financial Strategy 2021/22-2025/26

1 Introduction

“Money” is one of 3 keys strands of the Council’s Fit for the Future Programme. The others are People and Services. This document supports the delivery of the Council’s services and the projects within the Programme, as well as supporting all Council Strategies to deliver its aims and objectives.

It considers the major funding issues facing the Council in the Medium Term (the next 5 years). Extending the Strategy beyond this period would rely on broad estimates and many uncertainties. It would not be prudent to base the Strategy on a shorter period as risks and significant issues arising in the medium term could occur before the Council has developed the means of managing these. Forecast future levels of funding are projected alongside other known constraints and opportunities.

The Council has a Code of Financial Practice and Code of Procurement Practice which underpin the Strategy.

Monthly Budget Review Reports will be produced to be considered by the Senior Management Team, with Members of the Executive being updated on a quarterly basis. Alongside this, regular updated 5 year Financial Projections are included. Full Council receive the latest 5 Year Forecast alongside this Strategy within the Budget and Council Tax Reports presented in February of each year, and at other key points during the year if there have been material significant developments.

2. Background

- 2.1 The Economic Background, as provided by Treasury Advisors, Link Asset Services – their Report is reproduced as Annex 1.
- 2.2 Recent years have seen many changes to the nature of Funding Local Authorities receive from Central Government. The new Business Rate Retention Scheme was introduced from 1st April 2013. Whilst setting the NNDR Baseline, Government then allowed Council to retain a share of any growth above this Baseline. There is a safety net whereby the Authority would receive a top up payment should actual Business Rates collected fall more than 7.5% below their Baseline.

Alongside this, the proportion of Business Rates to Revenue Support Grant has increased since this scheme was introduced. The 4 year settlement announced in December 2015 and January 2016 saw Revenue Support Grant

become zero in 2019/20, having reduced significantly over the 3 year period. The Council's other main income source is its local Council Tax payers.

- 2.3 In December 2017, the government announced the intention to increase the level of business rates retained by local government from the current 50% to the equivalent of 75% from April 2020. During 2019/20 selected authorities piloted this scheme. This Council will closely monitor further developments as the scheme evolves.
- 2.4 The Financial Strategy and projections have been updated in line with the 2021/22 Government Local Finance Settlement Figures announced in December 2020. The Council's Financial Strategy is based upon the absence of Revenue Support Grant announced by the Government and its own Business Rates forecasts using the NNDR1 and NNDR3 returns and local intelligence, including support from "Analyse Local", independent Business Rates Consultants.
- 2.5 As referred to above, from 2013/14, the District Council retains 20% of any growth in business rates above the pre-determined Baseline. The Council's Baseline (the amount it retains) for 2020/21 is £3.447m. If the actual amount collected varies to the Baseline, the Council will retain more or less income, working out at the Council retaining 20% of any increased revenues. Conversely, if there is any reduction in the new business rate receipts, the Council will bear 20% of this cost. There is a Safety Net whereby the Council will not be able to receive less than £3.188 million, this being within 7.5% of the Baseline retained income figure. However, this Authority has entered into Pooling arrangements. This means the Safety Net payment would be paid to the Pool rather than the actual authority falling into the Safety Net.

The Baseline had been inflated annually since the scheme commenced in 2013 until 2021, when there was due to be a "reset" of the system. However, this was postponed by a year to ensure stability during the COVID-19 pandemic. The proposed changes to the Business Rate Scheme are discussed in more detail in Section 3.5 of the Budget Report.

The Council entered into a "pooling" arrangement with the other Warwickshire councils. Under this arrangement the amounts due to be paid to Central Government under the Levy should greatly reduce, meaning more income will be retained locally. Whilst there are risks attached to pooling, especially if income should substantially decline, however, based on the latest projections, the Council should benefit from remaining in the pool in 2021/22.

- 2.6 The Council also receives Government Support by way of New Homes Bonus (NHB) for 2021/22 this is £3.269 million. This allocation was significantly larger than originally forecast, following the extension of the scheme as part of the response to COVID-19. It was expected that the Council were to only receive 'legacy payments' from 2021/22.

Initially, NHB was funded on a 6 year rolling time limited basis. After consultation the Government phased a reduction for this from 6 (2016/17) to 4 years from 2018/19. It is paid on a rolling basis. To date the Council has not had to use New Homes Bonus to support recurring expenditure on core service provision. This prudence has proved wise so far, whilst allowing the Council to support new schemes and replenish Reserve balances, and continue to allocate a proportion of this to the Waterloo Housing Association as part of the WDC Housing Joint Venture. A breakdown of these schemes is contained within the Budget report in section 3.11.4.

- 2.7 The Council have received many additional grants in 2020/21 to support continued service provision and offset income losses as a result of COVID-19. These have included an income compensation scheme, a furlough grant, business grants and rough sleeping grants.
- 2.8 The Council are permitted to increase their share of Council Tax by either 2% or £5 (per band D equivalent) without triggering a Referendum. It is therefore proposed to increase this by £5 per year (per band D equivalent) to £176.86 per year.
- 2.9 In March 2012 the Housing Revenue Account (HRA) borrowed £136.2m to make a one off 'buy out' payment when the Housing Subsidy system was replaced by 'Self Financing'. This debt is serviced from HRA rental income, in place of the payments previously made to the National Housing Rent Pool under the Housing Subsidy system. A 50 year Business Plan is maintained to demonstrate the viability of the HRA and the capacity to invest in the service and provide new homes. The latest iteration was presented to members in December 2020 (Executive Item 6).
- 2.10 A 'Prudential Framework' for borrowing was introduced from 2004/05. Local authorities no longer have to obtain Government approval before borrowing. Control is by prudential limits based on the authority's revenue resources. The Council can borrow if it can afford the revenue consequences. However, as detailed in the Treasury Management Strategy, there are now limitations on Public Works Loans Board borrowing for investment purposes.
- 2.11 The Council reviews its budgets on a monthly basis, amending these as changes are identified, rather than just reporting upon variations and updating its current year's budgets once at part of the following year's budget setting process. The process is continuously reviewed to identify further efficiencies so that data can be produced in the most timely and accurate manner. It is expected that processes will improve as a result of a new Financial Management System being implemented, with an expected go live date in July 2021.
- 2.12 The production and publication of the latest Statement of Accounts for 2019/20 was completed successfully last year. The draft was published on

18th June, well in advance of the national deadline of 30th August. These were signed by external audit ahead of the 30th November deadline. This was achieved against the backdrop of COVID-19, and during a period of significant change and upheaval in working practices as part of the first National Lockdown necessitating a move to remote working. This further emphasises the great strides that the Council has made following the failure to publish its 2017/18 Accounts within the statutory deadline. Processes since have been thoroughly and continually reviewed and scrutinised, with Action plans being updated to include incremental improvements based on stakeholder feedback. As the 2020/21 Statement of Accounts will once again be produced and audited remotely, actions will be taken forward from the 2019/20 process, and any required changes will be implemented.

3. Corporate Strategy and Fit For The Future Programme

3.1 The Council's Organisational Purpose being:

"Warwick District: a great place to live, work and visit".

3.2 During 2010, the Council adopted its Fit For the Future programme as its Corporate Strategy to provide an organisation framework to progress these objectives. As well as focusing on delivering quality services that its customers' need, the programme and subsequent updates have set challenging savings targets to be delivered. Achieving these will assist the Council in delivering its services in the future in light of uncertainty surrounding the economic climate, and future reductions in Central Government Support.

This programme needs to stay up to date and relevant in providing the strategic framework for the Council to meet the challenges it faces. Projects within the programme will be adjusted to reflect opportunities and challenges arising from Government initiatives and legislation as well as the Council's own Local Priorities.

These include-

The impact of Britain leaving the European Union, with the impact of changes in legislation and the impact on the economy still uncertain.

The continuing impact of COVID-19 on service provision and delivery, the income received from stakeholders in the District, and how the Council will be able to commence its recovery Strategy.

The ongoing project in conjunction with Stratford-on-Avon District Council assessing joint and collaborative working practices, including a potential full merger of the two local Authorities.

Announcements from both the Autumn Statement 2020, and the Local Government Finance Settlement, including changes to the National Living Wage, which will increase by 2.2% to £8.91 from 1 April 2021. It will also become available to people aged 23 and above, down from the current age of 25.

3.3 As well as these initiatives, other major issues that will affect the Council's finances over this period are:

- (i) Monitoring the medium term financial forecast will identify this Council's progress in meeting its various savings initiatives and the profile of the savings still to be identified.
- (ii) The impact of pressures to improve environmental sustainability, and meet the climate change agenda.
- (iii) Energy costs which are extremely volatile.
- (iv) Major developments that may occur, such as, Kenilworth School Relocation, Europa Way and other potential strategic opportunities.
- (v) Major investment in multi storey car parks that will require structural renewal.
- (vi) The Council completed condition surveys on its Corporate Assets. The Council continues to strive to ensure its Corporate Asset properties are maintained at a reasonable standard. So far it has been able to resource these costs. Additional funding for future liabilities has been included within the 2021/22 Budget Report.
- (vii) The potential to work with partners and realising savings by pooling resources.
- (viii) Capital receipts have reduced considerably and any for the future are extremely uncertain.
- (ix) The volatility of many of the Council's income budgets.
- (x) The rate of economic recovery and investment interest returns.
- (xi) Trees throughout the district need replacing for which funding will need to be sought.
- (xii) Ongoing reviews on how the Council manages and delivers its services.
- (xiii) Development of the Fit for the Future Programme and the Council's ability to adapt to change.

- (xiv) Efficient procurement to deliver quality services at minimum cost.
 - (xv) Superannuation Fund and pensions changes further to the changes to the Local Government Pension Scheme introduced in April 2014. The pensions fund, in common with most others, continues to carry a projected deficit, although plans are in place to seek to ensure the fund is in surplus.
 - (xvi) In June 2016, the country voted to leave the European Union. The initial impact saw a reduction in interest rates and a drop in the pound against other currencies. Following the UK signing an agreement with the EU in December 2020, the impact on the Council's finances will be routinely assessed as more uncertainties are resolved or arise. The Council will amend its medium term financial forecasts as necessary to reflect any impact and related issues e.g. changes in legislation such as VAT.
 - (xvii) Renewal of the Council's major contracts in 2021/22 and 2022/23.
- 3.4 The Council will plan replacements and renewals of equipment (including ICT Resources), and repair and maintenance in a careful manner concentrating on the sustainability of services as a first priority. In addition, the Council needs to continually review its reserves in the light of a very ambitious programme of change, and constant uncertain external pressures on the planning regime.
- 3.5 The Council will continue to support the focus on remote working and the electronic storage of records. Agile working was already a focus pre COVID-19 and linked to the asset management plan strategy of reducing office space needs.
- 3.6 During 2017/18, the major refurbishment of 2 of the Council's Leisure Centres, Newbold Comyn and St Nicholas Park Leisure Centres was completed. The Council now moves to Phase 2 of its plan to develop all of its Leisure Centres and redevelop the 2 Kenilworth ones, as detailed within the report to February 2021 Executive. From June 2017, the Council outsourced the management of its Leisure Centres. A private contractor will be able to operate in a more cost efficient way, benefitting from Mandatory Rate Relief and achieving economies of scale from operating many Leisure Centres across the country. From 2019, the Council agreed to receive an annual concession from the Operator. There is potential to receive more income from a "Profit Share" arrangement in the future. In the interests of prudence, none of this 'profit share' has been factored into the Financial Forecasts.

Due to COVID-19, the leisure centres in the District have been shut for prolonged periods since March 2020, and when they have been allowed to open, subject to reduced capacity and social distancing guidelines. This has resulted in a significant reduction in income. The Council is and will continue

to work with the Operator to ensure the services remain available when restriction guidance permits, with agreements in place with regards to the concession and additional expenditure costs incurred by the provider.

- 3.7 Several Major Projects are currently being worked on, with reports regularly due to members.
- Working with partners to develop the land at Europa Way and deliver housing and a new stadium.
 - Preparation for the Commonwealth Games Bowls in 2022 at Victoria Park which offers a significant opportunity to promote the Town and its attractions and support the local economy.
 - Delivery of the St Marys Lands Masterplan to enhance and promote the landscape character creating a natural open green space and promote St. Mary's Lands as a visitor destination supporting the many organisations within it.
 - Phase 2 of the Leisure Centres refurbishment project
 - A number of significant housing projects, delivering both private and social housing.
 - The creation of Tachbrook Country Park.
 - The establishment of a local housing company.

4. Financial Principles

- 4.1 The following are the principles (for both the General Fund and the Housing Revenue Account) that underpin the Financial Strategy:
- (i) Savings and developments will be based upon corporate priorities as set out in the Council's Fit for the Future programme.
 - (ii) In order to achieve further savings the Council continues to explore all avenues including
 - Shared services and joint working
 - Outsourcing where other providers can deliver a minimum of the same standard of service more efficiently
 - Efficient Procurement
 - Benchmarking costs and income and understanding differences
 - Increasing fees and paying customers where there is spare capacity and looking for opportunities to maximize income
 - Accessing grants to assist with corporate priorities
 - Controlling costs
 - Workforce planning
 - More efficient and greater use of technology
 - (iii) The Council has ambitions to effectively manage its resources. In setting both its Council Tax and Housing Rents, the Council takes account of its budget requirement, the support it receives from Central

Government, inflation and the affordability of its local tax and rent payers.

- (iv) The Council's base policy for Council house rent increases is currently to follow Central Government guidance. Any diversion from this policy will be requested in the annual Rent Setting report to Council, and reflected in the HRA Business Plan.
- (v) Whilst the Council will aim for Fees and Charges to be increased so that income is at least maintained in real terms, it will be mindful of the reality of the current economic conditions and its competitors. The Council is committed to making good use of the ability to raise funds through charges and put them to good use for the community. The Medium Term Financial Strategy is based on increases in discretionary fees and charges of up to 15% for 2022/23 and 2023/24 as agreed by Members in December 2020 as part of the Budget proposals.
- (vi) The Council still needs to develop its ability to benchmark all services across the Council.
- (vii) This Council takes a positive approach to partnership working, realising the following benefits: -
 - a) Levering in additional external funding.
 - b) Ensuring improved use of sites, whether or not in the ownership of the Council.
 - c) Ensuring the future sustainability of projects.
 - d) Sharing/Reducing costs
 - e) Strengthening the resilience of the service
 - f) Enhancing quality of services
- (viii) The Financial Strategy takes account of all revenue effects of the capital programme to ensure that the decisions taken are sustainable into the future.
- (ix) The Council will hold reserves for specific purposes, as to be agreed by Executive.
- (x) The Capital Investment Reserve shall be maintained with a minimum uncommitted balance of £1m and a General Fund Balance of £1.5m.
- (xi) Any unplanned windfalls of income, whether service specific or more general, will be reported to the Executive who will prioritise how such income is used as part of setting future balanced budgets and meeting the Council's priorities.

5. Process and Monitoring

Preparing budgets

- 5.1 The budget setting process is consistent with the service area planning process and the Fit for the Future Programme with recent years focusing on reductions in budgets and efficiencies.
- 5.2 When the Capital Programme is approved by Council the capital schemes will still be subject to individual approval on the basis of an evaluation and Business Case in accordance with the Council's Capital Strategy.

Monitoring and managing budgets

- 5.3 Under the monthly "Budget Review" Process, Budgets are amended as soon as changes are identified. The Financial Code of Practice is regularly updated to incorporate any changes in practice, and is reviewed by Accountancy in conjunction with the external auditors to ensure ongoing compliance.
- 5.4 Accountants work with Service Areas to identify budget variances and changes; these are reported to the Senior Management Team on a monthly basis. Regular reports are submitted for consideration by the Executive and Scrutiny Committees. The Council continues to review and refine its current processes, putting tighter controls in place to improve the quality and accuracy of the review process. It is expected that processes will be improved further as a result of a new Financial Management System being implemented, with an expected go live date in July 2021.

Consultation

- 5.5 The Council has a track record of consulting both partner organisations and the public this is an important contribution to assist identifying options and in learning lessons.
- 5.6 There is extensive consultation with partners on Fit For the Future.
- 5.7 The Council takes a strategic 5 year approach to determine how budgets are set and service prioritised.
- 5.8 The Council has a record of consulting where appropriate on the development of individual schemes.

6 Assumptions

- 6.1 The following assumptions will be used in bringing forward proposals on the budget
- (i) Forecasts for Business Rates income are based upon the Council's local forecasts and out-turns. The Council uses a company called Analyse Local to forecast its provision for appeals and Local Government Futures to assist with the forecast level of retained business rates.
 - (ii) Interest projections will continue to be based on the rates projected by Link Asset Services Treasury Solutions, the treasury management advisers.
 - (iii) It is assumed general inflation will increase by 2% per annum. Where the Council is contractually bound to increase costs and the Business Rates multiplier are increased by the relevant percentages.

7. Housing Revenue Account (HRA)

- 7.1 Housing Self Financing was implemented on 1st April 2012. A 50 year HRA Business Plan has been developed to ensure sufficient funds will be available to service the £136.2m debt taken out with the PWLB in order to 'buy' the Council out of the existing Housing Subsidy system, provide the necessary funding to maintain the stock and enable the building of new homes over the life of the Business Plan. In December 2020 it was agreed that the policy for the Business Plan would be to reschedule the current debt rather than seeking to go debt free, so enabling additional investment in further housing.
- 7.2 There is a requirement to follow Central Government National Housing Rent Policy when determining rents on HRA dwellings. Over the period April 2016 – March 2020, the rent charged by local authorities has had to be reduced by 1% per year. From April 2020 the social rent policy changed, allowing the rent charged to be increased by CPI + 1% each year. The council does have discretion over the setting of garage rents, Warwick Response charges and rents for HRA owned shops and commercial properties. When a new tenancy commences the Council can re-let at Target Social Rent, in time bringing all social housing rents in line with 2002 Convergence policy.

8. Revenue Forecasts

- 8.1 Revenue forecasts will be drawn up in line with this strategy, and the strategy itself will be reviewed every year when the budget is set. The current forecasts are set out in the February 2021 Budget Report, which reported savings required as follows:

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Deficit-Savings Req(+) / Surplus(-) future years	0	0	178	-30	-216
Change on prev year	0	0	178	-208	-186

These are indicative based on current assumptions, and assumes that savings are achieved and maintained.

- 8.2 The forecasts are reviewed throughout the year, with the Executive being informed of the latest projections as part of the Budget Process.

9. Asset Resource Background

- 9.1 Set out below is a summary of the Council's assets and its existing plans to use its resources to invest for the future.
- 9.2 The Council's assets as shown in the balance sheet as at 31st March 2020 are summarised below: -

	Value £'000
Operational Assets	
Council Dwellings	402,119
HRA land and buildings	8,016
Other land and buildings	73,262
Vehicles, Plant, Furniture and Equipment	3,510
Infrastructure Assets	1,961
Community Assets	7,703
Non-Operational Assets	74,391
Surplus Assets/Work In Progress	275
Assets under construction	5,534
Heritage Assets	9,005
Investment Properties	10,234
Intangible Assets	43
Total	475,562

9.3 A summary of the proposed capital programme for the period to March 2025 is given below. This programme gives an indication of the level of the Council's available capital resources that are to be devoted to capital expenditure during this period.

Portfolio	Latest Budget 20/21 £'000's	Proposed Expend. 21/22 £'000's	Proposed Expend. 22/23 £'000's	Proposed Expend. 23/24 £'000's	Proposed Expend. 24/25 £'000's	Total 20/21 to 24/25 £'000's
Strategic Leadership & CWLEP	547.6	402.8	277.0	257.0	74.0	1,558.4
Health & Community Protection	562.5	129.0				691.5
Culture	4,449.6	2,395.2	107.2			6,952.0
Finance	160.4	335.0	100.0			595.4
Neighbourhood	3,072.1	6,671.2	3,612.0	1,082.0	80.0	14,517.3
Development	7,488.8	4,598.4	12,236.4			24,323.6
Housing Investment	37,277.0	45,276.1	15,679.5	9,109.3	9,115.4	116,457.3
Total Capital Programme	53,558.0	59,807.7	32,012.1	10,448.3	9,269.4	165,095.5

10. Capital Strategy

10.1 The main focus of the programme is:

- Realising local aspirations as expressed within the Corporate Strategy (which incorporates the Community Plan and the Council's Resource Strategies) and it's Fit for the Future Programme;
- Maintaining, and where possible enhancing, the condition of the Council's existing assets so as to reduce future maintenance liabilities and to encourage their effective use. Where appropriate this will include working in partnership with others such as the Friends of the Pump Room Gardens, Jockey Club and Golf Centre on St Marys Lands. Supporting capital schemes that provide revenue savings to the Council, in particular supporting investment in Information and Communication Technology so as to modernise activities and release resources for other purposes.
- Achieving regeneration and economic vitality in main population centres.

10.2 Key particular projects that link to the corporate strategy are: -

- Enabling developments across the district that improve the environment such as Europa Way, and the improvement of Leamington Old Town.
- To continue to maintain the Government's "decent homes" standard.
- To increase the number of affordable houses in the district.
- Promoting the Town and its attractions and support the local economy through hosting the Commonwealth Games in 2022.
- Enhanced Leisure Facilities.

11. Financing the Capital Strategy

11.1 The Capital Strategy needs to have regard to the financial resources available to fund it. The main sources of funding are detailed below: -

- Capital Receipts – primarily resulting from the sale of the Council's assets as other receipts have fallen in recent years. This income is lumpy and limited, although there are still schemes being considered that could realise further capital receipts.
- The Council is required to sell homes to eligible tenants at a significant discount under the right-to buy (RTB). A proportion of such receipts are taken by the Treasury; with the balance retained by the Council, some having to be to provide for new dwellings and the remainder the Council having flexibility over its use.
- Capital Contributions – including contributions from developers (often under Section 106 Planning Agreements and now from the Community Infrastructure Levy as well) and grants towards specific schemes.
- Use of Council's own resources – either by revenue contributions to capital, or use of earmarked reserves.
- Borrowing – the Council has freedom to borrow under the Prudential System provided it can demonstrate that it has the resource to service the debt.
- Leasing – the Council now requires that, where appropriate, an options appraisal is undertaken in order to identify the most efficient source of financing capital purchases. In certain cases this may take the form of either a lease.

12. Review

- 12.1 This strategy will be subject to annual review to ensure that changes are included and that development issues have been implemented. It has been reviewed in the light of the Fit for the Future programme.

13. Risks

- 13.1 Previous years have demonstrated that the Council needs to consider the risk in setting and managing its budgets.
- 13.2 The key risks that could arise and ways in which they should be managed are set out in the main February Budget report and associated appendix.
- 13.3 The Council maintains a Significant Business Risk Register which is reviewed bi-annually by the Executive and quarterly by the Senior Management Team. Each Service Area has its own Service Risk Register. These are presented for the consideration of the Finance and Audit Scrutiny Committee on a quarterly rotating basis.
- 13.4 All major projects the Council undertakes have their own separate Risk Register.
- 13.5 There is a separate section on Risk in all Committee Reports to Members.

Link Asset Services Economic Background

UK

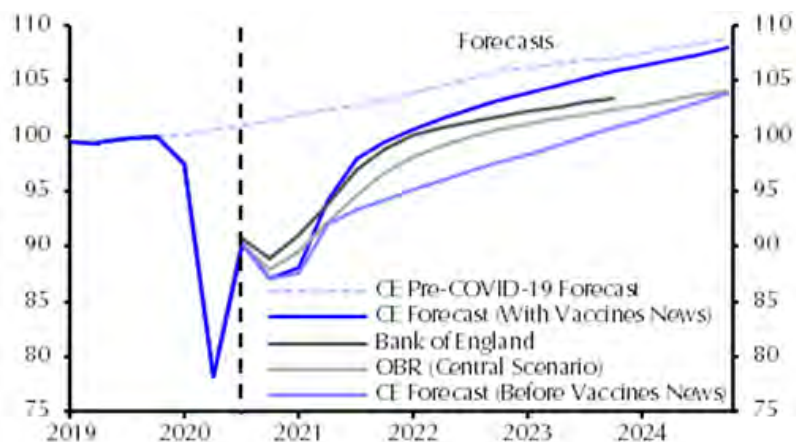
- The Bank of England's ("The Bank") Monetary Policy Committee (MPC) kept **Bank Rate** unchanged on 5 November 2020. However, it revised its economic forecasts to take account of a second national lockdown from 5 November to 2 December which will put back economic recovery and do further damage to the economy. The Bank, therefore, decided to do a further tranche of **quantitative easing** (QE) of £150bn, to start in January when the current programme of £300bn of QE announced in March to June, runs out. It did this so that "announcing further asset purchases now should support the economy and help to ensure the unavoidable near-term slowdown in activity was not amplified by a tightening in monetary conditions that could slow the return of inflation to the target".
- Its forecasts appeared, at the time, to be rather optimistic in terms of three areas:
 - The economy would recover to reach its pre-pandemic level in Q1 2022
 - The Bank also expects there to be excess demand in the economy by Q4 2022.
 - CPI inflation is therefore projected to be a bit above its 2% target by the start of 2023 and the "inflation risks were judged to be balanced".
- Significantly, there was no mention of **negative interest rates** in the minutes or Monetary Policy Report, suggesting that the MPC remains some way from being persuaded of the case for such a policy, at least for the next 6 -12 months. However, rather than saying that it "stands ready to adjust monetary policy", the MPC this time said that it will take "whatever additional action was necessary to achieve its remit". The latter seems stronger and wider and may indicate the Bank's willingness to embrace new tools.
- One key addition to **the Bank's forward guidance** in August was a new phrase in the policy statement, namely that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. Link's Bank Rate forecast currently shows no increase (or decrease) through to quarter 1 2024 but there could well be no increase during the next five years as it will take some years to eliminate spare capacity in the economy, and therefore for inflationary pressures to rise to cause the MPC concern.
- **Inflation** is expected to briefly peak at around 2% towards the end of 2021 but this is a temporary short lived factor and so not a concern.

- However, the minutes did contain several references to **downside risks**. The MPC reiterated that the “recovery would take time, and the risks around the GDP projection were judged to be skewed to the downside”. It also said “the risk of a more persistent period of elevated unemployment remained material”. Downside risks could well include severe restrictions remaining in place in some form during the rest of December and most of January too. **Upside risks** included the early roll out of effective vaccines.
- **COVID-19 vaccines**. We had been waiting expectantly for news that various COVID-19 vaccines would be cleared as being safe and effective for administering to the general public. The Pfizer announcement on 9 November was very encouraging as its 90% effectiveness was much higher than the 50-60% rate of effectiveness of flu vaccines which might otherwise have been expected. However, this vaccine has demanding cold storage requirements of minus 70c that impairs the speed of application to the general population. It has therefore been particularly welcome that the Oxford University / AstraZeneca vaccine has now also been approved which is much cheaper and only requires fridge temperatures for storage. The Government has 60m doses on order and is aiming to vaccinate at a rate of 2m people per week starting in January, though this rate is currently restricted by a bottleneck on vaccine production; (a new UK production facility is due to be completed in June).
- These announcements, plus expected further announcements that other vaccines could be approved soon, have enormously boosted confidence that **life could largely return to normal during the second half of 2021**, with activity in the still-depressed sectors like restaurants, travel and hotels returning to their pre-pandemic levels, which would help to bring the unemployment rate down. With the household saving rate currently being exceptionally high, there is plenty of pent-up demand and purchasing power stored up for these services. A comprehensive roll-out of vaccines might take into late 2021 to fully complete; but if these vaccines prove to be highly effective, then there is a possibility that restrictions could begin to be eased, possibly in Q2 2021, once vulnerable people and front-line workers had been vaccinated. At that point, there would be less reason to fear that hospitals could become overwhelmed any more. Effective vaccines would radically improve the economic outlook once they have been widely administered; it may allow GDP to rise to its pre-virus level a year earlier than otherwise and mean that the unemployment rate peaks at 7% next year instead of 9%.
- **Public borrowing** is now forecast by the Office for Budget Responsibility (the OBR) to reach £394bn in the current financial year, the highest ever peace time deficit and equivalent to 19% of GDP. In normal times, such an increase in total gilt issuance would lead to a rise in gilt yields, and so PWLB rates. However, the QE done by the Bank of England has depressed gilt yields to historic low levels, (as has similarly occurred with QE and debt issued in the US, the EU and Japan). This means that new UK debt being issued, and this is being done across the whole yield curve in all maturities, is locking in those historic low levels through until maturity. In addition, the UK has one of the longest average maturities for its entire debt portfolio, of any country in the world. Overall, this means that the total interest bill paid by the Government is manageable despite the huge

increase in the total amount of debt. The OBR was also forecasting that the Government will still be running a budget deficit of £102bn (3.9% of GDP) by 2025/26. However, initial impressions are that they have taken a pessimistic view of the impact that vaccines could make in the speed of economic recovery.

- Overall, the **pace of recovery** was not expected to be in the form of a rapid V shape, but a more elongated and prolonged one. The initial recovery was sharp after quarter 1 saw growth at -3.0% followed by -18.8% in quarter 2 and then an upswing of +16.0% in quarter 3; this still left the economy 8.6% smaller than in Q4 2019. It is likely that the one month national lockdown that started on 5th November, will have caused a further contraction of 8% month on month in November so the economy may have then been 14% below its pre-crisis level.
- **December 2020 / January 2021.** Since then, there has been rapid back-tracking on easing restrictions due to the spread of a new mutation of the virus, and severe restrictions were imposed across all four nations. These restrictions were changed on 5 January 2021 to national lockdowns of various initial lengths in each of the four nations, as the NHS was under extreme pressure. It is now likely that wide swathes of the UK will remain under these new restrictions for some months; this means that the near-term outlook for the economy is grim. However, the distribution of vaccines and the expected consequent removal of COVID-19 restrictions, should allow GDP to rebound rapidly in the second half of 2021 so that the economy could climb back to its pre-pandemic peak as soon as late in 2022. Provided that both monetary and fiscal policy are kept loose for a few years yet, then it is still possible that in the second half of this decade, the economy may be no smaller than it would have been if COVID-19 never happened. The significant caveat is if another mutation of COVID-19 appears that defeats the current batch of vaccines. However, now that science and technology have caught up with understanding this virus, new vaccines ought to be able to be developed more quickly to counter such a development and vaccine production facilities are being ramped up around the world.

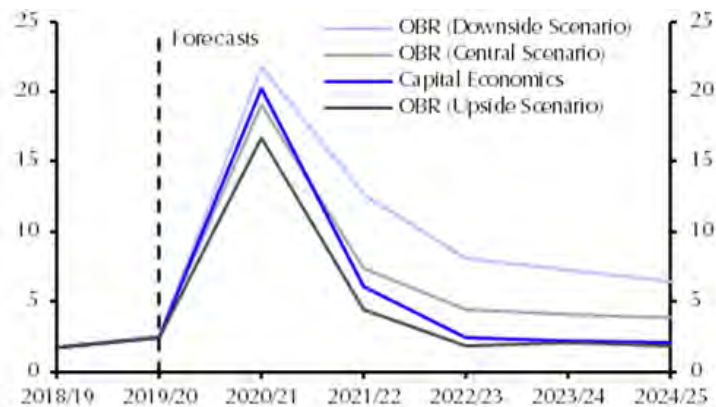
Chart: Level of real GDP (Q4 2019 = 100)



- This recovery of growth which eliminates the effects of the pandemic by about the middle of the decade would have major repercussions for public finances as

it would be consistent with the Government deficit falling to around 2.5% of GDP without any tax increases. This would be in line with the OBR's most optimistic forecast in the graph below, rather than their current central scenario which predicts a 4% deficit due to assuming much slower growth. However, Capital Economics forecasts assume that there is a reasonable Brexit deal and also that politicians do not raise taxes or embark on major austerity measures and so, (perversely!), depress economic growth and recovery.

Chart: Public Sector Net Borrowing (As a % of GDP)



- There will still be some **painful longer term adjustments** as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever, even if vaccines are fully successful in overcoming the current virus. There is also likely to be a reversal of globalisation as this crisis has exposed how vulnerable long-distance supply chains are. On the other hand, digital services are one area that has already seen huge growth.
- **Brexit.** While the UK has been gripped by the long running saga of whether or not a deal would be made by 31 December 2020, the final agreement on 24 December, followed by ratification by Parliament and all 27 EU countries in the following week, has eliminated a significant downside risk for the UK economy. The initial agreement only covers trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. As the forecasts in this report were based on an assumption of a Brexit agreement being reached, there is no need to amend these forecasts.
- **Monetary Policy Committee meeting of 17 December.** All nine Committee members voted to keep interest rates on hold at +0.10% and the Quantitative Easing (QE) target at £895bn. The MPC commented that the successful rollout of vaccines had reduced the downsides risks to the economy that it had highlighted in November. But this was caveated by it saying, "Although all members agreed that this would reduce downside risks, they placed different weights on the degree to which this was also expected to lead to stronger GDP growth in the central case." So, while the vaccine is a positive development, in the eyes of the MPC at least, the economy is far from out of the woods. As a result of these continued concerns, the MPC voted to extend the availability of the Term Funding

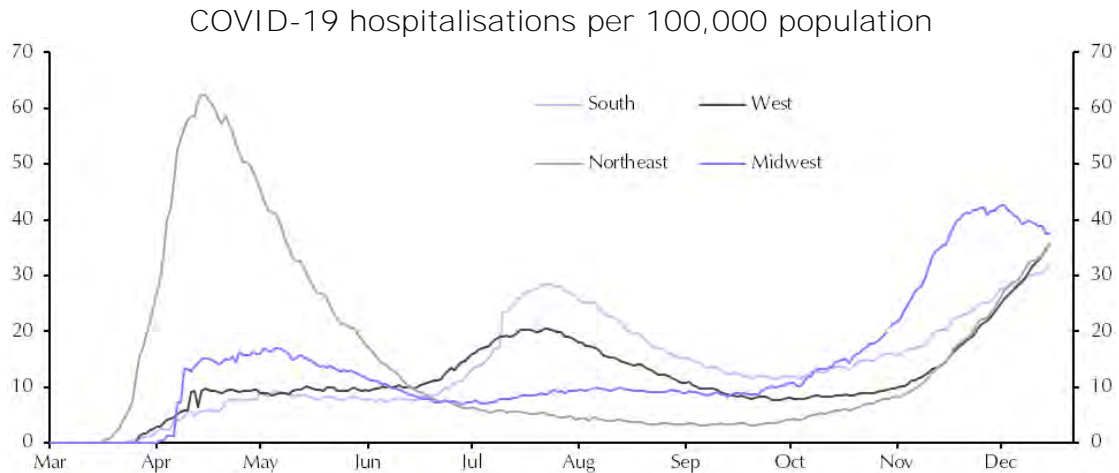
Scheme, (cheap borrowing), with additional incentives for small and medium size enterprises for six months from 30 April until 31 October 2021. (The MPC had assumed that a Brexit deal would be agreed.)

- **Fiscal policy.** In the same week as the MPC meeting, the Chancellor made a series of announcements to provide further support to the economy:
 - An extension of the COVID-19 loan schemes from the end of January 2021 to the end of March.
 - The furlough scheme was lengthened from the end of March to the end of April.
 - The Budget on 3 March 2021 will lay out the “next phase of the plan to tackle the virus and protect jobs”. This does not sound like tax rises are imminent, (which could hold back the speed of economic recovery).
- The **Financial Policy Committee** (FPC) report on 6v August 2020 revised down their expected credit losses for the banking sector to “somewhat less than £80bn”. It stated that in its assessment, “banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC’s central projection”. The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC’s projection, with unemployment rising to above 15%.

USA

- The result of **the November elections** means that the Democrats have gained the presidency and a majority in the House of Representatives, and the winning of the two Senate seats in Georgia on 6 January mean they will hold a slim majority in the Senate. This means that the Democrats should be able to do a massive fiscal stimulus, as they had been hoping to do after the elections. That would result in another surge of debt issuance and could put particular upward pressure on debt yields – which could then also put upward pressure on gilt yields.
- Equity prices leapt up on 9 November on the first news of a successful vaccine and have risen further during November as more vaccines announced successful results. This could cause a big shift in investor sentiment i.e. a swing to sell out of Government debt to buy into equities which would normally be expected to cause debt prices to fall and yields to rise. However, the rise in yields has been quite muted so far and it is too early to say whether the Fed would feel it necessary to take action to suppress any further rise in debt yields. It is likely that the next two years, and possibly four years in the US, could be a political stalemate where neither party can do anything radical.
- The economy had been recovering quite strongly from its contraction in 2020 of 10.2% due to the **pandemic** with GDP only 3.5% below its pre-pandemic level and the unemployment rate dropping below 7%. However, the rise in new cases during quarter 4, to the highest level since mid-August, suggests that the US could be in the early stages of a third wave. While the first wave in March and April was concentrated in the Northeast, and the second wave in the South and West, the latest wave has been driven by a growing outbreak in the Midwest. The latest upturn poses a threat that the recovery in the economy could stall. This is

the single biggest downside risk to the shorter term outlook – a more widespread and severe wave of infections over the winter months, which is compounded by the impact of the regular flu season and, as a consequence, threatens to overwhelm health care facilities. Under those circumstances, states might feel it necessary to return to more draconian lockdowns.



- The restrictions imposed to control the spread of the virus are once again weighing on the economy with employment growth slowing sharply in November and retail sales dropping back. The economy is set for further weakness in December and into the spring. However, a \$900bn fiscal stimulus deal passed by Congress in late December will limit the downside through measures which included a second round of direct payments to households worth \$600 per person and a three-month extension of enhanced unemployment insurance (including a \$300 weekly top-up payment for all claimants). GDP growth is expected to rebound markedly from the second quarter of 2021 onwards as vaccines are rolled out on a widespread basis and restrictions are loosened.
- After Chair Jerome Powell unveiled the **Fed's adoption of a flexible average inflation target** in his Jackson Hole speech in late August 2020, the mid-September meeting of the Fed agreed by a majority to a toned down version of the new inflation target in his speech - that *"it would likely be appropriate to maintain the current target range until labour market conditions were judged to be consistent with the Committee's assessments of maximum employment and inflation had risen to 2% and was on track to moderately exceed 2% for some time."* This change was aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary "trap" like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade, (and this year), so financial markets took note that higher levels of inflation are likely to be in the pipeline; long-term bond yields duly rose after the meeting. The FOMC's updated economic and rate projections in mid-September showed that officials expect to leave the fed funds rate at near-zero until at least end-2023 and probably for another year or two beyond that. There is now some expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in tension over the last year between the US and

China is likely to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal.

- The Fed's meeting on **5 November** was unremarkable - but at a politically sensitive time around the elections. At its **16 December** meeting the Fed tweaked the guidance for its monthly asset quantitative easing purchases with the new language implying those purchases could continue for longer than previously believed. Nevertheless, with officials still projecting that inflation will only get back to 2.0% in 2023, the vast majority expect the fed funds rate to be still at near-zero until 2024 or later. Furthermore, officials think the balance of risks surrounding that median inflation forecast are firmly skewed to the downside. The key message is still that policy will remain unusually accommodative – with near-zero rates and asset purchases – continuing for several more years. This is likely to result in keeping Treasury yields low – which will also have an influence on gilt yields in this country.

Eurozone

- In early December, the figures for Q3 GDP confirmed that the economy staged a rapid rebound from the first lockdowns. This provides grounds for optimism about growth prospects for next year. In Q2, GDP was 15% below its pre-pandemic level. But in Q3 the economy grew by 12.5% q/q leaving GDP down by “only” 4.4%. That was much better than had been expected earlier in the year. However, growth is likely to stagnate during Q4 and in Q1 of 2021, as a second wave of the virus has affected many countries: it is likely to hit hardest those countries more dependent on tourism. The €750bn fiscal support package eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support, and quickly enough, to make an appreciable difference in the countries most affected by the first wave.
- With inflation expected to be unlikely to get much above 1% over the next two years, the **ECB** has been struggling to get inflation up to its 2% target. It is currently unlikely that it will cut its central rate even further into negative territory from -0.5%, although the ECB has stated that it retains this as a possible tool to use. The ECB's December meeting added a further €500bn to the PEPP scheme, (purchase of government and other bonds), and extended the duration of the programme to March 2022 and re-investing maturities for an additional year until December 2023. Three additional tranches of TLTRO, (cheap loans to banks), were approved, indicating that support will last beyond the impact of the pandemic, implying indirect yield curve control for government bonds for some time ahead. The Bank's forecast for a return to pre-virus activity levels was pushed back to the end of 2021, but stronger growth is projected in 2022. The total PEPP scheme of €1,850bn of QE which started in March 2020 is providing protection to the sovereign bond yields of weaker countries like Italy. There is therefore unlikely to be a euro crisis while the ECB is able to maintain this level of support. However, as in the UK and the US, the advent of highly effective vaccines will be a game changer, although growth will struggle before later in quarter 2 of 2021.

China

- After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and then into Q3 and Q4; this has enabled China to recover all of the contraction in Q1. Policy makers have both quashed the virus and implemented a programme of monetary and fiscal support that has been particularly effective at stimulating short-term growth. At the same time, China's economy has benefited from the shift towards online spending by consumers in developed markets. These factors help to explain its comparative outperformance compared to western economies.
- However, this was achieved by major central government funding of yet more infrastructure spending. After years of growth having been focused on this same area, any further spending in this area is likely to lead to increasingly weaker economic returns in the longer term. This could, therefore, lead to a further misallocation of resources which will weigh on growth in future years.

Japan

- A third round of fiscal stimulus in early December took total fresh fiscal spending this year in response to the virus close to 12% of pre-virus GDP. That's huge by past standards, and one of the largest national fiscal responses. The budget deficit is now likely to reach 16% of GDP this year. Coupled with Japan's relative success in containing the virus without draconian measures so far, and the likelihood of effective vaccines being available in the coming months, the Government's latest fiscal effort should help ensure a strong recovery and to get back to pre-virus levels by Q3 2021 – around the same time as the US and much sooner than the Eurozone.

World Growth

- World growth will have been in recession in 2020. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.
- Until recent years, world growth has been boosted by increasing **globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese Government has targeted achieving major world positions in specific key sectors and products, especially high tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political

advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation.

Summary

- Central banks are, therefore, likely to support growth by maintaining loose monetary policy through keeping rates very low for longer. Governments could also help a quicker recovery by providing more fiscal support for their economies at a time when total debt is affordable due to the very low rates of interest. They will also need to avoid significant increases in taxation or austerity measures that depress demand in their economies.
- If there is a huge surge in investor confidence as a result of successful vaccines which leads to a major switch out of government bonds into equities, which, in turn, causes government debt yields to rise, then there will be pressure on central banks to actively manage debt yields by further QE purchases of government debt; this would help to suppress the rise in debt yields and so keep the total interest bill on greatly expanded government debt portfolios within manageable parameters. It is also the main alternative to a programme of austerity.

Interest Rate Forecasts

Brexit. The interest rate forecasts provided by Link were predicated on an assumption of a reasonable agreement being reached on trade negotiations between the UK and the EU by 31 December 2020. There is therefore no need to revise these forecasts now that a trade deal has been agreed. Brexit may reduce the economy's potential growth rate in the long run. However, much of that drag is now likely to be offset by an acceleration of productivity growth triggered by the digital revolution brought about by the COVID-19 crisis.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is still subject to some uncertainty due to the virus and the effect of any mutations, and how quick vaccines are in enabling a relaxation of restrictions.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **UK government** takes too much action too quickly to raise taxation or introduce austerity measures that depress demand in the economy.
- **UK - Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for "weaker" countries. In addition, the EU agreed a €750bn fiscal support package. These actions will help shield weaker economic regions for the next two or three years. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.
- Weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic.

- **German minority government & general election in 2021.** In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in subsequent state elections but the SPD has done particularly badly. Angela Merkel has stepped down from being the CDU party leader but she will remain as Chancellor until the general election in 2021. This then leaves a major question mark over who will be the major guiding hand and driver of EU unity when she steps down.
- **Other minority EU governments.** Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU, and they had threatened to derail the 7 year EU budget until a compromise was thrashed out in late 2020. There has also been a rise in anti-immigration sentiment in Germany and France.
- **Geopolitical risks**, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **UK** - a significant rise in inflationary pressures e.g. caused by a stronger than currently expected recovery in the UK economy after effective vaccines are administered quickly to the UK population, leading to a rapid resumption of normal life and return to full economic activity across all sectors of the economy.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a rapid series of increases in Bank Rate to stifle inflation.

General Fund PPM Budget 2021/22

Appendix 12 to Minute Number 78

PPM Areas:	Sum of Budget
Corp Operational	
Althorpe Enterprise Hub, Leamington Spa	£2,000
Corporate Stock	£40,000
Edmondscote Sports Ground, Leamington Spa	£46,500
Harbury Lane Sports Pavilion, Harbury Lane, Bishops Tachbrook	£500
Jubilee House, 19 Smalley Place, Kenilworth	£1,200
Oakley Woods, Banbury Road, Bishops Tachbrook	£8,100
Pageant Gardens, Castle Lane, WARWICK	£10,000
Pageant House, Jury Street, Warwick	£90,500
Pump Rooms, Leamington Spa	£48,000
Town Hall, The Parade, Leamington Spa	£86,000
Corp Operational Total	£332,800
Corp Non-Op	
Aviary - Jephson Gardens, The Parade, Leamington Spa	£1,500
Jephson Gardens Toilets, The Parade, Leamington Spa	£12,000
Market Place Toilets, Market Place, Warwick	£18,000
Newbold Comyn Sports Pavilion, Newbold Terrace East, Leamington Spa	£6,000
North Lodge, Jephson Gardens, The Parade, Leamington Spa	£7,000
Old Sea Cadets, Adelaide Road, Leamington Spa	£5,000
Restaurant - Jephson Gardens, The Parade, Leamington Spa	£3,000
Royal Naval Association, Adelaide Road, Leamington Spa	£5,000
South Lodge, Jephson Gardens, The Parade, Leamington Spa	£13,000
Spencers Yard, Avenue Road, Leamington Spa	£1,150
Temperate House - Jephson Gardens, The Parade, Leamington Spa	£24,300
Corp Non-Op Total	£95,950
Car Parks	
Abbey End Car Park, Abbey End, Kenilworth	£1,000
Adelaide Bridge Car Park, Adelaide Road, Leamington Spa	£1,650
Chandos Street Car Park, Chandos Street, Leamington Spa	£2,000
Covent Garden Multi-storey Car Park, Russell Street, Leamington Spa	£4,000
Linen Street Multi-storey Car Park, Linen Street, Warwick	£21,200
Myton Fields Car Park, Myton Road, Warwick	£1,000
Priory Road Car Park, Priory Road, Warwick	£1,000
St Peters Multi-storey Car Park, Augusta Place, Leamington Spa	£11,400
Car Parks – Minor Works	£3,050
Car Parks Total	£46,300
Open Spaces	
Abbey Fields, Kenilworth	£30,000
Leamington Cemetery, Leamington Spa	£23,500
Leamington Closed Churchyards, Leamington Spa	£12,000
Milverton Cemetery, Old Milverton Road, Leamington Spa	£2,000
Public Open Space	£583,000
Warwick Cemetery, Warwick	£12,000
Newbold Comyn Park, Leamington Spa	£16,000
Barn, Abbey Fields, Bridge Street, Kenilworth	£20,000
Kenilworth Cemetery, Kenilworth	£3,000
Open Spaces Total	£701,500
Corp M&E	
Jubilee House, 19 Smalley Place, Kenilworth	£1,000
Leamington Spa Water Tap, Parade, Leamington Spa	£3,500
Corp M&E Total	£4,500
Non-Op Shops/Flats	
Consolidated works at Church Walk	£5,500
Consolidated works at Market Street	£304,000
Consolidated works at Hamilton Terrace	£46,000
Consolidated works at Regent Street	£1,100
Basement Ground First & Second Floor, 10 Hamilton Terrace, Leamington Spa	£3,520
Non-Op Shops/Flats Total	£360,120
Grand Total	£1,541,170

2021/22 PPM Funding

2021/22 Estimated Corporate Reserve Opening Balance	£
Opening 2020/21 Balance – Corporate Assets Reserve	£1,589,121
Less 2020/21 Estimated Reserve Drawdown	-£229,054
Year End Estimate 2020/21	£1,360,067
2021/22 Funding Analysis	£
2021/22 PPM Base General Fund Budget	£413,000
2021/22 Corporate Assets Reserve Balance	£1,360,067
Total Available Funding	£1,773,067

PPM 5 Year Medium Term Financial Plan

Year	£
2021/22	£1,541,170
2022/23	£1,300,000
2023/24	£970,000
2024/25	£810,000
2025/26	£650,000
Total	£5,271,170

Treasury Management Strategy for 2021/22

The strategy for 2021/22 covers two main areas:

A. Capital issues

- the minimum revenue provision (MRP) policy – see Appendix C.
- the capital expenditure plans and the associated prudential indicators – Capital Expenditure Plans form part of the General Fund Budget report and the prudential indicators are included in Appendix D.

B. Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Council (Appendix D)
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy (Appendix B)
- creditworthiness policy (Appendix B, section 3)
- training
- benchmarking
- performance and
- the policy on the use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

1 Training

- 1.1 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Following the May 2019 Council elections, Link Asset Services (Link) delivered training to Members of the Finance and Audit Scrutiny Committee and other interested Members in November 2019. Further training will be provided as and when required.
- 1.2 Officers involved in treasury management have received training from the Council's treasury consultants, CIPFA and other providers, as well as from a previous post holder. This knowledge will be kept up to date by regular attendance at seminars held by our consultants and other sources, such as CIPFA publications and market intelligence.

2 External service providers

- 2.1 The Council uses Link Group, Treasury Solutions ('Link') as its external treasury management advisor. The option to extend the contract with Link by two years was exercised, taking the current agreement to January 2022.

- 2.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed on the services of external service providers. All decisions will be undertaken with regards to all available information, including but not solely our treasury advisers.
- 2.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.
- 2.4 Banking services are provided by HSBC Bank Plc, with the current agreement running until February 2025.

3 Benchmarking

- 3.1 Link co-ordinates a sub-regional treasury management benchmarking service of which Warwick District Council is an active participant. The Council aims to achieve or exceed the weighted average rate of return of the Link model portfolio, which is published quarterly.

4 Performance

- 4.1 Performance of the treasury function is reported twice yearly to the Finance and Audit Scrutiny Committee.
- 4.2 The Treasury Management Team will seek to achieve a return on its money market investments of 0.0625% over the London Interbank Bid Rate (LIBID) of a similar duration (LIBID refers to the average interest rate which major London banks are willing to borrow from each other).

5 Prospects for interest Rates

- 5.1 Link assists the Council to formulate a view on interest rates. Further information is contained in Appendix F.
- 5.2 The following table gives Link's central view as at 18 December 2020, before the new strain of COVID-19 was formally identified, on finance markets worldwide:

Bank Rate															
	NOW	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Link Group	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Capital Economics	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	-	-	-	-	-
5yr PWLB Rate															
	NOW	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Link Group	0.81%	0.80%	0.80%	0.80%	0.80%	0.80%	0.90%	0.90%	0.90%	0.90%	0.90%	1.00%	1.00%	1.00%	1.00%
Capital Economics	0.81%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	-	-	-	-	-
10yr PWLB Rate															
	NOW	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Link Group	1.11%	1.10%	1.10%	1.10%	1.10%	1.10%	1.20%	1.20%	1.30%	1.30%	1.30%	1.20%	1.30%	1.30%	1.30%
Capital Economics	1.11%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	-	-	-	-	-
25yr PWLB Rate															
	NOW	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Link Group	1.66%	1.50%	1.50%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.70%	1.80%	1.80%	1.80%	1.80%
Capital Economics	1.66%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	-	-	-	-	-
50yr PWLB Rate															
	NOW	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Link Group	1.49%	1.30%	1.30%	1.40%	1.40%	1.40%	1.40%	1.50%	1.50%	1.50%	1.50%	1.60%	1.60%	1.60%	1.60%
Capital Economics	1.49%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	-	-	-	-	-

Link Group Interest Rate View															
	Now	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Bank Rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
3 Month LIBID	-0.08%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
6 Month LIBID	-0.08%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
12 Month LIBID	-0.01%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%

- 5.3 The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 5 November 2020, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the forecast table above as economic recovery is expected to be only gradual and, therefore, prolonged.
- 5.4 **Bond yields / PWLB rates.** There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields.
- 5.5 While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much

now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this had seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

- 5.6 Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked up during the financial crisis in March, these yields fell sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. Government bonds. However, major western central banks took rapid action to deal with excessive stress in financial markets during March 2020, and started massive quantitative easing purchases of Government bonds: this also acted to put downward pressure on Government bond yields at a time when there has been a huge and quick expansion of Government expenditure financed by issuing Government bonds. Such unprecedented levels of issuance in 'normal' times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/21.
- 5.7 As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the COVID-19 shutdown period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9 November 2020 when the first results of a successful vaccine trial were announced). Such volatility could occur at any time during the forecast period.

6 Investment and borrowing rates

- 6.1 **Investment returns** are likely to remain exceptionally low during 2021/22 with little increase expected in the following two years.
- 6.2 **Borrowing interest rates** fell to historically very low rates as a result of the COVID-19 crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 2020/21. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. The unexpected increase of 100 bps in PWLB rates on top of the then current margin over gilt yields of 80 bps in October 2019, required an initial major rethink of local authority treasury management strategy and risk management. However, in March 2020, the Government started a consultation process for reviewing the margins over gilt rates for PWLB borrowing for different types of local authority capital expenditure. It also introduced the differential rates for borrowing for different types of capital expenditure, with higher rates for non-housing schemes.

- 6.3 As a consequence of these increases in margins, many local authorities decided to refrain from PWLB borrowing unless it was for HRA or local infrastructure financing, until such time as the review of margins was concluded.
- 6.4 On 25 November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had **purchase of assets for yield** in its three year capital programme. The new margins over gilt yields are as follows:
- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
 - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
 - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)¹
- 6.5 **Borrowing for capital expenditure.** As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. However, greater value can be obtained in borrowing for shorter maturity periods so the Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.
- 6.6 While this authority will not be able to avoid borrowing to finance new capital expenditure and the rundown of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

7 Borrowing Strategy

- 7.1 The capital expenditure plans set out in Section 4 of Appendix D provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.
- 7.2 The Council's current long-term borrowing portfolio consists of £136.157 million HRA and £12 million General Fund PWLB debt. The Council has no short-term borrowing other than finance leases.
- 7.3 These HRA loans were taken out in 2012 to finance the HRA Self Financing settlement, and the interest paid on this debt is entirely borne by the HRA and is provided for as part of the HRA Business Plan. The first of these loans is scheduled to be repaid on 28 March 2053 with the final loan being repaid on 28 March 2062. As part of reviewing the HRA Business Plan in December 2020,

¹ 3rd Round ran from 11th April to 11th July 2020 so closed until HM Treasury announces a 4th Round

the Executive agreed that the Business Plan should allow for this debt to be replaced, so maintaining the overall level of debt and so give additional funds to invest in the housing stock.

- 7.4 £12 million was borrowed in September 2019, for repayment at maturity on 28 August 2059, with the interest borne by the General Fund, largely covering unfinanced capital expenditure in 2017/18 and 2018/19 (primarily relating to the Leamington and Warwick Leisure Centres).
- 7.5 The Council has been maintaining an under-borrowed position, which means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure, i.e. borrowing has been deferred. This strategy has been prudent while investment returns are historically low and counterparty risk is more unpredictable than usual.
- 7.6 The borrowing undertaken in 2019 has reduced the under-borrowed position of the previous two financial years. The position is not sustainable in the longer-term as (i) the Council will eventually need to replenish the cash backing the Reserves and Balances in order to pay for future developments, and (ii) the upside risk of PWLB and other borrowing rates as a result of economic factors make it prudent to consider "externalising" more of the internal borrowing by taking PWLB loans during 2021/22.
- 7.7 Additionally, there are a number of potential very large housing-related and other capital schemes that would significantly deplete or extinguish investment balances unless considerable external borrowing in 2020/21 or 2021/22 and beyond is undertaken. Please see Appendix D, Tables 4 and 5, for details of proposed capital expenditure and financing, including the borrowing requirement. Approval of these within the borrowing limits does not commit the Council to progressing with these schemes.
- 7.8 Against this background and the risks within the economic forecast, caution will be adopted with the 2021/22 treasury operations. The Head of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.
- 7.9 If it was forecast that there was a significant risk of:
- a sharp FALL in borrowing rates, then borrowing will be postponed for as long as practical;
 - a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised.

Most likely, fixed rate funding will be drawn whilst interest rates are in line with current projections for the next few years.

7.10 Approved sources of long and short-term borrowing

On Balance Sheet	Fixed	Variable
Public Works Loan Board (PWLB)	✓	✓
Municipal Bond Agency (MBA)	✓	✓
Local authorities	✓	✓
Banks	✓	✓
Pension funds	✓	✓
Insurance companies	✓	✓
Market (long-term)	✓	✓
Market (temporary)	✓	✓
Market (LOBOs)	✓	✓
Stock issues	✓	✓
Local temporary	✓	✓
Local bonds	✓	X
Local authority bills	✓	✓
Overdraft	X	✓
Negotiable bonds	✓	✓
Internal (capital receipts & revenue balances)	✓	✓
Commercial paper	✓	X
Medium term notes	✓	X
Finance leases	✓	✓

- 7.11 The degree which any of these options proves cheaper than PWLB Certainty Rate is still evolving at the time of writing - and was significantly effected by the reduction in non-housing PWLB rates in late November 2020 - but the Council's advisors will keep officers informed. Financial institutions and the Municipal Bond Agency (MBA) are likely to have significantly more complex administration and legal arrangements than PWLB loans, even though those arrangements became more demanding in November.
- 7.12 The Council will use short-term borrowing (up to 365 days), if necessary, in order to finance temporary cash deficits. However, proactive cash flow management will aim to keep these to a minimum and, wherever possible, the loan would be taken out for periods of less than 7 days in order to minimise the interest payable. The Council has not incurred any short-term borrowing (other than minimal bank overdrafts) in 2020/21 to date and is not expecting to during 2021/22.
- 7.13 Any decisions will be reported to the appropriate decision making body at the next available opportunity.

8 Policy on borrowing in advance of need

- 8.1 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

- 8.2 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

9 Current treasury position

- 9.1 The investments at 21 December 2020 are summarised below:

Type of Investment	21 Dec 20 £'000	30 Sep 20 £'000	31 Mar 20 £'000
Money Markets incl. CD's & Bonds	37,000	38,500	42,500
Money Market Funds	41,552	35,561	18,125
Business Reserve Account	3	3	5,000
Total In House Investments	78,555	74,064	65,625
Corporate Equity Funds (nominal value)	6,000	6,000	6,000
Total Investments	84,555	80,064	71,625

- 9.2 The market valuations of the two equity funds, as opposed to the nominal value included above, are shown below:

Equity Fund	21 Dec 20 £'000	30 Sep 20 £'000	31 Mar 20 £'000
Royal London UK Equity Fund	3,121	2,705	2,553
Columbia Threadneedle UK Equity Income Fund	3,102	2,803	2,569
Total	6,223	5,508	5,122

- 9.3 These equity fund valuations at 21 December 2020 include unrealised capital gains and dividends, the latter being amounts that have been credited to the General Fund since inception and are retained within the above values. At the time of writing the funds would need to increase in value by around £600,000 to accommodate the dividends and the unrealised losses.
- 9.4 The amount of 'extraction of fossil fuel' related investments within the two funds at the end of October 2020 was (a) Royal London – 5.55% and (b) Columbia Threadneedle – 4.86%. The Council does not have any influence over where these pooled equity funds invest.
- 9.5 Alternative ESG (Environmental, Social and Governance) equity funds are available, which operate with either negative ('avoiding') screening or positive screening. The appropriateness of these ESG funds would be considered in conjunction with the consideration of the planned increase in borrowing need.
- 9.6 The corresponding borrowing position is summarised below:


External Borrowing	21 Dec 20 £'000	30 Sep 20 £'000	31 Mar 20 £'000
Public Works Loan Board	148,157	148,157	148,157
Total	148,157	148,157	148,157

10 Debt rescheduling

- 10.1 Rescheduling of borrowing in the Council's debt portfolio will remain uneconomic within current interest rates, given the high premia the PWLB would charge.
- 10.2 The Council's treasury advisors will continue to monitor the debt portfolio and identify any opportunities for debt restructuring but there would need to be a significant increase in interest rates for this occur.
- 10.3 If rescheduling was done, it would be reported to the Finance and Audit Scrutiny Committee, or equivalent, at the earliest meeting following its action.

Annual Treasury Management Investment Strategy

1 Investment policy – management of risk

- 1.1 The MHCLG² and CIPFA³ have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).
- 1.2 The Council’s investment policy has regard to the following:
- MHCLG’s Guidance on Local Government Investments (“the Guidance”),
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”),
 - CIPFA Treasury Management Guidance Notes 2018.
- 1.3 The Council’s investment priorities, using the established ‘SLY’ principles in decreasing importance, are:
1. **S**ecurity,
 2. **L**iquidity and
 3. **Y**ield return.
- 
- 1.4 The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:
- 1.4.1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- 1.4.2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as ‘**credit default swaps**’ and overlay that information on top of the credit ratings.
- 1.4.3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 1.4.4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use under the categories of ‘specified’ and ‘non-specified’ investments:

² Ministry of Housing, Communities & Local Government

³ Chartered Institute of Public Finance & Accountancy

- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e. an 18-month deposit would still be non-specified even if it has only 11 months left until maturity.
 - **Commercial investments** are outside the Council's treasury management strategy and may eventually be subject to the development of a new *Investment Regeneration Strategy*. The Public Works Loan Board has introduced new rules in December 2020 allowing local government borrowing which can only be accessed if you have no Investment Assets bought primarily for yield.
- 1.4.5. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being 70% of the total investment portfolio.
 - 1.4.6. **'Commercial' investments limit.** The Council would determine the maximum exposure to 'commercial' investments (including loans to third parties at commercial rates of interest but excluding "Investment Assets bought primarily for yield"), expressed as a percentage of the total investment portfolio, as part of the prospective development and approval of a *Investment Regeneration Strategy*.
 - 1.4.7. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in Appendix B Annex 2.
 - 1.4.8. **Transaction limits** are not set for each type of investment, being subject to the overall lending limit in 1.4.7 above.
 - 1.4.9. This authority will set a limit for the amount of its investments which are invested for **longer than 365 days**. (70% - see paragraph 3.11 below).
 - 1.4.10. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (Appendix B Annex 2).
 - 1.4.11. This authority has engaged **external consultants**, (Appendix A section 2), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
 - 1.4.12. All investments will be denominated in **sterling**.
 - 1.4.13. As a result of the change in **accounting standards** for 2020/21 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund⁴. This override applies to the Council's equity funds

⁴ In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to

and will be a factor in their appropriateness after 2022/23.

- 1.5 However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

2. Changes in risk management policy from last year

- 2.1 The above criteria are unchanged from last year.

3. Creditworthiness policy

- 3.1 The Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies: Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:
- 'watches' and 'outlooks' from credit rating agencies
 - Credit Default Swap (CDS) spreads that may give early warning of changes in credit ratings
 - sovereign ratings to select counterparties from only the most creditworthy countries.
- 3.2 All credit ratings will be monitored routinely and will inform every investment decision. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service:
- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
 - In addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Financials benchmark and other market data on a daily basis via its *Passport* website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- 3.3 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, as well as information on any external support for banks to help support its decision making process.
- 3.4 All investments in property, corporate bond and corporate equity funds will be supported by the advice of Link, the Council's treasury advisors.
- 3.5 The Council will ensure that it maintains the lists of permitted investments and counterparty limits (Annexes 1 and 2) and will revise and submit the criteria to Council for approval when required. In respect of counterparty limits, the Council's investment balances have increased in recent years mainly due to increasing Housing Revenue Account (HRA) balances that are projected to be utilised in the medium term.

adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1 April 2018

- 3.6 In order to provide flexibility and to continue to be able to invest in the highest quality counterparties it is proposed to keep the counterparty limits for certain institutions as follows:

Institution Type	Limit
A rated private banks	£5m
A+ rated private banks	£7m
AA rated private banks	£8m
Government Debt CNAV MMFs ⁵	£10m
LVNAV MMFs ⁶	£10m

- 3.7 The Council has both cash flow derived and core balances available for investment. Investment decisions will be made with regard to cash flow requirements, core cash balances and the outlook for short term interest rates.
- 3.8 The Council will continue to use Money Market Funds (MMFs), call bank accounts and the money markets to invest cash flow driven money until the time when it is required. Core investments will be invested in a combination of corporate equity funds and the financial markets.
- 3.9 The Council has two corporate equity fund managers, Royal London Asset Management and Columbia Threadneedle, the performance of which are kept under review. Currently the funds are expected to make dividend returns of around 2.7% in 2021/22, although this is subject to many caveats including post-Brexit and the COVID-19 pandemic. These specific equity funds do invest in companies extracting fossil fuels⁷ and the recommendation is to divest from these funds by the end of 2025 as part of the Council's Climate Emergency Declaration. Options include closing these funds (reflecting the underlying use of balances and reserves) or re-investing in ESG (Environmental Social & Governance) equity funds. Any new fund manager appointments would be made in conjunction with the treasury advisers and in adherence with the Council's procurement rules. Re-procuring to invest these funds is likely to incur an additional cost, as well as taking officer and member time. The issue of the increase in fund values necessary to remove unrealised losses is included in Appendix A at paragraph 9.3.
- 3.10 Based on its cash flow forecasts (subject to any 'internal borrowing' pending borrowing for new capital expenditure, including commercial investment), the Council anticipates that its investments in 2021/22 on average will be in the region of £75m, of which £32m will be "core" investments i.e. made up of reserves and balances which are not required in the short term.
- 3.11 The maximum percentage of its investments that the Council will hold in long-term investments (over 365 days) is 70%. It follows therefore that the minimum percentage of its overall investments that the Council will hold in short term investments (365 days or less) is 30%. Having regard to the Council's likely cash flows and levels of funds available for investment the

⁵ Constant Net Asset Value Money Market Funds

⁶ Low-Volatility Net Asset Value Money Market Funds

⁷ Oil and gas, less that 5% of the combined portfolio at the end of October 2020

amount available for long-term investment will be a maximum of 70% of the core investment portfolio subject to a total of £30 million at any one time in line with the Prudential Indicator covering this issue. These limits will apply jointly to the in house team and any fund managers so that the overall ceilings of 70% and £30 million are not breached.

- 3.12 The 2021/22 interest rate outlook is for Bank Rate to start the year at 0.10% and Link expect it to remain at that level until the end of 2023/24. Based on current investment policies and interest rate projections, it is currently estimated that the overall portfolio will achieve a 0.50% return for 2021/22, augmented by the dividends from the equity funds.

4. Investments that are not part of treasury management activity

- 4.1 Where, in addition to treasury management investment activity, the Council invests in other financial assets and property where financial return is a significant but not the primary driver (to avoid the Council being excluded from taking PWLB borrowing), these investments will be proportional to the level of resources available and the Council will ensure the same robust procedures for the consideration of risk and return are applied to these decisions.
- 4.2 The Council recognises that investment in other financial assets e.g. loans to third parties and property may be taken for non-treasury management purposes, thus requiring careful investment management. Such activity includes loans supporting service outcomes and commercial investments.
- 4.3 The Council's framework to consider such non treasury management investments would be reflected within the *Capital Strategy* and the potential new *Investment Regeneration Strategy*, referred to in this report. All such investment proposals will be considered on their own merits, and have regard to treasury management principles.
- 4.4 The Council will ensure the organisation's investments are covered in the capital programme, investment strategy or equivalent, and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.

Schedule of specified and non-specified investments

Specified Instruments (365 days or less)

- Deposits with banks and building societies
- Deposits with UK Government, Nationalised Industries, Public Corporations, and UK Local Authorities
- UK Government Gilts
- Debt Management Agency Deposit Facility (DMADF)
- Government Debt Constant Net Asset Value Money Market Funds (AAA rated)
- Low Volatility Net Asset Value Money Market Funds (AAA rated)
- Variable Net Asset Value Money Market Funds (AAA rated)
- Certificates of deposits issued by banks and building societies
- Corporate Bonds issued by private sector financial institutions
- Corporate Bonds issued by financial institutions partly or wholly owned by the UK Government
- Corporate Bonds issued by corporates
- Covered Bonds issued by private sector financial institutions
- Covered Bonds issued by financial institutions partly or wholly owned by the UK Government
- Covered Bonds issued by corporates
- Supranational Bonds issued by Supranational Institutions or Multi-Lateral Development Banks
- Floating Rate Notes issued by private sector financial institutions
- Floating Rate Notes issued by financial institutions partly or wholly owned by the UK Government
- Floating Rate Notes issued by corporates
- Eligible Bank Bills
- Sterling Securities guaranteed by HM Government
- Repos

Non Specified Investments

- Deposits with unrated building societies
- Deposits with banks and building societies greater than 365 days
- Deposits with UK Local Authorities greater than 365 days
- Certificates of deposits issued by banks and building societies greater than 365 days
- Corporate Bonds issued by private sector financial institutions greater than 365 days
- Corporate Bonds issued by financial institutions partly or wholly owned by the UK Government greater than 365 days
- Corporate Bonds issued by corporates greater than 365 days

- Covered Bonds issued by private sector financial institutions greater than 365 days
- Covered Bonds issued by financial institutions partly or wholly owned by the UK Government greater than 365 days
- Covered Bonds issued by corporates greater than 365 days
- Corporate Bond Funds
- Regulated Property Funds including Real Estate Investment Trusts
- CCLA Property Fund or other similar property fund
- Diversified asset funds (e.g. CCLA DIF)
- UK Government Gilts with over 365 days to maturity
- Supranational Bonds issued by Supranational Institutions or Multi-Lateral Development with over 365 days to maturity
- Corporate Equity Funds

Counterparty Limits

Investment / counterparty type:	S/term	L/term	Viability / support	# Sovereign country min. credit rating	Max limit per counterparty	Max. maturity period	Use	Notes ref
Specified instruments: (repayable within 12 months)	(FITCH or equivalent)							
DMADF	n/a			AA-	£12m	365 days	In house & EFM*	
UK Govt. / local authorities / public corporations / nationalised industries	n/a		High		£10m	365 days	In house & EFM*	11
Bank - part nationalised UK	F1	A		AA-	£9m	365 days	In house & EFM*	1 & 2
Bank - private (includes fixed term deposits, CDs and category 1 FRNs & bonds)	F1	A		AA-	£5m	365 days	In house & EFM*	1 & 2
	F1	A+		AA-	£7m	365 days	In house & EFM*	1 & 2
	F1	AA- & above		AA-	£8m	365 days	In house & EFM*	1 & 2
	F1	A		AA-	£4m	365 days	In house & EFM*	1 & 2
Other private sector financial institutions (includes category 1 FRNs & bonds)	F1	A+		AA-	£6m	365 days	In house & EFM*	1 & 2
	F1	AA- & above		AA-	£7m	365 days	In house & EFM*	1 & 2
	F1	A		AA-	£4m	365 days	In house & EFM*	1 & 2
Corporates (category 3 FRNs & bonds)	F1	A+		AA-	£5m	365 days	In house & EFM*	1 & 2
	F1	AA- & above		AA-	£6m	365 days	In house & EFM*	1 & 2
	F1	A		AA-	£4m	365 days	In house & EFM*	1 & 2
Bank subsidiaries of UK banks	Unrated			Explicit Parent Guarantee	£5m	3 months	In house & EFM*	1 & 3
Money Market Fund (CNAV)	AAAm / Aaa-mf/AAAmf				£10m	liquid	In house & EFM*	
Money Market Fund (LVNAV)	AAAm / Aaa-mf/AAAmf				£10m	liquid	In house & EFM*	
Money Market Fund (VNAV)	AAAf S1 / Aaa-bf/ AAA/V1				£6m	liquid	In house & EFM*	4
Building societies - category A	F1	A		AA-	£4m	365 days	In house & EFM*	1a.
Building societies - category B	F1			AA-	£2m	365 days	In house & EFM*	1a.
Corporate bonds - category 2		A			£9m	365 days	In house & EFM*	5
Covered bonds - category 2		A			£9m	365 days	In house & EFM*	12
Bonds - supranational / multi-lateral development banks	AAA / Govt Guarantee				£5m	365 days	In house & EFM*	
Floating Rate Notes (FRN) - category 2	A				£9m	365 days	In house & EFM*	6
Eligible bank bills	n/a			Determined by EFM	£5m	365 days	EFM*	
Sterling securities guaranteed by HM Government	n/a			AA-	9m	not defined	EFM*	

Investment / counterparty type:	S/term	L/term	Viability / support	# Sovereign country min. credit rating	Max limit per counterparty	Max. maturity period	Use	Notes ref
Non-specified instruments:	(FITCH or equivalent)							
Building societies - assets > £500m	unrated category C				£1m	3 months	In house	1b & 9
Bank - part nationalised UK > 1 year	F1	A		AA-	£9m	2 years	In house + advice & EFM*	1b, 2, & 10
Bank - private (includes fixed term deposits, CDs and category 1 FRNs & bonds)	F1	A		AA-	£5m	2 years	In house + advice & EFM*	1b, 2, & 10
	F1	A+		AA-	£7m	2 years	In house + advice & EFM*	1b, 2, & 10
	F1	AA- & above		AA-	£8m	2 years	In house + advice & EFM*	1b, 2, & 10
Other private sector financial institutions (includes category 1 FRN's & Bonds)	F1	A		AA-	£4m	2 years	In house + advice & EFM*	1b, 2, & 10
	F1	A+		AA-	£6m	2 years	In house + advice & EFM*	1b, 2, & 10
	F1	AA- & above		AA-	£7m	2 years	In house + advice & EFM*	1b, 2, & 10
Corporates (category 3 FRN'S, Bonds)	F1	A		AA-	£4m	2 years	In house + advice & EFM*	1b, 2, & 10
	F1	A+		AA-	£5m	2 years	In house + advice & EFM*	1b, 2, & 10
	F1	AA- & above		AA-	£6m	2 years	In house + advice & EFM*	1b, 2, & 10
Building societies - > 1 year	F1	A		AA-	£1m	2 years	In house + advice & EFM*	1b & 10
Local authorities > 1 year	n/a		High		£9m	5 years	In house + advice	10
Corporate bonds - category 2 > 1 year		A			£9m	2 years	In house & EFM*	5 & 10
Covered bonds - category 2 > 1 year		A			£9m	2 years	In house & EFM*	10 & 12
Corporate Equity Funds - low risk		N/A		See note 13	£4m	10 years	EFM*	13 & 14
Corporate Equity Funds - medium risk		N/A		See note 13	£2m	10 years	EFM*	13 & 14
Corporate Bond Funds		BBB			£5m	10 years	In house + advice & EFM*	10
Pooled property fund eg: REITS				Authorised FS&MA	£5m	10 years	In house + advice	10
CCLA property funds	n/a			see note 8	£5m	10 years	In house + advice	7 & 10
Day to day balances	n/a				n/a	n/a	In house	8

Notes:	
*	EFM = External Fund Manager
#	Minimum sovereign rating does not apply to UK domiciled counterparties
	All maximum maturity periods include any forward deal period
1.	Includes business call reserve accounts, special tranches & any other form of investment with that institution e.g. certificate of deposits, corporate bonds and repos, except where the repo collateral is more highly credit rated than the counterparty in which case the counterparty limit is increased by £3m with a maximum in repos of £3m
1a.	Includes business call reserve accounts, special tranches & any other form of investment with that institution e.g. certificate of deposits, corporate bonds and repos, except where the repo collateral is more highly credit rated than the counterparty in which case the counterparty limit is increased by £2m with a maximum in repos of £2m
1b.	Includes business call reserve accounts, special tranches & any other form of investment with that institution e.g. certificate of deposits, corporate bonds and repos
2.	Counterparty limit is also the group limit where investments are with different but related institutions
3.	Unrated but with explicit guarantee by parent + parent meets minimum ratings of short-term F1, long-term A. Subject to group limit relating to parent bank e.g. £5m if private of £9m if part or wholly nationalised
4.	Subject to overall group limit of £6m
5.	Corporate bonds must be senior unsecured and above. Category types:
	Category 1: Issued by private sector financial institutions
	Category 2: Issued by financial institutions wholly owned or part owned by the UK Government
	Category 3: Issued by corporates
6.	Floating rate notes - categories as per note 5 above
7.	Security of trustee of fund (LAMIT) controlled by LGA, COSLA who appoint the members and officers of LAMIT
8.	Minimum exposure to credit risk as overnight balances only
9.	Group limit of £8m
10.	£15m overall limit for corporate bond / equity / property funds & £20m limit for all counterparties
11.	UK Government includes gilt edged securities and Treasury bills
12.	Covered bonds category types:
	Category 1: Issued by private sector financial institutions
	Category 2: Issued by financial institutions wholly owned or part owned by the UK Government
	Category 3: Issued by corporates
13.	Risk determined as follows:
	Low - UK equity income funds
	Medium - UK capital growth funds
14.	Maximum investment limit subject to 10% capital growth, i.e. maximum is 110% of original investment

Approved Countries for Investments

This list, as at 5 January 2021, is based on those countries which have sovereign ratings of AA- or higher, based on the lowest rating from Fitch, Moody's and S&P. Fallers since last year are in red italic.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- *Canada*
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- *Hong Kong*
- Qatar
- *U.K.*

Minimum Revenue Provision Policy

1 Background

- 1.1 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the Capital Financing Requirement - CFR) through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments if required (Voluntary Revenue Provision - VRP).
- 1.2 MHCLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following **MRP Statement**.
- 1.3 The *Statutory Guidance on Minimum Revenue Provision*⁸ offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.

2 Four Main Options

2.1 Option 1 – Regulatory Method

This option is the old statutory method of 4% of the CFR and which has to be used in order to calculate MRP on all debt still outstanding at 1 April 2008⁹. It can also be used to calculate MRP on debt incurred under the new system but which is supported through the annual SCE (Supported Capital Expenditure) allocation from DCLG.

2.2 Option 2 – Capital Financing Requirement Method

This is a variation of Option 1 and is based on 4% of the CFR with certain changes and is appropriate where the borrowing is not linked to a particular asset.

2.3 Option 3 – Asset Life Method

Under this option, it is intended that MRP should be spread over the useful life of the asset financed by the borrowing or credit arrangement. In future, where borrowing is utilised to finance specific assets it is likely that the period of the loan will match the expected life of the asset and therefore, under this method the annual charge to the Council's accounts is directly related to building up the provision required to pay off the loan when it matures which, under Options 1 and 2, is not possible.

There are 2 methods of calculating the annual charge under this option

⁸ Guidance issued by the Secretary of State under section 21(1A) of the *Local Government Act 2003*. Fourth edition applies to periods commencing 1 April 2019.

⁹ The Council had no debt at this date

- a) equal annual instalments or
- b) by the annuity method where annual payments gradually increase during the life of the asset.

2.4 Option 4 – Depreciation Method

This is a variation on option 3 using the method of depreciation attached to the asset e.g. straight line where depreciation is charged in equal instalments over the estimated life and the reducing balance method where depreciation is greater in the early years of an assets life and which is most appropriate for short lived assets e.g. vehicles. In this Council's case assets are depreciated using the straight line method and so option 4 is not materially different from option 3.

3 HRA

- 3.1 There is no requirement on the HRA to make a MRP but there is a requirement for a charge for depreciation to be made.
- 3.2 Under the Self Financing regime, the HRA Business Plan has to provide resources for the repayment of the £136.157m borrowed from the PWLB on the 28 March 2012. Repayment of this debt is currently provided for commencing in year 41 (2052/53) and continuing through to year 50 year of the Business Plan.
- 3.3 The HRA will apply the same principle to new borrowing undertaken for capital investment.

4 Voluntary Revenue Provision (VRP)

- 4.1 MHCLG issued revised MRP guidance in 2018 concerning Voluntary Revenue Provision. In future any VRP or overpayment of MRP, which has been disclosed in previous years' MRP statement, can be reclaimed and credited back to the General Fund in certain circumstances. An example would be a loan to a third party where during the duration of the loan MRP or VRP has been made but on full repayment of the loan the principal has been applied to pay down the Capital Financing Requirement. In this instance the VRP is no longer required and can be released back to the General Fund. The Council has instances of such loans but has elected to not make MRP or VRP on these as they are of relatively short duration and on repayment the principal repaid will be applied to pay down the Capital Financing Requirement.

5 Warwick District Council Policy

- 5.1 It is recommended that for any long-term borrowing on the General Fund e.g. leisure centre refurbishments, the following methods of Minimum Revenue Provision be adopted:
 - For borrowing specifically linked to a particular asset or capital scheme – Option 3 based on the annuity method.
 - For borrowing that cannot be linked to a particular asset or capital scheme – Option 3 based on the annuity method using the weighted average life of assets.
- 5.2 For any borrowing incurred through finance leases, the annual principal repayments in the lease are regarded as MRP.

- 5.3 Although not strictly part of MRP requirements, it is also recommended that for internal borrowing (i.e. capital expenditure financed from reserves), where appropriate, Option 3 based on the annuity method be adopted, in most cases, as a means of replenishing those reserves which financed the capital expenditure. In exceptional circumstances another method may be more appropriate.
- 5.4 For short to medium duration loans to third parties the Council will not make either MRP or VRP but instead apply the capital receipt received through the repayment of the loan to pay down the Capital Financing Requirement.
- 5.5 The Council may on occasion enter into agreement to undertake a scheme / capital payment whereby monies and resources (grants, capital receipts, S106 receipts, etc.) will be received some time after the scheme / capital payment has been completed. On such occasions whereby the capital expenditure is expected to be fully reimbursed by future capital or revenue income, no MRP will be provided. This position will be kept under review and should the likelihood of receipt of the income change, then MRP may be initiated. Such an example would be the granting of monies to an external organisation and S106 receipts are expected to pay for the capital liability.

Prudential and Treasury Indicators

1. Introduction

- 1.1. The Prudential Capital Finance system came into effect on 1 April 2004, replacing the previous system of approval allocations from central Government, allowing local authorities to decide how much they can prudently afford to borrow *and* pay back from revenue resources.
- 1.2. CIPFA developed the Prudential Code for Capital Finance in Local Authorities (the 'Prudential Code') to provide a mechanism to enable councils to ensure, that in line with the new freedom given, their capital investment plans are affordable, prudent and sustainable.
- 1.3. It is the Council's responsibility to set its prudential indicators, having regard to its own set of circumstances. The Council must demonstrate that its capital investment proposals are:
 - affordable
 - prudent and
 - sustainable.
- 1.4. All Indicators must be included in the Council's annual Treasury Strategy and Outturn report.
- 1.5. The Prudential and Treasury Indicators are divided into:
 - a) Prudential:
 - Affordability (section 2)
 - Prudence (section 3)
 - Capital Expenditure (sections 4 - 5)
 - External Debt (sections 6 - 7)
 - b) Treasury:
 - Treasury Indicators (section 8).
- 1.6. This Appendix explains what the Prudential and Treasury Indicators are as well as revising them for the current year, 2020/21, where appropriate and setting them for future years.

2. Affordability - Ratio of financing costs to net revenue stream

- 2.1. This ratio shows the trend in the cost of capital (borrowing and other long-term obligation costs, net of investment income) against the net revenue stream, i.e. taxation, rents and non-specific grant income.
- 2.2. The higher the ratio, the higher the proportion of resources tied up just to service met capital costs, and which represent a potential affordability risk.
- 2.3. It sets an upper limit on the proportion of the Council's net revenue streams both for General Fund and Housing Revenue Account (HRA) that is committed to servicing debt.
- 2.4. The table below shows the actual for 2019/20 and the ratios proposed for the General Fund, HRA and Overall as required by the Prudential Code. These figures exclude unapproved schemes, other than schemes subject to approval at the same Council meeting as this report.

Table 1

Year	General Fund	Housing Revenue Account	Overall
2019/20	-1.9%	38.4%	21.3%
2020/21	-2.00% to 4.00%	38.00% to 50.00%	23.00% to 33.00%
2021/22	0.00% to 7.00%	38.00% to 50.00%	24.00% to 35.00%
2022/23	0.00% to 8.50%	38.00% to 50.00%	24.00% to 35.00%
2023/24	0.00% to 10.00%	38.00% to 50.00%	24.00% to 35.00%

- 2.5. The ratio for estimates is a range rather than a single figure (except the 2019/20 actual), to allow for both the uncertain amount of borrowing that will take place for developments by the General Fund and HRA (such as the Housing Company), and the possible movements in long-term interest rates, as a relatively small variation from today's low level in borrowing costs could cause a ratio based on a precise percentage to be breached.
- 2.6. The significant size of the HRA ratio includes the HRA self-financing debt taken in 2012 and future potential borrowing for increasing the supply of dwellings, some through a Housing Company. If income increases at least much as the debt costs the ratio should not increase once the new rental properties are occupied – there will be a short-term cost during any acquisition and construction.
- 2.7. The General Fund ratio would increase for further borrowing to finance capital expenditure such as Housing Company loan, leisure centres and long-term loans to third parties.
- 2.8. The ratios will be monitored during the year and, if necessary, remedial action taken – such as Council increasing the limits - to avoid them being breached.

3. Prudence - Gross Debt and the Capital Financing Requirement

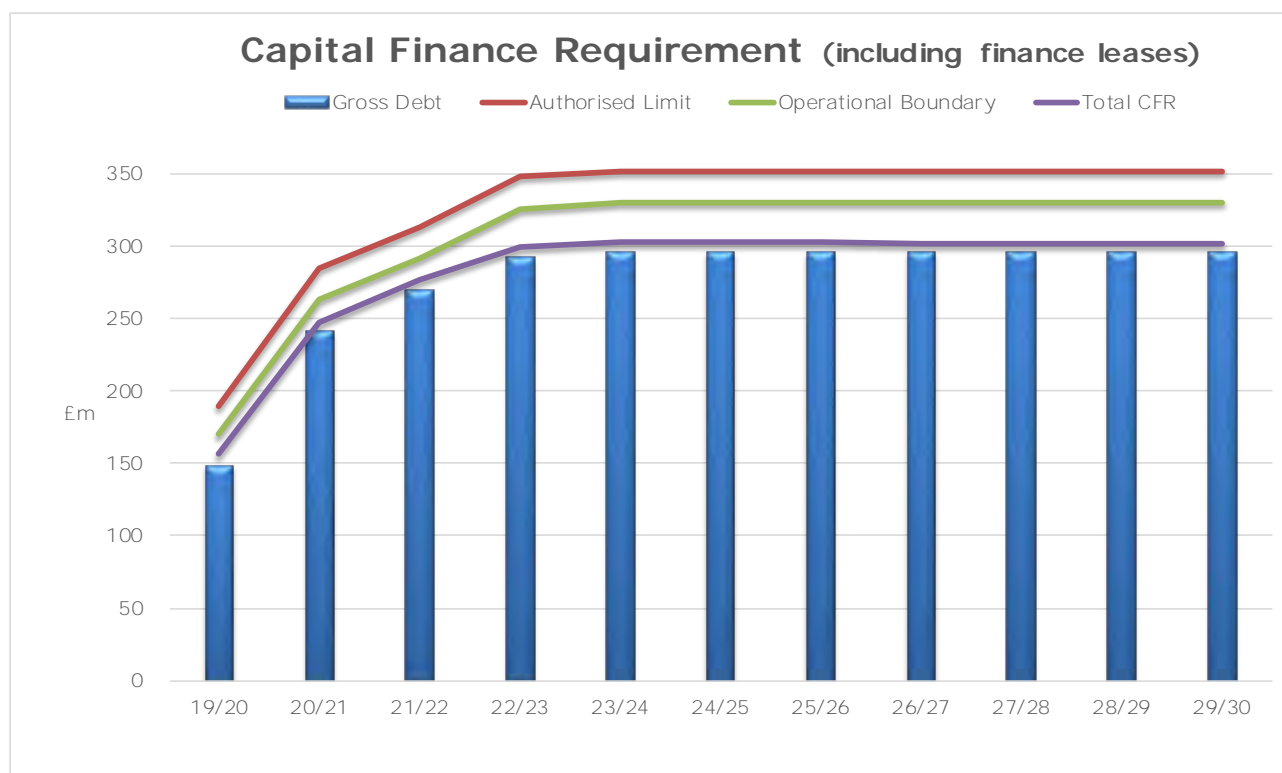
- 3.1 This indicator requires that gross debt, except in the short term, is to be kept below the Capital Financing Requirement (CFR) for the same period. This demonstrates that borrowing has not been taken in advance of need. It is estimated that gross external debt will be lower than the CFR in future years.
- 3.2 Table 2 shows the longer term projections, compared with total debt and the Authorised Limit and Operational Boundary from sections 6 and 7 respectively:

Table 2

Capital Financing Requirement (including finance leases)											
£m	Actual 19/20	Est 20/21	Est 21/22	Est 22/23	Est 23/24	Est 24/25	Est 25/26	Est 26/27	Est 27/28	Est 28/29	Est 29/30
HRA CFR	136.2	159.0	180.5	180.5	180.5	180.5	180.5	180.5	180.5	180.5	180.5
GF CFR	14.8	18.8	22.6	42.2	47.6	47.5	47.5	47.5	47.5	47.5	47.5
'Commercial' activity / non-financial investments	5.5	70.0	73.1	76.1	74.5	74.4	74.2	74.0	74.0	74.0	74.0
Total CFR	156.4	247.8	276.3	298.9	302.6	302.4	302.2	302.1	302.1	302.1	302.1
External borrowing - HRA	136.2	159.0	180.5	180.5	180.5	180.5	180.5	180.5	180.5	180.5	180.5
External borrowing - GF	12.0	80.9	87.8	110.4	114.1	114.1	114.0	113.8	113.8	113.8	113.8
Other long term liabilities	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Gross Debt	148.2	240.8	269.3	291.9	295.7	295.7	295.5	295.4	295.4	295.4	295.4
Internal borrowing - HRA	-	-	-	-	-	-	-	-	-	-	-
Internal borrowing - GF	8.2	6.9	6.9	6.9	6.9	6.7	6.7	6.7	6.7	6.7	6.7
WDC internal borrowing	8.2	6.9	6.9	6.9	6.9	6.7	6.7	6.7	6.7	6.7	6.7
Authorised Limit	189.3	284.9	313.4	347.9	351.7	351.7	351.7	351.7	351.7	351.7	351.7
Operational Boundary	170.3	262.9	291.4	325.9	329.7	329.7	329.7	329.7	329.7	329.7	329.7

- 3.3 These figures are shown in graphical form, demonstrating that the CFR will be higher than gross debt:

Table 3



- 3.4 The value of gross debt excludes unapproved borrowing for housing developments (General Fund for Housing Company and Joint Venture; HRA for the Housing Improvement Programme, including new build schemes), other than HRA schemes being considered in the same Council meeting. Approval of these limits does not commit the Council to the underlying schemes but the borrowing for these does rely on the Council approving the schemes and the limits in *Table 3*.

4. Capital Expenditure

- 4.1 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.
- 4.2 The Council is required to publish its estimated capital expenditure for both the General Fund (GF) and Housing Revenue Account (HRA) for a minimum of the next three financial years, as well as the actual for the previous year and latest estimate for the current year.
- 4.3 By modelling various capital programme scenarios, including new HRA properties and commercial investment opportunities, this indicator provides the data for the ratio of financing costs to net revenue stream indicator.
- 4.4 Table 4 shows the Council's estimated capital expenditure on the General Fund and HRA for the next four years, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Table 4

Capital expenditure	2019/20 Outturn £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
General Fund (non HIP)	7,651	16,431	14,432	20,482	1,339
Credit arrangements - finance leases	30	12	-	-	-
Housing Investment Programme:					
General Fund (HIP)		1,348	-	-	-
HRA	20,183	37,277	45,276	15,680	9,109
'Commercial' activities (including development) / non-financial investments*	551	64,600	3,100	3,100	3,000
Total (A)	28,415	119,668	62,808	39,262	13,448

* - loans to third parties

5. Capital Financing Requirement

- 5.1 The Capital Financing Requirement (CFR) is a key measure that shows the underlying need for an authority to borrow for capital purposes, i.e. the difference between the Council's capital expenditure and the revenue or capital resources set aside to finance that spend. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.
- 5.2 The borrowing may be either external (such as from the PWLB) or internal borrowing (where an authority temporarily utilises cash backing its reserves and balances rather than taking external loans). External borrowing creates a cost to the Council in terms of having to pay interest on and provide for repayment of external loans while internal borrowing creates lost investment interest and an exposure to future interest rate increases when loans must be taken. The CFR provides the starting point for calculating this cost and the results feed into the ratio of financing costs to net revenue stream indicator.
- 5.3 The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.
- 5.4 The CFR includes any other long-term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £30,000 of such schemes within the CFR.
- 5.5 **Table 5** summarises how the capital expenditure plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need (i.e. an increase in the Capital Financing Requirement).

Table 5

Financing of capital expenditure	2019/20 Outturn £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
HRA:					
Capital receipts	3,187	300	300	300	300
Capital grants and contributions	-	2,306	2,740	-	-
Reserves	16,874	11,754	20,520	15,257	8,686
Revenue contributions	122	123	123	123	123
Total HRA	20,183	14,483	23,683	15,680	9,109
General Fund:					
Capital receipts	454	1,595	160	-	-
Capital grants and contributions	5,491	9,152	5,513	349	-
Reserves	1,540	2,641	4,625	314	257
Revenue contributions	176	213	80	80	80
Total GF	7,661	13,601	10,378	743	337
Combined:					
Capital receipts	3,641	1,895	460	300	300
Capital grants and contributions	5,491	11,458	8,253	349	-
Reserves	18,414	14,395	25,145	15,571	8,943
Revenue contributions	298	336	203	203	203
Subtotal (B)	27,844	28,084	34,061	16,423	9,446
Net borrowing need for the year (A – B)	571	91,584	28,747	22,839	4,002

- 5.6 The net financing need for 'commercial' activities / non-financial investments included in *Table 5* against expenditure is shown in *Table 6*:

Table 6

'Commercial' activities / non-financial investments £'000	2019/20 Outturn	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Capital expenditure	551	64,600	3,100	3,100	3,000
Financing costs (incl MRP)	10	2,260	107	122	120
Net financing need for the year	561	66,860	3,207	3,222	3,120
Percentage of total net financing need %	96%	71%	11%	14%	75%

- 5.7 These figures are illustrative at this point and are subject to the Council's approval of the underlying capital expenditure.
- 5.8 The CFR increases where unfinanced capital expenditure takes place and reduces as the Council makes a Minimum Revenue Provision (MRP).
- 5.9 This Council has four CFRs:
- (a) the HRA
 - (b) the General Fund, which is further subdivided to show
 - (c) '*commercial* activities / non-financial investments' (which have, to date, been loans to third parties at commercial rates of interest), and

(d) combined total for the whole of the Council (the sum of a to c).

5.10 The estimated CFRs at the end of 2020/21 and each of the next three years are based on the Council's latest capital programme and exclude any unapproved 'commercial investment / non-financial activities' and additional HRA borrowing for schemes that are subject to viability appraisals, and which would be subject to future Council reports and revised Prudential Indicators, where appropriate. The General Fund CFR also includes the impact of the internal borrowing incurred to date, as well as the internal and external borrowing factored into the current 5-year General Fund Capital Programme.

5.11 The Council is asked to approve the CFR projections in *Tables 7* and *8*.

Table 7

Capital Financing Requirement Year	(a) HRA £'000	(b) General Fund £'000	(c) 'Commercial' activities / non financial investments £'000	(d) Total £'000
2019/20	136,157	14,782	5,475	156,414
2020/21	158,952	18,769	70,033	247,754
2021/22	180,546	22,613	73,098	276,257
2022/23	180,546	42,211	76,102	298,859
2023/24	180,546	47,556	74,516	302,618

Table 8

£m	2019/20 Outturn	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Capital Financing Requirement					
CFR – non housing	14.8	18.8	22.6	42.2	47.6
CFR – housing	136.2	159.0	180.5	180.5	180.5
CFR - Commercial activities/ non-financial investments	5.5	70.0	73.1	76.1	74.5
Total CFR	156.4	247.8	276.3	298.9	302.6
Movement in CFR	1.4	91.3	28.5	22.6	3.8
Movement in CFR represented by					
Net financing need for the year ("A-B" above)	0.6	91.6	28.7	22.8	4.0
Less MRP/VRP and other financing movements	0.8	-0.3	-0.2	-0.2	-0.2
Movement in CFR	1.4	91.3	28.5	22.6	3.8

5.12 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the authority's overall financial position. The capital expenditure figures shown in *Table 4* and the details above demonstrate the scope of this activity (28% in 2020/21 and 26% in 2021) and, by approving these figures, Members consider the scale proportionate to the Authority's remaining activity.

5.13 The opening HRA CFR at 1 April 2020 was the HRA self-financing debt settlement of £136.157 million.

6. External Debt - Authorised Limit

- 6.1 The Council is required to set - for the forthcoming year and the following two financial years - an Authorised Limit for its total external debt, gross of investments, separately identifying borrowing from 'other long-term liabilities', the latter being credit arrangements, as defined in statute, and which include the principal element of finance leases (or Private Finance Initiative (PFI) if the Council had these contracts).
- 6.2 The Authorised Limit represents a control on the maximum level of external debt the Council can incur. The Council has no legal power to borrow in excess of the limits set.
- 6.3 The recommended Authorised Limit is as shown in *Table 9*.

Table 9

Authorised Limit	2019/20 Outturn £'000	2020/21 Latest £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Debt including HRA settlement	189,279	192,234	192,234	204,115	204,115
Other long-term liabilities	30	1,012	1,000	1,000	1,000
HRA HIP	-	22,795	44,389	44,389	44,389
General Fund HIP	-	1,348	1,348	1,348	1,348
Other General Fund capital programme	-	3,030	6,939	26,541	27,300
'Commercial' activities / non-financial investments	-	64,500	67,500	70,500	73,500
Total Authorised Limit	189,309	284,919	313,410	347,893	351,652

- 6.4 The Authorised Limit reflects a level of external debt that, although not preferred, could be afforded in the short-term but may not be sustainable in the longer-term. The Indicators for the Operational Boundary and Gross Debt & the CFR will both be set below the Authorised Limit.
- 6.5 The Authorised Limit takes account of the Housing Improvement Programme (HIP) and the General Fund capital programme. The figures for 'Commercial activities' are for amounts being considered by Council parallel to this report and would need to be excluded if not approved. It excludes additional HRA development and GF investment regeneration that would be expected to generate a net income stream – these are both subject to future Council decisions and could also require the Prudential Indicators to be formally amended.
- 6.6 The debt figure provides for the potential borrowing liability of vehicles under the combined waste collection / street cleansing / grounds maintenance contract that are due to commence on 1 July 2022, as the Council is able to borrow more cheaply than most contractors. The requirement for this borrowing, which would result in reduced payments to the contractor(s), should be known by mid-2021.
- 6.7 It should be noted that the figures for each year are cumulative.

7. External Debt - Operational Boundary

- 7.1 The Council is, additionally, required to set an Operational Boundary for external debt, which is for three years and gross of investments.

- 7.2 The Operational Boundary - which is less than the Authorised Limit - is effectively the day-to-day working limit for cash flow purposes, the level that external debt is not ordinarily expected to exceed. This indicator includes anticipated additional borrowing to cater for forecast capital activity.
- 7.3 An occasional breach of the Operational Boundary is not a cause for concern (provide that the Authorised Limit is not breached) but a sustained breach could indicate that there are problems with the Council's cash flow. Therefore, this indicator is monitored throughout the year and remedial action taken if necessary.
- 7.4 The recommended Operational Boundaries are as shown in Table 10. It should be noted that the figures for each year are cumulative (for instance, the £67.5m shown in 2021/22 for 'commercial' activities is the brought forward amount from 2020/21). They are based on the same assumptions outlined in paragraph 6.5 above.

Table 10

Operational Boundary	2019/20 Outturn £'000	2020/21 Latest £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'001
Debt including HRA settlement	170,279	168,886	168,886	180,767	180,767
Other long-term liabilities	30	1,012	1,000	1,000	1,000
HRA HIP	-	22,795	44,389	44,389	44,389
General Fund HIP	-	1,348	1,348	1,348	1,348
Other General Fund capital programme	-	4,378	8,287	27,889	28,648
'Commercial' activities / non-financial investments	-	64,500	67,500	70,500	73,500
Total Operational Boundary	170,309	262,919	291,410	325,893	329,652

8. Treasury Indicators

- 8.1 The following indicators used to be part of the Prudential Code and are now part of the Treasury Management Code of Practice.
- 8.2 Maturity structure of borrowing:
- a) Upper and Lower Limits respectively for the Maturity Structure of Fixed Interest Rate Borrowing:

Table 11

Period	Upper	Lower
Under 12 months	20%	0%
12 months & within 24 months	20%	0%
24 months & within 5 years	20%	0%
5 years & within 10 years	20%	0%
10 years & above	100%	0%

- b) Upper and Lower Limits respectively for the Maturity Structure of Variable Interest Rate Borrowing:

Table 12

Period	Upper	Lower
Under 12 months	100%	0%
12 months & within 24 months	100%	0%
24 months & within 5 years	100%	0%
5 years & within 10 years	100%	0%

- c) Upper limits to fixed interest rate and variable interest rate exposures on borrowing:

Table 13

Year	Upper Limit - Fixed Rate	Upper Limit - Variable Rate
2021/22	100%	30%
2022/23	100%	30%
2023/24	100%	30%

8.3 Upper limit on total principal sums invested for periods longer than a year:

- The total maximum sum that can be invested for more than 365 days is 70% of the core investment portfolio, subject to a maximum of £30 million at any one time.

However, where investments which originally were for periods of more than 365 days currently have 365 days or less to maturity at the 1 April each year they shall be classed from that date as short term i.e. less than 365 day investments and will not count against the 70% or £30 million limit.

Average Weekly Rents - Formula, Current and Proposed Social Rents

- From April 2016 the national rent policy was updated with all NEW Social Rent Tenancies being charged Target Formula Social Rent
- Target Formula rents are applied when a dwelling becomes void and re-let, existing tenancies prior to this policy change continue under the historic rent regime with inflation linked in line with national rent policy
- The Historic Rent Regime levels are slightly lower than Target Formula Rent
- It is estimated that approximately 1600 HRA dwellings are currently paying Target Formula Rents with approximately 400 dwellings per year transferring from the historic rents policy

Number of Bedrooms	Current Number of WDC Homes (Target Formula Applicable)	2020/21		2021/22		2021/22		2021/22	
		F Average 'Target' (Formula) Rent	A Average Weekly Rent	F Average 'Target' (Formula) Rent	A Proposed Average Weekly Rent	Average Difference between 'Target' (Formula) Rent (F) and Proposed Rent (A)		Proposed Average Increase in Weekly Rent 1.5% (CPI 0.5% + 1%)	
Studio	56	£66.28	£62.87	£67.27	£63.81	£3.46	5.42%	£0.94	1.5%
1	1,482	£84.57	£79.25	£85.84	£80.44	£5.40	6.72%	£1.19	1.5%
2	1,899	£92.79	£87.15	£94.19	£88.46	£5.73	6.48%	£1.31	1.5%
3	1,874	£106.28	£98.65	£107.87	£100.13	£7.74	7.73%	£1.48	1.5%
4	60	£118.68	£107.62	£120.46	£109.24	£11.23	10.28%	£1.61	1.5%
5	4	£165.10	£212.46	£167.58	£215.65	-£48.07	-22.29%	£3.19	1.5%
Averages Based on all HRA Social Rent Stock	5,375	£95.33	£89.06	£96.72	£90.39	£6.34	7.01%	£1.33	1.5%

"Warwick" Affordable Rent - Existing Schemes Only from April 2021

- Prior to April 2021 "Warwick Affordable Rents" were charged which was a local policy to charge a mid point between National Affordable Rents and Target Social Rent
- In 2020 Homes England Investment Partner Status was achieved so National Affordable Rents will now apply from April 2021 on all new Affordable tenancies
- Existing tenants will continue to pay "Warwick Affordable Rents" for the remainder of their tenancy to ensure financial hardship is not caused by this policy change
- The average market rent for "Warwick Affordable Rent" Schemes is based on independent valuations prepared upon completion of Sayer Court (2016) and Bremridge Close (2019) by a RICS registered Valuer.
- The average market rent is based on median weekly rents data from Hometrack.
- Affordable rent is calculated at 80% of the market rent
- "Warwick" affordable rent is calculated at the midpoint between affordable rent and target social rent
- Some affordable rents properties are subject to a service charge of £7.39 per week

Number of Bedrooms & Property Type (SC/B denotes different schemes)	No of Properties	2020/21 Rent Per Week					2021/22 Rent Per Week		
		Average Target Social Rent	Average Market Rent	National Policy Average Affordable Rent	Average "Warwick" Affordable Rent (existing tenancies)	Average "Warwick" Affordable Rent (new tenancies from 1/4/19)	Warwick Affordable Rent *** (existing tenancies Only)	Average Proposed increase for Existing Tenants Only from 1st April 2021	
1 Apartment (SC)	33	£93.03	£156.00	£124.80	£107.92	£108.91	£109.54	£1.62	1.50%
2 Apartment (SC)	43	£104.34	£196.00	£156.80	£130.88	£130.57	£132.84	£1.96	1.50%
2 Bungalow (SC)	3	£109.37	£196.00	£156.80	£142.63	£133.09	£144.77	£2.14	1.50%
3 Bungalow (SC)	2	£134.04	£253.00	£202.40	£167.31	£168.22	£169.82	£2.51	1.50%
2 House (B)	2	£96.69	£196.00	£156.80	£127.69	£126.75	£129.60	£1.92	1.50%
3 House (B)	2	£117.24	£253.00	£202.40	£149.88	£159.82	£152.13	£2.25	1.50%
2 Bungalow (B)	2	£96.69	£196.00	£156.80	£127.69	£126.75	£129.60	£1.92	1.50%
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National Affordable Rent - New Affordable Schemes from April 2021

- National Affordable Rents Policy will apply to all Affordable Tenancies from April 2021.
- Historic Affordable Housing Stock currently paying "Warwick Affordable" Rents will transfer to the National Affordable rent levels when dwellings become void and are re-let.
- Affordable rent is calculated at 80% of the market rent using the Average Market Rents sourced from Hometrack for the Warwick District area at December 2020

Number of Bedrooms	2021/22 Rent Per Week	
	Average Local Market Rent (Hometrack Dec 2020)	Average Affordable Rent - 80% of local Market Rent
1	£159.00	£127.20
2	£196.00	£156.80
3	£259.00	£207.20
4	£350.00	£280.00

Appendix 1 to Minute Number 82

Part 2 Council Procedure Rules:

That Council procedure Rule 27 is amended from:

"27. Special Meetings

(1) A special meeting of the Council will be called on the requisition of the Council by resolution, the Chairman, the Monitoring Officer or any five members.

(2) A special meeting of the Executive, Committees or sub-committee will be called on the requisition of either the Leader or the Chairman or of a fifth of the whole number of the Executive committee, or sub-committee submitted in writing or by e-mail to the Chief Executive. The notice of the special meeting will set out the business to be considered and no business other than that set out in the notice will be considered at that meeting. The reason for the need for special meeting will be recorded in the minutes of the meeting."

To read as follows:

27. Additional and Urgent Meetings

(1) Additional Meetings – are meetings called by the Chairman in addition to those published at the beginning of each municipal year in the Schedule of Meetings. The agenda for additional meetings must be published at least five clear working days ahead of the meeting.

(2) Urgent Meetings – are meetings called in accordance with the guidance below, to deal with urgent matters which could not be foreseen and which cannot wait until the next scheduled meeting or an additional meeting to be scheduled. The notice of the urgent meeting will set out the business to be considered and no business other than that set out in the notice will be considered at that meeting. These meetings shall not be considered suitable meetings for the signing of minutes of the previous meeting. The reason for the need for urgent meeting will need to be specified in the agenda for the meeting and recorded in the minutes of the meeting. The notification, in line with access to information procedure rules, does not need to be published with five clear working days notice, but as much notice as possible should be provided.

a) An urgent meeting of the Council will be called on the requisition of the Council by resolution, the Chairman, the Monitoring Officer or any five members.

b) An urgent meeting of the Executive, Committees or Sub-Committees will be called on the requisition of either the Leader or the Chairman or of a fifth of the whole number of the Executive, Committee, or Sub-Committee submitted in writing or by e-mail to the Chief Executive.

Part 3: Section 4

Scheme of delegations

Italic text sets out addition with removed text ~~struck through~~

Head of Housing & Property Services shall have authority to:

- HS(New) *authorise the Officer to have delegated authority to serve Notices of Intent and Final Notices under the Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc.) (England) Order 2014*
- HCP(13) Local Government (Miscellaneous Provisions) Act 1982,
(ii) to: -
Part III – Street Trading
Schedule 4, paragraphs 3 - 7, Street Trading licences and consents, grant, ~~renewal~~ and variation *in line with the street trading policy so long as no objections received; and issue renewals so long as no objections received*

The **Head of ICT** shall have authority to:

- ICT (1) Act under the provisions of either the Public Health Act 1925 or Town Improvement Clauses Act 1847, *inline with adopted Street Naming & Numbering policy of the Council*, to
- (i) deal with the numbering and re-numbering of properties;
 - (ii) approve the naming of streets following consultation with the appropriate Parish or Town Council.

The following delegations move from the Head of Finance to Head of Customer Service, who shall have authority to:

- F (4) Appear in Court when legal action is taken against a person who has made a fraudulent claim for Housing or Council Tax Benefit, or Council tax Reduction or other fraudulent claims against the Council.
- F (15) Take the following action under the NNDR and Council Tax Regulations:
- (i) Applications for certificates and the sanction of appropriate relief (apportionment of rateable value of partly occupied hereditaments);
 - (ii) Granting and refusal of mandatory relief under the Council Tax and Rating Regulations;
 - (iii) Approve applications for discretionary rate relief.
 - (iv) Refunds of Council Tax, Business Rates and Council Tax;
 - (v) Institution of legal proceedings against ratepayers for recovery outstanding rates and Council Tax;
 - (vi) Authority under Section 223(1) of the Local Government Act 1972 to represent the Council in making formal complaint and taking the subsequent proceedings in the local Magistrates Court.
 - (vii) Authority to serve completion notices under the appropriate Council Tax and Rating regulations;
 - (viii) Authority to instruct Enforcement Agents to take control of goods, issue requests for information, apply Attachment of earnings Orders and deductions from Income Support, Charging Orders;

- (ix) Selection and appointment of Enforcement Agents;
 - (x) Authority to quash penalties;
 - (xi) Authority to appeal against any Assessment of Council Tax banding or rating assessment;
 - (xii) Authority to represent the Council at Valuation Tribunals in connection with appeals against: liability to pay the Council Tax including discounts, exemptions and reductions , and the banding of a dwelling;
 - (xiii) Authority to represent the Council at Housing and Council Tax Benefit tribunals in connection with appeals against housing and council tax benefit.
 - (xiv) Authority to write off irrecoverable Council Tax, Non-Domestic Rates and Housing Benefit Overpayments;
 - (xv) Authority to consider and determine applications for Hardship relief under Section 49 of the Local Government Finance Act 1988;
 - (xvi) to determine discretionary council tax relief applications.
- F (16)
- (i) Decide upon all claims received for Housing, Council Tax Benefit or Council Tax Reduction including the exercising of all discretions under the general policy guidance from time to time given by the Council.
 - (ii) Assess overpayments under the Regulations and taking such steps as are appropriate to recover the amount overpaid.
 - (iii) Decide upon all claims for Discretionary Housing and Council Tax Payments.

Part 4

Code of procurement practice:

Warwick District Council Code of Procurement Practice (The Code)

17. Contract Signing and Order Authorisation

~~17.3 Contracts must be signed or sealed in accordance with the Council's Scheme of Delegation. Contracts over the sums specified in the Public Contracts Directive must be signed or sealed in accordance with the Council's Scheme of Delegation by the Chief Executive or their Deputies.~~

~~17.4 Contracts under Signature – The Officer signing the contract on behalf of the Council must ensure that he/she has the relevant authorisation to sign the contract. All other contracts may be signed by Chief Officer as defined under Article 12 of the Constitution or their duly authorised nominated officer- The Officer signing the contract on behalf of the Council must ensure that he/she has the relevant authorisation to sign the contract.~~

Appendix C to Minute Number 83 – S106 monies potentially available for Abbey Fields Swimming Pool

Planning Application No.	Location	Amount (£)	Project
Developments not yet started or not yet paid			
W/17/2086 H24	Red Lane/Hob Lane	74,487	Abbey Fields + CF
W/17/2150	Warwick Road, Kenilworth	104,077	Abbey Fields + CF
W/17/2357	Westwood Heath Road	354,079	Abbey Fields
W/17/2387	Lloyd Close	122,674	Indoor sport + pools
W/18/0643	Kings Hill	1,078,295	Abbey Fields
W/18/1619	Land north of Gallows Hill	311,640	Indoor sport + pools
W/18/1635 H40	Glasshouse Lane/Crewe L	722,014	Abbey Fields
Sub-total		2,767,266	
New applications			
W/19/1940	Kings Hill School	91,991	Abbey Fields et al
Sub-total		91,991	
Total		2,859,257	

Executive
18th March 2021

Title: Community Infrastructure Levy (CIL) Projects List for 2021/22

Lead Officer: Philip Clarke, Head of Development Services

Portfolio Holder: John Cooke

Public report

Wards of the District directly affected: All

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: Yes

Included within the Forward Plan: Yes – ref 1,172

Equality Impact Assessment Undertaken: No

Consultation & Community Engagement: None

Final Decision: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	15/02/21	Chris Elliott/Bill Hunt
Head of Service		N/A
CMT	15/02/21	Bill Hunt
Section 151 Officer	15/02/21	Mike Snow
Monitoring Officer	15/02/21	Andrew Jones
Finance	15/02/21	Mike Snow
Portfolio Holder(s)	15/02/21	Cllr John Cooke

1. Summary

- 1.1. The report sets out the proposed CIL Projects list for 2021/22 as the basis for focusing the distribution of CIL receipts collected during the year.

2. Recommendation

That Executive: -

- 2.1. Notes the amount spent during 2020/21 on CIL Projects from the current CIL Projects List and the anticipated level of CIL Contributions to be received by the Council in the next five years as set out in paras. 3.1 – 3.6 below.
- 2.2. Approves the CIL Projects List for 2021/22 set out in Appendix 1
- 2.3. Approves that paragraphs 3.16-18 and table 4 below are used as the basis for distributing CIL receipts collected during 2021/22 and, where stated in table 4, 2022/23.

3. Reasons for the Recommendation

- 3.1 In March 2020, the Council agreed the current list of projects (the CIL Projects List) that is to be funded from anticipated CIL receipts in 2020/21. This has formed the basis on which CIL contributions received have been distributed in the last year. In November 2020, Executive agreed that an additional project (Newbold Comyn) would be added to the 2020/21 list. In February 2021, Executive agreed that £6 million would be allocated from CIL to fund the Kenilworth Castle Farm Leisure Centre.
- 3.2 Table 1 below identifies all those CIL projects contained within the current CIL Projects List, indicates how much CIL income was allocated to each project in 2020/21, and then sets out how much it is estimated will be spent by the end of March 2021.

Table 1: Spending on CIL Projects in the 2020/21 CIL Projects List		
	Expected CIL spending in 20/21 (£)	
Infrastructure Project	Agreed	Actual or estimated
Destination Parks	Nil	Nil
Bath Street Improvement Scheme	150,000	50,000
Emscote Road Multi Modal Corridor Improvements	115,000	Nil
Kenilworth Leisure (Phase 2): Castle Farm Recreation Centre	5,000,000	Nil
Medical facilities - N Leamington (Cubbington/Lillington)	Nil	Nil
Wayfinding in Leamington, Kenilworth and Warwick	105,000	105,000
Europa Way bridge	Nil	Nil
Whitnash Civic Centre and Library	250,000	250,000

Table 1: Spending on CIL Projects in the 2020/21 CIL Projects List		
	Expected CIL spending in 20/21 (£)	
Infrastructure Project	Agreed	Actual or estimated
Newbold Comyn	55,000	55,000
PLUS CIL Administrative charge	£65,000	65,000
Total	5,740,000	525,000

- 3.3 The reason why CIL contributions are unlikely to be fully spent during this year is clear from the table. The Kenilworth Leisure project has not progressed at the pace originally envisaged, and this has been separately reported to members. The two highway schemes (Bath St and Emscote Road) are both County Council projects, and the County Council's capacity to progress these has been impacted upon by the pandemic.
- 3.4 In terms of understanding how much money the Council is likely to have available from CIL contributions to fund projects over the next five years, it is possible to estimate this using the latest Local Plan housing trajectory, published by the Council late last year. If the Housing Trajectory is achieved, CIL is predicted to deliver the following as set out in table 2. It should be remembered that a proportion of CIL receipts (15% or 25% - see para 8.4 below) must be distributed to Town and Parish Councils to spend within their areas and therefore is not available to the District Council to allocate.

Table 2: Estimate of future CIL income to Warwick District Council			
	Total (£)	If 15% passed to parish councils (£)	If 25% passed to parish councils (£)
2021/22	3,700,000	3,145,000	2,775,000
2021 - 2026	30,720,000	26,112,000	23,040,000

- 3.5 To this income should be added an estimated £3,062,000 of CIL income that has been collected but will remain unspent as at 31st March 2021 (taking account of all spending estimates in the 2020/21 CIL Projects List in table 1). Therefore, the amount of money available for projects within the CIL Projects List is predicted to be in the range of £5,837,000 to £6,207,000 for 2021/22 and £26,101,000 to £29,173,000 for the period 2021 to 2026.
- 3.6 It should be noted that the actual amount of CIL received is not easy to predict accurately. CIL is payable within 60 days of developments starting on site and so is entirely dependent upon the rate at which new development comes forward. Nevertheless, the above figures are the best estimate the Council can provide at the present time for likely future level of CIL income.

Recommendation 2.2

- 3.7 The process that the council has followed for arriving at the proposed CIL Projects List contained in this report is broadly the same as has been undertaken in all previous years. This has involved consulting with infrastructure providers including Warwickshire County Council, NHS South Warwickshire Foundation Trust, the Clinical Commissioning Group, the Police, and other services within Warwick District. These providers have submitted proposals for consideration for inclusion in the list for 2021/22. A full description of all submitted proposals is set out in Appendix 2.
- 3.8 The agreed criteria on which proposals are assessed has been previously agreed by the Council and is as follows.
- Identified benefits of project
 - Relationship to development proposed within the Local Plan
 - Extent to which project addresses current and projected issues
 - Anticipated impact on infrastructure capacity once project completed
 - Identification of the project within the **Council's Infrastructure Delivery Plan (IDP)**
 - **The extent to which the project can support the Council's** commitments as set out in its climate emergency
 - Overall cost of project
 - Required level of funding from CIL (taking account of other sources of funding and the degree to which these are committed)
 - State of progress (is the scheme clearly planned and deliverable within the timescale envisaged?)
- 3.9 These criteria have been included within the forms that infrastructure providers have been asked to complete and have also been used to assess proposals. An analysis of the submitted proposals against these criteria has been undertaken and is set out in Appendix 3.
- 3.10 The schemes set out in appendices 2 and 3 total potentially in excess of £37m. There is clearly insufficient projected income to fund all of these projects and so an element of prioritisation is needed. As para. 3.5 above sets out, it is predicted that between £26,101,000 and £29,173,000 will be available for the period 2021 to 2026. In line with the approach taken in previous years (and recognising the risk that development may not come forward in line with the Housing Trajectory), it is advised that the Council only commits funds in line with the more cautious estimate (i.e. assuming that 25% of all CIL receipts are handed over to Parish Councils). Therefore, a minimum of £26,101,000 is estimated to be available to fund CIL projects between 2021 and 2026
- 3.11 On this basis, it is recommended that two of the projects for which bids have been made are not included in the CIL Projects List for 2021/22.
- Medical facilities (Leamington town centre): This scheme (up to £6.35m requested) could potentially be suitable and eligible for CIL, in particular,

recognising that there is significant population growth in Leamington town centre and that this is taking place on a large number of sites. The scheme is, however, at a very early stage (no site has been identified at this stage and little feasibility and design work has been undertaken) and so the project requires further development before it can be considered further. Also, other sources of project funding have yet to be fully explored.

- Destination Parks: This funding (£5m requested) is required to support improvements to Abbey Fields in Kenilworth and St Nicholas Park in Warwick. Whilst this project would be suitable for inclusion on the CIL Projects List (and indeed is included on the current list), these proposals are at an early stage of development and currently no funding from the Council or elsewhere has been committed to them.

3.12 Table 3 below lists the prioritised infrastructure projects which are recommended for inclusion in the List for 2021/22.

Table 3: Proposed CIL Projects for inclusion on the Projects List for 2021/22		
Infrastructure Project	Proposed 21-26	Comment
Bath Street improvement scheme	£3.795m	
Emscote Road multi modal corridor	£1.992m	Note that in addition to the main project this includes £500,000 to support the delivery of a cross town-centre route as part of the Future High Streets Fund bid.
Kenilworth Leisure (Phase 2): Castle Farm Recreation Centre	£6m	Note that this was agreed by Executive in February 2021 in advance of this report.
Medical facilities - N Leamington (Cubbington/ Lillington)	£2.74m	
Wayfinding in Warwick town centre	£0.035m	Wayfinding projects for Leamington and Kenilworth town centres are being funded from CIL funds in 20/21.
Europa Way bridge link	£1m	
St Mary's Land, Warwick	1.343m	New scheme for 2021/22
Newbold Comyn	3.254m	This includes £425,000 that was committed by Executive in November 2020 to support the early work following the completion of the masterplan.
Warwick Gates Community Centre	0.15m	New scheme for 2021/22
Europa way spine road cycleway/ footpath link	1.053m	New scheme for 2021/22
Relocation of athletics facility and creation of Commonwealth Park	1.8m	New scheme for 2021/22
Commonwealth Park bridge	0.25	New scheme for 2021/22

Table 3: Proposed CIL Projects for inclusion on the Projects List for 2021/22		
Infrastructure Project	Proposed 21-26	Comment
Relocation of Kenilworth Wardens	2.5m	New scheme for 2021/22
PLUS CIL Admin charge	0.365m	
Total	£26.278 m	

- 3.13 Within the above table is also a CIL Administrative charge. CIL charging authorities are entitled under regulations to take up to 5% of CIL income as an administrative charge. In order to implement and deliver CIL, the Council has had to employ a full-time CIL Administrative Officer and has had to invest time and resources changing its systems and procedures. Whilst it is not proposed that the Council takes its full 5%, an administrative charge of £365k (i.e. £73k per year) is considered reasonable. This is a small increase from the £65,000 agreed in 2020 **which has been built into the Council's Medium Term Financial Strategy.**
- 3.14 Taken together, the above list of schemes brings the total amount committed within the CIL Projects List to £26,278,000. This is against a project CIL income of £26,101,000 (see para. 3.5 above). Whilst there is a small potential funding shortfall identified, this is not considered to be significant, particularly noting that the projected income is based on a conservative scenario whereby 25% of all CIL receipts are passed to parish councils. This has not happened to date and will be extremely unlikely to happen over the next five years.

Recommendation 2.3

- 3.15 As set out in para. 3.5 above, it is estimated that between £5,837,000 to £6,207,000 will be available from CIL contributions to spend in 2021/22. Whilst there is sufficient projected income over the next five years to support all projects on the List, the rate at which CIL is projected to be received would not support the delivery of projects against the project profiles set out in bids. For this reason, some projects have had to have their funding re-profiled. In some cases, this will mean that projects cannot progress at the rate they would ideally wish; in others it may mean that to support the early delivery of projects the infrastructure provider will have to find money from other sources (including borrowing) until the CIL income is eventually received.
- 3.16 Table 4 below sets out the proposed distribution of CIL income for 2021/22. In doing so, it is in line with the lower (more cautious) estimate of likely CIL income for 2021/22.
- 3.17 Table 4 also proposes a number of projects for which Executive is being asked to commit CIL funding for 2022/23. This is the first time for Warwick District Council that this CIL Projects List report has done this. It is being done because some of the projects that are proposed to be supported in

2021/22 will entail the awarding of contracts by the infrastructure provider. The provider has therefore asked whether the council can give greater certainty to any future funding which is required to complete the project.

Table 4: Proposed distribution of CIL contributions in 2021/22 and partial distribution in 2022/23		
Infrastructure Project	Proposed 21/22	Proposed 22/23 (*)
Bath Street improvement scheme	95,000	
Emscote Road	626,043	1,365,957
Kenilworth Leisure (Phase 2): Castle Farm Recreation Centre	3,000,000	3,000,000
Medical facilities - N Leamington (Cubbington/ Lillington)	840,000	1,900,000
Wayfinding in Warwick town centre	35,000	
Europa Way bridge link	Nil	
St Mary's Land, Warwick	8,000	
Newbold Comyn	425,000	
Warwick Gates Community Centre	150,600	
Europa way spine road cycleway/ footpath link	Nil	
Relocation of athletics facility and creation of Commonwealth Park	Nil	
Commonwealth Park bridge	Nil	
Relocation of Kenilworth Wardens	Nil	
PLUS CIL Admin charge	73,000	73,000
Total	5,252,643	6,338,957
* It should be noted that those projects for which funding in 2022/23 is being confirmed now are those for which contracts of work may be let in 2021/22 which will run over two financial years. Where there is no money allocated against a project in 22/23, this does not mean that no CIL funding will be given during 22/23, only that the Executive is not being asked to commit to this at the present time.		

- 3.18 It needs to be recognised that it is possible that actual CIL income during 2021/22 will be less than that projected. This occurred during 2020/21, in part owing to a slow-down in development (commencements on site) arising from the pandemic. Whilst it is hoped that development rates will bounce back, this cannot be guaranteed. The latest housing trajectory for Warwick District (prepared in discussion with major developers) does suggest that over the next five years Warwick District will continue to see the level of development (and therefore CIL income) that has previously been expected. It does suggest, however, that this housing growth will be re-profiled. In the event that our income in 2021/22 does not meet our best estimates, it is recommended that the amount given to the Kenilworth Leisure (Phase 2) project in 2021/22 is given first priority for funding, and that other projects are supported only once sufficient CIL contribution to support the Kenilworth

Leisure project has been received. If this happens, however, any shortfall in payments in 21/22 for these other projects will be rolled over to 2022/23 (and, where relevant, added to the amount awarded to these projects in that year).

3.19 Where CIL income is to be distributed to external partners, legal agreements are put in place to set out when payments will be made and ensure that any CIL contributions is spent appropriately. For projects delivered by the Council, Service Level Agreements have been entered into with the relevant Head of Service.

3.20 The above CIL Projects List, and the proposed distribution in 2021/22 (and partial distribution in 2022/23) was discussed by the Development Programme Advisory Board on 26th January. The Board wished to thank officers for their work on this and gave its general support for the list of projects but with some specific observations.

- **Support for the cycle/pedestrian path from the Stadium (Fusilier's Way)** through to Myton Road and a desire for CIL funds to be made available to enable this project to be delivered earlier (in 2022/23 rather than 2023/24). Cllr Grey expressed concern on the naming of the spine road project (Community Stadium and Associated Developments) and that it is not included on the Projects list for 2021/22. (NB: The name of this project has since been changed to avoid confusion.)
- Support for the Warwick Gates Community Centre Enhancement.
- Request for further information/clarification regarding the location of the Commonwealth Park Bridge and its wider role and purpose. (NB: It has since been confirmed that the precise alignment of the bridge has not been fixed at the present time. It is anticipated that the location and design of the bridge will be agreed in due course as part of future plans for the redevelopment of the Riverside House site.)
- Wayfinding in Warwick – Suggested that implementation of this scheme is only progressed once there is clarity from Warwickshire County Council regarding its proposals for wider changes to the highway network in Warwick town centre. It is important to understand what the new layout of Warwick will look like before going ahead with different pedestrian wayfinding signs.

3.21 To summarise therefore, the Council is currently projecting and recommending the following: -

Minimum projected income to the Council from CIL between 2021/2026 (including any receipts carried forward from 2020/21)	£26,101,000
Total value of schemes on which this income can be spent (2021/26) (including an allowance for a CIL admin fee)	£26,278,000
Total CIL projected income to the Council from CIL during 2021/22 (including any receipts carried forward from 2020/21)	£5,837,000

Total requested spend during 2021/22 from those infrastructure projects on the proposed CIL Projects list.	£5,252,000
Total requested spend during 2022/23 from those infrastructure projects on the proposed CIL Projects list.	£6,339,000

4. Policy Framework

4.1. Fit for the Future (FFF)

4.1.1. The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

4.1.2. The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.2. FFF Strands

4.2.1 External impacts of proposal(s)

People - Health, Homes, Communities - Will help co-ordinate the timely provision of infrastructure such as community spaces, sports and medical facilities that are essential to enable the growth required in the Local Plan.

Services - Green, Clean, Safe - Will help co-ordinate the timely provision of infrastructure such as new parks, play areas and open spaces that are essential to enable the growth required in the Local Plan. As part of the Council's ambitions for a Carbon Neutral District by 2030, the criteria against which CIL Projects are assessed includes how the project supports the Council's objectives as set out in its declared climate emergency. Where projects support transport improvements, this will be to ensure that priority is given to multi modal/active travel. Where projects support other infrastructure (e.g leisure facilities) this will seek to make these zero carbon or as close to this as possible.

Money- Infrastructure, Enterprise, Employment - Will help co-ordinate the timely provision of infrastructure that are essential to enable the growth required in the Local Plan.

4.2.2. Internal impacts of the proposal(s)

People - Effective Staff – None.

Services - Maintain or Improve Services - Focusing on our customers' needs; Continuously improve our processes.

Money - Firm Financial Footing over the Longer Term - Better return/use of our assets; maximise income earning opportunities; seek best value for money.

4.3. **Supporting Strategies**

- 4.3.1. Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here. The CIL Project List aligns with the Infrastructure Delivery Plan which formed a key part of the Local Plan evidence base. The CIL scheme ensures the delivery of appropriate infrastructure to enable the growth required through the plan period. It therefore directly supports the Local Plan

4.4. **Changes to Existing Policies**

- 4.4.1. None.

4.5. **Impact Assessments**

- 4.5.1. None. The relevant impact assessments will be carried out on projects funded through CIL contributions.

5. Budgetary Framework

- 5.1. There are no direct budgetary implications associated with the recommendations. As noted in para. 3.13, £73,000 of the CIL Administration fee has been built into the Council's Medium Term Financial Strategy.
- 5.2. A summary of CIL income paid to infrastructure providers, current levels of CIL income held by the council, and projected income over the period 2020/25 is all contained in paras 3.1 to 3.6 above. A summary of requests for contributions towards CIL projects for the period 2021/26 is contained in Appendix 2.

6. Risks

- 6.1. The predicted CIL income is derived from the Local Plan Housing Trajectory. There is a risk that housing will not come forward at the rate suggested in the trajectory. If this is to be the case, the actual amount of CIL received between 2021 and 2026 may be lower than predicted. Given the recommendations above, this will impact mostly on the Kenilworth Leisure Phase 2 project. The Kenilworth project team will keep this under review and will report to members as appropriate. It is, of course, open to the Council to consider further funding requests for this project from CIL in future years.
- 6.2. It should be made clear that if there is a shortfall in anticipated CIL income there is no requirement that the Council meets this through other means. When making offers of CIL to infrastructure providers, officers make it clear that any payment will only be made provided the income has been received. The risk that there may be a shortfall in CIL contribution is a risk for that project, not for the Council as part of its obligations to pay CIL contributions arising from this report.

7. Alternative Option(s) considered

- 7.1. Appendix 2 sets out the full range of proposals that have been put forward by infrastructure providers for inclusion in the 2021/22 CIL Projects list. From this it can be seen that a number of proposals have been excluded from the CIL Projects list. From this full range of proposals, members could choose different priorities for inclusion. However, this is not recommended for the reasons set out in this report.

8. Background

- 8.1. The Community Infrastructure Levy (CIL) was introduced under the Planning Act 2008 and is a tariff system that enables local authorities to make a charge on new development to fund infrastructure needed to support development. The CIL Regulations came into effect in April 2010 and minor amendments were made to the Regulations in April 2011. Further Regulations were published during 2012 and again in 2019
- 8.2. CIL is a charge on new development; it is charged per square metre on net additional floor-space of development. CIL is not charged on social housing and developments used for charitable purposes. The amount payable will be set at the time planning permission is granted and payment will be linked to the commencement of development. Larger amounts will be payable in instalments over fixed time periods
- CIL is intended to complement rather than replace other funding streams and is intended to promote development rather than hinder it. Its main advantages are that
 - It is modest representing around 2-5% of total development costs and is not charged on types of development that cannot sustain it
 - It is a fixed, non-negotiable charge and is therefore transparent and predictable
 - It is less time-consuming and complicated than Section 106 planning obligations, with less need for protracted negotiations with applicants and the drawing up of legal agreements (although these will still be required to secure affordable housing and addressing site specific mitigation).
- 8.3. Unlike funding from Section 106 agreements, CIL funds can be spent on a wide range of infrastructure to support development without the need for a direct geographical or functional relationship with the development. Section 106 agreements will still be used, but in a more focused way to directly **provide both 'off-site' infrastructure, (through financial contributions), and 'on site' improvements through site specific obligations.**
- 8.4. Warwick District Council is responsible for collecting CIL monies due. A proportion of the money collected is distributed to Town and Parish Councils in which developments fall. For Town and Parish Councils with an adopted Neighbourhood Plan this proportion is 25%, for Councils without an adopted Neighbourhood Plan this is 15%. This proportion must be spent to support the impacts of developments on local communities

- 8.5. To adopt a CIL Charging Schedule, we will need to demonstrate that there is a funding gap which exceeds the likely receipts from other sources. This is set out in a live and evolving document. Prior to regulation changes introduced in 2019 this was called a regulation 123 List. In 2019, regulation 123 was removed, however Councils are still recommended to report on the delivery and provision of infrastructure.
- 8.6. There is also a new requirement to produce a document called an **"Infrastructure Funding Statement"**. **Amongst other** matters this must set out: -
- A report relating to the previous financial year on the Community Infrastructure Levy;
 - A report relating to the previous financial year on section 106 planning obligations;
 - A report on the infrastructure projects or types of infrastructure that the authority intends to fund wholly or partly by the levy (excluding the neighbourhood portion)
- 8.7. The Council published its first annual Infrastructure Funding Statement in December 2020, **and this is available on the Council's website.**

APPENDIX 1

Warwick District Council
Community Infrastructure Levy
CIL Projects List 2021/22

Infrastructure Project	Project Description
Bath Street Improvement Scheme	<p>The Bath Street Improvement Scheme also known as the Bath Street Gyratory Scheme is a transport infrastructure proposal that delivers a host of much-needed highway and transport improvements in the Bath Street area of Leamington Spa.</p> <p>The proposed infrastructure is fundamental to alleviating the Bath Street area's known air quality issue, (which is an Air Quality Management Area (AQMA)); it provides better accessibility to Leamington Spa's railway station and Leamington South, for all modes of transport, and gives vitality to this area of Leamington.</p>
Emscote Road Multi Modal Corridor Improvements	Multi modal improvements, including improved cycle infrastructure, improvements to Portobello Bridge, carriageway improvements and junction improvements to the following: St Johns/Coventry Road, Emscote Rd / Greville Road, Rugby Road/Warwick New Road & Princes Drive/ Warwick New Road.
Kenilworth Leisure (Phase 2): Castle Farm Recreation Centre	The Council is committed to improving leisure facilities in Kenilworth including the facilities at Castle Farm as part of phase II of its Leisure Development Programme.
Medical facilities - N Leamington (Cubbington/Lillington)	New GP surgery in north Leamington Spa (Cubbington/Lillington); / new health hub (incorporating primary medical care and community services) in north Leamington Spa (Cubbington/Lillington).
Wayfinding in Warwick	Review and replacement of pedestrian / cycle signage and way marking in Warwick town centre.
Europa Way Bridge Link	A new pedestrian and cycle route bridge across Europa Way. In addition to providing a gateway feature for Leamington, Warwick and the Tach Brook Country Park, the new bridge will provide improved and more sustainable link across Europa Way between the new residential developments on either side, the new Country Park and the proposed new Secondary School and Sixth Form at Oakley Wood Road.

Infrastructure Project	Project Description
St Mary's Land, Warwick	A range of measures to support the delivery of the St Mary's Land masterplan approved in 2017.
Newbold Comyn	Improvements to Newbold Comyn Park.
Warwick Gates Community Centre	Reconfiguration of the centre and addition of a function room to increase capacity of building.
Europa way spine road cycleway/ footpath link	A cycle/pedestrian path from the Stadium (Fusilier's Way) through to Myton Road.
Relocation of athletics facility and creation of Commonwealth Park	Relocation of the athletics facility from Edmondscote Road to new location by proposed Community Stadium. Edmondscote Road to be used as public open space (Commonwealth Park).
Commonwealth Park bridge	A new footpath/cycleway bridge connecting the north & south side of River Leam at Victoria Park.
Relocation of Kenilworth Wardens	To purchase land, enable site access and essential supporting site infrastructure thereby enabling Kenilworth Wardens Cricket Club to relocate from its current site.

Appendix 2: Schedule of CIL proposals – March 2021

Title of Project	Organisation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/22	CIL 2021 to 2026	Total project cost 2021/26
Wayfinding in Warwick Town Centre	WDC	Review and replacement of pedestrian / cycle signage and way marking in Warwick.	No	Yes	<p>There are recognised issues with the existing network of fingerposts and other signage for pedestrians and cyclists in our town centres.</p> <p>In Warwick, there is a need to review way marking to ensure that existing and new attractions and visitor destinations are properly marked.</p> <p>This proposal would remedy the problems identified above and significantly enhance walking and cycling in the town centres.</p>	Wayfinding is part of a wider strategy to encourage walking and cycling in the district and to improve connections key public transport interchanges and town centres. The current network of fingerposts and other visitor information in patchy, outdated and incomplete. An improved waymarking initiative in all the districts town centres is an efficient way of promoting walking and cycling and helping to maximise use of local railway stations.	2021/22	Warwick - design and implement – 2021/2022	£35,000	£35,000	Warwick - £35,000
Castle Farm Recreation Centre/Scouts and Guides HQ	WDC	<p>Phase II of the Leisure Development Programme is now progressing to RIBA 4. Mace Ltd have been appointed to work with the Council to develop options for this site (and Abbey Fields). Public consultation took place in Dec 2019 to inform the development of RIBA 3 onwards. A planning application will be submitted in late 2020, with an anticipated start on site date of late 2021.</p> <p>The project has been delayed from the original dates due to further work being required on traffic surveys and sustainability elements of the designs, and by the COVID-19 pandemic.</p>	Yes	Yes	<p>Modernised facilities that will future proof provision for the next 20/30 years. The current facilities were built in 1985 and whilst there has been some refurbishment in the intervening 35 years, the provision has fallen behind the expectations of modern communities in some specific areas. Implementing these improvements will result in the facilities meeting the current standards expected by Sport England and comply with the recommendations driven by the Sport England Facility Planning Model exercise (May 2018)</p> <p>Increased capacity of facilities for the growing population of Kenilworth. The sports hall is already operating at or very close to capacity at many times of the week/year. The additional housing in the area will bring with it new potential customers, thus placing more pressure on the current provision. In addition to the growth from the new housing, the agreement has already been made that the leisure centre will expand to accommodate</p>	<p>The Castle Farm project has from inception recognised the opportunities to design a building that incorporates a variety of sustainable technologies and design features. The Executive report (Aug 2019) included a “Sustainability report” as Appendix B. The professional services team includes specialists (DDA and Darnton B3) who participated in a “Sustainability Workshop” with the Member Working Party in which they outlined the options that had been considered for technologies, building materials and construction methods.</p> <p>The Member Working Group and Project Board agreed that the buildings would not be seeking</p>	No fixed date but anticipated start date late 2021 (12 month build programme)	<p>a) Preparation and Design: 2019/2020; target date for planning application late 2020)</p> <p>b) Executive decision on project viability: Spring 2021</p> <p>c) Start on site: Mid to late 2021</p> <p>d) Completion on site: May 2023</p>	£6mill	£6mill	Outline budget (reported to Executive Aug 2019) - £12 million - £15 million

Title of Project	Organisation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/22	CIL 2021 to 2026	Total project cost 2021/26
					<p>cricket nets for Kenilworth Wardens. Any new design needs to be based on the equivalent of 6 badminton courts.</p> <p>There is an opportunity for the new building to be built and operated to much higher energy efficiency levels. The new build will be delivered using new materials to improve the efficiency and sustainability of the facilities and align to the aspirations of the Council's Climate Emergency Action Plan. A full Sustainability report will be submitted as part of the Planning Application.</p> <p>Provision for Scouts and Guides also needs to be expanded as they are already operating at capacity and new houses means more new recruits for this valuable "youth organisation" that makes a significant contribution to the area. The RIBA 4 plans show a new Scout and Guides HQ at ground floor attached to the new leisure centre. The additional GIFA has resulted in an increased cost of the provision, and therefore the cost of the project has increased. The increased sum requested from CIL reflects the latest design proposals for the leisure centre, and the increased cost of the scouts and guides provision.</p> <p>Prior to the COVID pandemic, an indirect outcome of improving the facilities was to be improved income generation to the Council as a result of renegotiation of the Leisure Contract to reflect the improved facility mix. Clearly the pandemic has hit the leisure sector hard and the Council is working with Everyone Active to understand what this will mean for the future, including the operation of this centre. However, it is clear that the recovery from the pandemic will require both modern facilities to encourage residents to adopt a healthy lifestyle and an exciting design to attract new customers and maximise its economic performance.</p>	<p>BREEAM accreditation but would seek to be as carbon neutral as possible, bearing in mind issues of financial viability.</p> <p>As the project has progressed from RIBA 3 to RIBA 4 (in advance of planning application being submitted) details of the sustainability of the design have been confirmed. The building is predicted to be 8% more sustainable than the level required by the Building Regulations. This is considered to be a good result in comparison to the rest of the industry.</p>					

Title of Project	Organisation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/22	CIL 2021 to 2026	Total project cost 2021/26
Europa Way Bridge Link	WDC	A new pedestrian and cycle route bridge across Europa Way. In addition to providing a gateway feature for Leamington, Warwick and the Tach Brook Country Park, the new bridge will provide improved and more sustainable link across Europa Way between the new residential developments on either side, the new Country Park and the proposed new Secondary School and Sixth Form at Oakley Wood Road.	Yes	Yes	<p>The new bridge would achieve the following:</p> <ul style="list-style-type: none"> • Improve connectivity between the new communities of south Warwick/Leamington; • Create enhanced links between the new Country Park and the surrounding new and existing communities; • Encourage walking, cycling and use of the new Country Park; • Reduce reliance and use of the car; • Create new, off-road routes to the new secondary school at Bishop's Tachbrook; • Create a new gateway feature on a major arterial route to Warwick and Leamington Spa. 	<p>The provision of a new pedestrian and cycle bridge over Europa way will significantly improve and enhance access to the cycle and footpath network between new and existing communities, the town centres, railway stations, schools and employment areas. This in turn will have an effect of reducing the use of and reliance on the car.</p> <p>Improved ease of use/crossing of Europa Way will encourage greater use of the Country Park and in turn improve health and wellbeing for those that use it.</p>	End December 2024		Nil	£1 million	£3 million
Health	South Warwickshire CCG	New GP surgery in north Leamington Spa (Cubbington/Lillington); / New health hub (incorporating primary medical care and community services) in north Leamington Spa (Cubbington/Lillington).	Yes	Yes	<p>The scheme will ensure that there is sufficient primary medical care capacity in north Leamington to meet future demand.</p> <p>The delivery of primary and community care services for the Cubbington/Lillington locality within a single "hub" would provide an opportunity not only for a more holistic approach to health and social care but also an efficient and effective delivery of services some of which can only be delivered "at scale". As well as primary care, the vision also includes integrated health and social care, community space, space for therapies, Third Sector organisations and allied health services. The development would provide fit for purpose and sustainable premises for primary, community and health and well-being services outside of hospital settings, thus taking pressure off local acute services.</p>	South Warwickshire CCG is committed to incorporating environmental and sustainability considerations through its actions as a corporate body, as a commissioner, and into all elements of the project. This commitment is documented in its Environmental and Sustainability Policy which outlines the framework through which the CCG complies with its duties and requirements in this regard. All CCG staff, contractors and subcontractors are expected to apply with the ethos of this policy.		<p>Outline site analysis and options appraisal: Completed 2020</p> <p>Business case development & approval (including land purchase): 2020/2021</p> <p>Design, Planning, enabling works and contract Mobilisation: 2021/2022</p> <p>Construction: 2022/23</p>	£840,000	£2.74m	£5.75m
Health	South Warwickshire	New GP Surgery in Leamington Spa town centre	Yes	No	To ensure that there is sufficient primary medical care capacity in Leamington Spa town centre to meet future demand.	South Warwickshire CCG is committed to incorporating environmental and sustainability considerations			£1,350,000	£6.3m	£6m-6.5m

Title of Project	Organi sation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/ 22	CIL 2021 to 2026	Total project cost 2021/26
	re CCG				<p>The scheme would offer the potential for improvements to the Town Centre and will provide a community resource and offer investment in the local community, bringing community groups to the area.</p> <p>The delivery of primary and community care services for Leamington Town Centre locality within a single “hub” provides an opportunity not only for a more holistic approach to health and social care but also an efficient and effective delivery of services, some of which can only be delivered “at scale”. As well as primary care, the vision also includes integrated health and Social care, community space, space for therapies, Third Sector organisations and allied health services. The development would provide fit for purpose and sustainable premises for primary, community and health and well-being services outside of hospital settings, thus taking pressure off local acute services.</p>	through its actions as a corporate body, as a commissioner, and into all elements of the project. This commitment is documented in its Environmental and Sustainability Policy which outlines the framework through which the CCG complies with its duties and requirements in this regard. All CCG staff, contractors and subcontractors are expected to apply with the ethos of this policy.					
Improvements to Newbold Comyn Park	WDC	<p>A masterplan for Newbold Comyn was agreed by the Council’s Executive in November 2020. This followed a third comprehensive public consultation and stakeholder engagement exercise, which showed very strong support for the proposals.</p> <p>The facilities included with-in the masterplan include the following elements:</p> <ul style="list-style-type: none">Cycling facilities – range of cycle trails, incorporating improved Campion Hills trails, learn to ride area, skills area, cycle hub building for bike hire, maintenance, refreshments and toilets.Nature reserve – extension to the existing Leam Valley Nature Reserve to occupy	No	No	<p>New attractions and changes to Newbold Comyn park will improve the attractiveness of the area for local residents and visitors. It already attracts visitors beyond their immediate environs and these improvements will ensure that this continues without harming the inherent qualities of Newbold Comyn. There will be economic benefits to the District through visitor spending and health benefits to users.</p>	<p>By investing in Newbold</p> <ul style="list-style-type: none">Reduced annual bedding and not replaced in certain areas or replaced with sustainable planting.Reduced the amount of peat being used.Use of drought tolerant plant species.Reduced mowing regimesIntroduced meadows which are easier to maintain.Planting and management of trees and woodlands and replace those trees that are lost where appropriate		<p>(Cycling facilities – depending on success with British Cycling funding - estimated start on site April 2021 and completion March 2022. Dependant on success with BC application.)</p> <p>Football facilities - Estimated start on site is 2021/22. Estimated construction period – 20 weeks.</p> <p>Nature Reserve – Estimated start on site is 2021/22. This is a long term</p>	£2,509,730	£3,254,430	£12.5m

Title of Project	Organisation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/22	CIL 2021 to 2026	Total project cost 2021/26
		<p>part of the wider Newbold Comyn site.</p> <ul style="list-style-type: none"> 3G artificial turf pitch – full-size floodlit and fenced pitch 100M x 64M plus 6M run-offs, adjacent to existing grass pitches. Visitor Centre / Café – a food and beverage offer (possibly by repurposing former golf clubhouse) that is complementary to (not conflicting with) existing provision on the wider site e.g. pub and leisure centre. Includes public toilets and information/interpretation on ecological interest on site. Additional parking General landscape improvements and way finding Adventure play – advanced and exciting play offer designed to appeal to older children. Enhanced skate park – small scale enhancement / extension of existing facility. Woodland nature huts Potential for development of barns for commercial and business use for activities aligned with masterplan, e.g. health and well-being, sports and leisure, nature etc. Potential for future development of zones retained for sports and leisure. These zones were previously allocated for golf and climbing activity centre 				<ul style="list-style-type: none"> Source FSC certified timber products Reuse timber from tree/forestry products Reuse plant material 		<p>project and is estimated to take approximately 25 yrs.</p> <p>Play areas – Estimated start on site is 2022/23. Estimated construction period - 10 weeks.</p> <p>Visitor centre and pavilions - there are no estimated dates for this element.</p>			
Improvements to two destination	WDC	Proposed improvements to the two key Destination Parks which have a key strategic role in the provision of open	Yes	Yes	Improvements to the two parks will improve the attractiveness of the area for local residents and visitors but also address	By investing in these destination parks it will help to deliver a number of	No set timeline but	a) Preparation and Design: 21/22	Nil	£5m	£5m

Title of Project	Organisation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/22	CIL 2021 to 2026	Total project cost 2021/26
parks – St Nicholas Park and Myton Fields, Warwick and Abbey Fields, Kenilworth		space in the District. The proposals for St Nicholas Park are based upon the previous HLF bid and improvements to Myton Fields, whilst those for Abbey Fields, seek to build upon the existing heritage as a Scheduled Ancient Monument and the findings that came from the management planning consultation recently undertaken.			the ongoing maintenance and management issues. They attract visitors beyond their immediate environs and these improvements will ensure that this continues without harming the inherent qualities of each park. There will be economic benefits to Warwick and Kenilworth through visitor spending and health benefits to users.	<p>Council priority initiatives while responding to the Climate Emergency declaration, for example, by expanding the provision of cycle ways in parks.</p> <p>Several environmental actions had already been implemented or are planned to be implemented that support the Councils Climate Emergency. These include:</p> <ul style="list-style-type: none"> • Reduced annual bedding and not replaced in certain areas or replaced with sustainable planting. • Reduced the amount of peat being used. • Use of drought tolerant plant species. • Reduced mowing regimes • Introduced meadows which are easier to maintain. • Planting and management of trees and woodlands and replace those trees that are lost where appropriate • Source FSC certified timber products • Reuse timber from tree/forestry products • Reuse plant material 	looking at 2021/22	<p>b) Start on site: 22/23</p> <p>c) Completion on site: Anticipated within 12-18 months of the funding becoming available</p>			
Bath Street Improvement Scheme	WCC	Scheme previously known as the Bath Street Gyratory Scheme is a transport infrastructure proposal that delivers a host of much-needed highway and transport improvements in the Bath Street area of Leamington Spa,	Yes	Yes	The scheme is able to provide an overall better experience for all road users through improvements to public transport infrastructure through a new bus interchange, better cycle and walking	The project supports Commitment 2 ("Facilitating decarbonisation by local businesses, other organisations and residents so that total carbon	Approximately by 2025	d) Investigation, scheme development and design: Spring 2019	£3.7 m	£3.7 m	£3,895,000

Title of Project	Organisation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/22	CIL 2021 to 2026	Total project cost 2021/26
		identified in the Infrastructure Delivery Plan (IDP) for the Local Plan.			<p>infrastructure, and a more efficient road system.</p> <p>Scheme will provide an improvement in air quality with the aim to achieve to a levels in line with national guidelines.</p> <p>Scheme will provide an overall rejuvenation of the Bath Street area in which new business can grow and the where the local economy can flourish.</p>	emissions within Warwick District are as close to zero as possible by 2030”) by facilitating a modal shift to sustainable transport modes. Once the project is complete and the infrastructure is in place it will reduce the number of car trips between Warwick and Leamington by enabling and encouraging more residents to take these trips by bicycle. The reduction in car trips will result in a reduction in carbon emissions.		<p>– Spring 2021</p> <p>e) Detailed Design and Tendering: Autumn 2021 – Spring 2021</p> <p>f) Start on site: Spring 2022</p> <p>g) Completion on site: Autumn 2023</p>			
Emscote Road Corridor Improvements	WCC	<p>Multi modal improvements, including improved cycle infrastructure, improvements to Portobello Bridge, carriageway improvements and junction improvements to the following: St Johns/Coventry Road, Emscote Road / Greville Road, Rugby Road/Warwick New Road & Princes Drive/ Warwick New Road.</p> <p>The project includes £1m for a cross town-centre route which will be partly funded from the Council’s future high Streets Fund bid.</p>	Yes	Yes	<p>The project will;</p> <ul style="list-style-type: none"> • Address existing congestion issues by improving the capacity of the corridor • Address existing severance issues through provision of additional crossing points • Encourage modal shift through provision of improved cycle infrastructure, enabling the capacity improvements required to allow further growth • Improve safety for cyclists along the corridor • Increase the potential for bus priority measures at key pinch points • Complement the Warwick Town Centre Improvements • Reduce car-based trips into and out of the Air Quality Management Area • Contribute to the WDC commitment to reduce CO2 emissions • Improve access to Warwickshire College 	The project supports Commitment 2 (“Facilitating decarbonisation by local businesses, other organisations and residents so that total carbon emissions within Warwick District are as close to zero as possible by 2030”) by facilitating a modal shift to sustainable transport modes. Once the project is complete and the infrastructure is in place it will reduce the number of car trips between Warwick and Leamington by enabling and encouraging more residents to take these trips by bicycle.	Spring / Summer 2023	<p>a) Preparation and Design: 2019-20 – 2020/21</p> <p>b) Start on site: 2021/22</p> <p>c) Completion on site: 2022/23</p>	£626,043	£1,992,000	£10,739,000

Title of Project	Organisation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/22	CIL 2021 to 2026	Total project cost 2021/26
					<ul style="list-style-type: none"> Improve network capacity around Victoria Park, which is a venue for the Commonwealth Games in 2022 						
Commonwealth Park Bridge	WDC	<p>A new footpath/cycleway bridge connecting the north and south side of the River Leam but in particular connecting the cycleway provisions along the riverside corridor eastward through Leamington and westward to Warwick. In doing so it will connect all of the existing parks and gardens along the river corridor and this will include the new park – Commonwealth Park - to the west of Princess Drive. It will also enable a direct pedestrian connection from the redeveloped Riverside House housing site and the wider Milverton area beyond it to the north to Victoria Park to the south. Victoria Park will act as host for the Lawn Bowls competition of the Commonwealth Games in 2022.</p> <p>The precise alignment for the bridge has not been fixed at this point. It is anticipated that it will be delivered as part of proposals to redevelop land at Riverside house. As a cycle route it will be linked to the wider Emscote road cycle corridor project (also funded through CIL – see above).</p> <p>The bridge will not be delivered in advance of the Commonwealth Games, but after this as a legacy project.</p>	No	No	The proposal will enable a wider east/west cycle/pedestrian route from Warwick and Leamington and beyond to be established linking to the proposed new Commonwealth Park just to the west and through open spaces all the way to Warwick and eastwards all the way to Newbold Comyn, onwards to the Offchurch Greenway and eventually to Draycote Water. This will encourage walking and cycling generally but will add to the area's attractions as a great place to live, work and visit. Such activity will therefore have an economic benefit, and a health and well-being benefit.	The proposal would enable more walking and cycling in safe circumstances and so reduce the need to travel locally by vehicle.	2024			£250,000	£750,000
Spine Road Cycle/Footpath Link	WDC	<p>A large development north of Gallows Hill, Warwick, which will see a variety of developments such as housing and a neighbourhood centre, the Community Stadium which will be a central hub for community activity, as well as a Grade 2 listed Farmhouse and orchard which will be sympathetically redeveloped as a focal point with established trees and green space.</p> <p>As part of the wider development and the Community Stadium, a key aspect of the Project is for a cycle/pedestrian</p>	No	No	<p>The proposed cycle path will provide a safe access route to Warwick (Myton Road), giving residents from new developments south of Gallows Hill, Myton Green and Heathcote the opportunity to travel to both Myton and Warwick School safely by bicycle/foot. The entrance point at Myton Road will allow users to continue and join other existing and planned cycle routes carrying on into Warwick town centre.</p> <p>The path will also join to an already planned pathway connecting the Community Stadium to the Warwick</p>	Both Myton and Warwick Schools have carried out pupil surveys and received an extremely positive response. Over 35% of the pupils who took part in the survey (1300 pupils) said that they would choose to cycle to school if there was a new cycle path, resulting in a dramatic reduction in parents travelling to and from the schools in the morning and afternoons.	September 2022	<p>a) Preparation and Design: Currently in progress</p> <p>b) Start on site: April 2022</p> <p>c) Completion on site: September 2022</p>	£254,220	1,053,133	£1,053,133

Title of Project	Organisation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/ 22	CIL 2021 to 2026	Total project cost 2021/26
		path from the Stadium (Fusilier's Way) through to Myton Road. The path will run along the boundary line of both Myton and Warwick Foundation Schools and provide much needed additional access to both sites as well as being used by the public to travel from north to south sides of Warwick without the need to use a car.			<p>Technology Park. Workers from businesses on the Technology Park will also be able to access their places of work from Warwick town and beyond via other cycle paths that join the Myton Road as well as the new developments as mentioned above.</p> <p>The new cycle path infrastructure will help to relieve a large amount of traffic congestion to the area at key times of the day.</p>	School traffic contributes massively to the congestion in Warwick around the Myton Rd, Banbury Rd, Europa Way and Gallows Hill areas and this will only increase with the planned developments. It is understood that a lot of parents take their children to school because of how busy the above mentioned roads are. Having a cycle path network which can lead straight to the schools will help to reduce the use of cars as a mode of transport to both schools. Similarly, this will apply to people travelling to the Warwick Technology Park and also to the Community Stadium when partaking in sport and leisure activities.					
Kenilworth Wardens Cricket Club Relocation	WDC	To purchase land, enable site access and essential supporting site infrastructure thereby enabling KWCC to relocate from its current site.	No	No	<p>-Delivery of c110 homes;</p> <p>-Comprehensive development East of Kenilworth;</p> <p>-Improved sports facilities for Kenilworth;</p> <p>-Sustainability of an important sports club thereby encouraging community cohesion;</p> <p>-Opportunity to attract more members for cricket, football, running and various other physical activities through the provision of a MUGA.</p>	The proposed development is not expected to have significant effect on any statutory wildlife sites. Fields 2 and 3 form part of the 'Kenilworth Great Pool, Castle & surroundings Ecosite'. The land use within these fields is currently not conducive to the presence of important habitats (management as playing fields and intensive sheep grazing) and as such their biodiversity value is considered to be limited. The Proposed Development seen in the body of this report includes a number of ecological enhancements to improve the Ecosite, specifically in relation to the creation of wildflower grassland, and the	December 2023	<p>a) Preparation and Design: Completed.</p> <p>b) Start on site: January 2023</p> <p>c) Completion on site: December 2023</p>	Nil	£2.5m	£16m

Title of Project	Organisation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/ 22	CIL 2021 to 2026	Total project cost 2021/26
						<p>enhancement of hedgerows and marshy grassland.</p> <p>Kenilworth Moss “Local Wildlife Site” is present within Field 1 and this will be retained and protected as part of the Proposed Development (this comprises the pond and its surrounding grassland). We can explore options for the enhancement of this pond with the LPA during future design. The 4 important habitats at the site are; ponds, hedgerows, marshy grassland and broadleaved semi –natural woodland.</p> <p>The Proposed Development includes significant areas of species-rich wildflower grassland creation at the peripheries of the Site, which will enhance the Site for its botanical diversity. There is also scope to enhance existing hedgerows and fill in hedgerow gaps where these are present. The ecological enhancements are likely to be ecologically important up to the parish level providing that appropriate management is secured and detailed within a management plan. It is however worth noting that some of this habitat creation will be considered compensation for the loss of the woodland area.</p>					
Relocation of Athletics Facility and Creation of	WDC	To relocate the athletics facility from its current site off Edmondscote Road (accessed from River Close) to a new location alongside the proposed Community Stadium, which will be	No	No	A new athletics facility alongside the proposed Community Stadium would create the following positive impacts on the District and on the sport of athletics.	The provision of a new athletics facility near the Community Stadium will give the opportunity to design with sustainability as	November 2023	a) Preparation and Design: April 2022 to April 2023	Nil	1,800,000	£3m

Title of Project	Organisation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/ 22	CIL 2021 to 2026	Total project cost 2021/26
Commonwealth Park		located next to the spine road to be constructed between Europa Way and Gallows Hill, south of Leamington. The Edmondscote Road site will then be used as a public open space to be called Commonwealth Park, to recognise the presence of the bowls and road cycling events of the Birmingham 2022 Commonwealth Games in the District.			<p>The existing facility would require around £950,000 in refurbishment within the next few years, if it was going to provide an acceptable level of service for a number of years. However, the facility would still be in the flood plain, subject to flood damage and poorly located in a residential area with poor car parking facilities and no schools in walking distance.</p> <p>It would be more appropriate to spend this sum as part funding for a new facility alongside the Community Stadium.</p> <p>The new facility would not be subject to flooding. This would mean the facility would be available on more occasions in the year and there would be less damage to the track, reducing repair and maintenance costs.</p> <p>A newly designed and built pavilion could make appropriate provision for athletes with a disability and provide 21st century facilities for all athletes using the facility. More facilities could be made available for storage and for use by resident clubs.</p> <p>Good quality, tarmac car parking would be available next to the track, and this could be shared with a number of other facilities within the sporting hub around the stadium. Access to the car parking would be directly off the spine road through the wider site, making the site much more easily accessible, much easier to find for visiting teams and not disruptive to local residents.</p> <p>There would be no need to replace the small indoor training facility from the current site, as a much larger and purpose-built facility would be available to athletes within the stadium buildings.</p> <p>The location of the new facility as a close neighbour of Myton School; Warwick School; Round Oak School and the new primary school to be built in this site means that the facility would be within</p>	<p>a key principle from the start. Track floodlights and the building fabric and services within the pavilion can all be designed as sustainably as possible, in order to improve the carbon footprint in comparison to the existing facility.</p> <p>The new location closer to the motorway will reduce carbon emissions from visiting teams. The location of the new facility in a modern area which will feature footpaths and cycle ways throughout will increase the likelihood of modal shift away from the sole occupancy motor car.</p> <p>Proximity to local schools will mean that many younger users of the facility will arrive on foot. The same is likely to be true for local residents of the new housing in the area, and the substantial number of people who are employed on the Warwick Technology Park site.</p> <p>The creation of the Commonwealth Park would increase the bio-diversity of this site, by planting native species, creating natural landscapes and removing the current amenity grassland and artificial surface.</p>		<p>b) Start on site: April 2023</p> <p>c) Completion on site: November 2023</p>			

Title of Project	Organi sation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/ 22	CIL 2021 to 2026	Total project cost 2021/26
					<p>easy walking distance of a great many school children of all ages and abilities, and this would greatly increase the capacity for curriculum and after-school use of the athletics facility by children.</p> <p>Moving the athletics facility to this new location and creating the Commonwealth Park on the existing site would open up the banks of the Leam for a continuous route through Leamington and on to the banks of the Avon and onwards towards Warwick.</p> <p>The Commonwealth Park would be a permanent reminder and celebration of the fact that the road cycling and particularly the bowls events of the Birmingham 2022 Commonwealth Games will have been held in the District. The Park will be located next door to Victoria Park, which is the venue for 10 days of competition in the bowls element of these international games.</p> <p>There would be one area of formal plant beds containing plants from around the Commonwealth to celebrate the theme of the park. However, the rest of the planting within the Park would concentrate on native species and natural landscaping, which would substantially improve the bio-diversity of the site, which is currently a combination of amenity grassland and artificial surface.</p> <p>The creation of the Commonwealth Park would greatly increase the capacity of the site to store flood water. Swales and small ponds could be created as part of the landscaping of the mainly informal park which could be designed to fill during floods. This would serve a practical purpose in reducing flood risk downstream as well as enhancing bio-diversity by offering a permanent and a seasonal wetland environment.</p>						
St Mary’s Lands	WDC	St Mary’s Lands is subject to a site-specific masterplan adopted in 2017.	No	No	<ul style="list-style-type: none">Enhanced biodiversity, including biodiversity net gain adding a	The project is an exemplar for tackling the issues posed by the climate change	October 2025	a) Preparation and Design: (Project	£8,000	1,343,000	£4.05m

Title of Project	Organisation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/ 22	CIL 2021 to 2026	Total project cost 2021/26
		<p>The masterplan sets out the vision and objectives as follows:</p> <p><i>A future for St. Mary's Lands where the natural and cultural heritage is protected and enhanced – where a vibrant range of community uses, economic regeneration and environmental enhancement thrive together in this inspiring natural setting.</i></p>			<p>significant amount of new green infrastructure;</p> <ul style="list-style-type: none"> Increased area of public recreational / amenity space, reclaiming a large area of the golf course for public access whilst investing in the remaining golfing facilities; Significantly improved community facilities, including natural play area, café kiosk and toilets; Cycle and pedestrian network improvements, including investigating a direct link to Warwick Parkway Station; Creation of a natural 'destination park' as a counterpoint to the formality of St. Nicholas Park, increasing the range and diversity of Warwick's visitor offer; Health and well-being benefits through outdoor activity and involvement, helping to build a collective sense of identity through large scale events, such as the annual bonfire night; Increased volunteering opportunities as part of a resilient community's programme, including a young ranger option that seeks to build skills and confidence. 	<p>emergency. It directly seeks to achieve the following four climate change objectives:</p> <ul style="list-style-type: none"> Halting a decline in biodiversity: the project will see a net gain in biodiversity through re-instatement of part of the golf course as natural areas and improving the management of other areas for the benefit of native wildlife; Decarbonisation of local businesses: the replacement of the carbon intensive existing Golf Centre building and its replacement with a more sustainable alternative (as can be evidenced at Hill Close Gardens) will significantly reduce the organisation's carbon footprint; Sustainable travel: the creation of improved footpath and cycle route infrastructure, including a possible connection to Warwick Parkway Station will assist in increasing modes of travel by non-polluting means; A community education, volunteering and information programme that raises awareness of 		<p>Feasibility, funding applications and design) 03.21 – 03-24</p> <p>b) Start on site: 03.24</p> <p>c) Completion on site: 10.25</p>			

Title of Project	Organisation	Description of project	In IDP? (y/n)	In current (2020/21) list	Benefits	How scheme supports climate emergency	Completion date	Timetable / key dates	CIL 2021/ 22	CIL 2021 to 2026	Total project cost 2021/26
						the climate emergency issues, impacts and possible solutions, including promoting positive individual and society behavioural changes.					
Warwick Gates Community Centre Enhancement	WDC	The existing Warwick Gates community centre has the capability to increase its capacity but works are needed to do that. The proposed work includes extending and reconfigure the existing community centre, providing an additional function room and separate toilet/kitchenette space. This will overcome the current safeguarding issues which for example prevent two different groups using the centre at the same time.	No	No	The reconfiguration of the centre and addition of a medium size function room with separate toilet/kitchenette will provide a capacity increase of approximately 50%. This relatively modest change will allow for a significant increase in community capacity in an area that the Local Plan has targeted for significant growth in housing and so population. While other aspects of social need are addressed within the plans little or no provision has been made for direct community infrastructure. This project offers such an opportunity at a modest cost overall and given that it has planning permission already it can be exercised quickly.	Transport is a significant contributor to CO2 emissions locally. Whilst tackling the fuel base of vehicles will remain a major issue enabling transport by other means will also be important. Walking and cycling to locally based facilities can do much to lower car usage and so CO2 emissions but only if the facilities are within easy reach locally (15 minutes neighbourhood). Providing adequate local infrastructure for residents which can be accessed without the need to use a car is critical to reducing local CO2 levels. This project can make such a contribution by enabling a more effective piece of community infrastructure to be created.	Summer 2021	a) Preparation and Design: COMPLETE b) Start on site: SPRING 2021 c) Completion on site: SUMMER 2021	£150,600	£150,600	£340,000

Appendix 3: Analysis of CIL Proposals – March 2021

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
<i>Scheme name</i>	<ul style="list-style-type: none"> ➤ <i>Is there a clear relationship within policies / allocations in the Local Plan</i> ➤ <i>Extent to which project addresses current and projected issues/needs</i> ➤ <i>Anticipated impact on infrastructure capacity once project completed</i> 	<i>Yes / No / Identified indirectly (specify)</i>	<i>Positive / negative In what ways does proposal impact on climate change</i>	<i>Overall cost of project Required level of funding from CIL (is this clearly set out in bid?)</i>	<i>Is there evidence in the form that scheme is clearly planned and deliverable within the timescale envisaged?</i>	<i>Conclusion on whether scheme meets criteria to include on CIL Projects List.</i>	
Bath Street Improvement Scheme	<p>This is an area of significant congestion which requires improvements.</p> <p>It is supported by LP policies TR1, TR2, HS1 and HS6. It also aligns with the Future High Street funding submission by WDC; the vision for Leamington by the Town Centre Forum; and the Local Transport Plan.</p> <p>The scheme is able to provide a better overall experience for all road users through improvements to public</p>	Yes (although most recent changes to scheme are not)	<p>Positive. This is a designated AQMA with air quality issue that the scheme will address.</p> <p>Scheme will facilitate a modal shift to sustainable transport modes. Once the project is complete and the infrastructure is in place it will reduce the number of car trips between Warwick and Leamington by</p>	<p>Estimated total cost of project is: £3.9m,</p> <p>£95k is requested from CIL 2021/22.</p>	A number of activities have been undertaken to support the initial analysis to support the development of the Bath St gyratory scheme, this included scheme drawings, an economic assessment, a modelling assessment, cost estimates and a programme, these will be updated	<p>Scheme sits well within CIL project criteria.</p> <p>It is defined as a key project within the IDP and due to the pattern of development across the District, there are unlikely to be significant S106 contributions available. It aligns well with the Creative Quarter/Future High</p>	Yes

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
	<p>transport infrastructure including a new bus interchange, better cycle and walking infrastructure, and a more efficient road system.</p> <p>Scheme will provide an improvement in air quality with the aim to achieve levels in line with national guidelines.</p> <p>Scheme will provide an overall rejuvenation of the Bath Street area in which new business can grow and where the local economy can flourish.</p>		<p>enabling and encouraging more residents to take these trips by bicycle. The reduction in car trips will result in a reduction in carbon emissions.</p>		<p>based upon further assessments to be undertaken.</p> <p>A series of surveys were commissioned in 2019 to support the assessment of sustainable transport solutions for Bath Street area and understanding the interrelation with its surroundings.</p>	<p>Street proposals in terms of both location and timing. This project has a very positive impact upon tackling climate change.</p>	
Wayfinding in Warwick	<p>New developments have created new footpath links which are now not properly waymarked.</p> <p>Proposal provides solutions to problems identified with the existing network of fingerposts and other signage for pedestrians and cyclists.</p>	No	<p>Positive. Proposal encourages walking and cycling in the district and this will improve connectivity between key destinations in the town centre.</p>	<p>Estimated total cost is £35,000 for Warwick. This is requested from CIL 2021/22.</p>	<p>Leamington has now commissioned a wayfinding company to develop designs and implement in 2021.</p> <p>Kenilworth has put together a brief for the work and are looking to start</p>	<p>Project supports LP policies.</p> <p>Supports Climate Change agenda.</p> <p>Warwick has not started work on wayfinding. This project will improve the travel experience for residents and</p>	Yes

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
					<p>procurement in early 2021.</p> <p>Warwick has not started work on wayfinding to date, but could follow suit in 2021/22.</p>	<p>visitors in the district, especially during the 2022 Commonwealth Games. The funding for wayfinding in Leamington and Kenilworth has been secured therefore it would be beneficial to support Warwick so that the three town centres all benefit from good wayfinding.</p> <p>Project already on project list and limited cost support its inclusion although the bid lacks information as to how the extent of funding has been arrived at or whether there is any urgency.</p>	
Castle Farm Recreation Centre/Scouts and Guides HQ	Additional leisure provision is required to meet needs of a growing population in town.	Yes	Positive. Opportunities to improve levels of energy efficiency	Estimated total cost of project is £12 – 15 million.	Phase II of the Leisure Development Programme is now progressing to RIBA 4. Mace Ltd have	Scheme sits well within CIL project criteria, particularly in terms of the growing population	Yes

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
	<p>Local Plan allocates c2000 new homes in and around Kenilworth plus additional to the south of Coventry.</p> <p>Proposal supports policies in LP including HS1, HS4, HS5 & HS6.</p> <p>Improved facilities required to replace current dated leisure provision.</p> <p>Additional benefits to local Scout and Guide groups that use the centre.</p>		<p>compared to existing building.</p> <p>There is a commitment to make the building as carbon neutral as practical and the building is expected to be more sustainable than Building Regulations requirements. The proposal also encourages healthy lifestyle which may in turn have a positive impact upon movement choices.</p>	<p>£6 million is requested from CIL 2021/22.</p>	<p>been appointed to work with the Council to develop options for this site (and Abbey Fields). Public consultation took place in Dec 2019 to inform the development of RIBA 3 onwards. A planning application will be submitted in late 2020, with an anticipated start on site date of late 2021.</p> <p>The project has been delayed from the original dates due to further work being required on traffic surveys and sustainability elements of the designs, and by the COVID-19 pandemic.</p>	<p>in Kenilworth and need for improved leisure facilities. Scheme supports climate change agenda.</p> <p>As there is an existing leisure centre, other schemes where there is no pre-existing infrastructure arguably could be given priority, particularly given the level of funding requested. However, the facilities are out of date, there is clear demand arising from Local Plan growth and there are no other funding sources that are likely to be able to deliver this important scheme.</p>	

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
Europa Way Bridge Link	<p>Housing allocations (H01, H02, H64A and H46B) make provision for approximately 5,000 new homes in Leamington/Warwick. The Local Plan has included a new policy (DS13) to establish a new Country Park, responding to the shortage of green infrastructure/public open space in this area.</p> <p>Proposal supports policies in LP including HS1, HS4, HS5 & HS6. It also aligns with the draft Bishop Tachbrook Neighbourhood Plan.</p> <p>The new bridge would enhance connectivity between new communities/developments and reduce the need to use a car.</p> <p>The new bridge would create new, off-road routes to the new secondary school at Bishop's Tachbrook.</p>	Yes	<p>Positive. Improve connectivity between new communities of South Leamington & Warwick; enhance access to the cycle and footpath network between new and existing communities, the town centres, railway stations, schools and employment areas. This will reduce the use of and reliance on the car.</p> <p>Encourage greater use of the Country Park through enhanced connections and in turn improve health and wellbeing for those that use it.</p>	<p>Estimated total cost of project is £3 million.</p> <p>No amount is requested from CIL for 2021/22.</p> <p>£200,000 requested from CIL for 2023/24.</p> <p>£800,000 requested from CIL for 2024/25.</p>	<p>Project currently at concept stage. The key landowner and developer has undertaken an indicative design which demonstrates that the project is deliverable.</p> <p>Project is included in the Bishop's Tachbrook draft neighbourhood plan.</p> <p>Estimated date of project completion is end of December 2024.</p>	<p>Scheme meets the CIL project criteria. The funding required for this project has been clearly stated with other sources of funding identified.</p> <p>The scheme demonstrates a clear relationship with policies in the local plan, particularly DS13 which identifies the southern part of Leamington/Warwick having limited pedestrian access to the wider network of footpaths in the countryside. This scheme will help coordinate the provision of infrastructure that are essential to enable the growth required in the local plan.</p>	Yes

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
						As no amount has been requested from CIL for 2021, it is seen appropriate to not include the scheme in the CIL projects list for 2021/22. The scheme would appear to have a strong case for future funding.	
New GP Surgery in North Leamington Spa (Cubbington/Lillington) / New health hub (incorporating primary medical care and community services) in north Leamington Spa.	<p>Scheme supports local plan policies HS1, HS6, and HS8. Additional medical provision is required to meet needs of a growing population in town.</p> <p>Scheme is an opportunity to ensure there is sufficient primary medical care capacity in north Leamington to meet future demand.</p> <p>Opportunity to deliver health care services in a different and more integrated and</p>	Yes	Positive. This project supports the sustainable delivery of local patient services in an efficient manner close to where people live. Design to achieve BREEAM Excellent rating, ensuring green/environmental measures are considered at the outset.	<p>Estimated total cost is £5.75m</p> <p>£2.8m is requested from CIL. Of this £840,000 is requested in 2021/22.</p>	Significant planning work and progress has been completed during 2020. Based on the current capacity position of the GP Practice and the forecast population growth from housing in the near future the scheme is at a point to progress to business case approval with	Scheme supports local plan policies, climate change agenda and would provide medical service to meet the future demand for north of Leamington Spa. Identified need for additional primary medical care capacity to cater for housing growth.	Yes

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
	<p>holistic way through a single 'hub'</p> <p>Provide more flexible accommodation</p> <p>Development would provide fit for purpose and sustainable premises for primary, community and health and well-being services outside of hospital settings, thus taking pressure off local acute services.</p>				delivery/practical completion forecast for 2022/23.		
New GP Surgery in Leamington Spa town centre	<p>Scheme supports local plan policies HS1, HS6, and HS8.</p> <p>Improvements to the Town Centre and will provide a community resource and offer investment in the local community, bringing community groups to the area.</p> <p>Will ensure there is sufficient primary medical care capacity in Leamington town centre to meet future demand</p>	Yes	<p>Positive.</p> <p>This project supports the sustainable delivery of local patient services in an efficient manner close to where people live and in a town centre location with good public transport access, thereby reducing people's need to travel.</p>	<p>Estimated total cost is £6 - £6.5m</p> <p>This is entirely requested from CIL. (£1.35m requested for 2021/22).</p>	<p>Engagement between the CCG and Warwick District Council over the last 18-24 months in relation to the identification of suitable land for development.</p>	<p>No site has been identified or other sources of funding explored. The funding for this scheme is entirely dependent on CIL which increases delivery risks should CIL income be very low in upcoming years.</p> <p>The project has clear benefits but is not</p>	No

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
	Will provide extended integrated health services within a safe, fit for purpose and accessible building		Design to achieve BREEAM Excellent rating, ensuring green/environmental measures are considered at the outset.			sufficiently advanced for inclusion.	
Improvements to Newbold Comyn Park	<p>Proposal is supported by LP policies including HS1, HS4 and HS6.</p> <p>Proposal will bring economic benefits to the District through visitor spending and health benefits to users.</p> <p>Significant leisure and recreation benefits to residents of the District</p> <p>Proposal will improve the attractiveness of the area for local residents and visitors.</p>	No	Positive. Proposal involves the creation of a nature reserve and likely additional tree planting. Proposal is an opportunity to deliver Council priority initiatives while responding to C E declaration, e.g. expanding the provision of cycle ways in parks.	<p>Estimated total cost is £12.5m.</p> <p>£3.25m is requested from CIL.</p> <p>Of this, £2.5m is requested in 2021/22.</p>	<p>Consultants were appointed in 2017 to undertake a programme of work to create a masterplan for the site.</p> <p>This work is complete and in November 2020 WDC Executive approved the masterplan for the site and agreed funding to enable the progression of the funding bid for the cycle facilities.</p> <p>A funding bid is in progress for 50% of British Cycling</p>	<p>This scheme is well developed with three consultations, feasibility studies undertaken, and a masterplan approved by WDC Executive in 2020.</p> <p>Newbold Comyn already exists and the responses to the consultations shows that it is used and enjoyed by residents as it is but welcomes improvements.</p>	Yes

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
					<p>funding towards the capital costs of the cycle facilities.</p> <p>Conversations with the Football Foundation (FF) are on-going regarding the FF investment into the site. It is anticipated that the Council will be successful with an application to the FF due to the 3G Artificial Turf Pitch being identified as a priority within the Council's Football Facilities Plan and feedback from the FF that there is very strong support for the 3G on the site.</p>		
Improvements to two destination parks – St Nicholas Park and Myton Fields, Warwick	Scheme is supported by LP policies including HS1 and HS4.	Yes	Positive. Opportunity to deliver a number of Council priority initiatives whilst	Estimated total cost of project is £5m. This is	St Nicholas Park (£2.5m) – a £2.5m bid was submitted to HLF in 2008 that was unsuccessful but	This scheme is included in the IDP and the current CIL Project List.	No

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
and Abbey Fields, Kenilworth	<p>The Open Space Audits identified the lack of quality and quantity of open space in the district. The two parks play a significant role in the districts green provision and require improvements to bring them up to the standard of the other destination parks.</p> <p>Improvements to these parks will improve the attractiveness of the area for local residents and visitors. By attracting visitors into the district it will bring in economic benefits to Warwick and Kenilworth through visitor spending.</p>		<p>responding to the Climate Emergency declaration.</p> <p>Encourage greater use of the parks and in turn improve health and wellbeing for those that use it.</p>	<p>entirely requested from CIL.</p> <p>No amount is requested from CIL 2021/22.</p>	<p>forms the basis of improvements going forward; more development work is required but there is an opportunity to build upon this work to create an aspirational design; £210K worth of capital improvements were completed in 2018; Myton Fields car park (£1m) - Design works and pre-application discussions have taken place with estimated costs of £1m depending upon the final design.</p> <p>Abbey Fields (£1.5m) – a management plan is being developed which will be completed by March</p>	<p>The scheme supports the climate change agenda. Overall, the scheme meets the CIL projects criteria, particularly in terms of the lack of high quality open space in the district and the need to improve them to attract visitors, which in return will create a vibrant economy.</p> <p>The proposal identifies a desire to make enhancements to the parks without clear masterplans for these improvements nor detailed analysis of costs. Recommended that these are developed further to increase potential for future bidding processes; also recommend</p>	

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
					2021. This will include an itemised costed development plan. There is already a number of active community groups in place and some improvements to the park, including the play area, have already taken place.	funding from HLF is explored.	
Emscote Road Corridor Improvements	<p>Improve the capacity of the transport corridor; provide multi modal improvements including improved cycle infrastructure, carriageway and junction improvements.</p> <p>Scheme is supported by LP policies TR1, TR2, HS1, HS6.</p> <p>Scheme will address congestion and as a result air quality issues; address existing severance issues; increase the potential for bus priority; improve access to Warwickshire College; improve network capacity</p>	Yes	<p>Positive. The scheme aims to reduce the number of car trips between Warwick and Leamington and encourage a modal shift to sustainable transport modes, including cycling. Additional crossing points will address severance issues and encourage walking. The proposals will improve air quality in an AQMA</p>	<p>Estimated total cost is: £10.74m.</p> <p>£1.5m is requested from CIL. (of this, £626,043 is requested from CIL 2021/22).</p> <p>£0.5m in funding is anticipated</p>	<p>A microsimulation model has been developed in Paramics Discovery for the Emscote Road corridor incorporating the Greville Road junction, Rugby Road and Princes Drive/Warwick New Road junction. This has been used to test scheme viability and has informed an expression of interest in DfT</p>	<p>Positive. The scheme aims to reduce the number of car trips between two of our major towns in Warwick and Leamington by encouraging a modal shift to sustainable transport modes, including travel by bicycle.</p> <p>High level of work has already been carried out and other sources of funding have been explored,</p>	Yes

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
	around Victoria Park which is a Commonwealth Games 2022 venue.			from the Future High Street Fund bid to help deliver a cross town centre cycle route.	<p>pinchpoint funding for the scheme.</p> <p>Sustrans have been employed as consultants to conduct initial feasibility work around creating a cycle super-highway along the Emscote Road corridor and have produced a number of scheme designs enabling testing in microsimulation modelling and the development of high-level costs.</p> <p>Atkins have undertaken a feasibility study for capacity improvements at Emscote Road/Tesco access to investigate the potential for improved</p>	<p>some which have been secured or are likely to be secured. This scheme does not rely entirely on CIL funding.</p> <p>The scheme is very much aligned with tackling climate change.</p>	

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
					<p>sustainable transport infrastructure.</p> <p>Further traffic surveys have been carried out to give baseline traffic data at key junctions along the corridor and the level of existing cycle traffic.</p> <p>Plans have already been drawn for improvements to the Rugby Road/Warwick New Road junction and for improvements to Portobello Bridge. There is an opportunity to link the overall corridor scheme into these existing section 278 (HA80) funded schemes and committed</p>		

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
					maintenance programmes.		
Commonwealth Park Bridge	The proposal will enable a wider east/west cycle/pedestrian route from Warwick and Leamington and beyond to be established linking to the proposed new Commonwealth Park just to the west and through open spaces all the way to Warwick and eastwards all the way to Newbold Comyn, onwards to the Offchurch Greenway and eventually to Draycote Water. This will encourage walking and cycling generally but will add to the area's attractions.	No	The proposal would enable more walking and cycling in safe circumstances and so reduce the need to travel locally by vehicle.	The estimated cost of project is £250,000. It is expected that the balance of cost of this project will be met from the sale of the riverside House site.	Scheme links to preparatory work on the Riverside House site.	This scheme will be a legacy project to be delivered after the Commonwealth Games. The proposal encourages commuting and recreational travel by the sustainable travel modes of walking and cycling.	Yes
Spine Road Cycle/Footpath Link	The proposed cycle/footpath link will provide a safe access route to Warwick (Myton Road), giving residents from new developments south of Gallows Hill, Myton Green and Heathcote the opportunity to travel to both Myton and Warwick School	No	Having a cycle path network which can lead straight to the schools will help to reduce the use of cars as a mode of transport to both schools. Similarly, this will apply to	Estimated total cost of project is £1m. This is entirely requested from CIL.	The project is currently in the initial design stages. However, a start on site is expected in April 2022 with completion by September 2022	The scheme will offer opportunities to connect residential developments and the proposed community stadium with local schools and also connect to existing paths	Yes

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
	safely by bicycle/foot. The entrance point at Myton Road will allow users to continue and join other existing and planned cycle routes carrying on into Warwick town centre.		people travelling to the Warwick Technology Park and also to the Community Stadium when partaking in sport and leisure activities. Increased travel by foot and bicycle is also likely to have health benefits.	(of this, £254,220 is requested from CIL 2021/22).		leading to Warwick Town Centre. This will help tackle climate change and offer health benefits.	
Kenilworth Wardens Cricket Club Relocation	<p>Improved sports facilities for Kenilworth and the District as a whole;</p> <p>Sustainability of an important sports club thereby encouraging community cohesion;</p> <p>Opportunity to attract more members for cricket, football, running and various other physical activities through the provision of a MUGA.</p> <p>The relocation of Kenilworth Wardens is essential to the delivery of the Local Plan in</p>	No	<p>Positive.</p> <p>Enhancement measures to be included in scheme to improve the Ecosite that the site lies within.</p> <p>Improvements also to be made to a Local Wildlife Site adjacent to this development (on land under Council ownership).</p>	<p>Estimated total cost of project is £16m.</p> <p>£2.5m is requested from CIL.</p> <p>No amount of CIL is requested from 2021/22</p>	<p>Significant progress has already been made:</p> <ul style="list-style-type: none"> • RIBA Stage 3 cost plan completed by Mace; • Land purchase agreements with three of the four landholders; • Developer agreement to the purchase of 	<p>Scheme is well developed and other funding sources have been explored.</p> <p>No amount of CIL has been requested for 2021/22 and therefore it is not recommended for inclusion on this year's projects list. The scheme could be considered for inclusion on the CIL projects list for future years if there remain challenges in</p>	Yes

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
	so far as it relates to Kenilworth. The relocation of the Wardens will enable the delivery of around 110 dwellings and allow for the comprehensive development of Land East of Kenilworth as required by Local Plan Policy DS15 and the Land East of Kenilworth Development Brief. It will also see land at Castle Farm developed for outdoor sports use as per strategic policy DS23.				<p>KWCC's current site;</p> <ul style="list-style-type: none"> Counsel's CPO advice and Surveyor valuation advice received for Stoneleigh land. 	<p>the delivery of this scheme</p> <p>The relocation of Kenilworth Wardens will enable the delivery of much needed housing and the comprehensive development of strategic allocations in East Kenilworth.</p> <p>This is a relocation of a private sports club and we would want comfort that appropriate value engineering has been considered, whilst still ensuring the delivery of improved facilities for the town, before committing funds.</p>	
Relocation of Athletics Facility and Creation of Commonwealth Park	A new athletics facility alongside the proposed Community Stadium would	No	Positive.	Estimated total cost	A master plan has been drawn up for the overall site. A	Scheme is well developed.	Yes

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
	<p>create positive impacts on the District and on the sport of athletics.</p> <p>The new facility would not be subject to flooding. This would mean the facility would be available on more occasions in the year and there would be less damage to the track, reducing repair and maintenance costs.</p> <p>A newly designed and built pavilion could make appropriate provision for athletes with a disability and provide 21st century facilities for all athletes using the facility.</p>		<p>The creation of the Commonwealth Park would increase the biodiversity of the site, through planting native species, creating natural landscapes and removing the current amenity grassland and artificial surface.</p> <p>The proposed location of the athletics facility is considered to be in a sustainable location, albeit further away from the existing centres of both Leamington and Warwick.</p>	<p>of project is £3m.</p> <p>£1.8m is requested from CIL. None is requested from CIL 2021/22.</p>	<p>number of iterations of the athletics facility have been prepared and discussed with local athletics clubs and other key stakeholders, such as the County Council Education Department.</p> <p>A flood risk survey has been undertaken for the Edmondscote site.</p> <p>An indicative design for the Commonwealth Park has been prepared and discussed with some internal stakeholders.</p> <p>A Condition Survey for the existing track and field events facility has been prepared.</p>	<p>Various funding sources have been explored.</p> <p>No CIL requests have been made for 2021/22.</p> <p>There is already an existing athletics facility although it is acknowledged that this may suffer from its location in the flood plain.</p> <p>However, the Commonwealth Park would be a permanent reminder and celebration of the fact that the road cycling and particularly the bowls events of the Birmingham 2022 Commonwealth Games will have been held in the District. The Park will</p>	

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
					A Budget Estimate for the refurbishment of the existing pavilion has been prepared.	be located next door to Victoria Park, which is the venue for 10 days of competition in the bowls element of these international games. The scheme should be reconsidered for funding in 2022/23.	
St Mary's Lands	Enhanced biodiversity, including biodiversity net gain adding a significant amount of new green infrastructure; Increased area of public recreational / amenity space, reclaiming a large area of the golf course for public access whilst investing in the remaining golfing facilities; Significantly improved community facilities, including natural play area, café kiosk and toilets;	No	Positive. The project will see a net biodiversity gain through reinstatement of part of the golf course as a natural area and improvement the management of other areas for the benefit of native wildlife; Reducing carbon footprint by	Estimated total cost is £4.05m. £1.3m is requested from CIL. (Of this, £8,000 is requested from CIL 2021/22.	The project is the result of the Council adopted masterplan (WDC Local Plan Policy CT7), and of the work undertaken by the SML Working Party to establish the project objectives. Initial feasibility and outline costings are at an early stage of development (RIBA Work Stage 1). Approaches to other potential bodies	The project results from an extensive programme of public consultation and stakeholder engagement via the St. Mary's Lands Working Party. Various sources of funding have been explored and some already secured. The scheme will have both environmental	Yes

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
	<p>Cycle and pedestrian network improvements, including investigating a direct link to Warwick Parkway Station;</p> <p>Creation of a natural 'destination park' as a counterpoint to the formality of St. Nicholas Park, increasing the range and diversity of Warwick's visitor offer;</p> <p>Health and well-being benefits through outdoor activity and involvement, helping to build a collective sense of identity through large scale events, such as the annual bonfire night;</p> <p>Increased volunteering opportunities as part of a resilient community's programme, including a young ranger option that seeks to build skills and confidence.</p>		<p>replacing an existing building with a more sustainable alternative;</p> <p>Creation of improved footpath and cycle infrastructure; A community education and information programme is proposed</p>		<p>have either been made or in the preparation of submission within the next 3-months. The outcome of the other funding bids will help determine the size and scope of the project.</p>	<p>and economic benefits and will enhance the leisure and recreation offer for local residents.</p> <p>Only a limited amount of funding is sought for 2021/22.</p>	

Scheme	Identified benefits of project	Identified in IDP?	Support for climate change agenda	Funding	State of progress	Overall assessment	Inc. in CIL projects List Yes/ Maybe/ No
	Supported by Local Plan policy CT7						
Warwick Gates Community Centre Enhancement	The reconfiguration of the centre and addition of a medium size function room with separate toilet/kitchenette will provide a capacity increase of approximately 50%. This relatively modest change will allow for a significant increase in community capacity in an area that the Local Plan has targeted for significant growth in housing and so population. While other aspects of social need are addressed within the plans little or no provision has been made for direct community infrastructure.	No	Positive. Improving this local facility will enable more people to walk/cycle to access opportunities that community centres can provide.	Estimated total cost of project is £340,000. £150,600 is requested from CIL 2021/22.	This project has planning permission and is ready to be implemented once the final piece of financing is in place.	This project has planning permission already and it can be exercised quickly once funding from CIL is secured. Other sources of funding have been well explored and some already secured.	Yes

Executive
18 March 2021

Title: Response to Local Transport Plan Consultation
Lead Officer: Phil Clarke, Andrew Cornfoot, Dave Barber
Portfolio Holder: Cllr John Cooke
Public report
Wards of the District directly affected: All

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: Yes

Included within the Forward Plan: Yes, Ref: 1,173

Equality Impact Assessment Undertaken: No

Consultation & Community Engagement: Climate Emergency PAB

Final Decision: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	16/02/2021	Chris Elliott, Bill Hunt, Andrew Jones
Head of Service	16/02/2021	Philip Clarke
CMT	16/02/2021	Chris Elliott, Andrew Jones, Bill Hunt, Dave Barber
Section 151 Officer	16/02/2021	Mike Snow
Monitoring Officer	16/02/2021	Andrew Jones
Finance	16/02/2021	Mike Snow
Portfolio Holder(s)	16/02/2021	John Cooke

1. Summary

- 1.1. The County Council is preparing a new Local Transport Plan (LTP). This will become the 4th LTP and will replace the existing 2011-2026 Plan. As part of **preparing the Plan, the County Council has started a "Key Themes"** consultation. The consultation period ends on 18th March 2021. This report **sets out Warwick District Council's proposed response to the Key Themes** consultation.

2. Recommendation

- 2.1. That the responses to the Local Transport Plan Key Themes consultation set out in Appendix 1 be approved for submission to the County Council.

3. Reasons for the Recommendation

3.1. The County Council is of the view that the existing Local Transport Plan (LPT3 2011-2026) is out of date and needs to be replaced. Since LPT3 was adopted in April 2011 there have been significant changes at national, regional and local level including a more focused drive to address the climate emergency, advances in technology, significant housing growth and changing business demands and commuting patterns, not least as a result of the Covid pandemic.

3.2. The Key Themes consultation is at an early stage in the process to adopt a new LTP. Following the consultation, the County Council will embark on a period of more detailed engagement with stakeholders – particularly the District Council – to bring forward more detailed, local proposals which address the local needs of our communities within the strategic context emerging from the key themes consultation. As a result, the key themes document is inevitably high-level and does not incorporate any specific transport proposals for the District. It proposes the aim of the LTP should be to:

"Manage and maintain Warwickshire's transport network in a safe, sustainable and integrated way".

3.3. The consultation proposes that the LTP focuses on four key themes:

- 1) **The Environment**, covering the following challenges:
 - Noise pollution
 - Climate Change
 - Air Quality
 - Flooding and water management
 - Loss of habitat and wildlife
- 2) **The Economy**, covering the following challenges:
 - Impact and recovery from Covid-19
 - Brexit
 - Changing and flexible work patterns
 - Internet based working and shopping
 - Productivity and competitiveness
 - Access to education, training and skills
 - Access to workforce, materials and markets
- 3) **Place**, covering the following challenges:
 - Regional connections
 - National and international connections
 - Access between rural and urban areas
 - Public space and improvement of place and character
 - Rural isolation (lack of connections to wider areas and services)
 - Housing growth and development
- 4) **Wellbeing**, covering the following challenges:
 - Access to healthcare and social care
 - Security and safety
 - Transport-related pollution

- Road safety
- Social inclusion
- Mental health
- Supporting active lifestyles

3.4. The consultation closes on the 18th March.

3.5. In preparing a response to the consultation, officers have taken a number of factors in to account including:

- The existing Local Plan, proposed growth and ongoing pressures for housing and economic growth
- The ambitions and projects set out in the Corporate Business Plan and Fit for the Future
- The declaration of the Climate Emergency and the Climate Emergency Action Programme
- The impact of Covid-19 on the District and opportunities for an economic recovery that is led by strong green growth and investment
- Ongoing issues relating to air quality in the District and particularly around the Air Quality Management Areas
- The importance of mobility and place in health and wellbeing.

4. Policy Framework

4.1. Fit for the Future (FFF)

4.1.1. **The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit.** To that end amongst other things the FFF Strategy contains several Key projects.

4.1.2. The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). The following paragraph illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.2. FFF Strands

4.2.1 External impacts of proposal(s)

People - Health, Homes, Communities – Transport has a significant impact on people's health and wellbeing as well as being a key component of the infrastructure required to support new homes and existing communities. Badly planned transport and inaccessible transport can damage individual health and wellbeing and can impact on the wellbeing of whole communities. The proposed response to the LTP consultation seeks to encourage an LTP that improves transport infrastructure to support existing and new communities, builds a strong sense of place, enables active and healthy lifestyles and maintains an environment that allows communities to thrive.

Services - Green, Clean, Safe – Transport has a significant impact on the environment including being responsible for over 40% of the District's carbon emissions; negatively affecting air quality; causing noise pollution; impacting on habitats and biodiversity; and increasing the risk of flooding. The

proposed response to the LTP consultation seeks to minimize carbon emissions and to improve air quality, especially around AQMAs. It also seeks to encourage the LPT to place an emphasis on minimizing the loss of habitats such as road verges, trees, hedgerows.

Money- Infrastructure, Enterprise, Employment – The Local Transport Plan plays a vital role in supporting the local economy both in terms of access to goods, services and markets and in terms of commuting. It impacts on all the key economic sectors in the District. The proposed response seeks to encourage a diverse range of transport options to support economic activity whilst avoiding environmental harm and promote healthy lifestyle, equality and high quality places.

4.2.2. **Internal impacts of the proposal(s)**

People - Effective Staff – As an employer, WDC and our staff will be impacted by the Local Transport Plan. The responses seek to ensure that the Local Transport Plan provides WDC employees with a diverse and effective range of transport options to access their workplace.

Services - Maintain or Improve Services – the Local Transport Plan, when adopted, will impact on the Planning Service, parking service, health and community protection as well as general access to a wide range of other services.

Money - Firm Financial Footing over the Longer Term – There are no implications of these proposals for the Councils financial footing.

4.3. **Supporting Strategies**

4.3.1. *The proposed response has taken account of the following WDC strategies:*

- The Climate Emergency Action Programme and in particular the ambitions for a zero carbon District
- The emerging South Warwickshire Local Plan which will both influence the Local Transport Plan and be influenced by it as development options are considered.
- The Air Quality Management Areas and specifically the aim of improving air quality in AQMAs

4.4. **Changes to Existing Policies**

4.4.1. The proposed consultation response is consistent with existing Council policies. There are no changes to policies proposed. Impacts on the Local Plan policies will be considered separately as the Local Plan is reviewed.

4.5. **Impact Assessments**

4.5.1. The proposed response set out in Appendix 1 sets out a range of equality issues that the Local Transport Plan should consider.

5. Budgetary Framework

- 5.1. There are no financial implications associated with this report.

6. Risks

- 6.1. There are no risks directly associated with this report.

7. Alternative Option(s) considered

- 7.1. The Council could choose not to respond to the Local Transport Plan consultation. However, this option is not proposed as the Local Transport Plan is important for the future of our District and our services. The consultation provides an important opportunity to influence the Plan at an early stage and will provide the context for future, more detailed discussions with the County Council.
- 7.2. There are many alternatives relating to the content of the proposed response, including alternative approaches to the weighting/importance given to various options. Officers have sought to provide a response that is consistent with existing Council policy.

8. Background

- 8.1. This consultation is an early stage in the process of preparing a Local Transport Plan. Following this consultation, the County Council will continue to compile evidence and will engage with the District in detail to provide an opportunity for a collaborative approach to bringing forward detailed local proposals for our District. It is intended there will be a further round of consultation later in 2021 on specific initiatives including those for Warwick District. It is hoped the Local Transport Plan will be adopted in 2022.

Local Transport Plan (LTP4) – Key Themes consultation
Response from Warwick District Council
March 2021



DRAFT

In completing this response, Warwick District Council has tried, as far as possible, to follow the format and questions included in the on-line form on the Warwickshire County Council website. The District Council has, on occasions, provided additional information and comment where this is relevant.

Question
General / overview comment from Warwick District Council on the LTP Key Themes consultation
<p>Warwick District Council welcomes the opportunity to comment on this consultation. We agree that it is time for a refresh of the LTP and consider this to be a great opportunity to clearly set out a strategy, fit for today's world, that considers and where possible seeks to address the challenges identified in the consultation.</p> <p>We agree that the four themes of 'The Environment', 'The Economy', 'Place', and 'Wellbeing' are appropriate and when considered together, will ensure that the LTP focuses on all key areas relevant to transport.</p> <p>Tackling climate change, supporting the sustainable growth of our economy and population and promoting healthy and active lifestyles are all matters of considerable importance to the Council and should be given particular focus in the LTP, as well as the strategy also considering the many other challenges identified in the consultation.</p> <p>We are thankful to colleagues at Warwickshire County Council for meeting with us to introduce this consultation prior to its commencement and would welcome the opportunity to have regular dialogue throughout the preparation of the LTP. As highlighted in that meeting, Warwick District Council has recently started work with Stratford-on-Avon District Council on the preparation of a Local Plan (the 'South Warwickshire Local Plan') covering the entirety of South Warwickshire. We would therefore kindly ask you to bear this in mind when developing the LTP and also encourage you to engage with us on the preparation of our Plan, to ensure the two are aligned, where appropriate. We understand that you may propose to include area based plans in the LTP and therefore recommend that the whole of South Warwickshire is treated as one single area (although we would expect there may need to be something specific for each of the main towns as well).</p> <p>The WCC published plan that accompanies the consultation provides a useful overview of the Challenges and Themes. We would urge subsequent actions arising from the consultation to consider the following points:</p> <ul style="list-style-type: none">• Avoid statements such as "consider ways to encourage walking and cycling" unless they actually identify targets, place-specific projects or modification of the decision-making process (e.g. updating Local Plans).

Question

- Provide clear, quantified and achievable targets or statements of intent. For example, to 'make at least an equal investment in capital expenditure for active travel compared to road schemes', or 'fully electrify the public transport fleet within WCC control by 2025'.
- Define what is meant by 'sustainable growth' and 'sustainable travel' in terms of national and locally accepted carbon emission targets and air pollution limits. All elements of a transport plan should be defined in these or similar terms with published estimates of carbon emissions saved or gained, or air quality change. For example, the extra carbon emissions used in the construction of a new road have to be added to the carbon total that is required to reduce to zero, whereas the carbon emissions saved through the substitution of 100,000 car journey miles by cycling miles can be removed from the total sum.
- Adopt a systems perspective that recognises that interactions between people's behaviour, travel modes and travel conditions may lead to unidentified consequences. Help to anticipate future changes by learning from the experiences of towns and cities in the UK and elsewhere where interventions and experiments have already been conducted.

Note on Covid

Covid has necessitated many people and businesses to reconsider work and travel patterns. There is now a public willingness to rethink transport strategy to prioritise active travel and public transport over private motor vehicles. Carefully planned pedestrianisation (including workable diversion of through-traffic) offers advantages of increased footfall to businesses, reduced air and noise pollution, and an enhanced sense of identity and community.

Transport should be planned to make it easier to commute less. This means attracting green jobs, providing infrastructure to support home-working, and prioritising active travel options for the journey from home to work. Also, but not strictly part of transport plans, more affordable housing close to work-places in the district.

Key theme: Environment

General / overview comment from Warwick District Council on the LTP Key Theme: environment

Warwick District Council declared a Climate Emergency in 2019. We know that just under 40% of carbon emissions in the District are from on-road transport, with a further 7% from aviation and 1.5% from rail. We are aiming for the District to be as close to net zero carbon by 2030 as possible. In this context addressing transport-related carbon emissions is a top priority for the Council. In particular, we are of the view that the following hierarchy should be applied to transport investment:

- a) Zero carbon modes of transport (cycling and walking) should be prioritised, particularly for shorter journeys.
- b) Low carbon public transport options should be prioritised where walking and cycling are not possible. For these, low emission options need to be the norm – including electric and hydrogen
- c) We recognise that private cars are responsible for carbon emissions through their construction (which given the number of vehicles is considerable) and for some time come will continue to be responsible for carbon emissions in operation until all petrol/diesel vehicles have been phased out and the electricity grid in 100% zero carbon. In this context private cars should only be encouraged where other

Question
<p>options are not possible. Where necessary the infrastructure needs to be put in place to maximise the use of low-emission options (electricity or hydrogen)</p> <p>In addition, tackling poor air quality is a high priority for the District Council, particularly where there are impacts on the defined air quality management areas within the district. The hierarchy set out above will equally help to address this.</p>
To what extent do you agree that the theme of environment should be one of the themes we use in developing LTP4?
Strongly agree
<p>Thinking about the information provided about the environment, please rank the following issues in order of how important you feel they are to address in the LTP (with 1 being the most important):</p> <ul style="list-style-type: none"> • Climate change / carbon emissions • Air quality / pollution • Noise pollution • Flooding • Loss of habitat and wildlife
<ol style="list-style-type: none"> 1. Climate change / carbon emissions 2. Air quality / pollution 3. Loss of habitat and wildlife 4. Flooding 5. Noise pollution
If there are any other issues related to the environment not listed, please tell us. Please say how you would rank your answer in line with the options above.
None
Why have you chosen the environment issues selected (and any others you have indicated)?
<p>Climate Change: Warwick District Council declared a Climate Emergency in 2019. We know that just under 40% of carbon emissions in the District are from on-road transport. If WDC's ambitions for a carbon neutral district are to be achieved we need to work in tandem with the County Council to enable low and zero carbon transport options to be effective, reliable, safe and affordable</p> <p>Air Pollution: Warwick District's towns have some of the worst air quality hotspots in the County and indeed nationally. This is having significant environmental and health impacts. If we are to encourage active transport options, air quality and the environment of highways/travel routes needs to be improved</p> <p>Habitats and Wildlife: The loss of hedgerows, trees and other habitats to enable transport infrastructure is always an important concern of the District's residents. This is particularly sensitive at present with high levels of concern about the impact of HS2 on the District's habitats and biodiversity.</p>
Which of the following do you think are important to consider in the LTP when thinking about the environment challenges above?

<p>Question</p> <ul style="list-style-type: none"> • Improve traffic flow to reduce vehicle emissions from congestion • Encourage switch to electric cars by supporting more charge points • Support a move to low or zero emission buses • Provide more and better provision for cycling • Provide more public transport (such as buses and trains) • Make it easier to combine transport types on a single journey (for example train, bus, cycle) • Reduce traffic in central parts of towns • Discourage use of private cars for journeys to work • Make road verges and other spaces on the transport network better for nature • Other (please specify) <p>Taking the “transport hierarchy” set out in the introduction above, the following should be prioritised:</p> <ul style="list-style-type: none"> • Make it easier to combine transport types on a single journey (for example train, bus, cycle) • (Subject to providing high quality alternatives) discourage use of private cars for journeys to work. To reduce the number of cars on the roads we need to create a genuine modal shift to cycling (and walking). This makes better infrastructure a must to encourage more people to take alternative means of transport. • Other: Provide high quality alternatives to private cars for trips to school, shopping, leisure • Provide more and better provision for cycling • Other: Improve the environment for walking including linking and utilising green spaces and other off-road routes; and ensuring highway walking routes feel safe, quiet and pollution-free (we should be targeting areas with poor air quality to be ones where we deliberately take steps to reduce traffic and incentivise active travel) • Provide more public transport (such as buses and trains) • Support a move to low or zero emission buses • Reduce traffic in central parts of towns • Introduce delivery hubs to reduce number of delivery vehicles to town centres and homes • Encourage switch to electric cars by supporting more charge points <p>NB: We shouldn’t be afraid of trying short term and temporary enhancements (e.g. pedestrianisation) but it is essential that these are giving sufficient time to take effect and should not be abandoned purely down to initial perceptions. Reallocating a greater share of road space to cyclists is a positive step and will reduce congestion if given time to have impact.</p>
<p>Key theme: Economy</p>
<p>General / overview comment from Warwick District Council on the LTP Key Theme: economy</p>
<p>Warwick District has become a “destination of choice” for many employers as a consequence of the district’s quality environment, good transport links and good educational and other opportunities. Relative to the West Midlands as a whole, the district has a strong local economy, with a skilled population and higher than average levels of productivity and earnings compared with regional and national averages.</p>

Question

There are a number of main employment centres in the district in both urban (eg: Tachbrook Park, Wedgenock Industrial Estate) and rural (eg: Stoneleigh Park) areas as well as in all the districts town centres. In addition, there is significant employment within the district in the area immediately abutting Coventry (eg: University of Warwick, Middlemarch Business Park).

The current Local Plan for Warwick District plans for a growth in population in the district of 26% between 2011 and 2029. The Plan identifies a requirement for 66 hectares of employment land during the plan period and, taking account of existing commitments, identifies almost 20 hectares of new employment land at Stratford road, Warwick and at Thickthorn in Kenilworth. Furthermore, it allocates an additional 235 hectares on land around Coventry airport for a major employment site of sub-regional significance. This site is currently under construction.

The district also has a strong creative sector which the council is keen to support. This includes (but is not limited to) a burgeoning digital creative sector including a focus on computer games development. Much of this sector is located within the heart of our towns, particularly Royal Leamington Spa.

The current trend that is seeing a shift away from retail sales on the high street to online is likely to change transportation patterns such as an increase in warehousing and deliveries. Transport options need to support the economy in our Town Centres by making them accessible and attractive places to dwell. As part of this dynamic consideration should be given to 'last-mile' alternatives which ensure that genuinely sustainable and non-polluting transport is used for delivery into towns.

Any local transport plan needs to anticipate economic and technological changes, especially electrification. For example, electric cars may change the way people use and park their cars (e.g. attracted to on-street charging points). Electric bikes have the potential to change the nature of cycling (e.g. longer distances, all-year round use) opening-up town-to-town travel.

In the context of a low carbon economy, effective commuting, which recognises the potential for changes to patterns of work, needs to be put in place through the Local Transport Plan. This requires active travel options for shorter commutes and effective low carbon options for commutes that cannot be achieved through walking and cycling.

It is vital that any transportation investment seeks to support all the district's important employment sectors and centres. As such, and recognising the district's declared Climate Emergency (see responses to key theme: environment above), it is important that any transport investment and priorities in the LTP supports the district's economy and in particular:-

- a) supports initiative to prioritise zero carbon modes of transport (cycling and walking), including to places of work and central locations such as town centres
- b) prioritises and invests in public transport options (and especially low carbon options) to all places of work and town centres.
- c) Develops initiative that encourage the best use to be made of public transport including integrating different means of public transport and supporting public transport hubs (eg: railway stations).

Question
<p>d) Supports active travel and other measures to reduce reliance on the private car for work places.</p> <p>e) Support the provision of infrastructure to maximise the use of low-emission options (electricity or hydrogen) in employment centres.</p> <p>The Council's Climate Emergency declaration also commits the council to "Facilitating decarbonisation by local businesses, organisations and residents, in order for Warwick District to be as close to zero by 2030 as possible". An effective transport strategy is an important element of helping to deliver on this commitment.</p>
To what extent do you agree that the theme of economy should be one of the themes we use in developing LTP4?
Strongly agree
<p>Thinking about the information provided about the economy, please rank the following issues in order of how important you feel they are to address in the LTP (with 1 being the most important):</p> <ul style="list-style-type: none"> • Impacts of and recovery from COVID-19 • Brexit • Access to workforce, materials and markets • Changing and flexible working patterns • Internet-based working and shopping • Productivity and competitiveness • Education, training and skills
<p>It is difficult to rank these issues with there being clear inter-relationships between different issues and ultimately there is a need to address all of them.</p> <p>However, we believe that there needs to be a particular focus on:-</p> <p>a) Education, skills and training – to ensure that the LTP develops a transport system which is accessible and opens opportunities for students, apprentices and young adults to learn and grow. This includes a focus on improving links between educations centres (eg: University of Warwick, Royal Leamington Spa College) and places of work.</p> <p>b) Internet-based working and shopping – to ensure that the LTP helps support the district's town centres.</p> <p>c) Productivity and competitiveness – to ensure that the LTP addresses issues of local congestion and reduces journey times, particularly within urban areas.</p>
If there are any other issues related to the economy not listed, please tell us. Please say how you would rank your answer in line with the options above.
<p>Warwick District Council would ask that the issue of support for the green economy be included in the above list. This is about providing the right transport infrastructure and image/feel to encourage investment from companies involved with low carbon technologies, carbon capture, habitat creation and biodiversity, local circular economy etc. The Council would wish this to be ranked highly alongside the three priorities named above.</p>
Why have you chosen the economy issues selected (and any others you have indicated)?
Education, skills and training

Question

The district currently has a highly educated and skilled workforce, and in order to secure the future of the investment we currently have, and attract additional investment (particularly in the green economy – see below) a good transportation system is vital. A recent example of the need to attract and retain a skilled and trained workforce (and provide the training for them) has been seen the Government decision to base its laboratory testing “Megalab” (created as part of the country’s long term resilience to a pandemic) in Leamington. This will bring up to 2,000 new jobs to the district, many of which will be skilled.

There are particular issues relating to connectivity with the University of Warwick which, although being on the edge of Coventry, sees many movements of people from within the district (of which the recent MegaLab proposal is a good example).

Internet-based working and shopping

In a post-covid world, renewed support will be needed to ensure that the district’s town centres remain the heart of our communities. Ensuring that town centres are accessible to all and inclusive will be key to this. For example, in Leamington town centre the Council’s provisional award as part of the government’s Future High Street Fund will see significant additional investment in supporting a sustainable movement network in the town centre. It is important that this initiative links to other strategies to maximise its effectiveness.

Productivity and competitiveness

Warwickshire’s economy is innovative, competitive and entrepreneurial, and the economy of Warwick district exemplifies this. The district’s creative sector, much of which is located in or close to the district’s town centres relies on an efficient transport infrastructure, both to remain competitive and to create an environment where companies wish to invest. Congestion into and within the district’s town centres affects their competitiveness as well as causing air pollution which impacts on wellbeing and the environment.

Green economy

As part of the Council’s response to the Climate emergency, Warwick District Council is keen to explore opportunities to expand the green economy. Whilst the green economy is primarily about attracting a certain type of investment to Warwick district (an economy based on the principles of (1) wellbeing, (2) justice, (3) safeguarding, restoring and investing in nature, (4) supporting sustainable production and consumption and (5) good governance), the environment and transportation systems we have in place to support this are important in setting the right “tone” to attract such investment. This links directly back to the investment hierarchy proposed in the “environment” theme above.

Which of the following do you think are important to consider in the LTP when thinking about the economy challenges above?

- **Improve links to national and international transport to help move goods / freight**
- **Provide new transport infrastructure / solutions to encourage businesses to locate and invest in Warwickshire**
- **Address peak travel congestion to make it easier for people to travel to work**
- **Invest in cycling and public transport as alternatives to driving to work**
- **Support remote / home working to reduce the amount people travel**
- **Other (please specify)**

Question

All of the above are important issues as the LTP considers economic challenges. For Warwick District, the council would particularly emphasise:-

- Providing new transport infrastructure / solutions to encourage businesses to locate and invest in Warwickshire
- Addressing peak travel congestion to make it easier for people to travel to work – and -
- Investing in cycling and public transport as alternatives to driving to work

All of these issues relate to points noted elsewhere under this theme, particularly around creating a high quality environment where businesses want to invest and where this can be done in a way which meets the council's Climate Emergency challenges. The importance of "addressing peak travel congestion to make it easier for people to travel to work" is relevant not because it is seeking to encourage additional road building, but because the Council would wish to tackle the challenges of peak travel congestion through a range of means as set out in answer to previous questions. In considering new highway proposals (for example the A46 link road) the council would expect that any congestion benefits are clearly demonstrated and also that any new road supports walking, cycling and public transport improvements.

Key theme: Place**General / overview comment from Warwick District Council on the LTP Key Theme: place**

Warwick District Council agrees that supporting and maintaining high quality places should be a key theme in the Local Transport Plan. The creation of high quality places is an important strand of national planning policy and the District's Local Plan.

We consider it to be important to ensure there is appropriate access for all to key services and that there are suitable transport connections for all between towns and between rural communities and urban areas.

We believe that strong connectivity within and between existing settlements (and also new developments) should be of paramount importance and there should be clear strategies to promote joined up infrastructure. This connectivity should be through providing both active transport and public transport travel options.

If we are to achieve a modal shift then we must collectively do more than to accept, for example, cycle paths that run a short length through a development and then stop. This does little to encourage cycling as a realistic mode of transport for the masses as the infrastructure needs to be connected across a settlement and beyond. Furthermore, creating a sense of place can be promoted through helping residents or employees understand the routes and travel options in an area and therefore it is important that the County Council considers the importance of wayfinding and producing literature for communities to encourage walking and cycling.

In particular, our Town Centres need to be attractive and welcoming places for people and this includes creating shared spaces for cyclists and pedestrians that allow them to co-exist. They also need to become places where people can live to create new communities in the centres of our towns, not just on the outskirts, and to feel connected wherever they live in a town. A key enabling element is proactive planning for integrated active travel within towns and cities.

Question

The consultation brochure acknowledges that superfast broadband can support rural living and benefit the transport system through enabling home working, thus reducing travel demand. The Covid-19 pandemic has demonstrated that widespread take-up of this approach is possible and can have a positive impact in terms of reducing congestion, traffic and improving air quality. We believe that this LTP should focus on changing travel behaviour and look beyond transport solutions to transport/highway problems, so that the default position to highway capacity challenges is no longer to necessarily build a new road (although of course that may still be necessary) but to consider what alternative infrastructure can be improved (e.g. broadband connectivity) to encourage businesses to support home based working and ultimately reduce vehicles on the road. Where highway capacity issues are identified, sustainable travel options should be given greater priority over additional highway capacity for the private car.

Warwick District will suffer from the destruction of landscapes and biodiversity (albeit acknowledge that there will be mitigation measures) and disruption from HS2. It is therefore important when considering regional, national and international connections to ensure that the LTP seeks to ensure that the District is well connected to the new opportunities arising from the new Birmingham Interchange station and UK Central Hub as well as the existing Birmingham Airport.

We welcome the acknowledgement of the detrimental impact that traffic and transport infrastructure can have upon the appearance and character of towns and streets. We would welcome and offer wholehearted support to an approach that places a greater emphasis on tackling this identified issue and supports innovative and less traditional approaches to delivering highway infrastructure that support shared space, use of different surface materials rather than the traditional tarmac, design new highway infrastructure to provide a clear visual indication that walking and cycling are prioritised, reduce clutter from unnecessary street furniture and design infrastructure to remove the requirement for so much signage etcetera. For example, make all light-controlled crossings provide priority to pedestrians/cyclists (i.e. change on demand or better still default to red for traffic until such demand builds to change the light). With new changes to the Highway Code, councils will need to respond to change the environment that it works in.

The public space and improvement of place and character challenge refers to maintaining Warwickshire's character. We believe this should go beyond simply maintaining and looking to improve its character and moreover create a new identity for major new developments. Can we try to design most major new developments so that the road, used primarily by the private car, is no longer the most dominant feature of a development? Can we introduce traffic calming measures that involve natural 'green' features rather than traditional engineering solutions that are visually less attractive? This could be achieved in many ways, including:

- Adopting 20 mph speed limits in built up areas to radically change the sense of place for everyone. This includes making roads a less hostile place for pedestrians and cyclists to encourage modal shift.
- Maintaining and increasing our greenways to provide more green space and create urban lungs for our built-up areas.
- Ensure that development prioritises the active travel links beyond the immediate boundaries of the development's location.

Question
We agree that it is important that the LTP will account for future housing projections and employment growth identified within local plans. Warwick District are working collaboratively with our neighbours Stratford District on the preparation of a South Warwickshire Local Plan. Whilst this work is in its infancy we would welcome the opportunity to engage with the County Council on transport infrastructure matters at regular points throughout this process to ensure that our strategies can be as aligned as possible and to ensure that we both understand the direction our respective documents are looking to take and what infrastructure will be required to meet growth demands. The new Plan is likely to span at least 25 years and therefore a variety of spatial options are being considered at this stage as to how we can meet the needs of South Warwickshire.
To what extent do you agree that the theme of place should be one of the themes we use in developing LTP4?
Strongly agree, for the reasons explored above.
Thinking about the information provided about place, please rank the following issues in order of how important you feel they are to address in the LTP (with 1 being the most important):
<ul style="list-style-type: none"> • Public space and improvement of place and character • Rural isolation • Access between rural and urban areas • Housing growth and development • National and international connections • Regional connections
<p>It is difficult to rank these issues with there being clear inter-relationships between different issues and ultimately there is a need to address all of these issues.</p> <p>However, we believe that the primary focus should be on addressing issues of access and connectivity between local areas so that there is access to key services for all; and then ensuring that the LTP ensures that new demand for travel can be accommodated to meet address future housing and employment growth.</p>
If there are any other issues related to place not listed, please tell us. Please say how you would rank your answer in line with the options above.
The challenges identified in this theme don't really acknowledge that there are issues and opportunities within existing urban areas that relate to travel. More can be done through wayfinding, production of literature, and where feasible make improvements to existing infrastructure to encourage more people to make relatively short journeys by walking and cycling. Therefore, 'Wayfinding' should be added as a challenge in this section. Whilst this is considered an important issue, it should not be ranked higher than the issues we identify above as being our suggested primary foci.
Why have you chosen the place issues selected (and any others you have indicated)?
See earlier answers.
Which of the following do you think are important to consider in the LTP when thinking about the place challenges above?
<ul style="list-style-type: none"> • Reduce traffic in town centres • Make town centre streets and spaces more attractive for pedestrians • Reduce sign clutter and street furniture

Question
<ul style="list-style-type: none"> • Make road verges and other spaces better places for nature • Prevent or restrict through traffic on some residential streets • Other (please specify)
<p>We believe the majority of these are important, in addition to other suggestions made in this response, including improving wayfinding.</p> <p>We do not however consider the prevention or restriction of through traffic on some residential streets to be as important an issue as others identified. If other measures are introduced to encourage and prioritise walking and cycling and encourage more widespread home-working then this might reduce problems associated with traffic on residential streets.</p>
Is there anything else we should consider in the theme of place?
See earlier comments and answers.
Key theme: Wellbeing
General / overview comment from Warwick District Council on the LTP Key Theme: wellbeing
<p>Warwick District Council (WDC) supports the inclusion of wellbeing as a key theme for consideration in the LTP. Wellbeing, including mental and physical health, should be a key priority for all local authorities when developing any plans that could impact either positively or detrimentally upon people's wellbeing.</p> <p>WDC agrees that the LTP should support an inclusive transport system that works for everyone, enabling everyone to feel part of a community. Ultimately creating an environment where residents enjoy good mental and physical wellbeing must be the priority. A population with higher levels of mental and physical wellbeing requires fewer social and health care resources and less tax-take to provide them. Higher levels of wellbeing represent win-win outcomes.</p> <p>We wholeheartedly agree that there are significant benefits to regular walking and cycling and being able to access green space. These benefits are both in terms of mental health and physical health, which can impact upon each other. Mental health issues have the potential to impact upon physical health whilst mental health issues can be developed or exacerbated as a result of poor physical health.</p> <p>We further agree that ensuring there is access to health and social care for all should be a priority and new facilities should also be planned in accessible and suitable locations to meet demand.</p> <p>The LTP should not only focus on the provision of suitable walking and cycling routes as a means to get from A-B and ensuring appropriate access to green spaces, but that it should also encourage the creation of additional 'recreational' routes that connect to greenspaces and other destinations, such as leisure centres, to encourage active lifestyles within our communities without people having to travel significant distances to enjoy recreational walking/cycling.</p> <p>The mental health challenge within this theme highlights loneliness as one particular issue. This links to other challenges around rural isolation although of course loneliness is not</p>

Question

solely about connectivity as this can occur even in the most urban of locations. It is important whether in a rural, urban or rural-urban fringe location, that good transport links are provided to enable residents to access a range of services.

Security and safety is identified as a challenge under this theme. The perception of safety whilst using public transport (including rail, bus services etc.) and whilst waiting for the transport to arrive are also matters that should be given consideration to encourage usage and make this a genuine alternative to other travel options for all. It is recommended that consideration is also given to ensuring that both existing (where feasible) and new routes for pedestrians and cyclists are well-lit and designed in a manner to be legible and design out crime.

We agree that the LTP must consider the issue of transport related pollution and seek to promote measures that both improve air quality and reduce noise pollution. Tackling air quality issues associated with transport has synergies with addressing the Climate Emergency, as declared separately by both WDC and Warwickshire County Council. Noise pollution can also have impacts in terms of people's perception of a place in terms of its attractiveness owing to a lack of tranquillity and potentially can also affect mental health. If a route is considered to be noisy or have poor air quality, residents/commuters using that route may well be discouraged from using sustainable travel options along the route.

The challenge of road safety is well known and remains an issue that must continue to be tackled. Road traffic collisions can of course be tragic incidents that have knock on impacts to emergency services and health services both in the aftermath of incidents and potentially long into the future through both physical and mental health issues to those involved and those close to them. Whilst many incidents are as a result of poor driver behaviour, the County Council should continue to strive to design and maintain highways to ensure our roads are as safe as they reasonably can be. Whilst there are many cyclists that feel comfortable riding on roads, the perception of roads being unsafe for cyclists is still widespread, and this must be tackled both through the creation of more off-road routes and improvements to highway safety. Consideration must also be given to protecting pedestrians and cyclists and whether it is safe and sensible to have shared paths or whether these should be segregated.

One area not covered in the challenges, although is linked to a number of the challenges within this theme is the need to ensure that there are no physical barriers that prevent individuals/groups from accessing a destination. For example, where there are limited safe crossing points on transport corridors, this discourages users including elderly residents and those with young children from walking or cycling. More needs to be done to prioritise pedestrians and cyclists and ensure that nobody feels isolated or trapped on an 'island' resulting in them not making journeys or having no safe option but to use the private car.

To what extent do you agree that the theme of wellbeing should be one of the themes we use in developing LTP4?

Agree

Thinking about the information provided about wellbeing, please rank the following issues in order of how important you feel they are to address in the LTP (with 1 being the most important):

- **Supporting active lifestyles**

Question
<ul style="list-style-type: none"> • Mental health • Transport related pollution • Social inclusion • Access to health and social care • Road safety • Security and safety
<p>All of these issues are important and a number of the challenges are interlinked and perhaps should not be separated out (e.g. supporting active lifestyles and mental health). It is however acknowledged that there is only so much that the LTP can do to tackle some of these challenges.</p> <p>We would however, suggest that the following are given greatest focus in the LTP:</p> <ol style="list-style-type: none"> 1. Supporting active lifestyles. Having a transport system which encourages and allows safer walking and cycling routes increases the use of these transport modes thus positively impacting on active lifestyles. 2. Transport related pollution (key to tackle for both wellbeing and climate change reasons). The impact of PM10 and PM2.5 on health is well documented both for adults and children. By ensuring the transport system moves towards an ultra-low emission system with the necessary infrastructure to support it will significantly impact on the reduction of pollution and as a result the health of residents. 3. Road safety (this in turn has an impact upon supporting active lifestyles) 4. Social inclusion (this and 'access to health and social care' could perhaps be considered as one challenge). The development of suitable transport infrastructure allows access to services, community facilities and as a result promotes inclusion. There are areas of the district where transport currently hinders this and has been a factor in creating social deprivation.
<p>If there are any other issues related to wellbeing not listed, please tell us. Please say how you would rank your answer in line with the options above.</p>
<p>Whilst perhaps not something that the LTP has influence over, the cost of public transport options such as rail, bus, tram, very-light-rail can have a great impact upon its use. If these travel options are deemed to be expensive, or comparatively expensive when considered against the use of a private car, then we are unlikely to see a shift to greater use of such travel options.</p> <p>This is an important consideration and whilst maybe not ranked higher than the four challenges identified above, it does relate to a number of the themes – mental health, supporting active lifestyles (as often use of public transport also involves some walking to the final destination), access to health and social care and social inclusion. This is also something that would encourage a shift away from personal car use and would likely have a positive impact on active lifestyles, pollution and social inclusion specifically.</p>
<p>Why have you chosen the wellbeing issues selected (and any others you have indicated)?</p>
<p>See commentary above.</p>
<p>Which of the following do you think are important to consider in the LTP when thinking about the wellbeing challenges above?</p> <ul style="list-style-type: none"> • Make travel safer • Prioritise vulnerable road users such as pedestrians and cyclists over motorised transport

Question
<ul style="list-style-type: none"> • Provide better public transport in rural areas • Improve facilities for walking and cycling • Improve transport access to health and social care • Other (please specify)
<p>Warwick District Council considers all of the proposals stated are important to consider. Moreover, it is our view that it is essential that the LTP seeks to deliver on these proposals and sets out clear measures in how this can be achieved.</p> <p>To encourage health and wellbeing, alongside the six bullets set out above, we would like to the Local Transport Plan focus on:</p> <ul style="list-style-type: none"> • Providing or promoting better travel infrastructure: from maintaining and cleaning pavements and cycle routes; to creating more cycle paths; to planning bus routes; • Reducing the incidence of heavy traffic and cyclists/pedestrians mixing by removing heavy traffic from the areas that people want to be; • Promoting active travel, including through the education curriculum and including good routes to school and good cycling facilities on site; • Making commuting to school and work by active travel means easier so that activity becomes built into people's lives; • Better and more liaison with local cycling and walking groups.
Equality
Please tell us of any steps you think we should take to make the new Local Transport Plan accessible for everyone.
<p>As our transport network is used by the overwhelming majority of society albeit to different extents and for differing purposes, in developing the LTP it is crucial to ensure that all communities and societal groups, including those hard-to-reach, are engaged in this process and have an opportunity to express their voice. This will ensure that all challenges for consideration are captured and the LTP can seek to address not only the most common challenges but also locally specific and user group specific issues.</p>
Are there any equalities issues or impacts that you think we should consider as we start to develop the LTP4 to ensure it is beneficial for everyone?
<p>The cost of travel is important. Initiatives and infrastructure that relies on new and emerging technologies (such electric vehicles) could be exclusive unless these initiatives are also supported affordable and effective alternatives such as public transport and (for shorted journeys) walking and cycling.</p>

Executive
18 March 2021

Title: HMO Licensing and Planning Permission
Lead Officer: Mark Lingard, Private Sector Housing Manager
Portfolio Holder: Jan Matecki
Public report / Confidential report: Public
Wards of the District directly affected: All

Contrary to the policy framework: No
 Contrary to the budgetary framework: No
 Key Decision: Yes
 Included within the Forward Plan: Yes
 Equality Impact Assessment Undertaken: No
 Consultation & Community Engagement: Yes
 Final Decision: Yes
 Accessibility checked: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	01/03/21	Bill Hunt
Head of Service	15/02/21	Lisa Barker
CMT	01/03/21	Chris Elliott
Section 151 Officer	01/03/21	Mike Snow
Monitoring Officer	01/03/21	Andrew Jones
Finance	15/02/21	Andrew Rollins/Victoria Bamber
Legal	29/10/20	Max Howarth
Portfolio Holder(s)	22/02/21	Councillor Jan Matecki

1. Summary

- 1.1 This report proposes a policy which links the granting of licenses for houses in multiple occupation (HMO) with the need to have planning permission for **HMO's** within Leamington Spa, and for larger **HMO's within Warwick district** (7 or more occupants).
- 1.2 References to planning permission in this report include a certificate of lawful development. This would be granted by the Planning Enforcement Team if a property had been operating continuously as an HMO from before 1 April 2012, or for a period of 10 years for larger HMO's.

2. Recommendations

It is recommended that Executive:

- 2.1 Approve the policy contained at Appendix A (not to process relevant HMO license applications unless planning permission has been obtained) and for it to come into force on 1 April 2021.
- 2.2 Note the outcome of the HMO license and planning permission consultation.
- 2.3 Note that landlords of relevant properties that require an HMO license and do not have planning permission will face enforcement action if they do not apply for permission.
- 2.4 Approves delegated authority to the Head of Housing Services to take action **under the Council's Enforcement Policy to ensure compliance** with the requirement to obtain planning permission.

3. Reasons for the Recommendations

- 3.1 HMO licensing and planning permission have legally been two separate pieces of legislation and one could not be used to enforce the other. The Government have subsequently given guidance to help resolve this issue and together with case law and specialist **Counsel's opinion means that** the proposed policy is now available to resolve the conflict between HMO licensing and planning permission.
- 3.2 Consultation was carried out on the following options to link HMO licensing and planning permission. 180 responses were received:

Option 1 - HMO license applications will not be processed until planning permission has been obtained for the property – 86.6% in favour of this option.

Option 2 - HMO licenses will be granted for 1 year to allow time for planning permission to be applied for and a decision made on the application 13.4% in favour of this option.

Appendix B is a summary of the consultation responses.
- 3.3 For the new policy to be effective enforcement action has to be available, for landlords of **HMO's that require** a license and continue to operate without applying for planning permission.
- 3.4 So that the policy can be applied quickly and efficiently, once adopted, it is proposed that the Head of Housing Services should be granted the authority to decide on the most appropriate enforcement action.

4. Policy Framework

- 4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.2.1 **External impacts of proposal(s)**

People - Health, Homes, Communities – Helping ensure that licensed HMO's are compliant with planning policy

Services - Green, Clean, Safe – None

Money- Infrastructure, Enterprise, Employment – None

4.2.2. **Internal impacts of the proposal(s)**

People - Effective Staff – None

Services - Maintain or Improve Services – Taking the opportunity to link HMO licensing and planning permission.

Money - Firm Financial Footing over the Longer Term - None

4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies. Improving **housing standards in residents' homes directly and positively contributes to** the Housing and Health-and-Wellbeing priorities. It also contributes to the Housing and Homelessness Strategy objective of improving the management and maintenance of existing housing.

4.3 Changes to Existing Policies

This is a new policy that will **link HMO licensing with the Council's existing** Article 4 directive and Section H6 of the Warwick District Local Plan.

4.4 Impact Assessments

The proposed HMO licensing policy helps to enforce existing Council planning policies, so no impact assessment has been carried out.

5. Budgetary Framework

- 5.1 There are likely to **be some licensed HMO's that will no longer be able to** operate when the license for the property has to be renewed, as they will not be able to obtain planning permission due to the Article 4 directive and H6 planning policy.

- 5.2 The new policy, if approved, linking HMO licensing and planning permission will not affect HMO license fee income during the 2021- 2022 financial year. There are no **HMO's** due to be relicensed during this period that will not comply.
- 5.3 There is likely to be a potential reduction in license fee income in the following financial years 2022-23 and 2023-24, **when more HMO's will need** relicensing. It is not possible to establish how many properties will not receive planning permission and to what extent this loss of license income **will be offset by new HMO's requiring licenses that would either obtain** planning permission or be in areas of the district not covered by Article 4 and H6 planning policy.
- 5.4 The income will be monitored with more scrutiny applicable from April 2022 onwards to identify emerging trends in relation to income reductions. Budgets will be adjusted accordingly mid-year to reflect the likely outturn position if the income decrease is of a material nature.

6. Risks

- 6.1 There is a risk of a legal challenge if we do not respond to the Government guidance, the case law and **the specialist Counsel's** opinion on this issue. It would be difficult for the Council to justify not responding to this information.
- 6.2 There is a significant reputational risk if we do not act to help support the **Council's existing Article 4 Directive and H6 Planning Policy for HMO's.**
- 6.3 There is the risk of a potential legal challenge to the new policy as it has not been tested in the courts. However, this has been mitigated by the Government guidance, relevant case law and obtaining **specialist Counsel's** opinion on this issue.
- 6.4 Any potential net loss of license fee income would be spread over two financial years and is not anticipated from the information provided by the Planning Enforcement Team to be significant, but this will need to be closely monitored.
- 6.5 The anticipated level of enforcement activity required each year, to ensure **landlords of licensed HMO's that require planning permission apply for** planning permission, can be met within the existing resources of the Private Sector Housing Team. However, if the level of enforcement activity needed is higher than expected the enforcement capacity within the Team could be exceeded.

7. Alternative Option(s) considered

- 7.1 To not take the opportunity, that is now available, to resolve the previous long standing conflict between HMO licensing and planning permission. Given the reasons set out in 6, this is not a viable option.

8. Background

- 8.1 HMO licensing and planning permission have legally been two separate pieces of legislation and one could not be used to enforce the other. This created a perverse situation where if an HMO license application was correctly made a license would have to be issued even where planning permission had not been obtained, which is contrary to the **Council's own** Article 4 directive and H6 planning policy.
- 8.2 This situation can only arise where an HMO requires a license and planning permission:
- **HMO's** with 5 or more occupants in Leamington Spa
 - **HMO's with 7** or more occupants elsewhere in Warwick district
- 8.3 Over a number of years this has led to understandable criticism that the Council does not have a joined up approach with different departments not communicating and working together with each other.
- 8.4 The combination of Government guidance, case **law and specialist Counsel's** advice means that two options have now become available to resolve this conflict.
- 8.5 Both options are significant policy changes so, following legal advice, widespread consultation was carried out between 18 November 2020 and 8 January 2021.
- 8.6 The following key stakeholders were consulted:
- All District Councillors
Town Councils (Leamington, Warwick, Kenilworth and Whitnash)
Landlord Steering Group
Local Lettings Agents and landlords email list
SoLAR (South of Leamington Area Residents) and AR2RA (Avenue Road-Adelaide Road Residents Association)
University of Warwick
University of Warwick Students Union
Landlords of licensed HMO's
- 8.7 The consultation was also available to all on line (with a link on the first page of the Private Sector Housing web pages **and on the Council's consultations** webpage). A tweet was sent out by the Media Team about the consultation with a link to the web page.
- 8.8 180 responses were received via the online survey. In addition, we received separate email responses from SoLAR, AR2RA and the Labour Group.
- 8.9 Appendix B contains the text of the survey and a summary of the online survey responses.
- 8.10 Appendix C contains the email responses from SoLAR, AR2RA and the Labour Group (amended to only include survey question responses).

- 8.11 Separately from the on line survey, colleagues in the relevant planning teams were consulted about the two options. The responses received were all in favour of Option 1 - HMO license applications will not be processed until planning permission has been obtained for the property.
- 8.12 The consultation included a question about how long landlords should be given to apply for planning permission. For landlords making an HMO license application for the first time a two month period to complete all the documentation to make a valid application for planning permission appears reasonable. The highest number of consultation responses were in favour of this time period 36.7%.
- 8.13 The situation for HMO license renewals is different. From 1 April 2021 to 31 March 2022 Planning Enforcement colleagues have confirmed that none of **the HMO's that need relicensing during this period would be affected by the proposed policy.**
- 8.14 **In the following two financial years there are greater numbers of HMO's that need relicensing, so more properties are likely to be affected by the proposed policy. However, there is a 12 month 'window' in which to** widely publicise the policy. Which will give ample time for landlords to have applied for planning permission in advance of the HMO license expiring.
- 8.15 Landlords of **HMO's** that require a license and need to apply for planning permission will be strongly advised to apply as early as possible and to get pre application advice. This being particularly so as there are some areas of Leamington Spa where the existing concentration **of HMO's is so high that** they are very unlikely to be given planning permission.
- 8.16 Landlords who do not apply for planning permission within the timescales set out in the proposed policy will face enforcement action.
- 8.17 Whilst the individual circumstances and the range of enforcement options must be considered on a case by case basis, it is likely that civil penalties will be used in most cases to ensure compliance.
- 8.18 The applicable civil penalty would be up to £30,000.
- 8.19 If planning permission is refused the Planning Enforcement Team would lead on the appropriate action to ensure the property ceases to be used as an HMO.



Warwick District Council
HMO Licensing and Planning Permission
Policy – Private Sector Housing

1 April 2021

1.0 Overview

The licensing of a House in Multiple Occupation (HMO) and planning permission have legally been two separate pieces of legislation and one could not be used to enforce the other. This created a perverse situation where if an HMO license application was correctly made a license would have to be issued even where planning permission had not been obtained, which is contrary to the Council's own Article 4 directive and H6 planning policy.

Planning permission is required **for HMO's within Leamington Spa, and for larger HMO's within Warwick district (7 or more occupants).**

References to planning permission in this policy include a certificate of lawful development. This would be granted by the Planning Enforcement Team if a property had been operating continuously as an HMO from before 1 April 2012, or for a period of **10 years for larger HMO's.**

The Government have subsequently given guidance to help resolve this issue **and together with case law and specialist Counsel's opinion means that,** following consultation and Executive approval, this policy can be adopted to help the resolve the conflict between HMO licensing and planning permission.

2.0 Purpose of this Policy

The purpose of this policy is to ensure that landlords **of HMO's who require** planning permission, apply for and obtain planning permission before they are granted an HMO license.

Therefore, HMO license applications will not be processed until planning permission has been obtained for the property.

3.0 Implementation

When an HMO license application is received for the first time or in advance of an HMO license being renewed the Private Sector Housing Team will check the planning status of the property with the Planning Enforcement Team.

Where planning permission is needed the landlord will be required to apply for planning permission within the following times scales:

- Landlords making an HMO license application for the first time be given two months to submit a valid planning application.
- landlords of properties where an HMO license needs to be renewed, must submit a valid planning application before the current license expires.

4.0 Enforcement

Landlords of HMO's that need a license and continue to operate without applying for planning permission will face action under the **Council's Enforcement Policy**, to ensure compliance with the requirement under this policy to apply for planning permission.

HMO Licensing and Planning Permission Consultation

Current Position

HMO licensing and planning permission have legally been two separate pieces of legislation and one could not be used to enforce the other. This created a perverse situation where if an HMO license application was correctly made an HMO license would have to be issued, even where planning permission had not been obtained. Which is contrary to the Council's own Article 4 planning policy. The Planning Enforcement Team would then need to take action where planning permission had not been obtained.

What's Changed

The Government have given guidance on this issue and this along with case law and specialist Counsel's opinion means that we now feel that there are now two options for resolving the conflict between HMO Licensing and planning permission.

Both options are significant policy changes and so we want to consult widely and would welcome your feedback by completing this consultation survey.

Notes

- We are seeking views strictly on linking HMO licenses and planning permission and the options available. Responses on other matters will not be collated.
- We do not collect your personal data as part of this consultation. The information you include on this form may become public information so please take care not to include anything in your comments which could identify you personally.
- If the Planning Department are satisfied that the property has been operating as an HMO continuously since before 1 April 2012 planning permission is not required.

Consultation Survey

Are you responding to this consultation as a: -tick boxes for

- ☐ Landlord
- ☐ Letting Agent/Property Manager
- ☐ Warwick District Resident
- ☐ HMO Tenant
- ☐ University body
- ☐ Residents Group
- ☐ Other, please specify

Option 1 – Freezing the HMO license application

This option would mean that if a HMO license application is submitted it would not be processed until the landlord had the appropriate planning permissions in place. Where the property is occupied the landlord would be required to submit a planning application within an agreed time period (see questions below) or face enforcement action. Where the landlord has submitted an application for planning permission the HMO license application and the decision on possible enforcement action would be frozen until the outcome of the planning application is known.

Option 2- Issuing a 1 year HMO license to allow time for a planning permission decision

This option would mean that we would process the HMO license application and issue a 1 year HMO license, to allow the landlord time to apply for planning permission and for a decision to be made on the application.

If for whatever reason the planning permission/appeals process was not completed within the 1 year period a second 1 year HMO license would need to be issued.

Which option do you prefer? - tick boxes for

Option 1 - HMO license applications will not be processed until planning permission has been obtained for the property

Option 2 - HMO licenses will be granted for 1 year to allow time for planning permission to be applied for and a decision made on the application.

Why do you prefer this option – free text box

How long should a landlord be given to make a planning permission application

(after they have applied for an HMO license) - tick boxes for

2 months

3 months

4 months

Other, please specify

Why do you think it should be for the period of time that you have chosen - free text box

For Option 2 what should be the cost of a 1 year HMO license? (licenses are normally issued for 5 years)

Tick boxes for

50% of the 5 year HMO license fee

75% of the 5 year HMO license fee

100% of the 5 year HMO license fee

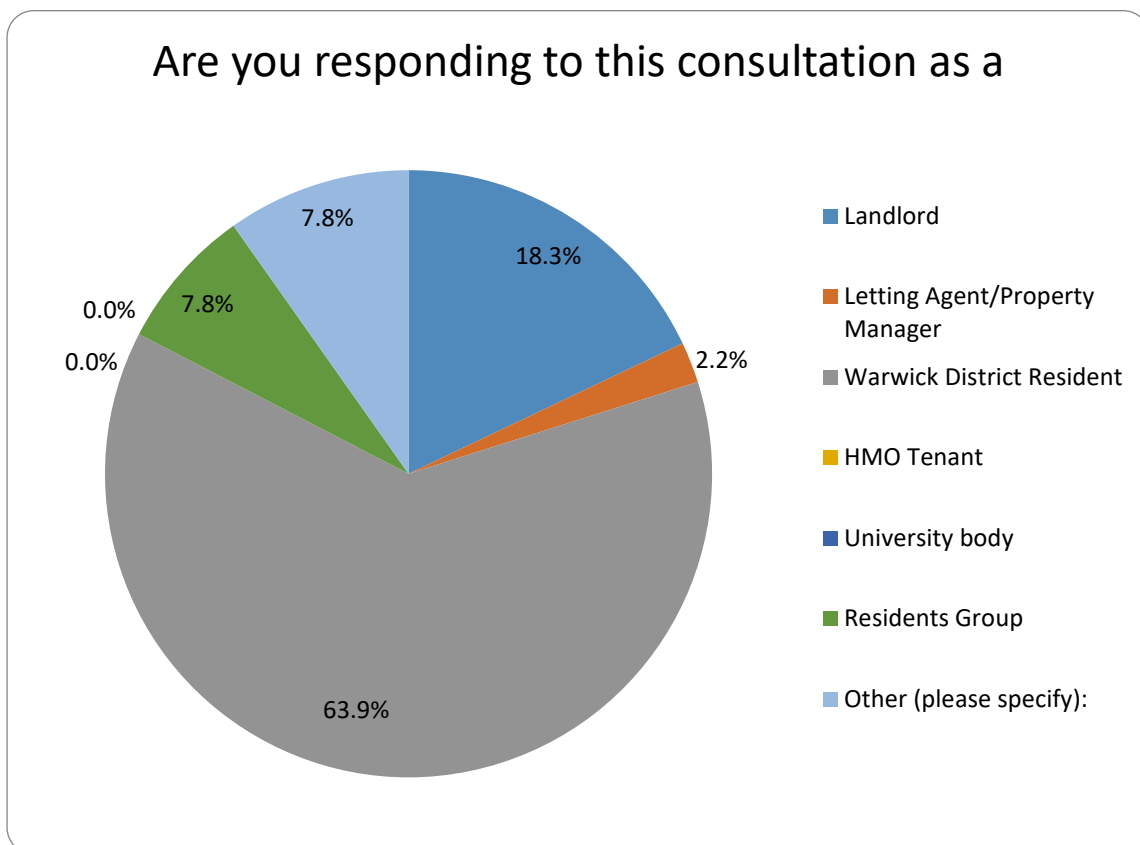
Other, please specify

Why do you think it should be the level of fee that you have chosen – free text box

HMO Licensing and Planning Consultation 2020

Respondents by Category

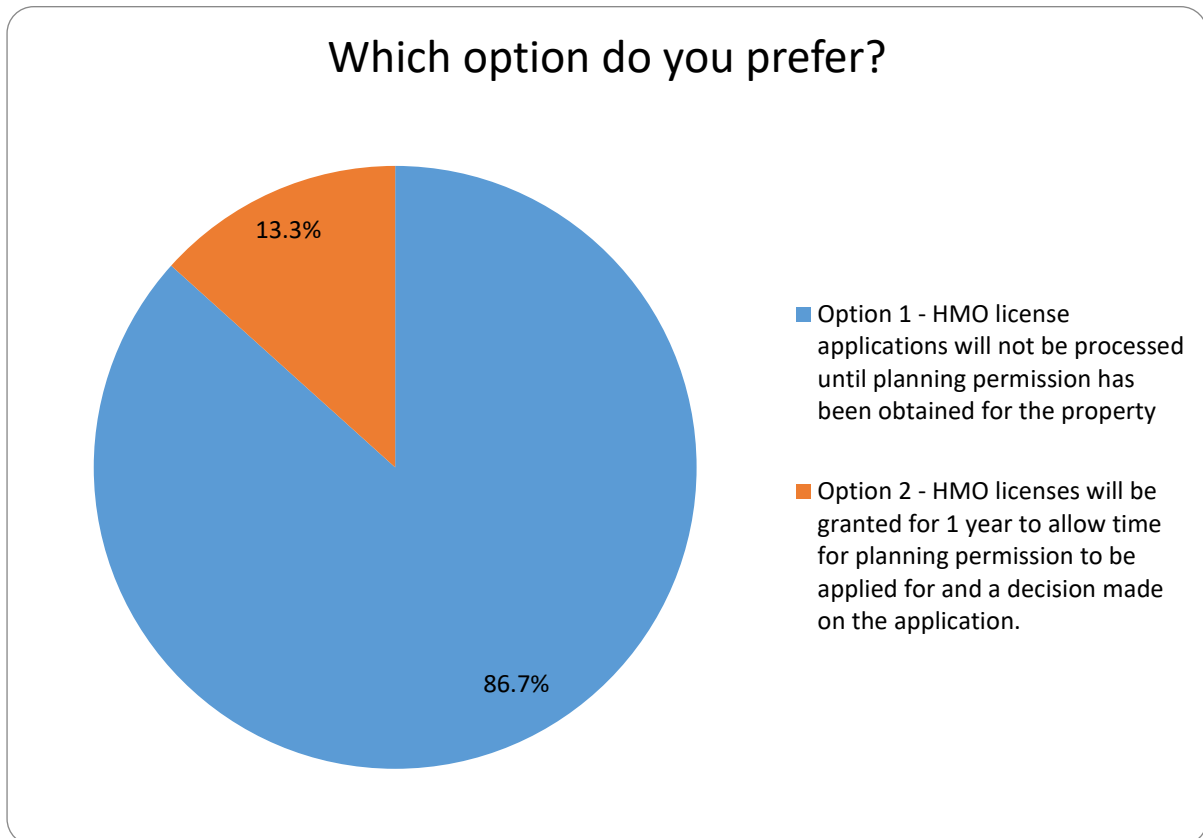
Are you responding to this consultation as a			
Answer Choice		Response Percent	Response Total
1	Landlord	18.3%	33
2	Letting Agent/Property Manager	2.2%	4
3	Warwick District Resident	63.9%	115
4	HMO Tenant	0.0%	0
5	University body	0.0%	0
6	Residents Group	7.8%	14
7	Other (please specify):	7.8%	14
		answered	180
		skipped	0



Respondents who identified as 'other'

- Of the 14 respondents who chose 'other', 5 were Councilors or from a political party, 2 members of the Leamington Society and the 7 remaining identified themselves as residents or private citizens.
- The respondents were mainly residents, with landlords and those in the lettings sector only representing 20.5% of the responses.

Respondents Preference for Option 1 or Option 2



Which option do you prefer?			
Answer Choice		Response Percent	Response Total
1	Option 1 - HMO license applications will not be processed until planning permission has been obtained for the property	86.7%	156
2	Option 2 - HMO licenses will be granted for 1 year to allow time for planning permission to be applied for and a decision made on the application.	13.3%	24
Why do you prefer this option?			134
			answered 180
			skipped 0

Option 1 - HMO license applications will not be processed until planning permission has been obtained for the property

Option 1 was clearly the preferred choice with 86% of respondents favouring this option.

Of the 156 who preferred this option, 134 made individual comments. There was a wide variety of qualitative responses and reasoning for selecting this option, there were some re-occurring themes as seen below.

Most straightforward process to rectify housing and planning legislation anomaly – mentioned 54 times

Views included

- Easiest to enforce
- Most logical
- Aligned with Government guidance
- Easiest to understand
- Harder to abuse this system
- Efficient – best use of officer time
- Adequately addresses the problem outlined
- Saves the landlord wasting money on fees if the planning permission is not approved

Encourages compliance with planning permission – mentioned 60 times

Views included

- Landlords should be compliant from the start of the process
- Upholds mandatory requirement to obtain planning permission
- No HMO should be operating without planning permission
- Ensures residents are consulted before a (*Article 4 area/ Sui Generis) HMO is operational
- Avoids landlords than having to apply retrospectively
- Landlords unable to claim they were not aware of requirement for planning permission because they hold a licence
- Allows time for proper consideration of the property operating as a HMO in the wider community setting before it is let
- Upholds the Local Plan by allowing due regard to policy H6.
- Feels there has historically been a culture of landlords operating without permission and this addresses that
- Sends the message that equal weight is given to licensing and planning permission

Better Controls of HMO development through Article 4 – mentioned 40 times

Views included

- More control over unsuitable development
- More control over the application process

- Properties without planning permission cannot be accounted for in concentration calculations, therefore properties with planning permission mean more accurate Article 4 rulings.
- Residents are less likely to be affected by over concentration of HMOs or unsuitable HMOs
- Beneficial for detecting properties requiring planning permission

Housing Standards Concerns – mentioned 19 times

Views included

- Ensures property standards are met before it is let
- Felt that a property without planning permission could present a risk to the tenants
- Concerns for tenants whose landlords are not compliant
- Concerns about room sizes in properties without planning permission
- Concerns about housing standards for neighbors of unlawful HMO

Letting & Tenancy Issues – mentioned 11 times

Views included

- Felt that it would be harder to advertise & let the property and this offers protection to tenants who may have a property offer withdrawn
- Compliance before letting removes the need for eviction of tenants in order to revert the use back to a family let
- Felt that considering eviction of the tenants a factor for decision makers considering retrospective planning applications
- Agent letting a property would like to know if the property is compliant with planning and licensing before they take it on

Dislikes Option 2 – mentioned 38 times

Views included

- The most frequently cited was that respondents felt option 2 was open to abuse (22 times)
- Complicated and lengthy enforcement process
- A temporary period to operate allows landlord to benefit financially from non-compliance which goes against enforcement stance
- Allows HMO to operate without consultation with the wider community who may be affected.
- Allows a HMO to operate in breach of Article 4 and Policy H6, a direct contravention of WDCs' own policies
- Sends the message that WDC will still permit non-compliant behavior
- Not practical to allow a business to run for one year then shut it down
- Wastes officers time in procession and issuing a licence that may be withdrawn later
- Concern that planning and any appeals is a long process and may result in multiple temporary licenses being issued before use is brought to an end.

- A property could be temporarily operating in an area of high concentration and causing a detriment to the amenity of residents
- Does not sufficiently rectify the current problem in issuing a licence where the landlord does not have planning permission
- Does not follow the spirit of the Government guidance
- Can foresee issues with temporary licenses unless there is a cap on number of times it can be offered/renewed. A landlord could renew a temporary licence repeatedly if a planning appeal takes a long time

Option 2 - HMO licenses will be granted for 1 year to allow time for planning permission to be applied for and a decision made on the application.

Option 2 was not the preferred option with only 13.3% and 24 respondents selecting this option and a small number of qualitative responses.

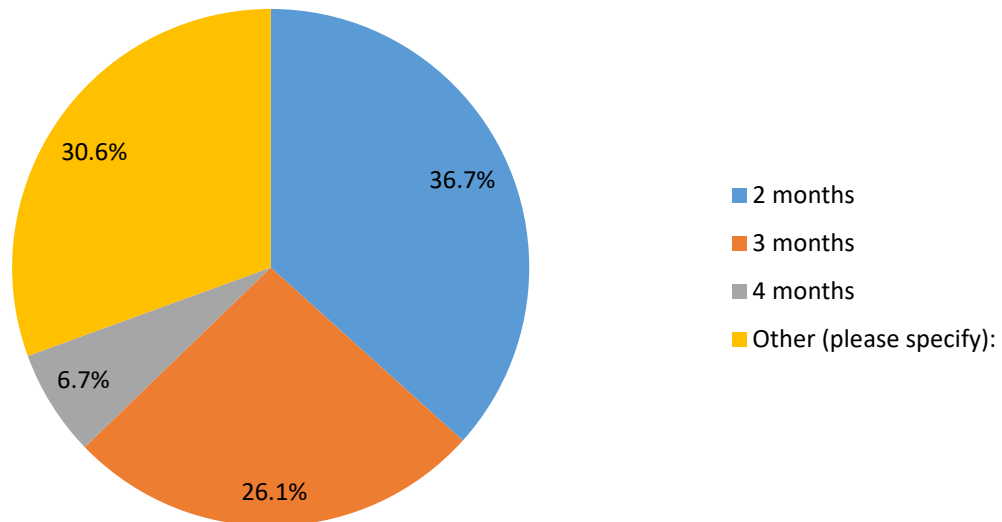
- Allows a landlord to make a rental income
- Option 1 means a landlord could lose a years' income.
- Allows a landlord time to get documentation together for a planning application. This can involve contacting the old owners to obtain documents for established use.
- Better flexibility for landlords
- Under option 1 a landlord is penalised if the planning process is lengthy
- Option 1 introduces red tape, regulation and stifles progression
- Option 2 avoids the requirement to evict tenants if the property is already let
- Takes an available home off the market
- Better to have a property licensed for a year than running without one

Option 2 - How long should a landlord be given to make a planning permission application (after they have applied for an HMO licence)

There was a high number of respondents to the time frame for option 2, however many of the comments made and options selected reflected that option 1 is the preference and if Option 2 were adopted, the shortest timeframe should be given

How long should a landlord be given to make a planning permission application (after they have applied for an HMO licence)			
Answer Choice		Response Percent	Response Total
1	2 months	36.7%	66
2	3 months	26.1%	47
3	4 months	6.7%	12
4	Other (please specify):	30.6%	55
Why do you think it should be for the period of time that you have chosen?			122
answered			180

How long should a landlord be given to make a planning permission application (after they have applied for an HMO license)



Respondents who answered 'other'

There were 55 respondents who selected other to specify a different time period than those proposed in the consultation. When the 55 are examined they can be grouped into the following responses.

No Time – dislikes option 2 – 32 times

Shorter time – 1 month – 6 times

Longer time - 6 Months – 6 times

Longer time -12 months – 2 times

Option 2 - Why do you think it should be for the period of time that you have chosen?

2 Months

Of the 66 respondents who selected 2 months as an appropriate timescale, 39 provided an explanation for their choice, their views were grouped into themes below.

Views included

- Landlords should know about legal requirements in advance therefore minimum time should be allowed.
- Minimum timeframe to prevent landlords profiting from non-compliance
- To minimize any impact on tenants due to substandard housing
- To minimize any impact on tenants because the property cannot be let to them
- So local residents are alerted as soon as possible to proposed new HMO
- Ideally they would obtain planning first, this is the second best option
- Longer periods will encourage appeals for more time
- Regularise use quickly so incoming tenants are not inconvenienced
- An adequate period of time to prepare and submit a planning application
- A shorter time will encourage compliance
- As short as possible to prevent new lets being agreed without permissions
- To reduce chances of applicants abusing the system

3 Months

Of the 47 respondents who selected 3 months as an appropriate timescale, 29 provided an explanation for their choice, their views were grouped into themes below.

Views included

- Long enough for the landlord to complete the applications, allowing for illness etc. and the landlord will be receiving rent.
- A Fair and reasonable time period
- Gives enough time to engage an Architect/Draughtsman to prepare the planning application
- Allows sufficient time if a landlord has undertaken prior research on requirements
- Gives ample time to complete any necessary works
- It would focus the process and stop retrospective planning applications on HMOs'
- To give the landlord sufficient time to bring the property up to the required standard, if necessary.
- I am in favour of shorter periods of time for local government decision making
- It is a reasonable time to get the paperwork together but not enough time to leave the site in limbo.
- To not waste the Councils time
- 3 Months is achievable for genuine applicants

4 months

Of the 12 respondents who selected 4 months as an appropriate timescale, 4 provided views on their choice.

Views included

- There could be unavoidable issues

- It would allow preparations of documents, drawing etc. to be prepared for planning
- More opportunities for all neighbors to consider the application
- Due to the timescale involved with planning applications

Other – Dislikes Option 2 - No Additional Time –

There were 55 respondents that selected 'other' as an option; of those 40 respondents indicated that no further time should be given as their preferred position was to obtain planning prior to licensing for the reasons set out under Option 1. To avoid duplicating the section, please refer to Option 1 responses. Unique views included under 'Other' listed below.

Views included

- The planning permission and licence should run and be decided concurrently
- If this option were to be adopted no licence should be issued until a planning application has been made and validated by WDC
- Landlords should research requirements beforehand and therefore no additional time should be given
- Option 2 does not adequately resolve the issue between planning and licensing which is the aim of the proposal
- Opting for any time allowance is inconsistent with preference for Option 1
- The question is either irrelevant to Option 1 or the underlying assumptions are not clarified. Are we to assume that after 8 years of Policy H6 there are HMOs operating without the necessary planning permission?

Other – Less time -1 Month

There were 55 respondents that selected 'other'; of those 5 respondents indicated that if option 2 were adopted, the minimum period of 1 month should be given.

Views included

- Minimum amount of time given to control short term letting
- Minimum amount of time to minimize landlords profiting from non-compliance
- By the time landlords apply for their licence, they have already considered how the property will be let and so minimal time to comply should be given
- There is no reason why there should be a delay between applying for a licence and applying for planning permission. If the planning application has not been made within a month, the licence application should be rejected.

Other – Longer 6-12 months

There were 55 respondents that selected 'other'; of those 9 respondents indicated that if option 2 were adopted, the minimum period of 1 month should be given.

Views included

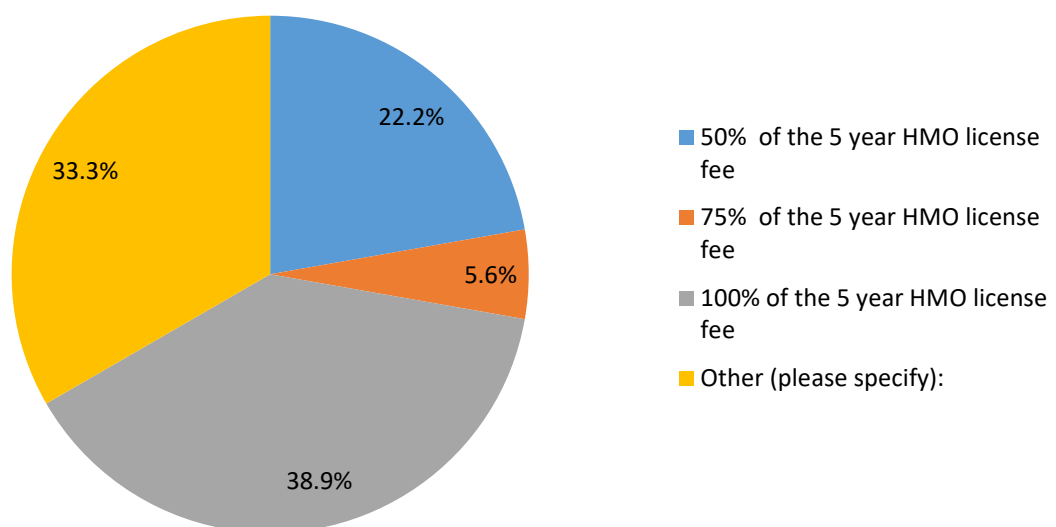
- Reasonable time to make the application
- Six months seems reasonable given the supporting documents may need to be renewed and re-submitted
- 12 months as planning process is slow

- As long as is required
- To allow for informal consultations with planning officers

Option 2 - What should be the cost of a 1 year HMO license? (licences are normally issued for 5 years)

For Option 2 what should be the cost of a 1 year HMO license? (licenses are normally issued for 5 years)			
Answer Choice		Response Percent	Response Total
1	50% of the 5 year HMO license fee	22.2%	40
2	75% of the 5 year HMO license fee	5.6%	10
3	100% of the 5 year HMO license fee	38.9%	70
4	Other (please specify):	33.3%	60
Why do you think it should be the level of fee that you have chosen?			111
answered			180
skipped			0

For Option 2 what should be the cost of a 1 year HMO license? (licenses are normally issued for 5 years)



What should be the Cost – 'Other'

There were 60 respondents who chose 'other'. Several selected other but did not opt for a figure.

Alternate figures proposed were

- 20% - mentioned 9 times
- 1 year pro rata plus additional admin costs - mentioned 2 times
- 1 year pro rata then top up if approved – mentioned 2 times
- 50% and pays the remaining 50% of 5 year licence fee if HMO is approved Disagree with this as an option – mentioned 35 times
- 200%
- 25% - mentioned 2 times
- Unsure – mentioned 3 times

Option 2 - Why do you think it should be the level of fee that you have chosen?

50% of a 5 year licence

There were 40 respondents indicated their preference to charge 50% of the usual licence fee.

Views Included

- Licence fee of 50% for initial period, then remaining 50% fee could be paid to extend to the 5 year licence if approved. – mentioned 2 times
- There should be some discount for a shorter licence, 50% is ok – mentioned 2 times
- Reasonable and fair- mentioned 6 times
- Licence fee must be based on actual costs, fee should be evidenced if Option 2 is adopted – mentioned 3 times
- Charge 50% for 1 year and then charge a reduced rate if a further 5 year licence is granted
- Charge 50% of the 5 year fee as a deterrent – mentioned 3 times
- Fees greater than 50% for a short licence are unfair – mentioned 2 times
- Recognises that officer time in preparing a 5 year licence is the same as a 1 year licence – mentioned 2 times

75% of a 5 year licence

There were 10 respondents indicated their preference to charge 75% of the usual licence fee. Of the 10 respondents, 4 did not provide an explanation or were unsure why they opted for 75% charge.

Views Included

- As a deterrent – mentioned 3 times
- Reasonable and fair – mentioned 2 times
- It demonstrates the landlord is committed to making the property compliant – mentioned 2 times
- Charging a full fee is unreasonable but this option takes into account costs of preparing a licence

100% of a 5 year licence

There were 70 respondents indicated their preference to charge 100% of the usual licence fee.

Views Included

- Full fee charge as a deterrent to HMO development or non-compliance – mentioned 15 times
- Because Council Tax is not paid on most HMO, landlords should adequately contribute to WDC services – mentioned 10 times
- Encourage compliance in gaining planning permission first – mentioned 7 times
- Because a temporary licence costs the same to administer and there may be increased enforcements costs with temporary licenses – mentioned 7 times
- Landlords drawing profit from HMO – mentioned 4 times
- High fee as a penalty for non-compliance – mentioned 3 times
- Disagrees with any discount – mentioned 3 times
- Disagrees with option 2 – mentioned 2 times
- WDC undercharge for licenses – mentioned 1 time
- Discourages short Hmo lets – mentioned 1 time

Other

There were 60 respondents indicated an alternate view on fees charged for a temporary licence under option 2. It was noted that an additional number of respondents left this field blank or wrote N/A due to previous selection of option 1 or prior objections to option 2.

Views Included

- Dislikes Option 2 – mentioned 24 times
- Charge 20% of 5 year licence fee (pro rata) – mentioned 11 times
- Charge whatever the actual cost of administering the licence is, it may be unlawful to do otherwise – mentioned 2 times
- Charge 30% as it is reasonable and fair – mentioned 2 times
- Issue a 5 year licence at full charge and revoke it if planning permission is not granted
- Charge 25% - mentioned 1 time
- Charge 200% as a deterrent – mentioned 1 time

Notes

- There was some confusion by respondents about the ability of this change to prevent advertising the property for let without a licence or planning permission, we need to be careful to manage expectations around this.
- Some respondents viewed a property without planning to be of dangerous housing standards or conversely that a property with planning would automatically meet the

licensing standards. There was a lack of understanding that the standards are different and the role of inspections for licensing.

- There is confusion of who deems a HMO a HMO and when it technically becomes one.
- Respondents not aware that planning applications are dealt with on a statutory schedule.
- There were a small number of responses objecting to HMO altogether and a few that did not make sense in relation to the question/subject.
- There was confusion around the fee structure, however a number of respondents recognized that a 1 year licence and a 5 year licence would cost the same to administer/enforce.
- There were a number of respondents who expressed a desire to prevent any further HMO through higher fees and requirement to apply for planning permission. There was an assumption among many residents that planning applications were unlikely to be successful, we need to carefully manage expectations around this.

Please note that almost everyone of the 86 people who have put their names to this resides, like those who are members of SoLAR (South L'ton Area Residents group), within with one of the L'ton wards covered by the Article 4 Direction and therefore has a direct interest in the outcome of this consultation.

RESPONSE TO THE COUNCIL'S LICENSE AND PLANNING CONSULTATION

The Warwick District residents named below welcome the Council's decision to end what it describes as the current 'perverse situation' whereby 'contrary to the Council's own Article 4 planning policy' Private Sector Housing (PSH) to date has deemed it necessary to license HMOs in the absence of prior planning consent. We share the view that this change should be achieved by refusing to accept/process HMO license applications where the applicant has not already obtained such consent as in option 1. PSH should reject the alternative option of issuing a one year only license, with a period of grace during which applicants will be expected to apply for and obtain the necessary planning permission (or be refused). This is for the following reasons:

- why keep the door open for landlords to operate without planning consent by issuing a one year license when officers can firmly shut the door on this unlawful behaviour by simply refusing to accept a license application in the absence of planning consent?
- allowing any landlord to operate a licensed HMOs without planning consent, albeit for a reduced period, is contrary to WDC's policy embedded in the Article 4 Direction/Policy H6 - which is exactly what this proposed change is supposed to prevent - and offering any period of grace in which to subsequently apply for consent does not overcome this problem;
- Policy H6's HMO concentrations are calculated with reference to the number of HMOs within 100m of the site of a new/retrospective planning application, and the presence of licensed HMOs awaiting planning consent is likely to complicate/undermine the implementation of this policy, especially where the ratio of HMOs to dwellings borders 10%;
- without the grant of prior planning consent, the amenity of occupants and neighbours will not have been assessed as acceptable;
- why waste time processing applications for a license as per option 2 when some of these HMOs may well be refused planning consent?
- option 2 will require a monitoring system to be put in place to ensure landlords submit timely applications, with sanctions specified for failure to do so - eg intervention by Planning Enforcement, generating extra work for them;
- if consent is refused, appeals can follow and take months to be heard, and all the while landlords with initial one year licenses will be able to draw income from these HMOs, despite the Council's enforcement policy stating at para 6.2(b) that it aims 'to eliminate any financial gain or benefit from non-compliance';
- option 1 will align the Council's practice with the 2019 Govt Guidance which states 'We actively encourage local authorities to ensure planning permission has been given before issuing a licence.' (para 2.6).

In summary, PSH intends to ensure that when issuing HMO licenses it is acting in compliance with the Article 4 Direction/Policy H6. Option 2 will not achieve this because it will allow HMOs without prior planning consent to continue in operation, albeit for a reduced period of time, to the benefit of landlords and at the expense of tenants and neighbours. Simply refusing to accept a licensing application without prior planning consent,

as per option 1, is an easy solution to the identified problem, with none of the downsides of option 2, and it should be immediately implemented.

Unaddressed Problems and Issues

The consultation avoids addressing matters that will inevitably arise.

1. Neither the consultation introduction or the survey form mentions applications for licence *renewals*, and it seems likely they are not included in the proposals. *However*, as the courts have established that "due regard" should be taken of planning status in considering a licence application, there is no reason why that should not also include applications for renewals (though clearly not in an identical fashion). The arguments and language of Martin Rodger QC in his opinion in Waltham Forest v Khan [2017] UKUT 153 (LC), at para. 46 would certainly support that conclusion, and from the perspective of a resident concerned with planning control, the issues raised by new licences and renewals are little different.

(i) As case law currently stands, the existence of HMOs without planning permission substantially undermines application of several parts of Local Plan Policy H6. Calculations for the 10% rule, and prohibition of specific configurations of HMOs, may only count HMO properties with planning approval. *The ability to use Policy H6 to the full is an essential requirement for bringing HMO licencing and planning control into harmony for the benefit of existing residents. There is no recognition of this in any part of the consultation material.*

(iii) There is also an obligation to act consistently, and offer no encouragement to owners of HMOs who hope to evade the costs and responsibilities of securing planning approval.

2. Although the possibility that a planning application required by either of the two options will be rejected is implicitly acknowledged, there is no explanation of how this would affect decisions on licence applications, whether a licence would be refused, or how enforcement might be handled. *From the perspective of residents, if WDC Housing does not intend to refuse or withdraw HMO licences from properties that are in irremediable breach of planning control (however the Planning Department might proceed) there is little point in making planning applications an integral part of the licencing process.*

(a) The consultation focus is on inducing planning applications, and regularising planning status. It does not consider that the range of possible grounds on which planning consent could be **refused** (many of which would be irremediable, in practice or through appeal), and which would be known in advance by the Planning Department. It is moreover not the policy of the Planning Department to encourage a futile planning application to be made, not least because of the cost involved.

(i) In these circumstances it is not clear if, for an unoccupied HMO, the requirements of Option 1 would still mean a planning application had to be made, and whether the inevitable rejection would lead to refusal of a licence.

(ii) It would be totally unacceptable to consider the grant of a 1-2 year HMO licence to an unoccupied property in the knowledge that it could not be granted planning permission. The landlord could be put to considerable expense to meet other licencing requirements;* nearby residents could be subjected to disturbance and nuisance; and the difficulties for the Planning Department of enforcing its decision could be considerable, all of which would be unnecessary and capable of being avoided. ** Please see D3(b)(i) and (iv) below.*

(iii) In the case of an occupied HMO that would not be able to be granted planning permission, the circumstances approach those in Waltham Forest v Khan, although the

principal concern of that case was to support a "*rational and pragmatic course*" which provides time for "*the planning status of the house to be resolved*" (such resolution being possible). However, addressing the larger issue where planning status led to rejection of a licence application, the ruling states: "*It would be... permissible, where an authority was satisfied that enforcement action was appropriate, for it to refuse to grant a Part 3 licence, but... that would make it difficult for a landlord to recover possession of the house and would expose him to prosecution for an offence which he would be unable to avoid by his own actions.*" (Waltham Forest v Khan [2017] UKUT 153 (LC), at para. 46, emphasis added). This is a serious problem to which the ruling offers no solution, or hint of how it might find were this to be the substantive issue before it. What would WDC do?

(iv) Several residents' groups are now organised to report HMOs that breach planning control and/or licence conditions. While they are anxious to see the planning and licencing regimes used to ameliorate and safeguard the conditions of HMO residents, their principal focus is on preventing the approval of any more HMOs in South and Central Leamington Spa, and on "rolling back" licenced HMOs that operate without planning permission. Whatever licencing policies are adopted and implemented after the consultation will need to be taken into account that public scrutiny and organised protest are likely to be triggered if discretionary approaches avoid rigorous enforcement action.

3. The options presented for consultation simply follow MHCLG, "Guidance: Houses in multiple occupation and residential property licensing reform: guidance for local housing authorities", October 9, 2019 update, para 2.6 [Option 1]; and the outcome of Waltham Forest v Khan [2017] UKUT 153 (LC) [Option 2]. This is problematic, in that neither provides suggestions of or authority for specific administrative arrangements.

(i) The Guidance from MHCLG does not have statutory authority. It "*actively encourage[s] local authorities to ensure planning permission has been given before issuing a licence. Wherever possible we recommend processing consents in parallel, to resolve any issues as early as possible.*" The attempt to comply with the second half of this guidance explains the uncertain thrust of Option 1. The legal strength of this guidance has not been tested in the courts, and does not hint at the issues touched on in [2] above. It assumes planning approval will be granted (if necessary by the early resolution of "issues") and does not comprehend the challenges of refusing planning permission and/or licence.

One of the leading online commentators on property law, with a long-standing specialisation in HMO litigation, considers there is a "*question of whether it is appropriate to use guidance to procure an effect which should really be dealt with in the legislation... and for the MHCLG to bring this in by the back door.*" He suggests that the advice "*totally ignores the situation on the ground*" in failing to recognise the dissimilarity of and divergence of timescales for determination of planning and licencing applications. Overall he views the guidance as a "*half-hearted intervention*". (David Smith, "The Link between Planning and HMO Licencing" Local Government Lawyer, October 29, 2019; also see the same author's "Planning status of house can be relevant to selective licensing: Upper Tribunal," Local Government Lawyer, April 18, 2017).

(ii) Waltham Forest v Khan [2017] UKUT 153 (LC) has given rise to the suggestion to grant a one-year HMO licence while planning issues are "resolved". Apart from the points on rejection of planning applications *above*, the ruling is extremely specific, and directly comparable cases are unlikely to occur for WDC. It also grounds much of its argument in controlling antisocial behaviour. The ruling is essentially permissive, and it remains for a

local authority to justify its approach in particular circumstances, and to interpret the phrase "due regard". At the same time the ruling reiterates the separation of planning and licencing enforcement procedures in respect to planning breach. It is therefore relevant to consider the comments of another leading online property law expert, who emphasised that the complexities of this and another related case demonstrated **"the need for local authorities to adopt flexible, nuanced policies that are capable of justification."** (Susan Summers, "Khan and Reid: the Upper Tribunal considers the length of landlords' property licences," London Property Licencing, Dec. 5, 2017) I would suggest that the discussion above shows the policies proposed in the consultation to be anything but flexible, nuanced or capable of justification; and further discussion with legal experts is appropriate.

D. Comments

1. Depending on specific circumstances, it might be appropriate to use either option suggested in the consultation; and these two options do not exhaust the possible ways in which licencing and planning permission could be considered in relation to one another. To make sure either option is effective, and to try to arrive at a better solution than either, it is essential that Housing and Planning departments cooperate more closely, and according to established protocols.

2. Both options contain periods in which it is implied that licence applicants may consider and effectively delay applying for planning permission. While it is within the power of Housing to treat the *licence* application in any way they wish, it will be misleading if they suggest to applicants, still less guarantee, that they will not, during any suggested period in which a planning application is made, be subject to the procedures of planning control and enforcement. The vigilance of residents' groups is making it more and more likely that planning enforcement could occur before the licence applicant had time to submit a planning application. Examination of the specific circumstances addressed in Khan shows just how much Housing procedures and Planning enforcement can diverge problematically even during the attempt by Housing to reconcile them!

3. (a) I am sure you are aware that the WDC Planning Department provides professional pre-planning application advice.* For small scale non-householder proposals, and changes of use, including house to HMO, the cost is £300 for each meeting, or £600 for both. It would make most sense to try to persuade anyone considering applying for an HMO licence to use this service first, and thereby have a good idea what the chances are of planning approval, and possible terms of grant.

*see: https://www.warwickdc.gov.uk/info/20374/planning_applications/1061/pre-application_advice

Dear Private Sector Housing

I have responded to the online consultation on HMOs on behalf of the District Labour Group. I thought it would be helpful to set out in a separate email the points that we have made in support of option 1 and also to make some other points on this matter.

We welcome the Council's decision to end what it describes as the current 'perverse situation' whereby 'contrary to the Council's own Article 4 planning policy' Private Sector Housing (PSH) to date has deemed it necessary to license HMOs in the absence of prior planning consent. We share the view that this change should be achieved by refusing to accept/process HMO license applications where the applicant has not already obtained such consent as in option 1. PSH should reject the alternative option of issuing a one year only license, with a period of grace during which applicants will be expected to apply for and obtain the necessary planning permission (or be refused). This is for the following reasons:

- why keep the door open for landlords to operate without planning consent by issuing a one year license when officers can firmly shut the door on this unlawful behaviour by simply refusing to accept a license application in the absence of planning consent?
- allowing any landlord to operate a licensed HMOs without planning consent, albeit for a reduced period, is contrary to WDC's policy embedded in the Article 4 Direction/Policy H6 - which is exactly what this proposed change is supposed to prevent - and offering any period of grace in which to subsequently apply for consent does not overcome this problem;
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- without the grant of prior planning consent, the amenity of occupants and neighbours will not have been assessed as acceptable;
- why waste time processing applications for a license as per option 2 when some of these HMOs may well be refused planning consent?
- option 2 will require a monitoring system to be put in place to ensure landlords submit timely applications, with sanctions specified for failure to do so - eg intervention by Planning Enforcement, generating extra work for them;
- if consent is refused, appeals can follow and take months to be heard, and all the while landlords with initial one year licenses will be able to draw income from these HMOs, despite the Council's enforcement policy stating at para 6.2 (b) that it aims 'to eliminate any financial gain or benefit from non-compliance';
- option 1 will align the Council's practice with the 2019 Govt Guidance which states 'We actively encourage local authorities to ensure planning permission has been given before issuing a licence.' (para 2.6).

In summary, PSH intends to ensure that when issuing HMO licenses it is acting in compliance with the Council's Article 4 Direction/Policy H6. Option 2 will not achieve this because it will allow HMOs without prior planning consent to continue in operation, albeit for a reduced period of time, to the benefit of landlords and at the expense of tenants and neighbours. Simply refusing to accept a licensing application without prior planning consent, as per option 1, is an easy solution to the identified problem, with none of the downsides of option 2, and it should be immediately implemented.

You will receive similarly worded responses from other residents and from the SOLAR group but these issues are not confined to south Leamington and can be encountered in Leamington more widely and in other towns in the District, albeit to a lesser degree. We propose these changes in the interests of students and other residents in HMOs as well.

I hope this is a helpful contribution to this important consultation.

Executive
18 March 2021

Title: Baddesley Clinton Conservation Area review

Lead Officer: Robert Dawson

Portfolio Holder: Cllr John Cooke

Public report

Wards of the District directly affected: Kenilworth Abbey & Arden

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: No

Included within the Forward Plan: Yes

Equality Impact Assessment Undertaken: No, not applicable

Consultation & Community Engagement: Yes

Final Decision: Yes

Accessibility checked: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	15/02/21	Chris Elliot
Head of Service	22/02/21	Philip Clarke
CMT	22/02/21	Chris Elliot, Bill Hunt, Andy Jones
Section 151 Officer	22/02/21	Mike Snow
Monitoring Officer	22/02/21	Andy Jones
Finance	22/02/21	Mike Snow
Portfolio Holder(s)	15/02/21	Cllr John Cooke

1. Summary

- 1.1. The purpose of this report is to provide a review to Executive on the Baddesley Clinton Conservation Area and to seek approval in order to undertake a 3-week public consultation period to adopt a Conservation Area appraisal for Baddesley Clinton Conservation Area.

2. Recommendation

- 2.1. That the Executive authorise a 3-week public consultation period in order to invite representations from residents, Baddesley Clinton Parish Council and Ward Councillors on the adoption of a Conservation Area appraisal. If no material objections are received, then the appraisal will be adopted.

3. Reasons for the Recommendation

- 3.1. It is a requirement under Section 69(1) of the Planning (Listed Buildings and Conservation Areas) Act 1990 that local planning authorities determine which parts of their area are areas of special architectural or historic interest, the character or appearance of which it is desirable to preserve or enhance, and to designate these areas as Conservation Areas.
- 3.2. It is a further requirement under Section 69(2) of the Planning (Listed Buildings and Conservation Areas) Act 1990 which explains that local planning authorities must review their conservation areas from time to time. Part of this exercise involves the adoption and review of existing conservation area appraisals.
- 3.3. **The Council's Principal Conservation Officer has undertaken a review of the** existing Conservation Area and has concluded that there is no reason to expand the boundary at this stage. However, no appraisal has yet been adopted for Baddesley Clinton Conservation Area since its designation as a Conservation Area in 2013. The only change therefore proposed is the adoption of a Conservation Area appraisal document (Appendix C).
- 3.4. Conservation Area appraisals are documents that define the special interest and significance of the area that merits Conservation Area designation. These documents also describe and evaluate the contribution made by the different features that contribute towards their overall character and appearance. The appraisal also provides guidance on how the preservation or enhancement of the conservation area can be achieved.
- 3.5. Conservation Area appraisals are also useful for those considering investment in the area for new development, in addition to planning officers, Council members, the Planning Inspectorate and Secretary of State, all of whom are then able to assess the impact of proposals on the **area's special interest**, character and appearance. The appraisal will therefore become a material consideration in planning decisions affecting the area.
- 3.6. An explanatory letter will be served upon Baddesley Clinton Joint Parish Council, Ward Councillors and residents within the Conservation Area boundary in order to make comments on the document. All material

representations received during this period will be considered and consideration will be given to amending the appraisal as appropriate.

4. Policy Framework

4.1. Fit for the Future (FFF)

4.1.1. The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

4.1.2. The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#).

4.2. FFF Strands

4.2.1 External impacts of proposal(s)

People - Health, Homes, Communities - The appraisal will encourage the retention of important architectural and historic features that contribute directly to the Conservation Area's appearance and character. This in turn will contribute towards the health and wellbeing of residents with the increased protection of the Conservation Area's important characteristics.

Services - Green, Clean, Safe - The proposal will encourage the protection of existing landscape and open space, which forms one of the key characteristics of this particular Conservation Area as highlighted in the document.

Money- Infrastructure, Enterprise, Employment – Historic complexes of buildings, such as Poor Clares Convent, exhibit unique characteristics which contributes towards the overall character of Warwick District. The document will encourage the greater preservation of this character and enhance the attractiveness of the District to visitors. The appraisal also recognises local distinctiveness, which brings about social and economic benefits.

4.2.2. Internal impacts of the proposal(s)

People - Effective Staff – The Conservation Area appraisal will enable officers in Development Services to give informed and constructive advice to members of the public, Councillors and colleagues.

Services - Maintain or Improve Services - The review and adoption of new Conservation Area appraisals relate directly to the responsibilities of WDC's Conservation & Design team. One of the team's objectives is to review existing Conservation Areas, which involves the adoption of new Conservation Area appraisals. A copy of the document will be made available online via the Council's [conservation page](#).

Money - Firm Financial Footing over the Longer Term - A [study undertaken by the London School of Economics](#) has indicated that properties located in conservation areas generally have greater value. Recognising the

qualities of a place that make the area attractive encourages more people to live, work and visit the District, which in turn may result in greater investment and result in benefits for the local economy.

4.3. Supporting Strategies

- 4.3.1. Protecting and enhancing the historic environment is an important component of the National Planning Policy Framework's drive to achieve sustainable development. The appropriate conservation of heritage assets forms one of the 'Core Planning Principles' that underpin the planning system.
- 4.3.2. In policy HE2 (Conservation Areas) of the Local Plan, explanatory note 5.167 explains that the Council will consider the designation of new conservation areas and the review of existing areas.

5. Budgetary Framework

- 5.1. Not applicable.

6. Risks

- 6.1. No risks are identified to the Council in the adoption of the Conservation Area appraisal.

7. Alternative Option(s) considered

- 7.1. An alternative option would be to not adopt the Conservation Area appraisal. This would however mean that the Conservation Area only benefits from limited recognition and therefore a gradual erosion of the character of the Conservation Area could eventually arise.

Appendix A – Notification letter

BADDESLEY CLINTON CONSERVATION AREA APPRAISAL

Dear Sir/Madam,

The Council is currently seeking views on a Baddesley Clinton Conservation Area appraisal document. It is a statutory requirement that the Council reviews existing conservation areas from time to time. No changes to existing boundaries or current permitted development rights are proposed

A copy of the proposed Conservation Area appraisal can be inspected on our website at: <https://www.warwickdc.gov.uk/conservation>

If you wish to discuss any aspect of the document making you may contact the Council's Principal Conservation Officer, Robert Dawson, on 01926 456546 or robert.dawson@warwickdc.gov.uk.

If you are not the owner of the property, please bring this letter and the attached notice to the attention of the owner as soon as possible.

The Council invites representations on the Conservation Area Appraisal between ... to ...and will consider all representations received during this period.

Appendix B – Baddesley Clinton Conservation Area ma



Appendix C – Refer to attachment



January 2021

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1. Introduction

1.1 Purpose of the document

Warwick District Council's Conservation & Design team is currently undertaking a review of **the District's designated** conservation areas. This is a statutory requirement under Section 69(2) of the Planning (Listed Buildings and Conservation Areas) Act 1990 which explains that local planning authorities must review their conservation areas from time to time.

This long term project will include updating existing conservation area appraisals, assessing existing boundaries with consideration given to buildings that may be eligible for local listing and those that would also benefit an Article 4 Direction. The updated appraisal and any related management proposals can then be re-adopted.

Baddesley Clinton Conservation Area was designated in 2013, however to date no conservation area appraisal has yet come forward. Following consultation, it is intended that this document will be formally adopted by the Council as a Supplementary Planning Guidance document. This means that in conjunction with Local Plan policies, the National Planning Policy Framework (NPPF) and relevant legislation, the document will form a material planning consideration in the determination of planning applications.

In summary, conservation area appraisals define the special interest, or significance, of the area that merits its designation. These documents also describe and evaluate the contribution made by the different features of its character and appearance. This appraisal will also provide the basis for any forthcoming management plans which gives guidance on how the preservation or enhancement of the conservation area can be achieved.

1.2 What is a conservation area?

Warwick District has a strong reputation as a desirable place to live, work and visit. Fundamental to this reputation is the **District's rich heritage which has left a** legacy of exceptional historic buildings and areas. Many of these areas are designated as conservation areas as a result of their special features and characteristics and have an important role to play in maintaining the quality of the environment in Warwick District.

Conservation Areas were first introduced into British legislation under the Civic Amenities Act of 1967 to protect the wider historic environment. These are cohesive areas in which the interaction of buildings and spaces create environments that constitute valued and sometimes irreplaceable components of our local, regional and national heritage. Conservation areas are designated by Local Planning Authorities, whom have a statutory duty to review its historic districts from time to time, in order to consider further conservation area designations and amendments to existing ones. The aim is to ensure that the interest of designated areas is retained for future generations, their environmental quality is preserved or enhanced and local distinctiveness and sense of place is safeguarded.

The Council has a statutory duty under Section 69(1) of the Planning (Listed Buildings and Conservation Areas) Act 1990 to designate areas of special architectural or historic interest as conservation areas. However, paragraph 186 of the NPPF explains that when considering the designation of conservation areas, local planning authorities should ensure that an area justifies such status because of its special architectural or historic interest, and that the concept of conservation is not devalued through the designation of areas that lack special interest. Conservation Area

designation therefore needs to be carefully considered.

Designation results in greater control over the demolition of unlisted buildings. Although the Town and Country Planning (General Permitted Development) Order 2015 (GPDO) (3) allows certain minor developments to take place without specific consent, this is more restricted in conservation areas. This means that the Council gains additional planning control compared with areas that are not designated which, in turn, allows for the greater retention of characteristics and features that make a place special and unique. Further information on planning constraints in Conservation Areas can be found on the planning portal.

Local planning authorities may also look to withdraw further permitted development rights for a prescribed range of developments that affect the external appearance of buildings in a conservation area by the use of a direction under Article 4 of the General Permitted Development Order 2015.

Open spaces and trees can also form important characteristics in conservation areas. Any work planned to a tree in a conservation area must also be notified to the local planning authority six weeks in advance so that the Council may determine whether, or how, the work should take place.

Designation imposes a duty on the Council to pay special attention to the desirability of preserving or enhancing the character or appearance of the area under Section 66 of the Planning (Listed Buildings and Conservation Areas) Act 1990. In fulfilling this duty, the Council does not seek to prevent development but rather to manage change in a sensitive way, so that those qualities which warranted designation are sustained and reinforced, rather than eroded.

Most of the buildings in a conservation area will help to shape its character. The extent to which their contribution is considered as positive depends not just on their street elevations but also on their overall integrity as historic structures. To identify the significance of a place, it is necessary first to understand its fabric, and how and why it has changed over time; and then to consider: who values the place, and why they do so; how those values relate to its fabric; their relative importance; whether associated objects contribute to them; the contribution made by the setting and context of the place. The National Planning Policy Framework (NPPF) also highlights that the setting of a designated heritage asset can contribute to its significance. It is important to understand the significance of an historic asset and the possible impact of a proposed development on this significance.

1.3 Conservation Principles

Significance is a collective term for the sum of all the heritage values attached to a place, whether a building, archaeological site or larger historic area such as a village or landscape. The idea of 'significance' **lies at the core of Historic England's [Conservation Principles, Policies and Guidance](#)** – a guide for best practice for all conservation professionals.

These principles respond to the need for a clear, over-arching philosophical framework of what conservation means in the 21st century and set out six high level principles:

Principle 1: The historic environment is a shared resource.

Principle 2: Everyone should be able to participate in sustaining the historic environment.

Principle 3: Understanding the significance of places is vital.

Principle 4: Significant places should be managed to sustain their values.

Principle 5: Decisions about change must be reasonable, transparent and consistent.

Principle 6: Documenting and learning from decisions is essential.

These principles have established a method for thinking systematically about the heritage values that can be associated with a place. People can value historic places in many different ways; 'Conservation Principles' illustrates how these values can be grouped into four categories:

Evidential value: *the potential of a place to yield evidence about past human activity.*

Historical value: *the ways in which past people, events and aspects of life can be connected through a place to the present - it tends to be illustrative or associative.*

Aesthetic value: *the ways in which people draw sensory and intellectual stimulation from a place.*

Communal value: *the meanings of a place for the people who relate to it, or for whom it figures in their collective experience or memory.*

The guidance contained in the document also includes a recommended approach to assessing significance, advice on how to apply the principles and policies in practice and detailed interpretation of policies on repair, on intervention for research, on restoration, on new work and alteration and on enabling development.

2.0 Summary of Special Interest

2.1 Location

Baddesley Clinton Parish lies in South Warwickshire off Birmingham Road, 8 miles from Warwick and 12 miles from Stratford-upon-Avon. Solihull in the West Midlands lies approximately 8 miles to the north. The village of Baddesley Clinton also borders the adjacent parishes of Rowington to the south, Lapworth to the west and Wroxall to the east. The northern and western boundaries of the Parish are formed by small streams. The Grand Union Canal runs parallel with and just inside the western boundary of the parish. A road running north from Rowington divides the parish in two, with the eastern half largely occupied by the extensive Hay Wood and the western half, in which lies Baddesley Clinton House, where the ground slopes gently to a level of 350 ft. at the canal.

Baddesley Clinton Conservation Area is a small conservation area with an area totalling 1.536 hectares. The boundary is centred around the former Poor Clares Convent and associated buildings including St Francis Church, the churchyard, presbytery buildings and the site occupied **by the Convent's former school building**, which is all enclosed by a brick wall.

The 20th century saw development of housing in the village, which now comprises a mixture of semi-detached and detached properties of varying size and scale. Further social housing development took place in the 1960s, with recent infill development taking place consisting mainly of individual detached dwellings.

There are currently no proposals to include any other domestic properties along Rising Lane or any agricultural land adjacent to the Convent buildings.

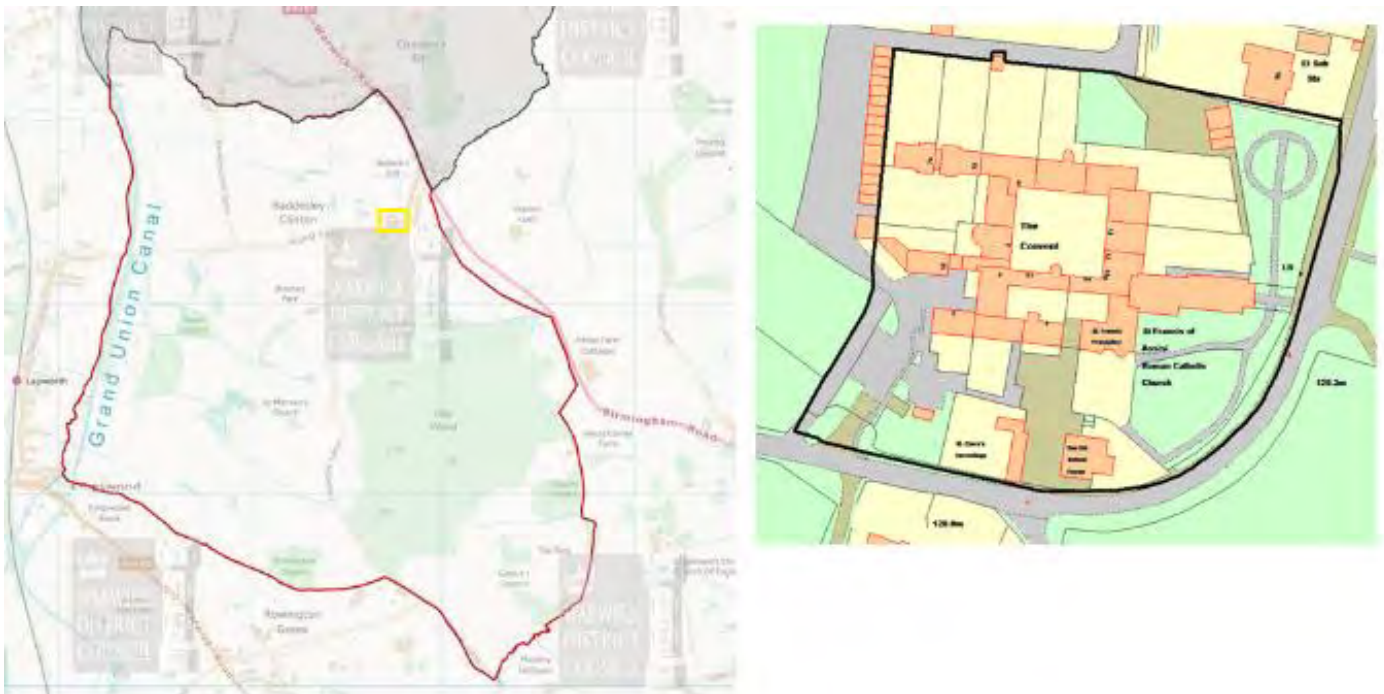


Figure 1: Map of Baddesley Clinton Parish (left) and the Conservation Area boundary (right).

2.2 Consideration for Conservation Area status

The Council has a statutory duty to designate areas of special architectural or

historic interest, the character and appearance of which it is desirable to preserve or enhance, as conservation areas under Section 69(1) of the Planning (Listed Buildings and Conservation Areas) Act 1990. Paragraph 186 of the NPPF states that when considering the designation of conservation areas, local planning authorities should ensure that an area justifies such status because of its special architectural or historic interest, and that the concept of conservation is not devalued through the designation of areas that lack special interest.

St Francis Church and Poor Clares Convent buildings are of historical significance and represent a largely unaltered collection of late 19th century buildings set within their own grounds, all of which are predominantly intact. The various alterations to the Convent buildings are largely reversible and are not of a scale to detract significantly from the historical layout and simple architectural qualities of the buildings. In 2013 it was therefore considered that the area was worthy of designation as a conservation area.

The present complex of buildings were previously put forward for statutory listing. However, Historic England (formerly English Heritage) did not consider the site to meet the requirements at the time. The Convent and surrounding buildings have, however, **been included on Warwick District's** Local List of Heritage Assets.

2.3 Excluded areas

The excluded areas along Rising Lane to the north and east of the Conservation Area boundary comprise mainly of modern housing built after the Second World War. These buildings are not considered to hold sufficient architectural or historic merit to warrant conservation area designation. No

extension to the designated boundary is therefore proposed at this stage.

2.4 Historical background and development

Origins

Settlement in Baddesley Clinton Parish is understood to date back to the Middle Ages, with the name of the village derived from the manor house. Baddesley Clinton is understood to originate from a clearing for cattle in the Forest of Arden created by a Saxon farmer named **Baeddi, Badde** or **Bade**. This clearing would have been protected from predators with a ditch and wooden palisade, and such clearings were known as a "leah" or "ley" – hence **Badde's Ley**.¹

The manor house was originally the home of the Ferris family who remained within the Catholic faith after the Reformation. By the mid-17th century, Baddesley Clinton house became the headquarters of the Franciscan Fathers of the Second English Province and by 1756 Father George Bishop had established a small chapel on the present Convent site. It was later joined by a Franciscan school which had moved out of Edgbaston. The Franciscan Academy closed in 1829 and since that time the church was served by secular priests.

Poor Clares Convent

¹ Baddesley Clinton guidebook, (National Trust 1998), pp 23-7.



In 1850, a group of Poor Clares nuns arrived from Bruges to establish the first Convent of the Poor Clares of the Colettine Reform in England since the Reformation. In 1857, Agnes Mary Clifford, daughter of the Baron Charles Clifford of Chudley in Devon, had joined the Poor Clares and brought with her a substantial dowry. This money was used to build a new church, presbytery and school on land donated by the Ferris family.² The original chapel was demolished and the new church of St Francis Assisi was designed by Benjamin Bucknell in partnership with the Coventry architect T. I. Donnelley, opening in 1870.

The south range of the sisters' lodgings were added in 1878-9; the architect is unknown for this work. The presbytery was built in

corridor from the servers' sacristy to the church was extended to provide access to the sanctuary and nave. At the same time, the original access door in the southern corner of the sanctuary arch was blocked off and the Sacred Heart altar placed in front of it.

During the 20th century, various extensions were made to the Convent buildings to enable them to be more functional. A side chapel was added to the north side of the church in the 1960s to enable the sisters to see Mass being celebrated in the church. The inside of the church underwent some alterations in 1970, including covering most of the decorative work which had been carried out by Rebecca Orpen. The most notable alteration was to the south wing which had an infill bay added and various other alterations. The school building was occupied until 1990 at which time the building was converted into office use. In 2010, the Poor Clares marked their 160th



1882 to designs by Edward Hanson and by 1905 two further ranges of Convent buildings were added. In 1909, a lean-to
Figure 2: Church of St Francis Assisi. Taken by author.

Figure 3: The Convent School buildings and playground, 1910s. Source: Warwickshire County Records Office



² H. Norris, Baddesley Clinton: Its Manor, Church and Hall, 1897, p. 83.

year at Baddesley Clinton but as the community was too small to sustain the use of such a large complex, the Convent buildings ceased to be used for that purpose.

2.5 Character of the area

Poor Clares Convent was sympathetically converted into residential dwellings between 2013-2016. The character of the complex has been retained with the legacy of its historical use highly legible, with the grounds remaining largely enclosed.

Historically, buildings or complexes of buildings which have been retained in single use, for instance large industrial complexes, schools, hospitals, or in this case a religious community, are examples of our heritage and should be retained in some form. The buildings form an interesting architectural survival which, together with the grounds, is worthy of conservation area status, both from a historical and architectural context. The development has successfully preserved the communal character of the complex by retaining the courtyard garden and maintaining external walls, which also preserves the **Convent's original sense of enclosure**.

The Convent buildings contain a number of features that demonstrate **the site's special architectural interest**. The church is constructed in an early English style with simple lancet windows built in brick with stone dressings. The sisters' choir is denoted by a slightly lower roof line and there is a timber spirelet. The sanctuary and choir

Figure 4: The Convent courtyard, landscaped garden and original water fountain. Taken by author.

have circular openings housing quatrefoil windows. The Presbytery to the west is brick built with bay windows and octagonal chimneys.

The Convent buildings were built generally around a cloister of two storeys with a single

storey lean-to forming the cloister in red brick. Within the original cloister is a projecting canted bay with a former entrance porch on the opposite side now enclosed by a modern projection. Within the north side of the main range of buildings is a two storey canted bay with a complex roof structure; a similar projection exists on the east side. The buildings, although simple, have stone dressed windows and are broken up by the various canted projections. To the north west is the original entrance gate which formed the access to the outside world and gave access both to the grounds of the Convent and also the main door into the Convent, being in the side of the archway. The southern range, formerly the infirmary, is a very simple range of buildings, probably the latest to be added to the 19th century complex which has subsequently been altered, probably at the beginning of 20th century and also later in the 20th century when the infill block was added between the two wings.



Figure 5: South façade of the Convent. Taken by author.

With the exception of the southern range, most of the Convent buildings and the presbytery remain as originally built, with

any major alterations being carried out in the 19th century. There are, however, a number of 20th century single storey additions which could be removed in the future to return the building to its original form. Prior to recent conversion and residential development, a significant

number of uPVC windows existed which detracted from the overall quality of the buildings; these have now been replaced predominantly by sympathetic timber replacements. The complex of buildings are enclosed by a wall which rises to a around 2m in height to the north east and south, enclosing the Convent grounds. Within the



Figure 7: Southern entrance to the convent complex. Taken by author.

grounds are a number of mature trees and lawned areas including an area occupied by the **sisters'** cemetery.

The Church of St Francis of Assisi is set within a burial ground to the south and east and similarly to the south and west where there are significant mature trees and shrubbery, **preserving the church's original setting**. A memorial plaque can be found in the church yard which contributes towards the sense of place and forms a reminder of **the site's historic usage**.

To the west is the access to the presbytery and the former school buildings which are more visible from the public road than the Convent buildings themselves. These buildings form an important group and the open space should be preserved in order to maintain the historic sense of community function.

As a whole, **the complex represents a significant group of buildings of the mid**



Figure 6: Memorial plaque in the churchyard. Taken by author.

to late 19th century that were built as a parish church, school and a convent with interlinking functions. Single occupancy of the Convent buildings has clearly retained them in a largely unaltered form and the recent conversion has largely preserved this unique character. The majority of alterations prior to conversion, with perhaps the exception of the south range, are reversible in terms of restoring the character of the buildings. The grounds of the Convent and the church are maintained to an attractive standard and retain a number of significant mature trees. **It is therefore important that this high quality landscape within the Convent grounds be maintained** in order to preserve the appearance and character of the Conservation Area.

2.6 Materials

The Convent buildings are all constructed from a simple traditional palette of materials including red brick, with some limestone



Figure 8: Examples of window types at the Convent. Taken by author.

dressings, and a mixture of slate and plain clay tile roofs, with brick stacks. For new build elements, Lightly Weathered Waterstruck bricks have been used to closely match the original buildings. **This section also covers the Council's general approach to materials.**

Windows

The complex includes a range of interesting window types including fine lancet windows built in brick with stone dressings, with the sanctuary and choir having circular openings with quatrefoil windows. **Original windows form part of the historic fabric of the Convent which contribute towards the special interest and significance of the Conservation Area. For this reason, they should be repaired and not replaced** wherever possible. Where these are beyond repair, a like for like replacement could be considered acceptable, subject to the provision of large scale details. Prior to conversion, the Convent buildings had a significant number of uPVC windows and these have now largely been replaced with sympathetic timber replacements.

It should be noted that **the Council will not support the use of non-traditional materials, such as uPVC, for replacement windows** in the Conservation Area as this is considered detrimental to the area's appearance and character. On new build elements, strong preference will be given to timber, although aluminium may also be acceptable in some instances.

The use of standard double glazed units is generally not supportable in the **District's** conservation areas, as the view of the window is distorted by the sandwich effect of the two sheets of glass. It

is also not possible to obtain the very fine glazing bars when double glazing is installed and the integrity of the original window could be lost, with the weight overall altered considerably in respect of the original counter balances in sash windows. Proper restoration and draught proofing of windows can greatly increase their thermal effectiveness which may warrant double glazing unnecessary. **Consideration should also be given to secondary glazing, which can be equally efficient as double glazed units and, if fitted discretely, need not affect the character of the building.** Secondary glazing is also generally more effective for sound proofing.

The Council does, however, recognise that double glazing is required in new buildings in order to meet current Building Regulation standards. However, such an approach must be developed as part of the overall design of the building and should be discussed with the Conservation & Design team at an early stage. As a general rule, on historic elevations, single glazing should be the starting point. However, **on more recent additions and in areas of less sensitivity, the Council may accept the use of heritage double glazing with an overall thickness of 12-14mm.**

Roof lights that followed the line of the roof became popular in the 19th century as a means of lighting stairwells and small attic rooms and were usually discretely located

on the roof slope. In recent years, these have been in popular demand for creating more usable space within a roof. They can, however, detract from the overall quality or appearance of the building. **Conservation style roof lights that are flush fully with the roof should be used in conservation areas**, as these avoid the considerable upstand which most modern roof windows have. The introduction of discreet roof windows may also overcome the need for dormer windows, where these would be considered an unacceptable addition.

Rainwater goods

Rainwater goods are an essential element of any roofing system and were traditionally made of lead, however the use of cast iron became more prevalent in the 19th century, as is the case at the Convent. **Cast iron should always be used for rainwater goods on listed buildings, although cast aluminium may be used in certain instances where the historic integrity is less critical.** The use of uPVC is, however, best avoided as this has a completely different appearance and weathering qualities to those of cast metal. The proper maintenance of a rainwater system on any building is essential to the long term preservation of the building. For rainwater goods, consideration should be given to the use of cast aluminium or iron rainwater on the Convent buildings.

Roofs

It is important that the original roof profile of the Convent buildings be retained and preserved, as this forms part of its unique character. The majority of roofs in Poor Clares Convent are comprised of natural, domestic slate. Until the mid/late 18th century, slate would not have been available for roofing in Warwickshire. However, with the development of the canals and the railways, slate came into widespread use. Welsh slate is usually used in thin slabs of

uniform thickness and size; courses are regular, and a roof slated with this material appears thin, smooth, and precise. Slates are nailed to light timber battens, coursed in such a way that the vertical joints are protected and each slate is lapped over two others. Less common forms of slating in Warwickshire include the use of stone slate and Leicestershire and Lake District slate, which are laid to diminishing courses. Where slates are laid to diminishing courses they should always be restored in the same manner and using identical materials.

Spanish and most other imported slates are not appropriate in conservation areas and on listed buildings as they are noticeably darker than British slates and generally contain more impurities. However, certain types of good quality slate from foreign sources may be acceptable in conservation areas, subject to the appearance and quality of the slate, on a case by case basis. All forms of patterned slates such as fishscales and diamonds should be reinstated or new slates cut to match the original patterns. Extensive patching on slate roofs and the use of ill matched slates and the necessity to clip slate replacements can disfigure roofs. Whilst the installation of artificial and reconstituted slate may be appropriate for modern buildings outside the Conservation Area, the texture and appearance is inappropriate in traditional surroundings. The appearance and integrity of many fine buildings has been spoiled by the replacement of traditional roofing materials with inappropriate mass-produced materials. For this reason, **all forms of artificial slate and reconstituted slate are unacceptable on listed buildings and in conservation areas**, including on new buildings.

Chimneys are an important feature of most traditional roofs. They often reflect the plan form of the building and have been designed as part of the overall building concept. With

the installation of central heating, many chimney stacks are now redundant and, as a consequence, many traditional stacks have been removed or reduced in height. The Convent buildings have retained the majority of their original chimneys, with some demonstrating high architectural significance, such as the chimneys of the Presbytery. **Chimney stacks within conservation areas should always be maintained at their original height and where these have been reduced in height in the past, consideration should be given to reconstructing them back to their original form with appropriate string courses and pots.** Chimney pots are also an integral item of many stacks that have often been removed or replaced by modern equivalents; wherever possible, uniform pots should be maintained.

The installation of new rooflights should be kept to the minimum and, where considered appropriate, these should be of the Velux

The introduction of solar panels requires careful consideration in any historic setting. The use of solar panels could possibly be disguised within opposing roof slopes and therefore will not be visible or can be accommodated within the garden of a property. Whilst the use of clearly visible panels on buildings that make a positive contribution to the character of the area is generally not appropriate, the quality of solar slate has increased in recent years. The installation of these will be assessed on a case by case basis and weighed against environmental benefits arising from the proposal. It is therefore possible to use photo voltaic tiles, however these should be discussed with a WDC Conservation Officer, and will be considered on their own merits as to the loss of historic and the visual impact.

Boundary treatments

Boundary treatments within Baddesley Clinton Conservation Area comprise of a



conservation type and flush fully with the roof. The installation of dormer windows will be resisted as these are highly detrimental to the character and appearance of the Conservation Area.

mixture of railings, walls and natural planting or hedges. To the north and north-west, **it is essential that the remaining sections of the original Convent wall should be preserved and maintained in order to retain the buildings' original**

enclosure. Estate railings and hedges are considered appropriate for any new boundaries within the complex. However, unfinished timber fencing should

be avoided in order to retain the sense of openness and historic community function.

3.0 Policy and legislation

This section describes the current legislative and policy framework concerning the protection, conservation and enhancing of the built environment.

3.1 National Planning Policy Framework (rev. 2019)

In 2012, the [National Planning Policy Framework](#) (NPPF) replaced a wide range of planning policy statements and guidance, including Planning Policy Statement 5 which had superseded Planning Policy Guidance 15 and 16 that for many years had shaped

Figure 9: Examples of traditional boundary treatments in the Conservation Area

conservation policies are principally in paragraphs 184-202 but policies giving effect to this objective appear elsewhere in the Framework, including on good design. The NPPF is underpinned and supported by the Planning Practice Guidance, which is reviewed and updated periodically.

The NPPF sets out the **Government's** planning policies for England and how these should be applied. Protecting and enhancing the historic environment is an important component of the **Framework's** drive to achieve sustainable development, as defined in paragraphs 6-10. The appropriate conservation of heritage assets forms one of the **'Core Planning Principles'** that underpin the planning system. Paragraph 7, citing Resolution 42/187 of the United Nations General Assembly, states that the overall purpose of the planning system is to contribute towards sustainable development:

7. The purpose of the planning system is to contribute to the achievement of sustainable development. At a very high level, the objective of sustainable development can be summarised as meeting the needs of the present without compromising the ability of future generations to meet their own needs

Paragraphs 20-23 of the NPPF sets out the matters that strategic policies should make provision for, although this is not an exhaustive list and authorities will need to adapt this to meet their specific needs:

20. Strategic policies should set out

scale and quality of development, and make sufficient provision for:

- a) housing (including affordable housing), employment, retail, leisure and other commercial development;*
- b) infrastructure for transport, telecommunications, security, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);*
- c) community facilities (such as health, education and cultural infrastructure); and*
- d) conservation and enhancement of the natural, built and historic environment, including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation.*

Paragraphs 124-132 explain that high quality buildings and places are a vital element in the planning process. Design expectations should be made clearly at an early stage in policies with supplementary planning documents (SPDs) and guidance (SPGs). The Framework also emphasises that good design is a key element in achieving sustainable development:

124. The creation of high quality buildings and places is fundamental to what the planning and development process should achieve. Good design is a key aspect of sustainable development, creates better places in which to live and work and helps make development acceptable to communities. Being clear about design expectations, and how these will be tested, is essential for achieving this. So too is effective engagement between applicants, communities, local planning authorities and other interests throughout the process.

Policies that are specific to the historic environment appear in Chapter 16: *Conserving and enhancing the historic environment*, paragraphs 184-202), providing fundamental policy guidance for informing plan-preparation and decision making. Some notable paragraphs are as follows:

The Framework highlights that heritage assets – ranging from local sites of interest to World Heritage Sites – are irreplaceable resources and should be conserved appropriately:

184. Heritage assets range from sites and buildings of local historic value to those of the highest significance, such as World Heritage Sites which are internationally recognised to be of Outstanding Universal Value. These assets are an irreplaceable resource,

and should be conserved in a manner appropriate to their significance, so that they can be enjoyed for their contribution to the quality of life of existing and future generations.

The designation of conservation areas requires careful consideration in order to not devalue the concept of conservation:

186. When considering the designation of conservation areas, local planning authorities should ensure that an area justifies such status because of its special architectural or historic interest, and that the concept of conservation is not devalued through the designation of areas that lack special interest.

The NPPF creates a mandatory requirement for local planning authorities to request that applicants submit heritage statements where heritage assets are affected by planning applications:

189. In determining applications, local planning authorities should require an applicant to describe the significance of any heritage assets affected, including any contribution made by their setting. The level of detail should be proportionate to the assets' importance and no more than is sufficient to understand the potential impact of the proposal on their significance. As a minimum the relevant historic environment record should have been consulted and the heritage assets assessed using appropriate expertise where necessary. Where a site on which development is proposed includes, or has the potential to include, heritage assets with archaeological interest, local planning authorities should require developers to submit an appropriate desk-based assessment

and, where necessary, a field evaluation.

The Framework gives considerable weight to the conservation of heritage assets in development proposals, irrespective of the level of harm:

193. When considering the impact of a proposed development on the significance of a designated heritage asset, great weight should be given to the asset's conservation (and the more important the asset, the greater the weight should be). This is irrespective of whether any potential harm amounts to substantial harm, total loss or less than substantial harm to its significance.

194. Any harm to, or loss of, the significance of a designated heritage asset (from its alteration or destruction, or from development within its setting), should require clear and convincing justification. Substantial harm to or loss of:

a) grade II listed buildings, or grade II registered parks or gardens, should be exceptional;

b) assets of the highest significance, notably scheduled monuments, protected wreck sites, registered battlefields, grade I and II listed buildings, grade I and II* registered parks and gardens, and World Heritage Sites, should be wholly exceptional.*

As the National Planning Policy Framework makes clear, significance derives not only from a heritage asset's physical presence, but also from its setting. Heritage assets may be affected by direct physical change or by change in their setting. Being able to properly assess the nature, extent and importance of the significance of a heritage asset, and the contribution of its setting, is

very important to understanding the potential impact and acceptability of development proposals. In most cases, the assessment of the significance of the heritage asset by the local planning authority is likely to need expert advice in addition to the information provided by the Historic Environment Record, similar sources of information and inspection of the asset itself. Informed analysis is required as harm may arise from works to the asset or as is particularly relevant to a linear heritage asset, from development within its setting. Constructive conservation is concerned with the positive contribution that conservation of the setting of heritage assets can make to sustainable communities and for the desirability of new development making a positive contribution to local character and distinctiveness.

Crucially, when assessing if a proposed development would result in substantial harm this is largely concerned with the impact on the overall significance of the heritage asset. Substantial harm is a high test; one important consideration could be whether the adverse impact seriously affects a key element of its special architectural or historic interest. Whilst the impact of total demolition is obvious, partial destruction or alteration can have a considerable impact but may still amount to less than substantial harm. Similarly, works that are moderate or minor in scale are likely to cause less than substantial harm or no harm at all. However, even minor works may have the potential to cause substantial harm, for instance if this concerns the removal or alteration of a small but significant feature of the listed building.

The Framework sets out the requirement for substantial public benefits in order to outweigh substantial harm or total loss of a designated heritage asset:

195. Where a proposed development will lead to substantial harm to (or total loss of significance of) a

designated heritage asset, local planning authorities should refuse consent, unless it can be demonstrated that the substantial harm or total loss is necessary to achieve substantial public benefits that outweigh that harm or loss, or all of the following apply:

a) the nature of the heritage asset prevents all reasonable uses of the site.

b) no viable use of the heritage asset itself can be found in the medium term through appropriate marketing that will enable its conservation.

c) conservation by grant-funding or some form of not for profit, charitable or public ownership is demonstrably not possible.

d) the harm or loss is outweighed by the benefit of bringing the site back into use.

Where less than substantial harm occurs, this too should be weighed against the public benefits of the proposal:

196. Where a development proposal will lead to less than substantial harm to the significance of a designated heritage asset, this harm should be weighed against the public benefits of the proposal including, where appropriate, securing its optimum viable use.

The Planning Policy Guidance on the historic environment outlines that public benefits may arise from many developments and could be anything that delivers the economic, social or environmental objectives described in the Framework:

8. Achieving sustainable development means that the planning system has three overarching objectives, which

are interdependent and need to be pursued in mutually supportive ways (so that opportunities can be taken to secure net gains across each of the different objectives):

a) an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure.

b) a social objective – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being.

c) an environmental objective – to contribute to protecting and enhancing our natural, built and historic environment; including making effective use of land, helping to improve biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy.

Public benefits should flow from the proposed development. They should be of a nature or scale to be of benefit to the public at large and not just be a private benefit. However, benefits do not always have to be visible or accessible to the public in order to be genuine public benefits, for example,

works to a listed private dwelling which secure its future as a designated heritage asset could be a public benefit. Examples of heritage benefits may include:

- sustaining or enhancing the significance of a heritage asset and the contribution of its setting.
- reducing or removing risks to a heritage asset.
- securing the optimum viable use of a heritage asset in support of its long term conservation.

Non-designated heritage assets (including those identified by the local planning authority) are also afforded some weight in the Framework and a balanced judgement is required when considering the impact of planning applications on the significance of these assets:

197. The effect of an application on the significance of a non-designated heritage asset should be taken into account in determining the application. In weighing applications that directly or indirectly affect non-designated heritage assets, a balanced judgement will be required having regard to the scale of any harm or loss and the significance of the heritage asset.

Specific reference is also made to the demolition of buildings in the conservation area that make a positive contribution, although these do not necessarily have to be locally listed buildings or sites:

201. Not all elements of a Conservation Area or World Heritage Site will necessarily contribute to its significance. Loss of a building (or other element) which makes a positive contribution to the significance of the Conservation Area or World Heritage Site should be treated either as substantial harm under paragraph 195 or less than

substantial harm under paragraph 196, as appropriate, taking into account the relative significance of the element affected and its contribution to the significance of the Conservation Area or World Heritage Site as a whole.

3.2 The Local Plan (2011-2029)



Warwick District LOCAL PLAN

helping shapethedistrict

Warwick District has an adopted Local Plan (2011-2029) which sets the development framework for the District. The Plan has established a series of strategic policies, allocated sites for development, and includes policies to guide the form of development in the District. The Local Plan sits beneath the revised National Planning Policy Framework.

3.2.1 HE1 (Designated Heritage Assets and their setting)

Policy HE1 of the Local Plan explains that development will not be permitted if it would lead to substantial harm to or total loss of the significance of a designated heritage asset. This includes listed buildings, conservation areas, registered parks and gardens and scheduled monuments. Development may be permitted however if it is demonstrated that the substantial harm or loss is necessary to achieve substantial public benefits – the economic, social or environmental objectives as described in NPPF paragraph 8 – that outweigh this harm or loss, or it is demonstrated that all of the following apply:

- a) The nature of the heritage asset prevents all reasonable uses of the site.
- b) No viable use of the heritage asset itself can be found that will enable its conservation.

c) Conservation by grant funding or charitable or public ownership is not possible.

d) The harm or loss is outweighed by the benefit of bringing the site back into use.

This policy adds that where development would lead to less than substantial harm to the significance of a designated heritage asset, this harm will be weighed against the public benefits of the proposal, including securing its optimum viable use. However, **Historic England have clarified that 'area-based' designated heritage assets, including conservation areas, will not themselves have a single use and therefore securing the optimum viable use of area-based assets are not relevant considerations in assessing the public benefits of development proposals affecting such heritage assets.**

HE1 also explains that the design of new buildings and alterations to existing ones affecting the setting of listed buildings and conservation areas needs careful consideration. New buildings and alterations to existing buildings should be designed to respect the setting of listed buildings, following the principles of scale, height, massing, alignment and the use of appropriate materials. Proposals that do not accord with the above requirements will not be permitted.

In considering planning applications within conservation areas, the Council will require that proposals do not have a detrimental effect upon the integrity and character of the conservation area. Applicants will be required to submit detailed plans with accurate survey drawings, a Design and Access Statement and a Heritage Statement to support their application.

Each historic building has its own characteristics related to its original design and its original or subsequent uses. The policy includes proposals for extensions and

alterations to listed buildings and buildings within conservation areas. For listed buildings, traditional materials and appropriate colours and finishes will be required. The use of appropriate materials in any restoration or alteration works will be expected to maintain the character and appearance of both the building and its setting and applies to buildings in conservation areas. The objective of this policy is to ensure that any works or alterations to listed buildings are carried out using appropriate materials to preserve the integrity of the building. The use of UPVC windows, artificial or imported roofing material, plastic rainwater goods and the use of inappropriate colours are all examples of what will not be permitted.

The Council will also exercise its powers under the Planning (Listed Buildings and Conservation Areas) Act 1990 to take action where buildings are considered to ensure that listed buildings in private ownership do not fall into disrepair.

The National Planning Policy Framework supports the transition to a low carbon future in a changing climate, including the use of renewable energy. In the context of the historic environment, measures to support a low carbon future will only be supported where they do not conflict with policies relating to the historic environment.

It is acknowledged that the protection of listed buildings may not be consistent with the need to promote accessibility and inclusion in accordance with Policy HS1. Applicants should therefore demonstrate how they have sought to reasonably balance these competing objectives and where they have made clear choices between policies.

HE2 (Conservation Areas)

This policy states that there will be a presumption in favour of the retention of unlisted buildings that make a positive contribution to the character and

appearance of a Conservation Area. Consent for total demolition of unlisted buildings will only be granted where the detailed design of the replacement can demonstrate that it will preserve or enhance the character or appearance of the conservation area. Measures will be taken to restore or bring back into use areas that presently make a negative contribution to conservation areas.

It is important that development both within and outside a conservation area, including to unlisted buildings, should not adversely affect its setting by impacting on important views and groups of buildings within and beyond the boundary. This policy adds that gardens and open spaces that add to the historic appearance and interest of conservation areas should be protected from development. The Council will continue to seek directions to restrict permitted development rights under Article 4 of the Town and Country Planning Act 1995, in order to maintain areas of high quality townscape. In addition, The Council will also consider, when appropriate, the designation of new conservation areas and the review of existing areas.

Unlisted buildings can often contribute significantly to the special architectural or historic importance of conservation areas. Buildings that do not merit statutory listing often contribute as much to the overall character of conservation areas as those that are listed buildings. This policy seeks to retain the integrity and form of unlisted buildings in the conservation area and resist alterations and demolitions to these buildings where this would have an adverse effect upon the overall character of the conservation area. Furthermore, the demolition of unlisted buildings will only be supported where details of an appropriate replacement building are provided. In such cases a condition will be imposed to ensure that demolition does not take place until a contract for redevelopment has been entered into and planning permission for

those works has been granted. This will prevent unsightly gaps appearing as a result of demolition far in advance of redevelopment.

The Council maintains its own list of parks and gardens that are of historical interest, but which may not meet the criteria for inclusion on the national register. These are important in landscape terms and often contribute towards the appearance and character of conservation areas and some also form the setting of listed buildings. Whilst it is recognised that they are of less significance nationally, they are important within a local or regional context. The purpose of the list is to ensure that the case for protecting such parks and gardens is taken into account fully when considering development proposals and to act as a spur to the formulation of positive restoration proposals. A list of these locally important parks and gardens is set out in the Local Plan, however this is not exhaustive and is based upon research evidence available at the time of plan preparation.

HE3 (Locally Listed Historic Assets)

Policy HE3 explains that development that would lead to the demolition or loss of significance of a locally listed historic asset will be assessed in relation to the scale of harm or loss and the significance of the asset. Change to locally listed historic assets should be carried out using traditional detailing and traditional materials.

The Council maintains a list of locally important historic assets that may not meet the statutory criteria for listing. Within conservation areas, permitted development rights may be removed by the service of an Article 4 Direction on locally listed assets. Where locally listed historic assets are not within a conservation area, the Council may consider implementing an Article 4 Direction to control aspects of development and demolition. Locally listed historic assets are

designated both within and outside conservation areas.

Other relevant policies when determining applications for listed building consent and planning applications affecting heritage assets include BE1 (Layout and Design), BE4 (Converting Rural Buildings), HE4 (Archaeology) and NE4 (Landscape). The full wording and supporting explanatory text for each policy above can be found via the Council's online [Planning Policy](#).

3.3 Neighbourhood Plans

The next level down in the hierarchy of planning policies is the Neighbourhood Plan (NP). There are several Neighbourhood Plans in place around the District. These plans must be made in conformity with national and local policies and are designed by local communities to guide development. Once adopted (or substantially complete) these form part of the policy framework for that area. They can identify additional development sites (over and above that identified in the Local Plan) or can further guide particular aspects of development. There is currently no Neighbourhood Plan in place for Baddesley Clinton.

3.4 Legislation

The Civic Amenities Act 1967

The Civic Amenities Act 1967 was an Act to 'make further provision for the protection and improvement of buildings of architectural or historic interest and of the character of areas of such interest; for the preservation and planting of trees; and for the orderly disposal of disused vehicles and **equipment and other rubbish.**' This introduced the concept of conservation areas before being superseded by the 1990 Act.

The Planning (Listed Buildings and Conservation Areas) Act 1990

[The Planning \(Listed Buildings and Conservation Areas\) Act 1990](#) provides specific protection for buildings and areas of special architectural or historic interest, in addition to the normal planning framework set out in the Town and Country Planning Act 1990. Some key sections of the Act are as follows:

Section 9 of the Act sets out the requirement for listed building consent to be obtained for all works of demolition, alteration or extension to a listed building that affect its character as a building of special architectural or historic interest. This requirement applies to all types of works and to all parts of those buildings covered by the listing protection, provided the works affect the character of the building as a building of special interest. It is a criminal offence not to seek consent when it is required.

It is a common misunderstanding that that the special interest of a listed building lies only in its front façade or original features such as fireplaces and plasterwork; the general form and layout of the listed building may be as important **as any 'period feature'**. Whilst the list entry for each building may also give assistance, it is not an exhaustive description. It is also not a defence to show that consent would or should have been given if it had been applied for; a defence is available however if the works were urgently necessary in the interests of health and safety. All buildings pre dating 1st July 1948 within the vicinity of the listed building could also be protected by being within the curtilage of the principal building. The **Council's Conservation team should always** be contacted in order to confirm the position of any potentially curtilage listed buildings.

The Act grants exemption from the requirements of listed building consent to ecclesiastical buildings in ecclesiastical use to recognised religious denominations. The exemption applies to works to all places of

worship owned by recognised religious bodies listed in the [Ecclesiastical Exemption \(Listed Buildings and Conservation Areas\) \(England\) Order 2010](#).

Section 16 states that in considering whether to grant listed building consent for any works the local planning authority shall have special regard to the desirability of preserving the building or its setting or any features of special architectural or historic interest which it possesses.

Section 54 explains that an urgent works notice may be served to owners of buildings where works are urgently necessary for the preservation of a listed building. These can – and have been – served in cases where the Council has raised serious concern in relation to the condition and integrity of a listed building. These notices are strictly limited to urgent repairs to keep a building wind and weather-proof and safe from collapse, or action to prevent vandalism or theft. The cost of carrying these works can then be recovered by the local authority under Section 55.

Section 66 states that in considering whether to grant planning permission for development which affects a listed building or its setting, the local planning authority or, as the case may be, the Secretary of State shall have special regard to the desirability of preserving the building or its setting or any features of special architectural or historic interest which it possesses

Section 69 requires the local planning authority to determine which parts of their area are areas of special architectural or historic interest the character or appearance of which it is desirable to preserve or enhance, and to designate such areas as conservation areas. This means the planning authority has extra powers to control works and demolition of buildings to protect or improve the character or appearance of the area. The special character of these areas is

not just made up of buildings, but is also defined by other features which contribute to particular views and the familiar local scene:

- The way roads, paths and boundaries are laid out.
- Characteristic building and paving materials.
- The way buildings are used.
- Public and private spaces, such as gardens, parks and greens.
- Trees and street furniture.

The relevant demolition of an unlisted building in a conservation area, without the permission of the local planning authority, is a criminal offence. An unlisted building that makes a positive contribution to a conservation area is one that is important or integral to the character or appearance of the area. Its demolition may amount to substantial harm to the conservation area, proportionate to the relative significance of the building and its contribution to the significance of the conservation area as a whole. This can be balanced by public heritage benefits such as: sustaining or enhancing the significance of a heritage asset and the contribution of its setting; reducing or removing risks to a heritage asset; securing the optimum viable use of a heritage asset in support of its long term conservation. Conservation areas are mostly designated by local planning authorities, although the Secretary of State can designate a conservation area anywhere in England in exceptional circumstances – usually where the area is of more than local interest. Conservation areas give protection across a broader area of land than listing individual buildings and all features within the area, listed or otherwise, may be recognised as part of its character; the conservation area is greater than the sum of the parts.

Section 71 requires local planning authorities to formulate and publish

proposals for the preservation and enhancement of any parts of their area which are Conservation Areas.

Section 72 specifies that, in making a decision on an application for development in a Conservation Area, special attention shall be paid to the desirability of preserving or enhancing the character or appearance of that area.

The Town and Country Planning (Tree Preservation) (England) Regulations 2012

A Tree Preservation Order is made under [The Town and Country Planning \(Tree Preservation\) \(England\) Regulations 2012](#) by a local planning authority in England to protect specific trees, groups of trees or woodlands in the interests of amenity. An Order prohibits the cutting down, topping, lopping, uprooting, wilful damage, wilful destruction of trees without the local planning **authority's written consent**. If consent is given, it can be subject to conditions which have to be followed. Cutting roots is also a prohibited activity and **requires the authority's consent**.

The extent to which the trees, groups of trees or woodlands can be seen by the public **will inform the authority's** assessment of whether the impact on the local environment is significant. The trees, or at least part of them, should normally be visible from a public place or accessible by the public and contribute to the character or appearance of the conservation area. Other considerations are size and form; future potential as an amenity; rarity, cultural or historic value; contribution to, and relationship with, the landscape. Anyone proposing to carry out works on trees must serve on the Council six **weeks' notice** of the intended works. The notice should contain sufficient information to identify the trees, details of proposed works and reasons. The authority then has six weeks in which to respond and work should not commence

until it has commented, or the six weeks has expired, whichever takes place first. If the council considers that the proposed works should not be carried out, it can make a formal TPO.

The Regulations can be read in full at [The Town and Country Planning \(Tree Preservation\) \(England\) Regulations 2012](#)

Other relevant legislation:

- [The Ancient Monuments and Archaeological Areas Act 1979](#) provides specific protection for monuments of national interest.
- [The Protection of Wrecks Act 1973](#) provides specific protection for wreck

sites of archaeological, historic or artistic interest.

- [The Historic Buildings and Ancient Monuments Act 1953](#) makes provision for the compilation of a register of gardens and other land (parks and gardens, and battlefields).

While not part of the legislative framework, the [UNESCO Convention Concerning the Protection of the World Cultural and National Heritage 1972](#) (to which the UK is a signatory) makes provision for the World Heritage List, which is a list of cultural and/or natural heritage sites of outstanding universal value.

Further reading

Historic England (2019) Conservation Area Designation, Appraisal and Management

Historic England (2016) Local Heritage Listing

Historic England (2008) Conservation Principles, Policies and Guidance

Historic England (2017) The Setting of Heritage Assets

'Parishes: Baddesley Clinton', in *A History of the County of Warwick: Volume 4, Hemlingford Hundred*, ed. L F Salzman (London, 1947), pp. 13-19. *British History Online* <http://www.british-history.ac.uk/vch/warks/vol4/pp13-19> [accessed 17 June 2020]

Information regarding local history can be found at the Warwickshire County Council Record Office

<https://www.nationaltrust.org.uk/baddesley-clinton/features/baddesleys-beginnings>

Further information

For general development management related enquiries, please **visit the Council's website** and use the [General enquiry online form](#) and the Duty Officer will provide a response either in writing or by telephone within 5 working days.

To contact the Planning (Development Management) Administration Team please email planningenquiries@warwickdc.gov.uk or telephone 01926 456536.

Enquiries about listed buildings can be made to the Conservation & Design team at conservation@warwickdc.gov.uk.

Enquiries about tree applications and trees can be made to Planning Administration on 01926 456557.

Enquiries relating to Planning Enforcement team can be made to planning.enforcement@warwickdc.gov.uk. You can report a breach of planning control via the [website](#).

Contacts relating to planning policy and the Local Plan can be found [here](#).

Conservation area appraisals have been published for each of the District's conservation areas and are available at www.warwickdc.gov.uk/conservation. Various guidance leaflets relating to works in conservations areas and to listed buildings are also available online.

Information and advice for those living and working within conservation areas can also be found on the [Historic England website](#).

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Riverside House, Milverton Hill, Royal Leamington Spa, CV32 5HZ*

Executive
18 March 2021

Title: Draft - Sexual Entertainment Policy
Lead Officer: Kathleen Rose
Portfolio Holder: Judith Falp
Public report
Wards of the District directly affected: All

Contrary to the policy framework: No
Contrary to the budgetary framework: No
Key Decision: No
Included within the Forward Plan: Yes, 1,185
Equality Impact Assessment Undertaken: Yes
Consultation & Community Engagement: Legal Services have advised that this draft policy would not require a public consultation.
Final Decision: Yes
Accessibility checked: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	23.02.21	Andy Jones
Head of Service	23.02.21	Marianne Rolfe
CMT		
Section 151 Officer		Mike Snow
Deputy Monitoring Officer		Graham Leach
Finance		Mike Snow
Portfolio Holder(s)		Judith Falp

1. Summary

- 1.1. To present the reviewed draft Sexual Entertainment Establishment Policy which is applicable to all Sexual Entertainment Establishments within the Warwick District Boundary.
- 1.2. The proposed policy was considered by the Licensing and Regulatory Committee at its meeting of 8th February, where it was agreed to recommend the document to Executive for adoption.

2. Recommendation

- 2.1. That the Executive approves and adopts the reviewed policy.

3. Reasons for the Recommendation

- 3.1 The current Sexual Entertainment Policy was adopted on 2nd June 2016. It is used to outline the **Council's approach to sexual entertainment applications** and premises within the district. The Policy has been reviewed by the Licensing Team.
- 3.2 A review of the policy has been undertaken by the Licensing Team Leader. A review of applications received during the period has confirmed that there are no corrective measures to be made.
- 3.3 There have been no enquiries or complaints received from licence holders, members of the public or any responsible authorities during the period which has confirmed that there are no corrective measures to be made.
- 3.4 Legal Services have been consulted on this review and have not requested any changes to the documents.
- 3.5 Legal Service were asked whether the draft policy would require a full public consultation and advised that the changes were so minimal that it would not be required.
- 3.6 The proposed policy is attached to this report as Appendix 1. A summary of the main alterations is included as Appendix 2.

4. Policy Framework

4.1. **Fit for the Future (FFF)**

- 4.1.1. **The Council's FFF Strategy is designed to deliver the Vision for** the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.
- 4.1.2. The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). The table below illustrates the impact of this proposal if any in relation to the **Council's FFF Strategy."**

4.2. **FFF Strands**

4.2.1 **External impacts of proposal(s)**

People - Health, Homes, Communities - None.

Services - Green, Clean, Safe - Sexual entertainment venues (SEV's) are likely to also be licensed under the Licensing Act 2003. Additional controls will strengthen the Licensing Objectives, one of which is the prevention of crime and disorder.

Money- Infrastructure, Enterprise, Employment - Licensing enables the Council to more closely regulate SEV's and will therefore assist in delivering the Corporate priorities of economy and society.

4.2.2. **Internal impacts of the proposal(s)**

People - Effective Staff – None.

Services - Maintain or Improve Services - None.

Money - Firm Financial Footing over the Longer Term - none.

4.3. **Supporting Strategies**

4.3.1. Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are the Equality Objectives and the Enforcement Policy.

4.4. **Changes to Existing Policies**

4.4.1. This policy has no impact on any other part of the Council's policy framework.

4.5. **Impact Assessments**

4.5.1. A full impact assessment has been carried out.

5. Budgetary Framework

5.1. There are no budgetary implications resulting from this policy review.

6. Risks

6.1. There are no additional risk implications resulting from this policy review.

7. Alternative Option(s) considered

7.1. The Committee request a public consultation on the draft policy before making comment. Legal Services have advised that this is not necessary.

7.2. The Committee choose not to adopt the proposed policy. The purpose of the policy is to provide clear guidance for Officers and Councillors on what matters should be taken into account when determining applications, it would be more difficult to ensure consistent application of the law to applicants without a policy to work with.

8. Background

8.1 The proposed policy includes changes to introduce a formal review timetable for the document and minor grammatical changes to both the policy document and the conditions which are attached to any licence granted.



**Sexual Entertainment Establishment
Statement of Licensing Policy
March 2021**

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1. Introduction and Scope

- 1.1 Warwick District Council ("the Council") has an agreed vision for Warwick District. This is encapsulated by the following statement:
Warwick District, a great place to live work and visit, where we aspire to build sustainable, safe, stronger and healthier communities".
 - 1.2 The Council believes that the control of sex establishments via licensing supports and contributes to this vision and helps to create and maintain safe strong and healthy communities for people to live and work in.
 - 1.3 The Council adopted Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 ("the Act") in July 1982. This enabled the Council to regulate premises classed as sex shops and sex cinemas. In September 2010 the Council re-adopted Schedule 3 of the Act following amendments made by section 27 of the Policing and Crime Act 2009. This amendment to the Act made provision for the licensing of sexual entertainment venues (for example venues which provide pole dancing, lap dancing and strip clubs or similar). The Council can prescribe terms, conditions or restrictions on licences and charge a fee for the licence application. Sex shops, sex cinemas and sexual entertainment venues are collectively known as sex establishments.
 - 1.4 The Act also enables the Council to refuse a licence where it considers that the number of sex establishments or sex establishments of a particular kind is equal to or exceeds the number that the Council considers is appropriate for that locality. In March 2014 the Council carried out a public consultation in relation to the number of sexual entertainment venues that the public believed were appropriate in various localities within Warwick District. The consultation focused on the town centre areas of Royal Leamington Spa, Warwick, Kenilworth and Whitnash as these are areas most associated with the night time economy and believed most likely to attract applications for sexual entertainment venue licences. A majority of respondents stated that they believed that a nil limit would be appropriate for these areas of the District.
 - 1.5 A public consultation took place in 2015 prior to the original adoption of this policy.
- Policy Review**
- 1.6 This Policy will be kept under review and a full consultation exercise carried out when major changes are made to it. It is anticipated that major reviews of the Policy will take place every 5 years.

- 1.7 The Policy will be regularly evaluated and may be changed at any time to reflect minor, administrative or legislative changes or to amend any inconsistencies between the legislation and policy without a full consultation process being carried out. Any major changes will be agreed by the Executive Committee.

Examples of 'major changes' are changes that are:

- likely to have a significant financial effect on licence holders
- likely to have a significant procedural effect on licence holders
- likely to have a significant effect on the community

Contacting the team

- 1.8 If after reading this policy you require further information you are welcome to seek assistance from the Licensing Team.

Email: Licensing@warwickdc.gov.uk

Address: Licensing, Health and Community Protection, Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, CV32 5HZ

2. Statement of General Principles

- 2.1 Any person who wishes to use any premises, vehicle, vessel or stall as a sex establishment within Warwick District must obtain a licence from the Council. In addition any person who wishes to renew, vary, or transfer an existing sex establishment licence must apply to the Council.
- 2.2 **This Statement of Licensing Policy ("the Policy") aims to provide clear** guidance for applicants, existing license holders, those who want to object to an application and Members of the Licensing and Regulatory Committee when making a determination. This Policy replaces all previous sex establishment policies issued by the Council and it is intended that it will apply to all applications for sex establishments received after the date on which it is approved by the Council. The Policy will be reviewed every three years.
- 2.3 The Council does not take a moral stance in adopting this policy and recognises that Parliament has made it lawful to operate sex establishments and that such businesses are a legitimate part of the retail and leisure **industries. It is the Council's role as Licensing Authority to regulate such** premises in accordance with the law.
- 2.4 In adopting this policy the Council has had regard to the Regulators Code and the Councils own Enforcement Policy. The Code stresses the need for regulation and its enforcement to be proportionate and flexible. The Policy aims to help and encourage regulated sex establishments to understand and meet the regulatory requirements.
- 2.5 Policy making and licensing decisions under the Act are made by the Council with regard to the relevant provisions of the following legislation:
- **The Crime and Disorder Act 1998:** The Council must use its powers as a licensing authority to do all that it can to reasonably prevent crime and disorder, anti-social behaviour and the misuse of drugs and other substances.
 - **Provision of Services Regulations 2009:** The refusal of a licence or the imposition of any condition on a licence must be non-discriminatory, necessary and proportionate. The Council will apply these three tests when refusing a licence or imposing conditions.
 - **Equality Act 2010:** This policy is underpinned by an Equality Impact Assessment. When making decisions the Council will consider and give due weight to the views and needs of protected groups with the aim of eliminating discrimination, harassment and victimisation and advancing equality of opportunity and fostering good relations between different people.
 - **Human Rights Act 1998:** The rights that are potentially engaged in sex establishment licensing are likely to include Article 10, the right to

freedom of expression and Article 1, the protection of property. These rights, together with any other that may apply, will be considered by the decision maker.

- 2.6 The Council will work in partnership with neighbouring authorities, the Police, South Warwickshire Community Safety Partnership (CWCSP), Warwickshire Safeguarding Executive Board (WSEB) and those involved with protecting adults from the risk of harm to promote the common objectives of safeguarding vulnerable people.
- 2.7 The Act permits the Council to set a reasonable fee for each application. Fees are reviewed annually and set at a level appropriate to recover the costs of carrying out the licensing functions under the Act. In setting fees the Council has regard to legislation, any relevant guidance and case law.
- 2.8 The grant of an application under the Act does not constitute approval under any other acts (for example Town and Country Planning Act 1990). The applicant must ensure that all the necessary consents and approvals are obtained prior to operation.
- 2.9 Each application will be dealt with on its own merits. The Council will not apply rigid rules to its decision making although regard will be had to this document together with Home Office guidance and to the relevant legislation and case law in reaching any decision.
- 2.10 The Council will give full and clear reasons for its decisions.

3. Types of Sex Establishments

3.1 Sex Establishments can be a premises, vehicle, vessel or a stall. A private dwelling to which there is no public admission would not be classed as a Sex Establishment.

3.2 There are three types of Sex Establishment defined in the Act. These are a Sexual Entertainment Venue, a Sex Shop and a Sex Cinema.

Sexual Entertainment Venues

3.3 **Sexual Entertainment Venues are defined as “any premises at which relevant entertainment is provided before a live audience for the financial gain of the organiser or the entertainer”.**

3.4 **“Relevant entertainment” is defined as “any live performance or live display of nudity which is of such a nature that, ignoring financial gain, it must reasonably be assumed to be provided solely or principally for the purpose of sexually stimulating any member of an audience (whether by verbal or other means)”. An audience can consist of just one person.**

3.5 The Council considers that the following forms of entertainment will generally be deemed to fall within the definition of relevant entertainment:

- Lap dancing
- Pole dancing
- Table dancing
- Strip Shows
- Peep Shows
- Live sex shows
- Burlesque shows
- Exhibition of sexual activity
- Other types of sexual recreational venues or activities

The above list is not exhaustive and decisions as to whether entertainment or an activity would fall within the definition of relevant entertainment will be made by the Council on a case by case basis and shall depend upon the nature and content of the entertainment and not the name it is given.

3.6 Premises which provide relevant entertainment on no more than 11 occasions in any 12 month period, with each occasion lasting no more than 24 hours and separated from another occasion by at least a month are exempt from the need to be licensed as sex establishments.

Sex Shops

3.7 Sex shop means any premises, vehicle, vessel, or stall used for a business which consists to a significant degree of selling, hiring, exchanging, lending, displaying or demonstrating sex articles or other things intended for use in connection with, or for the purpose of stimulating or encouraging sexual

activity or acts of force or restraint associated therewith. Sex articles are defined at paragraph 4 Schedule 3 of the Act.

- 3.8 **The term “significant degree” is not defined in legislation.** When deciding whether a business is selling or otherwise dealing in a significant degree of sex articles and requires a licence the Council will consider:
- The ratio of sex articles and associated items to other aspects of the business
 - The character of the remainder of the business
 - The nature of the displays in the business
 - Turnover generated by sales of sex articles and associated items
 - The nature of literature, publicity or advertising materials
 - Any other factor which appear to be materially relevant
- 3.9 A licence is not required for the sale supply or demonstration of articles which are manufactured for use primarily for the purposes of birth control or primarily relate to birth control.

Sex Cinemas

- 3.10 Sex cinema means any premises, vehicle, vessel or stall used to a significant degree for the exhibition of moving pictures by whatever means produced which are concerned with the portrayal of, primarily deal with or relate to or are intended to stimulate or encourage sexual activity, acts of force or restraint associated with sexual activity or relate to genital organs or urinary or excretory functions.

4. Applying for a Sex Establishment Licence

Applications for grant, renewal or transfer

- 4.1 Applications for the grant, renewal or transfer of a sex establishment licences **must be made on the prescribed forms available on the Council’s website and submitted to the Council at www.warwickdc.gov.uk/licensing.**
- 4.2 A template notice for public advertisement is attached as **Appendix B** *or* can be obtained via the Council’s website.
- 4.3 Applications must be accompanied by the appropriate fee which can be found **on the Council’s website. The fee must be paid in full at the time of the application and the application fee is non-refundable.**
- 4.4 In accordance with the legislation, a licence can be granted for a maximum period of 1 year, although the Council may grant a licence for a shorter period where it thinks fit. It may, for example, be appropriate to grant a licence for a shorter period of time where the applicant requires a licence for a specific purpose, for example an exhibition or a trade show. Applicants

should note that the fee will remain the same even though the duration of the licence may be reduced.

- 4.5 Provided that an application for the renewal or transfer of a licence is made prior to the date of expiry, the licence is deemed to continue until the application is withdrawn by the applicant or determined by the Council.
- 4.6 Tacit authorisation, the process by which an application is deemed to be granted if an authority fails to determine it within certain time periods does not apply to sex establishment licences. This means that the licence will not be granted, renewed, transferred or varied until the Council makes a determination.

Variation

- 4.7 Sex establishment licences can be varied on application. Applicants can apply to vary the terms, conditions or restrictions on, or subject to which the licence is held. Applicants must complete the prescribed form and follow the **guidance notes available on the Council's website. The Council may make** such variations as it considers fit. There is no requirement to advertise a variation application so applicants are advised to contact **the Council's** licensing team to discuss whether a variation is appropriate or whether a new application would be more suitable.

Waivers

- 4.8 The Act contains provisions where a licensing authority can waive the requirement for a sex establishment licence in circumstances where a licence would be unreasonable or inappropriate.
- 4.9 A waiver can be for a specific period that the Council thinks fit or it can be open ended. An open ended waiver can be terminated by the Council with at **least 28 days' notice.**
- 4.10 Whilst the Council will consider any request for a licence waiver individually and on its own merits it considers that waivers are only likely to be appropriate in exceptional cases. Examples may include cases where the requirement for a licence under the Act is borderline or the activities are a minor or ancillary part of the business and are not carried out for profit.
- 4.11 **To apply for a waiver applicants must contact the Council's licensing team** who will advise as to the information that should be provided. The application will then be determined by the Licensing and Regulatory Committee. Where a waiver is granted the applicant will be given a waiver notice. Where a waiver is refused the applicant will be notified and invited to apply for a sex establishment licence.
- 4.12 In accordance with legislation the grant of a waiver does not need to be advertised or consulted upon.

Conditions

- 4.13 The Council has prescribed standard conditions that will apply to every licence granted, varied, renewed or transferred unless they have been expressly excluded or amended. The conditions can be found at **Appendix D**.
- 4.14 Applicants who want to exclude or amend any of the standard conditions from a licence must include this request and the reasons for it within their application. It may also be appropriate for the Council to add specific, non-standard conditions to individual licences in some circumstances.

5. Making Objections or Commenting on an Application

- 5.1 The Act permits any person, to make an objection against an application for the grant, renewal, transfer or variation of a sex establishment licence. It is not necessary for the person to live or work in the vicinity of the premises. Objections can be made by a wide range of people or organisations which could include, but are not limited to, individuals, businesses, residents associations, trade associations, statutory authorities (Environmental Health or Planning) Councillors or MP's.
- 5.2 Objections must be made in writing, email or upon the template form which **is available on the Council's website**. **Objections must be made no later than 28 days after the date of the application to the Council's Licensing Team and** should include the following:
- The name and address of the person or organisation making the objection
 - The premises to which the objection relates
 - The grounds for making the objection
- 5.3 The Council will notify the applicant in writing of the general terms of any objections that have been received within the 28 day period. The Council will not disclose the name and addresses to the applicant without the consent of the person(s) making the objection. Persons who are prepared to consent to the disclosure of their name and address to the applicant may wish to indicate this within their objection.
- 5.4 The Council must consider valid objections when determining an application. Objections which are judged to be frivolous or vexatious will be accorded little or no weight. Objections on purely moral grounds will also be accorded little or no weight as these fall outside of the scope of the Act.
- 5.5 The Council is entitled but not obliged to consider comments about an application that are positive or neutral in content. The Council will exercise its discretion in these circumstances but will usually take into account comments that are made in writing and received no later than 28 days after

the date of the application. The weight that will be attached to a comment will depend upon the circumstances of each particular case.

6. Determining Applications

- 6.1 In all cases, the Council will consider each application on its own merits for all types of applications.
- 6.2 When determining applications, the Council will have regard to:
 - a) the Local Government (Miscellaneous Provisions) Act 1982
 - b) other relevant statutory considerations including those specified at paragraph 1.4 above
 - c) this statement of Licensing Policy
 - d) any relevant guidance or case law
- 6.3 Where the Council has received valid objections to the grant, renewal, transfer or variation of a licence the application will be determined by the Licensing and Regulatory Committee at a hearing. The hearing will be conducted in accordance with normal hearing procedures for the Committee.
- 6.4 If no valid objections are received then the application will be determined by an Officer of the Council in accordance with delegated powers.
- 6.5 In the case of an application for the renewal of a licence, the Council is not bound to make the same determination and will consider the matter afresh. The Council will, however, give due weight to the fact that a licence has previously been granted when making its decision.

7. Grounds of Refusal

Mandatory Grounds for Refusal of an Application to Grant, Renew or Transfer

- 7.1 Applications for the grant, renewal or transfer of a sex establishment licence must not be granted where one or more of the following apply:
- a) the applicant is under the age of 18 at the date of determination
 - b) the applicant is for the time being disqualified from holding a sex establishment licence
 - c) the applicant is not a body corporate, and is not resident or has not been resident in an EEA state for 6 months immediately preceding the date of the application
 - d) the applicant is a body corporate which is not incorporated in an EEA state
 - e) the applicant has in the period of 12 months preceding the date of the application been refused the grant or renewal of a licence for the premises, vehicle, vessel or stall in respect of which the application is made, unless the refusal has been reversed on appeal

Discretionary Grounds for Refusal of an Application to Grant Renew or Transfer

- 7.2 Applications for the **grant or renewal** of a sex establishment licence may be refused on the following grounds:
- a) the applicant is unsuitable to hold the licence by reason of having been convicted of an offence or for any other reasons
 - b) if the licence were to be granted, renewed or transferred the business to which it relates would be managed by or carried on for the benefit of a person, other than the applicant, who would be refused the grant, renewal or transfer of such a licence if he/she made the application himself/herself
 - c) the number of sex establishments, or of sex establishments of a particular kind, in the relevant locality at the time the application is made is equal to or exceeds the number which the authority consider is appropriate for the locality
 - d) the grant or renewal of the licence would be inappropriate, having regard:
 - (i) to the character of the relevant locality, or
 - (ii) to the use to which any premises in the vicinity are put, or
 - (iii) to the layout, character or condition of the premises, vehicle, vessel or stall in respect of which the application is made
- 7.3 The only discretionary grounds upon which the Council may refuse an application to **transfer** a sex establishment licence are those stated at 7.2 a) and b) above.

Suitability of an Applicant

- 7.4 When determining the suitability of an applicant the Council will consider such matters as it considers to be relevant including, but not limited to whether the applicant:
- a) has no criminal conviction of a nature that deem him/her unsuitable
 - b) is honest
 - c) is qualified by experience to run the type of sex establishment in question or will employ suitable individuals with the relevant experience
 - d) clearly understands the conditions that may be attached to the license.
 - e) has a suitable management structure and business plan which delivers compliance with the conditions
 - f) has demonstrated compliance with other regulatory and taxation schemes
- 7.5 The Council will require an applicant to identify the proposed manager and beneficiary of the business in order to establish whether grounds of refusal at 7.2 b) apply. In considering the suitability of these persons the Council will apply the principles at paragraph 7.4.

Appropriate number of Sex Establishments

- 7.6 As set out in 7.2 c) above the Council may refuse an application if it is satisfied that the number of sex establishments or sex establishments of a particular kind in a relevant locality is equal to or exceeds the number which the authority considers is appropriate for that locality.
- 7.7 The term relevant locality is not defined in the Act. The Council will consider it to be the locality where the premises are located or the locality where a vehicle, vessel or stall is to be used as a sex establishment. The relevant locality will be decided by the Council on a case by case basis.
- 7.8 When determining applications for **sex shop** or **sex cinema** licences the Council will, once the relevant locality has been established, consider, in each case, what the appropriate number of sex establishments in that particular locality is. In determining this, the Council will have regard to the general character of that locality and any other considerations that are deemed relevant and appropriate. Where the Council decides that granting the application would result in the number of sex establishments equalling or exceeding the number that they deem to be appropriate in that particular locality they may refuse the application.
- 7.9 The Council has determined that a limit of nil is appropriate for the number of **sexual entertainment venues** within localities falling within the areas shown outlined on the maps at **Appendix C**. Both sides of any road which borders the outlined areas shown on the maps are deemed to be included within it. The Council has not set a limit in relation to sex shops and sex cinemas. This limit has been set following a consultation that focused on the town centre areas of Kenilworth, Leamington Spa, Warwick and Whitnash and in which the majority of respondents supported a nil limit. The Council

does not believe that there are any localities within these areas in which it would be appropriate to licence a sexual entertainment venue.

- 7.10 The determination that a nil limit is appropriate within these areas does not prevent any person from applying for or renewing a sexual entertainment venue licence and each application will be considered on its merits.
- 7.11 There are areas of the District which are not subject to the nil limit. This does not mean that the Council considers that these areas are more suitable than the areas specified in Appendix C for the location of sexual entertainment venues. Applications for sexual entertainment venue licences in these areas will be decided on their individual merits.

Character of the Relevant Locality and Use of Premises in the Vicinity

- 7.12 As set out in 7.2 d) above the Council may refuse an application if it is satisfied that granting or renewing a licence would be inappropriate having regard to the character of the relevant locality, or the use to which any other premises in the vicinity are put.
- 7.13 When considering whether an application should be refused on the grounds that it would be inappropriate having regard to the character of the relevant locality the Council will determine the relevant locality in each case and then have regard to the following together with any other factors deemed relevant in assessing the character of the locality:
- a) the number and type of residential premises, including any sheltered housing and accommodation for vulnerable people
 - b) The number and type of educational establishments and their hours of operation
 - c) The number and type of places of worship and hours of opening
 - d) **Access routes to and from schools, play areas, children's nurseries, children's centres or other premises catering for vulnerable people and hours of use**
 - e) the presence of shopping centres and hours of use
 - f) the presence of community facilities for example halls and public buildings such as swimming pools, leisure centres, public parks, youth centres/clubs relevant planning decisions and hours of use
 - g) On-going regeneration of the locality
 - h) the presence of other sex establishments
 - i) the views of residents, owners and occupiers of businesses and other organisations within the locality
 - j) The presence of licensed premises and their activities, uses and hours of operation
- 7.14 When considering whether an application should be refused on the grounds that it would be inappropriate having regard to the use to which other

premises in the vicinity are put the Council will have regard to the following factors together with any others deemed relevant:

- the proximity of premises used as educational establishments, leisure facilities, community centres, places of worship, youth clubs or women's refuges, and hours of use
- the proximity of residential accommodation and other accommodation for vulnerable people
- evidence of complaints of noise or disturbance from other premises in the vicinity that are either caused by the applicant premises or are likely to increase as a result of granting an application
- the view of the occupiers or owners of premises in the vicinity

7.15 When considering the vicinity, the Council considers the vicinity to be the area immediately surrounding the premises.

8. Refusal of licences

8.1 The Council will not refuse to grant, renew or transfer a licence without first giving the applicant the opportunity of appearing and making representations **before the Council's Licensing & Regulatory Committee.**

8.2 Where an application for grant renewal or transfer is refused the Council will give the applicant a statement in writing of the reasons for their decision.

9. Revocation of a licence

9.1 The Council can revoke a sex establishment licence at any time on one of the mandatory refusal grounds set out at 7.1 above or on either of the discretionary refusal grounds set out at 7.2 a) and b).

9.2 The Council will not revoke a licence without first giving the licensee the opportunity of appearing before and being heard by the **Council's Licensing and Regulatory Committee.**

9.3 Where a licence is revoked, the Council shall give the licensee a statement in writing of the reasons for the decision within 7 days of the decision.

9.4 Where a licence is revoked, its holder will be disqualified from holding or obtaining a licence in the area of the Local Authority for a period of 12 months from the date of revocation.

9.5 When the authority revokes a licence, the decision does not take effect until the time for bringing an appeal has expired and if an appeal is brought until the determination or abandonment of that appeal.

10. Cancellation of a licence

- 10.1 The Council may at the written request of the licence holder cancel the licence. No refund of the fee will be made in these circumstances.

11. Death of the Licence Holder

- 11.1 If a licence holder dies, the licence will be deemed to have been granted to **the licence holder's personal representatives and will remain in force for three months from the date of the licence holder's death**, unless previously revoked, and will then expire.
- 11.2 The Council can, however, on the application of the licence holder's personal representatives, extend the three month period if the Council is satisfied that an extension is necessary for the purpose of winding up the late licence holder's estate. **The Council will only do so where there are no** circumstances that make such an extension undesirable.

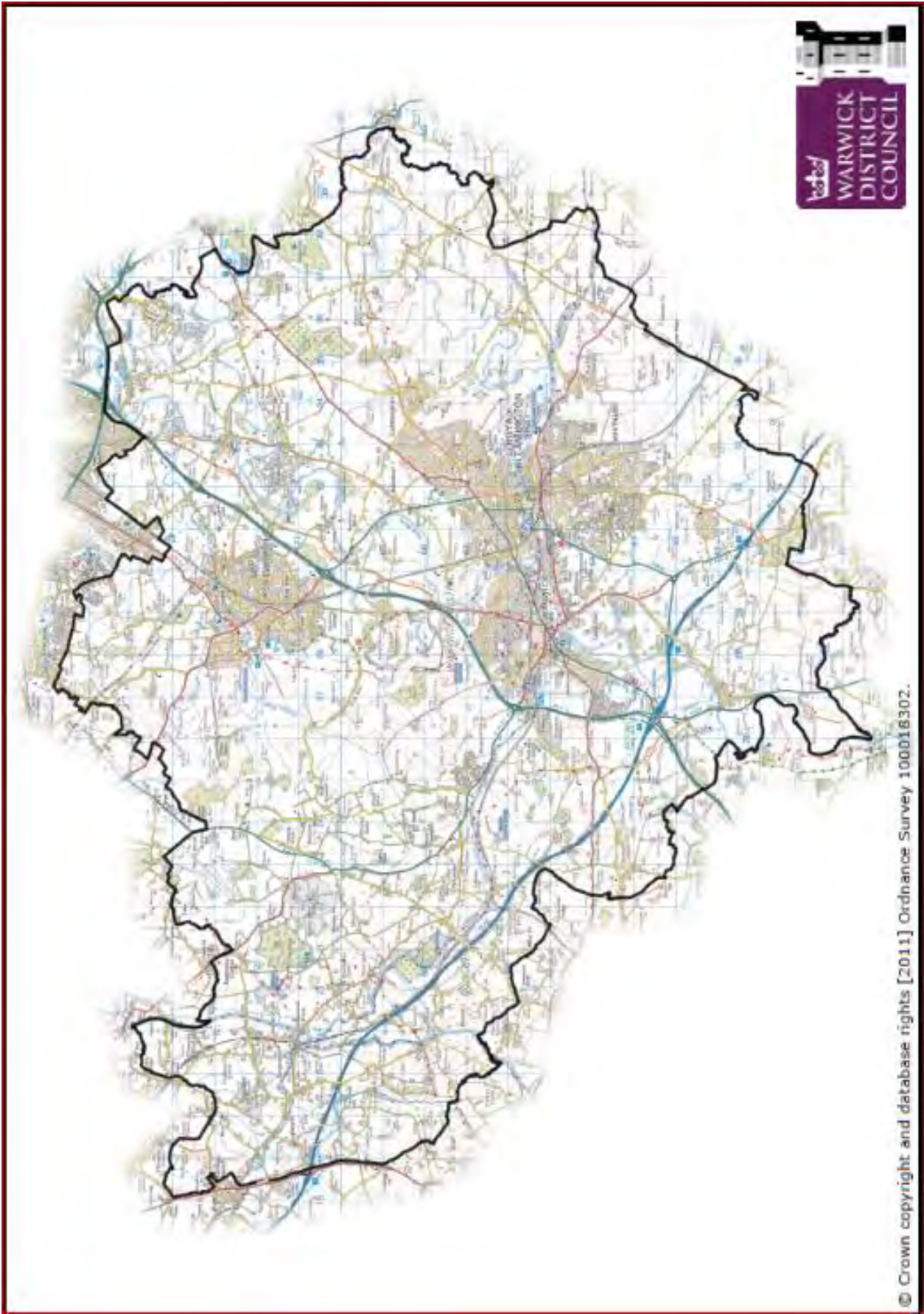
12. Right of Appeal

- 12.1 **Only the applicant or licensee has the right to appeal the Council's decision** to the Magistrates Court and only on limited grounds. There is no right of appeal for persons who have made representations or statutory authorities.
- 12.2 The decisions against which a right of appeal lies are refusals of grants, renewals, variations or transfers, the imposition of conditions and revocation.
- 12.3 Appeals can only be made against refusals or revocations made on the mandatory grounds on the basis that the mandatory ground does not apply to the Appellant. The only discretionary grounds of refusal that can be appealed are those set out at 7.2 a) and b) above which relate to the suitability of the applicant, the manager or the beneficiary of the operation. There is no right of appeal against refusals made on the grounds set out at 7.2 c) and d) above.
- 12.4 **Appeals must be made to the Magistrates' Court within 21 days, starting from the date the applicant is notified of the Licensing Authority's decision.**

13. Enforcement and Compliance

- 13.1** Compliance inspections of a premises will be carried out on a risk assessed basis.
- 13.2 There are a number of offences created by the Act in relation to sex establishment licensing. They can be found at paragraphs 20, 21, 22 and 23 of Schedule 3 of the Act.
- 13.3 Enforcement will be carried out in accordance with the Regulators Code and **Council's Enforcement Policy**.

Appendix A: Map of Warwick District



Appendix B: Sample Advertisement

Local Government (Miscellaneous Provisions) Act 1982 Sex Establishment Licence Public Notice

[Name of person applying for licence] is applying to Warwick District Council for a *[sex cinema/sex shop/sexual entertainment venue]* licence at *[name and address of premises]*.

Any person wishing to make representations in relation to this application may do so by writing to:

Licensing Authority

**Warwick District Council
Riverside House
Milverton Hill
Royal Leamington Spa
Warwickshire CV32 5HZ**

Representations may be made for 28 consecutive days from the date of this Notice.

A copy of the application for the grant of the above licence is kept by the Licensing Authority at the above address. The application can be viewed Monday to Thursday 9.00am to 5pm, and 9.00am to 4.30pm on Fridays, except Bank Holidays.

It is an offence knowingly or recklessly to make a false statement in connection with an application. The maximum fine for which a person is liable on summary conviction for making a false statement is a Level 5 fine on the Standard Scale.

[Date] – This must show the day after the day that the application was received by the Licensing Authority.



Appendix C: Area Locality Maps
Kenilworth



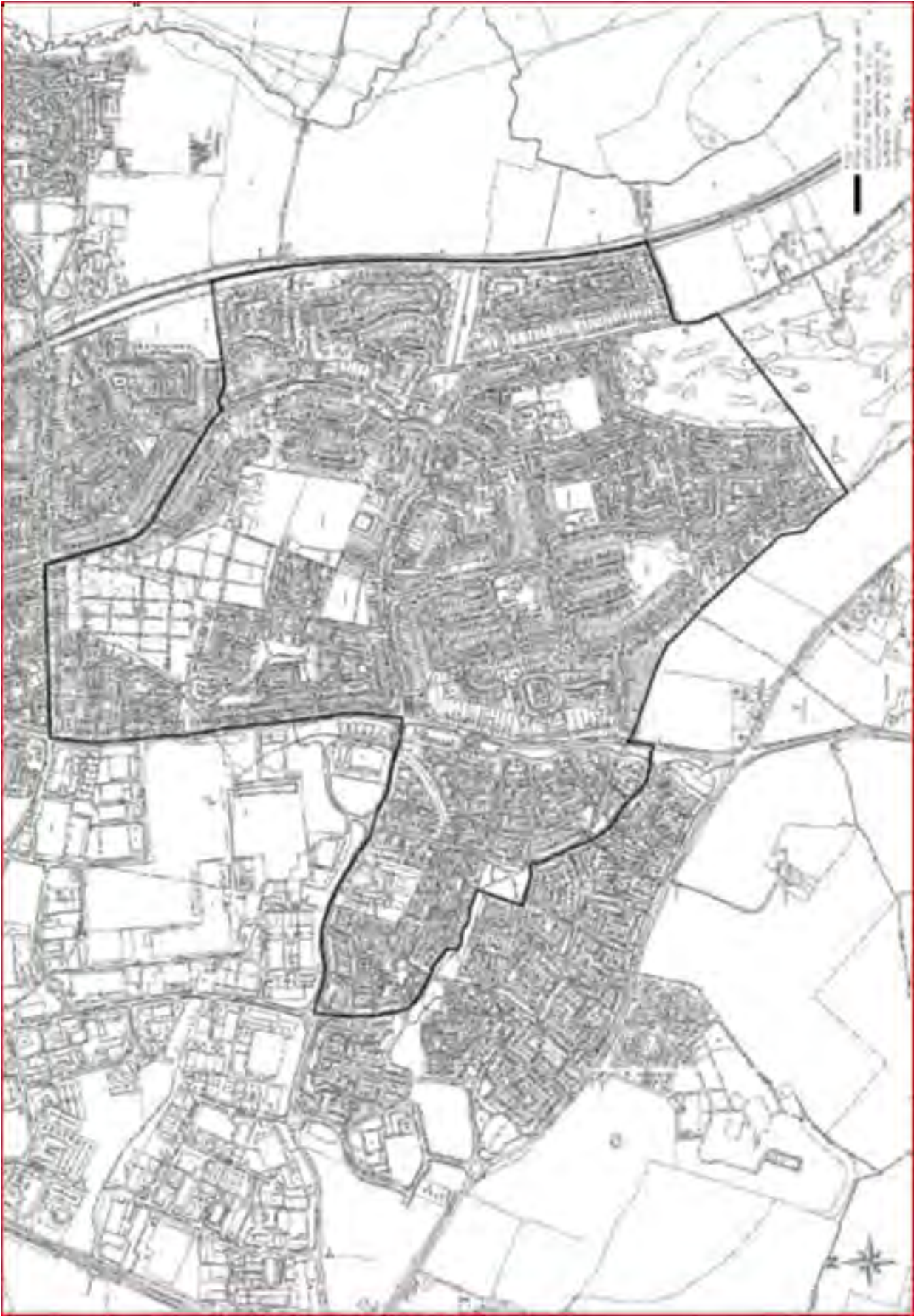
Royal Leamington Spa



Warwick



Whitnash



Appendix D:

Sex Establishment Licensing Standard Conditions

Explanatory Note

There are three types of sex establishment that can be licensed by the Council under Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982.

These are:

- Sexual Entertainment Venues
- Sex Cinemas
- Sex Shops

The following standard conditions shall apply to licences granted, renewed or transferred by the Council under the provisions of Schedule 3 to the Local Government (Miscellaneous Provisions) Act 1982.

"Sex Establishments", "Sex Cinemas", "Sex Shop", "Sex Article", "Sexual Entertainment Venue", "relevant entertainment" shall have the meanings ascribed to them in Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982.

Part 1

Sex Establishment General Conditions.

The following Conditions apply to all Sex Establishments licensed by the Council.

1. General

- 1.1 The Licence or a clear copy of it shall be prominently displayed at all times so as to be readily and easily seen by all persons using the premises.
- 1.2 A copy of the conditions that apply to the Licence shall be retained at the premises in a clear and legible condition and provided to any person using the premises on request.
- 1.3 The premises shall not be open or used for the purposes for which the licence is granted except between the hours prescribed within the licence.
- 1.4 The Licence Holder shall retain control over all areas of the premises and shall not let, licence or surrender possession of any area. The Council must be immediately notified in the event that any area of the premises is affected by **the termination of a lease or other event affecting the License Holder's control** of the Premises.
- 1.5 The Licence Holder shall ensure that members of the public are not admitted to any part of the premises that has not been licensed, other than toilet facilities where provided for customers.

- 1.6 The premises shall be maintained in accordance with the lay out plan attached to the Licence. Amendments to the layout of the premises and/or any structural or physical alteration must be approved by the Council by way of an application for variation of this licence unless otherwise agreed in writing by the Council.
- 1.7 Where the Licence Holder is a corporate body or an unincorporated body any change of director, company secretary or other person responsible for the management of the body is to be notified in writing to the Council within fourteen days of such change and such written details as the Council may require in respect of any new Director Secretary or Manager are to be furnished within fourteen days of a request in writing from the council.
- 1.8 No person under the age of 18 shall be admitted to any part of the premises and the Licence Holder shall adopt the Challenge 25 policy on admissions. The only acceptable forms of identification are recognised photographic identification cards, such as a driving licence or passport. There must be adequate, regular and documented training on admissions for staff and records of that training will be provided to Authorised Officers of the Council and police on request.
- 1.9 A warning notice of not less than 600 mm by 300 mm comprising white letters on a dark background, such letters to be at least 25 mm high, shall be exhibited in a prominent position on each entrance to the premises. The warning notice must contain the following words and no others: -

WARNING

Persons passing beyond this notice may find material of a sexually explicit nature on display. No admittance to persons under 18 years of age.

- (ii) The word **"WARNING"** must appear as a heading.
- (iii) No pictures or other matter shall appear on the notice.
- (iv) The notice must be situated so that no person could reasonably gain access to the premises without being aware of the notice and it must be easily legible by any person gaining such access.

2. Conduct and Management of Premises

2. Management and Staffing of the Licensed Premises

- 2.1. A written record shall be kept of anyone refused admission to the premises or refused service. Details contained in this record shall show:
- the basis for the refusal;
 - the person making the decision to refuse; and,

- the date and time of the refusal

This record shall be retained at the premises for at least one year from the date of refusal and shall be made available for inspection and copying by the Police and Authorised Officers of the Council immediately upon request.

- 2.2 The Licence Holder or some responsible person over 18 years of age nominated by him in writing for the purpose of managing the Sex Establishment in his absence shall be in charge of and present at the premises during the whole time they are open to the public. Such written nomination shall be continuously available for inspection by authorised officers of the Council. The person in charge shall not be engaged on any duties which will prevent him from exercising general supervision. The person in charge shall be conversant with these licence conditions.
- 2.3 The Licence Holder shall maintain a daily register in which shall be recorded the name and address of any person who is to be responsible for managing the Sex **Establishment in the Licensee's absence and the names and addresses** of those employed or self-employed in the Sex Establishment. The Register is to be completed each day within thirty minutes of the Sex Establishment being opened for business and is to be available for inspection by the police and by authorised officers of the Council.
- 2.4 Persons working at the premises must be aged over 18 and the Licence Holder must undertake adequate identity checks to ensure that they are 18 years or over and have the right to work in the UK. Copies of all documents used to verify identities together with name address, photograph, National Insurance Number and date of birth must be securely retained for inspection by the Police or authorised officers of the Council on request.
- 2.5 A bound and sequentially paginated incident and accident book shall be kept to record all instances of crime, disorder, damage to property and personal injury at the premises. This book shall be made available for inspection and copying by the Police and authorised officers of the Council immediately upon request and all such books shall be retained at the premises for at least 1 year from the date of the last entry.
- 2.6 The Licence Holder shall as soon as reasonably practicable provide copies of any documents reasonably required by an authorised officer of the Council to prove compliance with this Licence.
- 2.7 The Licence Holder shall ensure that no part of the premises is used for the purposes of soliciting for prostitution.
- 2.8 The Licence Holder shall maintain good order on the premises and ensure that the Police are notified where criminal behaviour is suspected to have taken

place. In particular the Licence Holder shall ensure that the Police are notified immediately of the unlawful possession or supply of illegal drugs or acts of violence taking place on the premises.

- 2.9 The Licence Holder shall inform the Council in writing within 14 days if he, a person responsible for managing the premises is arrested, convicted or cautioned for any offence.
- 2.10 The Licence Holder shall inform the Council in writing if a person working at the premises is arrested, convicted or cautioned for a criminal offence of a violent or sexual nature.
- 2.11 There must be no activities designed to obtain custom for the licensed premises by means of personal solicitation, touting, or distribution of flyers, handouts or any like thing.
- 2.12 The use of cruising cars by the premises to solicit for custom or to transport people to or from the premises is prohibited.
- 2.13 Where the Council has given notice in writing to the Licensee objecting to an advertisement on the grounds that, if displayed, it would offend against good taste or decency or be likely to encourage or incite to crime or to lead to disorder or to be offensive to public feeling, that advertisement shall not be displayed.

Part 2

Sexual Entertainment Venue Standard Conditions

The Sex Establishment Standard Conditions in Part 1 will apply to a Sexual Entertainment Venue licence in addition to the conditions set out below.

The following conditions are standard conditions that will apply specifically to the type of Sex Establishment known as a Sexual Entertainment Venue.

1. Conduct and Management of Premises

- 1.1 Notices will be displayed at the entrance to the premises advising customers that random searches will be carried out and admission will be refused to customers who do not give their consent to being searched.
- 1.2 The Licence Holder shall ensure that during the hours the Sexual Entertainment Venue is open for business every employee who is not a performer wears a badge of a type to be approved by the Council.

- 1.3 The premises shall subscribe to an approved radio system and radios shall be operational at all times the premises is open to the public.
- 1.4 The prices for entrance and any compulsory purchases within the venue shall be clearly displayed on the interior of the premises at the entrance of the premises.
- 1.5 All charges for products and services shall be clearly displayed in prominent areas within the premises, and at each customer table and in the bar area.

2. Security

- 2.1 SIA registered door staff shall be employed at the premises, both inside and outside, at all times that the premises are open to the public. The number of door staff required shall be agreed with the Police. Appropriately trained staff shall supervise the admissions desk and all dance and entertainment areas at all times.

3. Premises

- 3.1 Any person who appears to be drunk or intoxicated or under the influence of illegal drugs shall not be permitted entrance to the premises.
- 3.2 Any person found to be in possession of illegal drugs upon entry shall be denied entry and the Police shall be notified. Any persons found using illegal drugs on the premises shall be removed from the premises and the Police notified.
- 3.3 No films may be shown at the premises unless they have been passed by the British Board of Film Classification or the Licensing Authority. No films classified as R18 shall be shown on the premises.
- 3.4 No sex articles or other items intended for use in connection with, or for the purpose of stimulating or encouraging sexual activity or acts of force or restraint which are associated with sexual activity shall be used, displayed, sold, hired, exchanged, loaned or demonstrated at the premises.

4. CCTV

- 4.1 Except in accordance with the requirements for CCTV, no photographs, films or video recordings shall be taken of the performances. Electronic transmissions of a performance shall not be shown outside of the premises except for the purpose of remote management of the premises and in those circumstances, the licensee shall ensure that only managers nominated in writing shall view any photograph, film or recording.

5. Performers

- 5.1 A designated dressing room area shall be provided for **performer's** exclusive use. Such dressing room shall be secured so as not to be accessible to members of the public and shall be sufficient to enable performers to change privately. Only performers and staff authorised by the Licence Holder shall be permitted in to the changing rooms.
- 5.2 A member of staff will be available to escort performers from the premises to secure transport, or safe place at the end of their working day if requested to do so.
- 5.3 No performers shall be allowed to work at the premises if they are under the influence of intoxicating liquor or drugs.
- 5.4 Accurate payment and remuneration records shall be maintained and shall be made available upon request to the Police or an authorised officer of the Council. All fees and charges for performers shall be clearly stated in writing and prominently displayed within the changing area.
- 5.5 Performers who are not performing shall not be in any public area in a state of undress (which includes the displaying of naked female breasts).
- 5.6 There shall be no physical contact between performers and customers at any time, either before, during or after a performance except for the placing of money or tokens in an item of clothing worn by a performer or into the **performer's hand before or at the end of the performance and a customary** kiss on the cheek of the patron by the performer at the conclusion of the performance. Customers may be led by the hand and escorted to an appropriate area for the dance.
- 5.7 Performers must never intentionally touch the genitals, anus or breasts of another performer or to knowingly permit another performer to intentionally touch their genitals, anus or breasts.
- 5.8 Performers must not simulate any sexual act.
- 5.9 Performers must not use any sexually graphic language during a performance or in the public areas of the premises.
- 5.10 Performers must not sit on or straddle a customer or place their feet on seats.
- 5.11 The Licence Holder must adopt and implement a code of conduct for performers and a code of conduct for customers. The terms must be approved by the Council and any amendments must be approved by the Council.

- 5.12 The Code of Conduct for Customers shall be displayed in prominent positions throughout the licensed premises so that it is visible to all patrons.
- 5.13 All management and staff (including security staff) must be aware of and familiar with the content of the Code of Conduct for Customers and shall ensure it is complied with at all times.
- 5.14 On any occasion whereby a customer breaches the Code of Conduct, such details shall be recorded in the incident log.
- 5.15 Any customer who has previously been asked to leave the premises and again breaches the Code of Conduct shall be banned from the premises.
- 5.16 The Licence Holder shall ensure that all performers performing at the premises have signed a declaration to confirm that they are aware of, have understood and will abide by the code of conduct. The Licence Holder shall retain this declaration until such time as the performer ceases to perform at the premises.
- 5.17 Performances of sexual entertainment may only take place in designated areas of the premises as agreed in writing by the Council.
- 5.18 No performer will exchange personal information or contact details with a customer or arrange to meet any customer outside of the premises.
- 5.19 Performers must not perform unless in a supervised area and within sight of a member of staff or a member of security.
- 5.20 Any exterior smoking area for use by performers shall be kept secure and separate to any public smoking area.

6. Performances

- 6.1 The Licence Holder must ensure that during a performance:
- (a) customers are seated in an upright position against the back of the booth or seat with their hands by their sides
 - (b) customers must remain seated during the entire performance
- 6.2 Performers will stop immediately and move away from any customer who is offensive or attempts to touch them during a performance and shall report such behaviour and any other inappropriate behaviour or breach of house rules to the management.
- 6.3 At the end of a performance the performer should be able to leave the stage area without the need to walk through the audience.

7. Customers

- 7.1 Customers must remain fully clothed at all times.

Part 3

Sex Cinema Standard Conditions

The Sex Establishment Conditions in Part 1 will apply a Sex Cinema licence in addition to the conditions set out below:

The following conditions are standard conditions that will apply specifically to the type of Sex Establishment known as a Sex Cinema.

The premises shall be conducted primarily for the purpose of the exhibition of moving picture.

1.1 No film shall be exhibited at the premises unless it has been passed by the British Board of Film Classification as a U, PG, 12A/12, 15, 18 or RESTRICTED (18) film and no notice of objection to its exhibition has been given by the Council; or

1.2 No film shall be exhibited at the premises: -

(1) which is likely: -

(a) to encourage or to incite to crime; or

(b) to lead to disorder; or

(c) to stir up hatred against any section of the public in Great Britain on grounds of colour, race or ethnic or national origins, sexual orientation or sex; or

(d) to promote sexual humiliation or degradation of or violence towards women.

(2) the effect of which is, if taken as a whole, such as to tend to deprave and corrupt persons who are likely to see it; or

(3) which contains a grossly indecent performance thereby outraging the standards of public decency.

If the Licence Holder is notified by the Council in writing that it objects to the exhibition of a film on any ground, such film shall not be exhibited.

1.3 **The Licence holder shall give at least 28 days' notice in writing to the council** of any proposal to exhibit any film which has not been classified as specified above. Such a film shall only be exhibited if consent has been obtained from the council in writing and subject to any terms or restrictions contained within such written consent.

1.4 No other indication as to the nature of the business carried on at the licensed premises may be displayed on the external area of the premises other than **the wording "ADULT CINEMA"**.

1.5 No fastenings of any description shall be fitted upon any booth or cubicle within the Sex Cinema, nor shall more than one person (including any

employee) be present in any such booth or cubicle at any time except for maintenance or security reasons.

- 1.6 Neither Sex Articles nor other things intended for use in connection with, or the purpose of stimulating or encouraging sexual activity shall be displayed, sold, hired, exchanged, loaned or demonstrated in a Sex Cinema.

Part 4

Sex Shop Standard Conditions

The Sex Establishment Conditions in Part 1 will apply a Sex Shop licence in addition to the conditions set out below:

The following conditions are standard conditions that will apply specifically to the type of Sex Establishment known as a Sex Shop.

- 1.1 The Licence Holder shall produce a list of all stock carried at the premise and shall make it available to a police officer or authorised officer of the Council on demand in respect of a sex shop.
- 1.2 All printed matter, DVD, video and other formats capable of storing readable/viewable material offered for sale, hire, exchange or loan shall be openly displayed and available for inspection prior to purchase and a notice to this effect is to be prominently displayed inside the Sex Shop. (This regulation does not require that films or video films be exhibited (played) to customers).
- 1.3 No film, DVD, or video recording (or computer game, or other formats capable of storing readable/viewable material) shall be exhibited, sold or supplied unless it has been passed by the British Board of Film Classification and bears a certificate to the effect.
- 1.4 The licensee shall retain control over all parts of the premises and shall operate the designated area of the premises exclusively as a sex shop as stated in the licence unless otherwise agreed in writing by the Council.
- 1.5 The licensed premises shall be used only for the purposes of a sex shop, as defined by Paragraph 4 of Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982, and shall not be used either wholly or in part for any other purpose or purposes whatsoever during the period in respect of which this Licence is granted.
- 1.6 The licensed name of the premises may be displayed, unless the Council determines that the name is of a profane or sexual nature or gives other cause for concern.
- 1.7 No other indication as to the nature of the business carried on at the licensed premises may be displayed on the external area of the premises other than the wording **"PRIVATE SHOP" or "ADULT SHOP"**.
- 1.8 No external loudspeakers may be installed.

- 1.9 External doors shall be closed at all times other than when persons are entering or leaving the Premises. The external doors shall be fitted with a device to provide for their automatic closure and such devices shall be maintained in good working order.
- 1.10 Lighting shall be in operation continuously during the whole of the time that the Sex Shop is open to the public.
- 1.11 No film, video film, record or tape shall be exhibited, sold or supplied in, at or from the licensed premises unless it is a reproduction authorised by the owner of the copyright of the film, video film, record or tape.
- 1.12 No charge shall be made to any member of the public or visitor for admission to the premises in respect of which a licence is granted, nor for admission to any part thereof.

Summary of Change

Title Page:	Added 'Statement of' to 'Licensing Policy' as this is what the document is referred to in other statutory documents. Date updated.
Contents Page:	Updated with new section information and page numbering details.
Section 1:	Change is title, introduction of review information and contact information to ensure consistency across Licensing Policies.
Section 2:	Updated to include reference to councils Enforcement Policy and amended to update the name of the safeguarding board.
Whole Document:	Throughout the document there are small changes to spelling and grammar and there are some corrective measures included.

Executive
18 March 2021

Title: Significant Business Risk Register

Lead Officer: Richard Barr

Portfolio Holders: Councillor Day

Public report / Confidential report: No

Wards of the District directly affected: Not applicable

Contrary to the Policy Framework: No

Contrary to the Budgetary Framework: No

Key Decision: No

Included within the Forward Plan: Yes

Equality Impact Assessment Undertaken: Not applicable

Consultation & Community Engagement: Not applicable

Accessibility Reader Check Undertaken: Yes

Final Decision: Yes.

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	01.03.21	Chris Elliott/Andrew Jones
Head of Service	01.03.21	Mike Snow
CMT	01.03.21	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	01.03.21	Mike Snow
Monitoring Officer	01.03.21	Andrew Jones
Finance	01.03.21	Mike Snow
Portfolio Holder(s)	01.03.21	Councillor Day

1 **Summary**

- 1.1 This report sets out the latest version of the Council's Significant Business Risk Register for review by the Executive. It has been drafted following a review by the Council's Senior Management Team and the Leader of the Council.

2 **Recommendations**

- 2.1 That Executive should review the Significant Business Risk Register attached at Appendix 1 and consider if any further actions should be taken to manage the risks facing the organisation.
- 2.2 That Executive should note the emerging risks identified in section 9 of this report and that an additional risk be included in future relating to the proposed merger with SDC.

3 **Reason for the Recommendations**

- 3.1 This report seeks to assist members fulfil their role in overseeing the organisation's risk management framework. A very useful source of guidance on the responsibilities of members and officers with regard to risk management came from the Audit Commission in its management paper, "Worth the risk: improving risk management in local government":

"Members need to determine within existing and new leadership structures how they will plan and monitor the council's risk management arrangements. They should:

- decide on the structure through which risk management will be led and monitored;
- consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;
- agree an implementation strategy;
- **approve the council's policy on risk (including the degree to which the council is willing to accept risk);**
- agree the list of most significant risks;
- receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;
- commission and review an annual assessment of effectiveness: and
- approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.

The role of senior officers is to implement the risk management policy agreed by members.

It is important that the Chief Executive is the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work. However, it is unlikely that the chief executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people throughout

the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility.”

4 **Policy Framework**

4.1 **Fit for the Future (FFF)**

4.1.1 The Council’s FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

4.1.2 The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council’s website](#). The table below illustrates the impact of this proposal if any in relation to the Council’s FFF Strategy.

4.2 **FFF Strands**

4.2.1 **External impacts of proposal(s)**

People - Health, Homes, Communities

Services - Green, Clean, Safe

Money- Infrastructure, Enterprise, Employment

The Significant Business Risk Register is based on the Council’s corporate priorities and key strategic projects that are reflected in Fit for the Future. The Fit for the Future programme is also based on an agreed set of values amongst which are the ones of openness and honesty. This is integral to the consideration of risk in an organisation; risk issues need to be discussed and debated and mitigation put in place, in order to prevent them materialising. It does not mean, however, that all risks recorded are immediately impending or are likely to happen. Paradoxically, to not debate risks is to help them more likely to materialise.

It is worth members re-apprising themselves of the basis on which risks are scored in relation to likelihood and impact – see Appendix 3. The probability of a risk being realised, and how many times it might happen, is assessed over a number of years, not as if it is going to happen tomorrow.

4.2.1 **Internal impacts of the proposal(s)**

People - Effective Staff

Services - Maintain or Improve Services

Money - Firm Financial Footing over the Longer Term

Statement on Internal impacts as per External impact.

4.3 **Supporting Strategies**

- 4.3.1 Each strand of the FFF Strategy has several supporting strategies but description of these is not relevant for the purposes of this report.

4.4 **Changes to Existing Policies**

- 4.4.1 This section is not applicable but it should be noted that if the report on a Strategic Business Plan elsewhere on this Executive agenda is agreed then the SBRR may need to be amended to reflect the contents of that eventual Plan.

4.5 **Impact Assessments**

- 4.5.1 This section is not applicable.

5 **Risks**

- 5.1 The whole report is about risks and the risk environment. Clearly there are governance-related risks associated with a weak risk management process.

6 **Alternative Options Considered**

- 6.1 The report is not based on 'project appraisal' so this section is not applicable.

7 **Background**

- 7.1 The Significant Business Risk Register (SBRR) records all significant risks to **the Council's operations, key priorities, and major projects. Individual services also have their own service risk registers.**
- 7.2 **The SBRR is reviewed quarterly by the Council's Senior Management Team and the Council Leader and then, in keeping with members' overall** responsibilities for managing risk, by the Executive. The latest version of the SBRR is set out as Appendix 1 to this report.
- 7.3 A summary of all the risks and their position on the risk matrix, as currently assessed, is set out as Appendix 2.
- 7.4 The assessments of risk are judgemental, being based on an assessment of the likelihood of something occurring and the impact that might have. Appendix 3 sets out the guidelines that are applied to assessing risk.
- 7.5 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse is true for those risks plotted towards the bottom left corner of the matrix. If viewed in colour (e.g. on-line), the former set of risks would be within the area shaded red, whilst the latter would be within the area shaded green; the mid-range would be seen as yellow.

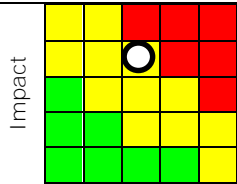
8 **Recent Movements in Risk**

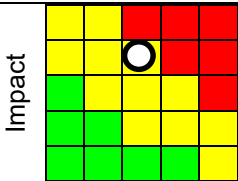
- 8.1 Senior Management Team has undertaken a further review of the SBRR in light of the ongoing pandemic. Nearly all of the risks identified in the register were initially negatively impacted by the consequences of the virus, however, with matters now on a more even keel, many of the residual risk ratings have reduced. Whilst there is still a great deal of uncertainty about the outcome, it is clear that the Council will need to review the way it has responded to events and develop an action plan to enhance its response should there be a similar scenario in the future. This features as an Annual Governance Statement action.

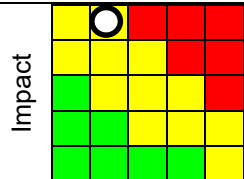
9 **Emerging Risks**

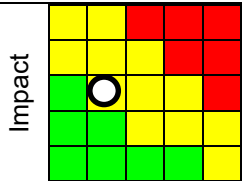
- 9.1 As part of the process of assessing the significant business risks for the Council, some issues have been identified which at this stage do not necessarily represent a significant risk, or even a risk at all, but as more detail emerges may become one. These have been mentioned in previous reports but as their status has not changed they are included again for completeness.
- Funding – the ongoing impact of the pandemic continues to cause great uncertainty for the Council and its operations. The situation is being monitored on a near daily basis and communications between the Political and managerial leadership of the Council remain very **strong. Members and officers are producing a revision to the Council's** change programme to prepare it as well as possible for what lies ahead.
 - Brexit – already recognised as a potential trigger to some of the **Council's existing risks, this issue will be kept under review so that as details emerge of exactly what the Country's new trade and political** relationships may mean, generally for local government and **specifically for this Council, the implications for the Council's risk** environment can be considered further.
- 9.2 Given the Council decision in respect of seeking to merge with Stratford on Avon District Council (SDC), it is recognised that this body of work may well **affect all of the Council's risk register as currently set out and is of such a** scale that it would be appropriate in future editions of the SBRR for it to appear as a risk in its own right.

Significant Business Risk Register

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Performance Management Risks				
1. Fit for the Future Change Programme not managed appropriately/effectively.	<p>Poor organisational communication.</p> <p>Conflicting priorities and priorities increasing in number.</p> <p>Unable to dedicate appropriate resources due to the impact on existing services.</p> <p>Poor management.</p> <p>Ineffective use of project management or systems thinking.</p> <p>Lack of funding.</p> <p>Business Strategy can't be agreed due to no overall political control.</p> <p>Major shock to the organisation due to a significant adverse national or international event.</p>	<p>Reduced service levels.</p> <p>Non or reduced achievement of objectives.</p> <p>Adverse financial impacts.</p> <p>Reputational damage.</p> <p>Demoralised and de-motivated staff.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff.</p>	<p>Project prioritisation. (SMT)</p> <p>SMT are Programme Board. (SMT)</p> <p>Fit for the Future change programme and associated governance arrangements. (SMT)</p> <p>Budget monitoring process. (HoF)</p> <p>Clear communications, Staff Focus Group. (SMT)</p> <p>People Strategy Action plan. (SMT)</p> <p>Strong leadership to ensure priorities are managed to a deliverable level. (SMT)</p> <p>Securing additional resources to support existing service provision. (CMT)</p> <p>Projects drawn up within RIBA framework. (SMT)</p> <p>Business Strategy agreed by Members and appropriately managed (CMT).</p> <p>Feasibility of a commercial investment strategy, in the context of revised guidance on PWLB borrowing and the post-pandemic economic situation to be assessed and reported to Executive – DCX (BH)</p> <p>Service Transformation Work Programme to be developed and reported to Executive – DCX(AJ)</p> <p>Comprehensive review of the organisation's response to the pandemic to be undertaken by a member Task & Finish Group with findings and a proposed action plan to be presented to Executive (CMT)</p> <p>Change Programme agreed in principle by Members at December Executive. Proposals now proceed for consideration by Executive and then Council (CMT)</p>	 <p>Impact</p> <p>Likelihood</p>

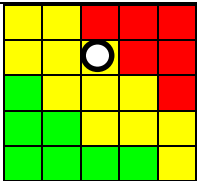
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Performance Management Risks (Cont.)				
2. Risk of sustained service quality reduction.	<p>Shortage of staff resources and staff skills and knowledge.</p> <p>Staff skills and resources diverted to service redesign proposals as part of delivering Fit For the Future and other emerging corporate priorities.</p> <p>Cannot afford cost of maintaining service quality.</p> <p>Partners such as WCC make service cuts.</p> <p>Health pandemic e.g. Corona Virus.</p> <p>Contractor failure.</p> <p>Unplanned termination of contract by contractor.</p> <p>Housing numbers not achieved.</p> <p>Increase in Members' and Citizens' expectations.</p> <p>Greater demand on services from increases in the population as well as societal, technological and legislative changes.</p> <p>Changes in members' and citizens' expectations.</p> <p>Lack of funding for Climate Change Action Plan.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Poor customer service and reductions in income.</p> <p>Lack of direction with critical projects and services being compromised.</p> <p>Public lose confidence in Council's ability to deliver.</p> <p>Demoralised and de-motivated staff.</p> <p>Additional costs attached to re-procuring contract, including legal fees.</p> <p>Loss of New Homes Bonus.</p> <p>Failure to adapt to 'New Normal' caused by climate change.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff.</p>	<p>Effective Management of Change Programme. (CMT)</p> <p>Agreeing additional resources where service quality is reduced. (CMT)</p> <p>Strong leadership to manage priorities to a deliverable level. (SMT)</p> <p>Effective vacancy control. (SMT)</p> <p>Service Reviews. (SMT)</p> <p>Workforce Planning. (SMT)</p> <p>Effective contract management supported by appropriate legal support. (SMT)</p> <p>Enhanced Performance Management System. (SMT)</p> <p>Comprehensive review of the organisation's response to the pandemic to be undertaken by a member Task & Finish Group with findings and a proposed action plan to be presented to Executive (CMT)</p> <p>Change Programme being discussed with Members leading to a December Executive report. (CMT)</p>	<p>Impact</p>  <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Performance Management Risks (Cont.)				
3. Risk of major contractor going into administration or deciding to withdraw from the contract.	<p>Poor procurement of contractor.</p> <p>Poor contract management.</p> <p>Poor management of company.</p> <p>External factors.</p> <p>State of economy (including Brexit factors).</p> <p>Introduction of Living Wage.</p> <p>Major shock to the organisation due to a significant adverse national or international event.</p>	<p>Reduced service levels.</p> <p>Non or reduced achievement of objectives.</p> <p>Adverse financial impacts.</p> <p>Reputational damage.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff</p>	<p>Properly procured contracts. (SMT)</p> <p>Active contract management supported by appropriate legal support. (SMT)</p> <p>Business Continuity Plan. (SMT)</p> <p>Soft market testing as appropriate. (SMT)</p> <p>Parent Company Guarantees being monitored. (SAMS)</p> <p>Comprehensive review of the organisation's response to the pandemic to be undertaken by a member Task & Finish Group with findings and a proposed action plan to be presented to Executive (CMT)</p>	 <p>Impact</p> <p>Likelihood</p>

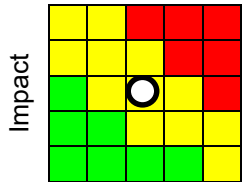
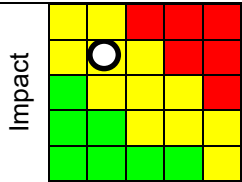
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Corporate Governance Risks				
4. Risk of corporate governance arrangements not maintained effectively.	<p>Ineffective political and senior management leadership.</p> <p>Complacent attitudes.</p> <p>Delays in making, or failure to make, key decisions by Council Members.</p> <p>Breakdown of member-officer relationships.</p> <p>Election of new members that may lack relevant experience and/or knowledge of local government.</p> <p>Delays in making decisions due to no overall political control.</p> <p>Major shock to the organisation due to a significant adverse national or international event.</p>	<p>Breakdown in internal controls leading to: non-achievement of objectives; high volumes of staff, customer, and contractor fraud; and loss of reputation.</p> <p>Decision-making open to less officer and member scrutiny.</p> <p>Decision-making postponed as organisation is not properly prepared.</p>	<p>Council's constitution. (DCE(AJ))</p> <p>Council's strategies and policies, including Code of Financial Practice and Code of Procurement Practice. (SMT)</p> <p>Strong scrutiny arrangements. (SMT)</p> <p>Effective internal audit function. (HoF)</p> <p>Annual Governance Statement. (DCE(AJ))</p> <p>Codes of Conduct. (Members)</p> <p>Effective Political Group discipline. (Group Leaders)</p> <p>Councillor training (CMT)</p> <p>New Member/Officer Protocol introduced. (DCE(AJ))</p> <p>Local Code of Corporate Governance adopted. (DCE(AJ))</p> <p>CMT/Group Leaders meetings.</p> <p>Comprehensive review of the organisation's response to the pandemic to be undertaken by a member Task & Finish Group with findings and a proposed action plan to be presented to Executive (CMT)</p>	<p>Impact</p>  <p>Likelihood</p>

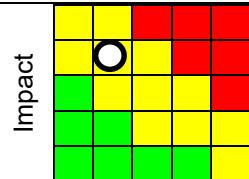
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Human Resources Risk				
5. Risk of staff not developed effectively.	<p>Ineffective workforce strategies.</p> <p>Not managing staffing resources efficiently and effectively.</p> <p>Possible insufficient training budget.</p> <p>Impact of Covid-19</p> <p>Impact of inaccessibility of training internal and external</p>	<p>Disruption to Council services – staff cannot undertake level or volume of work to meet all priorities.</p> <p>Poor customer service.</p> <p>‘Industrial’ action.</p> <p>Unable to meet statutory requirements.</p> <p>The potential of staff is not fulfilled.</p> <p>Some staff not developed to the level required to deliver service effectively</p>	<p>Link to People Strategy. (SMT)</p> <p>New Management Framework. (HR)</p> <p>Workforce planning through Service Area Plans. (SMT)</p> <p>Service Area Training Matrices in place to feed into Corporate Training Plan. (SMT/HR)</p> <p>Regular training budget reviews in Workforce Steering Group. (WSG)</p> <p>Appropriate use of external resources. (SMT)</p> <p>Learning & Development Guide including Management programme. (WSG)</p> <p>Actions to be agreed as part of Gender Pay Gap Report when reporting is accessible as part of new Payroll system (SMT)</p> <p>Training in different ways – On line, telephone, webinars. (SMT/HR)</p> <p>Prioritise training based on service needs. (SMT)</p> <p>Acceptance that some training may be disrupted until new ways of delivery are prepared. (SMT)</p>	<p>Impact</p> <p>Likelihood</p>

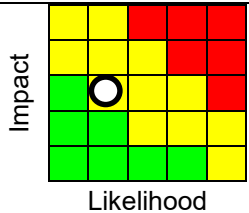
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Financial Management Risks				
6. Risk of insufficient finance to enable the council to meet its objectives (including insufficient reduction in operational costs).	<p>Poor financial planning and forecasts.</p> <p>Unexpected loss of income and/ or increase in expenditure.</p> <p>FFF Projects do not achieve sufficient savings.</p> <p>Reset of Revenue Grant and Business Rate Retention.</p> <p>Council Tax income base reducing.</p> <p>National Economy declines.</p> <p>Local economy declines</p> <p>Tightening of Government fiscal policy.</p> <p>Changes to Government Policy.</p> <p>Reduced Government grants.</p> <p>Demographic changes.</p> <p>Focus on FFF priorities which compromise existing service delivery.</p> <p>Weak financial planning and forecasts.</p> <p>External competition.</p> <p>Member decision making stops previously agreed savings.</p> <p>Council policy framework not conducive to enterprise development.</p> <p>Increased contract costs (from intro of National Living Wage)</p> <p>Housing numbers not achieved.</p> <p>Delay in fair funding review.</p> <p>Inability to agree suitable funding proposals to allow HQ relocation project to move to Phase 2 – project delivery.</p> <p>Inability to agree suitable funding proposals to allow the HQ relocation project to move to Stage 2 (delivery phase)</p> <p>Changes to funding proposals for existing schemes.</p> <p>Unfavourable Referendum result.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Forced to make large scale redundancies.</p> <p>Forced to make urgent decisions without appropriate planning.</p> <p>Forced to make service cuts.</p> <p>Increased costs.</p> <p>Fines/penalties imposed.</p> <p>Landlord service becomes unviable and/or the condition of the housing stock reduces its utility and value.</p> <p>Loss of New Homes Bonus.</p> <p>Reduction in reputation.</p> <p>Unable to meet statutory requirements.</p> <p>Failure to deliver carbon-neutral objectives by 2025.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff</p>	<p>Codes of Financial Practice and Procurement Practice. (HoF)</p> <p>Effective internal audit function. (HoF)</p> <p>External audit of financial accounts. (HoF)</p> <p>Effective management of FFF Projects. (SMT)</p> <p>All projects accompanied with robust financial appraisals and programme forecasts that allow the Council to understand projected funding requirements. (HoF)</p> <p>Council's constitution. (DCE(AJ))</p> <p>Financial training. (HoF)</p> <p>Robust financial planning and a Medium Term Financial Plan that can accurately forecast income and expenditure. (HoF/SMT)</p> <p>Code of Financial Practice Training. (HoF)</p> <p>Plan in place to make savings as to meet the anticipated budget shortfall. (HoF/SMT)</p> <p>Ongoing monitoring and future reports of existing assumed savings – e.g. leisure programme, office move, terms & conditions review. (SMT).</p> <p>Changes to funding proposals for existing projects.</p> <p>Business Strategy agreed by Members and appropriately managed (CMT).</p> <p>Feasibility of a commercial investment strategy, in the context of revised guidance on PWLB borrowing and the post-pandemic economic situation to be assessed and reported to Executive – DCX (BH)</p> <p>Service Transformation Work Programme to be developed and reported to Executive – DCX(AJ)</p> <p>Comprehensive review of the organisation's response to the pandemic to be undertaken by a member Task & Finish Group with findings and a proposed action plan to be presented to Executive (CMT)</p>	<p>Impact</p> <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Financial Management Risks (Cont.)				
7. Risk of additional financial liabilities.	<p>Risk of revenue implications of capital schemes not being fully identified.</p> <p>Risk of loss or delay of capital receipts.</p> <p>Risk of increase in superannuation fund contributions.</p> <p>Uninsured loss.</p> <p>Risk of Medium Term Financial underestimating future revenue income and expenditure (including capital)</p> <p>Legal challenge e.g. relating to a planning development.</p> <p>Major health epidemic e.g. Corona Virus.</p> <p>Major shock to the organisation due to a significant adverse national or international event.</p>	<p>Greater level of savings to be sought.</p> <p>Forced to make sub-optimum and short term decision without proper planning.</p> <p>Reduced levels of service.</p> <p>Payment of compensation.</p> <p>Failure to deliver service.</p> <p>Contractual disputes.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff</p>	<p>Fit for the Future change programme. (CMT)</p> <p>Service Area and Project Risk Registers. (SMT)</p> <p>Project Management. (SMT)</p> <p>Corporate Asset Management Strategy and an accompanying Action Plan covering all General Fund and HRA assets has been approved. (ASG)</p> <p>Maintenance of a comprehensive built asset database. (AM)</p> <p>More effective financial planning and scenario analysis. (HoF)</p> <p>Regular monitoring of Fit for the Future. (SMT)</p> <p>Legal advice on projects. (SMT)</p> <p>Projects drawn up within RIBA framework. (SMT)</p> <p>Reserves used to smooth impact of fluctuations in income. (HoF)</p> <p>Comprehensive review of the organisation's response to the pandemic to be undertaken by a member Task & Finish Group with findings and a proposed action plan to be presented to Executive (CMT)</p> <p>Change Programme being discussed with Members leading to a December Executive report. (CMT)</p>	<p>Impact</p>  <p>Likelihood</p>

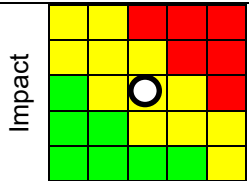
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Financial Management Risks (Cont.)				
8. Risk of not obtaining potential income sources.	<p>Ineffective management. Complacency.</p> <p>Lack of resources to investigate.</p> <p>Other priorities.</p> <p>Partner changing priorities.</p> <p>Income opportunities diminished due to significant adverse national or international event.</p> <p>Major shock to the organisation due to a significant adverse national or international event.</p> <p>PWLB interest rate fluctuations and/or national policy change.</p>	<p>More loss-making or subsidised services.</p> <p>Reduced income for the Housing Revenue Account that could compromise banking covenants.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff.</p>	<p>FFF Programme. (SMT)</p> <p>Effective fees and charges schemes. (HoF)</p> <p>Communications & Marketing Strategy. (SMT)</p> <p>Regular reviews of financial forecasts to ensure income projections are up to date. (HoF)</p> <p>Secure additional resources to ensure existing services are not impacted as a result of a focus on FFF/corporate priorities. (HoF)</p> <p>Ongoing engagement with the CWLEP to ensure future funding opportunities are understood and assessed. (CMT)</p> <p>Engagement of appropriate advice to enable opportunities to remodel the Council's non-operational asset base to be assessed. (DCE(BH))</p> <p>DCN Income Generation and Commercialisation Review undertaken (HoF)</p> <p>Feasibility of a commercial investment strategy, in the context of revised guidance on PWLB borrowing and the post-pandemic economic situation to be assessed and reported to Executive – DCX (BH)</p> <p>Service Transformation Work Programme to be developed and reported to Executive – DCX(AJ)</p> <p>Comprehensive review of the organisation's response to the pandemic to be undertaken by a member Task & Finish Group with findings and a proposed action plan to be presented to Executive (CMT)</p> <p>Change Programme being discussed with Members leading to a December Executive report. (CMT)</p> <p>Actively seeking Government funding in respect of financial implications of pandemic. (HoF)</p>	<p>Impact</p> <p>Likelihood</p>

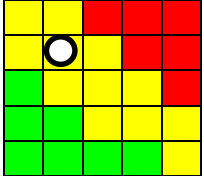
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Procurement Risks				
9. Risk of improper procurement practices and legislative requirements not being complied with.	Weak governance arrangements. Ineffective procurement. Poor procurement function.	Reduced levels of service provision. Increased costs. Fines/penalties imposed.	Codes of Financial Practice and Procurement Practice. (HoF) Training of staff. (HoF/SMT) Monitoring of departmental procurement. (SMT) Procurement Strategy (incl. action plan). (HoF) Code of Procurement Practice and related documents updated. (HoF) Qualified internal procurement team. WCC Procurement Team and WCC Legal Team providing additional support and expertise. (SMT)	 <p>Impact</p> <p>Likelihood</p>
Partnership Risks				
10. Risk of partnerships not delivering stated objectives.	Poor management. Failure to apply a robust process for entering into partnerships. Lack of framework governing partnerships. Existing sub-regional partnerships disrupted or disbanded as a consequence of the regional focus resulting from the announcement of the West Midlands Combined Authority. Major shock to the partnership due to a significant adverse national or international event.	Required outcomes not achieved. Increased costs. Reduced level of service or failure to deliver service. Partnership ill-prepared to deal with impact on its objectives.	Normal management arrangements. (SAMS SMT) Project Groups for significant services. (SMT) Involvement in and engagement with existing sub-regional partnerships such as CWLEP. (CMT) Partnership arrangements to review impact of pandemic and consider if any specific actions are required. (SMT)	 <p>Impact</p> <p>Likelihood</p>

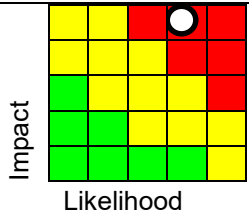
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Legal Risks				
11. Risk of not complying with key legislation or legal requirements, including failure to protect data.	<p>Breakdown in governance.</p> <p>Bureaucratic mistake. For example – Not seeking legal advice; not implementing it; simply getting delivery wrong e.g. sending out wrong email.</p> <p>Lack of appropriate resources.</p> <p>Major shock to the organisation due to a significant adverse national or international event.</p> <p>New training trigger? (From reduction in training – some staff not having laptops.)</p>	<p>External censure.</p> <p>Financial loss.</p> <p>Litigation.</p> <p>Financial sanctions/penalties</p> <p>Damage to reputation.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff.</p>	<p>Constitution. (DCE(AJ))</p> <p>External legal advice. (DCE(AJ))</p> <p>Ongoing monitoring of all Executive recommendations. (DCE(AJ))</p> <p>Ongoing professional training. (SMT)</p> <p>Implementation of arrangements to deal with GDPRs. (DCE(AJ))/SMT)</p> <p>Comprehensive review of the organisation's response to the pandemic to be undertaken by a member Task & Finish Group with findings and a proposed action plan to be presented to Executive (CMT)</p>	 <p>Impact</p> <p>Likelihood</p> <p>Likelihood to increase due to increased data protection/GDPR risks?</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Information Management Risks				
12. Risk of ineffective utilisation of information and communications technology.	Poor management of IT function. Lack of specialist staffing. Lack of finance. Poor training of new and existing staff on ICT systems. Poor data quality. Resistance to change from various stakeholders.	Costly services. Inefficient services. Poor customer service. Data disclosures.	ICT Strategy and Digital Transformation Strategy. (DCE(AJ)) Fully-resourced, effective and secure IT function. (DCE(AJ)) Training for staff. (DCE(AJ)) Monitoring of service plan and operational service reviews by SMT. (SMT)	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Information Management Risks (Cont.)				
13. Risk of failure to protect information assets from malicious cyber-attack.	<p>Lack of staff training and awareness.</p> <p>Poor or ineffective countermeasures.</p> <p>Ineffective incident response plans.</p> <p>Inadequate penetration testing regime.</p> <p>Major shock to the organisation due to a significant adverse national or international event.</p>	<p>Reputational damage.</p> <p>Lost productivity.</p> <p>Recovery costs.</p> <p>Potential fines (ICO).</p> <p>Organisation ill-prepared to deal with impact on ICT systems</p>	<p>CESG approved penetration tests. (DCE(AJ))</p> <p>Patch Management Policy. (DCE(AJ))</p> <p>Anti-malware software, plus next generation AV- Intercept X. (DCE(AJ))</p> <p>Anti-malware strategy. (DCE(AJ))</p> <p>Anti-malware risk log. (DCE(AJ))</p> <p>Incident Management Policy & Procedure. (DCE(AJ))</p> <p>Major Virus Response Procedure. (DCE(AJ))</p> <p>Electronic Information Backup Policy. (DCE(AJ))</p> <p>Introduction of multiple file servers to reduce target exposure and to speed up recovery (DCE(AJ))</p> <p>Introduction of temporary web site in the event of a major outage, reducing reputational damage. (DCE (AJ))</p> <p>e-learning solution (DCE (AJ))</p> <p>Next generation AV, including Intercepting Ransomware in place. (DCE(AJ))</p> <p>National Cyber security check now in place. (DCE(AJ))</p> <p>Installation of Network Intrusion Detection/Intrusion Prevention solution.</p> <p>Adoption of Cloud services and infrastructure as appropriate (for example, MS Office365).</p> <p>Comprehensive review of the organisation's response to the pandemic to be undertaken by a member Task & Finish Group with findings and a proposed action plan to be presented to Executive (CMT)</p>	<p>Impact</p> <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Asset Management Risks				
14. Risk of failing to provide, protect and maintain Council-owned property (buildings and equipment).	<p>Poor management.</p> <p>Lack of finance.</p> <p>Ineffective asset management.</p> <p>Incomplete data on asset conditions.</p> <p>Lack of effective asset management planning.</p> <p>Insufficient resources to maintain assets.</p> <p>Inaction re multi-storey car parks.</p> <p>Failure of IT system.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Lack of a suitable and safe living or working environment for residents, staff and visitors.</p> <p>Sub optimum asset decisions that are poor value for money.</p> <p>Building closure.</p> <p>Closure of car parks with resultant loss of income.</p> <p>Organisation ill-prepared to deal with impact on its assets</p>	<p>Development of an Asset Strategy linked to Asset Database. (AM)</p> <p>Corporate Asset Management Strategy and an accompanying Action Plan covering all General Fund and HRA assets has been developed.</p> <p>Maintenance of a comprehensive asset database. (AM)</p> <p>Overall strategic decisions regarding Council's corporate and HRA assets managed by multi-disciplinary Asset Strategy Group – chaired by Deputy Chief Executive. (DCE(BH))</p> <p>Establishment of a corporate compliance and delivery group reporting to the Asset Strategy Group (AM)</p> <p>Improvements to be made to end-to-end systems to manage electrical testing, asbestos management fire safety, gas servicing and Legionella monitoring through the new Assets Team structure. (AM)</p> <p>Appropriate systems to manage electric testing, gas servicing, asbestos management and removals, legionella testing, fire risks and health and safety assessments across all Council assets (AM/HoCP)</p> <p>Remodelling of Housing Investment Programme based on HRA stock condition survey. (AM/DCE (BH)/HoH)</p> <p>Having sufficient reserves to be able to respond to unexpected issues. (HoF)</p> <p>Completion of the review of the relocation project and proposed redevelopment of the Covent Garden site following the Executive decision not to pursue any future projects through the LLP. (AM)</p> <p>Review of the corporate asset planned maintenance programme's next 5-year tranche. (AM) Review completed.</p> <p>Inclusion of financing requirements within MTFS projections</p> <p>Completion of the various elements of the Corporate Asset Management Strategy Action Plan (AM/HoH)</p> <p>Having appropriate structures to review compliance. SMT</p> <p>Fortnightly monitoring of multi-storey block improvement programme through Corporate Fire Safety Group (DCE(BH))</p> <p>Introduction of temporary web site in the event of a major outage, reducing reputational damage. (DCE (AJ))</p> <p>Financial planning for equipment and system renewal. (HoF)</p> <p>Mitigations set out in ICT Risk Register + debrief and action plan when problems have emerged.</p> <p>Comprehensive review of the organisation's response to the pandemic to be undertaken by a member Task & Finish Group with findings and a proposed action plan to be presented to Executive (CMT)</p>	<p>Impact</p>  <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Emergency Response and Business Continuity Risks				
15. Risk of a major incident not responded to effectively.	<p>Numerous causes including loss of ICT facilities/data, loss of staff, absence of effective BCP.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Partial or total loss of resources such as staff, equipment, systems.</p> <p>Major media engagement.</p> <p>Major disruption to all Council services.</p> <p>Possible legal action for damages.</p> <p>Major shock to the organisation due to a significant adverse national or international event</p>	<p>Emergency plan reviewed every 6 months. (CMT)</p> <p>Business continuity plan reviewed every 6 months. (CMT)</p> <p>Ongoing training of councillors and to officers named in MEP. (HoH&CP)</p> <p>Review of the MEP, named officers within MEP, associated SOPs. Gaps identification and appropriate updating. (HoH&CP)</p> <p>Operational testing and exercising of the MEP and vulnerability responses within Warwickshire. (HoH&CP)</p> <p>Safety Advisory groups of events held within the district & command and control centres for major district events. (HoH&CP)</p> <p>Review completed of business continuity plans for service areas. The priorities contained within those plans to be consolidated Council-wide. (HoH&CP)</p> <p>ICT Business Continuity contract, inc. annual off-site rehearsal. (ICT)</p> <p>Perimeter network protection (Firewall, 2 Factor Authentication, Spam filter, Antivirus, etc.), including penetration testing. (ICT)</p> <p>Backup and recovery procedures. (ICT)</p> <p>Provision of Counter Terrorism training. (HoH&CP)</p> <p>Installation of Network Intrusion Detection/Intrusion Prevention solution.</p> <p>Comprehensive review of the organisation's response to the pandemic to be undertaken by a member Task & Finish Group with findings and a proposed action plan to be presented to Executive (CMT)</p>	<p>Impact</p>  <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Environmental Risks				
16. Failure to meet District's ambition to be carbon neutral within specified timeframes.	<p>Lack of expertise.</p> <p>Lack of finance.</p> <p>Failure to reduce carbon footprint.</p> <p>Failure to get a "Yes" vote in the Council Tax Referendum.</p> <p>Lack of support from partners / community / Government.</p> <p>Conflict between current govt. legislation guidance ambition.</p> <p>Loss of political unity / support.</p> <p>Lack of staff resource / capacity.</p> <p>Competing priorities e.g. addressing Coronavirus.</p> <p>Major shock to the organisation due to a significant adverse national or international event.</p>	<p>Budgetary impacts.</p> <p>Service changes required if long recovery phase.</p> <p>Loss of reputation and external censure.</p> <p>Disruption to services.</p> <p>Public health issues.</p> <p>Failure to adapt to 'New Normal' caused by climate change.</p> <p>Political consequences.</p> <p>Organisation ill-prepared to deal with impact on finances, service delivery and staff.</p>	<p>Actions included in Sustainability Action Plan. (HoH&CP) e.g. electric vehicles, agile working arrangements, recycling, plastics policy, etc.</p> <p>Delivery of Business Strategy 2019-2023 and delivery of Climate Change Action Plan allowing members to determine extent of measures/projects to mitigate climate change and other environmental challenges that are to be included. (SMT)</p> <p>Climate Change Action Plan to be reviewed in light of postponed referendum. (PDCC)</p> <p>Procurement of professional consultancy support. (SMT)</p> <p>Report on Year 1 of Climate Change Action Plan.</p> <p>Climate Change Director appointed.</p> <p>Full refresh of Climate Emergency Action Programme to be undertaken in early summer 2021</p> <p>Comprehensive review of the organisation's response to the pandemic to be undertaken by a member Task & Finish Group with findings and a proposed action plan to be presented to Executive (CMT)</p>	

Key:

New narrative (since previous quarter)

Narrative transferred (since previous quarter)

Deleted narrative (since previous quarter)

Control/mitigation that had been, in previous quarter, recorded as an action.

Comment

○ = Current risk score

① ② etc = Previous risk scores

↑ → etc = trail (direction) of changes

AM	:	Assets Manager
CE	:	Chief Executive
CMT	:	Corporate Management Team
DCE(AJ)	:	Deputy Chief Executive and Monitoring Officer – Andrew Jones
DCE(BH)	:	Deputy Chief Executive – Bill Hunt
HoCS	:	Head of Cultural Services
HoDS	:	Head of Development Services
HoF	:	Head of Finance (and S151 Officer)
HoH	:	Head of Housing
HoH&CP	:	Head of Health & Community Protection
HoNS	:	Head of Neighbourhood Services
HR	:	Human Resources Manager
ICT	:	ICT Manager
SMT	:	Senior Management Team

Summary of Significant Business Risks

Appendix 2

Consequences ↓	Probability of Occurrence				
	Low	Low-Medium	Medium	Medium-High	High
High	<div>Risk 3</div>		<div>Risk 16</div>		
Medium-High					
Medium	<div>Risks 10, 11 & 15</div>		<div>Risks 1, 2, 5, 6, 7, 8</div>	<div>Risk 13</div>	
Low-Medium	<div>Risks 4 & 12</div>		<div>Risks 9 & 14</div>		
Low					

Methodology for assessing risk: Criteria for scoring residual risk rating

Probability of Occurrence

Estimation	Description	Indicators
5: High (Probable)	Likely to occur each year (e.g. considered as more than 50% chance of occurrence in any year).	<ul style="list-style-type: none"> Potential of it occurring several times within the specified period (for example - ten years). Has occurred recently.
4: Medium to High	Apply judgement	Apply judgement
3: Medium (Possible)	Likely to occur during a 10 year period (considered as between 5% and 25% chance of occurrence in any year).	<ul style="list-style-type: none"> Could occur more than once within the specified period (for example - ten years). Could be difficult to control due to some external influences. There's a history of occurrence
2: Low to Medium	Apply judgement	Apply judgement
1: Low (Remote)	Not likely to occur in a 10 year period (considered as less than 2% chance of occurrence in any year).	<ul style="list-style-type: none"> Has not occurred. Unlikely to occur.

Consequences

Estimation	Description
5: High	<ul style="list-style-type: none"> Financial impact on the organisation is likely to exceed £500K Significant impact on the organisation's strategy or operational activities Significant stakeholder concern
4: Medium to High	Apply judgement
3: Medium	<ul style="list-style-type: none"> Financial impact on the organisation likely to be between £100K and £250K Moderate impact on the organisation's strategy or operational activities Moderate stakeholder concern
2: Low to Medium	Apply judgement
1: Low	<ul style="list-style-type: none"> Financial impact on the organisation likely to be less than £10K Low impact on the organisation's strategy or operational activities Low stakeholder concern

Executive
18/03/2021

Title: Step Back Review Task & Finish Group on the Council's response to Covid 19

Lead Officer: Bill Hunt

Portfolio Holder: Councillor Andrew Day

Public report with Confidential appendices

Wards of the District directly affected: N/A

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: No

Included within the Forward Plan: No

Equality Impact Assessment Undertaken: No

Consultation & Community Engagement: No -

Final Decision: No, the scrutiny Committee will need to consider if they wish to recommend any further action to the Executive.

Accessibility Checked: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive		Bill Hunt - author
Heads of Service		Tracy Dolphin, Rose Winship, Mike Snow, Steve Partner, Marianne Rolfe, Julie Lewis, Philip Clarke, Lisa Barker, David Elkington
CMT	18 01 21	Chris Elliott, Andrew Jones, Bill Hunt, Dave Barber
Section 151 Officer	18 01 21	Mike Snow
Monitoring Officer	18 01 21	Andrew Jones
Finance	18 01 21	Mike Snow
Portfolio Holder(s)	25 01 21	Andrew Day

1. Summary

- 1.1. The report brings forward the recommendations from the Overview & Scrutiny Committee as a result of the work of the Step Back Review Task & Finish Group **of the Council's response to Covid 19 pandemic undertaken by** Councillors Ashford, Alix Dearing, Jacques, Kohler, Milton and Nicholls.

2. Recommendation

- 2.1. That the Executive :
- 2.1.1 note the findings of the Step Back Review Group;
 - 2.1.2 endorse the recommendations for officers to act upon as set out at Appendix 1;
 - 2.1.3 note the comments of the Corporate Management Team set out at Appendix 10;

3. Reasons for the Recommendation

- 3.1. At the August 2020 meeting of the Overview & Scrutiny Committee it appointed 6 Councillors to undertake a Step Back Review to consider the **Council's response to Covid19 based on the following five principals:**
- (i) Initial response to move council from HQ based to working from home
 - (ii) liaising and working with other authorities
 - (iii) Change in service delivery (for example green bins)
 - (iv) communications to the wider community
 - (v) how the business of the Council (as opposed to day to day services) was managed, specifically on how decisions made during the hiatus were open to scrutiny.
- 3.2. The intention was to complete this review as swiftly as possible to identify any potential learning for this Council in the way it responded in case either a local or national lockdown occurred. This was an ambitious timescale based on the demands upon officers both still responding to the pandemic and tentatively returning services back to normal recognising the significant change in cultural/working practices of the Council with most officers now working from home.
- 3.3. Officers collated feedback from across the Council on the work that had been undertaken during the first national lockdown, based upon the five themes. These are set out in appendices 2 to 9 of this report. The information was then shared with the review Group of Councillors, less Councillor Ashford who did not participate due to personal circumstances at the time.
- 3.4. The Group met on Monday 2 November 2020 to review the information and from this came to the conclusions and recommendations as set out at Appendix 1 to the report.
- 3.5. The report and its appendices were considered by the Overview & Scrutiny Committee in February 2021 who endorsed the report and recommendations and passed them to Executive for approval.

4. Policy Framework

4.1. Fit for the Future (FFF)

- 4.1.1. The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.2. FFF Strands

4.2.1 External impacts of proposal(s)

People - Health, Homes, Communities – The proposed action in respect of communications effectiveness will help the Council to identify any areas for improvement in ensuring that communities are engaged not just if an event like this is repeated but all work from the Council.

Services - Green, Clean, Safe – The action in respect of reviewing emergency planning and the connections with this council and external partners will help the service to become more resilient in the face of a future event and therefore helping to make communities safer.

Money- Infrastructure, Enterprise, Employment – No impact.

4.2.2 Internal impacts of the proposal(s)

People - Effective Staff – The review provides key recommendations regarding training & support, internal communications and the IT estate. Combined the outcomes of these will enable staff to be more effective within their roles.

Services - Maintain or Improve Services – The overall aim of the proposed strategic reviews are to help improve services for the wider community.

Money - Firm Financial Footing over the Longer Term –Through the proposed strategic reviews it is possible that savings may be identified, for example through the use of shared assets or infrastructure, to assist the financial position of the Council.

4.3. Supporting Strategies

- 4.3.1. This report does not directly impact on any of the supporting strategies of Fit for the Future.

4.4. Changes to Existing Policies

- 4.4.1. This report does not bring forward any changes to any existing Council Policies.

4.5. Impact Assessments

- 4.5.1. There are no impacts identified as a result of this report.

5. Budgetary Framework

- 5.1. The report and recommendations do not directly impact on the budget framework or the Council.

6. Risks

- 6.1. The overriding risk associated with the report is not acting on the proposed recommendations. These present an opportunity for the Council to be more resilient and further improve. The failure to take these forward in essence could result in a backward step for the Council as it would fail to recognise both the opportunity presented and the resultant impact of not reviewing the areas identified.

7. Alternative Option(s) considered

- 7.1. No alternative proposal have been considered to the recommendations as these were developed through discussion based on the evidence provided to the Working Party. The Committee could amend or dismiss these recommendations but this then moves the risks identified above to issues which would need to be addressed.

8. Appendices

- 8.1 Detailed below are a list of the appendices to the report:

Appendix One - Summary of findings & recommended actions

Appendix Two - A timetable of actions on the People and Communications theme

Appendix Three - The results of Manager, Staff and member surveys on the **Council's response**

Appendix Four- The Vision document that was provided to the leadership Coordination Group

Appendix Five- A report on the work of the Shielding Hub

Appendix Six - The Organisational Recovery template we used to assess which staff would return to Riverside House and how we would support those that continue to work at home

Appendix Seven - The economic recovery plan was something that SMT started working on from April

Appendix Eight - The shielding hub stand up plan is indicative of the planning that was being envisaged in Sept/Oct and will now, no doubt, be revisited following confirmation of the lockdown plans by Parliament this week

Appendix Nine – Summary of SMT responses to Task and **Finish Group's** remit

Appendix Ten – CMT feedback on the proposed recommendations

Covid-19 Step back review – Task & Finish Group Summary of findings & recommended actions

The aim of the review is not to analyse or comment on all the decisions made up to this point but to allow debate around a number of issues that have been highlighted by the response of the Council to emerging events since February 2020.

Having reviewed the documentation provided by officers, as set out in appendices **Two to Nine**, the Task & Finish Group's findings can be summarised as follows:

1. The workforce responded to the crisis in an exemplary manner and the goodwill built up by years of good working relationships between management, unions and members helped the Council through unprecedented times;
2. **The Council's response to the pandemic was innovative** and effective, moving from a largely office based organisation to an effectively home working one within a fortnight, maintaining key services and deploying staff to new activities such as the Shielding Hub at short notice;
3. **The Council's response did**, however, require changes to front line service delivery, reflecting both the changing Government guidance and legislation and locally based risk assessments, for example, the temporary suspension of green bin collection, the closure of Riverside House for a face to face reception function, revised arrangements for home visits based on risk assessments, changes to the methodology used to monitor and assess noise nuisance;
4. There were significant technological challenges due to the IT estate in use at the time of national lockdown, but the work to securely overcome these challenges was commendable;
5. The move from physical to remote public Committee meetings, under regulations that are in place until 7 May 2020, due to them being broadcast live and recordings made available had a positive effect on democratic involvement;
6. **However, concerns of a general fatigue across the workforce and 'wear and tear'** on individual managers and staff who have been working at high levels of effort for a prolonged period are now becoming more evident;
7. **The pandemic demonstrated both the strengths and weaknesses of the Council's** previous emergency and business continuity planning. Previous emergency planning around SARS proved to still be relevant, communication and continuity arrangements worked well and the cross-organisation structures to which the Council is intrinsically linked, such as the Local Resilience Forum, proved effective. Despite this planning the scenario of a move out of Riverside House, without some staff being redeployed to alternative buildings had never been envisaged, requiring a range of decisions to be made within a short space of time.
8. The inclusive approach to governance in taking the urgent decisions by the Chief Executive under delegated authority, and the creation of the Leadership Co-ordinating Group to support this and use a broader range of talent across the Council should be welcomed and recognised as good practice for responding to such an emergency, recovery and eventual return to a new way of life.

Based on the above findings the Group has six recommendations as it believes that it is timely and appropriate for the following areas to be explored:

Recommendation One

A strategic review of the Council's ICT infrastructure and the hardware and software deployed to staff groups. This should include, but not be limited to, consideration of whether the ICT solutions deployed by the Council provide the greatest possible future resilience in the context of:

- the Local Government Re-organisation agenda including the commitment to closer working with Stratford District Council;
- the need for effective, secure and legislatively compliant communications with a range of external organisations; and
- the need to support effective and flexible working by staff.

Recommendation Two

A strategic review of the future shape of the Council and whether alternative models provide greater future resilience in the context of:

- the Council's post-pandemic financial situation;
- the Local Government Re-organisation agenda including the commitment to closer working with Stratford District Council;
- member aspirations on service delivery;
- any emerging trends in how the public wishes to access public services;
- **maximising the Council's ability to display innovation and enterprise**

Recommendation Three

A review of how the Council is training and supporting its managerial staff to operate effectively in the context of the changed working environment, including but not limited to:

- The new physical working environment for most staff;
- The use of revised technology;
- The effectiveness of the operation of teams;
- The effectiveness of internal communication to and from individual members of staff
- The effectiveness of internal communication between officers and Members
- The monitoring of, and support to, individuals to protect their health and well-being

Recommendation Four

A review of the effectiveness of the Council's external communications, focusing on, but not limited to:

- An evaluation of outcomes as opposed to outputs, analysing feedback from residents, community organisations and external bodies on the tone, content and relevance of communications;
- The potential for any increased use of councillors to promote activities and disseminate information;

- The information provided on the Council's website, particularly in regard to community organisations; and
- The effectiveness of the Council's use of social media platforms.

Recommendation Five

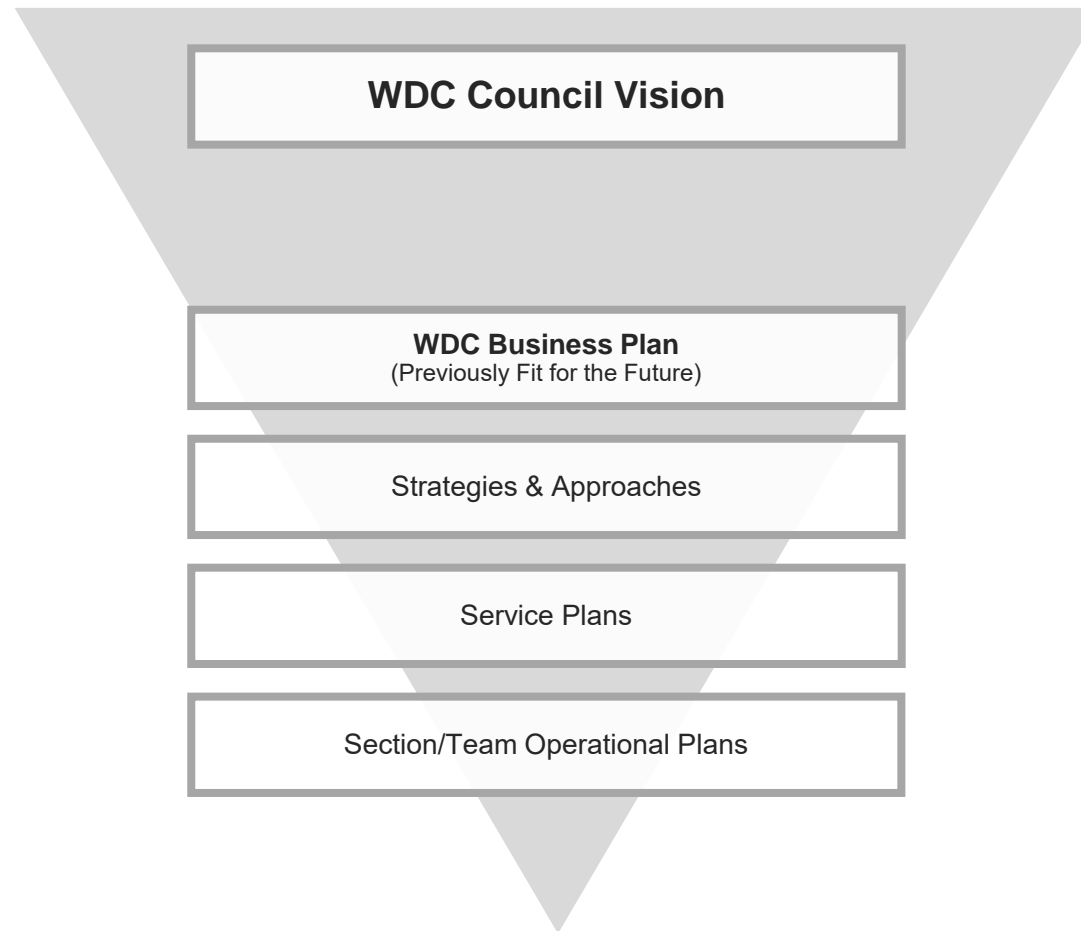
A review of emergency planning and the structures, internal and external to support it and whether these can be made more resilient, adaptable or effective.

Recommendation Six

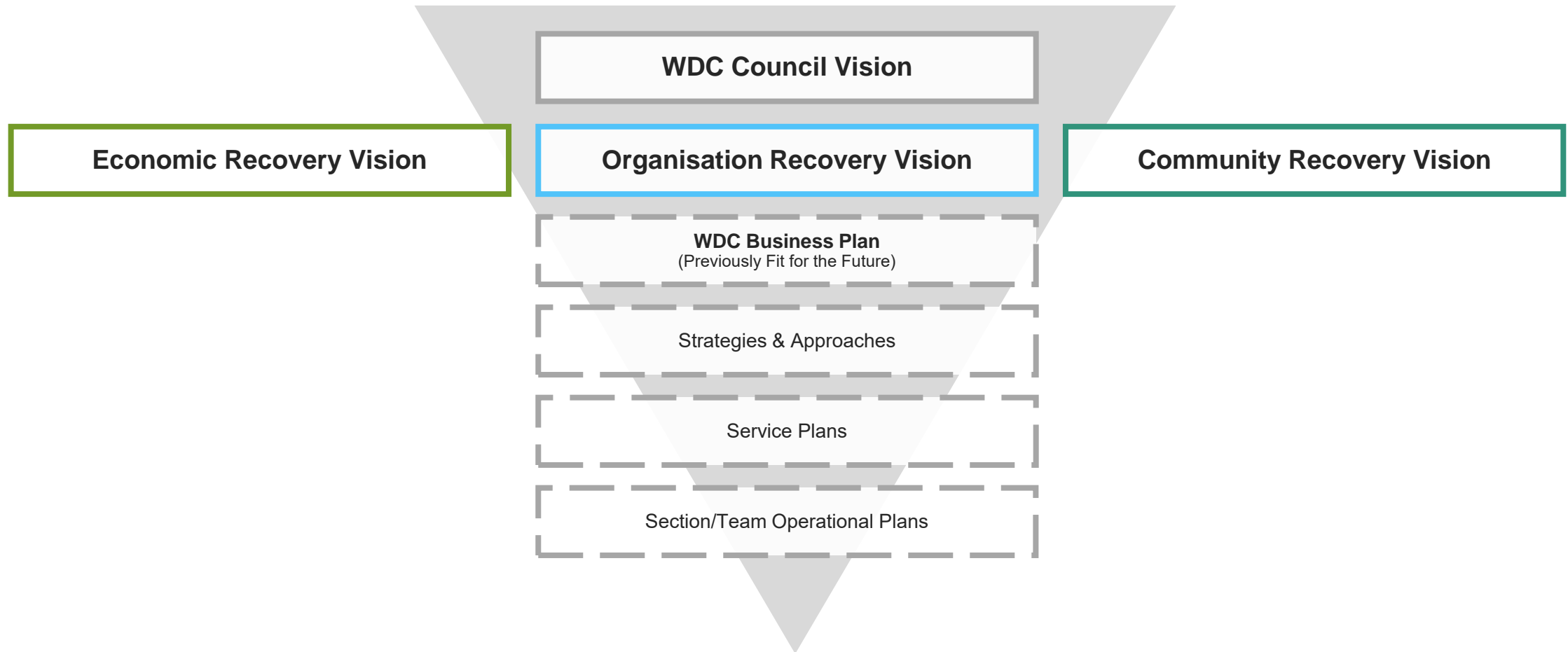
A review of the Council's operational arrangements for front-line service provision through home visits, other face to face contacts and telephone and electronic means of communication focusing on, but not limited to:

- The implications on service delivery of the Local Government Re-organisation agenda, the commitment to closer working with Stratford District Council including shared heads of service and alignment of Portfolio areas;
- An assessment of any changes to service provision required by any such alignment;
- **A review of priorities for service delivery in the context of the Council's post-pandemic financial situation, member aspirations and emerging trends in public aspirations;**
- The impact of the **Council's commitment to digital transformation;**
- An assessment of any temporary or permanent health and safety considerations as a result of pandemic or post-pandemic guidance or requirements

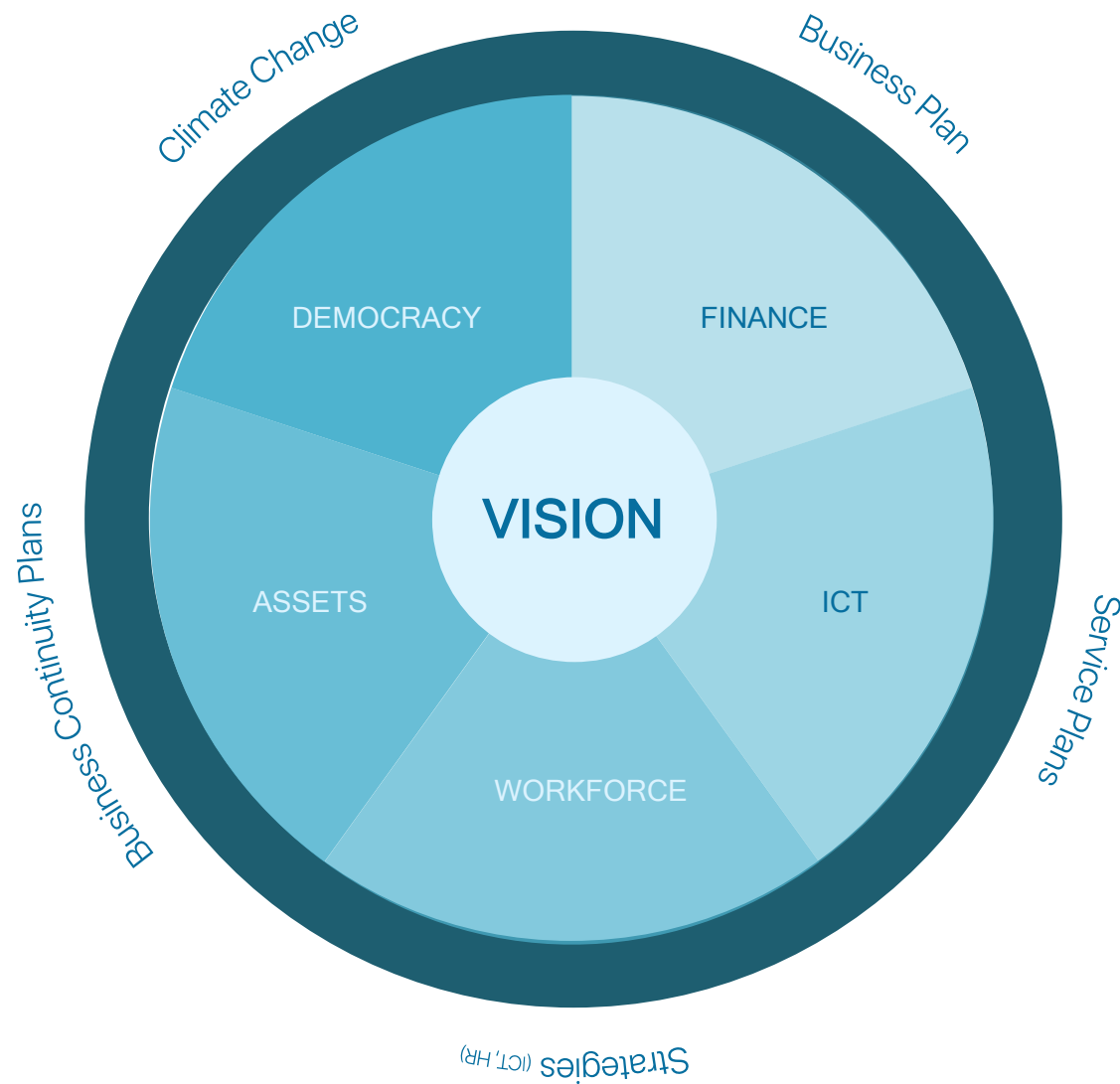
Normal Business Hierarchy of Forward Planning



COVID Recovery Hierarchy of Forward Planning



Organisational Recovery



Organisational Recovery Vision:

Learning from our pandemic experiences-

An organisation which ensures customer service is at the forefront of what we do, moving at pace to be agile and responsive, with easy accessible and effective services, staffed by competent professionals who work with flexible processes and procedures to deliver organisational requirements and are supported in their individual needs (health, safety and wellbeing).

Goals:

Climate change, decentralised working arrangements and within existing budget constraints are givens

Assets are used to:

- Collaborative spaces
- Front interface
- Equipment and infrastructure hubs
- Mapped network of touch downs spaces

Workforce are:

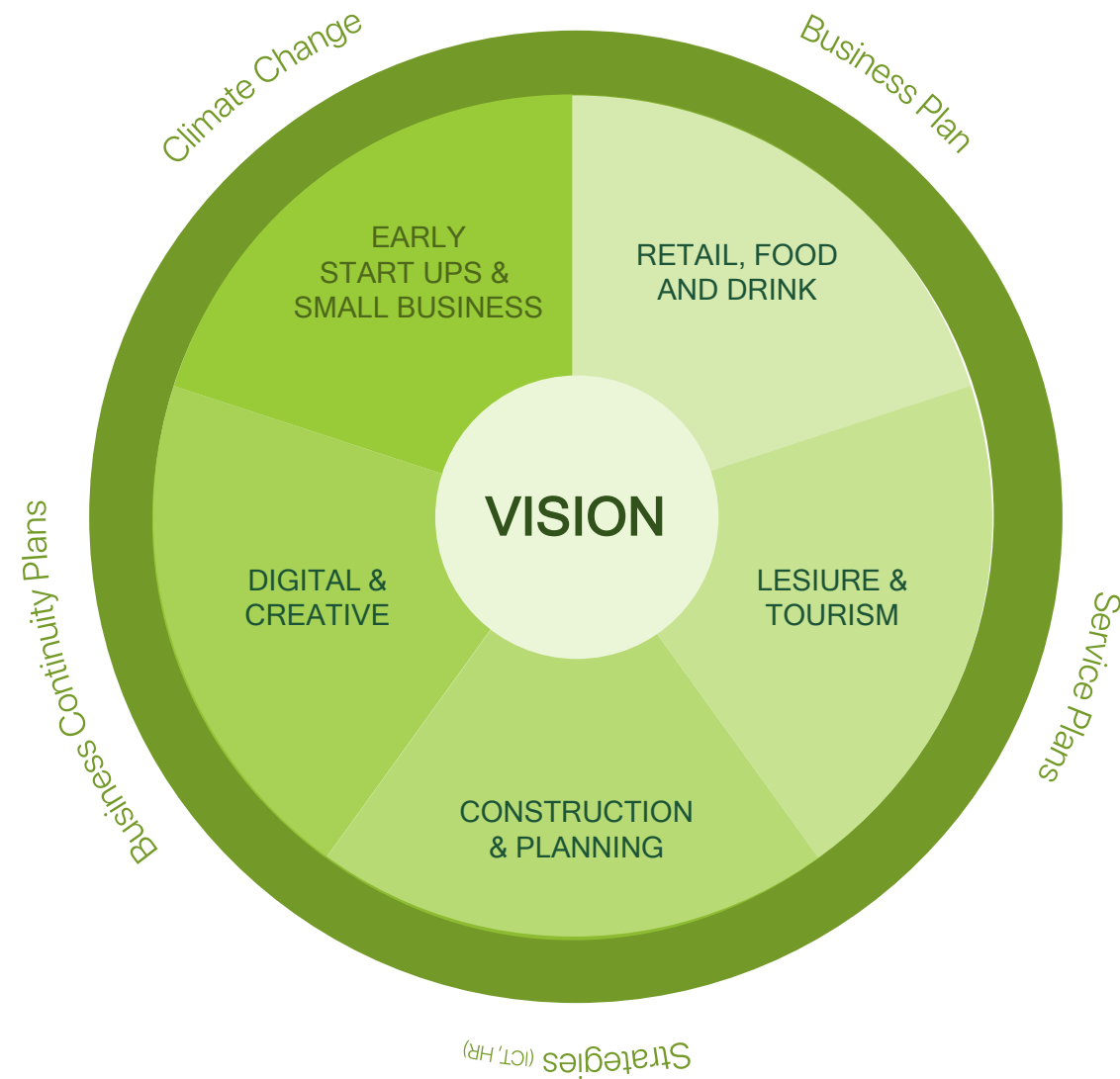
- Agile and adaptable
- Safety & health is important
- Recognition of the importance of social glue

ICT is used to:

- Support & transforming service delivery
- Allow agile working
- The right equipment to do the role/task.
- Allow customers to self serve

The full organisation plan is defined in terms of short, medium and long term actions. Whilst this only covers the period to April 2021, the vision describes a future possibly 5 years in advance. The current situation makes planning all action cover this period difficult and therefore it is accepted that the plan will need to be regularly reviewed.

Economic Recovery



Community Recovery





WARWICK DISTRICT SHIELDING HUB

the Experience



See the Shielding Hub in action by watching a video at www.warwickdc.gov.uk/shieldinghub



Welcome



People often say that Local Government is too slow to do things; involves lots of bureaucracy; and yet in responding to the pandemic and the ensuing lockdown staff at Warwick District Council, Warwickshire County Council and the other Borough and District Councils created a new service to deliver food and other essential supplies from nothing in a matter of days.

The word for it – amazing! How about that Amazing Local Government?

Chris Elliott,
Chief Executive
Warwick District Council



When help was needed by the most vulnerable in our community, our extraordinary team of council officers stepped-up, without question of hesitation to create and efficiently operate vital Shielding Hubs. In perhaps the finest hour for this Council; these selfless acts of love, large and small, demonstrated the very finest qualities of first-rate local government. Putting our residents first has always been at the heart of our service, but never before has our efforts to make Warwick District a 'great place to live, work and visit' been more telling than in the outstanding response given by our brilliant officers in the first weeks of this pandemic.

Andrew Day,
Leader, Warwick District Council

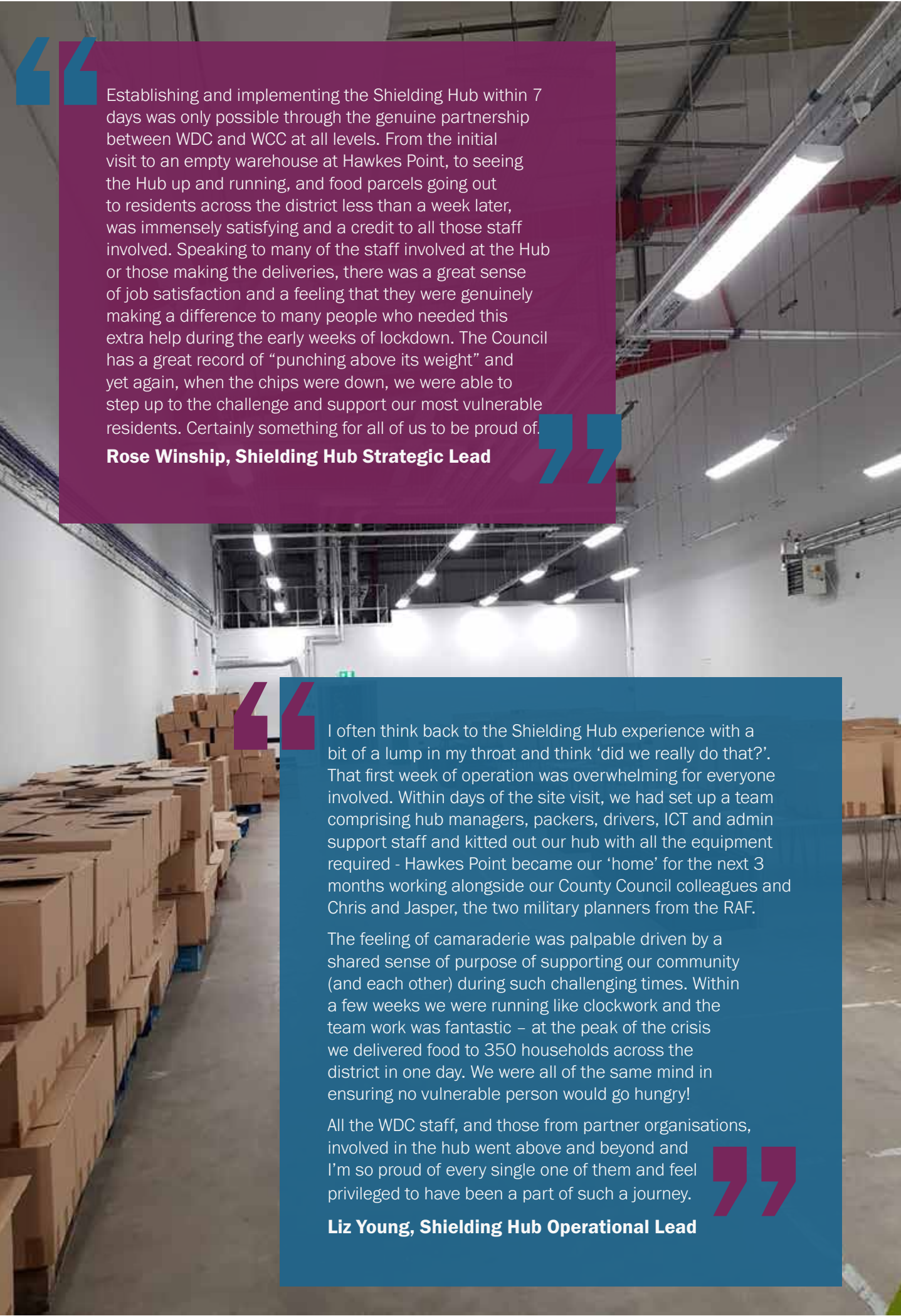
Hub Leads

At the start of the Covid-19 pandemic, Warwick District Council (WDC) recognised the need to set up a shielding hub to help residents in the district with food deliveries, prescription pickups and further support. Within just one week the hub was up and running, in partnership with Warwickshire County Council (WCC). As the weeks went on we developed a great routine, packing boxes alongside the WCC Team on a Monday and delivering to the residents in the district on a Tuesday, with emergency deliveries throughout the rest of the week, including weekends. The shielding hubs operated for a total of 15 weeks and helped a huge number of residents with various needs.

I was astonished that the Hubs were set up so quickly. A building was needed, staff and volunteers to run it had to be identified and food deliveries had to be organised and health and safety practices put in place for the Hub to be ready to start on what was already becoming a great need. A good working partnership was needed to achieve this and that is what happened. Residents needed support with both food and other issues and this was all provided. I was so proud of all the staff and volunteers, many doing different tasks than normal, who worked tirelessly to make the Shielding Hub work, whilst still undertaking some of their normal roles.

**Councillor Judith Falp,
Portfolio for Health &
Community Protection**





Establishing and implementing the Shielding Hub within 7 days was only possible through the genuine partnership between WDC and WCC at all levels. From the initial visit to an empty warehouse at Hawkes Point, to seeing the Hub up and running, and food parcels going out to residents across the district less than a week later, was immensely satisfying and a credit to all those staff involved. Speaking to many of the staff involved at the Hub or those making the deliveries, there was a great sense of job satisfaction and a feeling that they were genuinely making a difference to many people who needed this extra help during the early weeks of lockdown. The Council has a great record of “punching above its weight” and yet again, when the chips were down, we were able to step up to the challenge and support our most vulnerable residents. Certainly something for all of us to be proud of.

Rose Winship, Shielding Hub Strategic Lead

I often think back to the Shielding Hub experience with a bit of a lump in my throat and think ‘did we really do that?’. That first week of operation was overwhelming for everyone involved. Within days of the site visit, we had set up a team comprising hub managers, packers, drivers, ICT and admin support staff and kitted out our hub with all the equipment required - Hawkes Point became our ‘home’ for the next 3 months working alongside our County Council colleagues and Chris and Jasper, the two military planners from the RAF.

The feeling of camaraderie was palpable driven by a shared sense of purpose of supporting our community (and each other) during such challenging times. Within a few weeks we were running like clockwork and the team work was fantastic – at the peak of the crisis we delivered food to 350 households across the district in one day. We were all of the same mind in ensuring no vulnerable person would go hungry!

All the WDC staff, and those from partner organisations, involved in the hub went above and beyond and I’m so proud of every single one of them and feel privileged to have been a part of such a journey.

Liz Young, Shielding Hub Operational Lead

Community Support

A total of
2,204
**FOOD BOXES
DELIVERED**
within the
Warwick District.



3377
**PRESCRIPTIONS
AND DOCTORS'
APPOINTMENTS**



1420
**RECEIVED FINANCIAL
AND SOCIAL SUPPORT
FROM WDC**



109
**EMERGENCY HOUSING
REPAIRS**



2040
**RECEIVED MENTAL
HEALTH SUPPORT**
within the Warwick district



924
**WARWICK DISTRICT
RESIDENTS WERE HELPED**



**The Shielding Hubs started on Monday 30 March
and operated for 15 weeks until Monday 13 July.**

6
WARWICKSHIRE
SUPPORT HUBS



HUBS OPERATED
for
15 weeks



Over
5,000
PHONE CALLS
to Warwickshire County Council hotline



10,500
FOOD PARCELS PACKED
by Warwickshire County Council



Over
11,000
WELLBEING
PHONECALLS
to vulnerable residents



500
VOLUNTEERS WORKING
WITH WCC



The Support Team

The Shielding Hub Support Team were tasked with following up on all calls made to the 0800 Hotline / WDC Contact Centre. This involved clarifying what additional support those residents asked to shield may require. Staff involved in undertaking the follow up work felt that they were doing their bit to support the pandemic effort. The response from residents was overwhelmingly grateful with them feeling appreciative of the calls and as one resident said; 'Thanks for going over above and beyond the call of duty to provide assistance' while another local resident rang to say thanks for the food parcel; 'I get a food hamper from Harrods as a Christmas present and the food parcel received from the Shielding Hub was by far superior'. It seems to me the follow up calls uncovered the extent of how lonely and isolated some people are in the District and at times it was difficult to get off the phone as we were probably the only person that some had spoken to all day. Although in the early days it was extremely stressful as you felt such a burden of responsibility to ensure the support was provided, it was an extremely rewarding piece of work and I would like to particularly mention the COVID Support Group made up of volunteers. Without their support it would have been difficult to provide the timely support that local residents required and I would like to give a BIG THANK YOU to them.

WDC Shielding Hub Support Team including Berni Allen, Jo Dagg, Kath Bannister, Meg Smith, Stephen Falp and Harry Saysell

Just wanted to say thank you on behalf of my Mum for the Shielding Hub food parcels. My mum was placed on the shielding list due to her age and the fact that she suffers with Asthma and C.O.P.D. As a family we were very worried about having any contact with her as myself and my husband were still out working in the community so we had to limit any grocery handovers to reduce the risk to her. Having those food parcels was a god send and very much appreciated.

“We feel extraordinarily privileged to have received the food parcels delivered to our door. Due to an illness I have a reduced immune system causing me to be housebound. My wife and I (82 and 81 years old) would like to express our thanks to all those who took part in the hard work of packing and delivering the food parcels.”



“I would like to extend our family’s heartfelt thanks for the parcel you delivered to our parents, on Myton Road, earlier this week. It really helped them practically and emotionally. We are very grateful.”

Hub Managers


The Warwick District Shielding Hub would not have been able to run so smoothly without the Hub Managers giving up their time and working together to ensure the smooth running of the hub team. They dealt with the day to day operations, packing of boxes, loading of cars, delivering boxes, phone calls to residents and much more to ensure that everyone worked well together to help the District.



Working at the Shielding Hub was a fantastic experience for me. In a time of national crisis, it was great to come together with colleagues and partners to deliver much needed support to some of the most vulnerable people in our communities. I had the privilege of speaking to so many wonderful residents across the district, some had lost loved ones or had no family network to support them. What struck me was their resilience to keep going and this certainly inspired me and fellow colleagues to keep delivering a first class service for them.


I feel really proud to have been part of WDC's response to COVID, the team at the Hub worked incredibly hard and I hope we were able to bring some comfort to our residents during a terrible time.

Jon Barnett,
Hub Manager



Working at the Shielding Hub was an incredible experience. To be a part of something that made a difference and put WDC in a positive light gives me immense pride and professional satisfaction. Walking out into the car park on the morning of the 350 deliveries and seeing an abundance of willing drivers and vans ready to deliver these parcels, all looking at me and waiting for their instruction was as daunting as it was challenging. It is something that I will remember for a long time. The team of volunteers were incredible and always willing to help. No task was too small or unachievable, they all knew their roles and would go about their tasks with dedicated professionalism. Seeing people pulling together for one cause “to help the residents of Warwick District” was amazing and shows the dedication and sense of community spirit of all the people involved. It was very refreshing to speak to residents or their relatives who were so grateful for what we were doing. The sheer joy, appreciation and gratitude that was relayed down the phone felt amazing. It was a pleasure to work with all of my colleagues that volunteered at the hub during its time of operation, I have built sound working relationships with colleagues from WDC that I didn’t know, as well as WCC staff.

Ian Rourke, Hub Manager



It was a great and rewarding experience to be working at the Shielding hub. At first it was all surreal with no traffic on the roads and staff all with masks, aprons and gloves but we developed a great system with the pickers, the drivers and the Rangers all being very friendly and there to help every week which was fantastic. It was nice to be doing a job that was being appreciated by the public and to be able to work with new members of staff that I hadn’t worked with before, it was like a big family.

Stuart Murrow, Hub Manager

WDC Staff Volunteers

An incredible number of staff across the Council gave up time to work at the Shielding Hub while also carrying on with their normal workload. Whether:

- doing shifts at the shielding hub
- phoning residents who needed extra support
- packing the food boxes
- loading cars and vans
- delivering food boxes across the District

It was great to see staff from all our service areas getting to know each other and working well as a team.

David Guilding and **Dave Anderton** did a great job of organizing the staff rota to make sure we had enough packers and drivers each week. Our admin team, including **Velda Downes**, **Jess Goldie** and **Rob Lawson**, did an amazing job phoning up vulnerable residents to see how we could help.

Thank you to all of the staff who volunteered their time.

I found that the experience of delivering the food and essential supplies from the hub tremendously emotional. A great sense of achievement and gratitude to be a part of the team. I personally got more from this, than the District's residents received from us. I visited so many types of people, young and old; people with families or more importantly those alone who would've only had my contact probably that week. Spending 5 or 10 minutes with each chatting, and many thanking me and the team, even giving gorgeous home baked cookies and cake for the team, truly was a humbling experience which brought tears to your eyes.

I delivered to all kinds of people and properties, even a canal barge, and it felt like we were together, working towards a brighter future. 'I would gladly do it again, but I hope that I never have to.'

Ian Yeomans



To support the food hub I volunteered to pack and deliver parcels to vulnerable individuals in the community. The organisation was excellent and I always knew what was expected. It was a very humbling experience delivering food parcels to those who, without this life line, would have been very isolated. All those I delivered to were really grateful and on occasions they were very emotional with the kindness and support shown. I delivered three weeks running to a very elderly lady on the fourth floor, with very complex medical issues, and I was always exhausted when arriving at her door due to all the stairs, but the expression on her face when she opened the door melted my heart and made it all worth while. I was very proud to work for WDC and to be able to offer this service and the team spirit, made it rewarding and fun.

Sue Sweeney



I really enjoyed supporting the hub delivering food parcels to the vulnerable residents in Warwick District. It was a strange feeling when it came to an end, one of relief that we weren't needed but also sad that we wouldn't see the amazing residents we have. It gave you a focus in the midst of a very challenging time. The whole process evolved from the tentative steps of the first session where we collected our own chilled items and vegetables for delivery to the next few weeks when amazing teams packed the cars for you and even knew how many boxes and chiller boxes would fit in each car! It really was team work and the best bit was getting to know colleagues who you may have spoken to but never met. My 16-year-old son volunteered to work with me and I hope this has given him an insight into the district and how organisations can work together to support the residents. He certainly had a good workout carrying the boxes up flights of stairs!

I would volunteer again in a heartbeat; it was very emotional at times but also satisfying to know you made a very small difference to someone's life.

Ann Hill

Warwickshire County Council

A network of six Warwickshire support hubs, at county and district and borough level, was quickly established in March 2020 in response to the Covid-19 crisis. Their purpose was to provide food and essential household items to individuals identified as clinically extremely vulnerable to the virus who were asked to 'shield' themselves by isolating during the peak of the pandemic.

WCC's distribution hub was co-located with WDC's satellite hub. It was operated by reassigned officers from the county and district councils and supported by local volunteers and two military planners who offered invaluable logistics support.

There was a lot involved in the process from end to end involving selection and set-up at the sites, equipping them for food storage, setting up systems for packing and safe delivery to residents. Council staff and volunteers kept the sites running and were responsible for making the deliveries with Fire and Rescue and the Local Pharmacy Committee supporting with delivery of medicines or in situations where people may need extra help.

Over the 15 weeks that the hub was in operation over 10,500 parcels, containing perishable and store cupboard food and household items, were packed and distributed with around 1,300 going out across the county each week at the height of the operation.

Supporting the activity at the distribution hubs was a newly established dedicated contact point that people who felt isolated without support were urged to call. From March to July 2020 the hotline handled around 15,000 calls and referred people in need to various forms of practical and emotional support from across the public and voluntary and community sectors.

It has been a rewarding project to be part of and I'm proud of what has been achieved. There were many challenges along the way and everyone rose to them to ensure vulnerable people were supported.

Overall, the experience has shown the strength of working together - community capacity, resilience and shared understanding have all increased as a result. The feedback from residents was overwhelming and it was humbling to be involved in a project that truly helped people stay safe and connected in a time of crisis.

The hubs are no longer operational but our work is not complete. Attention is now focused on a plan for serving vulnerable residents in the event of a second wave of the pandemic or potential local lockdowns.

Charles Barlow, Hub Lead WCC



IT Case Study

In a complex crisis, everyone wants to play their part in making a difference. This case study shines a light on the rapid development of our Shielding Hub Food database and portal which underpinned the success of the food distribution service to our most vulnerable citizens.

WDC were mobilised on the 25 March and, just ten days later, our developer had a minimum viable product (MVP) that tamed the numerous and seemingly ever changing data sources to produce a basic delivery report for the distribution team.

Using the agile development methodology, we constantly iterated on the MVP over the next eight weeks. These thirty iterations expanded the solution to meet the growing needs of the food distribution service, including:

- Fully automated imports of the numerous data spreadsheets
 - Cleaning the data to ensure accurate citizen, address and contact details
 - Coping with numerous changes of the Central Government data schemas
 - Flagging up special dietary requirements
 - Creating accurate food box and delivery driver reports
 - Management reports for Warwickshire County Council and WDC
 - And a portal used by our Shielding Hub hotline team to handle local citizen food requests and delivery requirements
- Virtual meetings with show and tells
 - Central Government webinars joined and liaison with other local authorities to better understand and shape the solution's requirements
 - Given such as small project team, it's amazing how much we achieved, in so little time, with so much pressure and with an ever changing specification:
 - Before the basic solution was in place, staff at the delivery hub were spending around two hours a day making sense of the data they received. At that stage the data consisted of around 100 records.
 - By automating the data imports we shaved the time down to five minutes per spreadsheet.
 - We imported over 130 spreadsheets in total (and by the end there were more than 2800 records per spreadsheet) so that's a saving of at least 31 working days!
 - Over a ten-week period, we invested a total of 424 hours on this project (of which 236 were spent coding the solution)

With the lockdown restrictions in place, our small team made use of various tools to aid our virtual collaboration.

These included:

- Our group chat which thrummed with activity
- A Trello board that captured user stories, enhancements, bugs and their progress through to completion

While it's hard to capture the intensity of this development experience, let's just say that it was exhilarating, frustrating, exhausting and tremendously satisfying in almost equal measure!

These days, just about everything that WDC needs to achieve will rely on a contribution from ICT Services. As this case study shows, we can even play our part in providing food, a basic human need.

Tass Smith on behalf of the Shielding Hub (Food) Solution Team

Community Volunteers



"Everyone Active were keen to be involved with the delivery of food parcels around Warwick District as this is a key part of the Company ethos of being involved with the local community. The General Manager of Newbold Comyn Leisure Centre helped every Tuesday helping those who were vulnerable or were unable to get to the shops themselves"

Gary Titford,
Everyone Active



"As soon as Lockdown was announced by the government, I reached out to Andrew Day at WDC to volunteer our services for delivery of food and medicines to those shielding at home and the most vulnerable in our region.

Our offer was to help wherever possible using the Team at Electric Zoo and our fleet of Electric Cars with zero emission.

We were requested to report to the Shielding Hub where we assisted the Council team by receiving food parcels, with a list of names and addresses addresses, and made deliveries across the region.

We were extremely pleased to play our part in the WDC Shielding Hub, and would like to thank you, your team and WDC for allowing us to help those in need during the height of the Covid-19 pandemic."

Lash Saranna, Electric Zoo

We would also like to say a big thank the local residents Covid Support Groups in Warwick, Leamington and Kenilworth for all of their work with us and also to family members of WDC staff who joined us for packing and delivering of food parcels.



Checklist for Managers/Staff as part of Organisational Recovery.

Following on from the Staff and Manager Surveys, we now wish to gain further information as to the Health and Wellbeing of staff as well as an understanding of practical elements such as IT equipment.

Please therefore discuss the Organisational Recovery Checklist below with **all members** of your team. This can take the form of:

- A guided conversation/discussion, including going into some areas in more depth
- A quicker conversation (where these elements have already been discussed and you are aware of the information)
- Sending the Checklist to members of your team in the first instance and then following up with those who have raised issues that you were not aware of or where answers may need exploring further

After the Checklist has been done, please summarise the information for your area formation and pass to your Line Manager to enable this to be collated for your Service Area by **Friday 3 July 2020**.

In doing the above, please ensure that you include the following:

As part of our Organisational Recovery to establish the new 'normal' if you can continue to work from home, you should do so and we will support you to make that happen. We will aim to resolve any issues relating to your health and well-being as well as your working environment/ICT. However, this is just the first step in this process and as will be aware, not something that can be done without due consideration.

Firstly, I need to give you a 'picture' of what the office environment will look like in the short term to help manage your expectations:

- *With an emphasis on homeworking, the number of staff in an office location at any one time will be limited. We expect potentially less than a third of staff will have their base at Riverside House or other locations.*
- *Social distancing will be in place at all times*
- *Cleaning your own areas will be imperative to ensuring hygiene standards are met, (we are reviewing access to cleaning materials)*
- *The layout of the offices including desks, docking stations, and screens will reflect the more limited number of staff. Hot-desking will no longer be part of the ways of working due to hygiene standards, and fixed desks will be the 'normal'. Other examples such as lockers and coat racks will not be in use, and you will be expected to keep your belongings with you at all times.*
- *Even if you are in the office, face to face contact will be discouraged and Video-conferencing/phone will be the default even if both parties are in the office.*
- *Physical meetings should only take place when the business requires it or there is no alternative.*

- *If it is essential to use a meeting room, which must be booked in advance, then enough space should be allocated to adhere to Social Distancing e.g. seating arrangements, and no refreshments should be provided*
- *All visitors will need to be escorted in and out whilst retaining Social Distancing*
- *No changing rooms or showers will be in use*
- *Face coverings are allowed but will not be provided by the Council*
- *All desk equipment/stationary will be used only by you at your own desk*
- *Food and drink should be consumed at your own desk not in any communal areas, there will be no access to water coolers and limited access (through social distancing) to kitchen areas with social distancing guidelines in place.*

Please now complete the Checklist below:

Organisational Recovery Checklist

Name	
Team	
Service Area	
Name of Line Manager	
Date Checklist completed	

All Staff - Please answer questions 3 – 7 in black below

Then, either answer questions in **blue** or **red** as follows:

- Can you do your job at home **Yes/No**?
*If the answer is **Yes**, then please answer the questions highlighted in **blue***
*If the answer is **No** go to section **(b)***
- Does your job mean that you have to work from a WDC building - **Yes/No**? or Does physical/health and well-being concerns (that we are unable to overcome) prevent you? *If the answer is **yes** to either of these, then please answer the questions highlighted in **red***

Question	Yes	No	Comments
Health and Well-being			
1 Has working from home affected your health and well-being? 1.1 What have been the positives? 1.2 What have been the challenges? 1.3 Do you envisage this changing short term/long term? 1.4 Do you perceive this would change if you were able to work in another WDC location/office (based on the changes that have affected the work environment due to COVID)			
2 Has there been an impact from other(s) in your household on your ability to work effectively at home? 2.1 Has there been an impact on others of you working from home?			
3 Do you have other responsibilities e.g. school children/caring responsibilities? 3.1 How can we support you with these?			
4 Are you able to support your health and well-being by e.g. exercise, talking/meeting people, skills, training?			
5 Do you have any underlying health conditions that we need to be aware of? 5.1 Have you been referred to Occupational Health for these conditions within the last 6 months? (if not, then we may ask you to attend an Occ Health appointment shortly)			
6 Are you shielding?/living with someone who is shielding?			
7 Is there anything else we can do to support you?			
Physical			
8 Will you need to use public transport to get to an office location/out to work? 8.1 Are there alternatives e.g. cycling?			
9 Can you go straight to your work location (if off site) from home?			
10 Your start/end time may need to be altered (due to social distancing), will this have an impact on you?			

IT/Security			
11 What equipment are you using to work from home ? WDC Laptop WDC Desk equipment Personal equipment Is this suitable for the long term ? Yes/No			
12 Are you able to take regular breaks?			
13 Are you able to work in an environment where privacy of discussing and displaying confidential and personal data is protected? 13.1 If so, are you able to work confidentially?			
14 For any personal electrical equipment, you are using at home, are the plugs undamaged, appear correctly wired and in good condition, the wire is firmly gripped in the plug, the equipment is in good condition, there is no damage to the wires/leads, there is no burn marks or evidence of overheating and leads/cables are not trailing around your work area? (Ensuring electrical equipment is switched off first before any detailed look)			
15 If you cannot work from home and need to work from an office have you informed IT to ensure your configuration is correct?			
Detailed ICT info re Computer /Screen / Connectivity (information to be collated for ICT)			
16 Does your screen provide a stable image which is flicker-free?			
17 Can you adjust the brightness and contrast to suit your working environment and so you can clearly see written characters against the background?			
18 Can you position the screen to suit your needs and make it a suitable height for you?			
19 Can you work in an area where the screen is free of reflections and glare that may cause discomfort?			
20 Do you need the organisation to provide you with additional screens? How many?			
21 Do you need the organisation to provide you with a docking station for a laptop? Or stand?			
22 Does your broadband speed/connectivity enable you to work consistently?			
23 Telephony. If you are a high volume telephone user what equipment do you have to support your work e.g. Telephone, headset? Soft phone?			
24 Do you need the organisation to provide you with a separate keyboard ?			
25 Can you work in a space to give you sufficient space between the front of the keyboard and the edge of the work surface to provide and/arm support (50mm)?			

26 Are you working at a matt surface to avoid reflective glare?			
27 Can you see all of the key symbols adequately during normal use?			
The Work Surface/Chair			
28 Do you have sufficient space to allow you to work comfortably?			
29 Do you have a suitable work surface to work on? If not do you require a table or alternative?			
30 Is your chair stable and does it allow easy freedom of movement? Do you require a more suitable chair?			
31 Can you adjust your chair to find a comfortable seating position?			
32 If the answers to the 4 questions above are 'No' how could these be improved?			
Ambience			
33 Is the ambience suitable for working from home? i.e. Noise, Humidity, Temperature, Lighting?			
Other Considerations			
34 Do you have / do you envisage any additional costs as a result of working from home?			
35 Do you have/do you envisage any savings as a result of working from home?			

Thank you for taking part in this Checklist.

The results will be provided to ICT, Assets and Workforce Steering Groups to review and analyse the results as part of our next steps.

CMT response to the draft Task & Finish Group recommendations

Recommendation	Response	Indicative timescale
<p>One - A strategic review of the Council's ICT infrastructure and the hardware and software deployed to staff groups. This should include, but not be limited to, consideration of whether the ICT solutions deployed by the Council provide the greatest possible future resilience in the context of:</p> <ul style="list-style-type: none"> the Local Government Re-organisation agenda including the commitment to closer working with Stratford District Council; the need for effective, secure and legislatively compliant communications with a range of external organisations; and the need to support effective and flexible working by staff. 	<p>Agreed in principle subject to any decision by the Executive</p> <p>David Elkington is now in post as shared Head of ICT across both Warwick and Stratford Councils. This will be one of the priorities for David and will overlap with his overriding priority of examining what is required to enable us to decant from Riverside House (and potentially Stratford from Elizabeth House). David needs to firstly understand our current position/arrangements before bringing forward any recommendations.</p>	<p>Noting that in effect we only have David 2.5 days per week, and that he will need a minimum of 3 months (c. 25 WDC working days) to try and get a full picture of our situation it is unlikely that any recommendations would come forward before May-June 2021.</p>
<p>Two - A strategic review of the future shape of the Council and whether alternative models provide greater future resilience in the context of:</p> <ul style="list-style-type: none"> the Council's post-pandemic financial situation; the Local Government Re-organisation agenda including the commitment to closer working with Stratford District Council; member aspirations on service delivery; any emerging trends in how the public wishes to access public services; 	<p>Agreed in principle subject to any decision by the Executive</p> <p>The Council has currently agreed to share Heads of Service posts with Stratford District Council where they are, or become vacant and these arrangements are already in place or proposed for Neighbourhood Services, ICT, Finance and Assets.</p> <p>The scope and timetable for any further review will be determined by the Council's response to the business case report for the creation of a 'super-district'</p>	<p>TBA</p>

<ul style="list-style-type: none"> • maximising the Council's ability to display innovation and enterprise 		
<p>Three - A review of how the Council is training and supporting its managerial staff to operate effectively in the context of the changed working environment, including but not limited to:</p> <ul style="list-style-type: none"> • The new physical working environment for most staff; • The use of revised technology; • The effectiveness of the operation of teams; • The effectiveness of internal communication to and from individual members of staff • The effectiveness of internal communication between officers and Members • The monitoring of, and support to, individuals to protect their health and well-being 	<p>Revised working arrangements have already implemented after agreement with Unions and are deemed to be effective. Whilst these can be kept under review the need for a separate specific review is queried.</p>	
<p>Four - A review of the effectiveness of the Council's external communications, focusing on, but not limited to:</p> <ul style="list-style-type: none"> • An evaluation of outcomes as opposed to outputs, analysing feedback from residents, community organisations and external bodies on the tone, content and relevance of communications; • The potential for any increased use of councillors to promote activities and disseminate information; • The information provided on the Council's website, particularly in regard to community organisations; and 	<p>Agreed in principle</p> <p>Subject to any decision by Executive the Communications Manager can be tasked with producing a report for the Overview & Scrutiny Committee to report back on these issues and make any recommendations as appropriate.</p>	<p>Add to O&S Workplan for July 2021</p>

<ul style="list-style-type: none"> The effectiveness of the Council's use of social media platforms. 		
<p>Five - A review of emergency planning and the structures, internal and external to support it and whether these can be made more resilient, adaptable or effective.</p>	<p>Agreed in principle subject to any decision by the Executive</p> <p>The current review of working arrangements within the Health & Community Protection service area, as agreed in the budget report of December 2020 will include these elements.</p>	<p>Initial proposals for CMT consideration Feb 2021</p> <p>Recommendations to Employment and/or Executive April 2021</p>
<p>Six - A review of the Council's operational arrangements for front-line service provision through home visits, other face to face contacts and telephone and electronic means of communication focusing on, but not limited to:</p> <ul style="list-style-type: none"> the implications on service delivery of the Local Government Re-organisation agenda, the commitment to closer working with Stratford District Council including shared heads of service and alignment of Portfolio areas; any changes to service provision required by any such alignment; a review of priorities for service delivery in the context of the Council's post-pandemic financial situation, member aspirations and emerging trends in public aspirations; the Council's commitment to digital transformation; any temporary or permanent health and safety considerations as a result of pandemic or post-pandemic guidance or requirements 	<p>All changes made to service delivery provision have been made in response to Government lockdown or tiering rules and associated guidance and/or risk assessments conducted in line with that guidance which also take into account the Council's duty of care to all of its employees and the particular need to ensure those individuals in the highest risk groups are safely protected.</p> <p>A separate mechanism is in place following questions posed at Council to inform councillors of what changes have been made to allow debate within the political groups and the consideration of a further 'political' debate.</p> <p>It is not clear what the requirement would be for officers to undertake any review in advance of that debate.</p>	

Executive
18 March 2021

Title: Protection of Nesting Birds and associated issues at St Mary's Lands, Warwick

Lead Officer: Chris Elliott, Chief Executive, chris.elliott@warwickdc.gov.uk
01926 456003

Portfolio Holder: Cllr Alan Rhead, Neighbourhood Services

Public report

Wards of the District directly affected: Aylesford, Warwick

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: No

Included within the Forward Plan: No

Equality Impact Assessment Undertaken: Not Applicable

Consultation & Community Engagement: Discussions with various groups on the St Mary's Lands Working Party over a 2 year period.

Final Decision: Yes

Accessibility Checked: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	26.02.21	Chris Elliot
Head of Service	26.02.21	Julie Lewis
CMT	26.02.21	Chris Elliot, Andrew Jones, Bill Hunt, Dave Barber
Section 151 Officer	26.02.21	Mike Snow
Monitoring Officer	26.02.21	Andrew Jones
Finance	26.02.21	Mike Snow
Portfolio Holder(s)	26.02.21	Cllr Alan Rhead

1. Summary

- 1.1 At the 17th November 2020 Executive Committee was asked to note the recommendation that the Working Party prepare an access strategy to protecting ground nesting birds and identify any additional maintenance costs for subsequent Committee approval.
- 1.2 The ecology report recommended that additional measures are implemented to reduce the impact of disturbance and trampling of ground nesting birds through the use of temporary barriers to protect nesting sites during the breeding season (Mid-February to August).

2. Recommendation

- 2.1 That the results of the **St Mary's Lands Working Party's** assessment of access be noted and the measures for controlling access to sensitive breeding areas be supported.
- 2.2 That a review after the breeding season be undertaken involving the **St Mary's Lands Working Party and the review findings be reported back.**
- 2.3 That the Executive reviews the basis of participation of groups on the **St Mary's Lands Working Party.**
- 2.4 **That the St Mary's Lands Working Party's Terms of Reference; mode of working; and, the basis for public participation be reviewed and submitted to the Executive for approval.**

3. Reasons for Recommendations

Recommendations 2.1 and 2.2

- 3.1 At its meeting in November 2020 the Executive Committee agreed the following:
 - "2.1 That the Executive reviews the options for the flying hours of model aircraft as set out in Appendix 1 of this report and **considers the St Mary's Lands** working Party recommendation to adopt the hours recommended by the model flyers with the Working Party's recommended amendment to review the impact after a year.
 - 2.2 Subject to recommendation 2.1 above being agreed, that the hours of operation are made known via the Council website and on-site signage.
 - 2.3 That the results of the **St Mary's Lands Working Party's** assessment of access be reported back to the Executive for a decision on controlling access to sensitive breeding areas, including the costs of additional barriers / site notices."
- 3.1 This report seeks to follow up on recommendation 2.3 above.

- 3.2 Members will know that **St Mary's Lands is a large public open space on the western side of Warwick lying between the edge of town and the countryside leading to the A46. It is an area that falls wholly within the town's Conservation Area; houses a Grade II Listed Building with also the listed Hill Close Gardens immediately adjoining; and, is partly a Local Nature Reserve.**
- 3.2 **St Mary's Lands is also home to a variety of uses and activities many of** which are historic in nature; e.g. racecourse; golf course; football; local community use (Corps of Drums); walking, running, dog walking, wildlife watching, etc. In addition, the area has for over 90 years been used as an area in which people can use to fly model aircraft. This makes it one of the oldest venues, if not the oldest, in the country for flying of model aircraft. It is also one of the oldest locations for a golf club in the country and is the 3rd oldest racecourse in the world.
- 3.3 **The improvement of St Mary's Lands area is one of the Council's key** projects, the Council having agreed in August 2017 to a Master Plan ([available on the Council's website](#)) for the area as well as a delivery plan which is now being implemented. A significant amount of the elements of the masterplan have now been implemented. The Working Party brings together the organisations involved with the area and is now focusing on the implementation of the Master Plan. Since July 2017 the local association of model aircraft flyers have been represented on the Working Party. In October 2017 a presentation to **Working Party was given by the model flyers'** representative in support for a re-introduction of the more extensive hours of operation that used to operate prior to the last consideration of this issue by the Council in 2004.
- 3.5 **St. Mary's Lands is** also an important site for wildlife recognised by its Local Nature Reserve status. A key objective of the masterplan is increasing the **site's wildlife value and overall biodiversity. The model aircraft are flown over** areas that are used as breeding grounds by ground nesting birds. Whilst it is **an offence to intentionally or recklessly disturb at, on or near an 'active' nest** under the Wildlife and Countryside Act 1981, the Wildlife Watching group have witnessed unintentional disturbance and the nesting populations at **St. Mary's Lands is at best stable.** There have been very recent news articles in the Times on this very issue nationally.
- 3.6 Following the November 2017 Executive Committee approval, an ecology study was commissioned immediately afterwards. The ecologist undertook 3-site visits over a 7-month period and reported on its findings in August 2018. The findings were inconclusive in that it could not identify any adverse impacts of model flying but could not confirm that they did not exist. The wildlife group were also concerned that whilst 3-site visits were undertaken, none of these coincided with the beginning of the breeding season (mid-February – early-March). Consequently, it was agreed that a more extensive ecological evaluation covering a full 12-month period would be required. A revised brief for the new survey was agreed and the works tendered. The ecologist was appointed in February 2019 and an interim report was issued in the summer of 2019 and a final report after the 12-month study in March 2020.

- 3.7 The ecology report identified the site as having high-ecology value for nesting birds and these are being affected by a cumulative impact from various disturbances. It identified the model flying having a low to medium disturbance impact. A higher level of disturbance was being made by dogs running into the nesting sites. The cumulative effect of both the model flying and dogs were seen to be detrimental to nesting birds. The **ecologist's** report therefore recommended some physical restrictions are made to prevent dogs from being able to access the sensitive breeding sites and that the model flying hours were adjusted to give a beginning and end of day periods without interruption from flying. The previous roping off of bird nesting sites offered little protection from dogs and the use of temporary physical barriers combined with site notices will assist in identifying and managing the nesting sites.
- 3.14 It was agreed in November 2020 that an assessment of the potential type and extent of barrier restrictions be undertaken and developed with the Working Party before the next breeding season started in mid-February 2021. Once that information had been collected and it demonstrated no significant issues then a formal public consultation was to be carried out based around site notices and information displays. It was felt at the time that this approach would allow all the issues to be properly examined and considered and this is important given the potential risks that may arise.
- 3.15 However, working up suitable proposals took longer than anticipated and draft proposals were not able to be put to the Working Party till 12th January 2021. The proposal that emerged is set out on **Plan 1** and shows a relatively **small area of the St Mary's Lands that would** be subject to a temporary barrier for a set period of time. Associated signage is also attached. However, this process meant that there was insufficient time to be able to undertake a formal public consultation prior to undertaking the works. Given the impending nesting season the Chief Executive authorised the operational works to be undertaken. It is however, proposed that the Council review the effects of this proposal with the Working Party, report back and consider proposals for the year 2022 onwards.
- 3.16 Although a wider public consultation was not undertaken there was extensive discussion both at the Working Party meeting in January and by email **subsequently. With the exception of the Friends of St Mary's Lands all the** other member organisations to the Working Party agreed the proposals, this included the nature conservation interest.
- 3.17 The Friends position has been to deny that there is a problem. It did subsequently raise a different response which was to propose to move the nesting **birds site to the "Straight" part of the racecourse**, which is west of the Gog Brook. This land is not in the control of the Council and the Jockey Club which does control that land, pointed out the conflict it would have operationally with their use of that land, so it was not felt to be a feasible option. It is also doubtful whether the nesting site could be moved as was being suggested. The Friends group has nevertheless continued to raise objections. Sadly, the Friends have declined an offer for its Management Committee to discuss this and other matters with the Leader of the Council

and the Chief Executive. It is even suggesting now that it will undertake a public consultation of its own volition.

Recommendation 2.3 and 2.4

- 3.18 This suggestion however, and the comments coming from it cannot be taken as credible since the members of the Management Committee of the Friends, other than the Secretary, are not disclosed. This raises a wide issue and so it is proposed therefore that in order that the Working Party representation is clearly accountable that all groups participating should be: recognised and organised by Company or Charitable law or similar legal arrangements; or where that is not the case by disclosing their management arrangements to the Council.
- 3.19 It is felt timely that after operating since late 2015 that the Working Party review its Terms of Reference; its mode of operation; and that how public participation is organised and managed, for consideration and approval by the Executive.

4. Policy Framework

4.1. Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report shows the way forward for implementing a minor part of **one of the Council's Key** projects.

4.2 FFF Strands

4.3 External impacts of proposal(s)

People - Health, Homes, Communities – St Mary's Lands enables free to access to a range of opportunities for improved health outcomes with specific reference to physical and mental well-being. The proposal will not impact on this commitment to access to the open space.

Services - Green, Clean, Safe - The Council is committed to maintaining St Mary's Lands and preserving and enhancing public access as well as ensuring the area is well looked after especially given its bio diversity importance. The proposal may have an impact on the bio diversity but the other protective measures may act as appropriate mitigation.

Money- Infrastructure, Enterprise, Employment - The proposal enables an existing recreational opportunity to continue to be enjoyed and so will be beneficial in attracting visitors and so the local economy.

4.4 Internal impacts of the proposal(s)

People - Effective Staff – No impact

Services - Maintain or Improve Services – the proposal recognises customer needs and will improved service provision in line with these

Money - Firm Financial Footing over the Longer Term – the proposal will have minimal impact on the Council's budgetary situation.

4.5 Supporting Strategies

The adopted St Mary's Lands Master Plan is relevant to this issue since it is a key objective to protect and enhance the wildlife value and biodiversity.

4.6 Changes to Existing Policies

Not relevant.

4.7 Impact Assessments – Not relevant.

5. Budgetary Framework

- 5.1 The estimated costs of the temporary barriers plus information notices is circa £2,500 and would be capable of being funded from the capital **allocation for the St Mary's Lands works**. Otherwise there is no additional budgetary implication of this proposal. This is a one-off cost, as the barriers can be taken down, stored and re-erected the following year.

6. Risks

- 6.1 Not recognising the need to protect the Local Nature Reserve could result in the denudation of the bio diversity and loss of a rare bird species in the District.

7. Alternative Option(s) considered

- 7.1 The Council could decide to take out the measures but given that the breeding season has started this is unadvisable. The Council could stick with roping off the area, the measures that is has previously adopted, but the ropes are often ignored and proved to be insufficient for the purpose.

8. Background

- 8.1 **The St Mary's Lands Working Party** which has been operating since late 2015 in its current form is made up of representatives as follows:

Warwick Town Council – 2 members

Warwick District Council – 5 members but only 2 names given

Warwickshire County Council – the ward member

Jockey Club – one person

Racing Club Warwick – one person

Hill Close Gardens Trust – one person

Warwick Golf Centre – one person

Corps of Drums – one person

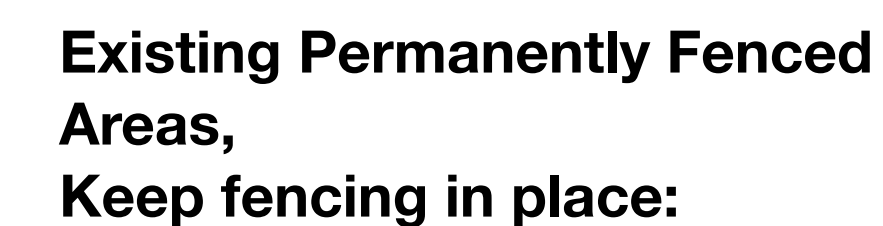
Model Aircraft Flying Group – one person

Friends of St Mary's Lands – one person

Warwick Society – one person

Wildlife Watching Group – one person

- 8.2 Support is provided by Plincke Landscape who have acted as Project Co-ordinator and by the Chief Executive with other Council officers as required. Chairing has been rotational though rather ad hoc.
- 8.3 The Working Party has operated without a formal set of terms of reference but largely in an understood way of being able to discuss issues in confidence. It is not a Council Committee and so has no formal authority, rather it has influence. Any conclusions/recommendations it makes are fed either into Council officer delegated decisions; or into **reports to the Council's** Executive; or, into the decision making processes of the other participating bodies.



- extremely boggy underfoot
- the Snipe hide in there during winter
- many birds breed in the reed bed
- the pool is deep and a danger to the general public.



- reduce disturbance to ground nesting birds
- increase wildlife diversity

Proposed Seasonal Barrier.



St. Mary's Lands:



Stop! Please Protect Our Wildlife



*Birds you might
see:*



Skylark



Meadow Pipit

We hope you enjoy your visit to *St. Mary's Lands*.

*To protect ground nesting birds we are asking all visitors and dogs to **KEEP OUT** of the restricted areas during the bird nesting season (late-February - mid-August) so the birds can nest and rear their chicks **safely**.*

The breeding season is a particularly vulnerable time for ground nesting birds. When disturbed birds may be prevented from settling, or if already nesting they will fly away from their nests, neglecting their eggs or chicks.

Disturbance may result in:

- ❖ birds failing to nest
- ❖ eggs failing to hatch
- ❖ birds abandoning their nest
- ❖ chicks dying from the cold or lack of food.

Please help us to protect our wildlife.

It is a criminal offence to disturb breeding birds, this also includes disturbance caused by your dog.
Please keep to the footpaths during the bird nesting season.

