# Cabinet

Minutes of the meeting held on Wednesday 8 March 2023 in the Town Hall, Royal Leamington Spa at 6.00pm.

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

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

Before starting the meeting, the Leader noted that it was International Women's Day; an opportunity to celebrate not just the achievement of Women but also to raise awareness around discrimination and to take action to drive for gender parity.

105. **Apologies for Absence**

Apologies were received from Councillor Grainger.

106. **Declarations of Interest**

Minute Number 116 - Barford Youth and Community Centre Grant Application.

Councillors Matecki and Rhead declared an interest as Ward Councillors and had expressed support for the Community Centre but confirmed they would listen to the debate before voting on this item.

107. **Minutes**

The minutes of the meeting held on 9 February 2023 were taken as read and signed by the Chairman as a correct record.

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

108. **Treasury Management Strategy 2023/24**

The Cabinet considered a report from Finance which detailed the strategy that the Council would follow in carrying out its Treasury Management activities in 2023/24.

The Chartered Institute of Public Finance and Accountancy (CIPFA) defined treasury management as:

*"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

This definition was included within the Council's Treasury Management Policy Statement 2023/24, at Appendix A to the report.

While any 'commercial' initiatives or loans to third parties would impact on the treasury function, these activities were generally classed as non-treasury activities, (arising usually from capital expenditure), and were separate from the day-to-day treasury management activities.

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 Cabinet and were subject to periodic Internal Audit review.

There were updates made to the TMPs before 1 April 2022, and a major re-write had been made to fully incorporate the 2021 CIPFA recommendations alongside the report.

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 2023/24 was included as Appendix B to the report.

The 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 it must have been made available to the public. The Annual Investment Strategy for 2023/24 was shown as Appendix C to the report.

The Council needed 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 DLUHC 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 D to the report.

On 30 November 2021 DLUHC issued "*Consultation on changes to the capital framework: Minimum Revenue Provision*", to last for 10 weeks until 8 February 2022. The latest information Link had was that any changes would take effect from 2024/25 at the earliest, rather than 2023/24 as original proposed, but nothing definitive had been released.

The paper primarily covered the concerns that the Government had in respect of compliance with the duty to make a prudent revenue provision, which in their view, resulted in an underpayment of MRP. The consultation document stated that the DLUHC were not intending to change the statutory MRP guidance, but to clearly set out in legislation the practices that authorities should  have already been following.

However, the initial proposals had the potential to remove the discretion of Councils to interpret their measure of a prudent MRP policy, and, in particular, to elect to use capital receipts from capital loan repayments to be put aside to repay debt in place of the revenue charge. This would have had major implications for Councils such as Warwick District Council, so along with many Councils, officers responded against that proposal.

If and when the changes took effect, the Government had said that they would be "prospective", meaning that although they would not apply to previous financial years, they would apply to existing loans repayable after that date. This would, contrary to the accountancy and legal advice obtained at the time, apply to the housing joint venture loans, which would require MRP being charged, which would run into many millions of pounds each year. The Council had responded to the Government's consultation, pointing out the severe impact and uncertainty such changes would make.

The recommended MRP Policy at Appendix D to the report would still enable the MRP to exclude such loan repayments, until a Government decision was made on the consultation, but a full risk assessment based on the latest information and recommendations from Link etc. would be undertaken before any capital investment for which the MRP 'holiday' might be deemed to apply was committed.

The Prudential Code required full Council to approve several Prudential and Treasury Indicators, including amounts of borrowing required to support capital expenditure, set out in Appendix E to the report which needed to be considered when determining the Council's Treasury Management Strategy, which should have assessed the risks and rewards of significant investments over the long-term, as opposed to the usual three to five years that most local authority financial planning had been conducted over, to ensure the long-term financial sustainability of the authority. (CIPFA had not defined what longer-term meant, but it was likely to infer 20-30 years in line with the financing time horizon and the expected life of the assets, while medium-term financial planning, at a higher level of detail, was probably aimed at around a 10-year timeframe and focused on affordability in particular).

The *Prudential Code for Capital Finance in Local Authorities* was last revised on 20 December 2021 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. It was effective immediately, but Councils were permitted to defer reporting until 2023/24. Given the other workstreams the Council was facing, and that this was the advice of the treasury advisers, the Council agreed to defer until the statutory deadline.

The key points were:

a) An authority must not borrow to invest primarily for financial return.
b) Revised definition of investments.
c) Quarterly monitoring and reporting of Performance Indicators.
d) New performance indicator for net income from commercial and service investments as a percentage of net revenue stream.
e) New performance indicator for the 'liability benchmark'.
f) Capital Finance Requirement includes heritage assets.
g) Annual strategy review of divesting commercial activities.
h) Objectives must include the need for plans and risks to be proportionate.

i) New definitions of prudence.
j) Reference to Environmental Sustainability in the Capital Strategy.
k) Production of an annual Capital Strategy. Link recommended that this should be a separate high-level corporate document.

Point d) above introduced a new distinction of service investments. The revised Treasury Management Code required all investments and investment income to be attributed to one of the following three purposes:

**Treasury management** - Arising from the organisation's cash flows or treasury risk management activity, this type of investment represented balances which were only held until the cash was required for use. Treasury investments might also arise from other treasury risk management activity which sought to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

**Service delivery** - Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which were funded by borrowing were permitted only in cases where the income was 'either related to the financial viability of the project in question or otherwise incidental to the primary purpose'

**Commercial return** - Investments held primarily for financial return with no treasury management or direct service provision purpose.

The main requirements of the Prudential Code relating to service and commercial investments were:

- The risks associated with service and commercial investments should be proportionate to their financial capacity – i.e. that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services.
- An authority must not borrow to invest for the primary purpose of commercial return.
- It was not prudent for local authorities to make any investment or spending decision that would increase the CFR, and so might lead to new borrowing, unless directly and primarily related to the functions of the authority, and where any commercial returns were either related to the financial viability of the project in question or otherwise incidental to the primary purpose.
- An annual review should be conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt.
- A prudential indicator was required for the net income from commercial and service investments as a proportion of the net revenue stream.
- Create new Investment Management Practices to manage risks associated with non-treasury investments, (similar to the current Treasury Management Practices).

As previously reported, the Council had no 'Commercial return' investments.

The Cabinet previously requested that the 2020/21 Treasury Management Strategy Statement considered the policy of investing in fossil fuels. The Council had some minor (c. 5%) exposure to fossil fuel extraction companies in two corporate equity funds, operational since 2017/18. The Council divested from these funds during 2021/22 and no longer had any directly measurable investment exposure to fossil fuel extraction.

In terms of alternative options, the report set out the capital spending and borrowing requirements for the financial year 2023/24 within the Prudential Indicators (PIs). The Council could increase or decrease these limits, provided that these PIs were within the envelope of what was affordable and prudent, taking account of interest costs and the Minimum Revenue Provision ("depreciation") requirements.

The 2023/24 budget for investment income, after inclusion of growth items, was set out in paragraph 4.5 in the report.

The amount of interest that was to be credited or debited to the Housing Revenue Account as 'HRA allocation#' would vary depending on how the net balances and cashflow of the HRA changes. As the HRA's capital programme had relied on external borrowing for the last couple of financial years, due to interest rates and the Council's overall level of investments (of reserves and balances), this borrowing had been deferred, and the HRA had used 'internal borrowing', for which the interest was paid to the General Fund for that fund's share of the investments foregone.

Whilst any 'service' (not to be confused with commercial / primarily 'for yield') initiatives or loans to third parties would impact on the treasury function, these activities were generally classed as non-treasury activities, (arising usually from capital expenditure), and were separate from the day-to-day treasury management activities.

The Overview & Scrutiny Committee thanked officers for their work on the report. The Committee supported the changes to the wording relating to the UK Risk Rating, set out as Appendix C – Annex 3 to the minutes. The Committee noted that further consideration should be given to Environmental Social and Governance (ESG) criteria and other countries for investments in the next Council.

Councillor Hales stated that it was important that next administration got a very good level of training in financial management, given its importance to the Council. He also noted the comments from the Overview and Scrutiny Committee around the ESG criteria and other countries for investments in the next Council and this would be reviewed under the next administration. He then proposed the report as laid out.

**Recommended** to Council that

(1) the Treasury Management Strategy for 2023/24 as outlined in paragraph 1.6 in the report and contained in Appendix B to the minutes, be approved;

(2) 2023/24 Annual Investment Strategy as outlined in paragraph 1.7 and contained in Appendix C to the minutes, be approved;

(3) The Minimum Revenue Provision Policy Statement as outlined in paragraph 1.8 in the report and contained in paragraphs 5.1 to 5.5 of Appendix D to the minutes, be approved; and

(4) the Prudential and Treasury Indicators as outlined in paragraph 1.14 and contained in Appendix E to the minutes, 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 1,320

109. **Local Authority Housing Fund Award**

The Cabinet considered a report from Housing. The Department for Levelling Up, Housing and Communities (DLUHC) had awarded Warwick District Council a grant of £2,820,431 from a national award of £500 million to support the purchase of 21 properties to provide sustainable housing for Afghan and Ukrainian families seeking refuge in the area. The aim of the report was to seek approval for the purchases and the additional funding required to complete the purchases within the required timeframe.

The LAHF was launched on 14 December 2022. The details of the fund were shared with the Council in the document 'Local Authority Housing Fund – Prospectus and Guidance' ('the Prospectus'). It was a £500m capital grant fund to support local authorities in England to provide sustainable housing for those unable to secure their own accommodation i.e. Afghan and Ukranian refugees.

The objectives of the scheme were:

- to ensure recent humanitarian schemes (Afghan and Ukraine schemes) which offered sanctuary, via an organised safe and legal entry route, to those fleeing conflict, provided sufficient longer term accommodation to those they supported;
- support areas with housing pressures which had generously welcomed substantial numbers of Ukrainian refugees so that these areas were not disadvantaged by increased pressures from these arrivals on the existing housing and homelessness systems; and
- mitigate the expected increased pressures on local authority homelessness and social housing resources which arose from the eligible cohort as sponsorship/family placements/bridging accommodation arrangements came to an end by increasing the provision of affordable housing available to local authorities to support those in the cohort who were homeless, at risk of homelessness, or in bridging accommodation;

Given the objectives of the fund, those eligible for the housing were those who were homeless, at risk of homelessness or who lived in unsuitable Temporary Accommodation (including bridging accommodation) and who also met the below definition.

Those on the:

(a) Afghan Citizen Resettlement Scheme (including eligible British Nationals under this scheme) (ACRS).
(b) Afghan Relocations and Assistance Policy (ARAP).
(c) Ukraine Family Scheme (UFS).
(d) Homes for Ukraine (HFU).
(e) Ukraine Extension Scheme (UES).

- reduce emergency, temporary and bridging accommodation costs;
- deliver accommodation that as far as possible allowed for the future conversion of housing units to support wider local authority housing and homelessness responsibilities to UK nationals (i.e. after usage by this cohort ends);
- utilise accommodation solutions to enable effective resettlement and economic integration of the eligible cohort;
- reduce pressures on the existing housing and homelessness systems and those waiting for social housing.

The DLUHC had awarded Warwick District Council £2,820,431 to purchase:

- 19 properties for households that met the eligibility criteria referred to as the 'the main element; and
- 2 x 4 bed properties to be allocated to households currently in bridging accommodation referred to as the bridging element.

The grant represented 40% of the purchase price for the main element and 50% for the bridging element. There was an allocation of £20,000 per property to cover other expenses. These expenses could include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration, furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items. The Council should have ensured it complied with the Code of Practice for Local Authority Accounting.

The DLUHC had applied a deadline that the properties had to be delivered by 30 November 2023.

The purchase could be new build, existing dwellings, those requiring refurbishment and any combination to meet the scheme requirements by the stated deadline.

The properties were solely for Ukraine and Afghan households. This presented problems for authorities in that Council homes must only have been allocated through its published Housing Allocations Policy. DLUHC proposed that Councils use Local Lettings policies or provide the properties though a Registered Provider or the Councils Local Housing Company. There were advantages and disadvantages of each of these methods and further work was required to establish the optimum means of allocating these properties.

In terms of alternative options, one was to refuse the allocation and not purchase additional properties to assist the Afghan and Ukranian refugees. However, the grant was being provided to assist with the purchase of properties and it would contribute to the number of social properties in the District.

Councillor Matecki praised the generosity of the public, particularly in the District, in helping to settle and house displaced persons. In response to a comment from Councillor Falp, the houses would not be labelled as 'refugee housing', they would be added to the Council's Housing stock. The houses were particularly for Afghan refugees and displaced people from Ukraine. He then proposed the report as laid out.

**Recommended** to Council that

(1) a total expenditure budget allocation of up to £6,282,550 to purchase 21 dwellings in the Housing Revenue Account (HRA), be approved. Of this total the HRA will fund £3,672,119 and DLUHC grant of £2,820,431 will provide 60% match funding for the purchase of 19 properties comprising the "main element" and for 50% towards the funding for the purchase of 2 properties to meet housing for the "bridging element" of the grant programme and to allow for potential sustainability/ environmental improvements to the properties;

(2) authority be delegated to the Head of Housing in consultation with the Portfolio Holder for Housing to determine the optimum means of allocating these properties; and

(3) authority be delegated to the Heads of Finance in consultation with the Portfolio Holders for Finance and Housing and the Head of Housing to determine the means of financing the scheme.

(The Portfolio Holder for this item was Councillor Matecki.
Forward Plan Reference 1,353

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

110. **Commonwealth Games – Outcomes and Legacy**

The Cabinet considered a report from the Commonwealth Games Programme Manager which presented a review of the work that the Council undertook in hosting events of the Birmingham 2022 Commonwealth Games and presented details of outcomes and legacy outputs.

In Summer 2022, Birmingham hosted the XXII Commonwealth Games, the largest major event to be held in England since the 2012 Olympics. A final evaluation report, commissioned by the Department of Culture, Media and Sport (DCMS), would not be available until Summer 2023, a year after the Games finished. It followed the recent publication of their interim report available online. This focused on Birmingham, the West Midlands and the wider UK.

The report provided more localised information, supported by independent monitoring and evaluation findings, regarding Warwick District's Commonwealth Games project in order to:

- identify and review key outputs, monitoring & impact evaluation findings;
- promote significant legacy delivery;
- assess the effectiveness of using major sporting opportunities to meet Corporate Strategy and Business Plan objectives; and
- identify lesson learnt to benefit the potential future hosting of any major sport events and the management and structuring of related project(s), impacting several Service Areas.

The report also provided a reminder of the unique range of opportunities and special moments enjoyed by local residents, visitors, competitors, club members, visitors, competitors and volunteers across the District, which was visually summarised in Appendix 1 to the report.

The Commonwealth Games was the second largest global 'multi-sport' event after the Olympic Games involving 72 member nations and territories, with a wide range of core and optional sports. It was also renowned for its inclusiveness, integrating para sports events within some of its programme. The organisation responsible for the direction and control of the Games was the Commonwealth Games Federation (CGF).

Being part of the Birmingham 2022 Commonwealth Games, provided unique local opportunities within the District, access to bespoke funding opportunities and a variety of positive project outcomes. This led to the bidding process being reopened and Warwick District Council (WDC) providing the Victoria Park Lawn Bowls and Para Lawn Bowls Venue as part of Birmingham's successful bid.

For context, and to understand what an incredible achievement it was for the WDC to deliver all its roles and responsibilities, it was important to be aware that:

- WDC was a 'venue owner' and not an official Games Partner or WMCA member;
- the initial priority objective for WDC was to ensure the venue, and the surrounding area, was Games ready by 2022;
- many wider aspects of the Games would become managed and controlled by the Birmingham 2022 Organising Committee (B2022 OC) once established and the main funding partners, the DCMS and Birmingham City Council (BCC). As identified in Appendix 2 to the report, they were also supported by several other bid partners

including the WMCA, with many aspects of planning and decision making outside WDC control; and
- the Covid pandemic and the merger process between WDC and Stratford District Council (SDC), which was later aborted, created additional challenges during crucial operations planning stages and identify staff roles and responsibilities.

Despite all the unprecedented challenges since 2017, the Birmingham 2022 Games was acclaimed as very successful, generating much positive feedback, due to the efforts of all those involved and for the West Midlands region as a whole.

Approval from Executive, 'for the Project Initiation Document (PID) and initial resources for the local plans for the 2022 Commonwealth Games' was granted at the 7 March 2018 Executive meeting.

A Project Manager, later to become the CWG Programme Manager, was appointed end April 2018 with their initial responsibility to lead the initiation phase of the project to implement and develop the strategic objectives and governance of the project. This resulted in the updating of the original PID to v2.1 detailed in Appendix 3 to the report.

Supporting Birmingham 2022 to deliver a successful Commonwealth Games Lawn Bowls and Para Bowls competition and the associated enhancement of Royal Leamington Spa's Victoria Park venue remained the priority objectives with additional wider objectives established.

A retrospective inspection of the Victoria Park venue by World Bowls identified concerns regarding the level and speed of the greens required to meet the latest International regulations. WDC raised concerns regarding the additional unexpected costs involved in levelling and resurfacing four greens in the lead up to the Games and the disruption to the resident club, Royal Leamington Spa Bowling Club (RLSBC), and other bowls stakeholders during the 2019, 2020 and 2021 seasons.

While this critical venue infrastructure requirement created additional challenges in the lead up to the Games, it became key to a successful bid application to the Coventry & Warwickshire Local Enterprise Partnership (CWLEP) for Commonwealth Games ring-fenced funding. A variety of venue upgrades, along with other public realm improvements would provide lasting legacy.

Details of the WDC Commonwealth Games Project were also effectively used as part of a successful bid when applying to the CWLEP for a £Multi-million grant. It included a new structure for a Commonwealth Games programme of projects, detailed in Appendix 4 to the report.

The CWLEP grant supported the additional staffing costs of a Programme Manager and the Commonwealth Games Infrastructure Manager. The original project's community related objectives remained within a Commonwealth Games Community and Venue Project, staffed internally and supported by the programme manager. With the Covid-19 pandemic impacting risk and delivery timelines just prior to the grant being finalised, a slightly scaled back but still significant Commonwealth Games Infrastructure grant was awarded for £1.8M.

Crucial to the successful CWLEP bid application was liaison with WCC with regard to infrastructure improvements to the Leamington Spa Station Forecourt. This, and an opportunity for the B2022 Cycling Road Race to be awarded to WCC, with WDC providing the Start/Finish venue, resulted in effective partnership working to ensure even greater outcomes and benefits. Further background details were provided in Appendix 5 to the report.

In terms of alternative options, this was not applicable as this was a unique opportunity, with significant economic and community benefit opportunities in section 5 of the report, including being able to access significant Commonwealth Games ring-fenced CWLEP infrastructure grant and other improvement grants via the Birmingham 2022 Organising Committee and the WMCA.

The Cabinet noted the importance of the 'lessons learnt' part of the report, and that approach was important to have across all areas of the Council moving forward.

Councillor Bartlett commended officers for their work in delivering the Games, particularly the Former Head of Cultural Services and the Commonwealth Games Programme Manager. This was an opportunity to celebrate as much as it was to learn from, and the Council could hold its head high for delivering successfully. He was hopeful that moving forward work could start on some of the infrastructure following the Games so that it could be in place for any future opportunities to deliver sporting events. He then proposed the report as laid out.

Before moving the to vote, the Cabinet moved a formal vote of thanks to Rose Winship – Former Head of Cultural Services - and Christina Boxer – Commonwealth Games Programme Manager – for their efforts in delivering the Games.

**Resolved** that

(1) the contents of the report, be noted; and

(2) all of the key learning recommendations in appendix 12 to the report, be accepted.

(The Portfolio Holder for this item was Councillor Bartlett)
Forward Plan Reference 1,298

111. **Equalities Task & Finish Group**

The Cabinet considered a report from Councillor Mangat which brought forward the conclusion of the work of the Equalities Task & Finish Group for consideration by the Cabinet.

In June 2020, the Council approved a Motion, as part of the international response following the death of George Floyd, and as a result the Overview & Scrutiny Committee were asked to establish a Task and Finish Group. The Task and Finish Group (the Group) was charged with undertaking a review of the Council's approach to equality and diversity, especially with regard to race. Its report to the Committee would include an action plan with a view to the Cabinet adopting the Committee's recommendations in the report and its action plan. The progress and outcomes of the action plan would be monitored by the Overview & Scrutiny Committee, with the expectation that measurable improvements would be made by 2023.

The Overview & Scrutiny Committee supported the request and appointed a Task & Finish Group at its meeting on 22 July 2020, along with its Scope as set out at Appendix 1 to the report. The Group was initially formed of Councillors Carolyn Gifford, Mangat, Noone and Tangri, with Councillor Noone being replaced by Councillor Illingworth in late November 2020. The Group split the work into two phases, internal (looking at equalities issues relating to the internal practice and polices, and the experiences of employees who are from ethnic minorities, and phase two that would review service delivery, as set out within its scope, including details of community engagement and including the officer and other resources needed to support this process.

The second phase commenced in October 2021 but was delayed due to the impact of the proposed merger with Stratford-on-Avon District Council and the officer commitments in delivering this. This was then followed by the work to undo the planned integration, the Commonwealth Games, and the death of Her Majesty the Queen. In addition, it took longer than expected to recruit to the role of Equalities, Diversity & Inclusion Business Partner (three rounds of recruitment), who would be a key officer for supporting the work of the Group and the successful candidate did not start with the Council until December 2022.

These constraints limited the operation of the Group who were committed to completing the work for February 2022 to enable the overall work to be completed by the end of this Council.

Those constraints aside, a number of positive pieces of work had been able to be completed, including analysis of the public engagement with residents' surveys against base data from the Census in 2021 and 2011. The Census 2021 data on ethnicity within the District was released in late 2021. This, set out at Appendix 2 to the report, allowed comparison between the 2011 census, to see change within the District and also how representative the residents' surveys undertaken by the Council in 2021 and 2022 were.

The results identified that the Census in 2021 used different data categories for ethnicity than were used in the residents' surveys. This had provided some limitations for direct comparisons but still provided a strong illustration of the representativeness of the survey responses.

Overall, the Task & Finish Group were pleased with the representative data, noting that the surveys were undertaken with a fair process for random selection and weighting subsequently added to the results. This process would be reviewed for any future all-residents' surveys to consider the significant change in respect of decrease in proportion of people identifying as White: English, Welsh, Scottish, Northern Irish or British.

In addition to this, all Councillors had been provided with a breakdown of the District to Ward level for ethnicity for their reference. This had also been shared with senior officers across the Council to help with planning of engagement events in specific areas. Further analysis of the Census 2021 was now being undertaken by officers in respect of gender, disability, and age in relation to the residents' surveys.

The learning from this data would be used as a reference point for work being undertaken by the Council and could also be used as part of the consideration when completing equality impact assessments for delivery of services.

In addition to this work, the Council now had an Equalities, Diversity, and Inclusion (EDI) Business Partner for an 18-hour a week post. The new EDI Business Partner started on 1 December 2022 and was an experienced professional with awareness of WDC policies and processes, and also had significant experience in EDI from both an employer's and other perspectives. This had been welcomed by the Task & Finish group as a significant step forward in recognising equalities as a key aspect of all service delivery within the Council.

The (EDI) Business Partner was reviewing the work of the Council to highlight immediate priorities and longer-term action of the EDI agenda within the organisation. These priorities would be fed back to service areas as appropriate for them to take forward.

To compliment the work on equalities the Group had recognised the more inclusive approach that was being taken, more generally across the Council. For example, the Council had just supported Black History Month and had promoted a series of other awareness initiatives, such as menopause awareness, in October. The speakers, in respect of menopause awareness, were both male and female, to get a different perspective and impact from a legal point of view in term of equalities.

There was planned training on EDI, including for Members, delivered by the new EDI officer, with a view to raising awareness and increasing Councillors' confidence in challenging on equalities in respect of the work they see. This would be used as a test event with learning being taken forward into training for the new Council, to further enhance the current training provision.

With support from the EDI Business Partner the group had defined a scope for recruiting a partner to secure engagement to enhance and maintain communication and feedback from existing community groups. The full scope for this work, which had been agreed by the Group in consultation with Chairman of the Overview & Scrutiny Committee, was attached at Appendix 2 to the report. This brief had now been advertised for procurement with a view to competition in summer 2023, with the report being shared with Members and actions brought forward as required.

To supplement this, equalities was now added as a standard agenda item for every Programme Advisory Board. This was not as a separate discussion point but to act as reminder when considering any paper or item to include any equalities matters. The new Committee report template also provided a reminder about the requirement for Equality Impact Assessments which the Equalities, Diversity and Inclusion Business Partner was developing further guidance and support for report authors.

Throughout the work of the Task & Finish Group they had been supported and worked with a number of officers across the Council and it was considered important they were thanked for their time in supporting the Group in delivering this key piece of work.

The report was considered by the Overview & Scrutiny Committee in February who agreed some minor changes to the report in respect of funding for future work be revised in respect of the funding at recommendation (3)(i) to allow for inflation between now and the next survey.

In terms of alternative options, the Overview & Scrutiny Committee could have decided to ask the Group to undertake further work on the outcomes or could reject the proposals and establish a new Group. However, this work would not commence until the election had taken place and would be a consideration by the new Overview & Scrutiny Committee.

Councillor Tracey emphasised the need to focus on the future delivery of the good work started by the Group and highlighted the good work by the EDI Business Partner Candy Outridge, who would be integral in the future delivery.

Councillor Day highlighted that the new Council's training programme had a mandatory piece on Equality and Diversity which would send a clear signal to the new Councillors joining the administration. He then proposed the report as laid out.

**Resolved** that

(1) the outcome of the work of the Task & Finish Group including the brief for community engagement work, as set out at Appendix 3 to the report, be noted;

(2) the positive outcomes that are being delivered as set out in the report, be noted;

(3) the following, be agreed:

i. a budget of at least £5000 be approved to undertake an equalities community review and engagement work on a cyclical basis every 3 years with the next in 2026;

ii. Officers align the equalities categories used by the Council with those of the Census 2021; and

(4) the members of the Task & Finish Group and officers involved be thanked for their work.

(The Portfolio Holder for this item was Councillor Day)
Forward Plan Reference 1,352

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

The Cabinet 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 to prevent and detect crime. Each local authority needed to have a policy in place, which set out the circumstances in which these powers may 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") regarding 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 Council's RIPA Policy was set out as Appendix 1 to the report. The Policy also required a sub-policy covering the use of social media and setting out the circumstances when a RIPA authorisation would be required. This was set out as Appendix 1.1 to the report.

Councillor Hales thanked the officers involved for ensuring the Council met high standards, and he then 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)

113. **Update to the Council's Whistleblowing Policy and Procedure**

The Cabinet considered a report from Finance. Following a review, the Council's Whistleblowing Policy had been updated and the latest version was set out for approval by Members. None of the changes were greatly significant but nevertheless it was good practice to review such polices to ensure continued relevance and applicability.

The Policy, set out in Appendix 1 to the report, would aid effective governance within the Council by helping to highlight concerns and address problems.

The Whistleblowing Policy was intended to cover concerns that fell outside the scope of other procedures, and which involved an issue in the public interest, although the Council reserved the right to determine which procedure was appropriate. Concerns relating to, for example, the conduct of an elected Member, safeguarding, or other issues such as a complaint about the standard of service received or regarding a member of staff, or tenancy, benefit, or Council Tax fraud, were dealt with under separate procedures. For example, concerns relating to the way an employee perceived they were being treated at work (such as bullying, harassment, discrimination) did not fall under the remit of Whistleblowing and would be dealt with under the Council's Grievance Procedure.

Councillor Falp thanked the Risk and Audit Manager for his broad range of high-quality work.

In response to a question from Councillors Mangat and Tracey regarding the procedure if there was a complaint involving the Deputy Monitoring Officer, Deputy Chief Executive and Monitoring Officer, and Chief Executive, this would need to be dealt with by an external person.

Councillor Hales also highlighted the importance of the Risk and Audit Manager and thanked him for his work. He then proposed the report as laid out.

**Resolved** that the Whistleblowing Policy, set out as Appendix 1 to the report, be approved.

(The Portfolio Holders for this item were Councillors Day and Hales)
Forward Plan Reference 1,343

114. **Transforming Leamington – Community Projects Reserve**

The Cabinet considered a report from Place, Arts & Economy which set out a request to allocate an amount from the Community Projects Reserve for use by the Leamington Transformation Board to support its programme of work in Transforming Leamington.

The Leamington Transformation Board was established in January 2022 and consisted of Members from all three levels of local authority together with an Independent Chair and an Advisory Forum Convenor.

The Board had held a series of meetings through 2022 and into 2023 and had established strong co-ordination across 25 or so projects spanning the town centre.

The Board also started the process of reviewing and updating the overarching Vision for Leamington Town Centre to move on the 2018 Vision by taking on-board the significant changes that had influenced the town centre since.

In order to complete this work with a number of inputs from the Advisory Forum, the Board wanted to commission external specialist support in order to help draft and complete the Vision.

In addition to this, the Board also wanted to establish a strong branding and web presence for Transforming Leamington and so would like to commission external support to prepare this.

The Board also anticipated the need to commission other similar pieces of work as preparation of the Leamington Transformation Framework progresses.

As such, the Board had requested an amount of £50,000 from the Community Projects Reserves 2023/24 in order to be able to draw from as it needed to procure the appropriate support using WDC's assistance.

It was suggested that authority should be delegated to the Head of Place, Arts and Economy, in consultation with the Independent Chair of the Leamington Transformation Board to use this allocation at their discretion in support of the aims of objectives of the Board.

In terms of alternative options, Members could opt not to support the allocation of funds and not grant the delegation as recommended in the report. This option was not recommended by officers as this would hamper the ability of the Leamington Transformation Board to progress the important work of transforming Leamington's town centre.

Councillor Day highlighted that this was the fruit of cross-party work, and without support from other Group Leaders this would not have happened.

Councillor Bartlett proposed the report as laid out.

**Resolved** that

(1) the allocation of £50,000 from the Community Projects Reserve 2023/24 to the Transforming Leamington programme, be approved; and

(2) authority be delegated to the Head of Place, Arts and Economy, in consultation with the Independent Chair of the Leamington Transformation Board, to use the allocation.

(The Portfolio Holder for this item was Councillor Bartlett)

115. **Housing Revenue Account Business Plan Review 2023**

The Cabinet considered a report from Housing. The Housing Revenue Account Business Plan (HRA BP) was reviewed annually and updated to reflect changes in legislation, the housing market and business assumptions.

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

The Housing Revenue Account (HRA) was the financial account used to manage the Council's activities as a landlord. It was a ring-fenced account and could only be used to provide services to Council housing tenants. The HRA BP was a key strategic document which set out the Council's income and expenditure plans for delivering Council Housing Services.

Housing had moved up the national and local political agenda over the last decade. National issues around the affordability of home ownership, high costs of private renting and availability of genuinely affordable homes had driven this. Locally increases in homelessness including the most visible form, rough sleeping, the tragedy surrounding the Grenfell Tower fire, ambitions to deliver new Council homes and the Climate Emergency being declared by the Council in 2019 had shaped the debate more recently alongside the uncertain impacts of the current Political and Economic Instability, including the effects of Brexit, the Covid-19 pandemic alongside the Cost of Living Crisis and the impact of the war in Ukraine.

The HRA BP would continue to be reviewed on a regular basis and the underpinning assumptions would require further annual revisions. Without the proposals contained within the report being reviewed regularly, the viability of the BP was at risk and would result in the Council needing to curtail its ambitions. The proposals in the BP would allow for future policy changes, and their financial implications, to be managed within the existing plan, and for investment decisions to be made regarding the existing housing stock and future construction, acquisition, and service projects.

In April 2012 the national Housing Revenue Account Subsidy System (HRASS) was replaced and Council's operating a HRA were required to do so on a 'self-financing' basis. This required each such Council to make a payment (and a few to receive a payment) to Government to secure release from the HRASS, each individually calculated and based on an assessment of the assumed payments that would otherwise have been made into the HRASS had it continued to operate for a further 30 years. In WDC's case this required a one-off payment of £136.2m which was loan financed using a mix of 40-50 year Public Works Loan Board Maturity Loans, meaning the Interest of £4.765m would be serviced annually for 40-50 years until the £136.2m capital balance would need to be repaid.

On 6 March 2012 Cabinet approved a HRA BP for the period 2012/13 – 2061/62 which, based on the assumptions made at the time, ensured the Council would have a viable plan that provided for the £136.2 Self Financing loan to be repaid under the terms arranged, for the investment and management needs of the housing stock to be met and which provided financial headroom, through the accumulation of revenue surpluses. The historic 2012 plan was for the HRA BP to repay the self-financing debt repayments over a phased 10-year period from 2051/52 to 2061/62.

A revised HRA BP was approved in December 2020 Cabinet which changed the repayment plan for the £136.2m debt and instead a change of direction was taken with a new plan to refinance the loan capital repayment and repay them at a later point in time. As a result of this change, the 40-50 Year Maturity Loan Interest payment would continue to be facilitated until 2051/52-2061/62 with a view of the capital repayments being re-financed in line with specialist treasury advice at that point in time.

The HRA Borrowing Cap was removed on 30 October 2018 resulting in greater flexibility for the Council to borrow monies (in full or part) to purchase and/or develop housing alongside utilising other funding sources, including reserves.

In line with the Council’s announcement of the Climate Emergency, the Housing Improvement Plan (HIP), after being extended from five years to 10 years at the December 2020 Cabinet, would continue to be presented as a 10-year plan to enable the HRA BP to fund the increased costs associated with these works.

Where available, a Grant would be actively sought in line with the Council’s Affordable Housing Investment Partner Status with Homes England to support currently approved and future housing schemes to lessen the financial impact on the HRA BP.

Development and land purchase schemes approved in separate Cabinet and Council meetings since the HRA BP was last presented in December 2021 had been incorporated into the overall financial assumptions.

The Council declared a climate emergency in 2019. This declaration acted as a catalyst for change in the Council and led to the development of a Climate Change Action Programme which had a target of a Net Zero Carbon Council 2025.

This Climate declaration impacted the HRA BP as the Councils Housing Stock needed to be decarbonised which in turn had material cost implications. Where a Grant was available, it had been applied for to reduce the costs of these decarbonisation schemes and the forecast budgets could be viewed in Appendix 4 to the report - Housing Investment Plan.

A new Housing Fire Safety & Climate Change Team was assembled in 2021/22 to deliver this target with the aims of tackling energy inefficiency through innovation and investment, delivering an improved standard of living in our homes, and decarbonising the built environment and removing the use of fossil fuels in our homes as fast as practicable in accordance with Net Carbon Zero targets.

The budgets for the Fire Safety and Climate Change works were listed in the HIP in Appendix 4 to the report. All costs linked with recent Cabinet reports relating to Fire Safety and Climate Change works presented to February 2023 Cabinet had been incorporated into either Appendix 4 to the report HIP if capital in nature or into Appendix 2 to the report HRA BP Projections if revenue in nature.

On the 17 November 2022 the Autumn Statement was announced by the Chancellor of Exchequer Jeremy Hunt stating that after a short period of consultation, all social and affordable rent increases in England would be capped at 7% as of April 2023 for a period of 12 months to combat the cost-of-living crisis and in response to “unprecedent global headwinds” the country was facing.

The government regulated how much social housing rents could increase each year. Currently, Social and Affordable Rents were set at up to the consumer price index (CPI) rate plus 1%. If Rent increases had been allowed at this rate, then it would have meant potential increases of 11% for the social and affordable rent dwellings. Shared ownership properties rents were inflated annually by retail price index (RPI) +0.5% which would have meant a rent increase of over 14%.

The Council calculated the estimated HRA revenue rent loss caused by this 7% rent cap in comparison to the current CPI and RPI models would have been £1.2m for the 2023/24 Financial year. However, it was unlikely that such a huge rent increase would have been implemented due to affordability for the tenants. It should also have been noted that the consultation did also propose rent increases at 5% and 3%. If 3% had been chosen, the rent loss could have been as high as £2.3m.

In turn, HRA operating costs had inflated at a similar rate so any rent cap below inflation meant that there was a net loss of income when costs were increasing but rents were not matching the same level of increases. It was very uncertain if there would be further rent caps enforced by the Government after this one-year period.

The Current UK Economic uncertainty, turbulent economy and Cost of Living Crisis had caused inflation to skyrocket. Historically RPI% would hover around 1.5-2% but in October 2022 it increased to a high of 14.2%. Inflation at this rate had not been seen since the 1970/80's.

Many of the HRA's Repairs & Maintenance and Major Capital Works Contracts were linked with annual inflation linked to Retail Price Indexation (RPI) which had meant that the budgets for these works had to be inflated in line with 10-14% inflation which had been added to this HRA BP and had placed extra unexpected strain on the business model.

The War in Ukraine had caused utility costs to also increase by huge and unexpected amounts. The Councils sourced its gas and electricity from a commercial energy broker called ESPO to ensure best value was achieved. Energy price caps were implemented by central government to protect consumers and businesses from these extreme price rises but because ESPO brokers commercial contracts for the Council the caps were a lot higher than the actual usage so no benefit can be applied to the HRA budgets.

In real terms, the increases had meant that from October 2022 the electricity cost had doubled, and from April 2023 the gas cost had quadrupled. Initially, further increases were expected on electricity in October 2023 of another 30% increase on electricity and in April 2024 a further 30% increase on gas on top of the previous increases.

In real terms, this meant that in the 2023/24 financial year the forecast total cost increase on gas and electricity was £440k.

The HRA BP needed to remain robust, resilient, and financially viable. Revising the HRA BP annually ensured the Council's HRA was able to continue to deliver its ambitious development programme, provided much needed social and affordable housing in the District and facilitate the re-financing of the £136.2m 2012 self-financing loan which was approved in the 11 January 2012 Executive Meeting. The plan to refinance the self-financing debt resulted in either the partial or full refinancing of the £136.2m loan for a longer period of time.

The HRA detailed the plans for development and acquisition expenditure in the Housing Investment Plan (HIP) alongside its budgets for the major works of its housing stock and any capital grant related projects. In recent years there had been extra demands placed on the HIP from housing development schemes, but also from the requirement to complete increased levels of work and costs linked with maintaining and improving the housing stock in line with the Climate Emergency announcement in 2019 and increased levels of Fire Safety Works. The HRA 10-year HIP ensured the long-term planning of these costs, schedules of works and developments to ensure there were sufficient resources in place.

The revised HRA BP provided for a minimum operational balance of £1.5m after all appropriations had been deducted. This minimum surplus was increased annually for inflation alongside ensuring a revenue surplus to be achieved annually for transfer to the HRA Capital Investment Reserve (CIR). As shown in Appendix 2 to the report, the balance of the HRA CIR at the end of the current 2022/23 financial year was expected to be £24.3m and, based on current projections, would reduce annually until 2032/33 when it would start to increase again when the model forecasts income, in particular that linked to an increase in the housing stock, came on stream following upfront costs being incurred during the purchase and development phase.

The original self-financing plan was to service the PWLB Maturity Loan interest cost for 40 years and then begin paying the £136.2m debt capital back in intervals of £13m-£19m over a 10-year period from 2051/52-2061/62 using balances accumulated in the HRA CIR & MRR. In prior versions of the HRA BP, there were sufficient balances within the CIR and Major Repairs Reserve (MRR) to facilitate the repayment of this debt, but this was no longer possible due to the strain on the model caused by the additional climate change and fire safety works alongside increased development, rent caps and high inflation.

By 2061/62 there was a forecast capacity to pay £47.1m of the debt made up of a balance of £41.3m in the CIR and £5.8m in the MRR. At this point, the HRA had the option to refinance the loan repayments for the period 2051/52-2061/62 and repay some of the debt. Specialist advice was sought from Link Treasury Management, who confirmed that there was no legal requirement to repay the debt within the original timeframe linked with the Government’s original Self-Financing legislation. It was advised that a number of other Local Authorities had taken the decision to refinance their self-financing debt to enable them to focus on house building and other priorities in the short term. Indeed, this was the financial model adopted by many housing associations. Link Treasury Management advised that a similar level of interest repayment should be assumed in the HRA BP for an indefinite period if the decision to refinance the repayment of Debt Capital was made.

Approval of any plans for the partial repayment of debt would need to be revised at that point in time alongside the assessment of further borrowing required. The HRA Business Plan remained viable when continuing to fund the annual £4.765m in self-financing interest payments for the 50-year plan.

The revised HRA BP would be able to maintain existing service provision, fully meet the responsive and cyclical repair needs of the HRA stock and continue to invest in refurbishment and improvement work to maintain the Decent Homes Standard through the HIP.

The removal of the HRA Borrowing cap on the 30 October 2018 by the Department for Levelling up, Housing and Communities (DLUHC), previously known as the Ministry of Housing Communities & Local Government (MCHLG) was implemented to enable Councils to build more homes. During MHCLG's consultation on the matter the borrowing cap was stated to be the biggest barrier to Councils building new homes and as such the cap was removed to "reaffirm the appetite to deliver a new generation of council homes".

A further Central Government policy borrowing change on 12 March 2020 advised that the HRA was to be given favourable rates of financing to borrow for acquisitions or construction of Social and Affordable Housing resulting in a reduction in interest rates of 1% from 1.86% to 0.86% where the purpose was for housing related expenditure.

However, since 2020 the % interest rate at which the Council could borrow for HRA Works rocketed from 0.86% up to 6.5% in the last Quarter of 2022. Due to this, the decision was taken to not take out borrowing from the PWLB at such high rates which had meant that most of the HRA Borrowing requirements for New Build acquisitions and developments as well as major capital works had not taken place but would be phased over the next few years in line with expert treasury management advice.

PWLB rates had now started to reduce, and Link Treasury Management had advised that borrowing rates were currently at 3.9% net of the Councils -0.2% PWLB certainty discount and would reduce gradually until 2026/27 to 3% and should remain at that base level for the foreseeable future as long as the economy continued to recover. It was noted that long range PWLB borrowing forecasts did not drop below 3% or anywhere near pre-pandemic levels.

Details of all approved borrowing for such schemes and the subsequent timing of repayment of this debt are noted on Appendix 2 to the report and also in the Financing section of the HIP in Appendix 4 to the report.

The underpinning HRA BP assumptions were set out in Appendix 1 to the report, with explanatory notes documenting all changes from the previous iteration of the HRA BP. These changes had then been applied to the HRA 50-year Plan set out in Appendix 2 to the report. A summary of the changes between the previously approved iteration of the HRA BP and the revised current year plan were set out in Appendix 3 to the report.

A 10-year HIP was adopted in the December 2020 Cabinet Report to enable the Climate Emergency and Fire Safety works to be completed and enable the HRA BP to remain financially viable as a result of phasing the expenditure across a longer period. The new HIP was noted in Appendix 4 to the report and contained total costs amounting to £114m, the following costs were split over a 10-year period:

- £32.8m Stock Condition Survey works.
- £32.263m Climate Emergency works associated with the Council declaring a Climate Emergency.
- £41.2m required for Fire Safety works in line with Fire Risk Assessments resulting from the Grenfell Tragedy and for the removal of Cladding.
- £7.7m Decarbonisation Grant funded works in line with central government partnership schemes.

The Councils housing construction and acquisition plans were also shown in the HIP and total £119m over the 10-year plan. Separate reports had been presented to Cabinet for each scheme accompanied by a full financial appraisal. Where there were reports being presented to Cabinet for approval in March the costs have been included in the HIP to ensure the budget was consistent between all reports being considered.

The financing of the development projects in the HIP were also noted in Appendix 4 to the report. The financing was generally funded from a mix of:

- External Borrowing from PWLB.
- The HRA Capital Investment Reserve.
- Right to Buy (RTB) receipts from the sale of Council Houses.
- Homes England Capital Grant.
- Other Grants.
- Capital Receipts from Affordable Homes Shared Ownership sales.

The HIP also contained the planned financing for the HRA's capital major improvement and renewal works to the Councils housing stock, these works were mainly funded by the Major Repairs Reserve (MRR) which was a ring-fenced account for the purpose of maintaining and improving existing housing stock; other methods that could be used were a mix of:

- The Major Repairs Reserve.
- Capital Grants.
- Top ups from the HRA Capital Investment Reserve.

The works funded using the MRR had been scheduled using separate stock condition surveys which were completed with a specialist housing consultancy, Michael Dyson Associates Ltd and that stock data was still available and had been updated with information of component renewals in the period since the original survey.

The Council had now commissioned Penningtons to carry out a new 100% stock condition survey and that was underway, focusing first on those properties which current data suggested might not fully meet the Decent Homes standard so that a current position on compliance could be measured and rectified. That initial work should be completed by Spring of 2023. The survey would then move on to inspect all of the remaining properties and this would be in 2023/2024.

These surveys had provided information in respect of the condition of the main elements, known as stock attributes, of HRA homes. This survey information, complementing information from our in-house team of surveyors, enabled a comprehensive picture of the current state of, and consequently the future investment needs, of a range of stock attributes such as kitchens, bathrooms, roof coverings, windows, doors, and rainwater goods.

The surveys undertaken to date allowed the Council to fix a baseline position for the entire HRA stock which, in turn, allowed for the maintenance needs to be costed for the lifetime of the revised HRA BP. This baseline would continue to be refined in future years through a combination of in-house surveying and data analysis and had been updated to factor in the Climate Change and Fire Safety works. The existing 2023/24 HIP budget allocation would be directed to meet the most pressing needs, with a full revision of the profile of the future HIP to take place next financial year, to ensure that the properties with the poorest condition attributes were remedied as quickly as possible, and a tailored programme was put in place to replace items on a timely basis.

The balance of the MRR was increased annually by the amount of the annual depreciation charge to the HRA stock, which for 2022/23 was an estimated £6.2m. Based on current projections and the large financial strain on the HRA BP to deliver stock condition works, climate change works noted in Appendix 2 to the report, the MRR balance was expected to drop as low as £4.4m by 2024/25. It would, however, remain sufficient to fund the required level of improvements necessary as it would be topped-up using a contribution from the CIR which could also be used to fund the major works.

The HRA Housing stock itself was re-valued annually and further confidence in the viability of the HRA BP could be derived from the current valuation noted in Appendix 5 to the report of £430,085m based on the Existing Use Valuation methodology for social housing or £1.069bn based on an unrestricted use valuation as at 31 March 2021. These valuations were significantly higher than the peak projected total borrowing of £268.5m in 2029/30 resulting from a combination of the £136.2m self-financing debt and additional £132.3m debt resulting from further borrowing to finance housing acquisition schemes. The additional housing acquisition debt was fully serviced from the rents received from the new dwellings.

A number of housing acquisitions, development schemes and land acquisitions had been approved as noted in the HIP at Appendix 4 to the report, some of which would be funded using borrowing from the PWLB to ensure that sufficient balances remained in the MRR and CIR. There were two historical material Land Purchases contained within the HIP which were yet to have the development plans approved. It was expected that these sites would warrant separate Cabinet approval with the Housing Strategy and Development Team working on the optimum development plan to ensure that these schemes were financially beneficial to the HRA. The cost of carrying these land acquisitions was one of the negative contributing factors to the HRA BP’s reducing CIR and MRR balances up to 2025/26. It was expected that once the sites had been developed the rental income would improve the long-term projections for the HRA BP significantly and was likely to improve the capability to repay more of the Self-Financing Debts.

Nevertheless, the short term negative financial impact on the HRA was material and must have been noted where large parcels of land were purchased, especially when there was a significant time lag between purchase and sales or occupation of homes taking place to generate rental income. Alternative delivery models were also being explored that might enable the land to be developed outside the limited capacity of the HRA BP or in partnership with other entities.

The ongoing construction and acquisition projects for new homes aimed to offset the projected reduction in the HRA stock resulting from continuation of Right to Buy sales at current levels. The below table showed the anticipated total stock changes as at 2071/72 including potential additional dwelling acquisitions and developments being explored as part of the Councils ambitious housing development plan.

| | | | | |
|---|---|---|---|---|
| Term | Approved New Build Homes in the HIP & BP | Buy Back of Ex Council Homes | Right to Buy Sales & other Stock Loss | Net HRA stock reduction |
| 2022/23 to 2071/72 | +673* | +111 | -1,670 | -886 |

* Assumes all ongoing and previously approved plans were maintained.

The model above demonstrated that even with the potential 784 additional dwellings the net HRA stock reduction was still 886 dwellings in deficit over the 50-year plan. To negate the losses from Right to Buy, an additional 886 dwellings would need to be acquired.

The Council entered the Right to Buy Capital Receipts Pooling arrangement with MCHLG in 2012 in line with HRA Self Financing legislation. As part of the agreement the Council was only able to retain a predetermined % of the Right to Buy Capital Receipts which was meant to be how the Council re-acquired replacement housing stock which was lost through Right to Buy. The level of an authority's retainable RTB receipts in any year also known as 1-4-1 Capital Receipts was the total amount of its Right to Buy Sales receipts it could keep to buy replacement housing stock.

An excerpt of the Councils receipts retained in 2021/22 were noted below to demonstrate that in reality, these receipts were not adequate to enable the purchase of replacement housing at the rate it was lost, only the Buy Back and 1-4-1 allowances could be retained by the HRA to purchase new dwellings:

| RTB Pooling Summary | £ | % |
|---|---|---|
| WDC HRA Transaction Cost | 33,800 | 1 |
| WDC HRA Debt contribution | 668,743 | 19 |
| WDC General Fund share (any purpose) | 409,530 | 11 |
| WDC Buy Back allowance | 96,739 | 3 |
| WDC 1-4-1 allowance | 1,391,547 | 39 |
| Treasury share | 960,966 | 27 |
| **Cumulative Total Receipt** | **3,561,325** | **100.00** |

| | |
|---|---|
| 26 Properties Sold - Amount of buy back and 1-4-1 receipts to purchase replacements per property | 57,242 |

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

A summary of the changes affecting the HRA BP were:

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

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

There was no such repayment time limit on the Councils Buy Back capital receipts, the Council had ensured they were used annually in line with the 50% funding rule to reduce the cost of acquiring former Council Homes.
A number of options would continue to be considered to mitigate the reduction in HRA stock including:

- Acquisition of existing homes.
- Acquisition of s106 affordable homes.
- Redevelopment of existing HRA homes.

- New build on Council owned land, including garage sites.
- New build on acquired land.
- Joint venture options.
- Buy Back of Social Housing.

The Council had officially been awarded "Affordable Housing Investment Partner" status from Homes England (HE) in 2020. Where available, grant would be sought to support currently approved and potential new housing schemes to lessen the impact on the HRA BP. Appendix 4 to the report showed that £6.5m further grant would be received and this was on top of the £4.066m in grant already received in the last two financial years to support the funding of schemes.

Due to this new agreement with HE and to ensure that all future acquisitions remained viable, all future Affordable Housing Acquisitions linked with Homes England would need rents to be set at the national standard of Affordable rents which were 80% of local market rents. Existing Affordable Housing tenants housed in the HRA's current affordable schemes would continue to pay the historic "Warwick Affordable" rents for the remainder of their tenancy which were charged at a mid-point between Local Market Rent and Social Rent to buffer the impact of this change. This policy change was approved in the HRA Rent Setting report in February 2021 and was assumed in the HRA BP projections.

As part of the HE capital grant conditions, the Council had a new legal responsibility to maintain a recycled capital grant register in the case that the HRA ever disposed of any land or dwellings which were funded using HE Affordable Homes Grant. In the case of a RTB sale or sale of land the Council needed to either pay back the capital receipt to HE or recycle it and reinvest it by purchasing a replacement affordable home compliant dwelling. This register would be maintained in perpetuity for as long as the dwellings and land were held on the Council's HRA asset register. It was expected that Right to Buy sales to dwellings purchased using HE grant would only start in 7-15 years when the new build dwellings became affordable to tenants with longer RTB discounts.

It had recently been investigated that where HE grant was used to fund an affordable housing scheme an exemption from the RTB pooling agreement could be claimed to enable the Council to remain more of the capital receipt if RTB sales occurred on new build stock. If this was found to be an exemption that the Council could claim it was recommended that this was implemented to improve the financial viability of the HRA PB and its ability to purchase replacement housing stock lost though RTB.

The Council and registered providers could purchase affordable, social rent and Shared Ownership dwellings from developers at below market value as they were subsidised by the Homes England Affordable Homes Programme 2020-2024. It was usual for a mix of social, affordable, and shared ownership dwellings to be sold in a pre-agreed mix in line with planning regulations. This enabled the Council to increase stock numbers by enabling the dwellings to be purchased at below market value to enable the Council's HRA to fund the purchase using the reduced levels of social and affordable rents which needed to be charged to tenants residing in social and affordable dwellings.

When shared ownership dwellings were purchased as part of affordable homes acquisitions, the Council's HRA needed to find buyers to purchase between 10-25% of the dwelling initially and then pay a % of market rent for the remaining % of the dwelling. This initial % purchase in turn generated a capital receipt for the Council's HRA which was retained to cross subsidise the cost of the Council purchasing the dwellings in such schemes. The shared owners were then able to buy a further % of the dwelling known as "staircasing" until they owned 100% or a locally capped % of the dwelling in some circumstances. There was no requirement for the owner to purchase latter % shares, Appendix 4 to the report showed that £7.570m was anticipated from shared ownership sales in the 10-year HIP.

All shared ownership capital receipts needed to be retained by the Council's HRA to ensure the HRA BP remained viable and such receipts were reinvested to reduce acquisition expenditure.

Industry experts Savills had advised the negative impact of the cost-of-living crisis and Covid-19 pandemic would be felt for three to five years due to fluctuating rent inflation and increased rent arrears due to the economic uncertainty. Appendix 6 to the report showed an analysis of the changes in rent arrears from 2019/20 to 2020/21 using an extract from the Council's Financial Statements. Net arrears had increased by £118k, however this had not negatively affected the bad debt provision which only changed by £9k in the last financial year.

During the Pandemic, smart rent arrears software was purchased which had resulted in minimal arrears increases alongside introducing a number of approaches to reduce the levels of arrears caused by the Covid-19 pandemic. It was anticipated that this was a temporary increase in arrears would return to pre-pandemic levels in due course as the economy recovers.

The HRA BP would continue to be carefully monitored, the stock condition information maintained and improved, and an annual review of the underpinning assumptions undertaken to allow any further revisions to be reported to Cabinet as part of the HRA budget setting process. However, Members should have noted that there was still a considerable level of uncertainty in respect of the current volatile economic conditions, high inflation and the financial impact of Covid-19, prudent assumptions had been factored into this model as noted in Appendix 1 to the report but if the economy did not recover fully in the next 3-5 years, this could impact the BP further and might impact the HRA's ability to provide the same level of Climate Change and Stock Condition works.

In terms of alternative options, the assumptions underpinning the HRA BP could be left unchanged from those that underpinned the version approved by Cabinet in 2021. This had been rejected as it would result in the BP not reflecting the most up to date policies, strategies, and research on the conditions of the local housing and land markets. The plan would therefore not be able to deliver services in a way that was viable, maintain services and service the debts taken on by the Council.

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

The Overview & Scrutiny Committee noted that this had been an important and substantial amount of work and thanked officers.

The Committee asked that the new Council should consider how finance, particularly Housing finance, should be scrutinised to be effective.

How finance should be scrutinised would be added to the Committee's Work Programme for consideration by the next Overview & Scrutiny Committee.

Councillor Matecki proposed the report as laid out.

**Resolved** that

(1) the revised HRA BP assumptions, as set out at Appendix 1 to the report, and the revised HRA BP projections for the 50-year period 2022/23 to 2071/72, as set out at Appendix 2 to the report, be approved; and

(2) the revised 10-year Housing Investment Plan (HIP) capital budgets noted in Appendix 4 to the report for the construction and acquisition of new Council housing and funding for major works to housing stock, along with the associated capital financing funding plan which is also incorporated into the figures presented in Appendix 2 to the report, be approved.

(The Portfolio Holder for this item was Councillor Matecki)
Forward Plan Reference 1,353

116. **Barford Youth and Community Centre Grant Application**

The Cabinet considered a report from Finance which sought Cabinet agreement to a funding request for up to £250,000 from a local community group in Barford as a contribution towards the cost of construction of a new youth and community centre. The funding for this project was specifically provided for in the budget recently agreed for 2023/24.

Barford village had several vibrant community groups, for example, Scouts, Beavers, Cubs, arts, drama, sewing, who had been using the existing Scout hut for many years to meet, store their equipment, carry out indoor activities and as a base for outdoor activities. BYCC owned the present building and were the leaseholder for the land. The Scout hut was already approximately 25 years old when it was bought 30 years ago and had now reached the end of its useful life. BYCC planned to replace the existing Scout Hut with a new youth and community centre. The new building would be a facility fit for purpose for the diverse range of users, from the very young to the very old, to reduce isolation, encourage learning and increase wellbeing. The new building would have a larger capacity than the existing one to meet the needs of the growing villages, best practice for accessibility and inclusivity and would meet current environmental standards thus supporting the Council's climate change action programme.

Total potential whole project costs were circa £866,000. BYCC had £227,000 in cash reserves and had total pledged funds of £143,500. BYCC also had an offer of a gift of £100,000 and a finance arrangement interest-free offer of another £100,000 both of which were conditional of Warwick District Council support. BYCC were therefore seeking an underwriting for a grant contribution of up-to £250,000 from the Council. BYCC were applying to other grant providers to cover the circa £45,500 budget shortfall. They might raise more funds than were needed, in which case the Council's grant would be lowered.

A business plan had been prepared for the overall scheme which was attached at Appendix 1 to the report. Such a community project as proposed would normally be one that the Council would look to fund from its RUCIS grant scheme, however, this project fell outside the remit of that fund as the sum being sought was over the maximum £20,000 contribution to overall project costs.

However, the Council had on an exceptional basis funded a limited number of community schemes where the scale of investment required significant Local Authority match funding to attract and secure other funding. This was one such case and provision had been made in the budget as part of the Community Project Fund list for 2023/24 for a contribution toward the cost of this facility of up to £250,000. The proposal therefore was to agree that this funding be drawn down subject to several conditions as set out in recommendation 1 of the report and under recommendation 2 that authority be delegated to the Chief Executive in consultation with the Head of Finance and the Portfolio Holders for Resources and Safer Communities Leisure and Environment to sign off compliance with those conditions.

In terms of alternative options, the Cabinet could decide not to award the grant, however, the project was very much in the spirit of the RUCIS scheme to which the Council was very committed. The Council therefore needed to consider the project in those terms which would otherwise be very supportive. Additionally, without the Council's support, the offer of a £100,000 gift and £100,000 interest-free finance arrangement would be withdrawn, with the project very unlikely to go ahead as a result, and the existing Scout hut would fall into further disrepair until eventually becoming unusable.

The Cabinet could also decide to vary the amount awarded; however, this would potentially prevent the project from being completed. The longer it took BYCC to raise further funds the high likelihood of further cost increases which would put the project beyond reach.

This report was not called in for scrutiny at the Overview & Scrutiny Committee meeting because the pre-scrutiny questions and answers (published on the Council's website) had addressed matters.

The Overview & Scrutiny Committee supported the grant and welcomed the installation of photovoltaic cells at an earlier stage of the project.

Back in October 2022, when the Council was considering biodiversity, the Motion that was agreed contained the sentence "biodiversity net gain should be maximised in all developments that WDC has a financial interest in".

The Overview & Scrutiny Committee therefore recommended to Cabinet that officers be asked to determine an appropriate phrase for a condition to be attached to the grant application that ensures that the requirement for biodiversity net gain to be maximised is part of the grant condition.

The Cabinet was required to vote on this because it formed a recommendation to it.

In response to the recommendation from the Overview and Scrutiny Committee, Councillor Day proposed that the recommendation be amended to ensure that when the grant (and future grants) were processed, they should be 'signed off' by the Programme Director for Climate Change to ensure they were achieving all they could be for the climate emergency and biodiversity. He consulted with the Chair of the Overview & Scrutiny Committee and Group Leaders, who accepted this as an appropriate recommendation.

Councillor Hales then proposed the report as laid out, and subject to the additional recommendation above.

**Resolved** that

(1) the funding request from Barford Youth and Community Centre Charity (BYCC) for up to (and no more than) £250,000 excluding VAT towards the cost of construction of a new youth and community centre, to be funded from the Community Project Funding List, be agreed; and

(2) authority be delegated to the Chief Executive in consultation with the Head of Finance and the Portfolio Holders for Resources and Safer Communities, Environment and Leisure Services to ensure that the following conditions are met:

(a) that the project works receive a variation consent to the existing planning permission and any other statutory consent necessary before any drawdown of the funding;

(b) that a detailed project plan is submitted before any drawdown of the funding;

(c) that a 'final' business plan is agreed before any drawdown of the funding;

(d) that an updated quote still within the quote timescale validity from the preferred contractor for all the proposed works is provided to verify the amount of funding being sought before any drawdown of the Funding;

(e) that the building energy performance measures set out in section 2.6.2 of the Business Plan are delivered, along with any other carbon minimisation measures that can be achieved within the available budget; these works must be included and specified in the final up-to-date contractor quote;

(f) that the current lease is extended to a 30-year term before any drawdown of the funding;

(g) that copies of archaeology and other surveys undertaken to manage risks are provided before any drawdown of the funding;

(h) that funding for the whole project costs can be demonstrated before any drawdown of the funding;

(i) that staged payments are made on production of supplier(s) invoices that are addressed to Barford Youth and Community Centre

(j) that due recognition in any publicity is given to this Council's support for the proposal;

(k) that an annual report is given to the Council for the next 3 years on the performance of the business plan of the facility;

(l) any other conditions that normally apply to RUCIS schemes also apply to this scheme; and

(3) the Programme Director for Climate Change agrees an appropriate condition to be included in the grant agreement that requires the project to deliver climate change and biodiversity measurers, which supports the Council's agreed plans and ambitions for the District.

(The Portfolio Holders for this item were Councillors Falp and Hales)
Forward Plan Reference 1,351

117. **Local Government Association Corporate Peer Challenge**

The Cabinet considered a report from the Deputy Chief Executive and Monitoring Officer which sought agreement to undertake a Local Government Association (LGA) Corporate Peer Challenge (CPC) to help inform the Council's Change Management Programme through independent and external improvement support and challenge.

The CPC was an improvement tool for Councils that had been in existence for well over a decade with every local authority in England having had at least one assessment. It was a tried and trusted method of improvement, which was owned and delivered by local government, for local government. This Council had previously undertaken two CPCs and two follow-up assessments. Peers were at the heart of the peer challenge process and provided a 'practitioner perspective' and 'critical friend' challenge. The Peer cohort consisted of Councillors and senior Council officers.

The exercise would cover the following five core elements of a CPC (detailed below) as well as a locally identified need. It was proposed that Recruitment, Retention & Renumeration was selected for this Council as this was an area where a lot of work had been undertaken to try and address the issues faced.

1. Local priorities and outcomes - Were the Council's priorities clear and informed by the local context? Was the Council delivering effectively on its priorities and achieving improved outcomes for all its communities?
2. Organisational and place leadership - Did the Council provide effective local leadership? Were there good relationships with partner organisations and local communities?
3. Governance and culture - Were there clear and robust governance arrangements? Was there a culture of respect, challenge and scrutiny?
4. Financial planning and management - Did the Council have a clear understanding of its current financial position? Did the Council have a strategy and a clear plan to address its financial challenges?
5. Capacity for improvement - Was the organisation able to support delivery of local priorities? Did the Council have the capacity to improve?

The approach to the CPC typically followed the stages below.

Scoping Meeting.
Preparation & Engagement.
Onsite Corporate Peer Challenge.
Report & Action Plan.
Six-month Check in.

The Chief Executive and Deputy Chief Executive had already met with the LGA, and the preparation & engagement stage had been scoped in readiness for a decision on participation by this Cabinet.

If Cabinet agreed to the proposal, then the LGA would source a team of Councillor and officer member peers informed by the skills and experience required. The LGA was committed to diversity and inclusion to ensure that peer teams reflect the diversity of local Councils and the communities they serve. These peers would be discussed and agreed with the Leader and Chief Executive.

It was important that the peer team had an in-depth understanding of the local issues before their onsite activity. This would primarily be provided through an Information & Data Pack, which included background documentation provided by officers and LGA. Once the peer team had received the Information & Data Pack, a short programme of remote engagement would be undertaken before the onsite activity. This would include introductory conversations between some of the peers (typically the Chief Executive and Leader) and their respective counterparts at the Council as well as a full peer team remote meeting.

In addition, the peer team may observe normal business meetings (e.g., Cabinet/Committee or senior management meetings) to better understand the Council and provide valued insights as part of the peer challenge process. For example, the peer team might seek to observe member meetings remotely prior to the onsite activity.

The LGA might also seek to undertake some pre-CPC engagement with citizens, staff groups and/or stakeholders, such as web-based surveys. Any preparatory work or engagement would be agreed with officers in advance.

The peer team will spend 2.5-3 days onsite meeting Councillors, staff, partners, and stakeholders. Officers would arrange a timetable of activity organised for the peer team in advance. Where face to face sessions were not possible, remote meetings would be arranged.

The activities would provide an opportunity for discussion which explored issues and ideas as much as evidence gathering. The peer team would split into pairs to facilitate the meetings/discussion sessions so there could be two or sometimes three streams of activity running at the same time. Some of the meetings would be undertaken as workshop/focus group activities rather than only one-to-one discussions.

On the final day the peer team would deliver verbal feedback to a selected audience which should include as a minimum the corporate leadership team, Cabinet members and opposition lead members as appropriate.

During this feedback there would be opportunity for clarification and questions. This would be followed by a report detailing the strengths of the Council, the issues considered, areas for further improvement and key recommendations. The Council would receive the draft report within three weeks of the CPC. Comments on the draft report were welcomed and the final report would be agreed with the Leader and Chief Executive for publication. Officers would then develop a detailed action plan that responded to the report's findings.

The CPC report would be published on the Council's website within six weeks of finalisation. The LGA would also publish the report via its website. It was expected that the Council's action plan would be published within eight weeks of the CPC report's publication.

Six months after the CPC, the LGA would organise a check-in meeting. This would be a short-facilitated session which created space for the Council's senior leadership to update peers on its progress against the action plan and discuss next steps. The LGA would produce a short note which reflected the Council's progress, provided examples of good practice, and highlighted the initial impact and outcomes. As part of ensuring an open and transparent process, there was an expectation that this note would be published.

The only alternative was not to undertake the CPC. This had been discounted as it missed the opportunity for the Council to identify areas for improvement and development at no cost. Furthermore, given the proximity to the local elections, the CPC should aid the new administration and senior leadership team with the development of a new Business Strategy.

The Overview & Scrutiny Committee was not called in for full scrutiny at the 7 March meeting, however the Committee recommended to Cabinet that the Chairs of Scrutiny were included in the review process of the first draft of the report.

During the 7 March Overview & Scrutiny Committee meeting, the Deputy Chief Executive had drawn the Committee's attention to the fact that this recommendation was dependent on the gift of the next Leader.

This was reiterated by the Leader, nonetheless it was a recommendation that could be taken to the next Leader of the Council.

The Cabinet was required to vote on this because it formed a recommendation to it.

In response to a question from the Leader around if there was any discretion in timing should the next Leader choose to pause, the Deputy Chief Executive and Monitoring Officer advised that the current timings were set, and any attempts at reprogramming the timing would result in a 6-12 month delay. These types of challenges had become popular so getting a slot took time; it had taken 6 months this time around.

Councillor Day proposed the report as laid out, along with the recommendation from the Overview and Scrutiny Committee.

**Resolved** that

(1) an LGA CPC to be undertaken during July (likely w/c 10th) 2023, be agreed;

(2) the discretionary element of the CPC should focus on the Council's approach to Recruitment, Retention & Renumeration; and

(3) the Chairs of Scrutiny are included in the review process of the first draft of the report.

(The Portfolio Holder for this item was Councillor Day)
Forward Plan Reference 1,350

118. **Abbey Fields Cycle Route Proposals**

The Cabinet considered a report from Climate Change which set out:

- the history of consultation that had been undertaken by the various interested parties on attitudes to cycling in and around Kenilworth and the feedback received because of these consultations;
- the different options for a cycle route within or around Abbey Fields Park, Kenilworth, alongside the opportunities and obstacles for these routes; and
- based on the above information, a preferred route was proposed for further design work and consultation.

Abbey Fields was a large public open space in Kenilworth providing opportunities for both formal sports and informal recreation in a historic wildlife setting along the Finham Brook. (See Appendix A to the report – Plan 1). It was owned and maintained by Warwick District Council. There was an active "Friends of" group alongside other active community groups and stakeholders.

The remains of St Mary's Abbey and its farmland were protected as a Scheduled Monument and this heritage status covered the entirety of the Abbey Fields site as well as the adjacent Kenilworth Castle Park and Garden (west of Castle Road). Both Kenilworth Castle and St Mary's Abbey Ruins were Grade II listed. Abbey Fields was also designated as a Warwickshire Local Wildlife Site. (Local Wildlife Sites were not statutory designations but were recognised within the planning system and recorded on green infrastructure plans). The park included a watercourse, a lake, and a range of habitats. The Friends of Abbey Fields work with Warwickshire Wildlife Trust and the District Council to support nature conservation.

The location of Abbey Fields within Kenilworth meant that it provided direct connections for walking and, potentially cycling, between the town centre, Castle, and residential areas. There were pedestrian entrances on all sides including High Street, Bridge Street, Abbey Hill, Forrest Road, Borrowell Lane and Castle Road. There was an existing network of paths, surfaced and unsurfaced, across Abbey Fields alongside the Centenary Way.

Currently, cycling was not permitted within Abbey Fields due to the current by-laws although observations showed that people already do cycle to and through the park.

Over the last two decades, there had been an upsurge in interest in cycling in Kenilworth and development of new facilities. The Cycleways volunteer group started in 1995 and continued to campaign for better cycle provision in the area. In 2000, the National Cycle Network (NCN) was launched, creating a UK-wide network of signed paths and routes for walking and cycling. This now included NCN Route 52 which ran north from Abbey Fields to Warwick University and Canley in Coventry and ran south from Abbey Fields through Leek Wootton to Warwick. From NCN52, a spur ran along a linear country park or 'Greenway' to the northwest of Kenilworth. The Kenilworth Greenway (NCN 523) followed 4 miles of former railway. Some sections were currently diverted due to HS2 construction work.

The proposal to create a cycle route across Abbey Fields had been under discussion since at least 2016, both as a stand-alone proposal and as part of wider improvements to the park environment.

The benefits of such a route would include:

- the completion of a key missing link in the local cycling network as well as the National Cycle Network;
- the endorsement of existing family cycling activities within the vicinity of Abbey Fields;
- the encouragement of healthy and sustainable leisure activities for local people and the provision of high quality, all-weather paths;
- the opportunity to encourage pupils to cycle to the new Kenilworth School; and
- contribution to the Councils published Climate Change Ambitions.

Alongside the advantages, the various public consultations had shown that there were concerns over the proposal to formally allow cycling through Abbey Fields and that was largely to do with the potential/perceived conflict between pedestrians and cyclists.

A summary of the history of consultation on attitudes towards cycling and Abbey Fields could be found in Appendix B to the report.

Both segregated and shared paths had their advantages and disadvantages. There was no ideal form of segregation, all had their pros and cons. Older users might for example be less satisfied with shared paths but they might encourage more considerate behaviour amongst all users.

As referenced in Appendix B to the report, Sustrans were commissioned in 2016 to produce a Feasibility Study on cycle routes across Abbey Fields. It noted in the conclusion of the report that:

*"There is a strong preference within the Town Council that the route be segregated to provide a clear cycle only route through Abbey Fields."*

It then went onto state:

*"It should be noted that whilst the new routes can be clearly marked as cycle use only, in reality pedestrians and other users may choose to use them in preference or in addition to existing routes. Sustrans' design advice advocates the use of shared use routes over segregated as they provide a more effective solution with less visual signage and demarcation required. Sustrans' 'Technical Information Note 19 – Segregation of shared use routes.'"*

*"Where space and budget allow, the most effective way to minimize conflict and increase comfort is to provide separate routes for cycling and walking"* – (1.3.2 The National Standard for Cycle Infrastructure Design LTN1/20) Section 6.5.6 of LTN1/20 stated that shared use might be appropriate in situations, which included *"In situations where a length of shared use may be acceptable to achieve continuity of a cycle route".* The recommended minimum widths from LTN1/20 were set out in the table at 1.3.4 in the report.

The Council's preferred route to be put forward for further consultation was set out as Route 1 in section 1.3.5 in the report.

Warwickshire County Councils Local Cycling and Walking Infrastructure Plan (LCWIP) supported the above proposal by highlighting a cycle path across Abbey Fields as a potential scheme (Part 2: Network Plans: Warwick District: Ref K17).

The following was the rationale for that decision and should have been read in conjunction with Appendix C to the report – Consideration of Routes and Section 2 in the report.

Although a route across Abbey Fields would link up Sustrans Route 52, the primary function of the route would be to provide a safe and attractive facility for local people to cycle to the Leisure facilities at Abbey Fields and Castle Farm. There was a need for a safe traffic free cycle route to cater for novice cyclists, families, and children to enable more cycling. The route would be designed for low-speed cycling with fast club cyclists likely to stick to the road network. The provision of a widened and clearly signed multi-user route across Abbey Fields would help to focus cycling movement on the least sensitive areas.

In December 2022, a Motion was formally presented to WDC about enabling young people to cycle to school. It was acknowledged that a cycle route across Abbey Fields would help with that ambition.

The shared space needed to be designed to manage users in a way that removed conflict and the perception of conflict between pedestrians and cyclists. There were advantages to a fully shared path. It was recognised that there was generally more considerate behaviour among all users, especially with a code of conduct and coherent design, cycling speeds could be lower and although there were minor interactions, there would be less conflict.

*"With suitable widths and surface materials, off-highway routes could provide a high level of service for utility cycling"* (Section 8.1.2. Cycle Infrastructure Design Standards LTN1/20). *"Providing sufficient width for the anticipated levels of use will help minimise the risk of conflict between different user groups"* (Section 8.2.2 LTN1/20). The recommended widths were highlighted in Section 1.3.3 in the report.

A literature-based review by Sustrans 2011 found the following:

- Perception did not meet reality and walkers who did not meet cyclists had more negative views of sharing the route than walkers who did meet cyclists. Inferring that once a route was being used the fear of conflict dropped.
- Good information on who could use a route helped reduced perceived conflict.
- Studies showed that most cyclists slowed down when they met pedestrians and average cycle speeds became significantly lower as pedestrian flows increased.

It should have been noted that the section of the preferred route between Bridge Street and the Leisure Centre was already the recommended width and was used by certain permitted motor vehicles.

The scheduled monument area of Kenilworth Abbey encompassed all of Abbey Fields and as such required scheduled monument consent. In 2022, Historic England were consulted on the preferred route and they considered it the most viable option as the proposed route would have no impact on the monument for the section east of and around the leisure centre where it crossed the Finham Brook, as it used existing provision. To the west of the leisure centre the existing pedestrian path would need to be widened to 3m but avoid disturbance in the most sensitive part of the monument. Any design would need to be informed by appropriate archaeological assessment. The creation of a new separate cycle path would increase the amount of development within the park causing a loss to its undeveloped character. In effect Historic England were indicating that they would not give permission to a newly constructed separate cycle path due to heritage impacts.

The preferred route was the preference of the Green Space Team within Warwick District Council as they did not want to see the undeveloped character of Abbey Fields changed.

In terms of topography, it was a relatively flat gradient across the length of the route compared to Route 4 & 5.

In February 2022, it was estimated that the preferred route could cost approximately £300,000 (but subject to further design work) for the improvements within the park and about £200,000 for the works on the highway. This did not include any potential changes to the footbridge across Finham Brook.

Although the cost of installing a fully separate cycle path had not been estimated, it was envisaged that widening an existing route and not requiring the replacement of bridges across the Finham Brook, would be cheaper.

In terms of alternative options, the Cabinet could consider that none of the referenced routes were appropriate and that no further work should be undertaken on a cycle route across Abbey Fields.

The consequence of this decision would be the loss of the opportunity to encourage cycling, reduce car journeys and pressures on car parking at Abbey Fields. Cyclists would continue to cycle in Abbey Fields using existing paths not designed for this purpose would create conflict. This would require regular enforcement of the by-laws. Equality of opportunity would not be opened to people that use cycles as a mobility aid.

Another alternative option was the consideration of other potential routes.

Appendix C to the report described the different routes considered as part of the report whilst Appendix D to the report illustrated their direction. The following outlined why they had not been considered as the preferred route:

<u>Route 2 – Dedicated cycle path crossing Finham Brook at Leisure Centre Bridge</u>

*Disadvantages:*

- Permission from Historic England unlikely to be granted (see Historic England quote in Route 3 below).
- Additional cost of installing a completely new dedicated cycle path.
- Additional cost of replacing existing footbridge across Finham Brook.
- Greater potential disruption to wildlife.

*Advantages:*

- Potential less conflict between park users.

<u>Route 3 – Dedicated cycle path to south of Finham Brook</u>

*Disadvantages:*

- Permission from Historic England unlikely to be granted. Correspondence from Historic England in 2022, stated: *"the area south of the Finham Brook and immediately south of the leisure centre is known to contain archaeological earthworks and very shallowly buried archaeological remains. The works (construction of a new 3m path through the monument) would therefore have a direct impact on the known surviving archaeological remains and affect the legibility of visible earthworks".*
- Additional cost of installing a completely new dedicated cycle path.
- Additional cost of replacing existing footbridge across Finham Brook.
- Greater potential disruption to wildlife.

*Advantages:*

- Potential less conflict between park users.

Route 4 – Shared pedestrian/cycle path crossing diagonally across Abbey Fields

*Disadvantages:*

- Forest Road section would require an "on-road" signed advisory route or a cycle path with on-street parking removed.
- Approx. cost of shared "on-highway" shared cycle/pedestrian path was approx. £550 per metre. Forest Road section is approx. 300 metres long therefore a high-level cost estimate was in the region of £165,000.
- The average gradient for the Forest Road section was approx. 4.7% and LTN 1/20 design guidance suggested that the maximum length for this gradient should be in the region of 30m to 40m, set out in the table at section 2.2 in the report.
- Current path across Abbey Fields was too steep to meet current design standards and would require rerouting in a "zig-zag" format to meet the required gradients. Average gradient for the full length of path was approx. 3% whilst at its steepest northerly section of approx. 160m it had a gradient of 5%. This did not meet LTN 1/20 design standards, (see Table 5-8 above).
- Greater potential disruption to wildlife.

*Advantages:*

- Potential less conflict between park users.

Route 5 – Peripheral route around Abbey Fields

*Disadvantages:*

- As Route 4, the Forest Road section would require an "on-road" signed advisory route or a cycle path with on-street parking removed.
- This peripheral route was an additional 200m distance compared to Route 1
- A high-level cost of an "on-highway" option following Forest Road to Abbey Hill and onto Bridge Street was approx. £478,500 (870m of on-road route at approx. £550 per metre).
- The section between Abbey Hill and Bridge Street had an average gradient of 3% across 530m, again not meeting the standards required within LTN 1/20.
- At its steepest (section between Abbey Hill/Priory Road junction to Finham Brook road Bridge) it had an average gradient of 6% over 220m. This did not meet the guidance set out in LTN 1/20.
- Although a full feasibility study had not been undertaken, it was considered that there was insufficient highway space to create a high-quality cycle path on the Abbey Hill to Bridge Street section, photographic evidence of this can be found in Appendix 1 to the report.

*Advantages*

- Potential less conflict with park users.

It was important to note that the gradients had been calculated by the author of the report using the route creation option within Strava, the active travel tracker app. The cost estimated for on-highway cycle path were obtained from Warwickshire County Council (WCC).

Councillor Rhead commented on the hard work of the Sustainable Transport Project Officer on this project, and he understood the concerns raised by Councillor Hales regarding the safety of children along the route, which should be addressed. He then proposed the report as laid out.

**Resolved** that

(1) the progress made on identifying a preferred route for a cycle route to connect the northern and southern ends of National Cycle Network (NCN) Route 52 within the vicinity of Abbey Fields Park, Kenilworth, be noted;

(2) more detailed design work on the preferred route is progressed in conjunction with Warwickshire County Council and that at the completion of that work a public consultation is undertaken running for a period of six weeks, be agreed; and

(3) following the completion of the consultation period, a report of public consultation and (if appropriate) a costed proposal for implementation will be brought to Cabinet.

(The Portfolio Holder for this item was Councillor Rhead)
Forward Plan Reference 1,344

119. **Electric Vehicle (EV) Infrastructure in South Warwickshire – The Way Forward**

The Cabinet considered a report from Climate Change which provided an overview of the procurement approaches available to the Council (reference to "the Council" and/or "South Warwickshire" included both Warwick District Council (WDC) and Stratford-upon-Avon (SDC)), to facilitate an increase provision of Electric Vehicle (EV) infrastructure across the District and to provide an understanding of the opportunities available within the responsibilities of South Warwickshire and a proposed way forward.

It was vital that South Warwickshire chose the right procurement route and contractual arrangement when it came to the installation of new EV infrastructure. There were a range of options available at the present time and the terminology was fluid, but Appendix B to the report provided a detailed appraisal of the main ones being investigated.

The information provided within the report, alongside the South Warwickshire EV Infrastructure Strategy, set out in Appendix A to the report, did provide a detailed analysis of what EV infrastructure was required but there were important questions that still needed to be answered.

The recent pre-market engagement exercise carried out with internal colleagues from Procurement and the Energy Saving Trust (EST) had shown a very high interest from providers wishing to invest in the area.

(See below). As a result, it was vital that it was fully understood what the Council had to offer the market and how both WDC and SDC could work collaboratively knowing both the costs and potential revenues across South Warwickshire.

The momentum of the provision of a suitable contract and the installation of EV chargers needed to be maintained. That was why it was key that a Feasibility Study was procured as soon as possible.

The expectation of the recommended Feasibility Study was that it would take the information provided within the South Warwickshire EV Infrastructure Strategy, the work undertaken to date as part of this report and the recommended procurement approach and add further metrics, which would include, total trips to car parks, traffic flow, distance to nearest major road, amenities within 500m. These would be given weightings from which a deployment strategy roadmap would be developed which would include the indictive capital expenditure alongside the revenue share.

The proposed timescale for the way forward was:

- Completion of Feasibility Study – Approx. three months, April to June.
- Outcomes from Feasibility Study presented to and discussed with WDC's Programme Advisory Board (PAB) and SDC's Cabinet Forum – ASAP after study completion.
- Procurement of appropriate EVCP undertaken – Dependant on procurement route taken, as time lengths could vary.

EV charging could be introduced for a range of reasons and in several different ways. Based on the work undertaken so far, it was recommended that whatever approach was taken to procuring an EV charging provider, the following outcomes should be at its heart.

a) Equity in the provision of EVCP across South Warwickshire, which should include:

    - Socio-demographic. It needed to ensure that those households without driveways had access to convenient charging to ensure that the economic benefits of EV adoption were enjoyed by all. Ensuring the provision of affordable public charging would play a role in supporting disadvantaged communities.
    - Geographic. Consideration needed to be given to the provision of EVCP's in rural areas which were not near Council owned land.
    - Affordability of tariffs, with the provision that the Council had potential control over tariff rates at strategic sites.

b) Any roll-out of EVCP within South Warwickshire needed to be part of a wider cohesive network and needed to be in sympathy with the EVCP ambitions of Warwickshire County Council (WCC) as the Highway Authority;

c) A "portfolio approach" was taken with a potential provider. Whereby short to medium term financial returns which were achievable from more profitable locations were used to enable infrastructure to be provided at locations that might not make a return and/or that might take longer to make one. This was important for communities in rural areas and for residents that did not have access to off-street parking, which prevented them charging at home.

d) The need to choose the "right charge speed in the right location" to optimise usage and affordability;

e) EVCP's needed to be accessible to all users and inviting to use i.e., in well let locations and meet the specifications within PAS 1899:2022, which addressed the issue of accessibility for people with disabilities and older people;

f) Subject to outcomes a) to e) above, the approach should have sought to maximise the revenue to the Council.

It was important that the feasibility study considered the projects desired outcomes set out to ensure the Council's Portfolio of locations was able to maximise the benefits.

Against the background of the Government ban on the sale of new petrol and diesel cars by 2030 and hybrid petrol and diesel cars by 2035, the availability of charging facilities for EV's was ever more important. This formed an important strand of South Warwickshire's Climate Change Action Plan, with the ambition of reaching the goal of reducing net carbon emissions across South Warwickshire by a minimum of 55% by 2030.

The South Warwickshire Electric Vehicle (EV) Infrastructure Strategy set out what EV infrastructure was needed when based on the Government ban.

Transport contributed 45% of the emissions from South Warwickshire and reducing these emissions by supporting infrastructure for zero emission vehicles, like charge-points was key to enable this reduction.

Early adopters of EVs had generally had the ability to charge whilst parked off-street at home. Further, the private sector was delivering charge-points which were mainly top-up charging at destinations such as supermarkets and rapid charging hubs for "in-journey" charging. However, as the demand for EV grew, the estimated 34% of households that did not have off-street parking would require support through local accessible public charge-points.

Following a pre-procurement engagement process with a wide range of charge-point operators, discussions with the Energy Saving Trust (EST) and information within South Warwickshire EV Infrastructure Strategy, an options appraisal had been undertaken, set out in Section 1.3 in the report and Appendix B to the report.

The EV sector was evolving rapidly and the adoption of EVs for both private and public use was set to grow significantly over the next decade or so. This was being driven by climate change pressures, the introduction of new legislation and the pace of innovation alongside the Council's own stated climate change ambitions.

The South Warwickshire EV Infrastructure Strategy (Appendix A to the report) highlighted the challenges faced by South Warwickshire. The report sought to highlight the different approaches against the conclusions of the Strategy.

Political and cultural preferences could often influence perceptions of future service models. However, every care had been taken to look at the options objectively and against the principles highlighted within the Strategy.

The Options Appraisal could be found in Appendix B to the report and was there to support the decision-making process on the nature of the procurement approach most likely to deliver South Warwickshire's ambitions.

Clearly one of the key decisions that the Council needed to make was selecting the approach to take when it came to procuring a service provider. This needed to consider the investment, ownership, risk, and responsibilities of the infrastructure between the Council and the service provider.

The procurement approach to appoint an EVCP provider needed to be guided by the vision, aims and objectives of the Council, and there were two main drivers, namely:

- The South Warwickshire EV Infrastructure Strategy.

This was produced by Cenex and presented and agreed by WDC & SDC Cabinets in July 2022. It suggests the following principles:

- South Warwickshire should ensure a fair transition and steer public charge point development in locations where private sector would not.
- South Warwickshire should start with equipping public car parks with adequate charge-point infrastructure and supporting home charging at social housing.

- Ambition 2 of South Warwickshire's Climate Change Action Programme which included the following commitment (1.3): *"Switching to low carbon vehicles: where residents and business need to rely on road vehicles, we will seek to support an increase in the percentage of Ultra-Low Emission Vehicles owned by residents in south Warwickshire from 2.9% in 2019 to 89% by 2030".*

As mentioned, the above principles needed to be considered when choosing the approach to procuring the infrastructure and the relationship to have with a provider. It needed to ensure there was sufficient charge point infrastructure across the area on land within the ownership of WDC or SDC which was largely public off-street car parks and social housing sites.

A good proportion of EV drivers would charge their vehicles at home, however, 34% of South Warwickshire properties did not have access to off-road parking.

Rapid charge points (See Appendix D to the report) should generally be located adjacent to strategic routes and the private sector had started to install them. Given this, there would be less emphasis on installing rapid charging points on Council owned land. However, rapid chargers should not be ruled out completely and the quotation which stated "right charge speed in the right location" needed to be remembered. For example, any new development adjacent to strategic routes that was on Council owned land should be considered for the installation of rapid charge points.

Within the confines of land that was within the ownership of the Council, there was a wide variety of potential sites, in terms of potential demand and profitability. It could be argued that the EV chargers within car parks serving the areas around tourist hubs i.e., Warwick & Kenilworth Castle and Stratford Town would be well used and potentially earn a revenue, whilst some of the quieter car parks and social housing sites would not have this potential. With this "portfolio" of sites it was vital that firstly it was understood that the "offer" the Council could provide a potential EV charger operator. In addition, the Council needed to enter a contract where there was equitable distribution of chargers across land within the Council's responsibility and fulfilled the approach highlighted in the Councils principles.

The Options Appraisal could be found in Appendix B to the report and was based on the guidance provided by The National EV Insights and Strategy (NEVIS) service, hosted by Cenex.

With reference to the information highlighted in the report, the evidence suggested that some form of Public-Private Commercial Partnership was undertaken where South Warwickshire agreed to a procurement approach with a EVCP provider that shared aspects of capital cost, operational costs, control and risk between the Council and the provider and met the aspirations and met the principles highlighted in Section 1.3.6 in the report. However, this would be guided by the information gained from the recommended Feasibility Study.

In terms of alternative options, the Council could decide not to install EVCP and to leave this provision to the market. This might result in a lack of provision, particularly in rural areas. This option would not see the expansion of EV infrastructure onto land owned by the Council, and it would not be fulfilling its obligations or aims, and objectives mentioned above.

Councillor Rhead proposed the report as laid out.

**Resolved** that

(1) the outcomes of the EV charging procurement process as set out in Section 1.1.6 in the report, be agreed;

(2) the procurement a South Warwickshire Feasibility Study at a maximum cost of £40,000 with WDC's share to be funded from the Climate Action Fund, be agreed, to establish

how the Council’s portfolio of EV charging location can best deliver the outcomes. It is recommended that the study:

a) builds on the work undertaken to date (see below);
b) assesses the financial potential of the different contract options for the Council;
c) estimates the charge session numbers across the Council’s “portfolio” of sites, profit, and revenue (assuming specific electricity rates and EVCP tariffs in £ per kWh);
d) reviews the Council’s sites (including ownership, parking restrictions, number of parking bays); the Council’s aspirations for Electric Vehicle Charging Points (EVCP) and the existing EVCP information (including makes and models of EVCPs and usage;
e) advises on the full cost implications of installing charging infrastructure, which should include, but not limited to, ongoing operation and maintenance; signage; bay marking and other project elements (traffic management orders and parking enforcement etc.);
f) investigates the challenges and possibilities of a collaboration on a joint procurement exercise between WDC & SDC; and
g) ensures that any proposals meet the key outcomes outlined in Section 1.1.6 in the report.

(3) to note that the work undertaken to date, detailed in this report, suggests that the procurement approach highlighted in Section 1.3.12, is the preferred option to meet the Council’s outcomes, however this will be guided and influenced by the results of the Feasibility Study; and

(4) based on the findings of the Feasibility Study and subject to the study demonstrating that there are no upfront or ongoing nets costs to the Council, delegated authority is given to the Programme Director of Climate Change in consultation with the Portfolio Holder for Climate Change to undertake a procurement exercise which can deliver the outcomes set out in Section 1.1.6. Should the study indicate a requirement for upfront investment or ongoing net costs, a further report will be brought to Cabinet to establish the budget ahead of

undertaking the procurement exercise.

(The Portfolio Holder for this item was Councillor Rhead)
Forward Plan Reference 1,344

120. **Community Projects Reserve Proposals**

The Cabinet considered a report from the Chief Executive which requested the allocation of sums from the Community Project Reserve for the progression of three community-based projects and authority to delegate the necessary action to implement the allocations, if agreed.

Alongside the Coventry and Warwickshire Gateway Scheme for employment development which was now underway a country park along its southern edge along the route of the river Avon was planned and had been implemented. However, Bubbenhall village which lay to the south of the river had no direct access to this new facility even though it was only a few hundred metres away. Access on foot required long walks to get to the nearest bridge crossing points over the river and was more likely to cause residents to use a car than to walk which rather defeated the objective of the proposal in the first place.

A community request therefore had been made via the Parish Council and Ward Councillors that a feasibility study should be undertaken to establish the practicality and cost of creating a footbridge over the river to allow villagers to gain direct access to the new country park. It was suggested via soundings form the market that this could cost up to £30,000, including looking at a route that could connect to the Ryton Pools Country Park which lay to the east of the village. It was proposed that this feasibility work be funded from the Council's Community Project reserve.

Bubbenhall Parish Council was supportive of this action and had set up a Working Party to assist and steer the development of this work. Once completed there would then need to be concerted efforts to raise the funding for its construction. It should not have been assumed that the implementation cost would come from this Council. It was forecast that there would be opportunities from nearby developments to gain funding for the scheme once a cost and a plan had been worked up in detail.

The Local Plan for Warwick 2011 to 2029 allocated a significant area of land south of Warwick/Leamington and Whitnash and North of Bishop's Tachbrook for housing development and associated ancillary facilities including schools, neighbourhood centres and open space. In particular, a new country park was to be developed along the northern bank of the Tach Brook form Oakley Wood Road to Europa Way. This now had planning permission and was due to be implemented in 2024. Other open space had been planned along the Tach Brook to the west of Europa Way, some of which was to be awarded to the Council as part of an open space associated with development and Turnbull's Wood which was also the subject of the report. This chain of projects would create a continuous green open space from Oakley Wood Road to Banbury Road for public benefit but which especially in the light of the recent motion regarding about biodiversity, it also offered a significant opportunity for enhancing biodiversity. With the County Council the District Council was planning a significant network of paths and tracks for a range of purposes.

However, there was one blockage from a human movement perspective in that people would need to cross Europa Way at grade. The present envisaged crossing did have a traffic lighted facility, but the road was effectively six lanes wide at this point. This was also relevant from an active travel perspective as this was a significant barrier to people walking or cycling between the west and east sides of Europa Way to get to school, local shops, places of work and for recreation and leisure. Europa Way was also planned to become a dual carriageway for its full length. This barrier to movement was an issue bearing in mind the construction of a new secondary school to the east of Europa Way (at the eastern end of the new country park) and some 1,500 homes planned or under construction to the west of Europa Way.

In response to this issue, there was an opportunity to construct a foot/cycle bridge over Europa Way just north of the Tach Brook (Plan 1 also illustrated the location) via use of the raised ground levels, which aside from the functional purpose of enabling a safe road crossing point, it would also create an opportunity to create a new landmark – an exit/entrance to the towns.

This was a project which was already on the District Council's project list and was also on the Council's agreed CIL list. Feasibility work on the project began in earnest in 2022 with WCC expending some £50,000 on investigations and conceptualisation undertaken by consultants. This had included: initial concept visualisation, topographical/photometric surveys, a geotechnical desk study, appraisal of available utilities information, preliminary ecological assessment and an equality impact assessment.

Preliminary data had been used to identify feasible options for the western approach to the structure where the topography was challenging, the rerouting of maintenance access tracks and connecting footway/cycleways as well identifying the structural span needed to accommodate future widening of the A452 Europa Way to dual carriageway.

The next phase of design development would build upon the work done to date but required some £75,000 of funding to do so. This work would include:

1. Defining the Scope of the Project – the first priority was to define the basic geometry of the bridge, the extents of connecting footpaths and cycleways and the extents of ancillary earthworks landscaping and access road diversions that the Council wished to deliver as a single construction project. This would include:

    a. Concept Optimisation to verify bridge geometry and earthworks extents for the preferred alignment for the Western Approach Ramp to the new bridge.
    b. Extend the scope of the project concept to include the connection south to the Asps Development, including a second bridge over Tach Brook.
    c. Develop a strategy for maintenance access provision in consultation with WCC County Highways, WDC Country Park Project Team and Statutory Undertakers and achieve consensus, if possible.

   d. Define extents of combined footway/cycleway connections and /or tie-ins to the existing paths to be included in the scope.

2. Statutory & Stakeholder Consultations – early consultations to map approvals processes and requirements, and understand the potential cost and programme implications:

   a. WDC Planning – Pre-Planning and Planning Application processes and timeframes.
   b. WCC Ecology – Survey Requirements and Potential Mitigation Measures necessary to achieve Planning Consent.
   c. WCC Flood Defence – Constraints on the diversion of Tach Brook watercourse and other requirements necessary to achieve Planning Consent.
   d. Statutory Undertakers – any approvals processes necessary to implement alterations to apparatus and the maintenance access strategy in Item 1c.

3. Determine preliminary land acquisition requirements (also an action from September Steering Committee Meeting). Establish communication channels with affected landowners/agents, and if appropriate, hold initial talks to gauge if they were willing to enter into negotiation and identify where accommodation works would be necessary during the construction.

4. Agree appropriate contingencies for current inflation levels.

5. Update Preliminary Cost Estimate and Programme to benchmark aesthetic improvements, scope change and inflation (please note this will not be a funding estimate)

Point 2 above would need to include some degree of community consultation and engagement.

As this project was very much a joint project – the two landing points for the bridge would be on WDC land when transferred from developers but the highway was clearly WCC's; it was proposed that this second stage of work was funded by WDC paying £62,500 from the community projects reserve and WCC paying £12,500. This meant, with the earlier work taken into account, each Council would have contributed the same amount. WCC had agreed to contribute the £12,500.

The work would be commissioned under a WCC framework agreement. There was already a Joint Member and Officer Steering Group including a Parish Councillor from Bishops Tachbrook Parish Council to oversee the project. The results of this stage of work would be reported back to Cabinet to inform the next stages of the project. At this stage the scheme had an estimated cost of circa £5m and it was included on WDC's CIL list of schemes with £1m allocated and with another £1m proposed from other CIL sources. However, the scheme needed to be worked up further to better understand the costs and the programme for a bridge. There were other developments proposed or in the offing nearby which offered the opportunity for significant contributions toward the scheme costs but a worked-up scheme needed to be drafted to be able to exploit those opportunities.

As referenced above, the Council had, or was in the process of, acquiring land from developers all along the northern bank of the Tach Brook from where it met Oakley Wood Road near the Leopard pub, to Banbury Road in Warwick, under either Section 106 agreements or the public open space adoption process.

The one area which was not subject to this process currently was the area known as Turnbull's Wood – an area of woodland running along the north bank of the Tach Brook up to Banbury Road. The Council had been in discussion with the landowner for some time (five to six years) about how this area could become part of the green open space corridor along the length of the Tach Brook but had now reached agreement on how this might be concluded. The proposal and explanation were set out in the Private and Confidential Appendix 1 to the report. To achieve this opportunity, it was estimated that £50,000 was required which could be funded from the Community Projects Reserve.

The implementation of these projects, if agreed, bearing in mind the forthcoming elections and the long gap between meetings, it was proposed that the progression of the legal agreement in respect of Turnbull's Wood and of the procurement processes in relation to all three projects should be delegated to the Chief Executive.

In terms of alternative options, Members could opt not to support the allocation of funds and not grant the delegation as recommended in the report. The implementation of these projects would then not be possible to be progressed. For this reason, this option had not been recommended.

Councillor Cooke proposed the report as laid out.

**Resolved** that

(1) the allocation of £30,000 from the Community Projects Reserve 2023/24 for a feasibility study for a footbridge over the River Avon from Bubbenhall village to the new country park, be approved;

(2) the allocation of £65,000 from the Community Projects Reserve 2023/24 for the next stage of the feasibility study on the Europa Way foot/cycleway bridge, be approved;

(3) the allocation of £50,000 from the Community Projects Reserve 2023/24 for the cost related to the proposal set out in the private and confidential appendix to the report relating to Turnbull's Wood, Banbury Road, Warwick, be approved;

(4) authority be delegated to the Chief Executive in consultation with the Portfolio Holder for Climate Change to approve the use of the

above allocations;

(5) the basis for the proposal as set out in the private and confidential appendix to the report, be agreed and that authority be delegated to the Chief Executive in consultation with the Head of Neighbourhood and Assets and the Head of Community Safety, Leisure and Environment to complete the legal processes; and

(6) authority be delegated to the Chief Executive to execute the procurement process in all three projects where appropriate, in line with WDC Procurement policy.

(The Portfolio Holders for this item were Councillors Cooke, Falp, Hales & Rhead)

121. **Consideration of an Article 4 Direction at Castle Pavilion, Castle Road, Kenilworth**

The Cabinet considered a report from Place, Arts & Economy which sought approval to confirm the Direction under Article 4(1) of the Town and Country Planning (General Permitted Development) (England) Order 2015 to remove certain permitted development rights on the Land known as Castle Pavilion, Castle Road, Kenilworth. The report summarised responses received from affected residents since the implementation of the Direction on 7 October 2022.

Permitted Development Rights (PD rights) were a national grant of planning permission which allowed certain building works and changes of use to be carried out without having to make a planning application. Some development and uses under PD rights therefore fell outside of the control of the Local Planning Authority. The rights set out in the legislation were the same across England and so inevitably could not take account of local sensitivities.

While there were some exceptions within the legislation for specifically defined areas that were recognised for their intrinsic value, these were limited. However, the legislation did enable the removal of PD rights with sufficient justification by a Local Planning Authority, either by means of a condition on a planning permission, or by means of an Article 4 Direction.

Responding to concerns raised by Councillors, Kenilworth Town Council and local residents, the Council served an Immediate Article 4 Direction to remove permitted development rights under Schedule 2, Part 4 Class B of the GPDO 2015. An Immediate Direction was authorised at Cabinet on 29 September 2022 and came into force on 7 October 2022.

The Council undertook a consultation as part of the service of the Article 4 Direction which concluded on 28 November 2022. The results of this consultation and the related findings were discussed below.

Certain works that would normally require planning permission were permitted by the Town and Country Planning (General Permitted Development) (England) Order 2015 (GPDO), as amended. As a result, the developer (typically the owner of the property or land) did not have to make a planning application to the Local Planning Authority to seek permission to carry out certain building works, provided they comply with specific limitations and the small number of conditions set out in the Order. More details regarding this legislation and its context in relation to Conservation Areas was set out in the 29 September 2022 report to Cabinet.

A Direction under Article 4(1) of the GPDO 2015 enabled the Secretary of State or a Local Planning Authority (LPA) to withdraw specified PD rights across a defined area. As set out in the 29 September 2022 Cabinet report, a Direction came into force on the date on which the Notice was served on the owners/occupiers of the land. The LPA then had between 28 days and six months from the date the Direction came into effect, to decide whether to go ahead and confirm the Direction, considering any representations that had been received. If not confirmed within six months, the Direction would lapse. Therefore, for the LPA to confirm the Article 4 Direction in this case thereby enabling the Direction to remain in place, it needed to be confirmed prior to 7 April 2023.

The owners of the site ceased all uses at the location following the service of the Article 4 Direction on 7 October 2022. The LPA was of the view that even though the use has ceased, the Article 4 should be confirmed. This was due to the representations received and the importance of bringing any future events under planning control in order to protect residential amenity, the Green Belt, and potential highway safety.

Members were recommended to authorise confirmation of the Article 4 Direction as served on 7 October 2022.

There were alternative options available to Cabinet namely:

(a) the Cabinet could decide that the Council should not confirm the Article 4 Direction subject of the report at this time: or
(b) the Cabinet could decide that the Council should modify the served Article 4 Direction.

Were the Council to decide to proceed with modifications to the served Article 4 Direction, procedurally the Direction would have had to be cancelled and a new Direction served.

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 under Schedule 2, Part 4, Class B of The Town and Country Planning (General Permitted Development) (England) Order 2015 and to serve letters upon all owners confirming the Direction relating to the site which is shown edged red at Appendix A to the report, be authorised.

(The Portfolio Holder for this item was Councillor Cooke)

The Leader thanked the Cabinet, Group Leaders Leadership Co-ordinating Group, and Officers for all of their work during a challenging period over the previous four years.

122. **Public and Press**

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

| Minutes Numbers | Paragraph Numbers | Reason |
|---|---|---|
| 123, 124, 125, 126 | 3 | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |

123. **Contract Dispute – Dictate2Us Transcription Services**

The recommendations in the report were approved.

124. **Revision to a Term and Condition of an Existing Loan Arrangement**

The recommendations in the report were approved.

125. **Confidential Appendix to Item 16 – Community Projects Reserve Proposals**

The Cabinet noted the confidential appendix.

126. **Minutes**

The confidential minutes of the meeting held on 9 February 2023 were taken as read and signed by the Chairman as a correct record.

(The meeting ended at 8:01pm)

CHAIRMAN
5 July 2023