

Cabinet

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

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

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

53. **Declarations of Interest**

There were no declarations of interest.

Part 1

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

56. **Fees and Charges**

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

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

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

- the impact of the Fees and Charges levels on delivery of the Council's Corporate Strategy;
- the level of prices the market could bear including comparisons with neighbouring and other Local Authorities;
- the level of prices to be sufficient to recover the cost of the service and the impact on Council Finances, where this was not the case;
- the impact of prices on level of usage;
- the impact on the Council's future financial projections within the Medium-Term Financial Strategy;
- Ensuring that fees, particularly those relating to licensing, reflect the current legislation. The regulatory manager had to ensure that the fees charged should only reflect the amount of officer time and associated costs needed to administer them;
- whether a service was subject to competition from the private sector, such as Building Control. This service had to ensure that charges set remain competitive within the market;
- income generated from services including Building control, land charges and licensing was excluded from the Medium-Term

Financial Strategy and was managed through ring-fenced accounts, due to the legislation and criteria under which they operated; and

- management of the Council's Leisure Centres was by Everyone Active. The contract definition stated that 'The Contractor shall review the core products and prices in September of each year and submit any proposed changes to the Authority for approval (the "Fees and Charges Report")'. RPI from June was used to set the core fees and charges in agreement with the Councils designated officer, the Sports and Leisure Manager. RPI in June 2024 presented an annual inflation rate of 2.9%. Appendix C to the report outlined the core fees.

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

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

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

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

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

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

- whether prior year targets had been achieved in setting budgets;
- how actual income generated compared with the original budget set;
- how the budget target compared with CPI; and
- how significant new fees introduced (such as green waste charging) impacted upon the delivery of budget target and actual income received.

Appendix D to the report provided a summary of this analysis, covering the period 2019-20 to 2024-25. From the summary, in years where a fee

target was set at a level above CPI, unless there was a significant new charge introduced, the budget approved fell short of the target. However, the budget set was always above that year's CPI.

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

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

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

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

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

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

Alternative options would be:

- leave all fees and charges at 2024 levels or increase at a reduced level. This would increase the level of savings to be found through the Change Programme over the next five years, unless additional activity could be generated to offset this;
- implement all Commercial Gov recommendations in full. The proposals put forward by the review suggested that £599k of additional income could be achieved in 2025/26 just from the

areas reviewed. £104k of this income was previously not factored into the 10% assumption within the MTFS;

- increase at a level higher than proposed in the report. Excessive increases could deter usage where the take up was discretionary. Customers might choose to use the service less frequently or use an alternative supplier where one was available; or
- the judgement and expertise of managers was taken into consideration when assessing the two options presented in paragraphs 2.1.2 and 2.1.3 in the report. In some instances, it was deemed that the options were unrealistic and might ultimately result in income reducing due to competition or reduced customer retention. Where possible, managers had used the insights and information proposed by Commercial Gov to propose different approaches to achieving the same or similar levels of income, and these had been included within the proposals.

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

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

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

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

Recommended to Council that

- (1) the Fees and Charges proposals set out in Appendix A to the Minutes, to operate from 2 January 2025 unless stated otherwise;
- (2) the changes proposed by Everyone Active to the core products and prices from January 2025, in line with the agreed contract; and
- (3) the Car Parking Charges be endorsed for consultation with relevant stakeholders (including Warwickshire County Council) and are brought back to Cabinet along with the proposed revisions to off Street Parking Orders for consideration.

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

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

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

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

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

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

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

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

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

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

All housing complaints were handled by the Customer Engagement Team.

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

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

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

Plans for all relevant Staff to complete Housing Ombudsman eLearning.

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

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

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

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

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

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

To All Heads of Service:

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

To the Chief Executive:

Agree:

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

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

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

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

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

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

Resolved that

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

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

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

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

On 30 July 2024, the new government launched a public consultation on some proposed changes to the planning system which would impact Warwick District Council (and all other local authorities across England).

The government was seeking views on a proposed approach to revising the National Planning Policy Framework (NPPF) and also on a series of wider policy proposals in relation to increasing planning fees, local plan intervention criteria and appropriate thresholds for certain Nationally Significant Infrastructure Projects.

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

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

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

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

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

Meeting housing needs

- The government was proposing to reintroduce mandatory housing targets to underpin work on Local Plan preparation (questions 1-14).

(These were abolished under the previous version of the NPPF.). Importantly, in calculating this, the government had developed a new “standard method” for calculating housing needs (15-19). The current standard method approach was introduced in 2018 and was a trend-based model, which looked back at house building in the local area over a number of years. It also factored in levels of affordability of housing (with additional homes directed to those areas where affordability was more challenging). Finally, it included an arbitrary 35% uplift for major cities including, in this area, Coventry. The proposed new standard method had a baseline based on a percentage of existing housing stock levels. It retained the affordability multiplier but did not apply the urban uplift.

- The current standard method has been criticized locally, both because it was a trend-based model which focused more housing on those areas which had seen greater levels of housebuilding in recent years, and because it was based on largely historic (and out of date) data. The major cities uplift had also had the effect of putting more housing into areas such as Coventry, which then put pressure on Warwick District when Coventry had not been able to make provision to meet its needs within its area.
- There was also helpful clarity around affordable housing provision (34, 40, 47-61). Housing colleagues had helped draft the response to these questions.

Green Belt

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

Plan-making (43, 103 - 106)

- The consultation set out transitional arrangements for Local Plans that were currently in preparation as to how they would be impacted by the

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

Planning fees (89 – 102)

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

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

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

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

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

Councillor Davison proposed the report as laid out.

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

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

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

(The meeting ended at 7.46pm)

CHAIR
5 December 2024