

Pre-Scrutiny questions and answers on reports being considered by Cabinet on 9 February 2023

(This forms part of the considerations at Group meetings before a decision is made on which Cabinet reports will be called-in for scrutiny by the Overview & Scrutiny Committee)

5. Local Council Tax Reduction Scheme

(Report author(s): Andrea Wyatt – Benefits and Customer Services Manager)

Question(s) from Councillor Hales

The questions were not copied to Committee Services because they were posed in a telephone call.

Response:

I have attached a spreadsheet which I hope shows the information you requested (appendix 1 to this document). There are 3 tables, Table 1 shows the number of pensioners in each council tax band in receipt of a reduction and the % reduction received. The proposed changes to the scheme will have no effect on the amount of reduction pensioners receive as the legislation for calculating pensioner claims is prescribed by Govt and they can already receive up to a maximum 100% reduction.

Table 2 shows the same information for working age claimants who are still on the old means tested scheme, albeit the maximum amount of reduction they can receive is 85% of the full charge. If the proposed changes are approved, any council tax reduction will be based on 100% of the full charge.

Table 3 shows the working age claimants who are currently on our banded scheme, under this scheme claimants receive a % reduction depending on their income and circumstances, under the proposals the bands would increase from 85% to 100% and 60% to 75% etc. The banded scheme was introduced as a simplified scheme for claimants in receipt of universal credit so as claimants on the old scheme move to universal credit they are moved to the banded scheme.

Question(s) from Councillor R Dickson:

In the current financial climate, the proposal to increase the 85% discount for working age families to 100% seems the responsible thing to do. However, the financial implications of doing so appear to be presented as a certainty (paras 4.1 and 11.6), whereas isn't it the case the risk is variable depending upon how many claimants there are?

Will this not depend on how the 100% discount scheme is marketed?

For every 5% extra take-up what is the cost implication?

It would be useful to have more information about the planned marketing activity of the discount to vulnerable residents. Otherwise, the Council is at risk of claiming the virtue of having the 100% scheme but not in practice doing much to make sure that those residents who most need it actually claim it.

The concern raised on Item 5 about the financial cost being variable not fixed, because it depends on how the CTR scheme is marketed, applies here as well.

Response:

1) The amount quoted was based on all working age recipients receiving an additional 15% reduction in their Council Tax at the time the report was written. This can change daily depending on the total working age caseload as we receive new claims and claims are cancelled on a daily basis so the caseload fluctuates. The caseload remained fairly static for a number of years, however we saw a large increase in the number of people claiming when covid occurred. The table below shows the number of working age claimants as at the 1st April each year from 2019 and the current caseload as at today.

Caseload	
01/04/2019	3391
01/04/2020	3951
01/04/2021	4789
01/04/2022	4763
06/02/2023	4619

At the beginning of the financial year the total Council Tax reduction paid for the year was £7,638,652 as at the 03/02/2023 this had reduced to £7,424,059 as a result of changes to the caseload and the changes in the level of Reduction people are entitled to due to changes in their circumstances.

2) All existing claimants will have their reduction automatically re-calculated based on the 100%. The Council Tax Reduction scheme is already publicised, information is contained on every Council Tax Bill sent out. Claimants who claim Universal Credit are asked specifically if they wish to claim and their details are automatically passed to us from the DWP. Details are on our website and are also contained on the Gov.uk website (which directs people to our website). The scheme is also widely known amongst all of our partner organisations. Our customer service advisors deal with both Council Tax and Benefit enquiries and therefore anyone who contacts us who is struggling to pay is advised/helped to claim.

3) For every additional 100 claimants the approximate additional cost of the 15% change is WDC £1,780, WCC £15,939 and PCC £2,629.

Question(s) from Councillor Syson: (relevant to Item 6 also)

I understand the proposal that many people will, for at least this coming year, receive a 100% reduction in their Council tax rather than an 85% reduction, which is the current maximum.

I can't find anywhere a scale of what income entitles a person to what % reduction, so what about those who currently receive less than an 85% reduction? Will the current scales be adjusted so that they benefit too?

Or are you relying on Option 2 in Item 6, giving everyone else up to £75 off their contribution?

Response:

Yes, currently Council Tax reduction is assessed based on 85% of the full charge, if the proposals are approved then all working age claimants will have their entitlement assessed based on 100% of the total charge so all of them will benefit from this change.

Question(s) from Councillor Quinney:

1. I have a few queries about this paper and would appreciate your help:

Response:

Are the amounts of lost Tax revenue anticipated by WCC and the PCC, of £764k and £126k respectively, correct?

The amount quoted was based on all working age recipients receiving an additional 15% reduction in their Council Tax at the time the report was written. This can change daily depending on the total working age caseload as we receive new

claims and claims are cancelled on a daily basis so the caseload fluctuates. The caseload remained fairly static for a number of years, however we saw a large increase in the number of people claiming when covid occurred. The table below shows the number of working age claimants as at the 1st April each year from 2019 and the current caseload as at today.

Caseload	
01/04/2019	3391
01/04/2020	3951
01/04/2021	4789
01/04/2022	4763
06/02/2023	4619

2. What is the comparable figure for lost revenues for other precept partners such as Town and Parishes?

Response:

Parish and Town Councils are not affected in the same way as the major preceptors, their tax base has been adjusted by 0.5% to allow for the change. So for example, if a Parish has a tax base of 1000 this has been reduced by 5 to 995. The Parish/Town will then set their precept based on the adjusted tax base. Any deficit or surplus in terms of the collection fund is picked up in the following year.

3. Does the latest figure for the overall Tax reduction, given in the paper in para 11.6, of £7.424m, relate only to the 85% discount scheme, exclude single occupier and any other discounts?

Response:

The latest figure does exclude the single occupier discount scheme and all other discounts. All other discounts such as the single occupier discount are deducted from the total annual Council Tax Charge and the Council Tax Reduction is then calculated based on 85% of the remaining charge.

4. Is the decision for one year only or subject to annual review?

Response:

In order to make any amendments to the Council Tax Reduction scheme, we are required to consult with the public and our major pre-ceptors. If we had placed a time constraint on the proposal, and then decided to continue paying up to 100% Council Tax Reduction in 2024, we would have been required to undertake further consultation. By not imposing a time limit, we can take a view later in the year depending on whether the economy is improving. If we do decide to change the scheme for 2024 a report will need to come back to Council for approval.

5. What will be the lost revenue to WDC?

Response:

The lost revenue to the District at the date of the report was £81,700, but as per question 1 this could vary depending on the size of the caseload.

6. Is that reduction built into the latest MTFS calculation?

Response:

The reduction has been built into the latest MTFS calculation.

7. Do all other Districts in the County operate a similar low paid discount scheme and at 85%? If so, are other Districts also planning to increase the discount to 100%?

Response:

Yes, they do, in 2013 the national Council Tax Benefit scheme was abolished and since then each charging authority has been required to have their own Local Council Tax Reduction Scheme. It is a requirement for every charging authority to have a Council Tax Reduction scheme. The other Districts/Boroughs across the County have not made any proposals to change the minimum amount charged this year and this differs for each Council as follows Nuneaton and Bedworth BC and Rugby BC 15%, Stratford DC 80% and North Warwickshire BC 91.5%.

8. Para 11.5 indicates substantial extra revenues expected from changes to tax on empty and second homes, which will more than offset the lost revenues under this proposal, but not until 2024. Is there any reason why they cannot be introduced in 2023 to overcome the objections of WCC and the PCC?

Response:

The ability to introduce additional charges on second homes and empty properties does not come into force until April 2024 as part of the Levelling Up and Regeneration Bill.

7. General Fund Revenue and Capital Budget

(Report author(s): Andrew Rollins- Head of Finance)

Question(s) from Councillor Davison:

- Why is 2% inflation assumed in the budget? Yesterday, the bank of England wrote: "We expect inflation to begin to fall from the middle of this year and be around 4% by the end of the year."
<https://www.bankofengland.co.uk/explainers/will-inflation-in-the-uk-keep-rising>

Response:

As per 1.3.2, core inflation of 4% has been included in the budget. Salaries are our single biggest expense as a Council (circa £20m p.a.), and 4% has been included as an assumed increase in salary costs. Other major contracts, including those relating to Waste and cleaning, have been subject to their own individual reviews as per their agreed contracts.

- The 22/23 budget included: "further significant savings need to be agreed and implemented before the Council agrees its 2023/24 Budget". What savings were these and how successful has their implementation been?

Response:

A number of savings were expected to come forward during 22/23 linked to the merger with SDC. Given that this was withdrawn shortly after the budget was set, the Council has had to in effect 'go back to the drawing board' in terms of some of its savings programme. Item 13 on the agenda proposes a programme of organisation change to be developed to review services, ensure value for money and support the Council in achieving a sustainable financial position going forward.

- 1.3.5 Regarding the business rate volatility reserve: "it is proposed that a maximum balance of £10m is retained in anticipation of the adverse changes expected from 2025/26." But 1.9.3 "the balance of this reserve should not be allowed to go below a level of £10m." Should 'maximum' be 'minimum'?

Response:

In effect it could be either, as we believe retaining more than £10m is unnecessary to mitigate any potential impact of a business rate reset, while retaining significantly less than £10m going into the reset could expose the Council to increased risk.

- How does this square with Appendix 10 that says a £8m balance will be retained?

Response:

The table in appendix 5 does show that the balance is forecast to go down to £7.7m at 1/4/24, but will increase to £9.5m ahead of any potential reset forecast for 2025/26.

- What business rate volatility has required this spending? Or is this reserve misnamed?

Response:

The reserves primary purpose is to smooth receipt of Business rate income. However, given that it is deemed a £10m balance is sufficient for this smoothing, surplus funding is being utilised to support wider Council activity.

- Does Appendix 10 indicate that total reserves would be reduced by £6.8m in 23/24?
 - If so, with the deficit in 1.8.2 'only' being £3.5m, does this mean the difference (£3.3m) would be spent on capital projects?

Response:

Appendix 10 covers the use of other funding sources in addition to Business Rates, including New Homes Bonus and Funding Guarantee received as part of the Local Finance Settlement for 2023/24. The projects list covers a wide range of activity, with some being revenue and some being capital.

Appendix 5b shows that £6.3m of General Fund reserves are being used in 2023/24 to support activity (with £3.5m of that coming from Business rates to balance the budget)

- Section 1.8.3 projects a £4.3m deficit in 24/25. What is the plan to address this deficit?

Response:

This is covered more extensively in Item 13 on the agenda.

- Appendix 5b:
Is page 3 correct? e.g., should General Fund row be higher? Should the items add up to the totals?

Response:

The General Fund row is a separate reserve to maintain a core balance of £1.5m. This could be included in the 'General Fund Reserve Total' figure going forward.

- Out of the estimated £23.3m reserve at the start of 23/24, how much can be spent on plugging gaps in funding? How much is ear-marked for specific purposes and so cannot be vired?

Response:

Reserves that are not ring-fenced or already allocated for activity (including balancing 22/23 and 23/24 budgets) include:

Business rates £11.5m

Services Transformation Reserve £1m

General Fund Balance £1.5m

- Appendix 9 part 1. Future high street fund: are these net WDC payments, or are they (partially) offset by govt grant?

Response:

Reserves that are not ring-fenced or already allocated for activity (including balancing 22/23 and 23/24 budgets) include:

Business rates £11.5m

Services Transformation Reserve £1m

General Fund Balance £1.5m

- Appendix 9 part 2. Total Climate change works for 2022/23 of £3.4m and projected to be £4.1m in 23/24. What has been the cost-effectiveness of each of these works so far in terms of reducing both energy usage and carbon emissions? Do the direct financial benefits go solely to tenants or does WDC make any savings?

Response:

I will need to liaise with Dave Barber on a response to this, which will be to follow.

Question(s) from Councillor Quinney:

1. What was the value of claims made and any outstanding year-end balance on the Hardship fund agreed as part of last year's budget-setting process? How much of this Fund has been used to assist residents to pay Council Tax due to low pay or other special circumstances?

Response:

To date £315,100 out of £428,900 (£228,900 from Govt {spent} & £200,00 from WDC) has been used to help nearly 5300 of our most vulnerable residents through this scheme.

2. What is the revenue cost to WDC on the one hand and other preceptors on the other, of increasing the Council Tax discount for the low paid from 85% to 100%?

Response:

The financial implication are covered in Agenda Item 5, as follows:



The impact of the change has already been factored into the tax base and Council Tax demand. However, even with this change, the tax base has grown from that in 2022/23 by 1270, which is why in appendix 2 the Council Tax element of the budget has increase, despite the proposed freeze in individual Council Tax demands.



3. Could the proposed policy change on second and empty home Council taxes be implemented from April 2023 by seeking special Ministerial dispensation?

Response:

I am not aware that this would be possible. Many other Councils are including this policy change within this cycle of reports, as legislation (subject to approval) would require a minimum of 1 years notice before implementation.

4. a. What is the rationale for the budget's basic 4% inflation assumption given recent rates of overall inflation in the economy?

Response:

Salaries are our single biggest expense as a Council (circa £20m p.a.), and 4% has been included as an assumed increase in salary costs. Other major contracts, including those relating to Waste and cleaning, have been subject to their own individual reviews as per their agreed contracts.

- b. 1.14 proposes welcome action to help overcome the known recruitment and retention difficulties due to staff salary levels. Can you please share the estimated gross budget costs of applying the proposed incremental uplifts in both 2023/4 (before the vacancy offset which you mention) and 2024/5?

Response:

For 2023/24, the cost is forecast to be £400k (However we expect to be able to cover this through the continued increased vacancy offset in budgeted establishments.

From 2024/25, the cost is forecast to be £850k p.a. There is no offset in 2024/25 (as the assumption is that by implementing this change we should see improvements in recruitment and retention), and this is a growth item in the base budget.

5. 1.52 indicates that WDC's share of future Business rates revenue is likely to decline significantly.
- a. Why is a long-term maximum balance of £10m now thought to be adequate when past levels exceed that figure, especially given the projected annual reduction in Rates revenue from £7.1m to £2.7m in 2025 (App 3.i)?

Response:

Past levels may have exceeded £10m, but that was not policy driven, more that there had been no other draws or requirement to use the reserve (there was an expectation that in 2020/21-2021/22 we may have had to use it due to the impact COVID to offset reduced income, but Government intervention with support grants managed to sufficiently cover any deficits during this period.

£10m is deemed sufficient to provide a way to smooth any transition to a reduced business rate baseline following any reset, and offer sufficient time to review the financial position of the Council to achieve a sustainable position in the longer term. Anything above this goes against National guidance, which as part of the Finance Settlement has

recommended that Councils look to use reserves if possible to support continued investment, growth and delivery of services.

b. Why is it deemed prudent to rely on a substantial part of the Business Rates volatility reserve to offset next year's deficit (a reduction of £3.8m), especially when this will reduce this Reserve to only £7.7m - and overall, GF earmarked reserves are projected to fall next year by over £6m to £17m? Statements in 1.9.3 and 1.9.5 seem to support this concern.

Response:

The reserves purpose is to smooth the MTFs position. Given the significant changes over 2022/23, both nationally (high inflation and interest rates, cost of living), and locally (the loss of forecast savings linked to the merger with SDC), it is deemed necessary to use the reserve while sufficient, sustainable and deliverable schemes are drawn up as part of the organisational change programme. This is tasked with delivering a sustainable budget longer term without having to make quick and sharp cuts which without the necessary review could be detrimental to the services delivered by the Council.

Further Question(s) from Councillor Quinney

Further to this evening's excellent presentation can you clarify the following points

1. Is the BRRVR £10m a maximum as per the paper or a minimum as per your slide (think this question may already have been asked by another Cllr)?

Response:

In effect it could be either, as we believe retaining more than £10m is unnecessary to mitigate any potential impact of a business rate reset, while retaining significantly less than £10m going into the reset could expose the Council to increased risk. The table in appendix 5 does show that the balance is forecast to go down to £7.7m at 1/4/24, but will increase to £9.5m ahead of any potential reset forecast for 2025/26.

2. Am a little puzzled by the £191k received from government to assist on resident Council Tax costs. If our move of the discount from 85% to 100% goes ahead how will this be spent (or refunded) and what assumption is made in the budget

Response:

This will have no effect on the budget, as in effect the Government funding would be used to replace Council Tax income not received from residents. As the money is ring-fenced for this specific purpose, the assumption is we will:

Receive £191k

Spend £191k

Net position £0

Residents saving on Council Tax £191k

8. HRA Budget and Rent Setting

(Report author(s): Lisa Barker (Head of Housing); Victoria Bamber (Principal Accountant)).

Question(s) from Councillor Cullinan

1. 1.44 - Increase of £ 2,083,400 listed. Can I ask for information on Emergency works, does this figure include those buildings with cladding issues?

Response:

The total change is made up of the below items £1,351,400 in 2022/23 + £732,000 in 2023/24 totals the £2,084,400 increase:

Budget changes in 2022/23 recurring in 2023/24:

£400,000 Waking Watch (This is linked to the Cladding Issues)

-£100,000 Responsive Repairs (This was an in year budget virement to part fund the Waking Watch and inflation costs)

£1,051,400 Restructure of Support Charges (CEC) (see below)

£1,351,400

Budget changes in 2023/24:

£590,700 Inflation increases on existing contracts

£100,000 Cyclical Compliance checks for High Rises

£41,300 Increase in overall Support Charges (CEC)

£732,000

In 2022/23 we have restructured how Support Charges (CEC's) are distributed across services, as part of a cost (in terms of admin) / benefit review of processes that Finance oversee (as Agreed in Q1 2022/23 Monitoring report). This has redistributed CEC's across all cost centres based on either Budget (for Finance Support, Assets and Strategic Leadership), or on FTE (for People & Communications and ICT).

Overall this has had a minor effect on the overall CEC's to the HRA, but has redistributed them across all Cost Centre and Activities within the HRA. Overall CEC's reduced by £111,300 in 2022/23, with an increase of £41,300 in 2023/24 (driven by increased costs in-year being redistributed e.g. salaries).

2. Increase in interest on balances £1,678,200. This is due to a change in Treasury Policy. Was this a planned or an expected change? When were you made aware of this change? Does this have any impact on aims of 2030 homes by 2030?

Response:

The 'interest on balances' to the HRA reflects that while the HRA earns interest on its reserves and balances (such as the CIR and MRR), it has over the last couple of years increased its Capital Financing Requirement (CFR) beyond the £136m PWLB loans taken for self-financing, but rather than the Council borrowing more from the PWLB and changing this directly to the HRA, treasury management best practice means that the HRA has 'internally borrowed' this new CFR from the Council's General Fund, so pays interest to the GF based on interest 'lost' by the GF from investments it would otherwise have earned interest on.

During 2023/24 it is estimated that the Council's cashflow will mean that to maintain liquidity (one of the core Security, Liquidity, Yield – SLY – treasury management principles) it will have to start externally borrowing from the PWLB, which will effectively replace some of the internal borrowing, so that the HRA will start paying PWLB interest and less 'interest on balances'.

Internal borrowing can only ever be temporary, by its nature. But while PWLB rates have been elevated beyond the long-term expectation it is prudent to reduce the 'cost of carry' of PWLB debt as long as possible by using internal borrowing, given that investments are earning a lot less than the borrowing costs.

The impact on borrowing going forward and therefore the aims for 2030 homes is currently being reviewed.

3. 1.46 Electricity has doubled in cost. Gas has quadrupled in cost. In 1.59 on sheltered housing, it says Gas has tripled in cost. Is there a reason for this difference?

Response:

Thank you for alerting us to this drafting error. The position is that electricity has doubled and gas has quadrupled.

4. 1.66/1.67 - £3,954,731 is listed to support purchases of Homes for Refugees. Is this all from WDC own budget and not paid for by central government?

Response:

This is the contribution required from WDC. The Government is providing a grant of £2,820,431 towards a scheme where the total cost is estimated at c£6,775m.

5. 10.2 - Increased arrears nationally, are arrears increasing in WDC accounts? Have we evicted any residents in the last year?

Response:

Overall, net arrears have increased by £118k in the last financial year from £2,029m to £2,147m. There was one eviction in the year 2021/22 for rent arrears.

Question(s) from Councillor Kohler:

The heating, lighting and misc. costs increase outlined in Appendix 4 vary enormously. As I understand it, this is because some only cover the misc. costs, whilst others cover everything. And to complicate matters, some buildings have a PV array, which is helping to reduce costs. As a result, the cost increases vary from 0% to an eye watering 113%.

To help us understand how these charges have been arrived at, please could you share a simple table showing which of heating, lighting and misc. costs are covered for each building?

Response:

Sheltered Scheme	Gas	Electric	Biomass Boiler	Solar Feed in Tariff	Biomass Boiler Feed In Tariff	Communal Laundry
Acorn	Gas	Electric				Communal Laundry
Tannery	Gas	Electric	Biomass Boiler	Solar Feed in Tariff	Bio-Mass - Feed in Rebates	Communal Laundry
Yeomanry	Gas	Electric		Solar Feed in Tariff		Communal Laundry
James	Gas	Electric		Solar Feed in Tariff		Communal Laundry
Chandos	Gas	Electric				Communal Laundry

For the buildings that don't currently benefit from a PV array, when will one be installed?

Response:

We have budgeted to install PV as and when we replace roofs. There are no plans to install PV in these buildings in the coming 12 months. Also note that the current Feed In Tariffs are from Historic Solar Panel Feed In Tariffs that are no longer applicable for newly installed Solar PV Schemes due to the Government removing the Feed In Tariff Elements

Will the charges be updated when a PV array is installed?

Response:

In line with the annual Heating, Lighting & Water Charges Review any reduced costs would fall into the annual review next year. A 3 year average cost model has been adopted and therefore the calculation uses actual costs incurred during the previous last 3 years so if there are reductions in cost during the year then this will bring the average cost down.

All private consumers are currently benefitting from a reduced unit rate via the Energy Price Guarantee scheme. Does this or an equivalent scheme cover residents of these buildings at all?

Response:

The Government has, under that scheme, set a cap of £2,500 for each household. The total charges at these buildings is below the £2,500 cap.

Wholesale gas prices have come down considerably since they peaked in August 2022. Are our energy contracts for these buildings on a fixed price or will they come down as and when the suppliers reduce their prices? If they do, when would those reductions be passed onto our residents?

Response:

The Council purchases gas through ESPO (Eastern Shires Purchasing Organisation) and is still currently paying significantly lower gas rates than most of the UK until 31st March 2023, at only 2.18p p/KWH. We are likely to feel the effect of the energy crisis from April 1st 2023 when the rate increases to what is forecasted to be 10.76p pKWh. This final price per kWh will not be confirmed until April.

As ESPO pre-purchase our supply, rates are less responsive than the domestic gas market would be.

If these increases exceed the disposable income of any of our residents, is there any financial support available from WDC?

Response:

We would suggest an appointment with one of our financial inclusion officers who will support the resident to maximise income and apply for discretionary payments such as Discretionary Housing Payments which is managed within the Council.

Question(s) from Councillor Syson:

This is not actually a question directly on the Cabinet paper, but I had forgotten that financially Homelessness is a General Fund responsibility by reading 1.24 HRA Dwellings being Leased to the General Fund for Temporary Accommodation.

My question is what are our current plans for William Wallsgrove House? Also, I thought plans were coming forward for conversion of the property above Kwik Fit in to single and other accommodation - again is that still proceeding?

Response:

Plans for both buildings are currently being drawn up and will be taken forward later this year

9. Strategic Direction Christine Ledger Square (CLS)

(Report author(s): Lisa Barker – Head of Housing)

Question(s) from Councillor Milton:

One element I couldn't see in terms of the business case was about the impact on future costs or income should we choose to demolish the block. Can you outline how much it would cost to replace the lost housing stock and also the impact on future housing revenue from the removal of the properties.

Sorry if I've missed it but I think it would help us ensure we're making the best commercial decision

Response:

The business case for the decision on Christine Ledger Square will be presented to the Councillors to whom the decision is delegated. It is they who will take the commercial decision

Question(s) from Councillor Kohler:

Please could you update us on how many residents have accepted a permanent move to another property vs how many are in a temporary arrangement and therefore will be invited to take part in the consultation?

Recommendation 3 is that the decision to demolish or renovate CLS be delegated as there is no Cabinet meeting scheduled for May. Given the potential sums involved, has consideration been given to potentially calling an additional Cabinet / Council meeting if the next cabinet report is ready by then?

Response:

Current records indicate that there are 27 households who will be invited to take part in the consultation.

Yes, consideration was carefully made however, the advice is that the administration will not be in a position to have the matter put before them. The earliest that the new administration could consider such a matter is July 2023.

Further response:

The records have now been amended to show that there are 26 households being invited to take part in the consultation.

10. Relocation of Office Accommodation and the Provision of Public Facing Access to Council Services (Item 23 - confidential appendix)

(Report author(s): Steve Partner – Head of Neighbourhood and Assets)

Question(s) from Councillor Skinner.

Public Access / Face to Face Services

I understand the main site for this should be in Leamington, where the main WDC estate is. However, considering the proposal includes administrative office space to be in Warwick, was there not a consideration to site a sub-office there too in the town, for residents' access to Public Access services?

As WCC Shire Hall was viewed as an option for other space usage, would it not be worth considering whether their own Public Access space could be used, or even space in Saltisford One at the Reception area? As above, I understand the reasons why the main Public Access should remain in Leamington, but I see this as an opportunity for a smaller access point to be sited for Warwick residents, particularly when it will be seen that the offices are now located in the town. I do appreciate there may be a cost involved but would greatly increase public accessibility to the Council services.

Response:

Whilst it is absolutely acknowledged that provisioning a secondary Customer Access site in Warwick would increase the Council's accessibility to the public, to do so would be expensive, resource intensive and to date, there is no evidence to support a need.

Post COVID-19, the number of residents accessing our services on a face-to-face basis has been consistently low. Around 250 visitors on average pass-through Riverside House on a weekly basis and only around 2/3rds of these result in a Customer Service agent rendering assistance. Despite our offices being open for a number of months, the majority of our customers now transact with us over the phone or via our website; our face-to-face numbers are not going up.

In addition, during our last Customer Satisfaction Survey in 2022, there was no evidence to suggest that Warwick residents felt underserved by the Council or that accessing services from Leamington Spa was in any way prohibitive to them. For this reason, we did not consider a further public access point at the Shire Hall building or elsewhere for Warwick residents although, as always demand for additional public access is kept under review.

It is not possible to have a reception facility at Saltisford One as the access area is small and is shared with any tenant who may occupy the first-floor offices.

Proposed outsourcing of the server hosting

Will that mean any job losses in IT, or will it be that staff could be placed in other areas?

Response:

This will not result in job losses within ICT.

The proposal is limited to renting physical space in a dedicated government datacentre, for servers that are owned and operated by WDC to be housed. ICT will remain entirely responsible for all maintenance and support of these servers and associated infrastructure. The only responsibility that is changing is maintenance of the physical data centre building and its associated provisions (power, cooling, security and so on).

In fact, will this overall proposal end in any staff redundancies?

Response:

No

Question(s) from Councillor Quinney:

1. Will the Town Council offices remain in situ at the Town Hall?

Response:

Yes, the Town Council's lease of the Town Hall remains unaffected

2. Has the option of using space at the Pump Rooms for either new office accommodation or the displaced student hub at the Town Hall been considered? Would one or both lettable spaces in the Pump Rooms accommodate either activity? What is their current occupancy/usage and revenues generated?

The layout and associated accommodation within the Pump Rooms does not currently provide adequate space for general WDC office accommodation. (WDC does have a small office on the first floor used by the Art Gallery and Museum, but this only has a handful of desks, plus general storage). Aside from the proposal to bring front line services into the entrance hall of the Pump Rooms, there are no additional spaces that could be converted to offices without displacing existing functions. We understand that the University of Warwick are reviewing their options in

terms of a new student hub and we are maintaining a dialogue regarding this activity. We are also aware that the County Council's library, located in the Pump Rooms, is frequently used by University of Warwick Students for their studies. The University of Warwick currently pay £26,000 pa for rent and concierge services at the Town Hall.

Response from Chief Executive:

I've asked David G to advise on the two lettable spaces in the Pump Rooms – assuming the rooms you mean are the two larger rooms at the front of the Pump Rooms. However, lets be clear these are events spaces not office spaces and they are not suitable for that purpose as is and as heritage assets I cannot see how easily they could be converted into decent office space **and** retain their heritage quality

Response from David Guilding:

In this financial year, 2022/23:

The Conservatory had 113 bookings which generated £21,634.95 +VAT in income.
The Assembly Rooms had 147 bookings which generated £59,073.50 +VAT

It is worth mentioning that this is our first full year of trading after the pandemic and we have also been somewhat limited in the types of events we can host due to the various leaks in areas – due to the deteriorating condition of the roof

However, This is correct to say that it would not be viable for those events spaces to be adapted into office accommodation. We did look into doing just that with Warwick University during the Pandemic shutdown, but it was too difficult. The power, layout, access, and Grade II listing presented significant challenges. In addition, the rooms are used for a broad variety of events by the local community and are the only events spaces of their type in Leamington Town Centre.

3. Picking up a question raised by Cllr King under item 11 regarding Riverside House disposal which is also relevant to this paper. How much of the current/ongoing projected £600-750k running costs of RSH given in this paper comprise business rates? If rates are indeed included, has any proportion which would return to WDC as revenue - the budget paper seems to indicate 50% - been netted off these figures?

Response:

I understand that the Chief Executive is pulling together responses on Item 11

4. Similarly, Cllr King has raised a series of questions which I will not repeat about the option of refurbishing, repurposing and subletting RSH under item 11 which are equally relevant to the consideration of this paper.

Response:

I understand that the Chief Executive is pulling together responses on Item 11

Question(s) from Councillor Milton:

From the plan it looks as if we have c90 desks available in the new Saltisford office but the peak occupancy at RSH is 70. Do we have the option within our lease to sublet some of those desks if needed to provide an income stream?

Response:

Thanks for the question and at this time we would not be looking to do that as we need to make contingency for additional occupancy, for example for teams to meet together as required for project work in addition to normal daily use.

Also, there would be potential for data privacy issues in open-plan working areas with on-screen and other confidential information being visible if non-WDC employees were working in the same area.

Question(s) from Councillor Kohler:

I note that Saltisford One has a solar PV array. Will we benefit from it as a tenant or does the landlord sell all of the energy generated to the grid?

Response:

It is our understanding that the solar panels on both Saltisford One and Saltisford Two are to the benefit of the WCC estate at that site and when previously raised with County that has not been refuted. However, in the light of this formal question we have today gone back to the Estates team at WCC and they, in turn are seeking firm details from the energy team within the County Council. I will circulate an update if I receive that information during today as I am reliant on the speed of WCC response.

Further Response:

I can confirm that I have had confirmation from WCC that the solar panels do benefit the Saltisford estate including Saltisford One.

4.1.1 mentions that we currently use 5 physical host servers. Is the proposal that all 5 of these will be moved to the co-lo? If so, are they all still covered by a warranty, and will that warranty be affected by moving them at all?

Response:

The move to Saltisford and a Crown Hosting site is fortuitously timed in terms of ICT's replacement schedule. WDC originally planned to replace a large proportion of its physical infrastructure equipment last year. However, this was held off due to the merger with Stratford and the desire to avoid procuring equipment which may not have been appropriate or fully utilised in a joined Council. Because of this, as far as possible we will be looking to install new equipment at the Crown site, rather than moving equipment from RSH. This will also allow us to run the two-server environments in tandem for a short amount of time, so a migration of services can take place without serious disruption to staff operations. Should in any instance a platform move fail, this approach will also facilitate a quick recovery.

However, in the event that we cannot procure replacement equipment for any reason, our existing servers can be moved, and this will not affect the support warranty.

4.5.3 mentions that some equipment will need to be in the existing Comms room in Saltisford One. Will that Comms room be for our exclusive use or will the landlord or the first-floor tenant also require access to it?

Response:

The existing Comm's room is a shared space, so will require access from the County and the 1st floor tenant. Our equipment on site will be limited to network solutions and will be kept within a locked cabinet. We will also be looking at the existing physical security within the comms room to see if any improvements need to be made.

Question(s) from Councillor Syson:

I note the proposal to relocate some of the Council offices to the ground floor of the Leamington Town Hall.

Will the main access door from Parade be made accessible, sooner rather than later?

At present a wheelchair user has some difficulty negotiating the swing doors at the entrance. In my opinion we should be making this more accessible both for existing and potential members of staff , and existing and potential Councillors

Response:

Thank you and that is a very important point which will be considered as part of the Future High Streets funding for remodelling of the Town Hall.

I will ensure that that team is made aware of your comments.

11. Riverside House Disposal Options

(Report author – Heather Johnson (Project Manager)).

Questions from Councillor King:

1. What is the current value of Riverside House as included in Council Accounts?

Response:

In our Accounts, the total value of the land, building and plant, including the 'let out' areas at 31 March 2022 for Riverside House was £7,483,801.00.

4. Is there an adequate rationale for the proposed new £1.5m new bridge over the Leam (although it was touched on in the original Development Brief)? In particular, should that be considered a priority in our plans compared with a cycle/footbridge over the Avon to link Queen Elizabeth to Riverside Walk down to Warwick, complementing the Portobello road bridge (this has been envisaged in the past but is missing from the proposed plans)?

Response:

There has been no discussion by WDC of a bridge over the River Avon in the Portobello Bridge area. Provision in the Portobello Bridge area is a matter for WCC to consider as part of its Emscote Road scheme. Arguably the bridge provided to access the Potterton's development could be used by the public as the bridge over the Avon.

By contrast the bridge referred to in this report is a requirement of the Development Brief approved by Members for the site. The purpose of this bridge is 2 fold. Firstly it will enable the site and the residential area to the north to have a more direct and better connection to Victoria Park so enhancing public access to a valuable green space especially the children's activities provided there. Secondly, riverside east/west off road foot/cycle travel in Leamington is enabled by the tunnels which exist underneath Adelaide Road and underneath Prices Drive. However, the tunnels are on opposite sides of the river so unless one can cross the river between the roads it is not possible to create that connected riverside route. A bridge therefore enables that route for an off road foot/cycle route along the river to be created. The aim of the bridge is to improve connectivity around the town centre and to connect people to green areas that are nearby, in fitting with the riverside setting and community.

1. How much of the current/ongoing projected £600-750k running costs of RSH comprise business rates? If rates are indeed included, has any proportion which would return to WDC as revenue - the budget paper seems to indicate 50% - been netted off the figures shown?

Response:

The current business rates for 2022/23 are £332,464.

More fundamentally, has the option of refurbishing, repurposing and subletting RSH been fully considered given

Response:

Yes it has. Firstly, all members previously agreed that the site should be developed for housing – this is a site allocated formally in the Local Plan for housing. All Members agreed that we should prepare a development brief for the site for consultation and then subsequently agreed the consultation response and to amend the Brief accordingly. The option of retaining the building was considered prior to and during the public consultation on the brief Riverside House in summer of 2021. The final development brief for the site was then approved by Cabinet in November 2021 following the consultation. At 2.14 of the Cabinet paper reference is made to the queries received during the consultation about this possibility and discounted it. [cmis > Meeting Dates \(warwickdc.gov.uk\)](#). A set of Q & As was put together and these are available on the website. These make reference to the Council response to similar questions, and also provides a full response in respect of your other points listed below. This is a link to the questions: [FAQs - timescales and options - Riverside House consultation - Warwick District Council \(warwickdc.gov.uk\)](#). Work with both Wareing & Co in 2020 and then more recently with Savills, as part of the intended SDC merger, indicated views that letting Riverside House in full or in part was not viable commercially due to the costs of conversion, and also recently as the former House of Fraser and former M&S store in the town centre were being converted for commercial rental. There is no evidence to believe that the position has changed at all especially given the increase in construction costs in the intervening period.

a. the difficulties well set out in the paper of developing significant new housing on the site (flood plain, protected trees)

b. the environmental impact of both demolition and any new building

c. the demand for large flexible office/hub space in the District, from expanding start-ups and other public services. If less than half RSH (space 30ksq ft) were to be let out at the rental plus service rates offered to WDC in Warwick this would generate revenues of £900k a year, rapidly paying for the one-off £1.25m refurbishment and repurposing/upgrade costs.

Response:

An assumption is made of the totality of cost to WDC for Saltisford One is rent only – it is not; it includes running costs and business rates. It would not therefore generate anything like the sum referred to above. Its also the case that given the escalation in construction costs that the refurbishment/upgrading cost referred to above is below what would be needed. Hence the reason why two reports have concluded that it is not a viable option.

d. its excellent location close to the centre with good flood-plain protected parking.

e. the costs for WDC of moving now, perhaps again within six years

f. the possible major write-down in asset value in WDC accounts, against effective and revenue enhancing asset management under this alternative.

Assuming this option has been considered in detail can the numbers be shared with Councillors?

Response:

These issues have been shared, discussed and agreed with Cllrs previously as part of the long decision making process on this matter.

13. Warwick District Council Change Management Programme

(Report author(s): Andrew Jones – Deputy Chief Executive)

Question(s) from Councillor Cullinan:

1. Balancing the budget with....

In 1.1 it states " no Impact on range or quality of services"

1.2 it states "no diminution of services"

I find this statement rather difficult to accept when I consider what has happened to the Pest Control service and out of hours Noise service. Can you offer me an explanation that justifies the above statements?

Response:

"...the Council will once again be able to **set a balanced budget** with no impact on the range or quality of services."
This paragraph is referring to the current budget setting process where no changes to the range, quality or depth of services will be made as a consequence of the budget proposals.

2. 1.3 says " the Council's staff are supported throughout the programme"

This reads like an expectation of job losses; would you say this will be the case?

Response:

That is certainly not the starting point. Services will be reviewed and if there is an impact on staff whether this is job role or the requirement of the role itself then through close working with Unison, we would endeavour to avoid any job losses. However, this cannot be a guarantee.

3.1.9 - I am rather concerned about the order of these priorities

No 3 - A Council that supports and develops its Councillors.

Response:

There is no priority to these objectives as indeed many are interlinked.

This comes above priority for staff. I am unhappy with this. This list may not be implying prioritisations, but it comes across visually.

4.As we await a decision on Unitary, which is out of our control, should we consider the amount of time and money spent on this at the current time? Officers are under tremendous pressure without this extra burden.

Response:

There are no proposals for a Unitary at the moment. The Government's latest pronouncements in this area make no reference to Warwickshire and so it would be imprudent to do nothing.

Question(s) from Councillor R Dickson:

The proposal to create a Change Management Board makes sense. With hindsight, its existence during the past four years would have been a valuable risk management tool to help ensure as far as possible that, for example, service re-designs and major projects were delivered on time, to budget and in a way that at least maintains and preferably enhances the well-being of staff.

In paragraph 1.2 it says that over the last 12 years there has been 'no diminution of service' and 'careful financial management'. How are these claims consistent, for example, with the delays that were experienced by residents in processing planning applications, the backlog that there was in planning enforcement action, the lack of action on fly tipping, the 45% £8 million increase in costs between stage 1 and stage 2 of the tender process for the Kenilworth Leisure projects and the unexpected need to write off £735,000 of cash balances revealed in the recent audit?

Response:

- Diminution of services – the challenges experienced in the areas of planning applications and enforcement, and fly-tipping are not as a result of lack of investment because of budget reductions but individual staff matters and the difficult external environment in recruiting staff to professional roles. All Councils are having difficulty with the latter issue;
- Increase in Kenilworth Leisure costs – the reasons for this have been spelt out in a very detailed report to Overview and Scrutiny Committee. Having reviewed the paper, the Scrutiny Committee did not find that the increased costs were due to poor project or financial management;
- Write-off – having checked with the Accountancy team, I can confirm that this write-off has resulted in no overall loss of resources to the Council. The credits had been apportioned to the respective budget lines over a number of years but due to the mechanics of the old financial management system(s)/ arrangements, the compensating entries had not been made.

Question(s) from Councillor Milton:

Could you help with a few questions I have please.

1. What state do we expect the project to have reached by May 2023?

Response:

The Chief Executive has started consulting with the Group Leaders about their priorities for the new Council. The feedback will give officers a steer on the possible directions of travel for a new administration. Obviously, until the electors determine what that administration could look like, officers will not be able to produce a programme of work, but the early consultation will at least help to inform the development of a new business strategy and from that the change management programme. Therefore, by May 2023, officers would hope that a lot of the technical framework for the programme would be in place, but the detail will require much more discussion.

2. In the SBBR, if I'm reading it correctly, it highlights 'member involvement' as key to the success of the change management programme yet this proposal suggests no member engagement? Could this be reconsidered, or an explanation given about how this risk can be resolved?

Response:

You will note at 1.7: "Although the Board consists entirely of officers, it is proposed that once the composition of the new Council is known, a discussion will take place with the Leader to agree the role of, and reporting arrangements to, Members." Given the proximity of the elections, it seemed premature to be putting in place governance arrangements with member involvement when the make-up of the new Council is yet to be determined and so as the cited sentence states, this will be addressed once the Leader of the new Council is known.

3. The programme is dependent on recruiting a member of staff to support it. Given the problems of recruitment that we've experienced how are we going to ensure that this is done quickly and successfully?

Response:

You are quite right to highlight this issue. You will note at 1.8: "The exact nature of this resource is to be determined and therefore it is proposed that the Head of Paid Service addresses this requirement following consultation with the Council's Senior Leadership Team." The Chief Executive is about to start those conversations this week.

15. Future High Street Funds Update (Item 26 - confidential appendix)

(Report author(s): Martin O'Neill – Business Manager Projects and Economic Development)

Question(s) from Councillor Milton:

Two related questions if I may:

1. Given the track record of WCC on bringing forward cycling initiatives (e.g., K2L, Emscote Road etc) what are we doing that will give members confidence that the Mini-Holland scheme will be delivered before the deadline to use the funding?

Response:

The Mini-Holland Feasibility Study, being developed by Warwickshire County Council, is only to inform a bid for capital funding to Government at this stage (due to be submitted any time now). So whilst the Sustainable Movement Network project of the Future High Streets Fund is one element of the feasibility study, it is not dependant upon it.

Officers have been liaising closely with County colleagues specifically around the delivery of the East West cycle route so that the Future High Streets Funds can be spent by the deadline. At this point in time, WDC officers have a reasonable level of confidence that this project will be delivered and that the FHSF allocation will be utilised by the deadline. The £0.5million CIL contribution can be spent beyond the FHSF deadline. Officers do however recognise that as with all of the projects there is a risk that the funding won't be fully spent and will manage that risk accordingly. There will be an increased level of focus with County colleagues and further updates can be provided going forward.

2. More broadly, if a scheme has commenced but the funding from FHSF nor exhausted by the deadline will WDC be left with the liability of continuing to fund the scheme? And what would it do in these circumstances?

Response:

Ideally the project would only aim to commence if it was a good degree of confidence that the FHSF money could be spent before the end of March 2024 deadline. When the project does start, the FHSF allocation will be the primary funding to be utilised – in an effort to spend before the deadline. If the project is up and running and all of the FHSF is not spent by the deadline, as it stands now, the balance would need to be returned to Government – this may change but it is the current position. Officers would certainly enter into immediate discussions with the relevant Government Department managing the funds to ascertain if an extension could be agreed given the project is underway.

Should an extension not be permitted and a balance of the funding was returned, consideration would need to be given to how the remainder of the project is delivered whether that be through County Highways funding and/or additional CIL monies.

16. Significant Business Risk Register

(Report author(s): Richard Barr – Audit & Risk Manager)

Question(s) from Councillor R Dickson:

Thanks for this comprehensive report.

Risk 3 reports on the risk of major contractor failure and notes that, whilst the residual risk rating is unchanged, some smaller contractors have already gone into administration. Given the current economic climate, can reassurance please be provided about what extra monitoring is being done on contractors to give the earliest possible warning of problems, both for service contractors and for contractors involved in special projects?

Response from Head of Neighbourhood & Assets:

I can respond in relation to those contractors that work with Neighbourhood and Assets.

Regular meetings are held with contractors as part of the contract management process (and with SDC in relation to the Waste Management Contract) and our Procurement team carry out regular checks as required through appropriate credit rating and other agencies to identify in advance where a contractor might be experiencing trading issues across its business.

Also, again through procurement, sufficient contracts are let to ensure that a particular contractor does not become overly reliant on work issued by Warwick District Council so that they continue to be able to trade if the level of work that we provide is reduced unexpectedly.

Response from Audit & Risk Manager:

It's difficult to provide a comprehensive response on this particular question because it cuts across the organisation and different approaches will be taken by different services depending on the perceived risk.

In general terms, however, services know that they need to be alert to the risk and, in order to give the earliest possible warning of problems, work closely with their contract counterpart to understand how the business is performing. Proxy indicators such as tardy responses or performance; inadequate personnel resourcing; or late payment to sub-contractors are things that should – and would – raise concern.

Clearly, one of those services that have the most contact with contractors is Neighbourhood and Assets under Steve Partner. Steve advises:

"Regular meetings are held with contractors as part of the contract management process (and with SDC in relation to the Waste Management Contract) and our Procurement team carry out regular checks as required through appropriate credit rating and other agencies to identify in advance where a contractor might be experiencing trading issues across its business.

Also, again through procurement, sufficient contracts are let to ensure that a particular contractor does not become overly reliant on work issued by Warwick District Council so that they continue to be able to trade if the level of work that we provide is reduced unexpectedly."

In short, ongoing dialogue and avoidance of complacency are key.

Question(s) from Councillor Milton:

I may have missed it but given the significant risks presented by the Future High Street Fund i.e., big infrastructure projects with a tight deadline for funding, I couldn't see that this was adequately reflected in the financial risks.

Could you set my mind at rest?

Response from the Chief Executive:

Isn't the point about not meeting the spend profile is that we have to hand money back not that it incurs more expenditure on our behalf? It's the risk inherent when a Government takes a view of spend or lose by a limited time period.

Question(s) from Councillor Syson:

Question 1:

I read para 2.1 with interest but hope the 'eye' is an active one and whether or not it appears in the SBRR it is being thought about.

"2.1 At the Scrutiny meeting in the last cycle of meetings, Councillors questioned whether Local Government Review (LGR) should be listed separately as an organisational risk. The Council's SLT has discussed this issue and has concluded that, at this stage, this matter is more a political risk rather than necessarily an organisational one. The Government is not proposing widespread LGRs. Whilst there has been much talk from various quarters about LGR there are no proposals for LGR for Warwickshire. This Council has not formally discussed its view on LGR or the options that would arise in such a review. Whichever the outcome, the Council as a body would simply merge into the successor body. Arguably, therefore, the Council's services, assets and activities therefore would continue. This makes assessing the risks involved difficult and so officers suggest it remain as a possible risk but that they maintain an "eye" on Government policy evolution on this matter."

Response:

Andy and Chris have indeed confirmed that this issue is being kept under close watch.

The next question is really for Cllr Day.

Question 2:

Given that risk 7, (Risk of additional financial liabilities.) and Risk 6 (6. Risk of insufficient finance to enable the Council to meet its objectives (including insufficient reduction in operational costs) are both in the red already , can the Council justify a Council Tax freeze which means the Council tax base will remain at its present level for yet another year, depriving the Council of an annual extra income of £300, 000?

Response:

As you point out, this is one for Councillor Day. The Head of Finance will, however, provide input.

Question 3:

3. Risk of sustained service quality reduction. I greatly welcome the 'Recruitment, Retention and Remuneration' Project wondered if that shouldn't be included under mitigation for this risk. It is more tangible at present than the Change Management programme though I agree that should be included too. I know it features prominently under Risk 5.

Response:

Officers regard this as a good challenge and the mitigation as described will be added to the SBRR

Question 4:

Risk 10 10. Risk of partnerships not delivering stated objectives.

Should the Mitigation be updated now that CWLEP will cease functioning on 31 March 2023.

Response:

Chris and Andy are able to report that, in regard to the LEP, interim arrangements (mitigations) are being put in place; that it will be September when the LEP finally stops; and that a report will be presented on the new scenario before then.

18. Draft South Warwickshire Economic Strategy

(Report author(s): Philip Clarke – Head of Place, Arts and Economy and Martin O’Neill – Business Manager Projects and Economic Development)

Question(s) from Councillor Milton:

Given that this was document 18 of 20 I may have missed it, but could we beef up the content on sustainable transport? This will be vital if our district is not going to grind to a halt (which is a very real danger.)

There was clearly an intention to do this but the only transport scheme I saw mentioned specifically was the 'upgrade' of the A46 to an expressway. This seems to be somewhat missing the point but apologies if I've missed lots of other initiatives.

Response:

There are a few references to sustainable transport in the document (rail transport, active travel, public transport etc) and on page 24 as part of the discussion of the “Core Opportunity Area”, the SWES specifically refers to the need to supporting public transport and active travel in these areas. As you will appreciate, there is a clear cross-over with the South Warwickshire Local Plan and in preparing the SWES we tried not to repeat more than necessary anything that is in the SWLP. (The Core Opportunity Area map on p25 also appears in the SWLP.)

That said, I agree that we can and should review how to better capture any key points about supporting sustainable transport, particularly in the “objectives” section of the SWES. As you know, the recommendation to Cabinet is to approve this document for public consultation only at this point, so there will be the opportunity to reflect on this further, particularly as we review other comments that have been made on the SWES through the consultation.

Question(s) from Councillor Kohler:

Many thanks for bringing this report forward exactly in line with the timings that were anticipated back in October. It is very much appreciated.

The report specifies that an initial £50k for consultants and £20k for officer resource will be funded from the 2023 / 24 Climate Action Fund. It also seeks approval for up to £150k. Can you confirm that all of this is all expected to be drawn from the 2023 / 24 Climate Action Fund.

Even at the lower spend of £70k, will this impact on what we can deliver as part of the core Climate Change Action Plan?

Response:

As you say, the intention is for up to £70k to be drawn from the CAF. However, the budget for any additional money up to £150k has not been specified, partly because we don't know if it will be needed and partly because if it is needed, we don't yet know exactly what for and therefore don't which budget would be most suitable. All we're doing in this report is giving ourselves some headroom in the procurement specification should further work be required.

19. Severn Trent Water's River Leam Water Quality Improvement Works

(Report author(s): Dave Barber – Programme Director for Climate Change)

Question(s) from Councillor Quinney:

Would appreciate some clarifications about the proposed works please:

1. What reductions in frequency and volume from past and projected future sewage outflows is estimated by ST to result from the installation of the two large cylinder tanks?

Response:

There is a Storm Overflow currently situated in Regent Grove. Typically it activates around 60 times per year. This is likely to increase with climate change. I don't have a specific number for future predictions as this is dependent on a range of variables. However STW are required by their regulator to undertake rigorous value for money assessments for major spending. In this particular case, the funding has been justified and secured.

The scheme will work as follows: there is an existing overflow pipe that currently runs from the sewer network to the river. This pipe will be intercepted, such that any flow in it will be directed into the new shaft tank storage first. The shaft storage tank, is designed to hold large volumes during storm conditions therefore mitigating impact of what would have gone into the river directly. It is hoped that this will make overflow events rare

2. Have WDC taken advice from any independent/academic water engineers about alternative options than the ones proposed by ST which might be as or more effective and cause less disruption?

Response:

There has been no independent check undertaken. It should be noted that for a scheme like this, there are always alternatives, but these need to take account of cost, effectiveness and secondary impacts. The work must be completed by 2025 and the Environment Agency will be giving assurance of the STW programme on behalf of the regulator, OFWAT. STW have looked at a number of alternatives over the course of last year (e.g. another nearby location requires the moving a major gas main – which would use most of the project funds for this activity instead of the actual solution itself).

3rd party assessments would come at significant cost to the council if they are to be done a good quality. It has taken STW nearly over 12 months of development time to assess options and reach their preferred solution and a 3rd party would need time to do a technical review of this work to ensure the opinion is based on sound technical evidence. It is there not considered to be value for money to do an independent assessment and that there are good reasons to trust the assessments that STW and their regulators have done (and are continuing to do).

3. Have the long timescales given to complete the works by ST been checked with any independent project engineers or benchmarked against similar projects elsewhere for credibility?

Response:

There has been no independent check undertaken. STW want to deliver this work by 2025 and given the scale of the works, the timescales do not seem unreasonable. It should be noted that it would not be in STW's interests for a project duration to be longer than it needs to be (as it will cost more). STW have also underlined that our stakeholders (Leamington residents and businesses) are also their stakeholders and which adds to their desire to keep the works short and to a minimum. They have so shown a willingness to collaborate with the Council in planning to minimise the impacts and timings. In this context we do not feel it would be value for money for commission an independent assessment

Question(s) from Councillor Syson:

I am not quite clear what the proposed Pump Room tank is connected to.

I know it has an outfall to the river, but I assume the water entering it is surface water and not sewerage? Is that right?

This is not at all clear from the paper we have been given, that says:

" The solution proposed for the Pump Room Gardens combined sewer overflow (CSO) spill reduction has been put forward because:

- this is where the outfall pipe from the CSO runs to the river Leam and STW physically have to intercept this pipe which runs under the road then across the Pumps Room Gardens to the river.

- The underground storage tanks need to be installed where there is space to construct.
- The sewerage system solution should ideally be as 'simple as possible' to avoid introducing risks associated with blockage and flooding, the proposed solution for this location best meets this criterion."

Response:

There is a combined sewer/surface water overflow - this is activated in storm conditions. It can therefore be both sewer and surface water (although I understand it will be mostly surface water) and this is one of the reasons STW have prioritised this scheme. So this is about the impacts that both surface water overflows and sewerage have on water quality.

STW have responded to a previous query of mine as follows:

"there are numerous environmental needs across our region such that we have to prioritise them because we just cannot afford to do it all. So when projects are funded and fully promoted that is a great position for the area receiving investment... the project will reduce significantly the number of times combined sewer activations occur therefore the water quality impact on the river Leam."

In terms of connections, STW have explained as follows:

1. *There is an existing overflow pipe that currently runs from the sewer network to the river.*
2. *This pipe will be intercepted, such that any flow in it will be directed into the new shaft tank storage first. (if a storm persists it could fill the storage volume and in these conditions, if the shaft storage is full the flow will continue to the river.)*
3. *The shaft storage tank, is designed to hold large volumes during storm conditions therefore mitigating impact of what would have gone into the river directly. After storm has passed, the stored volume is returned back into the sewer network for processing at the treatment works.*

Appendix 1

Table 1

Pensioners	No of claims	100%	90% to 99%	80% to 89%	70% to 79%	60% to 69%	50% to 59%	40% to 49%	30% to 39%	20% to 29%	10% to 19%	1% to 9%
Council Tax Band A	426	276	40	23	11	12	21	13	10	9	10	1
Council Tax Band B	993	591	99	61	48	39	48	39	21	17	21	9
Council Tax Band C	748	421	76	57	39	43	47	18	21	13	10	3
Council Tax Band D	265	158	17	19	21	17	9	6	8	4	5	1
Council Tax Band E	66	30	11	5	5	5	1	3	2	4	0	0
Council Tax Band F	32	16	4	2	4	4	0	1	1	0	0	0
Council Tax Band G	12	8	0	1	0	1	0	1	0	0	1	0
Council Tax Band H	2	0	0	2	0	0	0	0	0	0	0	0
Total pensioners	2544	1500	247	170	128	121	126	81	63	47	47	14

Table 2

Working age claimants										
Old scheme		80% to 85%	70% to 79%	60% to 69%	50% to 59%	40% to 49%	30% to 39%	20% to 29%	10% to 19%	0% to 9%
Council Tax Band A	358	345	5	4	1	0	1	0	2	0
Council Tax Band B	535	484	17	9	7	4	5	3	2	4
Council Tax Band C	389	317	24	14	8	5	7	6	5	3
Council Tax Band D	105	76	10	5	3	3	3	2	3	0
Council Tax Band E	30	19	4	1	3	1	0	1	1	0
Council Tax Band F	8	4	0	2	0	0	0	2	0	0
Council Tax Band G	7	4	0	0	0	1	0	2	0	0
Council Tax Band H	1	1	0	0	0	0	0	0	0	0
Total	1433	1250	60	35	22	14	16	16	13	7

Table 3

Banded UC scheme		85%	60%	35%	10%	5%
Council Tax Band A	558	401	50	54	41	12
Council Tax Band B	1102	689	103	140	113	57
Council Tax Band C	1090	639	84	159	132	76
Council Tax Band D	306	182	36	30	39	19
Council Tax Band E	75	48	6	7	8	6
Council Tax Band F	17	10	1	2	2	2
Council Tax Band G	11	7	0	0	4	0
Council Tax Band H	0	0	0	0	0	0
Total	3159	1976	280	392	339	172