

Council meeting: Wednesday, 19 October 2022

Notice is hereby given that a meeting of Warwick District Council will be held at the Town Hall, Parade, Royal Leamington Spa, on Wednesday, 19 October 2022 at **6.00pm**.

Agenda

1. Apologies for Absence

2. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct. Declarations should be disclosed during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

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

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

3. Minutes

To confirm the minutes of the meeting of the Council held on 27 July, 7 September and 9 September 2022. **(Pages 1 to 15)**

4. Communications and Announcements

5. Petitions

To receive a petition that asks the Council to be pesticide-free by 2025 by taking the following actions:

1. Commit to phasing out all pesticides, (which include herbicides such as glyphosate, fungicides, insecticides and synthetic insecticides) - in all council managed spaces, including but not limited to parks, playgrounds, gardens, verges, pathways, roads, pavements and street infrastructure. Contractors must also use pesticide-free weeding methods.
2. Run trials of non-chemical weed management alternatives over full-year seasonal cycles and create an adapted plan to replace pesticides. There are many viable and cost-effective alternatives which are available and already in use by many other councils across the UK. The council should evaluate alternatives ready for full-scale

adoption by 2025 at the latest. The only acceptable use of toxic weed killers will be to treat illegal and notifiable noxious weeds, e.g. Giant hogweed, but only when these are not responding to treatment by non-toxic alternative methods.

3. Create and run a comms campaign to accompany the pesticide phase-out to help residents to understand the change in management and its benefits to their health and biodiversity. The campaign is to run for at least six months and include: signs, news articles and events.

The petition as submitted has 1145 valid signatures of which 641 were from within Warwick District.

The petitioner will have five minutes to address Council.

The Council will then have 15 minutes to debate the petition and will need to decide to

- (a) Not support the petition.
- (b) Support the petition and ask for it to be passed to Cabinet for consideration along with an officer report.

6. Notices of Motion

To consider a Notice of Motion to be proposed by Councillor Kohler and seconded by Councillor Kennedy that as read follows:

"This Council notes:

- *The National Biodiversity Network 2019 State of Nature report, concluded that 1,188 of the 8,431 species assessed in Great Britain are threatened with extinction. The July 2022 statement of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) Sustainable Use Assessment provides compelling evidence that humans are overexploiting wild species and habitats and the government's Chief Scientific Advisor made it clear that we need to change if we are to survive;*
- *Under the Environment Act of 2021 the Government aims to clean up the country's air, restore natural habitats, increase biodiversity, reduce waste and make better use of our resources. The provisions of the act will "halt the decline in species by 2030 and require new developments to improve or create habitats for nature";*
- *Warwickshire County Council Highways Department has developed a new policy which considers a sustainable County wide approach to verge maintenance and wildflower planting in order to increase biodiversity whilst still ensuring the over-riding importance of road safety is maintained;*
- *Warwick District Council declared a climate emergency in 2019 and has created an action plan to address the 3 stated ambitions: to become a net zero council, to reduce the carbon emissions of the district as a whole and to enable our environment and communities to adapt to the coming rise in global temperatures, including an ambitious tree planting programme;*
- *Warwickshire Wildlife Trust, numerous charities and community groups, many gardeners, allotment holders and some local farmers are actively engaged in trying to improve biodiversity across the District.*

This Council therefore resolves to declare an Ecological Emergency and develop a new Biodiversity Action Plan to complement the Climate Action Plan and position the Council as the leading organisation to enhance biodiversity in the District. A report containing an outline Biodiversity Action Plan will be brought to Cabinet in February 2023 and have these aims:

- 1. To improve biodiversity in the green spaces managed by WDC and its contractors, taking full account of public safety and amenity requirements, including events;*
- 2. To set out options for further reducing the amount of Glyphosate and other toxic chemicals that is used by WDC and its contractors, including at least one option to completely eliminate their use;*
- 3. To ensure that the provisions of the Environment Act 2021 for Biodiversity Net Gain are fully implemented in all developments in the District and that Biodiversity Net Gain is maximised in all developments that WDC has a financial interest in;*
- 4. To ensure that biodiversity runs through the new South Warwickshire Local Plan, for example, by creating green corridors;*
- 5. To work with the Environment Agency, Severn Trent and other relevant bodies to improve the biodiversity of areas supported by the natural water systems in the District including the development of natural flood management and drought resistant water courses and bodies of water;*
- 6. To seek opportunities to invest the Carbon Offset Fund in projects that both sequester carbon and increase biodiversity;*
- 7. To develop a public awareness and education plan for biodiversity in collaboration with WWT, charities and community groups, focussing on what individuals and groups can do in their own local areas."*

7. Leader and Portfolio Holders' Statements

8. Questions to the Leader of the Council & Portfolio Holders

9. Cabinet Report

To consider an excerpt from the Cabinet meeting of 29 September 2022

(To follow)

10. Employment Sub-Committee

To consider the recommendation from the Employment Sub Committee of 3 October 2022 that Andrew Rollins, who has accepted the offer to be Head of Finance, be appointed as the s151 Officer for the Council.

11. Overview & Scrutiny Committee

To consider an excerpt from the Overview & Scrutiny Committee meeting of 28 September 2022.

(To follow)

12. Common Seal

To authorise the affixing of the Common Seal of the Council to such deeds and documents as may be required for implementing decisions of the Council arrived at this day.



Chief Executive

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WARWICK DISTRICT COUNCIL

Minutes of the additional meeting of Warwick District Council held at the Town Hall, Parade, Royal Leamington Spa, on Wednesday 27 July 2022, at 6.00pm.

PRESENT: Councillor Mangat (Chair); Councillors Ashford, Bartlett, Barton, Boad, Cooke, Day, A Dearing, J Dearing, K Dickson, R Dickson, Evans, Falp, Grainger, Grey, Hales, Illingworth, Jacques, King, Kohler, Luckhurst, Margrave, Matecki, Milton, Morris, Murphy, Noone, Norris, Quinney, Rhead, Roberts, Russell, Skinner, Syson and Wright.

15. Apologies for Absence

Apologies for absence were received from Councillors Davison, B Gifford, C Gifford, Kennedy, Redford, Tangri and Tracey.

16. Declarations of Interest

There were no declarations of interest made.

17. Minutes

The minutes of the Council meeting on 11 May 2022 were proposed, duly seconded taken as read and signed by the Chair as a correct record.

18. Communications & Announcements

The Chair of the Council welcomed Councillor Chris King who had been elected to the Council, to represent the Leamington Clarendon Ward on 16 June 2022.

The Chair took the opportunity to thank all officers of the Council, and the Council's partners, for the work they had undertaken to enable the delivery of the Commonwealth Games which started on 28 July 2022.

The Chair informed Council that, subject to the decision of Cabinet, there would be an additional meeting of Council on 7 September 2022 to consider the proposed Net Zero Carbon Development Plan Document.

The Chair of the Council took the opportunity to send the best wishes of the Council to Councillor Luckhurst who was due to get married.

The Chair informed Council that there was no business under item 5, Petitions.

19. Notices of Motion

- (a) The Council considered a notice of motion proposed by Councillor Quinney and seconded by Councillor J Dearing in respect of Viability reports and assessments. Following recent uncertainties over the handling of viability reports, this Council recognises the need to set out what is required by applicants, in line with Government NPPF guidance and WDC's Local Plan, which other authorities already do, for example, Ashford Borough Council and Guildford Borough Council.

Therefore Council is requested to resolve to ask the Cabinet to adopt the following guidance for planning applicants, by 31 December 2022:

1. Applicants must be informed at the pre-application stage that planning applications that comply with the Local Plan are assumed to be viable, as it has been fully viability tested.
2. In the rare cases where an applicant is unable to meet the full planning obligations required in the Local Plan they should submit a viability report at the pre-application stage; or at the latest with the planning application in time to be considered by the Planning Committee. a. They will need to give clear reasons how the assumptions in the Local Plan have changed. b. As stated in the NPPF, 'realisation of risk' (i.e. developer's costs) is not a valid reason.
3. No viability report will be considered after outline or full planning permission has been granted, except in the most exceptional circumstances, such as discovery of previously unknown land contamination or subsidence. If officers consider these exceptional circumstances have been met, the matter would need to be considered by the Planning Committee.
4. If a viability assessment is correctly undertaken in accordance with the above constraints, the Planning Committee is to decide what weight (if any) to give it.

Councillor Cooke proposed and Councillor Day seconded that within the Motion "*Therefore Council is requested to resolve to ask the Cabinet to adopt the following guidance for planning applicants, by 31 December 2022:*" be replaced with:

"Therefore Council resolves to pass the motion to Cabinet in September, including the points below, and asks for a report accompanying that considers the potential for adopting the proposals in the Motion, along with an appropriate timescale recognising available officer resources:"

Councillors Morris, Matecki, Day, Illingworth Boad, Quinney and Cooke spoke on this item.

On being put to the vote the amendment was carried and became the substantive Motion for debate. On being put to the vote it was

Resolved that the Motion, as revised by the amendment from Councillor Cooke, be approved.

- (b) The Council considered a notice of motion proposed by Councillor Quinney and seconded by Councillor Luckhurst in respect of Supplementary Guidance on the 'Main thoroughfares' exception in Local Plan Policy H6.

One of the two exceptions in HMO policy H6 states "Exceptions a) may be made where the application site is located... On a main thoroughfare in a mixed-use area where the proposal would not lead to an increase in activity along nearby residential streets (for example, by way of pedestrian movements between the application site and the town centre or car parking)" and "main thoroughfares will normally be defined as A and B roads and mixed-use areas are defined as those with a predominance of non-residential uses".

Over the years there has been confusion and inconsistency in the interpretation of this exception. A lengthy supplementary guidance document was issued in 2019, to address this problem but with only partial success:

see

https://www.warwickdc.gov.uk/info/20794/supplementary_planning_documents_and_other_guidance.

After examination of the approach taken by other Authorities with similar HMO policies, discussions with a group of senior officers and Councillors, and informal consultation with residents, a list of Leamington streets to which this exception applies was carefully developed and shared with officers: Parade, Bath Street, High Street (= Lower Avenue to George St), Clemens Street, Spencer Street, Warwick Old Road (= Lower Avenue to Roundabout), Newbold Terrace E from Parade to Newbold St only, Regent Grove, Regent St from Regent Grove to Dale St, Regent St South side only from Dale St to Somers Place, Warwick St from Willes Road to Portland St only, Warwick Place from Dale St to Warwick Terrace only and Clarendon Ave from Hall Rd to Chandos St only.

It is proposed that:

1. the data above is transferred to a map by officers, the approach taken in other Authorities, for ease of use by all parties
2. the current supplementary guidance is replaced by: The map below indicates the only main thoroughfares within the designated area to which the second policy exception may apply, having a predominance of non-residential uses.

Therefore this Council is requested to resolve to ask Cabinet to adopt the proposed new supplementary guidance on the H6 policy 'main thoroughfares' exception by 31st December 2022.

Councillor Cooke proposed and Councillor Day seconded that within the Motion "*Therefore this Council is requested to resolve to ask Cabinet to adopt the proposed new supplementary guidance on the H6 policy 'main thoroughfares' exception by 31st December 2022*" is replaced with "*Therefore Council resolves to pass the motion to Cabinet in September and asks for a report accompanying that considers the potential for adopting the proposals in the Motion, along with an appropriate timescale recognising available officer resources.*"

This proposal was accepted by Councillor Quinney and Councillor Luckhurst, as amendment to the Motion and therefore became the substantive Motion for debate.

Councillors Matecki, Illingworth, Day, Wright, Grey and Cooke spoke on this item.

On being put to the vote it was

Resolved that the Motion, as revised by the amendment as set out above, be approved.

- (c) The Council considered a notice of motion proposed by Councillor Roberts and seconded by Councillor King in respect of the Adoption of Nationally Described Space Standards (NDSS).

Following the Government's 2015 publication of the NDSS re-establishing minimum internal space standards for residential housing, Authorities were invited to adopt them where they feel they are justified. Many have done so,

including such different Authorities as Cotswolds, Oxford and Nottingham, three to four years ago.

WDC Housing and Milverton Homes have both recently adopted this Government standard for all their newbuilds. However, there is significant evidence that many local private developments do not meet these standards; for example, from the fact that a high proportion of S106 affordable homes currently being completed and offered to social housing providers do not meet WDC's minimum space standards.

Research in late 2016 by two building industry professionals covering a sample of 116 locally completed dwellings indicated that perhaps three quarters of new houses in the District were being built below these standards, a quarter well below.

No. of Dwellings	Comparison with NDSS Standards			
	No. meeting NDSS	No. falling short by		
		1-9%	10-20%	20%+
116	25	64	24	3
100%	22%	55%	21%	2%

This tallies with the national picture outlined in the 'Case For Space' report by the Royal Institute of British Architects RIBA. This stated "new homes in the UK not only appear to be shrinking, but are also the smallest in Western Europe". In the Netherlands, new homes are 53% bigger than the UK average. RIBA stated that "people believe that newly built homes fail to provide adequate space inside... the home".

Therefore Council is requested to resolve to ask the Cabinet:

1. to adopt NDSS in Warwick at the earliest possible date, whether through a DPD or as part of the emerging Local Plan.
2. that all housing planned by the Council and its partners (for example Housing Associations) adopt and publicise these standards with immediate effect, and
3. that the residential design guide be reissued by January 2023, incorporating this emerging policy, giving it some weight in the planning process and encouraging early adoption by all developers.

Councillor Cooke proposed, and Councillor Day seconded, that "*Therefore Council is requested to resolve to ask the Cabinet:*" be replaced with "*Therefore Council resolves to pass the motion to Cabinet in September, including the points below, and asks for a report accompanying that considers the potential for adopting the proposals in the Motion, along with an appropriate timescale recognising available officer resources.*"

This proposal was accepted by Councillor Roberts and Councillor King, as amendment to the Motion and therefore became the substantive Motion for debate.

Councillors Cullinan, Illingworth and A Dearing spoke on this item.

On being put to the vote it was

Resolved that the Motion, as revised by the amendment as set out above, be approved.

20. **Leader & Portfolio Holder Statements**

Councillor Rhead, Portfolio Holder for Climate Change, reminded Council of the approval by the Cabinet on the hydrogen hub opportunity. The Cabinet paper promoted that from the outcome of the feasibility study, a detailed business case should be drawn up including exploring the best arrangements for some kind of partnership. The paper highlighted that the Council recognised that it was not itself a hydrogen expert. The discussion that took place at the Cabinet meeting was reported in the local media and by the BBC. As a result of the media attention, the Council had received expressions of interest from ten national and international companies, all of whom potentially wanted to become involved in the proposed hub. From those ten, the Council had selected the ones for further dialogue. The hub presented an opportunity for the District to become one of the leaders in this carbon free environment, joining with:

- Birmingham City Council which had purchased 20 hydrogen fuelled buses;
- Dorset Council which had commenced on its own hydrogen fuel producing project;
- Glasgow City Council which had the World's largest fleet of hydrogen powered RCV's; and
- Aberdeen City Council which, not only with its fleet of hydrogen fuel cell buses and vehicles but, having previously been the hub for the Nation's oil and gas technologies, had its stated aim to become the Nation's hub for all hydrogen technologies.

One of the companies which had expressed an interest, Wrightbus, would be displaying one of its hydrogen buses at the ECOFEST exhibition this September.

Councillor Bartlett, Portfolio Holder for Culture,

- (1) reminded Council that the District was one day away from start of the Commonwealth Games and took the opportunity to thank all officers who had worked over last few years to get the District ready for the Games and would work night and day in the control room, street scene, festival sites and games sites to deliver the Games;
- (2) reminded Council that Culturefest, had now started and took place until the end of August 2022. It would be showcasing local creative industries and venues in a series of activities and event;
- (3) informed Council that works had started on the demolition and rebuilding of Castle Farm Leisure Centre; and
- (4) informed Council that Abbey Fields had taken longer to get to completed the precommencement conditions and contract negotiations. He expected to confirm the contract within the next week, along with archaeological work starting and demolition works starting in late August. Once the contracts were confirmed there would be a report to a District Council Committee explaining the costs associated with the contracts.

Councillor Falp, Portfolio Holder for Community Protection, informed Council that it had been awarded a grant under the Safer Streets Scheme for work in and around Eagle Recreation Ground.

Councillor Matecki, Portfolio Holder for Housing, informed Council, with great sadness that one of its rough sleepers, had passed away while in temporary accommodation provided by the Council.

Councillor Grainger, Portfolio Holder for Neighbourhood,

- (1) reminded Council that it was six days before the waste and recycling contract started. It was a most critical service and it was accepted there had been some challenges in rolling out the new service. Officers were working to respond to public enquiries. There had been a delay in delivery of the kitchen caddies but these would all be delivered by Sunday 31 July 2022. Focus would then move to delivering those blue lidded bins which were yet to be delivered with priority to those on the first week collection. There would be extra resources available for these deliveries along with any others for properties that had been missed. Additional recycling, or for those who did not have a blue lidded bin or that bin was full, could be presented in old style containers. It was anticipated by the next cycle this should be a lot smoother for all;
- (2) informed Council that by the Council not accepting cash or cheques it had caused a problem for some residents in paying for the green bin service. Officers could provide some support and Councillors were asked to contact the team directly to discuss specific cases. Overall demand through telephone calls had been much higher than expected and as a result not all calls had been answered. That said, capacity with the call centre was being increased;
- (3) asked Councillors to sign up to the WDC app, that provided details of waste collection days and other useful information. So far there were 6,000 users of the app;
- (4) informed Council that 26,000 green bin permits had been issued so far;
- (5) informed Council there would be a specific contact email address for issues in respect of street scene problems i.e. overflowing bins, in and around the two festival sites and the Games sites. This would be shared with Councillors later in the week; and
- (6) reminded Council that the new play area, outdoor gym and paddling pool in Victoria Park would remain open to all residents and visitors during the Commonwealth Games.

Councillor Cooke, Portfolio Holder for Development:

- (1) reminded Council that Warwick Building Control was a consortium covering Warwick District, Rugby Borough and Daventry District. With the formation of West Northamptonshire Council (WNC) in 2021, Daventry District had been absorbed into this new Council. As a result Warwick District had been notified that WNC wished to retain a building control service across its whole area. Therefore, Daventry would be leaving Warwick Building Control in April 2023;
- (2) informed Council that income levels for Building Control income was on target for this financial year;
- (3) informed Council that the Building Control Team remained very stretched and a number of officers were currently impacted by the requirement to undertake competency examinations prior to Oct 23 (as required by the Building Safety Act) to be registered at level 4 and 5. The team was currently recruiting to some posts;
- (4) informed Council that work continued on the South Warwickshire Local Plan. Officers had completed a number of interactive stakeholder workshops where stakeholders had been invited to identify possible alternative development strategies for the Plan using large maps and lego bricks. Officers had run 10 of these sessions and all members of this Council and Stratford-on-Avon District Council had been invited to these. With the recent publication of the initial census results at the end of June, the Council would be receiving some technical analysis of the need for housing and economic

development which could inform our understanding of how much growth would be needed to plan for in the South Warwickshire Local Plan. The Council intended to have a paper setting out "Issues & Options" for the Local Plan by November of this year, with consultation on this immediately afterwards;

- (5) informed Council that a report was due to Cabinet on 10 August to recommend the submission of the Net Zero Carbon DPD to the Secretary of State. If Cabinet agreed to this, the DPD would be brought to a meeting of the Council before it could be submitted. Submission of this document would be a major step forward in terms of getting the approvals necessary to getting this Plan adopted and bringing it into force;
- (6) informed Council that Development Management, had recruited to a number of vacant posts. The ongoing recovery process was continuing with caseloads currently remaining steady with 350 planning applications under consideration. In terms of performance, approaching 90% of planning applications were now being determined within the required timescales; and
- (7) informed Council that the number of current enforcement cases continued to reduce from a high point of 395 in May this year to a current figure of 295. There were two public inquiries taking place into appeals against Enforcement Notices that had been issued. Under the leadership of the Council's new Enforcement Manager, further Notices were now being prepared and issued.

Councillor Hales, Portfolio Holder for Resources informed Council the;

- (1) energy rebate £150 scheme had been rolled out, 830 of the £50 top scheme had been allocated and officers were halfway through the top up scheme; and
- (2) draft accounts would not be presented to Cabinet until August. This had been due to availability of staff and a couple of challenges with the new financial management system. The accounts were on target to be completed by the end of November 2022.

Councillor Day, the Leader,

- (1) welcomed Councillor King to the Council;
- (2) reminded Councillors of the speech he gave to Council in January 2020 that Climate Change was here now and highlighted the recorded temperatures that had been experienced in UK and the District within the last week;
- (3) reminded Council of the work it was trying to complete to reduce carbon and the opportunity that the hydrogen hub presented to move the Council's waste collection vehicles from diesel to hydrogen powered and that the Net Zero Carbon DPD was likely to be the first of its type;
- (4) informed Council that last week he had visited the United Reform Church redevelopment with Group Leaders and saw the first electric digger in use;
- (5) reminded Council that local government reform had not gone away. There was the County Deal proposal coming. There was also the potential for unitary and the Council would need to agree what it considered the best form was for the District and if it should or should not in the West Midlands Combined Authority Area; and
- (6) informed Council that two major bids for funding had been made. The first was a levelling up bid with support from a local MP. This was to be submitted on 2 August for over £10million to support active travel and decarbonising travel in Leamington. The second UKSPF for £3.6million with a focus on lower super output areas.

21. Questions to the Leader of the Council & Portfolio Holders

Councillor Boad asked the Portfolio Holder for Neighbourhood if she was aware of the challenges faced by residents in paying for the Green Bin permits, not receiving Green Bin Permits and not being able to speak to people as the number was engaged.

In response Councillor Grainger explained that she was aware and normally permits were posted within 14 days. She asked for Councillor Boad to provide details of specific cases for her to investigate.

Councillor Boad asked the Portfolio Holder for Culture if the Euro 2022 final, between England and Germany would be shown on the big screens in the two festival sites in Warwick District?

In response Councillor Bartlett explained he would need to take advice and inform all Councillors in writing.

Councillor Kohler asked the Leader to confirm the timelines for restoration of Victoria Park post Commonwealth Games along with the resurfacing of tennis courts? Also since the outdoor sports review was concluded in 2021, with changes to scope (for example the removal of Abbey Fields Tennis Courts), the leisure service being short staffed and their large pool of work, would the Council honour the VP tennis licence that was in place, rather proceed with the planned changes?

In response Councillor Day explained that he would need to respond in writing on the timelines for restoration of the Park and tennis courts post games. In respect of VP Tennis, the Council had considered the tennis court provisional as a commercial opportunity and procurement process was now underway. Premarket engagement with four providers, including VP Tennis, had taken place and an invitation to tender was due out in September.

In response to a supplementary question, Councillor Day explained that he noted the request for the pause and review in respect of Victoria Park tennis provision but reminded Council that this Council was committed to the decision it had taken and reviewed the proposal many times before proceeding with it.

Councillor Luckhurst asked the Portfolio Holder for Development what the Council could be doing to help residents in improving their properties energy efficiencies, particularly those properties in Conservation Areas which covered large parts of our towns?

In response Councillor Cooke explained that finding a way to balance the duty to safeguard heritage assets, including Conservation Areas, whilst looking to be as pragmatic as possible in terms of energy efficiency was something that was being considered. Officers were also being asked similar questions about Listed Buildings.

Officers had provided some additional information and links on the website, but this was work in progress part of which involved looking at what other Local Councils particularly in more historic areas of the country were doing.

In response to a supplementary question at this point, Councillor Cooke said that at this time the timelines for completion were unclear.

Councillor Russell asked the Leader when would the Programme Advisory Board memberships be published?

In response Councillor Day confirmed they would be shared the next day.

Councillor K Dickson asked the Portfolio Holder for Housing if he could provide Councillors with details on what measures were being used to address the delay in the use of Council housing stock, which was resulting in a loss of rental income and causing reputational damage to the Council?

In response Councillor Matecki explained that he had been monitoring the situation because he shared the concerns of Members. He explained that the situation had arisen because of a number of factors including cost rises, material availabilities and contractor availability. The Council had logged a number of new properties on the system which were waiting to be completed for letting. There were also a large number of void properties that required substantial works prior to them being relet. Plans were in place, with contractors providing additional resources and additional cleaning arrangements for properties to reduce turnaround. There was a planned away day with contractors and officers to review process and see if times could be improved further.

Councillor R Dickson asked the Portfolio Holder for Culture if the proposed works in Abbey Fields could be delayed until schools had returned and what was the percentage assurance that would they be completed by December 2023?

In response Councillor Bartlett noted the request of the delay and explained he would pass this on. He reminded Council that at every opportunity the Council had sought to safeguard access to the play area in Abbey Fields and would continue to do so.

Councillor R Dickson asked the Portfolio Holder for Housing if he was aware of a failed nomination submitted for a local asset in Kenilworth to be included on the list of assets of community value, because it was not processed in accordance with regulations by the Council. What reassurances could he give local communities that the Council would not in future be late in processing nominations?

In response, Councillor Matecki apologised on behalf of the Council and explained that revised procedures were being brought into place along with increased technical knowledge.

Councillor Cullinan asked the Portfolio Holder for Culture if the information on the new waste contract could be made more prominent on the Council website?

In response Councillor Grainger agreed to investigate this possibility with officers.

Councillor Cullinan asked the Leader that with the potential for unitary, could the Council look at ways of increasing local democracy?

In response the Leader agreed that this was necessary especially with a potential Unitary of 600,000 electors. Most Parish & Town Councils were gaining significant funds through the Community Infrastructure Levy and this could be used for local projects. There was an initial project plan for such work, based on the good work of this Council with Whitnash to provide its new Civic Centre.

Councillor Quinney asked the Portfolio Holder for Neighbourhood to provide clarification on what was happening with those properties that had red topped bins and sacked waste collection.

In response Councillor Grainger explained that the current focus was on the new contract being rolled out and people could continue to use their current collection method. Sacks were being replaced and details of this would be provided.

Councillor Murphy asked the Leader and the Portfolio Holder for Culture, when the WDC app would include contact numbers for officers, schedules for waste collections and how could we improve access for green bin permit payments?

In response Councillor Grainger explained that next year the Green Bin charge would be under WDC control, therefore going forward there would be more opportunity to look at different ways of access when paying for it.

In the absence of the Portfolio Holder for Transformation Councillor Day explained the app was the start and more data would go live on Monday. There was a desire to expand information available on it and to start a relationship with WCC to report other services.

Councillor Wright asked the Portfolio Holder Resources whether the Council could look at different payment options, other than by telephone?

In response Councillor Hales agreed to investigate.

Councillor Barton asked Councillor Grainger if the red bins could be replaced in the same way most people have a new blue top bin.

In response Councillor Grainger explained that this had not been considered but she would look into it.

(At the conclusion of this item the Chair adjourned the meeting for a short break.)

22. **Minutes**

It was proposed by Councillor Day, seconded by Councillors that the minutes of Committees that no longer existed be approved as a true record; and

Resolved that

- (1) the minutes of the Joint Appointments Committee 10 March 2022 be approved and
- (2) the minutes of the Finance & Audit Scrutiny Committee 13 April 2022 and 10 May 2022, be approved.

23. **Membership of Committees & Work Parties**

It was proposed by Councillor Day, seconded by Councillor Wright and

Resolved that

- (1) Councillor A Dearing be appointed as a substitute for the Planning Committee;
- (2) South Warwickshire Local Plan Advisory Group of Councillors Boad, Cooke, Davison, Margrave, Quinney and Rhead, be confirmed;
- (3) Councillor King be appointed to Licensing & Regulatory Committee in place of Councillor Mangat;

- (4) Councillor King be appointed to the Audit & Standards Committee to fill the Labour vacancy on the Committee;
- (5) Councillor King be appointed to the Overview & Scrutiny Committee in place of Councillor Davison (from the Green Group) as the Conservatives have transferred the offer of one of their seats based upon the revised political proportionality following the by-election in June;
- (6) Councillor Davison be appointed as a substitute for Overview & Scrutiny Committee;
- (7) Councillor Redford be appointed in place of Councillor Ashford on the Licensing & Regulatory Committee; and
- (8) Councillors Matecki, Hales, Rhead, Grainger, Tracey and Bartlett be appointed as substitutes for Planning Committee.

24. **Public and Press**

It was proposed by the Chair seconded by Councillor Day and

Resolved that that the press and public be excluded from the meeting under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following items by reason of the likely disclosure of exempt information within the paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

25. **Cabinet Report**

To consider an excerpt from the Confidential Cabinet meeting of 25 May 2022 were proposed by Councillor Day, seconded by Councillor Hales and

Resolved the confidential recommendations of the Cabinet meeting on 25 May 2022, be approved.

26. **Common Seal**

It was proposed by the Chair, seconded by Councillor Day and

Resolved that the Common Seal of Warwick District Council be affixed to such documents as it may be required for implementing decisions of the Council arrived at this day

(The meeting ended at 8.28pm)

CHAIR
19 October 2022

WARWICK DISTRICT COUNCIL

Minutes of the additional meeting of Warwick District Council held at the Town Hall, Parade, Royal Leamington Spa, on Wednesday 7 September 2022, at 6.00pm.

PRESENT: Councillor Mangat (Chair); Councillors Bartlett, Barton, Boad, Cooke, Davison, Day, K Dickson, R Dickson, Falp, B Gifford, C Gifford, Grainger, Hales, Illingworth, Jacques, Kennedy, King, Kohler, Leigh-Hunt, Luckhurst, Matecki, Milton, Murphy, Noone, Norris, Quinney, Redford, Rhead, Roberts, Russell, Skinner, Syson, Tangri and Tracey.

1. Apologies for Absence

Apologies for absence were received from Councillors Ashford, Cullinan, A Dearing, J Dearing, Evans, Grey, Margrave, Morris and Wright.

2. Declarations of Interest

There were no declarations of interest made.

3. Communications & Announcements

The Chair of the Council welcomed key officers and partners into the Chamber to present them with a certificate of gratitude for their work in delivering the Commonwealth Games events within Warwick District.

The Chair informed Council that Rose Winship would be leaving the Council at the end of September 2022. The Chair therefore asked that the gratitude of the Council to Rose Winship, for all her work during her time at the Council, be recorded in the minutes.

The Chair informed Council that there was no business under item 4, Petitions.

4. Notices of Motion

The Notice of Motion as set out on the agenda was not proposed and therefore not considered by Council.

With the discretion of the Chair the Leader provided a statement, on behalf of the Political Group Leaders (Councillors Boad, Davison, Mangat, Falp and himself) as follows to Council:

"Warwick District Council agrees to give priority to developing a plan to give practical support to residents dealing with the rise in the 'Cost of Living'.

This Council recognises the tough financial choices that will be taken by our residents this winter, to address double-digit inflation and a surge in energy costs, and agrees that a local Action Plan is an urgent priority.

Government support initiatives are noted, including recent announcements; however, there is a clear role for this Council, working in cooperation with other authorities, businesses and community groups. Learning from the successful programmes delivered during the pandemic, it is important that a coordinated local plan is created to ensure support gets to where it is most needed.

It is recognised that our Officers are already engaged supporting residents helping to ensure they are claiming all of the benefits and financial assistance that they are entitled to. Additional work is also underway developing contingencies for a wider level of community assistance, especially in addressing severe cold weather events. However, now is the moment to refocus efforts on a comprehensive Action Plan, so we can utilise all our public assets to protect the most vulnerable and minimise the longer-term damage that this unprecedented situation could inflict on our communities.

We therefore agree that the Council's Leadership Co-ordinating Group, comprising Cabinet, the Leaders of all Political Groups and senior Council Officers will make the creation of a local Winter Action Plan a priority. It is further agreed that progress will be reported to the next meeting of this Group on Monday 19 September, when next steps will be agreed, including a programme for wider community engagement."

In response to this statement Councillors Boad, Davison, Skinner and Falp addressed the meeting.

5. **Leader & Portfolio Holder Statements**

The Leader of the Council informed Council that in May the Annual Council Meeting, Councillor Mini Kaur Mangat was unanimously elected as Chair, who was not only the youngest person to fulfil the responsibilities of this role, but also the first woman of colour to be Chair of Warwick District Council.

It was with considerable regret therefore, that in the course of representing the Council at different public events across the District, Councillor Mangat had experienced serious and sustained racial abuse.

Councillor Mangat had come forward reluctantly and was understandably concerned that in making this public statement, she and her family might suffer further racist attacks. However, as a long-time campaigner against racism, the Chair firmly believed that it was important that the Council came together to speak out to condemn this unacceptable behaviour.

Whilst Councillor Mangat continued to enthusiastically carry out her duties at Chair, measures were being put in place to provide some protection, including restricting the online publication of her personal contact details. The local police force was also providing Councillor Mangat with advice and practical support, demonstrating just how seriously they took this form of hate crime.

The fact that the Chair had been attacked in this way had come as something of a shock, but he hoped that in shining a bright light on this abhorrent behaviour, it might also encourage others to challenge racism wherever it was found in our community. This was an attack on our way of life and the values on which Councillors were building a better society. Racism in all its forms must be confronted whenever it was encountered, and he commended Councillor Mangat for her bravery at what must have been a difficult time for her and her family.

This was also an appropriate moment to reaffirm that Warwick District Council did not tolerate discrimination in any form, and continued to strive to ensure that racism and exclusion were eliminated in our community, as the Council worked to make Warwick District a safe and inclusive place for everyone to live, work and visit.

In response the Chair thanked the Leader for his statement and reminded Councillors that racism existed and there were challenges faced to eradicate it.

6. **Questions to the Leader of the Council & Portfolio Holders**

Councillor Tangri asked the Leader how the Council could build on the excellent work of the Equality and Diversity Task & Finish Group.

In response the Leader, Councillor Day stated that quality was a matter in everything the Council did and asked that equality should be included on the agenda of each PAB going forward.

7. **Cabinet Report**

At the start of this item George Martin addressed the meeting as a public speaker.

The recommendation of the Cabinet on 10 August 2022, in respect of the Net Zero Carbon Development Plan Document, as revised within the addendum that had been circulated and published online, was proposed by Councillor Rhead and seconded by Councillor Cooke.

Councillors King, Kennedy, Kohler, Davison, Illingworth, Boad and B Gifford spoke on this item.

Resolved that the Net Zero Carbon Development Plan Document as proposed by Cabinet, subject to the revisions in the addendum, be submitted to the Secretary of State for Examination alongside a schedule of proposed revisions arising from the public consultation.

8. **Employment Committee Report**

The report of the Employment Committee of 6 September 2022 was proposed by the Chair, seconded by Councillor Redford and

Resolved that the report of the Employment Committee on 6 September 2022, be approved.

9. **Common Seal**

It was proposed by the Chair, seconded by Councillor Day and

Resolved that the Common Seal of Warwick District Council be affixed to such documents as it may be required for implementing decisions of the Council arrived at this day

(The meeting ended at 7.12pm)

CHAIR
19 October 2022

WARWICK DISTRICT COUNCIL

Minutes of the urgent meeting of Warwick District Council held at the Town Hall, Parade, Royal Leamington Spa, on Friday 9 September 2022, at 5.00pm.

PRESENT: Councillor Mangat (Chair); Councillors Ashford, Boad, Davison, Day, K Dickson, R Dickson, Falp, B Gifford, Hales, Illingworth, Kennedy, King, Kohler, Luckhurst, Margrave, Norris, Quinney, Redford, Rhead, Roberts, Syson, Tangri and Wright.

Before the start of the meeting, the Chair of the Council led Councillors in a minute of silence as a mark of respect for Her Majesty the Queen Elizabeth II.

The Chair explained that the meeting had been called at short notice to allow Councillors to formally record their respects for Her Majesty the Queen Elizabeth II.

1. **Apologies for Absence**

Apologies for absence were received from Councillors Bartlett, Barton, Cooke, Cullinan, A Dearing, J Dearing, Evans, C Gifford, Grainger, Grey, Jacques, Leigh-Hunt, Matecki, Milton, Morris, Murphy, Noone, Russell, Skinner and Tracey.

2. **Declarations of Interest**

There were no declarations of interest made.

3. **Death of Her Majesty the Queen Elizabeth II**

The Chair of the Council, Councillor Mangat, proposed the Motion before Council, it was duly seconded by the Vice-Chairman of the Council, Councillor Syson, and it was

Resolved that the Council formally expresses its sorrow at the passing of Her Majesty the Queen Elizabeth II; and to extend the heartfelt sympathy of Council to His Majesty the King Charles III and to members of the Royal Family.

4. **Common Seal**

It was proposed by the Chair, seconded by Councillor Day and

Resolved that the Common Seal of Warwick District Council be affixed to such documents as it may be required for implementing decisions of the Council arrived at this day

(The meeting ended at 5.28pm)

CHAIR
19 October 2022

Cabinet

Excerpt of the Minutes of the meeting held on Thursday 29 September 2022 in the Town Hall, Royal Leamington Spa at 3.00 pm.

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

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

169. **Declarations of Interest**

There were no declarations of interest made.

Part 1

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

171. **Quarter 1 Budget Report**

The Cabinet considered a report from Finance which provided an update on the current financial position as of 30 June 2022, both for the current year 2022/23 at the end of Quarter One, and for the medium term through the Financial Strategy. Key variances and changes were highlighted to inform Members, with some recommendations also being put forward for their consideration.

The Medium-Term Financial Strategy showed that the Council was still reliant on making the savings previously agreed as part of the 2022/23 Budget Setting. However, further savings were now required in light of changes to the proposals following the approval to withdraw the request to merge with Stratford-on-Avon District Council and create a South Warwickshire District Council. With the significant risks facing the Council's finances in future years, it was important that officers and Members took all actions to ensure that the savings were generated.

The recommendations and updates would enable the Council to ensure Members and other stakeholders continue to be informed on the most up to date financial position of the Council, both in year and for the medium term. It would enable decisions to be made based upon these positions to ensure that the Council could continue to operate within a balanced budget.

Regarding the General Fund Financial Position as of 30 June (Q1), variations were identified by the Accountancy Team and reviewed in conjunction with the relevant budget managers, and where necessary, narrative provided in the report. As of 30 June (end of Q1) there was a favourable variance of £1,366k, with a forecast adverse variance for 2022/23 of £586k. A summary was provided below:

2022-23			
Service (General Fund)	Variation Description	Q1 Variation £'000	Forecast Full Year Variation £'000
Employee Costs	Staffing	£385 F	£500 F
	Pay Award contingency	-	
Assets	Delays to PPM works	£315 F	-
	Utility Charges – Electricity		£250 A
Cultural Services	Increased Arts Concession activity	£326 F	-
	Leisure Concession	-	£200 A
	Planning Income	£189 F	-
Environment & Economy	Existing waste contract income	£111 F	£200 F
	Green Waste Permits	£200 F	£486 F
Housing Services	B&B Accommodation	£100 A	-
Strategic Leadership	Warwickshire Place Partnership (Health & Wellbeing)	£100 F	-
	De-Carbonisation Grant	£20 F	-
	Members Allowance	£10 A	£40 A
	Contingency Budget	£135 F	-
	Crewe Lane LLP Interest		£62 A
	Budget Savings proposals linked to merger	£128 A	£512 A
	Budget saving proposal – digital transformation	£52 A	£208 A
Budget Savings in-year underspend	£125 A	£500 A	
TOTAL		£1,366 F	£586 A

Continuing with the Salary Vacancy Factor process established during 2021-22, the table below reflected the underspends on salaries within service areas during periods 1-3 (April-June). These were offset against a pre-determined value agreed at budget setting of expected levels of savings driven by gaps in establishments throughout the year, which was set at 3.6%.

As part of the Vacancy Factor process for Q1, £469,700 (GF) and £107,300 (HRA) was appropriated from staffing budgets.

Portfolio	Vacancy Factor Budget 22/23	Budget Released Q1
Assets	-£41,200	£40,000
Community Protection	-£68,700	£40,400
Cultural Services	-£62,400	£62,400
Development Services	-£76,800	£76,800
Environment & Operations	-£68,100	£68,100
Financial Services	-	£67,400
	£107,200	
Housing Services - General Fund	-£48,200	£48,200
ICT	-£37,400	£19,500

People & Communication	-£31,400	£22,300
Strategic Leadership	- £111,300	£23,700
Total General Fund	- £652,700	£469,700
HRA	- £115,700	£107,300
Total	- £768,400	£577,000

Overall, 71.96% of the GF Vacancy Factor had been met, and 92.74% of the HRA vacancy factor.

Once the Vacancy Factor budgets were achieved, additional budget that was released would be allocated to a contingency provision to allow for a forecast 4% average pay award for 22/23, currently forecast at £350k. Any further budget released would then be returned to GF and HRA reserves and be available to use as necessary to meet other emerging challenges and opportunities.

After the Vacancy Factor Adjustment and departmental service reviews had been taken into consideration, General Fund salaries were £385k favourable against budget at the end of Q1. However, following the vacancy factor process and discussions with the relevant managers, some of the remaining underspent budget would be required to backfill where work had fallen behind due to staffing, establishment, and recruitment issues. This could take the form of additional fixed term staffing, agreed overtime and in some instances the use of agency staffing, which could carry a cost premium. These assumptions would continue to be reviewed and challenged into Quarter Two, and forecasts updated, as necessary. The value that the vacancy factor was set at (currently 3.6%) would also continue to be reviewed. Given the high levels of underspend reported at Q1, it might be necessary as part of Budget setting to increase this provision to better reflect the ongoing staffing challenges within service areas.

The recruitment and retention issues currently being faced by the Council were subject to review, with work commencing on how this be tackled going forward.

In Assets, delays to the commencement of a number of Planned Preventative Maintenance (PPM) programmed works continued into 2022/23. The Assets team were continuing to face resourcing challenges, driven by high levels of sickness and difficulties in recruiting to the substantive establishment. It was expected that the full allocation of budget would be used to meet the cost of repairs necessary to maintain the corporate stock. However, it was likely that up to a third of the £1.5m programme would have to be slipped into the following financial year and so not present a real saving.

Another contributing factor to the variation was the way in which works were reported through the Financial Management System (FMS). One of

the expected benefits of the new FMS, which went live in November, was that expenditure commitments would appear in a timelier manner in the system from the Property Management System. This would be as and when orders were raised, rather than only when they were paid. This would improve forecasting against the schedule agreed at Budget Setting in February.

Centralisation work was ongoing between finance and the assets teams to ensure resources were available and to enable programmed works to be more effectively managed, supported by timely, accurate and available information in the Financial Management System.

In Cultural Services, the Royal Spa Centre received increased income during quarter one driven in part by a number of rescheduled events having now taken place. The centre was now fully operational after being closed for prolonged periods due to COVID-19.

Income and Expenditure would continue to be monitored as the Council headed into the peak season, including the return of the Christmas Pantomime following previous years cancellations due to COVID-19.

Despite a positive quarter one, the full year forecast remained prudent as there was still uncertainty as to how the site would perform going forward. The leisure contract forecast was discussed in section 1.4.4 of the report.

In Development Services, a large amount of fees were carried forward (£324k) from 2021/22 into 2022/23 for ongoing planning work relating to the current year. It was forecast that planning fees would achieve their annual budget.

In Environment & Economy, recycling credit income reduced due to lower usage than during the last two years, when lockdowns increased home collection volumes. However, income generated from material collections remained significantly above budget. The forecast reflected that the new 123+ waste contract commenced from 1 August 2022, and so income from these sources would form part of that contract going forward.

The number of residents who signed up to the Green waste collection service significantly exceeded expectations for 22/23.

In relation to Housing Services – General Fund, increased levels of temporary B&B accommodation were used since the start of the pandemic. The effects of the current cost of living conditions were also having an impact, resulting in a cost of an additional £103k year to date. However, the Council would receive Flexible Homelessness Support Grant to fund this additional expenditure. This would continue to be monitored into winter, when further significant cost increases were expected, including another rise in the cost cap in October just as the use of utilities would increase with colder weather and reduced daylight hours.

In relation to Strategic Leadership, the Members allowances scheme was revised at Annual Council in May 2022 and this increase was not built into the budget in February as the exact total additional costs were unclear, as this depended on the number of Councillors undertaking roles. The forecast for the year was £115k against a budget of £73k. Equally no

budget provision was provided to date to allow for the creation of the PABS and the chairman SRA.

£100k was received as a grant to be held by WDC on behalf of the South Warwickshire Place Partnership (Health and Well Being) to be spent this current financial year.

Within the 2022/23 Budget agreed by Council in February, there was a Contingency Budget of £200k for any unplanned unavoidable expenditure. To date £65k had been committed from this budget.

Regarding budget savings, the progress against the Budget savings proposals was outlined in section 1.3 in the report.

In the Housing Revenue Account current year variances, variations had been identified by the Accountancy Team in conjunction with the relevant budget managers, giving a favourable variance of £1,028k as of 30 June, with a forecast favourable variance for 2022/23 of £150k. A summary was provided below:

2022/23				
Service	Variation Description	Q2 Variation £'000	Forecast Full Year Variation £ '000	Rec/ Non-rec
HRA	Staffing (after Vacancy Factor Adjustment)	£78 F	£150 F	Non-rec
	Housing Repairs	£950 F	-	Non-rec
TOTAL		£1,028 F	£150 F	

Staffing resources across the Housing Revenue Account saw similar issues to those impacting the Assets teams. Sickness and recruitment challenges had been present and were likely to continue going forwards in the immediate future.

Continued delays in receiving invoices from contractors for housing repairs, both major and responsive, was leading to the favourable variance YTD. A process was currently in development to ensure order data from the Housing Management System (Active H) appeared in the new Finance Management System (FMS) as orders were raised, ensuring expenditure reporting was more robust and timelier than it was through the existing FMS. Currently expenditure was passed through to the FMS when paid.

This project to bring active orders into the FMS when approved, and the centralisation of all R&M budgets would allow more timely financial management of these budgets. It should have been noted that major and responsive works were ongoing, with the expectation that the full budget allocation for the year would be utilised.

Regarding Recommendation Two (budget savings progress), managers had provided updates as to expected delivery against the Budget Savings Proposals agreed originally in December 2020, and last reviewed as part of Budget Setting in February 2022.

Appendix One to the report outlined a full breakdown of all the current budget savings proposals, including forecast delivery.

Following the approval to withdraw the request to merge with Stratford-on-Avon District Council and create a South Warwickshire District Council, a number of savings proposals had to be removed. These schemes directly linked to efficiencies being made as a result of a joint Council. These were highlighted in yellow on Appendix One to the report.

The latest updates also resulted in the removal of the remaining delivery against Digital Transformation from 2022/23, following delivery of service efficiencies related to the Finance Management System implementation from February 2022. The Head of IT services would be bringing forward a revamped transformation programme outlining future plans in due course. Within the savings, a £500k 'in-year underspend' was allowed for. At this point in the year, nothing had been explicitly allocated to this. However, as part of the on-going Budget monitoring throughout the remainder of the year, any projected savings would be allocated against this heading. See Appendix One to the report for a full breakdown of the progress on the Budget Savings Proposals.

With many of these savings still requiring much work to be carried out, a more prudent stance had been taken in projecting the likely savings from some initiatives. These savings were reviewed monthly by the Management Team to seek to ensure the savings initiatives were duly progressed.

Regarding recommendations three and four, the MTFs was last formally reported to Members in February as part of the Budget setting and Council Tax setting reports. At that stage the profile of revenue savings to be found was as follows:

	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Deficit-Savings Req(+)/Surplus(-) future years	0	1,377	575	754	1,186
Change on previous year	0	448	490	-223	-200

As well as the in-year changes detailed in sections 1.1 and 1.3 in the report, there were key changes to the MTFs for future years, as outlined below:

Inflation had been changed within the MTFs for recurrent expenditure as follows:

Year	Inflation as at Budget	Revised Inflation Q1	Recurrent impact to
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	Setting Feb 2022	Budget Report	MTFS
			£'000
2022/23	4%	4%	0
2023/24	2%	4%	393
2024/25	2%	3%	181
2025/26	2%	2%	0
2026/27	2%	2%	0

The key driver of the inflation proposed above was salaries. The revision above reflected the latest proposed pay offer.

Major contracts would be subject to their own agreed cost profile and inflation levels, which would have been/would be factored in to the MTFS as appropriate.

In addition to the contingency proposal outlined in paragraph 1.1.2 in the report, any agreed pay award would have a recurrent effect on the MTFS. Given that there was no guarantee that the high levels of vacancy would continue into future years at this stage, provision needed to be made to support a pay award higher than the 2% included to date. Therefore, the pay provision had been increased in line with the revised inflation values in paragraph 1.4.2.1 in the report.

This would continue to be reviewed based on the latest information from ongoing pay award discussions. The vacancy factor target would also be reviewed alongside this, to ensure that this was set at a level reflecting the continued establishment gaps.

Regarding the Everyone Active Leisure Contract, a revised contract was agreed for 22/23 in place of the previous concession arrangement. A 90/10 (WDC/EA) split on any surpluses was agreed at the start of the financial year. At budget setting, a £500k leisure contingency was included to reflect the continued risks associated with achieving the full value of the original concession on the back of the pandemic and the sites in Kenilworth being closed for renovation this year.

Further dampening of £200k had now been included reflecting the ongoing risks associated with rising costs, in particular utility costs which were one of the largest expenses incurred at the Council's leisure centres. To help support the concession provider, while also ensuring that a commercial incentive remained, the split on any future surpluses had now been revised to 80/20 (WDC/EA).

Everyone Active would continue to provide monthly breakdowns of their accounts on an open book basis to support the updated arrangement. Discussions were ongoing relating to future years' concessions.

Regarding the new waste contract and garden waste permits, the number of residents who signed up to the new service significantly exceeded expectations for 22/23, given that the service launched mid-season in August.

Current forecasts were for permit income to exceed £700k (35,000 permits), despite the reduced cost of the permit due to the part year effect of a mid-year introduction.

The overall projection for the service in 22/23 was forecast at £550k, increased by £486k over the original forecast of £64k, once additional costs that would be incurred in supporting the service had been factored in.

Previously agreed budget proposals forecast that from 23/24, £1m per annum would be generated from the service. Given the current performance and take up by residents of the service, the forecast from 23/24 had been increased to 40,000 permits, generating income of £1.6m (£1.4m once additional service costs were factored in).

Regarding utility contracts, following a period of uncertainty there were now some indicative estimates of the likely impact on electric and gas prices for the Council's GF and HRA properties following the significant increases in costs seen over the last 12 months.

The Council contracted to buy electricity through ESPO for the period October – September, but for gas, the period was April - March.

ESPOs Energy Trading/ Risk Management team estimated the cost per kWh to be at least 20.31p from October, roughly a 100% increase. This excluded the Standing Charge / Green Levy / Distribution Cost element which it was assumed would also increase substantially.

The Council had the estimated consumption for the 305 supplies (4,475,161kWh). A very basic forecast at 20.31p/kWh would be £909k. Current budget for electricity for 2022/23 was £439k. Half of this was likely to impact in 2022/23 and then equally for the first half of 2023/24. The kWh cost for October 2023 to September 2024 until mid-way through next year would not be known, but market trends continued to indicate significant upward movement. The Council's price varied a little per site depending on the cost of transmission to site using the network (also expected to rise), so this figure was a broad estimate.

For Gas, the Council's prices were fixed for the remainder of 2022/23 but indications were that there would be an increase in the range 180% - 250% from April 2023, although the Council's gas usage was proportionally much less than electricity. ESPO had already bought around 87% of its contracted gas requirement for next year but still they were unsure about the exact price impact for next year.

Therefore, the following recurrent changes were included in the MTFs:

	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Increase (Decrease) in electricity charges	250	250	0	-150	0
Increase (Decrease) in Gas charges	0	150	0	-50	0

Work was underway to mitigate the impact of these increases, with the Council's Building Management System operator, SERTEC being instructed to carry out an urgent review of key sites to see if any changes to heating / lighting / cooling etc could be introduced and if these would cause any loss of amenity at a building. There was limited scope at Pump Rooms as the art and museum collections required regulated air and temperature to prevent artifact deterioration. Reviews were taking place across sites with the biggest use.

The Council would also look at whether there were options to install PIR sensors in any corridors, kitchens, toilets etc at any locations, The costs were likely to be small in comparison with the energy cost increase and any marginal energy savings were worthwhile.

A further meeting with ESPO was due to take place later in the year once prices could be quantified with greater certainty.

Taking into account the changes highlighted in the report, the Medium Term Financial Strategy now presented the following deficit position:

	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Deficit-Savings Req(+)/Surplus(-) future years	586	2,933	2,424	2,467	2,706
Change on previous year	0	2,347	-509	43	239

Recurrent savings of £3m needed to be secured to enable the Council to be able to set a balanced budget from 2023/24 onwards. Officers were currently reviewing ways of reducing the deficit, including income generation, service efficiency, and cost saving schemes. This work and its outcomes would be reported to Cabinet as part of the Q2 Budget Report in December 2022.

Regarding recommendation 5, the following proposed changes to the Capital Budget had been identified:

- 1) Kenilworth Leisure Centre site fit outs across Abbey Fields - £496k slippage (full year budget) into 2023/24.

2) Kenilworth Leisure Centre site fit outs across Castle Farm - £201k slippage (full year budget) into 2023/24.

Regarding recommendation 6, following the withdrawal of the merger, monies set aside for service integration, totalling £2.7m over three years, had been moved to the Service Transformation Reserve (STR) from the previously established Service Integration Reserve.

As part of the merger, a number of stages of service alignment were proposed. Pending these reviews taking place, a number of recruitment proposals were put on hold. These recruitments now needed to take place.

In addition, Members recently approved the 'Applause' package.

A full breakdown of all posts / schemes put forward to be funded from the STR was provided in Appendix 3 to the report.

The recommendation was for Members to approve the use of the STR to support these posts / schemes which were necessary to ensure continued service delivery.

Upon approval of these posts / schemes, there would be £1.812m remaining unallocated in the STR.

As stated in 1.4.7.2 in the report, officers were tasked with identifying ways to reduce the financial deficit. It was expected that there would be a period of officer / Member work over the coming months to work on options as part of the budget process due to commence in September. Part of this work would review the use of Council reserves, including the STR, with further recommendations to be presented in the Q2 report.

Regarding recommendation seven, updates on the following subjects were provided:

- Energy Rebate Discretionary scheme - A request to use delegated Emergency powers was submitted on 23 June 2022 to approve the Hardship Fund and Energy Rebate Discretionary Scheme, to enable commencement by 30 June. The scheme included £228,900 provided by the Government for the Energy Rebate Discretionary scheme and £200,000 provided by the Warwick District Council Hardship Fund. This was funding provided from the 2021/22 forecast surplus, as originally discussed in February 2022. The idea around the scheme was to provide additional support to those residents most in need who might have not received any support from the main £150 Council Tax Energy Rebate Scheme. The Council arranged for a payment of £150 for customers in Bands E-H who were in receipt of Local Council Tax Reduction (LCTR) as well as those receiving Disabled Person Reduction, Severely Mentally Impaired Disregard or Council Tax Carers disregard. The Council would also provide everyone who was in receipt of the maximum LCTR (85% or 100%) across all bands A-H a top up of £50. The Council would be encouraging customers to apply for LCTR as well if they were struggling and if they were then successful, they would receive an award as per the above. If they were unsuccessful in their claim but within a predefined amount, these people would also

qualify for a payment of £125 as long as they had not already received an energy rebate payment. The scheme was currently over halfway completed, with the scheme due to end on 30 November 2022.

- Spencer Yard - A request to use delegated Emergency powers was submitted on 15 June 2022 to approve the movement of money within the Future High Street Fund Scheme for Leamington. This was done to facilitate the commencement of works in Spencer Yard with a view to completion in a 12-to-15-month period.
- Lillington Health Hub - A request to use delegated Emergency powers was submitted on 10 August 2022 to approve the forward funding of expected CIL contributions, pending their receipt in 22/23 and 23/24. This would enable the Lillington Health Hub project to progress. The profile of CIL contributions committed to the project for 22/23 total £1m and 24/24 total £900k. A Cabinet report in March 2022 forecast that there would be sufficient CIL income in both of these years to fund this project, with CIL income in 2022/23 forecast to be £3.125m.
- Land acquisition – Villiers Street - A request to use delegated Emergency powers was submitted on 20 May 2022 to approve the purchase of two plots of land on Villiers Street, Leamington Spa to ensure that that they remained as open space land. It was agreed that the 2 plots would be purchased for £5,250 and £39,000 (plus reasonable legal expenses) each.
- Homes for Ukraine - A request to use delegated Emergency powers was submitted on 12 May 2022 to approve policy changes that needed to be made to the Council's 'Council Tax Section 13A(1)C Discretionary CTax reductions policy' in order for the Council to support those people arriving in the area under the Homes For Ukraine Government scheme. The recommendation to accept the changes to the Warwick District Council 'Council Tax Section 13A(1)C Discretionary CTax reductions policy' was to ensure that Local Council Tax Reduction was not adversely affected for those eligible sponsors hosting a guest in their household under the Government's Homes For Ukraine scheme. Also, that any person liable for Council Tax in the Warwick District Council area who was resident under any of the Government sponsored resettlement schemes or the Homes For Ukraine scheme, who was in receipt of the maximum Local Council Tax Reduction under the working age scheme (85%) would not be required to pay the remaining 15% Council Tax charge, with these cases being reviewed annually.

Regarding recommendation 8, the latest Equipment Renewal Schedule was approved by Members as part of the budget setting report in February. It was noted that this reserve, along with several others were all forecast to have demands exceeding the available balances.

Therefore, it was proposed that drawdown from the Equipment Renewal Reserve be delegated to the Chief Executive, in consultation with the Head of Finance, Leader of the Council, and Finance Portfolio Holder.

Regarding recommendation 9, as part of the ongoing review of budget management processes following the implementation of the new Finance Management System, a number of proposals, as outlined in the report, were put forward to improve the control and administration for managers.

Currently the Repair and Maintenance budgets were managed by the Assets Team, but the budgets were held within individual service budgets. This caused difficulty in the financial management of these budgets as a manual report needed to be created each period to show spend against budget. The Assets team could not currently easily use the new Financial System to see what the correct position was on an individual or global scheme basis. Managers within services currently had these budgets within their Cost Centres, against which they did not directly manage the related works. This made it difficult for the Assets Team to forecast spend against agreed programmes of work.

The proposal was to move all centrally managed Repair & Maintenance, Mechanical & Electrical and PPM budgets to the Assets Department. This would allow Assets to financially manage these budgets using the new FMS and provide more accurate forecasts of spend. It would also remove these budgets from service budgets, leaving only their controllable (excluding CEC's – see section 1.10 in the report) budgets to manage. There were no budget implications to this request as current budgets already exist.

Charges related to health and well-being, including occupational health, were responsive to individual staffing needs. The current process was for the invoice to be paid centrally by HR, and then recharged to Cost Centres based on actual usage. Due to their responsive ad-hoc nature, Occupational Health charges were not directly budgeted for within services. There was a cost in administration to the organisation to recharge these on a monthly basis. By centralising this cost to HR, they could be managed and forecasted within one area more effectively.

A budget would be required to be held in HR for the estimated annual cost of £16,800. This was initially proposed to be funded from the Contingency Budget for 2022/23, and to then be included from 2023/24 in the base budget. From 2023/24, this was anticipated to be funded from re-aligning existing employee budgets where resource was continually under-utilised, and therefore was expected to carry no additional budget requirement.

Regarding recommendation 10, another piece of work being undertaken as part of the ongoing review of budget management processes was the way in which Central Establishment charges (CEC) / Recharges were implemented.

CECs were an accounting method to redistribute non-front-line service costs to front-line services, in order to show the true cost of a service being provided by the Council. An example of this would be that to provide a car parking service, there would be costs incurred by support services such as Finance, HR and IT which would need to be attributed to the overall cost in addition to direct cost such as the salaries of attendants. The current system for recharges mixed both front line service costs and business (external) recharges together. At year end, both Service Managers and Accountancy had to reallocate the spend for the year. This

was a time-consuming process which was ultimately not value adding to the Council and used staffing resource that could be better utilised on more operational and strategic support, as well as being a significant task as part of the closure of accounts process.

The proposal was to review these processes and implement an alternative way to do CEC / Recharges which was efficient in time but retained accuracy within the accounts. This would also seek to separate business recharges for one off and ongoing works and what was classed as a CEC (front line service recharges). Many other Local Government organisations had moved to an estimated process, allowing budgets and charges to be agreed and processed at the beginning of the year. This gave more clarity to service managers of their costs for their service within the year and would ease the burden on managers and Accountancy at year end. The recommendation was to review and propose a new way of working for CEC's and Internal Service charges, with the outcome being in place for the 2023/24 Budget Setting process.

The Overview & Scrutiny Committee noted the report and thanked officers for their time in producing it. The Committee noted the positive impact the new financial system is having already and would like to thank officers and Members for the collaborative work on that.

Members highlighted their concerns on the impact of the energy crisis on Council finances and look forward to receiving an action plan on that in the near future.

Members have also asked that where emergency powers are used, full details should be made available in the Cabinet report to enable scrutiny to take place efficiently.

The Leader advised that in terms of the cost of living crisis, there was a package of measures that was originally going to come through the Leadership Coordinating Group (LCG), but this was postponed due to the funeral of the Queen. There was a special LCG session organised for 3 October to deal with this work, and the drafts he had seen so far had been very impressive and he was confident a strong package would be put forward. With the Medium Term Financial Strategy (MTFS), there was a need to get a grip on the projected £3 million deficit, however there had been similarly eye-watering amounts projected in previous years and the Council had managed to do something about it. There was a plan to take the budget development through the Resources Programme Advisory Board (PAB) as well as through LCG, to ensure that this was done on a cross-party basis and to give the full disclosure of the thinking behind decisions. The Leader offered to sit down with Councillor Davison to go through the details of the Spencer Yard project, in order to give him the confidence he was looking for.

Councillor Hales noted the concerns regarding the increase in gas, electric, but it was important to note the steps already taken, for example the use of reserves for the applause package for staff, as well as the use of funds for the Energy Rebate scheme. He thanked the support of Group Leaders, and officers for their efforts in working to produce the balanced budget that was required. He then proposed the report as laid out.

Recommended to Council that

- (1) the ongoing forecast deficit outlined in the MTFS be reviewed further once proposals for tackling the deficit have been developed and reported to Cabinet for consideration; and
- (2) Council amends the Constitution to record the Cabinet's delegated authority for the Chief Executive, in consultation with the Head of Finance, Leader of the Council, and Finance Portfolio Holder, to drawdown from the Equipment Renewal Reserve.

Resolved that

- (1) the latest current year financial position for both Quarter 1 (General Fund £1,366k Favourable and Housing Revenue Account £1,208k Favourable), and forecast for the year (General Fund £586k Adverse and Housing Revenue Account £150k Favourable), with the key variations that drive these positions, be noted;
- (2) the updated profile of budget saving schemes originally approved in December 2020, including the changes to those that were linked to the merger, be noted;
- (3) the impact on the Medium Term Financial Strategy (MTFS) due to changes detailed within the report, and how these changes are expected to be accommodated, be noted;
- (4) the current capital variations for schemes originally approved in February 2022, be noted;
- (5) the use of Reserves for the services outlined in section 1.6 in the report, be approved;
- (6) the use of Delegated emergency powers for the approvals outlined in section 1.7 of the report, be noted;
- (7) the centralisation of Assets R&M Budgets and HR Occupational Health Budgets, be approved; and
- (8) changes to the process for Central Establishment Charges (CEC) / Recharges, be approved.

(The Portfolio Holders for this item was Councillor Hales)
Forward Plan Reference 1,309

172. Final Accounts 2021/22

The Cabinet considered a report from Finance which provided a summary on the draft 2021/22 final accounts, with the draft Statement of Accounts (available on the website) providing a detailed analysis. An update against the audit timeline was given. Members were asked to note the draft financial position for 2021/22 as detailed in the report, and the decisions made under delegated authority.

The report and supporting appendices enabled the Council to ensure Members and other stakeholders continued to be informed on the most up to date financial position of the Council. It enabled decisions to be made based upon these positions to ensure that the Council could continue to operate within a balanced budget.

The final draft outturn positions upon closure of the accounts were as follows:

	Latest Budget £'000	Actual £'000	Variation £'000
General Fund	9,890	9,845	-45
HRA	-2,797	-3,893	-1,096
Capital Programme	76,175	48,575	-27,600

The outturn for the General Fund Revenue Services for 2021/22 presented a favourable variation of £0.045m. Should there be any change to the variation because of the External Audit (which commenced on 5 September), Members would be updated accordingly.

The significant General Fund variations were presented in the table below.

Description	Variation £'000	Favourable / Adverse
Employee Costs	-616	F
R&M	-1,039	F
CCTV	-118	F
Spa Centre	78	A
Rental income (Catering Contract)	84	A
Commonwealth Games	-295	F
Building Control Income	-61	F
Local Land charges Income	100	A
Bereavement Services	233	A
Car Park income	23	A
Waste Collection Income	870	F
Watercourses & Culverts Fee Income	135	A
Benefits	537	A
Payment Channels	62	A
Investment Interest Income	-104	F

HRA Recharge	30	A
Projects	122	A

An analysis by Portfolio was shown at Appendix A to the report. IAS19 adjustments and capital charging had been excluded from the variations above as these were reversed out of the Net Expenditure position.

Net Business Rates Retained Income to the General Fund was favourable by £4.904m against the revised Budget. This was due to the way that government compensated Councils through S31 grants for administering its Covid support programmes, primarily in the form of Business Rates Reliefs and Business Grants.

Investment Interest was lower than that budgeted. An increase on the return from the Crewe Lane loan had been offset by the commencement of Housing Investment programmed expenditure meant that there had been less balances to invest. The Annual Treasury Management Report was due to be presented to Overview and Scrutiny Committee alongside the report on 28 September and would provide more information on the 2021/22 performance. The Table below summarised the HRA and GF position.

	Latest Budget £'000's	Actual £'000's	Variation £'000's	Fav / Adv
General Fund	-1,524	-1,628	-104	F
HRA	-304	-15	289	A
Total Interest	-1,828	-1,643	185	A

Employee costs were underspent by £616k in 2021/22. The key driver of this was staffing vacancies totalling £596k across a number of services, in particular Assets, Community protection (Environmental Health), Environment & Operations (Green space development and ranger services), Revenues & Customer Services, and Development Services. Vacancies had been offset with additional staffing costs (overtime, agency staffing) where necessary, at a cost of £505k (£21k over budget). Recruitment and retention remained a key challenge for the organisation.

Regarding Assets, the Planned, Preventative Maintenance (PPM) corporate repairs programme was funded through a combination of revenue and reserve funding from the Corporate Assets Reserve, in that order. In 2021/22, £149k had been drawn down from the Corporate Assets Reserve due to expenditure in year of £562k. Expenditure was significantly lower in year on the PPM programme than was originally set in as part of the Budget Setting Report in February 2021 (where £1.541m of works had been agreed, including slippage from 2020/21, supported by a £1.128k draw down from the Corporate Assets Reserve). The key drivers of the reduction in expenditure in year were delays caused by resourcing issues on both the side of WDC and the contractors, in part still as a result of COVID-19 and an increase in demand for construction services. As part of Budget Setting for 2022/23, £561k of these delayed works had been carried forward as part of the Earmarked Reserve request.

Regarding Community Protection, a new CCTV maintenance contact had

been agreed in year resulting in savings against the recurring budget.

Regarding Culture, Tourism and Leisure, reduced income had been received across many cultural sites, in particular the Royal Spa Centre, because of remaining COVID-19 restrictions and delays to shows / events using the facilities. Some of the loss had been offset against reduced expenditure costs incurred and the receipt of recovery grants in-year. Rental income from Jephson Gardens Restaurant and Pump Rooms had not been received in year, resulting in an adverse variance of £38k.

Delays had been incurred in the delivery of some preparations for the Commonwealth Games taking place in July-August 2022, resulting in an underspend in 2021/22. Funding relating to the Games would be carried forward to 2022/23 (as an Earmarked Reserve), to match delivery against Birmingham 2022 deadlines.

Regarding Development Services, there had been higher than forecast non-fee earning work recharged to Daventry and Rugby in 2021/22. The carry forward of local land charges planning income into 2022/23 for applications not yet fully determined had been higher than anticipated, reducing this year's income figure. This income would be reflected in the following year and therefore a reversal of this position in 2022/23 might be seen.

Regarding Environment and Operations, Bereavement Services saw a significant increase in the demand for its services in the prior year, in part driven by COVID-19. However, as the District started seeing fewer cases and deaths, activity levels had fallen to pre-pandemic levels, bringing reduced demand for services at the Crematorium against forecast.

Car park income had continued to be down on pre-pandemic levels as a result in changing user habits. The increased prevalence of remote working had reduced footfall at a number of central urban car parks across the District, and a reduction in season tickets issued. Car parks linked with green spaces had continued to see high levels of activity.

Income received for the sale of recycled materials collected through waste services had continued to be high, as the market value of goods had increased significantly over the two years since the waste contractor last estimated the amount the Council would receive. Demand for bulky item collections also had remained high with people continuing to spend more time at home driven by remote working.

In terms of Watercourses & Culverts – contract income was estimated for budget setting based on the tender process and was set too high. This had been updated for 2022/23.

Regarding Finance, Housing benefits presented an adverse net variance of £537k, driven by a reduction in the subsidy on benefit overpayments. There was an increase in payment processing charges as more people were paying online. The pandemic had increased the speed at which the transition to online payments had taken place.

There had been a reduced recharge to the Housing Revenue Account this year from the General Fund for support services provided. Support

services were currently driven as a proportion of costs incurred by services.

The Latest Budget for the Housing Revenue Account (HRA) allocated £2.797m to be appropriated to the HRA Capital Investment Reserve. The actual outturn for 2021/22 resulted in £3.893m being transferred, an increase of £1.096m. This was summarised in Appendix B to the report.

Staffing resources across the Housing Revenue Account had seen similar issues to those impacting the Assets teams. Sickness and recruitment challenges had been present and were likely to continue going forwards in the immediate future.

Delays to repairs and maintenance work due to issues with access and contractor availability as a result of COVID-19 had resulted in an underspend in year of £733k. Major and cyclical repairs had both been affected by these issues. It was expected that access would improve in 2022/23 and enable contractors to complete the works necessary to maintain the housing stock.

There had been a favourable variation in the bad debts provision. Arrears over the pandemic had been lower than expected, in part due to the support provided by central Government. Therefore, the bad debt provision had not required increased resourcing. Given the current cost of living issues facing society, the provision would be monitored going into and through 2022/23.

Capital Expenditure showed a favourable variance against the latest budget of £27.6m. This was comprised of the Housing Investment Programme and Other Services. The table below summarised Budget and Expenditure by Fund. A comprehensive breakdown of the variations and their drivers, and the level of budget to either be returned to reserves or slipped to 2022/23, were provided in Appendix D to the report.

	Latest 2021/22 £'000	Actual 2021/22 £'000	Variance 2021/22 £'000
Housing Investment Programme	58,114	35,481	-22,633
Other Services	18,061	13,094	-4,967
Total Capital	76,175	48,575	-27,600

The key drivers of the variations were:

- Slippage at housing development schemes in part still impacted by the effects of COVID-19, including the Triangle at Europa Way, Cublington Waverly Riding School and Oakley Grove Phase 2.
- Covid-19 access to existing housing stock had delayed contractors in being able to get into properties, impacting on the fitting of kitchens, bathrooms, aids and adaptations and electrical fitments.
- Delays to the commencement of development at both Kenilworth leisure centre sites, which was originally due to commence in January 2022, due to the discharging of planning conditions and the volatility of the current construction market.

Appendix D to the report provided a comprehensive breakdown of the

variations and their drivers, and the level of budget to either be returned to reserves or slipped to 2022/23.

In the November 2016 Budget Review report, Members approved that any surplus or deficit on the General Fund balance was to be appropriated to or from the General Fund Balance. Under this agreed delegation, £0.045m had been allocated.

Similarly, it was agreed for the Housing Revenue Account that the balance would be automatically appropriated to/from the HRA Capital Investment Reserve. £1.096m had been transferred in 2021/22.

As part of the Final Accounts process, requests had been approved under delegated authority by the Head of Finance for Revenue Earmarked Reserves. These were for previously agreed projects where it had not been possible to complete as budgeted within 2021/22 and would therefore need to carry forward budget to 2022/23.

These totalled £2.347m for the General Fund and £0.469m for the HRA and were outlined in detail in Appendix C to the report. Requests were considered against budget outturn within the specific projects and services, with requests approved only where there was sufficient budget available.

Members noted that these were considerable sums. Key earmarked approvals for the General Fund included set up budget relating to the new waste contract, the Commonwealth Games, delays to PPM and Climate action funded works. For the HRA, the main approval was for delayed major repairs relating to the Housing Investment Programme (HIP), and consultancy budget to support ongoing housing development projects.

It was recommended that the Cabinet should note the position on revenue slippage. As in previous years, expenditure against these budgets would be regularly monitored and reported to Cabinet as part of the budget review process.

In terms of alternative options, the report was a statement of fact. However, how the outcomes might be treated could have been dealt with in a variety of ways. The main alternatives were to not allow any, or only allow some of the earmarked reserve requests to be approved.

The Cabinet noted that there had been difficulties in recruitment, particularly to specialised positions. There was a need to look how the Council could retain staff and become an attractive employer.

The Overview & Scrutiny Committee noted the report and congratulated officers on their efforts.

Councillor Hales paid credit the Senior Leadership Team (SLT) and staff team as a whole for continuing to perform their job well, in the face of these recruitment difficulties. In response to a question from Councillor Davison, he agreed that the report would include a simple breakdown of the finances, for example, breaking down money received, money spent, and details regarding where Council Tax was spent and useful percentages, so that it was simpler for the public to understand. He congratulated the Interim Head of Finance and his team, and then proposed the report as laid out.

Recommended to Council that

- (1) the final revenue outturn positions of the General Fund (GF) and the Housing Revenue Account (HRA), being £0.045m and £1.096m favourable respectively, be noted;
- (2) the Capital Programme showing a variation of £27.6m under budget and the level of slippage carried forward to 2022/23 as set out in Appendix D to the report, be noted;
- (3) the allocations of the revenue surpluses which have been appropriated to the General Fund Balance Reserve and HRA Capital Investment Reserve under delegated authority, be noted; and
- (4) the final position for Revenue Slippage and the Earmarked Reserve (EMR) requests of £2.347m General Fund and £0.469m HRA (Appendix C to the report), with the requests having been approved under delegated authority by the Head of Finance in conjunction with the Finance Portfolio Holder, be noted.

(The Portfolio Holder for this item was Councillor Hales)
Forward Plan Reference 1,310

Earmarked Reserve Requests 2021 / 22

Service Area	Request	Original Request Value £	Final approval value £
General Fund			
Community Protection	salary for the licensing enforcement officer consultant post.	23,000	23,000
Community Protection	Installation of CCTV Camera in Victoria Park and Final Commissioning to Re-Connect the 3 Cameras in St Nicholas Park.	18,700	18,700
Community Protection	Comf Enforcement - Salary for facilities manager (Ian Carden)	4,800	4,100
Community Protection	salary for the following posts; extra EHO x2, licensing support technical officer additional hours, CDW officer post and maternity cover for EPTO	108,800	108,800
Community Protection	salary for EPTO post	4,200	4,200
Culture, Tourism and Leisure	WDC Commonwealth Games Project - to deliver community, venue, host Local Authority and legacy activities/requirements re: Birmingham 2022 Commonwealth Games	2,000	48,800
Culture, Tourism and Leisure	WDC Commonwealth Games Project - to deliver community, venue and legacy activities/requirements re: Birmingham 2022 Commonwealth Games	132,524	93,200
Environment & Operational	Covent Garden/Linen Street Structural R & M	28,000	28,000
Environment & Operational	Delivery of Trees for our Future project programme	62,100	62,100
Environment & Operational	Delivery of Newbold Comyn cycle trails	21,100	21,100
Environment & Operational	Delivery of Trees for our Future project programme	26,800	7,300
Environment & Operational	Fly tipping enforcement training and promotional activities in relation to reducing fly tipping, such as installing CCTV redeployable cameras.	30,000	18,000
Environment & Operational	Suez waste contract extension costs	528,000	186,300
Environment & Operational	HLF Grant - Will not be able to deliver some of the events and activities if EMR refused	48,400	48,400
Finance	Energy Rebate Discretionary scheme	200,000	200,000
Finance	Senior Procurement Business Partner Funding	12,293	12,300
Homelessness / Housing Advice	Homelessness Consultancy	19,800	19,800
Homelessness / Housing Advice	Choice Based Letting	18,200	18,200
Housing & Community Services -Community Wellbeing Team	Community Economic Recovery Fund	73,170	73,200
Housing & Community Services -Community Wellbeing Team	Lillington Social Inclusion Contract (previously delivered by The Chain)	20,924	20,900
Housing Needs	To carry forward the PSH 2021/22 Salary underspend to fund shortfall on EHO post HAY regrade and agency staff.	37,400	31,500
Housing Services	Proval & Sequel Software	15,908	15,900
Housing Services	A new Strategic Housing Market Assessment/consultants study to support the Local Plan review	30,000	30,000
Law & Governance	Committee Services maternity cover	13,153	8,400
People & Communications	Apprenticeship Incentive	15,620	15,500
People & Communications	HR-consultancy	10,300	10,300
People & Communications	HR-Corporate Training	12,600	12,600
People & Communications	HR-equalities	7,200	7,200
People & Communications	Implementation of New Payroll	5,800	5,800
People & Communications	Member Training	7,300	7,200
People & Communications	WFH desks	5,000	4,900
People & Communications	HR-contingency training budget	5,000	5,000
People & Communications	Apprenticeship Scheme	38,400	36,000
Place and Economy	Interactive Futures Event Funding	8,291	7,900
Place and Economy	South Warwickshire Local Plan	69,160	69,200
Place and Economy	Corporate Projects - Consultancy	50,500	50,500
PPM	PPM Budgets not used in year - Permission to carry the budget forward is requested and PPM amended using the Corporate assets reserve as funding	521,600	521,600
Strategic Leadership	Corporate projects-Linen Street feasibility	110,000	110,000
Strategic Leadership-Climate Action Fund	Climate Action Fund. Specifically the budget that were set aside for match funding for Asset Decarbonisation Grants and for consultancy work that is ongoing in relation to the NZC DPD and Solar Farm Negotiations	291,000	288,100
Strategic Leadership-Climate change-affordable warmth	Climate Change - Affordable Warmth	6,000	6,000
Strategic Leadership-Corporate projects	Community Centre Acre Close Feasibility	25,000	25,000
Strategic Leadership-New House Farm-Climate change-Dave Barber	New House Farm	38,274	38,300
Strategic Leadership-Shared legal services implementation	WDC-SDC Shared Legal Services implementation	26,500	23,500
Total GF Earmarked Reserves		2,732,817	2,346,800
HRA			
Business Development & Change	Consultancy Service development and improvements	7,700	7,700
HIP - Major Repairs	Budget Carry forward to fund subsidence works - Phase 2	350,000	350,000
Housing Services	Shakespeare Road garage site	5,528	5,500
Housing Services	Development Consultancy	100,000	100,000
Housing Services	Events and Consultations - Survey	6,200	6,200
Total HRA Earmarked Reserves		469,428	469,400
Total Earmarked Reserves		3,202,245	2,816,200

CAPITAL EXPENDITURE 2021/22

			<u>Latest</u>	<u>Actual</u>	<u>Total</u>	<u>Variation</u>	<u>Reason</u>
			<u>Estimate</u>	<u>Capital Expenditure</u>	<u>Expenditure to Revenue</u>	<u>Expenditure</u>	
			<u>£'000's</u>	<u>£'000's</u>	<u>£'000's</u>	<u>£'000's</u>	
<u>Housing Investment Programme 2021/22</u>							
<u>Housing Stock Condition Survey Works</u>							
300004	HRA Aids & Adaptations/Extensions	Delayed works caused by reduced access to dwellings due to Covid-19. Works to be slipped into 2021/22	1,183	794		794	(389) Variance to MRR Balances
300006	Defective Flooring	Reactive budget, delayed works affected by Covid-19 access to properties	62	9		9	(53) Variance to MRR Balances
300007	Door Entry Systems	Large ongoing project to replace door entry systems in blocks with fire alarm panels, works delayed where access was not Covid compliant	156	21		21	(135) Variance to MRR Balances
300009	Kitchen & Bathroom Replacement	Delayed works caused by reduced access to dwellings due to Covid-19. Works to be slipped into 2021/22	1,934	1,392		1,392	(542) Variance to MRR Balances
300010	Electrical Fitments	Rewiring of blocks works programs were delayed due to Covid-19 access	637	97		97	(541) Variance to MRR Balances
300012	Water Services	No planned programme, small budget kept for responsive works	10	5		5	(5) Variance to MRR Balances
300013	Structural Improvements	Responsive Budget, overspent due to unplanned structural works to a number of neighbouring properties with major subsidence problems - future year slippage is requested below of £350k to complete works	250	477		477	227 Overspend - Fund from Underspent MRR Balances Variances
300013	Structural Improvements - Slippage Request	Further Subsidence Slippage Requested to complete Major Subsidence works - Linked with above - To be funded from other Underspent Variances		350		350	350 Slippage Request - Fund from Underspent MRR Balances Variances
300014	Improved Ventilation	Small Overspend caused by catching up on delayed works due to Covid-19 pandemic	35	43		43	8 Overspend - Fund from Underspent MRR Balances Variances
300018	Garage Refurbishment	Awaiting policy decision for garage strategy. Currently responsive maintenance driven which sits in separate revenue budgets so capital budget has not been used	26				(26) Variance to MRR Balances
300000	Co-Dependant Asbestos Works	Asbestos works carried out in support of Kitchen & Bathroom replacement work - Delayed due to restricted Covid-19 dwelling access	206	116		116	(89) Variance to MRR Balances
300001	Lift Replacements - Specialist Capital Project Work	Specialist Capital Projects not completed due to Covid-19 restricted access to dwellings. Budget of £150k was slipped mid year to 2022/23		3		3	3 Overspend - Fund from Underspent MRR Balances Variances

CAPITAL EXPENDITURE 2021/22

			<u>Latest</u>	<u>Actual</u>	<u>Actual</u>	<u>Total</u>	<u>Variation</u>	<u>Reason</u>
			<u>Estimate</u>	<u>Capital</u>	<u>Expenditure</u>	<u>Expenditure</u>	<u>£'000's</u>	
			<u>£'000's</u>	<u>Expenditure</u>	<u>to Revenue</u>	<u>£'000's</u>	<u>£'000's</u>	
				<u>£'000's</u>	<u>£'000's</u>	<u>£'000's</u>	<u>£'000's</u>	
Housing Climate Change Works								
300005	Environmental Roof Covering	Overspend due to planned increase in works during the pandemic as roofing access was not restricted - Overspend funded by other underspent variances	970	1,147		1,147	176	Overspend - Fund from Underspent MRR Balances Variances
300008	Environmental Window & Door Replacement	Upgrade of windows and doors to dwellings was increased as access was not as restricted as other works - Overspend funded by other underspent variances	743	1,059		1,059	316	Overspend - Fund from Underspent MRR Balances Variances
300011	Environmental Central Heating Replacement	Works delayed due to restricted access to dwellings caused by the Covid-19 pandemic.	1,290	1,091		1,091	(200)	Variance to MRR Balances
300017	Thermal Improvement Works	Works could not be completed due to dwelling access restrictions caused by the Covid-19 pandemic	162	6		6	(156)	Variance to MRR Balances
300002	Environmental Improvements-General	Works could not be completed due to dwelling access restrictions caused by the Covid-19 pandemic	78	6		6	(72)	Variance to MRR Balances
300003	Environmental Improvements-Tenant participation	Works could not be completed due to tenant engagement restrictions caused by the Covid-19 pandemic	39	17		17	(23)	Variance to MRR Balances
Fire Safety Works								
300016	Fire Prevention Work	Works could not be completed due to dwelling access restrictions caused by the Covid-19 pandemic. There have also been delays in procuring the project plan for the Fire Safety	3,025	1,083		1,083	(1,942)	Variance to MRR Balances
Decarbonisation Grant Works								
300033	Social Housing Decarbonisation Grant - BEIS	Scheme abandoned and Match funded Grant from BEIS returned - return budget to balances	2,983	283		283	(2,700)	Variance to MRR Balances
300037	LAD 1B BEIS - Green Homes Grant	Shared Scheme with SDC - £400k Budget was slipped mid year due to delayed procurement of works so budget slipped to 2022/23	400				(400)	Slippage
100016	LAD 2 BEIS - Green Homes Grant Midlands Energy Hub	Grant Notification Awarded in 2021/22 but budget not loaded until 2022/23 so slippage not required due to timing						Mid Year Slippage Already Actioned
300038	LAD 3 BEIS - Sustainable Warmth Grant - On Gas Delivery	Grant Notification Awarded in 2021/22 but budget not loaded until 2022/23 so slippage not required due to timing						Mid Year Slippage Already Actioned

CAPITAL EXPENDITURE 2021/22

			<u>Latest</u>	<u>Actual</u>	<u>Total</u>	<u>Variation</u>	<u>Reason</u>
			<u>Estimate</u>	<u>Capital</u>	<u>Expenditure</u>	<u>Expenditure</u>	
			<u>£'000's</u>	<u>Expenditure</u>	<u>to Revenue</u>	<u>£'000's</u>	
				<u>£'000's</u>	<u>£'000's</u>	<u>£'000's</u>	
Housing Landlord - Major Redevelopment							
300019	Repurchase of Ex-Council Housing	Budget increased from £300k to £500k mid year - Time sensitive opportunity to buy back a property late in the financial year which caused this overspend	500	496		496	(4) Variance to HRA CIR balan
300020	Cloister Way- Dwelling Purchases	All dwelling have been handed over to the Council but small costs linked with the project sign off	5	0		0	(5) Variance to HRA CIR balan
300027	Montague Road - Dwelling Purchases	Abandoned Scheme - Budget removed mid year					Abandoned Scheme
300028	Spring Lane Radford Semele - Dwelling Purchases	Scheme payments are phased when construction milestones are reached. Milestones were delayed slightly in 2020/21 due to the Covid-19 pandemic but have resumed so	1,116	924		924	(192) Slippage
300023	Warwick Street - Refurbishment	Work to convert property delayed - Potentially being repurposed so budget was slipped in advance mid year		0		0	0 Overspend
300024	Rouncil Lane Project - Land Purchase	Purchase complete					
300030	Triangle Europa Way - Development	Scheme payments are phased when construction milestones are reached. Milestones were delayed slightly in 2021/22 due to the Covid-19 pandemic but have resumed so budget slipped - Scheme has completed in 2022/23	7,054	4,114		4,114	(2,941) Slippage
300031	Cublington Waverly Riding School - Land Purchase	Purchase of 75% split of Land from Housing General Fund as per recommendation in February Cabinet	1,419	1,421		1,421	2 Overspend
300031	Cublington Waverly Riding School - Development	Development of Land delayed due to procuring a contractor so budget to be slipped - Construction has commenced in 2022/23	4,990				(4,990) Slippage
300029	Oakley Grove Phase 2 Dwelling Purchases	Golden Brick Phased dwelling handovers are phased when construction milestones are reached. Milestones were delayed slightly in 2021/22 due to the Covid-19 pandemic but have resumed so budget slipped	7,086	1,260		1,260	(5,826) Slippage
300026	Leyes Lane - Purchase of Land	Land Purchase Complete, underspend is due to acquisition contingencies not being required	18,350	17,790		17,790	(560) Variance to HRA CIR balan
300025	Bremridge Close - Dwelling Purchases	Further unbudgeted Costs linked with Shared ownership dwellings on site being sold		14		14	14 Overspend

CAPITAL EXPENDITURE 2021/22

			<u>Latest</u> <u>Estimate</u> <u>£'000's</u>	<u>Capital</u> <u>Expenditure</u> <u>£'000's</u>	<u>Actual</u> <u>Expenditure</u> <u>to Revenue</u> <u>£'000's</u>	<u>Total</u> <u>Expenditure</u> <u>£'000's</u>	<u>Variation</u> <u>£'000's</u>	<u>Reason</u>
100019	Severn Acre Close - Dwelling Purchases	Scheme payments are phased when construction milestones are reached. Milestones were delayed slightly in 2021/22 due to the Covid-19 pandemic but have resumed so budget slipped - Scheme has completed in 2022/23	3,269	2,885		2,885	(384)	Slippage
300035	Turpin Court - Garage Site Development	Scheme delayed due to procurement of contractor - slip budget into 2022/23	1,554				(1,554)	Slippage

Housing Landlord - General Fund Major Development

C568	Cublington Waverly Riding School - Internal Land Transfer of 75% Land Purchase	Purchase of 75% split of Land from Housing General Fund transferred to the HRA above as per recommendation in February Cabinet	-1,419	-1,421		-1,421	(2)	Variance to HRA CIR balan
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Housing Landlord - Lifeline Software Upgraded

100014	Jontek Control Centre software Upgrade	Revenue Contribution to Capital Outlay in HRA to fund a new Lifeline Software Upgrade - Surplus Revenue Budget repurposed			89,890	89,890		Fully Funded from Revenue Budgets
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Total Housing Investment Programme Variations	58,114	35,481	89,890	125,371	(22,633)
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Housing Investment Programme in Summary:

Underspend - Budget returned to Major Repairs Reserve (MRR)	(6,871)
Underspend - Budget returned to HRA Capital investment Reserve (HRA CIR)	(571)
Overspend MMR	730
Overspend CIR	16
Total of MRR slippage to 2022/23	(400)
Total of MRR EMR Slippage Request to be Funded by MRR Underspends	350
Total of CIR slippage to 2022/23	(15,887)
Total of General Fund Housing Underspend	
Total Variances	(22,633)

CAPITAL EXPENDITURE 2021/22

			<u>Latest</u>	<u>Actual</u>	<u>Capital</u>	<u>Expenditure</u>	<u>Total</u>	<u>Variation</u>	<u>Reason</u>
			<u>Estimate</u>	<u>Capital</u>	<u>Expenditure</u>	<u>to Revenue</u>	<u>Expenditure</u>	<u>£'000's</u>	
			<u>£'000's</u>	<u>Expenditure</u>	<u>£'000's</u>	<u>£'000's</u>	<u>£'000's</u>	<u>£'000's</u>	
<u>Other Services Capital Programme 2021/22</u>									
<u>CHIEF EXECUTIVE & CWLEP PORTFOLIO</u>									
105000	Desktop Infrastructure		35	35	9		44	9	Overspend covered by external contributions income
105005	Infrastructure General	Scheme continuing in 2022/23.	14	1	1		2	(12)	Slippage
105006	Transforming the workplace	Scheme continuing in 2022/23.	10					(10)	Slippage
100020	AV Kit	Scheme continuing in 2022/23.	45	23			23	(22)	Slippage
100021	Room Booking Solution		11	10			10	(1)	Saving
106002 & 106003	Recovery (Covid-19) ICT		51	32	19		51		
105004	Network Devices LAN & WAN	Scheme continuing in 2022/23.	58		5		5	(53)	Slippage
100015	Decarbonisation Grant (GF)	Scheme stopped and remaining grant being returned	902	69			69	(833)	Saving
TOTAL CHIEF EXECUTIVE & CWLEP PORTFOLIO CAPITAL VARIATIONS			1,126	170	34		204		

CULTURE SERVICES

100024	Princes Dr Rail Bridge Refurb & Public Art Project		121	121			121		
100008	Whitnash Community Hub	Complete	644	639			639	(5)	Saving
100009	PA System in Council Chamber		79	79			79		
100007	Leisure Centre Refurbishments Phase 2 Kenilworth	Complete. New cost centres raised for the new build.	12					(12)	Saving
100017	Abbey Fields LC New Building	Project was scheduled to commence in January 2022, however due to numerous circumstances including discharging of planning conditions and the volatility of the construction industry following BREXIT and the pandemic this was not possible.	727	152			152	(575)	Slippage
100018	Castle Farm LC New Building		749	208			208	(541)	Slippage
100010	Local Football Pitch Facilities	Complete and further funding due to cover overspend.	27	39			39	12	Overspend (funded from external contributions)
100000/100001/100002/100003/100004	Commonwealth Games including bowling greens	Underspend for the project was as a consequence primarily of the delayed start to construction works at Leamington Spa Station and Prices Drive car park developments	1,290	896	24		920	(370)	Slippage
TOTAL CULTURE SERVICES CAPITAL VARIATIONS			3,649	2,134	24		2,158		

CAPITAL EXPENDITURE 2021/22

			<u>Latest</u>	<u>Actual</u>	<u>Total</u>	<u>Variation</u>	<u>Reason</u>
			<u>Estimate</u>	<u>Capital</u>	<u>Expenditure</u>	<u>Expenditure</u>	
			<u>£'000's</u>	<u>Expenditure</u>	<u>to Revenue</u>	<u>£'000's</u>	<u>£'000's</u>
				<u>£'000's</u>	<u>£'000's</u>	<u>£'000's</u>	
HEALTH & COMMUNITY PROTECTION							
103001	CCTV Replacement System	CCTV upgrade not yet completed	53				(53) Slippage
103002	Health & Community IT System	Scheme continuing in 2022/23.	143	127		127	(16) Slippage
TOTAL HEALTH & COMMUNITY SERVICES CAPITAL VARIATIONS			196	127		127	

DEVELOPMENT SERVICES

101002	Norton Lindsey Community Hub	Complete.	5	75		75	70	£37k budget used from RUCIS and £33k resources b/fwd.
101014	Kenilworth Rugby Club Relocation Loan		33	33		33		
101004	Kenilworth Wardens Relocation		122	122		122		
101006	Kenilworth School HIF Grant		4,817	4,817		4,817		
101009	Leper Hospital Site	Scheme continuing in 2022/23.	11	5		5	(6)	Slippage
101011	CFS Aeroproducts Loan		100	100		100		
101022	Future High Street	Various delays in the project e.g. Post Office unable to release lease, Sorting Office needs suitable relocation, Town Hall procurement delay, Spencer Yard reassessment of increased construction costs and impact on grant needed.	1,110	295		295	(815)	Slippage
100022	Warwick Gates Community Centre Extension		151	151		151		
101010	Community Infra Structure Levy-CIL			611		611	611	Outside of the capital programme
101001	Community Stadium Project	Delayed due to exploring different delivery options.	347	40		40	(307)	Slippage
TOTAL DEVELOPMENT SERVICES CAPITAL VARIATIONS			6,696	6,249		6,249		

FINANCE PORTFOLIO

102000	RUCIS	Agreed to use £37k towards the Norton Lindsey project.	97	58		58	(39)	£37k to Norton Lindsey Hub. £2k saving
102001	FMS TechOne	Mop-up continuing in 2022/23.	103	101		101	(2)	Slippage
TOTAL FINANCE PORTFOLIO CAPITAL VARIATIONS			200	159		159		

CAPITAL EXPENDITURE 2021/22

			<u>Latest Estimate</u> <u>£'000's</u>	<u>Capital Expenditure</u> <u>£'000's</u>	<u>Actual Expenditure to Revenue</u> <u>£'000's</u>	<u>Total Expenditure</u> <u>£'000's</u>	<u>Variation</u> <u>£'000's</u>	<u>Reason</u>
NEIGHBOURHOOD SERVICES								
104018	Jephson Gardens Signage				2	2	2	Overspend covered by external contributions income
104008	Skate Park in SNP		1		1	1		
104014	Play Area Improvements	Play area projects were delayed due to capacity issues and the need to support SDC green space planning.	175				(175)	Slippage
100013	Victoria Park Play Area	Delayed due to prolonged discussions/agreements with Conservation Planning and the planning process. Also long lead in times for a specialist bespoke piece of equipment.	355				(355)	Slippage
100012	Outdoor Gym Equipment	Expenditure covered by external contributions			29	29	29	Overspend covered by external contributions income
104001	Recycling	Increased demand for bins due to more homeworking and increase in costs due to renewed contract.	89	109		109	20	Overspend covered by income
104002	Pump Room Gardens	Minor works still to be sorted	51	49		49	(2)	Slippage
104010	Newbold Comyn Masterplan	Delay in planning applications and some seasonal work had to be delayed.	53	20		20	(33)	Slippage
104005	Tach Brook Country Park	Delays have been experienced in the completion of the design and land transfers	570	129		129	(441)	Slippage
104011	Waste Depot Costs	Project continuing into 2022/23	415	342		342	(73)	Slippage
104012	Sherbourne Resource Park	Main reasons for the delay is to do with supply chain for steel and concrete (due to HS2). Therefore the drawdowns have been rescheduled.	3,244	2,336		2,336	(908)	Slippage
104013	Waste Vehicles		1,241	1,241		1,241		
TOTAL NEIGHBOURHOOD SERVICES CAPITAL VARIATIONS			6,194	4,255	3	4,258		
<u>GF total</u>			<u>18,061</u>	<u>13,094</u>	<u>61</u>	<u>13,155</u>	<u>(4,967)</u>	

CAPITAL EXPENDITURE 2021/22

	<u>Latest</u>	<u>Actual</u>			
	<u>Estimate</u>	<u>Capital</u>	<u>Expenditure</u>	<u>Total</u>	<u>Variation</u>
	<u>£'000's</u>	<u>Expenditure</u>	<u>to Revenue</u>	<u>Expenditure</u>	<u>£'000's</u>
		<u>£'000's</u>	<u>£'000's</u>	<u>£'000's</u>	
					<u>Reason</u>

OTHER SERVICES CAPITAL PROGRAMME IN SUMMARY:

Total of Slippage to 2022/23					(4,769)
Total Savings					(853)
Total Resources b/fwd.					33
Overspend					72
Outside Capital Programme					611
Total of Items Charged to Revenue					(61)
Total Capital Variances					(4,967)

Overall total**76,175****48,575****89,951****138,526****(27,600)**

Overview and Scrutiny Committee

Excerpt of minutes of the meeting held on Wednesday 28 September 2022 in the Town Hall, Royal Leamington Spa at 6.00 pm.

Present: Councillor Milton (Chair); Councillors Barton, J Dearing, Jacques, Kohler, Leigh-Hunt, Redford and Syson.

Also Present: Councillor Hales, Portfolio Holder - Resources, Councillor Rhead, Portfolio Holder – Climate Change.

26. **Apologies and Substitutes**

- (a) An apology for absence was received from King.
- (b) Councillor Quinney substituted for Councillor Cullinan; Councillor Davison substituted for Councillor A Dearing; and Councillor Illingworth substituted for Councillor Noone.

27. **Declarations of Interest**

There were no declarations of interest made.

28. **Minutes**

The minutes of the Overview and Scrutiny Committee meeting held on 9 August 2022 were taken as read and signed by the Chair as a correct record.

32. **Annual Treasury Management Report 2021/2022**

The Committee considered a report from Finance which covered Warwick District Council's Treasury Management performance for the whole of 2021/22, as attached at Appendix A to the report.

The Council was required by regulations issued under the Local Government Act 2003 to produce an Annual Treasury Management review of activities and the actual prudential and treasury indicators for 2021/22. The report met the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

The Treasury Management Strategy for 2021/22 and the Council's Treasury Management Practices, in accordance with the Code of Practice for Treasury Management, required that the Treasury Management function reported on its activities during the year by no later than 30 September in the year after that being reported on.

During 2021/22, the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 24/2/2021);

- a mid-year (minimum) treasury update report (Finance & Audit Scrutiny 03/11/2021); and
- an annual review following the end of the year describing the activity compared to the strategy (the current report).

In addition, the Council received a half-yearly Treasury Management update report for the second half of 2021/22, which was also on the agenda for the meeting.

The regulatory environment placed responsibility on Members for the review and scrutiny of Treasury Management policy and activities. The report was, therefore, important in that respect, as it provided details of the outturn position for treasury activities and highlighted compliance with the Council's policies previously approved by Members.

The Council was required to confirm that it had complied with the requirement under the Code to give prior scrutiny to all the above Treasury Management reports. In previous years, this had been undertaken within the scrutiny function of Finance & Audit Scrutiny Committee. As that Committee had ceased to exist and the Council only had a Scrutiny Committee, it was considered by officers that the report for now should come to the Overview & Scrutiny Committee before they were reported to the full Council.

Officers had considered this and, on reflection, in future felt that this work was more closely aligned with the Audit & Standards Committee and therefore it was recommended that this should fall under the remit of the Audit & Standards Committee. Officers had undertaken comparison work with other Councils and found that there was no unified approach across the sector. Grant Thornton tended to see treasury management reports being considered by an Audit Committee, with anything required then also going to Cabinet on the proposed approach (with referral to Council for certain decisions). This would not remove the ability for the Overview & Scrutiny Committee to consider any report regarding treasury management that was on the Cabinet agenda.

The report commented, where appropriate, on the Council's actual performance against what was forecast in the 2021/22 Treasury Management Strategy as well as, in certain instances, latest forecasts. The Council was also required to comment on its performance against its Annual Investment Strategy for the year.

In terms of alternative options, as explained above, the Code of Practice mandated that Annual Treasury Management Performance had to be reported by 30 September after that financial year had closed, demonstrating compliance with the Prudential Code, or explaining any divergence for the approved Treasury Management Strategy and Prudential Indicators.

The Council had announced that it would divest from fossil fuels at the earliest opportunity; no later than the end of 2025, and ideally by the end of 2022. The Council was able to take advantage of market movements to divest in September 2021, as outlined in the report.

The Council might consider varying its investment vehicles or counterparty limits; however, this would alter the potential credit and liquidity risks.

The 2021/22 Annual Treasury Management Report was contained at Appendix A to the report and demonstrated that the Council's Treasury Management activity was compliant with Prudential Indicators and the requirements of the Prudential Code.

Councillor Syson congratulated Councillor Hales, the Portfolio Holder for Resources, for presenting the Committee with such a good use of the Council's resources.

Resolved that the contents of the report in respect of the Council's Treasury Management activities during 2021/22, be noted; and

Recommended to Council that in future, updates on Treasury Management should be considered by the Audit & Standards Committee and the Constitution and relevant Policies be updated to reflect this.

(The meeting ended at 9.30pm)

CHAIR
1 November 2022