

A meeting of the Cabinet will be held in the Town Hall, Royal Leamington Spa on Wednesday 5 July 2023, at 6.00pm and available for the public to watch via the Warwick District Council [YouTube channel](#).

Councillor I Davison (Chairman)

Councillor E Billiald
Councillor J Chilvers
Councillor J Harrison
Councillor K Hunt

Councillor J Kennedy
Councillor C King
Councillor W Roberts
Councillor P Wightman

Also attending (but not members of the Cabinet):

Chair of the Overview & Scrutiny Committee	Councillor A Milton
Liberal Democrat Group Observer	Councillor A Boad
Conservative Group Observer	Councillor A Day
Whitnash Residents Association Group Observer	Councillor J Falp

Emergency Procedure

At the commencement of the meeting, the emergency procedure for the Town Hall will be announced.

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 8 March 2023 meeting.

(Pages 1 to 97)

Part 1

(Items upon which a decision by Council is required)

4. Updates to the Constitution

To consider a report from Democratic Services.

(Pages 1 to 13)

5. Milverton Homes Limited Governance Audit

To consider a report from Housing.

(Pages 1 to 14)

6. Local Authority Housing Fund Award Round 2

To consider a report from Housing.

(Pages 1 to 24)

Part 2

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

7. Repairs to the Roof of the Royal Pump Rooms

To consider a report from Place, Arts and Economy.

(Pages 1 to 7)

8. Revised Statement of Community Involvement

To consider a report from Place, Arts & Economy.

(Pages 1 to 43)

9. Use of Delegated Powers for Urgent Decisions

To consider a report from the Chief Executive.

(Pages 1 to 29)

10. Net Zero Carbon Development Plan Document (DPD) Update

To consider a report from Place, Arts & Economy.

(Pages 1 to 71)

11. A Local Visitor Economy Partnership for South Warwickshire

To consider a report from Place, Arts and Economy.

(Pages 1 to 10)

12. Customer Service Relocations Options

To consider a report from Customer and Digital Services.

**(Pages 1 to 42)
(Appendix 4 to follow)**

13. Public and Press

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

Item Numbers	Paragraph Numbers	Reason
14, 15, 16, 17	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Part 1

(Items upon which a decision by Council is required)

14. Milverton Homes Business Plan Revision

To consider a report from Housing. **(Pages 1 to 15 & Appendices 1 & A-D)
(Not for publication)**

Part 2

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

15. Mitigation Measures Against Future Breaches of the Homes England Capital Funding Guide Inputting on IMS

To consider a report from Housing. **(Pages 1 to 20)
(Not for publication)**

16. Confidential Appendices to Item 9

To note the confidential appendices. **(Pages 1 to 15)
(Not for publication)**

17. Minutes

To confirm the confidential minutes of the 8 March Cabinet meeting. **(Pages 1 to 17)
(Not for publication)**

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

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Cabinet

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

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

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

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

105. **Apologies for Absence**

Apologies were received from Councillor Grainger.

106. **Declarations of Interest**

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

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

107. **Minutes**

The minutes of the meeting held on 8 February 2023 were taken as read and signed by the Chairman as a correct record.

Part 1

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

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

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

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

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

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

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

The Council's treasury management operations were governed by various Treasury Management Practices (TMPs) that the CIPFA Treasury Management Code required to be produced by the Council and adhered to by those officers engaged in the treasury management function. These TMPs had previously been reported to the Cabinet and were subject to periodic Internal Audit review.

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

Under CIPFA's updated *Treasury Management in Public Services Code of Practice* the Council continued to be required to have an approved annual *Treasury Management Strategy*, under which its treasury management operations could be carried out. The proposed Strategy for 2023/24 was included as Appendix B to the report.

The Council had regard to the Government's Guidance on Local Government Investments. The guidance stated that an *Annual Investment Strategy* must be produced in advance of the year to which it related and must be approved by the full Council. The Strategy could be amended at any time and it must have been made available to the public. The Annual Investment Strategy for 2023/24 was shown as Appendix C to the report.

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

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

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

However, the initial proposals had the potential to remove the discretion of Councils to interpret their measure of a prudent MRP policy, and, in particular, to elect to use capital receipts from capital loan repayments to

be put aside to repay debt in place of the revenue charge. This would have had major implications for Councils such as Warwick District Council, so along with many Councils, officers responded against that proposal.

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

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

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

The *Prudential Code for Capital Finance in Local Authorities* was last revised on 20 December 2021 and introduced new requirements for the way that capital spending plans were considered and approved, in conjunction with the development of an integrated Treasury Management Strategy. It was effective immediately, but Councils were permitted to defer reporting until 2023/24. Given the other workstreams the Council was facing, and that this was the advice of the treasury advisers, the Council agreed to defer until the statutory deadline.

The key points were:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Recommended to Council that

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

- (2) 2023/24 Annual Investment Strategy as outlined in paragraph 1.7 and contained in Appendix C to the minutes, be approved;
- (3) The Minimum Revenue Provision Policy Statement as outlined in paragraph 1.8 in the report and contained in paragraphs 5.1 to 5.5 of Appendix D to the minutes, be approved; and
- (4) the Prudential and Treasury Indicators as outlined in paragraph 1.14 and contained in Appendix E to the minutes, including the amount of long-term borrowing required for planned capital expenditure, be approved.

(The Portfolio Holder for this item was Councillor Hales)
Forward Plan Reference 1,320

109. **Local Authority Housing Fund Award**

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

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

The objectives of the scheme were:

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

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

Those on the:

- (a) Afghan Citizen Resettlement Scheme (including eligible British Nationals under this scheme) (ACRS).
 - (b) Afghan Relocations and Assistance Policy (ARAP).
 - (c) Ukraine Family Scheme (UFS).
 - (d) Homes for Ukraine (HFU).
 - (e) Ukraine Extension Scheme (UES).
- reduce emergency, temporary and bridging accommodation costs;
 - deliver accommodation that as far as possible allowed for the future conversion of housing units to support wider local authority housing and homelessness responsibilities to UK nationals (i.e. after usage by this cohort ends);
 - utilise accommodation solutions to enable effective resettlement and economic integration of the eligible cohort;
 - reduce pressures on the existing housing and homelessness systems and those waiting for social housing.

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

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

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

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

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

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

these properties.

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

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

Recommended to Council that

- (1) a total expenditure budget allocation of up to £6,282,550 to purchase 21 dwellings in the Housing Revenue Account (HRA), be approved. Of this total the HRA will fund £3,672,119 and DLUHC grant of £2,820,431 will provide 60% match funding for the purchase of 19 properties comprising the "main element" and for 50% towards the funding for the purchase of 2 properties to meet housing for the "bridging element" of the grant programme and to allow for potential sustainability/ environmental improvements to the properties;
- (2) authority be delegated to the Head of Housing in consultation with the Portfolio Holder for Housing to determine the optimum means of allocating these properties; and
- (3) authority be delegated to the Heads of Finance in consultation with the Portfolio Holders for Finance and Housing and the Head of Housing to determine the means of financing the scheme.

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

Part 2

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

110. Commonwealth Games – Outcomes and Legacy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Resolved that

- (1) the contents of the report, be noted; and
- (2) all of the key learning recommendations in appendix 12 to the report, be accepted.

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

111. Equalities Task & Finish Group

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

In June 2020, the Council approved a Motion, as part of the international response following the death of George Floyd, and as a result the Overview & Scrutiny Committee were asked to establish a Task and Finish Group. The Task and Finish Group (the Group) was charged with

undertaking a review of the Council's approach to equality and diversity, especially with regard to race. Its report to the Committee would include an action plan with a view to the Cabinet adopting the Committee's recommendations in the report and its action plan. The progress and outcomes of the action plan would be monitored by the Overview & Scrutiny Committee, with the expectation that measurable improvements would be made by 2023.

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

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

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

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

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

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

identifying as White: English, Welsh, Scottish, Northern Irish or British.

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

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

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

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

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

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

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

To supplement this, equalities was now added as a standard agenda item for every Programme Advisory Board. This was not as a separate discussion point but to act as reminder when considering any paper or

item to include any equalities matters. The new Committee report template also provided a reminder about the requirement for Equality Impact Assessments which the Equalities, Diversity and Inclusion Business Partner was developing further guidance and support for report authors.

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

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

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

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

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

Resolved that

- (1) the outcome of the work of the Task & Finish Group including the brief for community engagement work, as set out at Appendix 3 to the report, be noted;
- (2) the positive outcomes that are being delivered as set out in the report, be noted;
- (3) the following, be agreed:
 - i. a budget of at least £5000 be approved to undertake an equalities community review and engagement work on a cyclical basis every 3 years with the next in 2026;
 - ii. Officers align the equalities categories used by the Council with those of the Census 2021; and

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

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

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

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

The Home Office's Code of Practice on Covert Surveillance and Property Interference provided guidance on the use by public authorities of Part II of the Regulation of Investigatory Powers Act ("the 2000 Act") regarding covert surveillance that was likely to result in the obtaining of private information about a person. Paragraph 4.47 of the Code stated that: "Elected members of a local authority should review the authority's use of the 1997 Act and the 2000 Act and set the policy at least once a year".

The Council's RIPA Policy was set out as Appendix 1 to the report. The Policy also required a sub-policy covering the use of social media and setting out the circumstances when a RIPA authorisation would be required. This was set out as Appendix 1.1 to the report.

Councillor Hales thanked the officers involved for ensuring the Council met high standards, and he then proposed the report as laid out.

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

(The Portfolio Holder for this item was Councillor Day)

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

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

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

The Whistleblowing Policy was intended to cover concerns that fell outside the scope of other procedures, and which involved an issue in the public interest, although the Council reserved the right to determine which procedure was appropriate. Concerns relating to, for example, the conduct of an elected Member, safeguarding, or other issues such as a complaint about the standard of service received or regarding a member of staff, or tenancy, benefit, or Council Tax fraud, were dealt with under separate

procedures. For example, concerns relating to the way an employee perceived they were being treated at work (such as bullying, harassment, discrimination) did not fall under the remit of Whistleblowing and would be dealt with under the Council's Grievance Procedure.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Councillor Bartlett proposed the report as laid out.

Resolved that

- (1) the allocation of £50,000 from the Community Projects Reserve 2023/24 to the Transforming Leamington programme, be approved; and
- (2) authority be delegated to the Head of Place, Arts and Economy, in consultation with the Independent Chair of the Leamington Transformation Board, to use the allocation.

(The Portfolio Holder for this item was Councillor Bartlett)

115. Housing Revenue Account Business Plan Review 2023

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

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

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

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

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

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

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

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

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

including reserves.

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

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

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

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

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

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

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

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

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

rents were inflated annually by retail price index (RPI) +0.5% which would have meant a rent increase of over 14%.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

These surveys had provided information in respect of the condition of the main elements, known as stock attributes, of HRA homes. This survey information, complementing information from our in-house team of surveyors, enabled a comprehensive picture of the current state of, and

consequently the future investment needs, of a range of stock attributes such as kitchens, bathrooms, roof coverings, windows, doors, and rainwater goods.

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

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

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

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

Nevertheless, the short term negative financial impact on the HRA was

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

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

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

* Assumes all ongoing and previously approved plans were maintained.

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

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

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

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

26 Properties Sold - Amount of buy back and 1-4-1 receipts to purchase replacements per property	57,242
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From 1 April 2021 the Ministry of Housing, Communities and Local Government (MHCLG) changed the rules in the Right to Buy (RTB) Pooling Receipts Retention Agreements between the Secretary of State and authorities under section 11(6) of the Local Government Act 2003 to enable them to retain increased RTB receipts and made amendments to the Local Authorities (Capital Finance and Accounting) Regulations 2003 that came into force on 30 June 2021.

A summary of the changes affecting the HRA BP were:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Members could choose to vary the assumptions within the HRA BP or agree alternative policies, service standards and investment options. If

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

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

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

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

Councillor Matecki proposed the report as laid out.

Resolved that

- (1) the revised HRA BP assumptions, as set out at Appendix 1 to the report, and the revised HRA BP projections for the 50-year period 2022/23 to 2071/72, as set out at Appendix 2 to the report, be approved; and
- (2) the revised 10-year Housing Investment Plan (HIP) capital budgets noted in Appendix 4 to the report for the construction and acquisition of new Council housing and funding for major works to housing stock, along with the associated capital financing funding plan which is also incorporated into the figures presented in Appendix 2 to the report, be approved.

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

116. Barford Youth and Community Centre Grant Application

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

Barford village had several vibrant community groups, for example, Scouts, Beavers, Cubs, arts, drama, sewing, who had been using the existing Scout hut for many years to meet, store their equipment, carry out indoor activities and as a base for outdoor activities. BYCC owned the present building and were the leaseholder for the land. The Scout hut was already approximately 25 years old when it was bought 30 years ago and had now reached the end of its useful life. BYCC planned to replace the

existing Scout Hut with a new youth and community centre. The new building would be a facility fit for purpose for the diverse range of users, from the very young to the very old, to reduce isolation, encourage learning and increase wellbeing. The new building would have a larger capacity than the existing one to meet the needs of the growing villages, best practice for accessibility and inclusivity and would meet current environmental standards thus supporting the Council's climate change action programme.

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

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

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

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

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

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

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

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

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

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

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

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

Resolved that

- (1) the funding request from Barford Youth and Community Centre Charity (BYCC) for up to (and no more than) £250,000 excluding VAT towards the cost of construction of a new youth and community centre, to be funded from the Community Project Funding List, be agreed; and
- (2) authority be delegated to the Chief Executive in consultation with the Head of Finance and the Portfolio Holders for Resources and Safer Communities, Environment and Leisure Services to ensure that the following conditions are met:
 - (a) that the project works receive a variation consent to the existing planning permission and any other statutory consent necessary before any drawdown

of the funding;

- (b) that a detailed project plan is submitted before any drawdown of the funding;
- (c) that a 'final' business plan is agreed before any drawdown of the funding;
- (d) that an updated quote still within the quote timescale validity from the preferred contractor for all the proposed works is provided to verify the amount of funding being sought before any drawdown of the Funding;
- (e) that the building energy performance measures set out in section 2.6.2 of the Business Plan are delivered, along with any other carbon minimisation measures that can be achieved within the available budget; these works must be included and specified in the final up-to-date contractor quote;
- (f) that the current lease is extended to a 30-year term before any drawdown of the funding;
- (g) that copies of archaeology and other surveys undertaken to manage risks are provided before any drawdown of the funding;
- (h) that funding for the whole project costs can be demonstrated before any drawdown of the funding;
- (i) that staged payments are made on production of supplier(s) invoices that are addressed to Barford Youth and Community Centre
- (j) that due recognition in any publicity is given to this Council's support for the proposal;
- (k) that an annual report is given to the Council for the next 3 years on the performance of the business plan of the facility;
- (l) any other conditions that normally apply to RUCIS schemes also apply to this scheme; and

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

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

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

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

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

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

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

The approach to the CPC typically followed the stages below.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Resolved that

- (1) an LGA CPC to be undertaken during July (likely w/c 10th) 2023, be agreed;
- (2) the discretionary element of the CPC should focus on the Council's approach to Recruitment, Retention & Remuneration; and
- (3) the Chairs of Scrutiny are included in the review process of the first draft of the report.

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

118. Abbey Fields Cycle Route Proposals

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

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

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

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

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

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

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

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

The benefits of such a route would include:

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

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

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

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

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

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

It then went onto state:

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

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

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

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

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

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

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

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

less conflict.

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

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

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

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

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

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

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

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

Although the cost of installing a fully separate cycle path had not been estimated, it was envisaged that widening an existing route and not

requiring the replacement of bridges across the Finham Brook, would be cheaper.

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

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

Another alternative option was the consideration of other potential routes.

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

Route 2 – Dedicated cycle path crossing Finham Brook at Leisure Centre Bridge

Disadvantages:

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

Advantages:

- Potential less conflict between park users.

Route 3 – Dedicated cycle path to south of Finham Brook

Disadvantages:

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

Advantages:

- Potential less conflict between park users.

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

Disadvantages:

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

Advantages:

- Potential less conflict between park users.

Route 5 – Peripheral route around Abbey Fields

Disadvantages:

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

Advantages

- Potential less conflict with park users.

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

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

Resolved that

- (1) the progress made on identifying a preferred route for a cycle route to connect the northern and southern ends of National Cycle Network (NCN) Route 52 within the vicinity of Abbey Fields Park, Kenilworth, be noted;
- (2) more detailed design work on the preferred route is progressed in conjunction with Warwickshire County Council and that at the completion of that work a public consultation is undertaken running for a period of six weeks, be agreed; and
- (3) following the completion of the consultation period, a report of public consultation and (if appropriate) a costed proposal for implementation will be brought to Cabinet.

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

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

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

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

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

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

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

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

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

The proposed timescale for the way forward was:

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

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

- a) Equity in the provision of EVCP across South Warwickshire, which should include:
 - Socio-demographic. It needed to ensure that those households without driveways had access to convenient charging to ensure that the economic benefits of EV adoption were enjoyed by all. Ensuring the provision of affordable public charging would play a role in supporting disadvantaged communities.
 - Geographic. Consideration needed to be given to the provision of EVCP's in rural areas which were not near Council owned land.
 - Affordability of tariffs, with the provision that the Council had potential control over tariff rates at strategic sites.
- b) Any roll-out of EVCP within South Warwickshire needed to be part of a wider cohesive network and needed to be in sympathy with the EVCP ambitions of Warwickshire County Council (WCC) as the Highway Authority;
- c) A "portfolio approach" was taken with a potential provider. Whereby short to medium term financial returns which were achievable from more profitable locations were used to enable infrastructure to be provided at locations that might not make a return and/or that might

take longer to make one. This was important for communities in rural areas and for residents that did not have access to off-street parking, which prevented them charging at home.

- d) The need to choose the “right charge speed in the right location” to optimise usage and affordability;
- e) EVCP’s needed to be accessible to all users and inviting to use i.e., in well let locations and meet the specifications within PAS 1899:2022, which addressed the issue of accessibility for people with disabilities and older people;
- f) Subject to outcomes a) to e) above, the approach should have sought to maximise the revenue to the Council.

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

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

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

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

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

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

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

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

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

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

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

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

- The South Warwickshire EV Infrastructure Strategy.

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

- South Warwickshire should ensure a fair transition and steer public charge point development in locations where private sector would not.
- South Warwickshire should start with equipping public car parks with adequate charge-point infrastructure and supporting home charging at social housing.
- Ambition 2 of South Warwickshire's Climate Change Action Programme which included the following commitment (1.3): *"Switching to low carbon vehicles: where residents and business need to rely on road vehicles, we will seek to support an increase in the percentage of Ultra-Low Emission Vehicles owned by residents in south Warwickshire from 2.9% in 2019 to 89% by 2030"*.

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

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

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

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

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

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

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

Councillor Rhead proposed the report as laid out.

Resolved that

- (1) the outcomes of the EV charging procurement process as set out in Section 1.1.6 in the report, be agreed;
- (2) the procurement a South Warwickshire Feasibility Study at a maximum cost of £40,000 with WDC's share to be funded from the Climate Action Fund, be agreed, to establish

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

- a) builds on the work undertaken to date (see below);
 - b) assesses the financial potential of the different contract options for the Council;
 - c) estimates the charge session numbers across the Council's "portfolio" of sites, profit, and revenue (assuming specific electricity rates and EVCP tariffs in £ per kWh);
 - d) reviews the Council's sites (including ownership, parking restrictions, number of parking bays); the Council's aspirations for Electric Vehicle Charging Points (EVCP) and the existing EVCP information (including makes and models of EVCPs and usage;
 - e) advises on the full cost implications of installing charging infrastructure, which should include, but not limited to, ongoing operation and maintenance; signage; bay marking and other project elements (traffic management orders and parking enforcement etc.);
 - f) investigates the challenges and possibilities of a collaboration on a joint procurement exercise between WDC & SDC; and
 - g) ensures that any proposals meet the key outcomes outlined in Section 1.1.6 in the report.
- (3) to note that the work undertaken to date, detailed in this report, suggests that the procurement approach highlighted in Section 1.3.12, is the preferred option to meet the Council's outcomes, however this will be guided and influenced by the results of the Feasibility Study; and
- (4) based on the findings of the Feasibility Study and subject to the study demonstrating that there are no upfront or ongoing net costs to the Council, delegated authority is given to the Programme Director of Climate Change in consultation with the Portfolio Holder for Climate Change to undertake a procurement exercise which can deliver the outcomes set out in Section 1.1.6. Should the study indicate a requirement for upfront investment or ongoing net costs, a further report will be brought to Cabinet to establish the budget ahead of

undertaking the procurement exercise.

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

120. **Community Projects Reserve Proposals**

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

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

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

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

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

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

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

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

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

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

1. Defining the Scope of the Project – the first priority was to define the basic geometry of the bridge, the extents of connecting footpaths and cycleways and the extents of ancillary earthworks landscaping and access road diversions that the Council wished to deliver as a single construction project. This would include:
 - a. Concept Optimisation to verify bridge geometry and earthworks extents for the preferred alignment for the Western Approach Ramp to the new bridge.
 - b. Extend the scope of the project concept to include the connection south to the Asps Development, including a second bridge over Tach Brook.
 - c. Develop a strategy for maintenance access provision in consultation with WCC County Highways, WDC Country Park Project Team and Statutory Undertakers and achieve consensus, if possible.

- d. Define extents of combined footway/cycleway connections and /or tie-ins to the existing paths to be included in the scope.
2. Statutory & Stakeholder Consultations – early consultations to map approvals processes and requirements, and understand the potential cost and programme implications:
 - a. WDC Planning – Pre-Planning and Planning Application processes and timeframes.
 - b. WCC Ecology – Survey Requirements and Potential Mitigation Measures necessary to achieve Planning Consent.
 - c. WCC Flood Defence – Constraints on the diversion of Tach Brook watercourse and other requirements necessary to achieve Planning Consent.
 - d. Statutory Undertakers – any approvals processes necessary to implement alterations to apparatus and the maintenance access strategy in Item 1c.
3. Determine preliminary land acquisition requirements (also an action from September Steering Committee Meeting). Establish communication channels with affected landowners/agents, and if appropriate, hold initial talks to gauge if they were willing to enter into negotiation and identify where accommodation works would be necessary during the construction.
4. Agree appropriate contingencies for current inflation levels.
5. Update Preliminary Cost Estimate and Programme to benchmark aesthetic improvements, scope change and inflation (please note this will not be a funding estimate)

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

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

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

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

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

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

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

Councillor Cooke proposed the report as laid out.

Resolved that

- (1) the allocation of £30,000 from the Community Projects Reserve 2023/24 for a feasibility study for a footbridge over the River Avon from Bubbenhall village to the new country park, be approved;
- (2) the allocation of £65,000 from the Community Projects Reserve 2023/24 for the next stage of the feasibility study on the Europa Way foot/cycleway bridge, be approved;
- (3) the allocation of £50,000 from the Community Projects Reserve 2023/24 for the cost related to the proposal set out in the private and confidential appendix to the report relating to Turnbull's Wood, Banbury Road, Warwick, be approved;
- (4) authority be delegated to the Chief Executive in consultation with the Portfolio Holder for Climate Change to approve the use of the

above allocations;

- (5) the basis for the proposal as set out in the private and confidential appendix to the report, be agreed and that authority be delegated to the Chief Executive in consultation with the Head of Neighbourhood and Assets and the Head of Community Safety, Leisure and Environment to complete the legal processes; and
- (6) authority be delegated to the Chief Executive to execute the procurement process in all three projects where appropriate, in line with WDC Procurement policy.

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

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

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

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

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

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

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

Certain works that would normally require planning permission were permitted by the Town and Country Planning (General Permitted Development) (England) Order 2015 (GPDO), as amended. As a result,

the developer (typically the owner of the property or land) did not have to make a planning application to the Local Planning Authority to seek permission to carry out certain building works, provided they comply with specific limitations and the small number of conditions set out in the Order. More details regarding this legislation and its context in relation to Conservation Areas was set out in the 29 September 2022 report to Cabinet.

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

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

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

There were alternative options available to Cabinet namely:

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

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

Councillor Cooke proposed the report as laid out.

Resolved that the confirmation of a Direction under Article 4(1) of the Town and Country Planning (General Permitted Development) (England) Order 2015 to permanently remove the permitted development rights under Schedule 2, Part 4, Class B of The Town and Country Planning (General Permitted Development) (England) Order 2015 and to serve letters upon all owners confirming the Direction relating to the site which is shown edged red at Appendix A to the report, be authorised.

(The Portfolio Holder for this item was Councillor Cooke)

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

122. Public and Press

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

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

123. Contract Dispute – Dictate2Us Transcription Services

The recommendations in the report were approved.

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

The recommendations in the report were approved.

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

The Cabinet noted the confidential appendix.

126. Minutes

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

(The meeting ended at 8:01pm)

CHAIRMAN
5 July 2023

Treasury Management Policy Statement

Warwick District Council defines its Treasury Management activities as:

1. The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is, therefore, committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The Treasury investment policy objective for this Council is the prudent investment of its treasury balances. The Council's Treasury investment priorities are security of capital and liquidity of its investments so that funds are available for expenditure when needed. Both the CIPFA Code and the DLUHC guidance require the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield (the SLY principal).

Treasury Management Strategy for 2023/24

The strategy for 2023/24 covers two main areas:

A. Capital issues

- the capital expenditure plans and the associated prudential indicators – capital expenditure plans form part of the General Fund Budget report and the prudential and treasury indicators are included in Appendix E.
- the Minimum Revenue Provision (MRP) policy – see Appendix D. The DLUHC have recently released consultation covering proposed changes to Regulation 28, which could impact the current MRP policy. Please note that this will not be in force until 1 April 2024 and there are no changes required to the policy for 2023/24 financial year.

B. Treasury management issues

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

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

1 Training

- 1.1 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.
- 1.2 Following the May 2019 Council elections, Link Group (Link) delivered training to Members of the Audit and Standards Committee and other interested Members in November 2019, with a joint Stratford / Warwick webinar event on 25 January 2022. Further training will be provided to members of the Audit and Standards Committee at the earliest opportunity.
- 1.3 Officers involved in treasury management have received training from the Council's treasury consultants, CIPFA and other providers, as well as from a previous post holder. This knowledge will be kept up to date by regular attendance at seminars held by our consultants and other sources, such as CIPFA publications and market intelligence.

2 External service providers

- 2.1 The Council uses Link Group, Link Treasury Services Limited ('Link') as its external treasury management advisor. A new 4 year contract was entered into in January 2023.
- 2.2 The Council recognises that responsibility for treasury management decisions always remains with the organisation at all times and will ensure that undue reliance is not placed on the services of external service providers. All decisions will be undertaken with regards to all available information, including but not solely the Council's treasury advisers.
- 2.3 It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.
- 2.4 Banking services are provided by HSBC Bank Plc, with the current agreement running until February 2025.

3 Benchmarking

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

4 Performance

- 4.1 Performance of the treasury function is reported twice yearly to the Audit and Standards Committee.
- 4.2 The Treasury Management team will seek to achieve a return on its money market investments equivalent to the forward Sterling Overnight Index Average¹ (SONIA) of a similar duration.
- 4.3 As SONIA is higher than the previous 'LIBID' benchmark, the outperformance of this benchmark is lower than under LIBID.

5 Prospects for interest Rates

- 5.1 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Further information is contained in Appendix F and Appendix G.
- 5.2 The following table gives Link's central view as at 7 February 2023. Their central forecast reflects a view that the MPC will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but the new Government's policy of emphasising

¹ SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors

fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.5%.

Link Group Interest Rate View		07.02.23											
	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
BANK RATE	4.25	4.50	4.50	4.25	4.00	3.75	3.25	3.00	2.75	2.75	2.50	2.50	2.50
3 month ave earnings	4.30	4.50	4.50	4.30	4.00	3.80	3.30	3.00	2.80	2.80	2.50	2.50	2.50
6 month ave earnings	4.40	4.50	4.40	4.20	3.90	3.70	3.20	2.90	2.80	2.80	2.60	2.60	2.60
12 month ave earnings	4.50	4.50	4.40	4.20	3.80	3.60	3.10	2.70	2.70	2.70	2.70	2.70	2.70
5 yr PWLB	4.00	4.00	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.10	3.10	3.10
10 yr PWLB	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.50	3.40	3.30	3.30	3.20
25 yr PWLB	4.60	4.60	4.40	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.40	3.40
50 yr PWLB	4.30	4.30	4.20	4.10	3.90	3.80	3.60	3.60	3.40	3.30	3.20	3.20	3.10

- 5.3 Link anticipates that the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be one of fine judgement: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged. Their best judgment is that there will be scope for an early Christmas present for households with a December rate cut priced in, ahead of further reductions in 2024 and 2025.
- 5.4 The CPI measure of inflation peaked close to 11% in Q4 2022 and is currently at 10.5%, and will need to fall considerably and quickly to persuade the MPC that they are not premature in thinking inflation will come back down below 4% by the end of the year. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market (unemployment remains at a near 48 year low 3.7%), and average wage increases are still above 6% year on year, against the backdrop of a significant number of high profile on-going strikes in the public sector (the Bank would broadly want wage increases to be in the range of 3% - 3.5%).
- 5.5 Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the medium to longer end of the curve in equal measure.
- 5.6 In the upcoming months, Link forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. And tensions between China / Taiwan / USA also have the potential to have a wider and negative economic impact.
- 5.7 On the positive side, consumers are still estimated to be sitting on significant excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent or mortgage payments
- 5.8 For comparison purposes, the rates assumed when setting the 2022/23 Treasury Management Strategy Statement are repeated below, illustrating the unexpected and seismic increase that have impacted on the current Strategy.

Link Group Interest Rate View 7.2.22													
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

5.9 PWLB rates

5.10 Yield curve movements have become less volatile under the Sunak / Hunt Government. PWLB 5 to 50 years Certainty Rates have been in the range of 3.75% to 4.75%.

5.11 Link view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

5.12 The **overall balance of risks** to economic growth in the UK is to the downside, with the Bank of England projecting two years of negative growth in their November Quarterly Monetary Policy Report.

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

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- **The Bank of England** acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

5.14 **Upside risks** to current forecasts for UK gilt yields and PWLB rates include:

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate later in the year or 2024.
- The **pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** rise strongly if inflation remains more stubborn than the market currently anticipates, pulling gilt yields up higher as a consequence.

- Projected **gilt issuance**, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields compensating.

5.15 **Borrowing advice:** Link’s long-term (beyond 10 years) forecast for Bank Rate is 2.50%. As all PWLB certainty rates are now above this level, the borrowing strategy will need to be reviewed in that context. Better value can be obtained at the shorter end of the curve. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and gilt yields, to drop back later in 2023.

5.16 Link’s target borrowing rates are set two years forward (as they expect rates to fall back) and the *current* PWLB (certainty) borrowing rates are set out below:

PWLB debt	Current borrowing rate as at 07.02.23 p.m.	Target borrowing rate now (end of Q1 2025)
5 years	4.02%	3.30%
10 years	4.19%	3.50%
25 years	4.61%	3.70%
50 years	4.31%	3.40%

5.17 While this authority will not be able to avoid borrowing to finance new capital expenditure and the rundown of reserves, there will be a ‘cost of carry’, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost. Further detail is included in the borrowing strategy in section 7.

5.18 **Borrowing interest rates** fell to historically very low rates because of the COVID crisis and the quantitative easing operations of the Bank of England, but increased rapidly and significantly during 2022/23. The policy of avoiding new borrowing by running down spare cash balances has served local authorities, including Warwick, well over the last few years, saving on borrowing costs, although with hindsight the start of 2022 before the invasion of Ukraine would have been an optimum time to have taken some long-term borrowing.

5.19 Since November 2020 there has been a prohibition to deny any local authority access to borrowing from the PWLB where it had purchase of **assets for yield** in its three-year capital programme. The current margins over gilt yields are as follows:

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps).

6 Investment rates

- 6.1 Investment returns are expected to improve in 2023/24. However, while markets are pricing in further Bank Rate increases, actual economic circumstances may see the MPC adjust for new or changing circumstances.
- 6.2 The suggested budgeted investment earnings rates for investments up to about three months' duration in each financial year are as follows:

Average earnings in each year	
2022/23 (remainder)	4.30%
2023/24	4.30%
2024/25	3.20%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

- 6.3 As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts, and the Council has used more prudent assumptions, particularly as the levels of investments are being reduced and kept relatively short, pending long-term borrowing. The Council's estimates are included at paragraph 3.14 of Appendix C, the Annual Treasury Management Investment Strategy.
- 6.4 For its cash flow generated balances, the Authority will seek to utilise its business deposit account, Money Market Funds and short-dated deposits, in order to benefit from the compounding of interest
- 6.5 The Council will continue to monitor events and will update its forecasts as and when appropriate, utilising advice from Link and other market commentators.

7 Borrowing Strategy

- 7.1 The capital expenditure plans set out in Section 4 of Appendix E provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the annual investment strategy.
- 7.2 The Council has no short-term borrowing, residual finance leases having been repaid. An assessment will be made of 'embedded leases' within the Council's contracts as at 31 March 2024 for IFRS 16 reporting purposes.

- 7.3 The Council's current long-term borrowing portfolio consists of £136.157 million HRA and £62 million General Fund PWLB debt.
- 7.4 The **HRA loans** were taken out in 2012 to finance the HRA Self Financing settlement, and the interest paid on this debt is entirely borne by the HRA and is provided for as part of the HRA Business Plan. The first of these loans is scheduled to be repaid on 28 March 2053 with the final loan being repaid on 28 March 2062.
- 7.5 The current HRA Business Plan from March 2023 includes substantial new PWLB borrowing, with the estimated interest costs based around current rates, which has been factored into this report. This is in addition to the recent borrowing requirement for the HRA, reflected by its Capital Financing Requirement (or CFR, the capital borrowing need) being £181.886 million at 31 March 2022, compared with the £136.157 million externally borrowed, with the difference of £45.729 million being temporary 'internal' borrowing, charged to the HRA by the General Fund.
- 7.6 Further analysis of this borrowing is included in Appendix E on the Prudential and Treasury Indicators. The new Liability Benchmark for the HRA shows the amount the HRA will soon be borrowing to finance the existing capital programme, peaking at £258 million, an increase of almost £122 million.
- 7.7 The original **General Fund loan** of £12 million was borrowed in September 2019, for repayment at maturity on 28 August 2059, with the interest borne by the General Fund, largely covering unfinanced capital expenditure in 2017/18 and 2018/19 (primarily relating to the Leamington and Warwick Leisure Centres).
- 7.8 A further £60 million was borrowed by the General Fund in 2021/22 for the Crewe Lane housing joint venture. These £60 million of loans comprise of six smaller amounts, with terms between 1½ and 5½ years, and the PWLB loans and the joint venture loans are coterminous.
- 7.9 The Council has been maintaining an under-borrowed position, which means that the CFR has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure, i.e., borrowing has been deferred. This strategy has been prudent while investment returns remain low relative to borrowing costs, with counterparty risk being an important consideration, i.e. if borrowing is taken when investment levels are above the minimum necessary for liquidity, the new borrowing would result in increase borrowing, involving more counterparties.
- 7.10 The General Fund's CFR at 31 March 2022 was £77.168 million, which excludes the £10 million advance to the joint venture made on 1 April 2022, so is matched to the underlying £62 million of loans, an under-borrowed position of £15.168 million. The General Fund Liability Benchmark shows that based on the current approved capital programme the debt will increase by £31 million to £103 million.
- 7.11 The borrowing undertaken for the housing joint venture does not change the under-borrowed position of previous financial years. The position is not sustainable in the longer-term as (a) the Council will eventually need to replenish the cash backing the Reserves and Balances to pay for future developments and maintain liquidity, and (b) the upside risk of PWLB and other

borrowing rates because of the risk of further economic shocks make it prudent to consider 'externalising' more of the internal borrowing by taking PWLB loans during 2023/24.

7.12 Additionally, there remain several potentially very large housing-related and other capital schemes that would significantly deplete or extinguish investment balances unless considerable external borrowing in 2023/24 or 2024/25 and beyond is undertaken. Please see Table 4 and Table 5 in Appendix E for details of proposed capital expenditure and financing, including the borrowing requirement. **Approval of these within the borrowing limits does not commit the Council to progressing with these schemes.**

7.13 Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Head of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

7.14 If it was forecast that there was a significant risk of:

- a sharp FALL in borrowing rates, then borrowing will be postponed for as long as liquidity makes practical;
- a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from a further global shock, or a sudden increase in inflation risks, then the portfolio position will be re-appraised.

Most likely, limited fixed rate funding will be drawn to maintain liquidity whilst interest rates are higher than they are projected to be in a few years.

7.15 **Approved sources of long and short-term borrowing**

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

- 7.16 Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:
- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate).
 - Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a 'cost of carry' or to achieve refinancing certainty over the next few years).
- 7.17 The degree which any of these options could prove cheaper than the PWLB Certainty Rate (the default source of borrowing) may vary, but the Council's advisors will keep the Council informed as to the relative merits of each of these alternative funding sources. Financial institutions and the Municipal Bond Agency (MBA) are likely to have significantly more complex administration and legal arrangements than PWLB loans, even though those arrangements have become more exacting in recent years.
- 7.18 The Council will use short-term borrowing (up to 365 days), if necessary, to finance temporary cash deficits. However, proactive cash flow management will aim to keep these to a minimum and, wherever possible, the loan would be taken out for periods of less than 7 days to minimise the interest payable. The Council has not incurred any short-term borrowing (or bank overdrafts) in 2022/23 to date and is not expecting to during 2023/24.
- 7.19 Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

8 Policy on borrowing in advance of need

- 8.1 The Council will not borrow more than or in advance of its needs purely to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 8.2 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

9 Current treasury position

- 9.1 The investments at 31 December 2022 are summarised below:

Type of Investment	31 Dec 22 £'000	30 Sep 22 £'000	31 Mar 22 £'000
Money Markets incl. CD's & Bonds	33,735	28,547	32,500
Money Market Funds	24,925	20,551	32,756
Business Reserve Account	5,059	7,359	9,528
Total In House Investments	63,719	56,457	74,784
Corporate Equity Funds (nominal value)	-	-	-
Total Investments	63,719	56,457	74,784

- 9.2 The corresponding borrowing position is summarised below, showing the split between the HRA and General Fund:


External Borrowing	31 Dec 22 £'000	30 Sep 22 £'000	31 Mar 22 £'000
Public Works Loan Board	208,157	208,157	208,157
Other	-	-	-
Total external borrowing	208,157	208,157	208,157
Split between:			
Housing Revenue Account	136,157	136,157	136,157
General Fund	72,000	72,000	72,000
Total	208,157	208,157	208,157

10 Debt rescheduling

- 10.1 Rescheduling of current borrowing in the Council's debt portfolio portfolio is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.
- 10.2 The Council's treasury advisors will continue to monitor the debt portfolio and identify any opportunities for debt restructuring but there would need to be a significant increase in interest rates for this occur.
- 10.3 If rescheduling was done, it would be reported to the Audit and Standards Committee at the next meeting.

Annual Treasury Management Investment Strategy

1 Investment policy – management of risk

- 1.1 The Department of Levelling Up, Housing and Communities (DLUHC) – formerly the MHCLG²) - and CIPFA³ have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).
- 1.2 The Council's investment policy has regard to the following:
- DLUHC's Guidance on Local Government Investments ("the Guidance"),
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code"),
 - CIPFA Treasury Management Guidance Notes 2018,
 - Any revised reporting requirements included in the revised editions of Treasury Management Code and Prudential Code (Dec 2021) will be incorporated into the 2023/24 reports approved by Full Council
 - The Council will have regard to the revised Treasury Management Code and Prudential Code (December 2021) and comply with new framework requirements ahead of formal adoption of reporting requirements from 1 April 2023.
- 1.3 The Council's investment priorities, using the established 'SLY' principles in decreasing importance, are:
1. **Security,**
 2. **Liquidity and**
 3. **Yield return.**
- 
- 1.4 The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite.
- 1.5 In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider 'laddering' investments for periods up to 12 months with high credit rated financial institutions, while investment rates remain elevated, as well as wider range fund options.
- 1.6 The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:
- 1.6.1. Minimum acceptable **credit criteria** are applied to generate a list of highly creditworthy counterparties. This also enables diversification and avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

² Ministry of Housing, Communities & Local Government

³ Chartered Institute of Public Finance & Accountancy

- 1.6.2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as '**credit default swaps**' and overlay that information on top of the credit ratings.
- 1.6.3. **Other information sources** used will include the financial press, share price and other such information relating to the financial sector to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 1.6.4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use under the categories of 'specified' and 'non-specified' investments:
- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods more than one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e., an 18-month deposit would still be non-specified even if it has only 11 months left until maturity.
- 1.6.5. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being 70% of the total investment portfolio.
- 1.6.6. **Lending limits** (amounts and maturity) for each counterparty will be set through applying the matrix table in Appendix C Annex 2.
- 1.6.7. **Transaction limits** are not set for each type of investment, being subject to the lending limit.
- 1.6.8. This authority will set a limit for the amount of its investments which are invested for **longer than 365 days**. (70% - see paragraph 3.12 below).
- 1.6.9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (Appendix C Annex 2).
- 1.6.10. This authority has engaged **external consultants**, (Appendix B section 2), to provide expert advice on how to optimise an appropriate balance of security, liquidity, and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- 1.6.11. All investments will be denominated in **sterling**.
- 1.6.12. As a result of the change in **accounting standards** for 2022/23 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to

the General Fund⁴. This override applied to the Council's recently disposed equity funds and will be a factor in the appropriateness of Environmental Social & Governance (ESG) equity funds after 2022/23, given the uncertainty beyond 2024/25.

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

2. Changes in risk management policy from last year

- 2.1 The above criteria are unchanged from last year.

3. Creditworthiness policy

- 3.1 The Council makes use of the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies: Fitch, Moody's, and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:
- 'watches' and 'outlooks' from credit rating agencies
 - Credit Default Swap (CDS) spreads that may give early warning of changes in credit ratings
 - sovereign ratings to select counterparties from only the most creditworthy countries.
- 3.2 The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue reliance on any one agency's ratings.
- 3.3 Typically, the minimum credit ratings criteria the Council use will be a short-term rating (Fitch or equivalent) of F1 and a long-term rating of A. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 3.4 All credit ratings will be monitored weekly and will inform every investment decision. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service:
- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
 - In addition to the use of credit ratings the Council will be advised of information in movements in CDS spreads against the iTraxx European Financials benchmark and other market data daily via its *Passport* website,

⁴ In November 2018, the MHCLG concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1 April 2018. DLUHC have confirmed that they will extend the IFRS9 Pooled Investment Fund statutory override to 31 March 2025.

provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

- 3.5 Sole reliance will not be placed on the use of this external service. In addition, the Council will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.
- 3.6 All investments in property funds, corporate bonds and corporate equity funds will be supported by the advice of Link, the Council's treasury advisors. Where the Council makes Service Investments, these sit outside the service provided by Link and separate risk assessments will be completed (refer to Section 4 below of this report).
- 3.7 The Council will ensure that it maintains the lists of permitted investments and counterparty limits (Annexes 1 and 2) and will revise and submit the criteria to Council for approval when required. In respect of counterparty limits, the Council's investment balances have increased in recent years mainly due to increasing Housing Revenue Account (HRA) balances that are projected to be utilised in the medium term.
- 3.8 To provide flexibility and to continue to be able to invest in the highest quality counterparties, long-term credit rating of Fitch or equivalent, it is proposed to keep the counterparty limits for certain institutions as follows:

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

- 3.9 The Council has both cash flow derived and core balances available for investment. Investment decisions will be made with regard to cash flow requirements, core cash balances and the outlook for short term interest rates.
- 3.10 The Council will continue to use Money Market Funds (MMFs), call bank accounts and the money markets to invest cash flow driven money until the time when it is required. Core investments may be invested in a combination of ESG corporate equity funds and the financial markets.
- 3.11 Based on its cash flow forecasts (subject to any 'internal borrowing' pending borrowing for new capital expenditure, including service investment), the Council anticipates that its investments in 2023/24 on average will be in the region of £55m, of which £12m will be 'core' investments i.e. made up of reserves and balances which are not required in the short term.
- 3.12 The maximum percentage of its investments that the Council will hold in long-

⁵ Constant Net Asset Value Money Market Funds

⁶ Low-Volatility Net Asset Value Money Market Funds

term investments (over 365 days) is 70%. It follows therefore that the minimum percentage of its overall investments that the Council will hold in short term investments (365 days or less) is 30%, with the expectation that this will be most investments in practice. Having regard to the Council's likely cash flows and levels of funds available for investment the amount available for long-term investment will be a maximum of 70% of the core investment portfolio subject to a total of £30 million at any one time in line with the Prudential Indicator covering this issue. These limits will apply jointly to the in-house team and any fund managers so that the overall ceilings of 70% and £30 million are not breached.

- 3.13 The Bank of England's Monetary Policy Committee made clear at its November 2022 meeting that further rate increases are in the pipeline and markets expect Bank Rate to peak at 4.5%-4.75%. At the time of writing, the MPC had increased the Bank rate by ½% to 4.00% on 2 February 2023. Investing in 2023/24, is therefore likely to be conducted, first, in a rising interest rate environment, but also - potentially - a falling interest rate environment at the back-end of the financial year, depending on how quickly inflation falls back and how growth performs.
- 3.14 Based on current investment policies and interest rate projections at budget setting, it is currently estimated that the overall portfolio will achieve a 1.85% return for 2022/23, increasing to 2.80% for 2023/24, based on expected movements in Base Rate.

4. Investments that are not part of treasury management activity

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

Schedule of specified and non-specified investments

Specified Instruments (365 days or less)

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

Non-Specified Investments

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

- Covered Bonds issued by private sector financial institutions greater than 365 days
- Covered Bonds issued by financial institutions partly or wholly owned by the UK Government greater than 365 days
- Covered Bonds issued by corporates greater than 365 days
- Corporate Bond Funds
- Regulated Property Funds including Real Estate Investment Trusts
- CCLA Property Fund or other similar property fund
- Diversified asset funds (e.g., CCLA DIF)
- UK Government Gilts with over 365 days to maturity
- Supranational Bonds issued by Supranational Institutions or Multi-Lateral Development with over 365 days to maturity
- Corporate Equity Funds (ESG, with no fossil fuel exposure)

Counterparty Limits

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

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

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

Appendix C Annex 3**Approved Countries for Investments**

This list, as at 21 December 2022, is based on those countries which have sovereign ratings of AA- or higher, based on the lowest rating from Fitch, Moodys and S&P.

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the Truss / Kwarteng unfunded tax-cuts policy. Although the Sunak / Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

Based on lowest available rating

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

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

Minimum Revenue Provision (MRP) Policy Statement

1 Background

- 1.1 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the Capital Financing Requirement, CFR) through a revenue charge (the Minimum Revenue Provision, MRP), although it is also allowed to undertake additional voluntary payments if required (Voluntary Revenue Provision - VRP). The MRP is equivalent to 'depreciation' in other sectors.
- 1.2 MHCLG (DLUHC) guidance requires the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following **MRP Statement**.
- 1.3 The *Statutory Guidance on Minimum Revenue Provision*⁷ offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.

2 Four Main Options

2.1 Option 1 – Regulatory Method

This option is the old statutory method of 4% of the CFR and which has to be used in order to calculate MRP on all debt still outstanding at 1 April 2008⁸. It can also be used to calculate MRP on debt incurred under the new system, but which is supported through the annual SCE (Supported Capital Expenditure) allocation from DCLG (now DLUHC).

2.2 Option 2 – Capital Financing Requirement Method

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

2.3 Option 3 – Asset Life Method

Under this option, it is intended that MRP should be spread over the useful life of the asset financed by the borrowing or credit arrangement. In future, where borrowing is utilised to finance specific assets it is likely that the period of the loan will match the expected life of the asset and therefore, under this method the annual charge to the Council's accounts is directly related to building up the

⁷ Guidance issued by the Secretary of State under section 21(1A) of the *Local Government Act 2003*. Fourth edition applies to periods commencing 1 April 2019.

⁸ The Council had no debt at this date

provision required to pay off the loan when it matures which, under Options 1 and 2, is not possible.

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

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

2.4 Option 4 – Depreciation Method

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

3 HRA

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

4 MRP Overpayments / Voluntary Revenue Provision (VRP)

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

5 Warwick District Council Policy

- 5.1 It is recommended that for any long-term borrowing on the General Fund e.g. leisure centre refurbishments, the following methods of Minimum Revenue Provision be adopted:
 - For borrowing specifically linked to a particular asset or capital scheme – Option 3 based on the annuity method.

- For borrowing that cannot be linked to a particular asset or capital scheme – Option 3 based on the annuity method using the weighted average life of assets.

5.2 For any borrowing incurred through finance leases, the annual principal repayments in the lease are regarded as MRP.

5.3 Although not strictly part of MRP requirements, it is also recommended that for internal borrowing (i.e. capital expenditure financed from reserves), where appropriate, Option 3 based on the annuity method be adopted, in most cases, as a means of replenishing those reserves which financed the capital expenditure. In exceptional circumstances another method may be more appropriate.

5.4 For short to medium duration capital expenditure loans to third parties no MRP will be charged but instead the capital receipt received through the repayment of the loan will be put aside to repay debt and reduce the Capital Financing Requirement.

5.5 The Council may on occasion enter into agreement to undertake a scheme / capital payment whereby monies and resources (grants, capital receipts, S106 receipts, etc.) will be received some time after the scheme / capital payment has been completed. On such occasions whereby the capital expenditure is expected to be fully reimbursed by future capital or revenue income, no MRP will be provided. This position will be kept under review and should the likelihood of receipt of the income change, then MRP may be initiated. Such an example would be the granting of monies to an external organisation and S106 receipts are expected to pay for the capital liability.

Note: The use of paragraphs 5.4 and 5.5 will be subject to the outcome of Government consultation on MRP Regulation 28 and a full risk assessment would be undertaken, considering the latest information, before any capital investment is undertaken to which this MRP policy may apply, as discussed in the covering report.

Prudential and Treasury Indicators

1. Introduction

- 1.1. The Prudential Capital Finance system came into effect on 1 April 2004, replacing the previous system of approval allocations from central Government, allowing local authorities to decide how much they can prudently afford to borrow *and* pay back from revenue resources.
- 1.2. CIPFA developed the Prudential Code for Capital Finance in Local Authorities (the 'Prudential Code') to provide a mechanism to enable councils to ensure, that in line with the new freedom given, their capital investment plans are affordable, prudent, and sustainable. This Prudential Code was revised in December 2021, mainly to stop further borrowing for 'commercial' investment, which CIPFA and the Government strongly believe is inappropriate for local government to pursue, given recent high-profile cases.
- 1.3. It is the Council's responsibility to set its prudential indicators, having regard to its own set of circumstances. The Council must demonstrate that its capital investment proposals are:
 - affordable
 - prudent and
 - sustainable.
- 1.4. All Indicators must be included in the Council's annual Treasury Strategy and Outturn report. The reporting requirements for 2023/24 will be changing.
- 1.5. The Prudential and Treasury Indicators are divided into:
 - a) Prudential:
 - Affordability (section 2)
 - Prudence (section 3)
 - Capital Expenditure (sections 4 - 5)
 - External Debt (sections 6 - 7)
 - b) Treasury:
 - Treasury Indicators (section 8).
- 1.6. This Appendix explains what the Prudential and Treasury Indicators are as well as revising them for the current year, 2022/23, where appropriate and setting them for future years.

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

- 2.1. This ratio shows the trend in the cost of capital (borrowing and other long-term obligation costs, net of investment income) against the net revenue stream, i.e., taxation, rents, and non-specific grant income.
- 2.2. The higher the ratio, the higher the proportion of resources tied up just to service met capital costs, and which represent a potential affordability risk.
- 2.3. It sets an upper limit on the proportion of the Council's net revenue streams both for General Fund and Housing Revenue Account (HRA) that is committed to servicing debt.

- 2.4. The table below shows the actual for 2021/22 and the ratios proposed for the General Fund, HRA and Overall, as required by the Prudential Code. These figures exclude unapproved schemes, other than schemes subject to approval at the same Council meeting as this report.

Table 1

Year	General Fund	Housing Revenue Account	Overall
2021/22	-10.8%	40.8%	25.2%
2022/23	-10.00% to 0.00%	40.00% to 50.00%	20.00% to 30.00%
2023/24	-10.00% to 5.00%	40.00% to 50.00%	25.00% to 35.00%
2024/25	0.00% to 25.00%	40.00% to 55.00%	25.00% to 40.00%
2025/26	0.00% to 20.00%	40.00% to 55.00%	30.00% to 50.00%

- 2.5. The ratio for estimates is a range rather than a single figure (except the 2021/22 actual), to allow for both the uncertain amount of borrowing that will take place for developments by the General Fund and HRA (such as the Housing Company and joint venture, which is a General Fund scheme), and the possible movements in long-term interest rates, as a relatively small variation from today's low level in borrowing costs could cause a ratio based on a precise percentage to be breached.
- 2.6. The significant size of the HRA ratio includes the HRA self-financing debt taken in 2012 and future borrowing included within the HRA Business Plan. If income increases at least much as the debt costs the ratio should not increase once the new rental properties are occupied – there will be a short-term cost during any acquisition and construction.
- 2.7. The General Fund ratio would increase for further borrowing to finance capital expenditure such as Housing Company loan, leisure centres and long-term loans to third parties.
- 2.8. The ratios will be monitored during the year and, if necessary, remedial action taken – such as Council increasing the limits - to avoid them being breached.

3. Prudence - Gross Debt and the Capital Financing Requirement

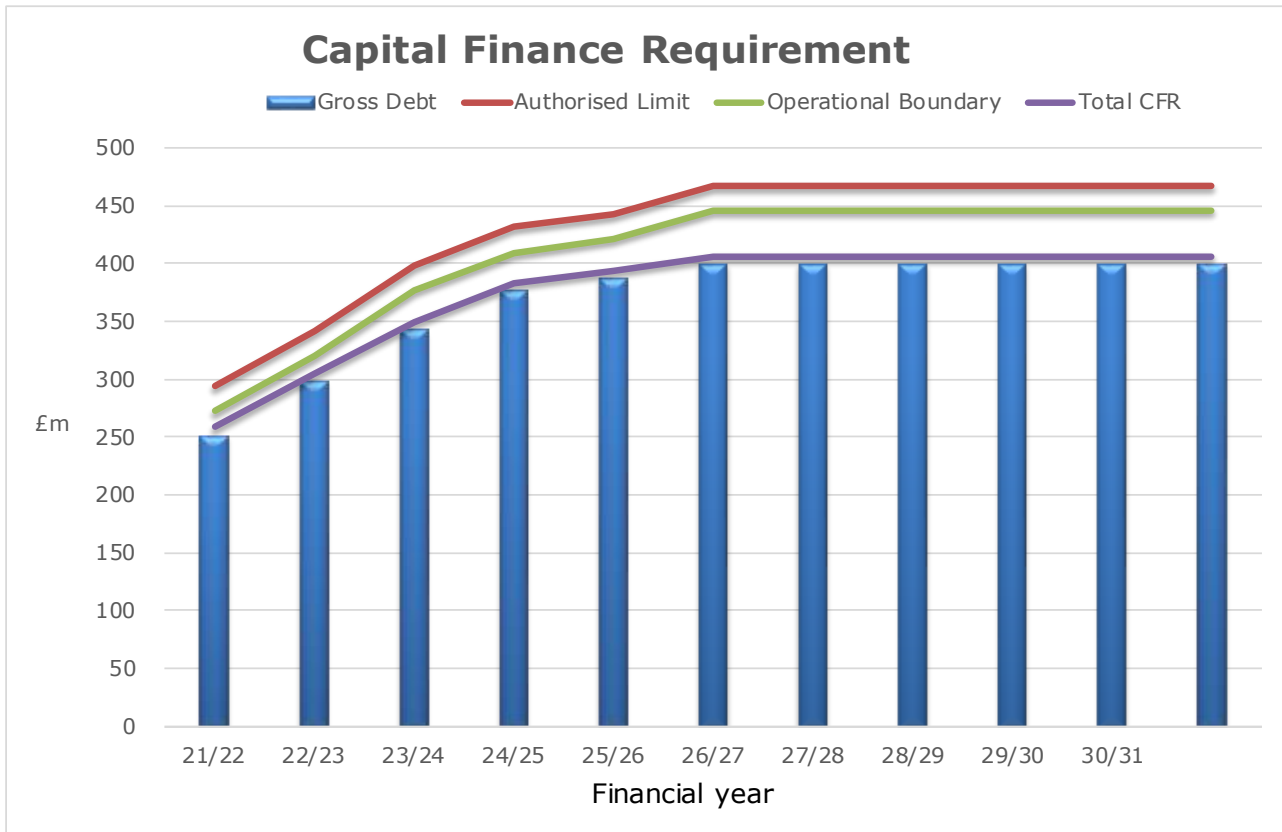
- 3.1 This indicator requires that gross debt, except in the short term, is to be kept below the Capital Financing Requirement (CFR) for the same period. This demonstrates that borrowing has not been taken in advance of need. It is estimated that gross external debt will be lower than the CFR in future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

Table 2

Capital Financing Requirement											
£m	Actual	Est	Est	Est	Est	Est	Est	Est	Est	Est	Est
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32
HRA CFR	181.9	196.3	225.0	254.2	261.7	269.6	269.6	269.6	269.6	269.6	269.6
GF CFR	21.4	46.9	59.5	58.6	62.7	67.2	67.2	67.2	67.2	67.2	67.2
Service activity / non-financial investments	55.7	62.4	65.3	70.1	70.0	69.8	69.7	69.7	69.7	69.7	69.7
Total CFR	259.1	305.6	349.8	382.9	394.4	406.6	406.5	406.5	406.5	406.5	406.5
External borrowing - HRA	181.9	196.3	225.0	254.2	261.7	269.6	269.6	269.6	269.6	269.6	269.6
External borrowing - GF	68.9	101.0	116.5	120.4	124.4	128.7	128.6	128.6	128.6	128.6	128.6
Other long term liabilities	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Gross Debt	250.8	298.3	342.5	375.6	387.1	399.3	399.2	399.2	399.2	399.2	399.2
Internal borrowing - HRA	-	-	-	-	-	-	-	-	-	-	-
Internal borrowing - GF	8.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3
WDC internal borrowing	8.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3
Authorised Limit	294.8	342.4	398.4	431.6	443.0	467.2	467.2	467.2	467.2	467.2	467.2
Operational Boundary	272.8	320.4	376.4	409.6	421.0	445.2	445.2	445.2	445.2	445.2	445.2

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

Table 3



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

4. Capital Expenditure

4.1 The Council’s capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members’ overview and confirm capital expenditure plans.

4.2 The Council is required to publish its estimated capital expenditure for both the General Fund (GF) and Housing Revenue Account (HRA) for a minimum of the next three financial years, as well as the actual for the previous year and latest estimate for the current year.

4.3 By modelling various capital programme scenarios, including new HRA properties and commercial investment opportunities, this indicator provides the data for the ratio of financing costs to net revenue stream indicator.

4.4 Table 4 shows the Council’s estimated capital expenditure on the General Fund and HRA for the next four years, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Table 4

Capital expenditure (£'000)	2021/22 Outturn	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
General Fund (non HIP)	12,985	33,580	33,456	8,099	698	560
Credit arrangements - finance leases	-	-	-	-	-	-
Housing Investment Programme:						
General Fund (HIP)	-	-	-	-	-	-
HRA	36,095	40,301	51,947	44,827	20,257	18,786
Other:						
'Service investment' activities / non-financial investments*	50,100	11,100	3,000	5,000	5,000	4,900
Total (A)	99,180	84,981	88,403	57,926	25,955	24,246

* - loans to third parties

4.5 The main item in 'service investment' for 2021/22 and 2022/23 is the £60 million joint venture funding outlined earlier. The additional figures in 2022/23 to 2024/25 include loans to Milverton Homes, with £1.0 million due to be paid in 2022/23, £3.0 million in 2023/24 and £5.0 m in 2024/25 and 2025/26, subject to viability.

5. Capital Financing Requirement

- 5.1 The Capital Financing Requirement (CFR) is a key measure that shows the underlying need for an authority to borrow for capital purposes, i.e., the difference between the Council's capital expenditure and the revenue or capital resources set aside to finance that spend. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR. The Minimum Revenue Provision (MRP) is chargeable on the General Fund underlying borrowing.
- 5.2 The borrowing may be either external (such as from the PWLB) or internal borrowing (where an authority temporarily utilises cash backing its reserves and balances rather than taking external loans). External borrowing creates a cost to the Council in terms of having to pay interest on and provide for repayment of external loans while internal borrowing creates lost investment interest and an exposure to future interest rate increases when loans must be taken. The CFR provides the starting point for calculating this cost and the results feed into the ratio of financing costs to net revenue stream indicator.
- 5.3 The CFR does not increase indefinitely, as the MRP is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.
- 5.4 The CFR includes any other long-term liabilities (e.g., finance leases). Though these liabilities increase the CFR - and therefore, the Council's borrowing requirement - these types of scheme include a borrowing facility by the lease provider and so the Council is not required to separately borrow for these schemes. The Council had no such schemes within the CFR at the end of 2021/22.

5.5 *Table 5* summarises how the capital expenditure plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need (i.e., an increase in the Capital Financing Requirement).

Table 5

Financing of capital expenditure (£'000)	2021/22 Outturn	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
HRA:						
Capital receipts	2,560	5,590	500	500	2,367	500
Capital grants and contributions	3,540	7,449	7,560	3,060	-	-
Reserves	9,178	12,276	13,065	9,965	9,246	9,252
Revenue contributions	90	535	2,162	2,126	1,135	1,135
Total HRA	15,368	25,850	23,287	15,651	12,748	10,887
General Fund:						
Capital receipts	399	4,481	3,416	-	-	-
Capital grants and contributions	6,274	4,618	13,140	6,979	-	-
Reserves	2,010	2,424	3,308	1,041	618	-
Revenue contributions	725	409	80	80	80	80
Total GF	9,408	11,931	19,944	8,100	698	80
Combined:						
Capital receipts	2,959	10,070	3,916	500	2,367	500
Capital grants and contributions	9,814	12,067	20,700	10,039	-	-
Reserves	11,188	14,700	16,373	11,006	9,864	9,252
Revenue contributions	815	945	2,242	2,206	1,215	1,215
Subtotal (B)	24,776	37,781	43,231	23,751	13,446	10,967
Net borrowing need for the year (A – B)	74,404	47,200	45,172	34,175	12,509	13,279
Split between:						
HRA net borrowing need	20,727	14,451	28,660	29,176	7,509	7,899
GF net borrowing need	53,677	32,749	16,512	4,999	5,000	5,380

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

Table 6

'Service investment' activities / non-financial investments (£'000)	2021/22 Outturn	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Capital expenditure	50,100	11,100	3,000	5,000	5,000	4,900
Financing costs (incl MRP)	1,331	551	389	429	429	427
Net financing need for the year	51,431	11,651	3,389	5,429	5,429	5,327
Percentage of total net financing need %	67%	24%	7%	15%	40%	37%

5.7 These figures are illustrative at this point and are subject to the Council's approval of the underlying capital expenditure.

5.8 The CFR increases where unfinanced capital expenditure takes place and reduces as the Council makes a Minimum Revenue Provision (MRP).

5.9 This Council has four CFRs:

- (a) the HRA
- (b) the General Fund, which is further subdivided to show
- (c) service investment activities / non-financial investments (which have, to date, been loans to third parties at commercial rates of interest and, from 2021/22, the housing joint venture), and
- (d) combined total for the whole of the Council (the sum of a to c).

5.10 The estimated CFRs at the end of 2022/23 and each of the next four years are based on the Council's latest capital programme and exclude any unapproved service investment / non-financial activities and additional HRA borrowing for schemes that are subject to viability appraisals, and which would be subject to future Council reports and revised Prudential Indicators, where appropriate. The General Fund CFR also includes the impact of the internal borrowing incurred to date, as well as the internal and external borrowing factored into the current 5-year General Fund Capital Programme.

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

Table 7

Capital Financing Requirement	(a)	(b)	(c)	(d)
	HRA £'000	General Fund £'000	Service investments / non financial investments £'000	Total £'000
Year				
2021/22	181,887	21,424	55,744	259,055
2022/23	196,337	46,873	62,409	305,619
2023/24	224,998	59,510	65,266	349,774
2024/25	254,174	58,618	70,120	382,912
2025/26	261,683	62,717	69,964	394,364
2026/27	269,581	67,227	69,805	406,613

Table 8

£m	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2025/27 Estimate
Capital Financing Requirement						
CFR – non housing	21.4	46.9	59.5	58.6	62.7	67.2
CFR – housing	181.9	196.3	225.0	254.2	261.7	269.6
CFR - service and non-financial investment activities	55.7	62.4	65.3	70.1	70.0	69.8
Total CFR	259.1	305.6	349.8	382.9	394.4	406.6
Movement in CFR	74.1	46.6	44.2	33.1	11.5	12.2
Service / non-treasury as % of Total CFR	22%	20%	19%	18%	18%	17%

Movement in CFR represented by						
Net financing need for the year ("A-B" above)	74.4	47.2	45.2	34.2	12.5	13.3
Less MRP/VRP and other financing movements	-0.3	-0.6	-1.0	-1.1	-1.0	-1.1
Movement in CFR	74.1	46.6	44.2	33.1	11.5	12.2

- 5.12 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any 'non-financial activities' (noting that the Council does not enter 'for yield / commercial' activities) in relation to the authority's overall financial position. The capital expenditure figures shown in *Table 4* and the details above demonstrate the scope of this activity (up from 3% in 2020/21 to 22% in 2021/22, 20% in 2022/23 and 19% in 2023/24, mainly due to the housing joint venture) and, by approving these figures, Members consider the scale proportionate to the Authority's remaining activity.
- 5.13 The opening HRA CFR at 1 April 2022 was £181.886 million, being the HRA self-financing debt settlement of £136.157 million from 2012 plus new borrowing during 2020/21 and 2021/22, which is currently 'internal borrowing' at the time of writing. At 31 March 2027 the HRA CFR is predicted to have increased to £269.581 million, while the non-housing element would be £67.227 million and the 'non-financial activities' would be £69.805 million, a total General Fund CFR of £137.032 million.
- 5.14 Based on the figures in this report, the planned borrowing that would be submitted to the PWLB when applying for the Certainty Rate (a 0.2% reduction) for 2023/24 to 2025/25 would be as shown in Table 9 below.

Table 9

External borrowing (£m)	2021/22 Outturn	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Service spend	12,985	31,920	19,337	3,929	698
Housing	86,095	51,301	54,947	49,827	25,257
Regeneration	-	1,660	14,119	4,170	-
Preventative action	-	-	-	-	-
Treasury Management	100	100	-	-	-
Projects for yield	-	-	-	-	-
TOTAL	99,180	84,981	88,403	57,926	25,955

- 5.15 The Regeneration schemes in 2023/24 include the Future Hight Street project.

6. Liability Benchmark

- 6.1 A new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum. CIPFA strongly recommends that the LB is produced for at least 10 years and should ideally cover the full debt maturity profile of a local authority.
- 6.2 There are four components to the LB:
- Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
 - Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
 - Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected

into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.

- Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

Chart 1 – Liability Benchmark – whole Council

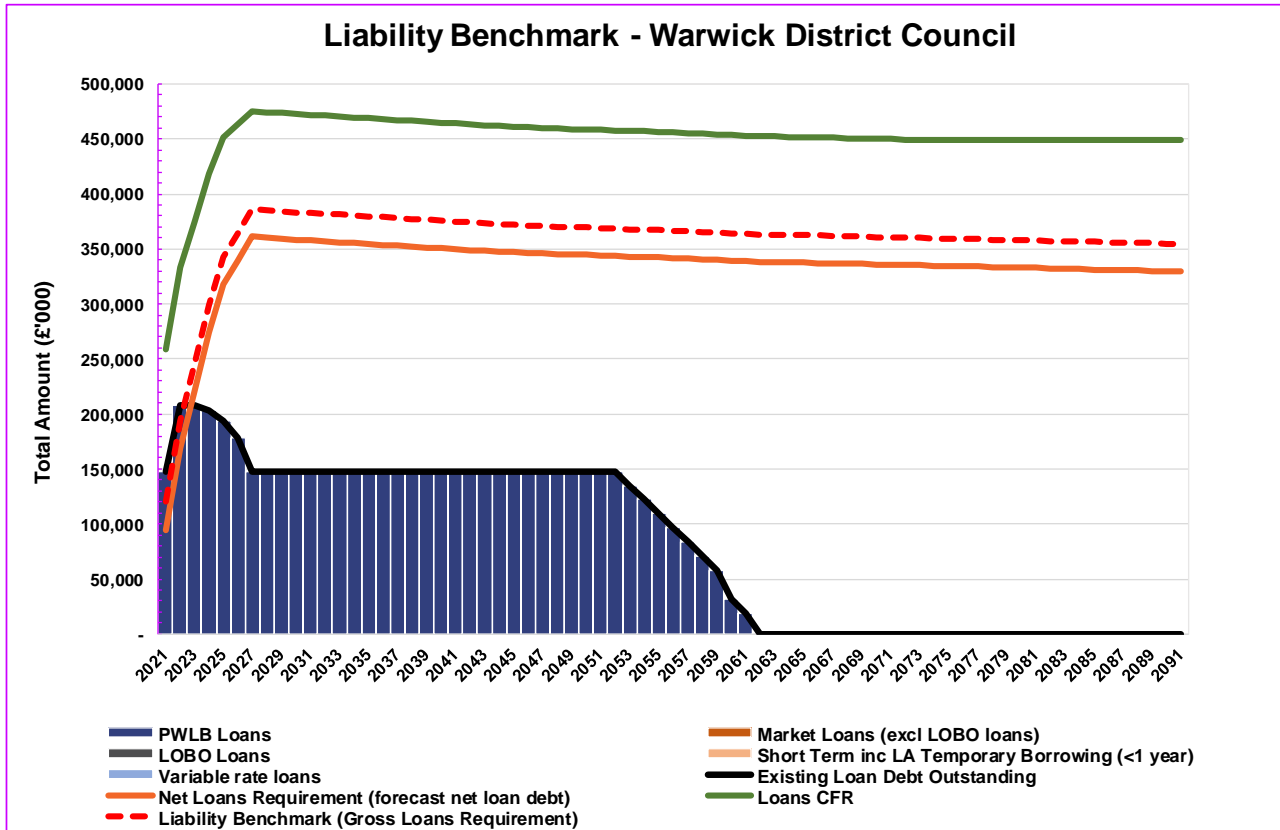


Chart 2 – Liability Benchmark – General Fund

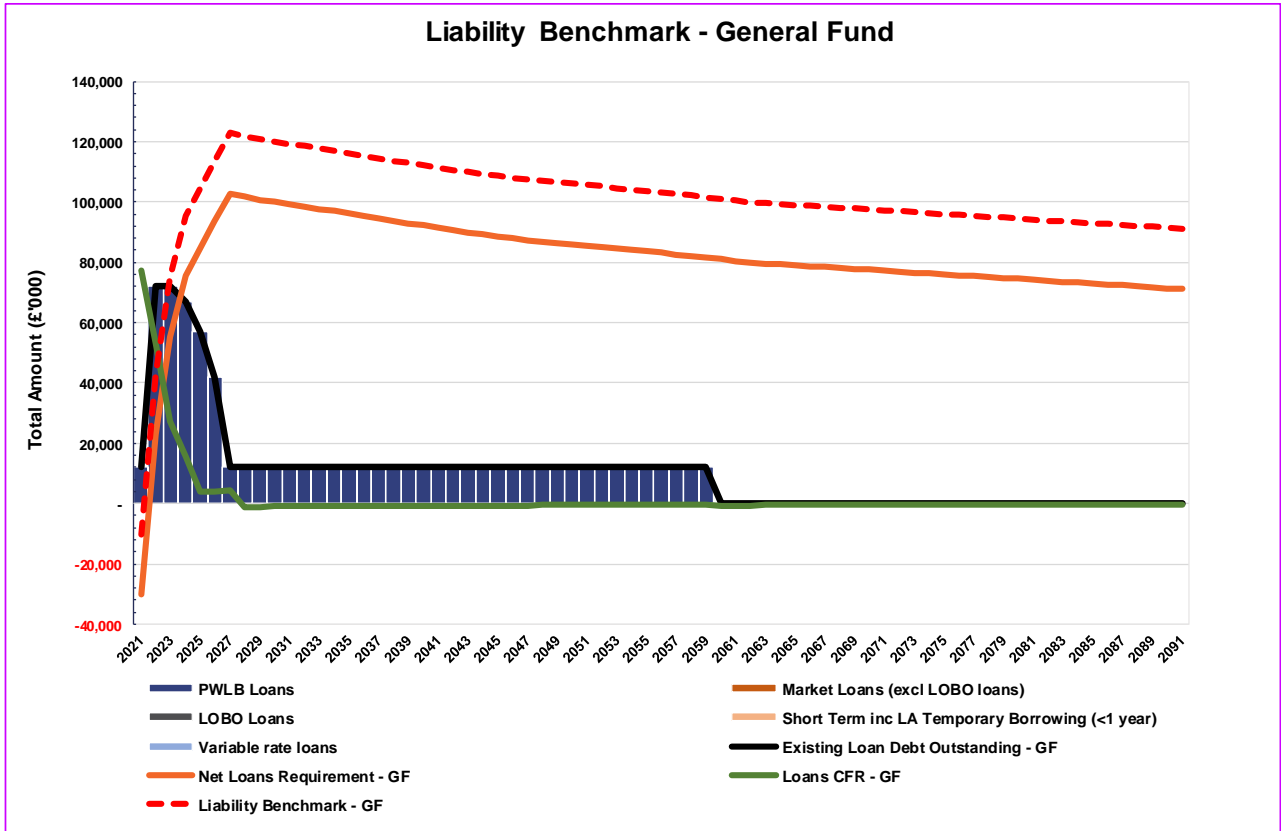
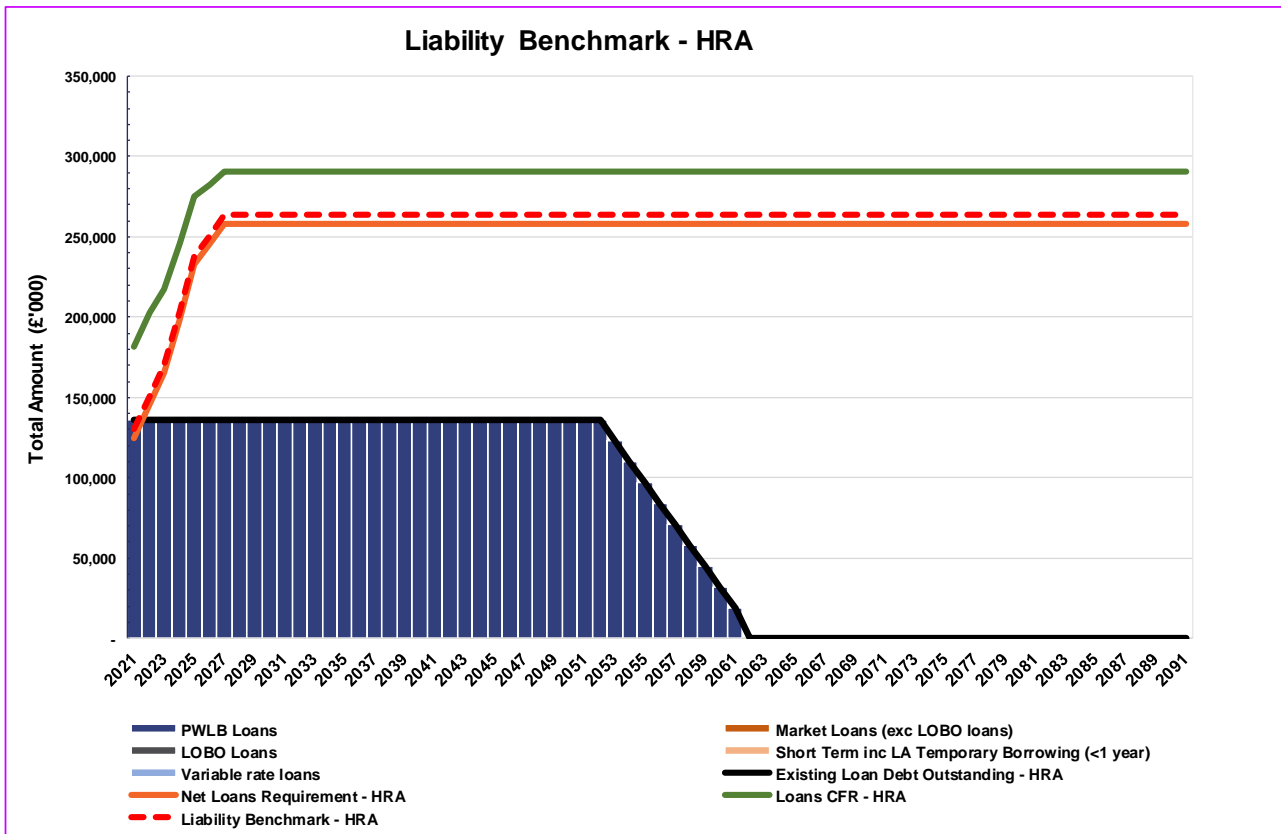


Chart 3 – Liability Benchmark – Housing Revenue Account (HRA)



- 6.3 CIPFA notes in the 2021 Treasury Management Code, "The liability benchmark should be analysed as part of the annual treasury management strategy, and any substantial mismatches between actual loan debt outstanding and the liability benchmark should be explained".
- 6.4 The liability benchmark charts above show that actual (PWL) loans are significantly less than the benchmark, which indicate a future borrowing requirement, the Council having used 'internal borrowing' in recent years, and will need to borrow in future years, especially as investments are eroded by internal borrowing, and the use of reserves and balances, over time. They show that the Council is funding its CFR through a mixture of internal and external borrowing.
- 6.5 The treasury strategy of the Council will be to replace internal borrowing at the most opportune time, subject to overriding cash flow requirements. The Council is seeking to balance the wish to minimise 'cost of carry' of loans that are surplus to immediate cash requirements with the risk that when it does have to borrow, the costs will be higher than had it borrowed at the time of the capital expenditure being incurred. The Council's treasury advisers will help to determine the optimal balance between these two factors, which can change quickly within an uncertain economic environment.
- 6.6 The Net Loan Requirement (NLR - a solid orange line in these charts) shows how much the Council currently would need to borrow, based on approved capital budgets and financing. Chart 1 shows that this will peak at £361 million (in 2026/27), but as this is based on a capital programme that only runs to that financial year, it can be expected to increase beyond then.
- 6.7 The NLR for the General Fund, in Chart 2, peaks at £103 m, and for the HRA in Chart 3 the peak is currently £258 m.

7. External Debt - Authorised Limit

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

7.3 The recommended Authorised Limit is as shown in *Table 10*:

Table 10

Authorised Limit	2021/22 Outturn £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
Debt including HRA settlement	192,234	192,234	204,115	204,116	204,116	215,997
Other long-term liabilities	-	1,000	1,000	1,000	1,000	1,000
HRA HIP	45,729	60,180	88,841	118,016	125,525	133,424
General Fund HIP	-	-	-	-	-	-
Other General Fund capital programme	56,878	87,992	100,486	99,449	98,392	97,843
Service investment activities / non-financial investments	-	1,000	4,000	9,000	14,000	18,900
Total Authorised Limit	294,841	342,406	398,442	431,581	443,033	467,164

7.4 The Authorised Limit reflects a level of external debt that, although not preferred, could be afforded in the short-term but may not be sustainable in the longer-term. The Indicators for the Operational Boundary and Gross Debt & the CFR will both be set below the Authorised Limit.

7.5 The Authorised Limit takes account of the Housing Improvement Programme (HIP) and the General Fund capital programme. The figures for 'Service investment activities' are for amounts being considered by Council parallel to this report and would need to be excluded if not approved. It excludes additional HRA development and GF investment regeneration that would be expected to generate a net income stream – these are both subject to future Council decisions and could also require the Prudential Indicators to be formally amended.

7.6 It should be noted that the figures for each year are cumulative.

8. External Debt - Operational Boundary

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

8.2 The Operational Boundary - which is less than the Authorised Limit - is effectively the day-to-day working limit for cash flow purposes, the level that external debt is not ordinarily expected to exceed. This indicator includes anticipated additional borrowing to cater for forecast capital activity.

8.3 An occasional breach of the Operational Boundary is not a cause for concern (provide that the Authorised Limit is not breached) but a sustained breach could indicate that there are problems with the Council's cash flow. Therefore, this indicator is monitored throughout the year and remedial action taken if necessary.

8.4 The recommended Operational Boundaries are as shown in Table 11. It should be noted that the figures for each year are cumulative (for instance, the £4.0m shown in 2023/24 for service investment activities is the cumulative amount from 2021/22). They are based on the same assumptions outlined in paragraph 6.5 above.

Table 11

Operational Boundary	2021/22 Outturn £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000
Debt including HRA settlement	170,234	170,234	182,115	182,116	182,116	193,997
Other long-term liabilities	-	1,000	1,000	1,000	1,000	1,000
HRA HIP	45,729	60,180	88,841	118,016	125,525	133,424
General Fund HIP	-	-	-	-	-	-
Other General Fund capital programme	56,878	87,992	100,486	99,449	98,392	97,843
Service investment activities / non-financial investments	-	1,000	4,000	9,000	14,000	18,900
Total Operational Boundary	272,841	320,406	376,442	409,581	421,033	445,164

9. Treasury Indicators

9.1 The following indicators used to be part of the Prudential Code and are now part of the Treasury Management Code of Practice.

9.2 Maturity structure of borrowing:

- a) Upper and Lower Limits respectively for the Maturity Structure of Fixed Interest Rate Borrowing:

Table 12

Period	Upper	Lower
Under 12 months	20%	0%
12 months & within 24 months	20%	0%
24 months & within 5 years	20%	0%
5 years & within 10 years	20%	0%
10 years & above	100%	0%

- b) Upper and Lower Limits respectively for the Maturity Structure of Variable Interest Rate Borrowing:

Table 13

Period	Upper	Lower
Under 12 months	100%	0%
12 months & within 24 months	100%	0%
24 months & within 5 years	100%	0%
5 years & within 10 years	100%	0%

- c) Upper limits to fixed interest rate and variable interest rate exposures on borrowing:

Table 14

Year	Upper Limit - Fixed Rate	Upper Limit - Variable Rate
2023/24	100%	30%
2024/25	100%	30%
2025/26	100%	30%

9.3 Upper limit on total principal sums invested for periods longer than a year:

- The total maximum sum that can be invested for more than 365 days is 70% of the core investment portfolio, subject to a maximum of £30 million at any one time.

However, where investments which originally were for periods of more than 365 days currently have 365 days or less to maturity at the 1 April each year they shall be classed from that date as short term i.e., less than 365 day investments and will not count against the 70% or £30 million limit.

Economic Background (at 5 December 2022)

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
Bank Rate	3.5% (15/12/22)	1.5%	3.75%-4.00%
GDP	-0.2%q/q Q3 (2.4%y/y)	+0.2%q/q Q3 (2.1%y/y)	2.6% Q3 Annualised
Inflation	11.1%y/y (Oct)	10.0%y/y (Nov)	7.7%y/y (Oct)
Unemployment Rate	3.6% (Sep)	6.6% (Sep)	3.7% (Aug)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as ong-term sick, the UK labour force actually shrunk by c£500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at 5.5% - 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3% in November and the market expects Bank Rate to hit 4.5% by May 2023.

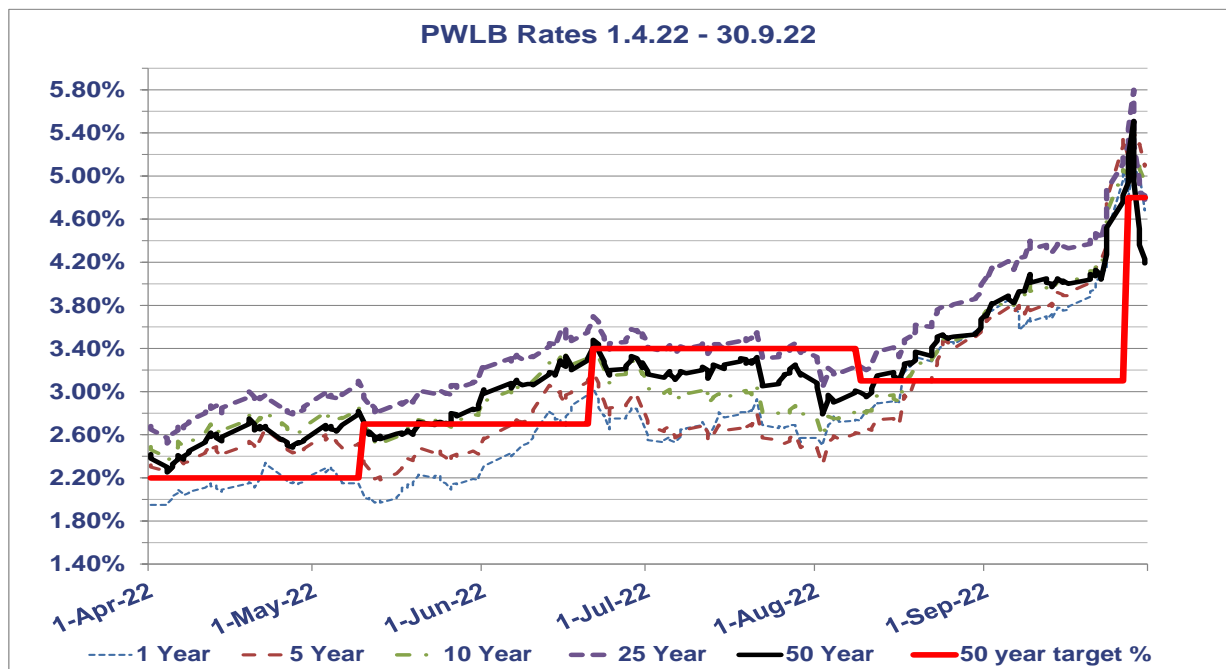
Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and December. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted

barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17th November gave rise to a net £55bn fiscal tightening, although much of the 'heavy lifting' has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have completely reversed the increases seen under the previous tenants of No 10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one if not more quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government's "fiscal event", to \$1.20. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28th September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting ever lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.35%	5.80%	5.51%
Date	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
Average	2.81%	2.92%	3.13%	3.44%	3.17%
Spread	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

CENTRAL BANK CONCERNS – NOVEMBER 2022

At the start of November, the Fed decided to push up US rates by 0.75% to a range of 3.75% - 4%, whilst the MPC followed a day later by raising Bank Rate from 2.25% to 3%, in line with market expectations. EZ rates have also increased to 1.5% with further tightening in the pipeline.

Having said that, the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

INTEREST RATE FORECASTS

Link Group Interest Rate View		07.02.23												
	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	
BANK RATE	4.25	4.50	4.50	4.25	4.00	3.75	3.25	3.00	2.75	2.75	2.50	2.50	2.50	
3 month ave earnings	4.30	4.50	4.50	4.30	4.00	3.80	3.30	3.00	2.80	2.80	2.50	2.50	2.50	
6 month ave earnings	4.40	4.50	4.40	4.20	3.90	3.70	3.20	2.90	2.80	2.80	2.60	2.60	2.60	
12 month ave earnings	4.50	4.50	4.40	4.20	3.80	3.60	3.10	2.70	2.70	2.70	2.70	2.70	2.70	
5 yr PWLB	4.00	4.00	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.10	3.10	3.10	
10 yr PWLB	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.50	3.40	3.30	3.30	3.20	
25 yr PWLB	4.60	4.60	4.40	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.40	3.40	
50 yr PWLB	4.30	4.30	4.20	4.10	3.90	3.80	3.60	3.60	3.40	3.30	3.20	3.20	3.10	

PWLB forecasts are based on PWLB certainty rates.

Latest at 14/2/23

Interest Rate Forecasts								
Bank Rate	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Link	4.25%	4.50%	4.50%	4.25%	4.00%	3.75%	3.25%	3.00%
Cap Econ	4.25%	4.50%	4.50%	4.50%	4.25%	4.00%	3.50%	3.00%
5Y PWLB RATE								
Link	4.00%	4.00%	3.90%	3.80%	3.70%	3.60%	3.50%	3.40%
Cap Econ	3.80%	3.70%	3.60%	3.50%	3.50%	3.40%	3.30%	3.30%
10Y PWLB RATE								
Link	4.20%	4.20%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%
Cap Econ	3.80%	3.70%	3.70%	3.60%	3.50%	3.40%	3.40%	3.30%
25Y PWLB RATE								
Link	4.60%	4.60%	4.40%	4.30%	4.20%	4.10%	3.90%	3.80%
Cap Econ	4.20%	4.00%	4.00%	3.80%	3.80%	3.70%	3.60%	3.60%
50Y PWLB RATE								
Link	4.30%	4.30%	4.20%	4.10%	3.90%	3.80%	3.60%	3.60%
Cap Econ	3.80%	3.80%	3.80%	3.80%	3.80%	3.70%	3.60%	3.60%

Title: Updates to the Constitution

Lead Officer: Graham Leach, Head of Governance & Deputy Monitoring Officer, Telephone 01926 456141 or email graham.leach@warwickdc.gov.uk

Portfolio Holder: Councillors Davison, King and Wightman

Wards of the District directly affected: None

Approvals required	Date	Name
Portfolio Holder	19/6/23	Davison, King & Wightman
Finance	12/6/23	Alex Elston
Legal Services	12/6/23	Sue Mullins Kathryn Tebby
Chief Executive	12/6/23	Chris Elliott
Director of Climate Change	12/6/23	Dave Barber
Head of Service(s)		Report Author
Section 151 Officer	12/6/23	Andrew Rollins
Monitoring Officer	12/6/23	Andrew Jones
Leadership Co-ordination Group	19/6/23	
Final decision by this Committee or rec to another Cttee / Council?	No - Recommendation to Council on 26 July	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	Yes, Forward Plan item –1,380	
Accessibility Checked?	Yes/No	

Summary

The report brings forward several changes to the Constitution of the Council for consideration by the Cabinet.

Recommendation(s)

- (1) That Cabinet recommends to Council for approval the following amended parts of the Constitution:
 - a. Revised Summary of the Constitution and explanation, as set out at Appendix 1 to the report;
 - b. Updated Article 5, Chairing the Council, as set out at Appendix 2 to the report and the Constitution be amended so that Chairman is replaced with Chair, but allows for individuals to identify the title associated with this role;
 - c. Revisions to Article 14 (with regard to electronic signing and sealing) as set out at Appendix 3 to the report; and
 - d. Revisions to Part 4 Scheme of Delegation, as set out at Appendix 4 to the report.
- (2) The Cabinet delegates authority to the Head of Housing in consultation with the s151 Officer, legal services, and the Portfolio Holders for Housing and Finance, authority to make financial settlements and necessary legal agreements to and with leaseholders of properties in Christine Ledger Square.
- (3) The Cabinet notes that the Monitoring Officer will be reviewing the Constitution in partnership with Legal Services and Heads of Service and further reports will be brought to Cabinet on this.

1 Reasons for the Recommendation

- 1.1 The report brings forward revisions to the Constitution. For ease of reading, this section has been divided into sub-headings to explain the reason for the changes in each section.
- 1.2 Where changes are proposed in the Appendices additional text has been added in *italics* and text removed is ~~struckthrough~~.
- 1.3 **Summary and Explanation**
 - 1.3.1 This section needed a general update following a number of changes made within the Council over several years that had not previously been reflected in this section.
- 1.4 **Article 5 - Chairing the Council**
 - 1.4.1 Following a review by the Council, the role of the Chairman was changed in 2021. This resulted in a revised remit for the Chairman as defined in Article 5 and that the Chairman should only attend three types of functions: Royal Visits, Warwick District Council events and services of remembrance.
 - 1.4.2 On approval of this revised remit, Council asked for a report back in 12 months to consider the impact it has had on the role. The following successive Chairman and Chair were content with the remit and thought that the role was correct, although this was not formally reported back to the Council.

- 1.4.3 The Chair of the Council for 2021/22 was content with arrangements approved by Council because it removed pressures from attending a significant number and variety of events held within the District and allowed the role of Chair to be accomplished without significant impact on work/personal commitments. The previous Chair was of the view that broadening the scope of the role could have a negative effect and put individuals off Chairing the Council.
- 1.4.4 There has not been any significant adverse feedback to the Council on the current arrangements. That said, comments have been made that the Council no longer attends events, such as the Warwick University Graduation Ceremony, or some Mayor making ceremonies, both inside and outside the District, where other civic heads are attending. Members should be mindful that because other Councils are attending, it does not mean the Council has to attend, especially when it comes to events outside the District.
- 1.4.5 The current Chairman has reflected on these thoughts and is of the view that more discretion should be given to allow them attend events where there is no cost to the Council.
- 1.4.6 Councillors need to be mindful of the points raised and also the potential impact of attending one year attending a lot of events, and the next Chair using discretion not to attend other similar events. Any inconsistency could lead to a greater impact on the reputation of the Council than not attending.
- 1.4.7 Officers are mindful that the wording needed to be carefully chosen so that the individual post holder was not choosing to pay to attend events. Equally, the justification for attending events outside Warwick District needed to be far greater than the personal choice of the Chairman i.e. there needed to be material benefit to the Council and its community.
- 1.4.8 The proposal to amend the Constitution so that it moves from defining the Chairman to Chair is made to make the Constitution more gender neutral. Provision is still made for the individual who Chairs a meeting to define the terms they would like to be known as i.e. Chair, Chairman, Chairwoman, Chairperson. The Cabinet should be aware that the term Chairman is defined within legislation and case law but that the proposed change is not unreasonable and clearly identifies the role in line with legislation if required. Further reflection on defining the terms used can be made during the review of the Constitution.
- 1.4.9 Based on these considerations, revised wording has been included within Article 5 of the Constitution.
- 1.4.10 The Cabinet should be aware that the review of the role of the Chairman resulted in the removal of the post of Attendant to the Chairman. This was based on the significant reduction in events attended. Revised risk assessments were introduced and regularly reviewed with the previous Chair for attending any event and these will continue to be monitored with the current Chairman.

1.5 **Article 14 – Finance Contract and Legal Matters**

- 1.5.1 The revisions to Article 14 are at the request of Legal Services, to ensure electronic signatures and sealing are explicitly mentioned within the Constitution. While currently this is implied, and most organisations accept this, the Land Registry has said it will not accept the electronic signature or sealing of conveyancing (and related) documents from the Council without it being explicitly set out within the Constitution.

1.6 **Section 4 - Scheme of Delegation**

- 1.6.1 The proposed change to enable the Monitoring Officer to make minor changes to the Constitution is suggested for when minor wording/grammar errors are identified to remove the need for Council approval. These could be errors or changes as a result of external decisions, for example, those in the summary and explanation specifically where the size of the Council has changed from 46 to 44.
- 1.6.2 The proposed new delegation to the Head of Place, Arts and Economy removes any ambiguity on the right to represent and defend planning appeals against decisions this Council has taken.
- 1.6.3 It is proposed to remove the reference to former employees within delegation DS(70). This is based on legal advice following a recent successful judicial review against a Warwick District Council decision, as a result of which a planning decision had to be quashed. Therefore the legal advice is that it is very hard for planning officers to know who a former member of staff is, in that they may have been employed many years ago and may not declare this on the application. The reference to them being known former employees is vague and could lead to argument because some people might know they are a former employee and others might not.
- 1.6.4 The proposed amendment to DS(70a) is to enable officers to conclude negotiations on S106 and other necessary legal agreements when an application has been determined by the Planning Inspector or Minister. This is considered reasonable as it allows matters to be concluded without the need for reporting to Committee in effect for rubber stamping.
- 1.6.5 The change to delegation to A(2) is the inclusion of the Monitoring Officer specifically now the role is being split from the role of Deputy Chief Executive.

1.7 **Christine Ledger Square**

- 1.7.1 This temporary delegation is proposed to enable WDC to acquire leasehold interests by way of private treaty negotiations, enabling the agreement of valuations and compensation that would be payable to leaseholders that might exceed what would be payable in the event of a compulsory purchase. This is considered a practicable solution where the Council has agreed to demolish the building and now needs to complete the necessary agreements to enable this work to take place.
- 1.7.2 The agreements could involve making an offer to leaseholders to share an amount comparable to the value that the Council would pay in legal costs should it be required to acquire the leasehold interest compulsorily and would include an ex-gratia payment equal to the statutory home loss payment (currently 10% of the value of the interest being acquired subject to a minimum sum of £7,800 and a maximum sum of £78,000 – these sums are subject to change from time to time) that a leaseholder would receive on being displaced by the Courts.
- 1.7.3 Often the gap between the value of a property and the asking price of the leaseholder arises because individual owners find it difficult to use the capital receipt to fund a replacement property in the vicinity of the development.
- 1.7.4 Guidance published by the Secretary of State which sets out the policy for confirmation of compulsory purchase orders (CPO) requires that an authority should demonstrate that it has made reasonable endeavours to acquire the land by agreement. A structured and documented programme of discussions and negotiations with leaseholders will need to be commenced before a CPO could be made.

1.7.5 It is understood that it is often the case that acquiring authorities may decide to pay in excess of market value to secure strategic acquisitions in advance of a CPO where this may save costs in the long term.

1.7.6 A leaseholder offer will be adopted that ensures consistency between different individuals as there could otherwise be a risk in settling on generous terms with one leaseholder as other leaseholders will expect similar treatment. The offer is designed to mitigate hardship arising from compulsory purchase and the following will be considered as standard in each set of negotiations:

- Agreement to pay the market value of the dwelling plus an additional fixed percentage uplift;
- Agreement to pay the home loss payment for those who would qualify under a CPO;
- Agreement to pay a fixed amount of compensation for disturbance payments without the need for receipts, but with the ability for owners and occupiers to claim more if they can evidence the costs incurred;
- Offer of equity loans for resident leaseholders to assist them relocate elsewhere to a suitable equivalent property;
- Offer of a replacement home for every resident homeowner who wishes to return when the area is redeveloped; and
- Offer to pay loss of rent for non-resident landlord leaseholders provided that the landlord leaseholders complete on the sale within a period of six months from the start of negotiations, such payment due on completion of the sale.

1.8 **Review of the Constitution**

1.8.1 Regularly reviewing of the Constitution and its operation is recognised good practice. It is considered that with new legal advisors to the Council having been in operation for a year, now is a good time to review the document overall. There will lead officers for specific parts of the Constitution, for example, the Code of Corporate Governance was produced by the Audit & Risk Manager.

2 **Alternative Options**

2.1 No alternative options are proposed for the recommendations, the reasons for which are discussed above.

3 **Legal Implications**

3.1 The majority of the recommendations have legal implications for the Council and these are set out within the reasons for them.

4 **Financial Services**

4.1 The recommendations have no direct financial implications for the Council, except of Christine Ledge Square where budgetary provision has already been made by the Council for this project.

5 **Business Strategy**

5.1 Warwick District Council has adopted a Business Strategy which sets out key areas for service delivery. Most of the recommendations have no direct relationship to the strands within the Business plan and are based on good governance. However, the recommendation in respect of Christine Ledger Square relates directly to the Health, Homes and Communities strand in enabling improved housing delivered by the Council.

6 **Environmental/Climate Change Implications**

6.1 There are no direct environmental implications of the proposal in relation to the Council's policies and Climate Emergency Action Plan.

7 Analysis of the effects on Equality

7.1 The only aspect of the report in respect of equalities is the definition of the role of Chair of the Council. Explanation of this definition is contained within the report and 1.3.10, the reasons for this and the allowance within the Constitution to move away from this.

8 Data Protection

8.1 There are no data protection implications of the proposal.

9 Health and Wellbeing

9.1 There are no health and wellbeing implications of the proposal.

10 Risk Assessment

10.1 The most significant risk within the report is that relating to the determination of planning applications where the applicant is a former employee of the Council. This risk has been recognised in the challenge and resultant quashing of a planning application and legal advice is that action is taken to avoid further challenges to the Council.

11 Consultation

11.1 The Chairman of the Council and Group Leaders have been consulted on the proposal in respect of the Chairing the Council.

Background papers: None

Supporting documents: None

Summary and Background

The Council's Constitution - Local Government Act 2000 - SECTION 37 LGA 2000 (Constitutions) (England) Direction 2000

Warwick District Council has agreed a Constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose. The Constitution is divided into 16 articles which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are provided in separate rules and protocols at the end of the document.

What is in the Constitution?

- Article 1 of the Constitution commits the Council to quality and equality in all the services it provides. Quality of life within the District will be the Council's key consideration.
- Articles 2 to 16 explain the rights of citizens and how the key parts of the Council operate. These are:
 - Members of the Council (Article 2)
 - Citizens and the Council (Article 3)
 - The Council meeting (Article 4)
 - Chairing the Council (Article 5)
 - Overview and Scrutiny of Committees (Article 6)
 - The Cabinet (Article 7)
 - Regulatory and other committees (Article 8)
 - The Standards Committee (Article 9)
 - Area Committees and Forums (Article 10)
 - Joint arrangements (Article 11)
 - Officers (Article 12)
 - Decision making (Article 13)
 - Finance, contracts and legal matters (Article 14)
 - Review and revision of the Constitution (Article 15)
 - Suspension, interpretation and publication of the Constitution (Article 16)

How the Council Operates

The Council is composed of 446 councillors elected every four years. Councillors are democratically accountable to residents of their Wards. The overriding duty of councillors is to the whole community, but they have a special duty to their constituents, including those who did not vote for them.

Councillors are also referred to as members because once elected they are members of the Council. Councillors have to ~~agree to follow a~~ *the adopted* Code of Conduct to ensure high standards in the way they undertake their duties. The *Audit & Standards Committee* ~~trains and advises them on~~ *oversees the operation of the* Code of Conduct.

All Councillors meet together as the Council. Meetings of the Council are normally open to the public. Here Councillors decide the Council's overall policies and set the budget each year. The Council appoints the Leader *every four years, and all Committees annually. The Leader appoints the* Deputy Leader and Members of the Cabinet ~~and all Committees~~. The Council will receive the minutes of the Cabinet and of any Committees that make a recommendation to Council. On occasion it may

scrutinise Cabinet decisions but only on referral to it of that task by an Overview and Scrutiny Committee.

The Council will receive petitions and any one person presenting such a petition may address the Council on the subject for *a maximum of five* ~~three~~ minutes.

The Council will have an explicit commitment to openness in all of their dealings, subject only to the need to preserve confidentiality in those specific circumstances where it be proper and appropriate to do so, and by their actions and communications deliver an account against that commitment.

How Decisions are Made

The Cabinet is the part of the Council which is responsible for most day-to-day decisions. The Cabinet is made up of the Leader and up to nine other members (including the Deputy Leader). When major decisions are to be discussed or made, these are published in the Cabinet's Forward Plan in so far as they can be anticipated. If these major decisions are to be discussed with council officers at a meeting of the Cabinet, this will generally be open for the public to attend except where personal or confidential matters are being discussed. The Cabinet has to make decisions which are in line with the Council's overall policies and budget. If it wishes to make a decision which is outside the budget or policy framework, this must be referred to the Council as a whole to decide.

Overview and Scrutiny

~~There are two~~ is an Overview and Scrutiny Committees who supports the work of the Cabinet and the Council as a whole. ~~They~~ It allows citizens to have a greater say in Council matters by holding public inquiries into matters of local concern. These lead to reports and recommendations which advise the Cabinet and the Council as a whole on its policies, budget and service delivery. ~~The~~ Overview and Scrutiny Ceommittees also monitors the decisions of the Cabinet. Councillors can 'call-in' a decision which has been made by the Cabinet but not yet implemented for consideration by an Overview and Scrutiny Committee (see ~~page E13~~ *Council Procedure Rule 21*). This enables them to consider whether the decision is appropriate. They may recommend that the Cabinet reconsiders the decision. They may also be consulted by the Cabinet or the Council on forthcoming decisions and the development of policy.

The Council's Staff

The Council has people working for it (called 'officers') to give advice, implement decisions and manage the day-to-day delivery of its services. Some officers have a specific duty to ensure that the Council acts within the law and uses its resources wisely. The Member/Officer Protocol, contained in Part 5 of the Constitution) governs the relationships between officers and Councillors.

Citizen's Rights

Citizens have a number of rights in their dealings with the Council. These are set out in more detail in Article 3. Some of these are legal rights, whilst others depend on the Council's own processes. The local Citizens' Advice Bureau can advise on individuals' legal rights.

Where members of the public use specific council services, for example, as a council tenant, they have additional rights. These are not covered in this Constitution.

Citizens have the right to:

- vote at local elections if they are registered;
- contact their local councillor about any matters of concern to them;
- obtain a copy of the Constitution;
- attend meetings of the Council and its committees except for that part of the meeting where exempt or confidential information is disclosed;
- petition to request a referendum on a mayoral form of Cabinet;
- present a petition to the Council, or its Committees, or the Cabinet and any one person presenting a petition to the Council may address the Council on the subject for three minutes
- find out, from the Leader Forward Plan, what and when matters are to be considered by the Cabinet;
- attend meetings of the Cabinet where key decisions are being discussed or decided except for that part of the meeting when confidential or exempt information is to be disclosed;
- see reports and background papers (except where exempt or confidential information is disclosed) and any record of decisions made by the Council and its Committees and Cabinet;
- complain to the Council about the service delivered by the Council, the behaviour of an officer delivering a service or the correctness of a Council policy in accordance with the Council's complaints policy;
- complain to the *Local Government & Social Care Ombudsman or the Housing Ombudsman* if they think the Council has not followed its procedures properly. However, they can only do this after using the Council's own complaints process;
- complain to the Monitoring Officer of the Council if they have evidence which they think shows that a councillor has not followed the Council's Code of Conduct; and
- inspect the Council's accounts and make their views known to the external auditor.

ARTICLE 5 - CHAIRING THE COUNCIL

LOCAL GOVERNMENT ACT 1972 - SECTIONS 3-7 LOCAL GOVERNMENT ACT 2000 - SECTION 37 - CONSTITUTIONS DIRECTION PARAGRAPH 3(G)

5.01 Role and function of the Chair

The Chair of the Council and in their absence, the Vice-Chair will have both a ceremonial role and that of chairing Council meetings.

The Chair will be elected by the Council annually. The Chair will have the following responsibilities:

1. to uphold and promote the purposes of the Constitution, and to interpret the Constitution when necessary;
2. to preside over meetings of the Council so that its business can be carried out efficiently and with regard to the rights of councillors and the interests of the community;
3. to ensure that the Council meeting is a forum for the debate of matters of concern to the local community and the place at which members who are not on Cabinet are able to hold the Cabinet to account;
4. ~~to promote the District public involvement in the Council's at events activities and to celebrate the activities and achievements of the Council including its officers and councillors,~~ *to promote the District by attending appropriate events and functions, including achievements of the Council for both its officers and councillors. Attendance at any event outside the District to be approved by Group Leaders.*
5. The Chair may on occasions delegate attending functions to their Vice Chair, or in exceptional circumstances, another Councillor (normally the previous Chairman);
6. Cannot be a member of the Cabinet or Standards Committee;
7. Can decide to be called Chair, Chairwoman, Chairperson, or Chairman during their year in office;
8. Determine one or two charities, associated with the District, to advocate during their year in office, but not hold any specific events to fund raise for them.

Article 14 FINANCE, CONTRACTS AND LEGAL MATTERS

14.04 Authentication *and signing* of documents

Where any document is necessary to any legal procedure or proceedings on behalf of the Council, it will be signed by the Monitoring Officer or Chief Executive or other person authorised by them, unless any enactment otherwise authorises or requires, or the Council has given requisite authority to some other person.

Any Contract entered into on behalf of the local authority in course of the discharge of an executive function shall be made in writing. Any contract with value exceeding sums specified in the Public Contracts Directive must be made under the common seal of the Council.

Any reference to the signing of documents in this Article, or the wider Constitution of the Council, includes the use of an electronic signature. Any person authorised to sign on behalf of the Council is therefore also authorised to do so by electronic means.

14.05 Common Seal of the Council

The Common Seal of the Council will be kept in a safe place in the custody of the Monitoring Officer. A decision of the Council, or of any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Monitoring Officer should be sealed. The affixing of the Common Seal will be attested by the Monitoring Officer (or in their absence the Chief Executive) or some other person authorised by them.

Any reference to the Common Seal in this Article, or the wider Constitution of the Council, includes an electronic seal incorporating the design of the Common Seal. Any person authorised to affix the Common Seal is therefore also authorised to do so by electronic means.

Section 4 Scheme of Delegation

Additional Delegations

Authority to the Monitoring Officer to make minor changes to the Constitution in consultation with the Chair of the Council and Chair of Audit & Standards Committee and informing all Warwick District Councillors of such a change that has been made.

Authority be delegated to the Head of Place, Arts and Economy to determine the type of planning appeal, to defend all types of planning appeal (including an application where the Local Planning Authority is notified under other legislation) and to amend the Council's case before or during the course of a planning appeal, the latter being subject to consultation with the relevant Ward Member and the Chair of the Planning Committee.

Revised Delegations

- DS (70) Determine all applications submitted to Warwick District Council as required by the Town and Country Planning Act 1990 (as amended), Town and Country Planning (Control of Advertisement) Regulations 1992, and Planning (Listed Buildings and Conservation Areas) Regulations 1990, with the exception of the following:
- (i) Applications where a written request is received from a member of Warwick District Council within the specified consultation period i.e. 21 days that Committee referral is required. Such requests should clearly state the reasons why a Committee referral is required.
 - (ii) Applications where 5 or more valid representations are received where these are contrary to the officers' recommendation unless the Head of Development is satisfied that the plans have been amended to address the concerns raised so that there are no more than four contrary representations.
 - (iii) Applications where the recommendation of the Head of Place, Arts and Economy i.e. Grant/Refuse is contrary to the representations made by a Parish/Town Council, i.e. Object/Support, except in the following circumstances:
 - a. the Head of Place, Arts and Economy is satisfied that the plans have been amended to address the concerns of the Parish/Town Council;
 - b. where the representations made by the Parish/Town Council do not raise any issues which are material to the planning assessment of the particular application; or
 - c. where the concerns of the Parish/Town Council have been previously considered as part of the assessment of an extant permission on the site and there has been no change in circumstances
 - (iv) Applications where the principle of development would represent a material departure from any policy within the Development Plan.
 - (v) Applications known to be submitted by or on behalf of a Warwick District Councillor, Warwick District Council employee ~~or former~~ employee of the Council, or the spouse/partner of any such person.

- (vi) Applications submitted by Warwick District Council, *Milverton Homes (either solely or as part of another Joint Venture), any Joint Venture (or similar) the Council is part of* or Warwickshire County Council (*including Warwickshire Property Development Company*), other than for approval of routine minor developments.
- (vii) Where applications are to be refused and enforcement action is being recommended, following consultation with the Chairman and Vice-Chairman of the Committee and the relevant ward member(s) except in the circumstances where the Head of Place, Arts and Economy considers it appropriate for that matter to be determined by Planning Committee.
- (viii) Applications where an Environmental Impact Assessment has been provided.
- (ix) Any application which raises significant issues such that in the opinion of the Head of Place, Arts and Economy, it would be prudent to refer the application to Planning Committee for decision.

DS (70a) In consultation with the Portfolio Holder for Place and relevant Ward Councillors, to

- (i) determine minor variations to S106 agreements
- (ii) to enter into section 106 agreements when the application has been determined by the Head of Place, Arts and Economy under delegated authority DS(70)
- (iii) *to enter into appropriate section 106 and other agreements when the application has been determined by the Planning Inspector or Minister*

A(2) Authority to affix the Common Seal where appropriate approval(s) have been given .

Chief Executive, Deputy Chief Executive, Monitoring Officer, and Programme Director for Climate Change (individually).

Title: Milverton Homes Limited Governance Audit Report
Lead Officer: Lisa Barker / Andrew Jones
Portfolio Holder: Councillor Wightman
Wards of the District directly affected: None

Approvals required	Date	Name
Portfolio Holder	19.06.2023	Cllr Paul Wightman
Finance	19.05.2023	Victoria Bamber
Legal Services	19.05.2023	Kathryn Tebbey
Chief Executive	13.06.2023	Chris Elliott
Head of Service(s)	Authors	Lisa Barker/Andrew Jones
Section 151 Officer	13.06.2023	Andrew Rollins
Monitoring Officer	Author	Andrew Jones
Head of Governance	02.06.2023	Graham Leach
Leadership Co-ordination Group	19.06.2023	
Final decision by this Committee or rec to another Cttee / Council?	Yes	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No/Yes, Forward Plan Ref 1,366 – scheduled for 05.07.2023	
Accessibility Checked?	Yes	

Summary

Milverton Homes Limited (MHL) is a company wholly owned by Warwick District Council, incorporated on 8th January 2021.

After a period of operation, an internal audit review was commissioned to provide assurance that the Council has appropriate governance arrangements in respect of MHL that protect the Council as an entity, as well as its officers and Councillors as individuals.

This report sets out the findings of that audit and offers recommendations to increase assurance in this area.

Recommendation(s)

That Cabinet:

- (1) Notes the findings of the internal audit review commissioned by the Deputy Chief Executive and the response to the findings at 1.1.7.
- (2) Notes the statement of alignment to the Council's Business Strategy.
- (3) Approves the establishment of a Shareholder Representative Board and removes the role of Shareholder Representative from the Deputy Chief Executive to be replaced by the Council's Monitoring Officer with effect from 1st August 2023.
- (4) Approves the Terms of Reference for the Shareholder Representative Board at the Appendix 1.
- (5) Notes the performance targets set for MHL.
- (6) Approves the Council's Exit Strategy from MHL.

1 Reasons for the Recommendations

1.1 Recommendation (1) – MHL Governance Overview

- 1.1.1 MHL has well established governance arrangements in place to provide the Council with control in respect of the operation of the company and its financial arrangements. These arrangements are set out in the Articles of Association and Shareholders Agreement (confidential item) which Members can view through the Committee Management System.
- 1.1.2 As with all companies, MHL is required to provide audited accounts on an annual basis which are submitted to Companies House. An auditor/accountancy firm that is independent to the Council's auditor has been appointed by MHL. The auditors were asked to consider any governance gaps when undertaking their work. They did not make any recommendations.
- 1.1.3 Monthly Board meetings are held for MHL with papers circulated to the Board in advance and meetings being minuted. Warwickshire Legal Services provide MHL with the Company Secretarial Role. Each month the Board consider standard agenda items which include: Declaration of interest, Finance update, horizon scanning, sites of interest and the Joint Venture (JV).
- 1.1.4 New Members may not be aware that in August 2021, MHL entered into a Joint Venture (Crewe Lane Kenilworth JV LLP) arrangement with Vistry Linden

Limited for the purchase of land at Crewe Lane, Kenilworth to facilitate the construction of 620 homes. The purchase was enabled by a £60m loan from this Council to the JV.

- 1.1.5 MHL has established a number of documents that are deemed by the Board to be a requirement for good organisational management. These include:
- A comprehensive Risk Register which is reviewed by the Board on a quarterly basis.
 - Financial Regulations
 - Annual Business Plan

1.1.6 Housing companies and Joint Venture arrangements are not unusual in the local government sector and if risks are properly managed through effective managerial and Political oversight then these arrangements can be effective contributors to the Council's strategic objectives. Regrettably, there have been a number of high-profile incidences where Council companies' governance arrangements have broken down with dire consequences for the Council and local taxpayers. Therefore, twelve months following the establishment of the JV, the Deputy Chief Executive considered it prudent to commission a governance review of MHL and the way the company's actions were being monitored by the Council. The review was undertaken by the Council's Audit & Risk Manager.

1.1.7 The findings from the review and the latest position are detailed in the table below.

Review Finding	Commentary
A. Clarity is required over the Council's risk appetite in relation to the Company's operations and the financial investment it is willing to make in the Company.	Cabinet and the Council consider an Annual Business Plan for the Company where investment proposals are raised, and decisions made. Risk is mitigated by the Council having control rights and finances are secured against assets. It is acknowledged that the Business Plan has thus far not kept to the required timeline, but this will not be the case in future years.
B. A clear statement is required explaining how the Company is aligned with the Council's purpose and objectives and, how, through the Company, these are fulfilled.	See recommendation 2 and paragraph 1.2 below. This will be reviewed following any change in Business Strategy as a result of the change in administration of the Council.
C. A shareholder board should be established to provide strategic direction, including advising the shareholder representative in their role representing the Council at meetings of the	See recommendations 3 and 4, and 1.3 and 1.4 respectively below.

<p>company. Clearly, terms of reference for the shareholder board will need formulating. This is a particularly important issue. A shareholder board will provide necessary oversight from a shareholder's perspective providing a mechanism for councillors to have a crucial role in holding the company to account. The shareholder board's role is to ensure that the objectives and policies that the Council, as the shareholder, has established for the company are being adhered to. It will need to liaise with the Council's Audit and Standards Committee and report and make recommendations to Cabinet.</p>	
<p>D. The Council should set clear and measurable performance targets by which to monitor the Company, in particular to monitor achievement of objectives. The Joint Venture has an external project monitor but monitoring of Milverton Homes overall is weak, partly due to limited staff resource in the Accountancy team.</p>	<p>See recommendation 5 and 1.5 below.</p>
<p>E. Enhanced monitoring of the operations and general arrangements is required by the Audit and Standards Committee, especially to identify and address key risks that could impact the Council in respect of ownership of a company.</p>	<p>The Chair of the Audit and Standards Committee will be part of the Shareholder representative board. Overview & Scrutiny Committee will be able to call in the Annual Business Plan and any MHL related Cabinet reports for consideration. Audit & Standards Committee will receive an annual report on the Governance arrangements that are in place to support Milverton Homes.</p>
<p>F. In relation to the above, Members should receive training to enable them to undertake effective scrutiny.</p>	<p>A package of training for the new Council has been compiled by the Monitoring Officer in consultation with the Group Leaders. The Monitoring Officer will ensure that the Council's arms-length companies are covered in an appropriate training session.</p>

<p>G. Currently, financial monitoring is somewhat haphazard, mainly due to pressures on staffing resources in Accountancy. As a consequence there is not consistent and regular monitoring of the performance of the company. This needs to be addressed.</p>	<p>A Service Level Agreement between WDC and MHL has now been established. Officers are still working on quarterly financial reporting arrangements and by the time of the Cabinet meeting these arrangements will have been concluded.</p>
<p>H. The Council's Section 151 Officer should be more actively engaged with the financial operations of the Company, perhaps meeting regularly with the appropriate company Director and/or receiving reports on the Company's financial position.</p>	<p>It is proposed that the Section 151 is appointed to the Shareholder Representative Board. The Deputy Chief Executive & Monitoring Officer confirmed that the s151 has taken an active role in the oversight of the company. He has only agreed the release of working capital and loan finance following detailed investigation.</p>
<p>I. It is imperative that, as soon as possible, the Council prepares an Exit Strategy in preparation for any decision being taken to dissolve the Company.</p>	<p>See recommendation 6 and 1.6 below.</p>
<p>J. The Council should exert greater pressure on the company when and if the Company is deemed to be slow or reticent in producing relevant documentation such as was the case with the production of the Company's Business Plan.</p>	<p>The Council and MHL have now agreed a Service Level Agreement and named accountants have been allocated to roles for each of the respective parties. It will be the responsibility of the S151 Officer to ensure that appropriate time is allocated so that the Business Plan can be completed in accordance with the Shareholder's Agreement.</p>
<p>K. Service level agreements need to be in place and signed in order to avoid strained relationships arising where services are not provided adequately, or payment is not received from the Company. It is imperative that there is a written agreement or memorandum of understanding outlining which services are to be provided and how the Council will recover costs. (It is</p>	<p>A Service Level Agreement is now in place.</p>

<p>understood that this has now been addressed.)</p>	
<p>L. The Company's decision-making process needs to be formalised and documented. (The auditor was advised that there is a process and that this is followed consistently and effectively. Nevertheless, this process needs formally documenting.)</p>	<p>The process for decision-making is now documented.</p>
<p>M. All internal communications of a significant nature between senior Council employees and the Directors of the Company should be formally documented i.e. made in writing or confirmed in writing with such communications being available for inspection.</p>	<p>The Deputy Chief Executive & Monitoring Officer, current S151 Officer and supporting accountants routinely retain all e-mail communication between the Council and the company and verbal decisions are followed-up with a confirmatory e-mail.</p>
<p>N. Loan agreements between the Council and the Company are not documented and signed. An agreement needs to be in place before the purchase at the end of the year of the first three units from the JV.</p>	<p>The three show-homes at Crewe Lane have now been purchased by MHL via a WDC loan. All necessary documentation is in place the transaction being led by the Council's solicitor. No transactions have taken place either with MHL or the JV where necessary contractual documentation is not in place.</p>
<p>O. Succession planning and dissemination of knowledge across the senior management team is required to ensure that expertise is maintained and is not vested in just one senior officer.</p>	<p>The Shareholder Representative Board will consider this matter at its second meeting.</p>
<p>P. Officer awareness training sessions should be developed and undertaken in order to improve understanding and reduce suspicion or concerns that staff may have in relation to the setting up and operation of the Company. This has become even more urgent since Stratford District Council raised</p>	<p>The Head of Housing has used a number of staff forums to communicate the activities of the company and its plans for the future. This communication will continue as the company's activities gather pace.</p>

its concerns about the arrangements.	
<p>Q. Although initially considered and rejected, renewed consideration should be given to having a Member on the Company's board or at least for, say, the Chair of Audit and Standards Committee to attend the Company's board meetings.</p>	<p>This has been reconsidered and rejected although with the proposed establishment of the Shareholder Representative Board, this is something that Members, who will now have a greater oversight, will want to review taking into account legal advice from the Council's solicitor. Legal Services advise against having a Member on the Board. Members cannot put aside their obligations to the Council rather than the Company. When both align, all appears well but this does not address the fundamental point of conflict. Further, such a Member then is in a difficult position in terms of participation in the formal business of the Council. Frequently, they will have to declare a DPI and not just when considering and voting on the budget etc. A Member who is asked to step out of the budget vote will feel disenfranchised. Members could attend Board at intervals subject to acceptance of confidentiality of commercially sensitive info. What they mustn't do, however, is to become shadow directors.</p>

1.2 Recommendation (2) – statement of alignment to the Council's Business Strategy

- 1.2.1 The Council's Business Strategy 2020-2023 states that the Council's vision is 'to make Warwick District a great place to live, work and visit, and carbon neutral by 2030'. Within the Fit For The Future strands is the outcome to ensure that 'Housing needs for all are met', and to 'Maximise income earning opportunities'.
- 1.2.2 MHL contributes to this vision as set out in the report presented to Cabinet on 10th December 2020. The report states that 'establishing a LHC (*Local Housing Company*) would assist Warwick District Council to take a commercial approach to the delivery of new homes and offer a range of products to assist in the delivery of local housing needs. Furthermore, it can offer an alternative to traditional private rented options by offering a good quality product through a trusted organisation.

The LHC model has the aim of making significant contributions to the Council's income in the face of funding shortfalls, and by doing so, put services on a more sustainable footing to support local people as well as raising money to invest in

our priority outcomes’.

- 1.2.3 The Shareholder Agreement sets out the following as Objectives of the Company:
- (a) To be profitable and generate short- and long-term financial returns for WDC as shareholder;
 - (b) To deliver much needed housing within the district and outside of the district, where appropriate;
 - (c) To strive to develop homes that are carbon neutral;
 - (d) To endeavor to provide excellent quality market rented homes provided by a trusted landlord.
- 1.2.4 As noted above, at paragraph 1.1.4 ,MHL has formed a JV with Vistry to which the Council has provided a loan to finance the purchase of land and to develop housing. This is forecast to deliver loan profit to the Council of £9.1m and development profit to MHL of £6.5m. Loan profit is profiled to come into the Council in regular tranches and can be evidenced to be delivering in accordance with the profile.
- 1.2.5 Through the involvement with MHL, half of the residential properties being built at the JV site at Crewe Lane are zero- carbon to SAP standards. This is great news for the environment and good news for residents of these new homes.

1.3 Recommendation (3) – Establishment of a Shareholder Representative Board

- 1.3.1 On 25th July 2022 Council appointed the Deputy Chief Executive and Monitoring Officer to take the Shareholder Representative role, removing this from the Head of Finance.
- 1.3.2 The audit report has suggested the need for a Shareholder Representative Board thereby negating the need for a single Shareholder Representative. Indeed, the audit report advises against vesting experience in one senior officer. Nevertheless, there is a proven need for a person who can take the lead on progressing work on a day-to-day basis and it is proposed that this role passes to the S151 Officer (Head of Finance) for financial matters and the Monitoring Officer for governance matters with both seeking ratification of decisions from the named Shareholder Board Councillors.
- 1.3.3 It is proposed that the Board has the following structure as set out in the Terms of Reference.

Councillors

Leader

Deputy Leader

Portfolio Holder for Housing

Portfolio Holder for Resources

Chairman of Audit & Standards

Leader of Lib Dem, Conservative and WRA Groups

Advising officers

Head of Finance

Legal Services representative

Monitoring Officer (who will act as Chair)

Officers to Attend

Council appointed Executive Directors of Milverton Homes Limited.

Principal Accountant (Appointed to Milverton Homes)

Principal Accountant (Housing)

1.4 Recommendation (4) – Terms of Reference for the Shareholder Representative Board

- 1.4.1 The Terms of Reference of the Board will be to review performance of MHL and the JV against agreed objectives and the SLA.
- 1.4.2 It will also receive the proposed business plan for comment at least two months before it is to be presented to Cabinet, along with an annual review of the governance arrangements completed by the Monitoring Officer.
- 1.4.3 The views of the Board will be presented to the Cabinet as part of the business plan and the governance review will be separately reported to the Audit & Standards Committee.
- 1.4.4 Meetings will take place on a quarterly basis.
- 1.4.5 The Terms of Reference will be reviewed annually by Cabinet alongside the Business Plan for MHL.
- 1.4.6 The proposed Terms of Reference are at Appendix 1.

1.5 Recommendation (5) - Performance Targets set for Milverton Homes Limited

- 1.5.1 Some performance targets are already contained within the Shareholder Agreement, and these are:
 - 6.1 The Company shall prepare a Business Plan in respect of each financial year that shall include an overview of the planned activity for that financial year and an explanation of how that planned activity furthers the Company's Objectives, which shall be submitted to WDC no earlier than four months and no later than two months before the end of each financial year.
 - 6.2 The Annual Budget for each financial year shall form part of the Business Plan. The Annual Budget shall be reviewed by the Board quarterly.
 - 6.4 (a) the audited accounts of the Company and any subsidiaries for each financial year as soon as practicable and, at the latest, by four months after the end of that financial year.
 - 6.4 (b) quarterly performance reports, cash flow statements and cash flow forecasts for the company.
- 1.5.2 There are additional targets set for the company which are reviewable by the Shareholder Representative Board. These are planned to be delivered on a quarterly basis to the Shareholder Representative Board:
 - Board Cover Report and comments on the Finance information and appendices for Shareholder
 - Performance Report - Profit & Loss - Income & Expenditure Statement
 - Balance Sheet
 - Cash Flow Statement
 - Cash Flow Forecast –MHL Business Plan updated to show a revised forecast year end position from the Board
 - Risk Register
 - New business proposals and updates

1.6 Recommendation (6) – Exit Strategy

- 1.6.1 Legal advice is that prior to any decision to dissolve the company, a full report is commissioned/prepared at that time looking at the financial and legal implications in the round, the risks and options. Only then can a fully informed decision be made on dissolution and the steps required. For example, it might reveal that there is a sweet point for dissolution at some defined point or that winding down before winding up may be appropriate. Much will depend on the circumstances at the time. Paragraphs 1.6.2 & 1.6.3 then become matters that might form some of the steps considered.
- 1.6.2 Should any decision be made to dissolve the company, there is a clear option for the Council to liaise with the Board of MHL to determine the future of any property in the ownership of MHL. The options would be for the properties:
- To be purchased from MHL by the Council for use as affordable housing, a move that would likely attract investment funding from Homes England thereby reducing the costs directly falling to the Housing Revenue Account.
 - Sold on the open market.
 - Sold to current residents of that property.
- 1.6.3 Any monies that would be available following liquidation/dissolution would be payable to the shareholder by way of dividend. Alternatively, the Council could undertake an appraisal of each property to determine the most appropriate form of action. There are existing processes in place that could be deployed to support this activity. The Housing team, working collaboratively with the Finance team, would lead on the activity.

2 Alternative Options

- 2.1 The recommendations of Internal Audit could not be acted upon however, this would not assist the Council to strengthen its governance arrangements and achieve enhanced levels of assurance.

3 Legal Implications

- 3.1 The responses to the audit review recommendations address any outstanding legal issues.

4 Financial

- 4.1 No direct impact from this report.

5 Business Strategy

- 5.1 Health, Homes, Communities - The proposals support residents living in safe and secure homes and environments.
- 5.2 Green, Clean, Safe – The homes that MHL are providing are energy efficient buildings that enables energy costs to be lowered.
- 5.3 Infrastructure, Enterprise, Employment – There are no direct impacts for this aspect of the strategy.
- 5.4 Effective Staff – Managers across the organisation have been briefed on the operation of Milverton Homes and the benefits to the Council of having this company.
- 5.5 Maintain or Improve Services – The inward income facilitated by MHL enables investment in service provision and thereby supports local communities.
- 5.6 Firm Financial Footing over the Longer Term – MHL provides opportunities to

deliver a safe, cost-effective long-term solution to support the ambitions of the Council's Business Strategy.

6 Environmental/Climate Change Implications

6.1 None as a direct consequence of this report.

7 Analysis of the effects on Equality

7.1 None as a direct consequence of this report.

8 Data Protection

8.1 There are no specific data protection implications associated with the proposals in this report.

9 Health and Wellbeing

9.1 None as a direct consequence of this report.

10 Risk Assessment

10.1 The proposals within this report mitigate risks in relation to the governance arrangements between the Council and MHL. Therefore risks raised during the audit are reduced.

11 Consultation

11.1 Consultation with the Audit & Risk Manger has taken place throughout the drafting of this report.

Background papers:

Cabinet report 10th December 2020 – Item 5 – Formation of a Local Housing Company.

Supporting documents:

Proposed Terms of Reference

MILVERTON HOMES SHAREHOLDER REPRESENTATIVE BOARD TERMS OF REFERENCE

1. Objectives:

- 1.1 The Milverton Homes Shareholder Representative Board is to oversee the stewardship, accountability and monitoring for the Council's Housing Company and Joint Venture arrangements. In doing so, the Board seeks to balance the interests of the various stakeholders for the Company and Joint Venture to have a successful and sustainable future.
- 1.2 The Board will review performance of Milverton Homes Limited (MHL) and the Joint Venture (JV) against agreed objectives and the SLA.
- 1.3 It will also receive the proposed business plan for comment at least two months before it is to be presented to Cabinet, along with an annual review of the governance arrangements completed by the Monitoring Officer.
- 1.4 The view of the Board will be presented to the Cabinet as part of the business plan and the Annual Governance review will be separately reported to the Audit & Standards Committee.

2. Composition of the Board:

- 2.1 The Board will be made up of the following:

Councillors

Leader

Deputy Leader

Portfolio Holder for Housing

Portfolio Holder for Resources

Chairman of Audit & Standards

Leader of Lib Dem, Conservative and WRA Groups

Advising officers

Head of Finance

Legal Services representative

Monitoring Officer (who will act as Chair)

Officers to Attend

Council appointed Executive Directors of Milverton Homes Limited.

Principal Accountant (Appointed to Milverton Homes)

Principal Accountant (Housing)

3. Quorum

- 3.1 The quorum for any meeting of the Board shall be the Leader or Deputy Leader, one Portfolio Holder, the Chair of Audit & Standards Committee, the Head of Finance and the Monitoring Officer.
- 3.2 The members of the Board may participate from any location by means of conference technology or other communication equipment which allows those participating to hear each other and be heard and shall be entitled to vote or be counted in the quorum accordingly.

4. Meetings

- 4.1 Will be chaired by the Monitoring Officer
- 4.2 Meetings will be held quarterly and subject to the availability of Councillors.

- 4.3 Additional meetings can be called by any of the members of the Board.
- 4.4 Each meeting will have formal minutes with the actions or comments included in the formal decision-making report to Cabinet or the relevant Committee.
- 4.5 The paperwork for the meeting will only be available for those who are responsible to attend.

5. Decision making/Board resolutions.

- 5.1 The Board shall reach its view through agreement and consensus. Where this cannot be reached a majority view can be recorded or further work can be requested from officers for consideration by the Board.

6. Conflicts of interest of individual Board Members

- 6.1 Members of the Board are bound by their respective Codes of Conduct and statutory responsibilities to the Council and any company.
- 6.2 If a member of the Board finds themselves with a conflict of interest, they shall immediately disclose this to the meeting and where appropriate excuse themselves from any deliberations or votes of the Board concerning the relevant subject-matter.

7. Matters delegated to the Board by Cabinet (Shareholders)

7.1 Milverton Homes

- 7.1.1 Review and pass comment on the Business Plan and Annual Budget for Milverton Home at least two months prior to its formal submission to the Council.
- 7.1.2 Review the audited accounts for Milverton Homes and any subsidiaries for each financial year, providing advice to Cabinet.
- 7.1.3 Receive quarterly performance reports, cash flow statements and cash flow forecasts for the company.
- 7.1.4 Monitor the Risk Register.
- 7.1.5 Review the Financial Regulations and Business Continuity Plan providing commentary to the company.
- 7.1.6 Advise on any proposed deviations or changes to the shareholder agreement.

7.2 Joint Venture

Receive and review:

- 7.2.1 Reports from Council officers in respect of the Loan provided to the Joint Venture including activity over the quarter.
- 7.2.2 Narrative explaining the current positions from the Council's perspective.
- 7.2.3 Crewe Lane loan balances and repayment timing - £60m
- 7.2.4 Interest Income summary from £60m loan
- 7.2.5 Crewe Lane profitability analysis of WDC's Share of JV Profit – Using Crewe Lane Vistry JV Finance model from the Council's Loan Legal Agreement and the Viability/Profitability report
- 7.2.6 Any relevant risk issues linked with the Crewe Lane development.

8. Meeting support

- 8.1 This will be provided via the Council's officer administrative support.
- 8.2 This will include arranging meetings (including attendance by guests), agenda preparation, minute taking and subsequent distribution.

9. Review

- 9.1 The Terms of Reference will be reviewed annually by the Monitoring Officer and reported to the Cabinet alongside the Business Plan for MHL.

Title: Local Authority Housing Fund Award Round 2

Lead Officer: Lisa Barker

Portfolio Holder: Councillor Wightman

Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder		Cllr Paul Wightman
Finance	15.6.2023	Victoria Bamber
Legal Services		
Chief Executive	8.6.2023	Chris Elliott
Head of Service(s)	08.06.2023	Lisa Barker
Section 151 Officer	19.06.2023	Andrew Rollins
Monitoring Officer	15.06.2023	Andrew Jones
Leadership Co-ordination Group		
Final decision by this Committee or rec to another Cttee / Council?	No Recommendation to: Council	
Contrary to Policy / Budget framework?	Yes	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No	
Accessibility Checked?	Yes	

Summary

The Department for Levelling Up, Housing and Communities (DLUHC) has advised that Warwick District Council is eligible for a grant award of £919,200 from a national award of £250 million to support the purchase of 6 properties to provide sustainable housing primarily for Afghan families seeking refuge in the area. The aim of the report is to seek approval for the purchases and the additional funding required to complete the purchases within the required timeframe.

Recommendation(s)

1. That Cabinet recommends to Council a total expenditure budget allocation of up to £2,046,780 to purchase 6 dwellings in the Housing Revenue Account (HRA) and enter into applicable necessary legal agreements to purchase the dwellings. Of this total the HRA will fund £1,127,580 and DLUHC grant of £919,200 will provide 40% match funding for the purchase of 6 properties and to allow for potential sustainability/ environmental improvements to the properties.
2. That Cabinet delegates authority to the Head of Housing to purchase the properties, entering into any necessary legal agreements.
3. That Cabinet delegates authority to the Head of Housing in consultation with the Portfolio Holder for Housing to determine the optimum means of allocating these properties.
4. That Cabinet delegates authority to the Head of Finance in consultation with the Portfolio Holders for Finance and Housing and the Head of Housing to determine the means of financing the scheme.

1 Reasons for the Recommendation

1.1 Background to the Local Authority Housing Fund Scheme (LAHF)

1.1.1 The LAHF was launched on 14 December 2022. The details of the fund were shared with the Council in the document 'Local Authority Housing Fund – Prospectus and Guidance' ('the Prospectus'). It is a £500m capital grant fund to support local authorities in England to provide sustainable housing for those unable to secure their own accommodation i.e., Afghan and Ukrainian refugees. On the 7th June, DLUHC wrote to WDC to announce round 2 of the scheme and to advise that WDC was eligible for further grant.

1.2 Objectives of the LAHF Scheme

1.2.1 The objectives of the scheme are:

- Provide sustainable housing to those on Afghan resettlement schemes at risk of homelessness so that they can build new lives in the UK, find employment and integrate into communities.
- Reduce local housing pressures beyond those on Afghan resettlement schemes by providing better quality temporary accommodation to those owned homelessness duties by local authorities.
- Reduce emergency, temporary and bridging accommodation costs.
- Reduce impact on the existing housing and homelessness systems and those waiting for social housing.

1.3 LAHF Scheme

1.3.1 The DLUHC has awarded Warwick District Council a total of £919,200 which is consistent of two separate grant elements.

1.3.2 The First element is £799,200 to purchase:

- 5 properties for households that meet the eligibility criteria referred to as the 'the resettlement element';
- 1 property to be allocated to temporary accommodation.

1.3.3 The £799,200 grant represents 40% of the purchase price.

1.3.4 There is also a grant allocation of £120,000 which is £20,000 per property to cover other expenses. These expenses can include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration, furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items. The Council should ensure it complies with the CIPFA Code of Practice for Local Authority Accounting.

1.3.5 The DLUHC have applied a deadline that the properties have to be acquired by 29th March 2024.

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

1.3.7 The 5 resettlement properties are solely for Afghan households whereas the 6th property can be used to provide quality temporary accommodation to those owed a homelessness duty by local authorities. This presents problems for authorities in that Council homes must only be allocated through its published Housing Allocations Policy. DLUHC propose that Councils use Local Lettings policies or provide the properties through a Registered Provider or the Councils Local Housing Company. There are advantages and disadvantages of each of these methods and further work is required to establish the optimum means of allocating these properties.

2 Alternative Options

2.1.1 An alternative option is to refuse the allocation and not purchase additional properties to assist the Afghan and Ukrainian refugees. However, grant is being provided to assist with the purchase of properties and it will contribute to the number of social properties in the District.

3 Legal Implications

3.1 There are legal implications concerning the households who are housed in the purchased properties. For those not in bridging accommodation, the local authority does not have to have accepted a Housing Act 1996 Part 7 homelessness duty in respect of the household for the household to be eligible, but the local authority should satisfy themselves that the household is already or would otherwise be homeless or at risk of homelessness if this accommodation was not available.

3.2 At the point of writing this report we are seeking professional advice on the Housing Allocations, tenancies and licences required to house this cohort.

4 Financial

4.1 To purchase the 6 dwellings a mix of Public Works Loans Board (PWLB) borrowing and grant from DLUHC's Local Authority Housing Fund (LAHF) will be

required. As per the conditions in the Memorandum of Understanding (MOU) between DLUHC and the Council It is not possible to use other HRA capital receipts to fund the purchase of these dwellings such as Right to Buy or S106 receipts.

- 4.2 A full lifecycle payback appraisal has been completed to assess the viability of the overall LAHF Scheme and it has been deemed viable with a real time payback of 26 years as noted in the below table summarising the appraisal costs.

Development Vehicle	HRA
Payback Period in Years	26
Number of Units	6
Legal, Valuation & Other Fees	28,800
STLD (Exempt)	-
Acquisition Expenditure	1,998,000
Other acquisition Related Costs & Contingencies	19,980
Grant for Dwellings	- 799,200
Grant - Extra £20k per dwelling	- 120,000
Total Loan Required	1,127,580
Borrowing Interest Expenditure	1,508,154
HRA Management, Major Repairs, Insurance & Maintenance Expenditure	344,119
Net Position Excluding ongoing Management and Rents	2,979,853
Income from Affordable Rents	- 3,282,198
Less 3% Voids	98,466
Less 2% Bad Debts	65,644
Less Income loss from RTB at 5%	138,235
Total Income	- 2,979,853
Net Impact (0 = Breakeven)	- 0
Financially Feasible?	Yes

- 4.3 A cashflow of the financial appraisal has also been modelled over the payback period which confirms that that the income from rent will fully fund the repayment of the loan interest and all other costs for all years of the scheme and does not put any financial burden on the HRA Business Plan also being presented to March Cabinet alongside this report.
- 4.4 As per the DLUHC LAHF MOU, the 6 dwellings will need to charge an affordable rent in line with the national rent policy which is 80% of Local Market Rent. Where benefit is used to pay the rent by the tenant it will be fully benefit eligible.
- 4.5 It is Council Policy to secure 40-year PWLB loans for dwelling acquisition. Borrowing from the PWLB will be required and a forecast of the % interest rate has been calculated as 5.02% using the PWLB rate at the time of writing this report of 5.62% less the -0.2% PWLB certainty rate discount and the 1 year only HRA special -0.4% reduction rate that is allowed to be applied to borrowing.
- 4.6 The Loan will need to be an annuity loan which means the loan capital and interest is paid off annually over the 40-year term using the income from the rents in a similar fashion to a traditional house buyers' mortgage.

- 4.7 As outlined, the main element of the grant consists of 40% of the total funding which in real terms means the Council will receive £919,200 which will be paid in two instalments of 30% in 2023 in either July or August and 70% of funding in October/December after demonstrating that 60% of the first payment has been committed (earliest payment point September 2023) as noted in the below table:

	Tranche 1 allocation	Tranche 2 allocation	Total grant
Total funding	£275,760	£643,440	£919,200

- 4.8 It has been identified that to meet the cost criteria and to deliver the scheme in the proposed timeframes, purchases on the open market are the preferred approach. However, private developers may be prepared to offer properties.
- 4.9 The properties will be eligible to the usual social and affordable housing Right to Buy Legislation; but as they are partly funded from DLUHC grant there may be exemptions from the Right to Buy Capital Receipts Pooling that could be claimed to enable the Councils HRA to retain more of the capital receipts. The RTB Capital receipts are usually paid in part to the Government Treasury Department with a percentage of the receipt being retained to recycle back into acquiring replacement dwellings.
- 4.10 In line with the MOU If properties are disposed of at any point in the future, they will be subject to the Recycled Capital Grant regulations which the Council already has in place linked to the Homes England Affordable Homes Programme. This means that any capital receipts received from the sale of the dwellings must be recycled to buy other housing stock or repaid to DLUHC.
- 4.11 Stamp Duty Land tax (SDLT) has been excluded as part of the Spring Budget 2023, the Chancellor announced a change to the Stamp Duty Land Tax (SDLT) rules to ensure that purchases made by registered providers of social housing using the Local Authority Housing Fund (LAHF) qualify for the exemption from SDLT. Section 71 of Finance Act 2003 (certain acquisitions by registered social landlords) is amended to ensure that purchases of social housing (as defined by Part 2 of the Housing and Regeneration Act 2008) made with the assistance of a grant given under section 31 of the Local Government Act 2003) qualify for the SDLT exemption. This change has effect for transactions which complete, or which substantially perform, on or after 15 March 2023.
- 4.12 At the time of writing this report, this scheme is financially viable on its own merit and does not require funding to be injected from the overall HRA finances if borrowing is used as the core source of financing along with grant. However if PWLB borrowing rates continue to increase due to the recent gilt market issues causing inflated borrowing rates there will have to be an injection from other HRA capital receipts where allowed and the option of using the HRA Capital Investment Reserve (CIR) to mitigate any further increases in Interest Rate %'s, extending the lifecycle payback of the scheme up the industry averages of 40-50 years is another option that could be adopted. It is noted that the current 2023/24 Opening Balance of the HRA CIR after considering the draft 2021/22 year-end financial statements transactions is estimated at £25.5m pre sign off from the Councils External Auditors Grant Thornton.

- 4.13 An estimated cost of this scheme will be factored into the revised HRA Business Plan Report & HRA Housing Investment Plan which is next due to be presented to Cabinet in December 2023.

5 Business Strategy

The LAHF complies with the Business Strategy in the following way:

- 5.1 Health, Homes, Communities - The proposals support increasing homes for residents living in safe and secure homes and environments.
- 5.2 Green, Clean, Safe – The purchase of housing to meet the needs of the client group would be providing safe housing for vulnerable households.
- 5.3 Infrastructure, Enterprise, Employment – There are no direct impacts for this aspect of the strategy.
- 5.4 Effective Staff - There are no direct service impacts by these proposals.
- 5.5 Maintain or Improve Services – There are no direct service impacts by these proposals.
- 5.6 Firm Financial Footing over the Longer Term. The proposals enable the purchase of additional properties with grant support with the rental income paying loan finance and complying with this strategic aim.

6 Environmental/Climate Change Implications

- 6.1 When the properties are purchased, either existing or new build, the aim will be to identify properties with EPC ratings C and above to ensure they meet decent homes standards and do not require further expenditure to meet environmental quality standards.

7 Analysis of the effects on Equality

- 7.1 There are no implications on equality with this project.

8 Data Protection

- 8.1 There are no data protection implications with this project.

9 Health and Wellbeing

- 9.1 This project will provide 6 additional homes to provide safe accommodation.

10 Risk Assessment

- 10.1 The principal risks and mitigations associated with the project are:

Key risks	Mitigation
Lack of resource to project manage the scheme and purchase the properties by the deadline of 24 th March 2024. This is for the purchases, but also the assets team to organise works and landlord services and allocations to ensure a smooth process for the tenant and all concerned.	Existing member of staff identified to project manage. All other teams being advised as soon as possible to make resources available. External resource can be utilised using the £20,000 resource.

Reputational issues such as queue jumping by groups identified	Well thought out communications around the scheme to be arranged
Principal of the loan refused	Ensure that information is forthcoming when required
Lack of housing stock for sale to meet the scheme objectives for the affordable prices	Prepare marketing strategy for this eventuality.
Covid pandemic reoccurring	Ensure officers are aware of the current situation and health and safety issues.
Loss of rent payments when properties purchased to support the loan	Close working with partners
Lack of support for the tenants housed in the properties	Continued meetings with County and associated colleagues to ensure that support is provided
Public Works Loans Board Borrowing Rates increasing due to current UK Gilt Market problems causing inflation on the % rate the Council can borrow funds.	Adopt flexibility on the application of capital receipts financing and the use of the HRA CIR on a temporary basis where required to enable the financing to be flexible enough to cope with the fluctuating % rates. Seek best value at all times where acquisitions and costs are concerned and continually review the financial viability of the scheme.

10.2 Surveys will be undertaken of the properties before they are purchased to ensure they are of a suitable standard and size.

10.3 £20,000 of the grant per property can pay for surveys and furnishings for the intended purchases.

Background papers:

Department for Local Government Levelling Up, Housing and Communities, Local Authority Housing Fund: Round 2 prospectus and guidance

Local Authority Housing Fund Award. Item 5 Cabinet meeting 8th March 2023.

Supporting documents:

Local Authority Housing Fund Round 2 prospectus and guidance

Guidance

Local Authority Housing Fund: Round 2 prospectus and guidance

Published 7 June 2023

Applies to England

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This publication is available at <https://www.gov.uk/government/publications/local-authority-housing-fund-round-2/local-authority-housing-fund-round-2-prospectus-and-guidance>

1. Introduction

The United Kingdom has welcomed over 24,000 Afghans who worked alongside the government and risked their lives alongside our Armed Forces, as well as people who assisted British efforts in Afghanistan. Local authorities play a vital role in integrating recent arrivals to the UK. It is thanks to the hard work of so many in local government and the wider public sector across all parts of our country that we have been able to welcome so many people to safety.

The Home Office's Afghan Relocations and Assistance Policy (ARAP) and the Afghan Citizens Resettlement Scheme (ACRS) have already helped around 9,000 people into settled accommodation. In March 2023, the government [announced plans to increase support for the remaining Afghan cohort](https://www.gov.uk/government/news/new-support-for-afghans-in-uk-hotels-to-find-settled-housing) (<https://www.gov.uk/government/news/new-support-for-afghans-in-uk-hotels-to-find-settled-housing>) in bridging hotel accommodation to secure settled accommodation. This will help to provide more stability for families so they can rebuild their lives in the UK and contribute to society with the support of public services, schooling, and employment while in parallel also ending the use of bridging hotels which do not offer suitable long-term accommodation and have increased pressure on local communities.

In December 2022, the Department for Levelling Up, Housing and Communities (DLUHC) launched the [Local Authority Housing Fund: Round 1 \(LAHF R1\)](https://www.gov.uk/government/publications/local-authority-housing-fund) (<https://www.gov.uk/government/publications/local-authority-housing-fund>), an innovative capital fund that supports local authorities in England to obtain housing for those who are unable to find settled accommodation on resettlement schemes.

LAHF R1 provides £500 million of funding for local authorities in England to obtain accommodation for families with housing needs who have arrived in the UK via Ukrainian (for example the Homes for Ukraine scheme) and Afghan resettlement and relocation schemes. LAHF will help local authorities to address these immediate pressures as well as build a sustainable stock of affordable housing for the future.

LAHF R1 aims to deliver over 3,000 homes, with the majority being obtained by November 2023. The intention is also to ensure that those communities, which have been most generous in welcoming those fleeing conflict and persecution in Ukraine and Afghanistan, are not disadvantaged by increased pressures from these arrivals on the existing housing and homelessness system.

In March 2023, it was announced that the Local Authority Housing Fund would be expanded by £250 million for a second round of funding (LAHF R2), with the majority of the additional funding used to house those on Afghan resettlement schemes (ARAP/ACRS) currently in bridging accommodation and the rest used to ease wider homelessness pressures.

Alongside LAHF R2, the government is providing [£35 million of new funding](https://homeofficemedia.blog.gov.uk/2023/04/24/uk-government-support-for-resettled-afghans-in-bridging-accommodation-factsheet-april-2023/) (<https://homeofficemedia.blog.gov.uk/2023/04/24/uk-government-support-for-resettled-afghans-in-bridging-accommodation-factsheet-april-2023/>) to enable councils to provide

increased support for ARAP/ACRS households to move from hotels into settled accommodation as well as considerable new flexibilities within existing funding. Additional funding will also be made available to councils who accept homelessness duties from ARAP/ACRS households as a result of the bridging hotel closure plan. Details of this additional funding have been resent alongside this prospectus.

The government remains committed to preventing homelessness where possible and helping people to stay in their homes. However, the current global context and significant economic challenges we are facing is making achieving our objectives on homelessness more challenging. We also knew that a proportion of those who arrived under our Ukraine visa schemes would sadly end up presenting as homeless, and have provided flexible funding for all local authorities to allow them to plan for this.

When homelessness cannot be prevented – whether for new arrivals or British residents – temporary accommodation is an important way of ensuring no family or vulnerable person is without a roof over their head. Current conditions in the housing market are driving an increased use of poor-quality, poor value for money temporary accommodation – with recent increases in B&B usage for families, which we continue to seek to address.

LAHF R2 will therefore also support local authorities to acquire good quality, and better value for money temporary accommodation for families owed a homelessness duty by local authorities. This will reduce the usage of poor-quality B&B accommodation and will enable local authorities to grow their asset base, creating sustainable assets to help manage local housing pressures on an ongoing basis.

Funding offers will include two components to reflect both objectives of the fund. There will be a specified targeted number of homes to accommodate the eligible resettlement cohort, and a specified targeted number of homes for general needs temporary accommodation. This prospectus sets out the objectives for the second round of funding, what local authorities can spend the grant on, the eligible cohort, and the process and timelines DLUHC will follow for allocating grants to local authorities.

2. Purpose of the second round of funding

The £250 million second round of LAHF supports the government's humanitarian obligations to provide safe and suitable housing to those fleeing Afghanistan, alongside helping to deliver DLUHC's commitment to help those who are homeless to secure accommodation.

2.1 Funding objectives

The objectives of LAHF R2 are to:

- Provide sustainable housing to those on Afghan resettlement schemes at risk of homelessness so that they can build new lives in the UK, find employment and integrate into communities.
- Reduce local housing pressures beyond those on Afghan resettlement schemes by providing better quality temporary accommodation to those owed homelessness duties by local authorities.
- Reduce emergency, temporary and bridging accommodation costs.
- Reduce impact on the existing housing and homelessness systems and those waiting for social housing.

3. What the funding can be used for

Within the framework of the purpose and objectives of the fund set out above, we want to provide local authorities with as much flexibility as possible to shape local delivery according to circumstances in each area. The guidance provided in this document is intended to support this. Local authorities will need to be satisfied that their specific plans are lawful and deliverable.

The basic model assumes stock acquisition. In practice this could include, but is not limited to:

- expanding their existing delivery programmes or those of their local housing association partners
- increasing the number of affordable housing units in housebuilder-led schemes due to complete this year
- bringing empty / dilapidated properties (both residential and commercial units) back into use, including properties they or housing associations own
- remodelling defunct specialist accommodation including sheltered accommodation
- ‘flipping’ forthcoming shared ownership completions into housing
- working to secure ‘institutional’ offers of accommodation from local property and charitable organisations (including MoD disposals, obtained from their provider of Service Family Accommodation)
- providing modular housing as part of wider efforts to use modern methods of construction to support local temporary accommodation pressures.

Ultimately, local authorities may choose the most appropriate delivery mechanism to achieve the fund’s objectives and to bring on stream the accommodation as quickly as possible. We recognise however that there can be a trade-off between volume and speed, and larger projects may take a slightly longer timetable.

We are open to supporting innovative new approaches from local authorities and encourage any authorities with questions to contact us directly to discuss further.

We want local authorities to prioritise securing homes at pace to support families into suitable accommodation quickly. Local authorities should be open to a variety of properties as long as they can meet the standards required by law. Local

authorities should not limit themselves to securing homes that go above any local minimum Energy Performance Certificate standard that would rule out homes that are otherwise suitable for families.

Priority should be placed on acquiring larger properties which can accommodate a family as those with larger families have found it particularly difficult to find accommodation).

Whilst local authorities will take the lead in their areas, where appropriate, we expect local authorities to work closely with their housing association partners who stand ready to assist and, in some cases, may be the most appropriate delivery vehicle to achieve the fund objectives. Housing association stock, development, and disposals pipelines could be instrumental in assisting local authorities to deliver this fund, as could their expertise and capacity for stock purchase, management and wraparound support. The [National Housing Federation](https://www.housing.org.uk/about-us/our-people/member-relations/) (<https://www.housing.org.uk/about-us/our-people/member-relations/>) can support local authorities to find housing association partners in their area.

Local authorities should aim to acquire properties in their own area wherever possible. Where there is a need to acquire properties in a neighbouring local authority's area, we would encourage close collaboration between the local authorities.

There are 230 local authorities eligible for funding. Eligible local authorities have received an allocation email, which will set out the funding amount and the minimum number of units the local authority is being asked to deliver with this funding. Local authorities or their partners are expected to fund the remainder of the costs; examples include but are not limited to funding from capital receipts, revenue, borrowing or funding by a partner.

Local authorities will be expected to manage this fund within their normal budgetary guidelines, with confidence that any budgeting decisions can be justified to their auditors. We will ask Section 151 officers to agree this with DLUHC via a memorandum of understanding (MOU); further details can be found at section 5.

3.1 Types of housing

This fund aims to support local authorities to provide safe and suitable housing for those on Afghan resettlement schemes who are unable to secure their own housing, as well as better quality temporary accommodation for those owed a homelessness duty.

Local authorities should consider the needs of the cohort in their area when determining the size, type and location of properties to acquire. Where appropriate, local authorities should work with government staff based in hotels, as well as their Strategic Migration Partnership, to understand the needs and size of families in local bridging hotels to maximise the chances of matching being successful. Our expectation is that the vast majority of properties acquired will be family sized homes (2 to 4+ bedrooms), particularly given the average family size of those on the Afghan resettlement schemes.

3.2 Cohort definition and eligibility

Given the objectives of the fund, those eligible for the ACRS and ARAP resettlement scheme element housing are those who are on:

- Afghan Citizen Resettlement Scheme (ACRS – including eligible British Nationals under this scheme) or
- those assisted under the Afghan Relocations and Assistance Policy (ARAP)

And who are currently in bridging accommodation or who have left bridging hotels and are homeless, at risk of homelessness, or living in unsuitable temporary accommodation.

Those eligible for the accommodation provided by the temporary accommodation element of the fund are those owed a homelessness duty by the local authority. Given the purpose of this funding, we expect that families will be the primary recipients.

We expect all local authorities in scope for funding to deliver their allocation of resettlement scheme element homes. If local authorities do not commit to providing sufficient homes for this cohort, then their provisional allocation will be reallocated.

3.3 Matching resettlement households with properties

It will be up to local authorities to decide how to deliver and manage this fund locally. The accommodation funded through the LAHF should increase the housing available for the cohort outlined in section 3.2.

In addition to the eligibility criteria above, the local authority should make reasonable endeavours to prioritise households based on who is most in need when matching eligible households with properties. Beyond this, local authorities may use any lawful route that allows them to deliver this fund to cater for the needs of their area and to meet the wider needs of those who are or were living in bridging hotels.

As an example, local authorities may wish to use their experience from the Rough Sleeping Accommodation Programme or use an assessment and prioritisation process based on that used for mainstream social housing stock.

Some examples of options for matching eligible households to properties include:

- Using, amending or putting in place a Local Lettings Policy to allow homes to be allocated by local authorities, or nominated to housing associations, to eligible applicants of a particular description. This is allowed under the Housing Act 1996 (section 166A(6)(b)).
- Letting accommodation through a local authority owned housing company.

This is not exhaustive and depending on how local authorities are delivering the fund, they may identify other legal ways for matching households with properties.

People assisted under ACRS or ARAP are due to be leaving bridging hotels during the early months of this programme (further to the government's 28 March 2023 announcement to end the use of temporary bridging accommodation). We would encourage local authorities to continue to use their relationships with their Strategic Migration Partnership, each other, and with government staff in bridging hotels to identify and match families to suitable properties.

Early engagement on the matching process will help to ensure that properties being delivered through this fund match the housing needs of families in bridging accommodation as much as possible. We strongly encourage local authorities to consider accepting people assisted under ACRS or ARAP who were formerly housed in bridging hotels outside of their areas.

We would also encourage local authorities to consider if it would be possible to support families matched to LAHF homes in advance of that home being ready. Where possible, accommodating the household in your area prior to them moving into the LAHF property will help the household to integrate sooner.

The new [flexible funding announced in March](https://www.gov.uk/government/publications/afghan-schemes-funding-instructions-2023-to-2024) (<https://www.gov.uk/government/publications/afghan-schemes-funding-instructions-2023-to-2024>) can be used to support this. While we want to minimise the risks of homelessness for all households, in cases where the council has accepted a homelessness duty (relief or main) for a household for the period until the LAHF property is ready for move-in, they would be eligible to claim the £9,150 per household homelessness funding as well as the wider wrap around funding (£28 per person per day) if placed in temporary accommodation for up to 6 months.

3.4 Rent levels

It is expected that all homes delivered through this fund will be affordable/low-cost housing to support wider local authority housing and homelessness responsibilities for the remainder of their lifetime. Funding provided under this fund is for whole-life housing costs and local authorities are expected to use the funding in line with the fund objectives outlined in 2.1.

It is up to local authorities to determine the precise rent level and tenure of homes in line with the fund objectives. This could include social rent, affordable rent, or a discounted private rent.

3.5 Tenancy duration and social housing legacy

Given this fund aims to create a lasting supply of affordable housing for the general population (see fund objectives at section 2.1), we expect this stock to become available to support wider local authority general housing and homelessness responsibilities after the immediate needs of the eligible cohort have been addressed.

As the housing landscape in each area and the circumstances of eligible households vary, we will not mandate local authorities to apply a fixed tenancy

duration for housing funded through the fund, though in some cases this may be appropriate.

4. Funding formula and process

1. Validation and EOI forms: Local authority receives initial allocation or invitation to submit an EOI on 7 June 2023. Local authority fills out validation or EOI form by 5pm on 5 July 2023.

2. Validation and EOI review: DLUHC reviews all validation forms and EOIs (endeavouring to confirm allocations within 2 weeks of receipt). DLUHC considers EOIs and requests to deliver more than the initial allocation using process for reallocating uncommitted funding (from July onwards).

3. Memorandum of understanding: DLUHC confirms final allocation and sends MOU to each local authority within 2 weeks of receiving validation/EOI form. Local authority sign MOU and returns to DLUHC.

4. Payment: Local authority receives 30% of funding at earliest first payment point after signing a MOU (earliest payment point in July). Local authority receives 70% of funding after demonstrating 60% of first payment has been committed; payment will be made at the earliest second payment point (earliest payment point in September).

5. Monitoring and delivery: Local authority submits monitoring information every 2 months from October. Local authority agrees to deliver by 29 March 2024.

As with LAHF R1, this fund will operate only in England as funding has been made available from existing departmental budgets and is not subject to Barnett formula calculations. Local authorities will be allocated capital funding under section 31 of the Local Government Act 2003 based on a formula. Delivery targets will be based upon this funding allocation, estimated by a grant per property model.

4.1 Funding Formula

The initial funding offer is to be offered to 230 local authorities in England, who are deemed to have the greatest need for this funding based on a formula. The formula is used to identify the total allocation to those local authorities in scope for funding across the duration of the fund.

Local authorities are given an overall ranking based on several sets of data. This combines their relative ranking in terms of:

- the number of ACRS/ARAP individuals in bridging hotels as of 31 March 2023
- their relative ranking in terms of the level of housing pressure which includes:
 - private rented sector rents in relation to income
 - unemployment rate
 - number of households in temporary accommodation per 1,000 households

- number of families in nightly paid and B&B temporary accommodation
- number of households on local authority waiting lists per 1,000

Local authorities are ranked 50% on bridging hotel population and 50% on the housing pressure metrics.

This data is used to ensure the areas of both existing and future highest housing pressure are prioritised in the funding allocation mechanism.

In addition, all local authorities who had a bridging hotel on 31 March 2023 will be offered funding regardless of their position in the ranking.

4.2 Indicative allocations

Initial indicative allocations have been offered to each local authority, working from the most pressured local authority down, on the basis of:

- a fair share requirement to accommodate families in bridging accommodation, based on a per capita distribution for those local authorities in scope of funding
- the number of units that are expected to be delivered with the funding based on a grant per property set at 40% of the median property price in that local authority area plus an allocation of £20k per property to allow for refurbishment/other costs

An adjustment is then made to the resettlement scheme element by adjusting the funding for bridging accommodation per region in line with regional population size.

Temporary accommodation funding is then allocated based on 1 home per 20 families in nightly paid and B&B temporary accommodation within a given local authority with a grant per property set at 40% of the median property price plus an allocation of £20k per property to allow for refurbishment/other costs.

Each local authority in scope for funding is expected to deliver a minimum of one bridging unit and one temporary accommodation unit.

The model distributes funding down the list of local authorities (ranked based on the factors set out above) until the budget is expended, resulting in 230 local authorities being in scope for funding.

We have only initially allocated up to 20 units per local authority for those who did not participate in LAHF R1, or 10 units for those local authorities who did participate in LAHF R1 to help support deliverability, to minimise inflationary impacts and to ensure all parts of the country receive some support.

This is an initial allocation rather than a cap, and we encourage local authorities to let us know if they can deliver higher than this figure through the reallocations process (detailed at 5.1).

4.3 Grant rate and eligible spend

Allocations to each council have been calculated as follows:

- The amount of grant per property is calculated as 40% of the median property price in the council (or London borough) area. A further £20,000 per property is then added to account for other costs (including refurbishment).

Local authorities agree to acquire the target number of units set out in their indicative allocation by 29 March 2024 and to achieve value for money. The average grant per property rate should not exceed the maximum described below but the grant per property for individual purchases can be higher. It is recognised that the grant will not meet all of the acquisition costs and so there is an expectation that the council, or its partners, will provide the remainder of the funding required.

In some cases, the amount of money provided by the grant per property may equate to an intervention rate higher than the maximum set out above - for example if the local authority is focusing on smaller homes, because these better meet the needs of the eligible cohort in the area or constitute the majority of the available stock to purchase. If this means the grant rate equates to more than the maximum, the local authority is expected to acquire more units with this funding than the estimated minimum (or outline in the MOU process that less funding is needed to deliver the number of units outlined in their allocation) to ensure value for money and not exceed the maximum grant rate.

During the validation process, if local authorities ask to deliver fewer units than allocated, their funding allocation will be reduced maintaining the same grant per property rate.

4.4 Eligible expenditure for the £20,000 per property

The costs of obtaining a property are not the only costs local authorities may incur. They may also need to fund things like refurbishments, energy efficiency measures, legal costs, decoration, furnishings, or otherwise preparing the property for rent.

We have included a non-ringfenced capital budget of £20,000 per property to account for this. This is a notional amount for the purposes of allowing for these costs in our formula. Local authorities can choose how much of the grant is to be spent on each individual property. For example, it may choose to spend £10,000 on one property and £30,000 on another.

Worked example of property purchase costs

A local authority is allocated £380,000 to deliver 5 units plus £20,000 per unit nominally for refurbishment costs, totalling £100,000. In total it receives £480,000.

The local authority identifies 5 properties and the costs of obtaining and preparing them for rent:

- Property 1: £220,000 capital cost
- Property 2: £220,000 capital cost
- Property 3: £240,000 capital cost
- Property 4: £190,000 capital cost
- Property 5: £230,000 capital cost
- Total price: £1,100,000

The local authority uses the £100,000 it received nominally for refurbishment costs, leaving £1,000,000.

The £380,000 allocation equates to 38% of the remaining capital cost and is therefore within the 40% maximum average grant rate.

The local authority funds the remaining costs from other sources.

5. Validation and Expression of Interest processes

We have written to the **230 local authorities that have been initially allocated funding** with details of their indicative funding and requesting that they fill out a **validation form** to confirm whether they are willing and able to participate in LAHF R2.

Where a local authority has indicated they wish to deliver less than their allocated delivery target we will reduce its funding allocation proportionately and the unclaimed funding will be used in our reallocations process for unclaimed funding.

Where a local authority has indicated they wish to deliver more than their allocated delivery target we will consider a proportionate increase in funding as part of our reallocations process for unclaimed funding.

We have also written to the **66 local authorities that have not received an initial allocation** to ask whether they want to be considered for any unclaimed LAHF R2 funds to deliver the programme objectives, via completion of an **Expression of Interest (EOI) form**.

EOIs will be considered as part of our reallocations process for unclaimed funding (detailed at section 5.1).

For both processes local authorities do not need to have full approval to participate in LAHF when they submit a form, this stage is intended to provide an indication of which local authorities will be participating.

Given that this is not a bid-based fund, proposals will be assessed acknowledging that accountability for delivery rests with the local authority. The questions have been designed to identify whether local authorities are willing and able to deliver the fund, and also includes some non-assessed questions on delivery plans. The assessed section of the forms will consider responses regarding:

- the proposed scale of delivery relative to the indicative allocation
- whether the local authority can deliver the fund objectives
- confirmation that the local authority is content with formal reporting requests every 2 months
- confirmation that the Section 151 Officer or Deputy Section 151 Officer has agreed to participation

We will conduct a light touch review of these forms to confirm final funding allocations to each local authority.

All forms must be returned by 5pm on 5 July 2023. We cannot guarantee that funding will remain available for any local authorities that miss this deadline, as after this date we will reallocate any unclaimed funding.

We will review forms as we receive them and will endeavour to confirm whether we will be proceeding with any given allocation within 2 weeks of receiving an initial validation form from the relevant local authority.

5.1 Dealing with unclaimed funds

Unclaimed funds from local authorities who cannot deliver some or all units in their indicative allocation will firstly be offered to other local authorities who received an initial allocation and who stated they can deliver more than their original allocation.

Remaining unclaimed funds will then be offered to local authorities which had not received an initial allocation but have stated their interest in delivering LAHF R2 homes via an EOI.

All reallocations of unclaimed funds made to local authorities under these stages will be prioritised on the basis of the overall LAHF R2 funding formula (as described in section 4 above).

Any additional delivery agreed will use the same grant per property (detailed at section 4.1).

We will begin to respond to reallocation requests in mid-July.

5.2 Memoranda of understanding (MOU)

Once we confirm the outcome of the validation and EOI review process, we will share a MOU with each local authority to confirm their final allocation. This will include any new or additional funding agreed as part of the reallocations process.

The MOU includes standard wording for all local authorities participating in LAHF R2 and is non-negotiable. The MOU will not impact any agreements made with local authorities that are also participating in LAHF R1; this will be a new MOU specific to LAHF R2.

The standard MOU template was shared with local authorities in initial communications. We strongly encourage all local authorities to begin seeking agreement of the terms of the MOU immediately upon receipt of the template to ensure timely agreement of the completed MOU once we have completed our review of the validation form. We expect local authorities to obtain necessary clearances to enter into a MOU with DLUHC based on the information they provided in the validation form.

Given the urgency of delivery, we expect all local authorities to show flexibility in how they apply their approvals processes in order to participate in this fund. Funding will then be distributed to the local authority following the signing of the MOU. Local authorities will ultimately be responsible for delivery and ensuring value for money of the allocation they have received.

6. Payment process

LAHF R2 funding will be allocated direct to local authorities under Section 31 of the Local Government Act 2003 with an accompanying grant determination letter and a MOU setting out delivery expectations.

Funding will be paid in two tranches representing 30% and 70% of the local authority's allocation agreed in the MOU. The initial payment of 30% of the allocation will be made, following agreement of a MOU, by the last working day of July 2023 if a MOU is signed by 14 July, or August 2023 for those who sign an MOU by 14 August. A further payment of the remainder (70%) of the allocation will be made by the last working day of October 2023, or by mid-December, once the local authority has demonstrated they have committed 60% of the first payment.

The table below outlines the payment process in full, including the requirements that need to be met in order for second payments to be made. We expect delivery of LAHF R2 units by 29 March 2024, the end of the financial year.

Payment milestone	Requirements for payment milestone	Payment by
First payment (30% of total allocation)	Signing of a MOU with DLUHC	Last working day of July (if a MOU is signed by 14 July).
		Last working day of August (if a MOU is signed by 14 August).
Second payment (70% of total allocation)	Statement of Grant Usage demonstrating 60% of the first tranche has been committed.	Last working day of October (if required information provided by 9 October).

Payment milestone	Requirements for payment milestone	Payment by
	Relevant monitoring information as outlined in section 7.	Mid-December (if required information provided by 24 November).

Local authorities do not need to wait until receiving the second tranche of payment before spending more than their tranche one payment given 'the balance' will be paid following the checkpoint when they have spent 60% of their tranche one payment.

7. Compliance and monitoring

7.1 Fraud Risk Assessments

Local authorities shall be responsible for ensuring that fraud is a key consideration in all spend activity and that the following minimum standards are met:

- follow the [Grants Functional Standards on Fraud Risk Assessment](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1070064/2022-20-11-Grants-Standard-SEVEN-v2.3.pdf) (PDF, 496KB) – pages 15 to 19
- undertake fraud risk assessments at an appropriate level to each individual project dependent on risk
- ensure that this spend is undertaken in accordance with effective authority fraud prevention policy and procedure, and via engagement with your organisations' specialists in this area
- ensure that relevant evidence and data to prevent fraud is gathered as part of due diligence undertaken ahead of releasing funds
- implement reporting and monitoring requirements that will identify irregularities or issues in use of funds which can be investigated further
- store and file all work undertaken on fraud risk assessment in the event of any issues or audit requirements

7.2 Due diligence

Local authorities shall be responsible for ensuring that proportional due diligence is applied to all this fund spend and that the following minimum standards are met:

- follow the [Grants Functional Standards on Due Diligence](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1070064/2022-20-11-Grants-Standard-SEVEN-v2.3.pdf) (PDF, 496KB) – pages 20 to 24

- undertake due diligence at an appropriate level to each individual project dependent on risk
- ensure that due diligence is undertaken in accordance with effective authority rules and procedures through authorities' teams specialising in this area
- ensure that key areas of due diligence identified for projects in which local authorities invest are reported on and monitored throughout the term of delivery
- store and file all work undertaken on due diligence in the event of any issues or audit requirements

7.3 How we will monitor performance and delivery

Local authorities participating in LAHF R2 will agree via memoranda of understanding (MOUs) to provide a mix of quantitative and qualitative summary updates to DLUHC every 2 months to track against agreed delivery milestones. The reports will be due every 2 months until delivery is completed, with the first monitoring touchpoint to take place in September.

To monitor delivery, we will ask for progress updates, but not necessarily the statement of grant usage, every 2 months, regardless of whether the local authority has reached the 60% spending threshold.

Details of the monitoring information required and dates by which it is required is set out in MOUs with local authorities.

7.4 Future evaluation requests

DLUHC will conduct an evaluation of the fund near the end of the monitoring period. To understand how the fund is being delivered in further detail, we will ask local authorities, in addition to the monitoring information above, for additional information outlined in MOUs with local authorities.

We expect that local authorities will respond to any reasonable additional requests from DLUHC to support any retrospective assessment or evaluation as to the impact or value for money of the fund. We will expect the authority to, at minimum, monitor spend, outputs and outcomes against agreed indicators and keep this information for at least 5 years.

We may also ask for details about how the acquired properties are being used, for example if they are still publicly owned (which we expect) and if they have become part of the social housing or affordable stock. This will require local authorities to maintain address-level data. This is for us to examine the legacy impacts of the fund.

8. Next steps and important dates

Local authorities who have been made an indicative allocation are asked to complete a [validation form \(https://consult.levellingup.gov.uk/funding/2db020c1/\)](https://consult.levellingup.gov.uk/funding/2db020c1/), to

confirm their interest in participating, and to set out how they intend to deliver this fund. Local authorities are strongly encouraged to start their clearance processes as soon as possible after receiving the information on their indicative allocations.

Local authorities who have not been made an indicative allocation are asked to complete an [Expression of Interest \(EOI\) form](https://consult.levellingup.gov.uk/funding/a31a3c19/) (https://consult.levellingup.gov.uk/funding/a31a3c19/) if they want to be considered for unclaimed funds to deliver the LAHF programme. The EOI form is available via this link.

Submissions will be reviewed as they are received and therefore forms submitted earlier may receive an earlier response.

Local authorities must submit their validation or EOIs form by 5pm on 5 July 2023. Forms will only be accepted submitted by the links above.

In the event we have any clarification questions about the contents of a form, we will contact the local authority directly for further detail.

We will make best endeavours to contact the local authority to confirm allocation offers within 2 weeks of form completion.

We strongly encourage all local authorities to begin seeking agreement of the terms of the MOU immediately upon receipt of the template to ensure timely agreement of the completed MOU once we have completed our review of the validation form. We expect local authorities to have signed this by 14 August 2023 at the latest.

Payment of the first tranche of funding will take place in July or August, depending on when the local authority returns a signed MOU to us.

For any questions about this fund please contact LAHF@levellingup.gov.uk.

Fund documents will also be uploaded to the library within the LAHF section of the [Local Government Association hosted knowledge hub](https://khub.net/group/local-authority-housing-fund) (https://khub.net/group/local-authority-housing-fund). Local authorities are encouraged to register for this group which has been created to facilitate discussion and shared learning between local authorities participating in LAHF.

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Title: Repairs to the roof of the Royal Pump Rooms
Lead Officer: David Guilding, Arts Manager (Place, Arts, & Economy)
Portfolio Holder: Councillor Ella Billiald
Wards of the District directly affected: Leamington Wards

Approvals required	Date	Name
Portfolio Holder	06/06/23; 07/06/23	Cllr Ella Billiald; Cllr Paul Wightman
Finance	20/06/23	Andrew Rollins
Legal Services		N/A
Chief Executive	07/06/23	Chris Elliott
Director of Climate Change	13/06/23	Dave Barber
Head of Service(s)	08/06/23; 08/06/23	Philip Clarke; Steve Partner
Section 151 Officer	20/06/23	Andrew Rollins
Monitoring Officer	08/06/23	Andy Jones
Leadership Co-ordination Group	07/06/23	Chris Elliott
Final decision by this Committee or rec to another Cttee / Council?	Yes	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	Yes, Forward Plan item 1,362 scheduled for 5 July 2023	
Accessibility Checked?	Yes	

Summary

This report updates Cabinet on works to repair the roof of the Royal Pump Rooms and seeks permission to draw down funds to enable this work to go ahead.

Recommendation(s)

- (1) That Cabinet approve the allocation of £528,800 from the Corporate Assets Reserve 2023/24 to the Royal Pump Rooms roof project in order for it to proceed.
 - (2) That authority to use the allocation at their discretion is delegated to the Head of Neighbourhood and Assets, in consultation with the Portfolio Holder for Housing and the Portfolio Holder for Arts and Economy.
 - (3) That Cabinet note the extent of the planned works to the Royal Pump Rooms.
-

1 Reasons for the Recommendation

- 1.1 The current flat roof covering of the Royal Pump Rooms was installed during an extensive redevelopment of the site in the early 2000s, and it is now failing. There are several areas of the roof where the deck is rotten and structural integrity is compromised. Multiple areas of water ingress have resulted in the permanent closure of parts of Leamington Spa Art Gallery & Museum (LSAG&M) and there has been widespread water damage to the internal fabric of the building. Replacement of the roof covering is urgently required to protect the integrity of the building, the security of the collections, and for the safety of visitors and staff.
- 1.2 There is a significant amount of mechanical plant installed on the flat roof of the Royal Pump Rooms which serves the building, including air handling units (AHUs). This plant is at the end of its economic life and must be removed and replaced as part of this project.
- 1.3 In May 2022 Arts Council England (ACE) launched Round 2 of the Museum Estate and Development Fund (MEND). This is a government capital fund targeted at non-national Accredited museums and local authorities based in England to apply for funding to undertake vital infrastructure and urgent maintenance backlogs which are beyond the scope of day-to-day maintenance budgets.
- 1.4 An application to the MEND fund was submitted by Warwick District Council (WDC) on 30th September 2022 to fund the replacement of the Royal Pump Rooms roof. On 17th February 2023 ACE notified WDC that their application had been successful. ACE offered the full amount requested of £2,283,821, subject to acceptance of the terms of the funding agreement. In March 2023 the Chief Executive used his emergency powers, after consultation with all Group Leaders, to formally accept the terms and conditions of the grant. (Please refer to Cabinet report: Use of Chief Executive Delegated Powers for Urgent Decisions, Forward Plan reference 1,360).
- 1.5 For grants of between £500,000 and £5 million it is a condition of the MEND fund that 10 percent of the total project costs must come from other sources (i.e., 'match funding'). Therefore, WDC must contribute £253,758 from its own Corporate Asset Reserve in order to qualify for the funding.

- 1.6 The MEND fund is specifically aimed at museums and heritage buildings. However, the Royal Pump Rooms hosts a wide range of cultural services, including a library. It was clarified with ACE during the application process that works associated with Leamington Spa library are not eligible to be funded by the MEND grant. Some minor repairs to the roof of the library, which is of a different construction to the roof being replaced, will be necessary as part of the overall project and so these must be funded by directly by WDC.
- 1.7 The cost of replacing associated plant for the library has been identified as £275,042. A proportion, if not all, of this cost may be recharged back to Warwickshire County Council who operate the library, as per the pre-existing conditions of their tenancy agreement. However, in the immediate term the cost must be underwritten by WDC in order for the project to proceed to its agreed timescale.
- 1.8 Therefore, the total funds to be contributed to the project from WDC, as per the conditions of the Funding Agreement with ACE, is £528,800.

2 Planned Works

- 2.1 LSAG&M is an Accredited museum based in the grade II listed Royal Pump Rooms. Over 450,000 people visit the building annually. It houses collections on human and local history, arts & science; and provides cultural opportunities to residents and visitors. The site includes a café, tourist information desk, a shop, and events spaces all of which serve the art gallery and museum.
- 2.2 Warwick District Council have appointed Atkins, a world-leading design, engineering, and project management consultancy, to design and manage the project. Atkins have been procured and commissioned via the Fusion 21 Framework. A team of experienced consultants has been formed to take the project forward comprising of chartered building surveyors, chartered building engineers, structural engineers, mechanical engineers, sustainability consultants, and specialist heritage & planning consultants.
- 2.3 The works will include the replacement of the single ply membrane flat roof covering with a three-layer bitumen felt roof covering; replacement of five roof-mounted AHUs and associated duct work above roof level; consolidation of existing air conditioning (AC) units into one Variable Refrigerant Flow system (VRF); associated building work on the roof including repairs to stonework, rainwater goods, leadwork, tiles & slates; replacement of six lanterns with new metal-framed rooflights; and targeted repair of internal ceilings and walls which have been badly water damaged.
- 2.4 This project will secure the building fabric and arrest ongoing deterioration; provide a robust flat roof covering with a lifespan of at least thirty-five years; enable more efficient environmental performance, raising the building's U Value to at least 0.25W/m²K, in accordance with building regulations; protect the collections and display spaces within LSAG&M, improving access and enabling full use of the gallery and museum; protect public health & safety by arresting ongoing deterioration of the stone balustrades around the building; and ensure ongoing maintenance to the roof and AHUs can be carried out safely.
- 2.5 The project has reached RIBA Work Stage 3 where the spatial coordination design, project timeline, and budget have been completed. The project team are now working towards RIBA 4 at which point the detailed schematics will be finalised, consents obtained, and a contractor appointed to deliver the works.

- 2.6 A Listed Building Consent Application for the works was submitted on 12 April 2023 and it is not anticipated that there will be any material objections as the roof is being replaced like-for-like or reducing impact.
- 2.7 The procurement pack is currently being designed by officers, with the aim of appointing a contractor by August 2023.
- 2.8 It is anticipated that works on site will commence in October 2023 and will run through until completion in June 2024.
- 2.9 Replacement of the roof covering will be delivered in a single phase. It is anticipated that disruption to the operation of the building will be managed so that total closure of the site will be unnecessary. However, short-term partial closure of certain areas may be required due to work at height, access issues, noise, and temporary utilities interruptions. Access to services will be maintained as far as possible throughout. The extent of any disruption will become clearer once the contractor is appointed.
- 2.10 Works may potentially encroach upon the area surrounding the Royal Pump Rooms, including the Pump Room Gardens, depending on the requirements of the contractor for access to the roof and the location of secure site compound for materials and equipment. The council's Green Spaces team and Events team will be consulted when the tender pack is created to minimise impact.
- 2.11 It should be noted that the works outlined above are Phase 1 of improvements to the Pump Rooms. Whilst the roof repairs will deliver some carbon savings, Phase 2 will focus on other measures to achieve decarbonisation, subject to listed building approval. The Phase 2 proposals include rooftop solar and potentially other measures to change the heat source and to improve thermal efficiency. Subject to funding and consents, officers will aim to incorporate these works alongside the roof repairs. Should that not prove to be possible, Phase 2 will be considered as part of the Council's wider asset decarbonisation investments.

3 Alternative Options

- 3.1 Members could opt not to support the allocation of funds and not grant the delegation as recommended in this report.
- 3.2 This option is not recommended by officers as WDC has formally accepted the MEND grant and its terms and conditions. The funding arrangements and timelines agreed with ACE are non-negotiable. If WDC did not provide the match funding required, it would break the terms of the grant agreement and place the project in jeopardy.

4 Legal Implications

- 4.1 The terms and conditions of the ACE grant agreement require WDC to provide certain securities and assurances. Stratford-on-Avon District Council Legal Services have reviewed these terms and conditions on behalf of WDC, which were found to be typical for a grant award of this scale and not concerning.
- 4.2 A key consideration to note is that WDC would need to obtain ACE's consent in order to sell or let the Royal Pump Rooms during the twenty-year term of the agreement and ACE may impose conditions on the consent. This is to protect ACE's investment and ensure that the building continues as a public heritage asset during that time.

5 Financial

- 5.1 The total capital budget for the full project, including grant and match funding, is £2,812,621.
- 5.2 The works will take place over two financial years, 2023/24 and 2024/25 starting in October 2023 and ending by July 2024.
- 5.3 Match funding of £528,800 is required from the Corporate Asset Reserve. As of 31st March 2023, the balance of the Corporate Asset Reserve is £1,320,104. Including the Royal Pump Rooms roof works there will be an estimated balance of £258,809 left uncommitted at the end of the year. Budgets will be monitored and reviewed moving forwards. The budget for this scheme will be held in the General Fund Capital Budgets.
- 5.4 Of the £528,800 match funding it is expected that up to £275,042 will be recovered from Warwickshire County Council to be returned to the Corporate Asset Reserve or to fund the project.
- 5.5 The MEND grant will be paid to WDC in four instalments by ACE over the duration of the project. Interim monitoring reports must be submitted to ACE so they may monitor performance and progress. Grant payments are conditional and will not be released until ACE are satisfied that the terms of the funding agreement are met and WDC have demonstrated that the grant released up to that date has been spent. The Arts team will work with Atkins and the Assets team to submit these returns via ACE's online portal, Grantium.
 - i) Payment Request 1: £456,764 (April – September 2023)
 - ii) Payment Request 2: £913,528 (September 2023 – February 2024)
 - iii) Payment Request 3: £685,147 (February 2024 – July 2024)
 - iv) Payment Request 4: £228,382 (July 2024 upon completion of final activity report)
- 5.6 The grant is conditional and if WDC were to breach any of the terms and conditions of the funding agreement, then ACE, at their absolute discretion, may withhold or demand repayment of all or part of the grant and terminate the funding agreement.
- 5.7 If there is a project underspend upon the conclusion of the project, these grant monies must be repaid to ACE. If the project were to overspend, then the costs would have to be met from WDC's own reserves.

6 Business Strategy

- 6.1 Health, Homes, Communities, - This project will make a direct contribution to supporting health and well-being and community cohesion for those communities who utilise the Royal Pump Rooms and LSAG&M. Parts of the building currently out of use will be reopened for the enjoyment of visitors.
- 6.2 Green, Clean, Safe, - This project will lower the impact of the building upon the environment by making it more efficient and it will open up opportunities to invest further in renewable energy solutions. The building will also be made safe and fit for purpose.
- 6.3 Infrastructure, Enterprise, Employment, - This project will allow for greater use of the building, including the events spaces, and ensure that revenue for the council is maintained.
- 6.4 Effective Staff, - This project will ensure that Arts section staff can work safely and are able to utilise the building to the fullest extent.

- 6.5 Maintain or Improve Services - This proposal will enable certain areas of the building to be opened up once again and make the service fully operational. Several display areas within LSAG&M will be able to be utilised once more.
- 6.6 Firm Financial Footing over the Longer Term – This external grant funding has ensured that the full cost of these repairs does not have to be met from WDC’s own financial reserves, easing the burden on the corporate budget. It also ensures that the facility can continue to generate revenue from its function and events spaces.

7 Environmental/Climate Change Implications

- 7.1 A full sustainability appraisal was prepared as part of the initial project feasibility report using a thermal model of the Royal Pump Rooms. Energy saving options delivered by the project include the fitting of additional roof insulation; improvement of rooflights and roof-top plant; and introducing sub-metering and monitoring linked to the Building Energy Management System. Energy consumption will be reduced by an estimated 5% due to improved roof insulation and improved efficiency of plant.
- 7.2 Early consultation with WDC’s Conservation officers identified that photovoltaic panels (PV) originally designed into the roof project as an addition would have had an unacceptable impact upon the listed building and therefore, they were removed from the grant application and will not be delivered during this phase of the project. However, photovoltaic panels and air source heat pumps to replace existing boilers remain under consideration for future phases of improvement to the Royal Pump Rooms and officers are actively exploring alternative design options and avenues of funding.

8 Analysis of the effects on Equality

- 8.1 This report has no impact of itself on equality and diversity matters but the project should enable increased use of the facilities, which are already highly accessible.

9 Data Protection

- 9.1 Not applicable.

10 Health and Wellbeing

- 10.1 Not applicable.

11 Risk Assessment

- 11.1 Risks to the project have been assessed and managed through the compilation of a project risk register by Atkins and the project team. This identifies areas of uncertainty and assess the likelihood, severity & proportional costs for each risk. Measures to mitigate risks and the responsible party for each risk have been identified. Risks to the project fall under three main categories:
- 10.2 **Programme:** A project programme will be agreed with the contractor prior to works commencing and progress monitored against this through the weekly site inspections. If changes to the programme are required this will be managed through a mechanism in the contract, mitigating risk to programme as far as possible. A realistic degree of slippage has already been incorporated into the programme, as the majority of the works will be carried out over the winter months and the nature of the work is highly weather dependant.
- 10.3 **Site:** In accordance with the CDM regulations, a construction phase plan will be

prepared by the contractor which includes risk assessments and method statements for each element of the works. These will be reviewed by the Principal Designer and regular inspections undertaken to assess contractor's Health and Safety on site. This is particularly important as the Pump Rooms is a public building. The Royal Pump Room is also located on the banks of the river Leam, which carries a risk of flooding during the winter months.

- 10.4 **Cost:** Risks associated with cost will be managed through the provision of fixed tender costs, an effective change control system and close monitoring of spend and progress throughout the project. The project is also included on the WDC corporate risk register. The project budget includes a realistic contingency.
- 10.5 The external award from the MEND fund is a significantly large capital grant and as such the funder has imposed multiple payment conditions throughout the life of the project which must be met before funds can be drawn down by the council at each stage. If these conditions are not fully met the funder will not release the payments and the council would potentially be forced to meet the cost from its own reserves.

12 Consultation

- 12.1 Consultation on the project has been limited to date as the scope of the works is very defined, however, all stakeholders are aware of the poor condition of the roof and the risk that it presents to LSAG&M and its collections. Once a programme of works is confirmed with the contractor consultation will commence with key stakeholders including the Friends of Leamington Art Gallery (FLAG), the Friends of the Pump Room Gardens, building users, and Library and Cafe tenants. This will include newsletters, stakeholder meetings to discuss delivery and impact of the project and understand any concerns, use of social media to publicise the project and provide updates on progress.

Background papers:

N/A

Supporting documents:

N/A

Title: Revised Statement of Community Involvement
 Lead Officer: Aspia Jannat - Planning Officer, Planning Policy & Delivery
 (01926 456519,
aspia.jannat@warwickdc.gov.uk)
 Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder		Cllr Chris King (Place)
Finance	19/06/23	Andrew Rollins
Legal Services	06/06/23	Ross Chambers
Chief Executive	09/06/23	Chris Elliott
Director of Climate Change	09/06/23	Dave Barber
Head of Service(s)	05/06/23	Philip Clarke
Section 151 Officer	19/06/23	Andrew Rollins
Monitoring Officer	08/06/23	Andy Jones
Leadership Co-ordination Group	19/06/23	
Final decision by this Committee or rec to another Cttee / Council?	Yes	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	Yes, Forward Plan item 1356 – scheduled for 5 th July 2023	
Accessibility Checked?	Yes	

Summary

This report seeks approval to consult on an update to the Council's Statement of Community Involvement (SCI), last updated in April 2020. The SCI sets out the council's commitment to consult on the preparation of its planning policy documents and planning applications at key stages throughout the process. The document covers the whole of the district.

Recommendation(s)

1. That Cabinet agrees to the commencement of a six-week public consultation on an updated version of the adopted Statement of Community Involvement and notes that a further report will be brought to them following the consultation relating to the adoption of the SCI in its current, or an amended form.
2. That Cabinet agrees to the commencement of a six-week public consultation on an updated version of the adopted Statement of Community Involvement, and, subject to SCI not requiring significant amendments as a result of the consultation, delegated authority is given to the Head of Service for Place, Arts & Economy, in consultation with the Portfolio Holder for Place to subsequently make any necessary minor amendments and adopt the updated SCI.

1 Reasons for the Recommendation

- 1.1 Production and adoption of a SCI is a statutory requirement under Section 18 of the Planning and Compulsory Purchase Act (2004) as amended (2008).
- 1.2 The SCI formally sets out the policy and standards for engaging residents, local groups, stakeholders and statutory consultees in preparing development plans and any relevant documents identified in the Local Development Scheme (LDS) and how the council will consult on planning applications.
- 1.3 It also sets out how the Council will meet its 'duty to co-operate' as required by the Localism Act 2011 by engaging with neighbouring local authorities and other relevant government and statutory bodies to consider strategic issues and joint approaches to plan-making.
- 1.4 The Council's current Statement of Community Involvement was produced in July 2007 and updated in April 2014 as there had been a number of changes to the planning system. These were introduced through the Localism Act 2011 and the National Planning Policy Framework in March 2012. The SCI was then revised in January 2016 as a result of legislative changes to the planning system which set out new requirements for local councils. The SCI was briefly updated in April 2020 in response to the COVID-19 (Coronavirus) pandemic when the Council was unable to provide access to hard copies of consultation documents due to restrictions on movement and opening of premises imposed by the Government. The SCI reflected changes made by the Government to planning regulations and the National Planning Practice Guidance (NPPG) which influenced how consultations could be undertaken during the pandemic.
- 1.5 Following the pandemic, the Council committed in its 2022 Local Development Scheme to review and update this version of the SCI to ensure it is fit for purpose and appropriately details how the council will consult on planning matters.

- 1.6 The 2020 SCI primarily sets out how the Council will engage with communities as it prepares Development Plan Documents (DPD's), Supplementary Planning Documents (SPD's) and other relevant documents in the LDS. However, a limitation of the current SCI is that it provides little guidance on how it will assist neighbourhood planning groups producing Neighbourhood Plans.
- 1.7 Neighbourhood Planning was introduced by the Localism Act (2011). It is a way for communities to influence the future of the places where they live and work by having more of a say in where new homes, businesses, shops and community facilities should be placed in their local area, along with being able to allocate sites for development. The Neighbourhood Planning Act (2017) introduced a new requirement for SCIs to set out how the Local Planning Authority will support groups undertaking Neighbourhood Plans. This allows communities to establish general planning policies for the development of land in their area. These must be in general conformity with the strategic policies of the Council's Local Plan and have regard to national planning policy.
- 1.8 Other changes in the proposed updated SCI include the following:
- How we will consult people on the 'permission in principle' (PIP) process. PIP consent is an alternative way of obtaining planning permission for housing led development. Local planning authorities can grant permission in principle upon receipt of a valid application for any site that might accommodate minor housing led development (from 1 June 2018), or by entering a site in Part 2 of its Brownfield Land Register which will trigger a grant of permission in principle for that land providing the statutory requirements set out in The Town and Country Planning (Brownfield Land Register) Regulations 2017 are met. The two processes for obtaining permission in principle and opportunities for engagement are set out in the updated SCI.
 - Update to the list of statutory consultees, including the addition of Active Travel England who became a statutory consultee from 1st June 2023 on all planning applications for large housing developments.
 - Additional consultation methods that could be used to communicate with statutory consultees, individuals and community groups.
- 1.9 Following the consultation, a further report will be brought back to Cabinet with a summary of responses received to the consultation, any amendments deemed appropriate and, most likely a request to adopt an updated version of the SCI.

2 Alternative Options

- 2.1 Alternative Option 1: There is no statutory requirement to undertake a public consultation on any update to the Council's Statement of Community Involvement. Therefore, the Council could decide not to consult on the amendments and simply adopt an updated version. However, given the subject nature of this document, it feels appropriate and prudent to consult on a document that identifies how the Council will engage with its communities and other customers on planning matters.
- 2.2 Alternative Option 2: The Council could choose not to update the 2020 SCI, thus also negating the requirement for a public consultation. However, the SCI must be kept up to date, providing our communities, customers and stakeholders with clarity on the level of involvement that they should expect in planning processes.

3 Legal Implications

- 3.1 As mentioned in paragraph 1.1 above, the Council has a legal duty to prepare a SCI. As mentioned in paragraph 1.5 above, there is a commitment in the Council's adopted Local Development Scheme to update the SCI to ensure it remains fit for purpose.

4 Financial

- 4.1 There are no financial impacts associated with the update of the SCI. The work will be carried out by existing members of the Planning Policy & Site Delivery team and the SCI will be delivered using the existing allocated budget.

5 Business Strategy

- 5.1 Warwick District Council has adopted a [Business Strategy](#) which sets out key areas for service delivery. The Council's Fit for the Future (FFF) Strategy set out in the strategy aims to deliver the Council's vision. The FFF has three strands People, Services and Money, and each has external and internal elements to it. The section below illustrates the impact of the proposal if any in relation to the Council's FFF Strategy.

5.2 FFF Strands: External Impacts

5.3 People- Health, Homes, Communities

- 5.4 The consultation processes set out in the SCI could have a significant impact on lives of the district's residents, as they will be given the opportunity to have their say on the future development proposals in their areas. Residents will be given the chance to voice their concerns and raise issues that they consider to be important through the consultation process. This will help them feel that they are able to shape their areas and will have a positive impact on their physical and mental health.

5.5 Services-Green, Clean Safe

- 5.6 Although the SCI does not include any documents that directly will deliver carbon savings, the Plans and Strategies that will be consulted upon will include policies, proposals and guidance to deliver low carbon homes and neighbourhoods.

5.7 Money-Infrastructure, Enterprise, Employment

- 5.8 The documents that will be consulted upon will contain policies and proposals that will help to improve the quality of housing and provision of employment opportunities in the district.

5.9 FFF- Internal Strands

5.10 People- Effective Staff

- 5.11 The production of the SCI will help members of staff to learn about some of the consultation methods used and will help them to get involved in the consultation process.

5.12 Services- Maintain or improve services

5.13 Updating of the SCI will include more guidance on how we will assist neighbourhood planning groups producing Neighbourhood Plans, therefore will improve the service we provide to our customers. The SCI encourages people to use the Council's online portal to submit responses, which will help improve consultation process and reduce time and effort to be undertaken using postal consultation process.

5.14 **Money- Firm Financial footing over the Longer Term**

5.15 Update of the SCI will not have any significant implications on the finances of the Council.

6 Environmental/Climate Change Implications

6.1 Updating of the SCI itself will not have any direct environmental/climate change implications. However, encouraging people to use online methods of consultation will help towards reducing the need for postal consultation thereby saving printing costs and less use of paper and printer ink. These measures will have some environmental benefits.

7 Analysis of the effects on Equality

7.1 It is considered that the SCI will not have any adverse impact in respect of Equality. The SCI seeks to involve people from all sectors and with all abilities and disabilities to engage in planning issues. Where relevant, the individual documents that will be consulted upon using the SCI will also be subjected to an Equality Impact Assessment (EqIA).

8 Data Protection

8.1 There are no data protection implications associated with updating the SCI.

9 Health and Wellbeing

9.1 There are no health and wellbeing implications associated with updating the SCI. However, the planning documents which the SCI has included to be consulted upon, such as Neighbourhood Plans will involve communities/neighbourhood planning group members working together to promote health and wellbeing in their Plans which is required by the National Planning Policy Framework (NPPF). The updated SCI sets out the level of support the Council will provide to Neighbourhood Planning groups which will help to achieve the health and wellbeing requirements of the NPPF.

10 Risk Assessment

10.1 Continuing with a SCI which is out of date would not provide clear guidance for stakeholders and local communities as to when they can expect to be involved in the planning process and their views sought.

11 Consultation

11.1 The initial SCI that formed the basis of much of the SCI being updated was last subject to a period of six-week consultation from 5th October to 16th November 2015.

Background papers:

The Council's existing Statement of Community Involvement 2020:

https://www.warwickdc.gov.uk/downloads/file/6024/updated_statement_of_community_involvement_2020

The Council's Local Development Scheme 2022:

https://www.warwickdc.gov.uk/downloads/file/7660/local_development_scheme_2022-23

Supporting documents:

Appendix 1 – Draft Statement of Community Involvement, June 2023

Warwick District Council

STATEMENT OF COMMUNITY INVOLVEMENT

HOW WE WILL INVOLVE YOU
IN PLANNING MATTERS

June 2023



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1. Introduction

What is the Statement of Community Involvement (SCI)?

- 1.1 It is a statutory requirement that the Council prepares a Statement of Community Involvement (SCI)¹. The SCI formally sets out the policy and standards for engaging residents, local groups, stakeholders and statutory consultees in preparing development plans and how we will consult on planning applications.
- 1.2 The planning system affects everybody who lives, works in or visits the district. It balances competing land uses and sets out the vision for how communities will be enhanced. Local communities, businesses and other organisations can contribute to this process through engagement in the planning process and thereby help to shape their environment.
- 1.3 Warwick District Council's first Statement of Community Involvement was produced in July 2007 and updated in April 2014 as there had been a number of changes to the planning system. These were introduced through the Localism Act 2011 and the National Planning Policy Framework in March 2012. The Statement of Community Involvement was then revised in January 2016-as a result of legislative changes to the planning system which set out new requirements for local councils. The SCI was briefly updated in April 2020 in response to updated government regulations (April 2020) issued as a result of the Covid-19 (Coronavirus) pandemic. The Council is committed to reviewing and updating the SCI which involve removing the references to Covid-19 and reviewing and updating the recommended methods of consultation to reflect the current circumstances.
- 1.4 This review of our SCI takes account of those recent changes in legislation and policy and seeks to illustrate clearly how people can be involved in local policy and decision making. Planning legislation sets out a number of statutory requirements with respect to consultation on planning policy documents and planning applications. This SCI sets out how we will meet these requirements and involve everyone in all aspects of the planning system.
- 1.5 The Localism Act 2011 also sets out a 'duty to co-operate'. It is a requirement that we will engage with neighbouring local authorities and other statutory bodies to consider joint approaches to plan-making. We are committed to meeting this duty and are already working closely with neighbouring authorities, other partner organisations and stakeholders.

The Planning System

- 1.6 We are responsible for ensuring that the needs of Warwick District Council's current and future residents and business users, together with those who visit the area, are met. We need to do this through a sustainable approach to development that seeks to minimise the impact upon the environment.

¹Section 18 of the Planning and Compulsory Purchase Act (2004) as amended (2008).

- 1.7 The current system of producing Local Plans was set out by the Planning and Compulsory Purchase Act 2004 and reforms set out in the Localism Act 2011 and the National Planning Policy Framework (NPPF) 2012, (updated in July 2021). The suite of documents formerly known as the Local Development Framework and outlined in our previous SCI are now known as the Development Plan.
- 1.8 Development across the district is led by national and local policies. The Local Plan includes strategic and site-specific policies relating to issues such as housing, employment and other land allocations and outlines where new development is expected to take place. These local policies need to accord with those produced nationally.
- 1.9 To ensure that the needs of local people are met, community engagement gives an opportunity for those affected to be heard and their views considered.

Involving the Community

This SCI describes how and when Warwick District Council will involve local communities in:

- **The preparation of the Local Plan and other planning policy documents; and**
- **The determination of planning applications.**

Warwick District Council's approach

- 1.10 When we consult you in preparing the Local Plan or on a planning application we will:
- Aim to make the process as simple as possible by writing in plain English and explaining any planning terms that are used.
 - Explain when, where and how you can submit your views to us.
 - Explain why we want to involve you and collect your comments.
 - Ensure that the information you need is available on our website, at our offices and in local libraries/one stop shops.

- Provide feedback by summarising the responses received and showing how these have been considered during the next stage of the process. This 'Report of Public Consultation' will be published on our website. In this way, we hope to ensure that everyone will feel that they have the chance to be involved in the decision-making processes which form part of the planning system.

2. Getting Involved in consultations on Local Plans, Development Plan Documents (DPDs) and other Planning Policy Documents

2.1 The Council has a statutory duty to prepare and keep an up-to-date Local Plan for the area.

The Warwick District Local Plan is part of the statutory development plan for the area.

- It sets out the strategy, policies and land allocations that guide future development.
- Planning applications for development must be in conformity with the Local Plan unless material considerations (see Appendix 2) indicate otherwise.
- Local Plan documents are subject to a Sustainability Appraisal (SA) which assesses the potential economic, social and environmental impacts of the policies and proposals within the Local Plan. This ensures that the positive effects are enhanced whilst ensuring any potentially adverse impacts are minimised or mitigated.
- SA's are prepared alongside the Local Plan and are also subject to same level of consultation as Local Plan. Sometimes a Habitat Regulation Assessment (HRA) will also need to be undertaken to determine whether the Local Plan would have any significant effects on internationally important nature conservation sites and, if so, suggest ways in which the impacts could be mitigated. Other planning policy documents, such as Supplementary Planning Documents (SPD), may also need a Habitat Regulation Assessment.

There are some other Planning Policy documents which you will be consulted upon which are included at Appendix 3 of this document.

Who we will involve

2.2 In preparing the planning policy documents the Council need to ensure that it meets a range of statutory responsibilities in terms of who and

how it consults.

- **Duty to Co-operate:** this is a legal duty on local planning authorities and other public bodies to engage constructively, actively and on an ongoing basis to maximise the effectiveness of local plan preparation in the context of strategic cross boundary matters.
- **Specific consultation bodies:** statutory authorities such as neighbouring authorities, government agencies and utilities providers;
- **General consultation bodies:** including interest and amenity groups, residents' associations, property, trade and business associations, voluntary organisations whose activities benefit the City and bodies that represent issues of race, ethnicity, gender, age, sexual orientation, disabilities and those with caring responsibilities; and Residents, businesses and landowners located in the City.

2.3 The Council wishes to gather the views of a cross-section of the local population, including those who do not normally get involved or feel unable to do so, where possible. We encourage people to take part in consultations and offer their views or share with us, their local knowledge often unknown outside the local area, including historic information regarding our towns and villages.

- 2.4 The Council will make use of existing partnerships that already operate and engages effectively with relevant groups in the local area, including the community groups and those in the voluntary sector. Government Regulations require that certain organisations are consulted at key stages in the production of Local Plan documents. These are known as the 'statutory consultees'. We are also required to invite comments from other general consultation bodies we consider are appropriate, from a designated list. The list is included in Appendix 1.
- 2.5 Town and Parish Councils are key partners in the planning application and plan making process and are becoming increasingly important through the introduction of Neighbourhood Plans.

How we will involve you in the preparation of planning policy documents

- 2.6 A variety of consultation methods were used during previous consultations; the most effective, taking into consideration the issues being consulted on and the needs of participants will be employed at each stage of consultation.
- 2.7 It may be difficult to involve everyone in consultations of this sort. Some sections of the community may be difficult to reach using standard consultation techniques. The Council is hoping to overcome such barriers by developing its understanding of different consultation techniques over time and learning from experience. A variety of methods have and will be used during consultations taken from the list below and added to in time if we find other successful methods.
- 2.8 Use of IT has given greater accessibility to those with the knowledge of its use and access to the hardware. Documents are made available electronically, but we also produce hard copies in recognition of the fact that not everyone has the means to access electronic documentation. The Council will also consider the use of social media (e.g. Twitter/Facebook/LinkedIn) to help access "hard to reach" groups, especially young people.
- 2.9 We will aim to ensure a wide a circulation as we can, but it is not always possible or appropriate to undertake consultations using all the methods listed below. It is important therefore that the Council carries out consultation appropriate to the nature of the plan/policy or proposal. We will continue to provide printed copies of all consultation documents to allow access for all. Involvement will be open to all those who wish to be involved regardless of gender, race, disability, sexual orientation, age, rural isolation, social deprivation and social background. We will comply with the legal requirements for consultation. The Council will also endeavour to hold events such as public exhibitions in accessible locations and at appropriate times, where it considers it beneficial to do so.

2.10 There may be consultations where it may not be possible to provide access to hard copies of documents due to circumstances beyond the Council’s control. A particular example being a global pandemic where the Council was unable to provide access to hard copies of documents due to restrictions on movement imposed by the Government or in order to protect the physical wellbeing of its employees. Where this is the case all other available channels of communication will be used in order to promote and deliver an effective consultation and the Council will provide notice on its website of the methods of communication being used in a particular consultation.

The Table below outlines the range of consultation methods that could be used. This is not an exhaustive list and we will adopt other methods as and where appropriate.

Table 1: Consultation and Engagement Technique	
Method	Detail
The Council Website	The internet is an effective way to communicate with statutory consultees, individuals and community groups. Specific planning policy pages on our website are kept up to date with the latest on the preparation of the Local Plan and other planning policy documents. The website also provides the opportunity to gain feedback by using questionnaires and interactive documents as part our dedicated online consultation software.
Emails and letters	If your details are held on our consultation database, we will inform you preferably by email or by letter of upcoming consultations. To add your details to the database contact us at planningpolicy@warwickdc.gov.uk
Public exhibitions	Public exhibitions can be effective for the dissemination of information and where they are held in accessible locations. This allows the public to view proposals and talk to planning officers in an informal way. They normally take the form of ‘drop in’ sessions where officers will be available during a set time period and to explain what is being proposed. Feedback forms/questionnaires will be provided at public exhibitions to allow comment.
Public notices/press releases	Local press notices are sometimes required to fulfil statutory legal requirements. Normally this will mean a notice in the local newspapers. The Council may issue press releases for key stages in the production of important planning policy documents, at its discretion.
Questionnaires	Questionnaires are useful in helping individuals formulate their views on policies and proposals by providing a framework for their response. These can be made available at exhibitions or distributed through the deposit points and online. There are some stages of the consultation process where an official response form is

	the only method of participating to meet Government requirements. These will always be made available.
Social media	Social media is becoming increasingly important in the everyday lives of many people. Platforms such as Twitter and Facebook can be used to good effect in reaching members of the community and could be particularly effective for engaging with young people. Opportunities to use these methods will be explored as part of consultations.
Focus Groups and workshops	These will be held, where necessary, to actively seek comments during the course of consultations or outside of formal consultation periods to inform policy development. Focus groups and workshops will be tailored to the consultation/issue under consideration and will be held at times and at locations convenient to the participants. A note will be taken of all meetings and circulated to attendees. Where undertaken as part of the formal consultation on a plan, these notes will also be published on the Council's website and included in a published consultation statement.
Advisory Groups	The Council will consider whether standing advisory groups are required, bringing together interested parties and experts to provide advice on a specific planning policy matter.

The planning teams involved in consultations

Planning Policy Team

2.11 This team is responsible for producing the evidence base and studies which inform policies that make up the Local Plan. They organise and lead consultation exercises on draft planning documents, summarise and consider responses and propose any subsequent amendments to the final documents.

Development Management Team

2.12 This team assesses planning applications in accordance with the adopted Local Plan, other Development Plan Documents and Neighbourhood Plans and other relevant material considerations such as the NPPF or relevant Supplementary Planning Documents (SPDs). This includes consultation responses and comments from the public collected as part of the process.

The Conservation Team

2.13 The Conservation Team are responsible for the protection and management of historic assets within the District, such as Listed Buildings and Conservation Areas. They are responsible for assessing Listed Building applications, protecting Listed Buildings from inappropriate alteration or demolition and providing advice.

2.14 All planning teams work closely with colleagues at Warwickshire County Council who provide professional advice on projects with land-use and spatial planning implications on matters within their remit.

What is the role of Councillors?

2.15 The role of local Councillors in representing the views and concerns of residents is very important in the planning process.

2.16 Local Councillors have a duty to represent those who elected them to office and have a key role to play in the planning process:

- Councillors sit on and attend Cabinet, Council and other committee meetings where they review and take decisions on the production and content of planning policy documents. They monitor services provided to ensure that they are delivered in the most efficient and effective way taking these policies into account.
- Planning Committee is made up of Councillors who make decisions on individual planning applications.
- Councillors voice support, comment on, or raise objection to, planning applications in writing, or by speaking on the behalf of residents at Planning Committees.
- Councillors work with officers in the preparation and development of any documents produced by the Council.
- Councillors may attend public meetings to listen independently to what is discussed at the meetings.
- Councillors represent their constituents and may often, with support from officers, provide advice to constituents.

Timescales

The regulations require minimum levels of consultation at given stages of a document preparation. Consultations on planning policy documents usually last for 6 weeks. However, the Council recognises that there are certain times of the year when this may need to be extended (except where the period is fixed by regulation). The following may apply:

Where the consultation period overlaps with Christmas, Easter, or August bank holidays, the consultation period may be extended at the Council's discretion.

When we will involve you in the Local Plan and Development Plan Document Production?

2.17 A Local Plan must be prepared in accordance with formal requirements set out in relevant planning legislation. The following table sets out the key stages of preparation and when the Council will involve you in Local Plan and other Development Plan Document (DPD) production.

Table 2: Quick Guide to Community Involvement in Local Plans and other Development Plan Document Production

Stage	How and when we will involve you	Political Involvement	Sustainability Assessment (SA) Stage
<p>Pre - Preparation Issues and Options (Regulation 18) The issues which the plan needs to address are identified and alternative options for the policies are considered</p>	<p>We will inform the evidence base by involving our partners and the community, including the statutory consultees.</p> <ul style="list-style-type: none"> • Consult for minimum 6 weeks. • Make documents available on the website and through online consultation portal. • Make documents available at Deposit points identified. • Consult general and specific consultation bodies. • Consult those on Mailing list. • Consult Duty to Co-operate bodies. • Arrange public meetings as appropriate including focus groups and workshops. 	<p>Portfolio Holder engagement</p>	<p>Stage A – set the scope and consult the environmental bodies²</p>
<p>Preparation - Preferred Options are selected and policies drafted. Non statutory consultation on draft Plan</p>	<p>The preferred options will be published giving everyone the opportunity to express their views. This stage will be published on our website with hard copies made available at deposit points³.</p> <ul style="list-style-type: none"> • As above • Issue consultation statement setting out comments received at Issues and Options Stage. <p>Make all evidence and documents prepared since Issues and Options Stage.</p>	<p>The Cabinet or relevant Joint Committee if a cross-authority document, will approve the preferred options before consultation takes place</p>	<p>Stage B – Develop and refine options whilst assessing their effects</p> <p>Stage C – Prepare the SA report</p>

<p>Publication of the Plan (Regulation 19) The Plan is published for a final stage of consultation prior to submission to Secretary of State</p>	<p>A further period of consultation on the soundness and legality of the Plan follows publication and this will be advertised on our website.</p> <ul style="list-style-type: none"> • As above • Publish the Plan and supporting documents and evidence base on the website and consultation portal and provide details of physical location of hard copies. • Publish information on how to respond to the consultation through a 'statement of representations procedure'. • Contact those that have made representations at previous stages. • Inform other appropriate bodies. 	<p>The Council will approve the Publication Draft</p>	<p>Stage D - Consult on the proposed DPD together with the SA report</p>
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<p>Submission and Examination</p>	<p>An independent Planning Inspector appointed by the Secretary of State will carry out an examination of the document, including representations made during the Publication Draft consultation. This may be by written representations or more often through public hearing sessions.</p> <p>Publicity relating to the public examination (when held) will be published on our website and will be displayed at deposit points with a minimum of 4 weeks' notice.</p> <p>Main modifications to the submission DPD may be required to be made for reasons of soundness, in accordance with paragraph 35 of the NPPF (2021). This will require public consultation to be undertaken for a period of 6 weeks, on the identified proposed main modifications.</p>	<p>The Council will approve the Submission of the Plan</p>	
<p>Adoption</p>	<p>The Inspector's report will be binding upon the Council. Adoption of the final document, as revised by the Inspector, will be published on our website and hard copies will be made available at deposit points.</p>	<p>Approval to adopt will be required from the Council</p>	

Monitoring & Review	The Plan will be reviewed where necessary and at least every 5 years.		<p>Stage E - the implementation of plans and policies will be monitored at least on annual basis.</p> <p>Authority Monitoring Report will be published annually on the Council's website.</p>
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*DPDs include Local Plans, Allocations Documents and Area Action Plans

²Natural England, Historic England and the Environment Agency

³Deposit points are normally Council Offices, Royal Leamington Spa Town Hall, One Stop shops/libraries around the district and Brunswick Healthy Living Centre, Royal Leamington Spa. In times of crisis (e.g. Global Pandemics) it may not be possible to provide hard copies to Deposit Points (please see paragraph 2.10).

When we will involve you in Supplementary Planning Document Production

2.18 Supplementary Planning Documents can be used to provide further detail and guidance on policies in the Local Plan or other appropriate documents. The following table sets out the key stages of preparation and when we will involve you.

Table 3: A Quick Guide to Community Involvement in Supplementary Planning Document (SPD) Production			
Stage	How we will involve you	Political Stages	SA Stage
Pre-Production	We will inform the evidence base by involving our partners and statutory consultees.	Portfolio Holder engagement	Stage A – set the scope and consult where necessary, the environmental bodies ⁴
Production	<p>The evidence base will be used to prepare the draft SPD.</p> <p>Comments will be invited from all interested parties and the wider community on the draft SPD and SA. Details will be advertised on our website.</p> <ul style="list-style-type: none"> • Consultation for a minimum of 6 weeks • Publish on the Council’s website and consultation portal. • Make documents available for inspection at identified deposit points for the length of consultation period. • Consult general and specific consultation bodies. • Consult Duty to Co-operate bodies. • Consult those on the Council’s consultation database. <p>Arrange meetings, presentations and other discussions if appropriate.</p>	Approval of draft by Cabinet required prior to consultation	<p>Stage B – Develop and refine options whilst assessing their effects</p> <p>Stage C - Prepare the SA report</p>
Adoption	<p>SPD’s are not subject to the independent examination stage.</p> <ul style="list-style-type: none"> • Publish a consultation statement setting out who was consulted, how they were consulted and a summary of issues raised and how they have been taken into account • Send an adoption statement to all those individuals and organisations 	Cabinet approval of the amended document will be required prior to adoption	

	<p>who commented on the draft and/or preliminary consultation and to those that requested notification.</p> <ul style="list-style-type: none"> The adopted document will be published on our website and hard copies will to available to view at deposit points. 		
Monitoring & Review	SPD's may be reviewed, where necessary.		<p>Stage E – Effects of implementing the document will be monitored.</p> <p>Authority Monitoring Report will be published annually on the Council's website.</p>
<p>⁴ These are Natural England, Historic England and the Environment Agency</p> <p>⁵ Deposit points are normally Council Offices, Royal Leamington Spa Town Hall, One Stop shops/libraries around the district and Brunswick Healthy Living Centre, Royal Leamington Spa. In times of crisis (e.g. Global Pandemics) it may not be possible to provide hard copies to Deposit Points (please see paragraph 2.10).</p>			

When we will involve you in Neighbourhood Plan Productions

- 2.19 Neighbourhood Planning was introduced by the Localism Act (2011). It is a mechanism for communities to influence the future of the places where they live and work by having more of a say in where new homes, businesses, shops and community facilities should be placed in their local area, along with being able to allocate sites for development. The Neighbourhood Planning (General) Regulations 2015 set out the statutory requirements for the preparation of Neighbourhood Plans and Development Orders. Neighbourhood Plans are prepared by Parish and Town Councils and Neighbourhood Forums. The Council has a role to play in this process as we provide technical advice and carry out conformity checks against national and local policies. An examination and subsequent referendum are held. The Council will then adopt the Neighbourhood Plan if it meets all the requirements. This makes it part of the statutory development plan for the district and is used to assist in the determination of planning applications in the area the plan covers.
- 2.20 The Neighbourhood Planning Act (2017) introduced a new requirement for SCIs to set out how the Local Planning Authority will support

groups undertaking Neighbourhood Plans. The council's policy for supporting qualifying bodies and facilitating the process is through the provisions set out in table 4 below.

Neighbourhood Development Orders

2.21 Neighbourhood Development Orders are prepared by Parish and Town Councils and Neighbourhood Forums. They have the same effect as a Local Development Order and can grant planning permission for specific types of development for a specific site or type of development in the neighbourhood area. The Council provides the same support and advice as for Neighbourhood Plans at the statutory stages of the process.

A Community Right to Build Order is a form of Neighbourhood Development Order that can be used to grant planning permission for small scale development for the benefit of the community on a specific site. These are prepared by constituted community groups.

Local Development Orders

2.22 A Local Development Order allows certain developments to go ahead in a specific area without the need for planning permission, provided that the type of development is covered by the order. There are periods of consultation attached to these Plans and Orders although they are only the responsibility of the local authority in the final stages.

Table 4: Assistance and support for a Neighbourhood Development Plan (NDP)		
Key Stages	Parish/Town Council	Warwick District Council
1. Pre-designation	Before submitting an application to designate the neighbourhood area the Parish/Town Council may decide to consult the local community about preparing a neighbourhood plan.	<ul style="list-style-type: none"> • Advice as to the suitability of completing a plan and its scope including attending meetings or providing briefings.
2. Designation of the Neighbourhood Plan Area.	Parish/Town Council forms the 'qualifying body' and submits the neighbourhood area designation application to the Council. The Council can designate the Neighbourhood Plan area without the need for any consultation if the following criteria is met: <ul style="list-style-type: none"> • an application is received from a parish council • the area specified in the application consists of the 	<ul style="list-style-type: none"> • Supply mapping where appropriate. Costs may apply.

	<p>whole parish area; and</p> <ul style="list-style-type: none"> • if any part of the specified area applied for is already part of a neighbourhood area, none of that extends outside the parish council's area. 	
<p>3. Draft Plan Preparation</p>	<p>The Parish/Town Council will:</p> <ul style="list-style-type: none"> • Secure Government funding grants. • Appoint planning consultant (optional) • Develop vision, aims and objectives. • Initial evidence gathering • Parish survey and publicity. • Prepare the draft plan. 	<ul style="list-style-type: none"> • Guidance and interpretation of the relevant legislative requirements. • Provide advice on national and strategic policies as well as other appropriate regulations or legislation. • Share evidence and information on planning issues and on funding or skills for neighbourhood planning. • Advice on available evidence base documents. • Help to interpret economic and housing need and liaise with external partners where appropriate. • Provide relevant contact information for consultation including statutory consultees and local interest groups and bodies. Advice on undertaking consultation, publicity and engagement. • Provide advice on draft policies and an informal view as to whether they are in general conformity with relevant local and national policies. • Arrange for the draft plan to be

		<p>screened for the potential requirement for a Strategic Environmental assessment (SEA) and arrange for the subsequent SEA if required.</p>
<p>4. Pre-Submission Draft Plan (Regulation 14)</p>	<p>The Parish/Town Council will consult over a minimum six-week period.</p>	<p>The Council will provide feedback in the form of comments on the draft plan.</p>
<p>5. Plan Proposals (Regulation 15)</p>	<p>Parish/Town Council prepares amended NDP, Consultation Statement and Basic Conditions Statement.</p>	<p>The Council will review the amended NDP, the Basic Conditions Statements and Consultation Statement to ensure that the Plan can proceed to Regulation 16 (submission) consultation.</p>
<p>6. Submission (Regulation 16)</p>	<p>Parish/Town Council submits the amended NDP, Consultation Statement and Basic Conditions Statement to the Council.</p>	<p>Undertake a minimum six-week consultation on the submission plan.</p> <p>If appropriate during the time of consultation, make documents available for inspection at the District Council offices, and at such other places within the local planning authority area as considered appropriate, during normal office hours.⁶</p> <p>Publish consultation on Council website.</p> <p>Notifications inviting representations will be sent to relevant persons, groups and organisations, as well as all those who have requested to be notified.</p> <p>Advertisements and public alerts on social media.</p> <p>Posters displayed in the locality (if appropriate at time of consultation).</p>
<p>7. Examination</p>	<p>Appoints an Examiner in conjunction with the Council.</p>	<p>Make arrangements for the independent examination of the neighbourhood plan.</p> <p>Submit the submission plan to the appointed examiner together with the</p>

		<p>consultation summary and all submitted responses.</p> <p>Publish the Examiner's report on the website.</p> <p>Assess the plan for compliance with statutory requirements that it meets the basic conditions set out in paragraph 8 of Schedule 4B of the Town and Country Planning Act 1990 (as amended) in order to proceed to referendum.</p> <p>Work with the NDP group to take forward the recommendations within the Examiner's Report.</p> <p>If a decision is taken to differ from any recommendation then arrange for a further 6 week consultation as required. ⁷ (Regulation 17A)</p>
<p>8. Referendum</p>	<p>Parish/Town Council may raise local awareness of the referendum using neutral promotional material.</p> <p>Make documents available locally.</p>	<ul style="list-style-type: none"> • Organise the referendum • Provide publicity and Information for Voters guidance for the referendum • Publish referendum results on the website and issue news release • The Council 'makes' the NDP and issues the decision notice.
<p>⁶ Deposit points are normally Council Offices; Town Hall, Royal Leamington Spa; One Stop shops/libraries around the district and Brunswick Healthy Living Centre, Royal Leamington Spa. In times of crisis (e.g. Global Pandemics) it may not be possible to provide hard copies to Deposit Points (please see paragraph 2.10).</p> <p>⁷ Neighbourhood Planning (General) and Development Management Procedure (Amendment) Regulations 2016.</p>		

When we will involve you in the Community Infrastructure Levy

2.23 The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and

Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. New developments are often subject to this levy and the rates are set out in a document known as a Charging Schedule. A Charging Schedule has to be prepared in accordance with formal requirements set out in legislation. The following Table sets out the key stages of preparation for the CIL and when and how we will involve you. We are, in this case, the Charging Authority.

Table 5: Consultation Stages for the CIL Charging Schedule			
Formal consultation stage and scope	Who is notified and how we publicise	Assessment of documents and consultation periods	Resulting consultation responses
<p>Consultation on Preliminary Draft Charging Schedule (PDCS) or revised PDCS</p> <p>The PDCS sets out the</p>	<p>The 'consultation bodies' [Reg. 15(3) of CIL regs.] are notified.</p> <p>In satisfying Reg. 15(5) of CIL regs:</p> <ul style="list-style-type: none"> • All interested consultees on our database are notified • Published on our website 	<p>Copy of documents sent electronically to the consultation bodies inviting their comments over a 4 week period.</p> <p>All documents including details on the duration</p>	<p>The charging authority takes into account any representations before it publishes a draft charging schedule [Reg. 15(7) of the CIL regs].</p>
<p>proposed rates for chargeable development in the charging authority's area</p> <p>Comments are invited on the content of PDCS</p>		<p>of consultation, are published on our website.</p>	

<p>Publication of a draft charging schedule (DCS)</p> <p>Comments are invited on the DCS</p>	<p>Consultation bodies [Reg. 15(3) of CIL regs.] are notified.</p>	<p>Published on our website.</p> <p>Hard copy deposited at Council Offices, and deposit points.</p> <p>Electronic copy of documents sent to consultation bodies.</p> <p>Consultation not less than 4 weeks from date of local notice.</p>	<p>Reps. received within the prescribed period, will be reviewed.</p> <p>Reps. are summarised and submitted to the examiner.</p> <p>Persons making reps. on the draft Charging Schedule have the right to be heard by the Examiner, but must request this in writing within the timescale specified by the charging authority.</p>
<p>Submission of a draft schedule and information</p>	<p><i>Four weeks prior to opening of examination.</i></p> <p>Notice on our website detailing:</p>	<p>All information submitted for examination is published on our website for the duration of</p>	

<p>to the examiner</p> <p>Information is submitted to an independent examiner. This includes the draft charging schedule, supporting evidence, summary of reps received, copies of reps. and any requests to be heard</p> <p>Examiner seeks to ensure the Charging Authority strikes an appropriate balance between the desirability of funding infrastructure from CIL against the imposition of CIL upon economic viability of development across the area</p>	<ul style="list-style-type: none"> • The venue and time for examination to be heard • Name of examiner <p>We notify:</p> <ul style="list-style-type: none"> • Anyone making reps. • Anyone requesting to be heard <p>If a person requests the right to be heard on a modification to the DCS then the same applies, but timescales are reduced to two weeks before the examination opens.</p>	<p>the examination and for 6 months after the Inspector's report is published.</p>	
<p>Publication of examiner's</p>	<p>Those who requested notification of the examiner's recommendations and reasons.</p>	<p>Examiner's recommendations and reasons made available</p>	

<p>recommendation</p>		<p>for inspection at Council Offices and deposit points.</p> <p>Published on our website.</p>	
<p>Approval and publication of Charging Schedule</p> <p>Following the examiner's recommendations, a report is presented to the Council where members must vote to approve the Schedule which has been examined</p>	<p>Notice to those who requested to be notified of the approval of the Charging Schedule.</p>	<p>Publish the Charging Schedule and report to the Council, recommending adoption.</p> <p>Make the Charging Schedule available for inspection at Council Offices and deposit points.</p>	
<p>Corrections of errors in Charging Schedule</p> <p>Where there is a correctable error, the Charging Authority will issue a correction notice</p>	<p>If the correction notice was issued as a result of a request by a person in writing, a copy will be sent directly to them.</p> <p>If the error to be corrected has an impact on the amount of CIL chargeable, a notice on our website will advise where the Charging Schedule and correction notice can be viewed.</p>	<p>A correction notice and revised Charging Schedule will be published on our website and hard copies made available at the Council Offices and deposit points.</p>	

Correction undertaken within 6 months of Charging Schedule approval by Council	Also persons will be notified that requested confirmation of the approval of the Charging Schedule.		
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3. When you can get involved in the planning application process

- 3.1 The Development Management Team is responsible for assessing all planning applications for development, advising Planning Committee on applications, determining certain other types of application and providing advice on development proposals.
- 3.2 Most kinds of development require planning permission; however, there are a number of circumstances where certain types of development are automatically permitted. These are described in The Town and Country Planning (General Permitted Development) Order 2015. Some such permitted development rights are subject to a 'prior approval' process which may involve neighbour consultation.
- 3.3 Decisions taken on planning applications must be made in accordance with national planning guidance, the Local Plan and other Development Plan Documents and Neighbourhood Plans where applicable, unless there are material considerations (see Appendix 2) to indicate otherwise. This includes taking into account site specific matters relevant to the case. The planning application process at this Council, from pre- application discussion to determination and when you can get involved is detailed below.

Commenting on planning applications

- 3.4 Members of the public are encouraged to comment on all planning applications, whether they are for small scale housing extensions or major projects. Planning applications can be viewed online at: <http://planningdocuments.warwickdc.gov.uk/online-applications/>

Taking Part in the Decision-Making Process for Planning Applications

- 3.5 Anyone wishing to make a representation to us on any planning application may do so and these can be considered provided that the matters they raise are material planning issues. Representations must be made in writing and can be sent as an email, letter, or online consultation form. All comments received will be considered when making a decision. Comments will be made publicly available, and will be displayed on the Council's website. Personal details such as telephone numbers, email addresses and signatures will be redacted, as well as any sensitive information. If this application goes to the Planning Committee for a decision, you may have an opportunity to address the committee if you have expressed a view on the proposal. You will be advised of the procedure prior to the committee date if this is the case. If the application is a resubmission of an application on which you have previously commented, please note that previous comments will not be taken into consideration in the determination of this application, and you will need to provide your comments again. We cannot acknowledge written comments or enter into correspondence, but you can check that they have been received by following the progress of the application on the website.

How a Decision is Made

- 3.6 The majority of minor planning applications are decided under 'delegated powers'. If objections are received from Parish and Town Councils or there are five or more written letters in support/object contrary to the officer recommendation, then the item will be referred to the Planning Committee for a decision. The committee will be made aware of all representations of objection or support made in response to an application in the officers' written report on the application. In addition, since April 2004, interested parties have been allowed to address the committee for a period of three minutes to summarise their cases. This time period is strictly adhered to and if more than one objector/supporter wishes to speak, then either a single representative must be elected to speak for all, or the three minutes must be divided between those wishing to speak. Additionally, since 2006, the Conservation Advisory Forum (CAF) has also been allowed to address the committee on relevant matters. The committee will then consider the application and make a decision.

Occasionally, the committee may defer the decision pending a site visit. Some planning applications have to be referred to the Secretary of State e.g. departures from the Development Plan. An application can also be "called in" to Planning Committee by a Councillor within the relevant consultation period.

Appeals

- 3.7 When an application for planning permission has been refused and the applicant appeals against the Council's decision, we will inform those who were initially consulted and any others who have made representations during the life of the application. Details of all appeals received are also included on the website. Comments made at the time of the application will be forwarded to the relevant Inspector but any further comments which objectors or supporters wish to make should then be sent direct to the Planning Inspectorate. Officers will discuss with third parties how to get involved in the appeal process. Anyone wishing to attend and participate in any subsequent Inquiry or Hearing must inform the Planning Inspectorate of their wish. The Inspector's decision is available after the inquiry/hearing from the Planning Inspectorate and copies are forwarded by the Inspectorate to those parties who have requested it.

Pre-Application Consultation

- 3.8 Developers and applicants are encouraged to discuss their proposals with planning officers, statutory consultees, neighbours to the development and the wider public where relevant. Where major development is proposed, discussions with officers will cover possible methods of and timescales for pre-application publicity that applicants may wish to undertake on their proposals. This may include public exhibitions or meetings which will inform residents and interested groups.
- 3.9 More information on pre-application can be found on the Council's website:
https://www.warwickdc.gov.uk/info/20374/planning_applications/1061/p-re-application_advice

Permission in Principle

- [The Town and Country Planning \(Permission in Principle\) \(Amendment\) Order 2017](#)
- [The Town and Country Planning \(Brownfield Land Register\) Regulations 2017](#)
- [The Town and Country Planning \(Development Management Procedure\) \(England\) Order 2015](#) – Schedule 4

3.10 Permission in principle (PIP) consent is an alternative way of obtaining planning permission for housing led development. The PIP consent route has two stages:

1. The permission in principle stage establishes whether a site is suitable in principle
2. The 'technical details consent' (TDC) stage is when the detailed development proposals are assessed. Granting technical details consent has the effect of granting planning permission.

3.11 Local planning authorities can grant permission in principle:

- Upon receipt of a valid application for any site that might accommodate minor housing led development (from 1 June 2018), or
- By entering a site in Part 2 of its Brownfield Land Register (BLR) which will trigger a grant of permission in principle for that land providing the statutory requirements set out in legislation are met. This is the only route by which brownfield sites capable of accommodating major development can achieve PIP.

The two processes for obtaining permission in principle and opportunities for engagement are set out in the table below.

Process for obtaining Permission in Principle (PIP)

Table 6. Application for Permission in Principle		
Stage	Process and Requirements	Engagement
1. Application (Regulations 5A - 5F)	<p>Applications for PIP can be made for minor housing led developments (9 dwellings or less, with less than 1,000 sq.m of commercial floorspace, and/or on a site of less than 1ha).</p> <p>The development must not include habitats development, EIA development or major development.</p>	<p>Part 2 of the public Brownfield Land Register on the Council website must be expanded to include:</p> <ul style="list-style-type: none"> - Permissions in principle allocated by the Council - 'live' applications for permission in principle - 'determined' applications for permission in principle
2. Publicity and Consultation (Regulation 5G)	<p>The PIP application is made public for 14 days during which relevant statutory consultees and interested parties can make representations.</p> <p>The technical details application is made public for not less than 21 days for a site notice and 14 days for an online notice during which relevant statutory consultees and interested parties can make representations.</p>	<p>The application is made available for inspection on the Council's website.</p> <p>Site Notice(s) displayed on or near the land to which the application relates and an online notice.</p> <p>Parish/Town Councils will be consulted on applications within their area.</p>

<p>3. Decision (Regulations 5R – 5T)</p>	<p>The Council must consider representations made by consultees.</p> <p>The Council has 5 weeks from receipt of the application to issue a decision. Extension of time is permitted by written agreement.</p> <p>Where a PIP application is granted the duration of the permission is 3 years. Applications for technical details consent must be determined before the PIP expires.</p> <p>The Council has 5 weeks to determine a technical details application.</p> <p>Where a PIP application is refused the applicant has the right to appeal the decision.</p>	<p>Parish Councils must be notified of the 'terms of the decision'.</p> <p>Everyone who commented within 14 days is to be notified of the decision.</p>
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Entering a site in Part 2 of a Brownfield Land Register		
<p>1. Publicity and Consultation</p>	<p>Should the Council propose to enter land in Part 2 of its Brownfield Land Register it must follow required publicity procedures set out in Regulation 6 of the Brownfield Land Regulations 2017.</p> <p>Consultation procedures are outlined in Regulations 7 to 12 of the Brownfield Land Regulations 2017.</p> <p>These include relevant statutory consultees listed in the DMPO Schedule 4.</p>	<p>Site Notice(s) displayed for 21 days on or near the land to which it proposes to enter in Part 2 of the BLR.</p> <p>Publish on the website specific information required by Regulation 6(4) for 14 days, including where information may be inspected and how to make representations within that time.</p> <p>Consultees have 42 days to respond on the first publication of sites proposed for Part 2. Subsequent publications</p>

		<p>require 21 days to respond.</p> <p>Specifically serve notice on infrastructure managers for sites within 10 metres of railway land.</p> <p>Serve notice on relevant Parish Council where they have previously requested to be notified.</p> <p>Consult Warwickshire County Council if Regulation 10 is applicable to the land proposed to be entered in Part 2.</p>
<p>2. Decision</p>	<p>The Council must take into account representations made by consultees.</p> <p>The Council may enter the land in Part 2 after 42 days on the first publication of sites. Subsequent publications may be entered after 21 days.</p> <p>Where a site is entered into Part 2, the duration of the permission is 5 years. Applications for technical details consent must be determined before the PIP expires.</p> <p>The Council has 10 weeks to determine a technical details application for major development and 5 weeks for other forms of development.</p> <p>There is no right of appeal where a local</p>	<p>Update the Brownfield Land Register on the Council's website.</p>

	planning authority decides not to enter a site into Part 2 of the register.	
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Appendix 1

Consultation bodies

In accordance with government regulations the following specific consultation bodies must be consulted where the Council considers that they may have an interest in the subject of the proposed planning document:

- The Coal Authority
- Environment Agency
- Historic England
- Marine Management Organisation
- Natural England
- Network Rail
- Highways England
- Warwickshire County Council
- Active Travel England
- Parish and Town Councils within and adjoining Warwick District
- Warwickshire Police/emergency services
- Adjoining local planning authorities
- Severn Trent Water
- Homes England
- Electronic communication companies who own or control apparatus in Warwick District
- Relevant gas and electricity companies
- NHS England
- South Warwickshire Clinical Commissioning Group
- Health and Safety Executive
- Sport England
- Canal and River Trust

General consultation bodies

In accordance with government regulations the following general consultation bodies must be consulted where the Council consider it appropriate:

- Voluntary bodies some or all of whose activities benefit any part of the District
- Bodies which represent the interests of different racial, ethnic or national groups in the District
- Bodies which represent the interests of different religious groups in the District
- Bodies which represent the interests of disabled persons in the District
- Bodies which represent the interests of persons carrying on business in the District
- Bodies which represent the interests of environmental groups in the District

Duty to co-operate

The Localism Act 2011 introduced a Duty to Co-operate, which is designed to ensure that all the organisations involved in planning work together on issues that have strategic implications.

The authorities and agencies that we will co-operate with is specified in Regulation 4 of the Town and Country Planning (Local Development) (England) Regulations 2012. The following bodies are designated as Duty to Co-operate stakeholders (*please note this list is not exhaustive*):

Neighbouring Local Authorities and County Councils i.e. those relevant to Warwick District include:

- Coventry City Council
- North Warwickshire Borough Council
- Nuneaton and Bedworth Borough Council
- Rugby Borough Council
- Stratford-on-Avon District Council
- Warwickshire County Council

There is also a list of prescribed bodies outlined in the 2011 Localism Act with whom we have to cooperate in order to deliver local aspirations and make Local Plans as effective as possible;

- Environment Agency
- Historic England
- Natural England
- Civil Aviation Authority
- Homes England
- Integrated Care Forums
- National Health Service Commissioning Board
- Office of Rail Regulation
- Integrated Transport Authority
- Highways England (now known as National Highways)

In addition, Warwick District is also in regular contact with:

- Coventry and Warwickshire Joint Committee for Economic Growth and Prosperity
- Coventry and Warwickshire Chief Executives/Managers
- Coventry, Solihull and Warwickshire Association of Planning Officers
- Greater Birmingham Housing Market Area
- The South Warwickshire M40 Corridor Steering Group

Appendix 2

Material and non-material considerations

The following list provides examples of material and non-material considerations, however the list is not exhaustive

Material considerations

Can be taken into account:

- National and local policies
- Planning history and previous appeal decisions
- Case Law
- Impact on sunlight, outlook, privacy and amenity
- Highways issues (e.g. increased traffic movements)
- Conservation/ Listed Building
- Affordable Housing
- Fear of Crime
- Local Economy
- Layout, Density, Design/Appearance, Character
- Effect on a Listed Building or Conservation Area
- Noise, smell or other disturbances
- Cumulative impact
- Highway safety

Non-material considerations

Cannot be taken into account:

- Issues considered under Building Regulations
- Land/boundary disputes, including rights of access
- Opposition to business competition
- Loss of property value
- Loss of view (this does not include 'outlook')
- Moral Objection
- Change from previous schemes
- History of the applicant
- Matters covered by other legislation
- Restrictive covenants
- Opposition to the principle of a development if permission has been granted by an outline application or appeal decision
- Work already done
- Factual misrepresentation of the proposal

Appendix 3

Other Planning Documents that you may wish to be involved with

The Evidence Base

A basic component in creating a Local Plan is the evidence base. The evidence base comprises studies, reports and assessments that support the Council's emerging strategy and policies. This ensures that the planning policies and decisions are based on robust and up-to-date information. The NPPF states this as being of great importance.

Sustainability Appraisal (SA) and Strategic Environmental Assessment

The Sustainability Appraisal is an integral part of the plan preparation process and is required for each local plan document and for some SPDs. It looks at the environmental, social and economic effects of a plan to make sure that the plan promotes sustainable development and that it takes the most appropriate approach given reasonable alternatives. At each stage of the Local Plan preparation there is a corresponding stage when the sustainability appraisal and the SA documents are made available for comment during the public consultation. The Sustainability Appraisal, where appropriate, will incorporate the Strategic Environmental Assessment (SEA), in accordance with European Directive EC/2001/42. The process is laid out in government guidance.

Register your details

If you have not already done so and would like your contact details to be added to our mailing list, please e-mail planningpolicy@warwickdc.gov.uk. If you do not have internet access you can contact the Planning Policy Team via the details provided below. Likewise, if you wish to change or remove your details from the list you can do so online or by contacting the team.

The database of individuals, groups and stakeholders has been developed to allow the Council to inform the public of the preparation of new planning documents.

Planning Policy Team
Warwick District Council
Riverside House
Milverton Hill
Royal Leamington Spa
Warwickshire
CV32 5HZ
Tel: 01926 456525
E-mail: planningpolicy@warwickdc.gov.uk
Web: www.warwickdc.gov.uk

Large print versions of all documents can be obtained by telephoning 01926 450000.

Title: Use of Delegated Powers for Urgent Decisions
 Lead Officer: David Elkington (david.elkington@warwickdc.gov.uk)
 Portfolio Holder: Multiple
 Wards of the District directly affected: Multiple

Approvals required	Date	Name
Portfolio Holder		Multiple Portfolio Holders
Finance	14/06/23	Andrew Rollins
Legal Services		
Chief Executive	14/06/23	Chris Elliott
Director of Climate Change	14/06/23	Dave Barber
Head of Service(s)	14/06/23	Graham Leach David Elkington Philip Clarke Lisa Barker Steve Partner Marianne Rolfe
Section 151 Officer	14/06/23	Andrew Rollins
Monitoring Officer	14/06/23	Andrew Jones
Leadership Co-ordination Group		
Final decision by this Committee or rec to another Cttee / Council?	Yes	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	Yes – Appendix 12 and Appendix 13	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	Yes, Forward Plan item 1360 – scheduled for 5 July 2023	
Accessibility Checked?	Yes	

Summary

The report brings forward notification to the Cabinet of urgent decisions taken by the Chief Executive using delegated authority CE(4), in consultation with Group Leaders, between 8 March 2023 and 30 June 2023.

Recommendation

- (1) That the Cabinet notes the decisions taken by the Chief Executive under delegated Authority CE(4) as follows
 - (i) To extend the support contract for the Xpress Electoral Management System;
 - (ii) To accept the grant for the Pump Rooms, Royal Leamington Spa to the value of £2.3 Million to enable repairs to the roof;
 - (iii) To extend the support contract for the Better Points Sustainable Travel App;
 - (iv) To accept the additional costs associated with the Net Zero Carbon DPD consultancy;
 - (v) To accept the additional costs associated with the enabling works at Abbey Fields Leisure Centre;
 - (vi) To accept the additional costs associated with the Demolition Abbey Fields Leisure Centre.
 - (vii) To enact the emergency closure of the Upper Grove Street Car Park
 - (viii) To extend the ICT contract for the provision of Wide Area Network links.
 - (ix) To extend the support contract for the Council's Multifactor Authentication system.
 - (x) To extend the Bowls England National Championships Contract.
 - (xi) Wildfire Prevention – Fires in Public Spaces
 - (xii) Discharge of Restrictive Covenant – Confidential Appendix 12.
 - (xiii) Christine Ledger Square – Confidential Appendix 13.

1 Reasons for the Recommendation

1.1 Introduction

1.1.1 Ahead of Warwick District Council's Elections in May 2023, the Cabinet met for the last time on 8th March, 2023. Between this time and June 30th, 2023, several decisions were required that would normally have been matters for Cabinet.

1.1.2 Warwick District Council's Constitution provides the Chief Executive with delegated powers to take any such urgent decisions, after consultation with Group Leaders. The provision, CE(4) states:

Chief Executive (and in their absence their Deputies) shall have authority to:

deal with urgent items that occur between meetings, in consultation with the relevant Deputy Chief Executive, Head(s) of Service (if

available) and Group Leaders (or in their absence Deputy Group Leaders) subject to the matter being reported to the Cabinet at its next meeting.

1.1.3 The decisions taken by the Chief Executive using this provision include:

- Those which were taken following the last Cabinet Meeting and up to the election;
- Those taken between the election and the formation of Cabinet; and
- Those which have been taken since Cabinet was formed, but before the initial meeting.

1.2 **Summary of Decisions Taken**

1.2.1 This section summarises the decisions taken by the Chief Executive using his delegated powers. Where appropriate, further details are provided within the appendices.

1.2.2 **Xpress Electoral Management System**

1.2.3 A decision was taken to extend the support contract for the Xpress Electoral Management System. Due to the value of the contract overall, Cabinet approval for a procurement exemption would normally have been required.

1.2.4 The original support contract was awarded in 2017 for a period of five years (£77,280). This was extended by inference in March 2022 for a further year, and again in March 2023, at a cost of £22,874.92 per annum. The Chief Executive approved a procurement exemption for the contract extension, which will now end on 31st March, 2024.

1.2.5 For further details see Appendix 1.

1.2.6 **Pump Rooms Grant**

1.2.7 Earlier in the year, a grant was sought from Arts Council England, as part of its Museum Estates & Development fund. The request was to support the replacement of the Pump Rooms roof and in March 2023 it was announced that WDC had been awarded £2,283,821 towards this project.

1.2.8 The Chief Executive formally accepted the grant offer, as required by Arts Council England.

1.2.9 For further details see Appendix 2.

1.2.10 **Better Points Sustainable Travel App**

1.2.11 A decision was taken to extend the service contract for the Better Points Sustainable Travel App. Due to the value of the contract overall, Cabinet approval for a procurement exemption would normally have been required.

1.2.12 The original service contract was extended in 2022 and set to expire on 7th August 2023. This was extended for a further period of nine months, to facilitate a procurement exercise being undertaken. The cost of the extension was £30,775. The Chief Executive approved a procurement exemption for the contract extension, which will now end on 7th May, 2024.

- 1.2.13 For further details see Appendix 3.
- 1.2.14 **Net Zero Carbon DPD Consultancy**
- 1.2.15 In August 2022, Cabinet received a report regarding the likely costs of consultancy to support the Net Zero Carbon DPD. It was estimated that costs of £105,000 would be incurred and a procurement exemption was agreed to enter a contract with Edgars Consultancy Ltd.
- 1.2.16 Having developed the proposals further and gained greater insight into the precise requirements, in April 2023 it was estimated that the revised engagement would cost up to £135,000. The Chief Executive approved a revised procurement exemption to cover the additional spend.
- 1.2.17 For further details see Appendix 4.
- 1.2.18 **Enabling Works at Abbey Fields Leisure Centre**
- 1.2.19 AR Demolition were appointed to facilitate enabling works for the Council's new Leisure Centres at Abbey Fields and Castle Farm. A fixed price contract of £556,456 was awarded, following Cabinet agreement to a procurement exemption.
- 1.2.20 Due to the extensive archaeological finds on the Abbey Fields site AR Demolition's works were significantly complicated. Unanticipated work was required to facilitate operations such as the disconnection of power, and the movement of equipment, cabins and fencing on site. The Chief Executive approved a revised procurement exemption to cover the additional costs of £150,000, taking the total contract value to £706,456.
- 1.2.21 For further details see Appendix 5.
- 1.2.22 **Demolition of Abbey Fields Leisure Centre**
- 1.2.23 AR Demolition were appointed to oversee the demolition of the Council's Leisure Centres at Abbey Fields and Castle Farm. A fixed cost of £258,000 was agreed for the demolition, but extensive archaeological finds on the Abbey Fields site significantly altered how the contractor was allowed to take down the building.
- 1.2.24 After extensive investigation by Historic England, discoveries across the footprint of the original building meant that the planned use of mechanical demolition equipment was no longer possible. Instead, manual methods were required to remove the remaining building. The Chief Executive approved a revised procurement exemption to cover the additional costs of £129,000, taking the total contract value to £388,000.
- 1.2.25 For further details see Appendix 6.
- 1.2.26 **Upper Grove Street Car Park**
- 1.2.27 As part of a planned condition survey of the Upper Grove Street Car Park, it was discovered that the primary structure of the car park could be at risk of collapse, due to corrosion of steel reinforcement bars embedded in the car park's concrete deck. The slab soffit was also severely affected, with spalled concrete exposing reinforcement bars, which showed signs of significant section loss.
- 1.2.28 The Chief Executive approved the closure of the car park as it posed an

immediate health and safety risk.

1.2.29 For further details see Appendix 7.

1.2.30 Renewal of Wide Area Network Contract

1.2.31 A decision was taken to extend the support contract for the Council's wide area network links and telephony services, provided by Daisy Communications. Due to the value of the contract overall, Cabinet approval for a procurement exemption would normally have been required.

1.2.32 The original support contract was awarded in 2018 for a period of three years. This was extended for a further period of two years in 2021 and was due for renewal in 2023. Due to the Council's temporary need for this infrastructure whilst relocating from Riverside House, a further one-year extension was requested. The Chief Executive approved a procurement exemption for the value of £110,000. Replacement links have already been procured for 2023/24 onwards.

1.2.33 For further details see Appendix 8.

1.2.34 Multifactor Authentication

1.2.35 A decision was taken to extend the support contract for the Council's multi-factor authentication system, provided by Bluefort Security. Due to the value of the contract overall, Cabinet approval for a procurement exemption would normally have been required.

1.2.36 The original support contract was awarded in 2019 for a period of three years and was extended in 2022. The solution was intended for replacement, but when it became clear that the Council's outgoing legacy infrastructure was not compatible with the replacement system, a further one-year extension was requested. The Chief Executive approved a procurement exemption for the value of £8,000. The system will be replaced following our move to Saltisford.

1.2.37 For further details see Appendix 9.

1.2.38 Bowls England National Championship Tournament

1.2.39 Warwick District Council and Bowls England Limited entered into an agreement on 15th November, 2013 for the relocation of the National Championships Tournament to Leamington Spa.

1.2.40 The Chief Executive used his delegated powers to extend the National Championship agreement by a further year, to facilitate the planning of the bowls tournaments. Negotiations on a new agreement to commence in autumn.

1.2.41 For further details see Appendix 10.

1.2.42 Wildfire Prevention – Fires in Public Spaces

1.2.43 May and June 2023 saw persistent dry weather across most of the UK and higher than average temperatures. This prolonged dry spell, whilst ideal for those visiting and enjoying the Council's parks and open spaces, significantly

increased the risk of wildfires. In particular, those started accidentally by discarded or poorly prepared ignition sources.

1.2.44 The Chief Executive used his delegated powers to support a ban on using disposable BBQs and campfires, across parks, green spaces, and nature reserves in the district. The ban would be enacted from Monday, 19th June 2023 and kept under review accordingly. This decision was taken due to urgent nature of the issue and the risk to patrons that a fire may cause.

1.2.45 For further details see Appendix 11.

1.2.46 **Discharge of Restrictive Covenant – Confidential**

1.2.47 Information regarding the Discharge of a Restrictive Covenant is contained within Confidential Appendix 12.

1.2.48 **Christine Ledger Square - Confidential**

1.2.49 Information regarding Christine Ledger Square is contained within Confidential Appendix 13.

2 Alternative Options

2.1 There are no alternatives options available to these decisions as the report is for Cabinet to note.

3 Legal Implications

3.1 Any legal implications relating to any decisions made are detailed within the relevant appendix, as indicated in section 1.2.

4 Financial Services

4.1 The decisions taken by the Chief Executive had the following financial implications:

- Xpress Electoral Management System - £22,874.92;
- Pump Rooms Grant - £2,283,821 (income);
- Better Points Sustainable Travel App - £30,775;
- Net Zero Carbon DPD Consultancy - £30,000 (additional spend);
- Enabling Works Abbey Fields - £150,000 (additional spend);
- Demolition Abbey Fields - £129,000 (additional spend);
- Renewal of Wide Area Network Contract - £110,000;
- Multifactor Authentication - £8,000; and
- Christine Ledger Square – Confidential Appendix 13.

5 Environmental/Climate Change Implications

5.1 Any Environmental or Climate Change implications relating to any decisions made are detailed within the relevant appendix, as indicated in section 1.2.

6 Analysis of the effects on Equality

6.1 Any equality implications relating to any decisions made are detailed within the relevant appendix, as indicated in section 1.2.

7 Data Protection

7.1 Any data protection implications relating to any decisions made are detailed within the relevant appendix, as indicated in section 1.2.

8 Health and Wellbeing

8.1 Any health and wellbeing implications relating to any decisions made are detailed within the relevant appendix, as indicated in section 1.2.

9 Risk Assessment

9.1 Any risk assessment details relating to any decisions made are detailed within the relevant appendix, as indicated in section 1.2.

10 Consultation

10.1 Consultation on all decisions was undertaken with the appropriate officers ahead of the Chief Executive consulting with the Group Leaders and in the case of the Grant for the Pump Rooms, also the Chair of the Overview & Scrutiny Committee.

11 Background papers:

11.1 There are no background papers for this report.

12 Supporting documents:

12.1 Warwick District Council Constitution - https://www.warwickdc.gov.uk/downloads/download/248/council_constitution-annex

Appendix 1. Xpress Electoral Management System

Following the decision in 2020 for Warwick District Council (WDC) to merge with Stratford-on-Avon District Council (SDC), a plan was being investigated to create a single contract for SDC & WDC Electoral Management System. In order to understand what the combined requirement entailed; it was decided that the original support contract awarded in 2017 for 5 years (worth £77,280) would be extended by 2 years at £22,874.92/annum taking the contract to 31st March 2024.

There was an intention to seek an exemption last year which was considered to have occurred for a two year period; however, with the collapse in the merger in April 2022 when the decision to extend was made, it appears the completion of the exemption request appears to have been overlooked. As a result, the notice period/End date was missed meaning the contract was extended by inference using the automatic 12 month extension provision within the contract.

The intention was for the contract to extend for 2 years to allow for due diligence on procurement, so this exemption is to request the contract extension to 2024 as originally intended to allow the elections team to align all other systems and workflows that are associated into consolidated contracts or at least align the end dates with each other.

Only the supplier of the system can reasonably provide support, maintenance and upgrades to it. The Council cannot be in a position where there is no support for the system as it is critical to delivering electoral registration and elections in Warwick District. In addition while a procurement exercise could be undertaken this would need to include appropriate lead time in case the current supplier was not successful and a new system was to be introduced. Therefore the only option was to seek an extension to the current contract with the local elections a matter of two months away.

Due to the value of the contract overall Cabinet approval is normally required. With no meetings scheduled due to the upcoming election, an urgent decision was sought from the Chief Executive, after consultation with Group Leaders, and agreed.

With the award of this extension the Electoral Services Team will start the procurement exercise for this contract in the summer of 2023, once payments have been completed for the Local elections in 2023.

Appendix 2. Pump Rooms Grant

Email from Chris Elliott, 31/03/2023:

I can confirm that Group Leaders have all agreed that I can use my emergency powers to accept the Grant aid.

Email to Chris Elliott, 31/03/2023:

To summarise next steps, following our meeting this morning:

We need to formally accept the RPR roof grant and submit all the information required by 17th April.

- Collate the documents and submit them through the grant portal, Grantium, in week commencing 10th April
- Speak to Legal services about ts&cs and the 'security over the asset and registration' and resolve that
- Confirm that Leader / Group leaders are happy and someone has delegated powers to accept the grant and the terms & conditions
- Re-look at the cash flow and budget documents (including how the Library part of the project will be portioned and paid for separately)
- Write a letter confirming that the match funds from WDC are in place, funded from a reserve.
- Talk to Finance about getting the banking details form completed
- Meet with [Procurement] to agree and write up a project specific Procurement Method Statement for the tendering of the PM / contractor. This also has to deal with [Primary Contractor] contract expiry. (Must include demonstrable experience of working with historic buildings using traditional building techniques and conservation best practice. Russell also made some good points about including conditions in the tender documentation about maintaining access etc).
- Talk to WCC about what plant on the roof is theirs and speak to Legal about the prospect of requiring WCC to pay a proportion of the Library element of the project
- Setup the project budget code on CI – it is important that all project spend is easily identifiable for reporting

Once we have accepted the grant agreement – it will need passing to Xxx Xxxxxx to be put on the grant register.

Appendix 3. Better Points Sustainable Travel App

Email from Chris Elliott to Group Leaders, 14/04/2023:

We have an issue with the procurement and budget for Better Points – the Sustainable Travel app (also known as “Choose how you Move”). As you will be aware the Climate Change Team and specifically Xxxxxx Xxxxxx-Xxxxxxx, manages the Better Points Contract on behalf of the Council. We are currently in the middle of a one year extension to the contract which finishes on 7 August 2022. Following discussion with Procurement colleagues we understand that it is possible to extend the current contract for a further 9 months (7 August 2023 to 7 May 2024) under an exemption. Xxxxxx is currently completing the appropriate exemption form to send to me in due course. Better Points have quoted £30,775 for the 9 month extension. Dave [Barber] does not have the delegated authority to agree such a spend and with the current contract finishing on 7 August, the July Cabinet having a large agenda and the date for the August Cabinet meeting (9 August) being too late I am asking if you could use my Emergency powers to authorise this spend against the Climate Change budget – the money is available.

Better points is already proving to be valuable in so many ways and continuing with it will allow us to

- expand the range of incentives on offer for participants, including working with colleagues to include our Health and Well-Being agenda within the initiative
- explore using Better Points as the basis for offer incentives for WDC staff as part of our agile working approach
- to work with other organisations such as Colleges and Schools, County Council, other large employers to promote targeted (ring fenced) better points with bespoke incentives
- Retain this key plank of our sustainable travel incentives - providing an important tool to enable us to promote low carbon travel for our residents

Specifically, a further 9 month extension will allow us to prepare for a full re-procurement exercise: -

- We have recently recruited an Apprentice to work exclusively on the Better Points initiative and the extension will provide the opportunity for this individual to pull together the appropriate information/evidence for a report to be presented to the appropriate Cabinet Report recommending a further procurement of the Better Points (or similar) initiative for a further appropriate number of years to provide a sense of consistency and stability to the work going forward.
- An extension will give Better Points the window of opportunity to apply for inclusion onto an appropriate procurement framework, providing an easier opportunity for WDC to continue working with the company
- Allow the new political administrations to establish their priorities in relation to climate change through the review of the Climate Change Action, thereby enabling the decision on a future procurement to be made in the context of the overall revised programme.
- With the potential of being able to reprocure Better Points, I understand that Xxxxxx would like to give SDC the opportunity to be part of the contract, allowing Better Points to cover South Warwickshire and provide economies of scale and consistency across both Councils. This will also allow liaison with the newly appointed Climate Change Officer for SDC.

Appendix 4. Net Zero Carbon DPD Consultancy

Email from Chris Elliot to Group Leaders, 28/04/2023:

Please see attached and below. I am asking for your support to use my emergency powers to agree to this exemption from the Procurement process for the reasons set out below.

The money is within an agreed budget so it is not a request for more money it is a process request.

I'd be grateful for a response by midday on Tuesday 2nd May.

Associated Email:

Please can you consult with the Group Leaders on the extension of the Edgars contract for their consultancy work on the Net Zero Carbon DPD. Cabinet approval would normally be required but as there are no meetings as there is an urgency for the consultants to continue supporting us through the Examination process and to assist with guidance to support the implementation of the DPD, we need to progress the agreement.

The initial contract with Edgars was for £60,000. At the time there were a lot of variables and unknowns. In the August 2022 Cabinet report on this matter, it was identified that this was likely to rise to around £90,000 because additional requirements were identified through the process. It was also identified that additional guidance would be required to support the implementation of the DPD and it was estimated that this might cost in the region of £15,000.

Having gone through the Hearing Sessions, the scope of the additional guidance has been refined and we now know, given the further work that the Inspector has asked the Council to undertake that costs are going to be more in the region of £105k for the main part of the Edgars work and circa £23,500 for the additional guidance. It is therefore anticipated that to see this work to its conclusion will cost a total in the region of £130,000 (max £135,000). So a new exemption is needed to supersede the previous ones.

Appendix 5. Enabling Works at Abbey Fields

Email to Chris Elliot, 30/03/2023:

As you are aware the Abbey Fields project has uncovered a variety of archaeological findings, this has led to increased costs on the AR Demolition enabling work and Demolition work contracts. We have requested an increase in approved spend with procurement and they have advised that this needs cabinet approval or in this case your approval via your emergency powers.

Please can you consult with the Group Leaders on the variations of Enabling works and demolition contracts for the Abbey Fields Swimming Pool project. Cabinet Approval would normally be required but as there are no meetings and the project is at a crucial milestone, we need to progress the agreement.

The exemption is required due to the archaeological finds, issues with utility companies and disconnections and requirements of Greenspaces which has seen additional work required for enabling works. Further work is required for demolition works, due to archaeological finds and guidance by Historic England who can halt the project if deemed necessary.

Further details are in the exemption forms.

Given the delays and the increased expenditure it will be necessary for Officers to obtain permission from the July Cabinet for an overall budget uplift. At this point it is anticipated that preservation of the archaeology has been agreed, and a revised programme/cost plan in place.

Any current increased expenditure can be covered within the current overall project budgets, but there will come a point towards the end of the project, when there will not be sufficient budget to complete the development.

Approval for Exemption to CoPP Form

SECTION 1

In accordance with Warwick District Council Code of Procurement Practice and Financial Regulations, I request a waiver of the requirement to obtain competitive tenders or quotations in respect of the services, goods or works as listed in Sections 2 and 3.

SECTION 2: NAME AND ADDRESS OF SUPPLIER

AR Demolition, 36 Main Street, Carlton, Nuneaton, Warwickshire, CV13 0EZ

SECTION 3: COSTS

Total annual cost (ex VAT):	£150,000 (requested as variation)
Total contract commitment (ex VAT):	£556,456 (original) new value £706,456.

SECTION 4: SERVICE AREAS FOR WHICH GOODS / SERVICES ARE REQUIRED

Chief Executive Dept.
Services required for the enabling work at Abbey Fields Swimming Pool.

SECTION 5 REASON FOR REQUEST TO WAIVE STANDING ORDERS (PLEASE PROVIDE AS MUCH INFORMATION AS POSSIBLE)

Background to requirement

AR Demolition were awarded the contract for the enabling works at both Abbey Fields and Castle Farm. These were awarded via a fixed price. The enabling works incorporated numerous works e.g. toilet hire, generator to power the barn and toilets as well as the bog matting to protect the ground and hoarding itself.

Reason for Waiver

The archaeological finds, issues with utility companies and disconnections and requirements of Greenspaces has seen additional work required. This has come in the form of an additional toilet block, which in turn has led to a larger generator requirement and subsequently additional fuel costs. There has also been requests from Greenspace colleagues to move hoarding and add additional fencing in places. The movement of the hoarding also requires machinery to lift the 3x1 tonne blocks that are in place to support the hoarding as there is a no dig policy in Abbey Fields. The additional discoveries have led to AR having their cabins and personnel on site for longer than expected and these costs are also incorporated within the enabling contract.

Utility companies attended to disconnect services and dug up areas of the park and required bog matting to be temporarily moved – these costs have also been an addition to the project budget on this contract.
Budget is available by the project contingency fund, but it is acknowledged that this is not within the contingency of the AR contract hence the request for the uplift.

Has a waiver been issued for this contract before: Yes

Other:

SECTION 5 cont'd:

Evidence of supporting reason (e.g. Market Testing undertaken)

AR were procured using an exemption via cabinet. Due to the nature of the project and the progress already made it is imperative that the same contractor continues with the work as it would not be feasible from a practical sense, project timescale or cost efficiency to use another contractor.

Work to be undertaken to avoid the need to request regulations are waived in the future:

The request for an additional waiver is not anticipated at present, however this will be determined by any further discoveries and/or requests that involve the site setup/layout. The requested amount has been calculated to cover the potential further increase.

Appendix 6. Demolition Works at Abbey Fields

Email to Chris Elliot, 30/03/2023:

As you are aware the Abbey Fields project has uncovered a variety of archaeological findings, this has led to increased costs on the AR Demolition enabling work and Demolition work contracts. We have requested an increase in approved spend with procurement and they have advised that this needs cabinet approval or in this case your approval via your emergency powers.

Please can you consult with the Group Leaders on the variations of Enabling works and demolition contracts for the Abbey Fields Swimming Pool project. Cabinet Approval would normally be required but as there are no meetings and the project is at a crucial milestone, we need to progress the agreement.

The exemption is required due to the archaeological finds, issues with utility companies and disconnections and requirements of Greenspaces which has seen additional work required for enabling works. Further work is required for demolition works, due to archaeological finds and guidance by Historic England who can halt the project if deemed necessary.

Further details are in the exemption forms.

Given the delays and the increased expenditure it will be necessary for Officers to obtain permission from the July Cabinet for an overall budget uplift. At this point it is anticipated that preservation of the archaeology has been agreed, and a revised programme/cost plan in place.

Any current increased expenditure can be covered within the current overall project budgets, but there will come a point towards the end of the project, when there will not be sufficient budget to complete the development.

Approval for Exemption to CoPP Form

SECTION 1

In accordance with Warwick District Council Code of Procurement Practice and Financial Regulations, I request a waiver of the requirement to obtain competitive tenders or quotations in respect of the services, goods or works as listed in Sections 2 and 3.

SECTION 2: NAME AND ADDRESS OF SUPPLIER

AR Demolition, 36 Main Street, Carlton, Nuneaton, Warwickshire, CV13 0EZ

SECTION 3: COSTS

Total annual cost (ex VAT):	£129,000 (variation amount)
Total contract commitment (ex VAT):	£258, 000 (original) New value - £388,000

SECTION 4: SERVICE AREAS FOR WHICH GOODS / SERVICES ARE REQUIRED

Chief Executive Dept.
Services required for the demolition of Abbey Fields Swimming Pool.

SECTION 5 REASON FOR REQUEST TO WAIVE STANDING ORDERS (PLEASE PROVIDE AS MUCH INFORMATION AS POSSIBLE)

Background to requirement

AR Demolition were awarded the contract for the demolition of both Abbey Fields and Castle Farm. These were awarded via a fixed price. The demolition of Castle Farm was straightforward and it was anticipated that Abbey Fields would be the same.

However, given the constraints of Abbey Fields being a scheduled monument, Historic England insisted that trial pits and trenches were dug to see if any archaeology was underneath the building.

Numerous discoveries have been uncovered across the footprint of the old building. This has led to Historic England requesting more investigation and increased time spent on site by archaeologists. These discoveries have led to delays and also a "rethink" as to how AR can remove some of the foundations and walls of the old building that still remain. Some of this work will require hand digging rather than that of a machine, so it will inevitably involve more time and people to complete and this will mean more cost.

Reason for Waiver

The archaeology has led to unforeseen delays and has meant that AR need to review how this work is completed and has led to operatives being on site longer than anticipated – which means more cost.

Historic England – have the authority to prevent the demolition continuing until they are satisfied that care will be taken to preserve the findings. This is currently the situation the project finds itself in.

Once a written scheme of investigation and preservation is complete, then the project can move forward again, but unfortunately whilst the process is being agreed the contractor requires paying. Hence the request to increase the limit. It is requested that the contract sum is uplifted by the 50% allowable (£129000). This is at present an estimate and it is not expected to be that sum – but this is dependent on not further findings.

Budget is available by the project contingency fund, but it is acknowledged that this is not within the contingency of the AR contract hence the request for the uplift.

Has a waiver been issued for this contract before: No

Other:

SECTION 5 cont'd:

Evidence of supporting reason (e.g. Market Testing undertaken)

AR were procured using a mini competition from a framework. This process was overseen by procurement. However, given the findings referred to above delays have been encountered and therefore additional costs incurred. These additional costs could not have been foreseen as the scope of the discoveries was unknown at the time. Given the significant discovery in under the old café area that was unknown at the time of demolition – the delays could not have been predicted. It would not be cost effective to use a different contractor so to keep to project timelines, it is imperative that AR Demolition is used.

Work to be undertaken to avoid the need to request regulations are waived in the future:

The request for an additional waiver is not anticipated at present, however this will be determined by any further discoveries.

Appendix 7. Upper Grove Street Car Park

Monday 30th May 2023

Request for Chief Executive Delegation of Powers:

Re: Car Park Structural Inspection – 1, Warwick Street, Royal Leamington Spa, CV32 5LW

Dear Chris,

Housing Development Services have received the above report today, which was requested by the Housing Development Team (HDT) as part of the redevelopment of Blackburn House, 1 Warwick Street, Leamington Spa (Kwik Fit building).

Having read the report in full and having consulted with Lisa Barker, you will see that the report recommends that the Upper Grove Street, car park and under-croft car park be closed with immediate effect.

Could I request that you use your Delegated Powers to instigate proceedings to carry out this request for the immediate closure, thus making it safe for all members of the public and commercial users of the Kwik Fit premises; the request will also effect the lease with Stonewater Housing for the under-croft car park and their tenants and I now request the use of your Delegated Powers to suspend the lease currently in place with Warwick District Council (WDC).

Following your position on this I will carry out the required mitigation measures to see the car park closed and secured. Please note that we will inform finance and insurance colleagues regarding the closure, along with Assets and any other wider WDC teams.

Kind regards,

Rachel Gray

Senior Housing Development Officer

Email to Chris Elliott from Lisa Barker, 30/05/2023:

Hi Chris

This is a short report requesting for you to use your emergency powers to approve the closure of Upper Grove St Car Park. This is the one at the side of Kwik Fit. It also affects the under croft which is on a long lease (with 70 years still remaining) to Stonewater to provide car park spaces to their flats on Warwick Terrace.

Atkins had been asked to undertake a survey of the car park as part of the due diligence for the works to Kwik Fit.

The findings of the survey show that the primary structure, i.e. the structure contributing to overall integrity and stability of the building could be at risk of collapse if the steel rebar corrosion is not stopped. The slab soffit is severely affected; with spalled concrete and rebar exposed in numerous places. Where reinforcement is exposed, it shows signs of significant section loss.

The damage to the structure is expected to pose an immediate health and safety risk and the car park (upper and lower) should be closed in the immediate term.

A desk study has been carried out into the reasons why the car park is so deteriorated, with the two main reasons found to be as follows:

- The design is consistent with the original codes of that time. However, when assessed against current codes it is found to be insufficient. In critical areas, such as cover, the provided design is not sufficient.
- The structure does not appear to have been well maintained.

Atkins have proposed both a repair and replacement option but have recommended that the car park is replaced in its entirety.

With the closure of Covent Garden, this car park has seen greater usage which in turn puts increased stress and strain on the structure.

A report is now being prepared for Cabinet with full costings to replace the car park which is required to provide parking for the Kwik Fit flats.

Stonewater have been made aware of the need to close the undercroft with immediate effect.

Steve, I have asked Rachel to work with your team to have the car park physically closed, tomorrow if at all possible and to alert Xxxx Xxxxxxx, Xxxxxxxx X'Xxxxx and Xxxxxxx Xxxxx.

I will advise the PH and ward councillors on receipt of your decision.

Could you let me have your approval please Chris.

Kind regards

Lisa

Appendix 8. Provision of Wide Area Network Links

Note seeking exemption from the Code of Procurement Practice

Appointment of Daisy Communications to Provide a Further 12 Months Wide Area Network and Telephony Services

31st March 2023

Introduction

The Chief Executive has been required to use his emergency powers to authorise a waiver to support the procurement of a 12-month support contract for the Council's Wide Area Network Infrastructure and Telephony. His emergency powers require him to seek approval of Group Leaders for this decision.

Background

WDC currently runs a complex Wide Area Network, linking all of our sites using a combination of internet lines and point-to-point dedicated links. The original contract for these services were let under a framework agreement five years ago and will shortly expire.

As part of the move to Saltisford, ICT have already commenced work on significantly redesigning all of our Wide Area Network requirements. Over the next 12 months we will be replacing most of our links with dedicated high-speed internet connections, using software defined WAN technology to securely connect and manage our locations. This is significantly different to the setup we currently have. However, whilst this is happening it remains necessary to maintain our current links and telephony services, until the replacement is ready to take over.

In addition to continuing to serve our current sites until replaced, our existing wide area network is ICT's backup plan, should any of the new lines required for Saltisford be delayed or impacted upon by services which are issues which are outside of our control. In addition, the links also currently support all the Council's remote access facilities for staff, Members and suppliers and all online, public facing services.

To maintain our existing links, ICT have sought quotes from our existing provider, Daisy Communications. They have quoted to provide services in the same manner as they do currently, for a further period of up-to 12 months. During this time, ICT won't incur any termination charges for our services, as we are already outside of the minimum agreed period. This is beneficial to us, as we will disconnect circuits that are no longer required as we commission new equipment at each site.

In terms of value for money, our anticipated costs for the single year extension are around £110,000. This covers the costs of all our network links and our telephony. The price is variable to a degree, as the amount we're charged for telephone usage varies in each quarter. However, this is an average amount over the past two years. The contract will expire in 12 months and will be directly replaced as part of the procurement exercise to replace our wide area network.

Recommendation

It is requested that Group Leaders agree to the use by the Chief Executive of his emergency powers to authorise a procurement waiver in this instance.

David Elkington
Head of Customer and Digital Services
31st March 2023

Approval for Exemption to CoPP Form

SECTION 1

In accordance with Warwick District Council Code of Procurement Practice and Financial Regulations, I request a waiver of the requirement to obtain competitive tenders or quotations in respect of the services, goods or works as listed in Sections 2 and 3.

SECTION 2: NAME AND ADDRESS OF SUPPLIER

Daisy Communications Limited
Daisy House, Lindred Road Business Park, Nelson, Lancashire, BB9 5SR

SECTION 3: COSTS

Total annual cost (ex VAT):	Approximately £110,000 (this varies according to usage)
Total contract commitment (ex VAT):	

SECTION 4: SERVICE AREAS FOR WHICH GOODS / SERVICES ARE REQUIRED

Customer and Digital Services (ICT)

SECTION 5 REASON FOR REQUEST TO WAIVE STANDING ORDERS (PLEASE PROVIDE AS MUCH INFORMATION AS POSSIBLE)

Background to requirement

Daisy are our current provider for our Wide Area Network links and SIP telephony links. The original call off contract was awarded on 5th April 2018 under Crown Commercial Services RM1045 framework. Initially for a period of 3 years, the contract was extended for a further 24 months in 2021.

It is necessary for the Council to maintain a contract with a supplier for these services, as without them, our telephony and wide area network links would no longer function, disconnecting our buildings, staff and services.

Reason for Waiver

For a contract of this value the Council have to reprocure through a tendering exercise or make an award via a framework – which would typically require some form of competition and have a set duration. However, at the moment ICT is in a very difficult position as with the forthcoming move to Saltisford and significant changes to our network proposed as a part of this, changing our network supplier at the same time would be an exceptionally difficult task.

In addition, any company taking over the lines and arrangement would introduce a minimum contract period (typically 3 years) and at the moment, ICT plan on cancelling many of the connections we currently hold with Daisy. As we move out of Riverside House, they simply won't be needed anymore.

It would not be logical or provide best value to enter into a new contract with a new supplier at this point, when a significant part of our wide area network infrastructure will shortly no longer be required.

Has a waiver been issued for this contract before:

No

Other:

SECTION 5 cont'd:

Evidence of supporting reason (e.g. Market Testing undertaken)

ICT have recently sought costs for revised data links required for our new Wide Area Network setup, post Saltisford. Whilst the connection types requested are not exactly the same as those currently provided by Daisy, their costs are comparable, only varying from our existing network by a few hundred pounds. Daisy are also not proposing to increase our overall charges over inflation should we extend the contract for a further year.

Companies who provided quotations for our new datalinks quoted on the basis of a three-year commitment and each had a setup cost associated. We would incur these costs if a new provider took over Daisy's provisions for our existing lines, and we would be tied into a longer contract, unless we paid a premium for a shorter term.

This contract also includes all of our SIP telephony trunks which will also eventually be included in a replacement contract as we move our telephony into Teams and a cloud-based contact centre.

Work to be undertaken to avoid the need to request regulations are waived in the future:

In the next 12 months ICT will look to award a new contract under a Crown Commercial Services framework as part of our replacement WAN requirements.

Appendix 9. Multi Factor Authentication System

Note seeking exemption from the Code of Procurement Practice

Appointment of Bluefort to Provide 1 Year RSA SecureID Support and Licensing

30th March 2023

Introduction

The Chief Executive has been required to use his emergency powers to authorise a waiver to support the procurement of a 12-month support contract for ICT's RSA SecureID multi-factor authentication software. His emergency powers require him to seek approval of Group Leaders for this decision.

Background

In order to maintain the security of our systems, the Council currently uses as multifactor authentication system from a company called RSA. The product, SecureID, ensures that when users attempt to access our network remotely, not only do they need to know an item of information (such as their password), but they also have to hold an item of hardware.

This hardware is their second factor and may take the form of a token or an app on their smartphone. Regardless of format, they have to be in possession of this item in order to gain access to our network and this is essential in keeping our network safe.

The existing RSA system was first contracted through Bluefort in 2019. Since most staff have now migrated to home working, far more money was spent on the contract than originally anticipated, pushing it through our internal procurement thresholds.

ICT had planned to remove the RSA system in 2022 and replace it with an alternative from Microsoft. This unfortunately was not possible, as during the feasibility stage it was identified that our current network hardware could not support the protocols used by the Microsoft solution.

Our replacement network hardware will in due course, but this will not come online before the maintenance on our existing RSA SecureID system becomes due.

Our annual costs with Bluefort are around £8,000, but this can increase if we need to buy replacement tokens, which have a dated shelf-life. A further renewal will push the aggregated spend with the supplier over £50,000, requiring an exemption from Cabinet.

ICT have looked at procuring equivalent licences through the G-Cloud 13 framework which would facilitate a direct award, but the costs of this were excessive. We currently pay £14.11 per user per year and the terms of our contract with Bluefort cap their increases to 5% annually. Two G-Cloud providers were found to provide similar services, but both were more than £30 per user per year – more than double our existing costs.

Recommendation

It is requested that Group Leaders agree to the use by the Chief Executive of his emergency powers to authorise a procurement waiver in this instance and allow ICT to contract for a further 12 months with Bluefort for our RSA SecureID solution.

David Elkington
Head of Customer and Digital Services
30th March 2023

Approval for Exemption to CoPP Form

SECTION 1

In accordance with Warwick District Council Code of Procurement Practice and Financial Regulations, I request a waiver of the requirement to obtain competitive tenders or quotations in respect of the services, goods or works as listed in Sections 2 and 3.

SECTION 2: NAME AND ADDRESS OF SUPPLIER

Bluefort Security Limited
7/8 Eghams Court, Boston Drive, Bourne End, Buckinghamshire SL8 5YS

SECTION 3: COSTS

Total annual cost (ex VAT):	Approximately £8,000
Total contract commitment (ex VAT):	Approximate total will be between £52,000 and £55,000 based on aggregated spend since 01/07/2019.

SECTION 4: SERVICE AREAS FOR WHICH GOODS / SERVICES ARE REQUIRED

Customer and Digital Services (ICT)

SECTION 5 REASON FOR REQUEST TO WAIVE STANDING ORDERS (PLEASE PROVIDE AS MUCH INFORMATION AS POSSIBLE)

Background to requirement

In order to maintain the security of our systems, the Council uses as multifactor authentication system from a company called RSA. This solution ensures that when users attempt to access our network remotely, not only do they need to know an item of information (such as their password), they also have to hold an item of hardware.

This hardware is their second factor and may take the form of a token or an app on their smartphone. Either way, they have to be in possession of this item in order to gain access to our network.

This is essential in keeping our network safe.

The existing RSA system was first contracted through Bluefort in 2019. Since most staff have now migrated to home working, far more money was spent on the contract than originally anticipated. ICT planned to remove the RSA system in 2022 and replace it with an alternative solution from Microsoft. This unfortunately was not possible, as our current network hardware could not support the protocols used by the Microsoft solution. Our replacement network hardware will, in due course.

Because of this delay, it is necessary to obtain continued support for our existing RSA solution.

Reason for Waiver

Our annual costs with Bluefort are around £8,000, but this can vary if we need to buy replacement tokens. A further renewal will push the aggregated spend with the supplier over £50,000.

At this point, it is not practical to replace the RSA solution as our alternative will not work with our existing network hardware. As part of the move to Saltisford, this network hardware will be replaced, but it would not be practical to complete this and replace all of the RSA tokens before the current contract expires.

Has a waiver been issued for this contract before:

No

Other:

SECTION 5 cont'd:

Evidence of supporting reason (e.g. Market Testing undertaken)

Technical information regarding the implementation of the alternative Microsoft MFA can be provided which detail the incompatibilities with our existing systems.

Bluefort's costs were compared to similar service providers available via the G-Cloud 13 framework and the costs were found to be significantly less.

Work to be undertaken to avoid the need to request regulations are waived in the future:

In the next 12 months ICT will look to remove the RSA product from our estate, replacing it with Microsoft MFA

Appendix 10. Bowls England National Championship Tournament

Letter from Chris Elliott to Chief Executive, Bowls England, 04/05/2023:

Dear Jon,

Extension to the Agreement relating to the relocation of the National Championships Tournament to Leamington Spa originally made on the 15th November 2013 between Warwick District Council and Bowls England Ltd.

Warwick District Council and Bowls England Limited (the Parties) entered into an agreement on 15th November 2013 for the relocation of the National Championships Tournament to Leamington Spa (original Agreement appended to this letter).

On behalf of Warwick District Council, I wanted to acknowledge the hard work and success achieved by both parties in this relocation project, bringing the Home of Bowls to our District.

I would also like to acknowledge that these Parties will shortly enter discussions regarding a new Agreement, but in the meantime I wish to confirm that we have and will continue to work under the terms of the Original Agreement.

Accordingly, the Expiry Date in the Original Agreement will be varied to 30th April 2024. The Parties further agree that clause 13.1 (principles to govern the negotiations of the parties to extend the agreement beyond the initial term) will not be invoked for this short extension, but it will form the basis of the negotiations on the new Agreement, subject to any changes the Parties then agree.

Yours sincerely

Chris Elliott
Chief Executive
Warwick District Council

Appendix 11. Wildfire Prevention – Fires in Public Spaces

Thursday, 15th June 2023

Request for Chief Executive Delegation of Powers:

Dear Councillors

In response to concerns raised about the risk of wild fires due to the high temperatures we are once again experiencing, an officer group meeting has taken place today involving community safety, fire and rescue, green spaces, climate change team and media to discuss and agree the Council's approach in mitigating these risks.

We are proposing a total ban on BBQs and camp fires across all our main parks, green open spaces and nature reserves across the district as from Monday 19 June. Before we proceed further with our action plan to implement this we want to ensure that you are fully supportive of this approach.

We will have signs ready to deploy next week to the locations listed below – we have consulted with Fire and Rescue in regard to their database of hotspots and added additional locations which we feel may be susceptible.

Locations currently identified are:

Newbold Comyn and Campion Hills, Priory Park, St Nicholas Park, Abbey Fields, St Marys Lands, Myton Fields, Kenilworth Common, Victoria Park, Pump Room Gardens, Jephson Gardens, Mason Avenue Park.

We will also have a supply of signs that can be deployed to other areas if deemed necessary or on request.

Xxxx Xxxxxx and Xxxxx Xxxxxx are working on a communications plan and will be linking in with key stakeholders e.g. police, Fire and Rescue, Warwickshire Wildlife Trust, Town and Parish Councils, WCC – schools, Friends of groups etc.

Title: Net Zero Carbon Development Plan Document (DPD) Update
 Lead Officer: Andrew Cornfoot (andrew.cornfoot@warwickdc.gov.uk ; 01926 456203)
 Portfolio Holder: Councillor Kennedy (Climate Change) and Cllr King (Place)
 Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	05.06.23	Cllr James Kennedy (Climate Change) and Cllr Chris King (Place)
Finance	02.06.23	Andrew Rollins
Legal Services	02.06.23	Ross Chambers
Chief Executive	02.06.23	Chris Elliott
Director of Climate Change	02.06.23	Dave Barber
Head of Service(s)	02.06.23	Philip Clarke
Section 151 Officer	02.06.23	Andrew Rollins
Monitoring Officer	02.06.23	Andy Jones
Leadership Co-ordination Group	19.06.23	
Final decision by this Committee or rec to another Cttee / Council?	Yes (on these recommendations; however, adoption of the DPD is a matter for Council to consider)	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	Yes, Forward Plan item 1,363 – scheduled for 5 th July 2023	
Accessibility Checked?	Yes	

Summary

This report provides an up-to-date position on the progress of the Net Zero Carbon Development Plan Document (DPD), currently under Examination by the Secretary of State. It also seeks decisions relating to the current public consultation on the document and next steps.

Recommendations

- (1)** That Cabinet notes the latest position and progress on this planning policy document, since Council last considered a report relating to it on 7th September 2022.
- (2)** That Cabinet endorses the Main Modifications as set out in the current Main Modifications consultation and confirm that they do not wish to make any representations to that consultation.
- (3)** That Cabinet notes the production of a Supplementary Planning Document (that is already included within the Council's Local Development Scheme) to assist with the smooth implementation of the DPD; and gives delegated authority to the Head of Place, Arts and Economy and the Portfolio Holders for Climate Change and Place to agree on a version of the Supplementary Planning Document that the Council will consult upon and agree the dates for that consultation; and that Cabinet notes that the SPD will ultimately come before them for their consideration as to whether to adopt it.
- (4)** That a further £35,000, in addition to the £95,000 agreed by Cabinet in August 2022, is set aside from the Planning Appeals Reserve to cover costs associated with consultancy work and the Examination.

1 Reasons for the Recommendation

1.1 Background/Information

- 1.1 At its meeting on 10th August 2022, Cabinet agreed to the submission of the Net Zero Carbon Development Plan Document (DPD) to the Secretary of State for its Examination alongside a schedule of proposed revisions arising from the second of two public consultations on the emerging policy document.
- 1.2 Subsequently, Council endorsed the submission of the document on 7th September 2022.
- 1.3 On 17th October 2022, the DPD was submitted to the Secretary of State (through the Planning Inspectorate (PINS)). In order to submit the DPD, the Council were also required to appoint a Programme Officer to assist the Inspector in the administration of the examination.
- 1.4 On 7th November 2022, PINS appointed Mr. A McCormack as the Inspector to hold an independent examination of the DPD.
- 1.5 Mr. McCormack wrote to the Council on 8th December 2022, confirming that he had undertaken an initial review of the Plan, the supporting evidence and representations made on it prior to its submission and from this was satisfied that the examination of the Plan could progress.

- 1.6 Council officers and Mr. McComack engaged in further correspondence and four days of public Examination hearing sessions were arranged commencing on 7th March 2023.
- 1.7 The Council were represented at the hearing sessions by Council officers alongside specialist consultants that have supported the production of the DPD. Other interested parties also attended the hearing sessions.
- 1.8 On 30th March 2023 Mr. McCormack wrote to the Council outlining the next steps for the DPD Examination. He also praised the Council's management of the sessions stating "*...I would like to thank the Council's Team for the way in which the hearing sessions were approached, arranged, and conducted. This enabled the hearing sessions to take place as smoothly, effectively, and efficiently as possible and for that I am grateful*".
- 1.9 In his letter, the Inspector requested further information to be submitted and indicated that Main Modifications to the DPD will be required for reasons of 'soundness' in accordance with Paragraph 35 of the National Planning Policy Framework (NPPF). As such, it would be necessary to undertake a period of public consultation on the modifications.
- 1.10 Mr. McCormack provided an indicative timetable for the next stages of the Examination that would see his final report being anticipated by the end of September 2023 (the Inspector has subsequently revised this to 'end of October 2023').
- 1.11 Following a response from the Council to Mr. McComack's letter of 30th March in which he had requested additional information, he subsequently wrote to the Council again on 12th May 2023 confirming that he was satisfied with the content of additional documents that the Council had provided. A Schedule of Proposed Main Modifications (and minor changes, referred to as Additional Modifications) were produced by the Inspector and asked for further work to be completed by the Council by 22nd May 2023.
- 1.12 On 22nd May 2023 officers wrote to the Inspector with a final list of proposed Main Modifications, Final Schedule of Additional Modifications, a Sustainability Appraisal/Habitat Regulations Assessment update, and a composite version of the DPD showing all proposed modifications indicated in the schedules.
- 1.13 On 5th June 2023, the Council commenced a statutory 6-week Main Modifications consultation that will run until 17th July.

1.14 Main Modifications

- 1.15 In assessing a Local Plan (including Development Plan Documents), the Inspector has to be satisfied that the Plan has been prepared in accordance with legal and procedural requirements and whether it is sound. Paragraph 35 of the NPPF sets out the tests of soundness and Plans are 'sound' if they are:
- a) Positively prepared;
 - b) Justified;
 - c) Effective; and
 - d) Consistent with national policy.
- 1.16 It is common for the Inspector to identify a number of Main Modifications required in order to meet the tests of soundness. In this case a total of 20 Main Modifications have been identified.

- 1.17 Whilst identified as Main Modifications, some of the modifications were indeed put forward by Officers as Minor Modifications to the DPD and officers do not consider that the changes significantly alter the policies and thrust of the DPD that was submitted for Examination in October 2022.
- 1.18 Main Modifications include the following amendments and are required for reasons of soundness to make the DPD justified and effective:
- Clarification in text for each policy how the DPD policy relates to existing Local Plan policies.
 - Outlining measures taken to create a carbon market for Warwickshire, which will be the preferred carbon offsetting mechanism.
 - Factual clarification that the DPD relates to regulated operational energy and does not include unregulated energy and associated emissions.
 - Clarification that Policy CC3 of the Local Plan is being expanded upon and that requirements in relation to BREEAM standards are not superseded.
 - Signposting where information on the content of an Energy Statement can be found.
 - Clarifying the relationship with CIL and that the Carbon Offset fund will be separate, and the carbon savings separately monitored.
- 1.19 17 Additional Modifications of a more minor nature are also proposed, and the changes are primarily for purposes of factual clarification.

1.20 Main Modifications Public Consultation

- 1.21 Officers have collaborated with the Inspector to arrive at the final schedule of modifications and are comfortable with the proposed modifications.
- 1.22 As highlighted in paragraph 1.13, a public consultation on the Main Modifications has commenced and will run until 17th July 2023. Only representations relating to the Main Modifications can be considered through the consultation, thus comments on the Additional (minor) Modifications or general comments relating to the document or aspects of it falling outside of the Main Modifications cannot be considered.
- 1.23 Three appendices supplement this report and relate to documentation that forms part of the public consultation. They are:
- Appendix 1 – Schedule of Main Modifications
 - Appendix 2 – Schedule of Additional Modifications (minor changes)
 - Net Zero Carbon DPD – Track Change version identifying Main and Additional modifications.
- 1.24 As part of the consultation, an addendum has been provided to the Sustainability Appraisal/Habitats Regulations Assessment. This concludes that overall, the previous findings of the Sustainability Appraisal/Strategic Environmental Assessment and also those of the Habitats Regulations Assessment remain relevant and valid in light of the proposed Main Modifications.
- 1.25 Recommendation 2 of this report seeks Cabinet’s support for the Main Modifications and confirmation that they do not wish to make any representations on the consultation.

- 1.26 Theoretically, it would be possible for the Cabinet to raise objections to these modifications. However, in considering whether to do this or not, the following points should be taken into account:
- Issues relating to each of the modifications have been rigorously examined during the Examination in Public hearings. The Main Modifications have been advanced by the Inspector as he considers they are necessary in order for him to find the document 'sound'. Without the amendments, the Council would be unlikely to be able to proceed and adopt the document.
 - If the Cabinet chooses to raise new arguments or proposals, this opens up the risk that the Inspector will need to give these proposals consideration which in turn may require him to re-open the hearings and/or require a further period of consultation. This would adversely impact the timing of the adoption of the DPD.
- 1.27 In this context, it is recommended that the Cabinet endorses the Main Modifications and does not make any representations regarding the modifications. However, alternative options are set out in Section 2 below.

1.28 Next Steps

- 1.29 Following the end of the public consultation, officers will collate the responses into a schedule and provide them to the Inspector for his consideration. It is likely that this will be undertaken before the end of July 2023.
- 1.30 The Inspector has indicated that it would be reasonable to anticipate the issuing of his Final Report before the end of October 2023. If the Inspector finds the DPD to be sound, for decision makers (i.e., Development Management and Planning Committee) to give it full planning weight and for it to form part of the Development Plan for the District, Council must take the formal decision to adopt the DPD.
- 1.31 On the basis of when the Inspector's Final Report is anticipated, the Council meeting on 15th November may be appropriate for taking the decision whether to adopt the final DPD. If the timing of the receipt of the Inspector's Final Report does not allow for this, then Officers will liaise with Committee Services and Members to find a suitable alternative to enable the adoption of the DPD at the earliest opportunity.
- 1.32 In order to assist the implementation of the DPD policies, officers with the support of our consultants, are producing a Supplementary Planning Document to help advise Development Management colleagues and applicants as to what will need to be produced and submitted to address the policy requirements.
- 1.33 The need for supporting guidance was identified in a Cabinet Report on this subject on 10th August 2022 and finances were identified to deliver the guidance. It was subsequently also included in the Council's current Local Development Scheme in December 2022. Work has commenced on the production of the guidance and the importance of it was apparent at the Examination Hearing Sessions with the Inspector making it clear that he recommends that the Council produce such guidance.
- 1.34 In previous reports relating to the DPD it has been highlighted that additional expertise may be required to assist in the smooth implementation of the DPD, in particular to assess the technical information that will be submitted as part of planning applications. External funding opportunities have been explored, although ultimately unsuccessful. Therefore, officers propose to create a new

permanent post for somebody to provide the technical expertise required. This is being factored into the Medium-Term Financial Strategy (MTFS) and will soon go through the HAY Panel process.

- 1.35 Officers are aware that decision makers and applicants will be keen to understand what weight can be attached to the policies in the DPD prior to its adoption. This is a matter of judgement and guidance on the matter is provided in the NPPF (paragraph 48), which states:

Local planning authorities may give weight to relevant policies in emerging plans according to:

- a) the stage of preparation of the emerging plan (the more advanced its preparation, the greater the weight that may be given);*
- b) the extent to which there are unresolved objections to relevant policies (the less significant the unresolved objections, the greater the weight that may be given); and*
- c) the degree of consistency of the relevant policies in the emerging plan to this Framework (the closer the policies in the emerging plan to the policies in the Framework, the greater the weight that may be given).*

- 1.36 Upon production of the Inspector's Final Report the weight that can be attached to the DPD will be significant. This reflects the fact that the Plan will be at a very advanced stage, has been subject to significant public consultation, and the representations to it will have been considered, and ruled upon, by an independent Inspector.
- 1.37 However, if no significant issues are raised through the Main Modifications consultation, given the advanced stages of the DPD, the lack of unresolved objections and our belief that the DPD is consistent with the NPPF, it is considered that some weight, albeit less than substantial, could be given to the policies in the DPD. That said, it should also be noted that applications will have been submitted prior to the adoption of the DPD and applicants will not have the benefit of the supporting guidance to assist them.
- 1.38 In the period between now and the anticipated adoption of the DPD, the Council's Development Management officers are ensuring that the DPD is referred to in pre-application discussions they have with potential applicants.

2 Alternative Options

- 2.1 Alternative Option 1 (relating to Recommendation 2): Cabinet could choose to not proceed with the Net Zero Carbon DPD and withdraw it from Examination. However, given the significance of the DPD to the Council's Climate Emergency Action Plan and the cross-party support it has received to date and the time and cost that has been incurred in producing the DPD, this is considered an unwise and retrograde decision. The Council only recently, in October 2022 took the decision to submit the DPD for Examination and even more recently in December 2022 committed to the continued work on the DPD through approving an updated Local Development Scheme that includes the DPD as a priority.
- 2.2 Alternative Option 2 (relating to Recommendation 2): Cabinet could choose to make representations to the Main Modifications consultation including raising objections to suggested modifications. However, as identified in Paragraph 1.26, the amendments are considered necessary by the Inspector in order for him to find the document 'sound' and objecting to them could threaten the

adoption of the DPD. Furthermore, raising new arguments or proposals increases the risk that the Inspector may wish for a further period of consultation or take longer to produce his final report, thus delaying the timing of the adoption of the DPD.

- 2.3 Alternative Option 3 (relating to Recommendation 3): Cabinet could choose to require the draft SPD to come before them for consideration prior to the commencement of a public consultation on the guidance. However, this would add delay to its adoption and Cabinet will in any event be taking the decision whether the Council should adopt the supporting guidance.

3 Legal Implications

- 3.1 There are no particular legal implications relating to the recommendations in this report.
- 3.2 The DPD has been produced following planning legislation and in order to adopt the policy document it will need to go through formal Council procedures, in accordance with The Constitution.

4 Financial Services

- 4.1 Previous reports that have come to Cabinet have sought to set aside money to cover costs associated with the production of the DPD.
- 4.2 At its meeting in August 2022, Cabinet agreed to set aside £95,000 from the Planning Appeals Reserve to cover the costs of consultancy work and the Examination (including the Programme Officer and Inspector's costs). This was based on an estimated cost of work required before submission of the DPD and during the Examination process but there were a number of variables that may influence overall costs.
- 4.3 It is now apparent that costs associated with the Examination and the additional SPD guidance required to support the implementation of the DPD are likely to be higher than initial estimated and thus recommendation 4 of this report seeks approval for a further £35,000 to be set aside from the Planning Appeals Reserve to cover the costs associated with this project.
- 4.4 Past reports have also highlighted that additional technical expertise may be required to aid the implementation of the DPD and assess the plethora of technical information that will be submitted as part of planning applications as a result of the DPD policies. As highlighted in Paragraph 1.32, officers propose to create a new permanent post for somebody to provide the technical expertise required. This is being factored into the Medium-Term Financial Strategy (MTFS) and will soon go through the HAY Panel process.

5 Business Strategy

- 5.1 Health, Homes, Communities – The adoption of the DPD will result in a demonstrable improvement in the energy efficiency and quality of homes and other buildings in the district. Homes built to these standards should also reduce fuel costs for occupants thus bringing benefits to livelihoods. The policies will minimise any adverse impact that communities in Warwick District are having upon the local and global climate.
- 5.2 Green, Clean, Safe – As above, the DPD policies will result in a reduction in

emissions thus having a positive environmental impact.

- 5.3 Infrastructure, Enterprise, Employment – The DPD will provide a stimulus to the local 'green' economy and will result in more energy efficient commercial buildings, ultimately reducing costs to businesses.
- 5.4 Effective Staff – The production of the DPD has aided the knowledge of council staff on this important subject matter.
- 5.5 Maintain or Improve Services – This policy document will have a significant beneficial impact upon residents within the district and is critical to the success of the Council's Climate Emergency Action Plan.
- 5.6 Firm Financial Footing over the Longer Term – The policies will improve the energy efficiency of buildings and thus result in reduced bills to residents, businesses, and the Council.

6 Environmental/Climate Change Implications

- 6.1 The NZC DPD is a response to the climate emergency. A key outcome of the Fit for the Future Green, Clean, Safe strand is achieving the Council's stated outcome of total carbon emissions within Warwick District being as close to zero as possible by 2030. The DPD will be critical to achieving this stated outcome. The Council's Climate Change Action Programme (November 2021), committed to progressing the DPD. Planning policy has a critical role in delivering the Council's aims on climate change.

7 Analysis of the effects on Equality

- 7.1 Consultations have been conducted in line with the Council's adopted Statement of Community Involvement.
- 7.2 The DPD policies will improve the fabric of new buildings and thus their energy efficiency, ultimately reducing bills associated with energy usage. This will be of benefit to all residents within the district that ultimately live in a property that is approved subject to the policies in the DPD.
- 7.3 There are no further equality impacts associated with the proposals in this report.

8 Data Protection

- 8.1 There are no Data Protection implications associated with the recommendations in this report.

9 Health and Wellbeing

- 9.1 The proposed DPD policies, if adopted, will improve energy efficiency of homes and businesses and it is expected that they will help to minimise energy usage. This will be of significant benefit to residents and businesses as it will reduce costs and reduce the number of people suffering from fuel poverty. This has the potential to have a significant positive impact upon health and wellbeing of residents. The DPD policies also ultimately mean Warwick District Council is making great strides in reducing its impact upon global climate change.

10 Risk Assessment

- 10.1 Failure to develop and implement policies requiring new developments to be net zero carbon in operation (for the purposes of this DPD this relates to regulated operational energy resulting from fixed building services and fittings) will undermine the council's climate emergency declaration and furthermore will mean the council's stated ambitions on climate change would be undeliverable, in the absence of national policy being implemented.
- 10.2 Alternative options (see Section 2) identify risks associated with taking alternative approaches to the recommendations as set out in this report.

11 Consultation

- 11.1 The DPD has been subject to two public consultations and also an Examination in Public.
- 11.2 There has been regular engagement with the relevant Portfolio Holder during the preparation of the DPD and following submission of the document for Examination. A cross-party Working Group for the DPD also met on a number of occasions at earlier stages of the production of the DPD.

Appendices to this report:

- Appendix 1 – Schedule of Main Modifications
- Appendix 2 – Schedule of Additional Modifications (minor changes)
- Net Zero Carbon DPD – Track Change version identifying Main and Additional modifications.

Supporting documents:

Report to Cabinet and Appendices, 10th August 2022

Report to Cabinet and Appendices, 10th February 2022

Report to Cabinet and Appendices, 8th July 2021

Local Development Scheme, December 2022

Link to Main Modifications Consultation page:

https://www.warwickdc.gov.uk/info/20799/development_plan_documents/1713/net_zero_carbon_development_plan_document/2

**Schedule of Proposed Main Modifications to the Published Submission Version of the
Warwick Net Zero Carbon DPD (August 2022)**

Warwick District Council

May 2023

The following format has been used to denote the modifications:

Underlined bold text = new text proposed for policy compared to the submission version

~~Strikethrough text~~ = text proposed for removal compared to the submission version

Underlined text = new text proposed for justification text compared to the submission version.

Such modifications have been set out in the third column of the following table with reasons for the changes set out in the final column.

Schedule of Proposed Main Modifications

This document comprises a schedule of proposed main modifications to the Proposed Submission Net Zero Carbon DPD. Main modifications to the DPD involve changes that are identified as necessary for soundness reasons and to meet the tests of soundness set out in paragraph 35 of the National Planning Policy Framework.

Proposed Main Modifications

Modification Number	Submission Plan Reference	Proposed Main Modification	Reason for Modification
PMM01	Page 21 New Para 5.12	<u>This policy supports and expands upon Local Plan policies DS3, SC0, HS1, BE1, CC1, CC2 and CC3 through introducing standards for development which will positively contribute to reducing carbon emissions against local and national targets. The DPD aligns with, and should be read alongside, Local Plan policy DM1 with regard to financial contributions towards carbon offsetting and policy DM2 with regard the assessment of the viability of development to meet the policies of the DPD and development plan as a whole.</u>	To clarify how the DPD policy NZC1 relates to existing Local Plan policies. This modification is required to make the policy and DPD justified and to make the policy effective (as required by paragraph 35c of the NPPF).
PMM02	Page 24 New Para 6.11	<u>This policy supports and expands upon Local Plan policies DS3, SC0, HS1, BE1, CC1 and CC3 through introducing target fabric efficiency improvements through the design of proposed buildings and reduce carbon emissions.</u> <u>The DPD aligns with, and should be read alongside, Local Plan policy DM2 with regard the assessment of the viability of development to meet the policies of the DPD and the development plan as a whole.</u>	To clarify how the DPD policy NZC2(A) relates to existing Local Plan policies. This modification is required to make the policy and DPD justified and to make the policy effective (as required by paragraph 35c of the NPPF).
PMM03	Page 27 New Para 7.10	<u>This policy supports and expands upon Local Plan policies DS3, SC0 and CC2 through the inclusion of low or zero carbon technologies to reduce carbon emissions from new buildings.</u> <u>The DPD aligns with, and should be read alongside, Local Plan policy DM2 with regard the assessment of the viability of development to meet the policies of the DPD and the development plan as a whole.</u>	To clarify how the DPD policy NZC2(B) relates to the existing Local Plan policies. This modification is required to make the policy and DPD justified and to make the policy effective (as required by paragraph 35c of the NPPF).
PMM04	Page 31 Para 8.7	In the event that Warwickshire County Council or Warwick District Council operate a local carbon market that gives value to the growth and enhancement of local natural assets, this will be the preferred scheme. <u>Warwickshire County Council has developed the Warwickshire Ecosystem Trading Protocol (WESTP) which is a mechanism for carbon offsetting and trading based on nature based solutions.</u>	To outline and provide clarification on measures that Warwickshire County Council has taken and put in place in creating a carbon market for Warwickshire and which will be the preferred carbon offsetting mechanism on adoption of the DPD.

Modification Number	Submission Plan Reference	Proposed Main Modification	Reason for Modification
		<p><u>Local conditions for nature based solutions are detailed through the WESTP. The WESTP mandates that all compensation sites will be registered through the Woodland Carbon Code with additional requirements for securing woodland, and its management for a minimum of 100 years.</u></p> <p><u>Warwick District Council intend to utilise nature based solutions through the WESTP as its preferred carbon offsetting mechanism in the first instance. Other offsetting mechanisms may also be developed in the future.</u></p>	<p>This modification is required to provide a clearer context for the DPDs approach with regard to carbon offsetting and is necessary to make the policy and approach within the DPD justified and effective (as required by paragraph 35c of the NPPF).</p>
PMM05	Page 31 New Para 8.10	<p><u>This policy supports and expands upon Local Plan policy DS3 providing a mechanism reduce carbon emissions from new buildings (or offset) to deliver a low carbon economy and to support environmental sustainability. The DPD aligns with and should be read alongside Local Plan policies DM1 with regard to financial contributions towards carbon offsetting and policy DM2 with regard the assessment of the viability of development to meet the policies of the DPD and development plan as a whole. For the avoidance of doubt, offsetting funds shall be secured through a Section 106 Agreement and will be ringfenced, and such will be separate to any Community Infrastructure Levy CIL charges.</u></p>	<p>To clarify how the DPD policy NZC2(C) relates to existing Local Plan policy and clarify the relationship with CIL.</p> <p>This modification is necessary to make the policy justified and effective (as required by paragraph 35c of the NPPF).</p>
PMM06	Page 33 New Para 9.4	<p><u>This policy supports and expands upon Local Plan policy DS3 through the consideration and assessment of the embodied carbon of building materials to reduce carbon emissions from new buildings to deliver a low carbon economy and support environmental sustainability. In addition, Policy NZC3 should be read alongside Local Plan policy CC3 as embodied carbon assessment is a consideration within the BREEAM Very Good requirement of policy CC3 for major non-residential development. BREEAM assessment credits relating to embodied carbon may be used to demonstrate compliance with Policy NZC3.</u></p>	<p>To clarify how the DPD policy NZC3 relates to existing Local Plan policy.</p> <p>This modification is necessary to make the policy justified and effective (as required by paragraph 35c of the NPPF).</p>
PMM07	Page 35 New Para 10.3	<p><u>This policy supports and expands upon Local Plan policies DS3, SC0 and CC1 to promote the reduction of carbon emissions through the alteration and extension of existing buildings and in particular to promote the use of alternatives to conventional fossil fuel boilers in existing buildings.</u></p>	<p>To clarify how the DPD policy NZC4 relates to existing Local Plan policy.</p> <p>This modification is necessary to make the policy justified and effective (as required by paragraph 35c of the NPPF).</p>

Modification Number	Submission Plan Reference	Proposed Main Modification	Reason for Modification
PMM08	Page 7 Para 1.3.1	<p>Objective of DPD</p> <p>In achieving this aim, the DPD will ensure that new development does not add to the District's carbon deficit and will therefore ensure that the significant cost of retrofitting buildings to achieve net zero carbon does not increase.</p>	<p>The objective of the DPD has been removed from this section as this objective is covered fully by 4.2.1, and such its duplication is not required in this location.</p> <p>This modification is necessary for clarity and to ensure the DPDs approach in this regard is justified and effective (as required by paragraph 35c of the NPPF).</p>
PMM09	Page 16 Para 4.1.2	<p>In achieving this aim, the DPD will ensure that new development does not add to the District's carbon deficit and will therefore ensure that the significant cost of retrofitting buildings to achieve net zero carbon does not increase.</p> <p><u>To work towards this aim, the DPD is designed to ensure that new development's contribution to the District's carbon deficit is minimised and that new homes do not add to the significant number of existing buildings in the District that will need costly and disruptive retrofit as part of the local and national transition to achieve net zero carbon. By bringing forward performance standards equivalent to the Future Homes Standard (two years in advance of its national introduction) the new homes should not need future retrofit, and by collecting carbon offset payments the DPD will raise funds to deliver other vital but currently underfunded actions necessary for the national and local transition to net zero – such as additional renewable energy, retrofit of other existing buildings, or creation of woodland.</u></p>	<p>For factual clarification. The DPD relates to regulated operational energy and does not include unregulated energy and associated emissions. The DPD will ensure that the contribution to the District's carbon deficit is minimised.</p> <p>This modification is necessary to make the DPD justified and effective (as required by paragraph 35c of the NPPF).</p>
PMM10	Page 16 Para 4.2.1 Objective 1	Objective 1: To provide a clear policy framework to enable developers to understand the requirements for planning proposals to ensure new buildings are planned and constructed to have net zero <u>regulated</u> carbon in operation.	<p>For factual clarification that the DPD relates to regulated operational energy and associated carbon emissions.</p> <p>This modification is necessary to make the DPD objective effective (as required by paragraph 35c of the NPPF).</p>
PMM11	Page 16 Para 4.2.2 Objective 2	Objective 2: To ensure practical and viable low carbon building standards that can be applied to new <u>and existing</u> buildings.	For clarification that the DPD also includes standards that can be applied to existing buildings in Policy NZC4.

Modification Number	Submission Plan Reference	Proposed Main Modification	Reason for Modification
			This modification is necessary to make the DPD objective effective (as required by paragraph 35c of the NPPF).
PMM12	Page 19 Para 5.2	This strategy has been designed to deliver the objectives set out in section 4 above. The focus is on providing a practical and viable approach to deliver new development which is net zero carbon in operation <u>in relation to regulated operational energy</u> – in other words the net zero carbon emissions will occur following completion of the development.	For factual clarification that the DPD relates to regulated operational energy and associated carbon emissions. This modification is necessary to make the DPD effective (as required by paragraph 35c of the NPPF).
PMM13	Page 19 Para 5.6	3: Carbon Offsetting. Developments that result in residual operational carbon emissions having incorporated stage 1 and stage 2, will be subject to carbon offsetting requirements to bring the total operational carbon emissions (<u>regulated energy</u>) to net zero.	For factual clarification that the DPD relates to regulated operational energy and associated carbon emissions. This modification is necessary to make the DPD effective (as required by paragraph 35c of the NPPF).
PMM14	Page 26 Policy NZC2(B)	New development of one or more new dwellings (C3 or C4 use class) and/or 1,000sqm or more of new non-residential floorspace, hotels (C1 use class), or residential institutions (C2 use class) should demonstrate through an energy statement that additional renewable, zero and low carbon energy technologies have been provided on-site* to achieve the carbon reductions required by Policy NZC1 and achieve on-site net zero regulated operational carbon wherever possible .	For factual clarification that the DPD relates to regulated operational energy and associated carbon emissions. This modification is necessary to make the policy justified and effective (as required by paragraph 35c of the NPPF).
PMM15	Page 37 Para 12.1	12.1 The following Local Plan policies will be superseded or amended by this DPD: • <u>Expands Policy CC3: Building Standards and other Sustainability Requirements</u> is superseded	To correct that Policy CC3 is expanded and the requirements of Policy CC3 in relation to BREEAM standards are not superseded. This modification is necessary to make the DPD effective (as required by paragraph 35c of the NPPF).
PMM16	Page 14 Para 3.3.4	There are policies on climate change and water conservation. However, it should be noted that the Examination of the adopted Local Plan took place within the context of a Written Ministerial Statement setting out an expectation that local planning authorities should not set energy efficiency standards for new homes higher than the energy requirements of Level 4 of the Code for Sustainable Homes. This meant that the draft policy relating to sustainable homes was removed from the Plan prior to	To outline and clarify that the DPD supports and expands upon relevant Local Plan policies and does not supersede any Local Plan policies.

Modification Number	Submission Plan Reference	Proposed Main Modification	Reason for Modification
		<p>adoption. Following adoption, restriction on the ability of local authorities to prepare local building standards policies was lifted and thus provides the opportunity to prepare a DPD to do this. This DPD replaces and expands on relevant Warwick District Local Plan 2011-2029 policies and introduces standards for development which will positively contribute to the new targets set by both local and central government since the Local Plan was adopted.</p> <p><u>Local Plan policies to be expanded by this DPD are as follows:</u></p> <ul style="list-style-type: none"> • <u>Policy SC0 Sustainable Communities</u> • <u>Policy BE1 Layout and Design</u> • <u>Policy HS1 Healthy, Safe and Inclusive Communities</u> • <u>Policy CC1 Planning for Climate Change Adaptation</u> • <u>Policy CC2 Planning for Renewable Energy and Low Carbon Generation</u> • <u>Policy CC3: Building Standards and other Sustainability Requirements</u> 	<p>This proposed modification does reiterate what is set out in Para 12.1 of the submission DPD. However, in this instance, it is necessary to also clarify and set out the relationship of the DPD policies to the relevant Local Plan policies at this earlier stage of the DPD for soundness in terms of its justification and to make the DPD effective.</p> <p>This modification is necessary to make the DPD justified and effective (as required by paragraph 35c of the NPPF).</p>
PMM17	Page 14 Para 3.3.5	<p>The Warwick District Local Plan 2011 –2029 forms the framework within which developments are expected to conform. The Local Plan already contains policies which deal with aspects of climate change such as adaptation. This DPD should be used alongside the Local Plan and forms part of the development plan for the area. It carries equal weight and where policies set higher standards, these will take precedence and will further meet the Local Plan Objectives. <u>The relationship between each of the policies in this DPD and the Local Plan policies is detailed for each policy in the supporting text.</u></p>	<p>To signpost where the relationship between DPD policies and the Local Plan sits in the DPD.</p> <p>This modification is necessary for reasons of soundness to make the DPD justified and effective (as required by paragraph 35c of the NPPF).</p>
PMM18	Page 14 Para 3.3.6	<p>There is an adopted Sustainable Buildings SPD, dated December 2008. This is now very much in need of updating and the DPD will supersede it upon adoption. <u>To assist the implementation of the DPD policies, the Council will also provide supplementary guidance alongside the DPD, including on the contents of Energy Statements.</u></p>	<p>To signpost where information on the content of the Energy Statement can be found, and introduce supplementary guidance earlier in the DPD.</p> <p>This modification is necessary for reasons of soundness to make the DPD justified and effective (as required by paragraph 35c of the NPPF).</p>

Modification Number	Submission Plan Reference	Proposed Main Modification	Reason for Modification
PMM19	Page 31 Para 8.9	<p><u>The Carbon Offset fund will be separate to the Community Infrastructure Levy (CIL) and other funds and will be used to deliver carbon-saving interventions that would otherwise not be deliverable with other available funds.</u> Monitoring of the funds and progress made by adopting this policy will be included in the Authority Monitoring Report produced annually and will include details of:</p> <ul style="list-style-type: none"> • The amount of carbon offset fund payments collected • The amount of carbon offset fund payments spent • Types of projects being funded • Amount of CO2 offset and price. 	<p>To clarify the relationship with CIL and other funds and that the Carbon Offset fund will be separate and the carbon savings separately monitored.</p> <p>This modification is necessary for reasons of soundness to make the DPD justified and effective (as required by paragraph 35c of the NPPF).</p>
PMM20	Page 33 Para 9.3	<p>The materials used in development should use and manage resources as efficiently as possible accounting for the energy, carbon emissions and other environmental impacts arising from construction and end of life demolition and disposal. Use of environmental assessment methods such as <u>RICS</u>, BREEAM or HQM pre-assessments with reference to the BRE Green Guide would be suitable as such a statement. <u>Additional guidance in terms of the type and scope of embodied carbon assessments will be included in Supplementary Planning Guidance to support the DPD.</u></p>	<p>To clarify that the RICS assessment method is also considered appropriate and that supplementary guidance will be provided on the type and scope of embodied carbon assessments.</p> <p>This modification is necessary for reasons of soundness to make the DPD effective (as required by paragraph 35c of the NPPF).</p>

**Schedule of Additional Modifications to the Published Submission Version of the
Warwick Net Zero Carbon DPD (August 2002)**

Warwick District Council

May 2023

The following format has been used to denote the modifications:

Underlined bold text = new text proposed for policy compared to the submission version

~~Strikethrough text~~ = text proposed for removal compared to the submission version

Underlined text = new text proposed for justification text compared to the submission version.

Such modifications have been set out in the third column of the following table with reasons for the changes set out in the final column.

Schedule of Proposed Additional Modifications

This document comprises a schedule of proposed additional (minor) modifications to the Proposed Submission Net Zero Carbon DPD. Minor changes to the DPD involve rectifying typographical errors and providing factual clarifications to existing wording in the DPD.

These have been brought to the attention of the Council through representations made at the Regulation 19 stage. Additional changes identified through the examination have also been identified and are presented in this schedule also.

Additional Modifications

Modification Number	Submission Plan Reference	Proposed Additional Modification	Reason for Modification
Additional Modifications identified following the Regulation 19 Consultation			
AM01	Page 9 Para 2.6	Given the significant proportion of emissions nationally that stem from buildings, it is a key part of the Government's strategy to improve building standards. As a result, the Government has published its intentions to introduce new Building Regulations during 2022, updating Part L for new homes and non-domestic buildings as a first step towards a Future Homes Standard. The new Building Regulations will require standards that are expected to reduce emissions from new buildings in comparison with current <u>previous 2013</u> standards by 31%.	For factual clarification. The Government introduced Part L 2021 on 15th June 2022 just after the Regulation 19 consultation.
AM02	Page 10 Para 2.7	The Government expects the proposals for a Future Homes Standard to "ensure that an average home will produce at least 75% lower CO2 emissions than one built to current <u>(2013)</u> energy efficiency requirements. In the short term this represents a considerable improvement in the energy efficiency standards for new homes. Homes built under the Future Homes Standard will be 'zero carbon ready', which means that in the longer term, no further retrofit work for energy efficiency will be necessary to enable them to become zero-carbon homes as the electricity grid continues to decarbonise."	For factual clarification. The Government introduced Part L 2021 on 15th June 2022 just after the Regulation 19 consultation. The reference to a 75% reduction in this quote is in relation to previous 2013 building regulations.
AM03	Page 16 Para 4.1.1	This DPD aims to focus on minimising carbon emissions from <u>existing</u> and new buildings within the District to support the achievement of national and local carbon reduction targets.	For factual clarification. The DPD also relates to existing buildings through Policy NZC4.
AM04	Page 20 Figure 1	Stage 2: Zero and Low Carbon Energy Sources and Technologies <u>NZC2(B)</u> NC2(B)	To correct the reference from NC2(B) to NZC2(B)

Modification Number	Submission Plan Reference	Proposed Additional Modification	Reason for Modification
AM05	Page 20 Figure 1	Amend final text box to state 'Operational Net Zero (<u>Regulated Energy</u>)'	For factual clarification that the DPD relates to regulated operational energy and associated carbon emissions.
AM06	Page 35 Para 10.2	For existing buildings an average heating energy demand of <u>40kWh/m²</u> <u>40kWh/m/yr</u> should be used as a target for proposals involving alterations, extensions and changes of use. Detailed guidance for existing buildings is provided by LETI's Climate Emergency Retrofit Guide ⁸ . 8 https://www.leti.london/retrofit	To correct that the units for heating energy demand should be expressed as kWh/m/yr.
AM07	Page 42 Glossary	Add definition of Unregulated Carbon Emissions. <u>Unregulated Carbon Emissions: Unregulated carbon emissions result from the building energy consumption from process and systems that are not 'controlled' by Building Regulations. For example, this could include energy consumption from sources such as IT equipment, lifts, external lighting, cooking, audio-visual equipment and other appliances.</u>	To assist with clarification that the DPD relates to regulated operational energy and associated carbon emissions.
AM08	Page 40 Glossary	Add definition of Operational Energy. <u>Operational energy: Operational energy comprises regulated and unregulated energy consumption. The regulated energy is building energy consumption resulting from the specification of controlled, fixed building services and fittings, including space heating and cooling, hot water, and ventilation while the unregulated energy is the energy consumption that is not controlled by Building Regulations, including but not limited to, energy consumption from IT equipment, lifts, and appliances.</u>	To assist with clarification that the DPD relates to regulated operational energy and associated carbon emissions.
Additional Modifications identified during the Examination			
AM09	Page 23 Policy NZC2(A)	New development of one or more new dwellings (C3 or C4 use) are expected to demonstrate a 10% improvement on the Part L 2021 Target for Fabric Energy Efficiency (set by SAP10.2).	For factual clarification and to allow for future updates to SAP.
AM10	Page 23 Para 6.3	To demonstrate compliance with policy NZC2(A), calculations should be performed using the latest version of the SAP 10.2 methodology. (current version 20.08.2021). Government has confirmed that this	For factual clarification and to allow for future updates to SAP.

Modification Number	Submission Plan Reference	Proposed Additional Modification	Reason for Modification
		calculation will become the statutory methodology by June 2022 along with the interim uplift to Part L.	
AM11	Page 26 NZC2(B)	New development of one or more new dwellings (C3 or C4 use class) and/or 1,000sqm or more of new non-residential floorspace, hotels (C1 use class), or residential institutions (C2 use class) should demonstrate through an energy statement that additional renewable, zero and low carbon energy technologies have been provided on-site* to achieve the carbon reductions required by Policy NZC1 and achieve on-site net zero operational carbon wherever possible.	For clarification.
AM12	Page 30 Para 8.6	This average cost of carbon savings delivered by the fund will consider the cost of fund administration, project identification and setup, and insurance against failure/reversal of delivered projects. <u>A range of projects are being considered</u> Projects are yet to be formalised by Warwick District Council but that will deliver carbon-saving interventions that would otherwise not be deliverable with other available funds. Projects could include but are not limited to: renewable energy generation; energy retrofitting in existing buildings; large scale tree planting. Projects will be delivered within Warwick District wherever possible but could include neighbouring authorities elsewhere in Warwickshire and Coventry and cross-border initiatives where there is a benefit to doing so (e.g. deliverability; economies of scale; social benefits). The same localism principles will be required in any alternative offsetting solution proposed by developers, whereby the Council will seek that the offsetting solution is delivered within Warwick District and/or delivers benefits to the district and must contribute to securing a net zero carbon future for Warwick District.	For clarification.
AM13	Page 11 Para 2.11	Remove identified text from paragraph 2.11. In declaring a climate emergency, WDC has committed to “facilitating decarbonisation by local businesses, other organisations and residents so that total carbon emissions within Warwick District are as close to zero as possible by 2030.” The Council is therefore committed to introducing standards which enable net-zero carbon buildings as soon as possible. Recognising the Government’s position that “local planning authorities will retain powers to set local energy efficiency standards for new homes”, Warwick District Council is committed to bringing forward policies ahead of the Government’s stated timetable for the Future	Not relevant as adopted Local Plan policies are being enhanced and supported by the DPD policies and not superseded or replaced.

Modification Number	Submission Plan Reference	Proposed Additional Modification	Reason for Modification
		Homes Standard, whilst ensuring the approach we take broadly aligns with the approach set out in the Government's outline proposals. This DPD provides the building standards policies to achieve this and (except where policies within the existing Local Plan are replaced by the DPD) , these policies supplement those within the adopted Warwick District Local Plan, 2011 – 2029 (See Section 11). The policies will be incorporated and built on in the preparation of the emerging South Warwickshire Local Plan.	
AM14	Page 18 Policy NZC1(iii)	Remove identified text from sub para iii of the policy. iii. Compliance with the energy efficiency and renewable energy provisions set by policies (policy) NZC2(A) & (B) and by presenting the carbon savings achieved across each step of the energy hierarchy (demand reduction, efficient supply, renewable and other low carbon technology).	The text identified for removal is a typographical error.
AM15	Page 21 Para 5.9	Furthermore, to ensure the energy performance gap is minimised we recommend the use of a recognised quality assurance process that ensures the 'as built' performance (energy use, carbon emissions, indoor air quality, and overheating risk) matches the calculated design performance of buildings. Examples of these include BEPIT (Building Energy Performance Improvement Toolkit), the Passivhaus accreditation process and the Assured Performance Process (<u>National Energy Foundation NEF / Good Homes Alliance GHA</u>).	For clarification.
AM16	Page 37 Para 12.2	Remove identified text from the paragraph. The 2008 Sustainable Buildings SPD is also superseded.	For clarification. Unnecessary text.
AM17	Page 48	Remove '4.30' from the last entry on the page. 4.30 Details of the Council's CEAP are available here	For clarification. Unnecessary and unrelated reference.

Warwick District Council

NET ZERO CARBON

DEVELOPMENT PLAN DOCUMENT

**Post Examination Hearings
Track Change Version**

June 2023



This document comprises a Track Change version of the Proposed Submission Net Zero Carbon DPD. The following format has been used to denote the modifications:

Underlined bold text = new text proposed for policy compared to the submission version

~~Strikethrough text~~ = text proposed for removal compared to the submission version

Underlined text = new text proposed for justification text compared to the submission version.

This Track Change version of the DPD should be read alongside the Schedule of Proposed Main Modifications (EXAM 18) and the Schedule of Additional Modifications (EXAM 19).

Main modifications to the DPD involve changes that are identified as necessary for soundness reasons and to meet the tests of soundness set out in paragraph 35 of the National Planning Policy Framework. These are identified with reference PMM and highlighted in **yellow** in this DPD.

Additional modifications are minor changes to the DPD involve rectifying typographical errors and providing factual clarifications to existing wording in the DPD. These are identified with reference AM and highlighted in **pink** in this DPD.

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1.The Local Context

1.1 Warwick District Council's Climate Change Commitments

1.1.1 On 27 June 2019 Members of Warwick District Council (WDC) unanimously declared a climate emergency, issuing the following statement:

"In October 2018, the IPCC Intergovernmental Panel on climate change issued a special report on the state of global warming, which warned of the rapid and far reaching consequences of over 1.5 °C of warming on all aspects of society. The Council recognises the importance of this report with the motion now adopted along with the following commitments.

- i) Becoming a net-zero carbon organisation, including contracted out services, by 2025.
- ii) Facilitating decarbonisation by local businesses, other organisations and residents so that total carbon emissions within Warwick District are as close to zero as possible by 2030.
- iii) Working with other local councils to lobby central government to help address the above points including by funding and changing regulation.
- iv) Engaging with and listening to all relevant stakeholders including members of the Warwickshire Youth Parliament regarding approaches to tackling the climate emergency.
- v) Ensuring that tackling the Climate Emergency is central to the strategic business plan – both in terms of adaptation and mitigation.
- vi) Producing within six months an action plan to implement these commitments."

1.1.2 Following this, the Council adopted a Climate Emergency Action Programme (CEAP) at its meeting in February 2020. The Action Programme included a strong recognition of the important influence of planning in tackling climate change including the following areas for possible action:

- Ensure that the planning system, led by the Local Plan, sets developments and land use standards aimed at reducing carbon emissions and building sustainable communities
- Develop and implement policies that will deliver improved net zero carbon building standards - subject to national policy
- Ensure carbon reduction features and BREEAM standards are included in major development schemes.

1.1.3 The CEAP recognises the importance of the planning system in achieving its ambitions: "In the coming decade, Warwick will have to improve the efficiency of all its buildings to reduce the demand for energy. Low carbon and/or renewable heating, energy reduction and an increase in the adoption of energy efficiency technologies in both commercial and domestic buildings will be required." A key part of this is a proposal to "Develop and implement policies that will deliver improved net zero carbon building standards".

1.1.4 The Council has also agreed to a Climate Change Action Programme (CCAP) which has been shaped by Warwick's Climate Change People's Inquiry which convened during 2020 and 2021, and a detailed emissions report by Anthesis¹ on behalf of Warwick and Stratford Council's. These have helped to shape the climate ambitions of the Council and set targets for delivery.

1.1.5 Recognising that the Council had declared a climate emergency, the preparation of a Climate Change Development Plan ahead of a Local Plan review was identified as an area for early priority focus when the Executive (now Cabinet) approved the year 1 priorities in December

¹ Anthesis – South Warwickshire Climate Action Support Report June 2021

2020. This was considered to be an important early element in enabling Warwick District to be as close as possible to net zero by 2030.

- 1.1.6 Development plan documents (DPDs) are the statutory elements of the Local Plan and as such this document provides new and extended policies to those found in the Local Plan with regard to climate change and sustainable buildings. This DPD outlines the issues we are facing in terms of climate change in order to facilitate delivery of the Council's commitments outlined above.

1.2 About Warwick District

- 1.2.1 Warwick District lies between the city of Coventry to the north, rural parts of Solihull Metropolitan Borough to the north and west, Stratford-on-Avon District to the south and Rugby Borough to the east. It enjoys good links by rail to Birmingham and London. There are regionally significant road networks linking to the M40, A45 and A46 corridors within and adjacent to the district.
- 1.2.2 90% of the 137,700 residents (2011 Census) live in the main urban areas of Kenilworth, Royal Leamington Spa, Warwick, and Whitnash with the remaining 10% living in a number of relatively small villages. Updated estimates put the district's population at 143,753 in 2019.
- 1.2.3 Relative to the West Midlands as a whole, the district has a strong local economy, with a skilled population and higher than average levels of productivity and earnings.
- 1.2.4 The district's relative prosperity masks some significant areas of deprivation however.
- 1.2.5 Approximately 80% of the district's rural area lies within the West Midlands Green Belt, with only the area to the south of Warwick, Whitnash and Royal Leamington Spa lying outside it.
- 1.2.6 81% of total employment in the district is provided in the professional services, health and education sectors together with retailing and public administration. There are strong representations of companies dealing in computing, IT and communications technology and the gaming industry (2011 Employment Land Review).
- 1.2.7 Overall, it has been estimated that the District is responsible for 1,259,600 tonnes CO₂e per year (based on 2017 SCATTER figures). Of this around 40% of carbon emission arises from buildings (split evenly between residential buildings and institutional/commercial/industrial buildings).
- 1.2.8 Excluding embodied carbon, residential buildings make up 21.7%² of carbon emissions across the district. The Council is committed to reducing the districts carbon emissions by 55% by 2030, it is anticipated that new homes built in accordance with this DPD will have the potential to reduce emissions by 7,000 tCO₂ per year.
- 1.2.9 'Carbon' is used in this DPD as a shorthand term for all greenhouse gases excluding water vapour (see Glossary for definitions of key terms). This will require the reduction of all greenhouse gases, of which carbon dioxide is the most prominent.

1.3 Objective of DPD

- PMM08** 1.3.1 This DPD aims to focus on minimising carbon emissions from new buildings within the District to support the achievement of national and local carbon reduction targets. In achieving this aim, the DPD will ensure that new development does not add to the District's carbon deficit and will therefore ensure that the significant cost of retrofitting buildings to achieve net zero carbon does not increase.

¹ Anthesis – South Warwickshire Climate Action Support Report June 2021

2. National Context

- 2.1 The UK's international commitment via the Paris Agreement requires the UK to reduce its carbon emissions to an extent that would limit climate change to no more than 2°C and pursue a limit of 1.5°C.
- 2.2 The Committee on Climate Change (CCC) advises the government on emissions targets and reports to Parliament on progress made in reducing greenhouse gas emissions. CCC is an executive non-departmental public body, sponsored by the Department for Business, Energy and Industrial Strategy. The CCC reports that 40% of UK emissions come from households³ advising that this can be reduced by continuing to reduce, reuse or recycle waste, switching to smart heating systems and by walking, cycling and investing in a more efficient or an electric car.
- 2.3 The 2020 CCC update report⁴ states that the Committee has assessed a wide set of measures and gathered the latest evidence on the role of climate policies in the economic recovery. Its report highlights five clear investment priorities in the months ahead:
- Low-carbon retrofits and buildings that are fit for the future
 - Tree planting, peatland restoration, and green infrastructure
 - Energy networks must be strengthened
 - Infrastructure to make it easy for people to walk, cycle, and work remotely
 - Moving towards a circular economy.
- 2.4 The report finds that UK action to curb greenhouse gas emissions is lagging behind what is needed to meet legally-binding emissions targets. There is near-complete elimination of greenhouse gas emissions needed from UK buildings to meet the UK's legally binding targets⁵.
- 2.5 The UK has legislated for net-zero emissions by 2050 and in a statement in April 2021, the Prime Minister announced the UK's ambition to cut greenhouse gas emissions by 78% by 2035. This announcement relates to the UK's sixth carbon budget which sets a restriction on the total amount of carbon to be emitted over a five year period (2033-2037), and subsequent carbon budgets will reduce emissions even further.
- 2.6 Given the significant proportion of emissions nationally that stem from buildings, it is a key part of the Government's strategy to improve building standards. As a result, the Government has published its intentions to introduce new Building Regulations during 2022, updating Part L for new homes and non-domestic buildings as a first step towards a Future Homes Standard. The new Building Regulations will require standards that are expected to reduce emissions from new buildings in comparison with current previous 2013 standards by 31%. Further, proposals to bring into effect a Future Homes Standard from 2025 have been published. The proposed Future Homes Standard seeks to deliver homes that are zero-carbon ready by:
- setting the performance standard of the Future Homes Standard at a level which means that new homes will not be built with fossil fuel heating, such as a natural gas boiler.
 - future-proofing homes with low carbon heating and high levels of energy efficiency.
 - ensuring no further energy efficiency retrofit work will be necessary to enable them to become zero-carbon as the electricity grid continues to decarbonise.

³ (<https://www.theccc.org.uk/wp-content/uploads/2016/07/5CB-Infographic-FINAL-.pdf>)

⁴ <https://www.theccc.org.uk/publication/reducing-uk-emissions-2020-progress-report-to-parliament/>

⁵ <https://www.theccc.org.uk/publication/uk-housing-fit-for-the-future/>

- 2.7 The Government expects the proposals for a Future Homes Standard to “ensure that an average home will produce at least 75% lower CO² emissions than one built to current (2013) energy efficiency requirements. In the short term this represents a considerable improvement in the energy efficiency standards for new homes. Homes built under the Future Homes Standard will be ‘zero carbon ready’, which means that in the longer term, no further retrofit work for energy efficiency will be necessary to enable them to become zero-carbon homes as the electricity grid continues to decarbonise.”
- 2.8 The Future Homes Standard includes proposals for fabric first to achieve energy efficient building construction and low carbon heat options, such as an intention “to move away from heating our homes with fossil fuels” recognising that it is “unlikely that there will be a one-size-fits all solution, so multiple technologies will play a role”, whilst recognising that “Currently, electrification is one of the few proven scalable options for decarbonising heat. As set out in the consultation, we expect heat pumps will become the primary heating technology for new homes under the Future Homes Standard and we believe that it is therefore important to build the market for them now”.
- 2.9 Alongside its plans to decarbonise new buildings by 2025 through the Future Homes Standard, the Government has clarified its position with regard to the power of Local Authorities to set standards which go beyond the Building Regulations. Specifically, the proposals state:
- “All levels of Government have a role to play in meeting the net zero target and local councils have been excellent advocates of the importance of taking action to tackle climate change. Local authorities have a unique combination of powers, assets, access to funding, local knowledge, relationships with key stakeholders and democratic accountability. This enables them to drive local progress towards our national climate change commitments in a way that maximises the benefits to the communities they serve. As part of this, the Government wishes to ensure that we have a planning system in place that enables the creation of beautiful places that will stand the test of time, protects and enhances our precious environment, and supports our efforts to combat climate change and bring greenhouse gas emissions to net zero by 2050.
- We recognise that there is a need to provide local authorities with a renewed understanding of the role that Government expects local plans to play in creating a greener built environment; and to provide developers with the confidence that they need to invest in the skills and supply chains needed to deliver new homes from 2021 onwards. To provide some certainty in the immediate term, the Government will not amend the Planning and Energy Act 2008, which means that local planning authorities will retain powers to set local energy efficiency standards for new homes.”
- 2.10 Alongside this, lenders, investors and shareholders are likely to put increasing pressure on developers to decarbonise. This combination of shifting national policy and changes to the way development is financed, provide important context to local planning policies which support decarbonisation of new development.

2.11 In declaring a climate emergency, WDC has committed to “facilitating decarbonisation by local businesses, other organisations and residents so that total carbon emissions within Warwick District are as close to zero as possible by 2030.” The Council is therefore committed to introducing standards which enable net-zero carbon buildings as soon as possible. Recognising the Government’s position that “local planning authorities will retain powers to set local energy efficiency standards for new homes”, Warwick District Council is committed to bringing forward policies ahead of the Government’s stated timetable for the Future Homes Standard, whilst ensuring the approach we take broadly aligns with the approach set out in the Government’s outline proposals. This DPD provides the building standards policies to achieve this and ~~(except where policies within the existing Local Plan are replaced by the DPD)~~, these policies ~~replace~~ and supplement those within the adopted Warwick District Local Plan, 2011 – 2029 (See Section 11). The policies will be incorporated and built on in the preparation of the emerging South Warwickshire Local Plan.

3. The Planning Policy Context

3.1 National Planning Policy Framework (NPPF), July 2021

- 3.1.1 The NPPF originally published in 2012 and revised in 2018 and 2019, was updated in July 2021 and addresses the issue of sustainability by promoting sustainable development and encouraging sustainable transport. The NPPF addresses climate change and directs meeting the challenge of flooding and coastal change and adapting accordingly. It also directs that plans should include policies that move toward a low carbon economy.
- 3.1.2 It goes on to say in paragraph 9, that "These objectives should be delivered through the preparation and implementation of plans and the application of the policies in this Framework; they are not criteria against which every decision can or should be judged. Planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account to reflect the character, needs and opportunities of each area.
- 3.1.3 The NPPF addresses the need for the planning system to address climate change through Chapter 14, notably paragraphs 152, 153, 154 and 157. Local requirements for sustainability of buildings should reflect Government policy for national technical standards in accordance with Paragraph 154.

3.2 Planning Practice Guidance updated in 2019

- 3.2.1 The Planning Practice Guidance states that: "Addressing climate change is one of the core land use planning principles which the National Planning Policy Framework expects to underpin both plan-making and decision-taking. To be found sound, Local Plans will need to reflect this principle and enable the delivery of sustainable development in accordance with the policies in the NPPF. These include the requirements for local authorities to adopt proactive strategies to mitigate and adapt to climate change in line with the provisions and objectives of the Climate Change Act 2008, and co-operate to deliver strategic priorities which include climate change."

3.3 Warwick District Local Plan 2011-2029, adopted September 2017

- 3.3.1 The adopted Local Plan was prepared at a time when the NPPF was a recently published document which directed planning authorities to prepare plans for sustainable development. Policies were therefore written with this very much in mind. One of the policy areas considered was "climate change mitigation and adaptation, and the conservation and enhancement of the natural and historic environment, including landscape."
- 3.3.2 Identified issues included:
- The threat of flooding to homes and businesses in some areas, and the concern that flooding events will increase because of climate change
 - Pressure for new development and climate change threatening the high-quality built and natural environments in the district, particularly in historic areas.
- 3.3.3 These policies aim to protect those elements of the environment that support and generate climate change resilience and include the more strategic objectives that are expected to contribute towards sustainable development and adaptation.

PMM16 3.3.4 There are policies on climate change and water conservation. However, it should be noted that the Examination of the adopted Local Plan took place within the context of a Written Ministerial Statement setting out an expectation that local planning authorities should not set energy efficiency standards for new homes higher than the energy requirements of Level 4 of the Code for Sustainable Homes. This meant that the draft policy relating to sustainable homes was removed from the Plan prior to adoption. Following adoption, restriction on the ability of local authorities to prepare local building standards policies was lifted and thus provides the opportunity to prepare a DPD to do this. This DPD replaces and expands on relevant Warwick District Local Plan 2011-2029 policies and introduces standards for development which will positively contribute to the new targets set by both local and central government since the Local Plan was adopted.

Local Plan policies to be expanded by this DPD are as follows:

- Policy SC0 Sustainable Communities
- Policy BE1 Layout and Design
- Policy HS1 Healthy, Safe and Inclusive Communities
- Policy CC1 Planning for Climate Change Adaptation
- Policy CC2 Planning for Renewable Energy and Low Carbon Generation
- Policy CC3: Building Standards and other Sustainability Requirements

PMM17 3.3.5 The Warwick District Local Plan 2011 –2029 forms the framework within which developments are expected to conform. The Local Plan already contains policies which deal with aspects of climate change such as adaptation. This DPD should be used alongside the Local Plan and forms part of the development plan for the area. It carries equal weight and where policies set higher standards, these will take precedence and will further meet the Local Plan Objectives. The relationship between each of the policies in this DPD and the Local Plan policies is detailed for each policy in the supporting text.

PMM18 3.3.6 There is an adopted Sustainable Buildings SPD, dated December 2008. This is now very much in need of updating and the DPD will supersede it upon adoption. To assist the implementation of the DPD policies, the Council will also provide supplementary guidance alongside the DPD, including on the contents of Energy Statements.

3.4 Neighbourhood Development Plans (NDPs)

3.4.1 NDPs become part of the local development framework when they are 'made' (adopted) and policies carry the weight of those in the Local Plan. Sustainable development and climate change issues can and should also be addressed in policies in NDPs and any relevant adopted policies will need to be complied with when planning applications are submitted. There are currently 10 made Neighbourhood Plans within Warwick District. Policy NZC1 set out below is a Strategic Development Plan Policy with which new and updated Neighbourhood Plans are expected to conform.

3.5 Information and reference for further relevant international, national and local policy are set out at Appendix 1.

4. Aims and Objectives

4.1 Aim

4.1.1 This DPD aims to minimise carbon emissions from **existing** and new buildings within the District to support the achievement of national and local carbon reduction targets set out in section 1.1 and paragraph 2.5 above. From adoption (and earlier where possible) the DPD will aim to ensure all new developments (as set out on para 5.11) should be net zero carbon in operation. For the purposes of this DPD net zero carbon relates to regulated operational energy, which results from fixed building services and fittings (space heating, cooling, hot water, ventilation and lighting).

PMM09 4.1.2 In achieving this aim, the DPD will ensure that new development does not add to the District's carbon deficit and will therefore ensure that the significant cost of retrofitting buildings to achieve net zero carbon does not increase. To work towards this aim, the DPD is designed to ensure that new development's contribution to the District's carbon deficit is minimised and that new homes do not add to the significant number of existing buildings in the District that will need costly and disruptive retrofit as part of the local and national transition to achieve net zero carbon. By bringing forward performance standards equivalent to the Future Homes Standard (two years in advance of its national introduction) the new homes should not need future retrofit, and by collecting carbon offset payments the DPD will raise funds to deliver other vital but currently underfunded actions necessary for the national and local transition to net zero – such as additional renewable energy, retrofit of other existing buildings, or creation of woodland.

4.2 Objectives

PMM10 4.2.1 **Objective 1:** To provide a clear policy framework to enable developers to understand the requirements for planning proposals to ensure new buildings are planned and constructed to be net zero carbon **regulated** in operation.

PMM11 4.2.2 **Objective 2:** To ensure practical and viable low carbon building standards that can be applied to new **and existing** buildings.

4.2.3 **Objective 3:** To support the consideration of low carbon energy sources as part of development proposals.

4.2.4 **Objective 4:** As a last resort, to provide the policy framework for addressing residual carbon from new buildings through a robust carbon offsetting policy.

5. Overarching strategy: Achieving Net Zero Carbon Development

- 5.1 New development that falls within the scope of this Development Plan (as set out in 5.11 below) is expected to comply with the whole Plan.

Policy NZC1: Achieving Net Zero Carbon Development

New development of one or more new dwellings (C3 or C4 use class) and/or 1,000sqm or more of new non-residential floorspace, hotels (C1 use class) or residential institutions (C2 use class) should achieve net zero operational regulated carbon emissions by implementing the energy hierarchy.

Proposals should demonstrate application of the energy hierarchy through submission of an energy statement which identifies:

- i. For new dwellings, a minimum 63% reduction in carbon emissions is achieved by on-site measures, as compared to the baseline emission rate set by Building Regulations Part L 2021 (SAP 10.2).
- ii. In non-residential buildings, hotels and residential institutions at least a 35% reduction in carbon emissions through on-site measures compared to the rate set by Building Regulations 2013 (or equivalent percentage reduction on Building Regulations 2021).
- iii. Compliance with the energy efficiency and renewable energy provisions set by policies **policy** NZC2(A) & (B) and by presenting the carbon savings achieved across each step of the energy hierarchy (demand reduction, efficient supply, renewable and other low-carbon technology).
- iv. Any residual operational regulated carbon emissions (over the course of 30 years) will be calculated and offset to zero in accordance with policy NZC2(C). Offsetting will only be considered an acceptable solution to net zero carbon requirements if it can be demonstrated that carbon reductions achieved via on-site measures (and near-site renewables) are demonstrably unfeasible or unviable.

Where full compliance is not feasible or viable, proposals must demonstrate through the energy statement that carbon reductions to the greatest extent feasible have been considered and incorporated through applying the energy hierarchy. In applying the energy hierarchy, proposals are expected to implement fabric energy efficiency and low carbon heating before incorporating renewable electricity generation and then offsetting.

A condition will be applied to planning permissions requiring as built SAP or SBEM calculations to be submitted prior to occupation and demonstrating that the finished building meets the standard set in Policy NZC1.

Alternatively, applications may demonstrate the requirements of Policy NZC1 are met through the Passivhaus standard with accompanying PHPP calculations submitted within the energy statement (without the use of fossil fuels on site including gas). A condition will be applied requiring Passivhaus certification prior to occupation.

PMM12 5.2 This strategy has been designed to deliver the objectives set out in section 4 above. The focus is on providing a practical and viable approach to deliver new development which is net zero carbon in operation – **in relation to regulated operational energy in other words the net zero carbon emissions will occur following completion of the development.**

5.3 Improving energy efficiency and minimising our energy demand is the most cost-effective way to minimise new infrastructure that will be required to achieve a zero-carbon energy system and thus represents the starting point for the whole net zero journey. Improving energy efficiency in new homes will reduce the need for costs and future carbon emissions in retrofitting buildings at a later date and contribute to the total reduction in energy demand.

5.4 As a District that can demonstrate levels of development viability that can accommodate energy efficiency measures that go beyond the 2021 Part L building regulations, Policy NZC1 requires developments to achieve building performance that is broadly consistent with national ambitions as set out in the proposed Future Homes Standard to be introduced in 2025.

5.5 The percentages derived in NZC1 reflect the emissions reductions required for buildings to align with the Future Homes Standard, based on 2021 Building Regulations.⁶

PMM13 5.6 The strategy seeks to achieve this by requiring applicants to address carbon emissions by applying the energy hierarchy (as shown in Figure 1) sequentially in three ways:

1: Reduce energy demands. Developments should be designed to minimise demand for energy in operation, thereby minimising carbon emissions. This involves:

- a) Considering the potential for technology that enables occupants to live in ways that minimise energy demands.
- b) Maximising energy efficiency.

2: Zero or low carbon energy sources. To meet energy demands in operation, developments should incorporate or utilise zero or low carbon energy sources. This involves:

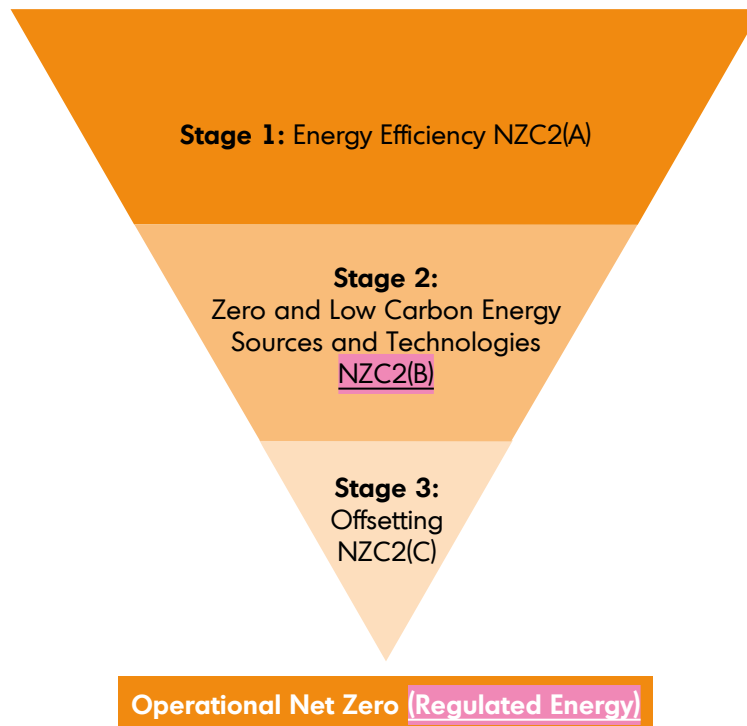
- a) Considering the potential to utilise large scale renewable or low carbon energy sources such as heat networks or local large-scale renewable energy generation sources, through a direct connection.
- b) Incorporating passive and renewable energy sources within the development.

3: Carbon Offsetting. Developments that result in residual operational carbon emissions having incorporated stage 1 and stage 2, will be subject to carbon offsetting requirements to bring the total operational carbon emissions **(regulated energy)** to net zero.

⁶ Using a compound percentage based on government statements about the carbon reductions that will be achieved in 2021 and 2025 compared to 2013, the targets have been calculated with the following assumptions: Part L 2021 is a 31% reduction on Part L 2013, The Future Homes Standard is a 75% reduction on Part L 2013, which equates to the FHS being a 63.8% reduction on Part L 2021.

Figure 1: Energy Hierarchy

Overall emissions reduction target to achieve net zero carbon buildings (NCZ1)



- 5.7 A condition will be applied to relevant planning permissions requiring as built SAP or SBEM calculations to be submitted prior to occupation and demonstrating that the finished building meets the standard set in Policy NZC1. For sites of over 10 dwellings where standard house types are used, a sample of at least 20% of all dwellings (and including all house types) shall be tested.
- 5.8 To ensure the SAP or SBEM calculations identifying the carbon emissions are as accurate as possible, applicants will be required to perform SAP or SBEM⁷ calculations at the following points of the design:
1. Pre-planning, using design values and submitted within the planning application energy statement.
 2. Post-construction and preoccupation, using figures from the building as constructed, incorporating the following:
 - i. Any specification changes to design values made to any SAP/SBEM regulated building element during construction.
 - ii. The measured air-permeability, tested in accordance with the procedures set out in TM23, and reported as statutory compliance in Section 7 Part L.
 - iii. Accredited construction detail performance as confirmed by infra-red thermographic survey and selective borescope surveys.
 - iv. Commissioning logbooks provided to demonstrate that ventilation and heating systems are operating as intended.

⁷ Calculations should be performed using the latest version of the SAP 10.2 methodology (current version 20.08.2021). Government has confirmed that this calculation will become the statutory methodology by June 2022 along with the interim uplift to Part L.

If the completed building fails to meet the conditioned standard, the developer must take reasonable remediation measures. Any residual operational regulated carbon emissions will be required to be offset in accordance with Policy NZC2(C) whether identified at application stage or pre-occupation, unless this is demonstrated to be unviable.

- 5.9 Furthermore, to ensure the energy performance gap is minimised we recommend the use of a recognised quality assurance process that ensures the 'as built' performance (energy use, carbon emissions, indoor air quality, and overheating risk) matches the calculated design performance of buildings. Examples of these include BEPIT (Building Energy Performance Improvement Toolkit), the Passivhaus accreditation process and the Assured Performance Process (NEF National Energy Foundation NEF / Good Homes Alliance GHA).
- 5.10 A condition will be applied to planning permissions requiring developers to produce a home user guide in accordance with the updated approved document L template.
- 5.11 Policy NZC1 sets out what is required of development proposals to demonstrate the delivery of this strategy. The policies in this plan will apply to the following new developments (except where otherwise specified):
- a) All new residential developments of 1 dwelling or more (C3 or C4 use)
 - b) All new non-residential buildings, hotels (C1 use class) or residential institutions (C2 use class) of 1,000sqm or more floorspace.

PMM01 5.12 This policy supports and expands upon Local Plan policies DS3, SC0, HS1, BE1, CC1, CC2 and CC3 through introducing standards for development which will positively contribute to reducing carbon emissions against local and national targets. The DPD aligns with and should be read alongside Local Plan policy DM1 with regard to financial contributions towards carbon offsetting and policy DM2 with regard the assessment of the viability of development to meet the policies of the DPD and development plan as a whole.

6. Reducing Energy Demands: Energy Efficient Buildings

Policy NZC2(A): Making Buildings Energy Efficient

New development of one or more new dwellings (C3 or C4 use) are expected to demonstrate a 10% improvement on the Part L 2021 Target for Fabric Energy Efficiency (set by SAP10.2).

New developments of 1,000sqm or more of new non-residential floorspace, hotels (C1 use class), or residential institutions (C2 use class) are expected to demonstrate that they achieve a 19% reduction in carbon emissions compared to Part L 2013 through energy efficiency measures (fabric efficiency, efficient services and efficient energy supply; steps 1 and 2 of the energy hierarchy).

Where full compliance is not feasible or viable having regard to the type of development involved and its design, proposals must demonstrate through the energy statement that carbon reductions to the greatest extent feasible through energy efficiency measures have been considered and incorporated.

All energy statements must also lay out the U-values and airtightness of the proposed building in comparison to the notional values in the Future Homes Standard or Future Building Standard (indicative specification, or final, as available at time of application).

- 6.1 The energy efficiency of buildings has a significant part to play in achieving the Council's net zero aims, but it also carries wider benefits for consumers and the country at large. We know that, in addition to reducing CO2 emissions, energy efficient homes minimise energy bills, provide healthier and more comfortable environments to live in, and ensure that we are making the best use of energy resources which in turn will help facilitate a faster transition to low carbon energy sources for all.
- 6.2 The Standard Assessment Procedure (SAP) is the methodology used by the Government to assess and compare the energy and environmental performance of dwellings.
- 6.3 To demonstrate compliance with policy NZC2(A), calculations should be performed using the latest version of the SAP 10.2 methodology (current version 20.08.2021). Government has confirmed that this calculation will become the statutory methodology by June 2022 along with the interim uplift to Part L.
- 6.4 All developments must demonstrate the extent to which compliance with Policy NZC2(A) is achievable through an energy statement. It is acknowledged that it may not be feasible for some types of commercial development (hotels and schools) to achieve the 19% carbon reduction from energy efficiency measures, due to high peak hot water demand and will be considered on a case-by-case basis.
- 6.5 The 10% improvement in dwellings is set to reflect the approximate uplift to building fabric (U-values and airtightness) between Part L 2021 and the indicative Future Homes Standard 2025. There is national government estimated cost data on the achievement of these fabric measures, which has been taken into account in the whole-plan viability assessment.
- 6.6 The 19% improvement for non-residential dwellings reflects that and which evidence has identified is demonstrably feasible and viable in Milton Keynes.
- 6.7 To demonstrate compliance with this policy, development proposals should provide data that is consistent with the building performance metrics set out in the Government's response to the

Future Homes Standard consultation (January 2021) or any subsequent set of metrics required through the Building Regulations. At the time of drafting this policy, this requires four metrics to be provided:

- i) Primary energy target
- ii) CO2 emission target
- iii) Fabric energy efficiency target
- iv) Minimum standards for fabric and fixed building services.

The use of these metrics will ensure consistency and clarity in the way data is collated and set out.

- 6.8 The approach focuses on a fabric first methodology to ensure the maximum benefits of passive and low energy design and technology can be achieved. This serves to reduce energy demand and minimise lifecycle cost.
- 6.9 In addition to the requirements of this policy, proposals for dwellings should consider how to make best use of site orientation, building form, layout, landscaping and materials to maximise natural light and heat, whilst avoiding internal overheating by providing passive cooling and/or mechanical ventilation, thus reducing potential overheating and reliance on air conditioning systems.
- 6.10 On all new dwellings and commercial development over 1,000sqm it will be expected that the development is tested through the most up to date SAP calculations to demonstrate the performance gap between design and construction. These calculations would take place in accordance with the methodology set out in paragraph 5.9. For sites of over 10 dwellings where standard house types are used, a sample of at least 20% of all dwellings (and including all house types) shall be tested.

PMM02 6.11 This policy supports and expands upon Local Plan policies DS3, SC0, HS1, BE1, CC1 and CC3 through introducing target fabric efficiency improvements through the design of proposed buildings to reduce carbon emissions. The DPD aligns with and should be read alongside Local Plan policy DM2 with regard the assessment of the viability of development to meet the policies of the DPD and development plan as a whole.

7. Energy Sources

PMM14 Policy NZC2(B): Zero or Low Carbon Energy Sources and Zero Carbon Ready Technology

New development of one or more new dwellings (C3 or C4 use class) and/or 1,000sqm or more of new non-residential floorspace, hotels (C1 use class), or residential institutions (C2 use class) should demonstrate through an energy statement that additional renewable, zero and low carbon energy technologies have been provided on-site* to achieve the carbon reductions required by Policy NZC1 and achieve on-site net zero **regulated** operational carbon **wherever possible**.

Where full compliance is not feasible or viable having regard to the type of development involved and its design, proposals must:

- demonstrate through the energy statement that additional renewable, zero and low carbon energy technologies have been provided to the greatest extent feasible and viable.
- incorporate 'zero carbon ready' (as opposed to immediately providing 'low/zero carbon') technologies.

*this may include off site existing or planned zero, low carbon or renewable energy generation or heat network provision where there is a direct off-grid connection to the development which has capacity to serve the development.

- 7.1 It is the Council's aspiration that by maximising the energy efficiencies achieved through NZC2(A), the energy demands of developments will be significantly reduced. NZC2(B) requires that the means of meeting residual energy demands is set out in an energy statement. This energy statement should consider all available zero or low carbon energy sources that could be incorporated or utilised so that the energy used in the development achieves the minimum carbon emissions. The Council will expect energy statements to address low carbon or renewable energy generation in the specific local context of each development. Options should explore:
- On site renewable energy and low carbon energy generation for individual buildings including solar energy and heat pumps and any other sources of energy/heat that may be applicable.
 - Direct, off grid connections to local offsite renewable energy sources such as solar farms or wind turbines.
 - Large scale sources of energy/heat such as a direct connection to low carbon heat networks.
- 7.2 Developers are expected to incorporate local renewable energy generation within schemes in line with the energy statement, as a way of reducing the offsetting requirements. Where large scale renewable or low carbon energy options may be appropriate (such as for residential schemes in excess of 150 dwellings), developers are advised to contact the Council to discuss data on appropriate sources of heat, existing schemes or plans that could support the development and other support that the Council or its partners may be able to offer.
- 7.3 The Government has set out its intention to ensure that new homes and buildings will not be built with fossil fuel heating, such as natural gas boilers. Given the Council's commitment to reducing carbon emissions across the District, we are seeking to accelerate the delivery of this national ambition within Warwick District. As a result, the Council is expecting that energy sources avoid fossil fuels in their entirety.

- 7.4 This policy is written with the view that it is likely that heat pumps or near-zero-carbon heat networks will have already been deployed in the design to achieve the required initial 63% carbon reduction against Part L 2021. The policy therefore aims to encourage on-site or near-site renewable electricity generation. Warwick District Council recognises that not all sites will be suitable for large-scale wind and solar for reasons of grid constraints, shadow or heritage, in which case off-site renewables, partial compliance, or offsetting under NZC2(C) can be acceptable.
- 7.5 Zero carbon ready technology is that which is already available (such as heat pumps) and its transition to zero carbon is based on realistic current projections of the time-period in which its carbon will be eliminated. 'Zero carbon ready' heat technologies that rely on speculative future technological advances and use onsite fossil fuels meanwhile, will not be accepted.
- 7.6 'Zero carbon ready' technology does not include gas boilers that are marketed as 'hydrogen-ready' but will use fossil fuel gas for the foreseeable future. These should be avoided because there is no robust national or local timeline for transitioning the gas system onto hydrogen or other green gas at the time of writing, and current hydrogen production technology is vastly inefficient¹ (taking multiple units of electricity to produce each unit of hydrogen). It therefore is prudent to simply use the electricity as it is, rather than converting it to hydrogen.
- 7.7 Currently, the only proven heating technology with a realistic and time-bound projected transition to zero carbon is electricity, whether direct electric or heat pumps. This has a clear trajectory to zero carbon in the form of the national Treasury Green Book projections on electricity grid carbon. Nevertheless, the policy wording is designed to be flexible towards future technological innovation, for example if a low-carbon, non-wasteful way to produce hydrogen is developed, along with a realistic national timeline for converting the gas system away from fossil fuels.
- 7.8 Through the holistic approach to reducing carbon emissions by following the energy hierarchy and policies NZC2(A) and NZC2(B), should developments fail to achieve net zero on occupation, or are found to have emissions in excess of the set targets for emission reductions through performance gap monitoring, offsetting through Policy NZC2(C) will apply.
- 7.9 Where developments give rise to carbon emissions in excess of the targets in NZC1, following the application of policies NZC2(A) and NZC2(B), offsetting through NZC2(C) will apply. The offsetting calculation will be based on reasonable assumptions (including published national policy ambitions for renewable electricity) about future levels of carbon emissions associated with that energy source.

PMM03 7 10 This policy supports and expands upon Local Plan policies DS3, SC0 and CC2 through the inclusion of low or zero carbon technologies to reduce carbon emissions from new buildings. The DPD aligns with and should be read alongside Local Plan policy DM2 with regard the assessment of the viability of development to meet the policies of the DPD and development plan as a whole.

¹ <https://www.newscientist.com/article/2186273-hydrogen-will-never-be-a-full-solution-to-our-green-energy-problems/>

8. Carbon Offsetting

Policy NZC2(C): Carbon Offsetting

Where a development proposal of one or more new dwellings (C3 or C4 use class) and/or 1,000sqm or more of new non-residential floorspace, hotels (C1 use class) or residential institutions (C2 use class) cannot demonstrate that it is net zero carbon, it will be required to address any residual carbon emissions by:

- a cash in lieu contribution to the District Council's carbon offsetting fund
- and/or
- at the Council's discretion, a verified local off-site offsetting scheme. The delivery of any such scheme must be within Warwickshire or Coventry, guaranteed and meet relevant national and industry standards. If it is a nature-based carbon sequestration scheme, then it must be backed by the national government's Woodland Carbon Code initiative (or future replacement/equivalent national scheme) and meet the Warwickshire ecosystem service market trading protocol.

Where full compliance is demonstrably not feasible having regard to the type of development involved and its design, proposals must offset any residual carbon emissions to the greatest extent viable.

Contributions to an offsetting scheme shall be secured through Section 106 Agreements and will be required to be paid prior to the occupation of the development.

The amount of carbon to be offset will be calculated according to the SAP or SBEM carbon emissions submitted in the energy statement required under policy NZC(1). This must then be multiplied to reflect emissions over a period of 30 years from completion. Where "zero-carbon ready" technology is proposed, associated carbon emissions should be calculated in accordance with the stated national trajectory for carbon reduction of the energy source (i.e. annual Treasury Green Book BEIS projections¹ of grid carbon intensity or future national equivalent).

The carbon offset contribution amount will be calculated within the energy statement at the submission of the application. It must then be recalculated at completion and pre-occupation. Where assessment undertaken at completion shows that there is a performance gap between the design and the performance of the completed building, carbon offsetting contributions will be required to reflect any associated additional carbon emissions not accounted for at the point of determination of the planning application and an adjusted payment made if necessary.

The carbon offset price is the central figure from the nationally recognised non-traded valuation of carbon, updated annually as part of the Treasury Green Book data by BEIS.

Funds raised through this policy will be ringfenced and transparently administered by the Council to deliver a range of projects that achieve measurable carbon savings as locally as possible, at the same average cost per tonne. The fund's performance will be reported in the Authority Monitoring report on: amount of funds spent; types of projects funded; amount of CO2 saved.

¹ <https://www.gov.uk/government/publications/valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal>

- 8.1 Offsetting should only be used where a developer has maximised on site carbon reductions through applying NZC2(A) and NZC2(B). Offsetting will only be acceptable where it is demonstrated that it is the only option available to enable necessary development to be brought forward. As such the Council considers offsetting to be an option of final resort. It has been estimated that it would take the planting of 160 trees to offset a 4 tonne carbon footprint.
- 8.2 Using the most up to date Standard Assessment Procedure (SAP) or SBEM, planning applications will be required to set out in full the anticipated annual operational carbon emissions from the development for each of the 30 years after completion. The sum of this will be the amount of carbon to be offset over the 30 year building life. The resulting financial contribution will be calculated as follows:
- The estimated amount of residual CO₂ emissions from the development over 30 years from the completion of the development, multiplied by the central carbon figure from the Treasury Green Book (data by BEIS) average carbon market price per tonne for the 12-month period preceding the completion of the development.
- 8.3 The carbon offset price of £245/tonne is the central figure for 2021 from the nationally recognised non-traded valuation of carbon¹, released annually as part of the Treasury Green Book data by BEIS. This is the same approach preceded in other local plan carbon offset schemes.
- 8.4 New development is expected to get as close as possible to zero-carbon on-site through fabric performance and the inclusion of renewable energy. Where residual carbon emissions are identified, the associated carbon emissions will be calculated in accordance with the stated national trajectories for the carbon reduction of the relevant energy source. As an example, if an electrical heating system based on supply from the national grid is utilised, the calculation of carbon emissions associated with this will be based on any published national government carbon reduction targets (including where possible a reduction trajectory) for the electricity grid. Where there are no published government targets, existing levels of carbon will be assumed unless robust evidence can be provided regarding future decarbonisation of the energy source.
- 8.5 Offset contributions will be paid into the Council's Carbon Offset Fund. Some carbon-saving interventions are more expensive while others will be cheaper, so the actual cost per tonne of carbon saved will vary between different projects. The Council's S106-based offset fund will support a portfolio of projects that deliver measurable carbon savings at an average cost per tonne equal to that paid per tonne by developers. This approach is preceded in other planning areas such as London.
- 8.6 This average cost of carbon savings delivered by the fund will consider the cost of fund administration, project identification and setup, and insurance against failure/reversal of delivered projects. A range of projects are being considered ~~Projects are yet to be formalised~~ by Warwick District Council, but that will deliver carbon-saving interventions that would otherwise not be deliverable with other available funds. Projects could include but are not limited to: renewable energy generation; energy retrofitting in existing buildings; large-scale tree planting. Projects will be delivered within Warwick District wherever possible but could include neighbouring authorities elsewhere in Warwickshire and Coventry and cross-border initiatives where there is a benefit to doing so (e.g. deliverability; economies of scale; social benefits). The same localism principles will be required in any alternative offsetting solution

¹ <https://www.gov.uk/government/publications/valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal>

proposed by developers, whereby the Council will seek that the offsetting solution is delivered within Warwick District and/or delivers benefits to the district, and must contribute to securing a net zero carbon future for Warwick District.

PMM04 8.7

In the event that Warwickshire County Council or Warwick District Council operate a local carbon market that gives value to the growth and enhancement of local natural assets, this will be the preferred scheme. Warwickshire County Council has developed the Warwickshire Ecosystem Trading Protocol (WESTP) which is a mechanism for carbon offsetting and trading based on nature based solutions. Local conditions for nature based solutions are detailed through the WESTP. The WESTP mandates that all compensation sites will be registered through the Woodland Carbon Code with additional requirements for securing woodland, and its management for a minimum of 100 years. Warwick District Council intend to utilise nature based solutions through the WESTP as its preferred carbon offsetting mechanism in the first instance. Other offsetting mechanisms may also be developed in the future.

8.8

The Council will prepare and maintain supplementary planning guidance setting out how contributions to the Carbon Offset Fund will be utilised to enable net-zero carbon, and how the Council's discretion will be exercised with regards to assessing the acceptability of any alternative off-site offsetting solutions that may be proposed by developers. This will include a list of projects to be funded and regularly reviewed in line with the Council's Climate Emergency Action Programme to ensure that there is transparency throughout the process.

PMM19 8.9

The Carbon Offset fund will be separate to the Community Infrastructure Levy (CIL) and other funds and will be used to deliver carbon-saving interventions that would otherwise not be deliverable with other available funds. Monitoring of the funds and progress made by adopting this policy will be included in the Authority Monitoring Report produced annually and will include details of:

- The amount of carbon offset fund payments collected
- The amount of carbon offset fund payments spent
- Types of projects being funded
- Amount of CO2 offset and price.

PMM05 8.10

This policy supports and expands upon Local Plan policy DS3 providing a mechanism reduce carbon emissions from new buildings (or offset) to deliver a low carbon economy and to support environmental sustainability. The DPD aligns with and should be read alongside Local Plan policies DM1 with regard to financial contributions towards carbon offsetting and policy DM2 with regard the assessment of the viability of development to meet the policies of the DPD and development plan as a whole. For the avoidance of doubt, offsetting funds shall be secured through a Section 106 Agreement and will be ringfenced, and such will be separate to any Community Infrastructure Levy CIL charges.

9. Embodied Carbon

Policy NZC3: Embodied Carbon

New major development should demonstrate in the energy statement or design statement how the embodied carbon of the proposed materials to be used in the development has been considered and reduced where possible, including with regard to the type, life cycle and source of materials to be used.

Proposals for development of 50 or more new dwellings and/or 5,000sqm or more of new non-residential floorspace should be accompanied by a whole-life assessment of the materials used.

- 9.1 Through the implementation of policies within this DPD the operational emissions from buildings will decrease, and therefore embodied carbon emissions will represent a greater proportion of the overall carbon from a development. Embodied carbon emissions can be as much as 50% of total emissions over a building's lifetime.
- 9.2 Warwick District Council recognises the importance of embodied carbon and the complexities of the calculation methods for the whole-life assessment of materials. Consideration was given to scales of development which could support an embodied carbon assessment, and this has been included in viability testing accordingly. Assessment of embodied carbon is therefore applied to a major development threshold as set out in the The Town and Country Planning (Development Management Procedure) (England) Order 2015 (as amended) with more detailed whole life carbon assessments for larger scale developments.

PMM20 9.3 The materials used in development should use and manage resources as efficiently as possible accounting for the energy, carbon emissions and other environmental impacts arising from construction and end of life demolition and disposal. Use of environmental assessment methods such as RICS, BREEAM or HQM pre-assessments with reference to the BRE Green Guide would be suitable as such a statement. Additional guidance in terms of the type and scope of embodied carbon assessments will be included in Supplementary Planning Guidance to support the DPD.

PMM06 9.4 This policy supports and expands upon Local Plan policy DS3 through the consideration and assessment of the embodied carbon of building materials to reduce carbon emissions from new buildings to deliver a low carbon economy and support environmental sustainability. In addition, Policy NZC3 should be read alongside Local Plan policy CC3 as embodied carbon assessment is a consideration within the BREEAM Very Good requirement of policy CC3 for major non-residential development. BREEAM assessment credits relating to embodied carbon may be used to demonstrate compliance with Policy NZC3.

10. Existing Buildings

Policy NZC4: Existing Buildings

All developments should demonstrate a consideration to sustainable construction and design in accordance with Local Plan Policy CC1 'Planning for Climate Change Adaptation'.

In addition, all development should consider alternatives to conventional fossil fuel boilers. This should be explored through a Low/Zero Carbon assessment of low carbon energy supply options within the submitted application documents.

Development proposals which would result in considerable improvements to the energy efficiency, carbon emissions and/or general suitability, condition and longevity of existing buildings will be supported, with significant weight attributed to those benefits.

The sensitive retrofitting of energy efficiency measures and the appropriate use of micro-renewables in historic buildings, including listed buildings, locally listed buildings and buildings within conservation areas will be encouraged, providing the special characteristics of the heritage assets are conserved in a manner appropriate for their significance.

- 10.1 This DPD aims to minimise carbon emissions resulting from new development to support the achievement of local and national carbon reduction targets. Existing buildings (residential and commercial) are estimated to contribute around 40% of carbon emissions across the District. Retrofitting the existing building stock therefore presents a significant opportunity to reduce the District's carbon deficit. It will often not be possible to retrofit existing buildings to the same level of fabric efficiency required for new buildings under Policy NZC1 and NZC2(A). Policy NZC4 therefore provides a positive approach to reducing carbon emissions in existing buildings through low carbon energy supply, energy efficiency measures and micro-renewables whilst recognising this needs to be sensitive in historic contexts.
- 10.2 For existing buildings an average heating energy demand of $40\text{kWh/m}^2/\text{yr}$ should be used as a target for proposals involving alterations, extensions and changes of use. Detailed guidance for existing buildings is provided by LETI's Climate Emergency Retrofit Guide⁸

PMM07 10.3 This policy supports and expands upon Local Plan policies DS3, SC0 and CC1 to promote the reduction of carbon emissions through the alteration and extension of existing buildings and in particular to promote the use of alternatives to conventional fossil fuel boilers in existing buildings.

⁸<https://www.leti.london/retrofit>

11. Viability

- 11.1 In preparing this DPD, the Council has undertaken a high-level viability assessment. This demonstrates that the majority of development types, in the majority of locations are viable.
- 11.2 Net zero carbon development that accords with this DPD will be required except where it can clearly be demonstrated that meeting all the requirements of this DPD will render a development proposal unviable.
- 11.3 Where this is the case, in line with Local Plan Policy DM2, applicants should discuss viability concerns with the Local Planning Authority at the earliest possible stage in the development process and any viability assessment will be independently reviewed. Where this demonstrates that the viability of a proposal is threatened, discussions should take place with the Local Planning Authority on a case-by-case basis to consider the implications.

12. Warwick District Local Plan 2011–2029: Policies superseded or amended by this DPD

- PMM15** 12.1 The following Local Plan policies will be ~~superseded or~~ amended by this DPD:
- Expands Policy CC3: Building Standards and other Sustainability Requirements ~~is superseded~~
 - Expands Policy SC0 Sustainable Communities
 - Expands Policy BE1 Layout and Design
 - Expands Policy HS1 Healthy, Safe and Inclusive Communities
 - Expands Policy CC1 Planning for Climate Change Adaptation
 - Expands Policy CC2 Planning for Renewable Energy and Low Carbon Generation
- 12.2 The 2008 Sustainable Buildings SPD is ~~also~~ superseded.

Glossary

Air-Source Heat Pump: A type of heat pump which captures the latent heat in the air outside a building and uses that to help heat a home. Some air-source heat pumps can also be used for cooling in the summer.

Anthropogenic greenhouse emissions: Greenhouse gas emissions resulting from human activities.

Biomass: Living organisms and dead matter such as wood, leaves etc. used as a fuel or energy source. These fuels are considered renewable as long as the vegetation producing them is maintained or replanted, such as firewood, alcohol fermented from sugar, and combustible oils extracted from soy beans. Their use in place of fossil fuels cuts greenhouse gas emissions because the plants that are the fuel sources capture carbon dioxide from the atmosphere.

Carbon deficit: The amount by which carbon emitted exceeds carbon sequestered. If there is no carbon deficit, then 'net zero' has been achieved.

Carbon dioxide (CO₂): Carbon dioxide is a gas which occurs naturally in the atmosphere, and is produced as a by-product of human activity such as burning fossil fuels to generate electricity and power vehicles. It is the main greenhouse gas created by combustion.

Carbon footprint: A measure of the impact that activities, people and businesses have on the environment in terms of the amount of greenhouse gases produced, measured in units of carbon dioxide.

Carbon neutral: Carbon neutral refers to a process, energy source, material, or product that, when factoring everything that goes into it, neither adds to nor reduces the amount of CO₂ in the atmosphere.

Carbon offsetting: To help become carbon neutral, activities such as tree planting can off-set carbon-producing activities such as the burning of fossil fuels. Trees lock in carbon.

Carbon sequestration: The removal or storage of carbon in a place (a sink) where it will remain. Types of sequestration include 'geological' where CO₂ is captured and buried underground and 'biological' where CO₂ is absorbed during the growth of plants and trees.

Climate change adaptation: Adjustments to natural or human systems in response to actual or expected climatic factors or their effects (including from changes in rainfall and rising temperatures) which moderate harm or exploit beneficial opportunities for climate change mitigation.

Climate change mitigation: Action to reduce the impact of human activity on the climate system, primarily through reducing greenhouse gas emissions.

Climate Emergency Declaration: An action taken by governments and scientists to acknowledge humanity is in a climate emergency. Warwick District Council declared a climate emergency in February 2020.

Combined heat and power (CHP): An efficient technology for generating electricity and heat together. A CHP plant is an installation generating usable heat and power simultaneously (usually electricity) in a single process. The heat generated in the process is utilised via suitable heat recovery equipment for a variety of purposes including industrial processes and community heating.

Decarbonisation: The process of replacing carbon-emitting processes with carbon-neutral processes. For example, the national energy grid is expected to decarbonise over time as coal and gas fired power stations are replaced with renewable energy sources.

Development Plan Documents (DPDs): DPDs are statutory component parts of the local development framework, which can introduce new policy to sit alongside the Local Plan. DPDs are formally consulted on and tested for soundness at an examination in public.

Embodied carbon / embodied energy (Carbon Capital): All the carbon / energy required to grow, harvest, extract, manufacture, refine, process, package, transport, install and dispose of a particular product or building material.

Energy efficiency: Using less energy to provide the same level of energy service. Along with renewable energy, energy efficiency is one of the twin pillars of sustainable energy.

Fabric First: A 'fabric first' approach to building design involves maximising the performance of the components and materials that make up the building fabric itself, before considering the use of mechanical or electrical building services systems.

Feasible: or feasibility refers to whether a matter is capable of being done or carried out. When 'feasible' is included within this document it refers to the physical nature of that requirement and whether this can be incorporated into the design of a development. It does not apply to any financial consideration which is dealt with separately under 'viability'.

Fossil fuels: Coal, oil and natural gas which produce carbon dioxide when burnt; responsible for global warming and climate change.

Geothermal Energy: Energy found in the form of heat beneath the ground. It is usually only a viable source of power in areas near tectonic plate boundaries.

Greenhouse gases: Gases in the atmosphere that absorb the earth's thermal infra-red radiation. Scientists believe that greenhouse gases resulting from human activity are causing the earth's climate to change, and this is now a generally accepted view.

Ground source heat pump: A type of heat pump which captures the latent heat from the ground and uses that to help heat a home.

Heat exchanger: A system used to transfer heat between two or more fluids. Heat exchangers are used in both cooling and heating processes.

Heat pump: A device that moves heat from a low temperature heat source to a higher temperature heat sink. Examples include ground source heat pumps, air to air heat pumps, refrigerators and air conditioners.

Mitigation: Intervention to attempt to reduce the negative impact of human activity, or to balance the negative impact with positive actions elsewhere.

Net zero carbon: Net zero refers to achieving a balance between the amount of greenhouse gas emissions produced and the amount removed from the atmosphere.

Nitrogen oxides: Nitrogen Oxide and Nitrogen Dioxide are collectively known as Nitrogen Oxides. Nitrogen Oxides are primarily produced as a result of the combustion process, typically from motor vehicles and power stations. They are one of the precursors for photochemical ozone formation as well as being injurious to human health.

Operational energy: Operational energy comprises regulated and unregulated energy consumption. The regulated energy is building energy consumption resulting from the specification of controlled, fixed building services and fittings, including space heating and cooling, hot water, and ventilation while the unregulated energy is the energy consumption that is not controlled by Building Regulations, including, but not limited to, energy consumption from IT equipment, lifts, and appliances.

Passive design: A design strategy that optimises a building's form, fabric and orientation to make the most of natural sources of heating, cooling and ventilation, to reduce the energy usage in operation.

Passivhaus standard: A construction standard for all buildings which emphasises high levels of insulation and airtightness, minimal thermal bridging, use of solar and internal heat gains and tightly controlled ventilation. Calculation of Passivhaus standards is done through Passivhaus Planning Package (PHPP).

Pollution: Anything that affects the quality of land, air, water or soils, which might lead to an adverse impact on human health, the natural environment or general amenity. Pollution can arise from a range of emissions, including smoke, fumes, gases, dust, steam, odour, noise and light.

Power Purchase Agreements: a contractual agreement between energy buyers and sellers. They come together and agree to buy and sell an amount of energy which is or will be generated by a renewable asset. PPAs are usually signed for a long-term period between 10-20 years.

R-value: The R-value is a measure of resistance to heat flow through a given thickness of material. So the higher the R-value, the more thermal resistance the material has and therefore the better its insulating properties. The R-value is calculated by using the formula $R = l / \lambda$ Where: l is the thickness of the material in metres and λ is the thermal conductivity in W/mK. The R-value is measured in metres squared Kelvin per Watt (m²K/W). For example the thermal resistance of 220mm of solid brick wall (with thermal conductivity $\lambda=1.2$ W/mK) is 0.18 m²K/W.

Regulated Carbon Emissions: these emissions are those from fixed building services and fittings, for example: space heating, cooling, hot water, ventilation and lighting and are based on average assumptions of use. For the avoidance of doubt they do not include 'plug in' appliances.

Renewable and low carbon energy: Includes energy for heating and cooling as well as generating electricity. Renewable energy covers those energy flows that occur naturally and repeatedly in the environment – from the wind, the fall of water, the movement of the oceans, from the sun and also from biomass and deep geothermal heat. Low carbon technologies are those that can help reduce emissions (compared to conventional use of fossil fuels).

Renewable resources: Resources that are capable of regeneration at a rate greater than their rate of depletion.

Residual Carbon: The remaining emissions after these have been reduced as far as possible through attention to energy efficiency and use of renewable energy.

Retrofitting: Applying new components to existing buildings, for example to improve energy efficiency or the use of renewable energy.

Standard Assessment Procedure SAP: is the Government recognised methodology for calculating CO₂ emissions in residential buildings. Versions of SAP calculations are updated by the Government and the most up to date calculation should be used.

Simplified Building Energy Model SBEM: is the Government recognised methodology for calculating CO₂ emissions in non-residential buildings. Versions of SAP calculations are updated by the Government and the most up to date calculation should be used.

Sink: Any process, activity or mechanism which removes a greenhouse gas. Forests and other vegetation are considered sinks because they remove carbon dioxide through photosynthesis.

Smart meters: Smart meters give real-time information on energy use. Through an in-home display, usage and cost can be tracked giving the consumer a picture of how they are using energy and the total cost.

Solar energy: The use of energy from the sun, captured either by a solar photovoltaic panel, or a solar thermal system that concentrates solar energy to heat water (or other medium) that then generates steam which is converted into electrical power.

Supplementary Planning Documents (SPDs): Documents that add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. SPDs are capable of being a material consideration in planning decisions but are not part of the development plan.

Sustainable development: Resolution 42/187 of the United Nations General Assembly defines sustainable development as meeting the needs of the present without compromising the ability of future generations to meet their own needs. The UK Sustainable Development Strategy Securing the Future sets out five 'guiding principles' of sustainable development: living within the planet's environmental limits; ensuring a strong, healthy and just society; achieving a sustainable economy; promoting good governance; and using sound science responsibly.

Sustainable transport modes: Any efficient, safe and accessible means of transport with overall low impact on the environment, including walking and cycling, electric, low and ultra-low emission vehicles, car sharing and public transport.

Unregulated Carbon Emissions: Unregulated carbon emissions result from the building energy consumption from process and systems that are not 'controlled' by Building Regulations. For example, this could include energy consumption from sources such as IT equipment, lifts, external lighting, cooking, audio-visual equipment and other appliances.

Viability: When 'viable' is included within this document it refers to financial viability. This is an objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, whilst ensuring an appropriate site value for the landowner and a market risk adjusted return to the developer in delivering that project. Essentially it is the ability to attract investment and business.

Water Vapour: Water in a vaporous form especially when below boiling temperature and diffused (as in the atmosphere).

Zero carbon building: A building with no net carbon emissions resulting from its operation over the space of a year.

Zero carbon ready: Buildings built to a standard such that no further energy efficiency retrofit work will be necessary to enable them to become zero carbon as the electricity grid continues to decarbonise.

APPENDIX 1:

Policy Context

International

The Paris Agreement:

The Paris Agreement (<https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>) under the United Nations Framework Convention on Climate Change, also called Paris Climate Agreement or COP21, international treaty, was adopted in December 2015, and aimed to reduce the emission of gases that contribute to global warming.

The Paris Agreement continued the process started at the **1992 Earth Summit** (<https://sustainabledevelopment.un.org/milestones/unced>) where countries joined the international treaty, the 'United Nations Framework Convention on Climate Change' (<https://unfccc.int/process-and-meetings/the-convention/what-is-the-united-nations-framework-convention-on-climate-change>). The objective of this treaty was to 'stabilise greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic (human) interference with the climate system'.

Energy Performance of Buildings Directive:

Both the Energy Performance of Buildings Directive 2010/31/EU (EPBD) (https://eur-lex.europa.eu/legal-content/EN/ALL/;ELX_SESSIONID=FZMjThLzfxmmMCQGp2Y1s2d3TjwD8QS3pqdkhXZbwqGwlgY9KN!2064651424?uri=CELEX:32010L0031) and the Energy Efficiency Directive 2012/27/EU (<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1399375464230&uri=CELEX:32012L0027>) were amended, as part of the Clean energy for all Europeans package, in 2018 and 2019 (https://energy.ec.europa.eu/topics/energy-strategy/clean-energy-all-europeans-package_en) The European Union (EU) Directive on the energy performance of buildings was intended to improve the energy efficiency of buildings, reduce carbon emissions and the impact of climate change

National

In December 2006, the then Labour government committed that from 2016 all new homes would be 'zero carbon'. This introduced the **Code for Sustainable Homes** (<https://www.breeam.com/discover/technical-standards/homes/>)

The '**Building a Greener Future: Policy Statement**' (<https://www.thenbs.com/PublicationIndex/documents/details?Pub=DCLG&DocID=283171>) in 2007 proposed tightening of the building regulations to achieve the 2016 goal, first by 25% in 2010 and then by 44% in 2013. The Labour budget in 2008 announced a further intention that all new non-domestic buildings should also be zero carbon from 2019.

The current **Regulations are the Energy Performance of Buildings (England and Wales) Regulations 2012** (<https://www.legislation.gov.uk/ukSI/2012/3118/contents/made>) which were last amended in 2018.

The future of all such directives for the UK and therefore the regulations, is currently unknown as a result of the United Kingdom's withdrawal from the European Union (Brexit).

Climate Change Act 2008:

(<https://www.legislation.gov.uk/ukpga/2008/27/contents>)

The act originally set up a national target for the reduction of greenhouse gas emissions for the year 2050. The target of reducing carbon emissions by 80% compared to 1990 levels by 2050, with a reduction of at least 34% by 2020 was supported by a strategy to achieve it set out in The Carbon Plan published in December 2011. The Act also set up the independent statutory Committee on Climate Change, an advisory body to government.

The Decarbonisation and Economic Strategy Bill:

(<https://services.parliament.uk/bills/2019-21/decarbonisationandeconomicstrategy.html>)

Published in September 2019 was expected to provide a framework to decarbonise the UK economy. This bill failed to complete its passage through Parliament before the end of the session which means the Bill will make no further progress.

The Infrastructure Bill, 2014:

(<https://commonslibrary.parliament.uk/research-briefings/sn06909/>)

The Infrastructure Bill, published by the Department for Transport, proposed re-setting the zero-carbon home standard at Level 5 of the Code for Sustainable Homes, but allowing developers to build to Level 4 by using allowable solutions to achieve Level 5, but controversially making small sites of fewer than 10 dwellings exempt from the allowable solutions option. This bill received royal assent and became law in 2015 as the Infrastructure Act 2015.

Fixing the Foundations, creating a more prosperous nation, 2015:

(<https://www.gov.uk/government/publications/fixing-the-foundations-creating-a-more-prosperous-nation>)

The report stated, "The government does not intend to proceed with the zero carbon Allowable Solutions carbon offsetting scheme, or the proposed 2016 increase in on-site energy efficiency standards, but will keep energy efficiency standards under review, recognising that existing measures to increase energy efficiency of new buildings should be allowed time to become established."

The industry viewed this as a massively retrograde step, putting at risk the government's commitment to controlling climate change and ending the zero carbon homes project.

Housing and Planning Bill, 2015:

(<https://commonslibrary.parliament.uk/research-briefings/cbp-7331/>)

The Bill scrapped the zero carbon homes initiative and in spite of attempts by the House of Lords to reintroduce it in 2016, the requirement was dropped. The Chancellor's budget speech in March 2019 however, stated that from 2025, new homes may not be connected to the gas grid for the purposes of heating. This bill received royal assent and became law in 2016 as the Housing and Planning Act 2015.

The National Adaptation Programme and the third strategy for climate adaptation reporting, published 19 July 2018:

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/727252/national-adaptation-programme-2018.pdf)

Looking at the role of local authorities in the resilience agenda, the report states "Local government has obligations that contribute to resilience. These include flood risk management, under the Flood and Water Management Act 2010, and commitments to prepare and plan for emergencies under the Civil Contingencies Act 2004. Local Planning Authorities (LPAs) are also required under the Planning Act 2008 to adopt proactive strategies to mitigate and adapt to climate change." The stated vision

being, "Local Government plays a central role in leading and supporting local places to become more resilient to a range of future risks and to be prepared for the opportunities from a changing climate".

National Planning Policy Framework (NPPF), July 2021:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf The NPPF originally published in 2012 and revised in July 2018, February 2019 and updated in July 2021 and addresses the issue of sustainability by promoting sustainable development and encouraging sustainable transport. The NPPF addresses climate change and directs meeting the challenge of flooding and coastal change and adapting accordingly. It also directs that plans should include policies that move toward a low carbon economy.

It goes on to say in paragraph 9, that "These objectives should be delivered through the preparation and implementation of plans and the application of the policies in this Framework; they are not criteria against which every decision can or should be judged. Planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account to reflect the character, needs and opportunities of each area."

The NPPF addresses the need for the planning system to address climate change through Chapter 14, notably paragraphs 152, 153, 154 and 157. Local requirements for sustainability of buildings should reflect Government policy for national technical standards in accordance with Paragraph 154.

This DPD aims to address that local element and deliver at a local level while contributing to national targets.

Planning Practice Guidance, <https://www.gov.uk/guidance/climate-change> published in 2014 and updated in 2019 states that:

"Addressing climate change is one of the core land use planning principles which the National Planning Policy Framework expects to underpin both plan-making and decision-taking. To be found sound, Local Plans will need to reflect this principle and enable the delivery of sustainable development in accordance with the policies in the NPPF. These include the requirements for local authorities to adopt proactive strategies to mitigate and adapt to climate change in line with the provisions and objectives of the Climate Change Act 2008, and co-operate to deliver strategic priorities which include climate change."

Latest Supporting Information

In June 2019, the Prime Minister, committed the government to reducing UK greenhouse gas emissions to net zero by 2050, in a review of the Climate Change Act of 2008 (<https://www.legislation.gov.uk/ukdsi/2019/9780111187654>), to tackle climate change. This introduces tougher measures to the UK's current target to reduce emissions by 80% by 2050.

This proposal is designed to help meet an international target of not exceeding a 0.5°C temperature rise by 2100; the rise considered to be the dangerous climate threshold.

The Building Regulations (as updated at 2016):

(<https://www.gov.uk/government/publications/building-regulations-c-amendment-regulations-2016>)

Part L: Conservation of fuel and power, The Building Regulations, sets out how the regulations will control aspects of new buildings in relation to carbon indexing.

Part L also sets requirements for Carbon Index ratings.

The Future Homes Standard:

(<https://www.gov.uk/government/consultations/the-future-buildings-standard>)

The Future Homes Standard updated Building Regulations Part L (conservation of fuel and power), Part F (ventilation) and introduced Part O (overheating) to ensure that all new homes built from 2025 will produce 75-80% less carbon emissions than homes delivered under 2013 Building Regulations. The updated regulations also sets an interim uplift in Building Regulations to reduce carbon emissions in new houses by 30% and new buildings by 27% from June 2022

Environment Act 2021:

(<https://services.parliament.uk/bills/2019-21/environment.html>)

The Environment Act was enacted in November 2021 and sets clear regulatory targets for the recovery of nature in four priority areas: air quality, biodiversity, water and waste, and a target to reverse the decline in species abundance by 2030. The Act creates the requirement for a statutory Environmental Improvement Plan, as set out in 'A Green Future: Our 25 Year Plan to Improve the Environment'. The legislation also establishes an Office for Environmental Protection which will have scrutiny, advice and enforcement functions.

The National Design Guide; Planning practice guidance for beautiful, enduring and successful places, 2021:

(<https://www.gov.uk/government/publications/national-design-guide>)

Published by the Ministry of Housing, Communities and Local Government, The National Planning Policy Framework makes clear that "creating high quality buildings and places is fundamental to what the planning and development process should achieve". The National Design Guide, and the National Model Design Code and Guidance Notes for Design Codes "illustrate how well-designed places that are beautiful, healthy, greener, enduring and successful can be achieved in practice. It forms part of the Government's collection of planning practice guidance and should be read alongside the separate planning practice guidance on design process and tools".

Local

Warwick District Local Plan 2011-2029 (adopted Sept 2017):

(https://www.warwickdc.gov.uk/info/20410/new_local_plan)

The adopted Local Plan was prepared at a time when the NPPF was a recently published document which directed planning authorities to prepare plans for sustainable development. Policies were therefore written with this very much in mind. One of the policy areas considered was "climate change mitigation and adaptation, and the conservation and enhancement of the natural and historic environment, including landscape."

Identified issues included:

- The threat of flooding to homes and businesses in some areas, and the concern that flooding events will increase because of climate change
- Pressure for new development and climate change threatening the high-quality built and natural environments in the district, particularly in historic areas

These policies aim to protect those elements of the environment that support and generate climate change resilience and include the more strategic objectives that are expected to contribute towards sustainable development and adaptation. There are policies on climate change and water conservation. This DPD expands on Local Plan policies and introduce standards in development which will positively contribute to the new targets set by central government since the Local Plan was

adopted.

There is an adopted Sustainable Buildings SPD, dated December 2008. This is now very much in need of updating and the DPD will replace it in due course.

Neighbourhood Development Plans (NDP):

https://www.warwickdc.gov.uk/info/20444/neighbourhood_plans

NDPs become part of the local development framework when they are made and policies carry the weight of those in the Local Plan. Sustainable development and climate change issues can and should also be addressed in policies in NDPs and any relevant adopted policies will need to be complied with when planning applications are submitted.

Relevant Local Plan Objectives:

The objectives of the Local Plan have sustainability at their heart. The objectives provide the framework to deliver sustainable development by balancing social, economic and environmental imperatives and where possible enhancing all three.

- a) Providing sustainable levels of growth in the District.
- b) Providing well-designed new developments that are in the right location and address climate change
- c) Enabling the District's infrastructure to improve and support growth

Related Supplementary Planning Documents and Guidance

The following supplementary planning documents and guidance are related to this DPD:

Climate Emergency Action Programme – Main Report

<https://estates8.warwickdc.gov.uk/CMIS/Document>

Air Quality SPD:

https://www.warwickdc.gov.uk/downloads/file/5043/air_quality_spd

Public Open Space SPD:

https://www.warwickdc.gov.uk/downloads/file/5516/public_open_space_spd

Residential Design Guide SPD:

https://www.warwickdc.gov.uk/downloads/file/4782/residential_design_guide

Biodiversity Offsetting:

<https://www.warwickshire.gov.uk/biodiversityoffsetting>

<https://api.warwickshire.gov.uk/documents/WCCC-863-793>

Climate Emergency Action programme

4.30 Details of the Council's CEAP are available here

<https://estates8.warwickdc.gov.uk/CMIS/Document.ash>



**Warwick District Council
Riverside House
Milverton Hill
Royal Leamington Spa
CV32 5HZ**



Title: A Local Visitor Economy Partnership for South Warwickshire
 Lead Officer: Philip Clarke (philip.clarke@warwickdc.gov.uk), Martin O'Neill (martin.o'neill@warwickdc.gov.uk)
 Portfolio Holder: Councillor Ella Billiald
 Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	6/6/23	Ella Billiald
Finance	13/6/23	Andrew Rollins
Legal Services	6/6/23	Ross Chambers
Chief Executive	13/6/23	Chris Elliott
Director of Climate Change	13/6/23	Dave Barber
Head of Service(s)	13/6/23	Philip Clarke
Section 151 Officer	13/6/23	Andrew Rollins
Monitoring Officer	13/6/23	Andrew Jones
Leadership Co-ordination Group	19/6/23	
Final decision by this Committee or rec to another Cttee / Council?	Yes	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	Yes, Forward Plan item 1,369 – scheduled for 5 July 2023	
Accessibility Checked?	Yes/No	

Summary

The Government has proposed a new national structure for Destination Management Organisations to be grouped into Local Visitor Economy Partnerships (LVEPs). This report proposes that Warwick District Council gives support, in principle, for Shakespeare's England to be part of a wider Coventry & Warwickshire LVEP.

Recommendation(s)

- (1) That Cabinet notes the paper "Shakespeare's England and Local Visitor Economy Partnerships" which is attached as appendix 1.
 - (2) That Cabinet indicates its support, in principle, for Shakespeare's England forming part of a Local Visitor Economy Partnership covering Coventry & Warwickshire.
-

1 Reasons for the Recommendation

- 1.1 In March 2021, the government announced an independent review, led by Nick De Bois, Chair of the VisitEngland Advisory Board, to assess how destination management organisations (DMOs) across England are funded and structured, and how they perform their roles. The purpose of the review was to establish whether there may be a more efficient and effective model for supporting English tourism at the regional level, and if so, what that model may be. Its report and consultation response analysis was published in September 2021.
- 1.2 At the heart of this review was a proposal to introduce the new tiered structure system for England's DMOs. At the top of this structure would be Destination Development Partnerships (DDPs) and below this would sit a network of Local Visitor Economy Partnerships (LVEPs). DDP status could be awarded to either an individual accredited LVEP covering a large enough geography (e.g. a city region) or to a coalition of willing accredited LVEPs within an area.
- 1.3 In responding to his review, the government announced its intention to introduce this new tiered structure. The DDP model is currently being piloted, however LVEPs are being introduced now. To date, 15 LVEPs have been announced. A second round of applications (initially through Expressions of Interest) closed on 12th June.
- 1.4 The criteria for becoming an LVEP has been set by VisitEngland. It will also assess bids with formal accreditation given by the government (Department of Culture, Media & Sports).
- 1.5 VisitEngland has developed some core draft criteria for LVEPs. These include the following. LVEPs should:-
 - Cover an important geography (such as county or city region) that avoids overlap with other LVEPs and is an area that can demonstrate the importance of its local visitor economy;
 - be well integrated with other important local and regional actors such as key attractions and local government.
 - demonstrate commitment from Local Government (local authorities /Combined Authorities/Mayoral Authorities) that the DMO is lead body in the area (incl. public funding where possible)

- have capacity within the organisation reflective of the size and importance of the destination.
- 1.6 Shakespeare's England (SE) is the DMO currently covering South Warwickshire (Warwick & Stratford-on-Avon districts). The Board of SE, on which the Council has a seat, has been considering how it should respond to the challenges and the opportunities afforded by the LVEP model. The paper attached as appendix 1 to this report was prepared for the April 2023 meeting of the Board. It considered four options for SE; (1) do nothing; (2) join an existing LVEP; (3) create a new Coventry & Warwickshire LVEP or (4) apply for LVEP status on its own.
- 1.7 Prior to the preparation of this report, officers from both WDC and Stratford-on-Avon District Council held meetings with other potential stakeholders to consider two of these options; closer working with Coventry & other Warwickshire authorities to create a new Coventry & Warwickshire LVEP, and closer working with Cotswold authorities. The following comments can be made about each.
- In respect of a potential Coventry & Warwickshire LVEP, this would see SE working much more closely and formally with Destination Coventry (Coventry's DMO) and other local authorities across Warwickshire. It would allow wider marketing and promotion of SE across Coventry & Warwickshire and make a stronger connection between SE and the business market in Coventry. Importantly, it would make stronger voice for tourism within the West Midlands region as a whole.
 - In respect of closer working with Cotswold authorities, there is already a proposed "Cotswold Plus" LVEP for which an Expression of Interest as part of the second round of applications was made in June. This proposed LVEP has a much wider geographic spread covering the whole of the Cotswold National Landscape (which goes as far south as Bath), Tewkesbury, Cheltenham, Gloucester and Stroud as well as the Forest of Dean and River Wye. This LVEP already has a proposed governance structure and is looking to create partnership agreements to formalize working relations. It is noted that whilst there is a strong link between visitors to the Cotswolds and those to South Warwickshire, Warwick district would very much lie at the edge of any "Cotswold Plus" LVEP, rather than at its heart.
- 1.8 For the reasons set out in the appendix 1, the SE Board unanimously agreed to support option 3 – the creation of a new Coventry & Warwickshire LVEP.
- 1.9 In view of the timing of application process for LVEPs, there was no opportunity for formal approval of the Cabinet to be given prior to the submission of the Expression of Interest on 12th June. In view of this, the Arts & Economy portfolio holder has written to Shakespeare's England to support a position in principle of creating a Coventry & Warwickshire LVEP on the understanding that a report would be brought to Cabinet at the earliest opportunity.
- 1.10 It is recognised that there are still many issues to be discussed and resolved before a new Coventry & Warwickshire LVEP can take shape. These include the governance and staffing arrangements of the new organisation, and what role, and funding contributions, will be made by other local authorities across Coventry & Warwickshire to this LVEP. There is also a decision to be made about whether to stay as a Partnership or set up a new Company, possibly a Community Interest Company (CIC) with a new Governance Structure.

- 1.11 All of these matters will be considered further by the SE Board in discussion with partners across the sub-region. Where decisions need to be made by this Council in relation to this, including in relation to any changes to the funding that Warwick District Council currently gives to SE, this will be brought back to Cabinet for future consideration.
- 1.12 It should finally be noted that whilst a new LVEP would replace SE as the DMO covering Warwick District, the "Shakespeare's England" brand would remain. (It would also be expected that the "Visit Coventry" and "Conference Coventry & Warwickshire" brands operated by Destination Coventry would remain as well.) These brands are well-established and there is no intention to dismantle them. The LVEP structure would sit behind these brands, helping to promote and maximise their effectiveness, whilst delivering economies of scale for the DMO as a whole.

2 Alternative Options

- 2.1 The alternative options are considered in appendix 1 (see also paragraph 1.6 above). The approach recommended in this report follows an assessment of these options.

3 Legal Implications

- 3.1 There are no legal implications arising from this report. The Council has a seat on the Board of SE. If SE ceases to exist as a legal entity and becomes part of a larger organisation, the Council will need to understand its legal and governance relationship with this organisation. This will be subject to a separate report in due course as appropriate.

4 Financial Services

- 4.1 There are no direct financial implications arising from this report. The Council currently contributes £100,000 per year towards the running of SE and the current agreement for this ends in September 2024. In the event that SE is replaced by another organisation, the Council will need to consider its financial responsibilities to this organisation. This will be subject to a separate report in due course as appropriate.

5 Business Strategy

- 5.1 This report directly addresses the objective of nurturing a thriving, innovative and inclusive economy by seeking to strengthen the tourism and hospitality sectors, that are key to the local economy.
- 5.2 Health, Homes, Communities: supporting a thriving visitor economy is part of wider initiatives to make Warwick district a great place to live, work and visit.
- 5.3 Green, Clean, Safe: No impact.
- 5.4 Infrastructure, Enterprise, Employment: a thriving visitor economy will support jobs and prosperity in the district.
- 5.5 Effective Staff: an effective DMO will better support the development of staff at the Council who work to support DMO activities.
- 5.6 Maintain or Improve Services: an effective DMO will help support the Council's work in terms of both economic development and events.
- 5.7 Firm Financial Footing over the Longer Term. An effective DMO has no direct impact on the firm financial footing of the Council, however the absence of an effective DMO may put the Council under pressure to find other means of

supporting the visitor economy. An effective DMO will support a thriving visitor economy which will have a positive impact on the Council's finances.

6 Environmental/Climate Change Implications

- 6.1 It is recognised that supporting the visitor economy does increase the carbon footprint of the district. LVEPs will, however, operate at a wider and more strategic level than the current patchwork of DMOs, and this will enable more strategic consideration of the impact of the visitor economy on climate change. As the LVEP is established, the Council will use its influence to seek to ensure climate change implications are at the heart of the LVEP's terms of reference. This will include cross-boundary issues and initiatives relating to reducing the carbon emissions relating to the visitor economy. The actions in the joint Climate Emergency Action Programme to reduce net carbon emissions across South Warwickshire by a minimum of 55% by 2030, with plans to further reduce carbon emissions to net zero by 2050, include measures to supporting public transport. This will assist in limiting any growth in the carbon footprint of the visitor economy.
- 6.2 The tourism economy is likely to be susceptible to changes in the local climate and any new LVEP should therefore support the tourism economy to adapt to these changes.

7 Analysis of the effects on Equality

- 7.1 There are no direct equality implications arising from this report.

8 Data Protection

- 8.1 There are no data protection implications arising from this report.

9 Health and Wellbeing

- 9.1 There are no data protection implications arising from this report.

10 Risk Assessment

- 10.1 There would be reputational and financial risks for the Council if a new Coventry & Warwickshire LVEP was formed. Although no decision has been made on this matter at this time, there would be an expectation that the Council would continue to be a full partner in a new LVEP, as it does with SE. The Council has a seat on the SE Board and currently contributed £100,000 per year (currently committed up to September 2024) towards the running costs of SE. As noted elsewhere in this report, the recommendation in this report is for agreement to a new Coventry & Warwickshire LVEP in principle only, subject to further work. At this time, no financial commitment beyond September 2024 is being made. Where appropriate and necessary, further decisions in relation to the new LVEP, and this Council's role in it, would be brought back to the Council for further approval.
- 10.2 Conversely, there is a risk associated in not actively exploring how a new LVEP may benefit the district. The government has made clear that it sees LVEPs as the way that DMOs are organised nationally, and it is appropriate that the Council considers the role of SE in this moving forward.

11 Consultation

- 11.1 No formal consultations have been undertaken as part of this process, however SE arranged meetings with stakeholders to consider alternative models of LVEPs at which officers from the Council were involved (see paragraph 1.7 above).

Background papers:

None

Supporting documents:

None.

Date April 2023

Shakespeare's England and Local Visitor Economy Partnerships

Background

Nick de Bois was commissioned by Government to carry out an [Independent Review of Destination Management Organisations \(DMOs\)](#) this was published in 2020 with recommendations including

- DMOs should be reduced in number from the current 180+ to approximately 40 grouped at a regional level responsible for core activities that fit with Government priorities such as sustainability, skills, inclusive tourism and levelling up.
- The Government should bring coherence to England's DMO landscape via a tiering approach
 - a top tier of accredited Tourist Boards acting as 'Destination Development Partnerships' (DDPs) 'HUBs' and
 - a second tier of accredited Local Visitor Economy Partnerships (LVEPs), 'SPOKES'.
- DDP status could be awarded to either an individual accredited LVEP covering a large enough geography (e.g. a city region) or to a coalition of willing accredited LVEPs within an area.
- The Government should provide core funding to each DDP. The funding to be focused on activities that ensuring that destination remains sustainable, competitive and responsive to the high level strategic challenges - sustainability, skills, inclusive tourism and levelling up.
- DMOs that do not obtain accreditation would become 'third tier', small, localised DMOs with minimal engagement.
- DMOs need to drive forward this change, for the new structure to succeed they must be less territorial, have a greater focus on collaboration, and recognise the current fragmentation is holding them back in properly delivering for the visitor economy.
- DMOs should seek to diversify their income streams, share and learn from examples of best practice. diversification will be an important accreditation criterion.
- DMOs should have diverse boards that fully represent their communities, their businesses and visitors.
- Local government – be that a District Council, County Council, Mayoral Combined Authority or any other formulation – must realise the value of tourism and supporting their LVEP and DDP. For the LVEPs to be most effective they need to be public/private/community partnerships, not based in a Local Authority but working in close partnership with them. They should also involve their LVEP in any policy decision-making affecting the visitor economy.

to which the Government then published a [formal response](#) in September 2021. Their response stated: -

- The government will introduce the new tiered structure system for England's DMOs. DMOs that successfully meet clear requirements will become part of a 'national portfolio' of LVEPs
- The criteria for becoming an LVEP, part of the national portfolio will be designed and assessed by VisitEngland, with the final decision on granting accreditation being in the hands of DCMS.
- The government will pilot de Bois' DDP tiering model and subject to a successful pilot, the government's ambition is to adopt the approach nationally, however future funding is not guaranteed.
- DCMS, VisitEngland and other government departments and agencies will only engage with accredited LVEPs that are part of the national portfolio.

Expressions of Interest were opened up in late December 2022. It was confirmed early in 2023 that the North East would be the location for the DDP pilot, under which sits the first 3 accredited LVEPs, NewcastleGateshead Initiative, VisitCounty Durham and Visit Northumberland. Earlier this month a further 13 LVEP's were announced, these are Marketing Cheshire, Experience Oxfordshire, Cornwall and the Isles of Scilly, Visit Hull and East Yorkshire, Visit West, Marketing Manchester, Visit Peak District, Derbyshire and Derby, Visit Hertfordshire, Visit Kent, Liverpool City Region, Cumbria Tourism, and Birmingham, Solihull and the Black Country.

It is anticipated that the closing date Round 2 accreditations submissions is to be 12 June, with DCMS announcing the successful LVEPs in July, prior to the Summer recess.

Opportunities

The new LVEP structure will bring existing DMOs and its stakeholders: -

- Credibility for the LVEP so that it can work with authority throughout the local visitor economy and with its key stakeholders (public and private)
- A direct channel, via VE's regional development team, to VE/VB, Government and other public sector partners
- Access to, and benefit from, VE/VB targeted LVEP support, including: expertise in areas such as commercial, sustainability and accessibility, international and domestic marketing, training services and any future funding programmes, making LVEPs more attractive for local businesses to join
- Opportunity to be part of a national strategic network of high performing LVEPs that work together, along with VE/VB and government, to deliver sustainable development and growth of the visitor economy, shaping national strategy and supporting implementation and sharing of best practice.
- If the Destination Development Pilot is successful, the possibility of national roll-out of funded DDPs from 2025, with some of that funding potentially being devolved to LVEPs to deliver specific workstreams where they have expertise and in support of strategic ambitions.

and provide local government bodies: -

- Joined-up strategic thinking, development and management of the local visitor economy across the public and private sectors, ensuring it directly contributes to creating thriving places and communities.
- Clear strategic line of sight from local to national (Government, VB/VE and other key national bodies) on all visitor economy related issues - giving you the confidence that your LVEP is the delivery partner for the visitor economy.
- Strong and stable partnerships between Local Authorities/ Combined Authorities/ Mayoral Authorities/ and the LVEP to drive forward local priorities and investment.
- Capacity and ability to demonstrate the value of the local visitor economy through a robust evidence base. This will help local government make the case for supporting their LVEP and the local visitor economy.
- Structure and support for smaller DMOs/ Local Tourism teams (not qualifying for LVEP status) to benefit from national initiatives (via the LVEP) while reducing fragmentation and duplication.

The full prospectus can be seen here [Local Visitor Economy Partnership Programme \(visitbritain.org\)](https://www.visitbritain.org)

Board Considerations

A key consideration is that this is not about marketing, but about support at a far more strategic level from VE/VB for destinations to drive forward the Governments challenges. Any funding will be focused on activities that ensuring that destination remains sustainable, competitive and responsive to the high level strategic challenges - sustainability, skills, inclusive tourism and levelling up. Marketing activity will come as a by product and as such 'Brands' sitting within one LVEP could partner on a campaign basis with another. As such should Shakespeare's England be part of a Coventry and Warwickshire Partnership LVEP, it could still join a campaign being run by Cotswolds Plus LVEP targeting domestic leisure visitors, or Birmingham, Solihull and Black Country in a campaign targeting Business Tourists using Birmingham Airport as a gateway.

It comes down to 4 options: -

1. **Do Nothing** – retain Shakespeare's England and Destination Coventry as non-affiliated Destination Management Organisations. These Tier 3 organisations would not be recognised by VisitEngland, have no communication channel to VB/VE and no access to funding bids for marketing activity (e.g. Discover England Fund (DEF) where we were part of England Originals, England's Waterways, England's Literary Greats projects; or route development activity such as England's Heartland, working with WMGC, Peak District & Derbyshire and Birmingham Airport highlighting the airport as an international gateway for our area).

No access to Business Tourism development or the Business Tourism Event growth funding pots. Neither organisation would receive national policy updates or implementation support, like the opportunities we received during COVID to be part of the Good to Go Scheme, access to Government supported DMO funding and the ability to lobby on behalf of our members' for recognition and support under one body.

We would risk being isolated if Destination Coventry chose to join the Birmingham Solihull & Black Country LVEP and potentially losing Members to Cotswold Tourism if they felt unrepresented and a loss of opportunity from being disconnected from VE/VB.

2. Join alternative LVEPs

Destination Coventry could join the Birmingham, Solihull and Black Country Partnership (LVEP) which is already set up. The geography works for them and although they would have to align their commercial partners programmes, they already work closely together as constituent members of the WM Combined Authority, one of the geographies Government is using when looking at LVEP coverage.

The Lead organisation and accountable body would be WMGC. This would also remove the opportunity for a C&W LVEP to join a West Midlands pilot Destination Development Partnership (DDP), as Destination Coventry would already be included within the Birmingham, Solihull and Black Country LVEP.

Shakespeare's England could join the Cotswolds Plus LVEP, made up of Cotswolds Tourism, Cotswolds National Landscape, Visit Dean Wye, Marketing Cheltenham, Visit Gloucestershire (plus Visit Gloucester, Stroud and Tewkesbury who are currently finalising the details of their organisation to make a submission for accreditation under the 2nd phase by 12 June. SE would have to align its commercial & membership programmes and generate a new Tourism Strategy and Destination Management Plan (DMP) in tandem with the lead organisation, already identified as Cotswold Tourism with Cotswold District Council as the accountable body. As North Warwickshire Tourism is neither part of Shakespeare's England nor an accredited DMO with the accompanying Governance structure, they would need to set up their own public-private organisation if the whole County was to be served. There is also the risk of North Warwickshire BC, Nuneaton & Bedworth BC and Rugby BC joining Birmingham, Solihull and Black Country, as they are non-also constituent members of WMCA.

3. Create a Coventry and Warwickshire Partnership LVEP

Under this both organisations would retain their existing commercial organisations and membership functions. The Geography is contiguous and there are already good examples of where it works. CW Growth Hub, CW Chamber, Conference Coventry & Warwickshire and the previously highly successful CWLEP. There is already a legacy of close collaborative work, partnering at both Leisure and Business Tourism Trade Shows, combined Familiarisation visits with Travel Trade and Press. Joint events like the Meet the Supplier Event taking place on 27 April and our current work across with the GDS Index to obtain sustainability benchmarking across the region. The one organisation is already the local champion on Business Tourism – Destination Coventry with Conference Coventry & Warwickshire, the other on leisure tourism, with the power of the globally recognised Shakespeare branding. The vision would be to bring all of Warwickshire County into the LVEP thus ensuring the North of the County has access to the same opportunities for business support, levelling up, funding and promotional activities as does the South of the County and Coventry. It enable them to maximise their Business Tourism strengths whilst they develop their leisure product.

4. Shakespeare's England applies independently for LVEP status

We are perfectly entitled to do this, however I believe it is clear from the details above that the Government is looking to accredit LVEPs that cover a far greater geography than SE does. This restructuring is about strategic positioning, making decisions around infrastructure projects, transport links, planning applications that cover a far greater geography than Shakespeare's England. To ensure that there is joined up thinking across what is at the moment a fragmented landscape. I believe this really is a case of bigger is better if we are to survive and flourish.

Ultimately the LVEP has to be accepted as THE Tourism delivery body for that area.

4. Recommendations

- i. Work with Destination Coventry to submit an expression of interest in becoming a Coventry & Warwickshire Partnership LVEP (see supporting RAG Report)
- ii. Submit the EOI as soon as possible and work on our application with our Regional Coordinator to ensure we meet the deadline for the 2nd Round of submissions on 12 June 2023.
- iii. Obtain DCMS accreditation for a C&W Partnership LVEP in early July
- iv. During year one work to become more financially efficient, champion all aspects of sustainability and accessibility and finalise the Governance around the LVEP, when we have had a chance to fully assess whether we are better to stay as a Partnership or set up a new Company, possibly a Community Interest Company (CIC) with a new Governance Structure.

CORE CRITERIA FOR AN LVEP

Criterion	Proposed evidence	Can C&W deliver? RAG status
Covers an important geography (such as county or city region) and avoids overlap with other LVEPs (as the aim is to create a national portfolio)	National assessment	
Geography makes sense to the consumer and businesses	National assessment	
Should have a destination management plan or tourism strategy developed with local partners	Active DMP/ tourism strategy	
Engaged in destination 'management', not just marketing	Evidence of business support offer, product development and distribution activity etc.	
Should be well integrated with other important local and regional actors such as key attractions and local government	Board make-up, evidence of involvement of stakeholders in DMP/tourism strategy, stakeholder engagement programme etc.	
Demonstrable commitment from local authority/ies that DMO is lead body in the area (incl. public funding)	Letter of support from LA(s)	
Demonstrate an ability to raise funding from the private sector	Evidence of private sector funded activity/memberships	
Can administer public funding with probity	Evidence from previous government funded or EU projects led by DMO; VE assessment of VB/VE grant funding awarded to DMO	
Capacity of organisation needs to be reflective of the size and importance of destination	DMO assessment of capacity in relation to geography covered	
Are working in partnership with other DMOs in their wider region	Evidence of partnership activity	

GROWTH CRITERIA

Criterion	Proposed evidence	Can C&W deliver? Evidence
Commitment to expanding their commercial income and other funding streams	Current level of commercial income and funding streams; and plans for developing future income	
Commitment to staff skills development including digital, international travel trade, bid writing and distribution	Training plan for next year and beyond that identifies LVEP needs and reflects national as well as local priorities	
Governance (incl. board structure) should reflect visitor economy it represents (public sector, businesses and consumers), be focused on impact and outcomes and show diversity	Overview of current governance structures, assessment of how representative they are and plans to expand structure/address any lack of diversity	
Should have a comprehensive business support offer or commit to developing one	Evidence of current business support offer and future plan	
Willing to support national priorities and Government initiatives, including accessibility, sustainability, local research and data	Evidence of current support and plans for future support	
Commitment to growing their membership/partner support model	Evidence of current membership structure and size and future plan	

Title: Customer Services Relocation Options
Lead Officer: David Elkington (david.elkington@warwickdc.gov.uk)
Portfolio Holder: Councillor Jessica Harrison
Wards of the District directly affected: None

Approvals required	Date	Name
Portfolio Holder	16/06/23	Jessica Harrison
Finance	16/06/23	Andrew Rollins
Legal Services		
Chief Executive	16/06/23	Chris Elliott
Director of Climate Change	16/06/23	Dave Barber
Head of Service(s)	16/06/23	Phil Clarke Lisa Barker Tracy Dolphin Steve Partner Marianne Rolfe Graham Leach
Section 151 Officer	16/06/23	Andrew Rollins
Monitoring Officer	16/06/23	Andrew Jones
Leadership Co-ordination Group		
Final decision by this Committee or rec to another Cttee / Council?	Yes	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	Yes, Forward Plan item – scheduled for (date)	
Accessibility Checked?	Yes	

Summary

This report provides further detail towards the proposals to relocate customer service operations to the Pump Rooms from the Council's current headquarters at Riverside House which is due to be sold. This follows the decision of Cabinet in February 2023.

Recommendation(s)

- (1) That Cabinet approves the design concept for the Customer Service Centre as shown in Appendix 1 and 2 and delegates authority to the Head of Customer and Digital Services to approve minor design amendments, in consultation with the Portfolio Holder for Customer and Digital Services
 - (2) That Delegated Authority is provided to the Head of Customer and Digital Services to seek Listed Building and any other consents required to implement the proposals.
 - (3) That a budget of £410,000 is approved for the project, funded from the Corporate Asset Reserve.
 - (4) That subject to agreeing recommendations 1 to 3, officers continue their work to find an alternative venue or approach for the Pump Rooms shop.
-

1 Reasons for the Recommendation

1.1 Riverside House

1.1.1 In September 2022, Cabinet considered a report which discussed the relocation of office accommodation and customer facing services away from their current home at Riverside House.

1.1.2 Key recommendations, pertinent to this report are that Cabinet:

- noted the major contribution a move from Riverside House could make the Council's Medium Term Financial Strategy;
- agreed to a two-stage approach to office relocation - stage 1 involving a move to other parts of the Council's estate or alternative locations, and stage 2, a permanent move to long-term office accommodation.
- agreed that public access to a face-to-face Council enquiry service should be based in or close to Leamington town centre and does not need to be near the "back-office"; and

1.1.3 With some 60,000ft² of office accommodation and 194 car parking spaces, Riverside House has been home to many of the Council's back-office operations and front facing customer services since its purchase in the year 2000. Prior to the pandemic, around 350 staff occupied Riverside House daily, as their primary work location.

1.1.4 However, even at its pre-pandemic peak, it was evident that Riverside House was far larger than the Council needed. This led to a proposal to relocate the Council's offices to new, purpose-built facilities at Covent Garden. This proposal was however discontinued in 2019 and the Council remained at Riverside House.

1.1.5 The COVID pandemic in 2020 necessitated a radical change to working practices and most staff were mandated to work from home. As lockdown restrictions eased some staff returned to the office, but daily usage remained

significantly lower than its pre-pandemic highs. Around 40 to 50 staff presently use Riverside House on an average day and in 2022, this number peaked at 70, on just one occasion.

- 1.1.6 Public facing customer services resumed at Riverside House in late 2021 following their closure during lockdown. The prolonged impact of COVID however encouraged many of the Council’s residents to use alternative means of communication and the number of customers using Riverside House also remained lower than in pre-pandemic times. Currently there is a relatively stable demand of around 50 customer visits per day.



- 1.1.7 The facilities available for customers at Riverside House are significantly dated, as shown in figure 1. Most of the facilities have not changed in more than two decades and in addition to being vastly oversized, also fail to create a welcoming and friendly customer service environment. The glass partitions which separate staff from customers for example are now rarely seen outside of banks, whilst the waiting area is harsh and does not provide privacy.

- 1.1.8 In February 2023, Cabinet considered and agreed a further report, discussing the relocation of office accommodation and the provision of public facing services. Key recommendations of relevance to this report include:

- That the Council lease office space at Saltisford One;
- Ground floor space at the Town Hall as part of the office relocation strategy; and
- A Customer Service hub is established at the Royal Pump Rooms.

- 1.1.9 The report identified that significant, year on year savings could be made if the Council moved out of Riverside House. This supported the Council's Medium Term Financial Strategy (MTFS) assumption that savings of £250,000 per year could be achieved on the running costs of office accommodation from 2023/24 onwards.
- 1.1.10 Members should therefore note at this point that the Council's current underlying revenue deficit is still £1.5m despite this assumption and so the savings to be realised by leaving Riverside House are important to the Council's overall financial strategy.
- 1.1.11 Following the September 2022 Cabinet report work also began to dispose of Riverside House. The capital receipt from the sale was intended to fund other projects of significant community benefit, and a task group was setup to achieve this. An interested party was found in late 2022 and this was also agreed by Cabinet as a confidential item in February 2023.
- 1.1.12 The relocation of customer services is essential to the move from Riverside House and the February Cabinet report presented three broad choices:
- An empty shop within the town centre;
 - Space within the Town Hall; or
 - Space within the Pump Rooms.
- 1.1.13 The report's recommendations were accepted by Cabinet, noted by Council and were considered by Overview and Scrutiny in March 2023.
- 1.1.14 The Cabinet report recommended that the best potential location for a customer service facility was at the Pump Rooms, within the area currently occupied by the shop. The report noted that this would lead to the potential relocation of shop activities across other spaces within the Pump Rooms or the abandonment of the shop entirely if this was not possible.
- 1.1.15 Following the initial approval, work has been undertaken by officers of the Assets, Customer and Digital Services and Arts teams to develop the proposals and understand the implications further, including costs which were only estimated within the original report.
- 1.1.16 Work is on track to move office staff from Riverside House, but currently Customer Services have nowhere to go. Work on the Pump Rooms has not yet commenced and this is discussed further in 1.6.

1.2 **Public Concerns Post Decision**

- 1.2.1 In the days following the Cabinet decision, a small number of artists who sold their works in the shop reached out to both officers and Councillors to express their significant concerns about the potential closure and reuse of the shop space. They expressed that the shop provided a unique outlet for their works in a culturally significant building that could not be easily replaced.
- 1.2.2 The Leamington Society also expressed their concerns and in February 2023, put forward a bleak perspective on the decision in their newsletter. It noted that the move would...

"deprive local artists and authors, the Leamington History Group and the Leamington Society of opportunities to sell arts and crafts, cards, guides, books and prints" and that "A separate entry may be needed to separate the homeless and other anxious and worried people from the general

public: locals, tourists, children, mother and baby groups, coming to enjoy the Museum, the Library, the Café and so on.”

(Leamington Society, 2023)

- 1.2.3 An online petition, Hands off our Pump Rooms was also opened to capture public opinion. The petition stated that...

"The Pump Room is not the right place for the public face of WDC Housing Department and the Homelessness Officer and 'temporary' solutions may become permanent."

(HooPR, 2023)

- 1.2.4 Before closing, the petition received 1074 signatures. Some of those signing the petition offered comment on their reasons for doing so, and several key themes emerged. These are discussed in section 1.3. At the time of writing, the petition remained online and a link to the comments is provided in the Supporting Documents section.
- 1.2.5 In response public feedback, Cllr. Day, the then Leader of the Council, stated that Councillors would have the opportunity to look at any plans for the relocation as soon as they were available and have a final say on the detailed proposals. This report provides that information, for Cabinet to consider the proposals in more detail.

1.3 **Addressing the Petition Concerns**

- 1.3.1 Whilst it is not possible to address all the concerns raised by the petition's signatories, several individuals commented with similar concerns.

- 1.3.2 *The space should not be used for offices.*

There was significant concern that the Pump Rooms were going to be converted into offices and used to generically house Council staff. Several people also commented that this was not appropriate use of an historically significant and culturally important public building.

This concern whilst understandable, would however appear to be a misunderstanding of the Council's intent.

The Pump Rooms are not intended to be used as general office space as this would indeed be inappropriate for a building of such importance. A small space behind the existing shop will however be used to accommodate up to four people, but this space already used as an office, and it is not publicly accessible.

Photos of this space are shown in Figure 2 and further details are included in section 1.4.

- 1.3.3 *Homeless and housing services would be better served elsewhere:*

Both the petition's description and some signatories were concerned that the site would only be used to provide homeless and housing support services. There were also comments that the types of customers this would bring to the Pump Rooms would be undesirable and detrimental to the existing uses. Whilst this commentary is unedifying, it would again appear that there is a misunderstanding of intent.

The Customer Service centre would not solely offer housing and homeless services. A small, dedicated, multidisciplinary customer services team would

staff the location and facilitate in-person access to all Council Services. Housing and Homeless advice would be available, but it would not be their sole service.

The original proposals included provisions for a dedicated Homelessness officer to be stationed with Customer Services at the Pump Rooms during operational hours. Homeless services generally require the expert knowledge of a specialist officer, who can assist with all aspects of their customer's needs. This provision was therefore purely to ensure any customers requiring assistance could be dealt with efficiently and effectively. This provision will be kept under review as the service capabilities develop.

It should also be noted, that one of Warwick District Council's core values is Fairness and Equality; we will value all citizens and work without bias or prejudice. We will always do the best that we can to serve our customers and provide an environment that is welcoming to all.

1.3.4 *The offer would detract from the building's cultural status:*

Many comments were concerned that the Customer Service offer would be incompatible with the cultural nature of the site and its predominant use as an arts and culture facility. Concerns were also raised that the existing tourist information service would be lost and that access to services such as tickets for the Spa Centre would be removed. This is not the case.

The library, art gallery and museum are amongst a very small group of publicly accessible spaces which customers can visit without any expectation of having to purchase something or pay a fee. This is an extremely important provision, especially now during the current cost of living crisis.

The Customer Service offer could compliment the building's cultural status and bring the centre to the attention of a different group of patrons, who may not otherwise be visited or realised that such excellent facilities were available.

The Pump Rooms internal facilities are complimented further by the large and welcoming public spaces just outside the building's walls. All these factors contribute toward the Pump Rooms being an excellent site to offer meaningful public services that go beyond the current offer, without detracting from them.

1.3.5 *There would be a negative impact on existing amenities:*

Multiple signatories expressed concerns about the effectiveness and privacy of dealing with customers in the reception space and that some customer queries may make the overall atmosphere of the Pump Rooms less desirable.

There would again appear to be a misunderstanding of how Customer queries may be handled and where customers would be seen.

The Customer Service facilities at the Pump Rooms will be built to a high standard, suitably partitioned from the main foyer and not directly intermingled with the current operations. The Customer Service function will also not impede the existing reception, library, café, gallery or museum facilities and the services currently offered by Arts and Culture staff (such as tourist advice) will also continue, unaffected.

The site will be sufficiently staffed to ensure customers are seen efficiently, in a welcoming and friendly environment, which all our residents and communities deserve. No customer queries will be dealt with in an open space and will instead be directed to dedicated, customer service pods. Our

customers dignity and privacy are very important and have been prioritised within our designs.

As described in section 1.6, the proposals will impact on the shop, but this is the only significantly negative outcome.

1.3.6 *Public services belong in the Town Hall:*

Many of the signatories expressed that the Council's services would be better located at the Town Hall or that this was a "natural home" for operations.

Whilst historically a limited number of Council services were offered from the Town Hall, it has never been the centre of Council Services.

It is important to differentiate between the Council's office-based operations and front-line services. The inclusion of a different type of public service at the Pump Rooms as previously discussed, has the potential to significantly benefit Warwick District residents, businesses and visitors.

It should not be assumed that an alternative location would be better for those front-line services, purely based on historical usage or association. Moving services to the Town Hall would be more complex than the current Pump Room proposals and this is considered further in section 2.

1.4 **The Pump Rooms Proposals**

1.4.1 Officers from Customer and Digital Services, the Assets Team and the Arts team have been working with professional design company, Atkins, to draw up proposals for how the Pump Rooms Customer Service centre could be developed. Full details of the proposals are included in Appendix 1 and 2.

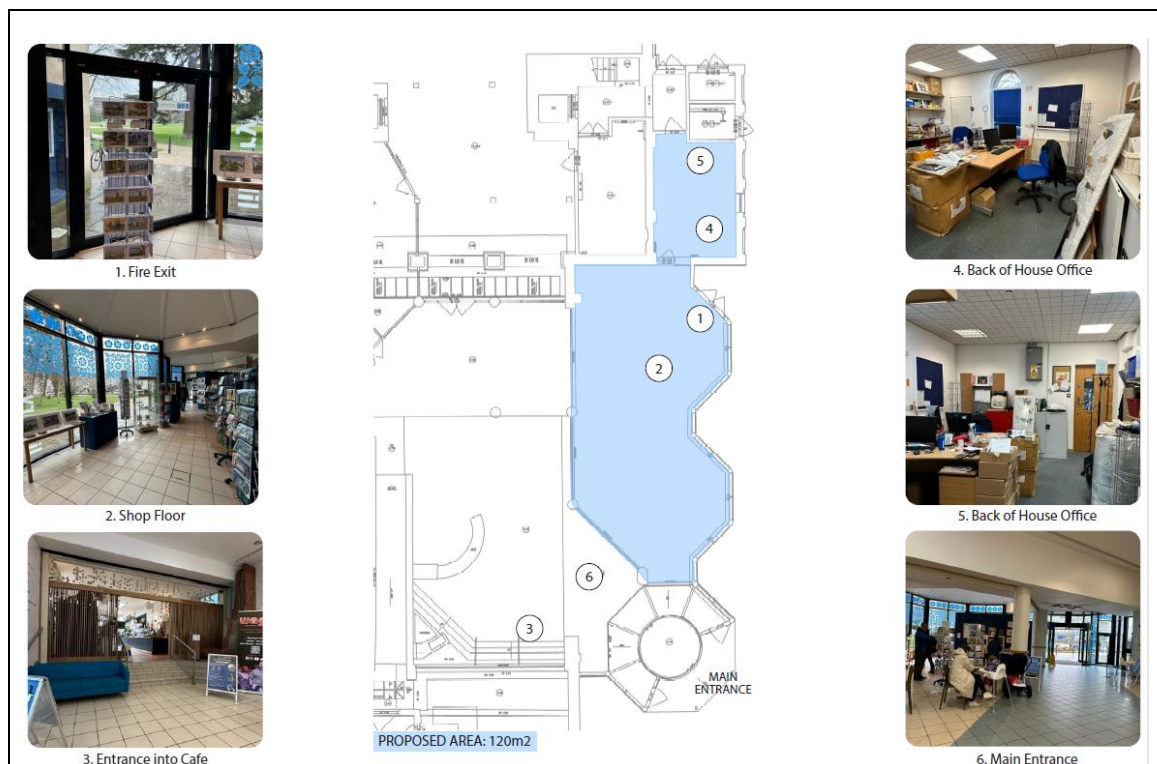
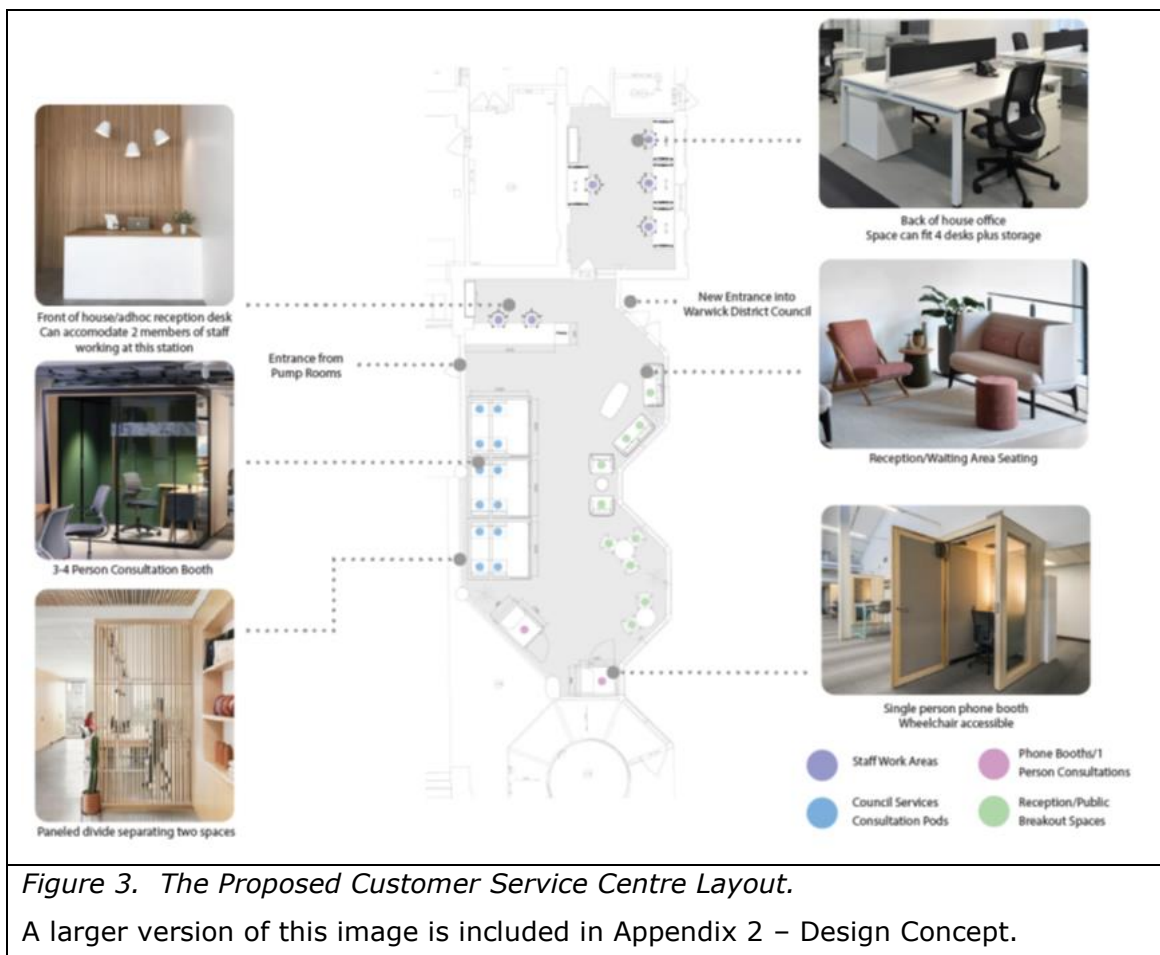


Figure 2 – Space Proposals

The space currently occupied by the shop and the office behind it are proposed for conversion to a Customer Services site.

- 1.4.2 Work commenced by evaluating the spaces available to see if there were any alternatives to using the shop location. The most promising of these was to use an area within the main foyer but this option provided no effective way of building dedicated space or creating privacy for customers.
- 1.4.3 Any changes to the main foyer would also have permanently ended its use as a meeting space for ad-hoc events (which was raised as a concern within the public petition) and would have significantly impacted on customers accessing the library, toilets, café, museum and gallery. As such, this was not considered viable.
- 1.4.4 Other areas of the Pump Rooms were also considered, such as space within the library but it became clear very quickly that such proposals would significantly impact on the existing amenities and would not be acceptable. As such, it was concluded that space currently occupied by the shop remained the most suitable available. This is shown in Figure 2.
- 1.4.5 The shop space offers the potential to create an excellent Customer service facility for our residents, business and visitors. The space could offer three private meeting booths for customers, a small reception area to direct customer flow, a waiting area, independent entrance, booths for video or telephone calls and a small office to accommodate customer services staff. Figure 3. shows the overall layout of the proposed facilities.



1.5 **Impact on the Shop**

- 1.5.1 The proposals outlined would unfortunately result in the closure of the shop.
- 1.5.2 During the design phase, work was undertaken to try and identify an alternative method of operating the shop, which included:
- Relocating to the Town Hall
 - Relocating stock within the Pump Rooms
 - Provisions at an alternative location
- 1.5.3 A space does potentially exist within the Town Hall where the shop could be relocated, but this is smaller in size and does not benefit from the footfall of passing trade. Equally, with significant work planned as part of the Council's Future High Street funding, it would not be possible to relocate the shop to the site for some time. However, this location could be very effective once the Creative Hub construction is completed.
- 1.5.4 Discussions were also held with an alternative gallery provider to investigate the potential of relocating artists' work. Unfortunately, the gallery confirmed that they were not able to pursue the idea at this time. Alternative space within the Pump Rooms also proved impossible to find in any meaningful way other than for the sale of the smallest items in low volumes.
- 1.5.5 Closing the Pump Rooms shop would directly impact on 20 artists who regularly sell their works at the site. This is a significant consideration as whilst we are under no obligation to provide an outlet, we have no alternative to offer, and this change will impact on their livelihoods.
- 1.5.6 It is estimated that the shop generates around £50,000 to £60,000 of income each year as the Council charges artists a commission for selling their works. This income would also no longer be received.
- 1.5.7 Owing to the significant issues closing the Pump Rooms shop may cause the artists who currently use the facility, it is recommended that the Council continues to work on trying to find an alternative location or means of selling their works. Whilst there can be no guarantee of a successful conclusion, every option should be investigated, and can be discussed with the Portfolio Holders for Customer and Digital Services and Arts and Economy the earliest opportunity.
- 1.5.8 This additional project however, should not delay the recommended works to the Pump Room facilities, which need begin as soon as possible.

1.6 **Impact on the Wider Relocation**

- 1.6.1 Work is currently moving at pace to relocate services from Riverside House to space at a County Council owned building in Warwick (Saltisford One). Customer Services will already be one of the last services to move out of Riverside House as no matter what decision is made by Cabinet, preparing new facilities will take time.
- 1.6.2 The impact of keeping Customer Services at Riverside House for any prolonged period include:
- Approximately £50,000 costs for every month Riverside House is kept in use whilst Saltisford One is operational.
 - The building will have no other staff, but will still require power and (potentially) heating to be provided to much wider areas.

- All regular operations such as electrical safety and maintenance works will need to continue whilst customer services remain on site.
- The site cannot be sold until vacated.
- The Council will remain liable for all business rates until the site is sold.
- ICT will have to maintain connectivity to the site, preventing the decommissioning of legacy equipment and links.

1.6.3 Overall, it is very important that a decision to support the relocation of customer services is made promptly, so that necessary works may commence. It is anticipated that work to complete the Customer Service facilities at the Pump Rooms could take six months, if there are no significant difficulties such as planning complications or issues sourcing materials.

1.7 **Conclusion**

1.7.1 The overall recommendation is to ask Cabinet to confirm the development of the Pump Rooms based on the design proposals discussed. The reasons for this include:

- There is the potential to create an excellent customer service environment in an open, welcoming space;
- The site will be fully accessible and provides significantly upgraded facilities to those currently available at Riverside House;
- The site is within an existing Council building and will not incur additional revenue costs such as rent or business rates;
- The proposed design will enhance the Pump Room environment and compliment the services already present;
- The services will not impact on the library, café, gallery, museum or tourist information operations;
- The site will co-locate multiple public services, potentially promoting use of the library and gallery.
- Existing on-site Warwickshire County Council infrastructure could make any future co-location of customer service personnel very easy.
- The site is easily reachable by both public and private transport. Nearby parking is also available for customers with mobility issues.

2 Alternative Options

2.1 When considering the ongoing relocation of Customer Services, two further options were previously appraised.

2.2 *Relocate to the Town Hall*

2.2.1 The February Cabinet report considered relocating Customer Services to the Town Hall as an option. Following the increased public interest in the Pump Room proposals, officers continued to investigate this alternative option.

2.2.2 The only potential location within the Town Hall is shown in Figure 4. This area is currently occupied by the University. The space is intended to be used as office and meeting accommodation upon the University's vacation, but it could be repurposed to provide a customer service option.

- 2.2.3 The site is on the ground floor of the Town Hall and potentially has its own entrance (although this may require planning permission to use). The space would also need to remain reachable from the main entrance, as there is no accommodation for any users with mobility issues using the side entrance.
- 2.2.4 As can be seen on the plan, in comparison to the Pump Rooms, this site has several disadvantages, most notably its shape and layout.
- 2.2.5 Customer Service functions would have to be split across two rooms. At approximately 57m² each, neither is big enough to accommodate the entire service on its own and even in tandem, space will be limited. This layout will provide a disjointed customer journey – akin to that experienced where a customer waits in one area and is then led to another. This is not the kind of experience we desire our customers to have.

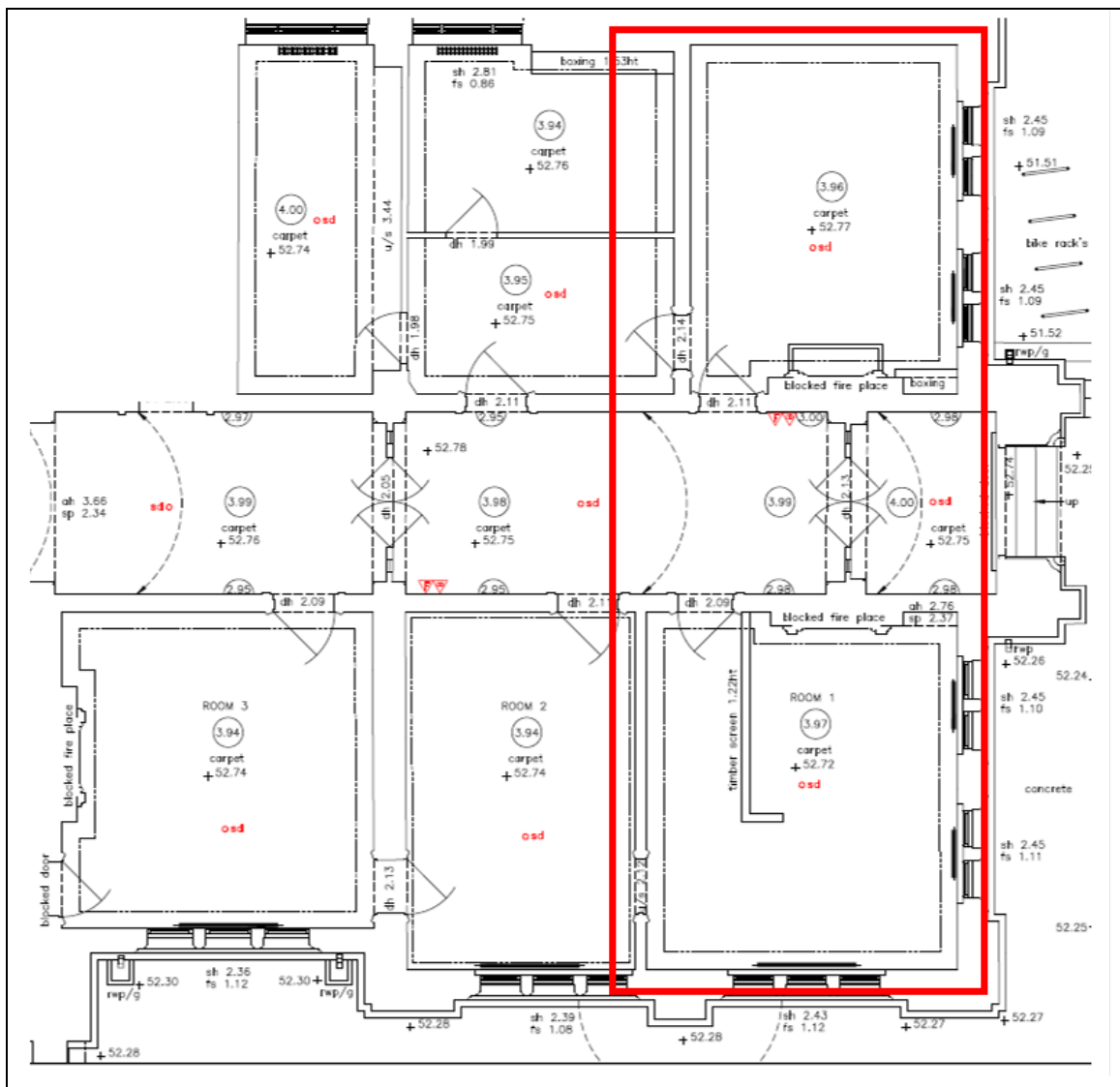


Figure 4 – Town Hall Site

The two rooms indicated could potentially be used for a Customer Service function. However this would result in a disjointed customer offering, inferior to that which can be created at the Pump Rooms.

- 2.2.6 To convert the rooms into one would require significant structural work and listed building consent. Modifications would materially alter the building with

significant consequence and costs would also likely be far more than those incurred to convert the Pump Rooms. This would predominantly be due to the volume of building work required.

- 2.2.7 Reception facilities would also have to be slotted into an existing corridor layout and the whole progression of a customer's journey would not be smooth. The quality of experience for our residents would be substantially diminished and they would not benefit from the potential hub experience of having many public amenities located in proximity.
- 2.2.8 It should also be noted that the Town Hall already has significant funding allocated to complete works under the Future High Street fund. The establishment of a Creative Hub was a significant factor in securing funding and the concerns noted in the original proposal to cabinet remain valid.

2.3 *Rent and Convert a Shop Unit*

- 2.3.1 Consideration was given in the original cabinet proposals to renting a town centre shop unit and converting it to meet customer service needs. The option was revisited as part of developing this proposal, to reassess if there were any potential benefits. It was originally anticipated that overall, this could have been an easier option.
- 2.3.2 Converting a town centre shop does have several positive qualities. It would not have any impact on the Pump Rooms or Town Hall, would fill a vacant town centre unit long term and potentially provide additional space for other staff to co-locate. There would likely be fewer planning considerations if the site already had appropriate planning permission and the preparation of the premises would not disrupt any existing operations or future work. Town centre sites were also likely to benefit from similarly good transport links.
- 2.3.3 A major drawback however, is that a shop would also incur significant additional costs. For example, 36 The Parade recently became available (as at 16/06/2023) to let and would be an ideal site. The unit incurs an annual rental cost of £70,000 with a rateable value of £58,500. This excludes service charges such as electricity and gas, and would also require connectivity to the Council's network, security preparations, and safety servicing (such as electrical and gas compliance).
- 2.3.4 Another property at 74 The Parade was similarly priced at £50,000 per year, with a rateable value of £57,500, again excluding all service costs.
- 2.3.5 There are lower cost alternative units available but in general, these are not of a suitable size. 64c Regent Street for example is available for £25,000 per year but has a floor space of just 53m². The current customer service centre at Riverside House occupies approximately 330m² and whilst this is significantly larger than required, at least 110m² is likely to be needed. 36 The Parade is approximately 148m² and 74 The Parade just 104m².
- 2.3.6 Overall, the renting of a shop was not considered as a realistic long-term option. It would incur continual revenue costs for the Council and these would likely increase as time goes by. Even if the Pump Rooms shop remained open, the revenues it generates each year, would not be sufficient to offset the costs of renting a shop of the size required.
- 2.3.7 Links to the respective listings are included in the Supporting Documents section, but please be aware that these are not permanent links and may not be available in the future.

3 Legal Implications

- 3.1 Some of the proposed changes to the Pump Rooms will require Listed Building Consent. If accepted, an appropriate application will be submitted in a timely manner for works to be commenced.

4 Financial Services

- 4.1 The conversion of the Pump Rooms will have a significant financial cost. The original proposals anticipated that this would be in the region of £200,000. Budget for the conversion however was only included for £120,000.
- 4.2 Having worked with our contractors to develop the proposals, the estimated costs are now between £380,000 and £410,000 and are made up as follows:
- Building Works and Contractor Costs £315,000
 - Professional Fees £65,000
 - Contingency, planning fees, inflationary costs (c. 10%) £30,000
- 4.3 It is important to note that many of the costs associated with the proposal would be incurred regardless of site and the current budget of £120,000 will not be sufficient even if the Pump Rooms was not taken forward.
- 4.4 The costs are for capital works and would not represent an ongoing expense. Funding for the additional costs could be met from the Corporate Asset Reserve.
- 4.5 Customer and Digital Services, along with the Assets team would also look to undertake a value engineering exercise as the project commences. Wherever possible, we would look for alternative, lower cost options that would not diminish the overall customer service offer or build quality, but would save the Council money.
- 4.6 For example, instead of buying entirely new furniture for the office behind the customer service centre, we could reuse the best of what is currently available at Riverside House. When looking at proposed furniture items such as the meeting booths, consideration will be given to the exact model we choose, as these can range from £15,000 to more than £50,000.
- 4.7 Whilst it is not expected that value engineering would bring the overall costs down to the original budget, it may be possible to avoid spending some of the anticipated budget.
- 4.8 The additional costs would of course impact on the financial benefits of the overall office move. However, the additional costs are not sufficient to undermine the overall business case, which will still return significant revenue savings for the Council on an ongoing basis.

5 Business Strategy

- 5.1 The Pump Room Proposals will make a positive contribution towards the Council's Business Strategy Objectives.
- 5.2 *Health, Homes, Communities*
- 5.2.1 The proposals will create a new, well-designed, high-quality customer service environment for our customers to access face to face services. Accessing this at the Pump Rooms as previously discussed may also open and make

accessible the other services present on site, which our customers may not have previously accessed.

5.3 *Effective Staff*

5.3.1 The relocation of services to the Pump Rooms will provide customer service staff with a welcome opportunity to work in a modern facility that they can be proud of. The site will also facilitate them working in different ways and enabling them to provide a more personable service that is dynamic and responsive to customer needs. This simply isn't possible at Riverside House.

5.4 *Maintain or Improve Services*

5.4.1 As outlined in previous sections, the creation of a Customer Service hub at the Pump Rooms has significant potential to improve our face-to-face service offer.

6 Environmental/Climate Change Implications

6.1 Advice from our developers has highlighted that any changes made to the facility, particularly regarding heating and ventilation, must have a positive overall impact on the carbon footprint of the building. In combination with the Pump Rooms Roof replacement, it is anticipated that the two projects will positively impact on the facilities energy efficiency.

6.2 It should also be noted, that by including the facilities in an existing Council premise, we will not be growing the Council's carbon footprint as we would by adding a new building.

7 Analysis of the effects on Equality

7.1 An equality impact assessment is included in Appendix 3. Overall, the anticipated impact is positive.

8 Data Protection

8.1 The proposals do not have a data protection implication.

9 Health and Wellbeing

9.1 The proposals do not have quantifiable Health and Wellbeing implications.

10 Risk Assessment

10.1 A risk assessment summary is included in Appendix 4.

11 Consultation

11.1 Consultation has been undertaken with the Portfolio Holder for Customer and Digital Services.

12 Background Papers

12.1 Office Accommodation Strategy and the Provision of Public Facing Access to

Council Services, WDC Cabinet, 29th September 2022. [Available Online](#).

- 12.2 Relocation of Office Accommodation and the Provision of Public Facing Access to Council Services, WDC Cabinet, 9th February 2023. [Available Online](#).
- 12.3 Summary of Decisions, WDC Council, 27th February 2023. [Available Online](#).
- 12.4 Overview and Scrutiny, WDC, 7th March 2023. [Available Online](#).

13 Supporting Documents

- 13.1 Hands off our Pump Rooms, Change.org, February 2023. [Available Online](#) (accessed 25/05/2023).
- 13.2 Right Move, 36 The Parade Property Details. [Available Online](#) (accessed 16/06/2023)
- 13.3 Right Move, 74 The Parade Property Details. [Available Online](#) (accessed 16/06/2023)
- 13.4 Right Move, 64c Regent Street Property Details. [Available Online](#) (accessed 16/06/2023)
- 13.5 Leamington Society Newsletter, Marianne Pitts, February 2023. [Available Online](#) (accessed 25/05/2023)

Appendix 1

Site Design Concept

The Customer Service Centre would be divided from the main Pump Room Reception using a wooden panelled wall, similar to that shown in figure A11. This technique has been used to partition the existing Café area so the overall design would fit well with the existing facilities. Customers would also be able to enter the Customer Service centre from the Pump Rooms foyer, providing easy access that can be secured when the centre is not in use.



Figure A11. Proposed and Existing Partitions.

When not in use, the current shop is divided from the Pump Rooms foyer using roller shutters. These would be replaced by the wooden panels.

The proposed panelling would replace the existing roller shutters which secure the shop space. The impact on lighting was also discussed during the design meetings as the shop is currently completely open. However, it was identified that on most visits, the lighting within the foyer had been switched on and that stickers on the existing

windows limited the light coming through. The overall impact was anticipated to be low and the contractor was confident that suitable additional lighting could be installed.

Figure A12 shows WDC branding installed on the partitioning, but it would be possible to replace this with electronic signage to advertise events at the Pump Rooms and Spa Centre. Provisions to accommodate this will be pre-installed as part of the mechanical and electrical works, and will be out of sight, ready for use when required.

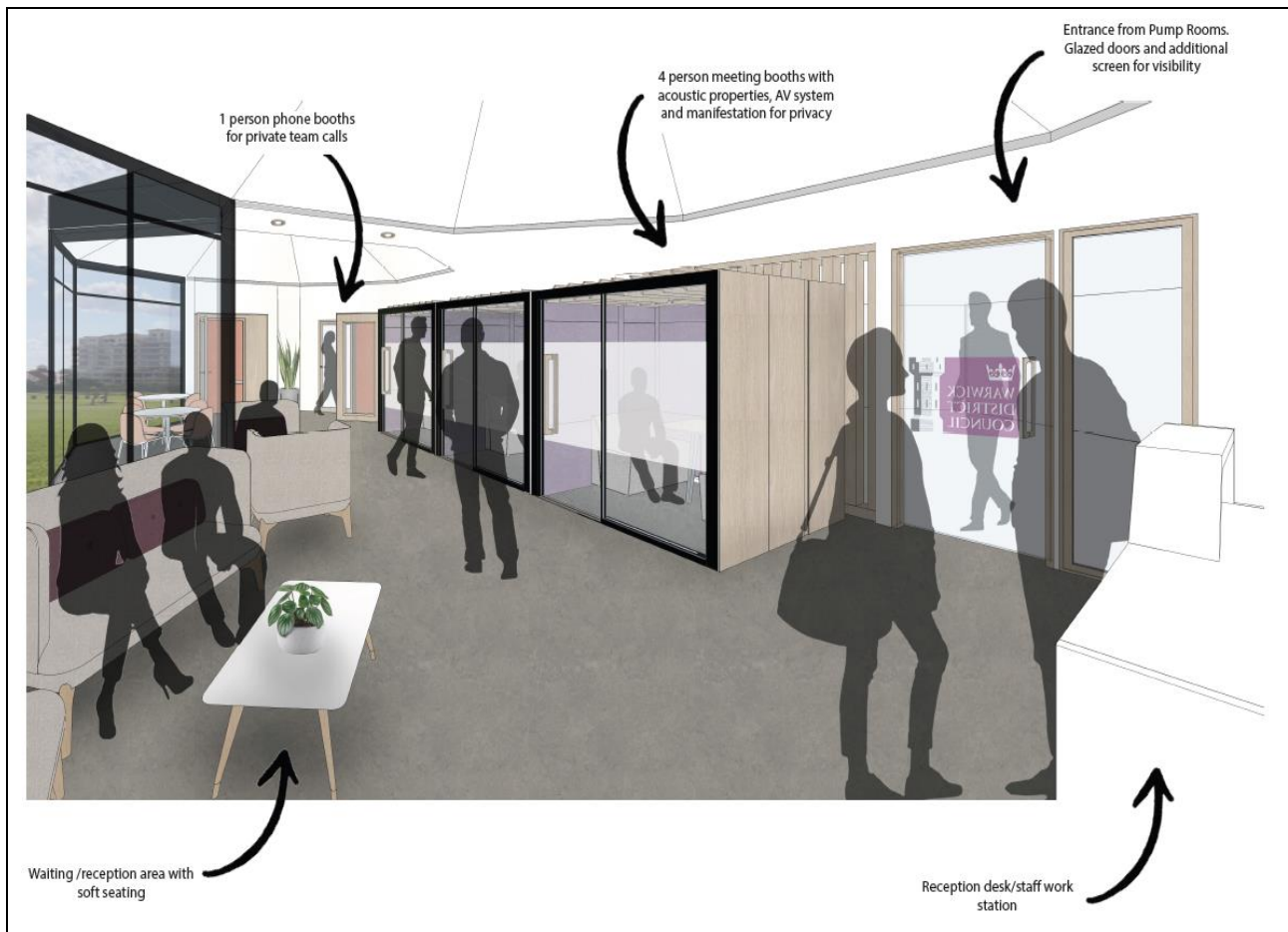


Figure A12. Visualisation of Customer Services Zone.

The flexible meeting pods will offer accommodation for up to four people. They can either be used by Customer Service staff to meet with Customers or by officers who have pre-arranged a meeting.

The existing tiled floor of the shop is likely to require covering. During mechanical and electrical surveys, it was noted that several floor boxes would need to be upgraded and additional units installed. This would require some tiles to be removed and the current proposals would see the existing floor covered with a suitable carpet. This would also act as a sound deadening material to reduce the travel of noise and improve privacy.

Within the Customer Service area itself, there is provision for three customer services pods, as shown in Figure 5. These fully accessible pods will contain seating for up to four people and will be used by customer service staff to meet with customers. The pods will include a glass front to ensure that staff are visible and safe, whilst also providing privacy for customers.

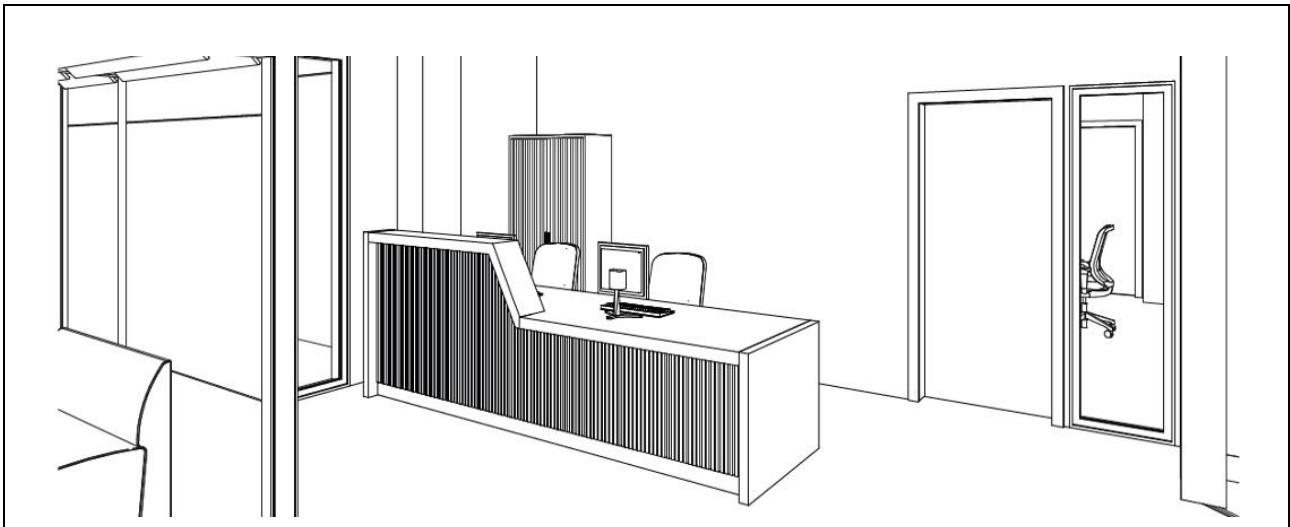


Figure A13. Visualisation of Customer Reception Desk.

The desk will accommodate up to two staff, ensuring continual coverage. At least one staff member will be on duty whenever the centre is open.

The space also includes two individual meetings pods, which can be used by Customers to participate in telephone or video calls, when they need to contact an officer who is not present on site – such as a Planning or Environmental health specialist. The waiting area will include flexible seating and provide excellent views of the Pump Room Gardens.

A customer's journey will begin at the Reception Desk, that is clearly identifiable from both the Pump Rooms foyer entrance and the second entrance directly from the Pump Room Gardens. This is shown in Figure A13. This desk will be staffed during opening times by at least one member of the Customer Services team. They will direct customers and resources accordingly.

Behind the reception desk in the existing office will be accommodation for up to four members of staff, as shown in Figure A14. This facility will ensure that Customer Services is able to use its limited staff resource efficiently; when staff are not dealing with face-to-face customers, they can return to the office to conduct telephone contact. Should a customer then present for assistance, the first available staff member will be called upon to meet them.

The Office space will also provide a safe retreat for staff should an incident in the Customer Services area occur. The entrance door will be protected with an electronic lock and there is a means of escape via a rear entrance door. The space will also provide accommodation for a member of the Homelessness team, to ensure they are available promptly to assist anyone who requires their specialist advice.

The proposed design will use neutral tones and biophilia to enhance the quality of the environment. A set of proposed design colours are shown in Figure A15 and are intended to reflect that the Customer Service centre is both in an historically significant building and that it overlooks the Pump Room Gardens. The design pallet is intended to bring about a sense of space and a natural progression of the outside world.

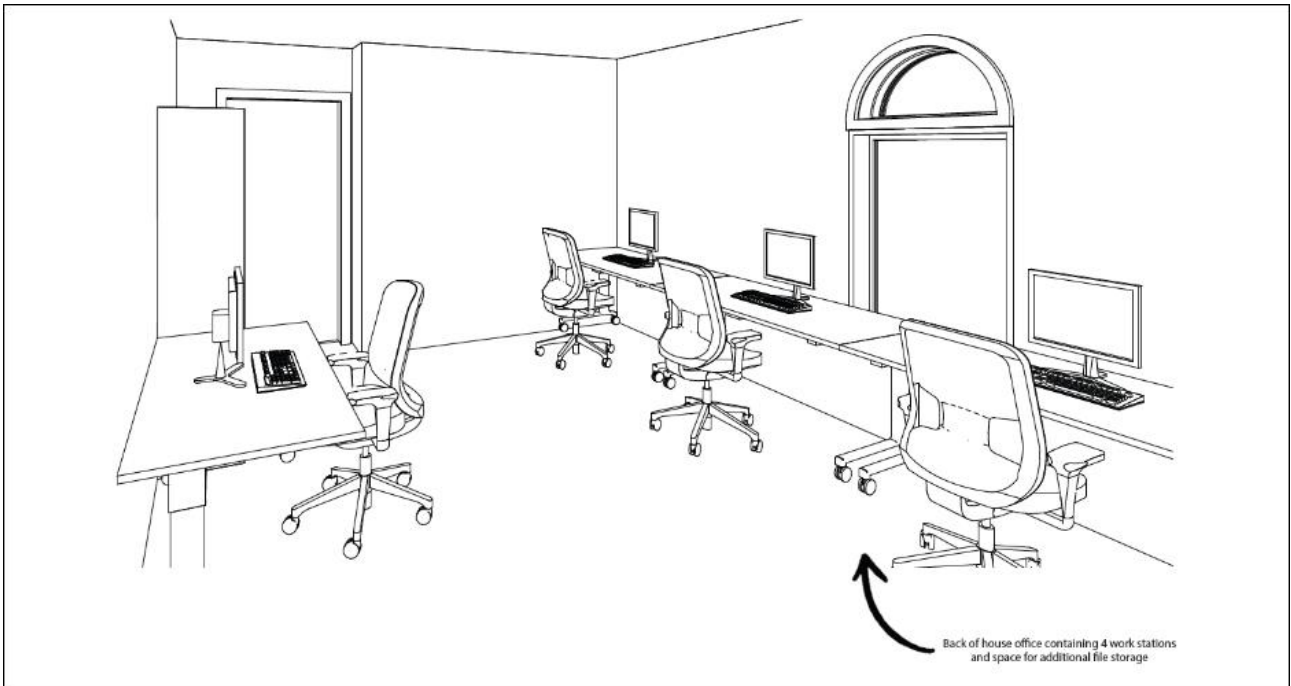


Figure A14 – Workspace for Customer Services Team

The office space will be behind a glass partition and secured door.

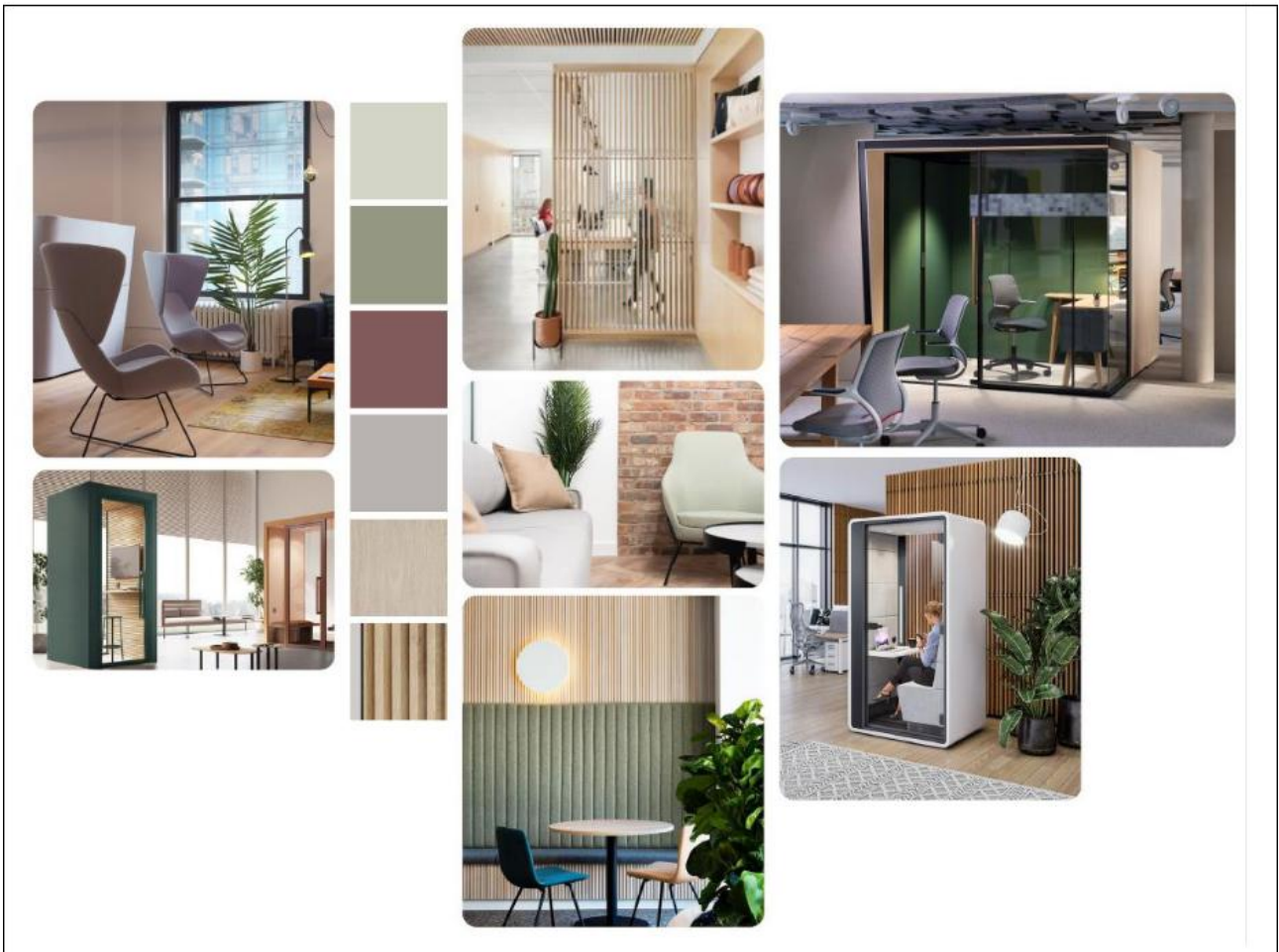


Figure 8 – Potential Colour Pallet Selection

The colour selection is intended to build on the natural world outside of the Customer Service centre, whilst also complimenting the building overall. Other options are available.

Some elements of the design, such as the use of the outside entrance and the installation of the partition wall are likely to require listed building consent. Early engagement with the Council's Conservation Officer has already taken place to help inform the design choices and an appropriate submission will be made if these proposals are agreed.

The impact of the potential works is also being considered alongside the wider programme to replace the Pump Rooms roof. Whilst it is not anticipated this would disrupt operations, the timing of some aspects will be important, such as any rooftop ventilation equipment. The two schemes will be overseen by the same principal contractor and WDC officers.

RECEPTION RELOCATION

INTERIOR DESIGN CONCEPT

MAY 2023



1.0 SPATIAL LAYOUT

The next page shows the agreed spatial layout to date

1.0 AGREED SPATIAL LAYOUT



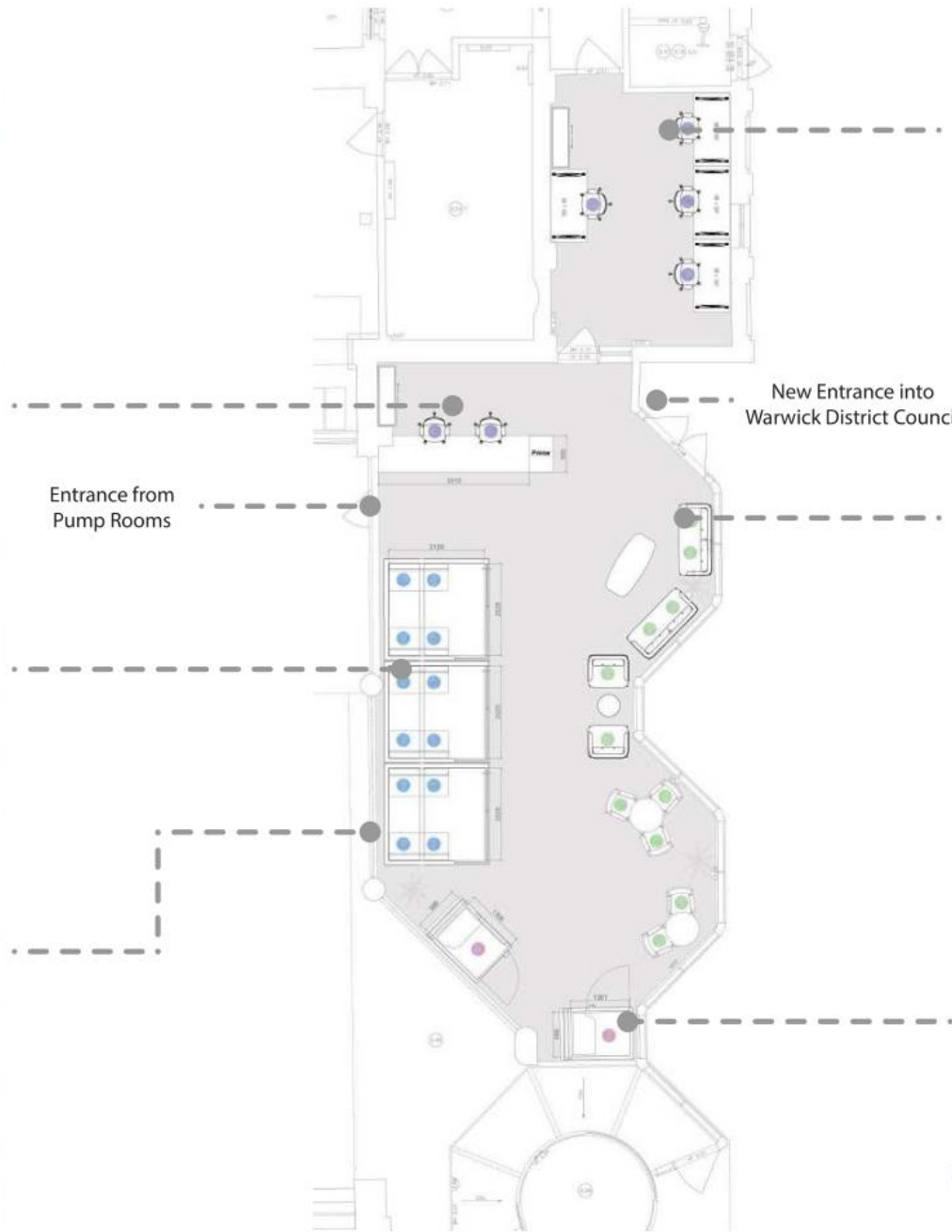
Front of house/adhoc reception desk
Can accommodate 2 members of staff working at this station



3-4 Person Consultation Booth



Paneled divide separating two spaces



Back of house office
Space can fit 4 desks plus storage



Reception/Waiting Area Seating



Single person phone booth
Wheelchair accessible

- Staff Work Areas
- Phone Booths/1 Person Consultations
- Council Services Consultation Pods
- Reception/Public Breakout Spaces

2.0 DESIGN CONCEPT

The next pages show the beginning stages of developing the design concept



2.0 DESIGN CONCEPT

PALETTE 1



BRANDING
NEUTRAL TONES



2.0 DESIGN CONCEPT

PALETTE 2



BIOPHILIA
NATURAL FINISHES

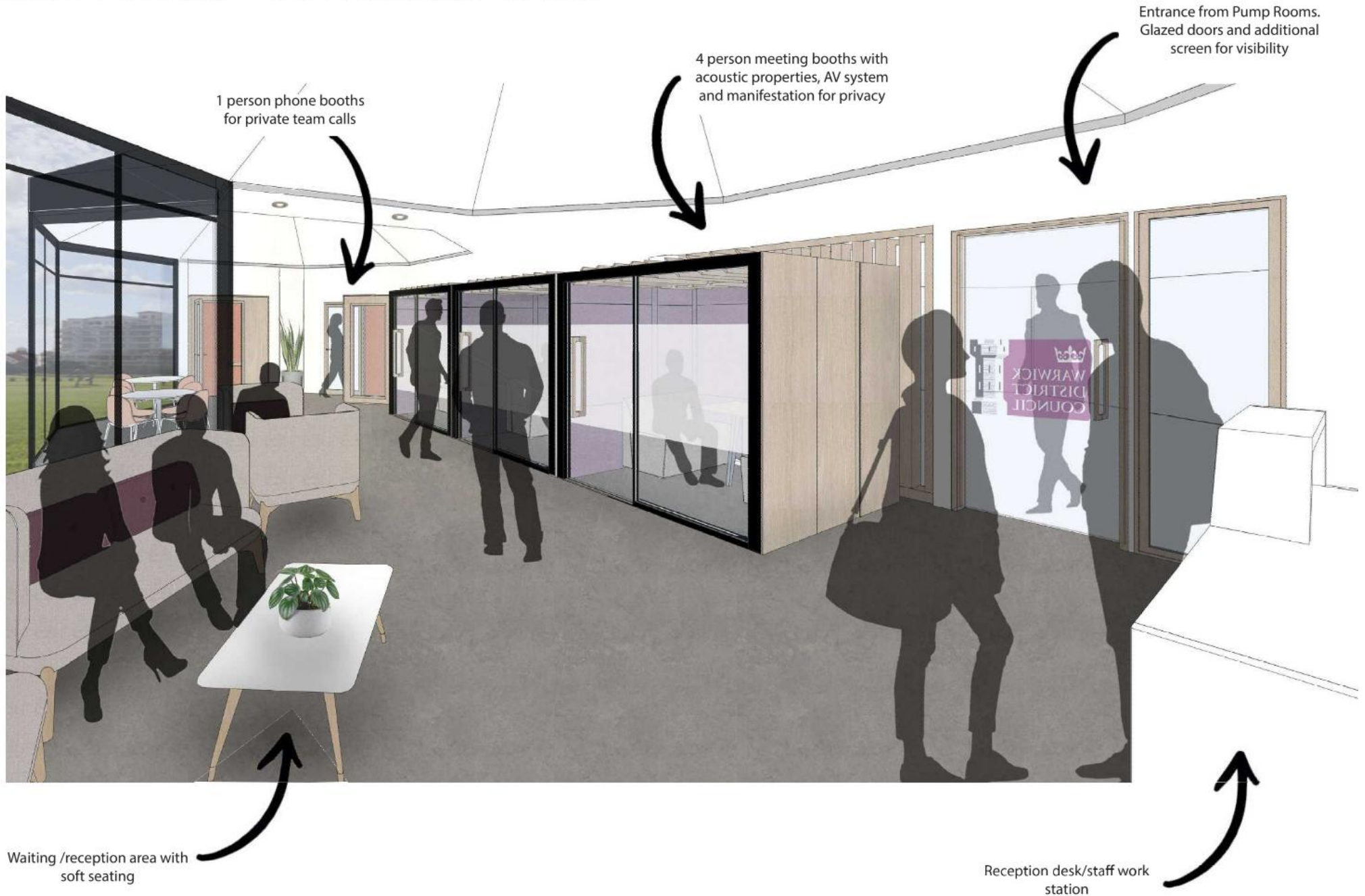
2.0 DESIGN CONCEPT

CONCEPT VISUAL - WDC INTERNAL SPACE



2.0 DESIGN CONCEPT

CONCEPT VISUAL - WDC INTERNAL SPACE



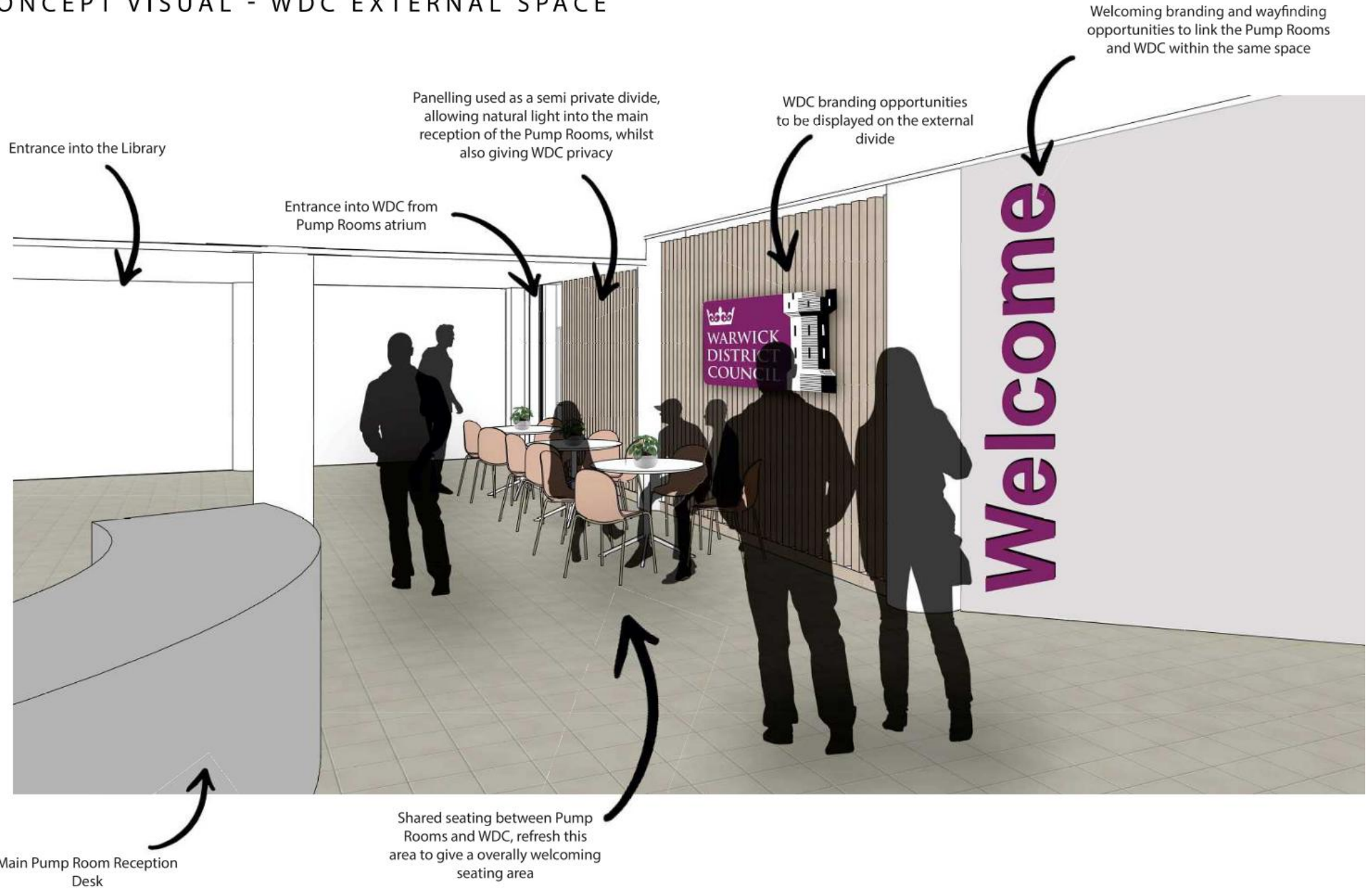
2.0 DESIGN CONCEPT

CONCEPT VISUAL - WDC EXTERNAL SPACE



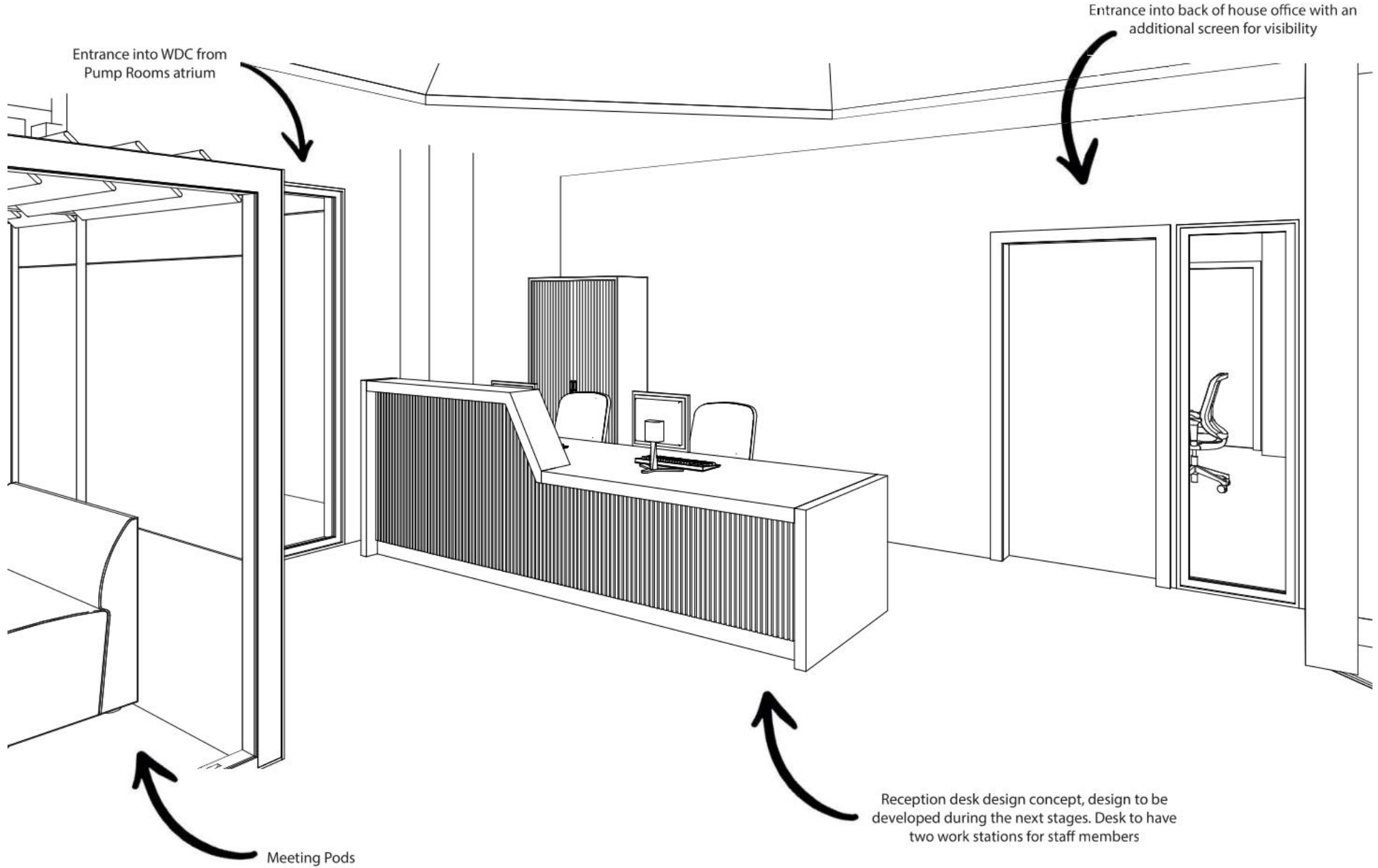
2.0 DESIGN CONCEPT

CONCEPT VISUAL - WDC EXTERNAL SPACE



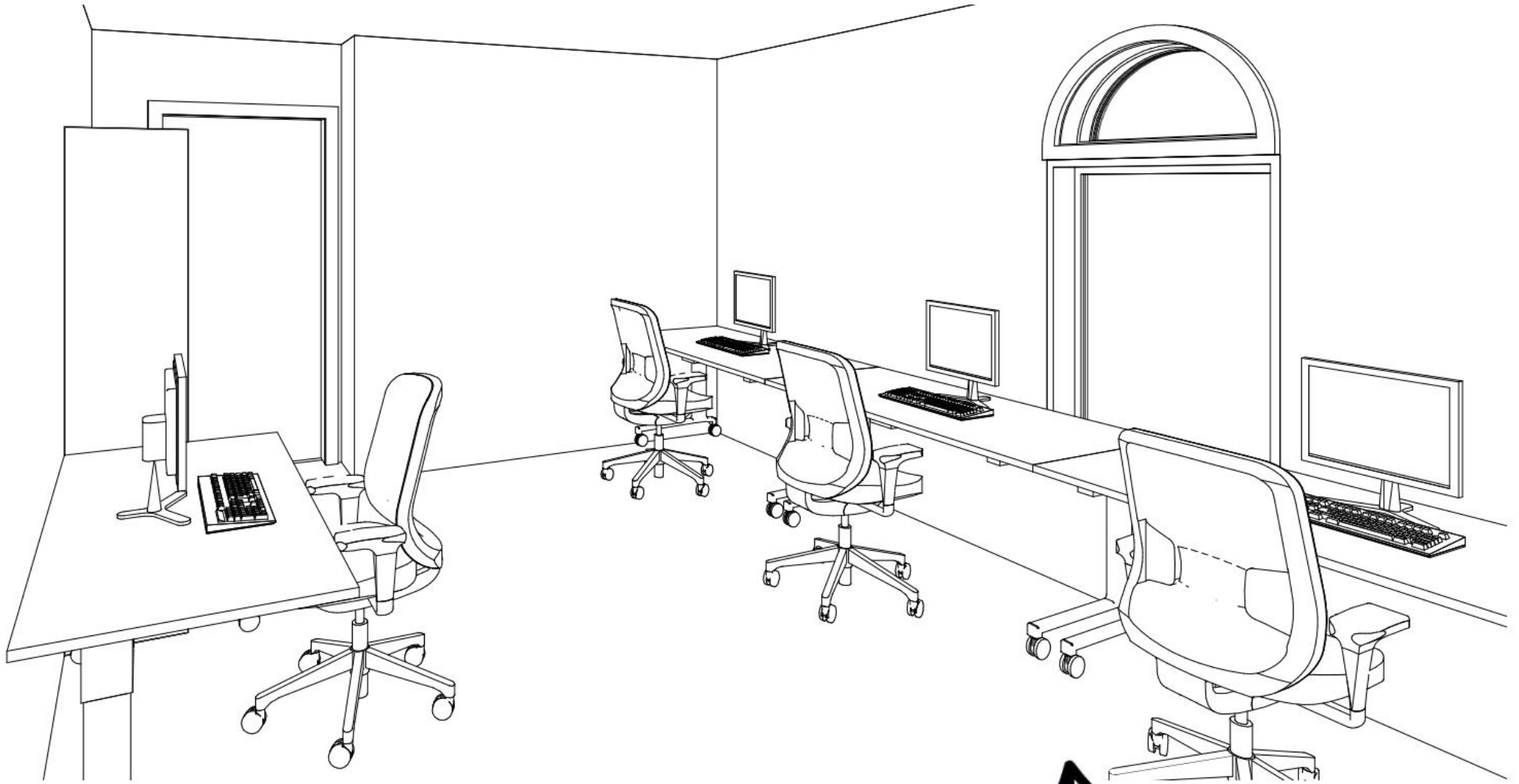
2.0 DESIGN CONCEPT

CONCEPT VISUALS - WDC RECEPTION AREA



2.0 DESIGN CONCEPT

CONCEPT VISUALS - WDC BACK OF HOUSE OFFICE



Back of house office containing 4 work stations
and space for additional file storage



EQUALITY IMPACT ASSESSMENT (EIA)

Pump Rooms Customer Service Relocation

Service/policy/strategy/practice/plan being assessed: Relocation of Customer Services to facilities at the Pump Rooms.

Business Unit/Service Area: Customer and Digital Services, Customer Services.

Is this a new or existing service/policy/strategy/practice/plan?

This is a new plan.

EIA Review team – list of members:

Candy Outridge (Equalities, Diversity and Inclusion Business Partner)

Do any other Business Units/Service Areas need to be included?

The Arts Service

The Housing Service

Date of assessment: 16/06/2023

Are any of the outcomes from this assessment likely to result in complaints from existing services users, members of the public and/or employees?

No

DETAILS OF SERVICE/POLICY/STRATEGY/PRACTICE/PLAN

Scoping and Defining

1. What are the aims, objectives and outcomes of the service/policy/practice/plan?

To create a new, dedicated Customer Service facility providing in-person services for residents, businesses and visitors to Warwick. The facilities will replace the existing Customer Service centre at Riverside House when it is closed.

2. Who are the customers?

Anyone who requires access to the Council's services, in person.

3. How has equality been considered in the development or review so far?

Every aspect of the plan so far has considered the equality impacts, and every effort has been made to minimise or remove any negative impacts.

4. What is the reason for the change/development?

The Council is relocating from Riverside House and the existing facilities will no longer be viable.

5. How does it fit with Warwick District Council wider objectives?

The plan fits with the Council's objectives within the business strategy. Notably:

- Health Homes and Communities;
- Effective Staff; and
- Maintain or Improve Services.

The plan also directly reflects the Council's values of:

- Fairness and Equality;
- Community Focused;
- Value for Money; and
- Environmentally Sensitive.

6. Why might it be important to consider equality and the protected characteristics?

Customer Services provides a gateway to Council services. A diverse range of people may choose to access our services or require our help at any time. As such, it is important that we are ready and the potential effects of any choices we make are fully understood.

Information Gathering

7. What sources of data have you used?

Customer Services routinely record the number of people visiting our facilities, but they do not record any information about potentially protected characteristics.

8. What does the data you have tell you about your customers and about protected equality groups?

The data tells us that around 50 people per day access the Council's services on a face-to-face basis. Unfortunately the data does not tell us anything about potentially protected characteristics, but it is not unreasonable to assume that some of our customers will have protected characteristics.

9. What do you need to know more about?

To know more would require an in-depth data collection exercise that could potentially be intrusive and unwelcomed by our customers. Alternatively, we could record "observed" characteristics, but this would likely offer no valuable data, as significant assumptions would have to be made.

10. How could you find this out and who could help you?

We could work with the Council's Communications team to design a survey that asks about protected characteristics, amongst other aspects of customer satisfaction.

Engagement and Consultation

11. Who have you consulted with from protected equality groups?

No one at this stage.

12. Who else could you consult with?

We could locate appropriate groups within the community and seek their support and input regarding our proposals.

13. Who can help you to do this?

Enter response here.

Monitor and Evaluate

14. Who have you consulted with from protected equality groups?

No one at this stage.

15. Analysis of impact and potential actions:

Protected characteristics from the Equality Act 2010	What do you know? Summary of data about/feedback from your service-users and/or staff	What does this mean?		What can you do? All potential actions to: <ul style="list-style-type: none"> • Eliminate discrimination/mitigate negative impact • Advance equality of opportunity • Foster good relations
		Positive impacts identified (<i>actual and potential</i>)	Negative impacts identified (<i>actual and potential</i>)	
Age	No data.	None	None	The creation of the facilities will have neither a positive or negative impact as they are not influenced by the age of the person using them.
Disability	One of our staff members who may have to work at the site is currently a wheelchair user.	The site will be fully compliant with the latest accessibility standards and will be equipped to assist users with disabilities.	The site does not have many accessible parking spaces nearby. However, parking is available at nearby car-parks (within 500m)	Unfortunately, nearby parking spaces that are suitable for disabled users with mobility issues are subject to public demand. There is no space to create a dedicated car park to improve the situation. Multiple parking options are available nearby and the land surrounding the site is largely flat. Anyone with mobility issues will also benefit as there are no stairs on the site to access the facilities, and all services are on a single level.
Sex	No	None	None	The creation of the facilities will have neither a positive or negative impact as they are not influenced by the sex of the person using them.
Race	No	None	None	The creation of the facilities will have neither a positive or negative impact as they are not influenced by the race of the person using them.

Protected characteristics from the Equality Act 2010	What do you know? Summary of data about/feedback from your service-users and/or staff	What does this mean?		What can you do? All potential actions to: <ul style="list-style-type: none"> • Eliminate discrimination/mitigate negative impact • Advance equality of opportunity • Foster good relations
		Positive impacts identified (<i>actual and potential</i>)	Negative impacts identified (<i>actual and potential</i>)	
Religion or belief	No	None	None	The creation of the facilities will have neither a positive or negative impact as they are not influenced by the religion of the person using them.
Gender Re-assignment	No	None	Toilets on site are gender specific and the impact will depend upon the individual's choice to use facilities designed for the gender at birth, or their reassigned gender.	<p>The customer service facilities will have neither a positive or negative impact as whether or not an individual has undertaken gender re-assignment is not relevant.</p> <p>The council does not have a policy relating to the creation of gender-neutral facilities or the use of dedicated facilities by those who have undertaken gender reassignment. This could be looked into further but would have impacts beyond the scope of the current project.</p>
Pregnancy and Maternity	No	None	None	The creation of the facilities will have neither a positive or negative impact as they are not influenced by the pregnancy or maternity status of the person using them.
Sexual orientation	No	None	None	The creation of the facilities will have neither a positive or negative impact as they are not influenced by the sexual orientation of the person using them.

Protected characteristics from the Equality Act 2010	What do you know? Summary of data about/feedback from your service-users and/or staff	What does this mean?		What can you do? All potential actions to: <ul style="list-style-type: none"> • Eliminate discrimination/mitigate negative impact • Advance equality of opportunity • Foster good relations
		Positive impacts identified (<i>actual and potential</i>)	Negative impacts identified (<i>actual and potential</i>)	
Marriage and Civil Partnership <i>(Note: only in relation to due regard to eliminating unlawful discrimination)</i>	No	None	None	The creation of the facilities will have neither a positive or negative impact as they are not influenced by the marital status of the person using them.

16. Outcomes of Equality Impact Assessment

Action	Timescale	Responsibility
Investigate working with the Council’s Equalities Officer, Arts Team, Workforce Steering Group and other interested parties to investigate the identified issue around gender neutral toilets and whether any changes to current policy / arrangements are required.	12 months	Head of Customer and Digital Services – to initiate
The availability of Parking Spaces for disabled patrons and staff may become an issue. Whilst there is no specific action that can be undertaken, we should keep this under review, particularly if negative feedback is received from future customers regarding the parking situation.	12 months	Benefits and Customer Services Manager.

Date of next review: 15/06/2024

Name and signature of Officer completing the EIA:

David Elkington – Head of Customer and Digital Services

D. Elkington

21/06/2023

Name and signature of Head of Service:

Andrew Jones – Deputy Chief Executive

Andrew Jones

21/06/2023

Pump Rooms Relocation

26/06/2023 16:04:03

Risk Delivery Delay

Consequence	5					
	4			G		
	3		R			
	2					
	1					
		1	2	3	4	5
		Likelihood				

Risk Description Programme is late in completion(design/construction) which impacts on planned move from Riverside House.
Risk Owners David Elkington
Last Review 26/06/2023
Risk Rating at Last Review Medium 6
Next Review 23/12/2023

Actions

Action Plan Description	Action Plan Type	Action Plan Owner	Action Date	Progress
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Risk Failure to Obtain Permissions

Consequence	5					
	4			G		
	3					
	2		R			
	1					
		1	2	3	4	5
		Likelihood				

Risk Description

The work at the Pump Rooms will require consent for some elements, such as planning permission for listed building works. The project would be impacted if this could not be achieved.

Risk Owners

David Elkington

Last Review

26/06/2023

Risk Rating at Last Review

Low 4

Next Review

20/06/2024

Actions

Action Plan Description

Action Plan Type

Action Plan Owner

Action Date

Progress

Risk Lack of Coordination Between Projects

Consequence	5					
	4					
	3			G		
	2		R			
	1					
		1	2	3	4	5
		Likelihood				

Risk Description The Council has a number of major projects which are being undertaken at the same time. This risk highlights the consequences of poor co-ordination between those projects.

Risk Owners David Elkington; Steve Partner

Last Review 26/06/2023

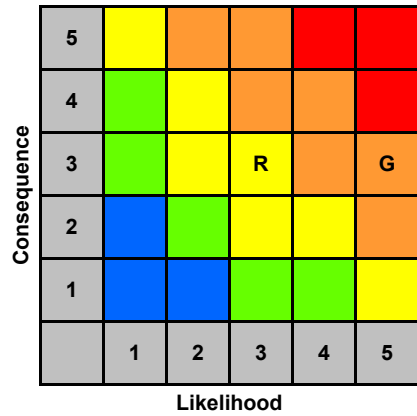
Risk Rating at Last Review Low 4

Next Review 20/06/2024

Actions

Action Plan Description	Action Plan Type	Action Plan Owner	Action Date	Progress
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Risk **Poor Public Perception**



Risk Description The public does not perceive the project to be of value or to be of detriment to their current environment.
Risk Owners David Elkington
Last Review 19/06/2023
Risk Rating at Last Review Medium 9
Next Review 16/12/2023

Actions

	Action Plan Description	Action Plan Type	Action Plan Owner	Action Date	Progress
Communications Plan	Develop and implement a clear communications plan across multiple channels.	Proposed	David Elkington	29/07/2023	