

**To: Leader and Members of the Executive Board
(Councillors D Wright, Bell, Chambers, Gosling, Hayfield, D Humphreys, Jenns, Morson, H Phillips, Reilly, Simpson and Symonds)**

For the information of other Members of the Council

For general enquiries please contact the Democratic Services Team on 01827 719237 or via e-mail – democraticservices@northwarks.gov.uk

For enquiries about specific reports please contact the officer named in the reports.

The agenda and reports are available in large print and electronic accessible formats if requested.

EXECUTIVE BOARD AGENDA

12 OCTOBER 2022

The Executive Board will meet in The Chamber, The Council House, South Street, Atherstone on Wednesday, 12 October 2022 at 6.30pm.

The meeting can also be viewed on the Council's YouTube channel at NorthWarks - YouTube.

AGENDA

- 1 **Evacuation Procedure.**
- 2 **Apologies for Absence / Members away on official Council business.**
- 3 **Disclosable Pecuniary and Non-Pecuniary Interests.**

4 Public Participation

Up to twenty minutes will be set aside for members of the public to put questions to elected Members.

Members of the public wishing to address the Board must register their intention to do so by 9:30am two working days prior to the meeting. Participants are restricted to five minutes each.

If you wish to put a question to the meeting, please register by email to democraticservices@northwarks.gov.uk or telephone 01827 719221 / 01827 719237.

Once registered to speak, the person asking the question has the option to either:

- a) attend the meeting in person at the Council Chamber;
- b) attend remotely via Teams; or
- c) request that the Chair reads out their written question.

If attending in person, precautions will be in place in the Council Chamber to protect those who are present however this will limit the number of people who can be accommodated so it may be more convenient to attend remotely.

If attending remotely an invitation will be sent to join the Teams video conferencing for this meeting. Those registered to speak should dial the telephone number and ID number (provided on their invitation) when joining the meeting to ask their question. However, whilst waiting they will be able to hear what is being said at the meeting. They will also be able to view the meeting using the YouTube link provided (if so, they made need to mute the sound on YouTube when they speak on the phone to prevent feedback).

5 Minutes of the Executive Board held on 20 July 2022 – copies herewith, to be approved as a correct record and signed by the Chairman.

ITEMS FOR DISCUSSION AND DECISION (WHITE PAPERS)

6 A5 Consultation by National Highways – Report of the Chief Executive

Summary

A consultation is currently taking place between 5 September and 16 October 2022 by National Highways on proposed works to the A5 between Dordon and Atherstone.

The Contact Officer for this report is Dorothy Barratt (719250).

- 7 **Capital Accounts 2021/22** – Report of the Corporate Director - Resources

Summary

The capital accounts for 2021/22 have been prepared. This report shows expenditure for the year, together with the methods of funding used.

The Contact Officer for this report Nigel Lane (719371).

- 8 **Capital Programme – 2021/22 Final Position** - Report of the Corporate Director – Resources

Summary

The purpose of this report is to update Members on the position of the 2021/22 Capital Programme at the end of March 2022.

The Contact Officer for this report is Sue Garner (719374).

- 9 **Earmarked Reserves 2022/23** - Report of the Corporate Director - Resources

Summary

The Council holds a number of reserves to meet future expenditure, other than the General Fund and Housing Revenue Account. This report informs Members of the balances on these reserves at 31 March 2022, subject to audit.

The Contact Officer for this report is Sue Garner (719374).

- 10 **Financial Strategy 2022 - 2027** - Report of the Corporate Director – Resources

Summary

This report summarises the Authority's Financial Strategy, projects forward the Authority's General Fund budgets to 2026/27, and suggests a detailed budget approach for the 2023/24 General Fund Budget.

The Contact Officer for this report is Sue Garner (719374).

- 11 **Partnership Framework and Significance Scorecard** – Report of the Corporate Director Resources

Summary

The Council has a number of arrangements in place around partnerships, but a Framework will formalise and extend the process which the Council has had in place for some time with regards to partnerships. It provides a process which protects the Council's interests and helps it to engage in a process which is open and transparent.

The Contact Officer for this report is Sue Garner (719374).

- 12 **Asylum Seeker Accommodation Dispersal Arrangements** – Report of the Director of Housing

Summary

This report provides information about the Government's arrangements for accommodating Asylum Seekers. It sets out the implications of the change to a plan for the full dispersal for accommodation provision.

The Contact Officer for this report is Angela Coates (719369).

- 13 **Local Government and Social Care Ombudsman Annual Review 2021/22** – Report of the Chief Executive

Summary

This report informs the Board about the results of the Local Government and Social Care Ombudsman Annual Review 2021/22. The report highlights the number of complaints and enquiries considered by the Ombudsman relating to the Council and the outcome of their determinations. The report also provides some contextual information about the compliments and complaints received via the Council's corporate Compliments and Complaints Procedure.

The Contact Officer for this report is Steve Maxey (719438).

- 14 **Rural Prosperity Fund** – Report of the Chief Executive

Summary

The purpose of this report is to advise Members of the new Rural Prosperity Fund and to seek delegated powers to the Chief Executive to submit the required addendum to the UK Shared Prosperity Fund ('UKSPF') Investment Plan.

The Contact Officer for this report is Steve Maxey (719438).

- 15 **Leisure Facilities Local Authority Trading Company: Business Case** – Report of the Management Team and the Director of Leisure and Community Development

Summary

As reported to the Community and Environment Board in March 2022, before a Local Authority Trading Company (LATCo) can start to trade pursuant to the Council's powers (under Section 1 of the Localism Act and Section 95 of the Local Government Act 2003) the Authority should approve a business case. It is recommended as best practice for the business case to be compliant with the HM Treasury Green Book. This report presents that business case for Members' consideration.

The Contact Officer for this report is Simon Powell (719352).

- 16 **Exclusion of the Public and Press**

To consider whether, in accordance with Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

- 17 **Confidential Extract of the Minutes of the meeting of the Executive Board held on 20 July 2022 - copy herewith, to be approved and signed by the Chairman.**

STEVE MAXEY
Chief Executive

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE EXECUTIVE BOARD

20 July 2022

Present: Councillor D Wright in the Chair

Councillors Bell, D Clews, Gosling, Hayfield, D Humphreys, Morson, H Phillips, Reilly, Simpson and Symonds.

Apologies for absence were received from Councillors Chambers and Jenns (Substitute Councillor D Clews).

Councillor T Clews was also in attendance.

9 Declarations of Personal or Prejudicial Interest

None were declared at the meeting.

10 Minutes of the Executive Board held on 13 June 2022

The minutes of the meeting of the Board held on 13 June 2022, copies having been circulated, were approved as a correct record and signed by the Chairman.

11 Annual Governance Statement

The Corporate Director – Resources sought approval for the Annual Governance Statement for 2021/22, which set out the arrangements the Council had put in place for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

Recommended:

That the Annual Governance Statement for 2021/22, attached as Appendix A to the report of the Corporate Director – Resources, be approved.

12 Levelling Up and Devolution

The Chief Executive updated Members on recent developments with regard to the Levelling Up and Devolution agendas.

Resolved:

- a That the report be noted;**
- b That the approach to Levelling Up and Devolution be approved;**

- c That the proposed Levelling Up Fund application be noted, that delegated powers be given to the Chief Executive to finalise and submit the bid, and that £400,000 of the £3m capital allocation agreed for the Atherstone Activity Hub in 2023/24 be brought forward into the 2022/23 budget to progress the design of the scheme; and
- d That the approach to the UK Shared Prosperity Fund be agreed and delegated powers be given to the Chief Executive to finalise and submit the bid.

13 **Budgetary Control Report 2022/23 Period Ended 30 June 2022**

The Corporate Director – Resources reported on the revenue expenditure and income for the period from 1 April 2022 to 30 June 2022. The 2022/23 budget and the actual position for the period, compared with the estimate at that date were given, together with an estimate of the out-turn position for services reporting to this Board.

Recommended:

That the report be noted.

14 **Nuneaton and Bedworth Local Plan Review: Preferred Options Consultation**

The Chief Executive reported that Nuneaton and Bedworth Borough Council (N&BBC) had published a consultation on Preferred Options 2024 – 2039 for a review of their Local Plan and comments were to be submitted by 22 July 2022.

Resolved:

That the responses set out in the report of the Chief Executive and in Appendix A be supported, and sent on to Nuneaton and Bedworth Borough Council, as the Council's response to the consultation.

15 **North Warwickshire Area - Warwickshire Local Cycling and Walking Infrastructure Plan**

The Chief Executive brought to the attention of Members a consultation on the Warwickshire Local Cycling and Walking Infrastructure Plan (Part 1) and more specifically the Part 2 – Network plan for North Warwickshire.

Resolved:

- a That the Warwickshire Local Cycling and Walking Infrastructure Plan, including Part 2 – Network Plan for North Warwickshire be supported; and

- b That the report, minutes and Member comments received be forwarded as the Borough Council's response to the consultation, together with any additional comments following a presentation to the Planning and Development Board, with delegated power given to the Chief Executive to finalise the consultation response.**

16 Exclusion of the Public and Press

Resolved:

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.

17 Senior Management Recruitment Process

The Chief Executive put forward a proposal regarding a permanent arrangement for the recruitment of senior management positions which require Member input.

Resolved:

That the recommendations, as set out in the report of the Chief Executive, be approved.

18 Confidential Extract of the Minutes of the Executive Board held on 13 June 2022

The confidential extract of the minutes of the Executive Board held on 13 June 2022, copies having been previously circulated, were approved as a correct record and signed by the Chairman.

David Wright
CHAIRMAN

Agenda Item No 6

Executive Board

12 October 2022

Report of the Chief Executive

A5 Consultation on Dordon to Atherstone by National Highways

1 Summary

- 1.1 A consultation is currently taking place between 5 September and 16 October 2022 by National Highways on proposed works to the A5 between Dordon and Atherstone.

Recommendation to the Board

That it is agreed to delegate to the Chief Executive to submit the Council's response incorporating comments from the Board.

2 Consultation with Members

- 2.1 The Consultation brochure has been circulated to all Members.

3 National Highways Consultation

- 3.1 National Highways are carrying out a consultation on proposed works to the section of the A5 from Dordon to Atherstone. The consultation runs from Monday 5 September to Sunday 16 October 2022. A brochure has been prepared along with an online exhibition and various in-person events. The Brochure is attached as Appendix A and has been circulated to all members.
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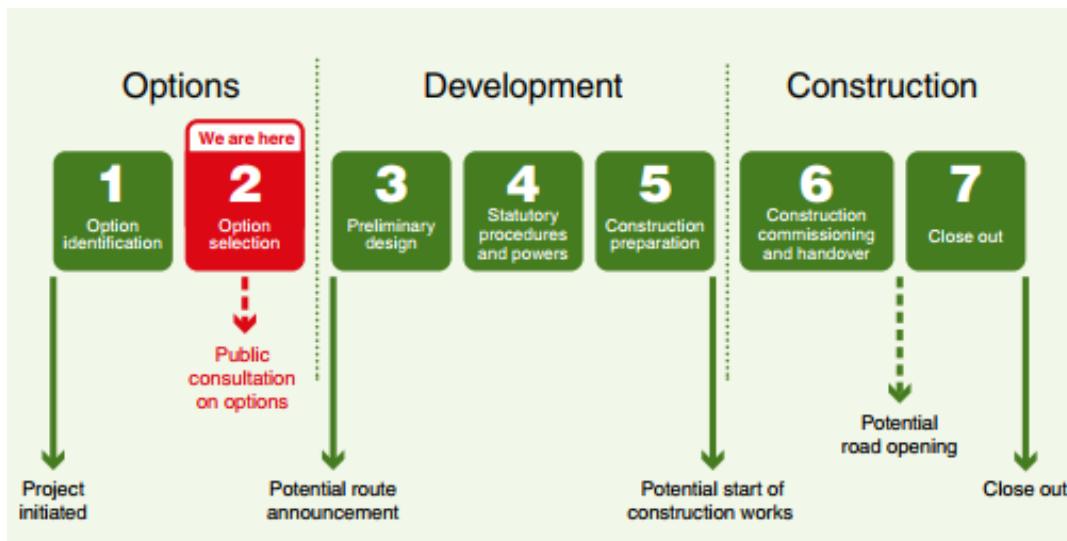
4 Background

- 4.1 Following a bid for funding by Warwickshire County Council supported by this Council, National Highways are implementing the works to the A5 which were given funding in the March 2020 Budget. These works fall within phases 1 and 2 of the improvements to the A5 sought as part of the Strategic Transport Assessment for the adopted Local Plan and contained in the accompanying Infrastructure Delivery Plan (IDP).

- 4.2 As part of National Highway work on developing the scheme they are carrying out consultation on improvements to the Spon Lane, Grendon and Holly Lane, Atherstone roundabouts as well as presenting three possible options for the Dordon off-line dual carriageway. In all three options the alignment of the proposed dual carriageway remains the same with a new island to the west of Grendon. The differences occur around the Long Street/Gypsy Lane junction – one being a signalised junction with the A5; the second being a roundabout

to the south of the junction and the third having slip roads on and off the new carriageway to the south of the junction.

- 4.3 National Highways in a webinar said that no suggestion was off the table at the present time and this is a very preliminary consultation stage. As can be seen in the chart below they see this as Stage 2 of the process that they must follow inline with the Department of Transport requirements.



- 4.4 They explained that they expect to be at Stage 3 by spring 2023 with a further round of consultation and Stage 4 in 2024. It is disappointing that at the webinar that they could not provide a date for the potential start of works or potential opening although these are indicated in the agreements with the various government departments and organisations. We expect the road to be open to traffic by 31st March 2028.

5 Response

- ...
5.1 Attached as Appendix B is a proposed response to the consultation.
5.2 It is proposed that the final response be delegated to the Chief Executive to submit it with any additional comments by the Board.

6 Report Implications

6.1 Environment, Sustainability and Health Implications

- 6.1.1 The improvements to the A5 are seen as necessary to ensure the delivery of the Local Plan. Although, the project is primarily focussed on lorry and car travel the project will consider the needs of other road users including cyclists, as well as pedestrians. It will consider issues such as air quality and impact on the local community during construction as well as once it has been completed.

6.2 Crime and Disorder implications

- 6.2.1 Consultation around improvements to the A5 are welcomed by the Council and the work of the Community Safety Partnership. Addressing road safety concerns and especially dangerous locations is key to tackling this priority by working in partnership with the Highways England and Warwickshire County Council to reduce vehicle speed, improve the road and junction designs. Making our roads safe, raising awareness and education plus reducing collisions and fatalities is a priority.

The Contact Officer for this report is Dorothy Barratt (01827 719250).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

A5

Dordon to Atherstone project

Public consultation



The need for the scheme

Warwickshire County Council and North Warwickshire Borough Council have highlighted the need for housing development and growth of businesses and logistical operations in the region. There is a need to provide adequate capacity on the A5 to accommodate increased travel demand associated with the proposed growth.

The A5 is part of a key strategic route between London and Holyhead. It forms a significant east-west link across the South Midlands connecting the East and West Midlands and acts as a local distributor connecting a number of urban areas to the national motorway network (M1, M42, M69 and M6/M6(Toll)).



The scheme is located in North Warwickshire between the Dordon roundabout (A5 Watling Street / Long Street / Gypsy Lane), Spon Lane roundabout at Grendon and Holly Lane roundabout (A5 / Holly Lane / B1143 Merevale Lane).

Initial development of the scheme

This project was developed by Warwickshire County Council through the application for a Housing Infrastructure Grant in 2019 provided by the Department for Levelling Up, Housing and Communities. The application was supported by National Highways, which was then asked to take the scheme forward to develop viable options.

National Highways deliver schemes to meet customer needs

National Highways is responsible for the management, maintenance and appropriate improvement of the strategic road network and is ideally placed to understand the development of schemes to manage current and future traffic needs.



Your views matter

This brochure provides a summary of the A5 Dordon to Atherstone project proposals currently under consideration.

It also outlines the processes used to further develop the options that may be taken forward. Information can also be found online at: <https://highwaysengland.citizenspace.com/he/a5-dordon-to-atherstone>.

As potential schemes move forward, we are committed to ensuring all interested organisations and individuals will be able to comment on the proposals at public information events as well as online. We will ensure members of our project team are available to answer any questions and concerns.

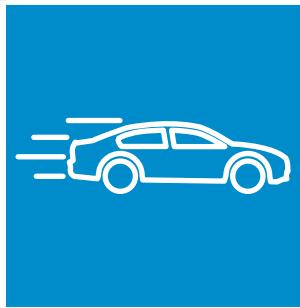
See pages 18 - 19 for more information on our drop-in sessions and how to contact us for more information. We will be seeking your feedback over a six-week period, from **Monday 5 September to Sunday 16 October 2022**.

Scheme objectives



Improve connectivity and support economic growth

- Enable the delivery of housing development at strategic sites along the A5 that are linked to the scheme's funding.
- Consider wider economic growth.



Provide faster and more reliable journeys

- Reduce queuing on the A5 Dordon, Spon Lane and Holly Lane roundabouts.
- Improve journey time reliability along this section of the A5.



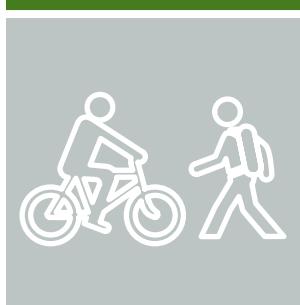
Improve safety for all

- Maintain and improve road safety on the A5 between Dordon and Atherstone.
- Improve road worker safety.



Environment

- Minimise adverse impacts on the environment.
- Seek opportunities to protect and enhance the environment.



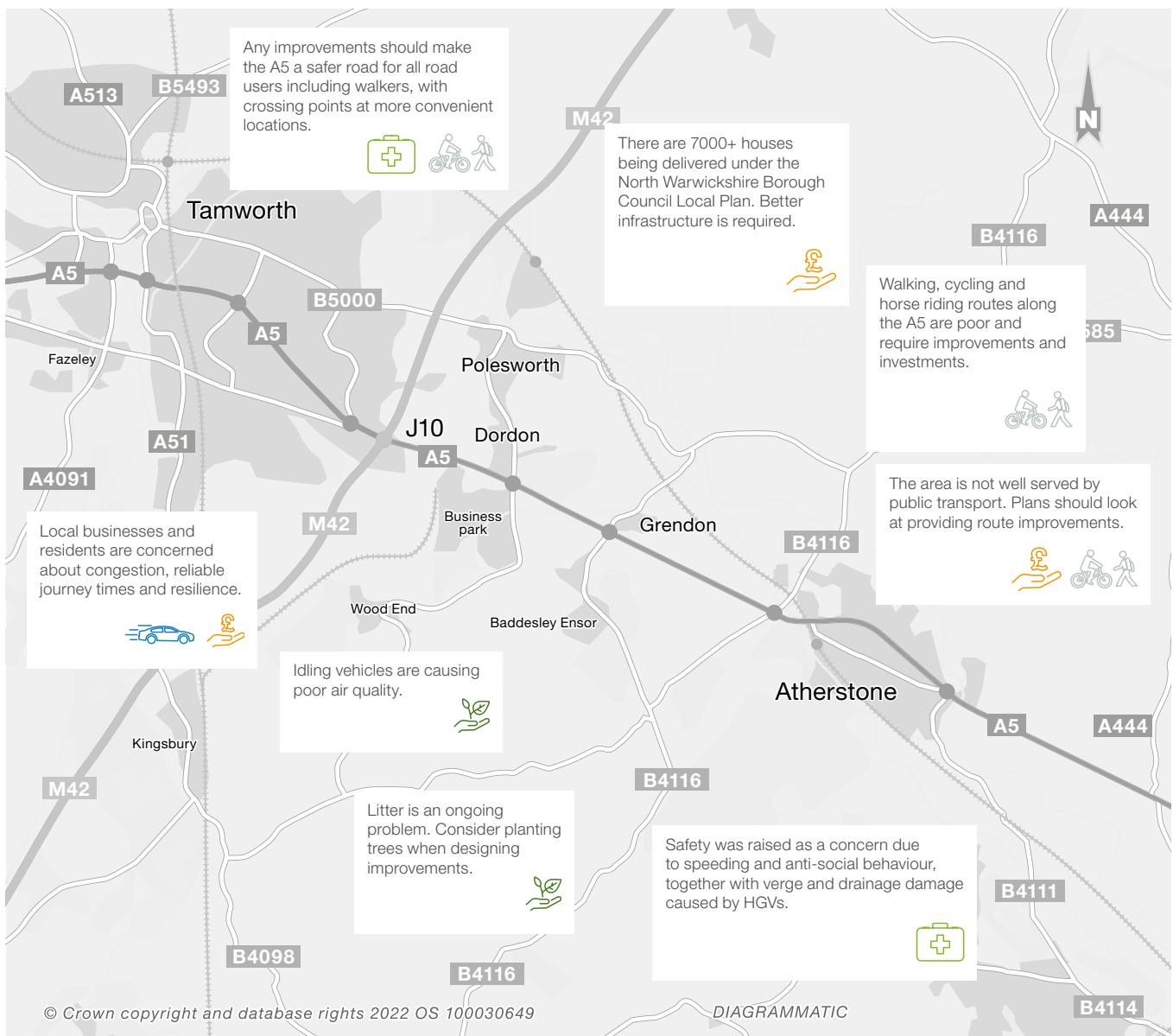
Meeting the needs of all users

- Improve accessibility and safety for local road users, cyclists, walkers, horse riders and other vulnerable users of the network.

What you have told us so far

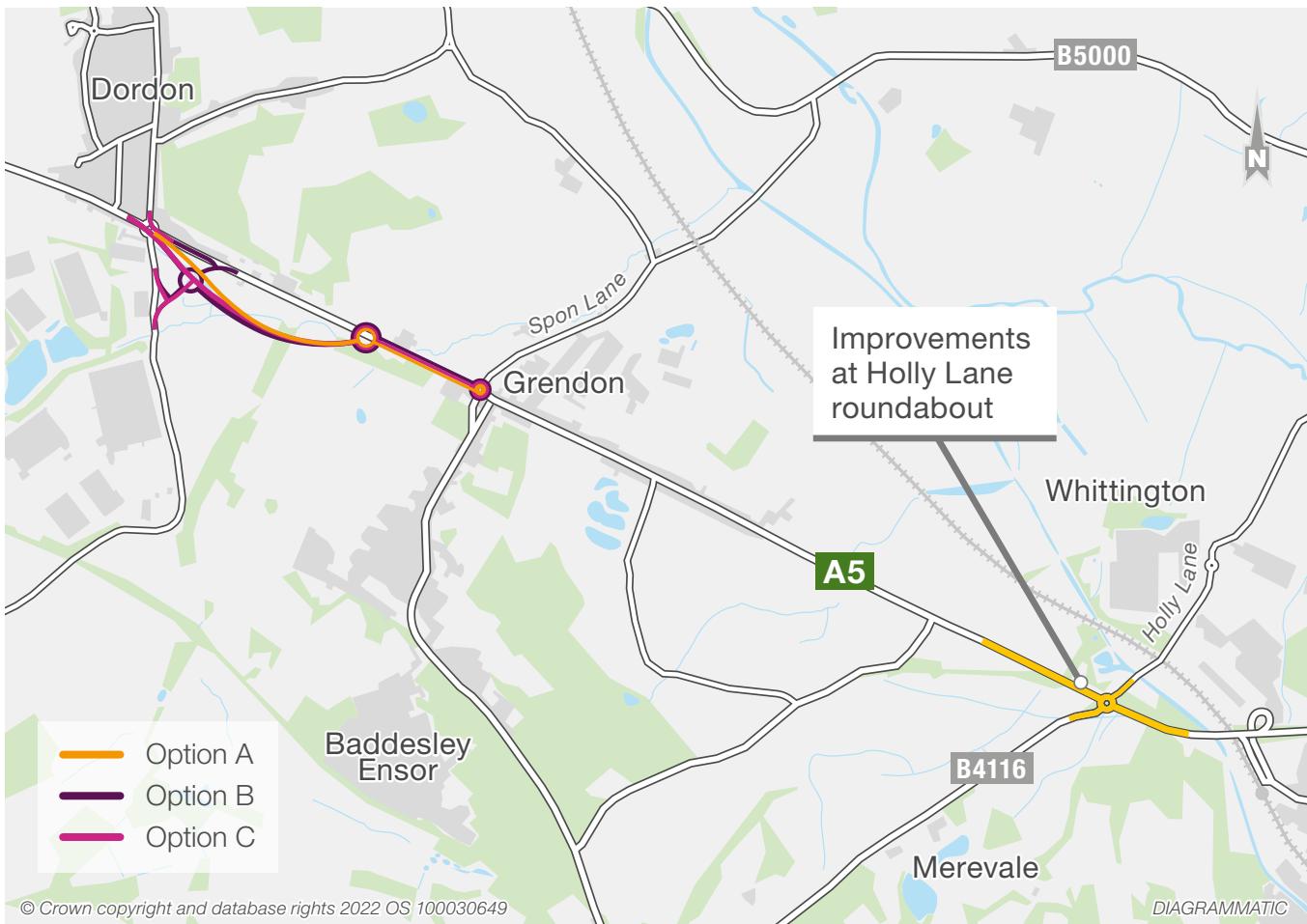
To support the development of options for this public consultation and encourage full and active participation in the planning process, engagement with North Warwickshire Borough Council, Warwickshire County Council and the A5 Partnership together with county, borough, town and local parish councillors has been taking place since July 2021.

These stakeholders have provided valuable insight that has enabled us to have a greater understanding of the concerns affecting road users, businesses and residents within the study area. We will continue to meet with these stakeholders throughout the life of the project. Such input is essential to help inform the development and design of the scheme.

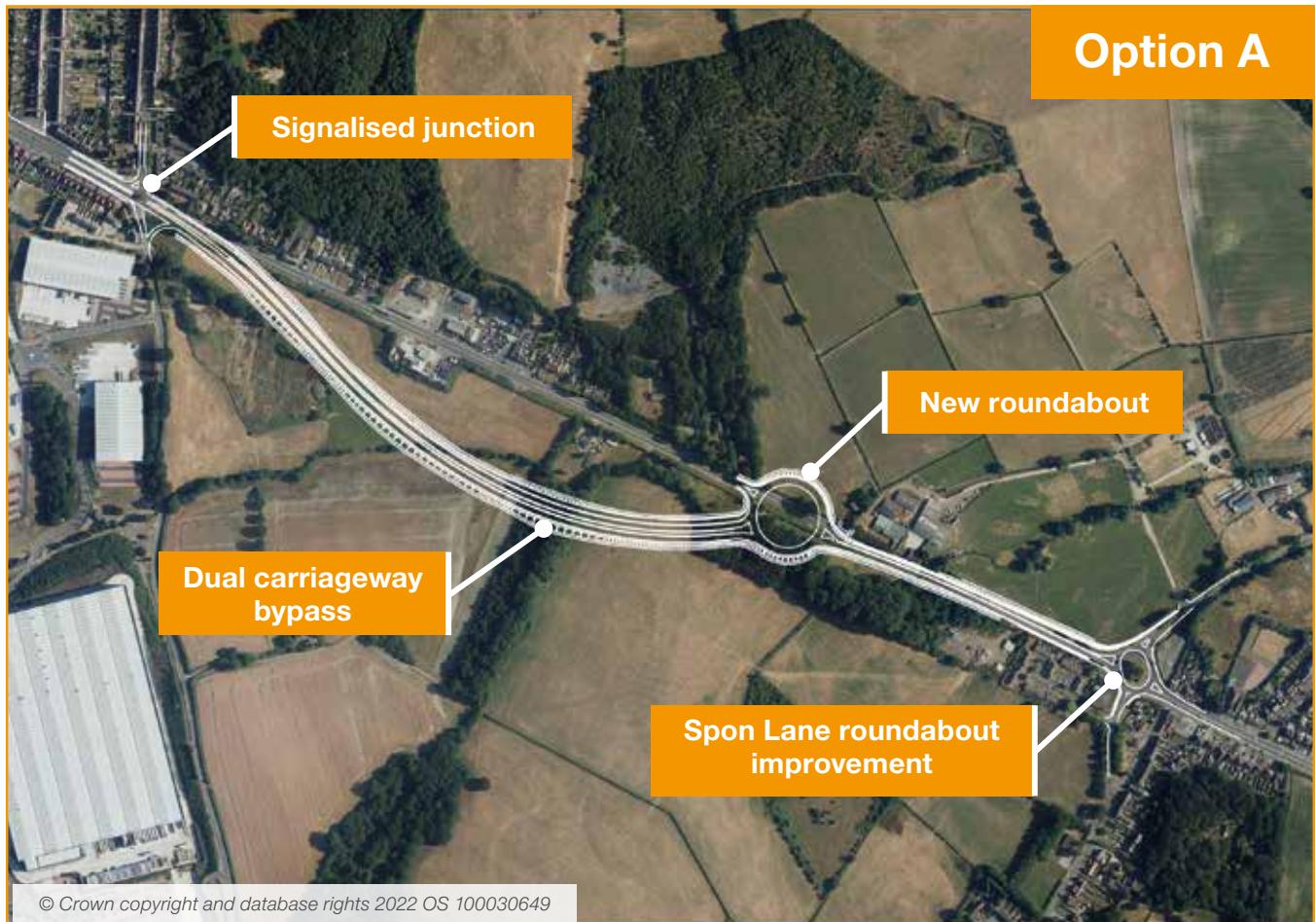


Summary of options

We are consulting on three options which have varying levels of improvements against the scheme objectives.

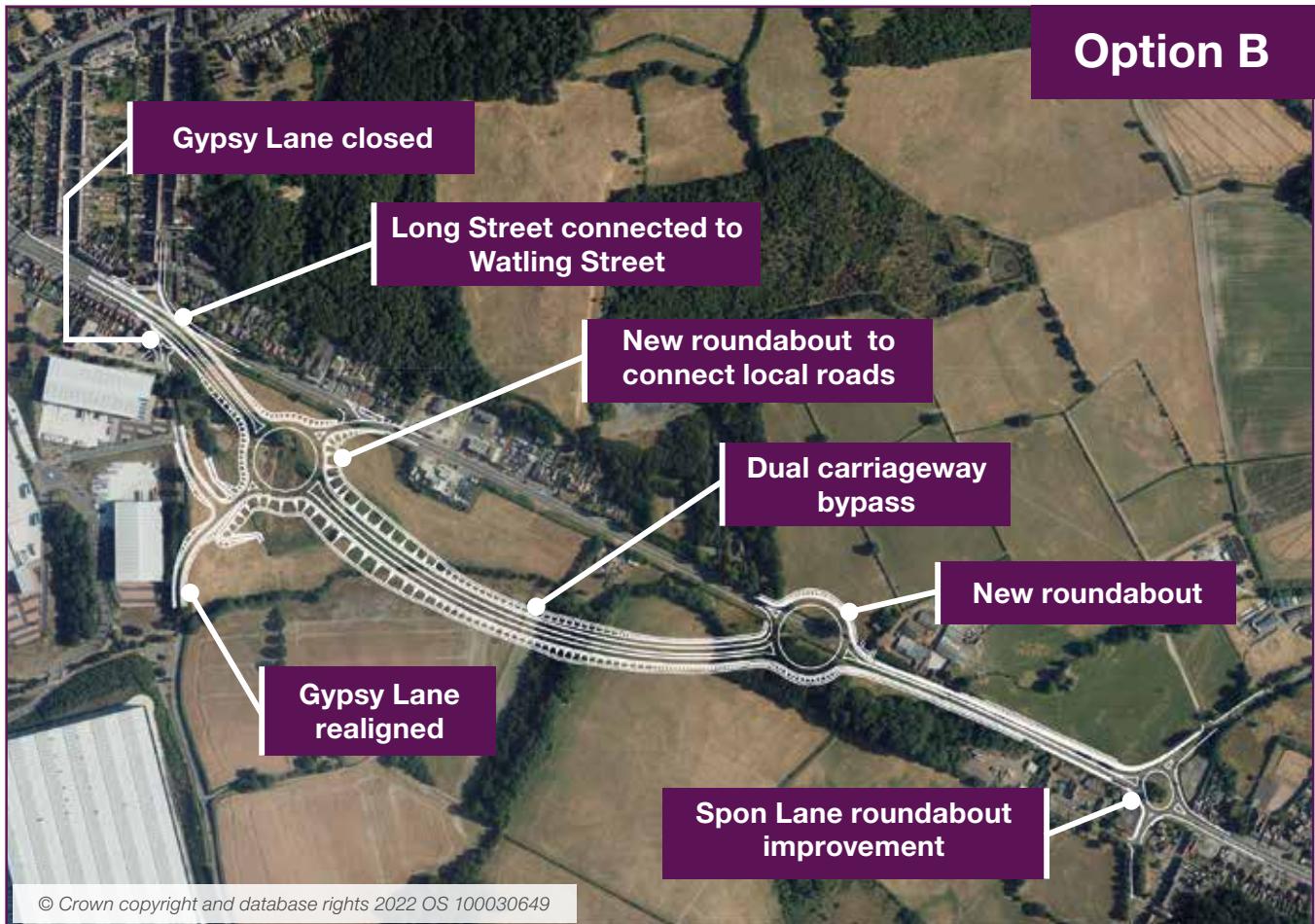


Option A (Dual carriageway, signalised junction and new roundabout)



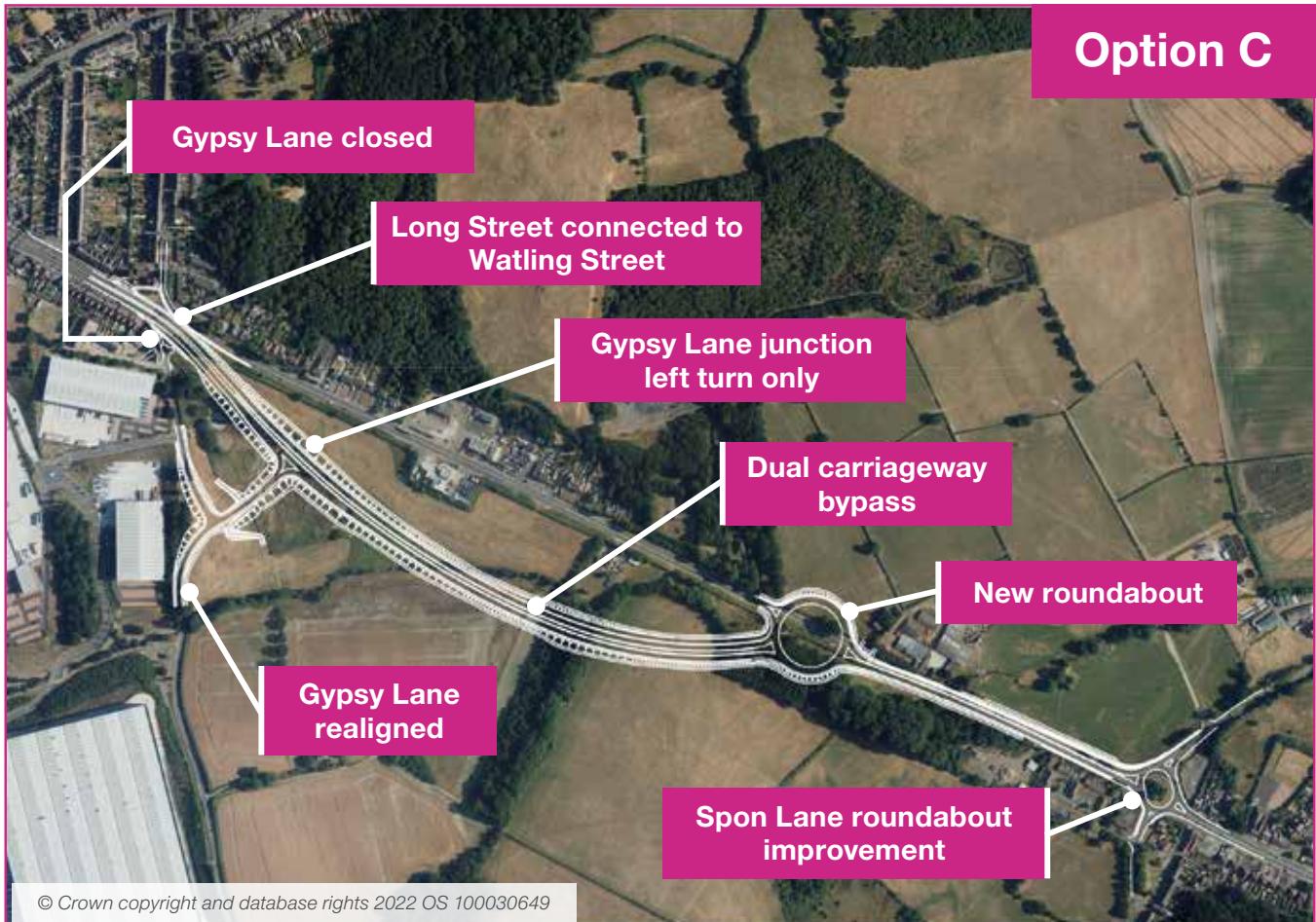
Option A introduces a dual carriageway bypass to the south of the existing A5 corridor and ties into the A5 at the Dordon roundabout. The Dordon roundabout will be upgraded to a four-way signalised junction, maintaining access to Long Street and Gypsy Lane direct from the A5 mainline. A new roundabout is proposed at the eastern end of the bypass to tie back into the existing A5. The existing bypassed section of the A5 is proposed to be de-trunked and will be accessed via the new roundabout.

Option B (Dual carriageway and two new roundabouts)



Option B introduces a dual carriageway bypass to the south of the existing A5 corridor and ties into the existing alignment of the A5 at the Dordon roundabout, with the dual carriageway replacing the existing roundabout. The existing Gypsy Lane junction with the A5 will be closed, a new roundabout will be provided to the east, along the new bypass, providing links back to Gypsy Lane, Long Street and the bypassed section of the A5. A second new roundabout is proposed at the eastern end of the bypass to tie back into the existing A5. The existing bypassed section of the A5 is proposed to be de-trunked and will also be accessible via the new eastern roundabout.

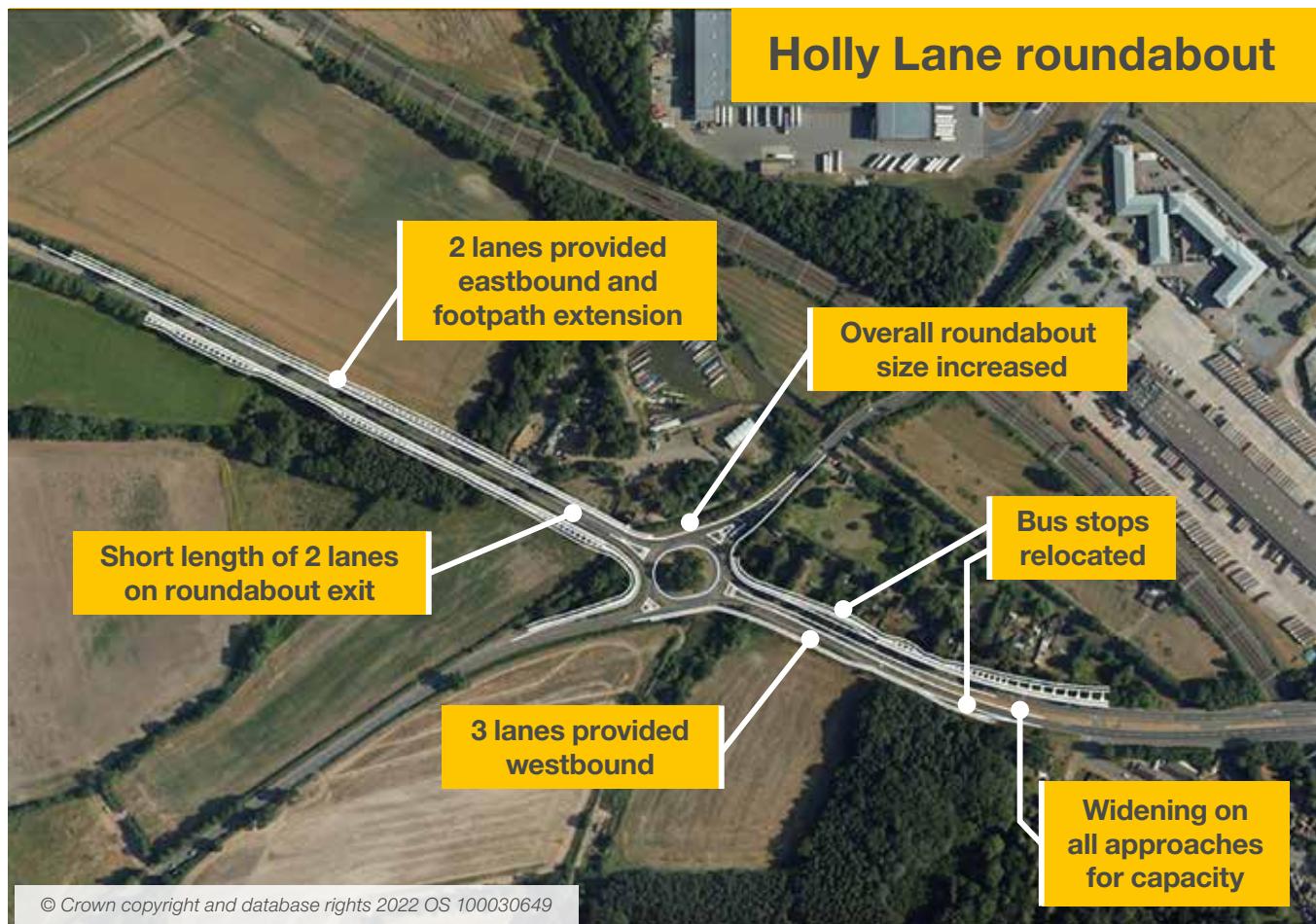
Option C (Dual carriageway, new roundabout and new junction)



Option C introduces a dual carriageway bypass to the south of the existing A5 corridor and ties into the existing A5 at the existing Dordon roundabout, with the dual carriageway replacing the existing roundabout. The existing Gypsy Lane junction with the A5 will be closed, a new left off/left on at grade junction will be provided to the east, along the new bypass, providing a link to/from Gypsy Lane. No right turns will be permitted into or out of Gypsy Lane, resulting in vehicles having to travel to the next roundabout to perform a U-turn.

A new roundabout is proposed at the eastern end of the bypass to tie back into the existing A5. The existing bypassed section of the A5 is proposed to be de-trunked and will be accessible via the new eastern roundabout. Access to Dordon/Long Street will be via the newly de-trunked section of A5 carriageway.

Holly Lane roundabout improvement



Improvements to Holly Lane will increase the size of the roundabout to provide additional capacity together with footpath and bus stop provision.

What benefits does the scheme deliver?

The section of the A5 between Dordon and Atherstone has been recognised as an area in need of improvement, in order to support housing growth being proposed by North Warwickshire Borough Council, and this forms a key element of the Housing Infrastructure Grant application. Junction and associated improvement works at A5 / Long Street, A5 / Holly Lane and A5 / Spon Lane have been identified as necessary in order to support this housing growth.

As well as supporting proposed housing growth, the scheme improvements will also aim to:

1. Improve journey time reliability
2. Contribute to enabling local and regional economic growth
3. Meet the needs of all users
4. Minimise impacts on noise and air quality
5. Maintain safety for all and improve it where possible
6. Support wider economic growth created by the capacity improvements at the housing developments
7. Minimise impacts on the natural environment and optimise environmental opportunities and mitigation
8. Provide opportunities for improved accessibility for all users



Benefits and impacts of the options

	Option A	Option B	Option C	Existing
Transport				
Journey times and congestion	★★★	★★★	★★	★
Vehicle movements Gypsy Lane	★★★★★	★★★★★	★	★★
Vehicle movements Long Street	★★★★★	★★★	★	★★
Road safety	★★★★★	★★★★★	★★★★★	★★★
Walking, cycling and horse-riding provision	★★★★	★★★★★	★★★★★	★
Economy				
Economic growth	★★★	★★★	★★★	★
Construction duration (approximate)	13 months	24 months	24 months	N/A
Construction disruption	xx	xxx	xxx	N/A
Cost	£££	£££££	££££	N/A
Environment				
Air quality (overall emissions)	★★	★★★	★★★	★
Greenhouse gas	★★	★★★	★★★	★
Land take	xxx	xxxx	xxx	N/A
Noise	xxx	xxx	xxx	xxxx
Cultural heritage	xx	xxx	xxx	N/A
Landscape	★★★	★★	★★★	★★★★★
Biodiversity	★★★	★★★	★★★	★★
Road drainage and the water environment	★★★	★★★	★★★	★★

Key

★★★★★	Very significant positive impact	xxxxx	Very significant negative impact
★★★	Significant positive impact	xxx	Significant negative impact
★★	Positive impact	xx	Negative impact
★	Slight positive impact	x	Slight negative impact

Benefits and impacts of the options

Each of the options to upgrade the A5 between Dordon and Atherstone can deliver benefits for road users, the local economy and local residents but have differing benefits and impacts. Below is a summary of the impacts and benefits of each one.

Transport

Journey times and congestion

The A5 between Dordon and Atherstone is often heavily congested, being largely single carriageway. The junctions / roundabouts at Dordon, Spon Lane and Holly Lane are particular sources of congestion. This affects journey times.

The options proposed will all reduce journey times and congestion along this section of the road with option C providing the most benefit.

Vehicle movements around Gypsy Lane and Long Street

Option A allows vehicles to access all roads in particular Gypsy Lane and Long Street. Option B allows vehicles to access all roads however traffic would have to use a short section of the new distributor road to gain access to Gypsy Lane and Long Street. The existing roundabout allows for access to all roads but is impacted by high volumes of traffic.

Option C has access to Gypsy Lane and Long Street, however there is a longer route to allow this to take place, and measures would have to be considered to prevent U-turns at entrances to Core42 and Birch Coppice Business Parks.

Road safety

Options A and B are most likely to improve road safety. Option B provides the most benefit as it includes the traffic calming measures of a junction or roundabout. Option C has a slight disbenefit compared to the existing arrangement.

Walking, cycling and horse-riding provision

Options A, B and C all identify the need for a grade separated crossing where an existing Public Right of Way (Warwickshire footpath section 24) will be severed by the southern bypass. A footbridge is proposed at this location.

Option A severs a Public Right of Way near Gypsy Lane (Warwickshire footpath section 50) with the proposed approach road to the new Dordon roundabout. Likewise, this Public Right of Way is also severed by the Option C proposals. A public footpath realignment to facilitate a safer crossing is proposed in this location.

Economy

Economic growth

Reducing congestion along this section of the A5 would have widespread economic benefits as businesses and productivity benefit from quicker, cheaper journeys. All three options will provide a road suitable for the increase in users from the proposed housing developments adjacent to the current A5.

Construction duration

Option A is likely to take over a year to build. Options B and C will require more movement of earthworks on site and are likely to take up to two years to build.

Construction disruption

For all three scheme options, a large amount of the proposed construction works will be undertaken offline from the A5. Where existing junctions are altered proposed road works will be programmed to minimise the disruption impact. National Highways will work closely with the local community to keep them informed of the scheme works including route diversions and closures.

Cost

In comparison to the other options, Option A has the lowest cost followed by Option C with Option B being the most expensive option. This scheme will be funded via the Housing Infrastructure Fund (formerly Grant), provided by the Department for Levelling Up, Housing and Communities.

Environment

A preliminary assessment of the environmental impacts of the proposed scheme and route options has been undertaken ahead of this public consultation. Below is a summary of the key findings relating to the main environmental topics. To learn about our ambitious plan to reach net zero carbon visit: Nationalhighways.co.uk/netzerohighways.

Air quality

During construction, impacts from construction dust will be mitigated through the implementation of best practice measures during the works. All three options will increase the distance between the traffic on the A5 and properties on Watling Street, thus improving air quality experienced at these locations. The addition of the eastern roundabout in all options, the western roundabout in Option B and the T-junction in Option C, all have the potential to decrease air quality at nearby properties. However, the overall impacts on air quality from all options are likely to be neutral to slightly significant.

Greenhouse gas

All three options have been designed to minimise greenhouse gas emissions and reduce the vulnerability of the scheme to climate change impacts. During the construction phase, the options would generate impacts to greenhouse gas emissions via site clearance and earthworks, with Option B requiring a larger area of land for the western roundabout. There would also be an increase in emissions from the production of materials required to build all of the options, fuel and water use and the treatment and transportation of waste. With this in mind, all three options will be designed to minimise greenhouse gas emissions and reduce the vulnerability of the scheme to climate change impacts.

Land take

To build any of these options, we'll need to purchase land. Some of this land would be needed permanently and other parts would only be needed temporarily. Some land would already be part of the existing strategic and local road network.

A large part of the land required to build the options is agricultural. All options would result in the loss of agricultural land. We will work with the affected landowners directly to look at how we could reduce the impact on them.

As the scheme progresses and the design is developed, we'll be able to provide more accurate information on the land we would need. Key locations to note land take impacts include:

Dordon: Options A, B & C have no requirement to take land that is outside the current highway boundary. A number of verge areas will be used to realign junctions and roundabouts for the improvements that will take place.

Bypass: Options A, B & C all have the requirement to take land that is outside the current highway boundary. The land has a current agricultural or industrial use.

New roundabout to tie in with existing A5: Options A, B & C all have the requirement to take land that is outside the current highway boundary. The land has a current agricultural or industrial use.

Noise

Construction: During construction, noise levels would increase where road construction works are required. We intend to minimise this where possible through good construction practice.

Operations: Options A, B and C will aim to reduce road traffic noise by the creation of a new section of dual carriageway which has the potential to reduce the noise levels for existing properties on the north side of the scheme. We will also look into opportunities to enhance the acoustic environment of the designated Noise Important Areas associated with the scheme.

Cultural heritage

Options A, B and C will create no major impacts on heritage resources such as Listed Buildings, the Watling Street Bridge Conservation Area and the Grade II* Registered Park and Garden at Merevale Hall. There are unlikely to be significant impacts on Watling Street (Roman Road) as the modern A5 is anticipated to have removed most traces of archaeological remains.

The most likely areas where undiscovered archaeology may be found would be in areas of new land take. This can be mitigated with advanced geophysical survey or field evaluation to inform the design stage and avoid areas of highest archaeological sensitivity. This would be followed by more detailed field evaluation and archaeological monitoring to inform a suitable and proportionate programme of construction phase mitigation.

Landscape

Views from properties including along Watling Street and Swan Farm would be affected by all three options due to the elevated nature of the proposed bypass and roundabout on embankments. Views would also be affected from local Public Rights of Way and also from users of the Coventry Canal.

All of the options would permanently alter the existing topography of the area. The new road would introduce an engineered form into the landscape including the crossing over the Penmire Brook. This would alter some of the key landscape characteristics of the Arden National Character Area 97 as denoted by Natural England within which the project is located.

At detailed design stage, we will refine the horizontal and vertical alignments of the route and position of junctions and overbridges to reduce the impacts on landform, vegetation, field pattern and landscape features to reduce the effects on both the landscape character and local views.

We will replace vegetation lost during the construction phase to restore visual screening where possible, promote integration with landscape pattern and reconnect boundaries with wildlife corridors.

Biodiversity

Options A, B and C have the potential for significant ecological effects due to the construction footprint associated with the dual carriageway, roundabout and junction. The requirement for watercourse diversions and the loss and severance of woodlands and other habitats including within Penmire Brook Swamp potential Local Wildlife Site means all options would result in significant biodiversity loss with likely impacts on the remaining ecology. Option A would incur marginally fewer impacts given its smaller construction footprint.

Further ecological surveying is required before the impacts of the scheme can be fully assessed. At the next stage of the project, we will devise detailed measures to reduce the impacts of habitat loss and review the need for additional land take to offset the impacts.

At National Highways, we're working hard to achieve our target on all current schemes of no net loss of biodiversity by the end of 2025. For schemes which start beyond 2025, as would be the case for this scheme, we will go further, aiming for a 10% biodiversity net gain as required by the new Environment Act 2021. We'll explore ways to increase biodiversity by 10% in and around this scheme at a later stage.

Water environment

Options A, B and C are all proposed to cross over a new section of the Penmire Brook. This will impact the current alignment of the Penmire Brook requiring culverting under the road. The design of the culvert can impact the amount of flow downstream, impacting on flow regime and peak levels. This could lead to increased flood risk and impact natural habitats. All options also have the potential to increase surface water runoff with potential impacts on the watercourse and surrounding ecology. Excavations below ground have the potential to alter groundwater flow paths.

The effects on the water environment have the potential to be significant. We will be undertaking a more detailed level of assessment and modelling of the Penmire Brook and associated tributaries at the next stage of development to enable a more accurate assessment to be undertaken. This will help us to refine the necessary mitigation and monitoring.

Long list options not taken forward

In previous stages of the study, Warwickshire County Council looked at a wide list of options and how they performed against the scheme objectives. The options not taken forward considered proposals to the north of the A5 and online widening, these were discounted due to their impacts on existing housing together with greater environmental impacts when compared to the southern options.

While there were many subtle variations of the three options that were finally selected, all long list options were compared against each other and assessed and appraised against the scheme objectives together with stakeholder opinions to create the short list to be consulted on.

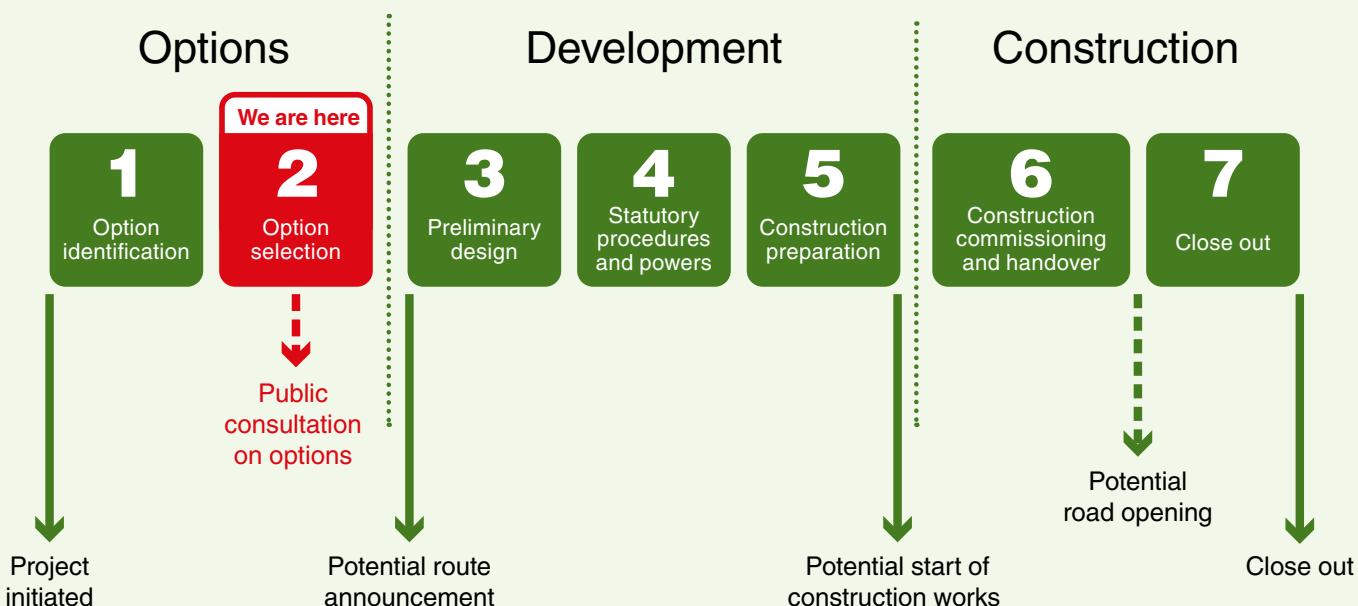
What if we did nothing?

Increased traffic flows will cause additional pressure on the road and its junctions' capacity in the future.

The current levels of traffic congestion on the A5 between Dordon and Atherstone will increase without intervention. The forecasted increase in traffic together with housing that is proposed within the North Warwickshire Borough Council Local Plan means the congestion will worsen over time.

What happens next?

Having received the full range of responses to the consultation, National Highways will undertake a programme of analysis and produce a consultation report. This report will summarise and consolidate the feedback received and will be made available to the public once the consultation has concluded. Comments, concerns and expressions of support will be passed on to the project team and included as part of the ongoing project development.



How to find out more

Or pick up a brochure at:

Dordon Village Hall,
Browns Lane, Dordon, Tamworth, B78 1TR.

Thursday 8 September 2022
2pm - 8pm

Thursday 6 October 2022
2pm-8pm

Grendon Community Centre,
Boot Hill, Grendon, Atherstone CV9 2EL.

Thursday 15 September 2022
3pm - 8pm

Owen Street Community Arts Centre,
Owen Street, Atherstone CV9 1DG.

Wednesday 28 September 2022
11:30am - 5pm

**To speak to a member of the team,
call 0300 470 0663 from 9am to 5pm,
Monday to Friday**

Webinars

We're holding two webinars, where attendees will receive a presentation about the route options from the project team and will be given opportunities to ask questions. These webinars will be held on:

Tuesday 20 September at 6pm
Thursday 13 October at 6pm

Engagement van

Our mobile engagement van will also be visiting a number of locations throughout the consultation period.

Dordon Library/Post Office, Whitehouse Road, Dordon, Tamworth, Staffordshire, B78 1QE.

Baddesley Village Hall, Community Hub and Library, 31, 32 Keys Hill, Baddesley Ensor, Atherstone CV9 2DF.

Atherstone Library and Information Centre, Long Street, Atherstone, CV9 1AX.

Baddesley Store & Post Office, 17-19 New Street, Baddesley Ensor, Atherstone CV9 2DW.

Grendon Newsagents, 79 Watling Street, Grendon, Atherstone, CV9 2PQ.

Coleshill Road Post Office and Convenience Store, 90 Coleshill Rd, Atherstone CV9 2AF.

Mancetter Post Office and Mobile Shop, 1A Manor Rd, Mancetter, Atherstone, CV9 1NS.

Esso Petrol Station, A5 Watling Street, Dordon, Tamworth, B78 1SS (eastbound and westbound).

Polesworth Library and Information Centre, Bridge St, Polesworth, Tamworth B78 1DT.

Polesworth Post Office/Spar, 2-4 Bridge St, Polesworth, Tamworth B78 1DT.

Costa Drive Thru, Watling St, Grendon, Atherstone CV9 2PY.

Moto Tamworth Services
M42, Junction 10.

For further details about our webinars or engagement van visit: <https://highwaysengland.citizenspace.com/he/a5-dordon-to-atherstone>.

How to respond

Please respond using one of the following channels, set up for the specific purpose of this consultation:

Online: <https://highwaysengland.citizenspace.com/he/a5-dordon-to-atherstone>.

Email: A5dordontoatherstone@nationalhighways.co.uk

Post: Please note the address is case sensitive: **Freepost A5 D2A CONSULTATION**

National Highways wants to hear your views.

You can find an online response form at: <https://highwaysengland.citizenspace.com/he/a5-dordon-to-atherstone> or post the response form at the centre of this document. National Highways is unable to guarantee that responses sent by channels other than those listed above will be included in the consultation process.

All responses should include your name and postcode and state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of an organisation, please make it clear what the organisation is and how the views of members were gathered if applicable.

All responses must be received by **11.59pm on 16 October 2022. Responses after this date may not be considered.**

If you are filling out our physical questionnaire please pull out of the full brochure and put it in an envelope with our Freepost address, there's no need for a stamp. If you need additional room to fill out your comments feel free to use extra paper.



Public Consultation response form

We'd like to understand your views on the options for highways improvements on the A5 between Dordon and Atherstone. Our consultation is running for six weeks from **5 September to 16 October 2022**.

Before completing this response form we recommend you read the consultation brochure which can be found on our webpage at: <https://highwaysengland.citizenspace.com/he/a5-dordon-to-atherstone>.

You can also find more information about this consultation and complete this response form online. All information provided is treated in confidence. To return this form by post, please put it in an envelope, write our Freepost address on the front and put it in a post box. There is no need for a stamp. The Freepost address is: **Freepost A5 D2A CONSULTATION** (Please note the Freepost address is case sensitive).

To ensure that your views can be taken into account, please return this form by **16 October 2022**. Please provide your name, address and either your email address or telephone number. If you'd prefer your comments to be anonymous, please just provide your postcode so we can understand where you live in relation to the scheme.

Name:

Address:

Postcode:

Email address:

Telephone number:

We may use your details to contact you in the future about your response or to provide you with updates about the scheme.

Are you happy for us to contact you about your response if required?

Yes

No

Do you want to receive future updates about the scheme?

Yes

No

Are you responding on behalf of an organisation?

Yes

No

If Yes please provide the name of your organisation and your role within it.

Organisation name:

Role within organisation:

Section 1:

Your views on the current road

The following questions relate to your current use of the A5 between Dordon and Atherstone.

1. Which of the following best describes you?

(please tick):

I'm a local resident

I'm a local business owner

I work locally

I'm an affected landowner

I travel along the A5 between Dordon and Atherstone regularly using a private vehicle

I travel along the A5 between Dordon and Atherstone regularly using a commercial vehicle
i.e. HGV, van, coach

Other (please specify):.....

2. Please tell us why you use the A5 between Dordon and Atherstone?

(please tick):

Travelling to or from work

Travelling for business

Leisure/recreation

School pick up/drop off

Long distance journeys (greater than 10 miles)

I don't use this section of road

Other (please specify):.....

3. How do you normally travel along the A5 between Dordon and Atherstone?

(please tick):

Car

HGV or LGV

Bus or coach

Motorcycle

Walking / cycling / horse riding

Other (please specify):.....

4. How often do you travel along the A5 between Dordon and Atherstone?

(please tick):

Daily

Weekly

Fortnightly

Monthly

Quarterly

Twice-yearly

Annually

Never

5. When do you usually travel along the A5 between Dordon and Atherstone?

(tick all that apply):

- Weekday morning peak (typically between 7am to 10am)
- Weekday evening peak (typically between 4pm to 7pm)
- Weekday off-peak (all other times)
- Weekends anytime
- Never

6a. How satisfied or dissatisfied are you with the following elements of the A5 between Dordon and Atherstone as it is now?

(Please tick one answer in each row):

	Very dissatisfied	Dissatisfied	Neither dissatisfied nor satisfied	Satisfied	Very satisfied
Congestion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Journey time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Road safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Road layout between Dordon and Atherstone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Noise	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Air quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Visual impact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access for pedestrians, cyclists and horse riders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6b. Please provide any further comments you may have on the A5 between Dordon and Atherstone as it is now.

Consider commenting on issues like safety, journey times, how it impacts on your livelihood or lifestyle.

Section 2:

Your views on the options to dual the route

These questions relate to the three options for dualling the A5 between Dordon and Atherstone. These can be seen on pages 7-9 of the consultation brochure.

7. To what extent do you agree that improvements to the A5 between Dordon and Atherstone are needed?

Strongly agree	Agree	Neither disagree nor agree	Disagree	Strongly disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8a. Which option would you prefer when considering safety?

For more information about each of these factors, see page 12 - 13 of the brochure.

(Please tick):

	Option A	Option B	Option C	No preference
Safety during construction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Safety of completed improvement scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8b. Which option would you prefer when considering journey time?

For more information about each of these factors, see page 12 - 13 of the brochure.

(Please tick):

	Option A	Option B	Option C	No preference
Journey time in construction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Journey time of completed improvement scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8c. Which option would you prefer when considering the environment?

For more information about each of these factors, see pages 14 - 16 of the brochure.

(Please tick):

	Option A	Option B	Option C	No preference
Air quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greenhouse gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Land take	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Noise	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cultural heritage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Landscape	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Biodiversity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9a. Out of the three options proposed for dualing the A5 between Dordon and Atherstone, which option do you think would be best overall?

(Please tick):

Option A	Option B	Option C	No preference
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9b. If you have selected a preferred option in question 9a, please tell us your reason(s).

(tick all that apply):

- Reduced congestion
- Improved journey time
- Improved road safety
- Least visual or noise impact
- Shortest construction time
- Least amount of land taken
- Smallest impact on biodiversity
- Don't know
- Other (please specify)

9c. Please expand on your reasons for selecting the answer(s) in question 9a and 9b.

.....
.....
.....

Section 3: Your views on proposed improvements to the A5

10a. How supportive are you of the proposed improvements to the A5?

Please tick the box that best represents your views (details on proposed improvements can be seen on pages 7-9 of the consultation brochure):

Strongly support	Support	Neither support nor oppose	Oppose	Strongly oppose
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10b. Please provide any further comments you may have on the A5 improvements:

.....
.....
.....
.....

Section 4: Any additional comments

11. Do you have anything else you'd like to share in relation to the proposed dualling improvements, including how it may improve or impact your lifestyle or livelihood?

.....
.....
.....
.....

Section 5: Working with you

To help us improve how we consult in future, we'd be grateful if you could answer the questions below.

12. How did you hear about the consultation?

(tick all that apply):

Leaflet received in the post	<input type="checkbox"/>
Local media	<input type="checkbox"/>
Scheme webpage alert	<input type="checkbox"/>
Social media	<input type="checkbox"/>
Word of mouth	<input type="checkbox"/>
Poster	<input type="checkbox"/>
National Highways' engagement van	<input type="checkbox"/>

Other (please specify):

13. How helpful did you find our consultation materials and events?

(Please tick):

	Very helpful	Helpful	Neutral	Unhelpful	Very unhelpful
Consultation brochure	<input type="checkbox"/>				
Online virtual exhibition	<input type="checkbox"/>				
Consultation event(s)	<input type="checkbox"/>				

Online webinar(s)	<input type="checkbox"/>				
National Highways' engagement van	<input type="checkbox"/>				

14. What is your preferred method of communication for consultation?

(Please tick):

Preferred communication method	
Consultation brochure	<input type="checkbox"/>
Online virtual exhibition	<input type="checkbox"/>
In person consultation event(s)	<input type="checkbox"/>
Online webinar(s)	<input type="checkbox"/>
National Highways' engagement van	<input type="checkbox"/>

Section 6:

Equality and diversity

We'd be grateful if you could answer the following equality and diversity questions.

We'll use this information to help understand whether our consultation has been useful to people of different backgrounds and with different requirements. We may publish a summary of the results, but no information about an individual would be revealed.

The answers you provide to this question are defined as 'special category data'. If you agree to provide this information, you can withdraw your permission for us to use it at any time. To do that, please email DataProtectionAdvice@nationalhighways.co.uk.

I consent to National Highways processing my special category data for the purposes of understanding the accessibility of the A5 Dordon to Atherstone consultation. I have read National Highways' privacy notice on page 30 and understood how it will be processing this data.

15. How would you define your gender?

- | | |
|-------------------|--------------------------|
| Male | <input type="checkbox"/> |
| Female | <input type="checkbox"/> |
| Transgender | <input type="checkbox"/> |
| Other | <input type="checkbox"/> |
| Prefer not to say | <input type="checkbox"/> |

16. How would you define your ethnicity?

- | | |
|--------------------------|--------------------------|
| Asian or British Asian | <input type="checkbox"/> |
| White (British) | <input type="checkbox"/> |
| White (other) | <input type="checkbox"/> |
| Black African | <input type="checkbox"/> |
| Black Caribbean | <input type="checkbox"/> |
| Black (British) | <input type="checkbox"/> |
| Mixed or multiple ethnic | <input type="checkbox"/> |
| Other ethnic group | <input type="checkbox"/> |
| Prefer not to say | <input type="checkbox"/> |

17. Age:

- | | |
|-------------------|--------------------------|
| Under 16 | <input type="checkbox"/> |
| 16 - 24 | <input type="checkbox"/> |
| 25 - 34 | <input type="checkbox"/> |
| 35 - 44 | <input type="checkbox"/> |
| 45 - 54 | <input type="checkbox"/> |
| 55 - 64 | <input type="checkbox"/> |
| 65+ | <input type="checkbox"/> |
| Prefer not to say | <input type="checkbox"/> |

18. Is your ability to travel limited by a health or disability which has lasted, or is expected to last, at least 12 months?

- | | |
|-----------------------|--------------------------|
| Yes, limited a lot | <input type="checkbox"/> |
| Yes, limited a little | <input type="checkbox"/> |
| No | <input type="checkbox"/> |
| Prefer not to say | <input type="checkbox"/> |

19. Are you responsible for caring for an adult relative/partner, disabled child or other?

- Yes
- No
- Prefer not to say

20. Are you a blue badge holder?

- Yes
- No
- Prefer not to say



Data protection and you

National Highways has fully committed to compliance with the UK General Data Protection Regulation (UK-GDPR).

We collect and handle a variety of personal data so that we can deliver services to our customers and anyone using England's motorways and major A-roads.

This privacy notice applies to any personal data collected by us or on our behalf, by any format - phone, letter, email, online or face to face.

We collect and handle data to:

- provide the service you've asked for - for example, if you have a query that you need a response to, or if you use our crossing on the Dartford Tunnel

- process payments for our crossings
- stay in contact with you - for example, if you sign up to one of our newsletters to get information about traffic updates or are involved in our consultation exercises
- fulfil legal obligations
- provide information to central government, when the law says we need to
- assess our performance, ensure value for money, and set targets for departments
- provide information to the Office of Rail and Road and to Transport Focus, which are our regulatory authorities

For full details of our data protection policy please visit: www.nationalhighways.co.uk/about-us/privacy-notice/ or contact: dataprotectionadvice@nationalhighways.co.uk.



Notes

If you need help accessing this or any other National Highways information, please call **0300 123 5000** and we will help you.

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For an accessible version of this publication please call **0300 123 5000** and we will help you.

If you have any enquiries about this publication email info@nationalhighways.co.uk or call **0300 123 5000***. Please quote the National Highways publications code **PR168/22**.

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North Warwickshire Borough's response to the three Dordon options and 2 schemes of the Spon Lane, Grendon and Holly Lane, Atherstone roundabouts.

1 Scheme Objectives

- 1.1 The Borough Council supports the scheme's objectives and fully supports the implementation of improvements to the A5 which will assist the delivery of the allocations within the North Warwickshire Local Plan (NWLP).

Point of clarification

- 1.2 The Brochure gives the impression that the proposed works will unlock the whole of the NWLP site allocations. This is incorrect. The works being proposed at this stage only deal with part of the issue of the A5 and in order to unlock the remainder of the housing and the employment land along the A5 within the Borough further improvements are desperately required. The current proposed works were identified as Phases 1 and 2 in the North Warwickshire Strategic Transport Assessment prepared by WCC to support the Borough Council's Local Plan. As a result of these works, they will only unlock some of the housing and employment allocations. Future Phase 3 (Grendon Bypass) and Phase 4 (dualling between Atherstone and MIRA on the border with Nuneaton) are required to unlock further homes and at least 42 hectares of employment land.

2 Consultation Process:

- 2.1 The Borough Council advised Highways England about the closeness of some of the events to the start of the consultation. A further event was included as a result towards the end the consultation period and this is welcomed. However, due to the embargo of the documents until Monday 5th September the local community did not know of the events being planned during the first week. It has come to light an advert was placed in a Coventry newspaper advertising the events the week before the 5 September – why were the local communities in North Warwickshire, who it will directly affect, not similarly included and afforded more time to know of when events were going to be held? A lesson needs to be learnt for any future consultation that you undertake. It should not be seen as a problem/issue to let people know in advance of the detailed information on events that are taking place.
- 2.2 The Borough Council was pleased to have been invited to a meeting of the Developers and Landowners who have an interest in bringing forward the site allocations from the Local Plan. The group has only met once and had not been actively engaged in the briefing sessions for the consultation. The Local Plan depends on the allocations being delivered by these developers and landowners and

are the reason why these works are even being pursued. Match funding for further A5 improvements may be required in the future, and the Borough Council would encourage National Highways to work openly with these developers and landowners. Since the start of the consultation a meeting has now been included with the developers/landowners which is welcomed.

- 2.3 Both of these instances bring to the fore the need for and the advantages of National Highways to be more open and receptive to actively engaging with both the local community and the developers and landowners along the A5.

3 Brochure

- 3.1 The Borough Council is very disappointed at the final brochure for the consultation. There is no consistency in the brochure and does not make it clear exactly what is being asked consulted on. The brochure states:
- "This brochure provides a summary of the A5 Dordon to Atherstone project proposals currently under consideration."*

On the second page it states:

"The scheme is located in North Warwickshire between the Dordon roundabout (A5 Watling Street / Long Street / Gypsy Lane), Spon Lane roundabout at Grendon and Holly Lane roundabout (A5 / Holly Lane / B1143 Merevale Lane)."

The map on the 2nd page shows these three locations. However, the remainder of the brochure does not mention Spon Lane other than on the maps for the 3 options for the Dordon dual carriageway. There is no description of these works and what they will entail. A request was made for this information, and it was explained that the works would involve:

"Improvements to the Spon Lane roundabout will increase the size of the roundabout by elongating the circulatory to the east and west. Two lanes are also provided on each approach to the roundabout. The combination of these measures provides additional capacity to cater for the forecast traffic volumes."

On the page titled "Summary of Options" the map has three options, but the colour of the Holly Lane Roundabout works makes it look like this is Option A. This is misleading and would have been better to have only shown the Dordon Section on this particular map.

Having gone to one information session and read the documents it would appear all the options have been designed and evaluated without reference to where the housing allocation site H4 relief road (a minimum of 2000 homes) will enter the A5 or other road networks). The relief road is not shown even in outline -given that housing development is

the only reason why this stretch of road has been funded (and planned ahead of the rest of the " pipeline " scheme)

Although North Warwickshire Borough Council was a key partner in developing the original scheme this is not mentioned in the document until the last page.

3 Dordon Options:

It is unclear how cycling will be provided for in each of the options.

It is unclear how crossing the A5 will be enabled for residents.

The following looks at each option.

Option A – signalisation junction at Long Street

This scheme is the least desirable scheme as it will keep standing traffic in front of the homes on the A5 to the west of the junction. This area already suffers from air pollution and is being monitored by the Environmental Team of the Borough Council.

Do not see this as being a positive for air quality in the area. Sitting traffic in front of the properties which front on to the A5 is unacceptable and will add to the poor air quality in this vicinity

Option B - Dual carriageway and two new roundabouts

It allows for the new link road through housing allocation site H4 which would be a good alternative to Long Street.

This option appears to keep the old A5 open. If that is correct this could lead to a rat run. If it is incorrect where will the stopping up take place? Encouragement should be to make more people use the new link road through site H4 – how can this achieved?

Option C - Dual carriageway, new roundabout and new junction

An adverse impact of this option is that the left only turn from the new dual carriageway on to Gypsy Lane makes accessing the public Lower House Farm Recycling Centre difficult. This is an unacceptable consequence.

Spon Lane Roundabout

Details of the suggested work should be made public and should have been part of this consultation.

4 Holly Lane Roundabout

- 4.1 When the scheme with WCC was being developed and within the Strategic Transport Assessment to accompany the Local Plan it is proposed that the improvements at Holly Lane will include signals. This does not now to be the case as they are not mentioned in the brochure. Please can you provide the evidence as to why they are not being signalised.

The Borough Council would recommend the introduction of signals as this will ensure the full movement of traffic especially taking into account the additional land to be developed for Aldi's National and Regional Depot, the existing Aldi and FedEx's (formerly TNT) Depots along with the housing site allocations of H1 and H2.

- 4.2 In terms of ensuring that pedestrians and cyclists can cross the A5 there needs to be signals at this junction. Having two lanes at every junction will make the movement of pedestrians and cyclists difficult and dangerous if there is not the opportunity to use signals to get across the lanes.

5 Additional Comments and queries?

- 5.1 How will traffic be able to leave the laybys currently located to the north of the homes facing on to the A5 to the west of the current Dordon island?
- 5.2 Is there an opportunity to create any off road car parking if Gypsy Lane is stopped up as in Options B and C?
- 5.3 Has the strategic housing allocation (Site H4) along with the proposed link road from the A5 to the B5000 be considered at all in the design of the scheme? If not, why not? Do the accesses on to the new island west of Grendon and the slip roads or roundabout take into account the amount of traffic coming on to the A5 in this location. Will the options being proposed allow for the link road and housing to be accessed in a full and proper manner?
- 5.3 At the webinar there was mention of New Street having a no left turn from the A5. However there does not seem to be any mention of this in the brochure nor on the plans. Please explain what the options are for this junction. How are these being taken into account in the design of the scheme?

Agenda Item No 7

Executive Board

19 September 2022

**Report of the Corporate Director -
Resources**

Capital Accounts 2021/22

1 Summary

- 1.1 The capital accounts for 2021/22 have been prepared. This report shows expenditure for the year, together with the methods of funding used.

Recommendation to the Council

That the methods of funding to meet capital expenditure incurred in 2021/22 be approved.

2 Capital Expenditure and Financing

- 2.1 Capital expenditure incurred by the Council in 2021/22 totalled £12,794,498.37 of which £794,560 related to disabled facilities grants received from the government and passed onto the Heart shared service project, leaving £11,999,938.37 spent on council assets. In addition, an amount of expenditure relating to 2020/21, totalling £273,493.35 remained unfunded from the previous financial year. The Authority has used a variety of sources to fund this expenditure.
- 2.2 In preparing the funding statement, the use of resources has been considered with a view to maximising the total resources available to the Council going forward. There are funding conditions attached to some sources of funding and these conditions have prevented the use of additional Right to Buy receipts held for the provision of new build housing properties in 2021/22.
- 2.3 Grants and contributions have been used for the schemes they relate to. Other sources of funding were also used, which include income from earmarked reserves previously approved by Members and capital receipts. Capital creditors 2021/22 are amounts relating to the 2021/22 financial year, which were not paid before the year end and therefore will not be financed until 2022/23. Borrowing has been used for some HRA spending, instead of some of the additional revenue included in the budget. This will leave the general HRA balances at a higher level at the end of the year, giving the HRA greater ability to borrow in future years. This will be needed given the increasing pressures on the HRA capital programme going forward.

- 2.4 The funding for the total expenditure of £12,794,498.37 is set out in the table below.

	HRA	General Fund	Total
Capital Receipts	872,941.87	314,313.42	1,187,255.29
Grants and Contributions	1,329,310.00	809,120.00	2,138,430.00
Revenue / Reserves	6,775,782.96	1,230,486.14	8,006,269.10
Borrowing	1,000,000.00	-	1,000,000.00
Section 106 funding	-	19,251.73	19,251.73
Capital Creditors 2021/22	313,212.27	130,079.98	443,292.25
Total	10,291,247.10	2,503,251.27	12,794,498.37

- 2.5 The 2021/22 accounts will include these methods of funding. The accounts of the Authority will not be audited until later in the year. Any adjustments to the funding statement will be reported to this Board following the conclusion of the audit.

3 Report Implications

3.1 Finance and Value for Money Implications

- 3.1.1 The funding of the 2021/22 programme uses external resources where possible and has taken the pressure on both the General Fund and Housing Revenue Account budgets into account.
- 3.1.2 Internal borrowing will be used for the HRA. As the General Fund will be compensated for any loss of investment income, there will be no impact on the General Fund position.

3.2 Environment and Sustainability Implications

- 3.2.1 The Council invests in new and existing assets to enable the provision of services to continue to be delivered to the people of North Warwickshire.

3.3 Links to Council's Priorities

- 3.3.1 The proposed funding arrangements contribute towards the Council's priority of maximising its resources.

The Contact Officer for this report is Sue Garner (719374).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

Agenda Item No 8

Executive Board

19 September 2022

**Report of the Corporate Director -
Resources**

**Capital Programme – 2021/22
Final Position**

1 Summary

- 1.1 The purpose of this report is to update Members on the position of the 2021/22 Capital Programme at the end of March 2022.

Recommendation to the Council:

- a That the Board notes the level of expenditure incurred to the end of March 2022 against the 2021/22 Revised Capital Programme; and
- b That the requests to carry forward schemes identified in column 6 of Appendix A be approved and added to the 2022/23 Capital Programme.

2 The Current Position

- 2.1 The Council's Revised Capital Programme for 2021/22, approved by this Board in February 2022, is set out in Appendix A. The Appendix also shows the expenditure incurred on each scheme at the end of March 2022.
...
2.2 The Appendix shows total expenditure of £11,726,445 within the financial year, with a further £4,108,626 committed and due to be paid in 2022/23. This gives an under-spend of £881,369 against the approved programme of £16,716,440.

3 Outcomes from Capital Expenditure

- 3.1 The £11,726,445 paid on capital schemes in 2021/22 has achieved a number of outcomes, and some of these are highlighted in the following paragraphs.
- 3.2 In terms of housing capital expenditure, the main programmes undertaken in the year related to electrical installations, external wall insulation, heating (including Air Source Heat Pumps) and roofing works. Extensive remedial works were also commenced to the Council's flats at Alexandra Court. This includes a replacement pitched roof, new windows and wall insulation as well as internal and external improvements. Following referrals from HEART, adaptations were undertaken to properties which enabled tenants with

disabilities to continue living in their current Council property. During the year pressure continued on the multi trade budget due to the need to undertake major works to individual properties which had significant damp or structural issues.

- 3.3 Work on new build properties at Warton completed and a new build scheme in Atherstone commenced.
- 3.4 On the General Fund, within Information Services the planned upgrades to the Payment Management System continued, and work on infrastructure development and backing up systems progressed. A new scanner / plotter was also purchased.
- 3.5 Work on the Council's car parks was undertaken in line with the introduction of Civil Parking Enforcement and charging. In addition, engineering works which commenced in 2020/21 were completed at Water Orton Car Park.
- 3.7 Within the Vehicle Replacement programme, a new Ransom mower was purchased.
- 3.8 Partner contributions of £1,133,099 have been paid to Sherbourne Recycling Limited for the construction of the sub-regional Materials Recycling Facility, which is scheduled to commence operation midway through 2023.
- 3.9 Within Leisure Services, work was undertaken at Cole End Park and the scheme at Boot Hill Grendon was completed. Work to transform Polesworth Workspace Units to a Leisure Hub was also undertaken, with the Hub opening to the public in January 2022. Various types of equipment have been purchased across the three leisure centres.

4 Committed Spend in 2022/23

- 4.1 Of the capital programme expenditure of £16,716,440, there are commitments of £4,108,626 which will be required in 2022/23 to fulfil contracts already let or to continue the progress of on-going schemes. These amounts are shown in column (4) of Appendix A.

5 Requests to Carry Forward Budget Provision

- 5.1 Officers are requesting to carry forward budget provision of £782,530, as shown in column (6) of Appendix A.
- 5.2 There is a request from the Housing Division to carry forward budget provision for roofing schemes, which have not progressed as quickly as originally planned.
- 5.3 The Leisure Service is requesting to carry forward the unspent budget for general leisure equipment.

- 5.4 Information Services are requesting to carry forward the underspends in relation to the Computer Software, Infrastructure Development and Network Infrastructure schemes. Work on infrastructure development started in 2021/22 and the remaining allocation will be needed for a new website, as support for our existing website is being withdrawn. The computer software and network infrastructure allocations will be needed to support new ways of working.
- 5.5 It is requested to carry forward budgetary provision for the underspend relating to both the HRA and General Fund Vehicle Replacement Programme, due to the time needed to procure vehicles.

6 Report Implications

6.1 Finance and Value for Money Implications

- 6.1.1 Payments made up to the end of March 2022 amount to £11,726,445, with further commitments of £4,108,626 due for payment in 2022/23. In addition, Members are also requested to carry forward schemes totalling £782,530, where expenditure has been delayed in 2021/22.

6.2 Sustainability Implications

- 6.2.1 Expenditure incurred as part of the Council's Capital Programme enables the Council to continue to deliver a range of services to the people of North Warwickshire which contributes towards improving the quality of life for the communities of North Warwickshire.

6.3 Risk Management Implications

- 6.3.1 If the financial provision requested is not carried forward, the achievement of some of the Council's objectives may be at risk.

6.4 Equalities Implications

- 6.4.1 The Council is required to ensure it meets the requirements of the Equality Act 2010. The Act brings together all previous equality legislation and includes a public sector duty (the equality duty) replacing previous separate duties relating to race, disability and sex and extends this duty to those with other protected characteristics including age, pregnancy and maternity, sexual orientation, gender reassignment and religion or belief. The capital programme includes some provision for improving accessibility as previously required under the Disability Discrimination Act and extended by the Equality Act 2010. The Equality Act 2010 prohibits direct and indirect discrimination, harassment and victimisation, and provides that prescribed requirements to make adjustments must be complied with.

The Contact Officer for this report is Sue Garner (719374).

(1)	(2)	(3)	(4)	(5)	(6)
Cost Centre Description	Total 2021/22 Approved Budget	Payments in 2021/22	Commitments due for Payment in 2022/23	Total Variation to Approved Budget	Requests to c/fwd schemes into 2022/23
	£	£	£	£	£
HRA Assets					
Cap Hsg Disabled Facility Adaptation CH	480,780.00	451,577.88		(29,202.12)	
Cap Hsg Windows and Doors	155,040.00	142,562.50		(12,477.50)	
Cap Hsg Kitchens and Bathrooms	114,440.00	49,421.17		(65,018.83)	
Cap Hsg Insulation	929,750.00	865,080.16		(64,669.84)	
Cap Hsg Roofing	981,740.00	469,771.12		(511,968.88)	511,970.00
Cap Hsg Heating	888,000.00	752,621.80	135,380.00	1.80	
Cap Hsg Electrics	1,014,440.00	1,002,754.62		(11,685.38)	
Cap Remedial Work to Flats	3,288,280.00	1,829,125.82	1,459,150.00	(4.18)	
Cap Multi Trade Contract	771,040.00	784,230.03		13,190.03	
Cap Replacement DLO Vehicles	90,400.00	-		(90,400.00)	90,400.00
Cap Replacement Warden Vehicles	720.00	-		(720.00)	
Cap Replacement Housing Inspectors Vehicles	39,000.00	-		(39,000.00)	39,000.00
Cap New Build St. Helena, Polesworth	17,000.00	17,000.00		-	
Cap New Build Church Walk, Mancetter	49,100.00	-	49,100.00	-	
Cap New Build Atherstone	1,856,500.00	1,070,922.79	785,580.00	2.79	
Cap New Build Trinity Close, Warton	2,162,600.00	2,347,968.89		185,368.89	
Cap New Build Hatters Arms	-	-		-	
Cap Hsg General Costs	278,860.00	273,260.00		(5,600.00)	
Total HRA	13,117,690.00	10,056,296.78	2,429,210.00	(632,183.22)	641,370.00
General Fund Assets					
Cap DDA	25,000.00	17,721.15		(7,278.85)	
Cap Play Area Development	160,040.00	68,000.00	92,040.00	-	
Repair & maintenance of playing pitches	29,940.00	7,979.53	21,960.47	-	
Cap Wood End Recreation Ground	650.00	652.08		2.08	
Cap General Leisure Equipment	35,800.00	26,695.95		(9,104.05)	9,100.00
Cap ALC Gym Equipment	185,000.00	116,595.65	20,000.00	(48,404.35)	
Cap High Street, Coleshill	30,000.00	30,303.00		303.00	
Cap CCTV Scheme	40,350.00	40,342.85		(7.15)	
Cap Depot Works	1,850.00	1,850.00		-	
Cap Materials Recycling Facility	2,666,000.00	1,133,098.51	1,532,901.49	-	
Cap Water Orton Car Park	25,065.00	14,560.00		(10,505.00)	
Cap Parking Pay and Display	120,000.00	107,485.72	12,514.28	-	
Cap Polesworth Workspace to Gym	38,260.00	38,253.00		(7.00)	
Cap Computer Software	25,000.00	952.00		(24,048.00)	24,050.00
Cap Infrastructure Development	55,055.00	13,755.00		(41,300.00)	41,300.00
Cap Backing Up	5,000.00	4,951.80		(48.20)	
Cap Network Infrastructure	25,600.00	-		(25,600.00)	25,600.00
Cap Payment Management System Replacement	15,750.00	12,250.00		(3,500.00)	
Cap Scanner/Plotter	10,000.00	6,887.00		(3,113.00)	
Cap Mobile Devices	-	-		-	
Cap Transport	66,090.00	24,985.00		(41,105.00)	41,110.00
Cap DHS Assistance	20,000.00	-		(20,000.00)	
Capital Salaries	18,300.00	2,830.00		(15,470.00)	
Total General Fund	3,598,750.00	1,670,148.24	1,679,416.24	(249,185.52)	141,160.00
Total Expenditure	16,716,440.00	11,726,445.02	4,108,626.24	(881,368.74)	782,530.00

Agenda Item No 9

Executive Board

19 September 2022

**Report of the Corporate Director -
Resources**

Earmarked Reserves 2022/23

1 Summary

- 1.1 The Council holds a number of reserves to meet future expenditure, other than the General Fund and Housing Revenue Account. This report informs Members of the balances on these reserves at 31 March 2022, subject to audit.

Recommendation to the Executive Board

To note the reserves held at 31 March 2022.

2 The Purpose of Holding Reserves and Funds

- 2.1 The Council holds a number of reserves that have been earmarked for specific revenue and capital purposes and at 31 March 2022 these totalled £17.556 million. These reserves are held for a number of purposes, and in broad terms can be split into the following categories:

- External funding which has been received for specific activities, which has not been spent in the year of receipt;
- Growth approved, which has not yet been spent;
- Resources set aside as contingency sums;
- Resources set aside for general capital spending or the replacement of specific assets; and
- Funding earmarked for other reasons, such as timing differences, to smooth expenditure between years, or to progress specific projects.

... Appendix A sets out in more detail the purpose and amount of these reserves held.

3 Movement on Revenue Reserves in 2021/22

- 3.1 During 2021/22, expenditure of £11.990 million was funded from revenue reserves, whilst income of £3.914 million went into reserves. In Appendix A the reserves are grouped into the categories highlighted in paragraph 2.1, and each of these categories is dealt with below.
- 3.2 The use of ‘reserves holding external funding for specific activities’ related to some expenditure on the progression of community development schemes, homelessness prevention and financial inclusion work and one public estate work. Some funding was also transferred into the General Fund to support the budget as previously agreed. Grant and other external funding going into these reserves amounted to £420,000 at the end of the year, with the majority of funding received for homelessness schemes, new burdens support for grant work undertaken and funding for covid work.
- 3.3 There was limited spend from reserves for ‘approved growth not yet spent’ on work related to HS2, support for community hubs and environmental issues.
- 3.4 The Business Rate Volatility Reserve is held to manage the risk of changes to the business rates received and the timing of transfers from the Collection Fund. Once individual years have been finalised, the funds are available for use. Transfers were made during the year to support the General Fund and to set aside funds to support future capital schemes, in line with the approved estimates. The remaining balance will be used to support the General Fund in future years, in line with the Medium Term Financial Strategy.
- 3.5 Within ‘Other reserves’, spending amounted to £4.023 million. Of this £3.361 million related to spending on repairs and maintenance on the Council’s housing stock. Other significant spending related to spending required following the transfer of the Borough Care Service to Warwick District Council and the planned use of the HRA reimbursement to the General Fund. Contributions into these reserves amounted to £3.494 million in total. Again, the largest element of this related to the annual contribution of £3.361 million going into the Housing Repairs Fund. Other amounts set aside into reserves related to the annual repayment of service loans into the new initiatives reserve, a contribution to the QE Pitch contingency and some funding set aside to allow the continued staffing of the CCTV system in 2022/23.

4 Movement on Capital Reserves in 2021/22

- 4.1 During the year, income of £11.746 million went into reserves held for capital purposes. Of this, £4.793 million, related to the funding allocated for the housing capital programme and funding earmarked for council house new build. In addition, funding of £6.931 million was transferred from the Volatility Reserve to support capital schemes as agreed in the budget process. Some revenue funding was set aside for the replacement of leisure equipment.

4.2 Within the year reserves of £7.981 million were used, with £6.775 million used to fund housing capital expenditure. Reserves were also used to fund spending on the Materials Recycling Facility.

5 Proposed Use of Reserves in 2022/23

5.1 The use of some reserves in the current year is unknown, due to uncertainty over the outcome and timing of some projects.

5.2 However the main expenditure expected to be funded from reserves in the current year is indicated below:

- Expenditure on the Council's housing stock, using the Housing Repairs Reserve (revenue)
- Projects where specific funding has been received, eg homelessness, financial inclusion and individual electoral registration
- The training reserves held for Staff and Member training may be needed to supplement the annual budget provision, depending on the development programme compiled
- Some reserves held for community projects, such as health and wellbeing and crime prevention.
- The insurance and sickness reserves will be used as and when they are needed
- Capital reserves will be used to support the agreed capital programme

6 Assessment of Risk when Establishing Earmarked Reserves

6.1 For the majority of earmarked reserves, there is little or no risk to the financial standing of the Council. Those established to manage the receipt of grant are generally clear, as expenditure is matched very specifically to the income available.

6.2 Reserves set up to manage timing differences similarly lead to little risk. Funds set aside for expected shortfalls are used to manage the risk to the base budget and are estimated using the best available information and with a view to the anticipated timeframe involved. For example, the VAT reserve held should cover the VAT that could not be recovered, should the Authority exceed its exempt limit, for one year. This would allow corrective action to be taken in a planned way.

6.3 Given the uncertainties around the transfer of business rates to local authorities, a reserve is held, which will give some funding to cushion any unexpected changes to how the schemes operate and to manage timing differences in transfers of business rates from the Collection Fund.

7 Report Implications

7.1 Finance and Value for Money Implications

- 7.1.1 Although the Council holds a number of additional reserves, these are earmarked for particular purposes. Some resources have been set aside to deal with new initiatives, but these will only provide one-off funding for schemes.

7.2 Safer Communities Implications

- 7.2.1 Funds held will contribute to meeting the objectives of the Council's priority of working with partners to tackle crime and anti social behaviour.

7.3 Environment and Sustainability Implications

- 7.3.1 These funds contribute to the ongoing provision of Council services but are one-off contributions to meet the costs of expenditure incurred.

7.4 Equality Implications

- 7.4.1 The Council is required to ensure it meets the requirements of the Equality Act 2010. The Act brings together all previous equality legislation and includes a public sector duty (the equality duty) replacing separate duties relating to race, disability and gender equality. The individual use of the reserves will need to include assessment of the equality implications and any adverse impacts which may arise. The uses of reserves identified in Appendix A will include a number of positive contributions in terms of the equality duty including the community and economic development projects, homelessness, benefits and outreach and access to services.

7.5 Risk Management Implications

- 7.5.1 The Council assesses the risks involved in setting up any earmarked reserves, and agrees action, where appropriate.

7.6 Links to Council's Priorities

- 7.6.1 The use of reserves assists the Council on maximising its use of resources.

The Contact Officer for this report is Sue Garner (719374).

EARMARKED RESERVES FOR REVENUE PURPOSES*EXTERNAL FUNDING RECEIVED FOR SPECIFIC ACTIVITIES*

Purpose of Reserve	Balance March 2021 £000	Contribution to Reserve	Use of Reserve	Balance March 2022 £000
Community and Economic Development Projects – funding received for sport, health, crime and disorder, economic development, High Street Innovator grant and other community projects.	88		16	72
Planning – to be used to progress the delivery of housing sites and to maintain a Brownfield Site Register	231	10		241
Homelessness – towards homeless schemes within the Borough and the operation of Watling street	525	253	221	557
Environmental Sustainability - received towards work on climate change	28			28
Benefits – for benefits initiatives and to promote anti fraud campaigns	363		93	270
COMF Funding – to support COVID-19 outbreak management activity	-	45		45
New Burdens – received for council tax and welfare reform	197	112	164	145
Transparency and Digital Experts – grant funding to improve information for residents	5			5
Other – Funding for one public estates, veterans and the registration of electors	104		13	91
TOTAL	1,541	420	507	1,454

APPROVED GROWTH NOT YET SPENT

Purpose of Reserve	Balance March 2021 £000	Contribution to Reserve	Use of Reserve	Balance March 2022 £000
Outreach and Access to Services –funding set aside for community projects	17		8	9
High Speed 2 – one off funding approved for costs associated with HS2	34		23	11
Environmental Issues -	26		16	10
Health and Wellbeing – funding to be allocated by the Working Party	29			29
TOTAL	106	-	47	59

CONTINGENCIES

Purpose of Reserve	Balance March 2021 £000	Contribution to Reserve	Use of Reserve	Balance March 2022 £000
VAT – If the Council goes above its deminimis level, it will not be able to reclaim all its VAT. The reserve has meant that provision is not needed in the annual revenue budget.	90			90
Business Rates Volatility – in case costs change when further detail of the local business rate scheme is known	12,006		7,413	4,593
TOTAL	12,096	-	7,413	4,683

OTHER

Purpose of Reserve	Balance March 2021 £000	Contribution to Reserve	Use of Reserve	Balance March 2022 £000
Local Development Framework –Planning fee income set aside to support the Local Development Framework and Conservation Study work.	34	10		44
Housing Repairs Fund – The Council undertakes general repairs and maintenance on its housing stock and this fund contributes to the costs of these repairs.	1,174	3,361	3,361	1,174
New Initiatives / One off growth – This reserve is to provide ‘pump priming’ for the initial costs that arise from new initiatives, which will ultimately reduce existing costs. Savings achieved will be used to repay the contribution from the reserve, so that other services will have similar opportunities to implement new schemes. Some funding has also been set aside for one off growth items.	513	19	423	109
Community Development Schemes - funding set aside for social inclusion schemes involving health.	7		2	5
Green Space Strategy – Some funding set aside to enable tree works and a review of the grounds maintenance service. The remainder to progress actions identified within the Green Space Strategy action plan.	21			21
Crime and Disorder – funding for crime prevention work with partners.	24		6	18
Maintenance of Council Assets – the Council has to carry out revenue repairs and maintenance on an ongoing basis to its property, vehicles and other facilities. Funds have been set aside to provide funding for unexpected and non-regular repairs.	192	18	49	161
QE AGP – Contingency funds held as part of the joint working arrangement with the school	38	31		69

Purpose of Reserve	Balance March 2021 £000	Contribution to Reserve	Use of Reserve	Balance March 2022 £000
Training – The maintenance of this reserve has allowed fluctuations in annual training to be managed, so that training and development is provided when required rather than when funding is available.	106			106
Consultation – There is continuing pressure to consult with residents of the Borough and service users. The requirement to consult varies from year to year and the reserve allows fluctuations between years to be managed, without affecting other revenue spending.	43		21	22
Amenity Cleaning – Additional provision approved for this service has not been spent to date and has been set-aside to cover future work.	50		25	25
Advertising and Promotion – Leisure services and recycling	52		17	35
CCTV Staff Reserve – to cover staffing costs in 2022/23		27		27
Community Fund – for Community projects identified within wards	145		45	100
Insurance – to cover the additional excess costs borne by the Council, as a result of increasing the levels, to take advantage of lower premiums	73	12	7	78
Financial Systems – to cover the professional fees required to update the financial management and capital accounting systems	40			40
Miscellaneous – This covers a number of small reserves which do not fall into the other categories, including the sickness fund, flexible working, clean neighbourhoods	100	16	17	99
Development Control – To cover the use of professional advisors on planning applications	52			52
Broadband UK – year 1 funding has been set aside, as the scheme has taken longer to start than expected	12			12
HRA Reimbursement to General Fund	140		50	90
TOTAL	2,816	3,494	4,023	2,287

TOTAL REVENUE RESERVES	16,559	3,914	11,990	8,483
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EARMARKED RESERVES FOR CAPITAL PURPOSES

CAPITAL SPENDING / ASSET REPLACEMENT

Purpose of Reserve	Balance March 2021 £000	Contribution to Reserve	Use of Reserve	Balance March 2022 £000
GF Capital – this reserve is used to fund capital expenditure on General Fund schemes, eg works on Council buildings or the replacement of software.	77	6,931	1,150	5,858
Play Area Replacement – revenue funding is set aside each year, to ensure there are sufficient resources to replace the refurbished play areas in the future	382		5	377
Equipment Replacement - This sum has been earmarked for the future replacement of PCs, leisure equipment, recycling bins and CCTV equipment.	191	22	51	162
Vehicle Replacement – some funding has been set aside for the replacement of the refuse vehicles originally purchased by WCC	90			90
Pool Reserve (Lottery) – as part of the award of lottery funding towards the refurbishment of Atherstone Pool, the Council agreed to set aside some funds on an annual basis towards the replacement of the plant within the facility	210			210
Housing Capital – this reserve is used to support the capital programme for Housing schemes.	2,459	3,538	5,003	994
Housing New Build – resources set aside for new build schemes	363	1,255	1,772	(154)
Major Repairs Reserve – The Major Repairs Allowance is to fund capital expenditure on the Council's Housing Stock.	1,536			1,536
TOTAL CAPITAL RESERVES	5,308	11,746	7,981	9,073

Agenda Item No 10

Executive Board

12 October 2022

**Report of the
Corporate Director – Resources**

Financial Strategy 2022 - 2027

1 Summary

- 1.1 This report summarises the Authority's Financial Strategy, projects forward the Authority's General Fund budgets to 2026/27, and suggests a budget approach for the 2023/24 General Fund Budget.

Recommendation to Council

- a That the Financial Strategy shown as Appendix A is approved;**
- b That the General Fund budget projections for 2022/23 to 2026/27 be noted; and**
- c That the budget approach, set out in section 8 of this report, be adopted.**

2 Introduction

- ...
2.1 The Council has adopted a clear approach to managing its financial position over a number of years, and this is set out in Appendix A to this report.
- 2.2 This update to the financial strategy has reviewed the Council's position given current economic changes and reflects the main current financial pressures facing the Council. Economic uncertainty still exists, with the recovery of both the country and the Council unknown, making forecasting difficult.
- 2.3 The figures are intended to indicate the position in broad terms only. More accurate ones will be produced during the forthcoming estimate process. Updated forecasts for Capital and the Housing Revenue Account will be reported separately at a later date.

3 Review of 2022/23

3.1 In order to update the strategy, some areas of budget pressure currently being experienced have been reviewed. These are:

- Pay awards – the National Employers have made a final offer of a cash sum of £1,925 per full time employee from 1 April 2022. This exceeds the assumed increase included in the budget and will increase costs significantly in all years of the strategy
- Refuse and Recycling costs – there has been a significant increase in the disposal costs of recyclate and also an increase in the employee costs of running the services
- Planning income – the mix of planning applications is currently weighted towards small applications, which reduces the level of income expected to be achieved. However, the expectation of larger applications before the end of the year have mitigated the total reduction expected
- Leisure Facility Income – although attendance at the leisure centres is slightly ahead of the national trend, income generated is below the budget
- Recovery of Housing Benefit Overpayments – collection of overpayments is lower than anticipated. Collection to date has been affected by the administration of energy grant payments and work on new business rate reliefs, as well as the increasingly difficult circumstances faced by debtors due to the current economic position
- Utility and vehicle fuel costs – there have been significant increases in both areas. The timing of some renewal terms mean that the full increases will not be felt in the current financial year but will impact on future years.

3.2 Current monitoring has also indicated a few areas where an improvement in the financial position is expected. These are:

- Investment income - as interest rates rise, the Council is able to invest any funds it holds at better interest rates
- Amenity cleaning / grounds maintenance - services have been trialling different working arrangements, which have reduced costs
- Vacancies – these are currently above the level assumed in the budget
- A reduction in the support offered to voluntary organisations.

3.3 The 2022/23 original budget has been adjusted for the following changes:

	£000
Original Use of Balances	278,000
Pay award – additional costs	556,000
Additional costs on refuse and recycling	250,000
Planning Income – expected reduction	20,000
Leisure Income – expected reduction net of employee savings	100,000
Reduced legal cost income – CT	50,000
Reduced recovery of housing benefit overpayments	100,000
Increased utility costs	175,000
Increased fuel costs	65,000
Increase in investment income	(200,000)
Amenity Cleaning / Grounds Maintenance – reduced costs	(95,000)
Vacancies above vacancy factor – to August	(45,000)
Reduction in financial assistance to voluntary organisations	(20,880)
Total variations	955,120
Revised Expected Use of Balances	1,233,120

3.4 The anticipated amount to be taken from balances is expected to increase to £1,233,120, with the adjustments given in the table above. The anticipated opening General Fund balance for 2022/23 is projected at £1,804,000 and this has been used as the revised starting point for the updated forecast.

4 Budget Projections 2023/24 to 2026/27

4.1 Budget projections for 2023/24 onwards have been updated, using the major variances identified to date in 2022/23:

- It is assumed that pay awards for 2023/24 will be higher than the 2% previously used. Whilst measures will be taken to bring inflation down, there is likely to be continued pressure on pay rates to ensure compliance with the National Living Wage and from unions as pay restraint in previous years eroded public sector pay against the private sector. An increase of 4 % has been used in the latest forecasts
- The additional costs for Refuse and Recycling have not been built into this forecast of the budget in future years, as it is expected that the move to the Materials Recycling Facility should largely mitigate the current increase
- The full impact of rises in utility rates will be felt in 2023/24. The massive increases experienced this year will be built into base costs, with further annual increases of 5% built in for successive years. A 5% increase will also be built into fuel budgets
- A continued reduction in leisure income has been assumed albeit at a lower level, as some improvement in take up is anticipated
- Some improvement in recovery of housing benefit overpayments and receipt of legal cost income is expected. Although conditions for collecting debt are likely to remain challenging, greater focus will be placed on these areas

- Revised interest rates will be used in estimating investment income.

These areas will be revisited in the more detailed work carried out as part of the budget process

- 4.2 Growth is already included in 2023/24 for an additional refuse and recycling round, as the current service is expected to have insufficient capacity to accommodate the anticipated new properties in the Borough.
- 4.3 Legislation has been put forward which will increase planning fees. This still needs to go through the parliamentary process and the timing of the legislation is uncertain. It is anticipated that an increase will be in place for 2024/25, so some additional income has been assumed from that year.
- 4.4 The forecast has been summarised and is shown in the table below, together with the position expected when setting the budget in February 2022.

	2022/23 Revised £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Feb 22 spending requirement	8,663	9,010	9,388	9,728	
Current spending requirement	9,618	9,905	10,260	10,799	11,267

Annual spending is expected to increase over the strategy period by £1.649 million.

5 Sources of Funding

- 5.1 No further information on government grant, baseline funding or council tax has been received, so these income sources have remained as forecast in February. Individual funding sources are set out below.

5.2 Settlement Funding Assessment / Core Spending Power

- 5.2.1 The Settlement Funding Assessment is made up of two elements: Revenue Support Grant and Business Rates.
- 5.2.2 The government includes the Settlement Funding Assessment in calculating an authority's Core Spending Power. Our figures for 2022/23 are shown below:

	2022/23 £000
NDR Baseline Funding	1.922
Revenue Support Grant	-
Sub-total - SFA	1.922
Council Tax	4.728
NDR Multiplier compensation	0.158
New Homes Bonus	0.723
Services / Lower Tier Grants	0.218
Total	7.749

The Council had previously been informed of a negative RSG sum from 2019/20 onwards. However there have been government decisions each year not to deduct negative RSG. In calculating the Council's core spending power, the government assumed a £5 increase in Council Tax each year.

- 5.2.3 The government previously stated its intention to hold a new Spending Review in 2019, which was initially postponed to 2020 due to the political turbulence around Brexit. The Spending Review did not progress as expected due to the Coronavirus pandemic and one-year reviews have been used instead of multi-year settlements.

5.3 Business Rates

- 5.3.1 The 2022/23 business rates baseline has been used as a starting point for each year of the strategy, with an inflationary increase applied in each year.
- 5.3.2 The current system allows business rate growth above a set figure to be partially retained by the Council. Additional business rate income is managed through a Volatility Reserve, as there are timing delays before a final figure is known for each year. A national re-set of business rates planned for 2020/21 has not yet taken place. It is currently expected for 2023/24.
- 5.3.3 Business rates of £500,000 above the baseline have been included in 2022/23, and for each following year of the strategy. The £500,000 has been left in the budget for all years, as there is sufficient in the Volatility Reserve to allow this.

5.4 Government Grants

- 5.4.1 The New Homes Bonus figure included in the forecast is unchanged from that estimated in February. This reflects the current understanding that the New Homes Bonus scheme will be wound down, with the final payment received in 2022/23.
- 5.3.2 Lower Tier grant and Services grant have been provided for 2022/23. There is uncertainty over whether these will continue in future years, but given the loss of New Homes Bonus, the assumption has been taken that this level of funding will continue in some form.

5.4 Council Tax

- 5.4.1 In looking at the potential income from Council Tax, the likelihood of growth in the tax base is considered. It has been assumed that a proportion of new build will be achieved each year and a growth rate of 1.5% in the tax base has been used for future years when projecting the income from Council Tax.
- 5.4.2 In recent years, the government has assumed an inflationary increase when taking resource allocation decisions and calculating each authority's ability to spend. Going forward a £5 increase has been used in 2023/24 and in each following year.

- 5.4.3 Previous decisions to freeze Council Tax have an on-going and cumulative effect on the Council's financial position, and the impact of the decisions to freeze Council Tax in each year between 2011/12 and 2019/20 has been calculated. The annual income loss from 2023/24 onwards amounts to £967,244 per annum. Further freezes in Council Tax are not financially viable.
- 5.4.4 A Collection Fund surplus or deficit arises where there are a different number of properties coming into the tax base than estimated, where collection rates vary from the assumed rate, or as a result of changes to reliefs awarded throughout the year. Any surplus is paid over the following year, with deficits recovered in the following year. A deficit was anticipated in 2021/22 due to the impact of Covid but a surplus position was forecast in 2022/23, as the economy returned to more normal conditions. Whilst collection remains a challenge a surplus position is still expected, with further improvement in future years.

5.5 Expected Resources

- 5.5.1 Expected Resources from the sources covered above are set out in the table below:

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Council Tax	(4,784)	(4,965)	(5,150)	(5,340)	(5,534)
New Homes Bonus	(723)	-	-	-	-
Services Grant	(132)	(135)	(138)	(141)	(143)
Lower Tier Grant	(86)	(88)	(90)	(91)	(93)
RSG	-	-	-	-	-
Business Rates Baseline	(1,922)	(1,960)	(2,000)	(2,040)	(2,081)
NDR multiplier compensation	(158)	(158)	(158)	(158)	(158)
Business Rates - Additional	(500)	(500)	(500)	(500)	(500)
Collection Fund Surplus	(80)	(97)	(109)	(114)	(114)
Total	(8,385)	(7,903)	(8,145)	(8,384)	(8,623)

- 5.5.2 Even with Council Tax increases in line with government assumptions, overall resources are only expected to increase by £238,000 over the life of the strategy (see table above), due to uncertainties around business rates income and new homes bonus. This is significantly less than the expected increase in spending requirement of £1.649 million over the same period (see paragraph 4.5).
- 5.5.3 This level of income would require the use of balances set out in the table below. As this level of use is unsustainable, a plan to reduce expenditure or increase income is required and is shown in the table. Use of balances of £1.520 million would leave insufficient balances so it is proposed to fund the increased expenditure in 2022/23 from the Volatility Reserve. This does not remove the need for expenditure reductions but delays them until 2023/24.

	2022/23 Revised £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Use of Balances	1,242	2,002	2,115	2,415	2,644
Budget Reductions 23/24		(1,900)	(1,900)	(1,900)	(1,900)
Budget Reductions 24/25			(100)	(100)	(100)
Budget Reductions 25/26				(550)	(550)
Use of earmarked reserves	(1,242)				
Revised Use of Balances	278	102	115	(135)	94
Balances C/fwd	1,526	1,424	1,309	1,444	1,350

5.5.4 Reductions will need to be found in line with the table to ensure there are sufficient balances at the end of 2023/24 and each subsequent year.

6 Required Budget Reduction

- 6.1 In February, budget reductions of £1.25 million were needed to leave sufficient balances of £1.445 million at the end of 2025/26. The increased costs in the current year are significant and ongoing and will require greater budget reductions than previously anticipated. As set out in paragraph 5.5.3, a reduction of £2.55 million will be needed in the budget. This equates to a reduction of around 20% of the annual net budget.
- 6.2 The authority has already made significant reductions in its budget over recent years, taking out £6.7 million since 2011/12. Increased efficiency, streamlining the provision of services and some income generation has significantly reduced the impact on front line services to date. Taking out a further £2.55 million will be extremely challenging and will undoubtedly impact on the range and level of services that the Council is able to offer. The Council has statutory responsibilities and options for reducing net expenditure for both 2023/24 and subsequent years will need to take account of this.
- 6.3 The Council's continued financial viability is dependent on budget reductions being achieved to target in each of the years covered. The difficulty in finding reductions has become greater over time, but the current level of general balances means that there is only limited time available to make those reductions.

7 Potential Risk Areas

- 7.1 In preparing this forecast, a number of assumptions have been made and these have been set out in sections 4 and 5 of this report. Clearly, should these assumptions not materialise, there will be an impact on the figures. The main risk areas for this forecast are:
 - **Salary Increases** – union pressure is for pay awards to match inflationary rises and to address the erosion of real pay. Higher pay awards than included in the forecast would have an impact, given the

relative size of the payroll. Increasing the provision for pay awards in the forecast should mitigate this risk to some extent.

- **Utility / fuel costs** – the level of increases currently being experienced, together with the uncertainty over future supply and pricing are currently considered to be an increased risk.
- **Reduced Income** –the risk of an increased loss of service income is a possibility in the current economic climate.
- **Investment Income** – interest rates have started to rise and this continuation has been assumed in projecting forward expected investment income. Further changes to the economic position could pose a risk to the investment income assumed.
- **Settlement Funding Assessments** – no indicative figures have been provided for 2023/24 onwards. If the assumptions made in this forecast are materially different to settlements provided, then there will be an impact on the Council's financial position.
- **Business Rates** – the local retention of business rates brought uncertainty around the level of funding to be received on an annual basis. However, it has allowed some additional business rates to be retained by the Council. Although successful rating appeals are an ongoing risk, the greater risk is the expected re-set which is likely to remove the growth the Council has been able to retain.
- **Government Grants** – The strategy assumes 2022/23 will be the final year of the New Homes Bonus Scheme in line with current information, removing the risk in this area. However, assumptions have been made around the continuation of Services Grant and Lower Tier Grant, which is a risk to the Council's financial position.
- **Council Tax Support / Collection** – increases in take up of support will directly increase the costs of the Council. There are also risks around the non-collection of Council Tax, from those who have not previously been required to contribute and generally as a result of the current economic position.
- **Growth in the Borough** – if new homes and estates are delivered in line with expectations, there will be an impact on some Council services. Some funding has been included in the forecast for refuse and recycling, but the impact on services such as grounds maintenance has not yet been considered.
- **Council Tax Income** – a decision to freeze Council Tax will reduce the resources available to the Council on a permanent basis.

- 7.2 The potential impact of an improved or worse position for all four years of the forecast are shown in Appendix B (budget reductions of £2.55 million are included in each of the options). The increased use of balances / contribution to balances are summarised below:
- ...

Year	Worse Case £000	Most Likely Case £000	Best Case £000
2022/23	278	278	278
2023/24	712	102	(442)
2024/25	755	115	(628)
2025/26	535	(135)	(912)
2026/27	792	94	(732)

Changes in a small number of areas can materially impact on the expected use of balances in all of the years covered. These could affect the level of reductions required either favourably or adversely.

- 7.3 If the best case scenario occurred, the Council would be able to reduce the budget reduction target currently included within the strategy from £2.55 million to £1.75 million and achieve the same level of balances at the end of 2026/27.
- 7.4 If the worst-case scenario occurred there would be an additional call on balances. As the balances at 1 April 2023 are expected to be £1,526,000, the Council could manage the worst case in 2023/24 but would need further budget reductions of around £1 million in the following years to ensure that balances were at an acceptable level at the end of 2026/27. Finding budget reductions earlier is beneficial to the Council's financial position.

8 Budget Approach 2023/24

- 8.1 As mentioned earlier, a number of areas have already been identified as potential reductions, and these are in the process of being reviewed. However the increased reduction in expenditure needed will need a wider review of available reductions, with consideration of statutory obligations. Any delay in finding reductions will put pressure on the financial viability of the Council.
- 8.2 A firm stance should be taken in order to limit the level of growth approved in 2023/24, as any further expenditure will increase the need to draw from balances. Only growth that cannot be statutorily avoided or would expose the Council to an unacceptable level of risk should the expenditure not be incurred, should be approved.
- 8.3 Whilst the use of earmarked reserves is a temporary solution, this only delays the need to reduce expenditure, it doesn't remove the need.

9 Conclusion

- 9.1 The Council could be faced with budget reductions ranging from £1.75 million to £3.55 million. The updated strategy includes a budget reduction requirement of £2.55 million over the next four years. Given the reductions already made over recent years, the Council will not be able to achieve the further reductions required without impacting on current service provision.

- 9.2 It is unlikely that all of the main risk areas will materialise at the same time, in any of the years highlighted above. The main areas of concern included in the risks around the financial position of the Council, are those of Business Rates, external funding, energy costs and pay awards.

10 Report Implications

10.1 Finance and Value for Money Implications

10.1.1 As detailed in the body of the report.

10.2 Environment and Sustainability Implications

10.2.1 Continuing the budget strategy will allow the Council to manage its expected shortfall in resources, without disruption of essential services.

10.3 Equality Implications

10.3.1 Any proposed changes or reductions in services will be subject to equality impact assessments to identify if there is any scope for adverse impacts.

The Contact Officer for this report is Sue Garner (719374).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
Executive Board – Agenda Item 10	Corporate Director Resources	General Fund Revenue Estimates 2022/23 and Setting the Council Tax 2022/23	14 February 2022

1 Introduction

- 1.1 The purpose of the Financial Strategy is to set out the broad financial framework that the Council will operate within, during the next four financial years. A four-year period has been used, as this normally permits reasonably robust financial forecasts to be produced. A longer period would require more speculative forecasts. However changes to the external funding regime and the difficult economic environment have increased the uncertainty over the resources available to the Council during the strategy period.
- 1.2 By using a medium term approach, the Council can ensure that financial and service decisions can be taken in a structured and proportionate way. Short-term policies are not adopted without identifying what the medium term implications of those decisions are.
- 1.3 The strategy covers all revenue and capital activity, although some individual sections may be specific to a particular type of spending only. Areas covered are:
 - **General Fund Activities** – these are the majority of the day to day activities carried out by the Council, such as refuse collection and the payment of benefits
 - **Housing Revenue Account Activities** – these relate to the management and maintenance of the Council's housing portfolio
 - **Capital Spending** – this is spending that provides benefits over a period of 12 months, such as the purchase of vehicles or equipment

2 Linking Resources With Corporate Priorities

- 2.1 The Council has identified a number of priorities and these are given in its Corporate Plan. In arriving at the priorities, external influences are taken into account. Other factors such as legislative changes and reward incentives are also considered.
- 2.2 The Corporate Plan and associated Financial Strategy are reviewed and updated on an annual basis, before the start of each new financial year. A further review of the Financial Strategy is also carried out part way through the year, to ensure that changing circumstances are taken into account in carrying out the full review.
- 2.3 As in previous years, the approach is to use the current financial year as a base position, inflate this to the price base of the budget year, and add known unavoidable spending pressures. This is then measured against the projection of available funding to determine affordability. The package of measures required to balance the two form the financial strategy for the budget year.

3 Economic Forecast

- 3.1 Both general inflation and specific areas of increase affect the spending of the Council. There are two main indices for measuring household inflation: the Consumer Price Index (CPI) and the Retail Price Index (RPI). The Council reviews these indices when it is assessing the level of inflation to be included in its financial strategy.
- 3.2 Specific areas of increase are considered separately and individual rates of increase used to reflect prevailing market conditions, where they are significantly different to the general rate of inflation. These are assessed on an annual basis and depending on economic conditions, may include:
 - Employee costs – pay awards and pension costs;
 - fuel and energy costs;
 - investment rates.
- 3.3 The National Employers have put forward a final pay offer of a flat rate increase of £1,925 per full time employee for the unions to consider and this will need to be built into employee budgets for 2022/23 onwards. This is the largest element of expenditure and will have a significant impact on the Council's budgets.
- 3.4 Inflation is currently running at significantly higher levels than have been seen in recent years. The impact in 2022/23 is being assessed and will be used to determine inflationary increases elsewhere in the budget later in the year.

4 Demographic Factors

- 4.1 Demographic factors can affect the Council's planning in a number of ways:
 - Changes in the number and value of households can affect the tax base used in calculating Council Tax
 - The characteristics of the population, and households, influences the type of services provided
 - The level of demand for services can be affected by changes in either of the above.
- 4.2 The population of the Borough currently stands at 65,452 and has been subject to limited change over recent years. The Financial Strategy has assumed only limited impact as a result of changes, around the collection of domestic refuse and recycling.
- 4.3 The Council Tax Base has remained fairly consistent over a number of years, with only small increases. Following a review of the potential new build in the area, the Financial Strategy has assumed an increase of 1.5% in the tax base for 2023/24 and following years, although there will be some movement depending on the Council Tax Support scheme adopted.

5 General Fund Activities

5.1 Settlement Funding Assessment

- 5.1.1 The government decides on the level of funding to be allocated to local authorities for their General Fund activities, and then currently allocates this funding between authorities using a formula calculation called the Settlement Funding Assessment.
- 5.1.2 The Settlement Funding Assessment is made up of two elements: Revenue Support Grant and Business Rates. As the Business Rates element is fixed, other than for inflationary increases, any reduction in the Settlement Funding Assessment is taken out of Revenue Support Grant.
- 5.1.3 Figures are not yet available for 2023/24 onwards, so our latest projection has assumed some elements of the 2022/23 assessment will continue and some will disappear. An inflationary increase has been assumed for those which are anticipated to remain. A Fair Funding Review is currently in progress, so the position going forward may change.

5.2 Business Rates

- 5.2.1 Local authorities retain a proportion of the business rates they collect. The Secretary of State announced a baseline funding level of £1.921 million for North Warwickshire for 2022/23. As we are required to pay a business rate tariff of £15.346 million in 2022/23, we need our local share of business rates to come to £17.267 million, in order to achieve this level of funding. No announcement has been made on the baseline funding level for 2023/24, so 2022/23 levels have been assumed going forward, with an annual increase for inflation.
- 5.2.2 Business rates, including the tariff payable, will be increased by inflation each year. If the business rates in our area fall due to business closures or rating appeals, we may not achieve our baseline funding level. This would impact on our financial forecasts, reducing the level of balances we hold. The operation of a national safety net system would provide provision when the Authority's baseline funding fell by 7.5%. If additional business rates are collected, they are allocated 50% to the government, 10% to Warwickshire County Council, and 40% to this Council. We are required to pay a levy of 50% on the additional rates retained by this Council.
- 5.2.3 The Council chose to become a member of the Coventry and Warwickshire Business Rates Pool. This Local Pool agreed a safety net provision at a 5% loss of baseline funding, which would benefit the Council in the event that business rates fall. If business rates increase, the Pool will have a lower levy rate than the Council, of around 10%, allowing the Pool to keep more of the increase.

5.3 Council Tax Base

- 5.3.1 The Council's tax base reduced significantly in 2013/14, following the introduction of a local Council Tax Support scheme, in place of the previous national Council Tax Benefit system. The scheme requires some residents to

pay council tax, who previously had no liability. The Government offered councils a transitional grant in 2013/14, if they restricted the maximum payment by previous Council Tax Benefit claimants to 8.5% of their council tax bill. The Council opted to take the transitional grant and also revisited the collection rate, which was revised downwards to 98%.

- 5.3.2 The transitional grant was for 2013/14 only, so the Council needed to agree a Council Tax Support scheme for 2014/15 onwards. The decision was taken to retain the maximum payment required at 8.5% in 2014/15 although there was no grant to offset the cost to the Council. This decision has been revisited on an annual basis since then and has remained at 8.5%.
- 5.3.3 Although the Council usually exceeds its target collection rate, a small margin for non-collection allows some room for other variations during the year. Any additional funds are then distributed in the following year. Additional funds reduced due to the impact of Covid, but this position is expected to improve provided the economic recovery continues.

5.4 Council Tax

- 5.4.1 The Council attempts to balance the need for retaining an affordable council tax, with the retention of services. This is increasingly difficult with current financial constraints, including the pressures of government funding levels, limited income raising opportunities, economic pressures and rising expectations.
- 5.4.2 Decisions to freeze council tax between 2010/11 and 2019/20 had an on going and cumulative effect on the Council's financial position. Grant funding received towards tax freezes have generally been time limited, whereas the tax base is reduced permanently.
- 5.4.3 In 2019/20 the government brought in a requirement for proposed increases above the maximum increase of 2% (or £5 for District Councils) to be subject to a local referendum. This level is still to be confirmed for 2023/24. The current forecast has assumed a council tax increase of £5 per annum in 23/24 and the following three years.

5.5 Fees and Charges

- 5.5.1 The Council has tended to increase fees and charges for inflation, on an annual basis. Any other changes have tended to be on an ad hoc basis. Demand for some services is expected to change going forward, as a result of changes in the economic situation. This will be taken into consideration in the review of fees and charges during the detailed work in the 2023/24 budget.
- 5.5.2 The ability to generate income from other areas continues to be reviewed as part of the ongoing exercise to reduce the Council's required budget.

5.6 Growth Areas

- 5.6.1 Given the Council's existing financial constraints, a strong approach is taken with growth areas. In general terms, growth will be allowed if one of the following conditions is met:
- **Statutory Need.** Where the Council needs to spend resources in order to comply with statutory requirements
 - **Invest to Save.** Where services can demonstrate that an initial outlay will generate additional income or reduced costs in the future, an advance from an earmarked reserve held for this purpose will be made.
 - **External Funding.** Services are encouraged to look for external funding to support service development and enhancement. However the impact of ongoing costs against potential one off funding is always considered.
 - **Efficiencies.** The Council looks for efficiencies in service provision, to contribute to savings targets, or reallocate resources to other priorities.

5.7 Approach to Budget Reductions

- 5.7.1 The Authority includes the requirement to find budget reductions in its financial strategy. However whilst unidentified reductions are built into financial projections over the medium term, only identified reductions are included in the detailed budget put forward for approval for the coming financial year. This is part of the management of financial risks, and gives greater assurance around the approved budget, and the medium term position.
- 5.7.2 As the council looks for specific reductions in advance of setting the budget for the following year, work on finding savings for 2023/24 will be carried out in 2022 during the production of that budget. Only those found will be included. Where possible the reductions will be brought in earlier, during 2022/23, as this will give a beneficial impact on balances. The reduction target for 2023/24 is £1 million. If this target is not found, it will need to be reflected in the financial strategy for future years.
- 5.7.3 Any proposed changes or reductions in services will be subject to equality impact assessments to identify if there is any scope for adverse impacts.

5.8 General Fund Balances

- 5.8.1 One of the Council's aims is to have a balanced budget. However this does not require a balanced budget in each financial year, the aim is to ensure that services are adequately funded over the medium term.
- 5.8.2 The current policy for general balances is to retain minimum working balances of around £1.4 million on the General Fund. The risk assessments, which support these requirements, are updated on an annual basis as part of the budget process. This allows detailed consideration of changing economic conditions and other potential high risks.

5.9 Budget Process

- 5.9.1 The budget process operates throughout the year, with the budget strategy updated twice per year. The financial forecast produced in September provides

the context for the more detailed four year budget approved in February, as part of the Council Tax Setting process.

- 5.9.2 In the event of potentially significant changes to the Council's financial position, the Corporate Director - Resources will assess whether additional updates of the financial strategy are needed.

5.10 Budget Consultation

- 5.10.1 The Council consults on how it spends its resources on an annual basis. A meeting with business ratepayers is held every year, whilst other ad hoc consultation is carried out as required.

6 Housing Revenue Account

6.1 General Balances on the Housing Revenue Account

- 6.1.1 The Council aims to have a balanced budget on the Housing Revenue Account. Again this does not require a balanced budget in each financial year; the aim is to ensure that services are adequately funded over the medium term.
- 6.1.2 The current policy for general balances is to retain minimum working balances of £500,000 - £750,000 on the Housing Revenue Account. The risk assessment, which supports this requirement, is updated annually as part of the budget process. This allows detailed consideration of changing economic conditions and other potential high risks. Given the greater risks that will be faced by the council as a result of welfare reform, an increased requirement to hold general balances may be needed.

6.2 Housing Business Plan

- 6.2.1 To ensure the continued management and maintenance of North Warwickshire's housing stock, both Members and officers need to take decisions on a long term basis. For example, we need to build up surpluses to fund the capital expenditure needed later in the Business Plan. The impact of decisions taken is fundamental to the sustainability of the Business Plan.
- 6.2.2 The Business Plan currently assumes that the authority continues to increase rents in line with government policy. This includes the return of national rent policy to assumed rent increases of CPI + 1% per annum. Potential changes to the national rent policy are currently the subject of a consultation exercise, so this position may need to change.
- 6.2.3 Further detail around the management and maintenance of the Council's housing stock is given in the Housing Business Plan.

7 Capital Programme

7.1 Capital Funding

- 7.1.1 The Council projects its expected resources over both a three and ten-year period. These include receipts from the sale of council assets, revenue funding used to support capital expenditure and anticipated contributions from third parties. Funding from the government is also considered. Specific grant is received towards the cost of Disabled Facility Grants.
- 7.1.2 Given its restricted resources, the council prioritises capital schemes, to enable it to carry out all essential spending.
- 7.1.3 There are a number of funding issues which need to be addressed moving forward and these will be considered in future updates of the Capital Strategy. The Capital Strategy gives further detail on the allocation of capital funding.

7.2 Interaction between Revenue and Capital Spending

- 7.2.1 Many capital schemes will impact on the revenue budget. This may be due to ongoing maintenance costs which are incurred following the acquisition of an asset or may be related to the cost of repaying loans taken out to finance capital expenditure, or the loss of investment income if internal loans are used.
- 7.2.2 In assessing bids put forward for inclusion in the capital programme, the impact of capital spending on the revenue budget is examined.

8 Efficiency Agenda

- 8.1 All councils are required to demonstrate Value for Money. The Council doesn't set targets for individual services, as it recognises that efficiency savings can take longer to generate in some services.
- 8.2 Officers look for efficiencies in order to assist in achieving the budget reductions required as part of the financial strategy. In addition transformation reviews are carried out on individual services and procurement activity is monitored.

9 Treasury Management

- 9.1 This is the management of the Local Authority's cash flows: its banking, money market and capital market transactions. The Council has adopted a Treasury Management and Annual Investment Strategy, which sets out a framework for its activity in these areas. The current Strategy aims to minimise risk by putting greater emphasis on security and liquidity. Once risk has been minimised, the Council will maximise performance wherever possible, within existing controls.
- 9.2 As highlighted in the Treasury Management Strategy, the Council has a borrowing requirement of £59.975 million. The HRA has external borrowing of £46.291 million, whilst the General Fund has internal borrowing of £13.054 million. Internally borrowed funds come from earmarked reserves held for future revenue and capital spending. As these resources are used, there will be a need for further external borrowing.

- 9.3 The government previously imposed a cap on an authority's total housing borrowing, which has now been removed. The Authority was below the cap, so investment and borrowing decisions were based on affordability within the HRA. This approach remains unchanged.
- 9.4 The Council has internal funds in excess of those needed to cover the internal loans. These are invested on the money market and generate investment income for both the General Fund and the Housing Revenue Account. The cash fund portfolio is managed internally, with advice from Link Treasury Services, the Council's treasury management consultants.

10 Earmarked Reserves

- 10.1 The Council holds a number of reserves that have been earmarked for specific revenue and capital purposes. Earmarked reserves are used to hold:
 - Funding received in advance for specific initiatives;
 - Funding set aside for specific services, where the timing of demand can vary;
 - Funding set aside for the future replacement of assets or other capital expenditure;
 - Funding held to enable the Council to manage specific risks; and
 - Funding where work has been delayed.
- 10.2 For the majority of earmarked reserves, there is little or no risk to the financial standing of the Council. Reserves set up to manage timing differences or hold funding received in advance match expenditure to the income available. Reserves held to allow risks to the base budget to be managed are estimated using the best available information. A review of earmarked reserves is planned, so that previous priorities can be reassessed in light of the current financial position.

11 Risk Management

- 11.1 The Council has a Risk Management strategy in place which it uses to manage all of its risks, including financial risks.
- 11.2 A system of risk management has been established, which is operated by all services. This ensures that if there are significant changes in the level of risk to the Council from new legislation, or policy changes, they are considered and reported to Board. Any significant increase in financial risks will therefore be addressed during the year, if this is necessary.
- 11.3 In addition, the financial risks of individual services are considered during the budget preparation process by Service Boards, along with the related budgets. Annual risk assessments are undertaken on the level of balances for the General Fund and the Housing Revenue Account and considered at the same time as the budgets. This ensures that all current issues are included.
- 11.4 To assist with highlighting the impact of the potential risks, the major risks are assessed on differing risk levels, and these are included in reports to Board.

Appendix B

Potential Use of Balances

Best Case

	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Estimated Use of Balance	278	102	115	(135)	94
The introduction of a replacement scheme for New Homes bonus		(500)	(500)	(500)	(500)
Increased tax base (new homes) (0.5%)		(24)	(48)	(72)	(96)
Increase in investment income		(25)	(50)	(75)	(100)
Sustained improvement in planning income			(100)	(100)	(100)
Collection Fund Surplus doesn't fall as expected		(25)	(15)		
Additional staff vacancies		(30)	(30)	(30)	(30)
Potential Use of / (Cont to) Balances	278	(442)	(628)	(912)	(732)
Balances at Year End	1,526	1,968	2,596	3,508	4,240

Worst Case

	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Estimated Use of Balance	278	102	115	(135)	94
Business rate income at safety net		144	147	150	153
Reduction in tax base (0.5%)		24	48	72	96
Additional recycling costs		50	50	50	50
Planning income is not sustained		100	100	100	100
Reduction in service income		200	200	200	200
Inflation is 1% higher than assumed		92	95	98	99
Potential Use of / (Cont to) Balances	278	712	755	535	792
Balances at Year End	1,526	814	59	(476)	(1,268)

Agenda Item No 11

Executive Board

12 October 2022

**Report of the
Corporate Director Resources**

**Partnership Framework and
Significance Scorecard**

1 Summary

- 1.1 The Council has a number of arrangements in place around partnerships, but a Framework will formalise and extend the process which the Council has had in place for some time with regards to partnerships. It provides a process which protects the Council's interests and helps it to engage in a process which is open and transparent.

Recommendation to the Board

**To approve the Partnership Framework and Scorecard attached to
this report.**

2 Introduction

- 2.1 The Council has had an informal process in place for a number of years for setting up and monitoring partnerships. An internal audit review of governance arrangements suggested that a more formal process would help to ensure that all partnerships are assessed consistently, with appropriate controls put in place, and a record held of the purpose and duration, so they are managed appropriately.

3 The Framework

- 3.1 The Framework, shown at Appendix A, proposes the adoption of the following definition of a partnership:

"An agreement between the Council and one or more independent legal bodies, organisations or individuals to work collectively to achieve a common purpose with specified aims and objectives."

- 3.2 The Framework sets out areas to be considered in deciding whether to pursue a partnership arrangement and in assessing the potential benefits of the partnership. A methodology for assessing the significance of the partnership is set out in the framework, using a scorecard approach.
- 3.3 The Framework sets out minimum arrangements that all partnerships must have in place and suggests areas to be considered in reviewing partnership arrangements.

- 3.4 It is proposed to vary the required governance arrangements depending on the significance level of the partnership, with Board approval required for those partnerships that have a major significance for the Authority. Responsibility for reviewing partnerships would also vary in line with the partnership's significance.

4 Report Implications

4.1 Legal and Human Rights Implications

- 4.1.1 There are a number of legal bases on which the Council can enter joint working or partnership arrangements, including delegation of functions to another authority, establishment of a joint committee, contract, formal partnership agreements and under a memorandum of understanding. The Council currently participates in a wide variety of arrangements including each of those listed. Determining the appropriate type of arrangement is dependent on the specific purpose concerned, the duration, value and available options for delivery.
- 4.1.2 The framework proposed will assist the Council in determining the correct arrangement in any particular case, together with the appropriate level of approval required, in addition to monitoring the matters set out in the body of this report.

4.2 Risk Management Implications

- 4.2.1 Following a structured approach in assessing and setting up partnerships will help the Council to ensure that they are appropriate and fit for purpose and continue to add value over time.

4.3 Links to Council's Priorities

- 4.3.1 The framework will assist the Council in ensuring it uses resources efficiently.

The Contact Officer for this report is Sue Garner (01827 719374).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

1 Background

- 1.1 In recent years, partnership working on specific projects and in delivering services has increased. As a result, our communities have benefited from better services through sharing resources, expertise and flexibility. However, as well as the many benefits that collaboration can bring there can also be difficulties.
- 1.2 This guidance has been developed to support the planning and delivery of effective partnership working and to ensure that any partnerships we are involved in are managed with appropriate governance arrangements. It contains advice on what should be taken into consideration when entering into a new partnership or reviewing an existing one as fit for purpose.

2 What is a Partnership

- 2.1 North Warwickshire Borough Council (NWBC) has adopted the following definition of a partnership:-

“An agreement between the Council and one or more independent legal bodies, organisations or individuals to work collectively to achieve a common purpose with specified aims and objectives”.

- 2.2 Specifically excluded from the definition of a partnership are:-
 - Contracts where NWBC is simply paying for the delivery of a service;
 - Grant funding arrangements;
 - Networking or information sharing functions;
 - Appointments to outside bodies where the Council has no strategic or policy function;
 - Consultation forums and lease arrangements;
 - Service level agreements; and
 - Shared service arrangements with other councils or public bodies e.g. management of Revenues and Benefits, as these are managed via a formal written agreement.
- 2.3 The excluded items still represent important delivery mechanisms for the Council. They will therefore require an appropriate level of governance. The governance arrangements must comply with Contract Standing Orders and Financial Regulations and will need to reflect the governance requirements set out in this framework. In addition, the performance of such arrangements may be monitored by Councillors through the Board process.

3 Deciding on the need for a Partnership

Rationale for the partners

- 3.1 Some partnerships are statutory but others are voluntary. For all voluntary partnerships, the lead officer must make a case for involvement and outline the benefits that partnership working will bring. It must be clear as to why the

partnership exists and what the aims and objectives of the partnership are, and these must be consistent with the key aims and priorities of North Warwickshire Borough Council (NWBC).

- 3.2 The following questions will provide a structured process in developing a business case.

Why is there a need for the partnership?

- Is there sufficient justification?
- What are the anticipated outcomes?
- Is this the best way to meet an objective?
- Could it cause duplication? i.e. a similar or more suitable forum already exists
- Have all other delivery options been considered?

Is the collaboration a true partnership?

- Does it meet the definition of a partnership as defined in this guidance?

What is the legal status of the partnership?

What are the intended objectives of the partnership?

- How will these align with the Council's own key aims and priorities?

What resources might be required?

- Be clear and realistic about the level of resources that may need to be allocated to the partnership
- Will there be an impact on other Council services?
- Will the partnership add value and improve the quality of public services?

What are the potential risks?

- Has a risk assessment been carried out?

Who are the key stakeholders?

Initial Agreement

- 3.3 All business cases will need to be submitted to the Chief Executive or relevant Director for an initial agreement. Once agreed, the partnership will have to be assessed to establish its significance.

4 Classifying the Significance of a Partnership

- 4.1 The scorecard at Appendix 1 sets out the criteria used to assess the significance of each partnership. These are:-
- Partnership costs;
 - The relationship to the Corporate priorities;
 - The consequences of the partnership failing;
 - The decision making responsibilities of the partnership;
 - The statutory or regulatory context; and

- The extent to which the partnership helps to mitigate an operational or strategic risk.
- 4.2 A score of up to 50% will assess the partnership as having limited significance; 50%-70% moderate significance and over 70% major significance. The corporate governance arrangements required is very much dependent upon the outcome of this assessment.

5 Approval

- 5.1 Partnerships with limited significance can be approved by the Chief Executive or relevant Director. Those with moderate significance require approval of the Management Team and those with major significance require a formal report to the relevant Board or Full Council. All approved partnerships must be recorded in the Council's partnership register, which is maintained by the Procurement Team.

6 Corporate Governance Arrangements

- 6.1 All partnerships **must** have, as a minimum, the following arrangements in place:-

Decision-making and meeting arrangements

In order to achieve its objectives, any partnership needs to have a clear and accountable decision-making process. Partners should agree:-

- The minimum number of attendees at meetings to make a binding decision (the quorum);
- How agreement will be reached (usually by a simple majority);
- How decisions will be made outside of meetings in an emergency;
- What will happen if agreement can't be reached (e.g. does the Chair have the deciding vote?); and
- Who will be responsible for minuting meetings and distributing paperwork?

Financial management

- All partnerships should exercise sound financial controls. Good controls include:-
 - Segregation of duties;
 - Transparency and accountability in budgeting and financial planning, accounting and financial transactions and reporting;
 - Establishing from the outset, levels of authority and signatories for financial transactions. For example, who is able to authorise payments;
 - Awareness of the terms and conditions attached to any funding received and ensuring that these can be met and reported upon; and
 - Producing regular financial reports.

Termination arrangements

Exit arrangements should be considered at the start of the partnership. The arrangements will depend upon the significance of the partnership but issues to be considered include:-

- What will happen to any employees working on behalf of the partnership? (i.e. redundancy implications)
- What will happen to any assets owned by the partnership?
- What will happen to any documentation and information held by the partnership?
- Is there a need to consult with stakeholders before withdrawing from or ending the partnership?

Complaints and Compliments

If more than one organisation is providing a service, it may not always be obvious who to contact. In some partnerships, it will be sufficient to use the existing procedures of the organisation to which the complaint or compliment relates. In others, partners may want to consider joint working protocols.

The following points of good practice are recommended when agreeing a complaints protocol:-

- The process should be clear and accessible to all groups of the community;
- Effective communication channels should be in place;
- Responsibilities for handling complaints should be clearly defined;
- Effective monitoring and review arrangements should be in place to identify learning points from complaint outcomes. Individual partners should have access to any evidence required; and
- Staff should be trained so that they understand the agreed procedures and have the right skills to resolve problems quickly.

6.2 The following arrangements will also need to be in place but on a sliding scale depending upon the significance of the partnership.

Agreements

Partners need to bring clarity to the governance of their collaboration. This requires agreement among them on purpose, membership and accountability, which should be documented in a partnership agreement. No single form of governing document is appropriate for all kinds of partnership. Each partnership must decide for itself what it needs, taking into account any legal requirements. The main elements to be considered are:-

- The name of the partnership;
- Aims and objectives;
- Membership, including status of different members and termination of membership, schemes of delegation;
- Powers;
- Roles;
- Income;
- Meetings: notice and frequency of meetings; minutes; quorum rules; chairing arrangements; voting arrangements; and representation of other members;
- Decision making processes (scope and timescales);

- Timescales;
- Amendments to the partnership rules;
- Complaints procedure;
- Insurance requirements and
- Exit strategy/arrangements for dissolution.

Performance management

Managing partnership performance is becoming increasingly important. Examples of good practice include:-

- An alignment between the partnership and corporate plans, targets and delivery;
- Formal arrangements for partnership representatives to report back on partnership activity, which focuses on outcomes;
- A process for monitoring and evaluating the effectiveness and impact of partnerships;
- Adequate use of SMART action plans, targets and key performance indicators;
- Opportunities to challenge the performance of partners; and
- Effective scrutiny arrangements.

Risk management

Typical risks associated with partnership working include:-

- Unclear governance arrangements;
- Unclear financial and legal liabilities;
- Service delivery failures;
- Differing cultures leading to poor relationships;
- Incompatible systems and processes;
- Failures of partners to perform;
- Lack of commitment from other partners and / or a failure of trust between them; and
- Changing Objectives of one or more partners.

7 Arrangements for Review

- 7.1 All partnerships will need to be reviewed and the scorecard at Appendix A states who is responsible for the review process. The level of review is dependent upon the significance of the partnership but the following are examples of what could be considered as part of the process.

Purpose

Does the Council continue to have clear and sound reasons for being involved in the partnership? Is it still appropriate for the Council to continue its involvement with the partnership?

Significance

Is the most recent assessment of the significance of the partnership to the Council still appropriate? Does it need to be updated?

Performance

How is the partnership's progress towards expected outcomes measured? What has the partnership achieved during the past year?

Financial

What is the current financial position of the partnership? Is the partnership delivering best value for the Council?

Governance Arrangements

Are appropriate governance arrangements in place? Are agreed policies and procedures being complied with?

8 Information sharing and data management

- 8.1 Where the partnership is processing personal data, it must do so in a way that complies with the General Data Protection Regulation, the Law Enforcement Directive and the Data Protection Act 2018, or their re-enactments.
- 8.2 The partners must identify which organisation owns the data and how it will be stored, retrieved, or otherwise processed. When sharing personal data the organisation requesting the data shall specify their legal grounds for processing the information. The disclosing organisation will identify their legal basis for disclosure and consider how to inform the data subject, if appropriate.
- 8.3 All personal data will be processed in accordance with the six data protection principles. Particular care will be taken to make sure that the partnership does not collect data that it doesn't have a genuine need for, and that data is disposed of securely when it is no longer needed.

9 Equality, Diversity and Inclusion

- 9.1 Employees entering into partnerships on behalf of the Council must consider and comply with the Corporate Equality Policy. Partnerships must show evidence that their services are accessible, inclusive and do not discriminate.

Partnership Name:

Please enter the score in the last column that most closely represents your partnership. Answer all applicable questions, using a score of 1,2,3,4 or 5

Impact No.	Description	Insignificant (Score '1')	Minor significance (Score '2')	Moderate significance (Score '3')	Major significance (Score '4')	Highly significant (Score '2')	Score
1	Partnership costs: the Council directly contributes money to the partnership, contributes resources (officer time / work done), or money is directed through the Council's accounts	<£50k	£50k - £75k	£75k - £100k	£100k - £500k	>£500k	
2	Relationship to the Corporate Priorities: to what extent is the partnership's success critical to the achievement of a corporate priority	Not linked to any corporate or divisional priorities	Indirect links to successful achievement of a corporate priority	Moderate contribution to successful achievement of a corporate priority	Significant contribution to the successful achievement of a corporate priority	Essential to successful achievement of 1+ corporate priorities	
3	What the consequences (financial / reputational / liability / political) for the Council of failures within the partnership?	Insignificant consequences	Minor consequences	Moderate consequences	Major consequences	Major significance	
4	Decision making: the partnership takes decisions on behalf or which are binding on the Council	Partnership does not take decisions on behalf of the Council	Partnership does not take decisions on behalf of the Council but Council representative with decision making authority attend the partnership and influence its recommendations	Partnership does not take decisions on behalf of the Council but Council representatives with decision making authority attend the partnership and agree to be bound by its decisions	Partnership does not take decisions on behalf of the Council but Council representatives with decision making authority attend the partnership and agree to be bound by its decisions	The Partnership has decision making responsibilities directly delegated to it from the Council / Executive Board	

Impact No.	Description	Insignificant (Score '1')	Minor significance (Score '2')	Moderate significance (Score '3')	Major significance (Score '4')	Highly significant (Score '2')	Score
5	Statutory or regulatory context: is the Council required to set up the partnership by law or in order to receive additional funding / meet a requirement of the assessment regime / statutory guidance	Not required by law or for funding	Limited links to successful achievement of funding	Indirect links to successful achievement of funding	Direct links to successful achievement of funding	The Council is required to participate in this partnership by law or to receive specific funding	
6	Risk: the partnership contributes to the management of risks identified on corporate or divisional risk registers	The partnership does not contribute to the management of high priority risks identified on corporate or divisional risk registers	The partnership indirectly contributes to the management of high priority risks identified on a divisional risk register	The partnership directly contributes to the management of high priority risks identified on a divisional risk register	The partnership indirectly contributes to the management of high priority risks	The partnership directly contributes to the management of high priority risks	
TOTAL							
HIGHEST POSSIBLE SCORE (No. of questions answered x 5)							
IMPACT SCORE (Total divided by highest possible score)							

Suggested Rigour for Levels of Significance	LEVEL 1 Limited Significance (0-50%)	LEVEL 2 Moderate Significance (50-70%)	LEVEL 3 Major Significance (70+%)
The partnership needs to be approved by	Director	Management Team	Board / Council
Review of partnerships	Management Team	Boards	Council
Ensure application of all key aspects of corporate partnership's governance toolkit	Advisable	Mandatory	Mandatory

Agenda Item No 12

Executive Board

12 October 2022

Report of the Director of Housing

**Asylum Seeker Accommodation
Dispersal Arrangements**

1 Summary

- 1.1 This report provides information about the Government's arrangements for accommodating Asylum Seekers. It sets out the implications of the change to a plan for the full dispersal for accommodation provision.

Recommendation to the Executive Board

That the model proposed by the West Midlands Strategic Migration Partnership set out at Table 2 be supported.

2 Consultation

- 2.1 All Local Authorities in the West Midlands area have been consulted about the model proposed by the Partnership. They have been asked to respond to the Partnership when they have considered the implications for their area.

3 Background – National Context

- 3.1 National arrangements for refugees and asylum seekers was reported to the Resources Board at its meeting on 20 June 2022.

3.2 Asylum seekers

The asylum accommodation system is under enormous pressure because of the sustained and significant increase in asylum intake over the last 12 months or so which together with the Covid-19 legacy measures placed unsustainable pressure on a limited number of authorities who are accommodating asylum seekers in their areas. As a consequence there are now around 30,000 asylum seekers being housed in temporary contingency accommodation such as hotels at a cost, we understand, of around £5m a day. The then Minister for Safe and Legal Migration, Kevin Foster MP wrote to all authorities expressing commitment to move to a fairer distribution of asylum seekers and that with immediate effect, all local authority areas in England, Scotland and Wales are expected to participate in a new system of full dispersal to allow the move from hotels to less expensive and more suitable dispersed accommodation.

The proposal was to achieve this through three key interventions:

1. To reduce and eliminate the use of hotels for asylum seekers by moving to a full dispersal model for asylum accommodation. This means expanding the existing approach of using private rental sector housing to all local authority areas across England, Scotland and Wales.
2. In May, following the local elections, the Home Office would launch an informal consultation with local government to inform how this model will work across England, Scotland and Wales and within regions and nations. The consultation was to explore how asylum dispersal can better take account of the other impacts on local authorities, of resettlement and the care of unaccompanied asylum-seeking children.
3. Providing specific funding to recognise the existing contribution of local authorities and for new dispersed accommodation. We will continue to work with local government to capture and evaluate data to understand the impact of asylum dispersal on local authorities going forward.

SERCO is the Government appointed agency delivering the full dispersal of asylum seekers. They are now actively seeking accommodation in all areas of the country and have a defined model to do so which is attractive to landlords and property owners. There is an expectation that local authorities will work to support local level plans to support full dispersal. Initial numbers allocated should delivered by December 2023. It is recognised that the market will be more challenging in some areas if the current Home Office/ SERCO model is used. Over time a place-based approach is proposed but the more immediate aim is to find accommodation urgently to reduce reliance on hotel accommodation. The key dates for the move to a full dispersal system are:

- Ministerial instruction received on the 13 April with LA funding agreed for 2022/23 financial year
- May Regional workshops & online informal consultation
- May/June 121 meetings with all new areas Serco progressing with procurement
- June Place based submission
- July Regional allocations deadline 7th September

3.3 Refugees

Over and above the challenges being presented through these new asylum dispersal arrangements, there remain other active pathways for migrants as follows:

- New arrangements are also in place for refugees from Afghanistan. They will be made 2 reasonable offers of accommodation by the Home Office. If these are refused, they will be expected to find their own accommodation or seek assistance from a housing authority.
- Government is seeking an increased commitment from local authorities to provide accommodation for refugees from Afghanistan.
- Arrangements for refugees from Ukraine are by way of sponsorship. Sponsors were asked to commit to provide accommodation and support for 6 months. Refugees from the Ukraine who have arrived with a visa as part of the Homes for Ukraine Scheme have permission to stay for 3 years and have full recourse to public funds. At the end of 6 months, they will stay with the sponsor, find their

own accommodation or seek housing from a Local Authority. A national exit housing strategy for these households is not in place.

- In addition to these groups Council are being asked to continue to support refugees from Syria and, where required, from Hong Kong.
- Whilst there are nationally prescribed arrangements in place for these groups there is an impact on all local services. There is additional pressure on the housing market, primary care, family support services and education.

4 Asylum Seeker Regional Allocations

- 4.1 Following a delay on the part of the Home Office, the West Midlands Strategic Migration Partnership received the regional asylum allocations at the beginning of August 2022. The information shared with us shows that the region currently receives 12.4% of all asylum seekers (excluding those in hotels). The Home Office have asked all Strategic Migration Partnerships to work with local authorities and the accommodation provider (Serco) to agree localised plans on how this percentage would be divided. They have asked for this to be signed off at Leader level and for these plans to be returned by the 7th September 2022.
- 4.2 The key points from the allocations are:
- There are 55,798 service users on asylum support currently in the UK This excludes those in hotels. Including hotels the number then rises to 88,466. The Home Office data suggests that by the end of December 2023 there will be 100,000 service users on support. They have not indicated how they see this split will be divided between the different types of accommodation.
 - The allocations and additional bedspaces required does not include those in hotels. Indicative national arrival numbers are provided to December 2023 following this only a % of routing to 2027.
 - In the West Midlands there are 7,086 service users on support in initial & dispersed accommodation (IA & DA). With hotels included the number rises to 9,749.
 - The % of asylum seekers currently routed to the region is 12.4% and the Home Office plan suggests that this % will drop to 10.6% by the end of December 2023. However, this is predicated on whether accommodation providers in other regions are also able to deliver against this plan.
 - Whilst the % of routing illustrated in the plan will reduce the actual numbers will increase. Our IA and DA is 7086. The Home Office require us to find an additional 3514 bedspaces by December 2023. This is a 49% increase.
 - We have not seen a hotel exit plan and additional bedspaces do not automatically result in the closure of local hotels
- 4.3 Following meetings of the Partnership and discussions with the Home Office a model has been proposed for the distribution of asylum seekers across the region.

4.4 The WMSMP data modelling developed looks at the following key principles:

- An upper limit for each LA of no more than 1 asylum seeker per 200 of the host population. The 1:200 rule is recognised by the Home Office and this would be an upper limit per LA regardless of the bedspace requests.
- A weighting to show that any LA that was at 75% of its 1:200 limit would see procurement stop in its area.
- LA's with contingency/hotel accommodation would see those bedspaces included as part of its 1: 200 figure.
- An additional weighting has been added to those LA's who have been dispersal areas since 1999. The weighting reduces the amount of procurement by half in these areas.

4.5 Each Authority is being asked:

- ✓ Whether it agrees with the regional approach being proposed.
- ✓ The Home Office have stated they require local authority agreement for this full dispersal proposal at Leader level. How it will formalise agreement for their area?
- ✓ To state timeframes for the above and dates for key approval meetings.
- ✓ Whether they have engaged with local MPs/ if so to confirm with who & that they are they aware of the implications in your local authority signing up to full dispersal of asylum seekers?

5 The Position in Warwickshire Authorities

5.1 The information shared by the County Council, which has a Resettlement Team leading on these arrangements, is set out at Appendix A. Asylum seekers are being accommodated in 3 hotels in the County – Rugby, Warwick & Stratford. In addition, a hotel is being used to accommodate unaccompanied children.

5.2 The proposed models are set out below and show:

Table 1: Regional allocations provided by the Home Office

Table 2: The Regional model which provides for the accommodation of the following numbers in Warwickshire by December 2023 - Rugby 298; Warwick 243; Nuneaton 138; Stratford 141; North Warks 67. These take into account contingency/ hotel accommodation as part of the model. These figures will be reviewed regularly and adjusted as the hotel numbers change.

Table 3: The modelling which provides for the 75% cut off - Support for the cut off at 75% of regional capacity of the 1:200

Table 4: The modelling which shows the weighted allocation. This model takes into account existing asylum dispersal areas.

It should be noted that the Home Office has expressed reservations about the deliverability of this model and is not recommending that contingency/ hotel accommodation is included in the proposed allocations.

5.3 There are number of key considerations:

- It should be noted the housing market in some areas may not readily provide for the numbers proposed using the current SERCO model of delivery. This means that they will need local support to find accommodation. It is likely that the current SERCO delivery model will not change to a placed based model for some time.
- There are increasing pressures on private rented sector and these arrangements will intensify them.
- The Home Office & SERCO have concerns that their current model will not deliver in some areas and they are undertaking market assessments to ascertain the likelihood of success.
- The current and increasing pressures on managing the demand from households in housing need and the recognised shortage of affordable housing.

Table 1 Regional Allocations

Region	Jul 2019 Baseline	5 th Jun 2022						Dec 2023		Dec 2024	Dec 2025	Jun 2027 ⁽¹⁾			
		Current accommodated population						Regional Allocation							
		DA	IA	CA	Total	Total (DA + IA)	%	Total	%						
National Total	100%	55,793	1,485	31,183	88,466	100%	57,283	100%	100%	100,000	%	%			
Northern Ireland	1.9%	1,610	47	988	2,645	2.99%	1,657	2.9%	2.4%	2,400	2.5%	2.5%			
Scotland	9.6%	5,029	-	470	5,499	6.22%	5,029	8.8%	9.0%	9,000	8.9%	8.7%			
Wales	6.3%	3,025	165	101	3,291	3.72%	3,190	5.6%	5.6%	5,600	5.5%	5.3%			
East Midlands	6.2%	3,180	215	1,409	4,804	5.43%	3,395	5.9%	6.7%	6,700	6.8%	6.9%			
East of England	1.4%	1,872	-	1,178	3,050	3.45%	1,872	3.3%	5.2%	5,200	6.0%	6.8%			
London	12.0%	6,012	344	12,861	19,217	21.72%	6,356	11.1%	12.7%	12,700	12.8%	12.9%			
North East	11.5%	5,790	2	653	6,445	7.28%	5,792	10.1%	7.5%	7,500	6.8%	6.1%			
North West	22.9%	12,605	388	3,278	16,271	18.39%	12,993	22.7%	17.1%	17,100	15.9%	14.7%			
South East	1.1%	1,694	-	3,911	5,605	6.34%	1,694	3.0%	7.2%	7,200	8.5%	9.7%			
South West	2.2%	1,391	-	1,490	2,881	3.26%	1,391	2.4%	5.2%	5,200	5.8%	6.4%			
West Midlands	11.9%	7,006	80	2,663	9,749	11.02%	7,086	12.4%	10.8%	10,600	10.3%	10.0%			
Yorkshire & Humber	13.0%	6,584	244	2,181	9,009	10.18%	6,828	11.9%	10.8%	10,800	10.4%	9.9%			

N.B. The percentage allocations have been developed based on 2011 census population data. These percentages will be updated to reflect the 2021 census data (once full UK census data is available). If it leads to any material differences in allocations, we will look to apply amendments to these plans iteratively, now that the 2021 census population data has been produced.

Table 2: The regional model

Sensitivity: RESTRICTED

The model - overview

				Over 75% of capacity inc. CA		Existing Dispersal - Weighted		Unweighted				
LA	Upper-tier	2021 Census Population	Max Service Users (1 in 200)	Asylum Number (Inc. CA)	% of used capacity Inc. CA	New Weighted Capacity	Capacity Inc. CA (Without weighting)	% of Remaining Weighted Capacity Inc. CA	LA allocation to Dec 2023	Totals as at Dec 2023 + Current Pop Excl. CA	Totals as at Dec 2023 + Current Pop Incl. existing CA	% of used capacity by LA Dec 2023 inc. CA
Birmingham	Met	1144900	5725	2353	41.10%	1686	3372	9.96%	343	1773	2702	47.20%
Coventry	Met	345300	1727	2000	115.84%	0	0	0.00%	0	1467	2000	115.84%
Dudley	Met	323500	1618	567	35.05%	525	1051	3.10%	110	677	677	41.85%
Sandwell	Met	341900	1710	1226	71.72%	242	484	1.43%	51	1154	1277	74.70%
Solihull	Met	216200	1081	224	20.72%	857	857	5.07%	177	177	401	37.10%
Walsall	Met	284100	1421	569	40.06%	426	852	2.52%	90	659	659	46.39%
Wolverhampton	Met	263700	1319	1135	86.08%	0	0	0.00%	0	936	1135	86.08%
Cannock Chase	Staffordshire	100500	503	205	40.80%	298	298	1.76%	62	62	267	53.13%
East Staffordshire	Staffordshire	124000	620	0	0.00%	620	620	3.66%	129	129	129	20.81%
Lichfield	Staffordshire	106400	532	0	0.00%	532	532	3.14%	110	110	110	20.68%
Newcastle-under-Lyme	Staffordshire	123300	617	0	0.00%	617	617	3.64%	129	129	129	20.92%
South Staffordshire	Staffordshire	110500	553	0	0.00%	553	553	3.27%	117	117	117	21.18%
Stafford	Staffordshire	136800	684	0	0.00%	684	684	4.04%	141	141	141	20.61%
Staffordshire Moorlands	Staffordshire	95800	479	0	0.00%	479	479	2.83%	98	98	98	20.46%
Tamworth	Staffordshire	78600	393	0	0.00%	393	393	2.32%	82	82	82	20.87%
Herefordshire, County of	Unitary	187100	936	0	0.00%	936	936	5.53%	195	195	195	20.84%
Shropshire	Unitary	323600	1618	0	0.00%	1618	1618	9.56%	333	333	333	20.58%
Stoke-on-Trent	Unitary	258400	1292	920	71.21%	186	372	1.10%	39	959	959	74.23%
Telford and Wrekin	Unitary	185600	928	0	0.00%	928	928	5.48%	193	193	193	20.80%
North Warwickshire	Warwickshire	65000	325	0	0.00%	325	325	1.92%	67	67	67	20.62%
Nuneaton and Bedworth	Warwickshire	134200	671	0	0.00%	671	671	3.97%	138	138	138	20.57%
Rugby	Warwickshire	114400	572	227	39.69%	345	345	2.04%	71	71	298	52.10%
Stratford-on-Avon	Warwickshire	134700	674	0	0.00%	674	674	3.98%	141	141	141	20.94%
Warwick	Warwickshire	148500	743	110	14.81%	633	633	3.74%	133	133	243	32.73%
Bromsgrove	Worcestershire	99200	496	0	0.00%	496	496	2.93%	102	102	102	20.56%
Malvern Hills	Worcestershire	79400	397	0	0.00%	397	397	2.35%	82	82	82	20.65%
Redditch	Worcestershire	87000	435	0	0.00%	435	435	2.57%	90	90	90	20.69%
Worcester	Worcestershire	103300	520	101	19.44%	419	419	2.47%	90	90	131	36.77%
Wychavon	Worcestershire	132500	663	93	14.04%	570	570	3.37%	117	117	210	31.70%
Wyre Forest	Worcestershire	101600	508	129	25.39%	379	379	2.24%	78	78	207	40.75%

Table 3: The 75% cut off

Sensitivity: RESTRICTED

The model – establishing the 75% cut-off

LA	Upper-tier	2021 Census Population	Max Service Users (1 in 200)	Asylum Number (Inc. CA)	% of used capacity Inc. CA
Birmingham	Met	1144900	5725	2353	41.10%
Coventry	Met	345300	1727	2000	115.84%
Dudley	Met	323500	1618	567	35.05%
Sandwell	Met	341900	1710	1226	71.72%
Solihull	Met	216200	1081	224	20.72%
Walsall	Met	284100	1421	569	40.06%
Wolverhampton	Met	263700	1319	1135	86.08%
Cannock Chase	Staffordshire	100500	503	205	40.80%
East Staffordshire	Staffordshire	124000	620	0	0.00%
Lichfield	Staffordshire	106400	532	0	0.00%
Newcastle-under-Lyme	Staffordshire	123300	617	0	0.00%
South Staffordshire	Staffordshire	110500	553	0	0.00%
Stafford	Staffordshire	136800	684	0	0.00%
Staffordshire Moorlands	Staffordshire	95800	479	0	0.00%
Tamworth	Staffordshire	78600	393	0	0.00%
Herefordshire, County of	Unitary	187100	936	0	0.00%
Shropshire	Unitary	323600	1618	0	0.00%
Stoke-on-Trent	Unitary	258400	1292	920	71.21%
Telford and Wrekin	Unitary	185600	928	0	0.00%
North Warwickshire	Warwickshire	65000	325	0	0.00%
Nuneaton and Bedworth	Warwickshire	134200	671	0	0.00%
Rugby	Warwickshire	114400	572	227	39.69%
Stratford-on-Avon	Warwickshire	134700	674	0	0.00%
Warwick	Warwickshire	148500	743	110	14.81%
Bromsgrove	Worcestershire	99200	496	0	0.00%
Malvern Hills	Worcestershire	79400	397	0	0.00%
Redditch	Worcestershire	87000	435	0	0.00%
Worcester	Worcestershire	103900	520	101	19.44%
Wychavon	Worcestershire	132500	663	93	14.04%
Wyre Forest	Worcestershire	101600	508	129	25.39%



Maximum capacity =
Census population ÷ 200

Remaining capacity =
Maximum capacity –
Existing asylum population

Result: Any local authority over 75% of their pre-weighted population is removed from the model calculations.

Table 4: The weighted allocation

Sensitivity: RESTRICTED

The model – establishing the weighted allocation

LA	Upper-tier	New Weighted Capacity	Capacity Inc. CA (Without weighting)	% of Remaining Weighted Capacity Inc. CA	LA allocation to Dec 2023	Totals as at Dec 2023 + Current Pop Incl. existing CA	% of used capacity by LA Dec 2023 inc. CA
Birmingham	Met	1686	3372	9.96%	349	2702	47.20%
Coventry	Met	0	0	0.00%	0	2000	115.84%
Dudley	Met	525	1051	3.10%	110	677	41.85%
Sandwell	Met	242	484	1.43%	51	1277	74.70%
Solihull	Met	857	857	5.07%	177	401	37.10%
Walsall	Met	426	852	2.52%	90	653	46.39%
Wolverhampton	Met	0	0	0.00%	0	1135	86.08%
Cannock Chase	Staffordshire	298	298	1.76%	62	267	53.13%
East Staffordshire	Staffordshire	620	620	3.66%	129	129	20.81%
Lichfield	Staffordshire	532	532	3.14%	110	110	20.68%
Newcastle-under-Lyme	Staffordshire	617	617	3.64%	129	129	20.92%
South Staffordshire	Staffordshire	553	553	3.27%	117	117	21.18%
Stafford	Staffordshire	684	684	4.04%	141	141	20.61%
Staffordshire Moorlands	Staffordshire	479	479	2.83%	98	98	20.46%
Tamworth	Staffordshire	393	393	2.32%	82	82	20.87%
Herefordshire, County of	Unitary	936	936	5.53%	195	195	20.84%
Shropshire	Unitary	1618	1618	9.56%	333	333	20.58%
Stoke-on-Trent	Unitary	186	372	1.10%	39	959	74.23%
Telford and Wrekin	Unitary	928	928	5.48%	193	193	20.80%
North Warwickshire	Warwickshire	325	325	1.92%	67	67	20.62%
Nuneaton and Bedworth	Warwickshire	671	671	3.97%	138	138	20.57%
Rugby	Warwickshire	345	345	2.04%	71	298	52.10%
Stratford-on-Avon	Warwickshire	674	674	3.98%	141	141	20.94%
Warwick	Warwickshire	633	633	3.74%	133	243	32.73%
Bromsgrove	Worcestershire	496	496	2.93%	102	102	20.56%
Malvern Hills	Worcestershire	397	397	2.35%	82	82	20.65%
Redditch	Worcestershire	435	435	2.57%	90	90	20.69%
Worcester	Worcestershire	419	419	2.47%	90	191	36.77%
Wyre Forest	Worcestershire	570	570	3.37%	117	210	31.70%
Wyre Forest	Worcestershire	379	379	2.24%	78	207	40.75%



For existing active dispersal areas they are set a 0.5 (50%) weighting.

Weighted allocation to Dec 2023

The unweighted remaining capacity

6 Report Implications

6.1 Finance and Value for Money Implications

- 6.1.1 To date funding has generally been provided to the County Council in the first instance and dependent on the particular national arrangements for refugee groups. Some funding is available to the Borough and District Council in accordance with the activity undertaken.
- 6.1.2 To support the implementation of a full dispersal model, as part of the consultation process, the Home Office has committed to undertaking a new burdens assessment. This will be an opportunity to better understand the costs associated with asylum dispersal and engage with the local government sector. Where we identify genuine additional and ongoing costs, these will be addressed in line with the New Burdens Doctrine and subject to a post-implementation review.
- 6.1.3 To recognise the existing contribution and longstanding support from local authorities, each local authority in England, Scotland and Wales which was accommodating asylum seekers on 27 March 2022 will receive a £250 one off payment per asylum seeker.
- 6.1.4 In addition, further funding has been made available for 2022/2023 to provide £3,500 for each new dispersal bed space occupied, in both new and existing dispersal areas, between 28 March 2022 and 31 March 2023. This funding can be used to implement and/or bolster services in both new and existing areas. The Home Office state that this will alleviate some pressures on local authorities and will ensure every local authority plays its part in this important work.

6.2 Legal Implications

- 6.2.1 A number of duties are imposed on local authorities under various Acts of Parliament, including the Immigration and Asylum Act 1999 which require the Council to provide accommodation and other services to those seeking asylum and resettlement in accordance with arrangements made by the Secretary of State. Additional duties are imposed in relation to certain asylum seekers who are homeless and who seek assistance under the Housing Act 1996.
- 6.2.2 The Council is also precluded from using certain powers, including the General Power of Competence under the Localism Act 2011 if a person makes an application for asylum but does not do so as soon as reasonably practicable upon their arrival in the United Kingdom. Accordingly, the Council's role in relation to supporting asylum seekers and others seeking resettlement is strictly regulated and there is limited discretion which may be exercised.
- 6.2.3 The proposed model establishes a framework which will ensure that the Council performs its various duties in accordance with the legislation concerned.

The Contact Officer for this report is Angela Coates (719369).

Appendix A

Overview of Refugee & Asylum Governance and Schemes across Warwickshire from Warwickshire County Council

1st September 2022

1) Introduction

- 1.1 Our response to each Home Office refugee and asylum scheme, has been an excellent example of how we can work together across all agencies to welcome people to Warwickshire and contribute towards the national effort, in response to an international crisis. Since the Syrian refugee resettlement scheme, we have a well-established governance arrangement, with experts across councils, health and the voluntary sector working together. In response to the latest crisis, we have established duplicate governance structures but it could be argued the speed and unique approach to Afghanistan and Ukraine required a separate approach.
- 1.2 This report seeks to explain the renewed multi agency governance approach the County Council and partner agencies will take to bring together all refugee and asylum scheme governance structures and processes for all existing schemes. In addition, this report provides an overview of each of the current refugee and asylum schemes.

2) Home Office Schemes

- 2.1 The Home Office and other government departments issue slightly different guidance for each of the refugee and asylum seeker schemes. The table below provides a brief overview of the scheme, details funding available and the number of people in Warwickshire through each scheme, current on 1st September 2022.

Scheme	Current Numbers of individuals	Potential Numbers of individuals
<p><u>SVPRS (Syrian Vulnerable Persons Resettlement Scheme) and United Kingdom Resettlement Scheme (UKRS):</u></p> <p>A well-established route for refugees referred to us by the home office via the strategic migration partnership for resettlement in the UK. This is a fully funded scheme by the Home Office to ensure resettlement and integration support is over a 5 year period.</p> <p>An established team have been supporting families in Warwickshire for 5 years. The County Council with district and borough partners make an annual pledge to resettle a planned number of families per year on a rolling cycle and they are given immediate leave to remain and have recourse to public funds.</p> <p>In addition, we have had two families resettled through the Community Sponsorship route of the UKRS –this route enables community groups to sponsor and support a family to live in the UK</p>	136	<p>23-27 families due to arrive over the next 4 years.</p> <p>Approx. 104 individuals</p>
<p><u>Afghan Relocation and Assistance policy (ARAP):</u></p> <p>Individuals and families who were directly employed or contracted by the Her Majesty's Government. Those eligible include:</p> <ul style="list-style-type: none"> • High Risk: as the individual had a meaningful role in government such as: health minister and other individually assessed persons • Persons in a role that supported and helped the UK government in Afghanistan • The Afghan government officials • Persons who were assessed as high risk <p>These people were granted immediate leave to remain and have recourse to public funds</p>	ARAP & ACRS total: 100	Up to 80 individuals a year to be resettled over the next 4 years

Afghan Citizens Resettlement Scheme (ACRS): These people have demonstrated that they assisted the UK efforts in Afghanistan and have stood up for democracy, women's rights, freedom of speech, and rule of law, vulnerable people, including women and girls at risk, and members of minority groups at risk (including ethnic and religious minorities and LGBT+).		
Walton Hall Bridging Hotel (Afghan Families) These are families who, as above relocated to the UK via the ARAP and ACRS routes. They are placed in a bridging hotel until properties can be found for them.	50	90
Hong Kong: British Nationals Oversees: (BNO) The Hong Kong BNO route allows BNO status holders and certain family members to live, work and study in the UK. After 5 years, applicants will be able to apply for settlement, and after a further year, British citizenship, providing they meet the requirements. Currently it is seen that most persons have travelled and settled independently, however, it is now being seen that they are requesting support for areas such as English for Speakers of Other Languages (ESOL) etc. There is no personal levy for these group, but they have got access to public funds. The County Council and other agencies do not receive any compensation or payments to do so from the Government.	400	1000
Homes for Ukraine Scheme: This scheme is organised by the Department for Levelling Up. It is a community sponsored scheme with private householder claiming £350 per month to accommodate a Ukraine family in their property. It is currently funded but time will tell whether this will continue, particularly the sponsorship arrangements may cease. The Ukraine Refugees are given leave to remain and recourse to public funds. It was forecast to be a programme lasting 6-12 months; however, it is more evident that a more realistic timescale will be over several years.	757	1400

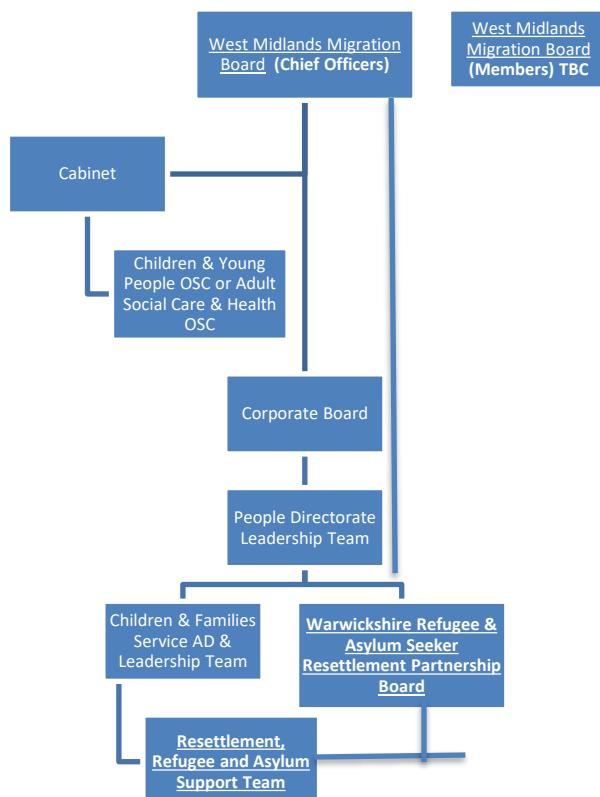
<u>Ukraine Family Scheme:</u> The Ukraine Family Scheme allows applicants to join family members or extend their stay with family in the UK independently without any knowledge of the Local Authority. Each person must make a separate application, even for children who are travelling with a family member. Individuals can live, work and study in the UK whilst staying with established family. However, as they are entitled to recourse to public funds, individuals can, and have relocated themselves elsewhere. The County Council and other agencies do not receive any compensation or payments to support these families from the Government.	Unknown	1000
<u>Asylum Seeker Hotels:</u> Individual and families under this scheme can be in a room in Home Office designated hotels. The Home Office book hotels and a third-party contractor (SERCO) is commissioned to administer and manage the hotels on behalf of the Home Office. The County Council and other agencies do not receive any payments to support these families. However, due to the many issues raised by families and other professionals, the team managed by Dave Jones – Operations Manager in Children and Families, provide a high level of coordination and support to the occupants in the 3 hotels in Warwickshire and is organising the same response for the 4th. Note the number of people in hotels moves and changes constantly. The latest figures are correct on 01.09.22. Dunchurch Park Hotel, Rugby Rugby Hotel, Rugby Riverside, Kenilworth Grosvenor Hotel, Stratford		
Sub Total in hotels in Warwickshire	1,932	4,674
<u>Asylum Seeker Dispersal:</u> The aim of this scheme is to move asylum seekers out of hotels into the community. The Home Office third-party contractor (SERCO) is commissioned to locate, move and initially support families to move from a hotel into the community. The County Council and other agencies do not receive any payments to support	To be dispersed by	

<p>these families. However, due to the many issues raised by families and other professionals, the team managed by Dave Jones – Operations Manager in Children and Families, provide a high level of coordination and support.</p> <p style="text-align: center;">North Warwickshire Nuneaton and Bedworth Rugby Warwick Stratford</p>	December 2023	
	67	325
	138	671
	71	345
	133	633
	141	674
Sub Total of Asylum Seeker Dispersal Warwickshire	550	2,648
<p>Unaccompanied Asylum Seeking Children (UASC)</p> <p>Unaccompanied Asylum Seeking Children (UASC) are children under the age of 18 years old who have travelled to the UK without their parents. In Warwickshire lorries that stop at motorway or other services when UASC are located. On average, depending on the time of the year up to 6 children a month arrive in Warwickshire this way and the County Council have a duty to take them into care. In addition Warwickshire are expected through the National Transfer Scheme to take UASC who arrive at the port, in Dover. We have also taken UASC directly from UN camps who have been assessed by the Home Office.</p> <p>When UASC arrive in the UK in Dover they are placed in the Kent Intake Unit, which has 120 spaces for UASC. However, due to large number of UASC over the last 2 years the government have placed children in hotels on the south coast. There are four hotels on the south coast. Children stay in the hotel until they are transferred through the National Transfer Scheme (NTS), outlined above. On 31st August 2022, despite out opposition to this the Home Office opened a UASC hotel in Warwickshire. The hotel will have 60 children, the Home Office plan to keep the maximum to this number but the hotel has capacity for 70-75 children.</p>		
	93	NTS expects 120 children
	50	60

<p>The aim of this scheme is to move asylum seekers out of hotels into the community. The Home Office third-party contractor (SERCO) is commissioned to locate, move and initially support families to move from a hotel into the community. The Home Office are responsible directly for the UASC hotel.</p> <p>The County Council and other agencies do receive funding for UASC who are in care and when they leave care until they are 21 years old.</p> <p>Number of UASC in local authority care</p> <p>Number of children in the Home Office Hotel</p>		
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3) Governance Structure

- 3.1 Through the leadership of the County Council, we have reconfigured the previous existing Resettlement Project Board, to cover all refugee and asylum seeker schemes under a new board with the same partner agencies. The proposal is that we utilise this board, the partner agencies (see below for details) and use the refugee resettlement team to lead and co-ordinate all existing and new refugee and asylum seeker resettlement schemes.
- 3.2 A simple governance map demonstrates the new governance structure and is further explained below:



West Midlands Migration Board

3.3 The Migration West Midlands board, hosted by Wolverhampton City Council have brought together senior leaders in each local authority to form a board to govern all migration, refugee, asylum seeker and UASC programmes. The advantage of this group is that all Home Office migration schemes are overseen. The impact of all migration schemes can be understood across each place and across the region. Together the group are seeking to engage the Home Office and other government departments to coordinate our regional response and impact on services. The Assistant Director, Children & Families is the representative for the County Council and there are senior leaders from each of the district and boroughs that have joined the board. There is also work being undertaken by Wolverhampton City Council to establish a separate elected members West Midlands Members Migration Board. This is not yet established or agreed but proposals are being established. If this is established the Leader of the Councils will be invited to attend or delegate attendance to a member of Cabinet.

Leadership in Warwickshire County Council by Elected Members, Strategic Director and Assistant Director.

- 3.4 The Portfolio Holder for Adult Social Care and Health, Cllr Margaret Bell will assume responsibility for refugees and asylum seekers and any related member decision would go to either Overview and Scrutiny Committee for Children & Young People or Adult Social Care and Health Committee, depending on the specific issue.
- 3.5 At an officer level, overall responsibility is held at Corporate Board level by the Strategic Director People (Nigel Minns) and delegated to Assistant Director Children & Families (John Coleman). The strategic lead is the Service Manager for Early & Targeted Support (Marina Kitchen) and at a delivery level the lead is the Operations Manager for the Resettlement, Refugee and Asylum Support Team (RRAST) (Dave Jones).

Warwickshire Refugee & Asylum Seeker Resettlement Partnership Board

3.6 The existing Resettlement Project Board have highlighted areas of duplication, as the same people on this board tend to be pulled into the different governance and delivery structures established for each scheme. The board are supportive of these proposals and it is suggested from September 2022, they become the Resettlement, Refugee & Asylum Support Partnership Board. This board will be Sponsored by the Strategic Director People (Nigel Minns) and Assistant Director Children & Families (John Coleman). The board will be chaired by the Service Manager for Early & Targeted Support (Marina Kitchen) and the deputy chair is Operations Manager for Early & Targeted Support (Dave Jones). Members of the board include representatives from Children & Families Service, Education Service, Communities & Partnerships Team, Public Health, People Strategy & Commissioning, Transport Team, Fire & Rescue, Finance Team, each of the district and boroughs – usually Head of Housing, key members from voluntary and community organisations, police and health services. A revised Terms of Reference is being developed with partners at the inaugural meeting in September 2022

3.7 This this group will be the executive governance group for all refugee and asylum seeker resettlement schemes. They will be stood up to provide an immediate response for any new or emerging resettlement schemes but will also have the added benefit of the development of key knowledge, skill and experience. If another Afghanistan or Ukraine incident occurred the Service Manager for Early & Targeted Support and the Operations Manager for Targeted Support to stand up the existing Warwickshire Refugee & Asylum Seeker Resettlement Partnership Board to respond.

Resettlement, Refugee and Asylum Support Team (RRAST)

- 3.8 The County Council are utilising and extending the responsibilities of the refugee team, with a new name representing their additional responsibilities. Since the end of August 2022, all existing schemes will be led by this team. The team will change their name to reflect this.
- 3.9 The team are highly experienced and skilled in working with people who are refugees and seeking asylum. The team have members with cultural and legal knowledge and language skills required and have good partnership links with others in the county and are highly regarded. The team has been agreed to expand recently and have a mixture of Family Support Workers, Housing lead and ESOL Tutor. They have a Development Officer who maintains knowledge of the different schemes and works with strategy and commissioning to commission housing resettlement and asylum legal support. They can work with partner agencies to provide immediate and ongoing long-term support for refugees who resettle temporarily or permanently in Warwickshire.
- 3.10 For completeness just to note this governance does not cover unaccompanied asylum-seeking children. There are other local and regional governance and delivery arrangements for UASC.
- 3.11 It is proposed that all schemes including the Asylum Dispersal Scheme are governed and monitored through the Warwickshire Refugee & Asylum Seeker Resettlement Partnership Board as explained above.

4) Conclusions

- 4.1 Warwickshire has a well-established history of supporting asylum seekers and refugees. We have provided sanctuary to refugees and asylum seekers with compassion for every person in need of safety, sanctuary, and support. From a social care perspective we are under significant pressure with increasing numbers but are confident we along with education services can respond and provide support required. Colleagues in health have struggled to provide support to specific large groups arriving at once, such as those at hotels but have established and coordinated support.
- 4.2 We have also expressed to the Home Office our concerns particularly in relation to the opening of hotels. We are at our limit and have been clear with the Home Office services are at their absolute limit. We do however, support the Home Office overall strategy to move people from hotels, so that hotel accommodation can close and no longer be used. This will be best for refugees and asylum seekers and more manageable for services across Warwickshire.

Warwickshire County Council
1st September 2022

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

Agenda Item No 13

Executive Board

19 September 2022

Report of the Chief Executive

**Local Government and Social Care
Ombudsman Annual Review
2021/22**

1 Summary

- 1.1 This report informs the Board about the results of the Local Government and Social Care Ombudsman Annual Review 2021/22. The report highlights the number of complaints and enquiries considered by the Ombudsman relating to the Council and the outcome of their determinations. The report also provides some contextual information about the compliments and complaints received via the Council's corporate Compliments and Complaints Procedure.

Recommendation to the Board

That the report be noted.

2 Consultation

- 2.1 Consultation has been carried out with the chair, vice chair and opposition spokesperson. Any comments received regarding the report will be highlighted to the Board.

3 Background

- 3.1 This report has been prepared following receipt of the Annual Review Letter 2021/22 from the Local Government and Social Care Ombudsman. The Annual Review provides a summary of the complaints and enquiries made to the Ombudsman relating to the Council during the 2021/22 year. The Annual review also shows what decisions the Ombudsman made about the complaints and enquiries received.

4 Annual Review 2021/22

- ...
4.1 Attached at Appendix A is a copy of the letter received by the Chief Executive from the Local Government and Social Care Ombudsman dated 20 July 2022. The annual review shows that no detailed investigations were carried out by the Ombudsman relating to the Council. The Ombudsman did receive 4 complaints to consider. This compares to 2 complaints or enquiries received in the 2020/21 year. The 4 complaints and enquires were determined in the following way:

- 1 Premature Decision – advice given
- Not warranted by alleged injustice
- 1 Closed after initial enquiries – 26(6)(a) tribunal other

- 1 Closed after initial enquiries – Sch 5.5A/5.5B Social housing landlord
- 4.2 None of the complaints or enquiries raised resulted in an investigation by the Ombudsman. The case referred back for local resolution will have been considered via the Council's Complaints Procedure. Members are requested to note that the Ombudsman is aiming to focus on the lessons that can be learned and the wider improvements that can be achieved through their recommendations to improve services. The Ombudsman is publishing more information about outcomes of their investigations and highlighting where recommendations result in improvements to local services.
- 4.3 More information about the outcomes from investigations is available on the website link shown below. There are focus reports relating to specific service areas including housing, planning, environmental services, benefits and taxation:
- <https://www.lgo.org.uk/information-centre/reports>
- 4.4 The Ombudsman is also raising concerns about increasing evidence of the erosion of effective complaints functions in local authorities. With this in mind the Ombudsman is developing a new programme of work that will utilise complaints to drive improvements in both local complaint systems and services.
- 4.5 Members should also note that the Housing Ombudsman investigates complaints regarding social housing, and they have a Memorandum of Understanding with the Local Government and Social Care Ombudsman. More information about what kind of complaints they can investigate is shown on the website link below:
- [Which ombudsman for social housing complaints? - Housing Ombudsman \(housing-ombudsman.org.uk\)](https://housing-ombudsman.org.uk)
- 4.6 The 4 enquiries received by the Local Government and Social Care Ombudsman were regarding the following services:
- Environmental Services
 - Benefits
 - Housing
 - Streetscape – Car Parking
- 4.7 It is pleasing to report that the complaints and enquires resulted in the Ombudsman deciding that the complaints were not appropriate to be investigated by them. The outcomes of the complaints and enquiries are shown above at paragraph 4.1.

5 Compliments and Complaints 2021/22

- ... 5.1 Attached at Appendix B is a table showing the numbers of compliments and complaints received by service department through the Council's corporate procedure during the 2021/22 year. The table shows that 58 complaints, 137 requests for service and 52 compliments were received in the 2021/22 year. The number of complaints is an increase of 21 (36%) from 2020/21.
- 5.2 The increase is mainly due to increases in relation to Housing Management from 5 in 2020/21 to 12 in 2021/22. The overall number has increased from 37 in 2020/21 to 58 in 2021/22.
- 5.3 The number of requests for service has decreased to 137 from 157. The requests for service are complaint contacts which were considered not to be stage 1 complaints. These can include the raising of an issue for the first time without the relevant service being aware of the issue. The requests for service are mainly being received via the Council's complaint's web page.
- 5.4 The majority of complaints received relate to Housing Management, Refuse & Recycling and Development Control. Combined they account for 35 (60%) of the complaints received. These are service areas with high customer contacts and therefore it is not unusual to expect this.
- 5.5 Overall, the number of complaints received 58 remains low when compared to the total number of contacts received and people dealt with.
- 5.6 An outcome status against each complaint is determined to show whether the complaint was considered to be justified (upheld) or not upheld. This can be a matter of judgement and there will be some complaints, which can be interpreted either way. Some complaints will have elements that could have been dealt with differently or better on occasions. Of the complaints received in 2021/22 32 (55%) were deemed to be not upheld and 25 (43%) justified. One complaint was withdrawn (2%).
- 5.7 The compliments received show some examples of positive feedback received from residents and customers. The compliment figures do not include customer feedback responses received by any service areas.
- 5.8 Shown below is a table of the totals of compliments and complaints received during the last 10 years.

5.9 Table of Compliments and Complaints Totals

Year	Compliments	Complaints
2012/13	37	46
2013/14	46	95
2014/15	53	54
2015/16	79	73
2016/17	61	58
2017/18	62	85
2018/19	34	42
2019/20	47	61
2020/21	71	37
2021/22	52	58

6 Summary

- 6.1 Overall the number of complaints received is low in comparison to the number of customer contacts the Council has. The Local Government and Social Care Ombudsman have not investigated any complaint enquiries made to them in this year. Members are requested to note the report and to identify any areas that require further consideration.

7 Report Implications

7.1 Legal Data Protection and Human Rights Implications

- 7.1.1 Some complaint cases can ultimately be investigated by either the Local Government and Social Care Ombudsman or the Housing Ombudsman. If an adverse finding is made by the Ombudsman concerned, they can order the Council to pay compensation to the affected person and can also require the Council to consider a report on their findings and confirm the action they will take to deal with the issue concerned. The Council's Monitoring Officer also has a duty to prepare a report to the Council where the Ombudsman has investigated and concluded that the Council's actions constituted maladministration. Various legal and Human Rights implications can be a relevant consideration in some such investigations.
- 7.1.2 Complaints regarding data protection or information requests are considered under the Complaints Procedure and can be referred to the Information Commissioner's Office for further investigation.

7.2 Environment and Sustainability Implications

- 7.2.1 Improvements in the performance and quality of services will contribute to improving the quality of life within the community. Feedback and learning from Complaints and Compliments helps the Divisions identify service improvements. The Procedure includes a specific requirement to identify any service improvements arising from each complaint investigation.

7.3 Equality Implications

- 7.3.1 The Complaint investigations provide an opportunity to identify any equality related implications. No adverse implications have been identified from the complaints received in 2021/22. The monitoring of complaints and compliments helps inform the Council's consideration of meeting the Equality Act requirements. Any specific equality related implication arising from a complaint investigation is considered in liaison with Policy Support and Legal Services as necessary.

7.4 Risk Management Implications

- 7.4.1 Effective performance monitoring and analysis of complaints received will enable the Council to minimise associated risks with the failure to achieve targets and deliver services at the required performance and quality level.

7.5 Health and Well Being and Leisure Implications

- 7.5.1 Some complaints received do raise concerns relating to the health and wellbeing of individuals. These can include concerns about conditions of properties and impacts from outstanding repair works.

7.6 Financial Implications

- 7.6.1 Any financial payments and credits identified in complaint investigations are made from the appropriate service budget under provisions relating to that service.

7.7 Links to Council's Priorities

- 7.7.1 By having an open and accessible complaints procedure this will contribute towards the achievement of the Council's priorities and in particular promoting vibrant and sustainable communities.

The Contact Officer for this report is Steve Maxey (719438).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

Local Government & Social Care OMBUDSMAN

20 July 2022

By email

Mr Maxey
Chief Executive
North Warwickshire Borough Council

Dear Mr Maxey

Annual Review letter 2022

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2022. The information offers valuable insight about your organisation's approach to complaints. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 27 July 2022. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

I know your organisation, like ours, will have been through a period of adaptation as the restrictions imposed by the pandemic lifted. While some pre-pandemic practices returned, many new ways of working are here to stay. It is my continued view that complaint functions have been under-resourced in recent years, a trend only exacerbated by the challenges of the pandemic. Through the lens of this recent upheaval and adjustment, I urge you to consider how your organisation prioritises complaints, particularly in terms of capacity and visibility. Properly resourced complaint functions that are well-connected and valued by service areas, management teams and elected members are capable of providing valuable insight about an organisation's performance, detecting early warning signs of problems and offering opportunities to improve service delivery.

I want to support your organisation to harness the value of complaints and we continue to develop our programme of support. Significantly, we are working in partnership with the Housing Ombudsman Service to develop a joint complaint handling code. We are aiming to consolidate our approaches and therefore simplify guidance to enable organisations to provide an effective, quality response to each and every complaint. We will keep you informed as this work develops, and expect that, once launched, we will assess your compliance with the code during our investigations and report your performance via this letter.

An already established tool we have for supporting improvements in local complaint handling is our successful training programme. We adapted our courses during the Covid-19 pandemic to an online format and successfully delivered 122 online workshops during the year, reaching more than 1,600 people. To find out more visit www.lgo.org.uk/training.

Yours sincerely,



Michael King
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld
The Ombudsman carried out no detailed investigations during this period
Compliance with Ombudsman recommendations
No recommendations were due for compliance in this period
Satisfactory remedy provided by the organisation
The Ombudsman did not uphold any detailed investigations during this period

DEPARTMENT	NUMBER OF COMPLAINTS	NUMBER OF REQUEST FOR SERVICE	NUMBER OF COMPLIMENTS
Chief Executive			
• Management Team & Civic Support Unit		28	
• Legal			
• Democratic Services		1	1
• Environmental Health & Licensing	2	6	3
• Development Control	10	3	13
• Forward Planning			
• Building Control – Nuneaton & Bedworth Council			
• Enforcement		1	1
Corporate Director - Resources			
• Audit			
• Financial Accountancy			
• Management Accountancy			
• Payroll and Risk Management			
• Human Resources, Training & Health and Safety			
• Revenue Collection & Benefits	6	7	1
• One Stop Shop and Contact Centre			2
• Financial Inclusion, Hubs and Outreach			
Director of Housing			
• Strategic Housing			
• Housing Management	12	18	1
• Housing Maintenance	4	16	1
• Community Support			
• Private Sector Housing			
Director of Leisure & Community Development			
• Landscape Management		4	
• Partnership Development			
• Leisure Facilities	3	1	
• Community Development	1	1	1
Corporate Director - Streetscape			
• Refuse and Recycling	13	41	7
• Corporate Property & Transport			
• Facilities Management	5		
• Grounds Maintenance & Street Cleaning		8	18
• Car Parks	2	2	
Corporate Services			
• ICT			
• Procurement & Printing			
• Central Services			1
• Communication & Public Relations			
Corporate			2
WCC			
TOTAL	58	137	52

Complaint User Satisfaction Summary		
Question	Yes	No
Did you find it easy to complain?	3	1
Were you given an apology?	1	3
Were you satisfied with the explanation given?		4
Was the complaint dealt with quickly enough?	2	2

2021/22

Not upheld – 32 55%

Justified – 25 43%

Withdrawn – 1 2%

Total – 58

Agenda Item No 14

Executive Board

12 October 2022

Report of the Chief Executive

Rural England Prosperity Fund

1 Summary

- 1.1 The purpose of this report is to advise Members of the new Rural England Prosperity Fund and to seek delegated powers to the Chief Executive to submit the required addendum to the UK Shared Prosperity Fund ('UKSPF') Investment Plan.

Recommendation to the Board

- a That the report be noted; and**
- b That delegated powers be given to the Chief Executive to finalise and submit the addendum to the UK SPF Investment Plan as set out in the report.**

2 Consultation

- 2.1 The Rural England Prosperity Fund relates to the whole Borough and no specific consultation has taken place yet.

3 Report

- ...
3.1 Members will be aware from the report to the last Executive Board [meeting](#) (Appendix A) of the range of initiatives and funding pots linked to the Levelling Up agenda.
- 3.2 The Council has submitted a bid to the Levelling Up Fund and an Investment Plan for the UK SPF, as set out in the report at the above link.
- 3.3 Last month the Government announced a further funding initiative called the Rural England Prosperity Fund ('RPF') which will be aligned to the UK SPF. The fund has been created because the Government acknowledges that rural areas often face specific challenges including "lower productivity rates, poorer connectivity and poorer access to key services".

3.4 As with the UKSPF, this Council has received an indicative allocation, which will be released on approval of an addendum to the Investment Plan submitted in respect of the UKSPF. The Council's indicative allocation for the UK SPF is £1.9m and the additional amount in respect of the RPF is £495,639. This additional allocation is based on a particular methodology based on 'rural population, rural businesses and productivity and the importance of farming in each authority'.

...
3.5 The RPF prospectus (Appendix B) provides that the money should be used to fund 'capital projects for small businesses and community infrastructure', sitting within two of the UK SPF themes, 'Supporting Local Business' and 'Community and Place'. Whilst the RPF is just for capital projects, revenue funding could be provided via the UK SPF for any identified projects if the Council wishes.

3.6 More specifically, the RPF is to:

- support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy. This includes farm businesses looking to diversify income streams
- support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy

3.7 The RPF must be used in rural areas, which are defined as:

- towns, villages and hamlets with populations below 10,000 and the wider countryside
- market or 'hub towns' with populations of up to 30,000 that serve their surrounding rural areas as centres of employment and in providing services

The whole of North Warwickshire therefore would be eligible for the RPF.

...
3.8 The list (Appendix C) of potential areas for investment for the RPF includes:

- farm diversification
- supporting rural social enterprises and community business infrastructure
- help for the visitor economy
- support for digital infrastructure for local community facilities
- capacity building and infrastructure support for local civil society and community groups
- creation of and improvements to local rural green spaces

- funding to support the local cultural heritage offer and for arts and creative activities
- active travel enhancements
- circular economy projects
- volunteering and social action projects

and as with the UKSPF, the Council should have regard to net zero and nature recovery aims, as well as ensuring value for money and 'additionality'.

- 3.9 The Council must complete a short additional form, setting out the challenges faced and selecting the interventions it wishes to pursue. This needs to be submitted by 30th November. Given the short timescales it is proposed that delegated powers be given to the Chief Executive to complete the form, in consultation with the Chairman of this Board and the Opposition Spokesperson. As suggested in the prospectus, it is proposed that engagement activity takes place with businesses and partners in the Borough to inform the addendum.

4 Report Implications

- 4.1 Unlike the UK SPF, there is no funding to Councils for the administration of the RPF, albeit that Government officials have indicated that the 4% administration allowance within the UK SPF can be utilised for the RPF. We are seeking clarity on whether this is 4% of the UK SPF allocation (£76,000) or of the combined total (£95,800).
- 4.2 If approved, the implementation of the combined funding of around £2.4m will have a significant impact on the priorities of the Council.

The Contact Officer for this report is Steve Maxey (719438).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
1	HM Government	Rural England Prosperity Fund: prospectus (Link in the report)	September 2022

Agenda Item No 7

Executive Board

Report of the Chief Executive

Levelling Up and Devolution

1 Summary

- 1.1 The purpose of this report is to formally update Members on recent developments with regard to the Levelling Up and Devolution agendas.

Recommendation to the Board

- a That the report be noted;
- b That the approach to Levelling Up and Devolution be approved;
- c That the proposed Levelling Up Fund application be noted and delegated powers be given to the Chief Executive to finalise and submit the bid; and
- d That the approach to the UK Shared Prosperity Fund be agreed and delegated powers be given to the Chief Executive to finalise and submit the bid.

2 Consultation

- 2.1 The topics covered in the report relate to the whole Borough and no specific consultation has taken place. The issues raised have been discussed via informal briefings with the Group Leaders.

3 Report

- 3.1 This report will cover the Levelling Up policy, give an update on matters relating to the devolution of powers from central Government, the Levelling Up Fund and the UK Shared Prosperity Fund.

Levelling Up And Devolution

- 3.2 Members will be aware that the current Government have 'Levelling Up' as a major element of their policy aspiration, culminating in the [White Paper](#) published earlier this year.

- 3.3 The phrase ‘levelling up’ has a number of connotations and in the White Paper it is defined as

“giving everyone the opportunity to flourish. It means people everywhere living longer and more fulfilling lives, and benefiting from sustained rises in living standards and well-being”

- 3.4 The steps towards this aim are variously stated within the White Paper and include:

- a. *boosting productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging;*
- b. *spreading opportunities and improving public services, especially in those places where they are weakest;*
- c. *restoring a sense of community, local pride and belonging, especially in those places where they have been lost; and*
- d. *empowering local leaders and communities, especially in those places lacking local agency.*

- 3.5 In addition, there are 12 supporting ‘missions’ to be achieved in order to ensure the Levelling Up aspirations are secured. These are set out in Appendix 1.

...

- 3.6 Allied to this is the idea of devolving powers from central Government in areas where local control will produce better outcomes. Members will be aware that a number of ‘devolution deals’ have been done with Mayoral Combined Authorities, such as the West Midlands Combined Authority (which is being offered a ‘Trailblazer’ extension to its devolution deal), and the Government is now keen to increase the number of areas with such a deal.

- 3.7 These will be offered to County Councils but the Government has recommended that they work closely with District/Borough Councils and other stakeholders. As a result, work has started with partners to develop a countywide Levelling Up approach for Warwickshire. This will provide an overarching framework for Warwickshire to deliver against the twelve national missions, as well as informing and framing ongoing work to develop proposals for a devolution deal for Warwickshire to enable delivery against countywide and national levelling up priorities.

...

- 3.8 In terms of the discussion so far in Warwickshire, Appendix 2 sets out a suggested approach to Levelling Up, setting out the principles, a local definition, and identifying geographical priorities and priority topics (interests) to address.

- 3.9 This approach is very welcome as it acknowledges the fundamental difference between the South of the County and the North. An attempt to use

the ‘Warwickshire average’, and attempt to align or level that up to the rest of the country, would miss the point of levelling up and make things worse. The risk with that approach would be that the more affluent areas could improve, bringing the ‘Warwickshire average’ up, but miss the very areas where levelling up is needed the most.

- 3.10 It is disappointing that Arley and Dordon are not included in this list given the needs of these areas. We will continue to work with the County Council on this.
- 3.11 In terms of emerging Devolution themes, these should be linked to the Levelling Up work and the following devolution topics have been identified:
- Inclusive, green economic growth, good jobs and skills for the future
 - Improving infrastructure, transport and connectivity
 - Delivering net zero
 - Educational attainment
 - Improving health and well-being
 - Regenerating priority communities, planning & meeting future housing need
- 3.12 It is fair to say that this work is in its infancy at the moment and with the national political changes ongoing, the Council will need to review the extent to which these national policy priorities continue with a new Government. In the expectation that much of it will, further work will take place within Warwickshire to firm up these ideas. At the moment the priorities are high level and focused on what the main levelling up challenges are. Work now needs to shift into developing policy interventions for what are in many cases historic and deep seated issues, which has resisted significant change from previous policy interventions. Therein however lies the prize in terms of ensuring fairness and providing everyone with the opportunity to flourish.

Levelling Up Fund

- 3.13 Members will recall that last year the Government launched the Levelling Up Fund, which is designed to invest in infrastructure ‘that improves everyday life across the UK, supporting town centre and high street regeneration, local transport projects, and cultural and heritage assets’. Each District and Borough in England was placed into one of three priority categories for investment based on a range of criteria. North Warwickshire was placed in the middle category.
- 3.14 A bid was prepared last year based on a new leisure centre in Atherstone, incorporating a new library and NHS clinic facility. The bid was not successful however following feedback from Government, a revised bid has been prepared for round 2 of the Fund. A summary of the proposed bid is attached as Appendix 3. The original deadline for submission of bids in round 2 was the 6th July, however this has now been extended pending the opening of the

Government's portal for bids to be submitted. This report seeks delegated powers to the Chief Executive to finalise and submit the application.

UK Shared Prosperity Fund

- 3.15 Members will also be aware that the Government has announced the UK Shared Prosperity Fund, which is intended to be the successor to the various strands of European Union funding.
- 3.16 District and Borough Councils will now receive and be responsible for allocating these funds to promote a number of locally determined actions. A note on the Fund is attached at Appendix 4 and further work is needed ahead of the deadline of 1st August for submission of the investment plan. Given this timescale, this report seeks delegated powers to the Chief Executive to finalise and submit the application.
- ...

4 Report Implications

- 4.1 The wide ranging nature of the Levelling Up and Devolution agenda means that all of the Council's Corporate Plan priorities are engaged as the overall aim of this work is to improve life experiences and opportunities for those who live and work in the Borough.
- 4.2 There are a number of financial implications of the work detailed above, given that additional expertise and capacity has been engaged to work up the Levelling Up Fund application and investment plan for the UK Shared Prosperity Fund. With regard to the Levelling Up Fund this will cost £62,346, and for the UK Shared Prosperity Fund £15,100, with the New Initiatives Reserve used to cover both amounts. In addition, if successful the Council will allocate £3 million of its own funding towards the joint Leisure Centre, Library and Clinic.

The Contact Officer for this report is Steve Maxey (719438).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
1	HM Government	Levelling Up White Paper – link in the report	February 2022
2	HM Government	UK Shared Prosperity Fund Prospectus	April 2022

The 12 Missions to Level Up the UK

- 1.** By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.
- 2.** By 2030, domestic public investment in Research & Development outside the Greater South East will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
- 3.** By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
- 4.** By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
- 5.** By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.
- 6.** By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
- 7.** By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
- 8.** By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
- 9.** By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.
- 10.** By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.
- 11.** By 2030, homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas.

12. By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

Levelling up – The Warwickshire Approach

- A Levelling Up approach for Warwickshire which:
- Makes sense of the national Levelling Up missions and policy for Warwickshire
- Shares our commitment to Levelling up with our communities
- Complements the organisational plans and strategies of all
- Influences current and future strategies
- Recognises and builds on the power of all our communities, partnerships, networks, and forums
- Informs our future collective work on devolution

Our approach will be:

- Cross-organisational
- Joined up
- Focus on different spatial levels - countywide, places and hyper-local
- Identification and alignment of targeted priorities
- Added value
- Maximising benefits for Warwickshire communities

Our principles for Levelling Up

- A joint mission and holistic approach - we will bring together our partners from across Warwickshire's public, private, voluntary and community sectors to work together on levelling up. We will work closely with Government and regional bodies so that Warwickshire benefits from opportunities to do more locally and deliver on wider national and regional agendas.
- A long-term approach - addressing disparities and increasing social mobility will take decades. Our approach will commit to making sustainable progress on long-term issues while delivering quick wins where we can.
- Addressing root causes - we will use data, insight and partnerships to tackle the root causes of complex issues, rather than the symptoms.
- Strengths-based: we will build on the strengths of individuals, communities, places and interest groups to improve quality of life for them. Our approach will not hold back other places or groups where things are better.
- Data-driven: we will use data to track our long-term trajectory and progress, using national benchmarks wherever possible. We will learn and evolve our approach.
- Targeted and tailored to communities of place and interest - Based on data and insight, we will prioritise the communities of place and communities of interest that need most support. Building on their strengths, we will help them build the capacity to improve things in the long-term, tailoring our approaches to local circumstances and avoiding 'one size fits all' approaches.

A Working Definition for Warwickshire

Increasing opportunity and social mobility: ensuring the success you enjoy in life is less dependent on where you live, your background and who your parents are by:

- spreading opportunity and embedding aspiration;
- fulfilling people's potential in life; and
- building inclusive economic growth to ensure valued, well-paid and high quality jobs.

Reducing disparities: addressing and preventing gaps and inequalities in:

- standards of living;
- health, happiness and well-being;
- educational attainment;
- access to good, affordable housing; and
- connectivity (transport and digital).

A Working Definition for Warwickshire (2)

Building community power: Increasing pride in the place you live in, and unleashing the potential of communities by increasing your voice and influence over your places.

Creating sustainable futures: ensuring climate change and adaptation are a central part of Levelling Up so future generations can live in a sustainable county with good opportunities and quality of life, including standards of living

Levelling Up Themes

Communities of place

- General support for communities of place and sense of correlation with police and health analysis/areas - with need to do further 'overlaying'
- Need to aware of the hidden deprivation and rural isolation/need which should feature more

Communities of Place

Based on an analysis of data on need and inequalities, our initial key places (LSOA) of interest are the 22 in the bottom 2 deciles of deprivation nationally:

Bar Pool North & Crescents	Kingswood Grove Farm & Rural
Camp Hill Village & West	Mancetter South & Ridge Lane
Abbey Town Centre	Middlemarch & Swimming Pool
Lillington East	Abbey Priory
Hill Top	Camp Hill East & Quarry
Kingswood Stockingford Schools	Abbey North
Bede East	Bede Cannons
Poplar Coalpit Field	Camp Hill North West & Allotments
Riversley	Atherstone Central
Brownsover South Lake District	Bede North
Poplar Nicholas Chamberlain	Rugby Town Centre

Communities of interest

- General support and recognition of the groups proposed
- Additional groups to include older people, mental health & isolation, cost of living/just coping, education and work readiness
- More specificity may be required

Communities of Interest

- Households with gross disposable income below the England average
- Communities with poor connectivity to large employment centres
- Early years
- Pupils in primary school not meeting the expected standard in reading, writing and maths
- Pupils in secondary education not achieving GCSEs in English and maths by age 19
- School aged children who are missing 10%+ of possible school sessions
- Children living in workless households
- Adults in unskilled employment
- Adults with no qualifications above a level 3
- Overweight and obese children
- Adults at risk of cardiovascular diseases
- People who have SEND
- Care experienced people



EDUCATION



ARCHITECTURE



LANDSCAPE &
ENVIRONMENT



ATHERSTONE ACTIVITY HUB.

SHORT DESIGN DOCUMENT
NWBC

23.06.2022



placemaking for life.

ATHERSTONE ACTIVITY HUB | INTRODUCTION

This document has been prepared by IDP Architects on behalf of North Warwickshire Borough Council to support the levelling up fund BID for the new Physical Activity Hub in Atherstone. This RIBA Stage 2 document covers the architectural design proposals alongside client and key stake holder engagement, that have informed the development of the brief to this stage.

This document is complimented by a suite of further documents/ reports produced by our fellow consultant team covering design proposals, procurement strategies, project programme, project risks, cost planning and project spend profile.

IDP have worked alongside the client, key stake holders and the team below, in the development of the proposals for the project.

Project Management: Exi Group
Mechanical Engineering: Greenways BSC
Civil & Structural Engineering: JMS
Principal Designer: Dobson Grey
BREEAM: QuinnRoss



Partnering Contractor: Willmott Dixon



Revision
Date
Prepared by
Checked by

JUNE 2022
SB
JJH

Cover Photo: View from Long Street looking towards existing access of Atherstone Leisure Centre, Library and Memorial Hall - IDP

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ATHERSTONE | SITE PHOTOGRAPHS

Long Street



Long Street - Junction Access



Long Street & Library



Long Street outside the Library



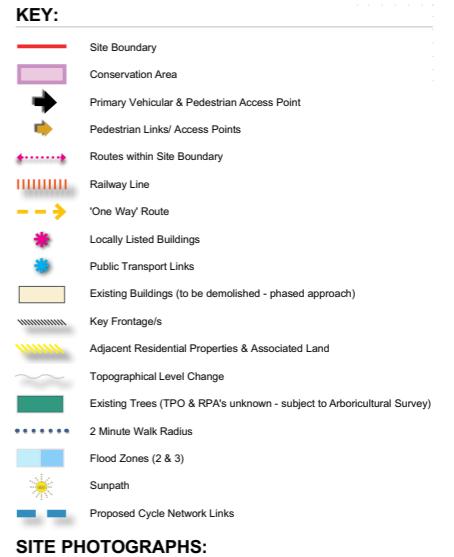
Junction Access to Memorial Hall, Library and ALC



Atherstone Leisure Centre



ATHERSTONE | SITE APPRAISAL



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All dimensions to be checked on site and architect notified of any discrepancies prior to commencement.

Do not scale.

Any and all elements relating to the fire safety of the building will require separate confirmation and approval by fully accredited fire engineering consultant who has to be appointed by The Client.

Notes:

Rev: Date: Comment(s): Name: Check:

Project: Atherstone Activity Hub
Title: Opportunities & Constraints Plan
Drawn: SB Date: 27.05.22
Checked: SB Scale @ A3: NTS
Pro. No: C5535/SK 04_00 Rev -
Drg No:

status: FEASIBILITY ONLY RIBA Stage: 2

client: North Warwickshire Borough Council

Pro. No:
Drg No:

PROPOSED | SITE LAYOUT PLAN @NTS



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Notes:

Drawing based on:
 - OS Map & Topographical Survey: 1013.dwg & 1013_Bdg.dwg
 - Scaled Google Earth Image (indicative and not accurate)
 - New Leisure Facilities V1 - NWBC
 - Sport England Guidance Documents

Approx. Building GIFA: 4550sqm

KEY:
 ■ Site Boundary
 ■ Flood Zone (Zone 3)
 ■ Flood Zone (Zone 2)

Rev: Date: Comment(s): Name: Check:

Status: FEASIBILITY ONLY RIBA Stage: 2

Client: North Warwickshire Borough Council

Project: Atherstone Activity Hub

Title: Proposed Site Layout

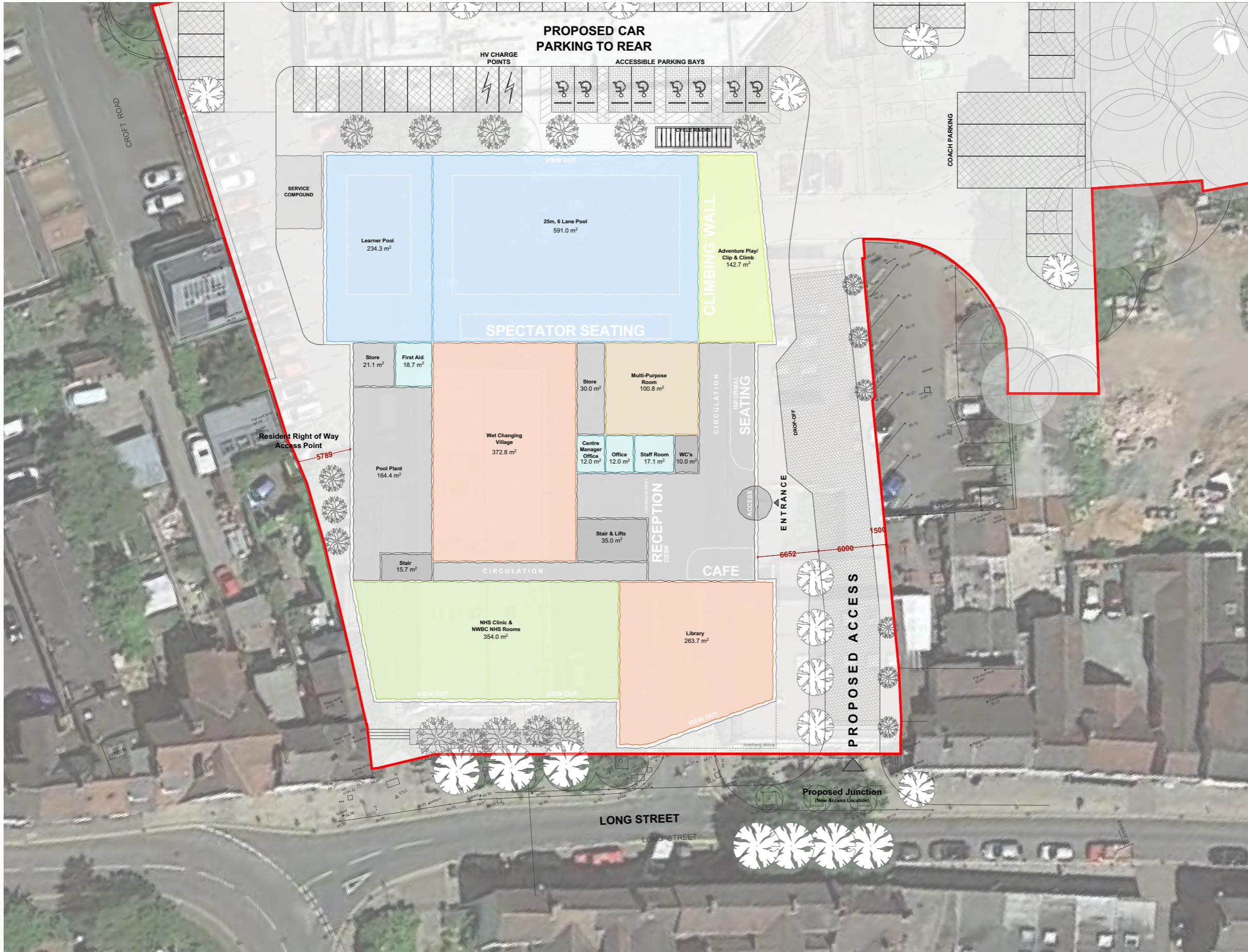
Drawn: SB Date: 31.05.22

Checked: SB Scale @ A1: 1:200

Pro. No: C5535/SK 03_00 Rev -
Drg No:

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ADJACENCY PLAN | GROUND FLOOR @NTS



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Do not scale.

Any and all elements relating to the fire safety of the building will require separate confirmation and approval by fully accredited fire engineering consultant who has to be appointed by the client.

Notes:

Drawing based on:
 - OS Map & Topographical Survey: 1013.dwg & 1013_Bdg.dwg
 - Scaled Google Earth Image (indicative and not accurate)
 - North Warwickshire Update Plan 2022 page 22
 - New Leisure Facilities V1 - NWBC
 - Sport England Guidance Documents

KEY:
 ■ Site Boundary (Subject to Client Confirmation)
 ■ Flood Zone (Zone 3)
 ■ Flood Zone (Zone 2)

Approx. Building GIFA: 4550sqm

Rev: Date: Comment(s): Name: Check:

Status: FEASIBILITY ONLY RIBA Stage: 2

Client: North Warwickshire Borough Council

Project: Atherstone Activity Hub

Title: Ground Floor / Adjacency Proposal

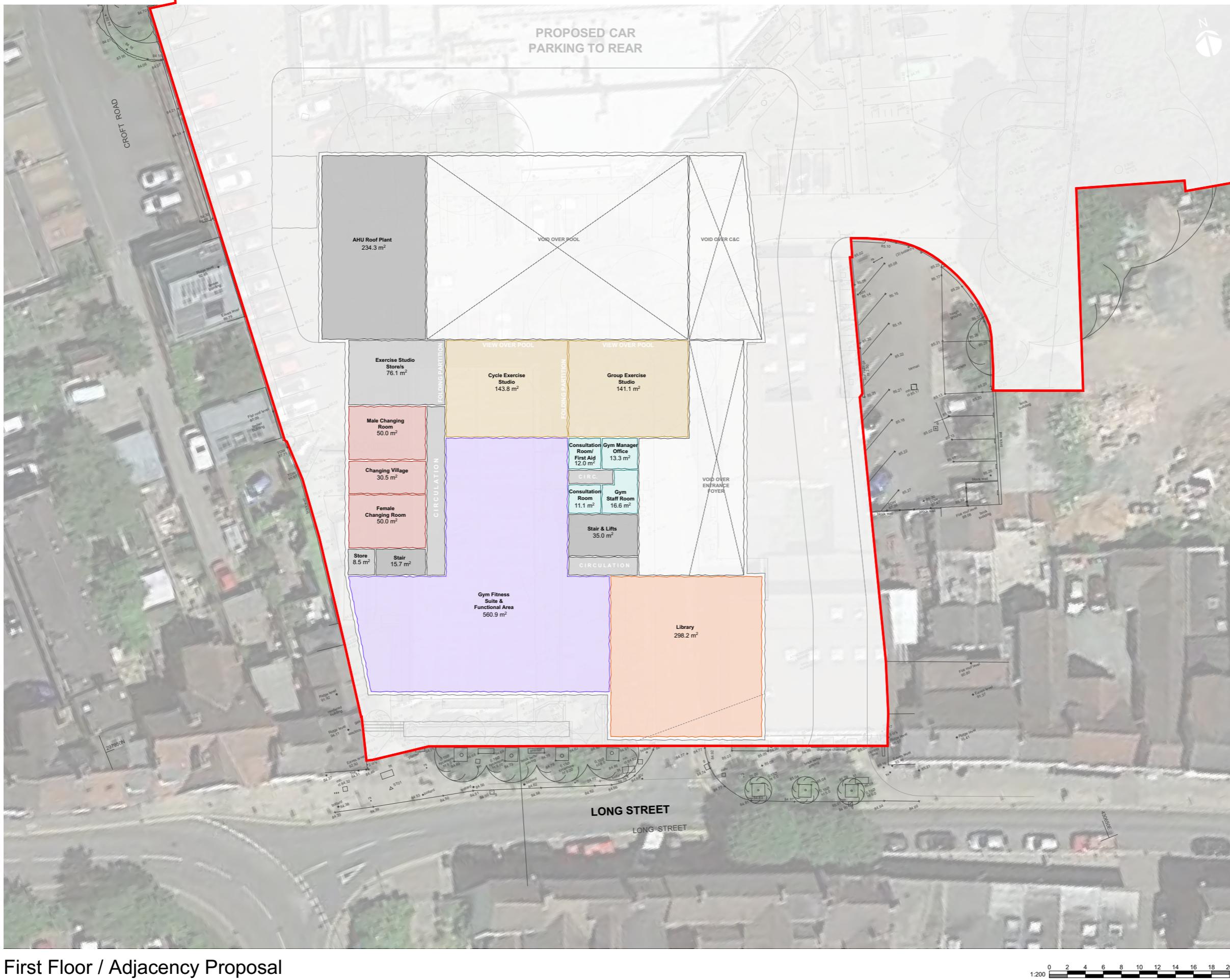
Drawn: SB Date: 31.05.22

Checked: SB Scale @ A1: 1:200

Pro. No: C5535/SK 20_00 Rev -
Drg No:

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ADJACENCY PLAN | FIRST FLOOR @NTS



First Floor / Adjacency Proposal

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Do not scale.

Any and all elements relating to the fire safety of the building will require separate confirmation and approval by fully accredited fire engineering consultant who has to be appointed by the client.

Notes:

Drawing based on:
- OS Map & Topographical Survey: 1013.dwg & 1013.Bdg.dwg
- Scaled Google Earth image (indicative and not accurate)
- North Warwickshire Unitary Plan page 22
- New Leisure Facilities V1 - NWBC
- Sport England Guidance Documents

KEY:
■ Site Boundary (Subject to Client Confirmation)
■ Flood Zone (Zone 3)
■ Flood Zone (Zone 2)

Approx. Building GIFA: 4550sqm



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PRECEDENTS



SITE



DEVELOPMENT | MAIN STREET VIEW



Image View from Station Road looking towards the site - Google Street View

DEVELOPMENT | ARTIST'S IMPRESSION





Image: Aerial View of Atherstone - Google Earth Image obtained by IDP

AATHERSTONE ACTIVITY HUB | OVERVIEW

Atherstone is a town of c.11,000 people in North Warwickshire. It is characterised by higher than average levels of deprivation, which is specifically concentrated in its town centre. The town's residents also have poorer health relative to the general population. Atherstone has a modest town centre, which is facing economic challenges in keeping with many towns of a similar size, its high-street is facing higher than historic levels of vacancies driven by competition from out of town and on-line retail.

This project will invest £17.5m (including £15m of LUF investment) to create a new 'activity hub' on a strategic site in Atherstone town centre. This will include a:

- A new leisure facility with: Swimming pools - 6 lane x 25metre, Teaching pool; Adventure Play / Clip Climb; Gym (health-related activity space for special populations within gym or separate room); Studios 1 x group exercise, 1 x spin; Multi-purpose room;
- A new library of 562sqm, including general lending facilities, meeting room space, study space, children's library, local history archive and a small events space. The library will continue to host a series of community events and activities.
- NHS clinic of circa 354sqm, which would continue the provision of integrated sexual health advice, physiotherapy for out-patients and emergency dentistry provision. The flexibility of the new space would allow further provision to be made on site in the future, subject to NHS operational plans.
- All three uses will share a joint atrium and reception area providing triage to each public service, alongside a café and seating area

The site is currently home to a leisure centre which is dated, costly to run, uses mechanical plant that is passed its lifespan and does not have the modern facilities demanded by many users. A library and NHS clinic are also on site and would be replaced by new facilities as part of the project.

The preparation of the site will facilitate the future relocation of Council offices onto the site, which sits outside of this LUF bid.

The project has already completed much of the required feasibility work. It has a contractor (Willmott Dixon) ready to go, supported by a professional team, including IDP architects and EXI project management. This team has prepared site appraisal, designs, costs and programme, which are all detailed in this bid. All land required is owned by public sector stakeholders.

The scheme would be expected to achieve planning by Spring 2023, and be on-site from Summer 2023 and with the new facilities open to the public by December 2024.

The objectives of the LUF investment is to directly:

- Improve access to and overall participation in exercise via the delivery of a new leisure centre. In turn improving health and utility in the local population.
- Improve access to and increase the user levels of Atherstone library. In turn increasing cultural utility of the local population, as well as education outcomes.
- Safeguard provision of critical NHS health outreach facilities in the town centre, improving long-term access to health services and safeguarding services for the residents of Atherstone.

Impacts of the bid are expected to be:

- Improved health of the local population, which in turn will lead to higher levels of economic activity.
- Through the consolidation of public services into a critical town centre location the project is expected to drive footfall to the town centre and expand the town centre's offer.
- Through the increased attractiveness of the town and its town centre, the ambitions are to raise civic pride, increase the retention of its younger working-age population and encourage investment into the town.



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Interface
ISO 9001
CERTIFICATION

Interface
ISO 14001
CERTIFICATION

CQMS
Safety Scheme

UK Shared Prosperity Fund

1 Summary

- 1.1 This note sets out the background to the UK Shared Prosperity Fund (UKSPF), suggests some indicative topics for the investment plan and recommends a meeting of Members to consider the matter further.

2 Report

- 2.1 As Members will be aware, since the UK exited the European Union, the Government has announced the UKSPF to replace the various EU funding streams.
- 2.2 The Government have made conditional allocations to District/Borough and Unitary Councils based upon a defined methodology: 70% per head of population and 30% which is a needs-based index (similar to other 'Levelling Up' priorities). The table below summarises the total amounts provisionally allocated in Warwickshire:

Lead Local Authority	Conditional Allocation	Notes
North Warwickshire	£1,965,601	Core UKSPF delivery
Nuneaton and Bedworth	£4,028,173	Core UKSPF delivery
Rugby	£3,052,921	Core UKSPF delivery
Stratford-on-Avon	£3,596,031	Core UKSPF delivery
Warwick	£3,484,412	Core UKSPF delivery
Warwickshire County Council	£2,543,360	Multiply only (The Multiply topic focuses on adult literacy. Submission of this investment plan must occur by 30 th June 2022 and will be handled by the Department for Education)
Total	£18,661,498	

- 2.3 Lead local partners are invited to submit investment plans which deliver across the three priorities of:

- 1) Community and Place,

- 2) Supporting Local Business,
 3) People and Skills.
- 2.4 Investment plans for the items above are due for submission by 1st August 2022. Local MPs will play an important role across the UKSPF process – advising, reviewing, and supporting the investment plan prior to UK Government sign-off.
- 2.5 Lead local authorities will be required to set out how they will deliver a successful investment programme and provide profiles for expenditure and deliverables, including measurable outcomes to reflect local needs and opportunities. A ‘theory of change, logic framework or logic chain’ will be required.
- 2.6 The Department for Levelling Up Housing and Communities will lead an assessment of the investment plans, focussing on:
- Local context – including challenges and opportunities
 - Selection of outputs, outcomes and proposed interventions
 - Delivery
- 2.7 Each lead local authority will be able to use 4% of the allocation for fund administration, which is around £78,000 for North Warwickshire. This includes items such as project assessment, contracting, monitoring, evaluation and ongoing stakeholder engagement. This programme is predominantly aimed at revenue-based expenditure as shown in the table below. Some capital is available, but this will need to be clearly evidenced in the overall funding request as part of the investment plan. The annual profiles also increase from 2023-24 to reflect the end of European Union Structural funding.

Year	Core UKSPF: revenue	Core UKSPF: capital	Local multiply: revenue
2022-23	90%	10%	100%
2023-24	87%	13%	100%
2024-25	80%	20%	100%

- 2.8 The main features within the UKSPF Prospectus for each investment plan area are as follows (a number of the stated objectives are common across the areas):
- Community and Place

Satisfaction with town centres, engagement with local culture and community, reducing gaps in healthy life expectancy, increased wellbeing, and reducing homicide, serious violence and crime.

The Government is looking in this topic to improve the social fabric of an area, increase local pride, improve physical, cultural and social assets, and amenities such as green space and community led projects. The aim is to build resilient, healthy and safe neighbourhoods, with targeted improvements to the built and natural environments. Examples given include community transport, CCTV and brownfield redevelopment.

- Supporting Local Business

Satisfaction with town centres, engagement with local culture and community, improving pay and productivity, and increasing Research and Development investment.

The Government is looking in this topic to create jobs and boost community cohesion. Particular emphasis is given to supporting start up businesses, improving local retail, hospitality and leisure facilities. The overall aim is to increase private sector investment in growth, target support for the SME sector and improve energy/carbon use. Examples given include business challenge funds and business advice schemes.

- People and Skills

Boosting core skills, supporting adults into work, and targeting adults with no or low qualifications and skills. The overall aim is to reduce economic inactivity including providing intensive life and employment support for those facing barriers to work.

There are two primary elements to this topic – employment support for the economically inactive and providing skills to progress in life and work. Examples given include community renewal funds providing training opportunities and support, 50+ employment support, and placements for those with common mental/physical conditions.

2.9 Based on this, an initial set of project or funding areas can be suggested:

- Town centres fund
- Community fund – to enhance facilities and amenities, built and natural
- Health programmes
- Community safety interventions
- Cost of living measures
- Skills and employability schemes
- Access/transport to jobs and services

- Business support
- Tourism

2.10 Members will note that the first year of the potential funding is the current financial year and decisions on the investment plans are not expected from Government until October, around half way through the first year. It may be therefore that the continuation of some of the schemes currently paid for by existing EU funds (tourism, skills, business support) but with a more local focus would be necessary for the current year, not least as some of those schemes will continue to run until 2023 as the existing arrangements taper off and UKSPF funding tapers in. The phasing of funding for our indicative allocation of funding is as follows:

- | | |
|-------------|------------|
| • 2022 / 23 | £238,544 |
| • 2023 / 24 | £477,088 |
| • 2024 / 25 | £1,249,970 |

2.11 Officers will continue to meet to work up the detail required and an external consultant (who will also be assisting elsewhere in the County) is in the process of being engaged. There is also work going on across the County to assist and coordinate work, where appropriate, and the County Council have also offered to assist with certain tasks.

2.12 In addition, it is suggested that a small group of Members in the coming weeks to input into this work.



[Home](#) > [Rural England Prosperity Fund: prospectus](#)

Department
for
Environment
Food
&
Rural
Affairs
(<https://www.gov.uk/government/organisations/department-for-environment-food-and-rural-affairs>)

Guidance

Rural England Prosperity Fund: prospectus

Published 3 September 2022

Applies to England

Contents

1. Introduction
2. What to use the funding for
3. Funding places will receive
4. How to deliver the Fund
5. Rural Fund process
6. The Fund's parameters

7. How we will pay each place or project
8. How we will measure performance
9. Next steps



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This publication is available at <https://www.gov.uk/government/publications/rural-england-prosperity-fund-prospectus/rural-england-prosperity-fund-prospectus>

Guidance for local authorities for funding under the Rural England Prosperity Fund. The Rural England Prosperity Fund is referred to as the ‘Rural Fund’ in this prospectus.

Important dates

Dates are indicative and may be subject to change.

- 3 September 2022 - Rural Fund launch
- 12 September 2022 - Rural Fund addendum platform launch
- September 2022 - engagement sessions with local authorities and local partners to support the Rural Fund process
- 3 October 2022 to 30 November 2022 - Rural Fund addendum submissions window
- November 2022 to January 2023 - Rural Fund assessment period for government
- January 2023 - anticipated date for approval of Rural Fund proposals
- April 2023 - first payments expected to lead local authorities
- April 2023 to March 2025 - funding period

For more information, contact: ruralenglandprosperityfund@defra.gov.uk

1. Introduction

This prospectus builds on, and is complementary to, the UK Shared Prosperity Fund (UKSPF) prospectus (<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus>). It provides guidance for eligible local authorities to get funding under the Rural Fund.

You’ll have submitted a UKSPF investment plan to the UK Government. The Rural Fund is a top-up to the UKSPF and is available to eligible local authorities in England. It succeeds EU funding from LEADER and the Growth Programme which were part of the Rural Development Programme for England.

Integrating the Rural Fund with the UKSPF aligns with the government’s commitment to streamline the funding landscape. We’ll set out a plan for this later this year.

To access funding under the Rural Fund, we’re asking you to provide specific additional information as an addendum to your UKSPF investment plan. Our intention is to make the process as simple as possible. We’ve aligned as much as we can with what you’re already doing for the UKSPF.

1.1 What is the Rural Fund?

Rural areas often face specific challenges including:

- lower productivity rates
- poorer connectivity
- poorer access to key services

The Rural Fund supports the aims of the government's Levelling Up White Paper and Future Farming Programme. It funds capital projects for small businesses and community infrastructure. This will help to improve productivity and strengthen the rural economy and rural communities.

The Rural Fund is integrated into the UKSPF which supports productivity and prosperity in places that need it most. For eligible local authorities, the Rural Fund is a rural top-up to UKSPF allocations. It supports activities that specifically address the particular challenges rural areas face. It is complementary to funding used to support rural areas under the UKSPF.

The Rural Fund sits alongside existing Defra schemes, including:

- [The Farming in Protected Landscapes programme](https://www.gov.uk/guidance/funding-for-farmers-in-protected-landscapes)
(<https://www.gov.uk/guidance/funding-for-farmers-in-protected-landscapes>)
- [The Farming Investment Fund](https://www.gov.uk/guidance/farming-investment-fund) (<https://www.gov.uk/guidance/farming-investment-fund>)
- [The Platinum Jubilee Village Hall Improvement Grant Fund](https://www.gov.uk/government/news/platinum-jubilee-fund-creates-boost-for-village-halls)
(<https://www.gov.uk/government/news/platinum-jubilee-fund-creates-boost-for-village-halls>)

Read [Section 6.1 Who can the Fund support?](#) for the main objectives of these schemes.

Eligible local authorities qualify for an allocation based on factors developed in line with the scheme objectives. This includes the size of their rural populations. Not all authorities with rural areas are eligible. Read [Section 3.1 How the indicative allocations were determined](#).

Funding is available from April 2023 to March 2025.

2. What to use the funding for

2.1 Aims of the Fund

The Rural Fund objectives sit within the UKSPF investment priorities for:

- Supporting Local Business

- Community and Place

They also relate to 2 of the Levelling Up White Paper

(<https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>) Missions:

- Mission 1 – Living standards
- Mission 9 – Pride in place

The Rural Fund provides capital funding to:

- support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy. This includes farm businesses looking to diversify income streams
- support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy

This funding should not replace funding plans for rural areas under the UKSPF. It is a top-up to help address the extra needs and challenges facing rural areas.

2.2 Projects which may be funded

You must use funding on capital projects. This means you must spend grants on lasting assets such as a building or equipment.

Grants must be for business or community purposes. You cannot use grants to fund domestic property improvements or to buy private vehicles. You cannot spend grants on revenue costs such as running costs or promotional activities.

You may be able to use revenue funding from your UKSPF allocations to support the capital from the Rural Fund top-up. This must be consistent with your UKSPF investment plans.

Projects must be in a rural area. For Rural Fund purposes, rural areas are:

- towns, villages and hamlets with populations below 10,000 and the wider countryside
- market or ‘hub towns’ with populations of up to 30,000 that serve their surrounding rural areas as centres of employment and in providing services

To help you identify the types of projects we expect to see funded, we've provided a list of interventions, objectives, outputs and outcomes

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1101590/Rural_England_Prosperity_Fund_interventions_objectives_outputs_and_outcomes_list.pdf). Most are the same as UKSPF interventions for:

- Supporting Local Business
- Communities and Place

There are 2 extra interventions providing funding for:

- small scale investment in micro and small enterprises in rural areas
- rural circular economy projects

The list of interventions also provides example projects you could fund, such as grants for:

- food processing equipment to scale up from domestic to commercial kitchens (non-farming businesses only)
- converting farm buildings to other business uses
- rural tourism such as investments in visitor accommodation and farm diversification for event venues

Investments should demonstrate value for money and additionality. We'll provide materials to help support your assessment of projects and to share best practice.

You should also consider how investments contribute to net zero and nature recovery objectives. These include:

- the UK's commitment to cut greenhouse gas emissions to net zero by 2050
- wider environmental considerations, such as resilience to natural hazards
- the [25 Year Environment Plan \(<https://www.gov.uk/government/publications/25-year-environment-plan/25-year-environment-plan-our-targets-at-a-glance>\)](https://www.gov.uk/government/publications/25-year-environment-plan/25-year-environment-plan-our-targets-at-a-glance) commitments

To support green growth, think about how projects can work with the natural environment to achieve objectives. At a minimum, you need to consider the project's impact on our natural assets and nature.

You should prioritise projects that deliver the greatest economic, environmental and social benefits.

Rural Fund projects can be part of a wider UKSPF intervention. They can provide extra funding where the objectives are the same to add value.

2.3 Case studies: supporting rural businesses

Farm diversification - development of glamping site on farm

A former LEADER farm diversification project received £15,500 for glamping facilities. This capitalised on the growing demand for tourism in natural locations. It led to extra business for local pubs, restaurants, and rural tourist attractions. It also

had positive environmental impacts, showing visitors the local wildlife. The accommodation was low impact, using renewable energy and tents made from natural materials. The new stream of income meant the farm employed seasonal workers, supporting the local economy.

Expanding furniture making business

A former Growth Programme project received funding of £40,000. This funded new machinery to meet increasing demand. The furniture making business increased in-house manufacturing and gained new contracts. This led to the creation of 2-3 full-time equivalent jobs.

2.4 Case study: supporting rural communities

Modernising cricket club

A former LEADER project provided £11,500 funding to modernise a cricket club's facilities. It funded new facilities for sporting and social events. The grant also helped to furnish and equip the new hall and buy staging and a bar area for events. This led to more event bookings and employment of a manager and part-time bar and catering staff.

3. Funding places will receive

A total of up to £110 million is available for financial years 2023 to 2024 and 2024 to 2025. Read the Rural England Prosperity Fund: allocations (<https://www.gov.uk/government/publications/rural-england-prosperity-fund-prospectus/rural-england-prosperity-fund-allocations>) to check your indicative allocation.

Allocations have been determined at local authority level. The indicative allocations show totals for Mayoral Combined Authorities (MCAs). In MCA areas, you should use allocations to fund projects in rural areas. You do not need to spend them in each local authority where funding is allocated, although we encourage this.

We'll confirm allocations after considering the additional information you provide in your addendum to the UKSPF investment plan.

3.1 How the indicative allocations were determined

The Rural England Prosperity Fund: methodology (<https://www.gov.uk/government/publications/rural-england-prosperity-fund-prospectus/rural-england-prosperity-fund-methodology>) describes how we decided the allocations.

It takes account of:

- rural population
- rural businesses and productivity

- the importance of farming in each authority

Authorities that meet the criteria will get an allocation.

4. How to deliver the Fund

4.1 Overview

You'll receive funding as part of your UKSPF allocation. You'll agree and contract projects locally in line with the approved additional information you provide.

We expect you to achieve fund investment and outputs in line with each place's spend profile.

You must spend all UKSPF contributions, including the Rural Fund, by 31 March 2025. You can use other sources of funding, including your own contributions, after this date to complete schemes.

4.2 Role of local authorities

You'll deliver projects within the UKSPF framework. You're responsible for submitting Rural Fund additional information to the UK Government for approval. Read [Section 5 Rural Fund process](#) for guidance.

You should consult local rural partners to deliver the Fund. You may wish to use your UKSPF local partnership group. You're also encouraged to speak to MPs.

Once your additional information is approved and funding allocated, you're responsible for deciding how to award grants. This will involve:

- managing local project calls for selecting projects in line with approved plans
- approving applications
- contracting with successful applicants
- making payments
- day-to-day monitoring

You should conduct due diligence. Ensure Rural Fund beneficiaries have robust business plans which demonstrate the viability and success of projects.

You're responsible for ensuring there is no duplication of funding. In particular, there should not be duplication with schemes supporting similar activities. Read [Section 6.1 Who can the Fund support?](#) for more detail.

You should have means of monitoring duplication.

Reporting, monitoring and evaluation will be part of the UKSPF.

To comply with World Trade Organisation (WTO) reporting obligations, you'll need to report certain expenditure to us.

Read [Section 6.5 Complying with UK law](#).

4.3 Role of central government

The UK Government implements the UKSPF and the Rural Fund. It will be responsible for assessing and signing off the addendum you submit for funding.

The UK Government will make payments under the Rural Fund to you.

5. Rural Fund process

Our aim is to make the submission process as simple as possible. We'll use information you've already submitted to the UKSPF.

To access the Fund, you must complete a short template. This is an addendum to the UKSPF investment plan. Include additional information outlining how you'll use the funding and justifying your plans.

The information we're requesting will build on your UKSPF investment plan. It will show how you'll spend your rural top-up allocation to support rural businesses and communities.

You should seek opinions from local rural partners and businesses.

5.1 Rural Fund questions

We'll ask you to set out how you'll deliver your funding allocation. This should be as complete and accurate as possible at this stage.

In line with UKSPF investment plans, the questions will cover 3 areas.

i) Local context

Include local evidence of challenges, market failures and opportunities. You should link these to the Rural Fund priorities. Challenges may include:

- low productivity in the rural economy
- farms diversifying their business models during the agricultural transition
- deprivation in rural communities

ii) Selection of interventions and outcomes

Identify the interventions and outcomes you want to prioritise. Select each intervention from the menu of subsidy options. You'll need to justify the interventions selected.

Explain how the interventions selected will address local challenges, market failures and opportunities. You should rank the interventions selected in order of expected value added.

Ensure the proposed intervention demonstrates additionality. Additionality is the extent to which the outcome arising would not have happened in the absence of the intervention selected.

You'll also need to be sure you could not fund the interventions selected using private finance. This means instead of government funding.

iii) Delivery

This has 2 sections.

a. Expenditure

Detail what you want to deliver with your funding. Include:

- the indicative spend profile for the 2 years of the fund
- how you'll ensure value for money, including additionality and future private investment that could be unlocked
- why you cannot use private finance

Describe if you'll collaborate with other places to deliver specific interventions.

We'll use information on capability and resource from your UKSPF investment plans to assess this.

b. Approach to engagement with rural partners

Describe your consultations with rural partners and your plans for future engagement.

5.2 How to submit your Rural Fund addendum

The Rural Fund platform will launch on 12 September 2022. Your lead UKSPF contact will receive a link to access the platform which has questions to complete.

Submit your addendum using the online platform during the submission window. The submission window opens on 3 October 2022 and closes on 30 November 2022.

5.3 How we will agree your Rural Fund proposals

When assessing your proposals, we'll consider:

- how well the proposals meet the strategic objectives of the Rural Fund
- how you'll ensure value for money and additionality, including whether you could fund projects using private finance
- how projects could unlock future private investment
- how you've engaged, and plan to engage, with rural partners

We expect your additional information to be coherent and supported by relevant partners. The interventions and outcomes must be deliverable.

If you do not provide enough information, we may ask for more. This includes failure to enter enough rationale in text boxes.

As part of our assessment, we'll use information in your UKSPF investment plan. This will save you providing it again.

If we cannot sign off the additional information first time, we'll give you feedback. We'll work with you to secure sign off.

6. The Fund's parameters

The Fund will be responsive to local circumstances. It'll be flexible on how you design and deliver fund interventions.

You and local partners should consider the Fund's parameters when deciding on interventions.

6.1 Who can the Fund support?

The Fund operates in rural areas in England.

Any organisation with legal status can get funding to deliver a Rural Fund intervention. This may include:

- local authorities
- public sector organisations
- higher and further education institutions
- private sector companies
- voluntary organisations
- registered charities
- arms-length bodies of government

We cannot support projects that have received funding from other Defra schemes. This includes:

- The Farming in Protected Landscapes Programme (<https://www.gov.uk/guidance/funding-for-farmers-in-protected-landscapes>) - funding for farmers and land managers to work in partnership with National Parks and Areas of Outstanding Natural Beauty bodies to deliver projects on climate, nature, people and place
- The Farming Investment Fund (<https://www.gov.uk/guidance/farming-investment-fund>) - grants to improve productivity and bring environmental benefits, covering 2 funds - the Farming Equipment and Technology Fund and the Farming Transformation Fund
- The Platinum Jubilee Village Hall Improvement Grant Fund (<https://www.gov.uk/government/news/platinum-jubilee-fund-creates-boost-for-village-halls>) - grant funding over 3 years (to 2025) to support capital improvement projects for village halls, covering extending buildings and modernising facilities. More details on how to apply will be available shortly

We cannot support projects or costs where there is a statutory duty to provide them.

6.2 When can the investment start?

The Rural Fund can support investment in interventions starting from 1 April 2023. Interventions must fit with Fund requirements in this prospectus.

6.3 Maximising other funding sources

Match or co-funding under the Rural Fund is not mandatory. But you should consider match funding and leveraging options from the private, public and third sectors. This will maximise the value for money and impact of the Fund. Consider other funding when designing interventions and agreeing Fund outcomes.

Projects may draw on resource funding from the UKSPF if this is consistent with the UKSPF investment plan and allocation.

We encourage local collaborations and working with other places to deliver Rural Fund interventions.

6.4 Apportioning costs

We expect costs will normally be apportioned on a percentage basis in line with funding contributions, for projects funded by:

- more than one funder
- more than one Rural Fund allocation

Where you apportion costs, the method should be clear and transparent.

6.5 Complying with UK law

Subsidy control

You're responsible for complying with subsidy control rules for grant funding. Read UKSPF guidance on subsidy control (<https://www.gov.uk/guidance/uk-shared-prosperity-fund-subsidy-control-7>).

You must follow our guidance on reporting requirements. Read UKSPF guidance on reporting and performance management (<https://www.gov.uk/guidance/uk-shared-prosperity-fund-reporting-and-performance-management-3>).

You must follow our guidance on WTO rules and reporting requirements.

Public procurement

You must assess all spend associated with the Rural Fund in advance. This will ensure proposed investment is compliant with Public Contracts Regulations 2015. It must follow local constitution and grant rules, processes and procedures where relevant.

6.6 Branding and publicity

Read Section 7.7 Branding and publicity (<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus#branding-and-publicity>) of the UKSPF prospectus and UKSPF additional guidance on branding and publicity (<https://www.gov.uk/guidance/uk-shared-prosperity-fund-branding-and-publicity-6>).

7. How we will pay each place or project

The UK Government will make an annual payment to eligible local authorities. This will be at the beginning of each financial year using powers in the UK Internal Markets Act 2020.

We may alter payment cycles where there are performance or delivery issues. We reserve the right to withhold or delay payment.

We'll ask you to return any underspends at the end of each financial year.

8. How we will measure performance

Read Section 9 How we will measure performance
(<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/uk-shared-prosperity-fund-prospectus#how-we-will-measure-performance>) of the UKSPF prospectus and the UKSPF additional guidance on reporting and performance management (<https://www.gov.uk/guidance/uk-shared-prosperity-fund-reporting-and-performance-management-3>).

The Rural Fund is part of the UKSPF reporting so you'll only have one reporting obligation.

8.1 Rural Fund indicators

See the list of interventions, objectives, outputs and outcomes (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1101590/Rural%20England%20Prosperity%20Fund%20interventions%20objectives%20outputs%20and%20outcomes%20list.pdf) for the Fund indicators. Use these as a guide when deciding your Rural Fund interventions.

You must use the common indicators shown for each intervention to measure outputs, outcomes and impacts.

9. Next steps

Using this prospectus, work with your local partnership group to develop your proposals. Submit your Rural Fund addendum during the submission window.

The indicative important dates for the Fund are provided at the start of this prospectus.

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Rural England Prosperity Fund: interventions, objectives, outputs and outcomes

To access Rural Fund allocations, you must provide an additional information addendum to your UKSPF investment plan.

The addendum covers 3 areas.

1. Local context - referencing the Fund's investment priorities: supporting rural business and supporting rural communities.
2. Interventions - select from a menu of options and explain how they respond to local context.
3. Delivery - how and when you'll deliver the interventions you've selected.

Each place has flexibility to invest in activities or 'interventions' that support rural businesses and rural communities. These are within the context of the Fund's aims.

Interventions are split by investment priority. Each investment priority gives details of:

- the interventions and objectives
- indicative outputs and indicative outcomes
- example projects

Review the interventions and identify activities that support Fund objectives in your area.

Investment priority	Intervention	Example projects	Objectives	Indicative outputs	Indicative outcomes
Supporting rural business	Funding (capital grants) for small scale investment in micro and small enterprises in rural areas. Including capital funding for net zero infrastructure for rural	Creation and expansion of rural leisure and tourism businesses. For example: <ul style="list-style-type: none">• creating event venues or farm tourism facilities	Creating jobs and boosting community cohesion. Increasing private sector investment in growth-enhancing activities, through	<ul style="list-style-type: none">• Number of businesses supported• Number of farm businesses supported• Number of farm diversification	<ul style="list-style-type: none">• Jobs created• Jobs safeguarded• Number of new businesses created• Number of businesses adopting new to the firm technologies or processes

	<p>businesses, and diversification of farm businesses outside of agriculture to encourage start up, expansion or scale up of these businesses where this involves converting farm buildings into other commercial or business uses.</p>	<p>such as accommodation, wedding venues and leisure facilities</p> <ul style="list-style-type: none"> • provision of facilities for pet and equines such as kennels, livery and pet health venues <p>Purchase of equipment for food processing for non-farmer-owned businesses. For example:</p> <ul style="list-style-type: none"> • purchasing new process and packaging machinery such as brewing equipment and onsite vending machines • equipping development kitchens, or modernising existing kitchen equipment for increased energy efficiency or increased productivity through automation 	<p>targeted support for small and medium-sized businesses to:</p> <ul style="list-style-type: none"> • undertake innovation • adopt productivity enhancing, energy efficient and low carbon technologies and techniques 	<ul style="list-style-type: none"> • projects supported • Number of micro businesses supported 	<ul style="list-style-type: none"> • Number of businesses with improved productivity • Number of businesses experiencing growth
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		<p>(Support for farmer-owned businesses is available under the Farming Investment Fund (FIF)).</p> <p>Funding for resilience infrastructure and nature-based solutions that protect local businesses and community areas from natural hazards including flooding and coastal erosion.</p>			
Supporting rural business	<p>Funding (capital grants) for growing the local social economy and supporting innovation. This includes:</p> <ul style="list-style-type: none"> • community businesses • cooperatives and social enterprises • research and development sites 	<p>Creation of multi-functional rural business hubs providing shared workspace and networking opportunities for rural businesses. For example:</p> <ul style="list-style-type: none"> • flexible access to commercial kitchens • co-working spaces • business infrastructure such as broadband and 	<p>Creating jobs and boosting community cohesion. From capital grant support for starting businesses to visible improvements to local retail, hospitality and leisure sector facilities.</p> <p>Enhancing rural visitor economy and rural leisure opportunities.</p>	<ul style="list-style-type: none"> • Number of businesses supported • Number of farm businesses supported • Number of farm diversification projects supported • Number of micro businesses supported 	<ul style="list-style-type: none"> • Jobs created • Jobs safeguarded • Number of new businesses created • Number of businesses adopting new to the firm technologies or processes • Number of businesses with improved productivity

	<p>This intervention corresponds to the UK Shared Prosperity Fund (UKSPF) intervention E26.</p>	<p>electric vehicle (EV) charging points</p> <p>Establishment of rural community businesses, for example:</p> <ul style="list-style-type: none"> • community-owned shops (for example provision of premises) • equipment to support the showcasing of local food and drink products such as regional information display boards 			<ul style="list-style-type: none"> • Number of businesses increasing their export capability
Supporting rural business	<p>Funding (capital grants) for the development and promotion (both trade and consumer) of the visitor economy, such as:</p> <ul style="list-style-type: none"> • local attractions • trails • tourism products more generally 	<p>Development of local visitor trails and infrastructure to support this, such as:</p> <ul style="list-style-type: none"> • information boards • visitor centres <p>Grants to develop local tourist attractions.</p> <p>Development of local visitor experiences</p>	<p>Creating jobs and boosting community cohesion.</p> <p>Enhancing rural visitor economy and rural leisure opportunities.</p>	<ul style="list-style-type: none"> • Number of businesses supported • Number of visitor experiences supported • Number of farm businesses supported • Number of micro businesses supported 	<ul style="list-style-type: none"> • Jobs created • Jobs safeguarded • Number of new businesses created • Number of businesses increasing their turnover

	This intervention corresponds to the UKSPF intervention E17 .	based on the local offer.			
Supporting rural communities	Funding (capital grants) for investment and support for digital infrastructure for local community facilities. This intervention corresponds to the UKSPF intervention E15 .	Capital grants for provision of gigabit capable digital infrastructure at rural hubs for community use, for example: <ul style="list-style-type: none">• village halls• pubs• post offices (Projects must align with the government's Project Gigabit programme).	Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes: <ul style="list-style-type: none">• community infrastructure• local green space• community-led projects	<ul style="list-style-type: none">• Number of organisations receiving grants• Number of facilities supported, created or installed	<ul style="list-style-type: none">• Jobs created• Jobs safeguarded• Increased users of facilities or amenities• Improved perception of facility or infrastructure project• Improved perception of facilities or amenities
Supporting rural communities	Funding (capital grants) for investment in capacity building and infrastructure support for local civil society and community groups.	Capital grants for provision of net zero infrastructure for rural communities and to support rural tourism activity, for example: <ul style="list-style-type: none">• EV charging points	Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical,	<ul style="list-style-type: none">• Number of EV charging points• Number of visitors or locals using charging points• Number of community	<ul style="list-style-type: none">• Improved perception of facilities or amenities• Increased users of facilities or amenities

	<p>This intervention corresponds to the UKSPF intervention E11.</p>	<ul style="list-style-type: none"> community energy schemes such as scaled up biomass, heat pumps or solar <p>Capital grants for kitchens in community hubs which are capable of supporting food and drink entrepreneurs to get accreditation for food production.</p> <p>Funding for resilience infrastructure and nature-based solutions that protect local businesses and community areas from natural hazards including flooding and coastal erosion.</p>	<p>cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> community infrastructure local green space community-led projects 	<p>energy projects funded</p>	<ul style="list-style-type: none"> Improved perceived or experienced accessibility Number of new businesses created
Supporting rural communities	<p>Funding (capital grants) for creation of and improvements to local rural green spaces.</p> <p>This intervention corresponds to the UKSPF intervention E3.</p>	<p>Capital grants to establish or enhance rural green and blue infrastructure including:</p> <ul style="list-style-type: none"> community gardens green spaces watercourses and embankments 	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties</p>	<ul style="list-style-type: none"> Amount of rehabilitated land or premises Square metres (m^2) of land made wheelchair accessible or step free 	<ul style="list-style-type: none"> Increased footfall Increased visitor numbers Increased use of cycleways or paths Jobs created Improved perception of

		<ul style="list-style-type: none"> • greening of streets and paths • incorporating natural features into wider public spaces 	<p>and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure • local green space • community-led projects 	<ul style="list-style-type: none"> • Amount of public realm created or improved • Number of facilities supported or created • Amount of green or blue space created or improved 	<p>facilities or amenities</p> <ul style="list-style-type: none"> • Increased users of facilities or amenities • Improved perceived or experienced accessibility
Supporting rural communities	<p>Funding (capital grants) for existing cultural, historic and heritage institutions that make up the local cultural heritage offer.</p> <p>This intervention corresponds to the UKSPF intervention E4.</p>	<p>Capital grants to develop, restore or refurbish local natural, cultural and heritage assets and sites.</p> <p>Improving visitor experience and accessibility of these assets. For example by:</p> <ul style="list-style-type: none"> • creating wheelchair accessible and step free access that goes beyond statutory requirements • providing all terrain wheelchairs allowing access to new areas of sites 	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure • heritage assets • local green space 	<ul style="list-style-type: none"> • Number of organisations receiving financial support other than grants • Number of organisations receiving grants • Number of tourism, culture or heritage assets created or improved • Amount of green or blue space created or improved • Amount of land or premises supported 	<ul style="list-style-type: none"> • Increased footfall • Increased visitor numbers • Increased use of cycleways or paths • Jobs created • Improved perception of facilities or amenities • Increased users of facilities or amenities • Improved perceived or experienced accessibility

				<ul style="list-style-type: none"> • m² of land made wheelchair accessible or step free • Number of facilities supported or created 	
Supporting rural communities	<p>Funding (capital grants) for local arts, cultural, heritage and creative activities.</p> <p>This intervention corresponds to the UKSPF intervention E6.</p>	<p>Funding for provision of maker spaces.</p> <p>Funding for local art galleries, museums and libraries for altering premises or providing spaces for exhibitions to support displays for artists to showcase work.</p> <p>Capital grants to enable cultural, heritage and creative events and provision of venues for locally-led:</p> <ul style="list-style-type: none"> • music and theatre performances • tours • author events • film screenings 	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure • local green space • community-led projects 	<ul style="list-style-type: none"> • Number of potential entrepreneurs provided assistance to be business ready • Number of organisations receiving grants • Number of local events or activities supported 	<ul style="list-style-type: none"> • Jobs created • Jobs safeguarded • Increased footfall • Increased visitor numbers • Improved engagement numbers • Improved perception of facilities or amenities • Number of community-led arts, cultural, heritage and creative programmes as a result of support • Improved perception of events

Supporting rural communities	<p>Funding (capital grants) for active travel enhancements in the local area.</p> <p>This intervention corresponds to the UKSPF intervention E7.</p>	<p>Creation of new footpaths and cycle paths, particularly in areas of health need.</p> <p>Upgrading of existing footpaths and cycle paths, particularly in areas of health need.</p>	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure • local green space • community-led projects 	<ul style="list-style-type: none"> • Amount of new or improved cycleways or paths • Number of facilities supported or created • Amount of green or blue space created or improved 	<ul style="list-style-type: none"> • Increased use of cycleways or paths • Improved perception of facilities or amenities
Supporting rural communities	<p>Funding (capital grants) for rural circular economy projects.</p>	<p>Capital grants to enable setting up or enhancement of rural community-led repair cafes or mend workshops. This includes:</p> <ul style="list-style-type: none"> • provision of premises • tools or equipment to support 	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure 	<ul style="list-style-type: none"> • Number of organisations receiving grants • Number of people reached 	<ul style="list-style-type: none"> • Improved engagement numbers • Improved perception of local facilities or amenities • Number of community-led programmes as a result of support

			<ul style="list-style-type: none"> • local green space • community-led projects 		
Supporting rural communities	<p>Funding (capital grants) for impactful volunteering and social action projects to develop social and human capital in local places.</p> <p>This intervention corresponds to the UKSPF intervention E9.</p>	<p>Capital grants to enable people to develop volunteering and social action projects locally, such as:</p> <ul style="list-style-type: none"> • purchase of equipment • improvements to premises to enable local volunteering groups such as youth charities, carers groups or refugee support groups 	<p>Strengthening our social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties and amenities. This includes:</p> <ul style="list-style-type: none"> • community infrastructure • local green space • community-led projects 	<ul style="list-style-type: none"> • Number of organisations receiving grants • Number of local events or activities supported • Number of projects supported 	<ul style="list-style-type: none"> • Improved engagement numbers • Volunteering numbers as a result of support

Agenda Item No 15

Executive Board

12 October 2022

Report of Management Team and the Director of Leisure and Community Development

Leisure Facilities Local Authority Trading Company: Business Case

1 Summary

- 1.1 As reported to the Community and Environment Board in March 2022, before a Local Authority Trading Company (LATCo) can start to trade pursuant to the Council's powers (under Section 1 of the Localism Act and Section 95 of the Local Government Act 2003) the Authority should approve a business case. It is recommended as best practice for the business case to be compliant with the HM Treasury Green Book. This report presents that business case for Members' consideration.

Recommendation to the Board

- a That the Board approves the corporate business case to establish a wholly owned Leisure Facilities Local Authority Trading Company; and,
- b That the Board approves the establishment and registration of the wholly owned Leisure Facilities Local Authority Trading Company on the basis of it being a Company Limited by Guarantee.

2 Consultation

- 2.1 As the Authority's leisure facilities are of Borough-wide significance this report has been circulated to all Councillors for their consideration. Any comments received will be reported at the meeting.
- 2.2 Initial, informal discussions have been held with staff, including through the Joint Negotiating Forum, about the proposal to establish a Leisure Facilities Local Authority Trading Company. It will be necessary to undertake formal consultation with potentially affected staff as the process continues.

3 Introduction and Background

- 3.1 The Borough Council currently undertakes the in-house management of the following primary leisure facilities:

- Atherstone Leisure Complex (including Atherstone Memorial Hall and both indoor provision and an Artificial Grass Pitch through a Management Agreement with Queen Elizabeth School)
- Coleshill Leisure Centre (through a Joint Use Agreement with The Coleshill School)
- Polesworth Fitness Hub and associated outreach provision within community venues in Dordon and, through a short-term hire agreement, at The Polesworth School

- 3.2 At its meeting held on 14 March 2022, the Community and Environment Board approved the establishment and registration of a wholly owned Leisure Facilities Local Authority Trading Company (LATCo) to manage and operate these facilities and it delegated authority to the Chief Executive to set up the company, in consultation with the Chairman, Vice-chairman and Opposition Spokesperson for the Board. Before the LATCo can start to trade, however, the Authority should approve a business case. It is recommended as best practice for the business case to be compliant with the HM Treasury Green Book. The required business case is appended to this report for Members' consideration.
- ...
- 3.3 The context for the business case is initially provided by the Borough Council's adopted Leisure Facilities Strategy (2018), which had been commissioned as part of an overarching review of leisure, green space and playing pitch provision. Within the commission, the appointed consultant was also required to appraise the options for the future delivery and management of the Leisure Facilities service. The consultant reviewed a number of operational delivery models and, based on the prevailing circumstances in North Warwickshire at the time, concluded that there were three realistic future options for the Borough Council: Option 1: Continue with the In-House Operation, Option 2: Externalisation and Option 3: Establish a Local Authority Trading Company (LATCo).
- 3.4 The Leisure Facilities Strategy did not go so far as to identify a clear pathway through which to determine the most appropriate and cost-effective means by which to meet future demand for indoor leisure provision. In 2020, the Community and Environment Board, therefore, approved the undertaking of a Strategic Outcomes Planning Model (SOPM), which was intended to identify an approach to the provision and future management of effective and viable leisure facilities that would meet both corporate objectives and community demand. Work undertaken through this process has also helped to inform the business case appended to this report.

4 Delivery and Proposed Action

- 4.1 Subject to Board approval of the business case, which recommends the establishment of a Local Authority Trading Company, the Borough Council will use the power contained in Section 1 of the Localism Act 2011 to establish the LATCo and to prepare its Articles of Association. The form, or legal structure, of the proposed company was initially considered by the Community and Environment Board at its meeting held in March 2022.

4.2 Local Authority Trading Companies are bodies that are free to operate as commercial entities, but remain wholly owned by the parent authority. There are a number of different types of LATCo:

- Company Limited by Guarantee, with or without share capital (CLG)
- Company Limited by Shares (CLS)
- Community Interest Company (CIC)
- Community Benefit Society (CBS)

Company Limited by Guarantee

4.3 Not-for-profit organisations are often established as "Companies Limited by Guarantee" (CLG), primarily because this business model combines the relative flexibility of a "company" (as opposed to a charity or Community Benefit Society) with the benefit of holding limited member liability. CLGs can also restrict the distribution of profits, hence their suitability for not-for-profit organisations. A further benefit of a CLG is its simplicity for incorporation and ongoing filing requirements. Whilst setting up a CLG can be undertaken relatively quickly (incorporation can be achieved in around 48 hours), the actual time to establish a company would be that required for decision making and producing and agreeing the relevant documents (for example, the Articles of Association, Constitution, Member / Shareholder Agreement, etc.). Under a CLG, the Borough Council would be the sole member. The structure of a CLG lends itself to evidencing the non-profit distributing body (NPDO) status of the company, which then enables the company to realise some of the required tax advantages (such as securing VAT exempt status).

Company Limited by Shares

4.4 A "Company Limited by Shares" (CLS) has the simplicity and flexibility of a CLG, but additionally enables the easier distribution of profits and the facility to add or remove shareholders. Given that the Authority is not seeking to establish a profit distributing company, it is considered that these additionally perceived benefits are not relevant to the current LATCo proposal.

Community Interest Company

4.5 The Borough Council could consider the option to establish a "Community Interest Company" (CIC), which is, in essence, a "social enterprise". Both a Company Limited by Guarantee and a Company Limited by Shares can be set up as a CIC. A CIC is not a registered charity and, therefore, does not have access to the more favourable tax treatments received by registered charities, although, subject to certain conditions, it can distribute surpluses. CICs are also subject to additional governance requirements, including in respect of Community Interest Reporting, in order to ensure that company activities are being undertaken for the benefit of the community.

Community Benefit Society

- 4.6 A “Community Benefit Society” (CBS) is, by definition, a society, not a company. It is established pursuant to the Co-operative and Community Benefit Society Act, 2014, and is regulated by the Financial Conduct Authority (FCA). A CBS requires any surpluses / profits to be applied for the benefit of the community that it is established to benefit. CBSs are relatively common in other service sectors, such as social housing.
- 4.7 Officers have sought external legal advice on the most appropriate form of company to meet the needs of the Borough Council. Given that the company would be a wholly owned, “not for profit” organisation, that advice suggests that, subject to aligning tax advice, the flexibility and simplicity of a Company Limited by Guarantee, when allied to its capacity for an active shareholder role, would provide the most suitable vehicle through which to establish the Leisure Facilities Local Authority Trading Company. A CLG also holds the benefit of limited member liability. This is important, given that under a CLG, the Borough Council would be the sole “member”.
- 4.8 A number of significant matters remain to be considered by Councillors before the proposed LATCo can formally be established and begin to trade. In this regard, work is progressing on the production of the required service specification, as well as the formal Contract, Articles of Association and the accompanying Member Agreement. It is hoped to be able to present the formal contract documentation to the meeting of the Executive Board to be held in November. At that meeting, Councillors can also consider the length of any contract term.
- 4.9 The primary purpose of this report, however, is to seek approval of the corporate business case to establish a wholly owned LATCo to manage the Leisure Facilities service. Further to the report presented to, and approved by, the Resources Board in March 2022, Members will be aware that specialist external advisory support has been engaged to assist the Borough Council with the undertaking to establish the company. Accordingly, the business case has been presented to the Authority’s legal advisors, who have confirmed that they do not have any issues with its content or compliance with HM Treasury Green Book.

5 Report Implications

5.1 Finance and Value for Money Implications

- 5.1.1 As highlighted within the appended business case, providing leisure services through a Trading Company would allow business rates savings of around £152,090 to be made within the service. The Borough Council currently picks up 40% of the cost of any discretionary relief given out. If a full 20% of discretionary relief was awarded, the cost to the Authority would be £12,167. If the Authority remains above its baseline funding level, then this would reduce the additional rates that the Council could retain. If the Borough

Council was to fall below its baseline funding level, then it would be a direct cost.

- 5.1.2 Currently, the Borough Council could choose to treat its leisure services as exempt from VAT and retain the additional income. This option has not been progressed, as it would take the Authority over its partial exemption limit for VAT and would mean that the VAT on all expenditure by every Borough Council service could not be reclaimed. This would lead to additional costs of around £90,000 per annum on revenue activity. Additional costs on capital expenditure would vary according to the capital programme. Whilst a Trading Company would also have VAT regulations with which to comply and would be unable to recover all VAT on expenditure, the net impact would still be an approximate benefit of £55,000 per annum.
- 5.1.3 Other divisions currently provide services to the Leisure Facilities, with many support staff charging only a proportion of their time to the function. These staff would remain with the Borough Council. If the Trading Company buys services from the Authority, there will be limited impact on support services. If, however, the Trading Company was to obtain services elsewhere, the Council would either have to absorb the additional support costs or would need to streamline the relevant support services.

5.2 Safer Communities Implications

- 5.2.1 Leisure facilities contribute to community safety through the provision of well-managed indoor and outdoor leisure and recreation services that are safe by design and afford opportunities for positive activity.

5.3 Legal, Data Protection and Human Rights Implications

- 5.3.1 The Borough Council can rely upon Section 1 of the Localism Act 2011, which contains the “general power of competence”, in order to establish a LATCo, together with section 111 of the Local Government Act 1972. The Local Government and Housing Act 1989 and the Local Authorities (Companies) Order 1995 regulate how local authority companies must operate and set out a number of criteria that must continue to be met whilst such companies operate. The Head of Legal Services will provide on-going advice to ensure that any LATCo is set up in a way that is beneficial to the Borough Council and enables it to achieve its objectives.
- 5.3.2 When determining whether there is a business case for establishing a LATCo and, if so, when deciding which of the models is appropriate, the Board should satisfy itself that that chosen model provides adequate protection against risk for the Borough Council, whilst allowing it to control delivery of the desired leisure services.
- 5.3.3 There are no immediate data protection or human rights implications arising directly out of this report.

5.4 Environment, Climate Change and Health Implications

- 5.4.1 The provision of a sustainable, fit-for-purpose portfolio of well managed leisure facilities has a positive impact on the health and wellbeing of individuals and communities by providing opportunities for leisure and recreation activities and by contributing to an improved quality of life.

5.5 Human Resources Implications

- 5.5.1 As identified in the business case, the Authority would need to ensure that any staff transferring from the Borough Council to the LATCo retain certain pension protections. In this regard, the transfer of the Leisure Facilities service into the company would result in the applicability of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). Where this is the case, there are obligations to inform and consult with affected employees and employees have the right to transfer with their existing employment contracts and continuity of service

5.6 Risk Management Implications

- 5.6.1 The corporate risk management process identifies and scores risks associated with the provision, management and maintenance of leisure facilities. The process through which a LATCo would be established and the services transferred thereto would require the detailed assessment of risk at a number of key stages in order to ensure the maintenance of the best interests of both the Borough Council and the new company. This process will help to ensure that informed decisions can be made in respect of the most appropriate means by which to sustainably meet and manage the leisure-related needs of the local community.

5.7 Equality Implications

- 5.7.1 It is intended that Local Authority Trading Company management and operation of the Authority's Leisure Facilities service would ensure continued equality of access to sustainable, good quality leisure opportunities.

5.8 Links to Council's Priorities

- 5.8.1 The proposal to establish a wholly owned LATCo will have direct and positive links to the corporate priorities in respect of:

- Safe, liveable, locally focused communities
- Prosperous and healthy
- Sustainable growth and protected rurality
- Efficient organisation

- 5.8.2 It is also intended that management of the Borough Council's Leisure Facilities service through a LATCo would contribute directly to the priorities of the Sustainable Community Strategy, namely:

- Raising aspirations, educational attainment and skill levels
- Developing healthier communities
- Improving access to services

The Contact Officer for this report is Simon Powell (719352).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
1	Assistant Director (Leisure and Community Development)	Draft Leisure Facilities, Green Space and Playing Pitch Strategies	February 2018
2	Chief Executive and Corporate Director - Resources	Trading Company	February 2021
3	Director of Leisure and Community Development	Leisure Facilities Local Authority Trading Company	March 2022
4	Director of Leisure and Community Development	Leisure Facilities Local Authority Trading Company	May 2022
5	Director of Leisure and Community Development	Leisure Facilities Local Authority Trading Company	July 2022

Appendix A

Leisure Facilities: Management Options

Introduction

This report considers the options to deliver the required management and service interventions as set out in the adopted North Warwickshire Leisure Facilities Strategy.

The Borough Council currently undertakes the in-house management of the following primary leisure facilities:

- Atherstone Leisure Complex (including Atherstone Memorial Hall and both indoor provision and an Artificial Grass Pitch through a Management Agreement with Queen Elizabeth School)
- Coleshill Leisure Centre (through a Joint Use Agreement with The Coleshill School)
- Polesworth Fitness Hub and associated outreach provision within community venues in Dordon and, through a short-term hire agreement, at The Polesworth School

The leisure facilities represent a high-profile public service, which help the Authority to meet its corporate objectives, most particularly in respect of the promotion of individual and collective health and wellbeing and the provision of services focused on the local community. Albeit adversely impacted by the Coronavirus pandemic, the leisure facilities are projected to attract approximately 310,000 visits at a net operating cost of £855,340 in 2022 / 23.

The Board will be aware of the Borough Council's adoption of its Leisure Facilities Strategy in 2018, the external production of which had been commissioned as part of an overarching review of leisure, green space and playing pitch provision in North Warwickshire. Within the commission, the appointed consultant was required to prepare a Leisure Facilities Strategy that assessed current and future growth-related needs in respect of indoor leisure provision. Allied to the Leisure Facilities Strategy and a review of operational performance, the consultant was also required to appraise the options for the future delivery and management of the Leisure Facilities service.

The consultant reviewed a number of operational delivery models and, based on the prevailing circumstances in North Warwickshire at the time, concluded that there were three realistic future options for the Borough Council: Option 1: Continue with the In-House Operation, Option 2: Externalisation and Option 3: Establish a Local Authority Trading Company (LATCo). The scale and scope of future facility provision was identified as being key to informing which of these options would most appropriately serve the Borough Council in the longer-term.

Strategic Outcomes Planning Model

The adopted Leisure Facilities Strategy did not go so far as to identify a clear pathway through which to determine the most appropriate and cost-effective means by which to meet future demand for indoor leisure provision. In 2020, the Community and Environment Board, therefore, approved the undertaking of a Strategic Outcomes Planning Model (SOPM), through which an options appraisal / framework would be undertaken that would inform the decisions required to deliver a long-term and sustainable investment in leisure facility provision. The Model was intended to identify an approach to the provision and future management of effective and viable leisure facilities that would meet both corporate objectives and community demand.

An external consultant was engaged to work with the Authority, and the original intention had been to complete the SOPM process by the autumn of 2020. Almost immediately after the appointment of the consultant, however, the country was hit with the implications of the Coronavirus pandemic, which impacted on the ability of the consultant to complete elements of the commission, most particularly in respect of consultation with partners and stakeholders and the need to engage with marketplace service providers.

In the meantime, and as all Members are aware, the Borough Council is facing a difficult financial position, such that there is a need to find revenue savings within each of its services, including within the Leisure Facilities function. This challenge is being addressed in a number of ways, including, for example, through the introduction of new services at Coleshill Leisure Centre and, although not the driver for the change, through the revised approach to service provision in Polesworth. The establishment of a Local Authority Trading Company is another means by which significant financial savings could be made within the Leisure Facilities service.

Policy Context: Local and National

It is recognised, national and locally, that the impact of sport and leisure is not simply for sport's sake, but that strategically directed services and facilities can have a significant and positive impact on physical and mental wellbeing, on economic growth, on educational attainment and on social cohesion and community resilience, policy objectives that are recognised within the Corporate Plan:

Vision

- Protecting the rurality of North Warwickshire, supporting its communities and promoting the wellbeing of residents and business

Key Objectives

- Safe, liveable, locally focused communities
- Prosperous and healthy communities
- Sustainable growth and protected rurality

These key objectives are supported by the Key Vision of the North Warwickshire Health and Wellbeing Action Plan (2020 to 2023):

- To encourage and support the local community to adopt a proactive approach in the positive self-management of their health and wellbeing

The commitment of the Borough Council to provide opportunities for sport and physical activity is a significant and valued contributor to these corporate objectives.

Nationally, the importance of physical activity is emphasised within the following key strategies:

- The Department for Digital, Culture, Media and Sport: Sporting Future: A New Strategy for an Active Nation (2015)
- Public Health England: Protecting and Improving the Nation's Health (2020 to 2025)
- UK Chief Medical Officer: Physical Activity Guidelines (2019)
- British Medical Association: Get Moving Report (2019)
- Sport England: Uniting the Movement Strategy – A 10 Year Vision (2021)

More locally, as well as the Corporate Plan and the Health and Wellbeing Action Plan, the community and health benefits of sport and physical activity are recognised within the priorities of the Leisure Facilities Strategy (2018 to 2031), the Green Space Strategy (2020 to 2033), the Playing Pitch Strategy (2018 to 2031), the Local Plan (2021) and the North Warwickshire Sustainable Community Strategy (2009 to 2026).

Context and Challenges

The challenges facing the Authority's leisure facilities are well documented, including within the Leisure Facilities Strategy. In short, however, the service is, in terms of the Borough Council, relatively expensive, Atherstone Leisure Complex is old, tired, and in need of imminent replacement and the current service in Polesworth is considered to be an interim solution, whilst a review of the longer-term options is being undertaken.

Additionally, the Coronavirus pandemic has had a major impact on the leisure facilities sector. Locally, attendances within the Authority's facilities are approximately 25% down on pre-pandemic levels. This level of performance compares favourably with national data, which indicates a reduced leisure facilities throughput of 29%, when compared with 2019 / 20 attendance figures.

As part of the National Leisure Recovery Fund, set up during the pandemic by Sport England to provide operators with financial support to re-open leisure centres, a national "Moving Communities" database was developed to track the recovery of facilities in terms of throughput, participant numbers and community confidence to return to leisure activity.

A summary of the findings of recovery between April 2021 and March 2022 in comparison to the same period pre-covid (April 2019 to March 2020) shows:

- There was an initial spike in recovery rates when centres re-opened in April 2021. The spike peaked at 74% in September / October 2021. On average, the recovery rate is around 71%
- Average visits per user per month is four
- There has been a slower recovery amongst older people
- Newer and recently refurbished centres have recovered more quickly than older centres
- There has been a strong recovery in outdoor activities, swimming and swimming lessons, and a slower return to group exercise and sports hall activities
- Between April 2021 and March 2022, 8.5 million participants measured as part of the Moving Communities database generated £971m of social value, equating to £114 per person

In January 2022 (before the impact of utility and other supplier cost rises), a number of organisations surveyed their members to assess the impact on organisations and how long they deemed “recovery” would take. The figures below highlight findings from Community Leisure UK, the organisation that represents “not for profit” leisure management companies.

- Two thirds of Community Leisure UK members said it will take up to three years until their business operates “normally”, but that “normal” may look different to pre-pandemic operations
- Omicron adversely impacted January, typically the busiest period
- External operators are expected to have lost 56% of their reserves by March 2022

There is, therefore, considered to be little competitive tension in the external leisure operator market at present. Operators are generally risk averse and offering management terms that are less attractive than in previous years. Based on a review undertaken by the Authority’s consultant advisors, it is considered to be probable that there is insufficient market tension to secure a best value outcome from externalising the management function of the leisure facilities at present and possibly for a period of at least 36 months.

Indeed, in respect of the desirability of engaging with the marketplace, the Authority has been advised that this should best be left until the market has stabilised after the pandemic and confidence has returned in respect of the reliability of operational / trading data

Financially, the Borough Council’s position has been challenging for a number of years, with revenue expenditure exceeding available funding. As a result, the Authority has managed its budgetary shortfall by streamlining many services, charging where appropriate and, in some cases, stopping the provision of discretionary services. Since 2011 / 12, the Borough Council has reduced its net revenue expenditure by £6.7 million.

The Council, however, needs to find further reductions in net revenue spending of £2.55 million by 2026 /27, to ensure that its medium-term financial position remains

viable. On the current net budget of £8.66 million for 2022 / 23, this represents a significant challenge.

Although leisure facilities are discretionary, the health and social benefits they can provide are highly valued. There is a recognition, however, that their net cost to the Council, at £1.5 million (including over £660,000 of central support costs and capital charges), takes a significant proportion of the Council's resources and that to enable the continued provision of leisure services in the future, the level of financial support provided needs to reduce.

It is acknowledged that the level of support is affected by the age and condition of the existing facilities. Pre pandemic, the Council was exploring the options for the replacement of the existing facilities in Atherstone and Polesworth. Work undertaken included looking at options of direct replacement with both in-house and third-party operation, as well as options for a more fundamental partnership with an external provider. The indications were that working with an external provider could enable the provision of good facilities, enabling growth in resident use and could reduce the need for revenue subsidy from the Council. It was anticipated that this reduction in subsidy would increase the Council's ability to continue the provision of leisure facilities for residents of the Borough.

The Council originally budgeted to use general balances of £589,940 for 2020 / 21. During the pandemic, the Council incurred additional costs in order to maintain its services and also lost a significant amount of income. Whilst some Government support was received, this did not cover all of the income lost. The Council needed to use additional reserves of £213,617 in the year, taking the total use of balances and reserves to £803,557.

During 2021 / 22 leisure activity resumed in a phased way in line with Government guidelines, but public take up did not return to pre-pandemic levels. Income support from the Government ended in June 2021, with the full impact of the reduced income being borne by the Council from July 2021. An ongoing reduction in income is still impacting on the Council, as public participation is not back to pre-pandemic levels. Expenditure pressures in some high profile statutory areas have also continued, adding to the financial shortfall. Together with challenging economic conditions, this has meant that the Council's current general financial position has become more difficult and higher levels of balances are needed to fund current services. As these balances are not available, savings in the base budget are needed, with less time in which to find them. Budget reductions of £1.9 million are needed for 2023 / 24.

Looking specifically at leisure facilities, the pandemic has had a significant impact on the Council's options with regard to the future provision of the service. The wider leisure market has reduced and those external providers that have maintained operations have become more risk averse. Recovery in the leisure industry is anticipated at some point in the future, but the Council cannot afford to subsidise its leisure facilities at the current level whilst it waits for that outcome. If provision of leisure services is to be maintained, there is a need to reduce the financial subsidy required from the Council. Modelling has indicated that operating leisure facilities independently would allow for some reduction in cost, which is vital for the Council's financial resilience.

The Case for Change and the Local Authority Trading Company

Given the foregoing, put simply, the Borough Council needs its Leisure Facilities service to become more commercial and financially sustainable. In view of the financial constraints prevailing upon the Authority, the service, in its current form and with the ageing stock in Atherstone, is not viable, unless very significant savings were to be made in other areas of the Borough Council's service portfolio. If the Leisure Facilities service to the local community is to be maintained in the short-term, therefore, and improved in the medium-term, an alternative, more financially efficient means of operation has to be found.

Management Options and the LATCo as the Proposed Option

In reviewing the direction set by the adopted Leisure Facilities Strategy, and in conjunction with external advisory support, three types of delivery model were explored for the operation and management of the Borough Council's facilities:

- In-house
- Externalisation
- Local Authority Trading Company

The characteristics for each model are set out below.

In-house

The services would continue to be delivered through direct management of the facilities through the use of frontline staff.

The Borough Council would hold full responsibility for all income and expenditure risks, including tax and non-domestic rates. It would also be responsible for future lifecycle investment and replacement of equipment. The Authority would have full control over all aspects of service delivery, including pricing, programming and marketing.

The in-house option would also allow for full flexibility for delivery and decision making by elected Members through the Community and Environment Board. Staff can work across the Leisure Facilities service and with other Borough Council services.

The Authority has direct control over what is seen as a high-profile service for the community.

Externalisation

The Borough Council could undertake a procurement exercise for the Leisure Facilities service.

The Authority would retain strategic control of the service and outcomes via a service specification. The responsibilities of each of the parties are defined within a contract. Specifications are output based, with the contractor providing method statements,

which form part of the contract, detailing their approach to achieving the specification requirements.

The contractor takes a prescribed level of risk. The contractor is normally provided with a degree of flexibility in programming, pricing and marketing and is committed to meeting corporate objectives; for example, increasing participation levels.

Within the last few years, and most especially post-pandemic, contractors have become more risk averse, or are costing in premiums if they are being required to hold more risk than they would otherwise wish to take. Councils are increasingly having to accept a greater share of risk, for example in respect of utility tariffs, building structure (particularly in ageing facilities), buildings insurance, pension contribution rates and changes in law. A number of external operators have stated that they will not bid for contracts where the main driver is cost reduction within the service. Many, in the short to medium term, are also focused on re-building their capital reserves.

External organisations are commercially focused and can optimise income generation from leisure facilities, gyms, swimming lessons and group exercise classes. This can enable cross-subsidy to resource community interventions, where specified within the contract.

Larger, multi-site leisure operators tend to have economies of scale and standardised systems of work. This is often linked to a corporate feel / brand.

Staff would transfer under TUPE regulations to the external contractor, so that local knowledge and skills would remain within the service. Senior management would normally be based at a “head office” and not locally. The focus would be on the whole organisation, more than on local issues.

Local Authority Trading Company

The Borough Council could set up a Local Authority Trading Company (LATCo). These are bodies that are free to operate as commercial entities, but remain wholly owned by the parent authority. This would be a local organisation to which existing staff would transfer under TUPE regulations from the Authority to the new company. The governance arrangements can be determined to most suit the needs of the Borough Council, while retaining a degree of autonomy and commercial flexibility.

The LATCo would be eligible to claim mandatory / discretionary national non-domestic rate relief (NNDR), as well as certain tax / VAT advantages. Income on most sporting activities is exempt from VAT, although the VAT on corresponding expenditure would be non-recoverable.

Services would be defined within an output-based specification and would be supported by a contract / partnership agreement and relevant asset and property leases. These agreements would define the level of responsibility and risk taken by each partner.

The outcome of the “options appraisal” is detailed in Appendix 1. In the shorter-term at least, the impact of the pandemic means that external operation of the Authority’s leisure facilities is highly unlikely to realise best value for the local community. The options appraisal concludes that the LATCo approach to the management and operation of the Borough Council’s leisure facilities represents the preferred solution at this juncture.

In view of this outcome, the option and potential financial advantages of establishing a LATCo through which to manage the Authority’s leisure facilities were further assessed.

As is clear, in the Borough Council’s case, the initial drive to review the option to establish a LATCo was informed by the need to realise a saving within the revenue budget. Transferring the management of the Leisure Facilities services to a LATCo affords the potential for a significant financial saving to be made by the Authority. Mandatory 80% relief from National Non-Domestic Rates (NNDR) is available, with the option to grant a further 20% discretionary relief, of which 50% would be met by Central Government. In North Warwickshire’s case, this could amount to a saving of as much as £152,090 in respect of its leisure facilities, including Atherstone Memorial Hall, ownership of which would remain with the Authority:

- Atherstone Leisure Complex £56,300
- Atherstone Memorial Hall £8,270
- Coleshill Leisure Centre £83,500
- Polesworth Workspace Units £4,020 (estimate*)
- formal valuation still to be confirmed

Charges made to leisure users by the Council are currently both standard rated and exempt, depending on the activity being undertaken. The Council could opt to make all charges exempt of VAT, which would increase the leisure income it receives. The Council, however, can only recover the VAT it pays on all of its activities if it remains within its partial exemption limit of 5%. The option of making all leisure activities exempt has been considered but has not been taken due to the wider impact on the Council.

If leisure facilities are operated independently of the Council, it gives greater freedom to use a different VAT approach. Whilst an independent company would still be subject to VAT regulations, an assessment has indicated that there could be a net benefit for the company in treating all activities as exempt. This additional income would reduce the cost of leisure provision, improving its financial sustainability.

Changing leisure services that are currently standard-rated to VAT exempt status could potentially realise an additional £112,000 in income. Whilst non-recoverable VAT on corresponding expenditure would amount to around £57,000, it would still provide a net benefit in the region of £55,000

In addition, there are potential benefits of having leisure facilities provided independently when the Council comes to replace any of those facilities. Due to the mixed supply of services currently provided, any capital expenditure on leisure

facilities is also caught under the partial exemption rules. Whilst an application can be made to HMRC to have a temporary suspension to the partial exemption limit for the Authority, there are timing issues to be considered, which could present difficulties for the Council.

If the Council provides a management subsidy to an independent organisation, that payment is standard rated. This means that any capital expenditure on leisure facilities will also be standard rated, so there would be no adverse impact on the Council's partial exemption position. VAT recovery on other Council services would be unaffected.

An ongoing legal case involving another local authority is seeking to change the VAT status of leisure activities to "non-business" status. If successful, this would remove the VAT benefits of operating a LATCo. As cases of this nature generally take a significant amount of time to go through the legal process, and there is no guarantee of success, the Council needs to act to reduce its costs now.

Financial Risks

The economic outlook has deteriorated, with supply chains under pressure and inflation running at significantly higher levels than previously expected. These conditions are increasing service costs and are also influencing the pay claims being sought by workers. Pay awards above the level included in the budget are now expected and, together with the increased service costs, will put further pressure on the Council's financial position.

As future Financial Settlements from the Government towards annual Council spending are not known, assumptions around the level of funding that will be received have been included in the financial forecasting for future years. These forecasts have been used in the current Medium Term Financial Plan. Grant funding above or below that assumed position will impact on the Council's Medium Term Financial Plan and may improve or make worse the position set out above.

Even with Government income at the forecast level, the Council still needs to make significant spending reductions. If the subsidy to the Leisure Facilities service cannot be reduced in the short to medium-term, other services would be affected. There are only limited opportunities to reduce other service expenditure, as a significant number of services are statutory. Other larger discretionary services have already been reduced, with the remaining discretionary services minimal in comparison to those delivered through leisure facilities.

As identified above, the LATCo will be able to claim business rate relief, which will reduce the operating costs from the current position. This would reduce the financial subsidy needed by the LATCo and provide a saving to the Council. In addition, the LATCo should be able to increase the income it retains by changing its VAT status. Splitting this increase would benefit both the Council and the LATCo.

As the Council currently provides support services to the Leisure Facilities, there could be an increase in central costs borne by the Council if the LATCo purchases any or all of these services externally. In the short-term, it is expected that support services will

be provided by the Council, to facilitate the establishment of the independent company and to allow the impact on the Council to be managed. If the LATCo subsequently chooses to obtain support services elsewhere, then the Council will need to reduce its support costs to ensure that there is no adverse effect on its finances.

In order to meet the Council's overall Medium Term Financial Plan, the subsidy given to the LATCo needs to fall, and sooner rather than later. This requirement will be more achievable if the provision in Atherstone and Polesworth is replaced with new facilities and the Council is currently bidding for grant funding to help realise this ambition in respect of Atherstone Leisure Complex. If the bid is successful there will be a construction period before any new facilities are ready. Reserves, however, should allow the continued level of subsidy to be maintained for a limited period, whilst the build takes place. Clearly, any immediate reduction in the subsidy needed whilst construction takes place will require less use of limited reserves.

If grant funding is not obtained, the Council will be unable to afford to replace existing facilities and will be unable to continue to provide the current level of subsidy. There will, therefore, be a need to close one or more of the facilities.

Strategic Vision and Objectives

Having determined, in principle, to establish a Local Authority Trading Company, at its meeting held in May 2022, the Community and Environment Board acknowledged that the adoption of a shared vision would help to build mutual trust between the Authority and the proposed LATCo, as well as support the process for strategic planning between the two organisations. Further, it was noted that a shared vision would help both organisations to understand the broad outcomes that they wanted to deliver through the Leisure Facilities service and ensure that the LATCo supported the Borough Council in the delivery of its Corporate Plan priorities. The Board resolved that a group consisting of the Chairman, Vice-Chairman and Opposition Spokesperson, together with relevant Officers, meet to further consider and establish a vision and an accompanying set of values for the LATCo.

The group gave detailed consideration to the establishment of a shared (between the Authority and the LATCo) mission, vision and sets of values, aims and strategic objectives for the Leisure Facilities service. The outcome of this process, which was approved by the Community and Environment Board at its meeting held in July, is attached at Appendix 2.

Governance

The Authority can rely upon Section 1 of the Localism Act 2011, which contains the "general power of competence", and other powers in order to establish a LATCo.

In establishing a LATCo, the Borough Council will be specifying the services to be provided at the leisure facilities. Under these circumstances, the award of a contract to the company would be a procurable contract. In order to award the contract to the company without a procurement competition, the LATCo would need to be structured as a "Teckal" company. To be Teckal compliant the following conditions need to be met:

- The Authority exercises a control over the company that is similar to that it exercises over its own departments
- More than 80% of the activities of the company are undertaken on behalf of the Borough Council (if the company's sole activity is carrying out the Leisure Facilities function for the Authority, this requirement will be met. It will, however, also have scope to provide limited additional services whilst remaining within this exemption)
- There is no direct private capital participation in the company

There are a number of different types of LATCo:

- Company Limited by Guarantee with or without share capital (CLG)
- Company Limited by Shares (CLS)
- Community Interest Company (CIC)
- Community Benefit Society (CBS)

As Councillors are aware, Officers have sought external advice on the most appropriate form of company to meet the needs of the Borough Council. Given that the company would be a wholly owned, "not for profit" organisation, the flexibility and simplicity of a Company Limited by Guarantee, which also has the benefit of limited member liability, is considered to be the most appropriate vehicle through which to establish the LATCo. Under a CLG, the Borough Council would be the sole "member". At the very least, the following documentation would need to be produced:

- Articles of Association
- Member Agreement
- Service Level Agreement – with regard to services provided by the Borough Council to the LATCo
- Leisure Operation Agreement

Who sits on the Board of the company is a matter for the Borough Council to determine. Members and Officers are permitted to sit as Directors of companies. In determining this matter, the Authority would need to take the following into account:

- It is appointing people to operate and make decisions about a business
- Directors are likely to require the following skills
 - Leisure management
 - Financial skills
 - Business experience
- There will be conflicts of interest between being a Director of a LATCo and making formal decisions within the Council that relate to the company

Members and / or Officers who might be expected to make decisions about the company within the Council, therefore, would find it to be extremely difficult to undertake the role of a Director.

The Borough Council would need to monitor and hold the LATCo to account. This is necessary to ensure that the company delivers the outcomes required by the Authority.

Conversely, the LATCo must be able to demonstrate an appropriate degree of independence from the Borough Council in order to benefit from “Eligible Body” status to receive certain tax benefits. This requires an ability to transact at a distance, with Directors making decisions in an “independent” capacity. It may be appropriate, therefore, for Members to undertake the “Shareholder” role within the Council and not sit on the LATCo’s Board of Directors, which would enable the Directors to make decisions (within their remit) in the best interests of the company and also reduce the risk of Members having conflicting interests. Indeed, Councillors are in the best position to hold the performance of the LATCo to account. In this regard, consideration should be given to the following:

- Establishing a Member Board to review performance
- Identifying a resource within the Authority to review performance
- Agreeing a set of key performance indicators (KPIs), with baseline data provided. This need will be addressed within the process of drafting the Service Specification

There would be a need for a formal Contract, which obliges the company to provide a Leisure Facilities service, a Service Specification and a right for the LATCo to occupy the specified leisure facilities. The Borough Council would also need to ensure that any staff transferring from the Authority to the LATCo retain certain pension protections. In this regard, the transfer of the Leisure Facilities service into the company would result in the applicability of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). Where TUPE applies there are obligations to inform and consult with affected employees and employees have the right to transfer with their existing employment contracts and continuity of service.

There are further key considerations that would need to be determined between the Borough Council and the LATCo, including:

- The contract term, which needs to be co-terminous with any lease agreements
- Asset risks:
 - The LATCo will not be able to accept significant maintenance risks associated with the sites, most particularly at Atherstone Leisure Complex and Memorial Hall
 - Asbestos works, responsibility for which will need to remain with the Borough Council
 - Utilities. The tariff risks will need to be agreed in view of current cost volatility
- Trading risk, given that the LATCo has no other business activities / contracts through which to share risk
- Joint use agreements, which would need to be novated to the LATCo

The Borough Council would need to develop a Service Specification against which the LATCo would deliver the Leisure Facilities service. The Specification would set out the scope of the service and is important for three principal reasons:

- To set out the strategic outcomes that the Authority expects the company to deliver
- To set out the minimum operating standards expected in delivery
- To clarify the parameters within which the LATCo would manage the facilities, such as minimum opening hours, concessionary pricing policy, staffing arrangements

The Borough Council may not want to commit to a longer-term funding agreement with the LATCo, preferring instead to have more flexibility and control over its budget. Nevertheless, the LATCo should be required to produce a five-year business plan, which would provide a level of surety to both the company and the Authority.

In assuming that the LATCO is established as a company limited by guarantee, it is advisable to have a Member's Agreement held between the Borough Council and the company. This Agreement will provide visibility about the Council's role and clarity over decision making, for example in order to approve changes to the company business plan or the approval of contracts above a certain value. The Agreement should also set out the reporting arrangements / frequency to which the Borough Council would expect the LATCo to adhere.

Operations

The Borough Council would need to determine a suitable management structure for the new company and to this end it would be necessary to produce a skills matrix and undertake a skills audit for the senior team. This team would need to further develop its commercial mindset and the additional core skills that may be required to strengthen the business could include:

- Company finance
- Commercial skills
- Sales and marketing
- Performance management

As previously identified, the LATCo should be required to produce a business plan, which will include business, financial and marketing proposals. This will not be a straight-forward undertaking, in view of the age and condition of Atherstone Leisure Complex and Memorial Hall, the recently changed approach to provision in Polesworth, the impact of the pandemic and the volatility of certain costs, including utilities. There are risks associated with these factors and the Borough Council and the LATCo would need to agree on the approach to be taken to the planning process, so as not to undermine the opportunity for company success.

Financial planning would need to be carried out by both the Borough Council and the LATCo. The Borough Council would need to assess the impact of the LATCo on its financial position. The new company, too, would require advice and support in respect of the following:

- Tax / VAT / NNDR
- Cashflow and cash management
- Initial financial position / investment
- The extent and cost of services to be provided by the Council
- Reserves and contingency arrangements

The LATCo would need to set up its operating procedures, but this should be straight forward, given that it is currently managing the service. The most significant changes are likely to occur in respect of the marketing, branding and communication of the service.

Conclusion

The management options review has been undertaken relatively soon after leisure facilities have fully re-opened following the Coronavirus pandemic, which has had a significant impact on the industry, as well as aspects of the wider economy.

The pandemic has impacted the market in a number of ways; operators have used up their reserves and, as noted above, are being more selective in the contracts for which they bid.

It is anticipated that over the next 36 months, the operator market will be in a better position to understand the level of demand and whether operations are likely to achieve a pre-covid-19 position.

In the meantime, the Borough Council is under pressure to find savings across its service portfolio, including within its Leisure Facilities service. Given the level of savings required, it is recommended that the Authority establishes a LATCo and transfers all leisure facility operations to the new wholly-owned company.

Appendix 1

Advantages and Disadvantages of Each Management Option

The advantages and disadvantages for continuing the operation in-house, procuring an external operator, or setting up a LATCo are outlined in the table overleaf.

Table 1 - Advantages and Disadvantages of Alternative Management Options

IN-HOUSE		EXTERNAL CONTRACTOR		LOCAL AUTHORITY TRADING COMPANY	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
OPERATIONS					
Effective cross department working; health, community cohesion, etc.	Without a defined specification, service delivery can be based upon short term priorities.	Head office specialists enable operations to be the latest in the market. Enable best practice from several contracts to be disseminated across facilities.	Operations can be 'corporate' as opposed to locally led.	Transferred staff maintain effective relationships with Borough Council departments.	The Council can have less influence, as it is led by a Board of Directors.
Joined up service provision for residents.	There is no 'contractual' requirement for the Borough Council to carry out its responsibilities; therefore, where budgets are not available, facilities can deteriorate and service levels reduce, for example, in relation to repairs and maintenance.	Economies of scale provide effective product management	Changes to the specification / contract require a variation that can affect the management fee and can incur legal costs.	Single focus on service delivery and empathy with the local area.	Expertise re market led product development has to be bought in or learned as products mature in the industry. Marketing and branding expertise will need to be bought in or developed over time.

IN-HOUSE		EXTERNAL CONTRACTOR		LOCAL AUTHORITY TRADING COMPANY	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
Changes in priorities can be implemented quickly.	Officers have to use council contracts in areas that may not be suitable for the service, for example IT.	Generally, have well-structured Quality Management Systems covering general operations, H&S, etc.	It can be harder to work with other partners and Council departments effectively.	Closer links with the community, including through the company Board.	No ability to easily gain information about industry best practice in relation to operations.
Members / Officers feel that they 'own' the services.	The Council can be slow to react to implement change.	A contract and specification that ensures roles and responsibilities are clearly defined between the parties.	May not fully achieve local priorities and cultural requirements and operating philosophy may not be compatible.	Staff feel more involved in service delivery as not part of a large organisation.	
Officers can have some autonomy to make local decisions that impact on the services.	Limited access to the benefits of developing new opportunities, from economies of scale and also to the wider knowledge gained by experienced (larger) operators for innovation and development.	Output based specifications allow the Council to focus on ensuring that the external contractor is delivering Council targets and objectives.	Service delivery can lack a "local", needs-based focus.	Stronger 'partnership' approach.	Normally a much softer approach to monitoring in place.
		An external contractor with charitable status can make it easier to apply for external funding.		Arm's length from the Council results in operations being less influenced by Officers / Members. Possible	

IN-HOUSE		EXTERNAL CONTRACTOR		LOCAL AUTHORITY TRADING COMPANY	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
				external funding benefits also.	
RISK					
	Council has to pay for all risks / additional costs as they occur.		Contractors are becoming increasingly unlikely to accept risk on utilities tariffs, LGPS pension contributions; NJA salary rises above inflation and building structure of older buildings.	Generally, accept all income risk and some expenditure risk. LATCos have legal structures in place to lever in NNDR and VAT benefits.	Less able to withstand significant changes in leisure trends.
No procurement implications of delivery of in-house support services.	Council may not be best placed to manage all risks; for example, income risk, change in industry trends, procurement of building specialists, etc.	External contractors with trust legal structures in place to lever in NNDR and, in some cases, VAT benefits.	Contractors, and in particular those with 'hybrid trust' structures, may propose that risk on loss of NNDR and VAT relief, even where their structures are eligible for such relief, remains with the Council.	Formal agreements ensure that both parties can manage their risk liabilities effectively.	No other contract / sites to absorb poor financial performance.
	Non-statutory status of leisure means service is vulnerable to year on year savings.	Offer local authorities a known level of financial commitment and certainty over a contract period.	Following Covid-19 pandemic, likely to require open book deficit position / income benchmarking. Greater aversion to holding any risk.		Ultimately risk of 'failure' remains with the Council.
			Limits to risk transfer, e.g. market will not accept		

IN-HOUSE		EXTERNAL CONTRACTOR		LOCAL AUTHORITY TRADING COMPANY	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
			unaffordable and costly repairing obligations (particularly of older buildings).		
			The Council is obliged to fulfil its responsibilities or be subject to a claim from the operator.		
INVESTMENT					
Low costs in providing capital if the Council has access to it.	Future invest to save investment opportunities compete with capital for other corporate priorities.	Can, in some cases (number declining) provide investment into facilities.	Large scale operator investment unlikely / will be costly.	The Council could support the LATCo in respect of investment opportunities in relation to Prudential Borrowing etc.	
	Can be slower to react to introduce income generating schemes due to sign off timescales and Council procedures.	New investment opportunities can be negotiated at any time during the contract period.		New investment opportunities can be negotiated at any time during the contract period.	

IN-HOUSE		EXTERNAL CONTRACTOR		LOCAL AUTHORITY TRADING COMPANY	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
Ancillary areas are often not invested in, e.g. changing rooms.	Limited 'sinking' fund in place for future building works and equipment replacement.			Status can make it easier to apply for external funding.	
Economies of scale normally achieved in utilities purchasing.	The Council does not have the benefit of NNDR and VAT relief.	National operators are able to 'spread' the risk of the contract across their company.	Projected profits will not necessarily be re-invested into the contract and are liable to be "lost" to the company.	NNDR and VAT savings.	Disadvantages of a small company, higher central costs.
Effective purchase ledger and accompanying budget monitoring systems in place.	Increased staff costs from T&Cs and pension contributions.	Councils can plan, knowing the longer-term management fee – although where there are shared risks these have to be incorporated.	Expenditure will include an element for both head office costs and surplus.	All profits are re-invested back into the services / facilities.	Few economies of scale realised.
No need to pay operator any management fee and local authority retains any surpluses.	Unlikely to deliver required level of savings.	Economies of scale in purchasing utilities, R&M contracts, fitness equipment, etc.	Operator will have a 'central cost' recharge and Council's central costs have to be shared over fewer departments.	Councils can plan, knowing the longer-term management fee.	Unable to spread financial risk across contracts.
	Budget set year on year and may be subject to	Gain benefit of operational skills (delivering services and			Additional set up costs could be required to

IN-HOUSE		EXTERNAL CONTRACTOR		LOCAL AUTHORITY TRADING COMPANY	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
	reductions with changing priorities of Council or central government.	commercial elements; fitness, swimming lessons, dry side courses, secondary sales).			establish trading company.
	Often look to cut costs to achieve budget as opposed to generating more sales.	Existing market place had established track record in improving financial position.	Needs suitable client-side resources / expertise for the partnership to be effectively managed.	Committed to local priorities alongside cost reduction.	Needs suitable client-side resources / expertise for the partnership to be effectively managed.
	Any surpluses are allocated into the Council's central funds as opposed to being re-invested into the service / facilities.	Financial benefits should be achievable (NNDR and VAT) because of taxation efficient models.	Need to consider VAT implications on surplus management fees and costs within investment projects.	Financial benefits should be achievable (NNDR and VAT) because of taxation efficient models.	Need to consider VAT implications on surplus management fees and costs within investment projects.
	Central/support costs of the Council can be arbitrarily included in leisure budgets and disproportionate to overall service.				

Evaluation Framework

The following evaluation framework was agreed with leading Councillors and Management Team.

Table 2 - Evaluation Framework

Options Appraisal Evaluation Criteria			Overall Weighting
	Criteria	Measures	
1	Council Influence and Control	Ability for Council to influence strategic and operational direction	10%
2	Council Objectives / Strategic Outcomes	Able to understand the community within which the organisation is working to deliver the strategic outcomes of the Council; ability to work with the Council's key stakeholders	20%
3	Innovative and Flexible	Must be an agile organisation able to react to change in direction from the Council, customer expectation and changes in, and impact of, external environment	5%
4	Capital Resources	Access to capital funds for development works / lifecycle and on-going maintenance works	5%
5	Revenue Implications	Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs	25%
6	Risk / Sustainability	How much financial risk can be transferred? Risk of not meeting customer demands and expectations	15%
7	Service Delivery	How well will the services be delivered? Potential for innovation and maintain / improve service quality. Will customers, particularly targeted and vulnerable people, be able to access and afford facilities and services?	15%
8	Staffing	Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development	5%
			100%

Management Options Evaluation

Given the strategic and financial outcomes of the service, how well the service is currently performing and a review of the potential options available, the following management options have been evaluated.

- In-house
- Externalisation
- Local Authority Trading Company

The following tables set out the evaluation criteria and its importance, then each management option is scored (out of 5, with 5 being the highest) depending on how well it meets the criteria above.

Council Influence and Control

Table 3 - Council Influence and Control

Council Influence and Control	WEIGHTING
Ability for Council to influence strategic and operational direction	10%
IN-HOUSE	
The Council can exert the most direct control over services by continuing to operate the leisure facilities through the in-house option.	
SCORE	5
EXTERNALISATION	
The external contractor must deliver against the Council's specification and contract. The specification will include an annual service planning element to ensure that the Council's changing requirements can be incorporated into future service delivery.	
An outsourced partner will report to its own board of trustees / directors, which may have different objectives to the Council.	
Changes to service delivery can be more formal. Whilst flexibility in contracts can be included, there may be financial consequences to any significant changes.	
SCORE	3
LATCo	
LATCos will have a Board that will direct operations to ensure that its objectives, and those of the Borough Council, are met. The Board may include elected Members.	
The specification will set out the Council's priorities in respect of pricing / programming and other elements of service delivery.	

The Council can reflect any changing priorities through the annual service planning process and will, in practice, be able to influence how core services are delivered by the LATCo.

The LATCo is established to meet local needs.

SCORE

4

1.1.1 Council Objectives / Strategic Outcomes

Table 4 - Council Objectives / Strategic Outcomes

Council Objectives / Strategic Outcomes	WEIGHTING
Must be able to meet the Council's current and future strategic objectives; ability to work with Council's key stakeholders.	20%
IN-HOUSE Continuing to operate in-house means that joined up work to achieve the Council's wider strategic objectives continues to be achievable. The service can work with the other Council departments to ensure that wider strategic objectives are delivered. Delivering services in-house means that changing priorities can be quickly implemented.	
SCORE	4
EXTERNALISATION Within any type of externalisation, the process ensures that a specification is developed so that the organisation is clear what the Council requires, both on an annual and longer time frame. The Council can set out targets (outputs) in relation to participation, target groups, programming, etc. and outcomes. The Council can implement a performance management system to ensure that the partner records, reports and delivers the required outcomes. There will be a concern that services being managed by an external organisation will not consider local stakeholders. However, the specification can be clear in the outputs required. There is a risk that external partners will focus solely on the operation of facilities and programmes without working in partnership with all stakeholders, so a strong specification is required to ensure they meet the Council's wider needs for sport and health development. Any change to service priorities can be managed through the annual service planning process and contract change procedures. However, this can have explicit financial implications if the changes are business critical.	
SCORE	2
LATCo As with the external option, a specification and performance management system would be in place. Therefore, whilst the LATCo is a separate body (albeit wholly owned by the Authority), the clearly defined specification and longer-term financial	

stability (known management fee / funding agreement) should enable the Council's strategic outcomes to be met.

The organisation will have local Directors and will be able to fully demonstrate inclusion of local stakeholders with the delivery of services. These can include representatives from key stakeholders, education, health, voluntary sector, etc.

LATCos usually have strong links with existing partners and work closely to meet the Council's objectives. The Council, however, will need to ensure that these arrangements are formalised.

SCORE

4

Innovation and Flexible

Table 5 - Innovation and Flexible

Innovation and Flexible	WEIGHTING
Must be an agile organisation able to react to; change in direction from the Council, customer expectation and changes in, and impact of, external environment	5%
IN-HOUSE	
Existing staff and skills would continue as they are within the in-house operation.	
Typically, there is less commercial experience and expertise within the in-house option, which can impact on the level of service and revenue opportunities. The Borough Council, however, has demonstrated commercial expertise within specific areas of the operation.	
SCORE	3
EXTERNALISATION	
It is likely that the service would benefit from the breadth of leisure experience that such a partner would bring.	
External contractors can demonstrate experience and success in delivering innovative investment into facilities to improve the revenue position, for example: established operation of key brands, retention systems and new product developments, such as personnel training, urban gyms, indoor clip and climb, etc.	
However, larger organisations can struggle to be flexible at a local level and may need 'sign-off' from regional and national level, which can hamper agility.	
SCORE	4
LATCo	
Existing staff and skills would transfer to the new company.	
Freed from corporate processes, the LATCo will provide staff with the space and opportunity to be more commercial and agile in their approach to meeting local	

need. The company should be quicker to react to the external environment, whilst still meeting corporate objectives.

SCORE

4

Capital Resources

Table 6 - Capital Resources

Capital Resources	WEIGHTING
Access to capital funds for development works / lifecycle and on-going maintenance works	5%
IN-HOUSE The Council would need to explore opportunities for investment, i.e. through prudential borrowing, external funding streams and the potential of grants, although the Borough Council has made provision within its capital programme for leisure-related developments.	
SCORE	3
EXTERNALISATION National operators are more likely to be able to fund equipment / ICT fit out and lifecycle works. They have strong, well-established supply chains. Capital reserves, however, have been heavily impacted by the pandemic, as has the appetite for risk. Pre-Covid, organisations could access funding for smaller investments, but the preference was for the Council to fund larger scale projects. The borrowing rates were more cost effective and, as the operators do not 'own' the buildings, loans are based on future revenue improvements, as opposed to using assets / long leases as collateral. Whilst it is still the Council that can access capital investment more cheaply, the significant benefit is that external contractors have experience of being innovative and investing into customer critical areas and there are many examples where the operators have significantly reduced the revenue position with investment into facilities.	
SCORE	3
LATCo LATCos do not have direct access to their own capital resources, the responsibility for which remains with the Council. However, where the Council funds capital investment, the LATCo can use any revenue improvements to repay the capital costs. Ultimately any risk of these payments being made falls back to the Council.	
SCORE	3

Revenue Implications

Table 7 - Revenue Implications

Revenue Implications	WEIGHTING
Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs	25%
IN-HOUSE	
The in-house operation is unable to gain NNDR and VAT efficiencies. No improvement in central support costs and no additional availability of funds from the Council's existing budgets.	
No further significant improvements in income or expenditure are projected, until the longer-term impact of the pandemic is known and the future of the facilities in Atherstone and Polesworth is determined.	
Additional savings will be required, which could lead to a reduction in service.	
The Council is able to apply for external funding available only to statutory bodies.	
SCORE	2
EXTERNALISATION	
An external contractor is likely to achieve an improved fitness offer through more aggressive targets. Swimming lesson pupil numbers could be higher too.	
An external contractor would operate with reduced central costs; although they would also include an element of profit in their business plans.	
Performance could improve in areas such as:	
<ul style="list-style-type: none"> • Established sales and marketing function at head office that focuses on key brands; health and fitness, children's activities and swimming • Economies of scale for all marketing and sales activities • Economies of scale for suppliers; fitness equipment, office equipment, repairs and maintenance agreements, utility purchasing, etc • More commercial approach and established suppliers in areas of secondary spend; retail, vending and catering 	
Operators could receive VAT and NNDR relief.	
Profits made in the contract may not be reinvested in North Warwickshire.	
Potential revenue benefits will have been adversely impacted by the pandemic.	
SCORE	4
LATCo	
A significant change in revenue against the existing performance is possible, not least because the LATCo would benefit from NNDR and VAT relief.	

The LATCo is likely to need to recruit additional support, given the new skills required to operate more commercially. There would be a need to appoint a Chief Executive / Head of Operations, Finance, Marketing and Administration staff.

The LATCo will need to have a suitable reserves policy and, therefore, the Council may have to provide a level of subsidy over and above the management fee in the early years of operation (or accept the cash flow risk).

LATCos may be able to apply for funding that is not available to local authorities.

SCORE

4

Risk / Sustainability

Table 8 – Risk / Sustainability

Risk / Sustainability	WEIGHTING
How much financial risk can be transferred? Risk of not meeting customer demands and expectations Note: The pandemic has led many councils and external operators to question the sustainability of their operations and their approach to “risk”.	15%
IN-HOUSE All risks remain, with the Council managing price sensitivity and programming requirements, marketing and branding and price changes for expenditure (e.g. utilities). The Council continues to absorb and manage any under-performance and it holds the risks associated with its building assets. The Council, as a large organisation, is able to manage variations in short-term trading performance.	
SCORE	3
EXTERNALISATION Where the Council is contracting with an external organisation, it will complete a ‘selection questionnaire’ to assess the organisation’s economic standing and technical capacity, etc. to check the suitability and sustainability of the organisation and to ensure there are mitigations to protect the Council if the contract fails. Established contractors have head office support to ensure that they are developing their products and services and assessing the trends in each market, so that they can react to changes in the leisure market. Where they manage several contracts, they can spread risk across contracts. The pandemic, however, has resulted in a fundamental shift in the approach of the external marketplace to risk. Contractors are now far more risk averse and are less likely to engage with authorities that will not hold risks associated with building assets, utilities, pensions and certain aspects of trading.	

The Council would sign up to a contractual arrangement; it will have responsibilities that may incur costs. For example, if the Council retains repairs and maintenance responsibility for the building structure, the Council must fulfil these obligations, or the operator may be able to bring a 'loss of income' claim against the Council if non-delivery of their obligations impacts on their income generation.

SCORE	3
LATCo	

The key risk for a LATCo is that it has a smaller base to share risk if any local factors impact on its income generating opportunities. It does not have a larger organisational mix of facilities and contracts.

The LATCo is also dependent on a small team of experts within its senior management team to deliver the strategic direction of the organisation, as well as operational requirements.

A new LATCo will require a period of support to ensure longer-term stability. Ultimately, if the LATCo fails, the Council will have no option but to assume operational responsibility or to close the service.

SCORE	3
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Service Delivery

Table 9 - Service Delivery

Service Delivery	WEIGHTING
How well will the services be delivered? Potential for innovation and maintain / improve service quality	15%
IN-HOUSE	
Existing staff and skills, so the same level of customer service and satisfaction will continue.	
Annual maintenance programmes are based on priorities across the Council's asset base, therefore there can be conflicting demands on resources.	
The in-house management of the service may mean limited monitoring and measuring of performance compared to that of an external operator. The Council has implemented KPIs to manage performance.	
SCORE	3
EXTERNALISATION	
It is likely that the service would benefit from the breadth of leisure experience that an external partner would bring.	
External operators tend to hold an externally validated quality accreditation, although, to date, this has not been sought by the Borough Council.	

The head office support teams will have more time to establish links with National Governing Bodies to introduce new programmes and activities into facilities.

A performance management system would be put in place as part of the contract with detailed key performance indicators.

The level of service standards in areas that are important to the council can be tested through the procurement process.

Large operators tend to be weaker at delivering bespoke commissioned health and wellbeing services / services within the community.

SCORE	4
LATCo	

All the existing staff, skills and operational practice transfer.

The LATCo can determine new procedures to follow and may set up new operating systems.

New organisational procedures, policies and standards in relation to central services (HR, Finance, VAT, Health and Safety, Maintenance, etc.) may take time to become established and there may be risk in the mobilisation / transition period away from the Council. However, there a reduction in the need to adhere to corporate process will bring with it a freedom to develop, innovate and focus on the Leisure Facilities service. Improvements are likely, therefore, with increased autonomy and flexibility of service delivery.

SCORE	4
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Staffing

Table 10 - Staffing

Staffing	WEIGHTING
Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development	5%
IN-HOUSE	
All the existing staff, skills and operational practice remain with the Council.	
Staff terms and conditions are protected, as is their continued access to the LGPS.	
SCORE	4
EXTERNALISATION	
Staff will be subject to TUPE, so all current terms and conditions would be protected in accordance with legislation.	
External operators are likely to offer new joiners their own company terms and conditions, which may vary from the current terms and conditions.	

External operators will offer training and development for staff specialising in the leisure industry.

SCORE

4

LATCo

Staff will be subject to TUPE, so all current terms and conditions would be protected in accordance with legislation.

Subject to the terms of the contract, the LATCo may offer new joiners their own company pension provisions, although most employment terms and conditions would remain.

The LATCo is likely to need to recruit additional support, given the new skills required to operate more commercially. There would be a need to appoint a Chief Executive / Head of Operations, Finance, Marketing and Administration staff.

SCORE

4

Evaluation Scores

The weighted scores for each option are set out below. The highest scoring option is the Local Authority Trading Company.

Table 11 – Evaluation Scores

	Criteria	Measures		In-house		External Contractor		LATCo	
				Score	Weighted Score	Score	Weighted Score	Score	Weighted Score
1	Council Influence and Control	Ability for Council to influence strategic and operational direction	10%	5	10%	3	6%	4	8%
2	Council Objectives / Strategic Outcomes	Must be able to meet Council's current and future strategic objectives; ability to work with Council's key stakeholders	20%	4	16%	2	8%	4	16%
3	Innovative and Flexible	Must be an agile organisation able to react to; change in direction from the council, customer expectation and changes in, and impact of, external environment	5%	3	3%	4	4%	4	4%
4	Capital Resources	Access to capital funds for development works / lifecycle and on-going maintenance works	5%	3	3%	3	3%	3	3%
5	Revenue Implications	Ability to maximise revenue, through performance and / or governance structure. Ability to effectively manage expenditure and costs	25%	2	10%	4	20%	4	20%
6	Risk / Sustainability	How much financial risk can be transferred? Risk of not meeting customer demands and expectations	15%	3	9%	3	9%	3	9%
7	Service Delivery	How well will the services be delivered? Potential for innovation	15%	3	9%	4	12%	4	12%

		and maintain / improve service quality	5%	4	4%	4	4%	4	4%
8	Staffing	Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development	5%	4	4%	4	4%	4	4%
		TOTAL	100%		64%		66%		76%

Appendix 2

LATCo Mission, Vision, Values and Strategic Objectives

Mission and Vision

Mission: To provide great value, sustainable and inclusive leisure services that promote choice and encourage all residents of, and visitors to, North Warwickshire to become more active, more often

Vision: To inspire the residents of, and visitors to, North Warwickshire to become more physically active and enjoy living healthier and happier lives

Values

Customer Focused: We will deliver an excellent customer experience and put the customer at the heart of everything we do

Positivity and Innovation: With a positive, “can-do” attitude, we will embrace learning, change and use innovative thinking to constantly improve the customer experience

Interactive and Fun: Through our interactive approach with customers, communities and staff, we will ensure enjoyable and engaging service experiences

Integrity: We will be honest, respectful, inclusive and accountable in all that we do

Recognition: We will recognise and reward the great achievements of our customers and staff

Collaborative: We constantly seek to empower our workforce and engage in constructive partnerships to grow our business and increase the range of services we offer to our customers and communities

Sustainability: Working with our commissioners, staff, suppliers, customers and local communities, we will reduce energy consumption and minimise our environmental impact

Aims

To deliver sustainable, accessible and high-quality leisure services for all residents of, and visitors to, North Warwickshire, both within facilities and in active environments

To provide positive leisure experiences for all people residing in and visiting North Warwickshire

In listening to our customers and communities, to continuously develop and improve the quality and choice of services we offer

Working with key partners, to increase opportunities to improve the physical, social and mental health and wellbeing of our community

Consistent with the Borough Council's Climate Change Action Plan, to improve the Leisure Facilities' carbon footprint and ensure a cleaner environment for future generations

As a commercial entity, the company will be economic, optimise business opportunities and ensure sound financial management. In so doing, it will seek to maximise the opportunity to secure external resources through which to enhance service provision

Strategic Objectives

To provide residents with great value leisure service provision and choices that meet and, where possible, exceed the needs and expectations of customers and the community

To provide a service that will adapt to the changing needs of the community and the wider social, economic, local, national and global environment

To ensure the company remains responsive to the Borough Council and its communities through regular engagement and collaborative work

To provide positive leisure experiences for children and young people and pathways to enable them to be active though life

To increase opportunities for ageing populations to be physically, mentally and socially active as they grow older

To find ways to promote an inclusive and accessible leisure environment

To provide services that enable people to effectively improve their physical, social and mental health and wellbeing and enable people to better manage their health

To develop opportunities for our communities to participate in a wide range of active environments

To ensure that the facilities are maintained to an optimal standard, including through the management of health and safety and staff knowledge and training

To ensure that services operate commercially, are well marketed and financially viable

Agenda Item No 16

Executive Board

19 September 2022

**Report of the
Chief Executive**

Exclusion of the Public and Press

Recommendation to the Board

To consider whether, in accordance with Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

Agenda Item No 16

Confidential Extract of the Minutes of the meeting of the Executive Board held on 20 July 2022

Paragraph 1 - Information relating to any individual.

In relation to the item listed above members should only exclude the public if the public interest in doing so outweighs the public interest in disclosing the information, giving their reasons as to why that is the case.

The Contact Officer for this report is Julie Holland (719237).