

Cabinet

Date: Thursday, 17 October 2019
Time: 1.45 pm
Venue: Committee Room 2, Shire Hall

Membership

Councillor Izzi Seccombe (Chair)
Councillor Peter Butlin
Councillor Les Caborn
Councillor Colin Hayfield
Councillor Kam Kaur
Councillor Jeff Morgan
Councillor Jeff Clarke
Councillor Andy Crump
Councillor Heather Timms

Items on the agenda: -

1. General

(1) Apologies

(2) Members' disclosure of Pecuniary and Non-Pecuniary Interests

(3) Minutes of the Previous Meeting

5 - 16

To approve the minutes of the meeting held on 12 September 2019.

(4) Public Speaking

2. Development of the Medium Term Financial Strategy

17 - 30

This report provides Cabinet with further details on the resource position of the Authority taking account of the Chancellor's Spending Round announcement in September. It then goes on to outline the key issues which will need to be considered as part of development the Medium Term Financial Strategy.

Cabinet Portfolio Holder: Councillor Peter Butlin

- 3. Commercial Strategy** 31 - 44
This report seeks Cabinet approval of a Commercial Strategy which will support the Council as it implements its new Target Operating Model through better use of existing resources, increased financial returns on investment, improved delivery of social and environmental priorities, reduced costs and increased value from contracts.

Cabinet Portfolio Holders: Councillor Peter Butlin and Councillor Kam Kaur
- 4. An Alternative Model for Primary Aged Children at Risk of Permanent Exclusion** 45 - 66
It is proposed that Warwickshire adopts a new approach to preventing permanent exclusions in the primary phase. This report sets out the new model and requests Cabinet approval to it.

Cabinet Portfolio Holder: Councillor Colin Hayfield.
- 5. Developer Funded Scheme Approval** 67 - 72
Cabinet is requested to approve the procurement of construction contracts for the Section 278 schemes as set out in the report.

Cabinet Portfolio Holder: Councillor Peter Butlin
- 6. Any Urgent Items**
Any other items the Chair considers are urgent
- 7. Reports Containing Confidential or Exempt Information**
To consider passing the following resolution:

'That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972'
- 8. Land at Former Michael Drayton School, Hartshill** 73 - 78
This report concerns the future use of a parcel of land at Hartshill, Nuneaton

Cabinet Portfolio Holder: Councillor Peter Butlin

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Members are required to register their disclosable pecuniary interests within 28 days of their election of appointment to the Council. A member attending a meeting where a matter arises in which s/he has a disclosable pecuniary interest must (unless s/he has a dispensation):

- Declare the interest if s/he has not already registered it
- Not participate in any discussion or vote
- Must leave the meeting room until the matter has been dealt with
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests must still be declared in accordance with the Code of Conduct.

These should be declared at the commencement of the meeting

The public reports referred to are available on the Warwickshire Web

www.warwickshire.gov.uk/committee-papers_2

Public Speaking

Any member of the public who is resident or working in Warwickshire, or who is in receipt of services from the Council, may speak at the meeting for up to three minutes on any matter that appears on the agenda. This can be in the form of a statement or a question. If you wish to speak please notify Democratic Services in writing at least two working days before the meeting. You should give your name and address and the subject upon which you wish to speak. Full details of the public speaking scheme are set out in the Council's Standing Orders.

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Minutes of the meeting of the Cabinet held on 12 September 2019

Present:

Cabinet Members:

Councillors

Peter Butlin	Deputy Leader (Finance and Property) (Chair for this meeting)
Les Caborn	Adult Social Care & Health
Jeff Clarke	Transport & Planning
Andy Crump	Fire & Rescue and Community Safety
Colin Hayfield	Education and Learning
Kam Kaur	Customer & Transformation
Jeff Morgan	Children's Services
Heather Timms	Environment and Heritage & Culture

Non-Voting Invitees:

Councillor Richard Chattaway	Leader of the Labour Group
Councillor Jerry Roodhouse	Leader of the Liberal Democrat Group

Other Councillors:

Councillors Bill Gifford, John Holland, Keith Kondakor, Caroline Phillips, Pam Williams

Public attendance:

None

1. General

(1) Apologies for absence

Apologies were received from:

Councillor Izzi Seccombe OBE
Councillor Sarah Boad
Councillor Jonathan Chilvers
Councillor Bill Olnier

(2) Members' Disclosures of Pecuniary and Non-Pecuniary Interests

Regarding item 10, Councillor Bill Gifford declared a non-pecuniary interest as a Governor at Brookhurst Primary School.

(3) Minutes of the meeting held on 11 June 2019 and Matters Arising

The minutes of the meeting held on 11 June 2019 were agreed as an accurate record and signed by the Chair.

(4) Public Speaking

None

2a. One Organisational Plan Quarterly Performance Progress Report Period under review: April to June 2019

Councillor Kam Kaur (Portfolio Holder for Customer and Transformation), having explained that the quarterly performance reports had been split for the sake of clarity, observed that Council performance in quarter 1 had displayed a significant improvement. Referencing paragraph 2.3 on page 2 of the report Councillor Kaur stated that delayed transfers of care had been reduced, that the number of child protection plans has remained low (this being good) and the percentage of Education Health Care assessments completed by their target date has increased.

Regarding sickness levels, these were noted to have reduced albeit slowly.

Councillor Richard Chattaway (Leader of the Labour Group) expressed concern over levels of staff sickness and the slow rate at which these levels are being reduced. He called for greater scrutiny of sickness levels and the underlying reasons for them. Councillor Jerry Roodhouse (Leader of the Liberal Democrat Group) noted that the period of transformation that the Council is currently going through is potentially very stressful for many. This may, in part, explain the high sickness levels.

Regarding Warwickshire's economic output (Gross Value Added - GVA), Councillor Chattaway observed that whilst this continues to be reasonable, the rate of growth has declined. He asked that Cabinet report on why this is the case and what it intends to do to address it.

Councillor Keith Kondakor noted that Fire and Rescue Service response times had been below target up to June 2019 and asked if matters had improved in July and August. In addition, Councillor Kondakor noted that an appliance from the West Midlands Fire Service had been required to attend an incident in Bedworth. In reply to this latter point Councillor Andy Crump (Portfolio Holder for Fire & Rescue and Community Safety) informed Cabinet that cross border cooperation such as that witnessed in Bedworth was not unusual.

Councillor Jerry Roodhouse stated that as the population ages so the pressure for residential beds will increase. Concerning the reported performance on Education Health Care Plans, Councillor Roodhouse observed that there is little point in meeting targets if in doing some clients do not consider that they have been treated well. It is important to get the balance right on this, he added. Regarding economic output Councillor Roodhouse highlighted the statement in the report that further research is being undertaken into the matter. It was not clear when this was being done and by who.

In response to comments regarding economic growth Councillor Peter Butlin (Deputy Leader – Finance and Policy) stated that the data may be misleading as the government has recently altered the way in which it calculates GVA. It was also recognised that the motor industry has witnessed a downturn which is having an impact on Warwickshire. Nevertheless, Warwickshire continues to perform well and is home to much innovation and investment.

Regarding comments around levels of sickness, Cabinet was reminded that much work is being carried out to manage this through manager training and health and well-being initiatives.

Resolved

That Cabinet notes the progress of the delivery of the One Organisational Plan (OOP) 2020 for the period April to June 2019.

2b. 2019/20 Financial Monitoring as at the end of June 2019 – Revenue and Capital

Councillor Peter Butlin identified key elements of the report highlighting an overall forecast underspend of £6.298m. Cabinet was informed that whilst this headline figure was encouraging there are some areas where significant overspends are forecast. These include Education Services, Environment Services, Fire and Rescue, the Strategic Commissioner for Communities, Children and Families and the Strategic Commissioner for People.

Reserves are forecast to stand at £165.272m by the end of the financial year. Expenditure on the Capital Programme is expected to be lower than planned although the Hawkes Point project will see additional expenditure on roofing works.

Councillor Richard Chattaway questioned why after the first quarter of the financial year a significant underspend was being forecast. Whilst he welcomed the ambitious nature of the Capital Programme, Councillor Richard Chattaway questioned whether the organisation has sufficient capacity to deliver it. It may be necessary to look outside of the Council and secure expertise from elsewhere to provide support. In response to the issues around Hawkes Point Councillor Chattaway questioned whether the state of the roof should have been assessed earlier in the project.

Referencing paragraph 6.7 Councillor Keith Kondakor suggested that smaller sustainable capital transport schemes should be favoured over the large ones. He cited the removal of the Hinckley Road bridge in Nuneaton which was scheduled to be removed in 2018 but had not been carried out. Large road projects are contrary to the message around the climate change emergency debated and agreed at Council in July.

Councillor Jerry Roodhouse questioned the capacity of the council to take account of the infrastructure requirements of the district and borough council local plans. In addition, Councillor Roodhouse emphasised that the additional money for adult social care announced recently by government has been committed for one year only. Finally, Councillor Roodhouse emphasised the need to provide resources for the drug and alcohol service remembering the impact that substance misuse has on levels of domestic violence.

In response to members' comments Councillor Jeff Clarke (Portfolio Holder for Transport and Planning) noted that workforce reviews have been undertaken to optimise levels of support for capital projects. The Hinckley Road bridge is set to be removed in October of 2019 and other major road schemes are required to ensure that people can continue to move around the county.

On adult social care funding Councillor Les Caborn (Portfolio Holder for Adult Social Care and Health) assured the meeting that the positing adult social care funding was clear and being managed effectively.

The need for Capacity for the delivery of capital transport schemes was acknowledged by Councillor Peter Butlin who stated that the HS2 project had an impact on such capacity. Finally, Councillor Butlin reminded members that some major road schemes such as Stanks island in Warwick aim to improve road safety as well as reducing congestion.

Resolved

That Cabinet:

- a) Notes the forecast underspend of £6.298m for the 2019/20 financial year on the Council's revenue budget.
- b) Approves the net transfer of £3.000m from the adults social care underspend to reserves.
- c) Approves the drawdown of the following earmarked reserves to support planned activity:
 - £0.223m for the Special Educational Needs and Disabilities (SEND) demand management programme;
 - £0.085m for the Warwickshire Bytes project
- d) Notes the consolidation of existing transformation reserves to create a single transformation reserve to support the Corporate Transformation Programme.
- e) Notes the forecast underspend on the capital programme of £17.752m.
- f) Approves the addition to the capital programme of £0.997m for additional Hawkes Point refurbishment costs and note that this will be funded from revenue or from a contribution from property reserves.
- g) Approves the carry forward of the underspend on the capital programme of £17.752m into the 2020/21 and future years capital programme and the changes to the cost and funding of schemes detailed in the report and in Annexes A to M.

3. Development of the Council Plan 2025 and Medium-Term Financial Strategy

Councillor Peter Butlin explained that the evolving Council Plan will set out the Council's priorities for the period to 2025. Linked to the Council's financial plan it will be subject to extensive consultation and a roadshow as part of its development. It was agreed that Group Leaders would all be invited to contribute to the plan's development.

Councillor Richard Chattaway sought and received assurance that the plan will take account of climate change and the recently declared climate emergency. Councillor Chattaway stated that preparing a five-year plan would always be a challenge when the Council works with one-year financial settlements. This was acknowledged.

Resolved

That Cabinet:

- 1) Approves the process and timetable for developing the Council Plan 2025.
- 2) Authorises the Chief Executive in consultation with the Leader, Deputy Leader and Portfolio Holder for Customer and Transformation to finalise the Council Plan engagement tool and the arrangements for engagement.
- 3) Notes the progress in developing a five-year Medium-Term Financial Strategy (MTFS) to support the Council Plan and plans to finalise the MTFS alongside the draft Council Plan which will be presented to Cabinet in December.

4. Capital Investment Fund 2019/20 Quarter 2 Report

Following an introduction from Councillor Peter Butlin, Councillor John Holland (Local member for Warwick West) expressed his support for the safeguarding measures proposed at Westgate Children & Family Centre/Westgate Primary School.

Referencing paragraph 1.4 Councillor Keith Kondakor noted the statement that there, “is insufficient unallocated funding remaining in the CIF to cover all pending schemes coming forward” and asked for clarification of the implications of this. In response, Monica Fogarty (Chief Executive) explained that the emerging Capital Strategy will profile spending of capital over the medium term. Councillor Butlin added that as an ambitious local authority there will always be projects that the Council would wish to undertake but which it cannot afford to do.

Resolved

That Cabinet approve:

- 1) the allocation of £0.150m from the Capital Investment Fund to fund the installation of In Cab Navigation/Autosalting technology in WCC gritting vehicles and add the scheme to the Capital Programme.
- 2) the use of £0.025m of unallocated resources in the Education Services capital programme to be used for a safeguarding walkway at Westgate Children & Family Centre/Westgate Primary School and add the scheme to the Capital Programme.

5. A46 Strategic Link Road

Councillor Jeff Clarke (Portfolio Holder for Transport and Planning) summarised the published report.

Councillor Keith Kondakor supported the development of a rail station to serve Warwick University but was concerned about its location. He added that investment in sustainable transport would free up capacity on the highway network. In

response, Cabinet was informed that the location of any new station had yet to be agreed, accessibility being a key factor.

Councillor Richard Chattaway stated that the recently expressed uncertainties over the future of HS2 may have an impact on the link road project. He also challenged that the funding shown in para 5.4 relied on funding that is still to be secured. In response to this point Cabinet was informed that all the partners identified have expressed their support for the scheme.

Resolved

That Cabinet:

- 1) Approve the development of the A46 Strategic Link Road scheme, working in partnership with Coventry City Council and Warwick District Council, and authorise the Strategic Directors for Communities and Resources to take all necessary steps to prepare the scheme for implementation including:
 - (i) undertaking public consultation;
 - (ii) completing detailed feasibility design and determining land requirements;
 - (iii) negotiating terms for any necessary land acquisitions, alterations to private accesses and any 3rd party agreements required for the scheme;
 - (iv) preparing applications for planning permission and any other statutory consents;
 - (v) determining the procurement strategy; and
 - (vi) preparing and submitting applications for funding, or support Coventry City Council in preparing and submitting applications for funding.
- 2) Request that further reports be brought to Cabinet and then to Council once the detailed feasibility stage is complete, to confirm the development of the scheme to detailed design, to consider the inclusion of the A46 Strategic Link Road project into the Capital Programme, to invite tenders, to award a contract and to complete the required land acquisition.

6. Developer-funded Scheme Approval

Councillor Peter Butlin introduced and summarised the published report.

Resolved

That Cabinet gives approval to the procurement of a construction contract for the following Section 278 scheme and authorises the Strategic Director for Communities to enter into such contract on terms and conditions acceptable to the Strategic Director for Resources subject to the applicable Section 278 Agreement with the Developer being signed which will provide for 100% of the funding:

- C43 Gallows Hill, Warwick. Developers – L&Q Estates, Galliford Try Partnership and Warwick District Council. Approximate value £3.5 million

7. Draft Integrated Risk Management Plan Action Plan 2019/20: Post Engagement and Consultation Report

Councillor Andy Crump (Portfolio Holder for Fire & Rescue and Community Safety) explained that the report before Cabinet did not present a new IRMP rather it was the action plan to the existing IRMP that was being considered. Regarding the proposal for a new fire station at Rugby, Cabinet was informed that general support had been expressed via the consultation for this to be to the south west of the town. This location will cover new areas of housing and the M45 motorway. Discussions regarding a new fire station in the north of Warwickshire have yet to identify a location. Any new site will be fully consulted on.

In response to comments made by Councillor Chattaway regarding the need for further consideration of the action plan it was agreed that the Resources and Fire & Rescue Overview and Scrutiny Committee be invited to undertake this.

Resolved

That Cabinet:

- 1) notes the outcomes of the six-week Draft Integrated Risk Management Plan (IRMP) Action Plan 2019/20 communication, engagement and consultation process and invites the Resources and Fire & Rescue Overview and Scrutiny Committee to consider and comment on the Action Plan.
- 2) approve the IRMP Action Plan 2019/20.
- 3) approve an allocation of £602k from general reserves to address the issues identified by the HMICFRS report related to the work of the fire protection team. These funds will be held in an earmarked reserve to be drawn down by the service.

8. Connecting Communities: Voluntary and Community Sector Strategy 2020-2025

Councillor Heather Timms (Portfolio Holder for Environment and Heritage & Culture) explained the value of the voluntary and community sector in terms of the support it provides. Staff were thanked for their hard work in producing the strategy.

Councillor Richard Chattaway welcomed the report and strategy adding that it will help to ensure value for money and the delivery of services by groups supported by the County Council.

Councillor Jerry Roodhouse observed that consideration will need to be given to how elected members are supported in their role delivering the strategy. In addition, Councillor Roodhouse noted that geographical borders and constant changes to how partners are structured and work serve to complicate the landscape that the voluntary and community sector work in.

Resolved

That Cabinet approves the Voluntary and Community Sector Strategy for 2020-2025.

9. Early Intervention, Prevention and Community Capacity Fund 2019/20 – Tranche 2 Allocations

Referring to the four projects identified for support in recommendation 1. Councillor Peter Butlin observed that these were identified as part of the February 2019 Council budget-setting resolution. The proposals were endorsed by Councillor Les Caborn.

Resolved

That Cabinet:

- 1) Approve four projects to be funded from the Early Intervention, Prevention and Community Capacity Fund at a cost of £454,000 as follows:
 - Parents in mind (£74,000),
 - Development of a perinatal mental health Health Visitor cadre (£200,000)
 - Community capacity building (£100,000)
 - Community health champions (£80,000)
- 2) Note the approval, under delegated authority, of an allocation to support Community pop-up hubs for visually impaired adults at a cost of £14,000.

10. Agreement for Maintained School to Become Member of a School Company

Councillor Colin Hayfield explained that the proposal before Cabinet offered a specific solution to a particular issue, the objection being to ensure the continuation of nursery provision at the site. Cabinet's attention was drawn to paragraphs 1.4 and 1.5 of the report which set out the rationale behind the proposal. Councillor Bill Gifford emphasised that the scheme before members would benefit the school, the nursery and the Council.

Resolved

That Cabinet gives consent to the governing body of Brookhurst Primary School, Leamington to become the sole member of a new company being established to run the on-site nursery at the school's premises.

11. Warwickshire Careers Strategy: Consultation Findings and Proposed Final Strategy

Councillor Colin Hayfield (Portfolio Holder for Education and Learning) reminded Cabinet that it had previously considered and agreed for the Careers Strategy to be consulted on. Members welcomed the Strategy adding that it had been long-awaited.

Resolved

That Cabinet notes the outcomes of the consultation process and

- 1) approves the final strategy.
- 2) agrees that progress on the implementation of the Careers Strategy be incorporated into the Annual Review of the wider Warwickshire Education Strategy.

12. Local Government & Social Care Ombudsman – Annual Review and Summary of Upheld Complaints

Councillor Kam Kaur introduced the report observing that upheld complaints in Warwickshire in 2018/19 had increased by 2 over the previous year. Nevertheless, compared to some similar local authorities the overall number is low. So far for the first quarter of the year only one complaint has been received by the County Council.

Resolved

That Cabinet notes the annual review and summary of upheld complaints issued by the Local Government and Social Care Ombudsman in the financial year 2018/19.

13. Warwickshire Youth Justice Plan 2019/20

Councillor Jeff Morgan (Portfolio Holder for Children's Services) explained that the report being considered by Council will be required to be considered by Council in October. He thanked the Youth Justice team for its hard work noting that everyone on the team shares a philosophy of "children first and offenders second". Cabinet was informed of good performance with re-offending levels and first-time entrant levels falling. Children in care are not overly represented nor are unaccompanied asylum-seeking children. Particular attention was drawn to the table on page 14 of the report which set out the relative contributions to the costs of running the service.

Councillor Richard Chattaway welcomed the report and commended the work of the Youth Justice Service. It was however noted that overall levels of crime are reported to be rising and that this may in time impact of youth offending levels.

Councillor Keith Kondakor observed that each client of the Youth Justice Service costs, on average, £8000 per annum. This compares favourably with the cost of custodial measures.

Councillor Jerry Roodhouse requested more information on restorative justice. Councillor Morgan agreed that this could take the form of a briefing note or member development session.

Resolved

That Cabinet supports the Warwickshire Youth Justice Plan for referral to Council for final approval.

14. Better Care Fund Plan 2019/20

Councillor Les Caborn (Portfolio Holder for Adult Social Care and Health) drew members' attention to paragraph 2.2 of the report which sets out the four conditions that are required to be met. It was noted that the recent spending review has provided a cash injection into adult social care, but this is temporary.

Resolved

That Cabinet:

- 1) approves the proposed contribution by the Council to the Better Together Care Plan for 2019/20 and the plan for resources.
- 2) delegates authority to the Strategic Director People to enter the proposed section 75 NHS Act 2006 agreement, on terms and conditions acceptable to the Strategic Director Resources, with Coventry and Rugby Clinical Commissioning Group, South Warwickshire Clinical Commissioning Group and Warwickshire North Clinical Commissioning Group for the delivery of the Better Care Fund Plan once completed.
- 3) approves the County Council continuing as the pooled budget holder for the fund.

15. Any Urgent Items

None

16. Reports Containing Confidential or Exempt Information

Resolved

That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

EXEMPT ITEMS FOR DISCUSSION IN PRIVATE (PURPLE PAPERS)

17. Exempt Minutes of the meeting held on 11 July 2019

The exempt minutes of the meeting held on 11 July 2019 were agreed as an accurate record and signed by the Chair.

The meeting rose at 15.24

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Chair

Actions from 12 September meeting of Cabinet

	Action	Responsible Officer/Member	Deadline
1.	Item 2a Cabinet to feed back to Councillor Chattaway on GVA performance trends and what actions are intended to address it.	Mark Ryder Councillor Izzi Seccombe	End Oct 2019
2.	Item 7 Resources and Fire & Rescue OSC to be invited to consider IRMP Action Plan	Dave Pemberton	Nov 2019
3.	Item 13 Consideration to production of briefing note and/or member development session on restorative Justice.	Sally Nash Helen Barnsley (Member Development Session)	Dec 2019

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Cabinet

17 October 2019

Development of the Medium Term Financial Strategy

Recommendations

Cabinet are recommended to:

1. Note the emerging financial position within which the 2020/21 budget and 2020-25 Medium Term Financial Strategy will be developed.
2. Approve the timetable for agreeing the 2020/21 budget.

1. Purpose of the Report

- 1.1. At the meeting on 12 September 2019, Cabinet considered a report titled the "Development of the Council Plan 2025 and the Medium Term Financial Strategy". The report outlined that the Council is developing a medium-term financial strategy (MTFS) covering a rolling five-year period, which will underpin the delivery of the Council's outcomes and objectives as set out in the Council Plan 2025 on which we are now engaging the public.
- 1.2. The report recognised that the Council is operating in an environment of uncertainty over funding and that, as a result, it is important that the Council has a clear financial strategy to ensure decisions are taken in the context of the longer-term demand and financial context. This approach will enable the Council to respond effectively to changing circumstances while maintaining a longer-term focus on the Council's financial sustainability.
- 1.3. The Chancellor's Spending Round announcement on 4 September provided some clarity on funding up to 2020/21 only. This report provides Cabinet with further details on the resource position of the Authority taking account of the announcement. It then goes on to outline the key issues which will need to be considered as part of development the MTFS, setting out the key points and proposed timetable of key dates between now and the budget setting Council meeting in early February 2020.

2. 2020-25 Revenue Resources

2.1. The table below sets out our latest revenue resource forecasts through to 2024/25. It shows that by 2024/25 the Council is estimated to have £493.0 million revenue resource available to support the budget. In making these estimates key assumptions have been made for the purposes of developing a sustainable MTFS through to 2025:

- An annual 2% increase in the main element of the council tax.
- The introduction of the fair funding review and business rates retention from April 2021 will have a neutral impact on the resources available to the Authority outside of receiving an annual 2% inflationary uplift.
- The Better Care Fund, the main element of the Improved Better Care Fund and other longstanding government grants continue to be received at their current levels.
- The additional one-off grants announced by the Chancellor as part of the 2019 Spending Review are only temporary and no replacement funding for these one-off grants beyond 2020/21 is included in advance of any funding commitments made as part of the 2020 Comprehensive Spending Review.

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Council tax (2% annual increase)	308.9	321.4	334.4	347.9	361.9
Business rates (includes Public Health Grant from 2021/22)	71.2	95.9	97.8	99.7	101.8
Better Care Fund	12.7	12.7	12.7	12.7	12.7
Improved Better Care Fund	12.5	9.3	9.3	9.3	9.3
Social Care Grants (including Winter Pressures)	14.0	-	-	-	-
Public Health Grant	22.8	-	-	-	-
New Homes Bonus	3.1	3.1	3.1	3.1	3.1
Other Government Grants	4.2	4.2	4.2	4.2	4.2
Use of reserves (as agreed in 2019/20 budget)	2.5	0.8	0.2	-	-
Total Resources	451.9	447.5	461.7	476.9	493.0

2.2. Whilst the table above outlines the estimated level of resources available to the Authority for 2020/21 and over the period of the 2020-25 MTFS, there remains a significant degree of uncertainty, given that SR2019 is a one-year settlement only, along with the wider political and economic context. **Appendix A** provides further detail on the announcements made in the Spending Review 2019 and how they impact on: the level of resources available in both 2020/21 and future years, as well as where the conditions

attached to the funding will mean the resource cannot be used to support the budget more generally.

- 2.3. In addition to the funding outlined above, one of the options available to the Authority as a result of SR2019 is to extend the adult social care levy for another year. A further 2% adult social care levy would provide for an estimated additional £6.1 million resource on an on-going basis. In light of the continuing uncertainty around future funding and the positive impact on the medium-term resource base of the authority there are benefits in taking the levy for a further year. There will be more detailed consideration of the impact of the levy in the next report on the budget and MTFs to Cabinet in December. The Government is assuming local authorities raise the 2% adult social care levy as well as the 2% increase in the main element of council tax as part of their overall funding package for local government services.

3. 2020-25 Revenue Spending

- 3.1. In developing the MTFs it is essential that as well as estimating the future resource position of the Authority, a realistic assessment of future spending need is also made. Work is underway to take account of any known drivers which are impacting on services and forecast spend for future years, which need to be reflected in the strategy. At the same time, we are undertaking a review of historical budgets and spending patterns and making adjustments. Our priority is to 'right-size' budgets both up and down to ensure they are as realistic as possible.
- 3.2. The estimated level of spending need facing the Authority that has been identified to date is set out in the table below.

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Base budget rolled forward from 2019/20	417.8	417.8	417.8	417.8	417.8
Inflation (2% for pay and prices)	8.3	16.9	25.8	34.9	44.4
Demand growth	5.7	10.9	16.6	22.9	29.2
Cost increases in excess of inflationary 2% uplift	6.5	9.3	12.2	15.1	17.9
Additional one-off spending to meet SR2019 grant conditions	5.4	-	-	-	-
Provision for further spending need that will emerge over the medium term	1.5	4.0	6.5	9.0	11.5
Right-sizing budgets downwards	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)

Total Spending Need	443.0	456.7	476.7	497.5	518.6
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- 3.3. Further scrutiny of the spending need by Corporate Board is currently underway and therefore the numbers above may be subject to change. There also remain significant uncertainties, for example around pay awards, the National Living Wage, the triennial revaluation of the Warwickshire Pension Fund as well as the impact of increased employers' costs in relation to the fire-fighters, teachers and health service pensions. As a result, a breakdown of the demand and cost pressures is not included in this report. A full list will be provided as part the next report on the 2020/21 budget and MTFs to Cabinet in December when it is hoped some of the uncertainties will be clearer.
- 3.4. Nevertheless, as highlighted in the report to Cabinet in September, the key areas of spending need include:
- Structural overspends and continued growth in demand in relation to children's social care and special educational needs.
 - Demographic growth in the adult population requiring care as well as the increased complexity of need.
 - The increasing cost of care provision and placements across all care services.
 - A structural deficit and continued increases in demand for home to school transport.
 - The impact of housing growth on demand across a range of services including waste management and the provision of infrastructure/schools, and
 - Increased demand and pressure on services and schools funded through Dedicated Schools Grant.
- 3.5. Further impacts may emerge as the policy objectives of national government become clearer and work has begun to quantify these externally driven policy and demand changes which will impact in 2020/21 and future years. There will also be the need to ensure there is funding to deliver the Council's key policies and strategies including the Capital Strategy for the financing and operating costs of any investment and the emerging Commercial Strategy that is elsewhere on today's agenda.

4. Action Required to Balance the Budget

- 4.1. Comparing the resource forecasts and known current spending needs from the tables above provides an indication of the extent of budget reductions which will be needed over the next five years to ensure the budget is sustainable. Based on the information in the above tables, budget reductions

of £25.6 million will be needed over the five years of the proposed MTFS, although this is extremely sensitive to future decisions on council tax and a significant number of one-off funding streams. The phasing over the five years is shown in the table below.

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Total Resources	(451.9)	(447.5)	(461.7)	(476.9)	(493.0)
Less					
Total Spending Need	443.0	456.7	476.7	497.5	518.6
Residual Gap	(8.9)	9.2	15.0	20.6	25.6

- 4.2. The table shows that for 2020/21 the additional one-off funding provided as part of SR2019 means the Authority will have resource available to invest in service transformation and new approaches to demand management in the short term. Such investment will provide significant opportunity to impact positively on how the budget reductions needed in future years can be delivered and to pump-prime the delivery of the 2020-25 Council Plan.
- 4.3. The strategic approach is one of discerning investment in:
- Demand management: investment to better manage long term demand, transform service provision, mitigate climate change and lay the groundwork for future investment;
 - Invest to save: investment or revenue spending which will lead to cost savings, efficiencies, income generation and better outcomes; and
 - Transformation: investment in the Council's infrastructure.
- 4.4. Maintaining momentum and focus on delivering the benefits of transformation is unchanged as a result of the spending review, as well as the programme of service redesign to better manage demand. Across the Authority, options for other ways to deliver financial benefits or reduce the Council's need to spend are also being developed. Collectively the options will provide for delivery of a balanced, sustainable MTFS to be considered relative to local policy choices. As with the spending pressures these are currently going through a scrutiny process, by Corporate Board, and will be included in the December Cabinet report.

5. Sensitivity Analysis

- 5.1. Whilst the tables above provide the outline financial position facing the Authority, the text throughout has highlighted the range and extent of financial

uncertainty. The individual uncertainties and their potential cumulative effect are a very significant risk to the Council's future financial sustainability.

- 5.2. The table below sets out some of the parameters for this uncertainty, so Members are aware of the potential for material variations to the figures set out in the report.

Element of the MTFS	Change	Impact on the 'Gap' £'000
Fair funding review and business rates retention	+/- 5% in the level of assessed need to spend funded from business rates	+/- 3,150
Adult Social Care Levy	+2% levy for 2020/21, included in the base thereafter	-6,054
Council Tax	-1% each year to the core council tax	+17,042
Council Tax taxbase	+/- 1% variation to the annual 2% growth assumed in the base	+/- 17,737
Pay inflation	+/- 1% variation to the 2% assumed in the estimated spending need	+/- 2,212
Price inflation	+/- 1% variation to the 2% assumed in the estimated spending need (if not offset by increases in charges)	+/- 5,872
Capital financing	Each £10m investment	+800

- 5.3. The potential financial risk associated with these variations is material to the MTFS. It is therefore important, particularly in respect of the downside risks, to maintain sufficient reserves to manage variations on an annual basis and allow time to make the right decisions in rolling forward the MTFS on an annual basis. For example, no council tax increase would require additional savings of £6 to £7 million in any one year or £34 million over the five years of the MTFS.

6. The Need for a Balanced Budget

- 6.1. In putting forward their proposals Members are reminded that local authorities are required by law to have a balanced budget. However, what is meant by 'balanced' is not defined in law. A prudent definition of a sustainable balanced budget is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term i.e. the 5 years of the rolling MTFS. For the purposes of the proposals being developed by Corporate Board the medium term has been taken as the period of the 2020-25 Council Plan.

- 6.2. To avoid an unbalanced budget the Local Authority has to be financially resilient. Setting a clear MTFS helps clarify expected income and expenditure. Awareness of the funding available in the forthcoming years means the Council stands a better chance of balancing the budget. Reserves are a useful option for balancing the budget in the short-term but they can only be used once. Consequently, Corporate Board is developing proposals on the basis that reserves should not be used to pay for day-to-day expenditure and it is important that they are replaced when the short-term need has passed. This will ensure the MTFS for 2020-25 will be fully balanced on an ongoing basis.
- 6.3. A Reserves Strategy is also being developed as part of the MTFS to provide a clearer framework. This will also be coming to Cabinet in December.

7. 2020-25 Capital Programme

- 7.1. A wider review of our approach to future decisions on capital investment need and the management of the programme is also being developed alongside the 2020-25 Council Plan and MTFS. The work, which will come to Council as part of the budget resolution, covers three core elements:
- Capital Strategy (the 'why');
 - Capital Programme/Pipeline (the 'what'); and
 - Capital Framework (the 'how').
- 7.2. The approach seeks to build on existing strengths; address the requirements of the Prudential code; and reflect the tenets of our new operating model. The intention of the strategy is to shift to a 20-30 year line of sight. This is challenging but will create a more strategic focus to our approach to capital and investment. It also presents an opportunity to align, inform and enable emerging thinking on long term place-shaping, a key role of the County Council.
- 7.3. The pipeline focuses on the content of the capital programme and the schemes which make it up – these will typically be between 1-3 years.
- 7.4. The framework will outline compliance with the 2017 Prudential code and set out the governance and resourcing arrangements needed to deliver and administer the pipeline/programme. Members have previously raised concerns about the level of underspend and slippage, and reviewing our approaches has identified a number of opportunities to improve the Council's ability to deliver against its current capital programme. Corporate Board is considering how these can be taken into account in any emerging proposals.

- 7.5. In positioning our strategy in this way, we are seeking to maximise the benefits of sound strategic investment and robust delivery. In developing the capital strategy there is a need to consider other wider strategies which together will be complementary to the overall approach. These specifically are the Place and Commercial strategies. Given the various stages of development for these strategies, it is likely that the development of the Capital Strategy may be in two stages – the first to meet the requirements for the budget setting process for 2020/21 and a second iteration for 2021/22 which will reflect the other strategies. The report to Cabinet in December on the 2020/21 budget and MTFS will include proposals around the first phase of development.

8. Timescales and Next Steps

- 8.1. The Local Government Finance Settlement is expected to be announced in early to mid-December 2019. The impact of this announcement will be reported to Members at Cabinet in January, at the latest. Council will then make the final decision on the 2020/21 budget and the 2020-25 MTFS at their meeting on 6 February 2020.

- 8.2. The proposed timetable is shown below.

Approach to Agreeing the 2020/21 Budget and MTFS	
Date	Report
Early to mid-December	Announcement of the provisional Local Government Finance Settlement
12 December	Report to Cabinet from Corporate Board on their budget proposals
17 December	Cabinet release their initial response to the proposals from Corporate Board
December and January	Political Groups develop their response to the proposals based on the information provided in the December Cabinet report and the Cabinet's response
30 January	Report to Cabinet outlining final information to be used in setting the budget. Cabinet release the Conservative Group's 2020/21 budget resolution(s)
3 February	Opposition Groups release any amendments to the Conservative Group's proposals
6 February	Council sets 2020/21 budget and council tax, 2020-25 MTFS and the Capital Strategy

9. Financial Implications

- 9.1. The Council Plan and MTFs will set the financial direction for the medium term. The precise impacts of the Spending Review 2019, the broad outline of which has been set out in the report, are under consideration and will inform Corporate Board’s proposals and the draft MTFs due for presentation to Cabinet in December.

10. Environmental Implications

- 10.1. The Council Plan engagement will specifically address climate change and environmental issues to inform the final plan and MTFs.

11. Background Papers

- 11.1. None

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Elected Members have not been consulted in the preparation of this report.

Appendix A

Spending Round 2019 Announcements - Impact on MTFS in 2020/21

Announcement	Impact on Resources £'000	Impact on Spend £'000	Commentary
Uncertainty about the parliamentary timetable	-	-	The LG settlement is due to be published between mid-November and mid-December. Providing this timetable holds the budget and MTFS planning process can continue as set out. If Brexit or a potential general election and Parliament entering a period of purdah occurs there may be a need for flexibility and adjustment to timetables.
Single Year CSR	-	-	No impact other than the need to make assumptions about funding from 2021/22 rather than 2020/21. Statutory requirements (including for S151 officer) to consider sustainability and robustness over the medium term means a move to a one-year budget will not meet this requirement. Therefore, recommend continuing with MTFS to cover the 5 -year period of the Council Plan.
Revenue Support Grant protected in real terms with no negative RSG	-	-	WCC receives no RSG and so the protection element has no impact on the MTFS. We had already assumed that the new system of local government funding would remove the concept of negative RSG.
Winter pressures funding - to continue for a further year, may be merged with iBCF	(2,235)	2,235	Included in resource forecasts, but only as one-off funding. The merger with iBCF may reduce flexibility about how this funding can be used. Funding will need to be matched by additional spend to meet grant conditions. Adult social care has deferred projects pending confirmation that this funding would continue. The list of projects can be revived and would create no hangover into future years if

			funding did not continue beyond 2020/21.
Social Care Support Grant - to continue for a further year	(3,817)	-	Included in resource forecasts, but only as one-off funding. This funding can be used to offset Children's Services spending pressures for 2020/21 deferring the need for when savings are needed but will not reduce the level of savings required over the medium term if funding does not continue.
Improved Better Care Fund - additional element for 2019/20 to continue for another year	(3,149)	3,149	Included in resource forecasts, but only as one-off funding. The funding means matching investment will need to be built back into spending plans on a one-off basis to meet the grant conditions.
New Homes Bonus - current allocations baselined	(306)	-	The £0.306m additional funding received in 2019/20 will continue and the resource forecasts assume the funding will be baselined at this higher level of a permanent basis.
Public Health Grant - real terms increase and remaining as ring-fenced grant until implementation of BRRS	(447)		Inflationary increase to give a real-term freeze assumed in resource forecasts. No additional income above this level has been assumed until there is clarity about what "above real terms" means. No additional spend needed as the inflationary increase matches the inflation provision that is already built into spending plans. If "above real terms" does provide additional funding then this would be additional ring-fenced funding for the service that could be used to increase spend or reduce any savings target, so neutral overall. 2% equals £0.447m.
Rural Services Delivery Grant - to continue for a further year	-	-	WCC does not receive any RSDG therefore this announcement has no impact on the MTFS
Troubled Families - programme to be extended for a further year	?	-	Emerging MTFS spending need already includes an allocation to maintain current levels of investment on a permanent basis.

			The continuation of the government funding will delay the time at which the Council needs to commit additional on-going resources to maintain the service. At this point the amount of additional grant is not known and is therefore not included in the figures.
Education High Needs - an additional £700m	-	-	Allocation methodology not known, but WCC could get £5+ million. This is part of the £14bn increase in schools funding over the next three years. WCC could therefore get the funding allocated for 1 or 3 years. This will not impact on MTFS directly, but any funding received will reduce the call on reserves to write-off any high needs deficits each year (currently estimated to be circa £9m a year).
£1bn additional funding for social care	(7,914)		Actual funding received will depend on the allocation methodology. This is a substantial increase in funding but is only included in the resource forecasts on a one-off basis. Whilst it can be used to offset spending pressures or inflationary allocations in 2020/21 it does not reduce the level of savings to be found over period of MTFS.
2% adult social care levy	(6,054)		Permanent increase in funding that increases by a further £1.035m by 2024/25. The impact of the additional 2% levy is not included in the resource forecasts outlined in the report. If taken, the levy can be used to support any service. The first £6.054m is ring-fenced to adult social care. Taking the additional levy could be used to increase spending in ASC, extend the positive impact of the rightsizing to future years, fund ASC inflation releasing funding for other services or a mixture of the three. The key issue will be whether spending plans agreed comply with the guidelines and

			reporting requirements to demonstrate it has genuinely increased spend in ASC.
Business rates retention and fair funding delayed to 2021/22	(2,070)	-	The £2.070m is the additional business rates income being received in 2019/20. It had been assumed that as part of the move to a new system there would be a reset and some of the local growth in business rates generated under the current system would be lost. An extra year of the current system means the authority will be moving into the new system from a higher base.
Fire pension	(985)	-	Spend side already built into the base therefore this is additional income for the authority, assumed to be on a permanent basis.
Total	(26,977)	5,384	
Net Change		(21,593)	

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Cabinet

17 October 2019

Commercial Strategy

Recommendation

That Cabinet approves the Council's Commercial Strategy attached as an appendix to this report.

1. Key Issues

- 1.1 The Council Plan engagement sets out the Council's ambition to ensure that Warwickshire is the best it can be, sustainable now and for future generations. The Council faces pressures from increasing demand for services, further constraints on and uncertainty about, our long-term resources. This creates an increasing reliance on generating our own revenue and requires the Council to work in new and different ways to achieve its ambitions for Warwickshire.
- 1.2 The Council has declared a climate change emergency and is developing plans to achieve carbon neutrality which will require changes in working practices and how services are delivered, both now and in the longer-term.
- 1.3 Commercialism is one of the levers that can help manage these pressures and help shape our response to climate change. The Council has an opportunity to help meet its future funding needs and maintain its long-term financial sustainability through the development and implementation of commercial behaviours and practices in the way it works. By seeking to increase income streams, the Council will be able to reduce the amount of financial savings required, which will in turn help the Council invest in priority services.
- 1.4 The proposed Commercial Strategy, which has been developed with help from an independent expert, is attached at the **Appendix**. In developing the Strategy consideration has also been given to good practice and lessons from across the sector.

2. Options and Proposal

- 2.1 The introduction of a Commercial Strategy will support the Council as it implements its new Target Operating Model through better use of existing resources, increased financial returns on investment, improved delivery of social and environmental priorities, reduced costs and increased value from

contracts. Commercialism is a key enabler of the strategy/commissioning and delivery split inherent in our new target operating model.

- 2.2 A more commercial ethos and culture will also encourage innovation and will drive the identification and exploitation of new opportunities to enhance delivery of our outcomes. Our commercial focus will reflect our purpose: to make Warwickshire the best it can be.
- 2.3 A key element of our commercial strategy is the definition of commercialism in Warwickshire (contained on page 4 of the strategy) which is a broad one, reflecting the dual need to generate revenue and maximise the delivery of outcomes.
- 2.4 What commercialism means for Warwickshire sets the context for the outcomes the proposed Strategy seeks to achieve. The Strategy is based around three objectives set out in section 3. The objectives are:
 - to enable a more commercially focused organisation;
 - to optimise our commercial performance; and
 - to invest in new commercial opportunities
- 2.5 The Strategy sets out (in sections 4, 5 and 6) what the Council will do to achieve each of the three objectives.
- 2.6 The Strategy will be supported by a commercial operating policy and annual commercial forward plan. The work undertaken to date has identified several areas of potential commercial opportunity which will be further scoped and developed to inform the first annual commercial forward plan. Individual commercial investments/ initiatives will be assessed against their social and environmental benefits in addition to their financial benefits and will be subject to business cases and member approval as necessary.
- 2.7 There are risks associated with any commercial activity and there has been criticism of property investments made by some local authorities, especially those made outside their local area. The National Audit Office is undertaking a value for money study of commercial investments and the Prudential Code is likely to evolve in its coverage of commercial risks. National developments will be kept under review and our approach amended as necessary.
- 2.8 In order successfully to deliver the strategy, an enhanced commercial capacity will be required. As a result, it is proposed to develop a small commercial function and to build commercial skills more fully into our recruitment and learning and development programmes. A new Commercial Board, developed from the existing Trading Board, will have responsibility for driving the Strategy and for oversight of commercial activity.

4.0 Financial Implications

- 4.1 It is recognised that resource to implement and deliver the Commercial Strategy will be required. Further work is being undertaken to identify any financial implications. Unless existing resource can be found, it is likely that this will create a cost pressure that will need to be managed within the overall financial strategy.
- 4.2 Individual commercial projects/investments will be subject to robust business cases and approvals. Evaluation will use a balanced suite of economic, social and environmental criteria to ensure all commercial activity aligns with the Council's objectives and purpose.

5.0 Timescales associated with the decision and next steps

- 5.1 Subject to Cabinet approval of the Commercial Strategy, a detailed implementation plan will be developed for delivery from April 2020. The implementation plan will identify where additional resources or investment are required to deliver the Strategy. This timescale aligns with the development of the Medium-Term Financial Strategy which will be put to Council for approval in February 2020. Minor design adjustments will be made to the final version of the strategy before it is published to accommodate feedback from Cabinet.

Background papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): N/A

Other members: Councillors Seccombe, Kaur, Butlin, Roodhouse, Singh Birdi, Warwick, O'Rourke, Chattaway, Boad and Chilvers.

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Warwickshire County Council Commercial Strategy



Introduction



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Cllr Izzi Seccombe OBE
Leader of Warwickshire
County Council



Cllr Peter Butlin
Deputy Leader and Portfolio
Holder for Finance and Property

As a Council we want to make Warwickshire the best it can be, sustainable now and for future generations.

Warwickshire is a great place to live and work. The Council is changing to meet the evolving needs of its citizens and communities and we will need to maintain the rapid pace and ambitious scale of change over the coming years to exploit the opportunities as they arise and ensure we future proof our services.

Our challenges relate to rising demand, increasing complexity of need, ongoing pressure and uncertainty about our future resources. We are also committed to addressing the climate change emergency the Council declared in July 2019.

We are building from a strong financial base and a strong ethos of working in partnership with our communities and our public, private and third sector partners; this commercial strategy, our first, signals our ambitions to use commercialism to help sustain our strong financial position while maximising wider outcomes for the people and communities of Warwickshire.

We do not aspire to be commercial for the sake of being commercial; for us, commercialism has a sole purpose which is to make Warwickshire the best it can be, now and for future generations. This strategy sets out our approach to maximising value through more commercial approaches.

As a forward looking council, we will focus on enabling commercialism through a more productive culture, optimising our existing traded services and investments, and, subject to robust business cases, investing in new opportunities. We will consider social, economic and environmental factors when we assess commercial opportunities.

Members and staff are up for the changes and opportunities arising from this commercial strategy, and I look forward to seeing them take forward this ambitious blueprint for developing a more business-like, commercial culture.

1.

The Purpose of our Commercial Strategy

Warwickshire County Council (the Council) has a clear vision: to make Warwickshire the best it can be, now and for future generations, by focussing on three outcomes:

- Warwickshire's communities and individuals are supported to be safe, healthy and independent;
- Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure; and
- making the best use of our resources.

There are, however, challenges to achieving this vision and outcomes. The Council faces pressures from increasing demand for services, further constraints on our resources and an increasing reliance on generating our own revenue.

The Council has declared a climate change emergency and is developing plans to achieve carbon neutrality. We recognise the need to reduce our environmental impact to safeguard the interests of future generations.

To meet these challenges, the Council needs to work in an innovative and different way to leverage maximum value and create a

financially sustainable organisation that meets the changing needs and expectations of residents and enables us to deliver excellent services. At the same time we will look to manage demand through timely intervention and a strong focus on investing in prevention.

Our new commissioning and delivery focussed operating model encourages us to use commercial thinking to improve outcomes. This new operating model is removing traditional silo working, driving a 'one Council' approach and encouraging delivery with our partners. The Commercial Strategy is intended to reinforce these new ways of working.

We have an opportunity to support future funding needs through the development and implementation of commercial behaviours and practices in the way we work. We will be seeking to increase income streams into the Council to reduce the amount of financial savings it will need to make, which will in turn help the Council invest in priority services.

We will be a Council with commercial activities and not a commercial venture with Council activities

We will encourage innovative and creative solutions to the challenges we face. This shift in culture across all the Council's activities will drive the identification and exploitation of new opportunities to enhance our delivery of outcomes through commercial projects that generate income and make more effective use of resources. Our implementation plans will build on our existing strengths and address the areas we need to develop.

We will develop a commercial culture and the pursuit of increased financial returns will be aligned to and integrated with our Vision and Values. We will be a Council with commercial activities and not a commercial venture with Council activities. We will take the "best bits" of commercial culture and working practice and use them to reinforce and strengthen our public sector ethos. We will not pursue increased financial returns at the expense of our social and environmental priorities.

We will work to a broad definition of commercialism:

Optimising our financial sustainability by generating more income, reducing costs and maximising use of our assets: through investment in projects that provide good financial returns, enhancing our traded services and taking a commercial approach to management of costs and assets

Doing this in a way that delivers wider outcomes for Warwickshire: commercialism is not an end in itself; as a County Council, our strategic role makes commercialism a key lever for our role in shaping Warwickshire as a great place to live, work and do business, and to maximising social impact and outcomes.

The Commercial Strategy will support delivery of the Council Plan over the next 5 years and beyond. The Commercial Strategy and its accompanying documents will be reviewed and refreshed annually under the oversight of the Commercial Board (see section 6 below).

We have agreed the following principles to drive delivery of this strategy:



Our Current Commercial Performance, Capability and Culture

The Council has considerable strengths, not least of which is the appetite in the organisation to change and become more commercial. There is also a high degree of self-awareness and appreciation of the size of the challenge of doing so.

The Council is not starting from scratch and has a current strong presence in providing traded services including a successful Local Authority Trading Company.

This strategy will help us build on our existing strengths, tackle the areas we need to develop and exploit our opportunities to meet our financial and demand challenges by making the very most of the resources available. These include:

- **Our staff:** the skills and commitment of staff;
- **Our partners:** our partnerships with other organisations;
- **Our finances:** the finances available to us;
- **Our assets:** the buildings and properties that we own;
- **Our contracts:** the contracts that we let and manage;
- **Our trading:** the services we already trade; and
- **Our investments:** our existing portfolio of investments.

The Council has considerable strengths, not least of which is the appetite in the organisation to change and become more commercial.

3.

Our Commercial Objectives

The strategy has three objectives:

To enable a more commercially focused organisation: we will help our staff to become more commercially focussed by providing targeted skills and training, embed commercial skills into our recruitment and development programmes to increase capacity and developing a strong commercial culture

To optimise our commercial performance: we will improve our work in areas such as: contract management and procurement, managing property and land, traded and charged for services and our portfolio of assets and investments

To invest in new commercial opportunities: we will invest in opportunities that bring financial returns, as well as social environmental and wider economic benefit

4.

Enabling a more Commercially Focused Organisation

We will develop a more commercial culture. We will build our skills, streamline processes, accelerate decision-making and develop a more risk-aware and less risk-averse approach to commercial opportunities without detriment to good governance. Five strands of activity will build our commercial capability, capacity, culture and confidence. We will:

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Roll out a commercial learning and development programme:

We will develop a commercial learning and development programme which will form part of our leadership development programme.

Develop a commercial culture:

Using the independent analysis that has informed this strategy, we will establish a project specifically to develop a more commercial culture. This will involve a series of concrete steps to change mindsets, encourage commercial behaviours, celebrate commercial successes and apply learning from all commercial activity.

Build our commercial capacity:

We will design the structure and skills required by a new commercial team. Across the Council, we will build commercial skills into our recruitment processes, particularly in areas with the most substantial commercial focus.

Support new commercial ideas and innovation:

We will ensure there is effective horizon scanning for new commercial opportunities, including bidding for grant funding, and ensure there are effective channels for staff to suggest new commercial ideas.

Increase capacity to apply for and secure grant funding:

We will develop a strategic approach to identifying and successfully bidding for grant funding to deliver Council outcomes.

5.

Optimising our Commercial Performance

We have a successful history of commercial activity, investment and the provision of traded services. To deliver our objective to enhance our performance, we will:

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Maximise returns from existing traded services:

We will review all current trading activities to identify opportunities to maximise potential returns, identify other trading activities and bring them in line with the commercial operating policy. We will achieve returns in line with targets for the new commercial team.

Deliver increased value and financial savings through more effective contract management and procurement:

Increasing the value we achieve through our commercial contracts and strategic procurement is one of the most significant commercial opportunities for the Council. To drive a more strategic approach, we have centralised contract management and procurement which is working to deliver ambitious savings targets as part of our transformation programme.

Increase returns from our existing property, land and investments:

The Council is developing a new asset management strategy and its approach to strategic asset management. In developing these documents, we will identify specific objectives to increase returns. We will also review the Council's existing financial investments and shareholdings to identify opportunities to improve returns.

Innovate in our approach to debt collection:

Innovating in the Council's approach to debt collection, both to reduce Council debts and adopt a more targeted, supportive, ethical and effective approach.

6.

Evaluation and Governance

We will use three criteria to evaluate and forecast the impacts of investment activities set out in this strategy: Social, Environmental and Economic.

Social Factors - these will include consideration of:

- clear, demonstrable links to the delivery and support of the Council's core purpose (to make Warwickshire the best it can be) and contribution to improved outcomes;
- the number of individuals and communities in Warwickshire impacted; and
- the number and magnitude of the impacts.

Environmental Factors - these will include consideration of:

- net carbon dioxide emissions reduction / increase;
- changes to the natural environment through land use / enhancement including changes to biodiversity and habitats;
- changes to flood risks; and
- air quality impacts.

Economic factors - these will include consideration of:

- investment required;
- revenue and capital costs and returns over time;
- movement in net asset value over time (where applicable); and
- impact on the local economy and local businesses.

We will create a Commercial Board which will oversee the pipeline of investing opportunities to ensure our approach, across a wide portfolio, will deliver the impacts and outcomes required. We will commission appropriate external expertise to support projects during their various stages, especially for higher risk, higher value commercial projects. The Commercial Board will oversee recommendations for new investments and commercial projects, for decisions by the appropriate officer or member body.

The Commercial Board will oversee the delivery of the Commercial Strategy and oversee the management of commercial risks. The approach to commercial risks must be balanced against potential opportunities and reward with an emphasis on being risk aware, not risk averse. Risks for individual commercial projects will be aggregated to present a complete risk profile for the Council in commercial matters and control the Council's overall exposure to commercial risk.

The Commercial Forward Plan will set out detailed targets over varying time periods. Progress against these targets will be reported to the Commercial Board and will align to corporate reporting requirements.

Cabinet

17 October 2019

Alternative Model for Primary Aged Children at Risk of Permanent Exclusion

Recommendations

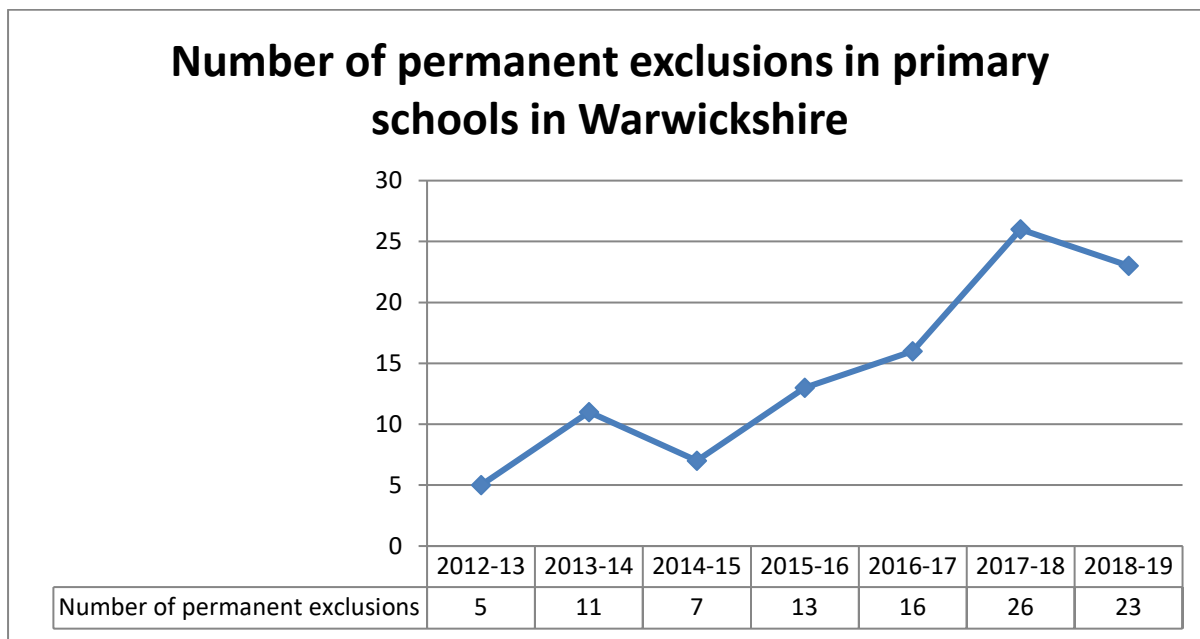
That Cabinet agrees that,

- 1) the County Council adopts the proposed new model for preventing permanent exclusions from primary schools.
- 2) the County Council engages with Head Teachers in Warwickshire to promote the new model of support for permanently excluded primary learners and those at risk of exclusion.
- 3) the County Council ceases placing any new pupils in the two 'Link' provisions with immediate effect.
- 4) the County Council commences consultation with current staffing of the Links, with a view to closing both sites at the end of the Spring Term 2020.
- 5) the Strategic Director for Resources, in consultation with the Strategic Director for People, is authorised to negotiate the inclusion of the Kingswood accommodation within the Inspire Education Trust lease with a view to ensuring that the site is used to enhance the Haven Communication & Interaction Specialist Resource Provision to ensure it can meet the needs as an all through Key Stage 1 and 2 primary resource and to complete any necessary documents to give effect to the agreed arrangements.
- 6) the County Council commissions 14 fte places across the County, each with an allocated key worker, for primary aged permanently excluded children and those at risk of exclusion. These will be time limited (one term), with a focus on nurturing restorative intervention to inform the identification of the child's next setting (mainstream or specialist). The commission will include transport and support for transition into the identified next setting.

1.0 Key Issues

- 1.1 The number of permanent exclusions in the primary phase has increased significantly rising from 7 in 2014/15 to 23 in 2018/19. The local authority is

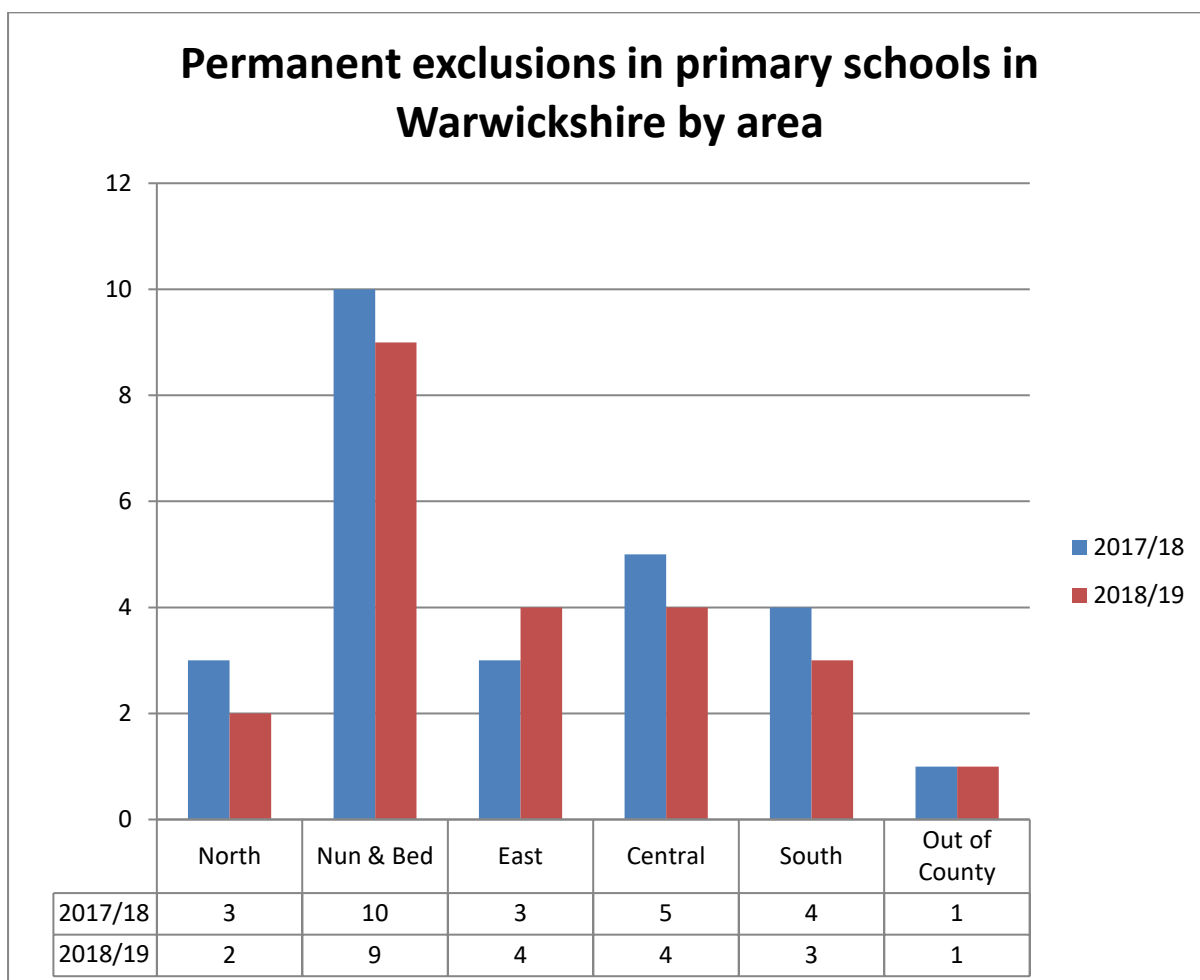
seeking to prevent permanent exclusion as research has shown the negative effects that a permanent exclusion has on a child's life chances. The local authority also has a statutory duty to ensure educational provision from the 6th day following a permanent exclusion. The increase in permanent exclusion, and the higher number at risk of permanent exclusion, has put significant strain on the existing arrangements.



- 1.2 To date, different models of provision for primary aged learners at risk of permanent exclusion have operated across the County. Across all areas, primary schools have been supported by Specialist Teaching Assistants (STAs) from the Specialist Teaching Service under a Memorandum of Understanding (MoU). The MoU sets out a list of expectations upon schools of the types of interventions that should have been undertaken, prior to seeking additional support from the local authority.
- 1.3 In addition to the above in Nuneaton & Bedworth since 2013-14, schools have been able to access support via two Link provisions, either at Kingswood, based on the Stockingford Primary site, or at the Wheelwright Lane Primary Link. The Links have provided a short to medium term intervention for learners who do not have Education, Health & Care Plans, but who are experiencing difficulties in their primary school placement and are at risk of exclusion. The pupils remain on roll at their home school, attending there at least one day per week for up to two terms. The Link bases are staffed and managed by the Specialist Teaching Service (STS).
- 1.4 Each Link provision has its own setting on each school site. The Wheelwright Lane provision was adapted from existing use without capital funding. The Stockingford Primary provision, Kingswood, received £300k capital funding as

part of the Education and Learning (Schools) Capital Programme 2016/17, approved by Cabinet on 4th July 2016.

- 1.5 Whilst Nuneaton and Bedworth remains the area with most pressure for permanent exclusions, there is also a growing number of exclusions in other parts of the County. The current model is not available in other parts of the County and the provision is relatively expensive for a small number of learners.



- 1.6 The cost of running the two Links, including a service level agreement with Educational Psychology for support and assessment, is £241,000 per annum; each Link is staffed by a Lead Specialist Teacher and two fte Specialist Teaching Assistants (STAs). Although each Link can accommodate 8 learners at any one time, since 2014 provision has been made for 45 pupils in total.

- 1.7 In addition, the Specialist Teaching Service has supported pupils in schools in all areas under the MoU, as well as providing for primary aged pupils who have been permanently excluded, utilising STAs at a cost of £700,000 pa:

Year	No of pupils supported under MoU by STS	No of pupils Permanently Excluded supported by STS
2016-17	50	24
2017-18	105	28
2018-19	73	21

2.0 Options and Proposal

Proposed closure of the Link provisions

- 2.1 As a result of SEND and Inclusion needing to save £1.5 million from Dedicated Schools Grant in 2019-20, the Local Authority consulted a number of stakeholders in 2018, including Schools Forum, in relation to possible options. These options included closing both Links, closing one Link and the option which was finally agreed, to keep both open, but that schools would need to contribute to the costs (Background Paper 1). In addition it was agreed that 29 fte Specialist Teaching Assistants from the Specialist Teaching Service would need to be made redundant to support the DSG savings plan, thereby saving £700k; these STAs left on the 19th July 2019.
- 2.2 Since this consultation with stakeholders and a consultation with STS staff in January 2019, Stockingford Primary, where the Kingswood Link is sited, has begun the process of academisation. There are a number of considerations to bear in mind before deciding the issue of transferring the accommodation to any new Academy. The Kingswood Link currently accesses caretaking, telephones, internet, alarm systems and school dinners from Stockingford Primary School. If the Link were to become a standalone entity there is a risk that these arrangements may not continue, resulting in increased costs in both setting up and running these services independently. Although the Link has its own access, this is also used by those accessing the Haven Communication & Interaction Resourced Provision, which is also run by the school, providing 8 specialist places for learners with EHC Plans.
- 2.3 Given that the Links are not available in other parts of the County leading to inequitable geographical access to interventions and support, the high cost for a relatively small number of learners based on average occupancy and more recently the academisation of Stockingford Primary, it is now timely to review the decision to keep both Links open.
- 2.4 The Links provide short-term interventions for learners with additional needs and pupils remain on the roll of their home school. Any existing programmes of support that are already in progress will be completed. The Specialist Teaching Service Manager will ensure any remaining pupils will have received the two terms' support as required and are supported to reintegrate back into school.
- 2.5 On closure it is proposed to transfer the financial savings to the Education Entitlement Team to ensure the Local Authority (LA) can meet its statutory duty to support pupils who have been permanently excluded Countywide, as

well as supporting those at risk of exclusion. This will result in more equitable access to provision regardless of where the learner is.

Proposed new model

- 2.6 It is proposed that Warwickshire adopts a new approach to preventing permanent exclusions in the primary phase. This will involve commissioning support through 14 hubs across the County, ensuring:
- the LA can meet its statutory duty to support pupils who have been permanently excluded;
 - support for those at risk of exclusion;
 - more equitable access regardless of where the learner is.
- 2.7 The 14 cross county hubs will be linked with the Children & Family Centres to facilitate access to Family Support Workers. Schools will provide one fte professional, a 'Significant Adult' for each of the 14 hubs. Each hub will provide a programme of support to both children and staff, for example, providing restorative work, working with parents and the child, supporting the transition into the next setting, identifying strategies that are successful and providing CPD opportunities for colleagues.
- 2.8 Each of the schools hosting this resource will be affiliated to a cluster of other local primary schools, who will have access to this resource in line with the Assessment Gateway. It is anticipated that an individual placement will be for one term whilst the next setting for the child is being identified and prepared.
- 2.9 The early identification of primary pupils at risk of permanent exclusion without an EHC Plan will be facilitated by a multi-agency partnership panel, the Fair Access Panel and the Assessment Gateway. Further information about the new model is in the Background Paper 2.

Kingswood site and SEND Resourced Provision

- 2.10 As well as the Kingswood Link, the LA also has a well- established Specialist Resource Provision for eight learners with EHC Plans for Communication & Interaction needs at Stockingford Primary, called The Haven. The staff managing 'The Haven' are struggling with managing both Key Stage 1 and 2 learners in their current accommodation; this has led to potential admissions from the area being turned down.
- 2.11 If the recommendations in this paper are accepted, it is proposed that negotiations are entered into with the Inspire Education Trust to include the Kingswood Link building in the lease on the understanding that the site is used to enhance 'The Haven' Communication & Interaction Specialist Resource Provision, both in terms of environment and the number of learners, to ensure it can meet the needs as an all through Key Stage 1 and 2 resource.

3.0 Financial Implications

- 3.1 The proposal is cost neutral in terms of Dedicated Schools Grant; if the Links are closed at Easter as proposed the £241k would then transfer to the Education Entitlement Team to fund support for permanently excluded pupils and those at risk of exclusion. There would, however, be the redundancy costs for the six staff, which would be covered centrally.
- 3.2 Appendix Paper 1 outlines the potential return on investment should the local authority include the Kingswood site in the lease on the basis that the site is used to enhance the Haven Communication & Interaction Specialist Resource Provision to ensure it can meet the needs as an all through Key Stage 1 and 2 resource.

4.0 Timescales associated with the decision and next steps

- 4.1 From September 2019 the LA ceases to place any new pupils in the two 'Link' provisions with immediate effect and engages particularly with the Nuneaton & Bedworth Heads to promote the new model of support for permanently excluded primary learners and those at risk of exclusion. Heads wanting to make any new referrals to the Links will be referred to the Education Entitlement Team.
- 4.2 The two 'Link' provisions in Nuneaton & Bedworth close at the end of the Spring Term 2020 once learners currently receiving provision finish their programme of support.
- 4.3 The Council will undertake consultation with current staff of the Links, with a view to changes being implemented at the end of the Spring Term 2020.
- 4.4 From the Summer Term 2020 the savings from closing the Links transfer to the Education Entitlement Team to support the new model of preventing exclusions and working with permanently excluded pupils.
- 4.5 Negotiations are entered into with the Inspire Education Trust to include the Kingswood site in the lease on the understanding that the site is used to enhance the Haven Communication & Interaction Specialist Resource Provision to ensure it can meet the needs as an all through Key Stage 1 and 2 resource.

Appendices

- 1. Return on Investment: The Haven
- 2. Equality Impact Assessment

Background Papers

1. Link Provision Options Appraisal
2. Education Entitlement Team's Business Case, March 2019.

	Name	Contact Information
Report Author	Jane Carter & Marie Rooney	janecarter@warwickshire.gov.uk Tel: 01926 742347
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Strategic Director	Mark Ryder	markryder@warwickshire.gov.uk
Portfolio Holder	Cllr Colin Hayfield	

The report was circulated to the following members prior to publication:

Local Member(s): N/A

Other members: Councillors Chattaway, Dahmash, Morgan, Roodhouse, Chilvers, Williams, Hayfield and C. Davies

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Appendix 1: The Haven – Return on Investment case

Establishing SEND Resourced Provisions is part of the Warwickshire SEND & Inclusion Strategy 2019-2023. Resourced Provisions provide specialist provision in a mainstream environment to children with SEND, acting as a bridge between mainstream school and special school. The admission to Resourced Provision is governed by the local authority through a panel process. Admissions are based on the learner having an EHC plan and the needs of the learner.

Resourced Provisions provide the following benefits:

- Children with SEND are able to access local mainstream provision
- It frees up capacity in special school settings, and as a result avoids placements in independent specialist settings increasing costs for provision and transport, educating the child further away from their family home

Since 2016, 8 Resourced Provisions and Specialist Partnerships have been established, creating 92 places.

The proposal is to extend The Haven Resourced Provision, Stockingford Primary School from 8 places to 16 places, utilising the Kingswood 'Link' building and creating separate Key Stage 1 and Key Stage 2 provisions.

It is estimated that 73 additional specialist places are required in the Nuneaton and Bedworth area by 2023 (SEND Needs Assessment 2017-2023). Oak Wood Primary School currently has no additional capacity (capital works in progress).

In 2019/20 over 50 requests were made by schools in the Nuneaton & Bedworth area for specialist provision. For every Resourced Provision place, a special school place is freed up which in turn prevents a placement in independent specialist provision.

8 additional places would provide a cost avoidance of £33,449 per place (total £267,592 pa). This is based on an average place in Resourced Provision funded at a total of £18,313 compared with an average independent specialist provision cost of £51,762.

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APPENDIX 2

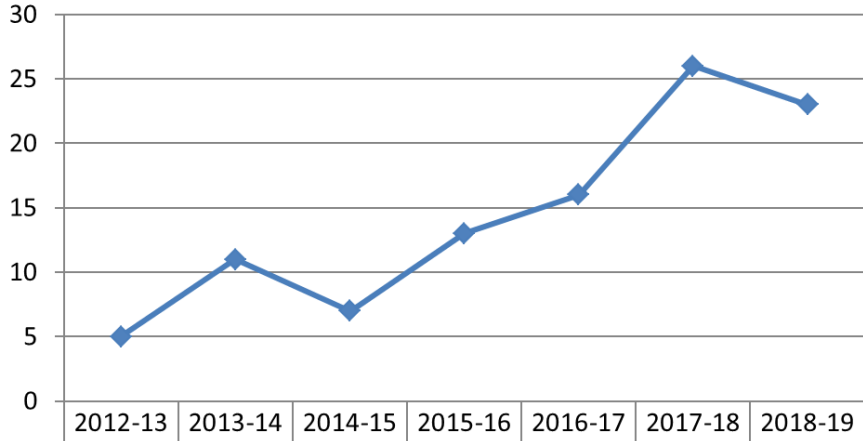
EQUALITY IMPACT ASSESSMENT (EIA)

Alternative model for primary aged children at risk of permanent exclusion

Service/policy/strategy/practice/plan being assessed	Alternative model for primary aged children at risk of permanent exclusion
Business Unit/Service Area	Communities: Education & Learning
Is this a new or existing service/policy/strategy/practice/plan? <i>If an existing service/policy/strategy/practice/plan please state date of last assessment</i>	New
EIA Review team – list of members	Jane Carter, Sarah Dalli, Marie Rooney
Do any other Business Units/Service Areas need to be included?	No
Date of assessment	5th August 2019
Are any of the outcomes from this assessment likely to result in complaints from existing services users, members of the public and/or employees? <i>If yes please let your Assistant Director and the Customer Relations Team know as soon as possible</i>	No

Details of service/policy/strategy/practice/plan

Scoping and Defining	
(1) What are the aims, objectives and outcomes of the service/policy/strategy/practice/plan ?	To provide more equitable provision across all geographical parts of the County for primary aged children at risk of permanent exclusion. Currently primary children in Nuneaton & Bedworth have access to Link centres, however, this intervention is not available in other areas. Primary permanent exclusions have been increasing over the last five years. The aim of this policy is to free up a financial resource to fund a new model of provision for primary children at risk of exclusion and to enable the Local Authority to make provision for those permanently excluded.
(2) Who are the customers?	Primary aged children at risk of exclusion, those permanently excluded, their families and schools and settings.
(3) How has equality been considered in the development or review so far?	The review recognises the current geographical inequality, that access to provision varies according to where children live.
(4) What is the reason for the change/development?	The primary reason for the proposed change is the increase in primary permanent exclusions and the need to establish a more equitable, effective and affordable model for preventing and managing exclusions.

	 <table border="1" data-bbox="848 628 2042 715"> <thead> <tr> <th></th> <th>2012-13</th> <th>2013-14</th> <th>2014-15</th> <th>2015-16</th> <th>2016-17</th> <th>2017-18</th> <th>2018-19</th> </tr> </thead> <tbody> <tr> <td>Number of permanent exclusions</td> <td>5</td> <td>11</td> <td>7</td> <td>13</td> <td>16</td> <td>26</td> <td>23</td> </tr> </tbody> </table>		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Number of permanent exclusions	5	11	7	13	16	26	23
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19										
Number of permanent exclusions	5	11	7	13	16	26	23										
<p>(5) How does it fit with Warwickshire County Council's wider objectives?</p>	<p>The proposal is about:</p> <ul style="list-style-type: none"> - supporting our most vulnerable and disadvantaged children; - reducing crime and disorder and promoting safety [we know that excluded children are particularly vulnerable to becoming involved in crime]; - supporting and enabling children to access a high quality education setting; - putting financial resources in the right place to support organisational priorities; - developing the workforce so it has the right skills and capabilities; - reducing demand and higher costs through innovative and effective service re-design. <p>Education Strategy: 2a (children missing their education entitlement), 2d (learners with SEND) and 2e (learners with SEMH) - https://apps.warwickshire.gov.uk/api/documents/WCCC-1023-283</p>																
	<p>Nationally disadvantaged students, pupils eligible for Free School Meals, are around four times more likely to be permanently or fixed term excluded than their peers.</p>																

<p>(6) Why might it be important to consider equality and the protected characteristics?</p>	<p>Students with SEND nationally are around six times more likely than their peers to be excluded. Pupils of Gypsy/Roma and traveller heritage are the group most likely to be excluded nationally, and Black Caribbean students are around three times as likely to be excluded as their peers.</p>
<p>Information Gathering</p>	
<p>(7) What sources of data have you used?</p> <p><i>You must keep a record of any data you have currently used as supporting evidence</i></p>	<p>Exclusions data over the last three years.</p>
<p>(8) What does the data you have tell you about your customers and about protected equality groups?</p>	<p>Whilst Nuneaton and Bedworth remains the area with most pressure for permanent exclusions, there is also a growing number of exclusions in other parts of the County. The current model of provision is not available in other parts of the County and the provision is relatively expensive for a small number of learners. Sixteen out of the 23 learners permanently excluded in 2018-19 were either receiving SEN Support, had been referred for an Education Health & Care assessment or had an EHC Plan. Eleven were eligible for Free School Meals. Twenty of the learners were from a White British background; two from BME and one from GRT background.</p>
<p>(9) What do you need to know more about?</p>	<p>N/A - exclusions data is detailed.</p>

(10) How could you find this out and who could help you?	N/A
Engagement and Consultation	
(11) Who have you consulted with from protected equality groups?	Once approval given: SEN Programme Board, Parent & Carer Forum, SENDIASS, Professional Associations related to staff groups affected.
(12) Who else could you consult with?	See above
(13) Who can help you to do this?	Jenny Bevan, Children & Families Participation Team
Monitor and Evaluate	
(14) How will you monitor and evaluate the service/policy/strategy/practice/plan?	Through on-going exclusions data reported via the Education Services' scorecard and dashboard. Reporting to SLT and Education Strategy Board - WE2.

Please note: Further information and advice about the corporate consultation process can be found [here](#).

(15) Analysis of impact and potential actions:				
Protected characteristics from the Equality Act 2010	What do you know? Summary of data about/feedback from your service-users and/or staff	What does this mean?		What can you do? All potential actions to: <ul style="list-style-type: none"> ● Eliminate discrimination/mitigate negative impact ● Advance equality of opportunity ● Foster good relations
		Positive impacts identified (actual and potential)	Negative impacts identified (actual and potential)	
Age	YR to Y6	Although one type of intervention is being removed in Nuneaton & Bedworth, an alternative model of provision is being put in place for this age group which is equitable across the County.	Loss of the Links in N&B will be seen by some as negative	There is an opportunity for Officers to “sell” the benefits of the alternative model which will be more responsive to individual need and will be available across County.
Disability	Learners who will benefit are more likely to have SEND	Although one type of intervention (The Links) is being removed in Nuneaton & Bedworth, an alternative model of	Loss of the Links in N&B will be seen by some as negative	There is an opportunity for Officers to “sell” the benefits of the alternative model which will be more responsive to individual SEND need and will be available across all parts of the County. Currently The Links as an intervention is not

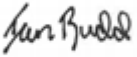

		provision is being put in place which is equitable across the County.		suited to learners with some areas of SEND.
Sex				No significant adverse impact
Race				No significant adverse impact anticipated: the alternative model is about preventing permanent exclusion, being more responsive to individual need and responding earlier, which should mean a positive impact. Through monitoring of exclusions data which includes ethnicity, should there be an increase that has not been anticipated, this will be picked up. The Education Entitlement Team has a SLA with the Gypsy Roma Traveller Team if support is required.
Religion or belief				No significant adverse impact
Gender Reassignment				No significant adverse impact
Pregnancy and Maternity				No significant adverse impact

Sexual orientation				No significant adverse impact
Marriage and Civil Partnership (Note: only in relation to due regard to eliminating unlawful discrimination)				No significant adverse impact

(16) Outcomes of Equality Impact Assessment		
Action	Timescale	Responsibility
Monitor Exclusions' Data on a half-termly basis for impact, including any adverse impact on ethnicity.	Half-termly	SD and JC

Date of Next Review	31st December 2019
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Name and signature of Officer completing the EIA	Jane Carter
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Name and signature of Assistant Director	
Name and signature of Directorate Equalities Champion	

If you would like any equalities support or advice on this completed document, please contact the Equalities Team on 01926 412370 or equalities@warwickshire.gov.uk

NEXT STEPS ONCE COMPLETED:

- 1. Go to File – Rename, and enter a new document name (e.g. Title of the EIA followed by - EIA)**
- 2. Go to Share (top right hand corner) Add Assistant Director and the Directorate Equalities Champion with ‘can edit’ option to gain their signatures and for recording purposes**
- 3. Once signed off, ensure the completed EIA is saved in a secure place**

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Cabinet

17 October 2019

Developer-funded Scheme Approvals

Recommendation

That, subject to the approval of Council on 15 October to add the following schemes to the 2019/2020 capital programme, Cabinet gives approval to the procurement of construction contracts for the following Section 278 schemes and authorises the Strategic Director for Communities to enter into such contracts on terms and conditions acceptable to the Strategic Director for Resources subject to the applicable Section 278 Agreements with the Developers being signed which will provide for 100% of the funding:

- A425 Banbury Road and A452 Europa Way, Warwick. Developer – Barwood Land. Approximate value £3.5 million
- B4632 Campden Road, Long Marston. Developer – CALA Homes. Approximate value £2.5 million

1.0 Key Issues

- 1.1 These schemes will be fully funded by developer contributions ring-fenced for the works specified. For developer funded schemes, there are no alternative uses for the contribution and the inclusion of these schemes on the capital programme does not affect the overall level of available capital resources.
- 1.2 The construction contracts will be undertaken by contractors from the appropriate Lot of the Council's Framework Contract for the Provision of Engineering and Construction Works 2019. The procurement process for the contracts will either involve a mini-competition between Framework contractors or a direct award to a Framework contractor nominated by the developer. The direct award option is only available when the works are wholly funded by a developer who has entered into a Highways Act 1980 Section 278 agreement with the County Council.
- 1.3 Approval was sought from Council on 15 October 2019 to enter the schemes onto the 2019/2020 capital programme. Cabinet is requested to approve the procurement of construction contracts for the Section 278 schemes and to authorise the Strategic Director for Communities to enter into such contracts on terms and conditions acceptable to the Strategic Director for Resources.

2.0 A425 Banbury Road and A452 Europa Way, Warwick

- 2.1 A planning application was submitted to Warwick District Council by Barwood Strategic Land in respect of a development on land at The Asps, Warwick. Planning permission was granted on appeal on 14 January 2016 (ref:

W/14/0300 and APP/T3725/A/14/2221613). The planning permission requires the Developer to undertake a number of highway mitigation measures on A425 Banbury Road and A452 Europa Way. This report specifically relates to the scheme at the Banbury Road access to the site.

- 2.2 Plans showing the current design of the proposed highway improvement is included in **Appendix A**, however this may be subject to change as the detailed designs evolve.
- 2.3 The County Council will eventually enter into a Section 278 agreement with the Developer to undertake the works, once technical approval has been completed, at an estimated cost of **£3,500,000** to include fees and under the agreement the costs will be fully funded by the Developer. Technical review of the submitted designs will commence within the 2019/2020 financial year and, subject to the signing of the Section 278 agreement, the works will be commenced in a future financial year.

3.0 B4632 Campden Road, Long Marston

- 3.1 A planning application was submitted to Stratford-on-Avon District Council by CALA Homes in respect of a development of 400 homes on land at Long Marston Airfield. Planning permission was granted on 28 February 2017 (ref: 14/03579/OUT). The planning permission requires the Developer to construct a roundabout at the site access and undertake other off-site highway improvements. A further planning application is being considered in respect of a larger development on the airfield site, but this report specifically relates to the 400 home development.
- 3.2 Plans showing the current design of the proposed highway improvement is included in **Appendix B**, however this may be subject to change as the detailed designs evolve. The implementation of the new pedestrian crossing facilities as part of this scheme is subject to separate statutory notice and consultation procedure and any representations will be reported to the Portfolio Holder for Transport and Planning.
- 3.3 The County Council will eventually enter into a Section 278 agreement with the Developer to undertake the works, once technical approval has been completed, at an estimated cost of **£2,500,000** to include fees and under the agreement the costs will be fully funded by the Developer. Technical review of the submitted designs will commence within the 2019/2020 financial year and, subject to the signing of the Section 278 agreement, the works will be commenced in a future financial year.

4.0 Financial implications

- 4.1 Section 278 schemes are fully funded by developer contributions which are ring-fenced for the works described in this report. There are no alternative uses for the contributions and the inclusion of these schemes on the capital programme will not affect the overall level of available capital resources.
- 4.2 The financial years within which the technical review and works are expected to start are included in the sections above. However, the commencement of

the works is dependent on the completion of the technical review, procurement and contractor mobilisation processes and may slip. Any slippage will be reported in the normal quarterly monitoring process.

Background papers

None

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Report Author	Shirley Reynolds	shirleyreynolds@warwickshire.gov.uk Tel: 01926 412110
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Strategic Director for Communities	Mark Ryder	markryder@warwickshire.gov.uk Tel: 01926 412811
Deputy Leader (Finance and Property)	Cllr Peter Butlin	cllrbutlin@warwickshire.gov.uk Tel: 01788 816488

The report was circulated to the following Members prior to publication:

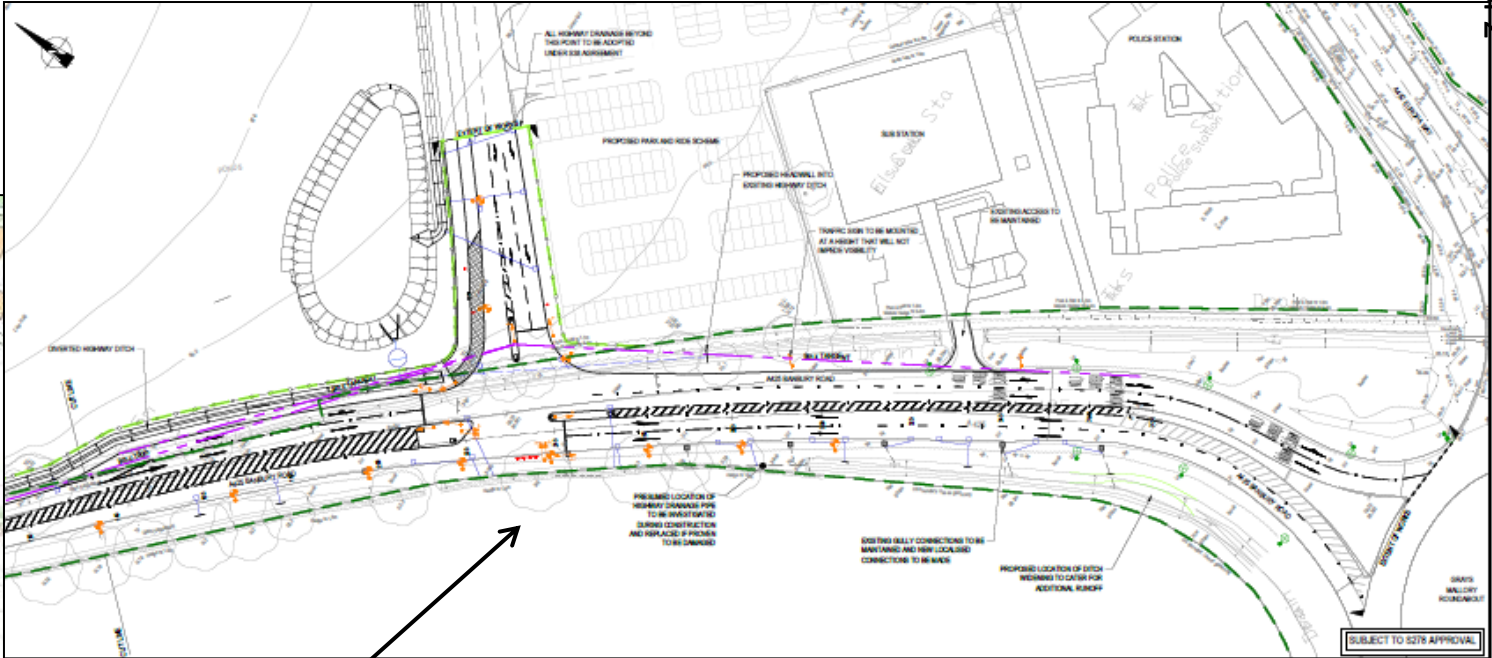
Local Member:

Cllr Brain – Bidford and Welford
Cllr Caborn – Budbrooke and Bishops Tachbrook
Cllr Seccombe – Stour and The Vale

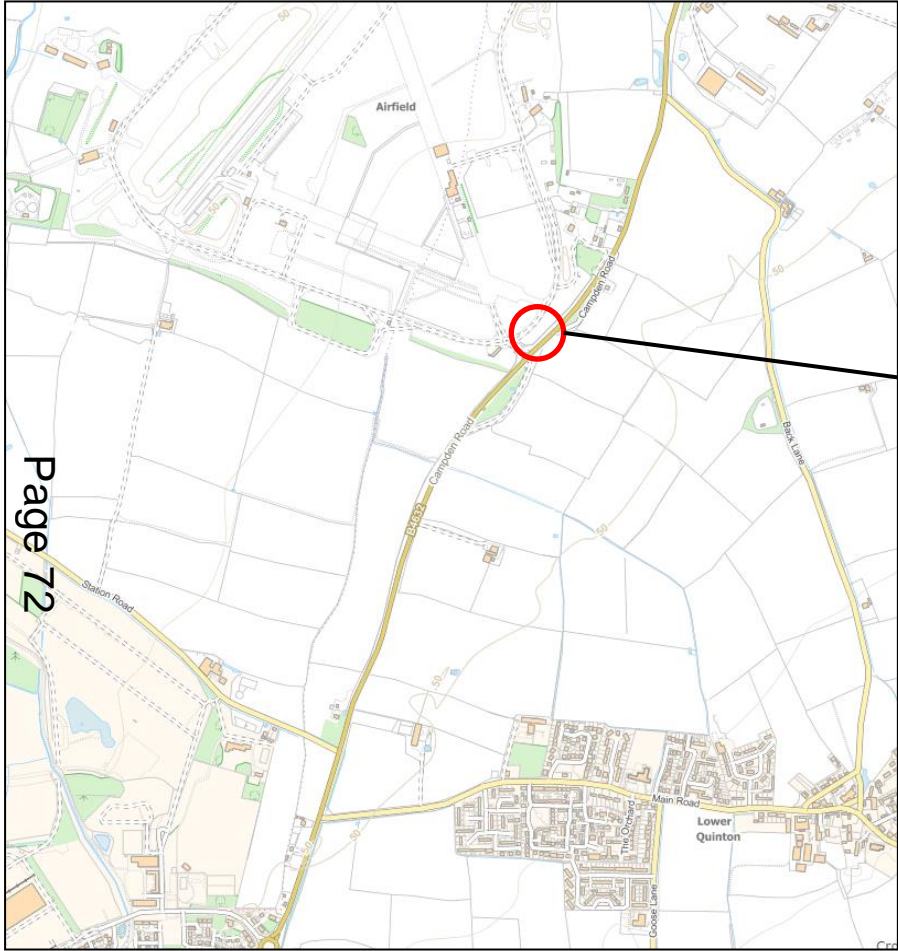
Other Members:

Cllrs Roodhouse, Singh Birdi, Warwick, O'Rourke, Chattaway, Boad, Chilvers

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S278 scheme:
A425 Banbury Road,
Warwick



S278 scheme:
B4632 Campden Road,
Long Marston

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of the Local Government Act 1972.

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