

# Cabinet

Date: Thursday 8 July 2021  
Time: 1.45 pm  
Venue: Shire Hall, Warwick

## Membership

Councillor Isobel Seccombe OBE (Chair)  
Councillor Margaret Bell  
Councillor Peter Butlin  
Councillor Andy Crump  
Councillor Andy Jenns  
Councillor Kam Kaur  
Councillor Jeff Morgan  
Councillor Wallace Redford  
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

To approve the minutes of the meeting held on 17 June 2021.

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### (4) Public Speaking

To note any requests to speak on any items that are on the agenda in accordance with the Council's Public Speaking Scheme (see footnote to this agenda).

## 2. Council Plan and Integrated Planning 2022 - 2026

This paper presents the County Council's proposed approach to the development of a refreshed, five-year Council Plan for 2022 - 26.

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Cabinet Portfolio Holders – Councillors Izzi Seccombe and Andy Jenns

- 3. A Financial Framework for the 2022/23 MTFS Refresh** 25 - 36  
 This report draws together a number of strands to consider when refreshing the MTFS. It also sets out the timetable for the setting of the 2022/23 budget.  
 Cabinet Portfolio Holder – Councillor Peter Butlin
- 4. Warwickshire Joint Procurement Activity for Community Services for Working Age Adults, with Learning Disabilities, Autism, Mental Health or Physical Disabilities; Permission to Formally Consult on Proposals.** 37 - 44  
 A report that seeks Cabinet support for the commencement of a procurement exercise.  
 Cabinet Portfolio Holder – Councillor Margaret Bell
- 5. West Midlands Rail Collaboration Agreement** 45 - 50  
 A report that seeks Cabinet approval to the the new West Midlands Rail Limited/Department for Transport Collaboration Agreement ("CA2")  
 Cabinet Portfolio Holder – Councillor Wallace Redford
- 6. Exclusion of the Press and Public**
- 7. Exempt Minutes of Cabinet Meeting 17 June 2021** 51 - 52  
 To consider and approve the exempt minutes of the 17 June 2021 meeting of Cabinet.
- 8. Rugby Parkway Station** 53 - 70  
 An exempt report concerning Rugby Parkway Station.  
 Cabinet Portfolio Holder – Councillor Wallace Redford
- 9. Transforming Nuneaton: Vacant Possession** 71 - 90  
 An exempt report concerning properties in Nuneaton.  
 Cabinet Portfolio Holder – Councillor Peter Butlin
- 10. Provision of Estate Management Services** 91 - 106  
 An exempt report concerning the provision of estate management services.  
 Cabinet Portfolio Holder – Councillor Peter Butlin

**11. Voluntary and Community Sector Support Services** 107 - 114

**Procurement**

An exempt report that seeks Cabinet approval to the commencement of a procurement exercise.

Cabinet Portfolio Holder – Councillor Heather Timms

**12. Property/Service Review** 115 - 134

An exempt report concerning a review into a property owned by the Council.

Cabinet Portfolio Holders – Councillors Peter Butlin and Jeff Morgan

**Monica Fogarty**  
Chief Executive  
Warwickshire County Council  
Shire Hall, Warwick

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- 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

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The public reports referred to are available on the Warwickshire Web <https://democracy.warwickshire.gov.uk/uuCoverPage.aspx?bcr=1>

### Public Speaking

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# Cabinet

Thursday 17 June 2021

## Minutes

### Attendance

#### Committee Members

Councillor Isobel Seccombe OBE (Chair)  
Councillor Margaret Bell  
Councillor Peter Butlin  
Councillor Andy Crump  
Councillor Andy Jenns  
Councillor Kam Kaur  
Councillor Jeff Morgan  
Councillor Wallace Redford  
Councillor Heather Timms

### 1. General

#### (1) Apologies

No apologies were given to the meeting.

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

Concerning agenda item 13, Property Proposals, Warwick, Councillor Judy Falp declared an interest as a member of Warwick District Council.

#### (3) Minutes of the Previous Meeting

The minutes of the previous meeting of Cabinet held on 8 April 2021 were agreed as a true and accurate record.

#### (4) Public Speaking

Councillor Izzi Seccombe (Leader of Council and Chair of Cabinet) welcomed two public speakers to the meeting. These were Mr Dominic Harrison and Mr Keith Kondakor.

##### 1. Mr Dominic Harrison

Mr Harrison read out the following statement.

“Hello, I am Dominic Harrison, one of the co-founders of Warwickshire Climate Alliance (WCA), and a Warwick Resident. I am ex-National Grid and also a member of Extinction

Rebellion, and I would like to briefly speak about Agenda Item No.9, the proposal to join UK100 Climate Change Network.

I am speaking on behalf of WCA, an umbrella group bringing together a wide range of groups concerned with climate change, including Clean Air Warwick, Clean Air Leamington, Action 21, Friends of the Earth, Transition Town Rugby, Extinction Rebellion, Low Carbon Warwickshire Network, Cycleways and Stratford Climate Action.

I am encouraged by WCC's wish to join the UK100 Network as I believe that through working with other local governments this will increase the opportunities for shared experiences, greater support from Central Government, access to funding, and also understanding some of the pitfalls other councils may be experiencing. Most importantly it signals real intent that WCC are taking the climate crisis seriously in the run up to COP26.

Since 1992, when the UN IPCC published its first report on climate change and soon after the first COP meeting took place, despite all the pledges and declarations that have been made CO2 levels have continued to increase, such that the current levels we now experience have not been seen on our Earth for over 4 million years. As we approach the 1.5 deg. limit, again a level we have not seen for millions of years, the consequences to our livelihoods will become increasingly more severe. When looking outside, from our narrow perspective, it is tempting to think the changes are minor or over-played. But if I can refer to a metaphor used by the Irish Author and Philosopher Charles Handy in his book "The age of unreason" he suggests that a frog, when placed in hot water will jump out, but when placed in cold water that is slowly heated will not sense any danger. The suggestion is that the frog will allow itself to be cooked slowly to death, since slow and gradual changes become normalised and hence any escape is delayed until it is too late. We are now at 1.1 deg. above the long-term average – we cannot befall the same fate.

From a financial perspective, the costs on inaction as quoted by a number of newspapers at the G7 summit , could represent 8-9% of GDP each year for the industrialised nations if temperatures are allowed to exceed 1.5 deg, twice the economic loss Covid-19 has brought about, every single year.

Therefore, WCA supports this proposal but I would like to stress the importance of interim and ongoing targets to measure progress, as it is the progress we make between now and 2030 that are by far the most crucial. We would also suggest the appointment of an independent expert auditor who would quantify and report on real carbon reductions from 2021 onwards, as has been done by Warwick DC and Stratford DC in their carbon reductions plans.

## 2. Mr Keith Kondakor

Mr Kondakor asked two questions.

1) On item 6 - The graphs on economic outlook, page 5 of 37, clearly shows Warwickshire has lost around £1.4billion of economic activity and some 23,000 jobs in 2020. Why does the report ignore the consequential loss of population as many thousands of very mobile overseas nationals, and their families, have left Coventry and Warwickshire since March 2020?

2) On item 8 - WFRS, What is planned for the Fire service provision in Nuneaton and is the possible plan to relocate one of the two Nuneaton appliances to Bedworth being approved on the quiet by today's vote?

Councillor Izzi Seccombe thanked both members of the public for their contributions.

## **2. Year End Council Plan 2020-2025 Quarterly Progress Report (April 2020 to March 2021)**

Councillor Andy Jenns (Portfolio Holder for Customer and Transformation) introduced the published report and summarised its key elements. Members' attention was drawn to Power BI as a tool for interrogating performance. They were reminded that training is available on this. Council performance, Councillor Andy Jenns stated, has remained good in the face of the Covid Pandemic and the challenges this has presented. A series of areas where performance had been notably good was cited. These included a reduction in incidents of domestic abuse, an increase in satisfaction with the customer contact centre, a decline in staff sickness levels, higher levels of staff engagement, a reduction in crime and a reduction in the number of people killed or seriously injured on Warwickshire's roads.

Some areas are not on track. These include the number of children in care, response times for Fire and Rescue services, the cost of SEND transport and the percentage of people in employment.

By way of response Councillor Jerry Roodhouse (Leader of the Liberal Democrat Group) expressed his concern over the level of staff sickness relating to mental health and stress. An update was requested on this in the light of the Pandemic. The reference on page 19 of the document pack to a review of the performance framework was welcomed. Red risks around the DSG were acknowledged as a constant source of concern.

In response to comments regarding stress and mental health issues amongst staff Cabinet was informed by Councillor Kam Kaur (Portfolio Holder for Economy and Place) of initiatives that exist to support staff. These include the appointment of 20 mental health champions, the establishment of a support hotline and the provision of information on the council's intranet.

Cabinet was reminded that members have ready access to performance data.

Resolved:

That Cabinet:

- a) Notes the progress of the delivery of the Council Plan 2020 - 2025 for the period as contained in the report; and,
- b) Approves the 2021/22 Performance Framework, attached as Appendix A, for reporting at Quarter 1.

## **3. Financial Outturn Report 2020/21**

Councillor Peter Butlin (Deputy Leader, Finance and Property) introduced the report by stating that it was a story of Covid. Some council services had increased and some had decreased. In some instances officers had been very cautious on expenditure. Financial support linked to the

Pandemic had been provided by the government and this was appreciated. Nevertheless, the short timescales for using this money had meant that it had not been possible to utilise it all. This had resulted in a significant underspend. If factors around the Pandemic are removed from the equation, an underspend of just short of £6m was being reported. This is within the threshold previously set.

Cabinet was informed that some areas, including SEND have seen an overspend of their budget. This has been exacerbated by the Covid crisis and costs increasing significantly.

On the capital side the Pandemic has had an impact on projects. Contractors have been affected and the cost of materials has increased. This has all resulted in a degree of slippage.

Councillor Peter Butlin concluded by noting that looking to the future there remain some unknowns. For example, will an increase in older people entering the social care system make pressures more acute? Will the system be able to cope with an expected increase in mental health issues?

Councillor Jerry Roodhouse informed the meeting that the government is alleging that Covid support money is being locked up by local authorities and not used as it should be. He suggested that business could benefit from those resources as part of the recovery of the economy.

In reply Councillor Izzi Seccombe reminded Cabinet that early during the Pandemic the County Council had responded rapidly, offering support to local businesses and making short term loans available to district and borough councils to enable them to support the economy.

In closing Councillor Peter Butlin agreed that financial resources should not be hoarded and repeated the need to support businesses going forward.

Resolved:

That Cabinet:

- a) Notes the net spend in 2020/21 and the consequent revenue underspend for the organisation at the end of the year;
- b) Notes the explanations and mitigating actions for variations to budgets, and the implications on the Medium-Term Financial Strategy, as set out in Appendix A;
- c) Notes the capital spend in 2020/21 and its financing and the explanations for variations on individual projects set out in paragraph 5.6 and Appendix B.
- d) Approves the £6.221m carry forward of specific services' revenue budget from 2020/21, to support the delivery of the Council Plan in 2021/22, as outlined in paragraph 4.4 and Appendix D;

- e) Approves the reprofiling of the capital programme as set out in Annexes A to M and require Corporate Board to give an enhanced focus to the accurate phasing of capital spend in 2021/22 and over the medium term;
- f) Notes the current reserves position for the organisation as set out Section 4 and Appendix N.

#### **4. Treasury Management Outturn 2020/21**

Councillor Peter Butlin opened by stating that the Covid Pandemic had impacted on how money is managed. There has been a growing requirement for agility and on occasions it has been necessary to access funds quickly. Investment returns were low in the last year at 0.52% (compared to 0.99% in the previous year). Nevertheless, they did exceed the benchmark of 0.41%.

Negative interest rates had been avoided and balances had increased. Net borrowing had increased but remained low compared to other authorities.

Resolved:

That Cabinet notes the Treasury Management outturn in respect of 2020/21.

#### **5. Treasury Management Strategy and Investment Strategy**

(Item considered after agenda item 6).

Councillor Peter Butlin explained that the report before Council was a direct result of the proposal to create the Warwickshire Recovery and Investment Fund (WRIF). Council was advised that as a consequence of WRIF borrowing will increase sharply. This may seem very high, but it will still place the council in the middle of the range for local authority borrowing. The priority, he added, is to get people back in to work.

Resolved:

That Cabinet recommends to Council that:

1. The Treasury Management Strategy for 2021/22 (Appendix 1) be approved with immediate effect.
2. The Investment Strategy for 2021/22 (Appendix 2) be approved with immediate effect.
3. That the County Council requires the Strategic Director for Resources to ensure that gross borrowing does not exceed the prudential level specified (Appendix 1, Section 3.2, Table 10 "Authorised Borrowing Limit").
4. That the County Council requires the Strategic Director for Resources to ensure that gross investment in non-Treasury investments does not exceed the prudential levels specified

(Appendix 2, Annex 7).

5. That the County Council delegate authority to the Strategic Director for Resources to undertake delegated responsibilities in respect of both strategies (Appendix 1, Annex 7, and Appendix 2, Section 2.5).
6. That the County Council requires the Strategic Director for Resources to implement the Minimum Revenue Provision (MRP) Policy (Appendix 1, Section 2.4).

## **6. Warwickshire Recovery and Investment Fund - Business Plan**

Councillor Peter Butlin explained to Cabinet that the aim of the WRIF is to aid economic recovery. Warwickshire needs to be the preferred place to do business. Having already obtained agreement to the establishment of the WRIF the report before Cabinet covered governance and the lending strategy. The need to make the best use of over £100 million of tax payers money was emphasised. Some loans will carry a degree of risk, but effective risk management processes will be put in place.

Councillor Jerry Roodhouse sought and was given assurance that training will be provided to members who have an oversight of the WRIF.

Councillor Izzi Seccombe stressed the need to secure economic recovery for Warwickshire. The way the council responds to businesses will be different in the future to how it is now she added. Officers were thanked for their hard work. The project has been supported by partners including the Chambers of Commerce, Federation of Small Businesses and the local Enterprise partnership.

In response to the question asked previously by Keith Kondakor, Councillor Peter Butlin questioned whether there is a link between population levels and the WRIF. If population levels are decreasing, he asked, why are property prices increasing?

Resolved:

That Cabinet:

1. Recommends to Council that £130 million be added to the Council's 2021-26 capital programme for the Warwickshire Recovery and Investment Fund (WRIF) to deliver the WRIF Business Plan as set out at Appendix 1;
2. That, subject to Council approving the Council Treasury Management and Investment Strategies, and the addition to the Capital programme endorsed at Recommendation 1, Cabinet:
  - a) Approves the WRIF Business Plan 2021/22 at Appendix 1;
  - b) Approves the WRIF Investment Strategy at Appendix 2;

c) Agrees to fund the net cost of the WRIF in 2021/22, estimated to be £262,000, from the Commercial Risk Reserve, and requires the funding to be replenished as the first call on any WRIF surplus in the following financial years;

d) Agrees to fund the remaining set-up costs and the cost of the procurement of the external fund managers, of £240,000 from the Economic Growth and Place Shaping Fund;

e) Agrees to establish the WRIF governance arrangements, as described at section 5 of this report and authorises the Strategic Director for Communities (as Chair of the Investment Panel) in consultation with the Deputy Leader (Finance and Property) to take such urgent exit decisions as he considers necessary (as detailed in paragraph 4.13 of the Business Plan);

f) Authorises the Strategic Director for Communities to commence the procurement for the appointment of external fund managers and to award all necessary contract(s) on terms and conditions considered acceptable to the Strategic Director for Resources;

g) Authorises the Strategic Director for Resources to put in place the necessary anti money laundering arrangements, including the designation of relevant officers to fulfil the required roles;

h) Authorises the Strategic Director for Resources to finalise all necessary legal documentation for the WRIF on terms and conditions considered acceptable to him and take any such steps he considers necessary to establish and launch the WRIF;

i) Authorises the Strategic Director for Communities to finalise the Prospectus and Communications plan, making changes as necessary to future versions of these, taking account of the comments and recommendations of Cabinet; and

3. That Cabinet considers and has regard to the comments and recommendations of the Resources and Fire and Rescue Overview and Scrutiny Committee from its meeting on 27th May as set out in paragraph 8 of this report.

## **7. Revenue Investment Funds 2021/22 May Report**

Councillor Peter Butlin explained the basis of the bid before Cabinet. He noted that placing solar panels on the roof of the EPIC Centre would be a good use of that space. Councillor Heather Timms (Portfolio Holder for Environment, Climate & Culture) congratulated officers for securing the funding.

Resolved:

That Cabinet:

- 1) Approve the bid as detailed in section 2 amounting to £0.113m from the Climate Change Investment Fund.
- 2) Authorise the Strategic Director for Resources to procure and enter any agreements to give effect to the proposal on terms and conditions considered acceptable by him.

## **8. Warwickshire Fire and Rescue Service (WFRS) Integrated Risk Management Plan (IRMP) Draft Action Plan 2021/22**

Councillor Andy Crump (Portfolio Holder for Fire & rescue and Community Safety) explained the background to the report. He referenced paragraph 4.4 on page 344 of the document pack which set out five proposals.

Cabinet was informed that a member group had been established to monitor the IRMP.

Responding to the question asked earlier by Keith Kondakor Cabinet was informed that resources need to be located in the right place at the right time. Some attendance targets had been missed and it is considered that the location of fire stations needs to be reviewed. There is an aspiration to make Nuneaton Fire Station a community hub. Before this happens, all parties will be consulted. The principal objective must be to make the service as efficient as possible to meet the needs of residents.

Resolved:

That Cabinet approves the Warwickshire Fire and Rescue Service (WFRS) Integrated Risk Management Plan (IRMP) Action Plan 2021/22.

## **9. UK100 Climate Change Network**

Councillor Heather Timms stated that was pleased to be able to introduce the report. She explained that UK100 is a nationwide network that will allow the council to access information and expertise regarding environmental matters. Local targets will be developed around environment and climate change, Joining UK100 shows the commitment of the council to addressing climate change she concluded.

Councillor Judy Falp welcomed the initiative but counselled that it should not just be a talking shop. Councillor Izzi Seccombe responded stating that that would not be the case.

Councillor Jerry Roodhouse congratulated the council in joining UK100.

In closing Councillor Timms cited a number of climate related initiatives being supported by the council. These included Green Shoots, Switch and Save and electric vehicle charging point installation.

Resolved:

That Cabinet

1. Agrees that the Council joins UK100, by signing up to the UK100 pledge set out in the **Appendix**.
2. Adopts and merges the targets and actions set out in the UK100 pledge with those already agreed by Cabinet at its meeting on the 30<sup>th</sup> January 2020 and adopted by Council in the Council

Plan on the 18<sup>th</sup>February 2020, and develops detailed and costed action plans for these, to be agreed and managed as part of the Council's Climate Change Programme.

**10. Change of Age Range Exhall Cedars Infant School**

Councillor Jeff Morgan (Portfolio Holder for Children, Families and Education) stated that the decision required of Cabinet related to a simple technical change that would provide greater flexibility to the school in arranging its sessions.

Resolved:

That Cabinet approves the change of age range at Exhall Cedars Infant School from 3 - 7 to 4 - 7 from September 2021.

**11. Exclusion of Press and the Public**

**12. Adult Mental Health and Wellbeing Support Services - Approval to Tender**

The recommendation was agreed as set out in the exempt minutes.

**13. Property Proposals, Warwick**

The recommendations were was agreed as set out in the exempt minutes.

The meeting rose at 15.06

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Chair

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## Cabinet

8 July 2021

### Council Plan and Integrated Planning 2022 - 2026

#### Recommendations

That Cabinet:

- 1) Approves the continuation of the Council's Vision with refinement of our existing priority outcomes and addition of a third outcome related to Climate Change (paragraph 3.4)
- 2) Approves the approach to the development of the Council Plan 2022-26 and the design principles set out in paragraph 3.7 and authorises the Chief Executive to progress development of the Council Plan on this basis
- 3) Recommends that the Overview and Scrutiny Committees programme consideration of the emerging Council Plan into their Autumn work programmes
- 4) Authorises the Chief Executive in consultation with the Leader, Deputy Leader and Portfolio Holder for Customer and Transformation to finalise the arrangements for engagement in relation to the Council Plan
- 5) Supports the ongoing work in relation to Integrated Planning underpinning the Council Plan
- 6) Approves the establishment of a cross party member working group to develop proposals for a refreshed Performance Management Framework

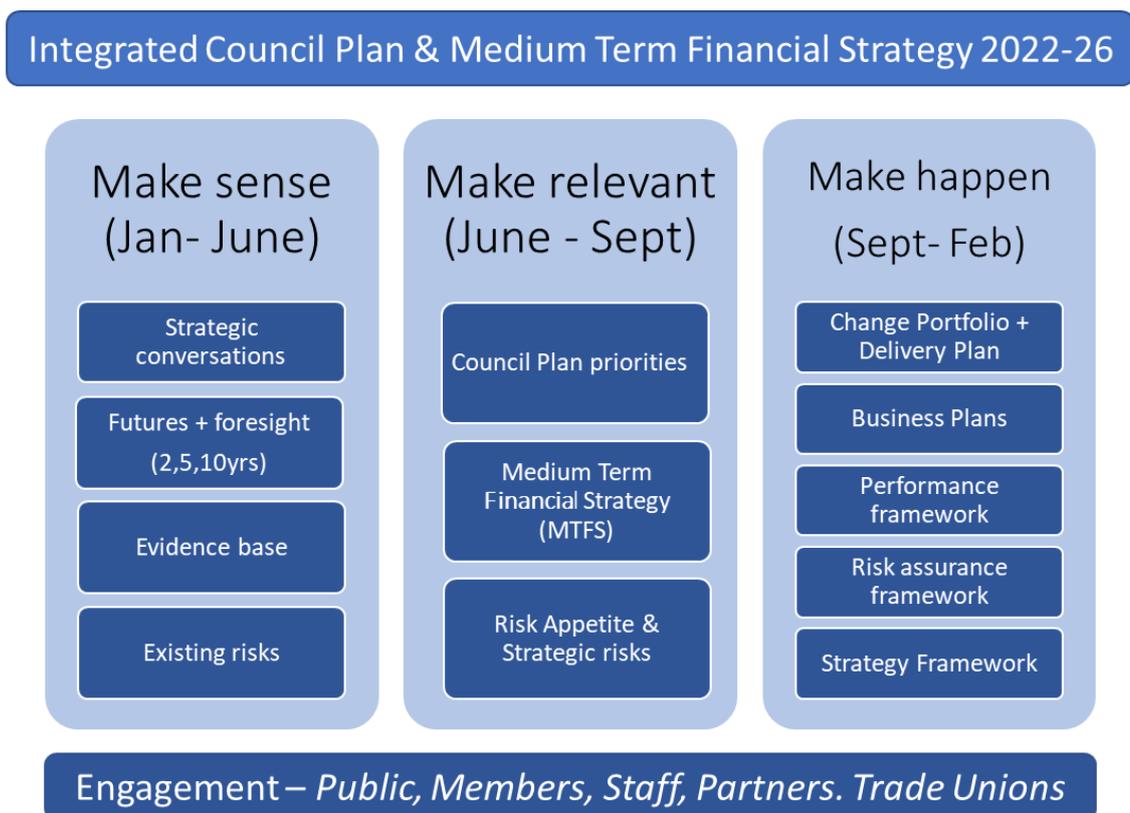
#### 1.0 Background

- 1.1 This paper presents the County Council's proposed approach to the development of a refreshed, five-year Council Plan for 2022 - 26.
- 1.2 It is presented as part of our approach to integrated planning within the Council, which has drawn together key disciplines in support of an integrated and joined up approach across the Council to tackle the complex, inter-connected challenges, and to maximise the opportunities, facing Warwickshire.
- 1.3 The report sets out progress made to date as well as outlining the direction of travel and next steps for both our Council Plan and the supporting integrated elements.

- 1.4 The report should be read alongside the complementary report on Medium Term Financial Strategy which is on the same agenda.

## 2.0 Progress to date

- 2.1 The diagram below presents our approach to the development of the Council Plan and the integrated/supporting elements and is aligned to our overall approach to strategy development – the detailed product list is covered in more detail in Section 4.0.



An update for each phase is provided below:

**Make sense** – Between March and May 2021, work was undertaken to identify a series of strategic themes facing the Council, looking at the key challenges, opportunities and current activities in relation to each theme. The themes are aligned to those being taken forward in the Council Plan and set out in paragraphs 3.4 and 3.5 of this report. Alongside, and informing this work, there is an ongoing focus on supporting elements such as our ‘policy foresight’ and the evidence base for the Council Plan that will build our ongoing strategic capability.

**Make relevant** – The next phase of work will require consideration of our ambition, priorities, and available resources. This will be the key focus as the Council Plan and MTFS are developed and highlights how the two will join up.

**Make happen** - Although presented as the final phase, work is starting now on a number of these elements that will ultimately put in place the mechanisms to translate the ambition into reality, such as delivery plans, performance framework, business plans and risk dashboards.

Section 3.0 provides more information on the Council Plan and Section 4.0 provides further detail on the specific elements.

### **3.0 Council Plan**

- 3.1 Our current Council Plan was agreed in February 2020 and has been in place for 18 months. Shortly after Council approved the new plan, the Covid-19 Pandemic struck. This led to a new Warwickshire Covid-19 Recovery Plan, developed by cross-party member working groups and agreed by Cabinet in September 2020. This complemented the original Council Plan and progress against the Recovery Plan has since been reported to Cabinet.
- 3.2 As a result of the development of a Covid-19 Recovery Plan spanning the 2020/2021 financial year and beyond, the Council Plan was not refreshed in February 2021. As we emerge from the Pandemic, it is recognised that now is the appropriate time to commit to a full review of the Council Plan and to ensure that it fully reflects the learning and experience of the Covid 19 period. Alongside this, a new performance management framework will be developed, in line with action 10.7 of the Covid-19 recovery plan.
- 3.3 The current vision and top-level strategic outcomes are set out below:



3.4 Our existing vision and two priority outcomes remain very relevant as reinforced by the experiences and effects of the pandemic on Warwickshire and its communities. However it is proposed that that some of the wording is refined and that the outcomes are extended to incorporate a third priority outcome, climate change, as set out in italics below:

- **Vibrant economy *and places*:** right jobs, training, *future* skills, *education*, infrastructure, *and places*.
- **Best lives:** Communities and individuals supported to *live* safely, healthily, *happily*, and independently.
- ***Sustainable futures:*** *Adapting to and mitigating climate change and meeting net zero commitments.*

3.5 The strategic themes identified have emphasised the critical need to address key cross-cutting themes which reflect the learning of Covid-19:

- Community power and volunteering
- Tackling inequalities/Levelling Up
- Being a great organisation
- Customer, digital & data
- Place shaping
- Sharpening the focus of the enabling theme in the existing Council Plan 'making use of resources'.

3.6 It is also recognised that the relevance and focus of the current 14 strategic objectives will also need to be reviewed alongside the development of a new

Council Plan and that these will need to be consolidated with our 10 recovery objectives as a single set.

- 3.7 The following design principles which summarise our overall approach to the development of the Council Plan and supporting elements are therefore proposed this year:

**Overall approach:**

- A 5-year directional strategy, higher level than the current Council Plan that sits alongside the MTFS
- Supported by a rolling two-year delivery plan, with more specific and more easily trackable actions, supporting the Council Plan
- Translated by a 'golden thread' running from strategy (Council Plan and core strategies) to performance measures, the Council's Change Portfolio and MTFS
- Incorporating any relevant actions from the Covid-19 Recovery Plan

**Design Principles:**

- Intelligence and insight led with strong diagnostic base
- Building from strengths and learning from Covid
- One Council approach, connected and avoiding silos
- Simple, clear, and easy to understand
- Ambitious, innovative, and confident
- Targeted and prioritised
- Flexible and able to respond to changing conditions and high uncertainty.
- Seen through the 'lens' of each service (in terms of content and approach)

## 4.0 The Integrated Planning elements

- 4.1 A core aspect of our approach this year is to work as One Organisation maximise integration and co-produce a number of key products, as set out below:

**Core Products (to be published):**

- Council Plan
- MTFS
- Core Strategies
- Delivery Plan inc. refreshed change portfolio and road map
- Performance Management Framework
- Engagement approach

**Supported by (internal):**

- Strategic conversations series
- Recovery Plan Closure Report
- Evidence base
- Strategy Framework
- Risk Appetite statements and Risk Management Framework
- Business Planning Framework

4.2 The sections below provide more detail on the supporting elements:

**Engagement** – Effective engagement will be a critical aspect of the Council Plan development and a detailed timetable will be worked up by officers as part of the next phase of activity:

- **Public engagement** – It is proposed that engagement activity is undertaken during the autumn to inform the detailed delivery planning which will underpin the Council Plan. Consideration will be given to the most appropriate methods and tools for engagement which will likely involve the new ‘Voice of Warwickshire’ blended approach, which is being established in line with the Cabinet decision in October 2020 to establish a Residents’ Panel -see Appendix for detail.
- **Member engagement** - Members will be engaged throughout the development of the new Council Plan and will have opportunities to contribute via working groups to specific aspects such as the new performance framework. It is proposed that Overview & Scrutiny Committees consider the emerging Council Plan content during the autumn to enable wider Member feedback to be considered as the draft Council Plan is finalised.
- **Staff engagement** – Staff engagement will commence in the autumn, once the broad shape of the emerging plan is known, and we intend to use a similar approach to the recent, successful ‘Big Conversation’ approach which used facilitation and technology to engage our staff in planning for the return to workplaces at Stage 4 of the Government’s Covid roadmap.
- **Partner engagement** – Reflecting the connected nature of our Council Plan, partner and key stakeholder engagement, including with the Trade Unions, will be critical. This will be an ongoing process that utilises existing forums and relationships.

**Change portfolio and Delivery Plans** - It is critical that the Council Delivery Plan and change portfolio align, and that they can be adequately resourced through the MTFs. As part of this integrated approach, it will be important to re-set the change portfolio post-Covid and the roadmaps which support it. As a starting point it is proposed that the actions from the current Recovery Plan

are reviewed, incorporating any that remain relevant into a new Council Delivery Plan.

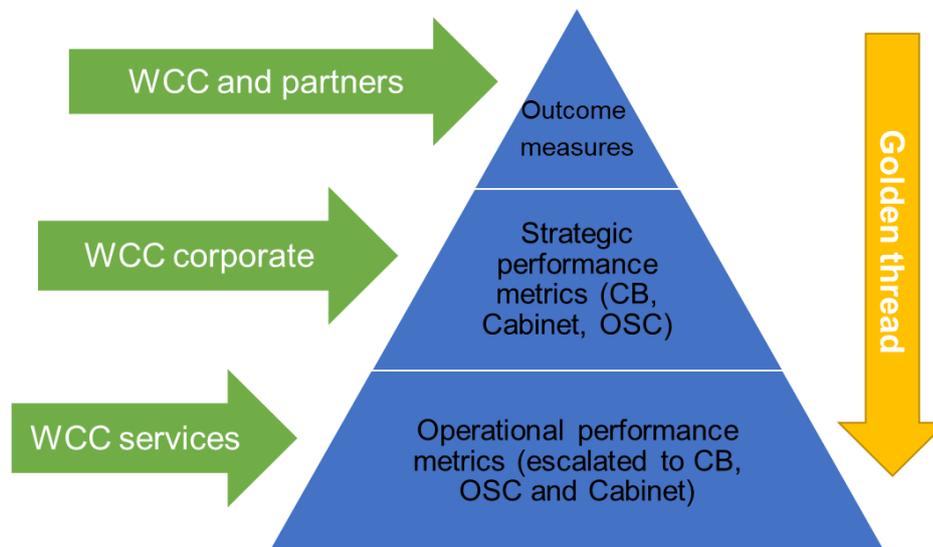
**Risk management and Code of Corporate Governance** – New risk management and corporate governance frameworks were endorsed by Audit & Standards Committee and approved by Cabinet in April 2021. In line with the new risk management strategy, and as part of the Council Plan development this year, our risk appetite will be reviewed in the Autumn as part of the prioritisation and MTFs process. Alongside this, strategic risks will be reviewed quarterly, and Directorate and service risk profiles are being developed as part of the new risk framework. The risk framework and Code of Corporate Governance will also support the delivery and ‘governance’ of the new Council Plan and link to the Annual Governance Statement.

**Performance Framework** - A critical aspect of the new approach will be the introduction of a refreshed Performance Management Framework. This is a major transformational lever and will be critical to maintain a sharp focus on delivering and improving outcomes for Warwickshire and its communities. . The intention is to develop a sharp, focused framework that will drive improved performance and focus on what matters for Warwickshire and for the County Council .

As set out in the diagram below the new framework will include three inter-connected levels of measures:

- a) Outcome-based set of measures that monitor the wider picture across Warwickshire as a place to live and work
- b) Strategic performance measures that reach across the Council
- c) Operational performance measures that support service improvement.

Together this will align with an emphasis on assessing the delivery of the Council's strategic objectives and ensuring we monitor the measures that more accurately reflect whether our performance is improving and lead measures giving assurance on future trajectory. The diagram below sets out the proposed framework:



**Evidence base** – The Council Plan will be underpinned by a supporting evidence-base, to be published alongside the Plan, connected to the strategic themes and agreed priority areas. This is under development and will inform and be agreed with the Performance Management Framework.

**Delivery/Business Plans** – Relevant actions from our current Covid Recovery Plan need to be transitioned into the core Council Plan. This will lead to the creation of more detailed two year plans, which support the direction set in the Council Plan and MTFs. A key element of the new approach will look at how we integrate change activity alongside business plans, strategies, other action plans and inspection improvement plans into a coherent delivery framework, which is informed by a robust risk assessment and performance management framework.

**Strategy framework** – Alongside the Council Plan, work is underway to review our core strategies and to increase alignment to the Council Plan and related frameworks using our adopted *Why, What, How* approach.

## 5.0 Timescales and Next steps

- 5.1 Drafts of the Council Plan and MTFs will be considered by Cabinet in December 2021 ahead of coming to full Council in February 2021.
- 5.2 To achieve this goal the work on Integrated Planning will be overseen by an officer group under the direction of the Strategic Director for Resources.
- 5.3 A prioritisation and risk appetite workshop is being planned with Cabinet and Leadership Team in September 2021.

- 5.4 Member engagement will be undertaken during the Autumn through the Overview and Scrutiny Committee process and wider public and partner/ stakeholder engagement will be undertaken in parallel.
- 5.5 The outcome of the above will inform the first draft of the Council Plan and MTFS to be brought to Cabinet in December 2021.

## 6.0 Financial Implications

- 6.1 This report should be read alongside the complementary report on the Medium-Term Financial Strategy where the financial implications will be addressed.

## 7.0 Environmental Implications

- 7.1 Environment and Climate is a core theme for the proposed Council Plan, and the Council Plan and accompanying Delivery Plan will set out priority actions to address climate change.

## Background papers

None

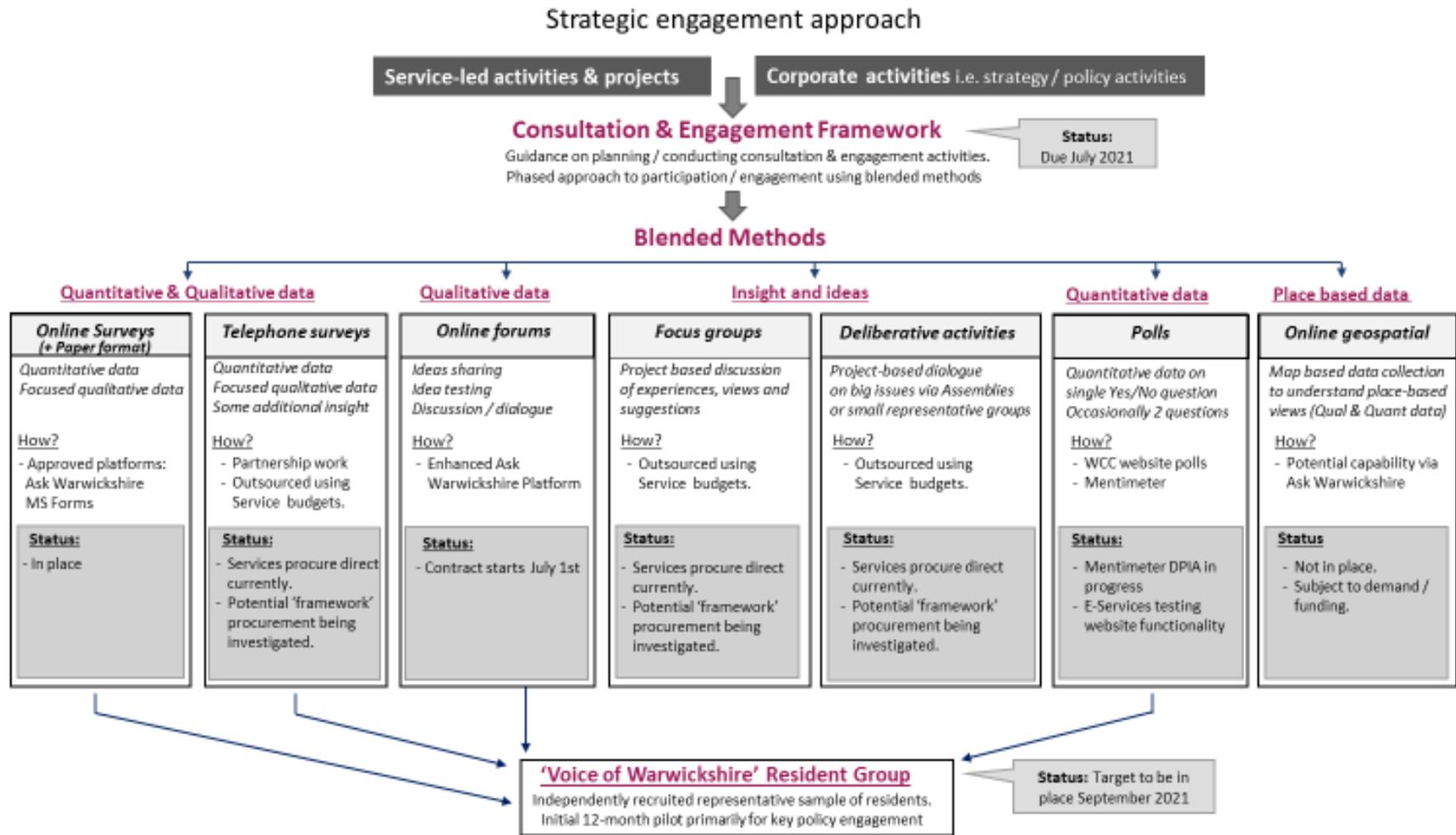
## Supporting Papers

Council Plan 2025 - Full Council, 18<sup>th</sup> February 2020  
 Covid Recovery Plan - Cabinet, 10<sup>th</sup> September 2020  
 Establishment of a Residents Panel - Cabinet, 10<sup>th</sup> September 2020

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The report was shared with Councillors Jenns and Seccombe prior to publication.

Appendix – Voice of Warwickshire blended approach



## Cabinet

8 July 2021

### A Financial Framework for the 2022/23 MTFS Refresh

#### Recommendations

That Cabinet:

- 1) Note the emerging financial position within which the 2022/23 budget and 2022-27 Medium Term Financial Strategy will be developed;
- 2) Agree the proposals for the refresh of the 2022/23 MTFS and Capital Strategy, as set out in Sections 3 and 4;
- 3) Note the requirement for the Authority to set a sustainable balanced budget which shows how income will equal spend over the short- and medium-term; and
- 4) Approve the timetable for agreeing the 2022/23 budget.

#### 1. Purpose of the Report

- 1.1. Over the five years to 2025/26 the MTFS approved in February 2021 was balanced, considering likely additional spending need and the expected level of resources. It required the delivery of £48.2m of savings and the use of £32.9m of reserves.
- 1.2. The 2022/23 MTFS refresh therefore has a strong and robust starting point. It will update the figures for additional spending need and the resource forecasts based on the latest information available and reflect how the current year's (2021/22) financial position looks compared to the planned budget. It will also extend the MTFS into 2026/27 so the commitment to having a balanced five-year rolling MTFS is maintained.
- 1.3. The context in which the 2022/23 refresh is happening continues to be dominated by Covid. Added to this are significant uncertainties around Government policy in terms of the Comprehensive Spending Review, the

Local Government Finance Settlement and funding reforms, potentially major reforms with Green papers on Social Care and White Papers on Devolution and possible Planning reform and the roll out of the Government's proposals around levelling up and the UK Shared Prosperity Fund.

- 1.4. The economic situation remains hugely challenging, and we continue to be faced with rising demand for services as well as inflationary pressures as a result of supply/labour shortages. The direct and indirect impacts of all these factors on the County Council as well as our partners are both unknown and highly volatile at this stage.
- 1.5. The purpose of this report is to bring these strands together and to provide a framework for Cabinet to consider. The recommended approach will enable the Council to respond effectively to changing circumstances while maintaining a longer-term focus on the Council's financial sustainability. The report then goes on to set out the key points and proposed timetable of key dates between now and the budget setting Council meeting in early February 2022.

## **2. Framework for a Robust, Sustainable and Financially Resilient Warwickshire**

- 2.1. The strength of the Authority's balance sheet has traditionally meant we have been in a position to develop the future year's budget and MTFs as a largely standalone exercise with only material demand pressures arising through budget monitoring impacting on planning for future years. The uncertainty and financial commitment created by Covid-19, the potential latent demand in the system and the investment in WPDG and WRIF means this is no longer the case.
- 2.2. Instead the different dimensions need to be considered together to ensure the County Council remains a robust, sustainable, and financially resilient Authority. Each of the dimensions will have a different purpose and provide different intelligence to ensure we have a resourced and deliverable Council Plan:
  - Further review of the 2020/21 outturn, reported to Cabinet in June will:
    - Determine the extent to which the Authority's reserves can be used to support the MTFs either through funding investment or smoothing the delivery of savings ; and
    - Identify any further requirement to, or opportunities for, right-sizing.

- The forecast 2021/22 outturn position and rephased capital programme will determine the level of resources required in 2021/22 compared to the approved budget, the resourcing of investment in response to the on-going impact of Covid-19, and revised levels of funding now available; and
- The 2022/23 MTFS refresh will:
  - Determine the likely levels of resources and balance sheet capacity available over the medium term;
  - Determine the level of spending priority commitments arising from the Authority's ambitions over the medium term;
  - Determine the impact on the Authority's balance sheet and cash resources; and
  - Given that there is likely to be a gap, identify additional options to deliver budget reductions that can be evaluated alongside spending priorities.

2.3. This will result in a range of activity, information and intelligence gathering and reports that will need to be brought together before decisions are made over the next six months. The overall objective is to ensure a transparent approach, taking into account the full risks and implications for services and communities, to meet the overarching aim of being a robust, sustainable and financially resilient Authority well-placed to rise to the challenge of meeting the ambitions set out in the refreshed Council Plan in a post-Covid environment.

2.4. More detail on the proposed activities and how they will contribute to meeting our financial aims is set out in Section 3.

### **3. 2022/23 MTFS Refresh**

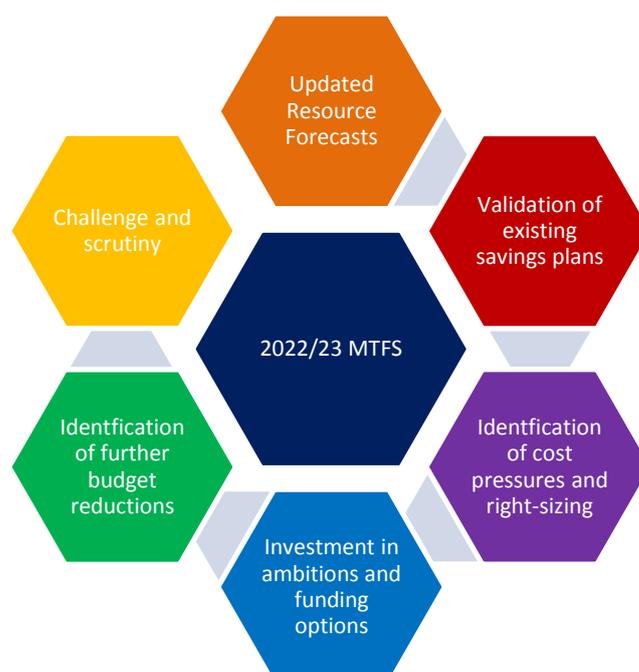
3.1. The starting assumption for the 2022/23 MTFS refresh is that the impact of Covid-19 in 2021/22 can be managed in year through robust budget management from within the additional resources provided by the Government/NHS. If this proves not to be the case, then the approach set out in the report and the rigour with which it is pursued becomes even more important.

3.2. The approach set out in the report is a holistic one which combines the uncertainty over our medium-term resource levels, growing demand and cost pressures and the effect of the use of our balance sheet to invest in Warwickshire Property and Development Group (WPDG) and Warwickshire Recovery and Investment Fund (WRIF). The delivery of the refreshed Council

Plan will require the impact of any proposals on both the MTFS and our balance sheet to be considered together. This, combined with the uncertainty over our medium-term resource levels, means the 2022/23 MTFS refresh will be more complex than usual. It is likely to provide Members, with some difficult choices about priorities and the level of assurance around the potential significance and volatility of our assumptions requiring scenario planning and sensitivity analysis.

- 3.3. Diagram 1 shows the areas of activity that will need to be undertaken to deliver a refreshed 2022/23 MTFS, alongside a further review of reserves.

**Diagram 1: Areas of Activity to Deliver a Refreshed MTFS**



- 3.4. Updated Resource Forecasts

The basic model of resource forecasting used for the 2021/22 MTFS remains valid. However, the level of uncertainty we continue to face means, at least initially, we will need to plan for a range of potential resource scenarios. We will only be able to narrow these down as the economic position, as we move towards a post-Covid environment and the Government’s national approach to recovery becomes clearer.

Table 1 summarises the level of additional savings required from 3 broad scenarios. and **Appendix A** outlines the assumptions that underpin them. The scenarios are broadly based on:

- Best Case – minimal recession, return to previously levels of activity by April 2022

- Most Likely – gradual recovery over the next 18 months through to April 23; and
- Worst Case – medium term recession lasting whole of MTFS period with some minimal recovery from year three onwards.

<b>Table 1: Additional MTFS Savings Required as part of 2022/23 MTFS Refresh</b>			
	<b>Best Case</b>	<b>Most Likely</b>	<b>Worst Case</b>
New savings in 2022/23	£0m	£1m	£24m
New savings over MTFS (including the figures above)	£0m	£21m	£96m

The five key variables in all the scenarios are the annual growth in the council tax taxbase, inflation and then the three variables over which we have more influence – the DSG deficit, the level of additional spending allocations whether driven by demand or priorities and the annual council tax increase. All assume Members support continuing to increase the council tax by 2% per annum and take the additional 2% adult social care levy increase in 2022/23. A reduction of 1% in the council tax increase in any one year would increase the level of savings required by £3.2m.

These resource assumptions will determine the level of further budget reductions or additional income generation the Authority will need to plan for over the period 2022-27. The ‘most likely’ scenario is that £21m additional savings will be needed in addition to £48.2m already included in the MTFS approved in February 2021 and the £97.3m delivered since 2014.

The need to make the ‘right’ savings that support the delivery of the Council Plan and do not stifle recovery, increases the on-going importance of effectively managing the Council’s spend. The availability of reserves will be critical to allowing the managed, effective implementation of the necessary changes to services to deliver the savings needed, such as the investment in digital and data to enable the delivery of savings through automation and technology. However, it should be noted that any use of reserves for this purpose impacts potential to increase the investment funds and the resources available to invest in the delivery of the refreshed Council Plan.

### 3.5. Validation of Existing Savings Plans

Even before the impact of changes to resource forecasts and demand pressures the existing MTFS requires the delivery of £48.2m of savings over five years. It is therefore essential to validate that the plans and savings being targeted are deliverable. The 2022/23 refresh will require detailed action plans for the delivery of planned savings in each of the next two years and outline plans for those for those in the last two years of the current MTFS.

Any reduction in the level of budget reductions delivered, whether as a result of deliverability or acceptability, will increase the level of new savings that need to be identified. The working assumption is that where, as a result of developing robust delivery plans, the existing MTFS savings cannot be delivered alternative deliverable savings will be brought forward for consideration. These alternative savings would be in addition to the savings needed to balance the MTFS.

### 3.6. Identification of Unavoidable Cost Pressures and Right-Sizing

The approved MTFS includes £5.250m a year for new cost pressures and provision for 2% pay and price inflation each year. This is in addition to the £38.3m (or just over £9.5m a year) for known areas of cost pressure already included within the MTFS.

To place these figures into context, the 2021/22 budget included £20.9m allocations to fund permanent growth in spending need. The MTFS assumes that after the material resetting of budgets in 2021/22 the level of new cost pressures can be reduced by around £5m a year.

The identification of unavoidable cost pressures therefore has two elements – a review of those pressures already indicatively approved in the MTFS and identification of any new pressures that have emerged over the last six months.

A robust, evidence-based approach to both elements will be put in place that will cover the cause of the need for an additional budget allocation, the actions the Service has put in place to manage the cost and the implications for service delivery if the allocation is not supported, as well as a detailed calculation of the expected cost and how the funding will be used. This will be accompanied by any further opportunities for right-sizing identified through in-year budget monitoring.

There are three areas where additional funding has already been identified as potentially being required. These are the same three areas of spending pressure that dominated the 2021/22 refresh:

- One-off funding over five years to offset the forecast overspend on the High Needs DSG over the medium term;
- The continued increase in the cost of placements for Looked After Children both in terms of unit costs and complexity of cases; and
- The increase in demand and cost of provision for children with disabilities.

Funding these pressures alone would outstrip the resources currently available in the MTFS in the next two years. The 'most likely' option assumes

an additional £3.8m a year will be needed to meet additional cost pressures.

The further key risk here is any potential inflationary/deflationary impact. The economic outlook remains uncertain and each 1% variation in pay and prices compared to the 2% assumed in the MTFS in any financial year will be an additional cost/saving of between £4m and £5m. Currently, the greatest inflationary risks are around labour, given furlough and the lack of supply following the EU exit, and price inflation at least partially linked to the same factors.

### 3.7. Investment in Ambitions and Funding Options

The 2021/22 MTFS retained the £20m Revenue Investment Funds and an expanded Capital Investment Fund (CIF) to deliver on the ambitions of the Council Plan. The Investment Funds are currently secured as sufficient resource has been set aside as part of the Reserves Strategy for the Revenue Investment Funds and through the provision to meet the cost of servicing the borrowing costs that fund the CIF made in the MTFS.

There is a need to more closely align the use the Investment Funds to proposals emerging from the refreshed Council Plan and in particular the Delivery Plans for the next two years. There is also a need to ensure Funds are available for invest-to-save projects that will deliver material future cost savings/avoidance and hence support the delivery of a balanced MTFS. In particular there is likely to be insufficient resource in the Change Fund that resources operational change across the organisation to meet the level of investment needed for the next phase of digital and data which will be crucial to finding further savings and service improvements.

Therefore, as part of the refreshed MTFS a prioritised pipeline of projects will be developed that can be compared to the level of resources available. Currently, the level of resources available in either the Revenue Investment Funds or CIF is insufficient to meet the ambitions of the organisation or deliver the full pipeline of projects. The options available to expand the resources available to balance the Council's investment plans to the resources available are:

- To review the Council's reserves to see if additional resources can be released to top up the Revenue Investment Funds; or
- To take out additional borrowing to fund an increased Capital Investment Fund, with the revenue cost of servicing the borrowing funded through an allocation in the MTFS; and/or
- To limit the schemes from the pipeline that are brought forward for approval to those that are the highest priority compared to the resources available.

### 3.8. Identification of Further Budget Reductions

The need for additional savings will be identified through an approach that ensures the savings identified are the 'right' spending reductions for the organisation over the medium term. The proposed approach is:

- Priority is given to investment that delivers budget reductions or cost avoidance in future, with benefits built into the MTFS as part of the decision-making process;
- Services to develop contingency plans that identify how over the medium term the cost of services can be reduced and the investment that would be needed to support this. This should be done within the following hierarchy of options:
  - Invest to save proposals that do not reduce the level of service from automation, innovation, digital and efficiencies;
  - Further right sizing of budgets;
  - Targeted reductions in lower priorities, reflecting benchmarking analysis; and
  - Service reductions.

Alongside this work on identifying budget reductions there will be a further review of reserves to see if we can free some up capacity to allow the lead-in time for transformation and innovation activity to be delivered. This may also need to include choices around the balance of using reserves for investment and the short term off-setting of savings.

### 3.9. Challenge and Scrutiny

The challenge and scrutiny of proposals will provide the biggest step change to the MTFS process from last year. This includes the changes planned for last year that were delayed due to the impact of Covid. Corporate Board are recommending the introduction of:

- Enhanced scrutiny and assessment of spending/savings proposals brought forward for consideration in much the same way as has been put in place for the investment funds, providing clear recommendations that supports the balancing of priorities;
- The use of evidence, such as benchmarking information, insight into the relationship between cost and performance and learning from innovative developments across the sector, to provide a more robust assurance about current base budgets, and to support the proactive challenge and validation of spending proposals and to provide some strategic insight to potential target savings; and
- Analysing the alignment of spend with the Council Plan objectives and the impact of proposals on performance.

## **4. Capital Programme**

4.1. A new approach to future decisions on capital investment need and the management of the programme was approved alongside the 2020-25 Council Plan and MTFS. The resulting Capital Strategy consisted of three core elements:

- the Capital Strategy;
- the resulting Capital Programme/Pipeline of projects - the content of the capital programme (including schemes to be delivered in 1-3 years); and
- the Capital Framework which demonstrates our compliance with the Prudential Code and sets out the governance and resourcing arrangements needed to deliver and administer the pipeline/programme.

Local authorities are required to approve a Capital Strategy on an annual basis. For 2022/23 the annual refresh will ensure the Strategy is consistent with the priorities and outcomes of the Council Plan and associated Delivery Plans and aligned to the emerging thinking on long term place-shaping. This is consistent with the intention of the Capital Strategy to shift to a 20-30 year line of sight and create a more strategic focus to our approach to capital and investment.

## **5. The Need for a Balanced Budget**

5.1. 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 five years of the rolling MTFS. Therefore, for the purposes of the proposals being developed the medium term has been taken as the five years 2022/23 to 2026/27.

5.2. 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, proposals will be developed on the basis that reserves should not be used to pay for day-to-day expenditure and that they will be replenished when the short-term need has passed, subject to a risk assessment. This will ensure the MTFS for 2022-27 will be fully balanced on an ongoing basis.

- 5.3. This is consistent with the Reserves Strategy approved as part of the MTFS in February 2021, with the risk assessments being updated twice a year.

### Next Steps

- 5.4. The starting assumption for the 2022/23 MTFS refresh is that the impact of Covid-19 in 2021/22, in excess of the available Government funding, can be managed in year through robust budget management, including the early tackling of emerging areas of overspend, and the use of reserves. If this proves not to be the case, then the approach set out in the report and the rigour with which it is pursued becomes even more important.
- 5.5. The approach set out in the report is a holistic one which combines the uncertainty over our medium-term resource levels, growing demand pressures and the resourcing of the delivery of the Council Plan, including the use of our balance sheet. This means the 2022/23 MTFS refresh will be more complex than usual and is likely to require some difficult choices about priorities.
- 5.6. Following Cabinet's approval of the approach outlined in the report Services will begin work identifying and quantifying any costs pressures, the opportunities for investing in the Council's ambitions and options for future budget reductions and invest-to-save proposals. This work will be aligned to the approach to Integrated Planning and the refresh of the Council Plan set out in a separate report on today's agenda and informed by the considerations of the Conservative Budget Working Group.
- 5.7. The next reports to Cabinet will be the first 2021/22 Financial Monitoring report in September 2021. This will start to clarify the assumptions made in setting out the forecast resource forecasts that underpin the MTFS.
- 5.8. The proposed timetable of formal reports through to Council agreeing the 2022/23 budget and MTFS in February 2022 is shown below.

Approach to Agreeing the 2022/23 Budget and 2022-27 MTFS	
Date	Report
9 September 2021	<ul style="list-style-type: none"> <li>Report to Cabinet on the 2021/22 Quarter 1 Financial Monitoring</li> </ul>
11 November 2021	<ul style="list-style-type: none"> <li>Report to Cabinet on the 2021/22 Quarter 2 Financial Monitoring</li> </ul>
9 December 2021	<ul style="list-style-type: none"> <li>Report to Cabinet on the draft 2022/23 budget proposals, MTFS, capital strategy and review of reserves</li> </ul>
December and January	<ul style="list-style-type: none"> <li>Political Groups continue to work on their budget and MTFS proposals</li> </ul>
27 January 2022	<ul style="list-style-type: none"> <li>Report to Cabinet outlining final information to be used in setting the budget and the Strategic Director for Resources reserves risk assessment</li> <li>Report to Cabinet on the 2021/22 Quarter 3 Financial Monitoring</li> </ul>

	<ul style="list-style-type: none"> <li>• Cabinet release the Conservative Group's 2022/23 budget resolution(s)</li> </ul>
Late January 2022 to early February 2022	<ul style="list-style-type: none"> <li>• Opposition Groups release any amendments to the Conservative Group's proposals</li> </ul>
8 February 2022	<ul style="list-style-type: none"> <li>• Council sets 2022/23 budget and council tax, 2022-27 MTFS, the Capital Strategy and the 2022/23 Treasury Management and Investment Strategies</li> </ul>

## 6. Financial Implications

- 6.1. There are no direct financial implications as a result of this report. The report sets out the proposed approach to ensuring the Authority remains financially resilient and sustainable going forward.

## 7. Environmental Implications

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

## 8. Background Papers

- 8.1. None

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

## Appendix A

## Resource Scenarios and Underlying Assumptions

	Best Case	Most Likely	Worst Case
New savings in 2022/23	£0m	£1m	£24m
New savings over MTFS	£0m	£21m	£96m
<b>Assumptions</b>			
Core BCF/iBCF funding	All social care grants continue for MTFS period with Public Health Grant increase by 2%	All social care grants continue for MTFS period cash flat	1% annual reduction in core government grants
Council Tax Collection Fund Deficit	£2m in 2022/23	£8m in 2022/23, £3m in 2023/24	£15m in 2022/23, £5m in 2023/24
Council tax taxbase	1.5% growth in 2022/23, thereafter 2%	1% growth in 2022/23, thereafter 2%	1% decrease in 2022/23, thereafter 1%
Council tax increase	2% per annum plus 2% adult social care levy in 2022/23	2% per annum plus 2% adult social care levy in 2022/23	2% per annum
Business rates income	Annual 1% growth in taxbase (excluding top-up), deficits met from £8m NNDR appeals reserve, 2% inflationary uplift	Flat taxbase, £8m NNDR appeals reserve used, 2% inflationary uplift	5% reduction in taxbase in 2022/23, flat thereafter, £8m NNDR appeals reserve used, 2% inflationary uplift
High Needs DSG deficit	High Needs DSG brought into balance by end of MTFS period and reserve released MTFS provision remains unchanged in the interim	High Needs DSG deficit provision in MTFS insufficient by £2m, no long-term solution identified	As per current DSG recovery plan £1m annual increase in deficit
Additional permanent spending pressures	Spending pressures met from within the MTFS provision plus £8.5m in 2026/27 to include capital financing costs	Increase provision from £5.250m to £9m a year plus £2.8m in 2026/27 for capital financing	Increase provision from £5.250m to £10m a year plus £2.8m in 2026/27 for capital financing
Price/Income Inflation	Maintained at 2% per annum	Maintained at 2% per annum	Increased to 3% per annum
Pay Inflation	Maintained at 2% per annum	Maintained at 2% per annum	Increased to 3% per annum
Non-delivery of existing savings plan	Current savings plans delivered in full or alternatives identified	Current savings plans delivered in full or alternatives identified	20% non-delivery of current savings and no alternatives identified

## Cabinet

8 July 2021

### **Warwickshire Joint Procurement Activity for Community Services for Adults with Learning Disabilities, Autism, Mental Health or Physical Disabilities; permission to procure services.**

#### **Recommendations**

- 1) That Cabinet authorises the Strategic Director for People to proceed with an appropriate procurement process for the provision of Community Services for Adults with learning disabilities, autism, mental health or physical disabilities and authorises the Strategic Director for People to enter into all relevant contracts for the provision of these services on terms and conditions acceptable to the Strategic Director for Resources.
- 2) That Cabinet authorises the Strategic Director for People to enter into a partnership agreement with NHS Coventry and Warwickshire Clinical Commissioning Group under section 75 of the National Health Service Act 2006 to manage the joint commissioning, on terms and conditions acceptable to the Strategic Director for Resources.
- 3) That Cabinet authorises the Strategic Director for People to proceed with an appropriate procurement process for the provision of Learning Disability Wellbeing Hubs and authorises the Strategic Director for People or his nominee to enter into all relevant contracts for the provision of these services on terms and conditions acceptable to the Strategic Director for Resources.

#### **1. Executive Summary**

- 1.1 Warwickshire County Council jointly with NHS Coventry and Warwickshire Clinical Commissioning Group (the CCG) currently commissions a range of community services for adults, with learning disabilities, autism, mental health or physical disabilities. Current framework agreements and contracts are due to expire on 31 March 2022.
- 1.2 The community provision for this cohort comprises the following current services for people who have eligible care needs (including under the Care Act 2014, NHS funded Continuing Healthcare and Section 117 Aftercare under the Mental Health Act 1983):

- Supported Living (including Transforming Care Specialist Supported Living)
  - Live in Care
  - Community Day Opportunities
  - Community Complex Needs Day service
  - Respite and Short Breaks for adults
  - Complex Clinical Care
- 1.3 Additionally, a new framework will be commissioned as part of the community services offer to provide specialist interventions in relation to more complex disabilities, autism or mental health needs. These interventions are currently commissioned on a spot purchase basis by the CCG and the introduction of a joint framework will improve the ability to assure quality of provision and enable more timely access to specialist interventions for individuals.
- 1.4 The Learning Disability Wellbeing Hubs will also be re-procured during this timeframe to ensure alignment between these services for adults with learning disabilities, working to achieve the same priority outcomes outlined above. The current contract for the Learning Disability Wellbeing Hubs is due to expire in June 2022. The initial contract term for the Learning Disability Wellbeing Hubs will be three years. The Council will reserve the right to extend the contract up to a further two years. The contract will allow the Council to vary the service should there be a significant change in service area.
- 1.5 The current contracts for the services listed in paragraph 1.2 above were originally commissioned during 2014 to 2016 and were due to terminate between 2020 and 2021. Due to the impact of COVID-19, for those contracts that would expire before 31 March 2022 an exemption from the Council's Contract Standing Orders was approved and those contracts were extended until 31 March 2022 - enabling providers to focus on their COVID business continuity arrangements and to ensure the market had the capacity to engage and enter a procurement process.
- 1.6 The initial term of the new contracts will be five years. The Council will reserve the right to extend the contracts up to a further five years based on successful contract performance. The contracts will allow the Council to vary the service should there be a significant change in service area.
- 1.7 Redesign and re-procurement of community provision for adults with disabilities and/or mental health needs is necessary in the context of a focus on personalisation and outcomes, changes in operational processes and the need for market sustainability as well as to help manage rising demand and complexity and associated cost pressures,.

- 1.8 Due to the broad scope of service redesign and the need to engage in a COVID compliant way, a phased approach was undertaken to engaging with people with disabilities or mental health needs, their families and the provider market between October 2020 and June 2021. Over 400 contacts occurred via a mix of online workshops, surveys and telephone interviews.
- 1.9 Feedback from engagement activity has been used to design the service model. The purpose of care and support commissioned through this model is enabling people with disabilities, neurodevelopmental conditions or mental health to live good and fulfilling lives by being supported to achieve the things that are important to them. These priorities are summarised below:

Strategic priority	Outcomes for people
<b>My Home life</b>	People have a home of their own. They have a safe and secure place to live where their needs can be met by skilled support staff when needed. People are supported to be more independent
<b>My Work Life</b>	People have job opportunities and make a valued contribution to the local workforce through paid employment, voluntary work or work experience.
<b>My Social Life</b>	People are supported to make friends and maintain relationships with the people that are important to them,
<b>My Healthy Lifestyle</b>	People are well and healthy and are supported to access health care and health promotion services
<b>My Family Life</b>	Carers are supported to have fulfilling lives

- 1.10 The service model will deliver these outcomes by commissioning personalised support that is responsive, flexible, affordable and builds on people's strengths and assets. The following principles underpin the co-produced service model:
- Support will be focussed on building independence and empowering people to make a contribution to their local community through making best use of existing community assets.
  - Providers will be commissioned to support people to achieve their outcomes, rather than specifying a certain number of hours or days of support.
  - Customers and families will have greater choice in how support is delivered through providers being given the flexibility to adjust support as required within the allocated budget, rather than the current time and task focussed service model.
  - Providers will be encouraged to build partnerships with each other and community organisations to ensure person centred joint working with people and families.
  - There will be a range of provision reflecting varying levels of complexity of needs and specialist skills required.

- Co-production with people with lived experience and their families will continue to drive and shape the implementation of the new model.

## **2. Financial Implications**

- 2.1 The total annual value of the framework contracts per annum is approximately £35,000,000 for the Council (funded by Adult Social Care) and approximately £11,000,000 for the CCG. The five-year contract period being requested in this report equates to a total approximate value of £230,000,000, comprising £175,000,000 for the Council and £55,000,000 for the CCG
- 2.2 There is a Medium Term Financial Saving (MTFS) of £500,000 attached to this re-procurement for the Council, £200,000 to be realised in year 1 and £300,000 in year 2 of the contract, representing approximately 1.43% of overall expenditure across the services over the two years.. Savings will be made by realising efficiencies through reducing duplication of support across services, increased personalisation and choice leading to better outcomes for individuals and greater ability for providers to utilise existing community assets to build independence.
- 2.3 Learning Disability Wellbeing Hubs current annual costs are £320,000 and this is funded by Adult Social Care. The three-year contract period being requested in this report equates to a total value of £960,000. There are no savings attached to the recommissioning of Wellbeing Hubs.

## **3. Environmental Implications**

- 3.1 None

## **4. Supporting Information**

- 4.1 This recommissioning of community services is underpinned by the Care Act, reflecting the local authority's and CCG's statutory duty to help people to achieve the outcomes that matter to them in their life. Supporting people to live as independently as possible, for as long as possible, is a guiding principle of the Care Act, as is enabling choice for people and families about how care and support are delivered.
- 4.2 Current service provision in scope of this re-procurement is as follows:
- 4.2.1 Supported Living
- Supported living services offer support to individuals to live as independently as possible within their own home. Traditionally they are for adults over 18, however the services are also offered to young people aged 16 and 17 where that is appropriate to support transition to adulthood.

The main principles of supported living are that people own or rent their home and have control over the support they receive, who they live with and how they live their lives.

The commissioning arrangements include commissioning the care itself and not the commissioning of accommodation. However, some supported living care providers also provide accommodation through a separate housing organisation within their business.

A specialist supported living framework is in place for people with complex behaviours that challenge and or forensic needs, including supporting people that have been discharged from long stay hospital placements.

#### 4.2.2 Live in Care

Live-in care refers to a 24-hour care and support arrangement where a support worker spends the day and night with a customer. Traditionally they are for adults over 18, however live in care is also offered to young people aged 16 and 17 where that is appropriate to support transition to adulthood.

The support worker may sleep during the night. Although their sleep may be interrupted at night to assist the customer, they are guaranteed adequate nightly sleep and down-time.

The support worker is typically given a designated amount of time off each day, week and month as agreed with the customer and provider (i.e., 2 hours per day, one weekend each month or longer). At this time replacement care is provided as agreed with the customer.

#### 4.2.3 Community Day Opportunities

The main aims of day opportunities services are to support individual customers to access meaningful activities in their community that reflect their needs and interests; deliver personalised outcomes, increase choice and equality of access; and deliver consistent, value for money services. These may be delivered from a building base or in the community.

Day services and complex needs day services are currently only commissioned for adults age 18+, but through the new model the offer will be extended to young people aged 16 and 17 to support transition.

#### 4.2.4 Respite and Short Breaks

Respite and short breaks provide opportunities for adults (16+) with a disability to spend time away from their primary carers with the benefit of giving an unpaid carer a break from their caring role. The short break can be provided in the community during the day, overnight or in a residential respite facility.

#### 4.2.5 Complex Clinical Care

Complex clinical care requires a skilled staff member to be deemed competent and have received delegation from a qualified nurse to perform

that task. It may be delivered in a domiciliary, supported living or live in care setting. Complex clinical care services are commissioned and paid for by the CCG.

#### 4.2.6 Learning Disability Wellbeing Hubs

The Learning Disability Wellbeing Hubs support adults (16+) with learning disabilities by offering a community base that can deliver access to information, advice, and signposting, and can build community connections and inclusion. The Wellbeing Hubs are part of the universal offer in the community for people with disabilities or autism and do not require people to be eligible for support under the Care Act.

The service aims to deliver outcomes for individuals under the following headings:

- Improving emotional wellbeing
- Enhancing community life
- Providing prevocational employment support
- Improving physical health

#### 4.3 Specialist Interventions (new framework)

An additional framework will facilitate better access to providers of specialist interventions for adults and children of all ages. Specialist interventions are required in some cases to inform care, support and treatment in the community, including for those individuals who would otherwise require admission to hospital. The term 'specialist interventions' includes services such as:

- Specialist Positive Behavioural Support packages of care
- Specialist autism assessments and/or profiles
- Specialist forensic assessments
- Specialist Mental Capacity assessments
- Neurodevelopmental (Autism and ADHD) diagnostic assessments
- Trauma Informed support

#### 4.4 The Care Act outlines the duty on commissioning organisations to integrate social care and health services. The development of integrated commissioning arrangements for community services therefore supports both the Care Act and the planned move towards an integrated care system for Warwickshire and Coventry.

- 4.5 Section 75 agreements are made between local authorities and NHS bodies and can include arrangements for pooling resources and delegating certain NHS and local authority health-related functions to the other partner/s. In this case, a section 75 agreement will enable the Council to manage the procurement of community services on behalf of the CCG and enter into contracts on behalf of the CCG and the Council. This will be facilitated via the existing integrated commissioning function for disabilities and autism, which is hosted by the Council and jointly funded with the CCG. The CCG and the Council will maintain their current responsibilities to assess individuals' needs and commission and pay for care and support for individuals via their separate budgets.

## 5. Timescales associated with the decision and next steps

- 5.1 The timescales for the procurement exercise are as follows;
- August 2021 – tender process commences
  - December 2021 – contracts awarded
  - January to March 2022 – mobilisation of new contract arrangements
  - April 2022 – Services/contracts start

### Appendices

None

### Background Papers

None

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The report was not circulated to members prior to publication

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## Cabinet

8 July 2021

### West Midlands Rail Collaboration Agreement

#### Recommendations

- 1) That Cabinet notes the new West Midlands Rail Limited/Department for Transport Collaboration Agreement ("CA2") approved in principle by the West Midlands Rail Limited Board in June
  
- 2) That Cabinet endorses the changes made in CA2 and supports the implementation of CA2 from 13<sup>th</sup> September 2021 as outlined in report.

#### 1. Executive Summary

- 1.1 The national changes to rail franchising as a consequence of the COVID-19 pandemic mean that the existing Collaboration Agreement between West Midlands Rail Ltd (WMRL) and the Department for Transport (DfT) will terminate in September 2021. Therefore, a new agreement must be negotiated in order to protect WMRL's ongoing role working in partnership with government to manage rail service in the region, as well as its grant income.
  
- 1.2 Warwickshire County Council is a constituent member of West Midlands Rail Limited (WMRL). In accordance with the WMRL Articles of Association, any change to the WMRL relationship with the DfT or substantial changes to that agreement must gain the prior approval of WMR 'Member' authorities by special resolution. As such, the change to the Collaboration Agreement drafting must be endorsed by a minimum of 75% of Member authorities.
  
- 1.3 Although it is not a requirement under the Articles, it is recommended that the proposal to support CA2 be taken through governance at each of the 14 partner authorities for clarity and to ensure all members of WMRL are fully sighted on the proposals. This is consistent with the approach taken to previous Special Resolutions.
  
- 1.4 The WMRL Board Members will consider this issue in advance of September 2021 and Warwickshire's Board member will have a vote.
  
- 1.5 The 2016 Collaboration Agreement (referred to as CA1) between WMRL and the DfT is the primary agreement by which WMRL's responsibilities for franchise management and government grant funding are set out and

enshrined. CA1 was signed in April 2017 following Secretary of State and WMRL approval.

- 1.6 CA1 includes provisions for:
- a) A Strategic Board between WMRL and DfT officials.
  - b) Sharing of franchise management responsibilities;
  - c) The ability of WMRL to make changes and retain the benefits of those changes for reinvestment in the local rail network. This includes the powers to make adjustments to rail fares in the region;
  - d) Funding of WMRL via a £500K grant each year; and
  - e) An annual meeting between WMRL Chair and Vice Chair and the Secretary of State or a Minister.
- 1.7 CA1 is coterminous with the West Midlands Franchise Agreement, originally intending to run until March 2026. However, the changes to passenger rail contracting by the DfT in response to the COVID crisis now mean that the Franchise Agreement is expected to terminate on 19 September 2021. Therefore, it is now necessary to negotiate and enter into a successor agreement with the DfT to take effect from the termination of the existing Franchise Agreement.
- 1.8 Discussions between West Midlands Rail Executive (WMRE) and DfT have concluded that in general CA1 has worked effectively and is a solid foundation on which to build. Consequently, the revised Collaboration Agreement (referred to as CA2), represents an evolution of the original Collaboration Agreement.
- 1.9 The main areas of amendment in CA2 reflect the changing nature of rail franchising and the meeting structure between WMRE and DfT. The latter was based on the model used by Transport for the North for the Northern and Trans Pennine Franchises, but experience has shown that it is not as effective for the West Midlands Franchise. There are no proposed changes to the grant WMRL receives from DfT, or to the arrangements in place for the savings account held jointly between WMRL and DfT. A summary of the changes between CA1 and CA2, can be found in appendix A. The proposed draft CA2 (currently being agreed by DfT legal team) is available if required.
- 1.10 The CA2 draft is currently being reviewed by Pannone Corporate, the WMRL external legal advisors. The CA2 was approved in principle by the WMRL Board at its AGM on 15 June 2021. Cllr Butlin, as the Warwickshire Board Member, voted on behalf of Warwickshire County Council, and will have a further vote when the matter is considered in September.

- 1.11 In accordance with the WMRL Articles of Association, any change to the WMRL relationship with the DfT or substantial changes to that agreement must gain the prior approval of WMR 'Member' authorities by special resolution. As such, the change to the Collaboration Agreement drafting must be endorsed by a minimum of 75% of Member authorities.

## **2. Financial Implications**

- 2.1 The financial implications remain unchanged, and the commitment from DfT to fund WMRL for franchise management costs (£500K per year) remains and it anticipated that this funding commitment will form part of the new Collaboration Agreement. There is no proposed change to the level of contribution sought from WMRL partner authorities, which currently stands at £14,500 per year.

## **3. Environmental Implications**

None.

## **4. Supporting Information**

- 4.1 There is the risk that the proposed CA2 is not agreed by DfT. If this is the case, further work will be required to find a solution both parties are content to move forward with. If further substantive changes are made a further report will be presented to Corporate Board and Cabinet.

## **5. Timescales associated with the decision and next steps**

- 5.1 The WMRL Board approved the new Collaboration Agreement in principle at the meeting on 15<sup>th</sup> June 2021. It is proposed that Members of the Board will have a final vote on the proposed agreement at the September Board meeting. If the vote is in favour of the proposal, it is anticipated that the new Collaboration Agreement will come into effect on 19<sup>th</sup> September 2021 when the existing Franchise Agreement is set to terminate.

## **Appendix**

Summary of Changes made to CA2 from CA1

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#### **Appendix - Summary of Changes made to CA2 from CA1**

#### **Commercial Terms for New Collaboration Agreement Between Secretary of State for Transport and West Midlands Rail Limited (hereafter referred to as West Midlands Rail Executive)**

##### Principle

This document is based on the April 2017 Collaboration Agreement, and whilst this will be a whole new agreement between the parties, the principle is that the New Collaboration Agreement will build on the current agreement and unless specified the terms should remain the same for the new contract.

##### Term

The Agreement will start when the new contract between the Secretary of State and the operator for West Midlands Trains commences and will run co-terminus with that contract. This is currently planned for [xx] please fill in September 2021 until [xx] please fill in [March 2026].

##### Changes to Definitions

- (a) All references to either 2017 WM Franchise or 2017 WM Franchise Agreement to be replaced with 2021 WM National Rail Contract
- (b) Change Rail Investment Strategy or HLOS to Rail Network Enhancement Pipeline
- (c) Change WCSBU to read London Northwestern Railway Business Unit (LNRSBU) to include a map as an Annex to the Collaboration Agreement
- (d) Change WMSBU to read West Midlands Railway Business Unit to include a map as an Annex to the Collaboration Agreement
- (e) Add a definition of WMRE area – WMRE to provide definition and map

##### Purpose

Revise purpose to read:

Rail services have a significant impact on the economy and lives of people living and working in the West Midlands. The aim of this Collaboration Agreement is to ensure meaningful local democratic influence over the operation and development of the rail network. The Parties intend to collaborate over the delivery and development of rail services in the WMRE area for the benefit of passengers and the regional economy (Purpose) and the Parties shall each use their respective reasonable endeavours to give effect to the Purpose through the operation of this Agreement.

##### Changes to Section 6 Phase 1 – rename to General Provisions

Remove all drafting and replace with a section titled 'Objectives'. These objectives will be that:

(a) West Midlands Rail Executive (WMRE) to work with the SoS in partnership to manage the WMT rail contract, and in particular lead on non-Reserved Matters regarding the WMSBU.

(b) For the SoS and WMRE to work in a way which promotes rail as part of an integrated transport system in the WMRE area consistent with the objectives of both organisations

(c) WMRE to act as coordinator and enabler of collaboration between all SoS rail contracts and Network Rail in the WMRL area, working in partnership with other DfT officials as appropriate in support of delivery of wider WMRE and SoS objectives and operator contract obligations

(d) Ensure that whilst recognising the constraints of the Reserved Matters, the SoS and WMRE work together throughout the period of the Agreement to enhance the capability of both organisations.

(e) Anything else the parties jointly agree that should be pursued

Strategic Board to be deleted and replaced with a section titled 'Meeting Structure'

All existing drafting to be deleted and replaced with:

(a) The Secretary of State (or Minister) shall meet with the WMRL Board Chair and Vice Chairs on an annual basis to discuss the progress in achieving the Objectives and the Purpose.

(b) A quarterly senior meeting between WMRE and the SoS officials chaired by the Markets Director, North and will include at least: Market Lead, Senior Commercial Manager, Commercial Manager and representatives from Programme Director's team in Rail Infrastructure from the Department for transport and Executive Director WMRE and Lead on WMSBU Management. This meeting will cover at least the following: current performance and forward look to strategically important matters over the forthcoming 12 months

(c) An Annual meeting between the Managing Director Passenger Services and the Chair and Vice Chairs of WMRE to discuss matters relating to the execution of this Agreement, the further development of the relationship between the Parties and any other relevant rail matters in the WMRE area.

(d) A meeting every four weeks of the Management Team. Such items that are discussed shall be agreed by the team.

Reference to Schedule 2 required.

'Franchise Management' to be renamed to 'Commercial and Contract Management'

Changes will be required in this section to reflect the updated Agreement only. There are no fundamental changes.

'Ongoing Engagement' to be replaced with 'Attendance at Governance Meetings'

This section should be replaced with an opportunity to attend, as appropriate, the relevant governance meetings of each party relating to matters of mutual interest (such as WMRL Board, SIAP, SOAP etc.).

Dispute Resolution Procedure

Delete entire section and replace with [to be decided]. To include strengthened WMRL arrangements which will include role of WMCA Monitoring Officer and political leadership.

Notices

Contact information to be revised and updated.

Schedule 1

Remove as superseded by expanded Purpose.

Schedule 2

Remove reference to Joint Strategic Board and retitle to Joint Meeting Structure Responsibilities

Schedule 3

Retain drafting and update .

Schedule 5

Remove year 1 obligations and update remainder

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