Cabinet

Date: Tuesday 23 January 2024
Time: 1.45 pm
Venue: Committee Room 2, Shire Hall

Membership
Councillor Isobel Seccombe OBE (Chair)
Councillor Margaret Bell
Councillor Peter Butlin
Councillor Andy Crump
Councillor Yousef Dahmash
Councillor Kam Kaur
Councillor Sue Markham
Councillor Jan Matecki
Councillor Heather Timms
Councillor Martin Watson

Items on the agenda: -

Cabinet Portfolio Holder– Councillor Andy Crump

10. Reports Containing Exempt or Confidential 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 Schedule 12A of Part 1 of the Local Government Act 1972'.

11. Exempt Minutes of the 14 December 2023 Meeting of Cabinet
To consider the exempt minutes of the 14 December 2023 meeting of Cabinet.

12. Warwickshire Recovery Investment Fund Investment Strategy and Business Plan
An exempt report detailing the Business Plan and Investment Strategy.

Cabinet Portfolio Holder – Councillor Peter Butlin

13. Warwickshire Property & Development Group (WPDG) - Site Specific Business Case 5
An exempt report presenting a site specific business case for approval.

Cabinet Portfolio Holder – Councillor Peter Butlin

Monica Fogarty
Chief Executive
Warwickshire County Council
Shire Hall, Warwick

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Disclosures of Pecuniary and Non-Pecuniary Interests
Members are required to register their disclosable pecuniary interests within 28 days of their election of appointment to the Council. Any changes to matters registered or new matters that require to be registered must be notified to the Monitoring Officer as soon as practicable after they arise.

A member attending a meeting where a matter arises in which they have a disclosable pecuniary interest must (unless they have a dispensation):

- Declare the interest if they have not already registered it
- Not participate in any discussion or vote
- 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 relevant to the agenda should be declared at the commencement of the meeting.

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

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 features 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.

Cabinet

Thursday 14 December 2023

Minutes

Attendance

Committee Members
Councillor Isobel Seccombe OBE (Chair)
Councillor Margaret Bell
Councillor Peter Butlin
Councillor Andy Crump
Councillor Yousef Dahmash
Councillor Kam Kaur
Councillor Sue Markham
Councillor Jan Matecki
Councillor Heather Timms
Councillor Martin Watson

1. General

(1) Apologies

None.

(2) Disclosures of Pecuniary and Non-Pecuniary Interests

None.

(3) Minutes of the Previous Meeting

The minutes of the meeting of Cabinet held on 9 November 2023 were agreed as an accurate record.

(4) Public Speaking

None.

2. 2024/25 Budget and 2024-29 Medium Term Financial Strategy (MTFS) - Background Information and Options

Councillor Peter Butlin, Portfolio Holder for Finance and Property explained that this was the opening detail for the MTFS as provided by Corporate Board which set out the options available to Cabinet and the other groups during their budget preparation. Referring to previous meetings when he had outlined the various pressures facing the Council, Councillor Butlin explained that the demand for services in Children’s Services, SEND, and Home to School Transport continued to exceed budgeted financial resources. Despite this, the Council was considered a well-run authority which made the right decisions at the right time and this would be reflected in each group’s budget proposals to Council in February 2024.

Councillor Butlin noted that there had been lobbying regarding the level of government funding by the Local Government Association, County Councils Network and all Cabinet Members had written to government ministers on the issue, but the Chancellor’s autumn statement had not made any increased funding available to local government and the higher-than-expected increase in the National Living Wage had actually added a further burden of nearly £3.5m to the cost pressures faced by the Council.

Unlike previous years, there was therefore little flexibility in the setting of a budget for 2024/25 and Corporate Board were suggesting the need to set Council Tax at a minimum level of 4.92%. The Office for Budgetary Responsibility forecasts also suggested council tax headroom of 3% core and 2% adult social care levy across all years, but government officials had made it clear that this could not be guaranteed due to national elections in 2024.

Councillor Jerry Roodhouse commented on the challenging set of papers before the Cabinet and considered that the political groups would need to work more closely together to benefit the residents of Warwickshire.

Councillor John Holland lamented the lack of protection for local government in the Chancellor’s autumn statement.

Councillor Isobel Seccombe considered that this was a challenging budget period for the Council despite its good financial management practices and thanked the Finance Team for their work to date.

Councillor Butlin advised that the final Local Government Settlement was expected in the week following the meeting, but additional funding was not expected, and he suggested that the final position would reflect the paper that was before the Cabinet at this meeting.

Resolved

That Cabinet

1. Agrees to develop its draft 2024/25 Budget and 2024-29 Medium Term Financial Strategy proposals, taking into account the information and advice of presented in the report; and
2. Authorises Corporate Board to begin any preparatory work necessary to deliver the budget proposals, prior to the final decision on the budget on 8 February 2024.

3. Education Capital Programme 2023/24

Councillor Kam Kaur, Portfolio Holder for Education, advised that this report sought approval for four projects to be added to the Education Capital Programme, as detailed in the report, in relation to Warton Nethersole CofE Primary School, St John’s Primary School, Shottery St Andrews CofE Primary School and Cubbington CofE Primary School. The report also sought an increase in the pupils on roll at the specialist resourced provisions at Paddox Primary School and Water Orton Primary School as outlined in section 3 of the report.

Councillor Jenny Fradgley looked forward to the results of the project at Shottery St Andrews CofE Primary School and Councillor Marian Humphreys welcomed the project at Warton Nethersole.

Councillor Isobel Seccombe considered it was important for children to be supported through their education to become active members of their community and welcomed the efforts of schools to support that aim.

Councillor Peter Butlin advised that he had recently visited Warton to view three housing developments driving the need for the project there, one of which was being developed by the Council itself and offered 40% affordable housing, and he therefore very much welcomed the report.

In conclusion, Councillor Kaur thanked the Education Sufficiency Team for their work to date.

Resolved:

That Cabinet:

1. **Recommends to Council** the addition of £2.868m to the capital programme to deliver the scheme at Warton Nethersole CofE Primary School to be funded by developer contributions and the Department for Education (DfE) Basic Need Grant.

2. Approves the proposals for alterations at St John's Primary School:

    a. To increase the capacity from one form entry (210 places) to two form entry (420 places).
    b. To establish specialist resourced provision (SRP) for up to 14 learners with SEND.

    and **recommends to Council** the addition of £6.335m to the capital programme to deliver the scheme at St John's Primary School which will be funded from developer contributions and the DfE Basic Need grant.

3. Approves the addition to the Education Capital Programme of £0.328m to deliver the proposed schemes at Shottery St Andrews CofE Primary School and Cubbington CofE Primary School

4. Approves the increase of pupils on roll at the specialist resourced provisions at Paddox Primary School and Water Orton Primary School as outlined in section 3 of the report.

5. Subject to Council's agreement to the required additions to the Capital Programme, delegates authority to the Executive Director for People, in consultation with the Portfolio Holder for Finance and Property, to invite tenders and enter into the appropriate contracts or (where the scheme is school led) to make the necessary funding arrangements for these schemes on terms and conditions considered acceptable to the Executive Director for Resources.

4. Water Contract

Councillor Peter Butlin, Portfolio Holder for Finance and Property explained that this report sought approval to contract for the Council's water related services through the relevant Eastern Shires Purchasing Organisation (ESPO) framework which would provide the Council with a more advantageous position.

Resolved:

That Cabinet:

1. Approves the Council entering into a framework agreement for Council buildings with the Eastern Shires Purchasing Organisation (ESPO) under their 'Water, Wastewater and Ancillary Services' framework, for an initial 2-year period, with the option to extend for a maximum of 24 months.

2. Authorises the Executive Director for Resources, to enter into all agreements necessary to implement this decision on terms and conditions considered acceptable to them.

5. Community Pantries - Sustainability Options

Councillor Heather Timms, Portfolio Holder for Environment, Climate & Culture explained that the Community Pantries proof of concept had been a successful project. Demand for services at all three locations (Lillington, New Arley, and Camp Hill) had surpassed original expectations and continued to increase, intensified by the ongoing cost-of-living challenges. The project enabled the Council to reach people who were not previous service users, taking them into employment or maximising their benefits so that they could move forward in their lives rather than relying on food banks, etc. Councillor Timms considered it was desirous for the Community Pantries to be sustainable and community-led in the long term and therefore sought support for the strategy laid out in the report which included giving consideration to the making of a final time-limited allocation of funds to balance costs as part of the 2024/25 MTFS budget proposals as transitional funding needed over the next two financial years to support the community pantries moving to operational sustainability thereafter.

Councillor Isobel Seccombe noted that the Community Pantries project had commenced two years previously and it had been well received by residents and wrap around services alike.

Councillor Marian Humphreys commented on the valuable support that was provided through the project.

Councillor Jerry Roodhouse welcomed the report and sought an experience sharing exercise with Rugby Borough Council to feed into Task and Finish Group work that was taking place at the Borough Council.

In response to questions, Councillor Timms clarified the referral process that was in place and noted that over 1000 people had been referred to the project and 508 of them had moved through the system thanks to the involvement of wraparound services but demand was continuing. She also confirmed that officers would be happy to share their experiences regarding the project with Rugby Borough Council.

Resolved:

That Cabinet:

1. Endorses the strategy set out in the report of making the community pantries sustainable over the longer-term, with consideration of short-term support provided by the County Council; and

2. Agrees to consider including a final time-limited allocation of £541,000 to fund the balance of the costs as part of the 2024/25 MTFS budget proposals to be considered by Council in February 2024 as transitional funding needed over the next two financial years to support the community pantries moving to operational sustainability thereafter.

6. Proposed Changes to On-street Pay & Display Parking

This report was introduced by Councillor Jan Matecki, Portfolio Holder for Transport and Planning, who explained that on-street parking charges should be comparable to or higher than off-street parking. However, since 2018 on-street parking had not increased to a comparable level, so this report sought approval to raise on-street parking charges in the defined locations to £1.40 per hour to redress this issue, a sum which was below inflation. Approval for an annual review and adjustment of prices was also sought together with a review of parking restrictions. Councillor Matecki explained that the result would be an improved experience for shoppers and improved air quality in towns.

Councillor John Holland noted that this was a sensitive topic and shared his experience of aligning different parking needs in town centres to meet the different needs of residents with permits, business customers requiring on street parking and employees who needed to park all day utilising car parks.

Councillor Isobel Seccombe reflected on her experiences with seeking to ensure that on street parking was cheaper than off street parking to deter people driving around looking for a cheap space, and providing only short stay car parks in towns with park and ride services. She considered it was important to implement a clear policy and set of principles that was workable for the various councils involved to create a more pleasant shopping experience.

Councillor Heather Timms commented on the use of park and ride facilities for day tippers and the need to optimise their use through investment.

Councillor Andy Crump considered that the reasoning for the changes needed to be publicised.

Councillor Matecki explained that parking permit revenue was not currently covering the cost of running the scheme and that there were restrictions on how the revenue could be spent in any event. He pointed out the reduction in the cost of parking for 15 minutes and hoped this would be helpful to businesses which needed space for customers attending for short visits.

Resolved:

That Cabinet:

1. Approves the increase of on-street charges in Leamington, Warwick, Kenilworth, Stratford and Rugby as set out at paragraphs 4.3 and 4.4 of the report, subject to completion of the required statutory process'.

2. Requests the Executive Director for Communities in consultation with the Portfolio Holder for Transport and Planning to undertake an annual review of the on-street Pay and Display charges that considers the District and Borough off-street pricing structures.

3. Requests the Executive Director for Communities in consultation with the Portfolio Holder for Transport and Planning to undertake a review of the existing on-street Pay and Display hours of restriction to create a more consistent and simplified model across the town centres, and authorises the Executive Director for Communities to take such steps and to make any changes as are necessary to achieve such a model subject to the completion of the required statutory process.

7. Accommodation Related Support Services Approval to Tender

Councillor Margaret Bell, Portfolio Holder for Adult Social Care and Health explained that Accommodation Related Support was previously known as Housing Related Support. She explained that the Council had duties under the Care Act to make provision under the prevention agenda. A £1m reduction had already been agreed in the budget for 2025/26, leaving a budget of circa £2.8m, and this paper was brought as a result of a consultation with partners (including district and borough councils) about the focus for this remaining funding to ensure the proposed service redesign resulted in a more efficient and effective service with improved customer journey. The report comprehensively set out the proposals.

Councillor Marian Humphreys highlighted the importance of intervention for saving money in the longer term. She noted the difference in recovery rates when intervention occurred at an early stage.

Councillor Jerry Roodhouse noted the thorough consultation that had taken place. He made a plea for the procurement process and output measurements that would be used to measure the contract, to not be too onerous in terms of the number of performance indicators that the companies delivering the services would need to meet, although the importance of being able to clearly measure outputs was recognised. He also noted the transition ages set out in the report and considered that some thought as to how this would be reflected in the contract would be required as many companies ceased delivery at age 18. He also considered that Scrutiny would want to keep a close eye on the delivery of these services.

In response, Councillor Bell considered that procurement was a balance between service delivery and not being too onerous in setting out how that was achieved, and explained that in this instance there would be two contracts in place. She also agreed with comments that it was important to get the transition arrangements correct.

Resolved:

That Cabinet:

1. Approves proceeding with the proposals to re-structure Housing Related Support (HRS) services to support delivery of the Medium-Term Financial Strategy (MTFS) savings 2025 – 2026; endorsing the recommendations on the service redesign outlined in section 5 of the report.

2. Authorises the commencement of procurement activity to implement the proposals and delegates to the Executive Directors for Children and Young People and Social Care and Health (in consultation with the Portfolio Holders for Children and Families and Social Care and Health) the implementation of the proposals, including the de-commissioning of existing Housing Related Support services and the subsequent award of the redesigned Accommodation Related Support contracts and entering into of agreements required to implement this decision on terms and conditions acceptable to the Executive Director of Resources

8. Reports Containing Exempt or Confidential 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 Schedule 12A of Part 1 of the Local Government Act 1972.

9. Exempt Minutes of the 9 November 2023 Meeting of Cabinet

The exempt minutes of the Cabinet meeting held on 9 November 2023 were agreed as an accurate record.

10. Disposal of Land in Alcester

Councillor Peter Butlin, Portfolio Holder for Finance and Property presented this exempt report.

Resolved:

That the recommendations as set out in the exempt report be approved.

11. Various Property Disposals

Councillor Peter Butlin, Portfolio Holder for Finance and Property presented this exempt report.

Resolved:

That the recommendations as set out in the exempt report be approved.

12. WRIF Bid Update

Councillor Peter Butlin, Portfolio Holder for Finance and Property presented this exempt report.

Resolved:

That the recommendations as set out in the exempt report be approved.

The meeting rose at 2.46pm

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Chair

Agenda Item 2

Cabinet

23 January 2024

2023-24 Financial Monitoring – Forecast Position as at Quarter 3

Recommendations

That Cabinet:

1. notes the forecast net service overspend of £7.281m (1.9%) that would need to be funded from the Directorate and General Risk Reserves at the end of 2023/24;

2. notes the forecast delivery of savings for 2023/24 of £6.857m, and the consequent shortfall against the target;

3. notes the forecast capital spend for 2023/24 of £151.389m; and

4. notes and approves the movement in the forecast spend on the capital programme of £51.256m from 2023/24 into future years and notes the carry forward of Corporate schemes of £31.950m and S278 contributions of £0.184m.

1. Purpose of the report

1.1. This report outlines the forecast financial position of the organisation at the end of 2023/24, based on the information known at the end of the third quarter.

1.2. The current analysis includes:
- capital and revenue financial performance;
- explanations for variations, any mitigating actions and an assessment of any impacts on service delivery; and
- an indication of those areas where the current forecasts carry the greatest risk of further movement before the end of the financial year due to demand volatility and assumptions that could still change.

2. Summary

2.1. Revenue Forecast Summary

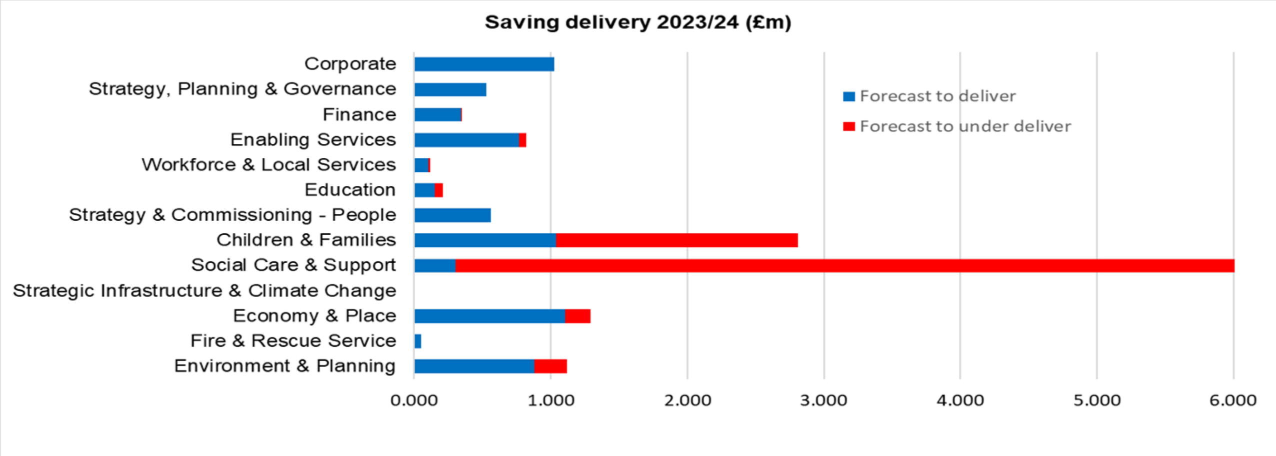
		Q3 Forecast £m	Q2 Forecast £m	Change Q2 to Q3 £m
Approved Budget		374.171	384.423	(10.252)
Net forecast as at Quarter 3		392.936	400.770	(7.834)
Net overspend		**18.765**	**16.347**	**2.418**
Reason for, and resourcing of the overspend				
• Investment Funds variance: reprofiling into future years and/or reduced spend drawdowns from the Investment Funds		4.193	3.139	1.054
• Movement to/from Earmarked Reserves: spend to be financed from other Earmarked Reserves		1.202	2.263	(1.061)
• DSG total variance at Q3: deficit of £13.397m, of which the High Needs element is £13.687m to be offset against the DSG contingency reserve, with £7.598 required to top-up the DSG deficit reserve from the 'Available for Use' reserve.		6.089	6.089	0.000
Residual service variance:	**Q3 split:**	**7.281**	**4.856**	**2.425**
• Overspend to be funded from Directorate Risk Reserve	26.403			
• Underspend to transfer from the 'Available for Use' Reserve	(19.122)			

The headline forecast overspend is £18.765m in 2023/24. However, one-off, specific funding has been set aside in the Medium-Term Financial Strategy (MTFS) to meet the majority of these costs. Once this funding is taken into account the adjusted position is a net overspend of £7.281m (1.9% of the net revenue budget) which will, if unchanged by the end of the financial year, be taken from the Directorate and the General Risk Reserves. The variance in the net revenue budget at 1.9% is below the +/- 2% target set as part of the performance management framework and is within acceptable parameters. The approved budget has reduced by £10.252m since Q2 the reason for this change is explained in the reserves section of this report, paragraph 7.3.

The Council is continuing to face sharp and unsustainable increases in demand and costs across our children's and adults social care services, education and home to school transport, which are creating significant medium-term financial risk to the Council. The increase in net overspend from Q2 to Q3 is £2.418m. The remaining service overspend has increased by £2.425m since Q2 and this will need to be funded from one-off resources, including the use of the Directorate Risk and Available for Use reserves, if actions to bring service spend more into line with the approved budget do not deliver a material downward change in spending.

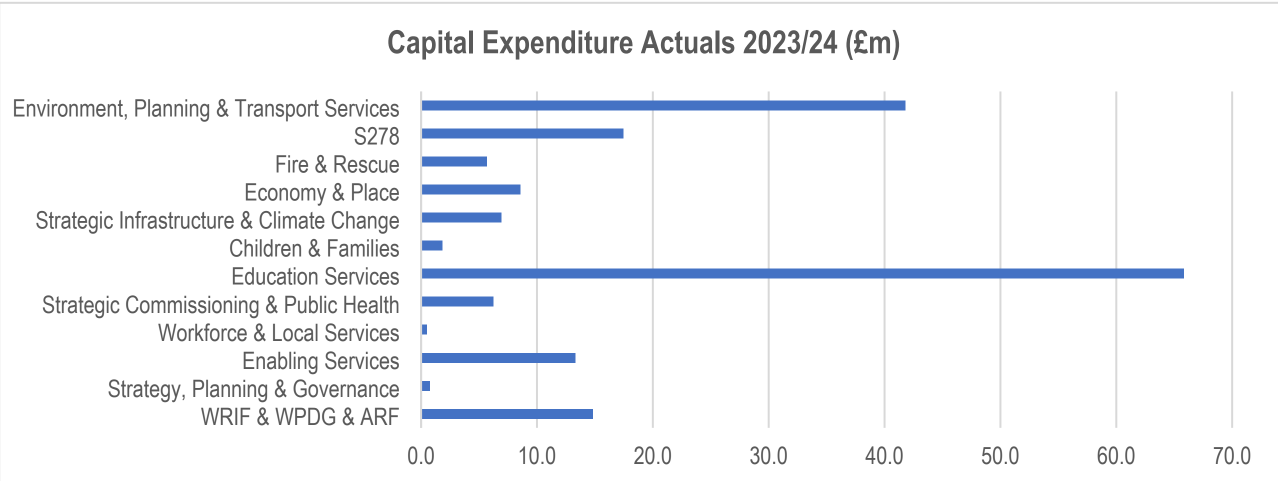
The current Dedicated Schools Grant (DSG) forecast is a £16.374m overspend. Within this there is a £17.514m High Needs block deficit in 2023/24, giving a forecast cumulative High Needs DSG deficit of £37.930m by the end of this financial year. The DSG Offset Reserve is currently £26.505m, which leaves a shortfall and additional budget pressure of £11.425m in year. If the cumulative DSG deficit remains above the Offset Reserve, at the end of the financial year the Authority will need to top up the reserve from the Available for Use reserves, reducing the funding available to support the MTFS in future years. For further details on the forecast revenue spend please refer to Section 4.

2.2 Savings Delivery Summary



The savings plan for 2023/24 requires the delivery of £15.158m of savings, accumulated from 73 individual saving initiatives. At Q3 £6.857m (45%) is forecast to be delivered in line with the plan, with £8.301m (55%) forecast not to be delivered. For details on saving performance please refer to Section 5.

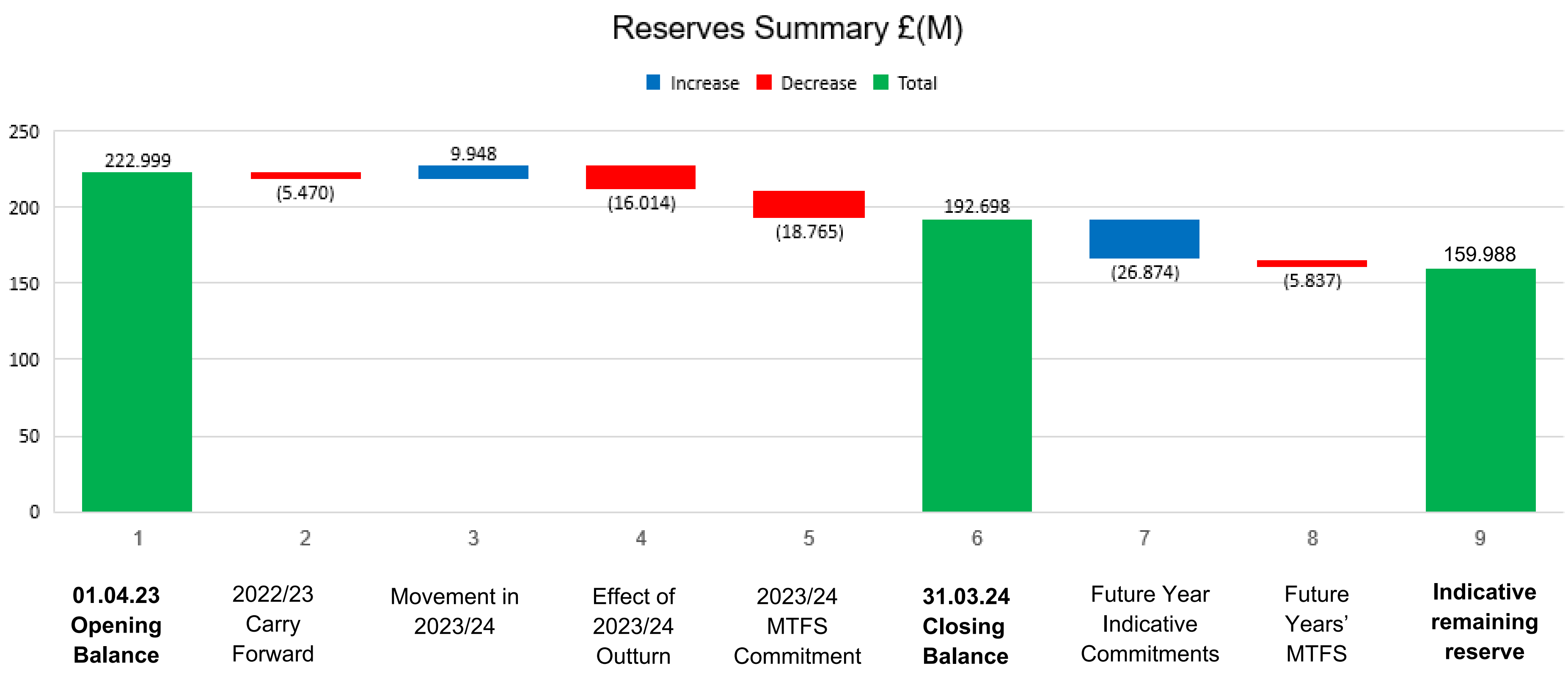
2.3 Capital Forecast Summary



*WRIF (Warwickshire Recovery Investment fund), WPDG (Warwickshire Property Development Group), ARF (Asset Replacement Fund)

The total controllable forecast capital spend for 2023/24 is £151.389m. A further £17.454m is expected to be spent relating to schemes funded by S278 developer contributions where the timing is not directly controllable by the Council. In addition, it is anticipated that £14.823m will be spent on economic growth-related activity through the Warwickshire Recovery and Investment Fund (WRIF) and Warwickshire Property and Development Group (WPDG).

2.4 Reserves Summary[1]



The level of reserves at the start of 2023/24 was £222.999m. The forecast spend in this report and indicative future use of reserves to support the MTFS indicate reserves will reduce by £63.011m over the period of the MTFS to £159.988m. The future MTFS commitments are subject to change as a result of the on-going refresh of the Strategy.

[1] Variations in reserves through the year - red indicates use of reserves and blue indicates an increase in reserves.

3. Revenue Forecast by Service

Service Area	Approved Budget	Service Forecast	(Under) /Over spend	% Change from Budget	Change from Q2 forecast	Represented by: Investment Funds	Represented by: Impact on Earmarked Reserves	Represented by: Remaining Service Variance	% change from Approved Budget	Remaining Service Variance Change from Q2 forecast
	£m	£m	£m		£m	£m	£m	£m		£m
Communities										
Environment & Planning	60.478	66.907	**6.429**	**10.6%**	1.294	0.000	0.225	6.204	**10.3%**	1.132
Fire & Rescue	25.424	25.525	**0.101**	**0.4%**	(0.127)	0.000	0.180	(0.079)	**(0.3%)**	(0.079)
Economy & Place	25.074	24.979	**(0.095)**	**(0.4%)**	(0.772)	(0.185)	(0.154)	0.244	**1.0%**	(0.587)
Strategic Infrastructure & Climate Change	2.067	2.063	**(0.004)**	**(0.2%)**	0.033	0.000	0.000	(0.004)	**(0.2%)**	0.033
Subtotal Communities	**113.043**	**119.474**	**6.431**	**5.7%**	**0.428**	**(0.185)**	**0.251**	**6.365**	**5.6%**	**0.499**
People										
Social Care & Support	210.678	222.243	**11.565**	**5.5%**	(0.345)	0.000	3.398	8.167	**3.9%**	(0.345)
Children & Families	83.462	97.317	**13.855**	**16.6%**	1.229	0.926	0.495	12.434	**14.9%**	1.600
Strategic Commissioner for People	37.539	38.116	**0.577**	**1.5%**	(0.148)	0.000	1.305	(0.728)	**(1.9%)**	(0.099)
Education Services - Non-DSG	10.551	10.875	**0.324**	**3.1%**	(0.283)	0.015	0.262	0.047	**0.4%**	(0.473)
Subtotal People	**342.230**	**368.551**	**26.321**	**7.7%**	**0.453**	0.941	**5.460**	**19.920**	**5.8%**	**0.683**
Resources										
Enabling Services	28.658	31.211	**2.553**	**8.9%**	0.142	1.277	0.081	1.195	**4.2%**	0.024
Finance	17.112	16.769	**(0.343)**	**(2.0%)**	(0.598)	0.400	(0.209)	(0.534)	**(3.1%)**	(0.505)
Strategy, Planning & Governance	6.246	7.511	**1.265**	**20.3%**	0.759	1.771	0.000	(0.506)	**(8.1%)**	(0.755)
Workforce & Local Services	10.815	11.039	**0.224**	**2.1%**	(0.088)	(0.011)	0.272	(0.037)	**(0.3%)**	(0.028)
Subtotal Resources	**62.831**	**66.530**	**3.699**	**5.9%**	**0.215**	**3.437**	**0.144**	**0.118**	**0.2%**	**(1.264)**
Subtotal Directorates	**518.104**	**554.555**	**36.451**	**7.0%**	**1.096**	**4.193**	**5.855**	**26.403**	**5.1%**	**(0.082)**
Corporate Services and DSG										
Corporate Services & Resourcing	(143.931)	(177.991)	**(34.060)**	**23.7%**	(1.655)	0.000	(14.938)	(19.122)	**13.3%**	2.507
DSG expenditure (Education Spending)	263.363	282.275	**18.912**	**7.2%**	5.515	0.000	18.912	0.000	**0.0%**	0.000
DSG income	(263.365)	(265.903)	**(2.538)**	**1.0%**	(2.538)	0.000	(2.538)	0.000	**0.0%**	0.000
Subtotal Corporate Services and DSG	**(143.933)**	**(161.619)**	**(17.686)**	**12.3%**	**1.322**	**0.000**	**1.436**	**(19.122)**	**13.3%**	**2.507**
Total	**374.171**	**392.936**	**18.765**	**5.0%**	**2.418**	**4.193**	**7.291**	**7.281**	**1.9%**	**2.425**

4. Revenue overview

4.1. The forecast outturn position is set out in the table in Section 3 above and shows a total forecast overspend of £18.765m representing 5.0% of the Council's net revenue budget.

4.2. The recurring themes in terms of the key drivers causing this position are:

- a continuation of the increase in need and hence demand for social care and education-related services (including Home to School Transport), following the spike seen after the budget for 2023/24 was agreed;
- inflation remaining higher for longer than anticipated so continuing to increase the cost of services;
- a lack of capacity in the market whether for the supply of specialist placements or staffing;
- a continuation of the substantial gap between the fixed levels of grants provided and the growing spending need in the services the grants are supposed to fund, particularly in relation to the High Needs DSG, which remain materially underfunded to meet statutory requirements for the level of demand, and associated costs, in the system; and
- challenges in terms of the organisation's capacity to deliver and maintain focus on transformation against a backdrop of such significant demand increases in business-as-usual activity.

4.3. The material aspects of the overspend at a service level are set out below. Further detail can be found in Appendix A:

i.) Education Services - Dedicated Schools Grant (DSG)

The forecast £16.374m overspend consists of the following variances:

DSG block	Current year forecast variance as at Q3 2023/24 £m	Cumulative forecast variance as at Q3 £m
Schools Block	(0.119)	(0.613)
Early Years Block	(1.138)	(4.479)
High Needs Block	17.514	37.930
Central Services Block	0.117	(0.367)
Total	**16.374**	**32.470**

The most significant element is the forecast overspend of £17.514m on the High Needs Block (HNB). The material forecast overspends include £3.375m in mainstream school Education, Health and Care Plan (EHCP) top-ups, £2.268m overspend in Special school EHCP top-ups, a £9.370m overspend on independent school places, a £1.198m overspend on specialist resource provision and a £1.293m overspend on Post 16 provision.

Factors impacting pressures in the High Needs Block include increases in permanent exclusions, increasing numbers of children not attending school for medical reasons (often mental health needs) and increasing requests for EHC needs assessment, which are up from 800 to 1,300 in one year (this measure had reduced the year before). The number of children in independent specialist provision has also increased following approximately 6 years of decline. In addition, recruitment of teaching assistants is proving increasingly difficult for schools, leading to schools declaring that they 'cannot meet need'. Following the latest national data release, the trends in Warwickshire reflect a national picture.

The Council is part of tranche 3 of the Department for Education (DfE) Delivering Better Value scheme which is carrying out a diagnostic exercise on current spend and will then lead to case reviews in specific areas. The Council will then be eligible to apply to the DfE for a transformation grant to move forward transformation projects to address the High Needs challenges.

The response to the current challenge is the SEND & Inclusion Change Programme. Live projects currently include 'Inclusion Framework', Emotionally Based School Avoidance, EHC plan top-up funding, and Supported Internships which are all expected to have positive long term financial impact by reducing the pressure for specialist provision through best practice. Two completed projects include the establishment of the Warwickshire Academy (which will be full in 4 of the 5-year groups it supports in September 2024) and growth of resourced provisions (with 4 more resourced provisions coming online in September 2023 bringing to total to 23). Further plans will be developed once the Delivering Better Value work is completed including further extension of resource provision.

ii.) **Environment, Planning & Transport remaining service overspend of £6.204 (+10.3% of approved budget)**

The primary reason for this forecast overspend is Home to School SEND transport forecasting to overspend by £3.293m and mainstream transport forecasting to overspend by £2.600m. This is a combined total forecast overspend of £5.893m which is a considerable increase on the Quarter 2 combined forecast of £4.733m. The cause of the overspends in both areas is the increasing demand for services, the distance individuals are being transported due to the increase of in year admissions, increased interim transport costs for excluded pupils and increasing contract prices.

The cross-party Member Working Group set up as part of the 2023/24 budget continues to review the actions being taken by the service to address the financial position. In addition to the cross-party Member Working Group that is reviewing the actions being taken under each of the SEND transport project workstreams, the Executive Director for Communities has launched a project working group. This group is in its early stages and includes officers from Transport, Education, Finance and PMO and is looking to undertake quick targeted work to maximise the impact on spending levels within Home to School transport. This group will also oversee external support to do focused work to understand, validate and get the best use of our data and prioritise a programme of work to deliver rapid improvement. Further details of this are within Appendix A.

iii.) **Social Care and Support remaining service overspend of £8.167m, (+3.9% of approved budget)**

The Service’s overspend is largely attributable to the increase in demand, inflationary pressures and recruitment difficulties preventing the delivery of planned transformation activity and the realisation of related savings of £5.969m. The rest of the pressure is due to increases in the unit cost of support in excess of that assumed in the 2023/24 budget and an increase in the number of residents requiring support as well as complexity of need.

The majority of the Service's forecast overspend is within the Older People's Service, which is forecast to overspend by £10.081m across the provision of residential, nursing and domiciliary care.

This is a product of both the growth in the number of service users and the use of costly placements due to difficulties in sourcing packages of care at the Council's framework rates and some providers handing back contracts and demanding higher rates.

Management action continues to be taken to mitigate the forecast overspend and further details can be found in 'Commentary on Service Revenue Forecasts' in Appendix A.

iv.) **Children and Families remaining service overspend of £12.434m (+14.9% of approved budget)**
This forecast overspend is primarily driven and related to children's placements, including extra care placements (using emergency placements for hard-to-place children, including placement breakdowns), our internal children's homes and staffing.

Residential Placements & Extra Care Placements - £4.538m overspend & £3.814m overspend - This is predominantly due to market price rises and increased needs of the children. As well as residential placements there is a small cohort of children (forecast overspend of £3.814m) where the market cannot accommodate the children and the Service has to look after them with high-cost wrap around "extra care" packages. To date 31 children have been supported by these packages, currently there are 3 "Live" packages. Such costs can be up to £30,000 a week per child (equivalent to over £1.5m per year). The service is having to use residential care more because of a shortage of foster placements for some age groups (particularly 14+) and have not been able to move as many children as hoped to the one open internal children's home because of challenges around matching the right mix of children within the provision, whilst also meeting individual needs. Matching challenges expected to reduce for future children's homes as they will not be required to comply with age restrictions.

Warwickshire Children's Homes - £0.845m overspend - This is a mixture of post-opening cost increases and pre-opening costs for other homes as the programme is expanded. Our first home is now open, with one child currently placed in the home. Once staff vacancies are recruited to, the home will look to increase numbers to full capacity. For the other homes, building work is still to be completed; it is hoped that these will be operational by end of January 2024. Very slow regulatory approvals and staffing challenges lead to the delay in opening these homes. With residential package costs increasing dramatically, the key for the financial success of this programme is the speedy and continuous occupation of the homes.

Establishment staff (£0.767m overspend) & Agency staff (£3.388m overspend) - There are particular pressures on staffing budgets within the service due to external (statutory/child safeguarding) work demands with caseloads high due to the demand spike from the start of the first half of year. Some roles remain very difficult to recruit to nationally, leading to increasing agency rates. There are a series of proposals being considered to mitigate these overspends, details of which are provided in Appendix A.

Children-in-Care Transport - £0.688m overspend - The forecast is currently based upon a best estimation of the number of passengers at Q3 and a comparison to last year. The forecast will be further refined as the year progresses to reflect passengers no longer using the service and the number of additional passengers to be transported.

iv.) **Enabling Services remaining service overspend of £1.195m (+4.2% of approved budget)**
There is a £1.074m overspend within Property Services which relates to increased utility costs coupled with an increase in business rates (£0.350m) following revaluations.

v.) **Corporate Services remaining service underspend of £19.122m (13.3% of approved budget)**
Of this forecast underspend, £17.462m is due to a number of core grants coming in higher than estimated due to late notifications and a lack of clarity as to how reimbursements would be calculated and £14.6m due to savings in capital financing costs and higher returns on our investments. This is offset by the DSG overspend which is £11.4m higher than provided for in the 2023/24 budget, and £1.514m being the difference between budgeted pay award and the agreed pay deal for 2023/24. This surplus will partially offset the overspends being forecast by services this year, reducing the remaining service variance to a net overspend of £7.281m.

The majority of the forecast underspend in Corporate Services reflects additional income that has already been included within the MTFS resource forecasts presented to Cabinet in December 2023. This means this funding is not available to support the on-going impact of the service overspends in 2024/25 or beyond.

5. Savings Performance

5.1. Performance against individual saving targets can be found in Annexes A to M of Appendix C. The table below provides a summary. The savings target for 2023/24 is £15.158m, at Q3 £6.857m (45%) is forecast as on target to be delivered this financial year, leaving a significant shortfall of £8.301m (55%). The forecast improved since the second quarter by £0.248m (1%).

5.2. The Council has a successful track record of delivering savings. In 2022/23, despite challenges, the Council delivered 93% of its savings plan, totalling £9.579m. With continued high levels of inflation, recruitment difficulties and increased demand for our services, in the current financial year maintaining this level of savings delivery is proving much more challenging. Recognising the requirement in the budget resolution to identify alternative options when planned savings do not materialise, Directorate Leadership Teams have been meeting to review plans. Where alternative delivery options have been identified (6 schemes) the saving is reported as delivered in the table below. Service have found options where possible but service pressures have made it near impossible for the most financially challenged services to find alternative savings in-year.

Service	Savings Target £m	Forecast delivery £m	N° of Schemes	Forecast under-delivery £m	N° of Schemes
Environment & Planning	1.119	0.882	4	0.237	1
Fire and Rescue Service	0.050	0.050	1		
Economy & Place	1.294	1.104	7	0.190	2
Strategic Infrastructure and Climate Change	0.002	0.002	1		
Communities Directorate	**2.465**	**2.038**	**13**	**0.427**	**3**
Social Care and Support	6.269	0.300	1	5.969	7
Children & Families	2.814	1.042	4	1.772	6
Strategy & Commissioning - People	0.560	0.560	4		
Education	0.209	0.150	3	0.059	2
People Directorate	**9.852**	**2.052**	**12**	**7.800**	**15**
Workforce & Local Services	0.115	0.102	2	0.013	1
Enabling Services	0.819	0.769	7	0.050	1
Finance	0.350	0.339	6	0.011	1
Strategy, Planning & Governance	0.529	0.529	11		
Resources Directorate	**1.813**	**1.739**	**26**	**0.074**	**3**
Corporate	1.028	1.028	8		
Total	**15.158**	**6.857**	**59**	**8.301**	**21**

5.3. Of the savings forecast not to deliver, 90% is attributable to schemes where services are struggling to deliver the planned reductions in demand through service re-design. The other 10% is attributable to schemes where income streams have not increased as planned or due to insufficient cost reduction from third party contracts.

5.4. Social Care and Support and Children and Families are responsible for £7.741m (93%) of the shortfall. As outlined in Section 3 of this report, both areas have seen a significant increase in demand and cost for their services, particularly since the last quarter of 2022/23. This is directly impacting on their capacity to deliver the planned savings with limited scope within these services to identify alternative saving options. The greatest proportion of the shortfall (£5.969m) is attributable to Social Care and Support where the planned savings were predicated on the effective management (reduction and re-phasing) of social care demand as well as mitigation of cost increases of externally commissioned care. The savings have not been delivered due to inflationary pressures on third party contracts, recruitment challenges in reablement preventing planned transformation activity to deliver the expected benefits and the greatly increasing demand for Care Act eligible services. The combination of these factors, but especially the demand pressures has not only prevented the Service from delivering the planned savings but also led to a material overspend in the current financial year.

5.5. With the additional income in Corporate Services, the non-achievement of savings can be funded in-year. However, not achieving savings creates a budget pressure next year and in future years of the MTFS.

MTFS Impact

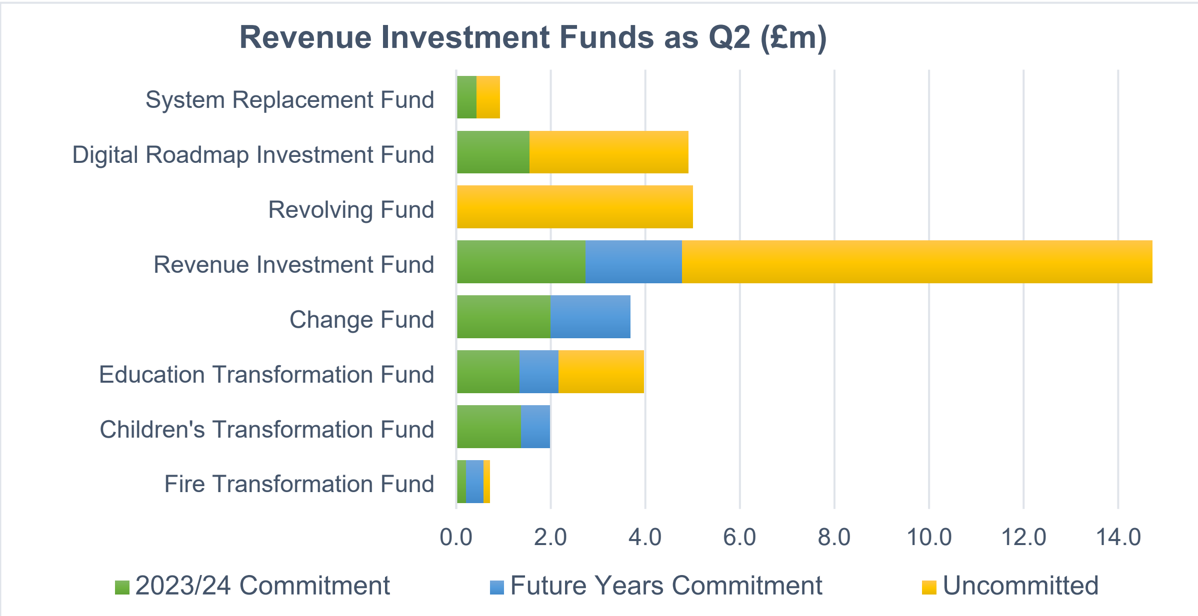
5.6. The majority of the savings this year and in future years are within People Directorate and predicated on reducing demand and cost. The table below shows at a high level the savings forecast not to deliver this year and level of saving in the MTFS at risk in future years.

Service	Forecast under delivery in 2023/24	Savings not forecast to deliver with growth targets in MTFS		
		2024/25	2024-28	N° of Schemes
	£m	£m	£m	
Communities Directorate	0.4	0.1	0.1	1
People Directorate	7.8	8.3	30.9	10
Resources Directorate	0.1	-	0.1	1
Total At Risk	**8.3**	**8.4**	**31.0**	**12**
Savings Required in the MTFS	**15.2**	**16.7**	**52.5**	**70**
% at Risk	**55%**	**50%**	**59%**	

5.7. The pressures being faced this year mean that the MTFS needed to be recalibrated and refocused to ensure that the organisation stays on a sustainable path over the medium-term. Finding solutions to reduce demand remains critical to the achievement of savings included in the MTFS as saving plans related to demand management in Social Care and Support make up £23.443m (33.8%) of the current savings proposals. Better procurement and service redesign in Children and Families, that proved to be challenging in the current year, will also need to be achieved to deliver £10.872m (15.7% of planned savings) within the MTFS period.

6. Revenue Investment Funds

6.1. The remaining balances of each of the Revenue Investment Funds are shown below:



6.2. In the 2023/24 budget resolution, Council agreed to have two revenue investment funds starting from April 2023; £14.693m for a single Revenue Investment Fund

(RIF), of which £10m was uncommitted and £5m for a Revolving Fund specifically to resource invest-to-save projects. The funding is intended to resource projects across the whole of the MTFS period.

6.3. To date Cabinet has agreed a blended package of funding including £1.320m from the RIF, aiming to fund investment in social infrastructure within Levelling Up priority Lower Super Output Areas and two projects, totalling £0.062m, to invest in the delivery of our Sustainable Futures priority. Performance against individual projects is listed in Annexes A to M of Appendix C in this report.

6.4. Given the difficult financial position of the organisation in the current financial year, officers limited the bids to the RIF to the most essential and unavoidable projects. The projects that have been put forward for Cabinet approval have undergone rigorous evaluation to ensure they support the delivery of the Council's objective and represent good value for money.

6.5. The IT System Replacement Fund is available to draw on to ensure we can keep our systems up to date and adapt to changing requirements. At the start of the year there was £0.867m in this fund including the £0.500m agreed in the budget resolution, £0.400m has been allocated to deliver the Unit 4 Capital and Cloud Migration project, leaving £0.467m available to spend in the remainder of the financial year. Any unused funding will be carried forward to meet investment need in future years.

6.6. The Revolving Fund is also available, and services are encouraged, as part of the on-going refresh of the MTFS, to identify invest-to-save initiatives that can utilise the Revolving Fund and deliver savings in future years. If the Revolving Fund continues to remain underutilised there will be a need to consider how this is repurposed/rescaled.

6.7. Following the overspend forecast reported at the end of Q1, the revised strategic approach requires new investment/change spending to deliver savings/cost avoidance based on a standstill service quality rather than investment in service improvement. This approach prioritises the long term sustainability of the services provided and aims to maintain the Council's robust financial position over the medium term, despite the current challenges.

7. Reserves

Reserve	Opening Balance 01/04/2023	23/24 MTFS Commitment	Movement in year	Outturn Impact	Indicative Closing Balance 31/03/2024	Impact of Q3: Adjustment to balance Risk Reserves	MTFS Allocation 2024-2028 (incl reserves review)	Indicative Balance at 31/03/2029
	£m	£m	£m	£m	£m	£m	£m	£m
DSG Deficit (inc Early Years, Schools, High Needs)	(16.097)	-	-	(16.374)	(32.471)	-	(18.000)	(50.471)
DSG High Needs Offset Reserve	21.650	-	4.855	11.425	37.930	-	18.000	55.930
Other Schools Reserves	21.213	-	-	0.209	21.422	-	-	21.422
Externally Earmarked Reserves	12.029	(0.375)	(2.819)	(0.937)	7.898	-	(0.016)	7.882
Internal policy/projects	15.421	(0.248)	(0.845)	(1.599)	12.728	-	(1.183)	11.545
Corporate Investment Funds	26.192	5.000	(1.851)	(4.193)	25.147	-	(5.880)	20.551
Volatility reserves	57.271	2.300	(1.492)	(0.015)	58.064	-	(2.476)	55.588
Management of Financial Risk	34.791	-	11.832	(26.403)	20.448	15.963	(0.037)	36.374
Available to Use Reserve	50.530	(22.691)	(5.200)	19.122	41.532	(15.963)	(24.402)	1.167
Total	**222.999**	**(16.014)**	**4.478**	**(18.765)**	**192.698**	**-**	**(32.710)**	**159.988**

7.1. As at Q3 we are using £30.301m of reserves to support spending in 2023/24, this is £8.769m more than 2022/23. It is made up of the approved carry forwards, funding for investment and transformation projects, the transfer of the revenue contribution to support the DSG deficit offset reserve as approved by Council, and the use of £16.014m in 2023/24 to fund time-limited costs and budget allocations to accommodate the differences in timing between spending need and ongoing resource through delivery of savings and/or income and as agreed in the MTFS approved as part of the budget in February 2023.

7.2. The movement in reserves has increased by £10.252m since Q2. As approved by Cabinet, the budget has increased by a corresponding £10.252m, due to the following changes:

- £10.373m planned transfer to reserves to provide for the risk of service overspend in future years funded from one-off underspend on capital financing;
- £0.111m from the Service Realignment Fund to fund qualifying redundancy and pension payments incurred; and
- £0.010m was drawn down from the Revenue Investment Fund (RIF), further details on this can be found in Section 6.

7.3. Based on the Q2 forecast, Directorate Risk Reserves will be overdrawn by £15.963m at the end of the financial year. To make good this position the resources will need to be redirected from the from the Available for Use reserve, thereby reducing the available funds to support the MTFS in future years.

7.4. The impact of the current forecast revenue position will be a reduction in reserves by a net £18.765m. The key drivers of this change are the DSG overspend that will further increase the deficit, children's and adults social care services, and home to school transport.

7.5. Using this level of reserves to mitigate unplanned overspends is not sustainable. Whilst currently our reserves remain healthy, with the planned use of reserves appropriate and managed over the medium term, it is critical that Services continue to identify solutions to mitigate the current year overspend.

7.6. As part of the MTFS refresh a detailed reserves review took take place in November 2023 working jointly with Directorate and Service Leadership Teams with the aim to identify reserve balances that can be released to support the MTFS and the Council Plan. As a result of this review £3.712m has been transferred from earmarked reserves to the Available to Use Reserve.

7.7. Corporate Board's MTFS proposals presented to Cabinet in December 2023 require £28.114m in the MTFS period to support time limited investments in service delivery. Based on Corporate Board's proposals and the Q3 forecast, £1.167m will be remaining in the Available to Use reserve by the end of 2028/29. This represents a risk to the Council.

7.8. The work currently underway with the Department for Education (Delivering Better Value) suggests that the level of deficit relating to the Dedicated Schools Grant could reach £150m by the end of 2027/28 even if all suggested mitigating actions successfully implemented. A national solution is urgently required but it is unlikely to be in place for 2024/25 therefore our current assumptions include setting aside £18m in 2024/25 to ensure that the Authority remains financially sustainable. Unless there are material levels of additional resources provided by the Government and fundamental system changes at a national level, it appears unaffordable for the Authority to continue to make provision for the deficit beyond 2024/25 at this point in time.

7.9. The Government has put in place a statutory override until March 2026 that means that authorities do not have to make good their accumulated deficit until this point. The financial assumption in the current MTFS proposals is that the Authority will take advantage of the statutory override from April 2025 onwards and commit to implementing the options available to make good the accumulated deficit (such as taking out additional borrowing or raising the council tax) when the statutory override is lifted. In the continuing absence of a clear policy to address this longstanding issue and provide a mechanism for a financially sustainable solution this would represent a step change in the Authority's underlying financial risk.

8. Financial Recovery Strategy

8.1. In response to the forecast overspend that emerged at Q1 Corporate Board developed an action plan aiming to contain and minimise the 2023/24 overspend, ensure the nature and impact of pressures is understood and key staff members as well as elected members are engaged in identifying solutions and developing long-term transformation plans.

8.2. As part of the Financial Recovery Strategy all Directors with a forecast overspend have been asked to develop a Financial Recovery Plan with primary focus on the areas of Social Care and Support, Children and Families, SEND (linked to the Delivering Best Value plan), Home to School Transport and Enabling Services (utilities).

8.3. As part of the strategy a review of short-term budget balancing options took place as well as a review of all transformation activity.

8.4. The impact of the Financial Recovery Strategy on both one-off and permanent cost is reflected in the forecast presented in this report as well as in the MTFS proposals put forward to Cabinet in December 2023. Whilst not resolving the overspend position the impact of the Financial Recovery Strategies, excluding DSG, has been to stabilise the position overall with a reduction in the forecast overspend in services of £0.082m despite some areas continuing to experience upwards demand and cost pressures.

9. Capital

9.1. As part of the budget resolution in February 2023 Council approved a capital budget of £193.189m for 2023/24 and a total capital programme of £848.566m for the medium-term. The latest forecast for 2023/24 capital payments directly controllable by the Council is £151.389m and a total capital programme of £626.029m.

9.2. A reconciliation of the latest approved budget for 2023/24 and the capital programme is provided below between the budget resolution and this report:

	Capital Budget 2023/24
	£m
Total programme as per Council Resolution February 2023	316.945
Unallocated Capital Investment Fund	(20.899)

Warwickshire Recovery and Investment Fund (WRIF), and Warwickshire Property and Development Group (WPDG) and Asset Replacement Fund (ARF)	(45.621)
Education basic needs funding (unallocated)	(25.019)
S278	(32.217)
Controllable capital programme for 2023/24 at February 2023	**193.189**
New approvals, reprofiling since the budget was approved in February 2023, including the impact of delays at 2022/23 outturn	(8.646)
Opening controllable capital programme for 2023/24	**184.543**

9.3. The table below shows the effect of the Q1 and Q2 changes have had on the original approved budget.

9.4. The Capital Investment Fund (CIF) balance which is not included in the figures below is £84.700m available across the five years of the MTFS. Of the original £15m Capital Inflation Contingency, £7.716m is currently uncommitted but £6.723m of this is earmarked for specific schemes with only £0.993m available for any new pressures. It is expected all funds will be fully allocated by the end of the MTFS period.

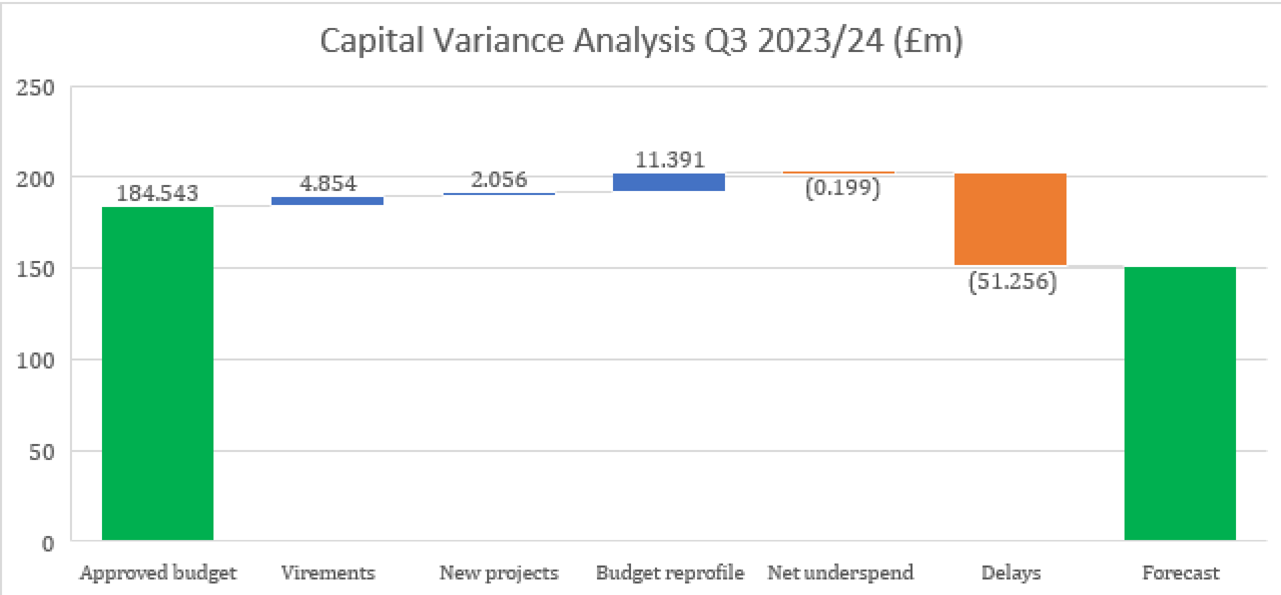
	2023/24			2024/25 to 2027/28		
	Original Budget £m	Virements @ Q1 & Q2 £m	Current Approved Budget £m	Original Budget £m	Virements @ Q1 & Q2 £m	Current Approved Budget £m
Environment, Planning & Transport Services	60.910	(0.114)	60.796	69.887	2.105	71.992
Fire and Rescue	3.095	2.807	5.901	1.292	(0.899)	0.392
Economy & Place	14.531	(4.713)	9.818	34.179	(13.856)	20.324
Strategic Infrastructure & Climate Change	-	3.290	3.290	-	19.224	19.224
Communities	**78.536**	**1.269**	**79.805**	**105.358**	**6.574**	**111.932**
Children and Families	1.140	0.692	1.832	1.186	0.459	1.645
Education Services	79.256	1.485	80.740	50.180	6.133	56.313
Social Care & Support	-	-	-	0.313	0.009	0.322
Sc for People & Public Health	5.870	0.447	6.317	-	-	-
People	**86.265**	**2.624**	**88.890**	**51.679**	**6.601**	**58.280**
Workforce & Local Services	0.511	0.750	1.261	0.336	0.750	1.086
Enabling Services	16.074	3.363	19.437	5.198	1.283	6.481
Strategy, Planning & Governance	3.155	(3.155)	-	0.895	(0.895)	-
Resources	**19.740**	**0.958**	**20.698**	**6.428**	**1.138**	**7.566**
Controllable capital programme	**184.543**	**4.851**	**189.397**	**163.465**	**14.313**	**177.778**
Corporate: WPDG / WRIF / ARF	45.973	0.800	46.773	161.614	3.200	164.814
WCC Capital Programme	**230.516**	**5.651**	**236.169**	**325.079**	**17.513**	**342.592**
S278 funded schemes	27.170	(9.187)	17.983	26.205	(14.518)	11.687
Total Capital Expenditure	**257.686**	**(3.536)**	**254.152**	**351.284**	**2.995**	**354.279**

Capital Forecast by Service

9.5. The forecast of 2023/24 capital payments directly controllable by the Authority of £151.389m excludes the forecast spend on S278 developer schemes of £17.454m and corporate allocations for WPDG, WRIF and ARF (Asset Replacement Fund) of £14.823m. These elements are excluded from the headline figures as the timing of the spend is not directly controllable by the Council. If these are included the total 2023/24 capital expenditure forecast is £183.666m.

Capital Variance Analysis

9.6. The original 2023/24 controllable capital budget of £184.543m was approved by Cabinet in June 2023. The chart below explains the changes between the approved budget and the forecast spend of £151.389m.



These figures exclude S278 and Corporate Schemes

9.7. The table below shows the variances in year and in future years. For details of how the total variance in the table below is funded please refer to the **Annexes A to M**.

	2023/24			2024/25 to 2027/28			Total Variance
	Approved Budget £m	Forecast £m	Variance £m	Approved Budget £m	Actual £m	Variance £m	£m
Environment, Planning & Transport Services	60.796	41.775	(19.021)	71.992	113.382	41.390	22.368
Fire and Rescue	5.901	5.695	(0.206)	0.392	0.598	0.206	-
Economy & Place	9.818	8.547	(1.271)	20.324	21.284	0.961	(0.310)
Strategic Infrastructure & Climate Change	7.278	6.944	(0.334)	24.810	25.142	0.332	(0.001)
Communities	**83.793**	**62.962**	**(20.831)**	**117.518**	**160.407**	**42.889**	**22.057**
Children and Families	1.832	1.814	(0.019)	1.645	1.661	0.016	(0.003)
Education Services	80.740	65.825	(14.916)	56.313	71.210	14.897	(0.019)
Social Care & Support	-	-	-	0.313	0.313	-	-
Sc for People & Public Health	6.317	6.225	(0.092)	-	0.092	0.092	-
People	**88.890**	**73.863**	**(15.026)**	**58.271**	**73.276**	**15.005**	**(0.021)**
Workforce & Local Services	0.511	0.511	-	0.336	0.335	-	-
Enabling Services	15.453	13.303	(2.150)	0.895	3.041	2.147	(0.003)
Strategy, Planning & Governance	0.750	0.750	-	0.750	0.750	-	-
Resources	**16.714**	**14.564**	**(2.149)**	**1.980**	**4.127**	**2.146**	**(0.003)**
Controllable capital programme	**189.397**	**151.389**	**(38.009)**	**177.769**	**237.809**	**60.040**	**22.032**
Corporate: WPDG / WRIF / ARF	46.773	14.823	(31.950)	164.814	196.764	31.950	-
WCC Capital Programme	**236.169**	**166.212**	**(69.959)**	**342.583**	**434.573**	**91.990**	**22.033**
S278 funded schemes	17.982	17.454	(0.528)	11.687	7.789	(3.898)	(4.426)
Total Capital Expenditure	**254.152**	**183.666**	**(70.487)**	**354.270**	**442.362**	**88.092**	**17.606**

9.8. The 2023/24 budget is set according to the 2023/24 forecast spend as estimated as part of the 2022/23 outturn report. The forecast shows the changes in the capital programmes since:

Service	Approved budget 2023-24	New projects at Q3	Net over / underspend forecast	Budget Reprofile in year	Delays expected	Forecast In year capital spend Q3	% of delays
	£m	£m	£m	£m	£m	£m	
	A	B	C	D	E	F=Sum(A:E)	G= E/Sum(A:C)
Environment, Planning & Transport Services	60.795	2.056	(0.179)	0.614	(21.513)	41.773	34.33%
Fire and Rescue	5.902	-	-	0.196	(0.402)	5.696	6.81%
Economy & Place	9.821	-	-	2.818	(4.088)	8.551	41.62%
Strategic Infrastructure & Climate Change	7.274	-	-	-	(0.330)	6.944	4.54%
Children & Families	1.832	-	-	0.070	(0.088)	1.814	4.80%
Education Services	80.741	-	(0.020)	7.697	(22.592)	65.826	27.99%
Social Care	-	-	-	-	-	-	-
Strategic Commissioning for People & Public Health	6.317	-	-	-	(0.092)	6.225	1.46%
Workforce & Local Services	0.511	-	-	0.001	-	0.512	-
Enabling Services	15.453	-	-	-	(2.150)	13.303	13.91%
Strategy, Planning & Governance	0.750	-	-	-	-	0.750	-
Services Capital Programme	**189.397**	**2.056**	**(0.199)**	**11.396**	**(51.256)**	**151.389**	**27.09%**
Corporate (WPDG & WRIF & ARF)	46.773	-	-	-	(31.950)	14.823	68.31%
WCC Capital Programme	**236.169**	**2.056**	**(0.199)**	**11.396**	**(83.205))**	**166.212**	**35.26%**
S278 Developer Funded Schemes	17.983	(0.003)	(0.341)	0.001	(0.184)	17.456	1.04%
Total Capital Expenditure	**254.152**	**2.053**	**(0.540)**	**11.397**	**(83.390)**	**183.666**	**32.88%**

9.9. The changes to the capital programme are made up of:

- New projects (B)– these are projects recently added to the capital programme or projects where costs have risen as a result of a substantial change in scope. These schemes have been added through formal governance processes, with financing made available from the Capital Investment Fund or funded by third parties. Adding £2.053m new projects to the capital programme in 2023/24 requires that an equivalent amount of additional funding has also been identified.
- Projects with Increased Spend (C) – these are schemes where project costs have risen above the level previously expected and additional funding has been arranged. This may be in the form of a contribution from a Service's revenue budget, the use of Basic Need Funding for education projects or increased grants. In many cases the impact of this is that there is less funding available for other projects/activity.
- Underspent projects (C) – these are schemes which have been delivered under budget. The impact of this is that funds are no longer required for a specific scheme. This may mean the authority will be able to recycle funds to alternative projects or borrow less to fund capital spend in the future.
- Reprofiled forecasts and delayed projects (D & E)– these are schemes where the project timeline has been reprofiled or there has been a delay in the timescale for delivery. The project is still being delivered and with no material change in cost, but the benefits of projects are not realised and available to the taxpayers of Warwickshire in the timeframe originally anticipated. The net position is that there is £39.860m of project expenditure which has been reprofiled into future years from or to 2023-24, and work is ongoing to make estimates of planned delivery more realistic to ensure reprofiling only occurs where delays are uncontrollable. The key reasons for the current delays are provided in **Appendix B** of this report and they include availability of contractors and materials, project reviews and redesigns due to inflationary pressures and longer than anticipated procurement and planning processes.

9.10. Detailed explanation at a Service level of all changes to the capital programme is provided in **Annexes A to M**.

9.11. The capital forecast is based on expenditure where formal approval has been granted and the source of funding is identified. However, at Q3 capital project managers reported a number of schemes where cost increases are expected above the level of the currently approved funding. Work is underway to identify mitigations to reduce the expected cost and if unavoidable, these schemes will seek Cabinet approval for additional capital funding. Spend on the effected projects will pause until a resolution is found so the approved budget is not exceeded. Any overspend on completion of the projects would be charged to revenue and consequently increase the current revenue overspend. The table below shows a high-level summary by Service with details provided in **Appendix B**.

Service	2023/24 Forecast above approved capital allocation (£m)	2024/25 Forecast above approved capital allocation (£m)	Total Forecast above approved capital allocation (£m)
Education Services	0.573	0.039	0.612
Environment Planning and Transport	-	0.446	0.446
Total	0.573	0.485	1.058

9.12. Where schemes are in the early stages of design and costing there is a risk that project costs will significantly rise prior to completion due to inflation. This issue has been dealt with as part of the 2023/24 MTFS Refresh with the establishment of the Investigation Design Fund (IDF) with £4m funding to support improved costing of projects before they are brought to Members for approval.

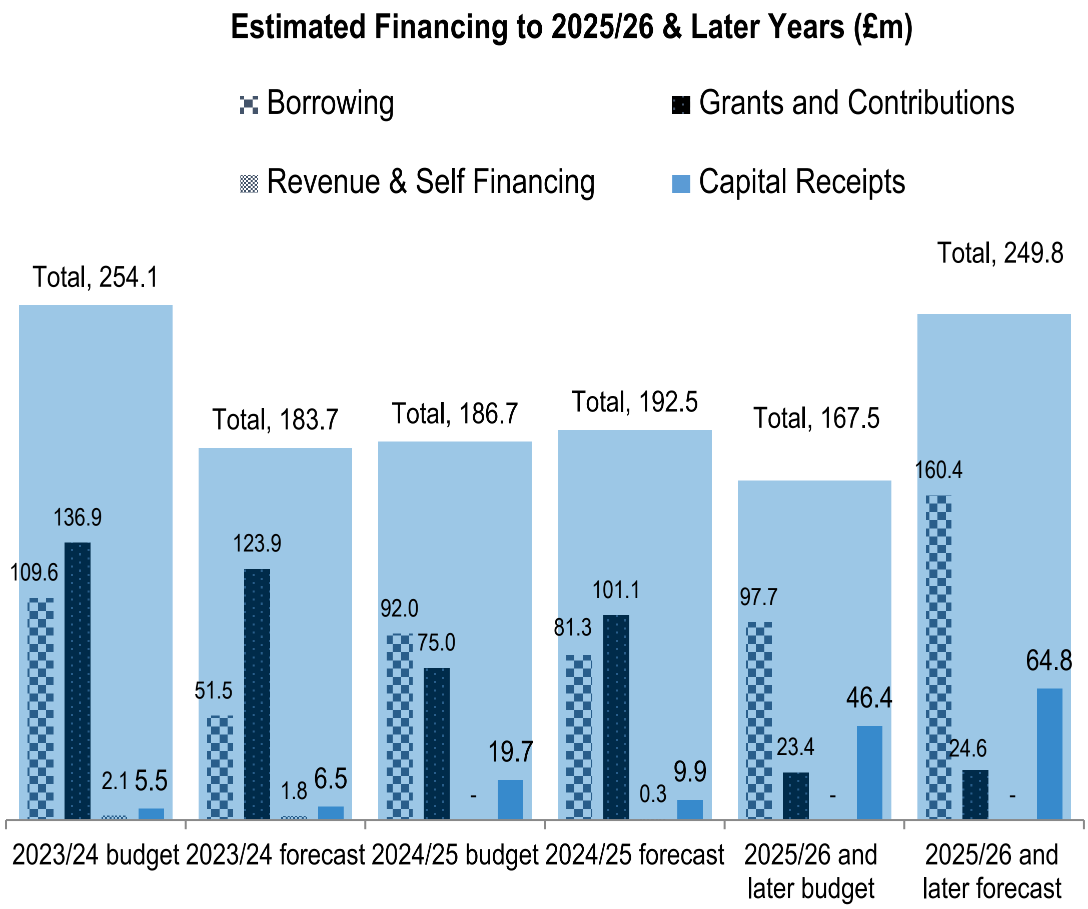
Capital Financing

9.13. All local authorities are required to consider their gross capital spend and how it is financed separately. This is because where allowed, at a whole Council level, it is more cost effective to make use of any external capital resources (primarily government grants and capital receipts) before taking out additional borrowing. The approach delays the increase in the need to borrow. For forecasting purposes, we accurately reflect how individual schemes are being financed so that the CFR (Capital Financing Requirement) and MRP (Minimum Revenue Provision) prudently reflect and provide for the repayment of debt.

9.14. The most significant variable in financing the capital expenditure is forecasting the timing of the delivery of capital receipts. Capital receipts and income, including those from the County Council, WPDG and the Warwickshire Recovery and Investment Fund, are used to avoid the need to incur additional borrowing. Any shortfall in the level of expected receipts may require the Authority to borrow sooner than expected.

9.15. The timing of when additional borrowing is taken out will depend on the Authority's overall cash position which may provide an opportunity to 'internally' borrow from other Council resources in the short term to minimise the impact of financing long-term external borrowing on the revenue budget. Monitoring of longer-term balance sheet projections will continue to be undertaken to ensure the Authority maximises its resources.

9.16. The chart and table below provide further detail on how the approved 2023/24 capital programme and 2023-28 Capital MTFS are currently planned to be financed. The figures are exclusive of capital forecasts above the currently approved capital budget.



	2023/24 budget £m	2023/24 forecast £m	2024/25 budget £m	2024/25 forecast £m	2025/26 and later budget £m	2025/26 and later forecast £m
Corporate Borrowing	109.613	51.469	91.987	81.287	97.730	160.387
Self-financed Borrowing	1.326	1.326	0.038	0.038	-	-
Grants and Contributions	136.850	123.867	74.988	101.065	23.448	24.586
Capital Receipts	0.685	0.217	2.650	2.683	-	0.336
Capital Receipts - WRIF	0.532	-	2.470	1.038	31.030	49.362
Capital Receipts - WPDG	4.295	6.240	14.600	6.163	15.326	15.146
Capital Receipts Reserve	-	-	-	-	-	-
Revenue	0.846	0.547	0.001	0.272	-	-
Total	**254.151**	**183.666**	**186.734**	**192.546**	**167.533**	**249.818**

* *The income from grants and contributions includes grants from Government and contributions from developers and other third parties.*

Note: The borrowing figure shown is the gap between our spending and the funding available to us, which is called the CFR (Capital Financing Requirement). The Council manages cash as a whole, so even where borrowing is shown as a form of financing in this graph it does not mean new external borrowing will be necessary straightaway. In the short term it may be more cost effective to use our cash balances, but it is a measure of the borrowing that will be needed over the medium to long term. Our borrowing is compliant with the Prudential Code, and we assess our level of borrowing against comparator councils in formulating the annual capital strategy.

10. Financial Implications

10.1. The report outlines the financial performance of the Authority in 2023/24. There are no additional financial implications to those detailed in the main body of the report. The report sets out how the Council's risk reserves will be used to fund the forecast overspend of £7.281m in 2023/24. It also forewarns of £1.058m unfunded capital expenditure over the next two financial years. These projects will be paused until the cost increase is mitigated or suitable funding is identified. If an overspend occurs on completion of a capital scheme it would be charged to revenue and increase the forecast overspend.

10.2. The key financial issue remains that the MTFS should reflect the need to put sustainable solutions in place for those services reporting material demand-led overspends; the need to ensure the ambitions of the capital strategy are aligned to the capacity to deliver; and that any plans developed to balance the budget going forward are robust so any decisions can be taken promptly.

11. Environmental Implications

11.1. There are no specific environmental implications as a result of the information and decisions outlined in the report.

12. Background Papers

12.1. None.

Appendices

Appendix A – Commentary on service revenue forecasts
Appendix B – Commentary on service capital forecasts
Appendix C – Service level narrative, reserves, savings and forecasts

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No elected members have been consulted in the preparation of this report.

Commentary on Service Revenue Forecasts

This Appendix provides commentary on the service revenue forecasts shown in Section 3 of the main report.

1. Communities Directorate

Economy & Place – (£0.095m underspend; -0.4%)
Explanation of the Investment Funds (£0.185m underspend)
There are underspends forecast on investment funds of £0.185m across 3 projects: • £0.112m on Project Warwickshire programme for the tourism, leisure & hospitality sector which was agreed by Cabinet in April 2021. The funding is spent on salaries of those supporting businesses as well as other costs like marketing and venue hire. Since making the Revenue Investment Fund (RIF) allocation, funding has been secured from the new UK Shared Prosperity Fund (UKSPF) meaning that the RIF element will have an in-year underspend. At the end of the financial year the service will request to carry it forward into 2024/25 to extend the programme for another year supported by the UKSPF. The carry forward will be subject to Corporate Board and Cabinet approval. • £0.055m for the Active Travel plan which has now been funded via external grant so this funding will no longer be required and will be returned to the Revenue Investment Fund. • £0.018m on the Art Challenge project which was a 3-year project to fund art installations across the County. It is anticipated that the £0.018m will be required for 2024/25.
Explanation of the Earmarked Reserves (£0.154m)
• The forecast contribution to reserves is the surplus income from Speed Awareness workshops.
Explanation of the Remaining Service net overspend (£0.244m)
The remaining service overspend is made up of the following: • An overspend of £0.999m forecast within Transport & Highways largely as a result of the income target on car parking being unachieved. This is in part due to increased costs associated with the parking enforcement contractors. • A forecast overspend of £0.353m in Country Parks due to the Car Parking income target not being achieved. These overspends are partially offset by the following: • An underspend of £0.768m within Waste Services. This is largely due to a change within the Staffordshire Waste to Recovery energy project. The project accepts waste from ourselves and other local authority partners and we receive income based upon our share of the sales of recyclables, third-party waste processing capacity and electricity. Up until now we have not been in a position that we have received income from the sale of electricity, however, the recent inflationary rise in price means there are now profits from electricity to be shared and this has been reflected in the forecast which gives rise to the in-year underspend. The forecast is based upon the estimates given to us by Staffordshire and these will be updated in early February so may change. • Within Economy and Skills an underspend of £0.258m is forecast due to a reduction in the cost of the Apprenticeship fund and external contributions being secured to offset some of the in year staff costs. • Within the Communities support costs budgets, an underspend of £0.116m is forecast which would have been used for specific projects across the directorate, however the project work has been delayed to allow the funds to be used to mitigate the forecast overspend position as much as possible.

Economy & Place – (£0.095m underspend; -0.4%)
Change in the Remaining Service position since the position reported at Quarter 2 (reduced overspend of £0.587m)
The movement in the remaining service overspend is largely made up of the following: • The additional income anticipated from the Staffordshire waste contract along with a review of the expected waste tonnages and costs for the remainder of the year. • The more detailed review of the position within Economy and Skills, following a period of absence of a key staff member, identifying the additional income contributions and reduction in costs for the year of the apprenticeship programme.

Environment, Planning & Transport - (£6.429m overspend; +10.6%)
Explanation of the Investment Funds (£0.000m)
There is no variance forecast on investment funds
Explanation of the Earmarked Reserves (£0.225m)
There are 3 drawdowns from reserves anticipated: • £0.173m from the s38 Reserve • £0.041m from Covid funding (COMF) for Preventing Serious Violence for a project mentoring young people. • £0.011m from the Domestic Homicide Review reserve.
Explanation of the Remaining Service net overspend (£6.204m)
The remaining net service overspend predominantly comprises of: • A forecast Home to School Transport overspend of £5.893m which is made up of £2.600m on Mainstream Transport and £3.293m SEND. The cause of the overspends in both areas is the increasing demand for services, the distance individuals are being transported due to the lack of school places in local areas, increased interim transport costs for excluded pupils and increasing contract prices. • There is a forecast overspend within Traffic Signals of £0.351m which arises from the increased cost of energy. • A forecast underachievement of income of £0.080m within Forestry, largely due to increased targets as a result of MTFS savings. This position will be monitored with the service. These overspends are partially offset by an underspend in year of £0.103m due to staff vacancies within Transport Delivery. In addition to the cross-party Member Working Group that is reviewing the actions being taken under each of the SEND transport project workstreams, the Executive Director for Communities has launched a project working group. This group is in its early stages and includes officers from Transport, Education, Finance and PMO and is looking to undertake some quick targeted work to maximise the impact on spending levels within Home to School transport. This group will also oversee external support to do focused work to understand, validate and get the best use of our data and prioritise a programme of work to deliver rapid improvement.
Change in the Remaining Service position since the position reported at Quarter 2 (increased overspend of £1.132m)
The increase in forecast overspend since that reported at Quarter 2 is predominantly as a result of: • Increased forecasts within Home to School transport of £1.160m to take into account the additional costs for children where transport had not yet been arranged because of backlogs within the system. Additionally, there were another 202 Mainstream passengers, which led to some new routes being required as well as at least 10 being transported in taxis due to other provisions not being available.

Strategic Infrastructure & Climate Change - (£0.004m underspend; -0.2%)
Explanation of the Investment Funds (£0.000m)
There is no variance forecast on investment funds
Explanation of the Earmarked Reserves (£0.000m)
There are no movements on Earmarked Reserves
Explanation of the Remaining Service net overspend (£0.004m)
There is no significant variance.
Change in the Remaining Service position since the position reported at Quarter 2
There was no reporting for this area at Quarter 2 as it was introduced in Period 7 as part of the organisational restructure.

Fire and Rescue - (£0.101m overspend; +0.4%)
Explanation of the Investment Funds (£0.000m)
There is no variance forecast on investment funds
Explanation of the Earmarked Reserves (£0.180m)
There are overspends forecast which will be drawn from reserves for the following: • £0.068m for the Local Resilience Forum • £0.113m for Pensions • £0.014m from Community Fire Safety to cover printing and equipment cost This is offset by a contribution to reserves for: • £0.015m Hospital to Home transport
Explanation of the Remaining Service net underspend (£0.079m)
There is a net in year underspend across the service on salaries of £0.0178m. This underspend is partially offset by spending on ICT maintenance charges (£0.064m), a one-off cultural review (£0.013m) and one-off risk analysis work (£0.011m).
Change in the Remaining Service position since the position reported at Quarter 2 (increased underspend of £0.079m)
The increase in underspend since Quarter 2 follows a review of the salary forecast position which has highlighted some increased underspends due to the in year vacancy position.

2. People Directorate

Social Care & Support Service – (£11.565m overspend, +5.5%)
Explanation of the Investment Funds (£0.000m)
There is no variance forecast on Investment Funds.
Explanation of the net transfer from Earmarked Reserves (£3.398m)
£3.398m is the Market Sustainability & Improvement Fund – Workforce grant to be transferred at year end.
Explanation of the Remaining Service net overspend (£8.167m, 3.9%)
The 2022/23 financial pressure on Social Care & Support continues into 2023/24. This pressure is attributed to the increase in the unit cost of support, the increase in the number of residents requiring support and the increased complexity of care required by residents funded by the Council.

Social Care & Support Service – (£11.565m overspend, +5.5%)

The increased spending in Adult Social Care since the start of the financial year is driven primarily by increases in cost (77%) with the increase in the volume of packages of care accounting for 23% of the increase.

Older People

Older People Services has an overspend of £10.081m, 17% above budget, driven by rising unit costs across residential and nursing care and also due to volumes in domiciliary care, this is after being substantially offset by closely correlated increased client contributions.

The overspend can be substantially explained by residential costs which are 21% over budget. This is due to the use of costly placements due to difficulties in sourcing packages of care at WCC standard framework rates with providers citing the complexity of care needs as the rationale, with placements at individually negotiated rates accounting for 75% of all residential placements which are on average 37% more expensive than framework rates.

Nursing presents a similar picture with placements at individually negotiated rates accounting for 90% of all placements and being 39% more expensive than framework rates.

Domiciliary care overspend is due to the complexity and volume. Despite standard rates, the average weekly cost of a care package has increased by 11% since April 2023 and the number of packages of care has increased by 7%.

Driving the increased volumes and intensity of packages of care will include the Community Recovery Service and the continuation of the discharge to assess process, contributions to these costs are held in the Director's area for centralised budgets.

Disabilities 25+

Disabilities 25+ are forecasting an overspend of £4.477m, 5% above budget, this is across a range of areas with pressures greatest in supported living, residential colleges and residential care.

The pressures in these three key areas are due to:

- An increase in budgeted client numbers of 69 which is 11% higher than the number budgeted for supported living, and unit costs rising 4% above the rate of inflation provided for supported living.
- An increase in budgeted client numbers of 8 which is 3% higher than the number budgeted for residential care, and unit costs rising 6% above the rate of inflation provided for residential care.
- A range of factors account for the overspend in residential colleges including increased client needs and extensions to the time spent at college.

The average duration of care is increasing and linked to this, the needs for care increase with age, therefore the drivers are a combination of the complexity of care as well as the cost per unit and the volume of clients.

Overspends in nursing and night support are also driven by an increased number of clients and unit costs rising above the rate of inflation provided.

Social Care & Support Service – (£11.565m overspend, +5.5%)
Whilst there is an offsetting underspend in staffing there is also an emerging issue of reduced Continued Healthcare income. The expectation this year is c£0.3m lower than the average of the last three years and £0.470m less than budget, this is due to focused activity by the ICB on conducting reviews in this area. **Mental Health** Mental Health are forecasting an overspend of £2.377m, 14% above budget, this is across residential care and supported living partially offset by an underspend in staffing. The pressures in residential and supported living are due to: • An increase in budgeted client numbers of 37 which is 35% higher than the number budgeted for and unit costs rising 3% above the rate of inflation provided for residential care. • An increase in budgeted client numbers of 76 which is 46% higher than the number budgeted for supported living. High cost transition packages are contributing to the overspend with a number of younger people requiring intensive care; the average number of hours support required has increased by 2 hours per week, which equates to 5%, in six months. A contributing factor to the overspend is an increased proportion of new packages of care that do not have Section 117 funding meaning WCC is bearing the full cost due to the ICB restricting their health contribution. Previously high-cost packages, where there is a presence of a health need, have been successfully negotiated but more recently opportunity to agree joint funding has become increasingly limited. The Council and ICB have several Memorandum of Understanding documents in place to manage these processes, and we are increasingly using the escalation process outlined within these documents. Note that there is also increased challenge by WCC of ICB assessment of need against the CHC criteria outlined above. There is also increased challenge by WCC of ICB assessment of need against CHC criteria. The increase in the need to challenge assessments likely to be linked to the significant pressure on the ICB budgets and the scale of savings they are required to deliver. **Other budget areas** Adults Practice & Safeguarding has an overspend of £0.382m due to continuing high costs of adults' transport. The underspend of £6.727m for Director - Social Care & Support is explained by income held in the Director area for centralised budgets with the incurred expenditure elsewhere. This is in relation to: • Adult Social Care Discharge funding – both WCC and ICB contribution towards the ongoing financial impact upon WCC of the ongoing Discharge to Assess process. • A release of funding from reserves due to a change in the policy for Adult Social Care Aged Debt. • Funding assigned to manage the impact of the Working Age Adults tender

Social Care & Support Service – (£11.565m overspend, +5.5%)
• An underspend on assessment of Mental Health Deprivation of Liberty Safeguards and on the review of social care needs for those with Disabilities aged 25+. Disabilities 0-25 have an underspend of £1.109m in residential however it is critical to note that given the low numbers of individuals and the high cost per child, an addition or change in package of care of just one or two individuals could reverse the underspend. Integrated Care Services has an underspend of £1.315m of which almost 70% is staffing related due to the on-going difficulties in recruitment and the balance a result of reduced demand for community and assistive technology equipment.
Change in the Remaining Service position since the position reported at Quarter 2 (reduced overspend of £0.345m)
This is a decrease in the overspend since Quarter 2 of £0.345m due to: • A release of funding from reserves due to a change in the policy for Adult Social Care Aged Debt • Increased underspend in Disabilities 0-25 due to the outcome of a review for one child leading to a cost reduction of £0.939m per annum • Reduced spend on assessments of Mental Health Deprivation of Liberty Safeguards and on the review of social care needs for those with Disabilities aged 25+ • A contribution from the ICB towards the cost to social care of enhanced discharge prior to assessment of care need • Increased staffing underspends in Integrated Care Services Substantially offset by: • Further increases in costs in Older People residential and nursing care services and an increase in the number of clients in residential care • A reduction in income in the Disabilities 25+ service due to the reassessment of clients where a provisional assessment applied a maximum level of income contribution.

People Strategy and Commissioning Service – (£0.577m overspend, 1.5%)
Explanation of the Investment Funds (£0.000m)
There is no variance forecast on Investment Funds.
Explanation of the net transfer from Earmarked Reserves (£1.305m)
£0.605m to be drawn down from Social Care and Health Partnerships Reserve in relation predominantly to partnership funded delivery of Learning Disability and Autism projects including Voiceability, Grapevine co-production, the 'Experts by Experience' hub, health liaison resources, respite care and diabetes. £0.700m of Covid (COMF) related activity to be drawn down from the Covid reserve: • £0.566m School air quality assessment and ventilation improvements • £0.073m Covid related Staffing • £0.045m towards the costs of a suicide prevention role and strategy implementation • £0.016m is for Covid Case Management System and PPE
Explanation of the Remaining Service net underspend (£0.728m, -1.9%)
The underspend is due to:

People Strategy and Commissioning Service – (£0.577m overspend, 1.5%)
• £0.301 staff vacancies • £0.296m reduced use of Drug & Alcohol rehabilitation • £0.232m unspent on water fluoridisation budget as this is a Dept. of Health responsibility • £0.139m early delivery of savings in relation to the Meals on Wheels service Partly offset by: • £0.204m overspend on the following demand led services: sexual health, health checks and Fitter Futures • £0.036 net overspend on other less material variances
Change in the Remaining Service position since the position reported at Q2 (increased underspend of £0.099m)
This is an increase in the underspend since Quarter 2 of £0.099m due predominantly to decreased usage of Drug and Alcohol rehabilitation. Although also contributed to by delays on projects designed to support young people with their housing and increased staffing underspends. Offset in part by an overspend on legal fees.

Children & Families – (£13.855m overspend; +16.6%)
Explanation of the Investment Funds overspend (£0.926m)
There is an estimated £0.926m Continuous Improvement Plan (CIP) expenditure funded by an investment (and earmarked) reserve. The plan is in draft and being reviewed post Quarter 3 forecast and needs to be signed off by Corporate Board, so the forecast spend is provisional at this stage. The CIP is provisionally a 24-month plan which will stretch over 3 financial years and due to the nature of proposals may be subject to change and inevitable timing changes.
Explanation of the Earmarked Reserves overspend (£0.495m)
The Priority Families (Supporting Families Grant funded service) is forecasting additional planned allocations/spend of £0.216m above the original 2023/24 plan (to be funded by Earmarked Reserve). These are particular short-term initiatives / packages of work to aid families as well as improve reporting outcomes to maximise the payment by results (PBR) grant in the medium term. Some of the overspend is caused by not achieving the full PBR. Within the Adoption Central England (ACE) service, there is a forecast *gross* overspend position of £0.434m of the Service for the 5 partner councils. The overspend predicted is due to increased demand and the need to utilise some external agency adoptions, although this is a very erratic / demand-led budget, where predicting with any degree of certainty is very difficult and is also subject to availability in the market. There have been several Court instructed searches for placements which may or may not materialise in costs, but to be prudent and, in line with the court instruction, these have been forecasted. Each purchase costs at least £0.037m. As this earmarked reserve is a true pooled budget, the 5 partners will be asked to contribute at year end to the overspend. Warwickshire's share of this will be circa 25%, approx. £0.109m and this has been forecasted within the remaining service variance. With regard to Youth Justice Remand placements, there is an overspend forecast of £0.142m from under achievement of the MTFS savings on this externally demand-led budget reduction. The MTFS saving was predicated on the fact that over the last few years the budget had underspent at year end. However, the current year's expenditure is projected to exceed the

Children & Families – (£13.855m overspend; +16.6%)
budget with greater than normal incidences / severity of charge. Through the year activity could potentially decrease (achieving target) or increase (growing the under achievement), due to the high degree of volatility of this demand-driven expenditure.
Explanation of the Remaining Service net overspend (£12.434m, +14.90%,)
This overspend consists mainly of: **Residential Placements & Extra Care –** (£4.538m overspend & £3.814m overspend). This is predominantly due to unprecedented market price rises and increased needs of the children. The weeks forecasted to be purchased are 53 more than 2022/23 but the average weekly cost has risen by £1,171, giving rise to a 2023/24 full year equivalent for one placement of £0.313m at £6,004 per week. As well as Residential placements there are a small cohort of children (forecast overspend of £3.814m, a decrease of £0.214m since Q2) where the market cannot accommodate the children and the service must look after with high-cost wrap around “Extra Care” packages. Such costs can be up to £30,000 a week per child (equivalent to over £1.5m per year), although one package of care has cost £57,000 a week. The service is having to use residential care more than they would like because of a shortage of foster placements for some age groups (particularly 14+). The service has also not been able to move as many children as they would have hoped, as quickly as they have wanted, to the one open internal home because of challenges around matching. However, currently there is no reason to believe the high numbers of children coming into care will continue, as they have been linked to physical injuries and neglect, within some large families. The residential & extra care package overspends have been slightly offset by forecast underspends of £0.970m on internal/external fostercare/parent baby packages with 713 less weeks to be purchased than 2022/23. This, in part, reflects the increased needs of children in care as they cannot be found a suitable place in fostercare. The average unit cost for external fostercare has risen since 2022/23 by £71 per week, and now stands at £923 per week. There are further offsets of the overspend from savings (of £0.730m) that have been identified in this financial year that are required as part of next financial year’s MTFS savings requirements. In addition, the UASC grant is being maximised by £0.583m (Q1 £0.480m) which covers some gross costs of support over many service areas. Establishment staff (£0.767m overspend) & Agency staff (£3.388m overspend) - There are particular pressures on staffing budgets within the service due to external (Statutory / Child Safeguarding) work demands with caseloads high due to an unprecedented spike from the start of the first quarter continuing. Some teams are struggling to discharge their statutory obligations and assurance duties. Cover has also had to be arranged where there are pockets of long-term sickness, suspension, and maternity leave. There are also roles which nationally are difficult to recruit to and we have seen a significant turnover both in permanent and agency workers (seeking greater pay that other councils/ Agencies can pay) moving on where different pay practices by some other local councils have made their roles more attractive. A large number of our staff are at the top of scale while the budget is set across the service at mid-point along with a historic 7% vacancy factor. The multiple factors impacting staffing is now causing budgetary overspends in those more stable teams where turnover is low. This position is replicated across the service and similar to other children's services across the region and nation we are struggling to recruit social workers to front line children's teams. This has resulted in an increased dependency on agency social workers (at high rates never seen before – on average the full cost is over £21,000 more for an agency children’s social worker). As a result of a regional and national shortage of agency social workers, agency hourly rates are experiencing upward pressures. The introduction of the new social work career pathway will, it is believed, help with recruitment and retention, and its impact will be monitored.

Children & Families – (£13.855m overspend; +16.6%)
There are a series of proposals being considered / planned to mitigate these overspends including. • A pilot initiative to reduce agency overspend with the Head of Service developing a proposal with support from legal • New working practices, it is hoped, will see a positive impact on retention (albeit over a short period), but these are likely to have a negative impact on compliance with the 7% Vacancy factor and mid-point budgeting. • Heads of Service are investigating the consequences of a freeze on recruitment other than for social workers • Investigation is taking place on the possibility of replacing some vacant social worker posts with Senior Family Support workers. Warwickshire Children's Homes (a, b, c & c(a) - £0.845m overspend). This is a mixture of post opening cost increases (staff regrading / child related support for home (a) and pre-opening costs for the other homes (securing staff before opening). With Home (a) - it is hoped that there will be a speedy increase in numbers of children placed, currently 1 child in Home (a), however there are full time staff vacancies but once recruited the Home will look to increase numbers to full capacity. For Homes (b) and (c) & (c(a)) planning permission has been delayed and building work is still to be completed but it is hoped that these will be operational by January (subject to OFSTED regulatory approval). Movements of children into these Homes will (based on current external residential costs) help to reduce forecast residential costs / Extra Care (all things being equal). With these package costs increasing dramatically, the key for the financial success of this programme is the speedy and continuous occupation of the homes. Children in Care (CiC) Transport - £0.688m overspend (£0.299m more than 2022/23). The forecast is currently based upon a best estimation of the number of passengers at Q3 and a comparison to last year. The forecast has increased as more information became available closer to the end of the school summer term and the beginning of the autumn term. The forecasts will be further refined to reflect passengers no longer using the service and the number of additional passengers to be transported.
Change in the Remaining Service position since the position reported at Q2 (increase of £1.600m)
The increased forecast is predominantly due to Residential Placements with an increase of £1.326m, CiC Transport increase of £0.124m and charges from the usage of WCC Legal Services £0.302m. The major reduction in the forecasted use of Extra Care packages by £0.214m. The use of Agency forecast has increased by £0.319m but has been offset by a reduction in the establishment staffing of £0.375m.

Education Services Non DSG – (£0.324m overspend; +3.1%)
Explanation of the Investment Funds underspend (£0.015m)
This variance reflects a hold on some of the Send & Inclusion Change Programme (SICP) while the programme is reviewed and refreshed. A plan for the "wider" Education Transformation (ETF) work is in progress but yet to be costed or approved and so is not included in the forecast.
Explanation of the Earmarked Reserves overspend (£0.262m)
There is a predicted spend for Schools in Financial Difficulty (£0.110m) which is double the spend in 2022/23 and relates to the required capacity for school improvement activity and reviews within schools. The spend is covered by an earmarked reserve as the required expenditure each year can be unpredictable.

Education Services Non DSG – (£0.324m overspend; +3.1%)
There has also been as previously forecasted spend in the school improvement monitoring service which relies on the earmarked reserve, a revised plan is expected for the medium-term usage of the reserve.
Explanation of the Remaining Service net overspend (£0.047m, +0.45%)
A large part of the forecasted overspend is £0.271m on SENDAR is due to staffing (agency cover for long-term sickness) and high mediation / legal costs for tribunals. Both of these expenditure types received MTFS (permanent & one-off funding for 2023/24). Mitigation was planned with recruitment having taken place for staff to start in September to reduce reliance on agency cover staff sickness which has reduced since P7. This strategy was partially successful, but further filling of vacancies on a permanent basis is still required. The Resolving Disagreements project is nearing recommendations which will include how legal services are used in the future (and the activity to be brought back into SENDAR). There are no other major areas of variances with many areas forecasting minor underspends which in total are offsetting the SENDAR overspend, this includes more favourable trading figures as well as the cessation of spending on non DSG funded Alternative Provision for SEND.
Change in the Remaining Service position since the position reported at Q2 (decrease of £0.473m)
The main change since Q2 is the decrease in forecast on SENDAR of £0.149m which is due to reduced use of Agency as well as reduced use of WCC legal services. There has also been the cessation of residual non DSG Alternative provision (£0.100m). Over most other services there has been widespread forecasts of reduced spend. There has also been more favourable in year trading by £0.147m, with Traded services forecasted to exceed their targets by £0.066m.

Education Services DSG – (£16.374m overspend: +6.25% of gross grant
Explanation of the DSG net overspend
The main material forecasted variances are within the High Needs Block (HNB), with an overall forecasted overspend of £17.514m. This is offset by an underspend in the Early Years Block of £1.138m. Material forecasted variances include £3.375m in Mainstream school EHCP (Educational Health Care Plan) top ups, a £2.268m overspend in Special school EHCP top ups, a £9.370m overspend on Independent School places, £1.198m overspend on Specialist Resource Provision and a £1.293m overspend forecasted on Post 16 provision. There is an overall £0.250m overspend on Alternative Provision (AP). The following table compares forecasted expenditure, places (full year equivalent) and unit cost (cost per place) between the current forecast and the final position of 2022/23.

Education Services DSG – (£16.374m overspend: +6.25% of gross grant

The increased expenditure is due to the mix of FTE and Unit cost rises, extrapolating from this data, the ratio of the cause of the increased expenditure is as follows.

2022/23			Current period				Change since 2022/23		
Actual (£)	Places (Full year equivalent)	Raw Average Unit Cost (£ / place)	Service	Forecast (£)	Places (Full year equivalent)	Raw Average Unit Cost	Forecast (£) 22/23	Forecasted Places 22/23	Forecasted unit cost 22/23
10,336,964	1,899	5,443	Mainstream School	15,983,977	1,618	9,876	5,647,013	- 281	4,433
16,847,265	1,508	11,169	Special School	23,172,119	1,631	14,204	6,324,853	123	3,034
15,022,209	277	54,199	Independent School	24,923,279	381	65,501	9,901,070	103	11,302
1,074,183	116	9,300	Resource Provision	2,059,511	180	11,429	985,329	65	2,129
7,241,521	548	13,227	Post 16	10,690,142	567	18,843	3,448,622	20	5,616

Service	Ratio of reason for expenditure raise	
	Unit cost	Places (full year)
Mainstream School	127%	-27%
Special School	78%	22%
Independent School	43%	57%
Resource Provision	39%	61%
Post 16	92%	8%
Overall	76%	24%

Factors impacting pressures in the High Needs Block include increases in permanent exclusions, increasing numbers of children not attending school for medical reasons (often mental health needs) and increasing requests for Education, Health and Care Plan needs assessment, which are up from 800 to 1,300 in one year (this measure had reduced the year before). The number of children in independent specialist provision has also increased following approximately 6 years of decline. In addition, recruitment of teaching assistants is proving increasingly difficult for schools, leading to schools declaring that they 'cannot meet need'. Following the latest national data release, the trends in Warwickshire reflect the national picture.

DfE Delivering Better Value scheme.

The Council is part of tranche 3 of the DfE Delivering Better Value scheme which is carrying out a diagnostic exercise on current spend and will then lead to case reviews in specific areas. The Council will then be eligible to apply to the DfE for a transformation grant to move forward transformation projects to address the High Needs challenges.

The response to the current challenge is the SEND & Inclusion Change Programme. Live projects currently include 'Inclusion Framework', Emotionally Based School Avoidance, EHC plan top-up funding, and Supported Internships which are all expected to have positive long term financial impact by reducing the pressure for specialist provision through best practice.

Two completed projects include the establishment of the Warwickshire Academy (which will be full in 4 of the 5-year groups it supports in September 2024) and growth of resourced provisions (with 4 more resource provisions coming online in September bringing the total number of resource provisions to 23). Further plans will be developed once the Delivering Better Value work is completed including further extension of resource provision.

A new cost centre manager is helping to gain an understanding of Alternative Provision budgets due to changes in personnel and handover arrangements. Further work is taking place to ensure

Education Services DSG – (£16.374m overspend: +6.25% of gross grant
that audit trails and tracking is in place to ensure decisions are appropriately agreed regarding placements and tracked/monitored. The post Covid effect is seeing need increase and significant work is required to improve the preventative work in schools to reverse this trend. The underspend on the Early Years Block (EYB) of £1.138m is caused by the funding being based on census data at single points in time while payments are made to all providers based on actual usage throughout the year. The underspend equates to circa 2.9% of DSG grant received. Currently WCC is earmarking 96% of the funding received for providers. The remaining 2 blocks of the DSG are overall forecasting a £0.002m underspend, with no material under/overspends.
Change in the Remaining Service position since the position reported at Q2 (increase of £2.997m)
This movement consists of a £3.827m increase in the High Needs Block offset by a reduction of £0.742m for the Early Years block. Overall, for the HNB, the forecasts have seen a concerning, large (upward) change since Q2. This is the result of better data availability (in part due to the new Academic year) but mainly due to demand changes across the various changes in demand from lower cost education placements (EHCP top up funds for maintained Schools) to more costly packages in Special School EHCP top ups (which have also increased due to unreported uplifts in top up amounts since Q2) and the independent sector as well as unprecedented increases in children being assessed and need an EHC Plan. The major changes in the forecast position relate to the increased overspends of Special School EHCP top ups, Independent School places, Specialist Resource Provision and Alternative Provision (driven, in part by increased school exclusions). For the EYB service area the increased underspend relates to both reduced take up for 3–4-Year-old provision as well as ascertaining DfE guidance on additional Early Supplemental funding (EYSG) to increase rates to providers from September 2023. For 2024/25 this EYSG will be mainstreamed into the EYB.

3. Resources Directorate

Enabling Services - (£2.553m overspend; +8.9%)
Explanation of the Investment Funds (£1.277m)
The investment funding net overspend is made up of: • An overspend of £1.497m - Digital Roadmap project where spend has already been granted approval. There is £1.708m available to be drawn down for this stage of the project. This overspend is offset by the following project underspends: • £0.082m - Reusable Components - project dependent on the output of the automation investigation and clarity is expected in September. • £0.061m - Cloud Migration (Data Centre) - underspend expected on the transfer of the contact centre telephony systems to the cloud. • £0.063m - Data and Analytics project. This project was to take place over two years and the underspend is the forecast of what will need to be spent in 24/25.

Enabling Services - (£2.553m overspend; +8.9%)
• £0.014m - Modern Government - funding no longer required and will be returned.
Explanation of the Earmarked Reserves (£0.081m)
The expected drawdowns on reserves are as follows: • £0.044m - Synergy Application Support team recently transferred from the Children & Families directorate - this will be funded by a specific reserve and a joint pressure bid have been submitted as part of the MTFS process. • £0.024m to cover the cost of the George Eliot Hospital One Public Estate (OPE). • £0.012m to cover the overspend on the Welfare scheme.
Explanation of the Remaining Service net overspend (£1.195m)
The remaining service overspend is predominantly as a result of the following: • £1.074m overspend forecast within Property Services. This largely arises from utility costs which are forecast to overspend by £0.915m coupled with an overspend on rates for £0.350m following a rates review. These overspends are partially offset by external income from the occupancy of council buildings. • £0.134m overspend within Strategic Asset Management due to the need to use agency staff to backfill vacancies, increased energy costs for properties with guardians and a stock condition survey and maintenance costs within smallholdings.
Change in the Remaining Service position since the position reported at Quarter 2 (increased overspend of £0.024m)
Whilst there is little overall change since the Quarter 2 forecast the movement is made up of the following: • An increased overspend of £0.225m forecast in ICT and Digital following on from a long period of Cost Centre Manager absence. The overspend forecast is largely as a result of an underachievement on income particularly from schools. This movement is offset by the following: • A reduced overspend of £0.093m in Property Services as the forecast spend on utilities is continually refined as the year progresses based upon more knowledge of actual usage and charges. • Increased underspends totalling £0.104m have been forecast in Customer Contact and ICT Strategy mainly due to in year staff vacancy underspends.

Finance Service – (£0.343m underspend; -2.0%)
Explanation of the Investment Funds (£0.400m)
System Replacement Funding agreed to support the Unit4 project.
Explanation of the Earmarked Reserves (£0.209m)
The contribution to the reserve of £0.209m is in relation to the Schools Absence Insurance Scheme and is forecasting to underspend due to a higher uptake of WES subscriptions.
Explanation of the Remaining Service net underspend (£0.534m)
The biggest proportion of the forecast underspend, £0.257m, is largely as a result of in year staff underspends due to vacancies and maternity leave across Finance areas and Business Support. The majority of the remaining underspend, £0.214m, arises from Commercial and Contracts due to a one-off budget that was carried forward to support temporary posts to assist with the delivery of future savings. Recruitment issues have continued despite making changes to the posts to make them more attractive. In addition, there is an over recovery of income within Education Finance due to higher uptake of WES subscriptions because there have been delays to academisation.
Change in the Remaining Service position since the position reported at Quarter 2 (increased underspend of £0.505m)

Finance Service – (£0.343m underspend; -2.0%)
The reduced overspend since the Quarter 2 forecast is as a result of the completion of all the organisational restructure budget transfers and the level of in year staff vacancy savings.

Strategy, Planning & Governance – (£1.265m overspend; +20.3%)
Explanation of the Investment Funds (£1.771m)
The forecast overspend of £1.771m is in relation to the Cost of Living projects and Social Impact Fund in Community Partnerships. This spend has already been granted approval and there is a total of £1.883m available to be drawn down for this purpose across both funds.
Explanation of the Earmarked Reserves (£0.000m)
There is no movement on Earmarked Reserves forecast.
Explanation of the Remaining Service underspend (£0.506m)
The forecast service underspend is mainly as a result of: • £0.670m underspend in Legal Services due to over recovery of income as a result of the service managing down costs with the expectation of reduced income this year as well as the receipt of pay award funding for core team members which had not been anticipated in previous forecasts. • Within Corporate Policy an underspend of £0.124m is forecast due to in year salary underspends as graduate post holders have secured permanent roles. These underspends are partially offset by the following underspends: • £0.207m overspend in Legal Core due to the additional costs of demand for Corporate, HR, Property and Legal work for the Council including: management of complaints and data breaches; Covid enquiry; rewrite of the constitution and subject access requests. • £0.070m overspend within Records Management due to the exist fees at the end of the Iron Mountain contract. Negotiations are ongoing to reduce this fee and it may be funded corporately.
Change in the Remaining Service position since the position reported at Quarter 2 (increased underspend of £0.755m)
The increased underspend compared to Q2 is predominantly due to: • The receipt of pay award funding in Legal Services for core team members which had not been anticipated in previous forecasts and was included incorrectly as a pressure. There has also been an increase in forecast external income which resulted in a reduction on forecast of £0.525m. • The ongoing negotiation with Iron Mountain around exit fees meaning the Records Management forecast reduced by £0.133m • An increased underspend of £0.123m in Change Management due to in year staff salary savings and the phasing in of a new recharging model.

Workforce & Local Services – (£0.224m overspend; +2.1%)
Explanation of the Investment Funds (£0.011m)
The underspend on Investment Funds of £0.011m is due to the policy review being undertaken by a different area now.
Explanation of the Earmarked Reserves (£0.272m)
The expected drawdown on reserves is as follows: • £0.272m overspend has incurred as a result of a planned increase of the number of apprenticeships employed - The Going for Growth Apprenticeship Scheme will be used in it's entirety and the remaining balance will be met from the Corporate Apprenticeship Fund.
Explanation of the Remaining Service net underspend (£0.037m)

Workforce & Local Services – (£0.224m overspend; +2.1%)
There is no significant variance within the service.
Change in the Remaining Service position since the position reported at Quarter 2 (increased underspend of £0.028m)
There has been no significant change to the forecast.

4. Corporate Services and Resourcing

Corporate Services and Resourcing – (£34.060m underspend; -23.7%)
Explanation of the Earmarked Reserves (£14.938m)
• £11.425m to be transferred to top up the Dedicated Schools Grant Offset Reserve based on the Q3 DSG forecast overspend. • £3.398m of Market Sustainability & Improvement Fund income will be transferred to earmarked reserves to fund the related expenditure in adult social care. • An underspend of £0.250m will be transferred to the earmarked reserve as the annual contribution to the cost for the quadrennial local elections. • £0.136m will be transferred from the Apprenticeship Levy to fund the forecast overspend arising from the impact of cumulative pay awards. • £0.697m will be transferred from the Commercial Risk Reserve to meet the net deficit of the Warwickshire Recovery and Investment Fund and the Warwickshire Property and Development Fund. • £0.285m will be transferred to the Capital Fund Reserve for upcoming legal fees tied to capital disposals. • £0.250m will be transferred to the Commercial Risk Reserve to support future years' commercial activities.
Explanation of the Remaining Service net underspend (-£19.122m, -13.3%)
• £17.462m of the variance is due to increased corporate grant income. At the time of setting the budget many government grant allocations had not been announced and budgets were based on prior year allocations. This significant increase in grant income will help to offset the overspend in other areas across the Council. • £11.3m additional income due to improved returns on our investments linked to the recent increases in interest rates. • £2.1m saving on interest payments by using our cash balances to repay some loans early. • £1.2m reduction in Minimum Revenue Provision as a result of delays in the capital programme. • £1.514m overspend forecast as a result of the 2023/24 pay offer. The difference between the 4% pay provision included in the budget and the current pay offer of £1,925 or 3.88% (whichever is higher) is £3m and of course this could end up being higher. The budget contingency of £1.8m will only partially meet the extra cost and this overspend represents the remaining in-year cost. • A £11.425m allocation to fund the DSG offset reserve which must be topped up to meet the forecast overspend on the DSG High Needs block.
Change in the Remaining Service position since the position reported at Q2 (reduction of £2.507m)
The key driver of the change since Period 6 is the increased contribution required to the DSG Offset Reserve due to the increased deficit forecast in relation to the High Needs Block of DSG.

APPENDIX B

Commentary on Service Capital Forecasts

The main reasons for the £51.256m delays in the quarter compared to the approved budget are set out below. These changes generally mean the expected benefits of the capital schemes may not be realised to the original time frame, however in some cases the change only relates to the timing of the expected cash flow without any impact on the deliverables of the scheme.

In addition to the £51.256m above there is an additional £0.184m of delays relating to projects funded by Section 278 developer contributions. Also £31.950m of delays on Corporate schemes (Warwickshire Recovery and Investment Fund and Warwickshire Property and Development Group). The delay in corporate lending for Warwickshire Recovery and Investment Fund and Warwickshire Property and Development Group is due to activity not following the anticipated profile of approved business plans. The delay on the Warwickshire Recovery and Investment Fund is largely due to lending opportunities under the BIG pillar not materialising. Development loans to Warwickshire Property and Development Group have been pushed back into 2024/25, full repayment of first development loan for Southam was received in December 2023.The timing of these schemes is largely outside of the control of WCC therefore they are excluded from the analysis below, but details of these schemes can be found in Annexes A to M.

Environment Services – £21.513m:

- A46 Stoneleigh Junction improvements (£5.904m) - Works costs have increased along with unresolved risk items, both costs and risk continued to be monitored closely. Programme and spend reprofiled due to ongoing site issues.
- A444 Corridor Improvements - Phase 2 (£1.810m) - Delays with completing traffic regulation orders will now delay construction. Contractor availability and other on-going local highway works may result in further construction start delays.
- A3400 Birmingham Road Stratford Corridor Improvements (£5.021m) - The project is split into 2 more phases (total 3 phases with Phase 1 completed) in order to deliver works while Phase 3 is being designed. Phase 2 main works have been delayed due to design issues, while enabling and utility works are currently in progress. Phase 2 expected completion is 2024/25 Q2. Phase 3 expected to start late 2024/25 or early 2025/26.
- A46 Stanks Island signalisation and improvement Birmingham Rd (£1.400m) - £1.4m has been moved to the next financial year as the final account with contractors and the administrator is still ongoing and will not be resolved this year. Part 1 construction claims also deferred and Section 2 construction reprogrammed.
- A47 Hinckley Road Corridor Scheme (£0.772m) - The current year anticipated spend has been reprofiled as a result of other works planned in the immediate vicinity of the scheme which is dictating construction timelines and completion of the scheme and it’s spend profile.
- A452 Kenilworth to Leamington (K2L) Cycle Route – CIF (£1.457m). The K2L scheme is being delivered in several phases starting with Section 1a at the Leamington Spa end of the route, through to Section 3 concluding in Kenilworth. Due to the engineering, strategic and financial complexities the exact delivery timescales/programme for each phase remain uncertain. For Section 1b it is hoped that the necessary land acquisition will be completed within 2023/24 and construction within 2024/25. The remaining phases will follow on in subsequent financial years.
- Improvements to the A446 Stonebridge junction Coleshill (£0.818m) - Due to logistical delivery issues spend for design has been reprofiled, construction expected to start next year.

- A452/A46 Developer Improvement scheme (£2.273m) - The project design has been reprofiled and construction expected to start next year. Construction going ahead is dependent on road space availability due to HS2.
- Casualty Reduction Schemes (£0.630m) there has been a delay on the Coventry Road scheme due to planning around the avoidance of disruption to the road network. The scheme will now fall into the new financial year.
- Emscote Road Corridor improvements (£0.353m) - Due to the road space not being available for related schemes until 2025, spend has slowed on the design of this project.
- There are a number of other schemes with delays which are detailed in the annexes A to M.

Fire & Rescue - £0.402m:
- Fire & Rescue HQ Leamington Spa - £0.402m - Leamington Headquarters Refurbishment is currently on hold whilst discussions take place and strategic decisions are made.

Economy and Place - £4.088m:
- Warwick Town Centre (£1.290m) - delays for Warwick town centre are due to delays in getting road space for construction due to pressure from other schemes in the area.
- All electric bus initiative (£0.583m) - uncertainty over the future bus service provision caused a delay in determining the electric bus requirements of the service. The requirements have now been defined.
- Land at Crick Road Rugby (£0.787m) – A section of the land currently owned by Rugby Borough Council is required for the implementation of the roundabout. There have been lengthy procedures to allow for this land to be purchased.
- There are a number of other schemes with delays of lower values which are detailed in the Annexes A to M.

Children & Families - £0.088m:
- Children’s Homes (£0.088m) - The works to create the children’s homes have been reviewed and pushed back into 2024-25 due to logistical issues around the availability of contractors and various permissions.

Education Services - £22.592m:
- Long Lawford permanent expansion (£0.400m) - Project delivery (car park/drop-off facility) delayed by S278 approval and expired planning permission. Forecast revised based on estimated January 2024 start date.
- Long Lawford Studio Hall (£0.187m) - Studio Hall practical completion took place on 3rd September 2021. The funding balance has been moved to 2024/25 as it may be required to support Car Park / Drop Off Facility due to inflation pressures.
- Oakley School primary phase temporary solutions (£0.208m) - Work has been delayed at St Margaret’s due to costs increasing. The project is being value engineered and a requote from the contractor is anticipated. An overspend is now being forecast; member approval will be sought prior to incurring any expenditure over and above the currently approved capital funding for the project.
- Stratford Upon Avon School 2 form entry expansion (£10.697m) - Project delivery delayed by planning permission delays and budget pressures. Project not started in July 2023 as planned at Q1. Estimated start date now April 2024. Additional funding subject to future Cabinet report and approval.
- The Queen Elizabeth Academy Atherstone (£0.500m) - This is a School Trust led scheme where we will reimburse the Trust as phases are complete, the target end date is April/May 2024.

- Myton Gardens Primary School (£8.900m) - Potential delays have resulted from the requirement to relocate a badger sett. This is subject to planning. Quotes for the overall scheme have come in higher than the original estimates.
- Oakwood Primary Expansion (£1.720m) - The places at this school are required for September 2024 therefore the main construction is expected in 2024-25.

Strategic Commissioning for People and Public Health - £0.092m:

- Adult Social Care modernisation (£0.071m) – The organisation awarded funds to install Changing Places facility has declined due to timescales. Alternative venues are unable to commit to deliver within the 2023/24 financial year. It is now anticipated that expenditure will take place in 2024/25.
- There is another scheme with delays of less tha £0.050m which is detailed in the Annexes A to M.

Enabling Services - £2.150m:

- Lillington Academy Conversion to Academy Works (£0.278m) - Delays have been caused by the need to fit a new electrical power unit on site. Works are now delayed until 2024-25.
- Strategic Site Planning applications (£0.382m) - Projected costs in meeting legal obligation to provide a serviced site to the DfE. Certain capital works including demolition are underway and are programmed to be completed this financial year. Other works e.g. bovine remediation are now programmed to be undertaken 24/25.
- Land at Leicester Lane Cubbington (£0.475m) - Land returned back to land owner, we are now waiting for a dilapidation report to agree a way forward.
- Maintaining the smallholdings land bank (£0.391m) - Potential opportunities for purchasing land in Q4 are minimal, the budget has therefore been re-profiled into 2024/25.
- Rural Services capital maintenance (£0.273m) - Some of the budget has been reprofiled into the next financial year when works have been scheduled to take place.
- There are a number of other schemes with delays of less than £0.200m each which are detailed in the Annexes A to M.

Strategic Infrastructure and Climate Change - £0.330m:

- Development of Rural Broadband (£0.330m) - Capital charges were reduced in Q2/Q3 with a corresponding decrease in utilisation of grant contribution, due to BT/Openreach adjustments to the build programme and the superfast voucher programme remaining on hold until finalisation of the Project Gigabit procurement. A change request is expected from Openreach in Q4 2023/24 which could result in further reductions in expenditure in Q4. In addition, there has been a reduction of revenue income from consultancy work from BDUK.

Expected cost increases above currently approved capital funding

Service	Project	2023/24 Forecast above approved capital allocation (£m)	2024/25 Forecast above approved capital allocation (£m)	Total Forecast above approved capital allocation (£m)
Education Services	New School, The Gateway, Rugby	0.573		0.573
Education Services	Oakley Grove Reception Contingency 23 Bulge Class		0.039	0.039
Environment Planning and Transport	A46 Stoneleigh Junction Improvement		0.446	0.446
Total		0.573	0.485	1.058

- Further work is required for Environment Services and Education to either mitigate the cost increases identified or identify funding for the projects which currently expecting shortfalls. For Education schemes the further utilisation of Basic Needs funding could be considered however, this may lead to future gaps on other necessary schemes which need funding in a market of rising costs.
- The team working on the A46 Stoneleigh scheme are currently exploring various options. Corporate Board will consider the risks associated with the scheme and a further report will be brought to Members.

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Annex A- Environment, Planning & Transport

Director - Scott Tompkins
Executive Director - Mark Ryder
Portfolio Holders - Cllr Heather Timms (Environment, Climate & Culture)

Revenue Budget - 2023/24

Service	Gross Expenditure Budget	Gross Income Budget	Net Expenditure		Net Variance Represented by			Reason for Net Variation and Management Action
			Budget	Variation Over/ (Under)	Revenue Investment Funding	Contra to/from Earmarked Reserves	Remaining Service Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Engineering Design Services	10,128	(9,268)	860	**375**			**375**	Within EDS a recalculation of time cost has been completed and factored into the forecast. The result of new staff rates through the MHA+ has yet to be realised but has been anticipated in the calculations. These have also been submitted as MTFS bids and the bulk of the cost at this time relates to the increases in electricity cost.
County Highways	23,936	(7,706)	16,230	**(1)**			**(1)**	
Planning Delivery	5,566	(5,036)	530	**235**		**173**	**62**	The overspend in Ecology, Historic Environment and Landscape has increased due to a reduction in income being generated by the projects. In addition, the underspend in the Planning team, has also been reduced to reflect the current planning fee income based on current activity.
Trading Standards & Community Safety	3,116	(1,144)	1,973	**83**		**52**	**31**	Continued pressure on the G&T budget with works to repair sites and to resolve long standing Corley View issues.
Transport Delivery	51,060	(10,874)	40,186	**5,745**			**5,745**	Within Transport Delivery, there is a forecast for Home to School Transport overspend of £4.733m which is made up of £1.929m on mainstream transport and £2.804m on SEND. In both areas there has been a significant increase in average costs per journey since the end of 2022/23 fuelled by RPI on operator costs when contracts have been tendered. This, when combined with increasing numbers in both areas, gives a cumulative overspend of £0.995m for mainstream and £1.517m for SEND. Contract prices in previous years have been kept at below inflation levels, however now operators are substantially increasing their charges. In addition to this an analysis of the number of contracts started since April for 1:1, no existing contract to add travellers to or not the priority school has increased costs by £0.200m for mainstream and £0.300m foe SEND. Also included in these figures is £1.721m for mainstream relating to the transport of excluded pupils that is predominately controlled by schools going directly to transport operators for service provision. Small savings in other cost centres within the service net of to the £4.652m total Transport Delivery overspend.
Environment, Planning & Transport Management	699	0	699	**(8)**			**(8)**	
Emergency Management							**0**	
Net Service Spending	**94,505**	**(34,028)**	**60,478**	**6,429**	**0**	**225**	**6,204**	

Annex A- Environment, Planning & Transport

Director - Scott Tompkins
Executive Director - Mark Ryder
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Saving Plan - 2023/24

Saving Proposal	Target £'000	Forecast £'000	Shortfall/ (Over achievement) £'000	Reason for financial variation and associated management action
Vacancy factor - Application of a 2% vacancy factor/turnover allowance where not already applied.	(326)	(326)	0	
Traded income - Expansion of traded income across the service including improving efficiencies and increasing income from external contracts, new future external contracts and MOT sales to public, enforcement income from network management, ecology surveys and the forestry service.	(285)	(48)	237	Both Forestry and Network Management currently forecasting not to hit additional £100k income target. Senior management team are looking at alternative solutions.
Savings on third party spend - Review of services purchased from third parties to ensure value for money and management of the cost increases of externally purchased services.	(63)	(63)	0	
Network Management - Additional enforcement income by carrying out more inspections and a 'coring' programme. Cost of additional staff and equipment paid for from income with an additional return of £100k to £400k per year.	(400)	(400)	0	
Trading standards - Delivery of efficiencies in trading standards community safety provision.	(45)	(45)	0	
Total	**(1,119)**	**(882)**	**237**	

Annex A- Environment Planning and Transport

Director - Scott Tompkins
Executive Director - Mark Ryder
Portfolio Holders - Cllr Heather Timms (Environment, Climate & Culture)

Revenue Investment Fund - 2023/24 and future years

Revenue Investment	Current Year Budget	Forecast	Variance Over/(Under) £'000	Progress Update	Approved Remaining Resource	Estimated Project Completion
Trading Standards Data Cleanse and Business Process Review	104	104	0	project on track	0	Mar-24
Forestry - Tree Nursery	103	103	0	project on track	0	Mar-24
Total	**207**	**207**	**0**			

Annex A- Environment, Planning & Transport

Director - Scott Tompkins
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Capital Programme - 2023/24 to 2024/25 Onwards

Description	Approved Budget					Forecast					Variation		
	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
Major Transport Projects													
Rugby Western Relief Road	59,145	50	50	0	**59,245**	59,145	1	99	0	**59,245**	-49	0	£9000 of compensation claims put back to 2023/24 due to lack of resource to undertake the remaining land compensation claim
M40 Junction 12	11,908	15	0	0	**11,922**	11,908	15	0	0	**11,922**	0	0	
Rugby Gyratory Improvement Scheme	1,564	24	0	0	**1,588**	1,564	0	24	0	**1,588**	-24	0	Lack of resources to carry out investigation this financial year
Bermuda Connectivity Project	10,118	3,554	1,500	0	**15,172**	10,118	3,554	1,500	0	**15,171**	-0	-0	Incorporated works from County Highways (12072000). CH transferred funds to cover these works, as per email from Ian Nicholls 13/7/23
A46 Stanks Island signalisation and improvement Bham Rd	5,252	1,431	0	0	**6,683**	5,252	31	1,400	0	**6,683**	-1,400	0	£1.4m moved to following year, final account with contractors administrator still ongoing not going to be resolved this year. Part 1 construction claims also deferred as none come into to date. Section 2 construction reprogrammed.
A444 Corridor Improvements - Phase 2	600	1,890	1,845	0	**4,334**	600	80	1,450	2,204	**4,334**	-1,810	0	Reprofiling of financial forecast due to movement on proposed commencement date. Scheme commencement date subject to road network availability and procurement strategy to be deployed.
A3400 Bham Road Stratford Corridor Improvements	1,296	5,663	500	0	**7,459**	1,296	642	1,597	3,924	**7,459**	-5,021	0	Reprofiling to reflect changes to Phase 2 design
A46 Stoneleigh Junction Improvement	28,088	9,173	0	0	**37,262**	28,088	3,269	5,904	0	**37,262**	-5,904	0	Programme and spend reprofiled due to ongoing site issues.Works costs have increased along with unresolved risk items, reviewing costs and monitoring budget
A47 Hinckley Road Corridor Scheme	803	834	3,194	200	**5,031**	803	62	1,067	3,099	**5,031**	-772	0	Reprofiling in response to changes in scheme programme
Improvements to the A446 Stonebridge junction (Coleshill)	99	852	1,052	0	**2,003**	99	34	175	1,695	**2,003**	-818	0	Programmed reprofiled to review design and look where savings can be made.
Transforming Nuneaton - Highway Improvements (CIF)	741	575	5,480	12,769	**19,565**	741	405	5,650	12,769	**19,565**	-170	0	Land negotiation and CPO process moving slower than anticipated. Expected land acquisition to be completed next financial year.

Emscote Road Corridor Improvements Scheme	359	491	9,172	250	**10,272**	359	138	410	9,364	**10,272**	-353	-0	Due to the road space not being available for related schemes until anticipated 2025, spend has slowed on the design of this project
A452/A46 Developer Improvement scheme	9	2,471	4,200	0	**6,681**	9	198	253	6,221	**6,681**	-2,273	-0	Reprofiled spend for design this year and next year and proposed construction 25/26. Construction dependant on road space availability due to HS2.
Street Lighting													
Pump Priming allocation for LED street lighting	5,288	21	0	0	**5,309**	5,288	21	0	0	**5,309**	-0	-0	rcco from eb031 street lighting
Street Lighting Annual Main 2022/23	663	0	0	0	**663**	663	0	0	0	**663**	0	0	
Street Lighting Annual Main 2023/24	0	962	24	0	**986**	0	737	24	0	**761**	-225	-225	
Structural Bridge Maintenance													
Minor Bridge Maintenance schemes 2017/2018	2,707	45	63	0	**2,815**	2,707	10	90	0	**2,807**	-35	-8	Lack of resource and existing resource diverted onto accident repair works. Bedworth Rd Bulkington increased due to likelihood of inflation increases
Minor Bridge Maintenance schemes 2018/2019	1,912	0	0	0	**1,912**	1,912	0	0	0	**1,912**	0	0	
Bridges Base Budget 2019 2020	923	8	0	0	**931**	923	2	0	0	**925**	-6	-6	Lack of resource and existing resource diverted onto accident repair works
Bridges Base Budget 2020 2021	815	107	0	0	**922**	815	122	0	0	**937**	15	15	Sandy Way increased due to inflation; Blythe actual costs as scheme complete
Historic Bridge Maintenance	2,795	1,697	2,054	0	**6,546**	2,795	1,808	1,944	0	**6,546**	111	0	Forecast revised against active projects to reflect increased costs and bridges deteriorating since provision of budget. The forecast variance is related to rounding of input budget by 2p. This has been corrected this quarter to balance back to original budget
Bridges annual maintenance 2021-22	660	216	55	0	**931**	660	198	55	0	**913**	-18	-18	Budget transferred to new general code for assessments
Bridge Annual Main 2022/23	522	530	0	0	**1,052**	522	379	103	0	**1,003**	-151	-49	Principal inspections for 2022/23 may not now all be delivered before end of financial year; Chesterton Fosse deferred due to availability of road spaceBudget altered to reflect actual and tendered costs previously estimated
Bridge Annual Main 2023/24	0	246	114	0	**360**	0	389	49	0	**438**	143	78	New schemes added to current year's maintenance budget, including numerous accident damages
D1705 - Bridge Maintenance Capital Programme	0	15	0	0	**15**	0	8	0	0	**8**	-7	-7	Reduced to reflect current spend profileReduced to reflect current spend profile
D1706 - Bridge Maintenance Capital Scour Works	0	40	0	0	**40**	0	15	0	0	**15**	-25	-25	Forecast dropped due to lack of resource. Current resource transferred to multiple RTCsForecast dropped due to lack of resource. Current resource transferred to multiple RTCs
D1706 - Bridge Maintenance Capital Scour Works	0	0	20	0	**20**	0	20	20	0	**40**	20	20	Budget transferred from old specific code for assessments
D1706 - Bridge Maintenance Capital Scour Works	0	195	0	0	**195**	0	195	0	0	**195**	-0	-0	Principal inspections forecast now added to current year's programme

D1707 - Bridge Assessment Programme	0	99	0	0	**99**	0	99	0	0	**99**	0	0	Underwater & confined space inspections forecast now added to current year's programme
Structural Maintenance of Roads													
County Highways base budget 20-21	21,964	0	0	0	**21,964**	21,964	0	0	0	**21,964**	0	0	
D1707 - Bridge Assessment Programme	0	582	0	0	**582**	0	582	0	0	**582**	0	0	
D1633 - Principal Bridge Inspections	1,615	0	0	0	**1,615**	1,615	0	0	0	**1,615**	0	0	
Highways 2021-22 Patching Surface Dressing	465	0	0	0	**465**	465	0	0	0	**465**	0	0	
Forestry 35 X Yard Skips	8	0	0	0	**8**	8	0	0	0	**8**	0	0	
Highways 2022/23 Surface Dressing	1,824	0	0	0	**1,824**	1,824	4	0	0	**1,827**	4	4	
Highways 2022/23 Slurry Seal	306	0	0	0	**306**	306	0	0	0	**306**	0	0	
Highways 2022/23 Routine Patching	1,465	58	0	0	**1,523**	1,465	71	0	0	**1,536**	13	13	new budget to match the actuals all corrections have been taken of the 12072000 budget
Highways 2022/23 Patching Surface Dressing	573	0	0	0	**573**	573	0	0	0	**573**	0	0	
Highways 2022/23 Patching Slurry Sealing	14	0	0	0	**14**	14	0	0	0	**14**	0	0	
Highways 2022/23 1ST TIME FIND AND FIX	242	25	0	0	**267**	242	25	0	0	**267**	-0	-0	budget to match actual increase form 12072000
Highways 2022/23 Structural Patching	894	16	0	0	**910**	894	16	0	0	**910**	0	0	budget to match the actual decreased added back to code 12072000
Highways 2022/23 Road Marking SD	327	0	0	0	**327**	327	0	0	0	**327**	0	0	
Highways 2022/23 Structural Maintenance Annual Programme	8,214	0	0	0	**8,214**	8,214	1	0	0	**8,215**	1	1	foreacast to match the actual the difference has been transferred back to 12072000
Highways 2022/23 Structural Maintenance Annual Footways Programme	2,185	0	0	0	**2,185**	2,185	0	0	0	**2,185**	0	0	
Staff Recharges Annual 2022/23	906	0	0	0	**906**	906	0	0	0	**906**	0	0	
Forestry: Vermeer chipper	23	0	0	0	**23**	23	0	0	0	**23**	0	0	
Highways 2022-23 HS2 Road deterioration fund	251	0	0	0	**251**	251	0	0	0	**251**	0	0	
Sawbridge. Bridge replacement on Pu	20	0	0	0	**20**	20	0	0	0	**20**	0	0	
Brailes. Drainage works on Public Bri	31	0	0	0	**31**	31	0	0	0	**31**	0	0	
Highways 2023/24 Surface Dressing	0	4,238	0	0	**4,238**	0	3,126	0	0	**3,126**	-1,112	-1,112	
Highways 2023/24 Slurry Seal	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
Highways 2023/24 Routine Patching	0	1,736	0	0	**1,736**	0	1,736	0	0	**1,736**	0	0	
Highways 2023/24 1st Time Find And	0	292	0	0	**292**	0	428	0	0	**428**	136	136	
Highways 2023/24 Structural Patchin	0	1,736	0	0	**1,736**	0	1,736	0	0	**1,736**	0	0	
Highways 2023/24 Road Marking Sd	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
Highways 2023/24 Structural Mainte	0	6,946	0	0	**6,946**	0	8,340	0	0	**8,340**	1,394	1,394	This deductions includes the transfer of £230k to code 11339000 and £39k transfer to 11764000 and the differences in codes 11981*
Highways 2023/24 Structural Mainte	0	3,038	0	0	**3,038**	0	2,604	0	0	**2,604**	-434	-434	
Staff Recharges Annual 2023/24	0	913	0	0	**913**	0	913	0	0	**913**	0	0	
Communities Highways & Bridges/Po	0	0	0	0	**0**	0	0	20,884	0	**20,884**	0	20,884	
Additional Pot Hole Fund Nov 23	0	0	0	0	**0**	0	2,056	0	0	**2,056**	2,056	2,056	

Traffic Signals 2015-16	181	11	0	0	**192**	181	11	0	0	**192**	0	0	
Traffic Base Budget 2019 2020	235	41	0	0	**275**	235	44	0	0	**279**	4	4	Additional traffic management costs incurred over 3 weekends to complete scheme & minimise delays
CIF - Replacement Bollards in Stratford, Nuneaton & Bedworth	334	0	140	0	**474**	334	15	125	0	**474**	15	-0	Costs incurred in this year, originally estimated for 2024/25
Traffic Signals Annual Main 2021-22	213	0	0	0	**213**	213	0	0	0	**213**	0	0	All schemes now complete, no more expenditure will be incurred

D1356 - DfT - Traffic Signals Maintenance Grant Award	475	117	0	0	**593**	475	142	0	0	**617**	25	25	Increase in cost in street lighting (upgrade larger area than 1st anticipated), and additional traffic management costs as delivered across 4 consecutive Sundays
Traffic Signals Annual Main 2022/23	178	78	0	0	**256**	178	78	0	0	**256**	0	0	Delivered planned schemes as forecast and carried forward remaining budget to deliver next tranche of maintenance schemes
Traffic Signals Annual Main 2023/24	0	352	0	0	**352**	0	178	146	0	**324**	-174	-28	Budget reallocated to other schemes in order to meet increasing costsBudget reallocated to other schemes in order to meet increasing costs
Flood management													
Flood alleviation schemes CIF - Pailton	91	0	25	25	**141**	91	0	50	0	**141**	0	0	The forecast spend was previously shown incorrectly as 24-26, the scheme is proposed to deliver 23-25. The initial scheme was delayed due to the contractor entering administration. A new contractor has been appointed with delivery programmed to be largely complete this year. Costs may increase if existing products need to be replaced, this will be met with the remaining budget allocated to this scheme.
Flood alleviation schemes CIF - Fenny Compton	63	573	0	0	**636**	63	532	121	0	**716**	-41	80	An error with miscoding money claimed from the EA has resulted in the incorrect amount showing on forecast. Costs may still increase due to listed building consent requirements and additional modelling required for one property. To date 9 properties are complete.An error with miscoding money claimed from the EA has resulted in the incorrect amount showing on forecast.
Flood alleviation schemes CIF - Welford on Avon	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
Flood alleviation schemes CIF - Galley Common	0	10	44	0	**54**	0	5	49	0	**54**	-5	0	Cannot be awarded this year as the EA have stated that we must use their new framework documents that have not been provided yet.
Flood alleviation schemes CIF - Bermuda	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
Flood alleviation schemes CIF - Brailes	10	70	45	0	**125**	10	85	30	0	**125**	15	-0	Proposed delivery now expected this financial year rather than spanning this year and next. Possible increase in cost still expected when we receive final costs back following site surveys.
Flood defence - Fillongley	57	0	99	0	**156**	57	6	92	0	**156**	6	0	The contractor for this scheme has gone into liquidation with some properties partially complete. A new contractor has now been appointed, but scheme may have to be completely re-done by new contractor subject to the condition of existing measures fitted. Delivery of scheme will depend on reprocurement and re-establishment of relationship with eligible residents. Spend this year is to undertake Interim surveys on previously installed measures to confirm what had be installed by the previous contractor and whether quality was acceptable.

Bilton Road Property Flood Resilience Scheme	15	0	0	0	**15**	15	0	0	0	**15**	0	0	
Clifford Chambers Property Flood Resilience Scheme	113	50	56	0	**219**	113	0	105	0	**218**	-50	-0	Scheme delivery now expected next year due to additional engagement required with residents after appointing new contractor following the liquidation of previous one. Also aligns delivery with Fillongley and Pailton schemes.£207 spent on design review log with RAB surveyors in line with new PFR code of practice requirements
Flood Defence Maintenance 22-23	135	0	0	0	**135**	135	0	0	0	**135**	0	0	
Broadwell property flood resilience scheme	6	103	10	0	**119**	6	138	0	0	**143**	35	25	Overall cost of the scheme has increased due to additional eligible properties joining the scheme. Additional costs also related to requirement to update electrical wiring to several properties to allow installation of pumps. Cost of protecting these properties exceeds the funding available from the EA so shortfall will be met from Flood Defence Annual Maintenance code 12063000.
Flood Defence Maintenance 23-24	0	211	241	0	**452**	0	211	216	0	**426**	-0	-26	25,000 transferred to Broadwell project (12005000) to meeting funding gap.
Community Safety													
Development and upgrade of three WCC owned Gypsy and Traveller sites	36	0	624	0	**660**	36	130	494	0	**660**	130	0	We have just gone out to tender for the Capital programme on the Griff and have 4 companies who we are interviewing in late September. it is now highly likely that the project will commence in 2023/4 and we have adjusted the budget to refelct this. we will be in a better position at the end of Q3 to fully reflect the profile of the spend once the tender has been awarded.There is no mended to the expenditure change. the adjustments relte to the earlier award of the contract
Gypsy & Traveller Services 21-22	-19	0	50	0	**31**	-19	0	50	0	**31**	0	0	
Gypsy & Traveller Services 22-23	0	0	21	0	**21**	0	0	21	0	**21**	0	0	
Gypsy & Traveller Services 23-24	0	22	0	0	**22**	0	22	0	0	**22**	0	0	
Integrated Transport - Delivery													
Casualty Reduction Schemes 18-19	748	1096	-20	0	**1,824**	748	466	609	0	**1,824**	-630	0	
Nuneaton To Coventry Cycle Route - Cif	41	130	490	350	**1,011**	41	80	540	350	**1,012**	-50	0	
Green Man Coleshill Signalised Junction - Cif	129	741	30	0	**900**	129	741	30	0	**900**	-0	-0	Budget to be transferred into this project.Scope increased at request of County Highways, Additional resurfacing carried out within these works to save County Highways coming back at later date. Budget to be transferred into this project.
Hinckley To Nuneaton Cycle Route - Cif	98	704	0	0	**802**	98	704	0	0	**802**	0	0	

A452 Kenilworth To Leamington Cycle Route - CIF	531	1,957	1,851	2,063	**6,401**	531	500	2,635	2,735	**6,401**	-1,457	-0	
A452 Kenilworth Road to Leamington Spa town centre cycle route – Getting Building Fund	349	501	0	0	**850**	349	501	0	0	**850**	-0	-0	
Area Delegated													
Rugby Area Committee	416	0	0	36	**452**	416	0	0	36	**452**	0	0	
Area Delegated Funded Schemes 2017/18	23	0	650	0	**673**	23	0	561	0	**584**	0	-89	
Area delegated funding 18-19	0	0	783	0	**783**	0	0	447	0	**447**	0	-337	
North Warks Area Delegated	464	269	383	0	**1,116**	464	133	518	0	**1,116**	-135	0	SCHEMES TO BE COMPLETED IN FUTURE YEARS
Nun & Bed Area Delegated	994	499	773	0	**2,266**	994	376	896	0	**2,266**	-123	0	SCHEMES TO BE COMPLETED IN FUTURE YEARS
Rugby Area Delegated	1,044	384	387	0	**1,815**	1,044	389	382	0	**1,815**	5	0	SCHEMES TO BE COMPLETED IN FUTURE YEARS
Stratford Area Delegated	686	499	882	0	**2,067**	686	508	873	0	**2,067**	9	0	SCHEMES TO BE COMPLETED IN FUTURE YEARS
Warwick Area Delegated	899	538	1,148	0	**2,585**	899	644	1,042	0	**2,585**	106	0	SCHEMES TO BE COMPLETED IN FUTURE YEARS
Archaeology & Ecology													
Local Authority Treescapes fund	137	27	0	0	164	137	27	0	0	**164**	0	0	
Developer Funded Transport - s106 schemes													
Rugby, Hunters Ln - Through Route New Tech Dr To Newbold Rd	75	5	369	0	**448**	75	5	369	0	**448**	0	0	
Upgrade Traffic Signals Blackhorse Rd	141	9	0	0	**150**	141	9	0	0	**150**	0	0	
New bus stop on Tachbrook Park Drive near Leamington	12	1	0	0	**13**	12	1	0	0	**13**	0	0	
Install MOVA operation on traffic signal junctions Emscote Road Warwick (Tesco Strores)	130	40	0	0	**170**	130	0	40	0	**170**	-40	0	Scheme to be modified to include for active travel - now not due until next financial year
Install Variable Message Signs A444 (Prologis)	0	0	90	0	**90**	0	0	82	7	**90**	0	0	
S106 Traffic Calming and Signage Improvements for Bidford-on- Avon bridge and Welford bridge	19	0	0	0	**19**	19	0	0	0	**19**	0	0	
40/50MPH SPEED LIMIT AND MINOR KERBING WORKS LONGMARSTON ROAD WELFORD ON AVON.	21	0	0	0	**21**	21	0	0	0	**21**	0	0	
S278 Crabtree Medical Centre Bidford - Bus Stops	27	2	0	0	**29**	27	2	0	0	**29**	0	0	
A426 /A4071 Avon Mill Rdbt Rugby Improvement Scheme	1,403	820	0	0	**2,223**	1,403	820	0	0	**2,223**	0	0	This is an ongoing project - further funds from DfT and CIF have been applied for - awaiting decisionThis is an ongoing project - further funds from DfT and CIF have been applied for - awaiting decision.
Weddington Road , Nuneaton Implement Toucan Crossing	71	0	112	0	**183**	71	0	112	0	**183**	0	0	
Upgrade existing shared ped / cycle path Bermuda	3	0	0	0	**3**	3	0	0	0	**3**	0	0	
Developer Funded Transport - Europa Way													

A452 Europa Way (Lower Heathcote Farm), Warwick. Developer – Gallagher Estates Ltd. S278	3,057	0	0	0	**3,057**	3,057	0	0	0	**3,057**	0	0	
A452 Europa Way / Olympus Avenue Traffic Signal Controlled Junction S278	4,978	97	0	0	**5,075**	4,978	97	0	0	**5,075**	0	0	
A452 Myton Road And Shire Park Roundabouts S106 WCC3	1,073	96	4,879	804	**6,852**	1,073	66	4,909	804	**6,851**	-30	-1	Reprofiled due to revised programme. Scheme is expected to start in Spring 2024.Additional funding from developer to complete footway works which weren't completed as part of their S278 scheme.
A452 Europa South of Olympus Avenue to Heathcote Lane Roundabout S106 WCC2 (Fusilliers Way to Gallows Hill)	341	5	3,735	3,419	**7,500**	341	35	750	6,374	**7,500**	30	-0	Reprofiled due to change in design approach
A452 M40 spur west of Banbury Road S106 WCC1	32	50	50	4,805	**4,937**	32	100	100	4,705	**4,937**	50	0	Reprofiled in line with revised programme.
A452 Europa Way (North Of Gallows Hill) Highway Impt S278 - Galliford Try	50	5	395	0	**450**	50	5	395	0	**450**	0	0	

C9878 A452 Europa Way Dualling, The Asps S278	1	149	0	0	**150**	1	149	0	0	**150**	0	0	
D1301 - A452 Europa Way, (The Asps), Banbury Road MINOR S278 Temp access	42	0	0	0	**42**	42	0	0	0	**42**	0	0	
D1527 - A452 Europa Way, Warwick (The Asps) - Ph 1 Interim Site Access LILO S278	7	53	0	0	**60**	7	53	0	0	**60**	0	0	
Developer Funded Transport - s278 schemes													
Unallocated section 278 developer funds	19	0	1,596	0	**1,616**	19	0	1,596	0	**1,616**	0	0	
B4113 Gipsy Lane Junction	5	1	0	0	**6**	5	0	1	0	**6**	-1	0	Scheme currently on hold. Spend moved back to next financial year
Ansty Business Park Phase 3 Junction Improvements	2,810	130	0	0	**2,940**	2,810	91	0	0	**2,900**	-40	-40	Previous forecast over estimatedPrevious forecast over estimated
B4087 Tachbrook Road Signals for Development at Woodside Farm Whitnash	431	0	0	0	**431**	431	0	0	0	**431**	0	0	
A423 Coventry Road Southam New Priority Junction S278	512	0	0	0	**512**	512	0	0	0	**512**	0	0	
A428 Rugby Radio Station Mass Site S278 Highways Work	2,871	0	53	0	**2,924**	2,871	2	52	0	**2,925**	2	1	Remedial works identified not previously forecast, anticipated increase in staff recharges
A3400 Birmingham Rd Stratford - Conversion of Existing Traffic Signal Junction S278	308	0	0	0	**308**	308	0	0	0	**308**	0	0	
B4087 Oakley Wood Road, Bishops Tachbrook - New Ghost Island Right Turn Lane S278	366	0	0	0	**366**	366	0	0	0	**366**	0	0	
B4632 Campden Road /C47 Station Road - New Ghost Island & New Minor Access S278	594	0	0	0	**594**	594	0	0	0	**594**	0	0	
B4642 Coventry Rd, Site Access, Cawston - New Traffic Signal Junction S278	582	0	0	0	**582**	582	0	0	0	**582**	0	0	
S278 Zebra Upgrade on Tachbrook Rd Leamington	60	0	0	0	**60**	60	0	0	0	**60**	0	0	Scheme currently in maintenance, no further costs currently expected
C204 Birmingham Road, Alcester New Right Turn Lane S278	115	43	0	0	**158**	115	1	0	0	**116**	-42	-42	Project in maintenance- minimal further costs anticipatedProject in maintenance- minimal further costs anticipated
A47 The Long Shoot, Nuneaton , New Traffic Controlled Junction S278	1,178	0	0	0	**1,178**	1,178	0	0	0	**1,178**	0	0	Staff recharge reconciliation, due to bond release processStaff recharge reconciliation, due to bond release process
B4035 Camden Road, Shipston On Stour New Right Turn Lane S278	336	21	0	0	**357**	336	21	0	0	**357**	0	0	Project in maintenance- no further costs anticipated
B4451 Kineton Road Southam New Roundabout S278	609	0	0	0	**609**	609	0	0	0	**609**	0	0	
C43 Harbury Lane, Warwick – new traffic signal controlled junction.S278	556	0	0	0	**556**	556	0	0	0	**556**	0	0	

A422 Alcester Road SoA access to development and relocation of puffin crossing	251	0	0	0	**251**	251	0	0	0	**251**	0	0	
A426 Southam Rd Southam access to quarry at Griffins Farm	307	0	0	0	**307**	307	0	0	0	**307**	0	0	
A428 Lawford Road Rugby right turn lane and access to development site	417	1	0	0	**418**	417	0	0	0	**417**	-1	-1	Scheme complete - minimal additional costs anticipated
B4429 Ashlawn Rd Rugby new puffin crossing	58	0	0	0	**58**	58	0	0	0	**58**	0	0	
A429 Ettington Rd Wellesbourne new rdbt and puffin crossing	1,222	0	0	0	**1,222**	1,222	0	0	0	**1,222**	0	0	
A4254 Eastbro Way Nuneaton Traffic Signals at Junctions with Camborne Drive S278	2,013	0	0	0	**2,013**	2,013	0	0	0	**2,013**	0	0	
A444 Weddington Road Nuneaton Right Turn Lane to Site Access S278	699	0	22	0	**721**	699	0	22	0	**721**	0	0	
A47 Hinkley Road Nuneaton Puffin Crossing	93	0	0	0	**93**	93	0	0	0	**93**	0	0	
D2206 Siskin Drive Baginton Right Turn Lane S278	459	1	22	0	**482**	459	0	22	0	**481**	-1	-1	Remedials identified not previously forecast
D3108 Back Lane Long Lawford Traffic Signals & Junction Improvements S278	443	0	0	0	**443**	443	0	0	0	**443**	0	0	
A444 Weddington Road , Nuneaton New Puffin Crossing S278	198	0	0	0	**198**	198	0	0	0	**199**	0	0	Scheme complete. Additional costs for closing down processScheme complete. Additional costs for closing down process
B4642 Coventry Road Cawston - New Right Turn Lane S278	784	20	0	0	**804**	784	21	0	0	**805**	1	1	Remedial work identified in RSA3 not previously knownAniticpated cost for fencing identified in RSA3
C33 Stockton Road And A423 Southam Road , Long Itchington New Footway & Upgrade Of Zebra Crossing S278	303	1	0	0	**305**	303	1	0	1	**304**	-1	-0	Scheme in maintenance period, minimum further expenditure anticipatedScheme in maintenance period, minimum further expenditure anticipated
D1643 Park Road , Bedworth New Car Park Egress S278	140	0	17	0	**157**	140	0	17	0	**157**	0	0	Remedials identified not previously forecast
A47 The Long Shoot Nuneaton relocation of a refuge island and creation of right turn lane	17	0	0	0	**18**	17	0	0	0	**17**	-0	-0	Scheme complete - no further costs anticipatedScheme complete - no further costs anticipated
A3400 Banbury Road / Tiddington Rd Stratford Traffic Signals	38	15	0	0	**53**	38	15	0	0	**53**	0	0	Scheme currently going through technical approval - original scheme now changed - see notes for 11577000
A3400 Bridgefoot / Bridegeway Stratford Junction Improvements	98	1	0	0	**99**	98	1	0	0	**99**	0	0	Code no longer required - issues around who will be developing site - now amalgamated into one scheme
C98 Loxley Rd , Tiddington - Site Accesses & Improved Footways	883	826	239	0	**1,948**	883	826	239	0	**1,948**	0	0	Scheme split in two - second scheme now at TA stage. Site work will be recosted
D7050 Common Lane Kenilworth Traffic Signal Junction	3,300	2	0	0	**3,302**	3,300	0	0	0	**3,300**	-2	-2	Scheme has been parked?Scheme complete, no further costs anticipated

Butlers Leap Link Road - Traffic Signal Impts	3,747	86	0	0	**3,833**	3,747	86	0	0	**3,833**	0	0	Scheme now complete. No more expenditure will be incurred
Shottery Link Road Stratford Puffin Crossing 7 & New Roundabout	5,661	1,528	0	0	**7,189**	5,661	1,531	0	0	**7,192**	3	3	Construction costs now more than originally tenderedWorks costs now more than originally tendered
A422 Banbury Road Ettington Ghost Island Right Turn Lane	293	2	0	0	**295**	293	2	0	0	**295**	0	0	Scheme now complete. No more expenditure will be incurred
B4451 Station Rd Bishops Itchington Ghost Island Right Turn Lane S278	783	2	0	0	**785**	783	3	0	0	**786**	1	1	Construction costs lower than originally budgeted, but remedials potentially still to forecastIncrease in staff time charged due to on-site remedials to be completed
A426 Leicester Road Rugby Highway Impt S278	2,743	2	0	0	**2,745**	2,743	4	0	0	**2,747**	2	2	Slight increase to professional fees & RSA3 potentially still to forecastStaff time higher than anticipated trying to close scheme down and release bond
B439 Salford Road Bidford - Access And Puffin Crossing	89	3	0	0	**92**	89	0	0	0	**89**	-2	-2	Scheme now complete. Minimum expenditure anticipatedScheme now complete. Minimum expenditure anticipated
Highway Impt A446 Lichfield Road , Coleshill S278	62	0	0	0	**63**	62	0	0	0	**63**	-0	-0	Scheme at final bond release stage. Additional costs associated with close down and Balfour Beatty QueryScheme at final bond release stage. Additional costs associated with close down and Balfour Beatty Query
Highway Impt C104 Milcote Rd Welford On Avon S278	280	0	0	0	**280**	280	1	0	0	**281**	1	1	Scheme now complete. Minimum expenditure anticipated
C12 Plough Hill Road , Galley Common - installation of Puffin crossing & associated fway works	234	1	0	0	**235**	234	0	0	0	**234**	-1	-1	Scheme in maintenance period, minimum further expenditure anticipatedMinimum additional due to scheme close down process
A3400 London Road Shipston S278 Ghost Island Right Turn Lane Junction	473	48	0	0	**520**	473	0	0	0	**473**	-47	-47	Bond due for release - minimal further costs anticipatedBond due for release - minimal further costs anticipated
A425 Daventry Road Southam S278 Construct Access	423	3	0	0	**426**	423	0	0	0	**423**	-3	-3	Scheme now complete. Minimum expenditure anticipatedScheme now complete. Minimum expenditure anticipated
C8 Trinity Road Kingsbury S278 Traffic Signal Junction	3,020	53	0	0	**3,072**	3,020	-0	0	0	**3,020**	-53	-53	No further staff recharges anticipated this year therefore forecast to actualsScheme in maintenance - no remedials identified - forecast reduced
D538 Station Road Coleshill S278 Puffin Crossing	10	2	0	0	**12**	10	1	0	0	**11**	-1	-1	Additional costs associated with bond reduction processAdditional costs associated with bond reduction process
Cctv /Utc Integration Scheme On A3400 Bham Rd Stratford S278	2	83	0	0	**85**	2	0	83	0	**85**	-83	0	Due to technology changing, still trying to determine optimum solution
B4642 Coventry Rd Cawston Ghost Island Right Turn Lane S278	1,013	5	32	0	**1,050**	1,013	-0	0	0	**1,013**	-5	-37	Scheme in maintenance - no remedials identified - forecast reduced. Staff recharge reconciliation producing small creditScheme in maintenance - no remedials identified - forecast reduced. Staff recharge reconciliation producing small credit

B4455 Fosse Way / B4100 Banbury Rd (Jlr) Highway Impt S278	15	0	0	0	**15**	15	0	0	0	**16**	0	0	Scheme currently on hold, not able to forecast costs currentlyScheme on hold, staff time increased due to enquries re planning consent or close scheme down
B4455 Fosse Way /A425 Southam Rd Roundabout Impt S278 (CEG)	40	0	0	0	**40**	40	1	0	0	**41**	1	1	Scheme on hold costs not able to forecast at present
B4455 Fosse Way /C43 Harbury Lane Impt Crossroads S278 (CEG)	429	1,847	921	8	**3,205**	429	1,847	921	8	**3,206**	0	1	Now on site, more certainty around anticipated costs
B4100 Banbury Rd / Kingston Grange Site Access Impt S278 (CEG)	1,138	8	42	0	**1,189**	1,138	0	0	0	**1,138**	-8	-51	Scheme in maintenance, minimum further costs anticipatedScheme in maintenance, minimum further costs anticipated
B4100 Banbury Rd / Site Access Lighthorne Heath Highways Impt S278 (IM Properties)	139	1,740	0	0	**1,879**	139	1,942	52	0	**2,133**	202	254	Scheme costs increased due to unforeseen site conditionsScheme costs now known for new PSC contract for unforeseen site conditions
S278 Highway Impt C30 Hillmorton Lane To Houlton And The Kent Rugby	3,235	181	0	0	**3,416**	3,235	187	0	0	**3,422**	6	6	Scheme completed - commuted sums omitted from Q1 forecastRSA3 additional works identified
S278 Highway Impts Rugby Free School	821	24	0	0	**845**	821	2	0	0	**823**	-22	-22	Scheme complete. Additional Legal Fees claimed via scheme instead of directly from developer. Minimal additional closing down costs anticipatedScheme complete. Additional Legal Fees claimed via scheme instead of directly from developer. Minimal additional closing down costs anticipated
A4023 Coventry Highway Mappleborough Green S278	3,938	0	17	0	**3,955**	3,938	0	17	0	**3,955**	0	0	Remedials identified not previously forecast
A428 Crick Road Rugby S278	1,300	0	3	0	**1,303**	1,300	0	3	0	**1,302**	0	-1	Scheme complete, minimum additional expenditure anticipated
A428 Hillmorton Road /B4429 Ashlawn Rd Rugby S278	358	0	0	3	**361**	358	0	0	3	**360**	0	-0	Scheme complete, minimum additional expenditure anticipatedScheme complete, minimum additional expenditure anticipated for closedown process
B4632 Campden Road Clifford Chambers S278	1,445	296	0	0	**1,741**	1,445	296	0	0	**1,740**	-0	-0	Scheme scope changed incurring higher construction costs
B5000 Grendon Road Polesworth S278	374	0	0	0	**374**	374	0	0	0	**374**	0	0	Additional staff time due to RSA3 requirements and closing down the schemeAdditional staff time due to RSA3 requirements and closing down the scheme
A425 Banbury Rd Warwick Highway Impt S278 Wk Ind Schools	504	0	0	0	**504**	504	1	0	0	**504**	1	1	Scheme complete, minimum additional expenditure anticipated
A47 Long Shoot Nuneaton Highways Impt S278 Jelson Ltd	1,949	5	0	0	**1,954**	1,949	10	0	0	**1,959**	5	5	Remedials identified not previously forecastWhite-lining costs unknown prior to Q3
B4035 Campden Rd Shipston Highway Impt S278 - Taylor Wimpey	1,703	7	0	0	**1,710**	1,703	7	0	0	**1,710**	-0	-0	Additionals TRO costs not previously identified: total still unknown at present
C11 Higham Lane Nuneaton Highway Impt S278 - Persimmon	1,180	86	0	0	**1,266**	1,180	86	0	0	**1,265**	-0	-0	Contractor final invoice less than anticipatedContractor final invoice less than anticipated

B4086 Wk Rd Kineton S278 Site Access Morris Homes C9389	1,531	19	0	0	**1,550**	1,531	21	0	0	**1,552**	2	2	Scheme complete although in dispute with developer so costs may increase further than currently forecastLegal fees increased due to dispute with developer
B4089 Arden Rd S278 Site Access Alcester Estates C9558	95	1	0	0	**96**	95	0	0	0	**95**	-1	-1	Currently in maintenance, minimal further costs anticipatedAdditional costs associated with bond reduction process
B4100 Temple Herdewyke Highways Impt S278 Dio C9618	4,101	24	0	0	**4,125**	4,101	27	0	0	**4,128**	3	3	Change in scope of scheme causing increased costsIncrease in staff time due to addressing remedial works
Junction Impt A3400 Shipston Rd SoA C8950 St Mowdens S278	16	3	1,000	2881	**3,900**	16	0	0	0	**16**	-3	-3,884	Scheme been on hold, not yet tendered so not able to enter forecast yetWill not go to tender until June 2024 approx - no costs anticipated until next financial year
Highways Impt A426 Rugby Rd C9401 David Wilson S278	2,336	1	0	0	**2,337**	2,336	1	0	0	**2,337**	0	0	Minor scheme in maintenance, no further costs anticipatedAdditional staff time due to addressing bond reduction
Highways Impt Gallows Hill C9042 Galllagher S278	549	2,750	550	0	**3,849**	549	2,753	550	0	**3,852**	3	3	Weighting Restrictions costs unknown prior to actuals now posted - increased forecast to matchWeighting Restrictions costs unknown prior to actuals now posted - increased forecast to match
C12 Tunnel Rd Highway Impt S278 Countryside Prop (C9836)	12	0	0	0	**12**	12	0	0	0	**12**	0	0	Scheme in maintenance, minimum expenditure now anticipatedAdditional costs associated with bond reduction process
C88 Alwyn Road Rugby Highway Impt S278 Miller Homes (C9712)	2	2	246	0	**250**	2	2	246	0	**250**	0	0	
C93 Bishopton Lane SOA S278 Miller & T.Wimpey (C9163)	1,754	3	0	0	**1,757**	1,754	3	0	0	**1,757**	-1	-1	Remedial works identified not previously forecast
A428 Coventry Rd Long Lawford Junction IMPT C9593 Bloor	48	1,271	409	0	**1,728**	48	1,281	409	0	**1,738**	10	10	Contruction costs increased form original forecastConstruction costs over-running increasing supervision costs
B4100 Banbury Rd / Kingsway Rdbt Highway IMPT C9829 Ceg	5,074	5		0	**5,079**	5,074	8	0	0	**5,082**	3	3	Retention due for release, contractor remedials oustanding, no further construction costs anticipatedAdditional staff time due to addressing remedial works. Landscaping works still to be completed.
C33 Stockton Rd Long Itchington Highway IMPT C9631 Barratt	118	3	0	0	**121**	118	38	0	0	**156**	35	35	Additional commuted sums not previously collectedAdditional commuted sums not previously collected
C12 Plough Hill Rd , Nuneaton Highway IMPT C9746 Countryside	47	150	10	0	**207**	47	3	110	0	**161**	-147	-47	Scheme delayed due to developer design issues & planning consents. Scheme currently unbuildable - in revision.Scheme delayed due to developer design issues & planning consents. Scheme currently unbuildable - in revision.
A425 Banbury Rd Warwick S278 Highways Impt C9591	51	5	0	0	**56**	51	12	0	0	**63**	7	7	Taylor Wimpey now able to appoint own contractor, construction costs & income no longer requiredNow received full design pack from developer for review increasing staff recharge costs

B4632 Campden Rd Long Marston S278 Highways Impt C9392	6,243	4	7	0	**6,254**	6,243	5	7	0	**6,255**	1	1	Remedials identified not previously forecastLegal fees expected to increase to address additional planting licence request from developer
A4177 Bham Rd Hatton S278 Highways Impt C9816	44	20	20	0	**84**	44	35	20	0	**99**	15	15	Scheme start delayed, less supervision costs requiredContractor started on site, thereby increasing estimated staff recharge costs
A423 Southam Bypass S278 Highways Impt C9664	10	5	0	0	**15**	10	20	0	0	**30**	15	15	About to enter TA, still to go to tender, construction costs not able to forecast currentlyNow in TA additional costs associated tech review.
A45 Stonebridge / D2201 Rowley Rd Baginton S278 Highway Imp C9185	562	38	0	0	**600**	562	20	0	0	**582**	-18	-18	Staff recharges increased due to RSA3 worksStaff recharges increased due to RSA3 works
B4029 Severn Rd Bulkington S278 Highway Impt C9913	602	11	0	0	**613**	602	14	0	0	**616**	3	3	Additional construction works not previously identifiedUnforeseen drainage works increasing staff recharge costs & new FRM costs
B4632 Campden Rd Quinton S278 Highway Impt C9930	1,662	5	0	0	**1,667**	1,662	6	0	0	**1,668**	1	1	Scheme in maintenance, minimum further costs anticipatedAdditional staff time due to addressing remedial works.
C33 Bubbenhall Rd Baginton S278 Highway Impt C9803	477	5	0	0	**482**	477	5	0	0	**482**	0	0	Previous forecast over-estimated on staff time required
D6216 Upper Henley St Soa S278 Highways Impt C9793	20	2	0	0	**22**	20	0	0	0	**21**	-2	-2	Minimal additional costs to finalise schemeMinimal additional costs to finalise scheme
M6 Junction 1 / A426 Leicester Rd Rugby S278 Highway Impt C9471	365	3	0	0	**368**	365	7	0	0	**372**	4	4	Staff costs increased due to ongoing defectsStaff costs increased due to ongoing defects
C32 Bham Rd (Farmers Market Rdbt.) S278 Highways Impt - C9670	3	2	245	0	**250**	3	0	0	0	**3**	-2	-246	Scheme on hold costs not able to forecast at presentScheme on hold costs not able to forecast at present
C9802 A46 Stoneleigh Rd (Whitley South) S278	28	0	0	0	**28**	28	0	0	0	**28**	0	0	
C9962 - A46 Alcester Road, Stratford-upon-Avon	31	6	0	0	**37**	31	10	0	0	**41**	4	4	Scheme in maintenance. Slight increase on staff time chargedScheme in maintenance. Slight increase on staff time charged
C9964 - B4632 Campden Rd (Freshfields Nursery), Clifford Chambers	16	30	0	0	**46**	16	30	0	0	**46**	0	0	Developer now likely to engage own contractor reducing WCC costs and additional income
C9946 - C43 Gallows Hill (Strawberry Fields), Warwick	38	10	0	0	**48**	38	10	0	0	**48**	0	0	Developer now likely to engage own contractor reducing WCC costs and additional income
C9973 - D7069 Glasshouse Lane, Kenilworth	121	0	0	0	**121**	121	0	0	0	**121**	0	0	Minor scheme complete - no further expenditure anticipatedMinor scheme complete - no further expenditure anticipated
D1020 - A46/A428 Rugby Road, Binley Woods	104	15	0	0	**119**	104	25	0	0	**129**	10	10	Final inspections not previously forecastFinal inspections incurring higher staff costs
C9990 - A426 Rugby Road/D3616 The Square (Dun Cow Crossroads), Dunchurch	943	1	0	0	**944**	943	1	0	0	**945**	0	0	Scheme in maintenance, minimum further costs anticipatedAdditional staff time associated with closing down the scheme

C9991 - A426 Dunchurch Rd/NB4429 Ashlawn Rd (Cock Robin Island), Rugby	52	15	0	0	**67**	52	100	0	0	**152**	85	85	Increase in costs due to anticipated construction start on site which includes; Site staff, Officers & construction costsIncrease in costs due to anticipated construction start on site which includes; Site staff, Officers & construction costs
C9992 - B4429 Ashlawn Rd/D3394 Barby Rd, Dunchurch	82	12	0	0	**94**	82	14	0	0	**96**	2	2	Currently in TA, construction costs unknown at this stageIncreased costs due to ongoing technical review
C9983 - C93 Bishopton Lane (canal bridge traffic signals), Stratford-upon-Avon	347	12	0	0	**359**	347	12	0	0	**359**	-0	-0	Retention not accrued in previous years & final inspections due not previously forecastRetention not accrued in previous years & final inspections due not previously forecast
C9981 - D3948 Falkland Place, Temple Herdewyke	199	0	1	0	**200**	199	19	0	0	**218**	19	18	Balfour costs to be finalised. Minimal further expenditure anticipated as scheme completeBalfour costs to be finalised. Minimal further expenditure anticipated as scheme complete
D1152 - S278 Brinklow Road, Binley Heath (Temporary Access)	41	2	0	0	**43**	41	3	0	0	**44**	1	1	Scheme complete. Small additional closing down costsScheme complete. Small additional closing down costs
D1175 B4429 Coventry Road Section 4&8 HE - Symmetry Park Coventry Road, Rugby South	87	30	0	0	**117**	87	30	0	0	**117**	0	0	S4&8 with HE so site fees removed, investigation costs only
D1251 - D11 C204 Birmingham Rd, Alcester, Right Turn Lane (Major)	1,033	2	22	0	**1,057**	1,033	2	22	0	**1,057**	0	0	Only HMC works remain, so reduction in costs anticipated
D1151 - A4390 Seven Meadows Rd (Shakespeare Marina), Stratford upon Avon (New Access)	38	5	90	0	**133**	38	5	90	0	**133**	0	0	Construction costs now less than anticipated
C9973 - Glasshouse Lane, Kenilworth School (MAJOR) Scheme	6	1,447	164	0	**1,617**	6	1,466	146	0	**1,617**	19	0	Completion certificate to be issued, entering defect period. Works costs this finanical year slightly higher than anticipated
D1216 - Gipsy Lane, Yew Tree Farm, Nuneaton	103	3,422	0	0	**3,525**	103	3,422	0	0	**3,526**	0	0	Delays to scheme caused increased costs
D1269 - Pickard Street, Emscote Rd, Warwick - Lidl Access S278	102	2	0	0	**104**	102	3	0	0	**104**	1	1	Scheme in maintenance. Slight increase on staff time chargedScheme in maintenance. Slight increase on staff time charged
D1225 - B4429 Coventry Rd, Symmetry Park, Rugby Sth. Construction Access MINOR S278	17	0	0	0	**17**	17	0	0	0	**17**	0	0	Minor scheme now complete, no further costs anticipatedMinimal additional staff costs incurred above estimate
D1242 - A4254, Eastboro Way, Nuneaton, Toucan Crossing S278	12	130	5	0	**147**	12	106	3	0	**122**	-24	-26	Scheme now on site, forecast reduced to reflect latest anticipated costsScheme now on site, forecast reduced to reflect latest anticipated costs
D1220 - Coventry Road, Faultlands Farm, Nuneaton S278	146	7	0	0	**153**	146	9	0	0	**156**	2	2	Contractor has own developer. Site monitoring fees now anticipated to be lower than originally budgetedCost received from Traffic Signal Team

D1272 - A444 Lichfield Road, Curdworth (Dunton Wharf) S278	15	45	0	0	**60**	15	3	22	0	**40**	-42	-20	Scheme note yet started on site. Delayed due to stats diversion work. Works costs not yet knownScheme note yet started on site. Delayed due to stats diversion work. Works costs not yet known
D1264 - C43 Gallows Hill (Strawberry Fields) Warwick - MINOR S278 Temp Access	23	6	0	0	**29**	23	10	0	0	**33**	4	4	Developer requested all works to be suspended, unable to forecast construction costs at this stageStaff recharges increased to inspection works
C9629 - D5496 School Road, Salford Priors, Stratford upon Avon MINOR S278	8	5	0	0	**13**	8	3	0	0	**11**	-2	-2	Developer delivering works themselves, thereby reducing costs & income to schemeDeveloper delivering works themselves, thereby reducing costs & income to scheme
D1270 - D6173 Timothy's Bridge Road, Startford upon Avon (Swan's Landing) MINOR S278	1	109	0	0	**110**	1	0	109	0	**110**	-109	0	Construction costs now estimated to be less than originally forecast
D1268 - D2045 Coombe Fields Road, Ansty, Rugby S278 (Signal Jnct)	44	14	0	0	**58**	44	14	0	0	**58**	0	0	Previous forecast overcautious on time required for inspection
D1265 - C43 Gallows Hill (Lower Heathcote Farm) Warwick, MINOR S278	18	0	0	0	**18**	18	0	0	0	**18**	0	0	Minor scheme complete - no further expenditure anticipatedMinor scheme complete - small additional staff costs incurred
D1341 - A428 Coventry Rd, Long Lawford (Temp Access) S278	4	31	0	0	**35**	4	0	0	0	**4**	-31	-31	Minor scheme now complete, no further costs anticipated (developer undertook construction)Minor scheme now complete, no further costs anticipated (developer undertook construction)
D1302 - D1736 School Lane, Exhall (Toucan Crossing) MINOR S278	13	60	5	0	**78**	13	25	32	0	**69**	-36	-9	Scope of works reduced to original estimate. Staff costs slightly increasedScope of works reduced to original estimate. Staff costs slightly increased
D1326 - D7069 Glasshouse Lane, Kenilworth S278	29	230	600	0	**859**	29	230	600	0	**859**	0	0	Waiting for developer to nominate contractor before can go to tender. Construction costs ballpark £1m with potential Jan 2024 start
D1339 - D7069 Glasshouse Lane (Crewe Lane) Kenilworth MINOR S278	14	10	1	0	**25**	14	5	0	0	**19**	-5	-6	Developer delivering works themselves, thereby reducing costs & income to schemeDeveloper delivering works themselves, thereby reducing costs & income to scheme
D1300 - D4102 Millers Road, Warwick MINOR S278	114	0	0	1	**115**	114	2	0	1	**117**	2	2	Small increase in costs due to remedial worksSmall increase in costs due to remedial works
D1409 - A46 Alcester Rd, Stratford - Billesley Crossroads S278	1	0	0	0	**1**	1	0	0	0	**1**	0	0	Scheme delayed - not starting anytime soon
D1408-A46 Alcester Road Stratford Footway & Cycleway S278	9	1	0	0	**10**	9	1	0	0	**10**	-0	-0	Scheme now complete. Additional staff time incurred not previosly forecastScheme now complete. Additional staff time incurred not previosly forecast
A46 Alcester Road Stratford (Drayton manor drive)	4	1	0	0	**5**	4	1	0	0	**5**	0	0	Previous forecast overcautious on time required for inspection. Scheme completePrevious forecast overcautious on time required for inspection. Scheme complete

C43 Gallows Hill - bell mouth at car dealership	5	0	0	0	**5**	5	0	0	0	**5**	0	0	Scheme no longer requiredScheme no longer required
S5721 Stockley Road, Exhall - priority junction	12	177	0	0	**189**	12	-0	0	0	**12**	-177	-177	Scheme transferred to Development Management - no longer EDSScheme transferred to Development Management - no longer EDS
A428/A45 Rugby Road, Binley Woods	14	60	4	0	**78**	14	27	32	0	**73**	-33	-5	Balfour still to confirm if can start this finanicial year. Slight reduction on anticipated costsBalfour still to confirm if can start this finanicial year. Slight reduction on anticipated costs
D1425 - A452 Leamington Rd, Kenilworth - Thickthorn (MINOR) S278	5	1	0	0	**6**	5	1	0	0	**6**	0	0	Scheme costs lower than originally budgetedSmall increase to staff recharges since Q2 forecast
D1467 - A452 Leamington Rd, Kenilworth - Thickthorn LILO S278	17	15	0	0	**32**	17	16	0	0	**33**	1	1	Developer now likely to engage own contractor reducing WCC costs and additional incomeUnforeseen design issues increasing costs
D1468 - A452 Leamington Rd, Kenilworth - Thickthorn Signalised Jnct S278	17	15	0	0	**32**	17	25	0	0	**42**	10	10	Developer now likely to engage own contractor reducing WCC costs and additional incomeUnknown design issues increasing staff recharge costs
D1466 - D7069 Glasshouse Lane, Kenilworth - Thickthorn Priority Jnct S278	16	15	0	0	**31**	16	25	0	0	**41**	10	10	Developer now likely to engage own contractor reducing WCC costs and additional incomeUnknown design issues increasing staff recharge costs
D1478 - A422 Banbury Rd, Stratford - Stratford Business & Technology Park S278	1	2	0	0	**3**	1	2	0	0	**3**	-0	-0	Scheme cancelled by developer - will be removed to Revenue as below diminimus
D1430 - B4100 Gaydon Service Station, Banbury Rd, Gaydon S278	6	71	0	0	**77**	6	20	1	0	**28**	-51	-50	Originally overestimated. Scheme due to start on site Dec. Costs reduced to reflect current expected costsOriginally overestimated. Scheme due to start on site Dec. Costs reduced to reflect current expected costs
D1388 - B4114 Lutterworth Rd/ Golf Dv, Whitestone, Nuneaton Traffic Signals S278	5	3	0	0	**8**	5	3	0	0	**8**	-1	-1	Scheme heavily delayed, design still tbc. Costs unknown at this stage
D1529 - B4429 Coventry Road, Symmetry Park Windmill Lane - Cycle Link	10	10	0	0	**20**	10	18	0	0	**28**	8	8	Construction not yet gone to tender, unable to estimate costs currentlyIncrease in staff recharges in initial stage of scheme
D1521 - C1 Austrey Road, Warton, Tamworth - Widening & Junction Improvement	8	0	100	0	**108**	8	0	100	0	**108**	0	0	Construction costs now estimated to be less than originally budgeted
A3400 Mill Lane, Newbold on Stour, Oldacre Gardens - Passing Bays	2	20	5	0	**27**	2	31	7	0	**40**	11	14	Works costs, Design & TA increased slightly. More confidence in estimateWorks costs, Design & TA increased slightly. More confidence in estimate
The Belfry Hotel and Resort, Sutton Coldfield – junction improvement	3	25	25	0	**53**	3	4	1	0	**8**	-21	-45	Developer delivering works themselves, thereby reducing costs & income to schemeDeveloper delivering works themselves, thereby reducing costs & income to scheme
C7 Tamworth Road, Wood End Land East of Islington Farm - construction of new access, footpath and road	2	15	5	0	**22**	2	16	1	0	**18**	1	-4	Scheme complete. Developer delivered works. RSA review due slightly reducing expected costsScheme complete. Developer delivered works. RSA review due slightly reducing expected costs

A3400, Stratford Road, Shipston-on-Stour - Ellen Badger Hospital – widening access and relocation of pedestrian island	9	0	71	0	**80**	9	26	1	0	**35**	26	-45	Scheme transferred into EDS - majority of works now taking place in 2023/24Originally overestimated. Balfour still to finalise costs
C5 Orton Road, Warton (Warton Allotments) – widening and realignment of Orton Road, new footways, culverting of existing ditch and new drainage infrastructure	2	15	0	0	**17**	2	15	0	0	**17**	0	0	Scheme currently in TA, not yet gone to tender, construction costs not known at present
B4113 Longford Road, Exhall (Wilsons Lane) - Ghost Island and footway - Construction of a right turn lane into the Longford Road and widening of the footway	4	10	0	0	**14**	4	10	0	0	**14**	0	0	Scheme currently in TA, unable to estimate construction costs at presentAdditional FRM costs incurred
B4113 Longford Road, Exhall (Wilsons Lane) – Temporary and minor access – Construction of a temporary access in a form of a dropped kerb vehicle	11	3	0	0	**14**	11	3	0	0	**14**	0	0	Temp Access, still in TA, construction costs unknown at present
D1562 -A4254 Eastboro Way - Signalised Junctions Heart of England Way S278	5	23	35	0	**63**	5	23	35	0	**63**	0	0	Not due to start on site until next year. Not able to forecast construction costs at this stage
D1636 -A4254 Eastboro Way - Signalised Junctions Crowhill Road S278	0	28	45	0	**73**	0	28	45	0	**73**	0	0	Not due to start on site until next year. Not able to forecast construction costs at this stage
D1588 - D209 Carlyon Road, Atherstone - Bus Stops S278	0	80	0	0	**80**	0	24	1	0	**25**	-56	-55	Scheme originally overestimated. Works expected to be completed by 31.03.2023Scheme originally overestimated. Works expected to be completed by 31.03.2023
D1563 - A4254 Eastboro Way - Highfield Road Roundabout Improvements S278	0	25	14	0	**39**	0	25	14	0	**39**	0	0	Not due to start on site until next year. Not able to forecast construction costs at this stage
D1693 - A452 Greys Mallory Roundabout Signalisation S278	0	0	950	0	**950**	0	0	950	0	**950**	0	0	
D1698 - Top Farm C11 Higham Lane S278	0	0	805	0	**805**	0	0	805	0	**805**	0	0	
Grand Total	**287,953**	**78,778**	**56,065**	**27,614**	**450,411**	**287,953**	**59,229**	**66,870**	**54,300**	**468,353**	**-19,549**	**17,942**	
Europa Way S278	**8,135**	**304**	**395**	**0**	**8,834**	**8,135**	**304**	**395**	**0**	**8,834**	**0**	**0**	
S278 Schemes	**90,196**	**17,679**	**8,399**	**2,893**	**119,167**	**90,196**	**17,151**	**7,382**	**12**	**114,741**	**-528**	**-4,426**	
Total S278	**98,331**	**17,982**	**8,794**	**2,893**	**128,001**	**98,331**	**17,454**	**7,777**	**12**	**123,575**	**-528**	**-4,426**	
Non S278 Environment Services sche	**189,622**	**60,796**	**47,271**	**24,721**	**322,410**	**189,622**	**41,775**	**59,094**	**54,288**	**344,778**	**-19,021**	**22,368**	

Annex B - Fire and Rescue Services

Chief Fire Officer - Ben Brooke
Executive Director - Mark Ryder
Portfolio Holders - Cllr Heather Timms (Environment, Climate & Culture)

Revenue Budget - 2023/24

Service	Gross Expenditure Budget	Gross Income Budget	Net Expenditure		Net Variance Represented by			Reason for Net Variation and Management Action
			Budget	Variation Over/ (Under)	Revenue Investment Funding	Contra to/from Earmarked Reserves	Remaining Service Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Fire Leadership Team	57	0	57	**13**			**13**	
Fire Business Support	1,477	0	1,477	**188**		**113**	**75**	The use of the pensions volatility reserve has been required due to processing of two years' of ill-health retirement contributions being actioned in 2023/24.
AM Response	1,624	(31)	1,593	**168**			**168**	After the removal of salary budgets from Response, the cost of crewing pool remains within AM Response. Overspend of £168k is offset by the underspend within the Fire Workforce (the two go hand in hand). The additional overspend is showing the non-salary spend on stations which had previously been unbudgeted for but was masked by the salaries budgets. There are also inflationary pressures within Technical and Transport. Action is being taken to redistribute budget to cover non-salary spend on Wholetime stations.
AM Protection	935	(470)	465	**(41)**			**(41)**	Additional income is being forecast within Training Course Delivery, the commercialisation of this area is a focus within the Service.
AM Prevention	1,681	(304)	1,377	**(2)**		**-1**	**(1)**	
Fire Workforce	20,547	(329)	20,218	**(304)**			**(304)**	As expected, the On-Call salary budget is showing a significant underspend due to vacancies, and the underspend across Operational and Non-Operational staff is offsetting the crewing pool overspend within AM Response. A Workforce Tactical group is being set up to monitor staffing levels and capture all information needed for better salary forecasting.
CSW Resilience	439	(202)	237	**79**		**68**	**11**	
Net Service Spending	**26,760**	**(1,336)**	**25,424**	**101**	**0**	**180**	**(79)**	

Annex B - Fire and Rescue Services

Chief Fire Officer - Ben Brooke
Executive Director - Mark Ryder
Portfolio Holders - Cllr Heather Timms (Environment, Climate & Culture)

Saving Plan - 2023/24

Saving Proposal	Target £'000	Forecast £'000	Shortfall/ (Over achievement) £'000	Reason for financial variation and associated management action
Savings on third party spend - Review of services purchased from third parties to ensure value for money.	(50)	(50)	0	
Total	**(50)**	**(50)**	**0**	

Annex B - Fire and Rescue Services

Chief Fire Officer - Ben Brooke
Executive Director - Mark Ryder
Portfolio Holders - Cllr Heather Timms (Environment, Climate & Culture)

Revenue Investment Fund - 2023/24 and future years

Revenue Investment	Current Year Budget	Forecast	Variance Over/(Under) £'000	Progress Update	Approved Remaining Resource	Estimated Project Completion
Building Capacity and Integration for WFRS	37	37	0	This budget has been moved into the Improvement Plan, which is being closely monitored to ensure it is appropriately and effeciently spent on Service Improvement in this financial year.	0	Mar-24
Fire Control Room	156	156	0	This project is funding resourcing/staffing costs this year and it is not expected any further draw downs from the available funding will be required until next year.	1409	TBC
Water Hydrant Project	22	22	0	Project on track	0	Mar-24
Fire Transformation Fund	0		0		120	TBC
Total	**215**	**215**	**0**			

Annex B - Fire and Rescue Services

Chief Fire Officer - Ben Brooke

Executive Director - Mark Ryder

Portfolio Holders - Cllr Heather Timms (Environmen

Capital Programme - 2023/24 to 2024/25 Onwards

P	Description	Approved Budget					Forecast					Variation		Commentary
		Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
	Vehicle Replacement Programme 2021/22	837	0	0	0	**837**	837	0	0	0	**837**	0	0	
	Vehicle Replacement Programme 2022/23	541	1,207	0	0	**1,748**	541	1,207	0	0	**1,748**	0	0	
Sub Total - F&R Self Financi		**1,378**	**1,207**	**0**	**0**	**2,585**	**1,378**	**1,207**	**0**	**0**	**2,585**	**0**	**0**	
	Equipment for fire engines 20	224	0	0	0	**224**	224	0	0	0	**224**	0	0	
	Equipment for new Fire Appliances 2021/22	91	0	0	0	**91**	91	0	0	0	**91**	0	0	
	Equipment for new Fire Appliances 2022/23	24	0	0	0	**24**	24	0	0	0	**24**	0	0	
	Equipment for new Fire Appliances 2023/24	0	131	196	0	**327**	0	327	0	0	**327**	196	0	Budget re-profiled in line with revised projected spendThis is actual spend from 2022/23 11973000
Sub Total - Projects Funded		**339**	**131**	**196**	**0**	**666**	**339**	**327**	**0**	**0**	**666**	**196**	**0**	
	Fire & Rescue HQ Leamington Spa	135	1,987	171	0	**2,293**	135	0	358	0	**493**	-1,987	-1,800	A request is being made to transfer the unspent funds to the Minerva Paynes Lane ProjectThe Service will be requesting a budget virement of £1.8m (exact figure to be confirmed at Q3 reporting) from this project to the Minerva Paynes Lane project.
Sub Total - F&R Future Esta		**135**	**1,987**	**171**	**0**	**2,293**	**135**	**0**	**358**	**0**	**493**	**-1,987**	**-1,800**	

F&R Training Programme: Lea Marston now Paynes Lane (Minnerva and response point)	172	2,274	0	0	**2,446**	172	3,859	215	0	**4,246**	1,585	1,800	Expected additional costs for Minerva project - seeking approval for budget virement of £1.8m from Leam HQ project (exact figure to be confirmed at Q3, following completion of the tender process).
F&R Training Programme: Kingsbury	1,499	0	0	0	**1,499**	1,499	0	0	0	**1,499**	0	0	
F&R Training Programme: EA Water site	27	24	0	0	**51**	27	24	0	0	**51**	-0	-0	
Sub Total - F&R Training Pro	**1,698**	**2,298**	**0**	**0**	**3,996**	**1,698**	**3,883**	**215**	**0**	**5,796**	**1,585**	**1,800**	
Fire Emergency Services Network (ESN)	525	278	25	0	**829**	525	278	25	0	**829**	0	0	
Sub Total - F&R Emergency	**525**	**278**	**25**	**0**	**829**	**525**	**278**	**25**	**0**	**829**	**0**	**0**	
Grand Total	**4,075**	**5,901**	**392**	**0**	**10,369**	**4,075**	**5,695**	**598**	**0**	**10,368**	**-206**	**-0**	

Annex C - Economy & Place

Director - David Ayton Hill
Executive Director - Mark Ryder
Portfolio Holders -Councillor Wallace Redford (Transport & Planning), Councillor Heather Timms (Environment, Climate & Culture), Councillor Martin Watson (Economy)

Revenue Budget - 2023/24

Service	Gross Expenditure Budget	Gross Income Budget	Net Expenditure		Net Variance Represented by			Reason for Net Variation and Management Action
			Budget	Variation Over/ (Under)	Revenue Investment Funding	Contra to/from Earmarked Reserves	Remaining Service Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Waste & Environment	26,692	(4,773)	21,919	**(392)**			**(392)**	
Economy & Skills	6,716	(4,288)	2,428	**(376)**	**(130)**		**(246)**	
Transport & Highways	9,687	(9,707)	(20)	**790**	**(55)**	**(154)**	**999**	Q3 has seen some moderation of the overspend that was previously forecast. While we continue to see in year pressures around income generated from civil parking enforcement which we are working to address, this has been off-set through reductions in spend across other budgets and increased income to be received as a result of our involvement in the Waste to Energy plant in Staffordshire
Economy & Place Management	747	0	747	**(117)**			**(117)**	
Net Service Spending	**43,842**	**(18,768)**	**25,074**	**(95)**	**(185)**	**(154)**	**244**	

Annex C - Economy & Place

Director - David Ayton Hill

Executive Director - Mark Ryder

Portfolio Holders -Councillor Wallace Redford (Transport & Planning), Councillor Heather

Description	Approved Budget					Forecast					Variation		Commentary
	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
Country Parks maintenance 20-21	114	0	0	0	114	114	0	0	0	114	0	0	
Country Parks Car Parking Facilities - upgrade to Ticket Machines	101	84	0	0	185	101	0	84	0	185	-84	0	ANPR due to be delivered at KWP in 2024/25
Country Parks - Annual Maintenance 2021-22	192	24	0	0	216	192	24	0	0	216	0	0	£420 unforeseen over spend
Country Parks - Annual Maintenance 2022-23	90	78	0	0	168	90	242	102	0	433	164	265	Project split over financial years. Receipt of S106 funding for resurfacing of Stratford Greenway
Country Parks - Annual Maintenance 2023-24	0	219	91	0	310	0	148	162	0	310	-71	0	Work is still planned but projects are progressing slower than expected with whole of project unlikely to be delivered in this financial year
A426 Gateway Rugby to Rugby Town Centre Cycle Scheme	284	0	23	224	531	284	0	23	224	531	0	-0	

S106 2 Bus shelters at bus stops on Narrow Hall Meadow nr GP Surgery Chase Meadow	0	20	0	0	20	0	0	20	0	20	-20	0	
Highways Improvements To Bus Stops At Land Off The Longshoot S106	12	0		19	31	12	0	0	19	31	0	-0	
Southbound Bus Stop On A426 Leicester Rd, Rugby S106	15	64	0	0	79	15	0	64	0	79	-64	0	Scheme delayed due to increased budget requirement which is currently unfunded.
Bus Stop Enhancement Works In Alderminster	14	0	0	7	21	14	0	0	7	21	0	0	
Provision Of Replacement Bus Shelter On Kinwarton Rd,Alcester	10	0	0	6	16	10	0	0	6	16	0	-0	
Upgrading of Existing Bus Stop Infrastructure Alcester Road Shottery in SOA	14	0	0	0	14	14	0	0	0	14	0	0	
Provision Of Bus Stops Ettington Road Wellesbourne	13	0	0	7	20	13	0	0	7	20	0	0	
Provision Of Bus Stops & Upgrade Existing Infra Salford Rd Bidford	25	0	0	58	83	25	0	0	58	83	0	-0	
Barford Junction Safety And Capacity Improvement Works S106	61	0	0	0	61	61	0	0	0	61	0	0	

Campden Road (B4035), Shipston-on-Stour New Bus Stops	6	31	0	0	37	6	0	31	0	37	-31	0	Scheme put on hold while further funding is sought to cover increased scope of necessary works.Additional developer contribution secured from Crest Nicholson as part of Land Dedication Agreement.
Mancetter Road / Camp Hill Road, Nuneaton Bus Stop Improvements	11	5	0	0	16	11	5	0	0	16	0	0	
Nuneaton/Plough Hill/Puffin crossing and improvements to Bus shelters	2	72	0	0	74	2	72	0	0	74	0	0	
Bidford on Avon/ Waterloo Road/Provision of a Bus Stop and shelter	11	16	0	0	27	11	16	0	0	27	0	0	
Two new bus stops on Orton Road (near junction with Barn End Road in Warton)	6	3	0	0	9	6	3	0	0	9	0	0	
Upgrading the existing bus stop infrastructure on Knights Lane (5 bus stops) in Tiddington	2	17	0	0	19	2	0	17	0	19	-17	0	Scheme delivery delayed due to ongoing land dispute between the County Council and landowner on a separate matter not involving the scheme.Scheme on hold until a separate land dispute involving vegetation on private land encroaching onto WCC Highway is resolved.
Improving or providing bus stops along bus routes in the vicinity of the development in Bishopton Lane in Stratford-upon-Avon	8	10	0	0	18	8	8	2	0	18	-2	0	Scheme expected to extend into 2024-25 to take account of reconfiguration of final works.

Warwickshire cycling links - Weddington Road, Nuneaton	2	30	689	689	1,410	2	30	15	163	210	0	-1,200	Forecast amended to reflect expected NBBC decision to reallocate £1.2m funding awarded to the project from the Towns Fund to an alternative project.
Warwickshire cycling links - Radford Road, Leamington Spa	21	0	74	252	347	21	272	0	54	347	272	0	
Warwickshire cycling links - Daventry Road, Southam	0	15	10	131	156	0	15	10	131	156	0	0	
Warwickshire cycling links - Heathcote, Leamington Spa	18	60	1,165	296	1,539	18	30	1,165	326	1,539	-30	0	
Warwickshire cycling links - Whitley South, Baginton	12	10	139	0	161	12	10	139	0	161	0	0	
S106 Active Travel Burbages Lane Footpath & Cycle Path, Ash Green	0	0	11	0	11	0	0	11	0	11	0	0	
S106 Active Travel Ashlawn Road/ Dunchurch Road Footway and Cycleway, Rugby	0	0	50	236	286	0	0	50	236	286	0	0	
S106 Active Travel Houlton to Town Centre Cycle Infrastructure, Rugby	0	0	21	0	21	0	0	21	0	21	0	0	
S106 Active Travel Coton Park East Cycle Infrastructure, Rugby	0	0	0	66	66	0	0	0	66	66	0	0	
S106 Active Travel Gaydon Lighthorne Heath/Jaguar Landrover to Warwick	0	10	10	31	51	0	10	10	31	51	0	0	

S106 Active Travel Bishopton Lane to Town Centre Cycle Link, Stratford Upon Avon	0	0	54	0	54	0	0	54	0	54	0	0	
S106 Active Travel Red Lane/ Hob Lane to Kenilworth Greenway Footway and Cycleway, Burton Green	0	0	0	90	90	0	0	0	90	90	0	0	
S106 Active Travel Red Lane/ Hob Lane Routes to Kenilworth, Burton Green to Kenilworth	0	0	0	333	333	0	0	0	333	333	0	0	
S106 Active Travel Hampton Magna to Warwick Town Centre Cycle Route	0	0	58	350	408	0	0	58	350	408	0	0	
Capital Growth Fund - Access to Finance	2,014	195	150	141	2,500	2,014	227	150	109	2,500	32	-0	£5k increase in 23/24 due to profile of projects recently approved and management of portfolio across 1161300 and 11425002.
Capital Investment Fund/ Duplex Fund	2,000	0	0	0	2,000	2,000	0	0	0	2,000	0	0	
Capital Investment Fund/ Small Business Grants	1,490	200	200	74	1,964	1,490	121	225	128	1,964	-79	0	Some further slippage from 23/24 to later years due to profile of projects approved and management of portfolio across 1161300 and 11425002. However, this could still change after the January Grants Panel.
Creation of office space at Holly Walk Leamington	1,328	85			1,413	1,328	84	0	0	1,412	-1	-1	

Art Challenge Fund	340	3	9	0	352	340	1	1	10	352	-2	0	Additional spend this FY to decommission Polesworth Site due to reported antisocial behaviour and damage. Decommissioning of the pieces has been scheduled for March 2026 - which is just under 4 years from the installation of the pieces, 2 year slippage due to covid in total. No perceived capital needed this year yet. Associated revenue pot used to maintain the art pieces.
Tree Nursery Grants	0	19	0	0	19	0	19	0	0	19	0	0	
Temple Hill / Lutterworth Road Wolvey Casualty Reduction Scheme CIF	609	992	0	0	1,601	609	992	0	0	1,601	0	0	
A439- Southern Casualty Reduction - Cif	203	147	150	0	500	203	147	150	0	500	0	0	
Casualty Reduction - Annual Maintenance 2021-22	276	69	0	0	345	276	69	0	0	345	0	0	
Casualty Reduction - Annual Maintenance 2022-23	150	106	0	0	256	150	106	0	0	256	0	0	
Casualty Reduction - Annual Maintenance 2023-24	0	998	0	0	998	0	998	0	0	998	-0	-0	
Community Action Grant	0	0	0	0	0	0	0	250	0	250	0	250	
School keep clear zone	0	0	0	0	0	0	0	176	0	176	0	176	
A439 DFT Bid Stratford upon Avon	0	0	1,320	0	1,320	0	45	1,475	0	1,520	45	200	Additional SAW funding to support the schemeDfT Safer Roads Fund successful bid approved 8/9/23

Warwick, Myton Rd Cycle Link (Myton & Warwick School)	160	2	0	0	162	160	0	0	2	162	-2	0	
Connecting Communities:Leamington Spa to Rugby (Lias Line eastern section)	0	0	2,435	0	2,435	0	2,000	435	0	2,435	2,000	0	Construction is underway and progressing. First grant payment request of £1m expected 12/23 with second in 2/24New Active Travel Grant approved Council 25/7/23
					0	0							
Electric Vehicle Charging Points	614	38	0	0	652	614	38	0	0	652	0	0	
Land At Crick Road Rugby - CIF	1,815	822	252	0	2,889	1,815	35	1,039	0	2,889	-787	-0	Re-profile budget in line with spend
All Electric Bus Initiative 2021-22	7	898	461	0	1,366	7	315	1,044	0	1,366	-583	0	Delay in implementing charging infrastructure due to protracted time taken for Stagecoach Midlands and Transport for West Midlands to negotiate Grant Agreement.
Stoneleigh Park Link Road	0	0	209	200	409	0	0	209	200	409	0	0	
Commissioning and Major Inspections	1	0	120	0	121	1	5	183	0	189	5	68	Budget reprofiled in line with spendTransfer of funds to enable inspection works to take place
Provision of hardstanding and bus stops in Hampton Magna	0	9	0	0	9	0	0	9	0	9	-9	0	Scheme delivery projected to be delayed until 2024-25 due to competing workload priorities for WCC County Highways Minor Work Team
Provision of gateway facilities at Shipston on Stour and bus stops	3	42	0	0	45	3	42	0	0	45	0	0	
Provision of bus stops on Meadow Road in Alcester	0	8	0	0	8	0	0	8	0	8	-8	0	Projected that work on delivering the scheme will not commence until 2024-25 due to competing workload priorities faced by the WCC County Highways Minor Works Team

Provision of bus stops on the B4114 Coleshill Road to serve Hartshill development	0	8	0	0	8	0	0	8	0	8	-8	0	WCC County Highways Minor Works Team have yet to commence work on delivering the scheme due to competing workload priorities.
JLR / British Motor Museum bus stop	1	29	0	0	30	1	29	0	0	30	0	0	
Southam Road Radford Semele bus stops with infrastructure and traffic management	0	49	0	0	49	0	22	28	0	49	-28	0	Scheme completion expected to run into 2024-25.
Bishops Tachbrook bus stops enhancements	0	15	0	0	15	0	0	15	0	15	-15	0	Likely delay in commencing delivery due to competing workload priorities of the WCC County Highways Minor Works Team.
Rugby Road B4453 Cubbington bus stop improvements	0	12	0	0	12	0	0	12	0	12	-12	0	WCC County Highways Minor Works Team have yet to commence work on delivery due to competing workload priorities.
Damson Road Hampton Magna bus stop improvements	0	9	0	0	9	0	0	9	0	9	-9	0	WCC County Highways Minor Works Team have yet to commence work on the delivering the Scheme due to competing workload priorities.
Temple Herdewyke new bus stops	0	12	0	0	12	0	0	12	0	12	-12	0	WCC County Highways Minor Works Team have yet to commence work on delivering the Scheme due to competiting workload priorities.
Average Speed Cameras - Cif	787	957	0	0	1,744	787	957	0	0	1,744	0	0	
Kenilworth Station	13,080	0	0	827	13,907	13,080	152	0	675	13,907	152	0	Budget re-profiled in line with the projected fees for the settlement of the final account
Lawford Road /Addison Road Casualty Reduction	257	695	694	0	1,646	257	50	1,339	0	1,646	-645	-0	Scheme has been delayed until next financial year

Leamington Station/A Commonwealth Games Infrastructure Improvement Scheme/Redevelopment Of Station Forecourt And Underpass	1,849	83	0	0	1,932	1,849	83	0	0	1,932	0	0	
Improvements to the A429 Coventry Road corridor (Warwick)	1	455	350	3,876	4,682	1	387	350	3,876	4,614	-68	-69	Transferred to commissioning and major inspections project as agreed with PM.Transferred to commissioning and major inspections project as agreed with PM.
Evidence led decision making in tackling climate emergency and air quality	1,112	387	606	0	2,105	1,112	387	606	0	2,105	0	0	
Rural Mobility Fund	0	0	0	0	0	0	0	0	0	0	0	0	
Warwick Town Centre transport proposals	1,112	0	107	0	1,219	1,112	0	107	1,400	2,619	0	1,400	Budget transferred from main project code in line with original Cabinet approval
Warwick Town Centre	210	1,400	2,798	0	4,408	210	110	115	2,573	3,008	-1,290	-1,400	Delays on site have meant that the profiling has needed to be adjusted - the bulk of the work will now take place in 2024/25Budget movement to Warwick Town Centre St Johns project code in line with original budget approval
Implementation Of Municipal Waste Strategy - Waste Treatmt & Transfer Facilities	1,529	34	0	0	1,563	1,529	0	34	0	1,563	-34	0	Expenditure moved to 2024/25 when activity is likely. CCTV system still needs to be improved and new WCC contract will help with this.

Purchase of Waste Containers at the Household Waste Recycling Centres	246	0	0	0	246	246	8	0	0	254	8	8	Final bill from Arden Construction not previously budgeted for to be financed from 11864000-100Final bill from Arden Construction not previously budgeted for to be financed from 11864000-100
Household Waste Recycling Centres - Annual Maintenance 2021-22	27	104	0	0	131	27	50	46	0	123	-54	-8	Budgets for 2024/25 being amalgamated to fund future improvement work across the recycling centresSpend and financing reduced to deal with additional spend on 11856000-100
Purchase of 3 haulage vehicles for HWRC (CIF Funded)	260	0	153	0	413	260	153	0	0	413	153	0	New waste haulage vehicle being purchased this financial year.
HWRC Maintenance 2022/23	6	78	0	0	84	6	30	48	0	84	-48	0	Capital being used to replace a roof at Lower House Farm waste transfer station. More expenditure maybe required. Remaining capital being amalgamated in 24/25 to fund future improvement work.
HWRC Maintenance 2023/24	0	88	0	0	88	0	0	88	0	88	-88	0	
	32,531	**9,818**	**12,410**	**7,914**	**62,673**	**32,531**	**8,547**	**10,209**	**11,076**	**62,363**	**(1,271)**	**(310)**	

Annex C - Economy & Place

Director - David Ayton Hill

Executive Director - Mark Ryder

Portfolio Holders -Councillor Wallace Redford (Transport & Planning), Councillor Heather Timms (Environment, Climate & Culture), Councillor Martin Watson (Economy)

Saving Plan - 2023/24

Saving Proposal	Target £'000	Forecast £'000	Shortfall/ (Over achievement) £'000	Reason for financial variation and associated management action
Vacancy factor - Application of a 2% vacancy factor/turnover allowance where not already applied.	(165)	(165)	0	
Country parks income review - Apply commercial approach to Country Parks income streams.	(45)	(45)	0	
Savings on third party spend - Review of services purchased from third parties to ensure value for money.	(90)	0	90	This was allocated to Parking income based on potential savings with RingGo. The service is currently forecasting a significant overspend and it is therefore unlikely that this saving will be achieved by the service. Senior leaders are reviewing other saving options as part of the MTFS and recovery planning.
Income from S106 - Ensure S106 contributions are efficiently and effectively generated and collected.	(25)	(25)	0	
Further service redesign - A restructuring of teams across Communities (Strategy & Commissioning) enabling resources to be better focussed on key priority areas and to exploit opportunities to lever in external funding.	(285)	(285)	0	
Road safety advice - Maximising income opportunities from the provision of road safety advice.	(100)	0	100	
Waste management - Reduction in residual waste and an increase in recycling as a result of the waste collection changes in Stratford and Warwick District, starting August 2022.	(334)	(334)	0	
Reduction in Transport Development Fund (TDF) - Reduction in activity based on the capacity in the capital programme and the earlier capitalisation of design costs on priority schemes.	(200)	(200)	0	
Inward Investment - Reduction in the cost of promoting inward investment in Warwickshire.	(50)	(50)	0	
Total	**(1,294)**	**(1,104)**	**190**	

Annex C - Economy & Place

Director - David Ayton Hill

Executive Director - Mark Ryder

Portfolio Holders -Councillor Wallace Redford (Transport & Planning), Councillor Heather Timms (Environment, Climate & Culture), Councillor Martin Watson (Economy)

Revenue Investment Fund - 2023/24 and future years

Revenue Investment	Current Year Budget	Forecast	Variance Over/(Under) £'000	Progress Update	Approved Remaining Resource	Estimated Project Completion
Safe and Active Travel	75	20	(55)	Funding to be released, project to be completed with the use of external grant funding.	0	Mar-24
Rugby Parkway	410	410	0		0	Mar-24
Art Challenge	28	10	(18)	No maintenance issues on site so far this year, so forecast has been adjusted. Remaining funding will still be required in 2024/25.	10	Mar-25
Digital Market Place	19	19	0		0	Mar-24
Economic Recovery - JumpStart	38	38	0		0	Mar-24
Economic Recovery - Tourism & Leisure Business Support	256	144	(112)	Underspend has increased slightly now UKSPF funding for 2023/ 2024 has been agreed with D&B Councils. It is still requested that this underspend is carried forward into 2024/ 2025 in order to the allow the Project Warwickshire programme for tourism, hospitality & leisure businesses to be extended.	78	Mar-25
Zeller for Businesses	27	27	0		0	Mar-24
Total	**853**	**668**	**-185**		**88**	

Annex D - Strategic Infrastructure & Climate Change

Director - Steve Smith
Executive Director - Mark Ryder
Portfolio Holders - Cllr Heather Timms (Environment, Climate and Culture) Cllr Martin Watson (Economy) Cllr Jan Matecki (Transport and PLanning)

Revenue Budget - 2023/24

Service	Gross Expenditure Budget	Gross Income Budget	Net Expenditure		Net Variance Represented by			Reason for Net Variation and Management Action
			Budget	Variation Over/ (Under)	Revenue Investment Funding	Contra to/from Earmarked Reserves	Remaining Service Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Strategic Infrastructure & Climate change management	161	0	161	**19**			**19**	
Infrastructure & Sustainable Communities	1,542	(459)	1,083	**(23)**			**(23)**	
Climate Change & Sustainable Management	823	0	823	**0**			**0**	
Net Service Spending	**2,526**	**(459)**	**2,067**	**(4)**	**0**	**0**	**(4)**	

Annex D - Strategic Infrastructure & Climate Change

Director - Steve Smith
Executive Director - Mark Ryder
Portfolio Holders - Cllr Heather Timms (Environment, Climate and Culture) Cllr Martin Watson (Economy) Cllr Jan Matecki (Transport and PLanning)

Saving Plan - 2023/24

Saving Proposal	Target £'000	Forecast £'000	Shortfall/ (Over achievement) £'000	Reason for financial variation and associated management action
Vacancy factor - Application of a 2% vacancy factor/turnover allowance where not already applied and the rationalisation of PA support. (old structure: CSU check)	(2)	(2)	0	
Total	**(2)**	**(2)**	**0**	

Annex D - Strategic Infrastructure & Climate Change

Director - Steve Smith

Executive Director - Mark Ryder

Portfolio Holders - Cllr Heather Timms (Environment, Climate and Culture) Cllr Martin Watson (Economy) Cllr Jan Matecki (Transport and PLanning)

Revenue Investment Fund - 2023/24 and future years

Revenue Investment	Current Year Budget	Forecast	Variance Over/(Under) £'000	Progress Update	Approved Remaining Resource	Estimated Project Completion
Climate Change Programme	2	2	0	Project on target	0	Mar-24
5G and Connectivity	70	70	0	Project on target	0	Mar-24
Community Climate Change Fund - Green Shoots	436	436	0	Project on target	0	Mar-24
Total	**508**	**508**	**0**			

Annex D - Strategic Infrastructure & Climate Change
Director - Steve Smith
Executive Director - Mark Ryder

Description	Approved Budget					Forecast					Variation		Commentary
	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
Transforming Nuneaton	7400	2,940	482	0	**10,822**	7,400	2,940	482	0	**10,822**	0	0	
Transforming Nuneaton - Co-op Building Purchase (CIF)	1500	0	0	0	**1,500**	1,500	0	0	0	**1,500**	0	0	
Library & Business Centre Nuneaton (CIF)	332	350	13,500	5,242	**19,424**	332	350	850	17,891	**19,423**	0	-1	The forecast spend has been re-positioned into (mainly) years 2025/26 and 2026/27 when the main construction activity is expected to take place. All costs are subject to change as the design develops and new updated cost plans are prepared.
Development of Rural Broadband	33,623	3,988	1,449	4,137	**43,197**	33,623	3,654	1,783	4,137	**43,196**	-334	-0	Capital charges were reduced in Q2/Q3 with a corresponding decrease in utilisation of grant contribution, due to BT/Openreach adjustments to the build programme and the superfast voucher programme remaining on hold until finalisation of the Project Gigabit procurement, A Project change request is expected from Openreach in Q4 2023/24 which could result in further reductions in expenditure in Q4. In addition, there has been a reduction of revenue income from consultancy work from BDUK.BT/Openreach recalculated the Broadband Investment return for June 2023 resulting in an increase in gainshare income for reinvestment in 2023/24, with a corresponding increase in expenditure to support and extend infrastructure connectivity build into 2025/26.
	42,855	**7,278**	**15,431**	**9,379**	**74,943**	**42,855**	**6,944**	**3,115**	**22,028**	**74,941**	**- 334**	**- 1**	

Annex E- Social Care and Support
Director - Pete Sidgwick
Executive Director - Nigel Minns
Portfolio Holders - Councillor Margaret Bell (Adult Social Care & Health)

Revenue Budget - 2023/24

Service	Gross Expenditure Budget	Gross Income Budget	Net Expenditure		Net Variance Represented by			Reason for Net Variation and Management Action
			Budget	Variation Over/ (Under)	Revenue Investment Funding	Contra to/from Earmarked Reserves	Remaining Service Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Director of Social Care & Support	14,928	0	14,928	**(6,727)**			**(6,727)**	The £6.727m underspend is explained by income held in the AD area for centralised budgets with the expenditure incurred elsewhere and a review of the bad provision leading to a reduction in the current provision of £1.700m. Expenditure incurred elsehwere as follows. Spend against funding of £1.158m assigned to manage the impact of the Working Age Adults tender will be incorporated into the relevant Services forecast within SC&S. A further £2.955m which is the balance of WCC Adult Social Care Discharge Funding (including £1.835m from the ICB allocation) is being used towards the ongoing financial impact upon WCC of the ongoing Discharge to Assess process whereby costs are transferred from Health prior to assessment of the individual's care needs so WCC are having an additional cohort of clients, with more complex needs, due to the earlier discharge from hospital. Although the costs are incurred across the Services below, it predominantly affects Older People, and therefore this income in part funds the Older People overspend. A further underspend of £0.971m against funding to reduce waiting lists for DoLs assessments and Disabilities reviews due to a delayed start to the contract. This is marginally offset by an overspend on the legal budget and iBCF projects.
Head of Disabilities 25+	101,499	(12,414)	89,086	**4,477**			**4,477**	Disabilities 25+ are forecasting an overspend of £4.477m, 5% above budget. The main pressures are within supported living, residential and residential colleges. Supported living has an overspend of £1.826m due to increased client numbers of 69 which is 11% higher than the number budgeted for, unit costs have also increased by 4% above the rate of inflation provided. Residential care has an overspend of £0.932m due to increased client numbers of 8 which is 3% higher than the number budgeted for, unit costs have also increased by 6% above the rate of inflation provided, with a factor in the increased client numbers being the number of discharges from hospital; with block provision fully utilised, more spot purchasing is required. Residential colleges are overspending by £1.028m due to a range of factors including 1 additional placement, an increase in need for some individuals and extensions to the time spent at college. The balance of the overspend is across nursing care and night support with the driver being the volume of clients. Whilst there are partially offsetting underspends in staffing and direct payments there is also a key issue of Continued Healthcare Income being £0.470m less than budgeted.

Head of Adult Mental Health	18,046	(1,274)	16,772	**2,377**			**2,377**	An overspend of £2.377m, 14% above budget, is forecast for Mental Health, primarily in residential care and supported living and partially offset by an underspend in staffing. Residential care has an overspend of £1.383m due to an increase in budgeted client numbers of 37 which is 35% higher than the number budgeted for. Unit costs have risen 3% above the rate of inflation provided for residential care. Supported living has an overspend of £1.174m which equates to 30% of the budget, with an incrase in budgeted client numbers of 76 which is 46% higher than the number budgeted. High cost transition packages are contributing to the overspend with a number of younger people with complex needs requiring intensive care; the average number of hours support required has increased by 2 hours per week, with equates to 5% in 6 months. A contributing factor to the overspend is an increased proportion of new packages of care that do not have Section 117 funding meaning that WCC is bearing the full cost due to ICB restricting their health contribution. Opportunity to agree joint funding is also limited whereas previously high-cost packages, where there is a presence of health need, have been successfully negotiated.
Head of Older People	101,049	(42,595)	58,454	**13,480**		**3398**	**10,082**	Older People Services are forecasting a service overspend of £10.082m, this is after the allocation of £3.398m Market Sustainabily & Improvement funding. The overspend is due to increasing unit costs across residential and nursing and increased volumes of clients receiving domiciliary care, being partially offset by increased client contributions. The main area of overspend is in residential, with costs forecast to be 21% over budget. This is as a result of the use of costly placements due to difficulties in sourcing packages of care at WCC framework rates to meet more complex needs. These placements account for 75% of all residential placements and are on average 37% more expensive than framework rates. Nursing presents a similar picture. Domiciliary care is forecast to overspend by £3.228m, 13% over budget. Driving the increased cost will include the Community Recovery Service and the continuation of the discharge to assess process, contributions to these costs are held in the Director's area for centralised budgets. Close monitoring of the Community Recovery Service is ongoing to ensure spending does not exceed financial resources.
Head of Integrated Care	12,040	(1,071)	10,968	**(1,315)**			**(1,315)**	Integrated Care are forecasting an underspend of £1.315m, of which 68% (£0.899m) is staffing related due to the on-going difficulties in recruitment and the majority of the balance is due to reduced demand for community and assistive technology equipment as the system wide focus is on hospital discharge.
Head of Adults Practice & Safeguarding	4,203	(1,183)	3,021	**382**			**382**	Continuation and extension of prior year overspend due to rising contract costs for transporting adults in an environment of high inflation.
Head of Disabilities 0-24	19,009	(1,560)	17,449	**(1,109)**			**(1,109)**	Due to ongoing difficulties in placing some young people in residential homes there is an underspend of £2.155m within this element of the budget. The difficulties in placing some children in residential accommodation leads to increased use of more intensive and costly 'Extra Care' placements, where we have an overspend of £1.540m partly off setting the underspend in residential care. There are also less material underspends in foster care, supported living and direct payments.
Net Service Spending	**270,774**	**(60,097)**	**210,678**	**11,565**	**0**	**3,398**	**8,167**	

Annex E- Social Care and Support

Director - Pete Sidgwick
Executive Director - Nigel Minns
Portfolio Holders - Councillor Margaret Bell (Adult Social Care & Health)

Saving Plan - 2023/24

Saving Proposal	Target £'000	Forecast £'000	Shortfall/ (Over achievement) £'000	Reason for financial variation and associated management action
Savings on third party spend - Review of services purchased from third parties to ensure value for money.	(255)	0	255	Unachieved - no longer able to be mitigated elsewhere in the service
Housing with support for older people - Further develop the housing with support offer to reduce reliance on residential provision for all ages; including consideration of capital investment to secure revenue savings.	(500)	0	500	Unachieved - no longer able to be mitigated elsewhere in the service
Management of cost of adults service provision - Management of the budgeted cost increases of externally commissioned care.	(1,499)	0	1,499	Unachieved - no longer able to be mitigated elsewhere in the service
Prevention and self-care - Develop and implement a prevention and self care strategy and invest in programmes, projects and services that reduce people's reliance on paid care and support.	(334)	0	334	Unachieved - no longer able to be mitigated elsewhere in the service
Reduce demand for adult social care support - Implementing the service change and transformation activities underway across adult social care. These include an improved early intervention and prevention offer, further refinement of the in-house reablement offer and further development of assistive technology.	(1,000)	0	1,000	Reablement continues to be an area where recruitment challenges mean the Service is not as impactful as would otherwise be the case.
Integrated commissioning with Health - Efficiencies through joint working and increased purchasing power for externally commissioned care. Arrangements will form part of the Coventry and Warwickshire Integrated Health and Care Partnership and associated system plan.	(200)	0	200	Unachieved - no longer able to be mitigated elsewhere in the service.
Reprofiling care demand - Rephasing the demand and cost pressures for adults social care based on expected growth as informed by national and local data.	(2,181)	0	2,181	Demand for Care Act eligible services is increasing, beyond expectations as based on trends over the last 5 years in Warwickshire
Increase in client income - Increase in income as a result of taking into account expected growth of adult social care services.	(300)	(300)	0	Client contribution income continues to grow as is strongly correlated with the growth in the number and cost of packages of care. At Q2 2023/24 the budget is forecast to be overrecovered by £11.379m.
Total	**(6,269)**	**(300)**	**5,969**	

Annex E- Social Care and Support

Director - Pete Sidgwick
Executive Director - Nigel Minns
Portfolio Holders - Councillor Margaret Bell (Adult Social Care & Health)

Revenue Investment Fund - 2023/24 and future years

Revenue Investment	Current Year Budget	Forecast	Variance Over/(Under) £'000	Progress Update	Approved Remaining Resource	Estimated Project Completion
Integrated Care Records	150	150	0		92	Mar-25
Total	**150**	**150**	**0**			

Annex E- Social Care and Support

Director - Pete Sidgwick
Executive Director - Nigel Minns
Portfolio Holders - Councillor Margaret Bell (Adult Social Care & Health)

Capital Programme - 2023/24 to 2024/25 Onwards

Project	Description	Approved Budget					Forecast					Variation		Commentary
		Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
11555000	Extra Care Housing	0	0	313	0	**313**	0	0	313	0	**313**	0	0	
Grand Total		**0**	**0**	**313**	**0**	**313**	**0**	**0**	**313**	**0**	**313**	**0**	**0**	

Annex F - Children and Families

Director - John Coleman
Executive Director - Nigel Minns
Portfolio Holders -Councillor Sue Markham (Children and Families)

Local	
Finance Sign Off	BJS
Director Sign Off	JC

Revenue Budget - 2023/24

Service	Gross Expenditure Budget	Gross Income Budget	Net Expenditure		Net Variance Represented by			Reason for Net Variation and Management Action
			Budget	Variation Over/ (Under)	Revenue Investment Funding	Contra to/from Earmarked Reserves	Remaining Service Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Director of Children & Families	4,293	(400)	3,893	**3,724**	**926**		**2,798**	There is an estimated £0.926m (Q2 £1.377m) Continuous Improvement Plan (CIP) expenditure funded by Earmarked reserve. The large decrease from Q2 is due to grants monies now being realised within this financial year. The plan is currently being reviewed and needs to be signed off by Corporate Board, so this forecasted spend is a "holding figure". The CIP is provisionally a 24-month plan which will stretch over 3 financial years and due to nature of proposals may be subject to change especially with the timings of activity. Within the remaining Service Variance of £2.798m, there is an £3.814m over-spend on "Extra Care" packages. This is a £0.214m decrease since Q2 and represents the cost for hard to place / high support needs of some children. These children are temporarily unable to be accommodated by the external market and so this budget is having to incur high costs to meet their short-term needs with packages costing up to £30,000 a week per child. Numbers have decreased from 6 at Q2 to a manageable 2. This overspend has been offset by future year placement savings £0.730m, as well as additional maximised UASC grant £0.583m (Q2 £0.480m) which covers some gross costs of support over many service areas. Legal fees have, for this period, increased by £0.302m to now being £0.366m over-spending.

Safeguarding Communities	11,153	(1,533)	9,619	**1,473**		**142**	**1,331**	There are particular pressures on staffing budgets within this service due to external (Statutory /Child Safeguarding) work demands. The Initial Response team (IRT) is forecasted to overspend by £0.975m (Q2 £0.908m) predominantly £1.204m on Agency staff (Q2 £1.114m) offset by £0.274m (Q2 £0.220m) underspend on employed staff. There are currently 13 (Q2 17) Agency Staff within IRT due to vacancies. Workload is also high due to an unprecedented spike in March and April. This is nationally a hard role to recruit to and we have seen a significant number of turn-over both in permanent and agency workers (seeking greater pay that other LA's /Agencies can pay) moving on. The Front Door is forecasting a £0.312m (Q2 £0.337m) overspend mostly on employed staff. The Front Door also has a couple of vacancies which are being filled by more expensive agency workers. The Emergency Duty Team are forecasting a £0.174m (Q2 £0.218m) overspend mainly due to Staff absences having to be covered including overtime payments contributing £0.068m of the over-spend. With need to cover all posts, the 7% vacancy factor (reduction)applied to the staffing budget is difficult to comply with and balance their budget. There are a series of proposals being considered /planned to mitigate these overspends including a pilot initiative to reduce agency overspend. The Head of Service is drafting a proposal and awaiting information from legal. Significant progress has been made on permanent recruitment and with new working practices has seen a positive impact on retention (all be it over a short period), but these obviously has a negative impact on compliance with the 7% Vacancy factor imposed. For the EDT team strong oversight in place over additional spend on overtime, however due to the nature of the service and its streamlined staffing it cannot carry gaps if sickness or vacancies occur.
Early Help	16,088	(10,099)	5,989	**461**		**216**	**245**	The Priority Families (Supporting Families Grant funded service) forecast has increased this quarter from £0.118m to £0.216m overspending. Predicted claims has been revised down from achieving 75% to now 59% which equates to a loss of grant of approximately £0.182m. Rationale for this loss is down to the new framework and eligibility thresholds of which progress on the data maturity work is underway to ensure future claims are maximised. Note that most other LAs are also in the same position in meeting these challenges and unlikely to achieve 100% of payment by results funding. The Targeted and Family support Service is forecasting an overspend of £0.245m (Q2 £0.282m) mainly around employed staff, being over establishment and large numbers of staffing being at top of scale (budget overall being set at mid-point). Similarly due to work demands this service is also finding it difficult to meet the notional 7% vacancy factor. Following a review and firming up of funding streams The Education Safeguarding Training Service is now forecasting a small underspend of £0.009m (Q2 £0.002m). The Head of Service is considering a series of plans to address the various overspends, this service area has not had any major over-spend history to note.

Children's Safeguarding	30,205	0	30,205	**1,221**			**1,221**	The overspend is a mix of under/overspends on all types of placement budgets for this service cohort (up to 14) and on employed staffing (establishment), which is offset by overspends on the need for Agency cover required for demand pressures, maternity leave, vacancies and sickness. Like other children's services across the region and nation we are struggling to recruit social workers to front line children's teams which has resulted in an increased dependency on agency social workers (at high rates never seen before). As a result of a regional and national shortage of agency SW's, agency hourly rates are experiencing upward pressures. Q3 forecast on agency workers currently is £1.547m (Q2 £1.389m) with 21 agency workers covering for vacancies, maternity leave and increased demand. It therefore follows that the Q3 forecast on establishment staff is showing an underspend of £0.105m (Q2 £0.112m). The introduction of the new social work career pathway will it is believed help with recruitment and retention, but we do need to monitor this. The residential budget is now showing a £0.134m underspend. Although since Q2 there has been a rise in forecast of £0.177m, but there are also pressures here and has seen a rise since Q1 of £0.435m. We are having to use residential care more than we would like because of a shortage of foster placements for some age groups. We have also not been able to move as many children as quickly as we would have wanted to our first open internal home due to challenges around matching. However, currently there is no reason to believe the high numbers of children coming into care will continue, as they have been linked to physical injuries and neglect, within some large families. It is also positive to see that the monthly numbers leaving are higher than last year, which if we can continue will put downward pressure on numbers. Court timescales are also improving so some children will remain in care for less time (care proceedings are taking 10 weeks less than this time last year and discharging of orders is much quicker). External Fostercare, although started the new financial year in a good position with fewer children than last year, month on month weeks of purchased care is rising. At Q1 and Q2 we reported an underspend of £0.461m and £0.168m, this is now in an over-spend position of £0.013m with a net increase of 10 children within year. Parent and Child placements are unpredictable and the trend for this financial year is a downwards one. The forecast therefore has been reflected accordingly and is still showing at Q3 an underspend of £0.425m compared with the P3 underspend of £0.050m. There is a Teams section 17 overspend of £0.053m (Q2 £0.062m) and is in the main linked to supporting homeless families. They have been assessed as not entitled to housing from the Housing Department, we have been unable to find them low-cost housing in the private sector or connected other's to live with. Supporting the families in this

Corporate Parenting	36,313	(6,725)	29,588	**6,409**		**(297)**	**6,706**	This overspend consists of mainly Residential 14+ Placements £4.671m (Q2 £3.524m), costs (mainly staff) associated with WCC Internal Homes before children enter the Homes of £0.845m (Q2 £0.879m) as well as staffing /Agency overspends across the service of £0.337m (Q2 £0.257m). The latest information regarding the LAC Transport budget is a further forecasting rise from the previous 2 quarters and now stands at an overspend of £0.688m (Q2 £0.564m, P3 £0.378m). The information covering the overspend came very late in the financial year last year and was not able to be included in the MTFS refresh. These over-spends have been off-set by smaller underspends on Internal and External Fostercare, aswell as a recent (welcomed) DfE notification for additional grant funding for the rise in settling in allowances for Leaving care children and also the regulation of Supported Accommodation. This latter grant has been given in anticipated of the increased financial costs of registration, but this will not impact the accounts until next financial year, therefore this grant will be held in reserves to be fully utilised next financial year. The Residential Placements overspend is related to both unprecedented unit cost increases (an average increase of one full year placement of £0.070m per year) as well as increases in the number of predicted weeks to be purchased (the equivalent of an increase of 5.96 full year placements compared to 2022-23). The average forecasted one year placement cost now exceeds £0.328m. There have been 9 new placements since Q2 which is the main reason for the huge rise in forecast. External Fostercare is currently £0.464m underspending, which is an increase of £0.045m since Q2. Numbers since 2022/23 have reduced steadily to now only 34 (O/T 22/23 42). Internal Fostercare is currently £0.194m underspending compared to Q2 of £0.149m and P3 of £0.203m with numbers and weeks down significantly on 22/23 by 6.97 FTE. WCC Home 1 Cherry Trees - it is hoped that there will be a speedy increase in numbers of children placed, although there were 2 accommodated, 1 child has now gone home to parents which should be seen as a positive outcome. There are full time staff vacancies but once recruited the Home will look to increase numbers to full capacity. For Home 2 building work is completed, but Ofsted registration is still to be finalised which will be difficult to achieve in this financial year due to waiting times. Home 3 building work is still to be completed but it is hoped that these will be operational by the end of the financial year, but again will be subject to OFSTED approval. Movements of children into these Homes will (based on current external residential costs) help to reduce forecasted residential costs (all things being equal).
Quality and Impact	4,309	(141)	4,168	**133**			**133**	Overall, this service has reduced its spend £0.115m from Q2 to Q3. The main overspend is on the IRO service which at Q3 in total is £0.297m. This overspend is on temporary over establishment posts linked to the service having regionally high caseloads which have a whole service impact of which the IRO service was struggling to discharge their statutory obligations and assurance duties. It is anticipated that this overspend will be managed through careful future recruitment and rationalisation of posts with posts not immediately being recruited to. This overspend is offset by other services within this area including successfully bidding for additional grant funding combined with released underspends following a review of all spend and plans for this financial year.
Adoption Central England (ACE)	5,193	(5,193)	0	**434**		**434**	**0**	This is the GROSS position of the Service for the 5 partners LA's. The forecast has increased from Q2 by £0.188m to now showing a £0.434m overspend. There has been a revised position reflected in more realistic possible placements purchases although, this is an erratic / demand led budget which is not possible to predict with any degree of certainty. There are several vacancies as difficulty in recruiting social workers is even affecting this sector, which historically has not been difficult to fill. Establishment staff is currently showing a small of underspend of £0.011m (Q2 £0.141m) with the now revised and corrected 23/24 pay award built into the forecast.
Net Service Spending	**107,554**	**(24,091)**	**83,462**	**13,855**	**926**	**495**	**12,434**	

Annex F - Children and Families

Director - John Coleman

Executive Director - Nigel Minns

Portfolio Holders -Councillor Sue Markham (Children and Families)

Saving Plan - 2023/24

Saving Proposal	Target £'000	Forecast £'000	Shortfall/ (Over achievement) £'000	Reason for financial variation and associated management action
Savings on third party spend - Review of services purchased from third parties to ensure value for money.	(118)	(118)	0	
New ways of working - Expected reductions in staff travel, room hire, client travel and expenses from new ways of working post-Covid.	(92)	0	92	Staff travel alone is currently £169k over-spending at Q3
Rightsize Children's and Families budgets - Remove contingency budget for Early Help and replace boarding school budget with existing budget in Children's Services.	(264)	(264)	0	
Reduce spend on Residential Care - Reduce the cost of care/services including the increased use of WCC homes, boarding schools and residential schools.	(1,400)	0	1,400	See Corporate Parenting explanation for Residential Over-spend and hence non achievement of this saving.
Legal Services - Reduce the cost of legal services through risk-based decision-making as to when legal advice is sought.	(100)	0	100	Currently predicting an overspend based on 8 months spend to date.
Training - Reduction in the cost and amount of training we commission externally.	(100)	(100)	0	
Youth and Community Centres - Increase income from third party use of centres.	(50)	0	50	Rising premises running costs due to double digit inflation have also added to costs which is was believed could not be passed onto third parties without even greater loss of income.
Section 17 payments - Reduce section 17 payments and seek alternative funding routes.	(30)	0	30	There is an overall section 17 overspend, mainly linked to supporting homeless families. They have been assessed as not entitled to housing from the Housing Department, we have been unable to find them low cost housing in the private sector or connected other's to live with. Supporting the families in this manner is better for the children and a lower cost than bringing them into care. The team will continue to try and find the lowest cost housing for the small number of families we are supporting.
Grant income - Increase in the level of grant income and its more effective use to support the core activity of the service and contribute to the service overheads.	(560)	(560)	0	
Custody - Reduce the custody budget to better align with activity levels.	(100)	0	100	Non achievement on this externally demand led budget reduction - the numbers of cases & secerity of charge is high compared to last few years.
Total	**(2,814)**	**(1,042)**	**1,772**	

Annex F - Children and Families
Director - John Coleman
Executive Director - Nigel Minns
Portfolio Holders -Councillor Sue Markham (Children and Families)

Revenue Investment Fund - 2023/24 and future years

Revenue Investment	Current Year Budget £000	Forecast £000	Variance Over/(Under) £'000	Progress Update	Approved Remaining Resource	Estimated Project Completion
Children Transformation Fund (CTF) for 23/24+	0	926	926	A detailed plan "Continuous Improvement Plan" is being formulated for approval and implementation. The 24 month plan (over 3 financial years) should fully utilise the CTF.	600	2025/26
Total	**0**	**926**	**926**			

Annex F - Children and Families
Director - John Coleman
Executive Director - Nigel Minns
Portfolio Holders -Councillor Sue Markham (Children and Families)

Capital Programme - 2023/24 to 2024/25 Onwards

	Approved Budget					Forecast					Variation	
Description	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Variance in Year £'000	Commentary
CF property	408	90	0	0	**498**	408	90	0	0	**498**	0	
Adaptations to support	0	0	0	0	**0**	0	0	0	0	**0**	0	
Children's Home 1	291	26	100	0	**417**	291	10	116	0	**417**	-16	Additional CIf bid successful at cabinet 14/9/23 therefore additional works forecasted£136k approved via the CIF inflation pot to finance this project. £126k applied to this project and £10k applied to project 12002000.
Adaptations to support child placements	0	125	130	170	**425**	0	175	145	106	**426**	50	3x Fostercarer adaptations have been approved by panel. Martin 75%, Sen 75% & Short 100% spend 23/24 and also possible new case Roberts-25% of £50K in 23/24.
Children's Home 2	77	713	14	0	**804**	77	723	14	0	**814**	10	CIF additional funding bid successfully agreed by cabinet. Final account with Arden Contractor still to be agreed and finalised but expectation is a small £10k overspend which is to be funded from the small underspend on Home 3AQ3 forecast reflects the anticipated small overspend of £10k from contractor (still to be agreed). Funding identified from underspend on Home 3AQ3 reflects the anticipated small overspend of £10k from Arden contractor which is being finalised at the moment so this is still an estimate of the likely implication
Children's Home 3	473	339	7	0	**819**	473	270	76	0	**819**	-69	Additional CIF bid funding agreed by cabinet 14/9/2023 therefore more spend and funding increaseAdditioanl funding as agreed by cabinet 14/9/2023 reflected correctly for Q2 although budgets not changed as at Q2
Children's Home 4	0	0	1,016	0	**1,016**	0	0	1,016	0	**1,016**	0	New CIF bid agreed at cabinet 14/9/2023. Budgets not reflected to take into account the additional funding as yet for Q2New CIF bid agreed at cabinet 14/9/2023 and this additional funding has been reflected for Q2 although the budgets are not updated as yet

Family Village - Pears	0	0	150	0	**150**	0	0	150	0	**150**	0	
Pool car - Peugeot for CIC team	0	21	0	0	**21**	0	18	0	0	**18**	-3	Previous Forecast was based on Vehicle quote which included VAT which the Project Manager was unaware of. Revised Forecast reflects actual Net cost of Vehicle before VAT. No more spend expected. Project to be closed for Outturn.Previous Forecast was based on Vehicle quote which included VAT which the Project Manager was unaware of. Revised Forecast reflects actual Net cost of Vehicle before VAT. No more spend expected. Project to be closed for Outturn.
Internal Children's Home 3A	0	374	20	0	**394**	0	384	0	0	**384**	10	CIF bid agreed at cabinet 14/9/2023 and additional funding now reflected. Small anticipated underspend now reflected, but final fees to be confirmed when final actuals will be known. This underspend will be put towards the small overspend on Home 2 which has is completed although final fees are to be agreed.CIF bid additional funding agreed by cabinet 14/9/2023 so therefore additional funding and works reflected. Slippage into 24/25 revised as not applicable as handover of property was 16/11/2023. Anticipated small underspend expected now scheme has been handed over to service and the final fees to be produced. This small underspend will fund the overspend currently showing on Home 2, but will be firmed up once final fees have been calculated and agreed.Final account to be confirmed with Arden but likely to be underspent by around £25k but to be fully confirmed asap
Internal Children's Homes - Cars for Home 2,3,3a,4	0	119	38	0	**157**	0	119	38	0	**157**	0	Self funded borrowing identified to purchase cars for homes 2,3,3a in 23/24 as quoted in cabinet report CIF bid that was approved 14/9/23self funding borrowing agreed to purchase the cars following successful CIF bid for additional funds for homes 14/9/23
Car BK73VMA-Cherry Trees Childrens Home	0	25	0	0	**25**	0	25	0	0	**25**	0	One off purchase for a car for the Cherry Trees Children Home. Revenue funding identified. Purchase completed Sept 2023
Children & Families	**1,249**	**1,832**	**1,475**	**170**	**4,727**	**1,249**	**1,814**	**1,555**	**106**	**4,724**	**-19**	

Annex G- People Strategy and Commissioning

Director - Becky Hale
Executive Director - Nigel Minns
Portfolio Holders - Councillor Margaret Bell (Adult Social Care & Health)

Revenue Budget - 2023/24

Service	Gross Expenditure Budget	Gross Income Budget	Net Expenditure: Budget	Net Expenditure: Variation Over/ (Under)	Net Variance Represented by: Revenue Investment Funding	Net Variance Represented by: Contra to/from Earmarked Reserves	Net Variance Represented by: Remaining Service Variance	Reason for Net Variation and Management Action
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Director of People Strategy & Commissioning	506	-68	438	**1**			**1**	
Director of Public Health	2,647	-176	2,471	**413**		**700**	**-287**	COMF is reflected in the Reserves Column - Covid costs of £0.566m for school air quality assessment and ventilation improvements, £0.073m covid related staffing, £0.045m towards the costs of a suicide prevention role and strategy implementation in addition to £0.045m budget awarded with a small balance of £0.016m for Covid Case Management System and PPE. Remaining underspend is due to £0.232m unrequired water fluoridisation budget as this is now a Dept. of Health responsibility and salary underspends, in part offset by Legal fees.
Head of Health & Wellbeing Commissioning	20,042	-390	19,652	**60**			**60**	£0.204m overspend on the following demand led services: Sexual Health, Health Checks and Fitter Futures, partially offset by early delivery of the saving linked to closure of the Community Meals Service
Head of Targeted Support Commissioning	13,302	-4,689	8,613	**314**		**605**	**-292**	£0.605m to be drawn down from Social Care and Health Partnerships Reserve in relation predominantly to partnership funded Learning Disability and Autism projects including Voiceability, Grapevine coproduction, the 'Experts by Experience' hub, health liaison resources, delivery of the Autism Diagnosis Project, respite care, champions and inpatient sensory environments parts of the Autism Strategy and facilitation of discharge from long term hospital stays into the community. Remaining service underspend due to reduced usage of Drug & Alcohol rehabilitation.
Head of Specialist Provision Commissioning	5,917	-346	5,571	**-296**			**-296**	Underspend relates £0.190m to staff vacancies and £0.106m on delays on projects designed to support young people with their housing
Quality Assurance and Market Management	1,035	-241	794	**86**			**86**	Overspend on salaries
Net Service Spending	**43,449**	**(5,910)**	**37,539**	**578**	**0**	**1,305**	**(728)**	

Annex G- People Strategy and Commissioning

Director - Becky Hale
Executive Director - Nigel Minns
Portfolio Holders - Councillor Margaret Bell (Adult Social Care & Health)

Saving Plan - 2023/24

Saving Proposal	Target £'000	Forecast £'000	Shortfall/ (Over achievement) £'000	Reason for financial variation and associated management action
Health, wellbeing and self-care - Rationalise the public health offer, preserving budgets for mandated public health functions, and rationalising the non-mandated public health offer and consolidating use of the Warwickshire Cares Better Together Fund.	(163)	(163)	0	
Domestic Abuse and Substance Misuse Detox Framework - Increase partner contributions to multi agency risk assessment conference in line with the national approach. The Public Health England contribution to inpatient detox will reduce current funding requirement.	(50)	(50)	0	
Management of Strategic Commissioning for People costs - Rationalise budgets across a range of areas including staffing, travel and conference budgets, central recharges and contributions.	(338)	(338)	0	
Vacancy factor - Application of a 2% vacancy factor/turnover allowance where not already applied and the rationalisation of PA support. (old structure: CSU check)	(9)	(9)	0	
			0	
Total	**(560)**	**(560)**	**0**	

Annex G- People Strategy and Commissioning

Director - Becky Hale
Executive Director - Nigel Minns
Portfolio Holders - Councillor Margaret Bell (Adult Social Care & Health)

Revenue Investment Fund - 2023/24 and future years

Revenue Investment	Current Year Budget	Forecast	Variance Over/(Under) £'000	Progress Update	Approved Remaining Resource	Estimated Project Completion
Children and Families Tackling Inequality	298	298	0	Projects have been rephased due to staffing changes and recruitment issues.	154	Mar-25
Creating a healthy social prescribing system	217	217	0	6 Projects - 2 completed in prior years and 4 to be completed within 2023/24	0	Mar-24
Total	**515**	**515**	**0**			

Annex F- People Strategy and Commissioning
Director - Becky Hale
Executive Director - Nigel Minns
Portfolio Holders - Councillor Margaret Bell (Adult Social Care & Health)

Description	Approved Budget					Forecast					Variation		Commentary
	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
Mental Health Grant 2010/11	223	3	0	0	**226**	223	3	0	0	**226**	0	0	
Adult Social Care Modernisation & Capacity 2012-13	352	91	0	0	**443**	352	20	71	0	**443**	-71	0	Installation of Changing Places facility postponed
Disabled Facilities Capital Grant	33,362	5,572	0	0	**38,934**	33,362	5,572	0	0	**38,934**	-0	-0	Additional Disabled Facilities Grant as notified Sep 2023
Supported housing	0	651	0	0	**651**	0	630	21	0	**651**	-21	0	Refurbishments of properties under budget but further costs may be incurred in 2024/25
	33,937	**6,317**	**0**	**0**	**40,254**	**33,937**	**6,225**	**92**	**0**	**40,254**	**-92**	**-0**	

Annex H- Education Services

Director - Johnny Kyriacou
Executive Director - Nigel Minns
Portfolio Holders - Cllr Kam Kaur (Education)

23/24 DSG Revenue Budget

Service	Gross Expenditure Budget £'000	Gross Income Budget £'000	Net Expenditure Budget £'000	Net Expenditure Variation Over/ (Under) £'000	Reason for Net Variation and Management Action
Schools Block	4,314	(115)	4,199	**(119)**	The forecast has reduced by £0.108m since Q2. This is due to decreased demand on union reps, DBS checks, decreases in support to school leaders around on school improvement activities and general tightening on the forecast to reflect spend to date.
Early Years Block	38,303	0	38,303	**1,010**	Although this forecasted expenditure is highlighting an overspend, when taking into account the supplemental early years grant (EYSG) received in September (see underspend highlighted in EY DSG row below) the overall EY block is forecasting an under-spend of £1.138m. This consists of a £1.032m underspend on early years provison and £0.106m on internal Early Years services. The Nursery Provision has reduced due to less actual places on universal hours for 3&4 yrs based on October census data, which is being ofset by 6% increased extended hours. The reductions in the service spend are due to additional grant funding received to support the extension of entitlements of two and under two years old. There are also savings from staff vacancies.
High Needs block	71,717	(1,322)	70,395	**17,514**	The High Needs Block DSG has increased its forecasted overspend by £3.827m since Q2. The main increses in overspend are due to the following: a) £2.187m on Special Schools. This is due to an one off uplift of 3.4% to top up funding as indicated by the ESFA (£1.340m). There are also additional £0.449m of agreed Ghost funding of places for the Warwickshire Acedemy. b) £1.503m on Alternative Provision. This is being driven by a higher number of exclusions, a new contract which is now being forecasted and CYP staying in positions longer with a higher than budgeted cost. c) £0.393m on Independent Schools. This is being caused by an increase in the unit cost of placements. These are being ofset by reductions in overspend in the following areas: mainstream schools, Flexible Learning, Post 16 Funding, Specialist Teaching Service and Sensory Complex and PD.
Central Services block	2,288	0	2,288	**117**	The overspend relates to pressures on this block following the DSG settlement, there is no on-going effect in 2024/25.
Net Education Service DSG Spending	**116,622**	**(1,437)**	**115,185**	**18,522**	
Schools Block	137,192	0	137,192	**0**	
Early Years Block	314	0	314	**390**	Previously planned spend on MNS supplemental funding and the final pay-outs of Post Covid recovery grants to EY providers. This is the final tranche of these planned payments and there is no on-going effect.
High Needs block	7,421	0	7,421	**0**	
Central Services block	1,814	0	1,814	**0**	
Net Non Education DSG Spending	**146,741**	**0**	**146,741**	**390**	
Schools Block	0	(141,392)	(141,392)	**0**	
Early Years Block	0	(38,617)	(38,617)	**(2,538)**	The 2023 Spring Budget announced additional funding for the existing early years entitlements for disadvantaged 2-year-old children and 3 and 4-year-old children for the 2023 to 2024 and 2024 to 2025 financial years. This is on top of the previous settlements for those years.The new early year's supplementary grant (EYSG)has been used to increase as a one off the funding rates for our early years childcare providers for the period September 2023 to March 2024. (see Eaarly Years spend row above)
High Needs block	0	(77,817)	(77,817)	**0**	
Central Services block	0	(4,102)	(4,102)	**0**	
Net DSG Income	**0**	**(261,928)**	**(261,928)**	**(2,538)**	
NET DSG	**263,363**	**(263,365)**	**(2)**	**16,374**	

Annex H- Education Services

Director - Johnny Kyriacou
Executive Director - Nigel Minns
Portfolio Holders - Cllr Kam Kaur (Education)

Revenue Budget - 2023/24

Service	Gross Expenditure Budget	Gross Income Budget	Net Expenditure: Budget	Net Expenditure: Variation Over/ (Under)	Net Variance Represented by: Revenue Investment Funding	Net Variance Represented by: Contra to/from Earmarked Reserves	Net Variance Represented by: Remaining Service Variance	Reason for Net Variation and Management Action
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Director of Education	2,327	(777)	1,550	**23**	**38**	**0**	**(15)**	Change since Q2 is mainly due to a £0.030m budget transfer from occupational health to fill a gap within the service, additional funding received for a schools project, updated forecasts on legal, travel and supply costs to reflect the activity to date and vacancies. These underspends are being offset by costs of £0.059m being forecast on the new NON SEND Education transformation area.
Access to Education	874	(267)	607	**17**	**0**	**0**	**17**	The main change since Q2 is the increase in WES income on Secondary National Tests and better use of internal premises. This is being ofset by a small overspend due to additional costs on capital consultancy work.
SEND and Inclusion	8,157	(2,641)	5,516	**96**	**-23**	**0**	**119**	Forecast has reduced by £0.329m since Q2. This is mainly due to confirmation of the pay award which has come in under what was budgeted and tightening of costs that are being charged to areas.
School Services & Post 16 Education	6,208	(4,559)	1,650	**(64)**	**0**	**0**	**(64)**	The main change since Q2 is on the Warwickshire Attendance service of £0.027m which is now forecasting a short-term vacancy within the service.
Early Years & School Effectiveness	3,589	(2,360)	1,228	**252**	**0**	**262**	**(10)**	Forecast has increased by £0.139m since Q2 this is mainly due to a increase in the spend on the Schools Improvement Monitoring & Brokering Service. The service is now forecasting its contributions to other areas for project work being undertaken. Other minor reductions are due to tightening of forecasts around travel expenditure, supplies services and staffing variances.
Net Service Spending	**21,155**	**(10,604)**	**10,551**	**324**	**15**	**262**	**47**	

Annex H- Education Services

Director - Johnny Kyriacou
Executive Director - Nigel Minns
Portfolio Holders - Cllr Kam Kaur (Education)

Saving Plan - 2023/24

Saving Proposal	Target £'000	Forecast £'000	Shortfall/ (Over achievement) £'000	Reason for financial variation and associated management action
Vacancy factor - Application of a 2% vacancy factor/turnover allowance where not already applied.	(98)	(50)	48	The Senior Leadership team have been tasked with identifying in year permanent savings to achieve this target. Depending on the nature of these there could be just a part year effect for 2023/24
NEETs contract - More effective contracting of the service to support those not in employment, education of training.	(35)	(35)	0	
Savings on third party spend - Review of services purchased from third parties to ensure value for money.	(11)		11	The Senior Leadership team have been tasked with identifying in year permanent savings to achieve this target. Depending on the nature of these there could be just a part year effect for 2023/24
Traded income - Increased traded income from Governor services as well as a review to modernise music services.	(15)	(15)	0	
Early Years - Reducing core budget spend by re-coding early years activity to Early Years DSG (5% permitted centrally retained element)	(50)	(50)	0	
Total	**(209)**	**(150)**	**59**	

Annex H- Education Services

Director - Johnny Kyriacou
Executive Director - Nigel Minns
Portfolio Holders - Cllr Kam Kaur (Education)

Revenue Investment Fund - 2023/24 and future years

Revenue Investment	Current Year Budget	Forecast	Variance Over/(Under) £'000	Progress Update	Approved Remaining Resource	Estimated Project Completion
SEND and Inclusion change programme	1,348	1,325	(23)	There has been a halt in initiating new projects as the new Director & new Heads of Service for SEND and also Education Transformation assess / plan this programme going forward, Existing projects are being worked on.	798	Mar-25
Total	**1,348**	**1,325**	**-23**			

Annex F- Education Services

Director - Johnny Kyriacou
Executive Director - Nigel Minns
Portfolio Holders - Cllr Kam Kaur (Education)

Capital Programme - 2023/24 to 2024/25 Onwards

Description	Approved Budget					Forecast					Variation		Commentary
	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
Learning - Non Schools													
CMS Music Instruments Purchases 2015/16 -	105	0	0	0	**105**	105	0	0	0	**105**	0	0	
Education Design Development Fund	0	200	750	450	**1,400**	0	200	750	450	**1,400**	0	0	
Learning - Other													
Education - S106	1	0	0	0	**1**	1	0	0	0	**1**	0	0	
Planning & Development block header E&L	57	100	232	0	**389**	57	127	205	0	**389**	27	0	
Minor Works E&L	266	3	0	0	**269**	266	3	0	0	**269**	0	0	
Healthy Pupil Capital	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
Maintained Nursery Schools Capital Funding to Ensure Access for Children with SEND &	106	95	0	0	**201**	106	95	0	0	**200**	-0	-0	
improvements at Bunting Preschool to the Capital Programme at an estimated cost of £250,000 to be funded from section 106 receipts (£228,000)	0	0	319	0	**319**	0	0	319	0	**319**	0	0	
Primary - expansion													
Long Lawford permanent expansion	2,742	400	0	0	**3,142**	2,742	0	400	0	**3,142**	-400	0	Car Park / Drop Off Facility delayed by S278 Approval and expired planning permission. Q3 Forecast based on estimated April 2024 start date.
Nathaniel Newton	64	0	0	0	**64**	64	0	0	0	**64**	0	0	
Nathaniel Newton Infants refurbishment re	182				**182**	182	0	0	0	**182**	0	0	
Michael Drayton Primary - Expansion	2,459	0	0	0	**2,459**	2,459	0	0	0	**2,459**	0	0	
Weddington Primary School - Bulge Class	126	7	0	0	**133**	126	7	0	0	**134**	0	0	
Whitnash Primary, Expansion of 2 additional	1,247	101	0	0	**1,349**	1,247	101	0	0	**1,349**	-0	-0	

Long Lawford Primary School - Studio Hall	448	187	0	0	**635**	448	0	187	0	**635**	-187	0	Studio Hall Practical Completion on 3/9/21. Funding balance moved to 2024/25 as maybe required to support Car Park / Drop Off Facility due to inflation pressures.
Burton Green Primary	0	290	0	0	**290**	0	290	0	0	**290**	0	0	
Lighthorne Heath Primary School,	0	0	146	0	**146**	0	0	146	0	**146**	0	0	
Former Radio mast site	0	0	960	0	**960**	0	0	960	0	**960**	0	0	
Bridgetown Primary Sch	26	3	0	0	**29**	26	3	0	0	**29**	0	0	
Southam St James	0	30	0	0	**30**	0	30	0	0	**30**	0	0	
Oakley School - Primary phase temporary solutions at Bishops Tachbrook, Briar Hill and St Margarets	166	1,957	300	0	**2,423**	166	1,749	509	0	**2,423**	-208	0	Delay in the works on work order12020000-103 St Margaret's - Reception Contingency. Project value engineered waiting on re-quote from Arden. Works not startedoverspend now being forecast on the project by the PM, Works will need to be done to discuss how this is to be funded as well as the risk of further overspends as the project still has works that need to start and be completed.overspend now being forecast on the project by the PM, Works will need to be done to discuss how this is to be funded as well as the risk of further overspends as the project still has works that need to start and be completed
Long Itchington	0	254	0	0	**254**	0	254	0	0	**254**	0	0	
Brownsover Expansion from 2FE Infant to 1FE	31	934	0	0	**965**	31	934	0	0	**965**	0	0	
Bishops Itchington	0	0	195	0	**195**	0	0	195	0	**195**	0	0	
Primary - new													
New School, The Gateway, Rugby (Griffin School)	4,807	2,405	0	0	**7,213**	4,807	2,405	0	0	**7,212**	-0	-0	Expenditure forcast updated by PM, This puts the project overspend in as £0.5m. Work needs to be done to discuss how this can be funded.
New school, Warwick	3,965				**3,965**	3,965	0	0	0	**3,965**	0	0	
Myton Gardens Primary School (new)	221	10,000	3,179		**13,400**	221	1,100	8,900	3,179	**13,400**	-8,900	0	
Primary - other													
Kingsway site changes to aid Academy conversion	359	4,000	3,540	0	**7,899**	359	4,000	3,540	0	**7,900**	0	0	Capital budget increased in July 2023 cabinet by £2.633 million plus previous £100K top up.

Lighthorne Heath Primary School	100	64	0	0	**164**	100	64	0	0	**164**	0	0	
Rokeby Primary School - levelling the playing field	28	4	0	0	**32**	28	4	0	0	**32**	-0	-0	Additional remedial works required
Eastlands Primary temporary classroom	0	0	190	0	**190**	0	0	190	0	**190**	0	0	
Bawnmore Infant School- To Extend Current Pre-school Provision		36			**36**	0	36	0	0	**36**	0	0	S106 approved Port Holder 4/9/23 - Pre-School expansionS106 approved Port Holder 4/9/23 - Pre-School expansion
School access													
Disability & Access Block Header	521	146	0	0	**667**	521	146	0	0	**667**	-0	-0	Unallocated funding moved to 12053000 2023-24 Block HeaderUnallocated funding moved to 12053000 2023-24 Block Header
Disability Access Block Header 2023/24	0	758		0	**758**	0	758	0	0	**758**	0	0	Unallocated funding moved to 12053000 2023-24 Block Header from 12010000Unallocated funding moved to 12053000 2023-24 Block Header from 12010000
Secondary - expansion													
Campion School Expansion Phase 2	8,161	819	0	0	**8,979**	8,161	819	0	0	**8,979**	0	0	
Stratford Upon Avon School - Dining Facilities	1,376	0	0	0	**1,376**	1,376	0	0	0	**1,376**	0	0	
Stratford Upon Avon School - 2fe expansion	1,467	10,697	5,944	0	**18,109**	1,467	0	16,622	0	**18,089**	-10,697	-20	Q3 Forecast based on Master Cost Spreadsheet 7RevC. Speller Metcalfe budget estimate of £12.9m, Total Project cost of £18.1m. Assume April 2024 start date.Expenditure reduced based on Speller Metcalfe's budget estimate.Willmott Dixon Tender Cost of £16.9m increased by £3.4m from RIBA Stage 3 Budget Cost of £13.5m. Fees & on costs take total increase to £4.0m. Scope of Works not changed. Cost increase due to market conditions, inflation & detailed design development in RIBA Stage 4.
Etone College - 1fe	84	4,669	0	0	**4,753**	84	4,669	0	0	**4,753**	0	0	
The Queen Elizabeth Academy Atherstone	0	3,293	0	0	**3,293**	0	2,793	500	0	**3,293**	-500	0	
Shipston High School - expansion	322	6,000	4,209	0	**10,531**	322	6,000	4,209	0	**10,531**	0	0	

Secondary - new													
New School Leamington (Oakley School)	9,565	26,906	23,990	0	**60,462**	9,565	34,545	16,352	0	**60,462**	7,638	0	
Secondary - other													
Myton School, Warwick - New 6th form teaching	3,266	2,864	0	0	**6,130**	3,266	2,864	0	0	**6,130**	0	0	
Aylesford School washroom facilities	0	102	0	0	**102**	0	102	0	0	**102**	0	0	
Bilton School - Internal Works to Accommodate 30 Extra Pupils	0	83	0	0	**83**	0	83	0	0	**83**	0	0	New funding approved Portfolio Holder 14/7/23New funding approved Portfolio Holder 14/7/23
Stratford School - Resurfacing of All-Weather Pitches & Enhancing Gym Facilities	0	308	0	0	**308**	0	308	0	0	**308**	0	0	New funding approved Portfolio Holder 14/7/23New funding approved Portfolio Holder 14/7/23
SEN - other													
Stratford School - Resurfacing of All-Weather Pitches &	297	7	13	0	**317**	297	7	13	0	**317**	0	0	
Specialist Nurture Provision at Special	0	235	20	0	**255**	0	235	20	0	**255**	-0	-0	
SEN - expansion													
Evergreen school - Reconfiguration of	65	0	0	0	**65**	65	0	0	0	**65**	0	0	
Keeping SEND pupils	84	1	104	0	**190**	84	33	73	0	**190**	32	0	
Henley in Arden Resourced Provision	544	6	0	0	**550**	544	6	0	0	**550**	0	0	
Evergreen School	23	303	3,840	3,839	**8,005**	23	303	3,840	3,840	**8,005**	0	0	
Oak Wood Primary Nuneaton expansion	13	2,020	277	0	**2,310**	13	300	1,997	0	**2,310**	-1,720	0	
Oak Wood Secondary Nuneaton expansion - new centre at Bernuda	0	300	2,414	0	**2,714**	0	300	2,414	0	**2,714**	0	0	
SEN - new													
Old Pears Site / Warwickshire Academy	17,014	152	0	0	**17,166**	17,014	152	0	0	**17,166**	0	0	
Alternative Provision Free School Warwick	0	0	100	0	**100**	0	0	100	0	**100**	0	0	
Learning - Devolved													
Devolved/School Level	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
S106 Contribution to the	0	0	1,300	0	**1,300**	0	0	1,300	0	**1,300**	0	0	
Grand Total	**60,308**	**80,740**	**52,024**	**4,289**	**197,361**	**60,308**	**65,825**	**63,741**	**7,469**	**197,342**	**-14,916**	**-19**	

Annex I Workforce and Local Services

Director - Bal Jacob

Executive Director - Rob Powell

Portfolio Holders - Cllr Yousef Dahmash (Customer and Transformation)

Revenue Budget - 2023/24

Service	Gross Expenditure Budget	Gross Income Budget	Net Expenditure		Net Variance Represented by			Reason for Net Variation and Management Action
			Budget	Variation Over/ (Under)	Revenue Investment Funding	Contra to/from Earmarked Reserves	Remaining Service Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Director of Workforce and Local Services	177	0	177	**(31)**			**(31)**	The forecast underspend has been generated by savings made on salary expenditure as a result of the restructure/creation of Workforce and Local Services.
Human Resource Strategy	759	0	759	**(46)**	**-11**		**(35)**	The forecast underspend has been generated by the team removing as much one-off spend as possible to support the service financial recovery plan. This has been delivered by pausing recruitment in-year.
Human Resource Enabling	6,815	(2,610)	4,205	**163**		**272**	**(109)**	The forecast underspend has been generated by the team removing as much one-off spend as possible to support the service financial recovery plan. This has been delivered by pausing recruitment in-year and delaying the implementation of non-critical project reviews.
Libraries, Heritage and Registration	8,361	(2,686)	5,674	**138**			**138**	The forecast overspend relates to employee expenditure across Heritage & Culture and Registration. There has also been unexpected one-off "running cost" expenditure incurred in relation to both St John's museum and Pageant House.
Net Service Spending	**16,112**	**(5,296)**	**10,815**	**224**	**(11)**	**272**	**(37)**	

Annex I Workforce and Local Services
Director - Bal Jacob
Executive Director - Rob Powell
Portfolio Holders - Cllr Yousef Dahmash (Customer and Transformation)
Saving Plan - 2023/24

Saving Proposal	Target £'000	Forecast £'000	Shortfall/ (Over achievement) £'000	Reason for financial variation and associated management action
Vacancy factor - Application of a 2% vacancy factor/turnover allowance where not already applied and the rationalisation of PA support. (old structure: BSU)	(52)	(52)	0	On track
Library Service - Continue the covid-led trend of rebalancing the provision of library services, for example through increasing the use of drop off book boxes.	(50)	(50)	0	On track
Registration Service - Increase registration revenue through the optimisation of service delivery locations.	(13)	0	13	The service have been unable to deliver this saving. Senior Leadership teams are looking at alternative options to delivery savings.
Total	**(115)**	**(102)**	**13**	

Annex I Workforce and Local Services
Director - Bal Jacob
Executive Director - Rob Powell
Portfolio Holders - Cllr Yousef Dahmash (Customer and Transformation)
Revenue Investment Fund - 2023/24 and future years

Revenue Investment	Current Year Budget	Forecast	Variance Over/(Under) £'000	Progress Update	Approved Remaining Resource	Estimated Project Completion
Surveys as per Waterways Strategy	13	13	0		0	Mar-24
Community Managed Libraries to operate “community fridges”	12	12	0		0	Dec-23
Extend library and museum opening hours as warm hubs, including activities for children and families	7	7	0		0	Mar-24
HR Policy Review	41	30	(11)	A reduction in the HR Policy Review project forecast to spend £30k out of the £41k approved RIF carry forward. Forecast expenditure reduced due to the policy review being undertaken by Delivery. The emphasis has changed from pay to strategic workforce planning.	0	Mar-24
Total	73	62	(11)			

Annex H Workforce & Local Services

Director -

Executive Director - Rob Powell

Portfolio Holders -Cllr Yousef Dahmash (Customer and T

Capital Programme - 2023/24 to 2024/25 Onwards

Description	Current Approved Budget					Forecast					Variation		Commentary
	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
County Records Office Service - Digital Asset Management	95	0	0	0	**95**	95	0	0	0	**95**	0	0	
Warwick - Market Hall Museum - "Our Warwickshire Projects"	910	0	0	0	**910**	910	0	0	0	**910**	0	0	
Improve Customer Experience In County Council Buildings & DDA Works 2009/10	204	0	0	0	**204**	204	0	0	0	**204**	0	0	
Improving Customer Experience / One Front Door Improvements	1,786	511	336	0	**2,633**	1,786	511	335	0	**2,633**	0	0	Re-profiling of expenditure between financial years to reflect an accurate profile of expenditure. This underspend was previously forecast against the "Block Header" to be used to support the LMS (Library Management System) project.
Stratford Library – Registrars Accommodation Works and Library Alterations	373	0	0	0	**373**	373	0	0	0	**373**	0	0	
Grand Total	**3,368**	**511**	**336**	**0**	**4,215**	**3,368**	**511**	**335**	**0**	**4,215**	**0**	**0**	

Annex J - Enabling Services

Director - Craig Cusack
Executive Director - Rob Powell
Portfolio Holders -Cllr Andy Jenns (Customers & Transformation), Cllr Peter Butlin (Finance and Property)

Revenue Budget - 2023/24

Service	Gross Expenditure Budget	Gross Income Budget	Net Expenditure		Net Variance Represented by			Reason for Net Variation and Management Action
			Budget	Variation Over/ (Under)	Revenue Investment Funding	Contra to/from Earmarked Reserves	Remaining Service Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Director of Enabling Services	396	0	396	**(237)**			**(237)**	The forecast underspend is being used to support the overspend in the rest of the service.
Customer Contact - Connect	3,416	(325)	3,091	**(71)**		**13**	**(84)**	The forecast underspend mainly relates to employee expenditure and utilisation of HSF (The Household Support Fund.) No action.
Strategic Asset Management	2,506	(1,615)	891	**158**		**24**	**134**	Unforeseen events have impacted the Q3 position. Additional costs to service and make secure surplus properties continue to bear, and agency staffing is higher than forecast to cover unfilled vacancies. Reductions in interim staff positions have been identified to mitigate fee position and will be explored to reduce service overspend. Further mitigations are being explored.
Property Services	17,421	(8,136)	9,285	**1,274**			**1,274**	Utility cost inflation is being mitigated through reduced use of heating due to milder winter weather thus far, but additional costs in Maintenance and minor works are reducing this impact. The team continue to investigate the reduction of other costs.
ICT and Digital	13,888	(4,810)	9,078	**268**		**44**	**224**	In Q2, the team removed as much one-off spend as possible to support the service financial recovery plan. However, a change in service management has uncovered an historical pressure in applications costs, which ICT managers are now sighted on and remedying. Further risks need to be mitigated in trading income in coming months.
Data & Business Intelligence	2,645	(160)	2,485	**(76)**	**-63**		**(13)**	The forecast underspend is due to unexpected income being received from the DFE relating to delivering the Better Value programme.
ICT Strategy	3,432	0	3,432	**1,237**	**1340**		**(103)**	The team have removed as much one-off spend as possible to support the service financial recovery plan. This has been delivered by pausing recruitment in-year.
Net Service Spending	**43,704**	**(15,046)**	**28,658**	**2,553**	**1,277**	**81**	**1,195**	

Annex J - Enabling Services
Director - Craig Cusack
Executive Director - Rob Powell
Portfolio Holders -Cllr Andy Jenns (Customers & Transformation), Cllr Peter Butlin (Finance and Property)

Saving Plan - 2023/24

Saving Proposal	Target £'000	Forecast £'000	Shortfall/ (Over achievement) £'000	Reason for financial variation and associated management action
Vacancy factor - Application of a 2% vacancy factor/turnover allowance where not already applied.	(187)	(187)	0	
Enabling Services delivery review - Review of expenditure on staffing, expenses and projects in Enabling Services.	(40)	(40)	0	
Facilities management - Facilities management and maintenance cost savings linked to asset rationalisation	(50)	0	50	Rates review has indicated rates on current estate have increased £350k over budget
ICT Service delivery review - Review past ICT budget growth and focus on efficiencies through development projects.	(144)	(144)	0	
Property service delivery review - Ensure effective mix of staff and agency use, drive efficiencies in facilities management resource spend and maintenance budget.	(95)	(95)	0	
Devices - continue to review the most cost effective device to meet the organisational and staff need at the end of the lease, subject to options appraisal and due diligence.	(150)	(150)	0	
Customer support service redesign - Review and rationalisation of the organisation's approach to customer support. (old structure - Business Support)	(94)	(94)	0	
Vacancy factor - Application of a 2% vacancy factor/turnover allowance where not already applied and the rationalisation of PA support. (Split to follow: old structure Business Support)	(59)	(59)	0	
Total	**(819)**	**(769)**	**50**	

Annex J - Enabling Services

Director - Craig Cusack
Executive Director - Rob Powell
Portfolio Holders -Cllr Andy Jenns (Customers & Transformation), Cllr Peter Butlin (Finance

Capital Programme - 2023/24 to 2024/25 Onwards

Description	Approved Budget					Forecast					Variation		Commentary
	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
Structural Maintenance													
Schools - Planned Capital Building, Mechanical and Electrical Maintenance 2017/18	7,010	0	0	0	**7,010**	7,010	0	0	0	**7,010**	0	0	
The Saltway Centre & Stratford Family Centre - Refurbish Family Centre	102	0	0	-	**102**	102	0	0	0	**102**	0	0	
Non schools building maintenance 20-21	2,527	4	0	-	**2,531**	2,527	4	0	0	**2,531**	-0	-0	Adjustments to actual payments made against final invoices
Schools asbestos and safe water 20-21	840	0	0	0	**840**	840	0	0	0	**840**	0	0	
Schools building maintenance 20-21	7,125	0	0	0	**7,125**	7,125	-0	0	0	**7,125**	-0	-0	Adjustments to actual payments made against final invoicesTransfer £233.97 to 11971000
Non-Schools Building Maintenar	2,045	21	0	0	**2,066**	2,045	1	0	0	**2,047**	-20	-20	Adjustments to actual payments made against final invoicesTransfer £19,746 to 12058000
Schools Building Maintenance 2021-22	6,856	42	0	0	**6,898**	6,856	38	0	0	**6,894**	-4	-4	Adjustments to actual payments made against final invoicesTransfer £3,632.61 to 11971000
Non-Schools Asbestos & Safe Water 2021-22	454	0	0	0	**454**	454	0	0	0	**454**	0	0	
Schools Asbestos & Safe Water 2021-22	741	21	0	0	**762**	741	21	0	0	**761**	-0	-0	Adjustments to actual payments made against final invoices
Lillington Academy CTA Works	232	278	0	0	**510**	232	0	278	0	**510**	-278	0	Due to building issues work has been deferred until 2024-25
Non-Schools Building Maintenance 2022-23	1,770	393	0	0	**2,163**	1,770	387	0	0	**2,157**	-6	-6	Adjustments to actual payments made against final invoicesTransfer £6,244.28 to 12058000
Non-Schools Asbestos & Safe Water 2022-23	99	14	0	0	**113**	99	14	0	0	**112**	-0	-0	Adjustments to actual payments made against final invoices
Schools Building Maintenance 2022-23	6,778	258	0	0	**7,036**	6,778	293	0	0	**7,070**	35	35	Adjustments to actual payments made against final invoicesTransfer £233.97 from 11971000 / £3,632.61 from 11971000 / £30,747.41 from 11971000. Total £34,613.99
Schools Asbestos & Safe Water 2022-23	940	15	0	0	**955**	940	5	0	0	**945**	-10	-10	Adjustments to actual payments made against final invoicesTransfer to 12061000 - £9,902.28

Non-Schools Building Maintenance 2023-24	-	2351	0	0	**2,351**	0	2,377	0	0	**2,377**	26	26	New Projects addedNew Projects addedTransfer from 11887000 - £19,746 and 11969000 - £6,244.28. Total £25,990.28
Non-Schools Asbestos & Safe Water 2023-24	-	342	0	0	**342**	0	342	0	0	**342**	0	0	New Projects added
Schools Building Maintenance 2023-24	-	7763	0	0	**7,763**	0	7,732	0	0	**7,732**	-31	-31	New Projects addedTransfer to 11971000 - £30,747.41
Schools Asbestos & Safe Water 2023-24	-	781	0	0	**781**	0	790	0	0	**790**	9	9	Transfer from 11972000 - £9,902.28
Estate Master Plan - Furniture Capitalisation	329				**329**	329	0	0	0	**329**	0	0	
IT Infrastructure 2021-22	432	6	0	0	**438**	432	6	0	0	**438**	0	0	
Rural Services Capital Maintenance 2017/18	671	15	0	0	**686**	671	15	0	0	**686**	0	0	Barn cladding reinstatement works to be undertaken in Q4
Rationalisation of County Storage Facilities	9,482	89	0	0	**9,571**	9,482	19	70	0	**9,571**	-70	0	Final works to be completed at Q1 in 2024/25. Costs expected to be minimal.
Strategic Site Planning Applications	2,939	988	0	0	**3,926**	2,939	605	382	0	**3,926**	-382	0	Projected costs in meeting legal obligation to provide a serviced site to the DfE. Certain capital works including demolition are underway and are programmed to be completed this financial year. Other works e.g. bovine remediation (detail to be determined) are now programmed to be undertaken 24/25.
Rural Services Capital Maintenance 2019/20	314	128	0	0	**442**	314	128	0	0	**442**	0	0	11542000-106 1 Heath End Structural Works - Project overspend due to extensive timber repairs and BAT issues. To be funded from block header 12079000 Rural Services Capital Maintenance 2023/24
Maintaining the Smallholdings land bank	0	391	0	0	**391**	0	0	391	0	**391**	-391	0	Potential opportunities for Q4 are minimal. Budget re-profiled into 2024/25.
Smallholdings Capital Maintenance 20-21	206	71	0	0	**277**	206	157	0	0	**363**	86	86	11790000-108 Lower Farm, School Rd, Salford Priors - New oil boiler and storage tank. Overspend to be funded from 11975000 Smallholdings Maintenance 2022/23.
Smallholdings Maintenance 2021/22	0	0	0	0	**0**	0	0	0	0	**0**	0	0	
Public Sector Decarbonisation Scheme	537	0	0	0	**537**	537	0	0	0	**537**	0	0	
Bedworth/Croxhall Street Centre/ Renovation	0	0	0	0	**0**	0	0	0	0	**0**	0	0	

Land at Leicester Lane Cubbington	197	500	895	0	**1,592**	197	25	1,370	0	**1,592**	-475	0	Land returned back to land owner WCC are now waiting for a dilapidation report to agree a way forward.
Smallholdings Maintenance 2022-23	0	562	0	0	**562**	0	247	229	0	**475**	-315	-87	Slippage of budget into 2024/25 to cover works identified from stock condition survey.To be vired to 11790000
Acquisition of land in Warwick	887	48	0	0	**935**	887	0	48	0	**935**	-48	0	Further minimal costs are expected in Q1 2024/25. Once done this will be closed down.
Water Orton Primary School - demolition works	471	49	0	0	**520**	471	49	0	0	**520**	0	0	
Smallholdings Maintenance 2022-23	0	323	0	0	**323**	0	50	273	0	**323**	-273	-0	Budget re-profiled into 2024/25.
	53,984	**15,453**	**895**	**0**	**70,332**	**53,984**	**13,303**	**3,041**	**0**	**70,328**	**-2,150**	**-3**	

Annex J - Enabling Services
Director - Craig Cusack
Executive Director - Rob Powell
Portfolio Holders -Cllr Andy Jenns (Customers & Transformation), Cllr Peter Butlin (Finance and Property)

Revenue Investment Fund - 2023/24 and future years

Revenue Investment	Current Year Budget	Forecast	Variance Over/(Under) £'000	Progress Update	Future Year Budget Allocation	Estimated Project Completion
Azure VSTS licence renewal & VS Enterprise licence	91	91	0		0	Mar-24
Disaster recovery & Cloud migration - Azure data centre annual	691	630	(61)		0	Mar-24
Modern Government - software, licences, tablet app and hosting	14	0	(14)	Project complete, underspend to return to the Revenue Investment Fund	0	Mar-24
Reusable components	82	0	(82)	TBC based on output of the automation investigation.	0	Mar-24
System Replacement Fund	0	0	0	Of the £868k in future years, £374k is committed againsted the Finance Unit 4 Cloud migration project and is expected to be spend in 24/25.	868	Ongoing
Digital Roadmap Investment Fund	0	1,497	1,497	Customer Platform implementation progressing to plan. A bid will be made to access further funding from the specific allocation of £3.2m set aside in the 23/27 MTFS as the project progresses, this will cover the current 'overspend'.	(1,497)	Ongoing
Cloud - Itelligent-i- Azure	85	53	(32)	The remaining allocation is expected to be spent in 2024/25 as planned across the 2 year Data & Analytics Programme.	32	Mar-25
Itelligent-i - Business Analytics Platform Phase 2	31	0	(31)	This is expected to be spent in 2024/25 as planned across the 2 year Data & Analytics Programme.	31	Mar-25
Total	**994**	**2,271**	**1277**			

Annex K - Finance

Director - Andrew Felton
Executive Director - Rob Powell
Portfolio Holders - Cllr Peter Butlin (Finance and Property)

Revenue Budget - 2023/24

Service	Gross Expenditure Budget	Gross Income Budget	Net Expenditure		Net Variance Represented by			Reason for Net Variation and Management Action
			Budget	Variation Over/ (Under)	Revenue Investment Funding	Contra to/from Earmarked Reserves	Remaining Service Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Director of Finance	249	(29)	220	**27**			**27**	The forecast overspend relates to the projected expenditure linked to the recruitment of the Director of Finance role
Business Support	9,490	(95)	9,395	**(36)**			**(36)**	The forecast underspend relates mainly to employee expenditure. There is a significant overspend in People 1 and People 2, this has been nullified by savings across the rest of Business Support and discussions are to be held with Adult Social Care in the People Directorate to look at what actions can be taken to manage the demand.
Strategic Finance	818	(82)	736	**(40)**			**(40)**	Vacancy savings partially offset by impact of inflation on subscription costs.
Commercial & Contracts	2,191	(986)	1,205	**(214)**			**(214)**	Underspend due to a reduction in contractor costs.
Investments, Treasury and Audit	1,841	(1,011)	830	**(117)**			**(117)**	Excess vacancies, partly held for longer in light of recovery plan. Not sustainable to hold vacant long term.
Operational Finance Services	5,007	(2,909)	2,099	**(291)**		**(209)**	**(82)**	Mainly unanticipated additional income in Schools Finance traded team and some excess vacancies above vacancy provision.
Finance Transformation & Transaction	4,503	(1,876)	2,627	**328**	**400**		**(72)**	Excess vacancies, partly held for longer in light of recovery plan. Not sustainable to hold vacant long term.
Net Service Spending	**24,099**	**(6,988)**	**17,112**	**(343)**	**400**	**(209)**	**(534)**	

Annex K - Finance

Director - Andrew Felton
Executive Director - Rob Powell
Portfolio Holders - Cllr Peter Butlin (Finance and Property)

Saving Plan - 2023/24

Saving Proposal	Target £'000	Forecast £'000	Shortfall/ (Over achievement) £'000	Reason for financial variation and associated management action
Vacancy factor - Application of a 2% vacancy factor/turnover allowance where not already applied and the rationalisation of PA support. (old structure: CSU check)	(34)	(34)	0	On-track.
Finance process efficiencies - Efficiencies through ongoing service redesign, automation, AI and self-service.	(75)	(75)	0	On-track, partly delivered through other options (increased vacancy factor).
Savings on third party spend - Review of services purchased from third parties to ensure value for money.	(21)	(21)	0	Delivered through other options (increased vacancy factor).
Procurement cards - Rebates from extended use of procurement cards.	(25)	(25)	0	On-track.
Reduced use of printing and stationery - Future reductions in spend on printing and stationery predicated on digitisation work. (Old structure - Business Support)	(100)	(89)	11	Partly on-track. The shortfall is due to higher demand of stationery.
Savings on third party spend - Review of services purchased from third parties to ensure value for money and management of the budgeted cost increases of externally purchased services. (Old structure: CSU)	(47)	(47)	0	On-track.
Vacancy factor - Application of a 2% vacancy factor/turnover allowance where not already applied and the rationalisation of PA support. (Split to follow: old structure Business Support)	(48)	(48)	0	On-track.
Total	**(350)**	**(339)**	**11**	

Annex K - Finance

Director - Andrew Felton
Executive Director - Rob Powell
Portfolio Holders - Cllr Peter Butlin (Finance and Property)

Revenue Investment Fund - 2023/24 and future years

Revenue Investment	Current Year Budget	Forecast	Shortfall/ (Overachievement) £'000	Progress Update	Future Year Budget Allocation	Estimated Project Completion
McCloud Pensions Remedy	17	17	0	Waiting on further Government guidance, which has been delayed, so currently assumed as minimal spend in the current year until we have a better picture.	0	Mar-24
Cloud Hosting Project (Capital & Unit 4 Development Plan)	277	277	0	Both projects are currently on track to deliver to the agreed timetable.	0	Mar-24
Cloud Hosting Project (Capital & Unit 4 Development Plan)	0		0	Funding to be drawn down by the system replacement fund.	374	Tbc
EDRMS - Digital Post room	31	31	0			
Total	**325**	**325**	**0**			

Annex L - Strategy, Planning & Governance

Director - Sarah Duxbury
Executive Director - Rob Powell
Portfolio Holders - Cllr Yousef Dahmash (Customer & Transformation)

Revenue Budget - 2023/24

Service	Gross Expenditure Budget	Gross Income Budget	Net Expenditure		Net Variance Represented by			Reason for Net Variation and Management Action
			Budget	Variation Over/ (Under)	Revenue Investment Funding	Contra to/from Earmarked Reserves	Remaining Service Variance	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Strategy, Planning & Governance Managemer	(108)	0	(108)	**(10)**			**(10)**	
Legal and Governance	10,161	(9,212)	949	**(319)**			**(319)**	Additional external legal trading are the main factors for the surplus
Communication	1,796	(1,290)	506	**27**			**27**	Largely due to expected income not yet confirmed although position may change before end year with new work coming in
Change Programmes	3,200	(1,535)	1,666	**(67)**			**(67)**	Underspend largely due to staffing movements and vacancies in year
Corporate Policy and Strategy	630	0	630	**(124)**			**(124)**	Underspend due to graduates on the National Graduate Schemes securing permanenent roles early + having a vacant post in team over the year which is now filled
Community Partnerships	2,603	0	2,603	**1,758**	**1771**		**(13)**	Underspend due to internal recharge for Equalities CDW position
Net Service Spending	**18,282**	**(12,037)**	**6,246**	**1,265**	**1,771**	**0**	**(506)**	

Annex L - Strategy, Planning & Governance

Director - Sarah Duxbury
Executive Director - Rob Powell
Portfolio Holders - Cllr Yousef Dahmash (Customer & Transformation)

Saving Plan - 2023/24

Saving Proposal	Target £'000	Forecast £'000	Shortfall/ (Over achievement) £'000	Reason for financial variation and associated management action
Vacancy factor - Application of a vacancy factor/turnover allowance where not already applied.	(208)	(208)	0	
Electronic record keeping - Reduced storage requirements as a result of the move to electronic record keeping.	(5)	(5)	0	
Savings on third party spend - Review of services purchased from third parties to ensure value for money and management of the budgeted cost increases of externally purchased services.	(47)	(47)	0	
Legal services trading income - Additional surplus from external trading with other local authorities and public sector bodies.	(40)	(40)	0	
Paper free meetings - Reduction in the cost of printing as a result of moving to paper free meetings.	(5)	(5)	0	
Consultancy - Reduction in commissioning budget held for external consultancy and external support.	(20)	(20)	0	
Community development - Efficiencies in the delivery of the internal community development function.	(20)	(20)	0	
Staffing restructure - Changes in staffing structure to reduce the cost of the Commissioning Support Unit. (old structure - CSU)	(73)	(73)	0	
Savings on third party spend - Review of services purchased from third parties to ensure value for money. (Old Structure - Business Support)	(23)	(23)	0	
Vacancy factor - Application of a 2% vacancy factor/turnover allowance where not already applied and the rationalisation of PA support. (old structure: CSU check)	(69)	(69)	0	
Vacancy factor - Application of a 2% vacancy factor/turnover allowance where not already applied and the rationalisation of PA support. (Split to follow: old structure Business Support)	(19)	(19)	0	
Total	**(529)**	**(529)**	**0**	

Annex L - Strategy, Planning & Governance

Director - Sarah Duxbury
Executive Director - Rob Powell
Portfolio Holders - Cllr Yousef Dahmash (Customer & Transformation)

Revenue Investment Fund - 2023/24 and future years

Revenue Investment	Current Year Budget	Forecast	Shortfall/ (Overachievement) £'000	Progress Update	Future Year Budget Allocation	Estimated Project Completion
Social Fabric Fund	0	1,320	1,320	To be drawn down from future year budget allocation at outturn as agreed with corporate finance.	1320	TBC
Bin/Scan & Store project	1	1	0		0	Mar-24
Community Powered Warwickshire - New Locals	20	20	0	Relates to the commissioned service provided by New Local to support the embedding of community power. £20K final payment to be made in Q4	0	Mar-24
Community Supermarkets	188	188	0	Relates to the underspend from the first year of the £1m cost-of-living support funding approved by Cabinet in Oct 2022 and split across two years 22/33 and 23/24		Mar-24
Cost of Living Projects *(remaining allocation)*	0	451	451	To be drawn down from future year budget allocation at outturn as agreed with corporate finance.	563	TBC
Total	**209**	**1,980**	**1771**			

Annex L - Strategy, Planning & Governance

Director - Sarah Duxbury
Executive Director - Rob Powell
Portfolio Holders - Cllr Andy Jenns (Customers & Transformati

Capital Programme - 2023/24 to 2024/25 Onwards

Project	Description	Approved Budget					Forecast					Variation		Commentary
		Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
12109000	Social Fabric Fund	0	750	750	0	**1,500**	0	750	750	0	**1,500**	0	0	£750k to transfer to Heart of England Community Foundation (the fund operator) in Q4
Grand Total		**0**	**750**	**750**	**0**	**1,500**	**0**	**750**	**750**	**0**	**1,500**	**0**	**0**	

Annex M- Corporate Services and Resourcing

Director - Andrew Felton
Executive Director - Rob Powell

Revenue Budget - 2023/24

Service	Gross Expenditure Budget	Gross Income Budget	Net Expenditure: Budget	Net Expenditure: Variation Over/ (Under)	Net Variance Represented by: Revenue Investment Funding	Net Variance Represented by: Contra to/from Earmarked Reserves	Net Variance Represented by: Remaining Service Variance	Reason for Net Variation and Management Action
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Government Grants & Business Rates	0	(175,457)	(175,457)	**(20,860)**		**(3,398)**	**(17,462)**	Corporate grant income is forecast to be £20.9m higher than the budget, at the time of setting the budget many of the grant allocations have not been announced by the government and therefore are often based on previous years. This year we have seen significant increases in some of the grants which will support to offset the overspends in other areas.
Capital Financing Costs	27,850	(3,844)	24,007	**(14,636)**			**(14,636)**	Of this £14.6m underspend, £11.3m is due to improved returns on our investments, linked to the increase in interest rates, a further £2.1m has been saved on interest payments by paying of loans early and payments for Minimum Revenue Provision has reduced by £1.2m due to delays in the capital programme. The remaining £0.5m capital contingency is offsetting the £0.5m adverse variance as a result of not opting to pre-pay pension contributions.
Strategic Management Team	1,341	0	1,341	**(59)**			**(59)**	
County Coroner	1,083	(349)	734	**102**			**102**	Overspend is due to increased pathology and professional fees than what was expected when the budget was set.
County Council Elections	268	0	268	**(250)**		**(250)**	**0**	Budget to be transferred to Quadrennial election reserve to fund future year elections.
Environment Agency - (Flood Defence Levy)	268	0	268	**0**			**0**	
External Audit Fees	550	0	550	**(163)**		**(163)**	**0**	An underspend on Audit Fees is expected this is based on the latest fees schedule.
Pensions Deficit Under-recovery	1,483	(500)	983	**500**			**500**	In light of the latest economic forecasts the decision have been taken to not pre-pay pension contributions. This adverse variance is offset entirely by capital contingency.
Members Allowances and Expenses	1,164	0	1,164	**(197)**			**(197)**	Underspend relates to an overall reduction in Members travel and subsistence.
Other Administrative Expenses and Income	2,656	(1,411)	1,245	**670**		**(535)**	**1,205**	Within this forecast there is an overspend of £3.5m, this is to fund the 23/24 employee pay award and is the difference between the 4% included in the budget at the latest offer of £1,925 per employee or 3.88%, the latest pay offer equates to an average increase of 6%. Reoccurring funding of £1.6m has been released in the contingency to fund part of the pay award, after taking into account other small underspends, the balance is to be funded from the additional grant income. £285k will be allocated to the Capital Fund Reserve for upcoming legal fees tied to capital disposals, while £250k will be earmarked for the Commercial Reserve to support future years commercial activities.
Subscriptions	0	0	0	**0**			**0**	
Apprenticeship Levy	1,092	0	1,092	**136**		**136**	**0**	Forecast overspend on apprenticeship levy is a direct result of cumulative pay awards. This overspend will be funded from balances in the Apprenticeship Reserve built up from historical underspends on the levy budget.
Warwickshire Property and Development Company	1,078	(1,204)	(126)	**32**		**32**	**0**	Shortfall in net income will be compensated by a drawdown from the Commercial Risk Reserve.
Warwickshire Recovery and Investment Fund	2,465	(2,465)	0	**665**		**665**	**0**	The Net deficit will be managed using the Commercial Risk Reserve, this is due to two deals not progressing which results in a reduction of interest earnt and fees recovered.
Provision for DSG Deficit	0	0	0	**0**		**(11,425)**	**11,425**	Provision required to top-up the DSG offset reserve based on the Q3 forecast
Net Service Spending	**41,298**	**(185,230)**	**(143,931)**	**(34,060)**	**0**	**(14,938)**	**(19,122)**	

Annex M- Corporate Services and Resourcing
Director - Andrew Felton
Executive Director - Rob Powell

Saving Plan - 2023/24

Saving Proposal	Target £'000	Forecast £'000	Shortfall/ (Over achievement) £'000	Reason for financial variation and associated management action
Savings on third party spend - Review of services purchased from third parties and the increased take-up of early invoice payment. (Delivery will be the responsibility of the AD - Finance).	(3)	(3)	0	
Insurance - Savings arising as a result of a higher level of self insurance. (Delivery will be the responsibility of the AD - Finance).	(25)	(25)	0	
Treasury management returns - A target to increase returns on investment by 10 basis points based on a more pro-active approach to treasury management. (Delivery will be the responsibility of the AD - Finance.)	(242)	(242)	0	
Warwickshire Property and Development Group - Forecast income stream from the successful delivery of the company business plan.	(126)	(94)	32	Expected to deliver fully in future years, in the current year a forecast £32k shortfall is planed to be funded from earmakred reserves.
Capital financing costs - Reduction in the Authority's borrowing costs as a result of using capital receipts from the sale of surplus assets. (Delivery will be the responsibility of the AD - Governance and Policy).	(64)	(64)	0	
Pre-pay pension contribution - Use the Council's strong balance sheet to benefit from the discount for the early payment of the pension contributions. (Delivery will be the responsibility of the AD - Finance).	(500)	(500)	0	In light of the latest economic forecast we opted to not pre-pay pension contributions but alternative savings have been identified.
Vacancy factor - Application of a 2% vacancy factor/turnover allowance where not already applied and the rationalisation of PA support. (old structure Business Support)	(18)	(18)	0	
Customer journey - As the customer experience programme beds down, the requirements to improve customer journey in isolation diminishes, enabling a redesign of the service offer. (Old Structure - Business Support)	(50)	(50)	0	
Total	**(1,028)**	**(996)**	**32**	

Annex M - Corporate Services (Business Support)
Director - Bal Jacob
Executive Director - Rob Powell
Portfolio Holders - Cllr Yousef Dahmash (Customer and Transformation)
Revenue Investment Fund - 2023/24 and future years

Revenue Investment	Current Year Budget	Forecast	Variance Over/(Under) £'000	Progress Update	Approved Remaining Resource	Estimated Project Completion
Information and Advice	30		(30)	On track for project to be completed Mar 24	0	Mar-24
Total	**30**	**0**	**-30**			

Annex M- Corporate Services and Resourci

Director - Andrew Felton

Executive Director - Rob Powell

Description	Approved Budget					Forecast					Variation		Commentary
	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Earlier Years £'000	2023/24 £'000	2024/25 £'000	2025/26 onwards £'000	Total £'000	Variance in Year £'000	Total Variance £'000	
Warwickshire Property Development Company	1,405	19,101	21,763	59,187	**101,456**	1,405	10,793	15,670	73,588	**101,456**	-8,308	-0	Southam 1 development loan now fully drawn down by WPDG, first drawdowns of Manor Park development loan planned for final quarter, £6.5m drawdown for Southam 2 planned for final quarter
Warwickshire Recovery & Investment Fund	400	23,100	20,000	46,500	**90,000**	400	0	23,100	66,500	**90,000**	-23,100	0	Latest forecasts suggest no new lending from BIG or PIF in 2023/24
Asset Replacement Fund	64	3,771	4,082	10,082	**18,000**	64	3,230	2,356	12,350	**18,000**	-542	0	
Investigation Design Fund	0	800	800	2,400	**4,000**	0	800	800	2,400	**4,000**	0	0	
Corporate	**1,869**	**46,773**	**46,645**	**118,169**	**213,456**	**1,869**	**14,823**	**41,926**	**154,838**	**213,456**	**-31,950**	**0**	

Reserves Review - December 2023 (Q3)

Directorate	Service	Description	Reserves as at 1st April 2023	Balancing Risk Reserves	MTFS Allocation 2023/24	Rephasing of 2022/23 Projects	Movement In Year 2023/24 (Drawdowns)	Impact of Outturn Q3	Reserves as at 31 March 2024	Q2 Adjustments: Risk Reserves	Reserves Review November 2023	2024/25 MTFS commitment	Future MTFS commitment	Uncommitted Reserves
										£		£	£	£
Earmarked - Schools Reserves														
Schools	Education Services	DSG Reserve - County Council	(16,097)					(16,374)	(32,471)	0		(18,000)	0	(50,471)
	Finance	School Absence Insurance Equalisation	805					209	1,014	0		0	0	1,014
	Other Services	School Balances	20,408						20,408	0		0	0	20,408
		Contingency to cover DSG	21,650				4,855	11,425	37,930	0		18,000	0	55,930
		Total Earmarked Schools Reserves	**26,766**	**0**	**0**	**0**	**4,855**	**(4,740)**	**26,881**	**0**	**0**	**0**	**0**	**26,881**
Earmarked - External Reserves														
Communities	Education Services	School Improvement Monitoring &	821					(152)	669			0	0	669
	Fire and Rescue	Emergency Service Network	902						902			0	0	902
	Environment Services	Proceeds of Crime	323						323			0	0	323
		S38 Developer	752					(173)	579			0	0	579
	Strategic Commissioni	Speed Workshops	951					154	1,105			0	0	1,105
		Rural Growth	190						190			0	0	190
People	Children and Families	Adoption Central England	57					(434)	(377)			0	0	(377)
		Controlling Migration Fund	118				(118)	297	297			0	0	297
	Social Care and Support	BCF System Development Fund	2,921		(375)		(2,546)		0			0	0	0
	Strategic Commissioni ng People	Social Care & Health Partnership	1,610				(155)	(605)	850			0	0	850
Resources	Business and Customer Services	Museum, Records and Libraries Trust Funds and	360						360			0	0	360
	Finance	LA Counter Fraud Fund Grant	16						16		(16)	0	0	0
	Governance and Policy	One Public Estate	222					(24)	198			0	0	198
Corporate	Other Services	NNDR Pool Surplus Reserve	2,785						2,785			0	0	2,785
		Total Earmarked External Reserves	**12,029**	**0**	**(375)**	**0**	**(2,819)**	**(937)**	**7,898**	**0**	**(16)**	**0**	**0**	**7,882**
Reserves Subject to Annual Review - Internal Policy														
People	Strategic Commissioni ng People	Domestic Abuse Grant	1,629						1,629		(783)	0	0	846
	Children and Families	Priority Families Reserve	1,349		(178)			(216)	955			0	0	955
Resources	Business and Customer	Warwickshire Local Welfare	924					(13)	911			0	0	911
	Enabling Services	Going for Growth Apprenticeship Scheme	173					(173)	(0)			0	0	(0)
	Other Services	Local Resilience Forum - Brexit	468					(68)	400			0	0	400
		Corporate Apprenticeship	665					(235)	430			0	0	430
		Redundancy Fund	5,004				(111)		4,893			0	0	4,893
		Schools in Financial Difficulty	1,517		(70)			(110)	1,337			0	0	1,337
		Total Annual Review - Internal Policy	**11,729**	**0**	**(248)**	**0**	**(111)**	**(815)**	**10,555**	**0**	**(783)**	**0**	**0**	**9,772**

Reserves Subject to Annual Review - Volatility														
Communities	Environment Services	Domestic Homicide Reviews	25					(11)	14			0	0	14
	Fire and	Pensions Reserve	216					(113)	103			0	0	103
People	Children and Families	Youth Justice Remand	802					(142)	660		(200)	0	0	460
Corporate	Other Services	Financial Instruments	2,084						2,084			0	0	2,084
		Insurance Fund	8,843						8,843			0	0	8,843
		Capital Fund	1,228					285	1,513			0	0	1,513
		NNDR Appeals Reserve	28,228				808		29,036			0	0	29,036
		Quadrennial	876					250	1,126			0	0	1,126
		Audit Fee Reserve	289					163	452			0	0	452
		IT Sinking Fund	2,773						2,773			0	0	2,773
		Commercial Risk Reserve	9,359					(447)	8,912			0	0	8,912
		Winter Pressure	0		2,300		(2,300)		0			0	0	0
		Schools Liabilities	254						254			0	0	254
		Inflation Contingency	2,276						2,276		(2,276)	0	0	0
		Oxygen Volatility Reserve	20						20			0	0	20
		Total Annual Review Volatility	**57,271**	**0**	**2,300**	**0**	**(1,492)**	**(15)**	**58,064**	**0**	**(2,476)**	**0**	**0**	**55,588**
Invest to Save Funds														
Corporate	Other Services	Fire Transformation	704			(215)		0	489			(74)	(295)	120
		Children's Transformation	1,976			0	0	(926)	1,050			(120)	(930)	0
		Council Change	3,406			(1,579)	(418)	286	1,695			(1,695)		(0)
		Revenue Investment Funds	2,412			(1,952)	(214)	130	376			(376)		(0)
	Other Services	New Revenue Investment Funds (From 22/23)	8,466			(337)	3,718	(1,771)	10,076			(112)		9,964
	Other	Revolving Fund	5,000						5,000					5,000
	Other Services	Digital Roadmap Investment Fund	1,708		3,200			(1,497)	3,411			(211)		3,200
	Other Services	System Replacement Fund	424			(56)	500	(400)	468			0	0	468
People	Education Services	Education Transformation	2,096		1,800	50	(1,348)	(15)	2,583			(783)		1,800
		Total Invest to Save Funds	**26,192**	**0**	**5,000**	**(4,089)**	**2,238**	**(4,193)**	**25,147**	**0**	**0**	**(3,371)**	**(1,226)**	**20,551**

Reserves Subject to Annual Review - Specific Investment Projects														
		Education management	114					(44)	70	0		0	0	70
Communities	Environment Services	Flood Management	603						603	0		0	0	603
	Fire and Rescue	Vulnerable People Earmarked	169					1	170	0		0	0	170
	Strategic Commissioning for Communities	Kenilworth Station	552						552	0	(400)	0	0	152
		Skills Delivery for Economic Growth	76						76	0		0	0	76
		European Match Funding	133						133	0		0	0	133
Resources	Business and Customer	Corporate Customer Journey	(0)						(0)	0		0	0	(0)
	Enabling Services	HR - Service Improvement	60						60	0		0	0	60
		Covid Grants Ringfenced	751					(741)	10	0		0	0	10
		Covid Grants Unringfenced	1,234			(734)			500	0		0	0	500
		Total Annual Review Specific Investment Projects	**3,692**	**0**	**0**	**(734)**	**0**	**(784)**	**2,174**	**0**	**(400)**	**0**	**0**	**1,774**
Management of Financial Risk														
Communities		Directorate Risk Reserve	(1,824)	2,000		(176)	2,105		(4,260)	4,260		0	0	0
People	includes winter	Directorate Risk Reserve	7,401			(163)			(12,682)	12,682		0	0	0
Resources		Directorate Risk Reserve	3,213	(1,771)		(308)		(118)	1,016	(979)	(37)	0	0	0
Corporate		Financial Management	0				10,374		10,374					10,374
Corporate		General Reserves	26,000						26,000	0		0	0	26,000
		Total Management of Financial Risk	**34,791**	**229**	**0**	**(647)**	**12,479**	**(26,403)**	**20,448**	**15,963**	**(37)**	**0**	**0**	**36,374**
Available for Use Reserves														
Corporate		Medium Term Financial	50,530	(229)	(22,691)		(5,200)	19,122	41,532	(15,963)	3,712	(23,503)	(4,611)	1,167
		Total Available for Use Reserves	**50,530**	**(229)**	**(22,691)**	**0**	**(5,200)**	**19,122**	**41,532**	**(15,963)**	**3,712**	**(23,503)**	**(4,611)**	**1,167**
Z0001 Corporate Budget		**Total**	**222,999**	**0**	**(16,014)**	**(5,470)**	**9,948**	**(18,765)**	**192,698**	**0**	**0**	**(26,874)**	**(5,837)**	**159,988**

Agenda Item 3

Cabinet

23 January 2024

2024/25 Budget and 2024-29 Medium Term Financial Strategy – Updated Information

Members should note that at the time of publication not all the information on the local taxbases for 2024/25 has been received from the District/Borough Councils. If this information is received between the publication date and the date of the meeting on 23 January 2024 an updated report will be tabled.

Recommendations

That Cabinet:

1) note the latest resource and spending information, the advice and the impact on the emerging budget proposals presented in this report;

2) note the Executive Director for Resources' risk assessment on the level of general reserves, as detailed in Appendix A; and

3) publish, in light of the information provided, their 2024/25 budget resolutions for recommendation to Council on 8 February 2024.

1. Introduction and Background

1.1. The Cabinet meeting on 14 December 2023 considered a report outlining all the information underpinning the development of the 2024/25 budget and 2024-29 Medium Term Financial Strategy (MTFS) alongside options from Corporate Board as to what should/could be funded and/or reduced to enable a balanced budget for 2024/25 to be agreed.

1.2. The proposals focussed on ensuring the Authority remains robust, ambitious and resilient in setting the MTFS, given the economic uncertainties that will continue to exist. As at December this meant that the budget for 2024/25 was balanced with a 2.99% council tax increase plus a 2% adult social care levy in 2024/25 but that sustainability over the period of the MTFS required a material programme of budget reductions.

1.3. The budget for 2024/25 is a refresh of the five-year rolling MTFS approved in February 2023, with an additional year added, that will continue to align the resources of the Authority to the objectives and ambitions set out in the Council Plan. The use of a rolling MTFS ensures plans for the use of resources are responsive to changes in the context within which the Authority is operating, something that has been critical during 2023/24 as we continue to be dominated by rapidly rising demand and unit costs for statutory services as households and communities struggle with the lingering impacts of the Pandemic, high inflation and interest rates, and the rising cost of living.

1.4. The key assumptions underpinning the options presented to Cabinet on 14 December 2023, were:

- a 2.99% increase in the basic level of council tax in 2024/25 and 1.99% for the remaining four years of the MTFS;
- a 2% adult social care levy in 2024/25;
- a 4% provision for pay inflation and 2% for price inflation in 2024/25 with both assuming a 2% annual uplift over the medium term plus a provision for contractual commitments above this level, collectively estimated to cost £31.869m in 2024/25 and £89.899m over the period of the MTFS;
- on-going allocations of £27.652m and time-limited allocations of £5.503m in 2024/25 to meet the growing demand and cost pressures, with indicative further allocations in future years bringing the investment over the period of the MTFS to £93.606m and £10.114m respectively;
- setting aside £18.000m in 2024/25 to provide financial cover for the gap between the Dedicated Schools Grant (DSG) funding for pupils with Special Educational Needs and Disabilities (SEND) and the estimated level of spend, but making no provision to set aside further resources beyond 2024/25 and instead taking advantage of the statutory override from April 2025 onwards and committing to implementing the options available to make good the accumulated deficit when the statutory override is lifted; in the absence of clarity from Government about future arrangements to make good the cumulative deficit, which is a major national issue, beyond the statutory override in March 2026, this represents the key risk to the MTFS;
- budget balancing options of £69.414m that will help ensure the Council remains financially sustainable and resilient over the medium term; and
- a reserves strategy that balances retaining sufficient resources to manage financial risk whilst identifying £29.257m of reserves that could be made available to support the MTFS, through controlling the amount of the Council's scarce resources held in reserves.

1.5. These proposals were based on the best information available at the time. In a number of areas final information was either unknown or has changed over the intervening period. These areas are:

- the provisional Local Government Finance Settlement and other Government funding announcements;
- the impact in 2024/25 of the revised 2023/24 forecast outturn that has emerged as part of the quarterly budget monitoring and is reported elsewhere on today's agenda;
- the level of business rates expected to be generated locally in 2024/25;
- the council tax taxbase for 2024/25;
- the surplus/deficit on council tax collection from previous years;

- the sustainability of schools and the proposals for use of the Dedicated Schools Grant (DSG) in 2024/25; and
- the latest reserves forecasts and the impact of the Strategic Director for Resources' reserves risk assessment.

1.6. The December Cabinet report also set out how the Office of Budget Responsibility's forecasts, published alongside the Autumn Statement 2023, included an assumption that on average Council Tax will increase nationally by an average of 4.3% a year over the MTFS period. These forecasts suggested that further Council Tax flexibility beyond 2024/25, either core or through the extension of the adult social care levy, was likely. However, further clarity was not included as part of the Local Government Finance Policy Statement and due to the timing of setting the 2024/25 budget within the national electoral cycle we are unlikely to get further certainty before February. If this does happen it will provide Members with more flexibility in their medium-term Council Tax strategy and greater choice between levels of Council Tax and future budget reductions.

1.7. This report updates members on the latest information for each of these areas. It sets out a framework for a risk-based approach to incorporating the potential Council Tax flexibility that will mean the MTFS remains both balanced and sustainable but does not increase the Council's financial risk to beyond what is prudent. In doing so the report provides Cabinet with the opportunity to issue their 2024/25 revenue and capital budget resolutions.

2. Impact of the Local Government Finance Settlement

2.1. The provisional Local Government Finance Settlement was announced on 18 December 2023, with all Members provided with a briefing the following day. There were three elements of the announcement that had an impact on the financial position reported to Members earlier in December: New Homes Bonus; the reduction in the Services Grant; and the business rates uplift compensation grant.

2.2. Much of the detail in the Settlement confirmed things already built into the resource figures included in the December Cabinet report. The recent trend has continued, with the Local Government Finance Settlement remaining a one-year settlement. This means the authority is not benefitting from the additional financial certainty a multi-year settlement would have provided but it does provide Government with the ability to respond positively to pressures that emerge before the next Settlement.

2.3. The provisional Local Government Finance Settlement gave the Authority £1.232m more in government grants in 2024/25 than the level included in the December Cabinet report, comprised as follows:

- £0.414m additional New Homes Bonus;
- £2.082m less Services Grant compared to the £2.490m estimated in the December Cabinet report due to the top-slice of funding nationally to

fund increases to other settlement grants such as resourcing the 3% minimum funding guarantee for all authorities and equalisation of the adult social care precept; and

- £2.900m estimated additional Section 31 grant to compensate authorities for business rates income not increasing in line with inflation.

2.4. However, both the New Homes Bonus and Services Grant are due to be withdrawn by the end of the MTFS period, and therefore the **net overall increase in funding available to support the MTFS by 2027/28 is £0.410m**.

2.5. The Settlement confirmed announcements in the Autumn Statement that the fair funding review and consideration of any business rates reset would be delayed until after the next General Election. The review, when implemented, may result in the level of our government funding increasing or decreasing compared to 2024/25 levels for the remainder of the MTFS. The delay suggests the earliest any change is likely to be introduced is now 2026/27.

2.6. Any gains from the fair funding review, when known, would be available to support the MTFS in the relevant year. Any losses would mean there may be a need to identify additional savings in future years.

Social Care Grants

2.7. The Authority will receive £48.021m of social care grants in 2024/25 that form part of the Local Government Finance Settlement. Each comes with a different distribution methodology and more/less stringent grant conditions. Table 1 shows the breakdown of these grants, the amount to be received in 2024/25 and the high-level conditions for the use of the grant. There will be a need to reflect the Government's expectations around the use of this funding in the Council's performance management framework.

Table 1: Social Care Grants in the 2024/25 Local Government Finance Settlement

Grant	Amount £m	Conditions of Use
Discharge Grant	3.537	Ring-fenced to adult social care and to be used to get people out of hospital into care settings, freeing up NHS beds. Allocation of funding to be agreed with Health.
Market Sustainability and Improvement Fund	9.276	Ring-fenced to adult social care to address issues such as discharge delays, social care waiting times, low fee rates and workforce pressures. Reporting requirements will cover performance and use of the funding to support improvements against the objectives.
Social Care Grant	35.208	Amalgamation of the repurposed social care reform funding and the existing Social Care Grant and Independent Living Fund Grant. Use of the funding is ring-fenced to adults' and children's social care.
Total Social Care Grants	**48.021**	

2.8. If agreed, the spending allocations included in the proposals in the December Cabinet report are sufficient, even after netting off the savings options, to comply with the grant conditions for the amount of additional funding going into social care.

3. Local Taxation

Council Tax

3.1. In the December Cabinet report the recommendations were based on an increase in the taxbase of 1.65% in 2024/25. The districts/boroughs have now confirmed their council tax base for 2024/25 and these are showing a year-on-year increase of 1.65%. In terms of actual numbers of households it is 6.5 Band D equivalent properties lower than estimated in the December Cabinet report and will generate a reduction in on-going resource of £0.011m. The breakdown of the 2024/25 taxbase across the districts/boroughs is shown in Table 2.

Table 2: A Comparison of the 2023/24 and 2024/25 Council Tax Taxbase				
	2023/24 Taxbase Band D Properties	2024/25 Taxbase Band D Properties	Variation Band D Properties	Variation %
North Warwickshire	21,786.83	21,869.62	+82.79	+0.38%
Nuneaton and Bedworth	39,224.90	40,085.80	+860.90	+2.19%
Rugby	40,434.65	40,975.91	+541.26	+1.34%
Stratford-on-Avon	60,188.21	61,704.13	+1,515.92	+2.51%
Warwick	57,669.62	58,280.77	+611.15	+1.06%
Total	**219,304.21**	**222,916.23**	**+3,612.02**	**+1.65%**

3.2. However, as has been raised in previous reports on the MTFS, the level of uncertainty over the future taxbase remains high. Of particular concern is the potential impact on future taxbase growth from any downturn in the housing market as a result of continued high rates of increase in construction costs, lower levels of affordability due to higher interest rates and wider inflation/cost of living impacts. The MTFS assumes the taxbase beyond 2024/25 will recover to nearer the historic trend of about a 2% annual increase. There is a risk that if growth in the housing market does not recover this will reduce the resources available to support the 2025/26 MTFS refresh. For example, a third year of a 1.65% increase in the taxbase would equate to a reduction of income of up to £1m compared to current estimates.

Business Rates

3.3. The partial localisation of business rates is still volatile with annual changes to the schemes of discounts and allowances continuing to make it difficult to make any realistic assumption about the likely level of income. This continues to be exacerbated by the range of grants and reliefs provided to businesses to support growth in the business rates taxbase and to protect them from having to meet annual increases in line with the prevailing inflation rate.

3.4. We do know that for small businesses the business rates multiplier (the provision for inflationary uplift) has been frozen again for 2024/25 but for larger businesses subject to the standard rate multiplier business rates will rise in line with inflation (6.7%). Local authorities will be compensated for the loss of income from freezing the small business rate multiplier through an additional grant. The Council's individual compensation rate for 2024/25 is 4.8% and is based on 72% of Warwickshire businesses paying the standard rate.

3.5. In the December Cabinet report the options were based on local authorities receiving compensation for a 2% uplift, as it was not known how the composite rate would be calculated at individual authority level. The actual uplift, at 4.8%, is higher than this. This is the reason for the £2.900m estimated additional Section 31 grant shown in paragraph 2.3. However, this figure is still an estimate. The final level of this grant is currently unknown as it will depend, in part, on the taxbase returns submitted by billing authorities at the end of January 2023.

3.6. The statutory deadline for the districts/boroughs providing details of our share of expected business rates in 2024/25 is 31 January 2023. Given the level of uncertainty within which they are operating no figures have been received to date. It is therefore recommended that the current estimates, as included in the December 2023 Cabinet report plus the additional £2.900m Section 31 grant, are used for budget setting. Any variation will then be managed through the use of, or a contribution to, the provision set aside in reserves for this purpose. Any material variation will be reported to Cabinet in April as part of the Service Estimates report and will form the starting point for the 2025/26 MTFS refresh.

Surplus/Deficit on Collection

3.7. As part of setting the council tax we also have to take into account any surplus/deficit on collection of council tax from previous years. The breakdown of the surplus/deficit across the districts is shown in Table 3 and shows a surplus/deficit to be used in 2024/25 of £x.xxxm.

Table 3: 2024/25 Collection Fund Surplus/Deficit	
	Deficit/ (Surplus) from 2023/24 £m
North Warwickshire	0.079
Nuneaton and Bedworth	0.300
Rugby	
Stratford-on-Avon	
Warwick	
Total	

3.8. The surplus/deficit will reduce/increase the use of reserves to fund the 2024/25 budget.

4. Council Tax Flexibility

4.1. The Cabinet report setting out the background information to the 2024/25 budget and the options available to Members was considered on 14 December 2023. It set out a range of options that would provide for a balanced budget in 2024/25 and a balanced MTFS. This was only achieved by:

- a 4.99% council tax increase in 2024/25 (2.99% core council tax and 2% adult social care levy);
- the delivery of £64m savings over the next five years including taking savings Members have used the available headroom to take out in the past; and
- using all bar £1m of the Available for Use Reserve to fund 2023/24 overspend, DSG deficit and other time-limited allocations.

4.2. The Office of Budget Responsibility's forecast, published alongside the Autumn Statement 2023, is for the 2.99% core council tax uplift plus a 2% adult social care levy for each year of the MTFS period. The Government's position is that any referendum limits beyond 2024/25 will be a matter for the new Government after the General Election which will take place no later than January 2025. It is therefore a risk-based choice for any local authority to use some/all of the potential headroom from a higher council tax increase in 2025/26 and beyond.

4.3. In light of this Corporate Board have considered to what extent Members could choose to use some of the potential (but unconfirmed) future council tax flexibility and still approve a budget and MTFS that is both balanced and sustainable but does not increase financial risk to beyond what is prudent.

4.4. The result is the following framework for Members to take into account if they want to use some of the additional flexibility:

i.) The 2024/25 budget must be balanced using 2024/25 resources and cannot rely on uncertain future increases in council tax. Based on the figures in the December Cabinet report, this means increasing the council tax by at least 4.92% in 2024/25.

ii.) A maximum council tax increase over the period 2025/26 to 2028/29 of 3% a year would mean the Executive Director for Resources would be content to sign off a budget resolution as balanced and sustainable.

iii.) For each 0.5% increase in the council tax above 2%, £0.750m must be used to increase the provision for future pressures as part of a risk mitigation approach.

iv.) If the council tax flexibility in future years does not emerge Members must acknowledge they will need to identify where they are prepared to see additional budget reductions.

4.5. Table 4 shows the financial impact of taking up to 1% additional council tax each year. In planning their budgets and MTFS Members should note the additional resources can only be used in the year identified or in a later year. They cannot be used in an earlier year because, as reported in the December Cabinet report and unlike previous years, there is insufficient funding remaining in the Available for Use Reserve to manage any timing differences between when additional spend is incurred and when the resources to fund that spend are available.

Table 4: Additional resources available from using future council tax flexibility					
	2025/26 £m	**2026/27 £m**	**2027/28 £m**	**2028/29 £m**	**Total £m**
4.99% council tax in 2024/25, 2.5% thereafter					
• Additional Council Tax income	1.983	2.146	2.316	2.515	8.960
• Less additional provision for future indicative pressures	(0.750)	(0.750)	(0.750)	(0.750)	(3.000)
• Net additional resources to support the MTFS	1.233	1.396	1.566	1.765	5.960
4.99% council tax in 2024/25, 3.0% thereafter					
• Additional Council Tax income	3.946	4.291	4.674	5.077	17.988
• Less additional provision for future indicative pressures	(1.500)	(1.500)	(1.500)	(1.500)	(6.000)
• Net additional resources to support the MTFS	2.446	2.791	3.174	3.577	11.988

5. Reserves

5.1. The primary purpose for holding reserves is to manage financial risk and promote financial sustainability whilst recognising that there is a need to control the amount of scarce resources held in reserves to ensure we are using taxpayers' money to deliver services to residents and communities.

5.2. The Authority continues to have a robust reserves position, with reserves in the latest monitoring report to Cabinet forecast to be £192.698m at the end of 2023/24. As part of the MTFS agreed in February 2023 Council reconfirmed its reserves strategy with the objective of ensuring we are using all our resources effectively, providing increased transparency and accountability around reserves and ensuring the framework is in place to align decision-making around the use of reserves with the Council Plan.

5.3. Some minor amendments to how the Authority provides for the financial risk of services overspending – moving from directorate-level to a single corporate provision – were included in the updated strategy reported to Cabinet in December 2023. There are no further proposals to change the Reserves Strategy for 2024/25 other than to update the strategy that will be considered by Council in February to reflect the reserves position forecast as at the end of Quarter 3.

5.4. When looking at short-term funding to support the 2024/25 budget we need to consider the known calls on reserves. The 2023/24 Quarter 3 forecast outturn position, reported elsewhere on today's agenda, is an overspend of £18.765m.

£11.484m of this overspend relates to earmarked/ring-fenced funding that cannot be used to support the budget more widely. The balance (an overspend of £7.281m) has been taken into account when determining the £25.569m reserves that could be released to support the 2024/25 budget, in line with the report to Cabinet in December 2023.

5.5. The 2023/24 Quarter 3 forecast position of a £7.281m overspend is an increase of £2.425m compared to the Quarter 2 position reported to Cabinet in November 2023. This level of change reflects volatility and uncertainty around forecasts of spend in the current economic climate. At this stage, the only additional reserves, beyond the £25.569m, available to fund the MTFS are the £20.551m Investment and Invest-to-Save Funds. It is recommended that any use of these funds to bridge timing differences between spending allocations and the delivery of savings in the 2023/24 budget and the MTFS is carefully considered, to ensure funds remain available to invest to support the delivery of the Council's priorities and further efficiencies over the medium term, particularly to invest in mitigating the areas of particular pressure (SEND, Home to School transport, and children's and adults' social care).

5.6. Legislation requires that the Chief Finance Officer makes an annual statement on the adequacy of general reserves and provisions. The risk assessment relates to the short-term financial risks that could impact on the authority in 2024/25 to deliver core services and drive forward the ambitions set out in the Council Plan. The Executive Director for Resources has now completed the risk assessment for 2024/25. The risk assessment confirms that the minimum level of general reserves it is prudent to retain is £26.0m. A summary of the risk assessment is attached at **Appendix A**.

5.7. The minimum level of general reserves of £26.0m is unchanged the position assessed at this time last year. However, there have been changes to the specific reasons for the provision:

- increases in demand have continued to increase above expected levels in 2023/24 and, whilst significant additional allocations will be included as part of the spending allocations for 2024/25, there is an increased risk this trend will continue for both core funded services and the SEND/high needs DSG deficit;
- this increased risk is offset by a reduction in the risk of inflation in excess of the level provided for in the budget, reflecting the national trends;
- a new risk is included to cover the potential financial consequences of a successful cyber-attack and any subsequent fines and compensation for the loss of personal data;
- cost-of-living pressures will continue to impact communities, households and organisations across Warwickshire, in some cases, such as with the ending of the Household Support Grant, there is a risk this will increase demand and pressure on income levels for the Authority; in other areas, such as the ability to repay loans or the risk of organisation failure, the risk will reduce as the economy both locally and nationally stabilises and begins to grow; and

- the cost of major emergencies, such as flooding, that will incur immediate costs for the Authority before Government support is available is increasing.

5.8. The approved budget will be expected to reflect the minimum £26.0m General Reserves provision required as a result of the Executive Director for Resources risk assessment. In his capacity as Chief Financial Officer (S151 Officer), his statement on whether the budget is balanced and sustainable will include reference to whether the required General Reserves provision is maintained.

6. Changes to Proposed Allocations

6.1. There are two changes to the proposed allocations, a time-limited allocation for 2024/25 is no longer required but a new permanent pressure from 2025/26 onwards has been identified.

6.2. In 2024/25 the £0.081m time-limited allocation for Admissions in Education Services is no longer required as a result of the changes to structures and roles being introduced. This will reduce the call on the Available for Use Reserve in 2024/25 by £0.081m.

6.3. A £0.400m shortfall has been identified in the resources required to deliver the service offer from our children and family centres. One-off resources have been identified in 2024/25 to meet the cost, but this funding is not available from 2025/26 onwards and should Members agree to maintain current levels of service provision and reject the possible saving on children and families centres a permanent allocation will be needed. A review of the service, aligned to when the current contracts come to an end, is underway and this will provide reassurance, as part of the 2025/26 MTFS refresh, that the estimate of the additional resource required is correct.

7. Dedicated Schools Grant

7.1. At the same time as the Local Government Finance Settlement was announced the Department for Education also announced a Dedicated Schools Grant of £622.224m for 2024/25 to provide funding for services to schools and pupils. A report seeking approval for the allocation of the Dedicated Schools Grant can be found elsewhere on today's agenda.

7.2. The Council's policy is to expect the cost of funding schools and relevant pupil-related services to be contained within the level of the Dedicated Schools Grant. However, meeting this policy aspiration in relation to high needs services and support is both not possible and unaffordable even over the medium term in the absence of further additional Government funding or fundamental system change; given the national rapid growth in demand for services at a rate well in excess of funding levels, and the wider lack of capacity in the system. Any decisions to manage the deficit position on high needs will need to be included as part of the budget resolution to be agreed by Council in February 2024. This represents a fundamental risk to the MTFS.

8. Capital Strategy and Programme

8.1. Each year Council is required to approve a capital strategy as part of its budget proposals. Much of the content is specified, however the strategy is an important document in setting out the Council's ambition to ensure capital and revenue spending on the asset portfolio is directed efficiently and effectively.

8.2. As a suite of documents, the capital strategy sets out:

- Our strategic intent – the aspiration and direction for our capital investment, defining the outcomes we are seeking to achieve through investment (why) (**Appendix B**);
- The draft programme – the activity programmes and projects funded from our capital investment (what) (**Appendix C**); and
- The governance framework – the way we will manage capital spend and the capital programme (how) (**Appendix D**). It is this technical appendix that ensures we meet with statutory guidance. It also sets out how we will optimise delivery by strengthening of performance, adopting commercial principles and practice and robust benefits realisation.

8.3. The documents reflect the ambitions and priorities of the Council Plan strategic priorities and the Areas of Focus. They have been updated to reflect CIPFA policy requirements, the management of risk, Quarter 3 monitoring and the Warwickshire Recovery and Investment Fund and the Warwickshire Property and Development Group 2024 business plans.

8.4. The three documents will need to be included, subject to any changes proposed by Members, as part of the capital resolution to Council in February.

8.5. The refreshed capital strategy and capital technical annex (Appendices B and D) include one recommended change of approach to the way capital funding is allocated and a further change of approach as to how the capital programme is financed to bring to Members' attention.

8.6. The lack of capacity in the revenue budget to resource the additional revenue costs of taking out additional borrowing, combined with government and developer contributions being insufficient to meet need to the same extent as in the previous years, has resulted in a need to restructure how the capital programme is determined. It is proposed that moving forward there is a hierarchy of schemes structured around the level of choice for the Authority in the decision being made. Proposed capital investment schemes will in future fall into one of three categories:

- **Category A – 'Must Do', highest priority** – those schemes where the Authority has minimal choice about whether to invest, with the focus being on ensuring value for money in how the scheme is delivered. The main areas of capital investment in this category are expected to be the

sufficiency of school places and investment required to ensure the continued delivery of existing services.
- **Category B – 'Should Do', secondary priority** – invest-to save schemes that deliver savings in the Authority's revenue budget and/or generate additional income to support the revenue budget. The main areas of investment in this category are expected to be expanded resource provision in schools to reduce the deficit on the DSG High Needs block, the expansion of our own children's homes to reduce the reliance on the independent sector and estate rationalisation.
- **Category C – 'Optional', third priority** – investment to deliver on the Council's wider ambitions and support the delivery of the Council Plan.

8.7. The second material change to the documents is to include the option to use temporary borrowing to forward fund developer contributions for the provision of school places, but only where the developer agreements are in place, the funding is yet to be received and there is no other source of funding available. This change increases the financial risk being faced by the Authority in a number of ways:
- Revenue funding to meet the temporary borrowing costs will need to be set aside until the developer contributions are received. This cost will be met by setting aside the additional interest earned on our cash investments whilst interest rates remain above the long-term trend. Without this change of approach the additional income earned would have been available to support the MTFS, so reducing our financial flexibility.
- If the receipt of the developer contributions is delayed for longer than planned provision will need to be made in future MTFS refreshes to meet the extended costs of temporary borrowing.
- If the developments do not proceed to the extent approved and the developer contribution is lost permanently then on-going provision for the additional borrowing costs will need to be identified. This will either be through reducing the unallocated Capital Investment Fund by an equivalent amount or providing for the borrowing costs as an additional unavoidable revenue pressure.

8.8. The alternative to using temporary borrowing would be to reduce the Capital Investment Fund on a temporary basis until the developer contributions are received. This approach would reduce the need to provide for additional borrowing costs, as set out in paragraph 8.7, but would result in the timing of other elements of the capital programme being dependent as to when developer contributions are received. Given the potential wider financial impact of deferring the provision of the investment needed to deliver the invest-to-save benefits this approach is not recommended at the current time.

9. Outstanding Issues for 2024/25

9.1. Section 3 of the report highlighted where information is still outstanding on the final level of resources that will be available to the authority in 2023/24. Where this information is available before 23 January 2024 it will be included in a revised report and/or the 2024/25 budget resolutions. Where any information is not known when the papers for Council in February are published, any variation to the estimated figures will be managed through reserves for 2024/25 and picked up as part of the preparation for the 2025/26 refresh of the MTFS. Any areas of concern will be specifically reported to Members as part of the Service Estimates report to Cabinet in April 2024.

10. 2024/25 Budget Resolutions

10.1. In putting forward their proposals, Members are reminded that local authorities are required by law to set a balanced budget. An intention to set a deficit budget is not permitted. 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 expenditure over the short- and medium-term, acting in a way that considers both current and future local taxpayers.

10.2. If the budget is unbalanced then the Executive Director for Resources (as Chief Finance Officer), in consultation with Corporate Board, would have to consider issuing a Section 114 notice. Such a notice is only given in the gravest of circumstances, as during that time the ability to incur new spending that isn't an existing contractual or salary commitment is suspended, the External Auditors would investigate and publicly report on the circumstances and the Department for Levelling Up, Housing and Communities (DLUHC) may take over the running of the Authority.

10.3. Because Members decide on the council tax before the year begins and cannot increase it during the year, there is a need to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by making prudent allowance in the estimates for services and ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

10.4. To avoid setting 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. However, reserves should not be used to pay for day-to-day expenditure, and it is important that they are replenished, in accordance with the reserves strategy, when the short-term need has passed. Therefore, the MTFS needs to be fully balanced on an ongoing basis, with no ongoing spending funded from one-off resources, meaning the next MTFS does not start from a deficit position.

10.5. It is important that the Authority complies with its obligations under the Equalities Act 2010 - the public sector equality duty (PSED) - to promote equality and to reduce discrimination in relation to any of the nine ‘protected characteristics’ (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). The Council must have ‘due regard’ to the PSED when taking any decisions on service changes whilst recognising that local authorities have a legal duty to set a balanced budget. Similarly, if proposals are likely to have adverse impacts on customers, public consultation should be undertaken before any final decisions are made and consideration given to the outcomes of those consultations. This may mean that some proposals are not implemented, and alternative solutions may need to be sought. Legal challenges to local authority budget setting processes have tended to turn on whether the authority has complied with these duties. Where required Equality Impact Assessments have been prepared and made available to Members.

10.6. Using the information contained in this report, Cabinet is asked to approve their 2024/25 budget resolutions for recommendation to Council on 8 February 2024. Cabinet is also asked to authorise the Executive Director for Resources to update the budget resolutions to Council to reflect the final resource information.

11. Financial Implications

11.1. There are no direct financial implications for the Authority arising from this report. The report is part of a series of reports that will culminate in Council agreeing the 2024/25 budget and council tax at their meeting on 8 February 2024.

12. Environmental Implications

12.1. There are no immediate environmental implications for the Authority from this report. There will be environmental implications that flow from the individual allocations and proposals agreed as part of the Council's approved budget and these should be considered by Members as part of reaching their decisions.

13. Background Papers

13.1. None.

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

Risks Influencing the Level of General Reserves

Risk Area	Commentary	RAG Rating after Mitigation	Provision for 2024-25
Schools and Early Years Funding. The risk to the stability of the schools/education services funded from DSG across schools, early years, high needs and central services blocks where the authority needs to maintain the sufficiency of provision.	Allocations to manage the risk related to Schools and Early Years funding have already been built into the MTFS but there is still increasing volatility due to changing market conditions. Uncertainty is also caused by academic years data changing mid-financial year. Whilst the MTFS allocations assume the current level of demand continues, it does not provide for any further growth in demand beyond the current trajectory. Therefore, given the level of overspend in relation to SEND/high needs in 2023/24 the provision has been materially increased to ensure, despite the statutory override, the financial sustainability of the Authority is maintained.	A	£4.750m
The likelihood of **unanticipated budget pressures** arising within the year.	The need to resource in-year budget pressures may arise from pressure on the authority's VAT partial exemption status, increases in demand above the levels estimated that cannot be accommodated, the non-delivery of savings, or the difficulties with workforce resilience/capacity that cannot be managed within the corporate financial management reserve. The risk across all areas has increased since last year.	A	£4.000m
The potential for **"Bellwin" type emergencies**. This would provide cover for all immediate costs up to the point Government emergency response funding can be claimed.	The funding from the Bellwin scheme is linked to the level of the Authority's budget. For authorities to be eligible for the Bellwin grant they are required to have first spent 0.2% of the budget on emergency response-related works. Once this is activated Bellwin relief funds 100% of qualifying emergency expenditure relating to safeguarding life or property. Any longer-term costs are not covered and are the Authority's responsibility.	A	£3.500m
The possibility of significant **increases in inflation and/or taxation**, after the budget has been set.	The 2024/25 budget proposals include provisions for inflation of £22.6m. This includes additional provisions for specific service areas where the 2% provision for general price inflation is expected to be insufficient. The Authority has set aside multiple provisions across the MTFS and combined with the downward trend in inflation across the economy this risk has decreased.	A	£2.250m

Risk Area	Commentary	RAG Rating after Mitigation	Provision for 2024-25
Market and/or Social Enterprise Failure. The risk that services provided by the market and/or social enterprises may stop if the provider fails, requiring the local authority to secure alternative provision at short notice.	Specific risks include: • charities we commission services from suffering financial issues, due to wider economic factors; • having sufficient capacity in the market to replace capacity at short notice (i.e. additional placements); • paying above market prices due to low market supply; and • the impact of inflation on the markets ability to remain financially secure. With the increased reliance on the market for the provision of critical services to vulnerable people market failure remains a risk to the authority. Social care providers are facing increasing rates of demand, limited availability of staff and capacity is currently a key risk.	A	£1.500m
The risk of **reduced demand for Education Traded Services** leading to loss of profit	As schools transfer to academies or change preferences with regard to suppliers and procurement this presents the risk of the loss of school subscriptions and thus reduced demand for traded services. The result is the short-term need to cover the loss of profit and cost of winding down services until longer-term solutions can be put in place. With the planned increases in income whilst the risk remains unchanged the provision has increased	A	£1.250m
The risk of **loans made to companies** not being paid in full	The Authority has an increasing number of loans supporting businesses and organisations across Warwickshire, including the Warwickshire Recovery and Investment Fund and Warwickshire Property and Development Group. However, the creation of the specific Commercial Risk Reserve means cover for much of the financial risk is already provided elsewhere.	A	£0.750m
The possibility of any further costs arising from **legal judgements which would fall on the County Council** within one year.	There has been an increase in legal procurement challenges, with suppliers more willing to challenge decisions. The Procurement Act 2023 will place additional requirements on local authorities and increase the risk of challenges further. Across the country public interest reports have shown auditors highlighting the risk of failures to follow procurement legislation. There has also been significant increase in SEND tribunal activities relating to eligibility. The authority holds both public liability insurance and employer insurance which provide cover against costs related to the above legal risks, but risk overall has increased.	A	£1.000m

Risk Area	Commentary	RAG Rating after Mitigation	Provision for 2024-25
The risk of increased financial impacts of **inspection reports**	A failed inspection, whilst unlikely to happen, can incur costs in the £millions in order to change the outcome, which may require some investment at short notice.	A	£1.000m
Provision for **in-year cuts in government funding.**	The Authority receives grants based on activity which require a minimum level of infrastructure to be in place; this leaves the authority at risk of having to fund overheads without any activity. A key principle underpinning the MTFS is that services will be reduced where Government removes the grants that fund them, which reduces the risk of overspending but there will be a timing cost if a scale down of service is required. There is also evidence of a growing risk of having to pay back ring fenced grants due to stricter government oversight. This is offset by the reduction in the amount of ringfenced grants received following the discontinuation of Covid funding.	A	£0.500m
The possibility of being **unable to agree inter-authority/organisation plans**.	We are operating through increasingly complex organisational structures across local government, integrated care systems and beyond. Delivery of our levelling up ambitions, the reduction in long term costs through early intervention and achieving better outcomes will all require navigation of this multi-layered, multi-dimensional environment, which could be impacted by potential changes of political control, the delivery of savings which impact across organisations and the allocation of funding to organisations within this complex system.	A	£0.500m
The consequences of a successful **cyber-attack and fines** including **GDPR** and potential compensation	Claims for GDPR breach are in the range of £3,000-£30,000 compensation. A significant breach involving thousands of service users therefore is a significant financial risk. The risk of cyber-attacks is mitigated by backing up data and security software. Therefore, whilst the financial impact of any breach is material, the risk is assessed as low due to the extent of the mitigations in place.	G	£2.000m
The possibility of planned **changes to the national benefits system** impacting adversely on the demand for local authority services.	Benefits are expected to increase in line with CPI, however, the discontinuation of the Household Support Fund (£6.9m in 2023/24) will mean temporary additional support we have provided to communities in Warwickshire in recent years will no longer be available. The demand for essentials from people experiencing hardship will have to be managed by local charities and councils, potentially increasing demand for statutory services we provide and demand for our Local Welfare Scheme.	G	£0.750m

Risk Area	Commentary	RAG Rating after Mitigation	Provision for 2024-25
The possibility of **overspending on the "Corporate Services" budget**.	Corporate Services has a number of budgets that are volatile within and between years. Most of the risks with large financial impacts to the authority already have separate provisions (Commercial Risk Reserve, the Insurance Fund and the Financial Instruments Reserve). The exception is the corporately held provision for pay inflation. The pay provision for 2024/25, at 4%, is lower than the uplifts currently being requested by the unions and is lower than the uplift in the National Living Wage announced in the Chancellor's 2023 Autumn Statement. Given the increased level of uncertainty provision is needed within the General Reserves.	G	£1.000m
Unforeseen impact of a future pandemic	Over 2023/24 the risks associated with the Covid-19 pandemic have reduced significantly but a risk of a future pandemic could have a significant impact on the Authority. This risk is not currently reflected in our other reserves.	G	£0.500m
The risk of **industrial action** resulting in increased costs of maintaining critical services.	The Authority is required to maintain critical service delivery during a period of industrial action. There will be a financial risk if the Authority has to use external organisations, pay overtime or use agency staff to provide continuity of service.	G	£0.250m
General contingency.	This could be supplemented in any one year by a sizeable proportion of earmarked reserves, providing these were replenished as part of the budget process.	G	£0.500m
		Total	**£26.000m**

Note: The risk assessment excludes the technical impact of any changes in accounting treatment.

Appendix B

Investing in Warwickshire –

Capital Strategy 2024-29

Contents

Introduction

Investing in Warwickshire is a fundamental part of our role as a County Council. We want Warwickshire to be the best it can be, sustainable now and for future generations.

As a county, we boast a broad range of strengths that make Warwickshire a great place to be. We benefit from a buoyant economy, significant business and housing growth, considerable community capital, a much-valued natural environment and town centres that are a vital part of local life. But looking ahead, we also face significant challenges and economic uncertainty, including high inflation, unsettled financial markets, demographic pressures, and climate change.

As an organisation, we are equally well placed but face uncertainty over future funding levels and our ability to meet the growing demand for the services we provide.

Together, these factors influence our approach to capital investment. To respond effectively, we need to take a strategic and holistic approach to the use of our capital resources and assets to deliver our key priorities and to ensure all Warwickshire residents share in the County's economic success.

Our Capital Strategy 2024-29 aims to optimise the way in which we generate, manage and allocate the capital funds at our disposal.

It forms a critical part of our policy and financial planning process. It is an integral part of the Medium Term Financial Strategy that underpins the delivery of our Council Plan.

Our approach aims to maximise the use of capital resources to continue to make Warwickshire an attractive place to live, work, visit and do business, ensuring good stewardship and opportunities for sound investment when they arise.

This capital strategy has been developed to ensure that our long-term approach to investment takes proper account of prudence, value for money, risk, sustainability and affordability. It is supported by a robust delivery and governance framework to guide expenditure and investment decisions; performance will be monitored at overall, programme and project levels to track progress and achievements against priorities.

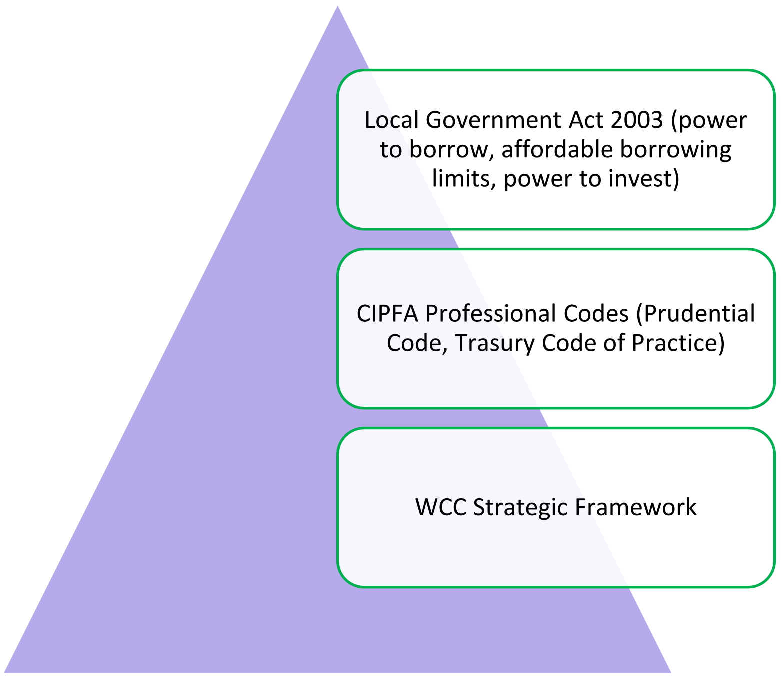
Together these ensure compliance with the CIPFA Prudential Code and HM Treasury rules on financing our borrowing.

We recognise the lasting impact and legacy of good, evidence-based capital investment and the Capital Strategy 2024-29 sets out our approach to making this happen in and for Warwickshire.

Policy Context

Legislative background and the CIPFA Professional Codes

In 2004, local authorities were provided with the flexibility to make their own capital investment decisions. Legislation, guidance and professional codes of practice were introduced to support decision making and ensure investment and borrowing is prudent, sustainable and affordable.



The 2017 edition of the CIPFA Prudential Code for Capital Finance in Local Authorities introduced the requirement for authorities to produce a capital strategy. This was updated in 2021 with additional capital strategy guidance.

The purpose of the capital strategy is to place decisions about borrowing in the context of the overall longer- term financial position of the authority and to provide improved links between the revenue and capital budgets.

The guidance is not prescriptive and allows the capital strategy to be tailored to the individual authority's circumstances. The Council has adhered to this guidance in this Capital Strategy.

Internal Policy Framework

The capital strategy is a key part of our strategic framework and a critical element of our Medium Term Financial Strategy (MTFS), which is in turn aligned to the Council Plan. It sets out the choices we make in relation to the amount and nature of the capital investment we make and provide a link between capital and revenue budgets.

The Strategy is made up of three key elements:

- Strategic context – Sets out the aspiration and direction for our capital investment within the context of the Council Plan and longer term social, demographic and economic trends (Why).
- Programme – Sets out the capital programme funded by our investment; the key governance and decision-making framework with consideration to risk (What).
- Framework – Sets out the way we plan and prioritise investments; manage capital spend and the capital programme in line with best practice and statutory requirements; and how we fund this strategy within a balanced medium term financial strategy (How).

Whilst the MTFS covers a rolling 5-year period, the capital strategy reflects the long-term nature and benefit of capital investment and is fixed over a longer timeframe and addresses how we intend to pay for our capital investments and activities.

Our approach to capital investment is informed by a number of existing strategies within the Council's policy framework as detailed in the technical appendix E, with the key ones shown below.

The desired outcomes of the Capital Strategy are aligned to the core strategies to influence wider agendas and partnership working such as the Warwickshire Property and Development Group, the Warwickshire Recovery Investment Fund, the Health and Wellbeing Partnership, the West Midlands Combined Authority, and other local authorities in the region.

Strategic Context

The intent of the Capital Strategy is to support the vision for Warwickshire as set out in the Council Plan: To make Warwickshire the best it can be, sustainable now and for future generations. In order to achieve this the Strategy aims to create the infrastructure that will enable, encourage and support:

- A county with a thriving economy and places that have the right jobs, skills, education and infrastructure;
- A county where all people can live their best lives; where communities and individuals are supported to live safely, healthily, happily and independently;
- A county with a sustainable future which means adapting to and mitigating climate change and meeting net zero commitments; and
- Us to become a great council and partner.

In addition to delivering the above priorities the Capital Strategy also needs to remain flexible to be able to address the challenges presented by the ever-changing environment the Council operates in; including local and national politics, macroeconomic trends, social and technological changes all set in the context of climate change, the impact of high inflation and post-Covid recovery. The key themes that drive our capital strategy are highlighted below:

Economic Challenges

The almost unprecedented fall and recovery in the economic activity caused by the covid pandemic previous years, was followed by the Russian invasion of Ukraine in February 2022. The war led to a spike in global gas (and oil) prices that compounded UK inflationary pressures that had already been building due to supply bottlenecks and a tightening labour market in the wake of the pandemic. Consequently, we have seen a difficult economic picture emerge this year placing additional burden on our businesses and residents as costs for energy, food, fuel, and raw materials remain high. Despite Warwickshire's strong economic foundations, the impact of the external economic factors presents challenges for our key sectors.

The capital strategy can play a key role in supporting key sectors such as construction, as well as playing a role working with partners to invest in projects and infrastructure which will give the local economy the confidence and certainty to invest and grow. It will do this through the prioritised allocation of resources to initiatives which best meet recovery outcomes and support for businesses that are in need. Our longer-term ambitions for Warwickshire are being driven through our place-based programme which will identify specific opportunities for investment and growth.

Social changes – a growing and ageing population

Warwickshire continues to be an attractive place to live, work and visit, which is forecast to experience significant population and housing growth. By 2030 population growth is forecast to increase by 5.2% on the mid-2021 population estimates. The fastest growth is expected to take place in older age groups: those aged 70 and over are projected to increase by almost 15.3% by 2030 and those aged 85 plus will increase by 42% over the same period. By the end of the decade there will be an estimated 4,935 residents in care homes aged over 65, which represents a 35.7% increase from the 2025 estimate.

A growing ageing population is likely to see increases in those living with disabilities and other long-term health conditions. Overall, dementia represents the biggest growing cause of disability and rates are predicted to increase by 28% in people aged 65 or over in Warwickshire between 2020-2030. This will lead to additional demand pressures on public services including health, social care and fire to protect, prevent and support vulnerable people, and will require us to work differently; to invest in early interventions, demand management encourage service innovation, reduce costly care packages and enable more self-help and resilience in our communities.

Our school age population is projected to increase by 4.8% on the mid-2021 population estimate for 4-17 year olds by 2030 and will increase the demand for nursery, primary and secondary school places and services that support the needs of young people. Warwickshire's growth is scattered across the county and growth is often not in locations where surplus capacity exists, as a result WCC expect to plan for / build at least another seven new schools in the next 15 years.

The growth in population and households will mean a need for additional infrastructure, particularly transport, waste and school places, including places for pupils with special education needs.

Financial sustainability

We need to work in different and innovative ways to reduce costs and optimise use of our assets to aid our sustainability in the face of growing demand and an uncertain financial climate for local authorities.

There are opportunities and challenges to leverage external contributions (grants, developer contributions etc.) for our capital programme.

We need to optimise our commercial approach and activities to generate income and grow the tax base to deliver wider outcomes for Warwickshire.

International, national, and local disruptions in supply chain and increasing inflation will make it more challenging to deliver our capital ambition within available resources.

Population growth, whilst brings its own challenges, will help increase the Council tax base and positively impacts on our ability to borrow for capital investment.

Technology and automation – 'the fourth industrial revolution'

Technological advances and changes in the way customers interact with service providers, will lead us to maximise the use of digital and other technologies across our services.

The current phase of automation is multi-dimensional and includes the use of robotics/drones, AI & AR (Artificial Intelligence & Augmented Reality), 3D printing through to new uses of databases and enhanced information analysis in terms of blockchains. Each individual element is transformational on its own and together will bring revolutionary change to how we provide services.

Inclusive Growth and Levelling Up

As a county we perform well and are relatively affluent compared to other areas of the country. We have a strong economy, good services, and mature partnerships, but there are still areas of our county where long-term inequalities and disparities exist. The Capital Strategy has a key part to play in 'levelling up' these areas by prioritising and identifying projects that support regeneration and build connectivity.

The Climate Change Emergency

The UK Government has committed to Net Zero by 2050 and has undertaken a process of extensive policy development and new legislation. These policies and new laws will impact on Warwickshire businesses, public services, and communities.

Every aspect of life is expected to be impacted by climate change from how our energy is produced through to how we preserve local biodiversity, from how we encourage new green economic sectors and retrain people for a rapidly changing green economy, to supporting the retrofitting of homes with green technology like replacing gas boilers with ground source heat pumps.

The Council has declared a climate change emergency and is developed an action plan in recognition of its role as community leader, service provider and estate manager. We have published our draft Sustainable Futures Strategy which sets out our council vision and action plan to make Warwickshire a Net Zero county by 2050, this will need to take significant investment and require us to consider the environment in all decisions we take.

Asset Management Planning

Our Capital Strategy for Warwickshire is more than a plan for investment; it incorporates a comprehensive and funded plan for maintaining, replacing and improving the assets the Council controls.

The Council has responsibility for assets used in service delivery including property, highway infrastructure (roads, footpaths, structures, lighting) assets and a wide range of vehicles, plant and equipment. It is essential to understand the need, utilisation, condition and the investment and operating cost requirements of assets, whether owned or leased.

When prioritising investment, it is key to understand the long-term cost of maintaining and operating existing assets and their fitness for purpose, having consideration of which are deemed essential in continued service delivery or which can be considered for alternative uses.

A funded programme of planned replacement of assets underpins the Council's capital investment strategy, aids business continuity and reduces operational risk.

Risk Appetite

In undertaking complex projects, decision making will continue to be supported by proportionate business cases in line with best practice covering strategic, economic, financial, commercial and management cases. For large complex projects, professional external advice and services will be sourced to undertake due diligence to understand risks and inform decision making.

Capital investments can be broadly split into four types:

1. Approved Maintenance Programme: Expenditure on existing assets to ensure they meet the requirements of service delivery, are fit for purpose, meet health and safety guidance, and reduce future costs.
2. Approved Investment Programme: Expenditure on specific projects to meet strategic objectives.
3. Non-Treasury Capital Investment: To meet strategic aims. Non treasury capital investments could include loans towards capital expenditure incurred by external bodies, Council subsidiaries or joint ventures.
4. Corporate Capital Funds: Expenditure to enable the organisation to save revenue resources.

We recognise that achieving these aims could require consideration of alternative delivery structures and of all forms of funding, including additional borrowing. Capital investment funded by borrowing will be undertaken in priority areas to meet our capital ambition, whilst at all times clearly understanding how the affordability of such expenditure can be managed over the longer term supported by robust due diligence, business cases, risk management and monitoring.

Non treasury investment funded by additional borrowing would only be undertaken after:

- Cabinet approval of a robust business case supported by independent advice;
- Consideration of the legal basis on which the expenditure is being incurred;
- Affordability and risk assessment of such expenditure over the longer term; and
- Assurance the proposal is in line with HM Treasury rules on financing our borrowing and the CIPFA Prudential Code.

Governance and Decision Making

Capital Programme approval process

The capital programme is developed in line with the Medium-Term Financial Strategy and approved as part of the Capital Budget Resolution by Full Council in February each year.

Corporate Board review the draft future capital programme, consider its affordability and make recommendations to Cabinet. Cabinet is responsible for considering the capital programme, along with recommendations on how it should be financed as a whole, its affordability and priorities, and will recommend a revenue budget and a capital programme to Full Council for approval.

Project approval

Capital projects will be brought to Members for approval throughout the year. Only when approved will projects become part of the capital programme.

Financial Monitoring

The technical appendix to this strategy sets out how the capital programme is monitored to ensure that our capital spending is effectively managed to deliver value for money, together with the capital governance framework.

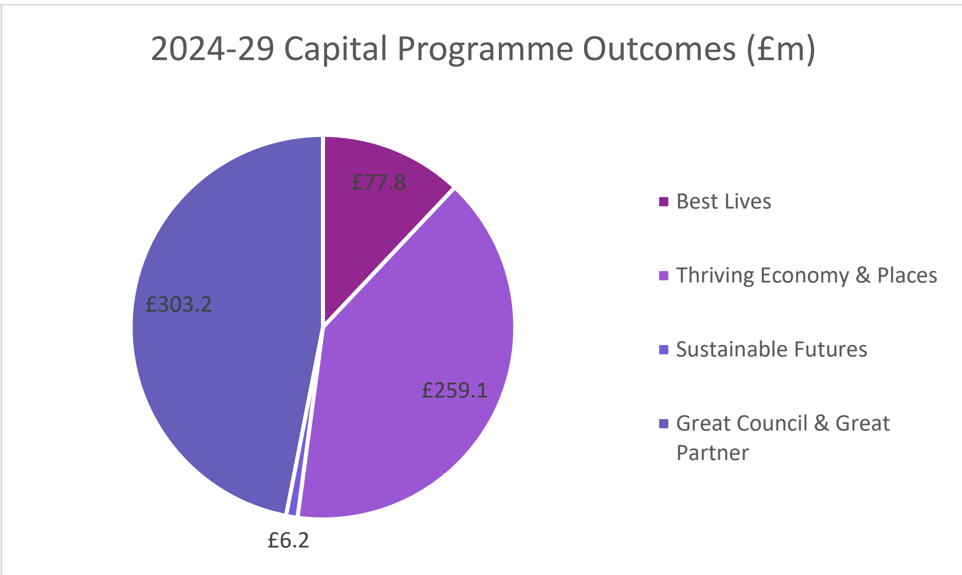
Capital Programme

The Council maintains an approved rolling capital programme, that covers a 5-year period, which is subject to an annual update as part of the budget process.

The capital programme incorporates:

- Roll forward of existing approved capital
- Annual ‘rightsizing’ of approved capital budgets to ensure optimal allocation of corporate resources and review of lending profile to WPDG and WRIF
- Allocations for rolling, annual maintenance programmes and review of inflation
- Allocations for business-as-usual replacements
- A prioritised Capital Investment Fund for new investment setting out a) unaviodable projects that must be delivered to enable the Council to meet it's statutory objectives, b) invest-to-save initiatives that will contribute to the long term sustainabiity of the organsiation and c) other optional capital investments.

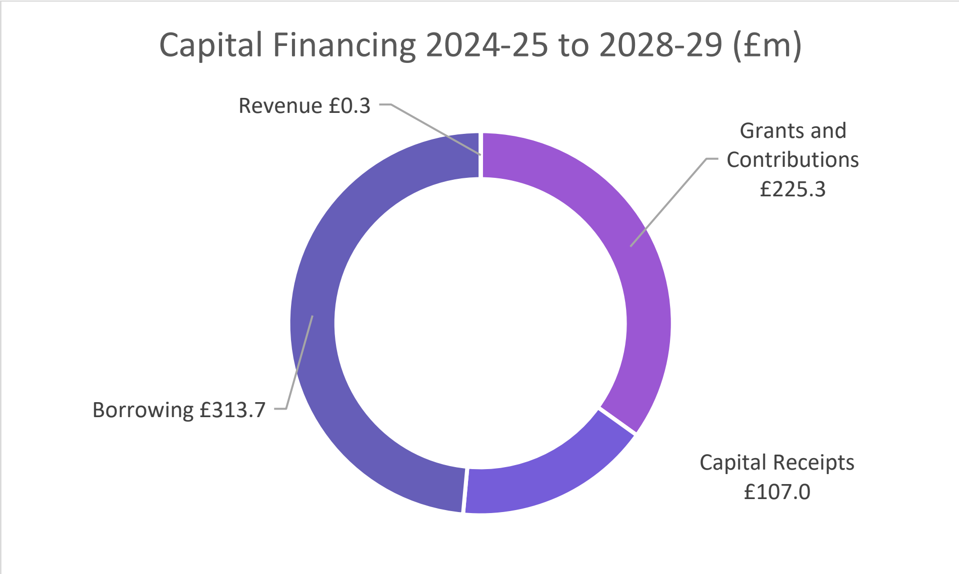
The current Capital Programme is summarised, per the Council’s Outcomes, in the table below:



In comparison, actual capital expenditure in 2022/23 was £117.352 million and projected capital expenditure in 2023/24 is £183.666 million.

Funding the Strategy

Our main capital resources are service specific grants, third-party contributions, capital receipts, contributions from revenue and borrowing. When assessing the level of planned capital investment to undertake, we make a judgement about the level of capital resources that are likely to be available over the period of the programme. We aim to optimise the use of all other available sources before using borrowing to fund our capital programme. The funding of the capital programme is outlined in the chart below.



Based on current estimates, we expect to spend £646.3m capital over the next 5 years. A breakdown of the capital programme is attached to the capital budget resolution and analysis of the allocations is included in the technical appendix. Future capital priorities not yet included in the capital programme are included in the capital budget resolution and Appendix E to the technical appendix.

Our borrowing strategy is set out in the Treasury Management Strategy and takes account of factors such as interest rates and the spreading of loan repayment dates to reduce risk. The technical appendix outlines the approach taken to assessing sustainability and affordability of the capital programme and illustrates the effect of borrowing decisions on the revenue budget. Prudential indicators will be approved as part of the Treasury Management Strategy.

The basis for the delivery of the overall capital programme is:

- £30.6million new borrowing annually, funded as part of the revenue proposals for the 2024-29 Medium Term Financial Strategy.

- £11.7 million of maintenance allocations funded from a top slice of this borrowing, uprated annually for inflation and strictly cash limited. Inflation allocations expected to increase to £12.8m by the end of 2026/27.

- The balance of the £18.9 million annual borrowing will be allocated to the Capital Investment Fund where services will be commissioned to prepare business cases relating to pipeline projects for funding throughout the year.

- All capital receipts (excluding those from the disposal of schools) are used to offset the need for additional borrowing. Exceptions to this policy are only considered when as part of an invest-to-save project such that investing the capital receipt will result in larger levels of offsetting additional borrowing or greater revenue savings than would have been achieved by simply offsetting planned debt (or if previously agreed by Members as being earmarked for a particular purpose).

- The disposal profile of capital receipts will be used to inform the MTFS and revenue savings targets by offsetting the revenue cost impact of new borrowing.

- The base level of investment in the school stock is fixed at the level of government capital grant for schools plus receipts generated from the sale of school assets and developer contributions. Circa £3 million of the government grant forms an annual contribution to the cost of school maintenance. The remainder of funding is used to invest in the provision of additional places.

- The base level of investment in the maintenance of Warwickshire's highways and street lighting and casualty reduction is fixed at the level of government grant for this purpose.

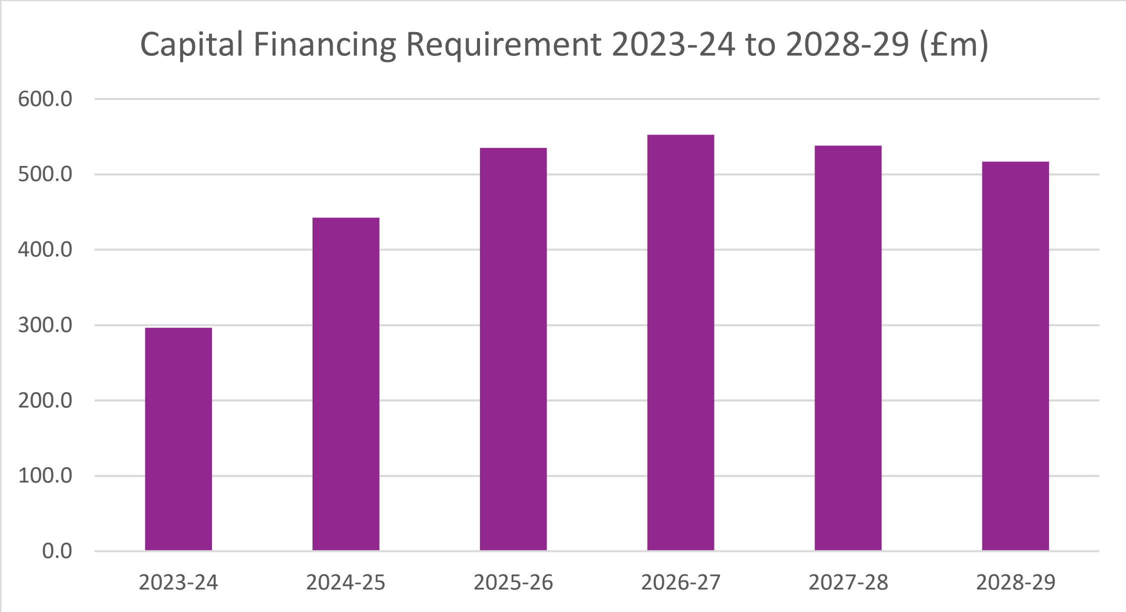
- Contributions from developers are maximised and applied to appropriate schemes ahead of Council resources whenever possible.

Managing the Borrowing Requirement

The Council's Treasury Management Strategy considers how the cash requirements arising from the Council's Capital Strategy and detailed investment programme are managed by external borrowing and the timing of any such borrowing.

Where capital expenditure has been incurred without a resource to pay for it i.e. when proposed to be paid for by borrowing, this will increase what is termed the Council's Capital Financing Requirement (CFR) which is our underlying need to borrow. The Council is required to make a prudent annual provision for the repayment of historic capital expenditure from its revenue budget in line with its agreed policy. This annual provision reduces the CFR, just as new spend financed from borrowing increases it.

Future projections of the CFR based on the capital investment programme and resources deemed available to fund it are shown in the table below. Forecasts are subject to the timing of capital expenditure and receipt of funding sources.



By 2028/29 the CFR is forecast to increase to £517m. This would place the Council's level of debt in the upper quartile of shire counties but the CFR would remain within our debt capacity (the amount of debt we can take on without jeopardising our financial position). The MTFS projections include the costs of servicing the borrowing requirement. The Treasury Management Strategy addresses how the Council will meet the borrowing requirement including any external borrowing. The Council can consider various debt instruments, with the main source of long-term borrowing for local authorities historically being the Public Works Loan Board.

However, alternative options could be considered for specific council projects. Advantages and disadvantages of such products, supported by external advice in respect of different options, would need to be considered including risks, track record and cost of issuance.

Treasury management best practice is that loans are not taken on a project-by-project basis and our treasury management practices are aligned with this.

Affordability

The fundamental objective in the consideration of the affordability of the Authority's capital plans is to ensure that the level of investment in capital assets proposed means that the total capital investment of the authority remains within sustainable limits.

Capital investment undertaken historically, and the proposed Capital Programme, form an integral part of our revenue budget and MTFS. The revenue impact of capital schemes on council tax include:

- The costs of operating / maintaining new assets.

- The capital financing costs of servicing any borrowing required to pay for investment (interest and prudent provision for repayment of capital investment paid for by borrowing). Where capital expenditure is paid for using borrowing, the Council has a statutory duty to charge an amount to future revenue budgets for the eventual repayment of that expenditure. This spreads the cost of capital expenditure incurred now, and historically, to future revenue budgets. The manner of spreading these costs is through an annual Minimum Revenue Provision (MRP). Our MRP policy is included in the Treasury Management Strategy and details about its impact on the MTFS are provided in the technical appendix.

- The revenue costs of preparing and delivering projects.
- Abortive costs required to be charged to revenue budgets if schemes do not proceed.

Some or all costs of investments may be offset by financial and non-financial benefits such as income, cost avoidance and importantly improved outcomes for residents of the county.

We recognise that the Council cannot afford to do everything, however where revenue resources are deemed available to increase the level of Council borrowing, where it needs to do so, this will be considered.

The percentage of the Council's revenue budget that is committed to capital financing costs is increasing in the long term due to the recent expansion of the capital programme through the Capital Investment Fund and the creation of Warwickshire Property and Development Group and the Warwickshire Recovery & Investment Fund.

A detailed review of our debt capacity has been undertaken and it found that Warwickshire has sufficient scope to increase borrowing to the levels set out in our capital programme and fund the increased borrowing cost within the revenue budget as set out in the MTFS. An analysis of WCC debt capacity is included in the technical Appendix E.

Future Strategy Development

Our objective for the future development of this strategy is to ensure the optimum alignment of the strategic objectives, focus areas, delivery plans and the detailed capital framework at a more granular level.

We expect to commission business cases to support investment in the areas of focus set out in the Council Plan and through this develop a long-term pipeline of projects that will form the basis of our capital programme going forward.

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2024-29 Capital Programme

Outcome and Service	Scheme Title	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
Investment Programme - Best Lives							
Children & Families	Children´s home	1,260					1,260
	Family Village - Wheelwright Lane Site	150					150
Education Services	SEND facilities	13					13
	Specialist nurture provision at Special School	20					20
	Keeping SEND pupils local	73					73
	YMCA George Williams Academy - alternative provision free school	100					100
	Lighthorne Heath Primary School - relocation preparatory work	146					146
	Long Lawford Primary School - studio hall	187					187
	Eastlands Primary School - installation of temporary classroom etc.	190					190
	Bishops Itchington Primary School - increase classroom capacity	195					195
	Planning & development block header	205					205
	Bunting Nursery @ Bishopton Primary School - building replacement	319					319
	Long Lawford - permanent expansion	400					400
	The Queen Elizabeth Academy - two storey modular classroom block	500					500
	Oakley Grove - reception contingency bulge class	508					508
	St Gabriels CofE Academy - expansion	960					960
	Education Design Development Fund	750	450				1,200
	Lower Farm - contribution	1,300					1,300
	Oak Wood Primary School - expansion and other facilities	1,997					1,997
	Oak Wood Secondary School - new centre at Bermuda Park	2,414					2,414
	Kingsway site - changes to aid Academy conversion	3,541					3,541
	Shipston High School - 1FE expansion	4,209					4,209
	Evergreen - expansion of Round Oak site	3,840	3,840				7,680
	Myton Gardens Primary school - new 2FE with Nursery and SRP	8,900	3,179				12,079
	Oakley Grove - new school	16,352					16,352
	Stratford upon Avon Secondary	16,622					16,622

2024-29 Capital Programme

Outcome and Service	Scheme Title	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
Enabling Services	Lillington Academy - CTA works	278					278
Fire	Fire Emergency Services Network (ESN) preparedness	25					25
	Fire Training - Paynes Lane Minerva and response point	215					215
	Fire and Rescue HQ, Leamington Spa	358					358
People Strategy & Commissioning	Supported accommodation	21					21
Social Care & Support	Extra Care Housing - accommodation with care	313					313
Workforce & Local Services	Improving customer experience / one front door improvements	335					335
	Social Fabric Fund	750					750
	Total for Best Lives	**67,446**	**7,469**	**-**	**-**	**-**	**74,915**
							-
Investment Programme - Thriving Economy and Places							
Economy & Place	Bishopton Lane development - bus infrastructure	2					2
	Kinwarton Rd, Alcester - provision of replacement bus shelter		6				6
	Alderminster - bus stop enhancement works		7				7
	Ettington Road, Wellesbourne - provision of bus stops		7				7
	Burbages Lane, Ash Green - footpath & cycle path	11					11
	Knights Lane, Tiddington - upgrading bus stop infrastructure	17					17
	Land off The Longshoot - highways improvements to bus stops		19				19
	Narrow Hall Meadow nr GP Surgery, Chase Meadow - bus shelters	20					20
	Houlton to town centre, Rugby - cycle infrastructure	21					21
	Campden Road (B4035), Shipston-on-Stour New Bus Stops	31					31
	Lighthorne Heath/Jaguar Landrover to Warwick - active travel	10	31				41
	Bishopton Lane to town centre, Stratford-upon-Avon - cycle link	54					54
	Salford Road, Bidford - bus stops & upgrade infrastructure		58				58
	A426 Leicester Rd, Rugby - southbound bus stop	64					64
	Coton Park East, Rugby - cycle infrastructure		66				66
	Red Lane/Hob Lane to Kenilworth Greenway - active travel		83	250	90		423

2024-29 Capital Programme

Outcome and Service	Scheme Title	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
Economy & Place	A426 Gateway Rugby to Rugby town centre - cycle scheme	23	224				247
	Ashlawn Road/Dunchurch Road, Rugby - footway and cycleway	50	236				286
	Hampton Magna to Warwick town centre - cycle route	58	350				408
	Art Challenge Fund	1	10				11
	Capital Growth Fund - Access to Finance	150	109				259
	Small Business Grants	225	128				353
	A439 Southern - casualty reduction	150					150
	School Keep Clear Zone	176					176
	Community Action Grant	250					250
	A439 Stratford upon Avon	1,475					1,475
	Warwick, Myton Rd - cycle link		2				2
	Leamington Spa to Rugby - Lias Line eastern section	435					435
	Commissioning and major inspections	183					183
	Stoneleigh Park Link Road	209	200				409
	B4114 Coleshill Road, Hartshill - bus stops	8					8
	Meadow Road, Alcester - bus stops	8					8
	Field Barn Way, Hampton Magna - bus infrastructure	9					9
	Damson Road, Hampton Magna - bus stop improvements	9					9
	Rugby Road (B4453), Cubbington - bus stop improvements	12					12
	Temple Herdewyke - new bus stops	12					12
	Bishops Tachbrook - bus stop enhancements	15					15
	Southam Road, Radford Semele - bus stops and traffic management	28					28
	Kenilworth Station		676				676
	Lawford Road/Addison Road - casualty reduction	1,339					1,339
	A429 Coventry Road corridor (Warwick) - improvements	350	3,121	756			4,227
	Warwick Town Centre - transport proposals	107	1,400				1,507
	Warwick Town Centre	115	2,573				2,688
Enabling Services	Development of Rural Broadband	1,783	4,137				5,920

2024-29 Capital Programme

Outcome and Service	Scheme Title	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
Environment, Planning & Transport	Rugby Gyratory - improvement scheme	24					24
	Green Man Coleshill - signalised junction	30					30
	Rugby Area Committee		36				36
	Emscote Road, Warwick (Tesco Strores) - install MOVA operation	40					40
	A444 (Prologis) - install variable sessage signs	82	7				89
	Rugby Western Relief Road	99					99
	Weddington Road, Nuneaton - implement toucan crossing	112					112
	Replacement bollards in Stratford, Nuneaton & Bedworth	125					125
	Hunters Lane, Rugby - through route New Tech Drive to Newbold Rd	369					369
	Gypsy & Traveller sites - redevelopment & upgrade	494					494
	Nuneaton to Coventry cycle route	540	350				890
	A46 Stanks Island, Birmingham Rd - signalisation and improvement	1,400					1,400
	Bermuda Connectivity Project	1,500					1,500
	A446 Stonebridge junction, Coleshill - improvements	175	1,695				1,870
	A444 Corridor improvements - phase 2	1,450	2,204				3,654
	A47 Hinckley Road corridor scheme	1,067	3,099				4,166
	A452 M40 Spur West of Banbury Road	100	4,705				4,805
	A452 Kenilworth to Leamington cycle route	2,635	2,735				5,370
	A3400 Bham Road, Stratford corridor improvements	1,597	3,924				5,521
	A452 Myton Road and Shire Park roundabouts	4,909	804				5,713
	A46 Stoneleigh - junction improvement	5,904					5,904
	A452/A46 - improvement scheme	253	6,191	30			6,474
	A452 Europa Way Olympus Av to Heathcote Lane roundabout	750	5,824	550			7,124
	Emscote Road Corridor Improvements Scheme	410	9,364				9,774
	Transforming Nuneaton - highway improvements	5,650	7,180	5,589			18,419
Strategic Infrastructure & Climate Change	Transforming Nuneaton	482					482
	Library & Business Centre, Nuneaton	850	12,748	5,143			18,741
	Total for Thriving Economy and places	**38,457**	**74,309**	**12,318**	**90**	**-**	**125,174**

2024-29 Capital Programme

Outcome and Service	Scheme Title	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
Investment Programme - Great Council and Partner							
Enabling Services	Acquistion - land at Warwick	48					48
	Rationalisation of County storage facilities	70					70
	Strategic site planning applications	383					383
	Maintaining the smallholdings land bank	391					391
	Land at Leicester Lane - Cubbington	1,370					1,370
	Total for Great Council and Partner	**2,262**	**-**	**-**	**-**	**-**	**2,262**
Investment Programme - Sustainable Futures							
Economy & Place	Municipal Waste Strategy - waste treatment & ransfer facilities	34					34
	Warwickshire cycling links - Radford Road, Leamington Spa	-	54				54
	Warwickshire cycling links - Whitley South, Baginton	139					139
	Warwickshire cycling links - Daventry Road, Southam	10	131				141
	Warwickshire cycling links - Weddington Road, Nuneaton	15	15	148			178
	Tackling climate emergency and air quality	606					606
	Land at Crick Road, Rugby	1,039					1,039
	Warwickshire cycling links - Heathcote, Leamington Spa	1,165	326				1,491
Environment, Planning & Transport	Flood Alleviation Scheme - Brailes	30					30
	Flood Alleviation Scheme - Galley Common	49					49
	Flood Alleviation Scheme - Pailton	50	-				50
	Flood Defence Scheme - Filllongley	92					92
	Flood Resilience Scheme - Clifford Chambers	105					105
	Flood Alleviation Scheme - Fenny Compton	121					121
	Flood Defence Annual programme	216					216
	Total for Sustainable Futures	**3,671**	**526**	**148**	**-**	**-**	**4,345**

2024-29 Capital Programme

Outcome and Service	Scheme Title	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
Investment Programme - Corporate							
Corporate Investment Funds	CIF unallocated	29,442	18,873	18,873	18,873	18,873	104,934
	Capital Inflation Contingency Fund	7,716					7,716
	Investigation Design Fund	800	800	800	800		3,200
	Warwickshire Property Development Group	11,119	11,420	11,367	15,013	5,555	54,474
	Warwickshire Recovery & Investment Fund	20,000	15,000	15,000			50,000
	Asset Replacement Fund	2,356	4,990	6,908	452		14,706
	Total for Corporate Investment Funds	**71,433**	**51,083**	**52,948**	**35,138**	**24,428**	**235,030**
	TOTAL INVESTMENT PROGRAMME	**183,269**	**133,387**	**65,414**	**35,228**	**24,428**	**441,726**
Maintenance Programme - Current							
Economy & Place	Country Parks car parking facilities - upgrade to ticket machines	84					84
	Country Parks - annual maintenance	264					264
	Household Waste Recycling Centres - annual maintenance	182					182
Environment, Planning & Transport	Area Delegated	4,719					4,719
	Bridge Assessment Programme	20					20
	Street Lighting - annual maintenance	24					24
	Bridge maintenance - annual maintenance	297					297
	Gypsy And Traveller Services - annual maintenance	71					71
	Traffic Signals - annual maintenance	146					146
	Casualty reduction schemes	609					609
	Historic bridge maintenance programme	1,944					1,944
	Highways and bridges/pothole funding - new	20,884	20,884	20,884	20,884	20,884	104,420
Enabling Services	Smallholdings Capital Maintenance 2022/23	229					229
	Rural Services Capital Maintenance 2023/24	273					273

2024-29 Capital Programme

Outcome and Service	Scheme Title	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total £'000
People Strategy & Commissioning	Adult Social Care Modernisation & Capacity 2012-13	71					71
Children & Families	Adaptations to support child placements	145	106				251
Economy & Place	All Electric Bus Initiative	1,044					1,044
Maintenance Programme - New							
Children and Families	Adaptations to support child placements	143	149	156	156	156	760
Economy and Place	Country Parks	229	239	250	250	250	1,218
	Household waste recycling centres	91	96	100	100	100	487
Enabling Services	Non-schools building maintenance	2,425	2,537	2,648	2,648	2,648	12,906
	Non-schools asbestos and safe water	371	389	405	405	405	1,975
	Schools building maintenance	7,557	7,767	7,976	7,976	7,976	39,252
	Schools asbestos and safe water	852	892	931	931	931	4,537
	Rural services	407	426	444	444	444	2,165
Environment, Planning & Transport	Gypsy and Traveller services	23	24	25	25	25	122
	Area delegated funding	2,285	2,391	2,495	2,495	2,495	12,161
	Flood defence	229	239	250	250	250	1,218
Fire and Rescue	Equipment for fire engines	137	143	150	150	150	730
	Total Maintenance Programme	**45,755**	**36,282**	**36,714**	**36,714**	**36,714**	**192,179**
Developer Funded Programme							
Environment, Planning & Transport	S278 Schemes	7,777	2	1	8		7,788
	TOTAL DEVELOPER FUNDED PROGRAMME	**7,777**	**2**	**1**	**8**	**-**	**7,788**
	TOTAL CAPITAL PROGRAMME	**236,801**	**169,671**	**102,129**	**71,950**	**61,142**	**641,693**

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Appendix D

Investing in Warwickshire
Capital Strategy 2024-2029 – Technical Appendix

This technical appendix to the Capital Strategy provides the structure of our capital programme, describes how we determine the content of and finance the programme and provides an overview of how our capital programme is managed to deliver our outcomes.

What is Capital?

Spending is included within the capital programme where we expect it to result in future economic (asset value) or service (asset performance or life) benefits. This covers both the purchase of new long-term assets and improvements to existing ones and is consistent with the approach required in the CIPFA Code of Practice on Local Authority Accounting.

Some of our spending allocations are to either purchase or improve an asset belonging to another organisation or individual; in these circumstances, we include the expenditure in the capital programme for budget setting and monitoring processes but follow the CIPFA Code requirements for accounting treatment to ensure it does not increase the net assets shown on our Balance Sheet.

Some of our assets we lease or have use of through service contracts. From 1 April 2024, but under accounting rules, we are required to show these as Fixed Assets on our Balance Sheet like we own them. The costs of these assets are not included in the Capital Programme and do not impact on capital budgets.

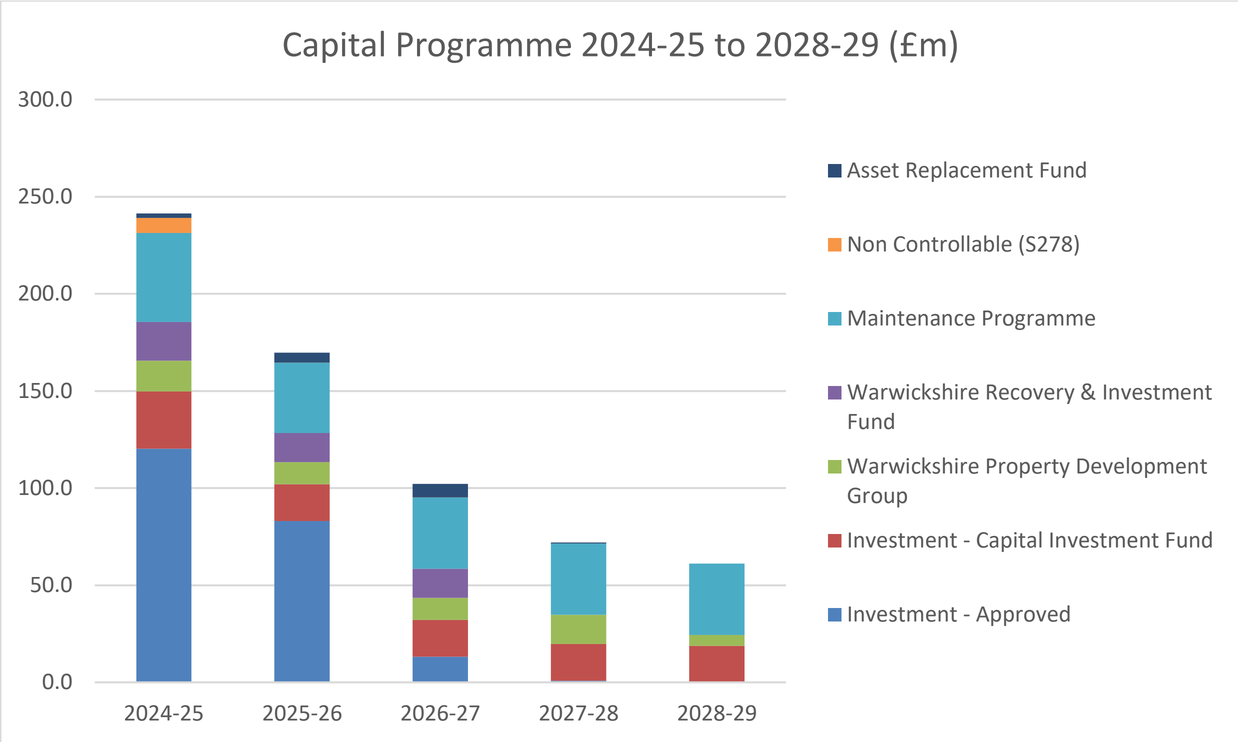
We operate a general de minimis of £6,000 on a project-by-project basis (£3,000 where the spend relates to primary schools or nurseries); expenditure below this level is treated as revenue and not part of the capital programme, unless under exceptional circumstances. Further details of our capitalisation policies can be found in the Accounting Policies section of our Statement of Accounts, published on our website.

Our Capital Programme

There are four broad strands to our capital programme. Each strand has several elements that ensure a clear focus on the purpose of capital spending and the prioritisation of proposals. The strands are:

- Approved Maintenance Programme - Expenditure on existing assets to ensure they meet the requirements of service delivery, are fit for purpose, meet health and safety guidance, and reduce future costs.
- Approved Investment Programme - Expenditure on specific projects to meet strategic objectives and to enable the organisation to save revenue resources.
- Non-Treasury Capital Investments - To meet strategic aims. These investments could include loans towards capital expenditure incurred by external bodies or acquiring equity in Council subsidiaries or joint ventures.
- Corporate Capital Funds - Expenditure to enable the organisation to save revenue resources such as asset replacement and capital design funding.
- Developer Funded Programme – Expenditure on WCC assets which are directly funded by developers via Section 278 agreements.

The chart below shows our planned capital programme over the next five years across the four strands of the capital programme. Future non-controllable (developer-led) spend cannot yet be timetabled with accuracy and so has been excluded from future years capital programmes at this time. Overall, we would expect the level of spend on such schemes to be broadly comparable with forecasts for 2023/24 of around £140m.



The reduction in forecast investment capital spending does not represent a planned reduction in activity, it merely represents the capital planning horizon. Actual planned spending for each year ahead is expected to rise to a higher level by the time planning for that year arrives. Also, the high level of investment expenditure planned for 2024-25 and 2025-26 reflects investment schemes approved in, and reprofiled from, earlier years.

Section 25 of the Capital Financing Regulations, which govern the content of our capital programme, requires that expenditure incurred on the acquisition, production or construction of assets by other than the local authority which would be capital expenditure if those assets were acquired, produced or constructed for use by the local authority must be treated as capital expenditure. As a result, any loans we make to Warwickshire Property and Development Group and via the Warwickshire Recovery Investment Fund for the development of assets will form part of our capital programme.

Guiding principles for our Annual Capital Maintenance Spending

Each year the capital programme includes allocations that relate to the routine maintenance of our existing asset base. It represents the level of spending which we are required to incur over the medium term to keep such assets operational. Each element of the maintenance programme has a fixed annual allocation, uplifted for inflation. This approach allows Services to plan their maintenance programme over the medium term in a structured way that reduces bureaucracy, subject to the agreement of a consistent and transparent methodology for the prioritisation of maintenance spending.

Appendix D

Allocations included in the maintenance programme meet one of the following three criteria:

- Structural maintenance cost of maintaining our assets to ensure services can continue to be delivered;
- Statutory health and safety and other regulatory requirements; or
- Annual cost of equipment and/or vehicle replacement programmes (Which don't form part of the Asset Replacement Fund)

Our annual maintenance programme totals £35.6m of which £11.7m a year is funded from borrowing. The remainder is funded from grants of up to a maximum of £3.0m from the Government's Schools Condition Grant and the grant received from the Department for Transport for Highways Maintenance of £20.9m (including additional grant of £2.1m from 2024/25). The split of this annual maintenance allocation between Services, including schools' elements, is shown below:

Service	Project	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Children & Families	Adaptations to support child placements	0.143	0.149	0.156	0.156	0.156
Economy & Place	Country Parks	0.229	0.239	0.250	0.250	0.250
	Household waste recycling centres	0.091	0.096	0.100	0.100	0.100
Enabling Services	Non Schools building maintenance	2.425	2.537	2.648	2.648	2.648
	Non Schools asbestos and safe water	0.371	0.389	0.405	0.405	0.405
	Schools building maintenance	4.557	4.767	4.976	4.976	4.976
	Schools' asbestos and safe water	0.852	0.892	0.931	0.931	0.931
	Rural services	0.407	0.426	0.444	0.444	0.444
Environment, Planning & Transport	Gypsy and traveller services	0.023	0.024	0.025	0.025	0.025
	Area delegated funding	2.285	2.391	2.495	2.495	2.495
	Flood defence	0.229	0.239	0.250	0.250	0.250
Fire & Rescue Service	Equipment for fire engines	0.137	0.143	0.150	0.150	0.150
	Funded from Borrowing	**11.749**	**12.292**	**12.830**	**12.830**	**12.830**

Environment, Planning & Transport	Highways maintenance, street lighting and casualty reduction	20.884	20.884	20.884	20.884	20.884
Enabling Services	Schools building maintenance	3.000	3.000	3.000	3.000	3.000
	Funded from Grant	**23.884**	**23.884**	**23.884**	**23.884**	**23.884**

	Total Maintenance Programme	**35.633**	**36.176**	**36.714**	**36.714**	**36.714**

In addition to these core allocations, an uplift on the allocations funded from corporate borrowing, has been set aside up to 2026/27 to provide funding for inflationary increases in the capital maintenance programme. Inflation beyond this point is expected to settle to Bank of England forecast levels and, therefore, the maintenance allocations remain cash flat from 2027/28.

Appendix D

Guiding principles for our Capital Investments

Capital Investment: Non-Schools

Any capital spending not included in the maintenance programmes mostly forms part of our capital investment programme. Investment schemes are, by their nature, not routine and are only considered if they move the Authority towards the delivery of the Council's outcomes and ambitions.

The capital investment programme contributes to the delivery of these outcomes through invest-to-save projects and projects that enhance and grow the assets of the authority, delivering benefits for people, communities and businesses across Warwickshire.

For vehicles, plant and equipment approval is delegated to the Director of Finance. Schemes costing above £2.0m require the approval of Full Council, regardless of funding source or expenditure type, this includes any schemes that are an allocation from the Capital Investment Fund.

Capital Investment: Schools and Educational Facilities

It is the Council's role to plan, commission and organise education places in a way that promotes improved standards, manages supply and demand and creates a diverse infrastructure. The Council's sufficiency strategy supports the provision of accommodation, whether permanent or temporary, that is high quality, fit for purpose, provides value for money and ensures flexibility to respond to changes in need and curriculum.

School-level forecasts of future pupil numbers are produced each year on the receipt of the latest population data from the health authorities and the latest data on parental preferences and housing development numbers. There is a need to maintain a certain amount of capacity within a given area to allow for flexibility to enable in-year movement of pupils, to meet parental preference as much as possible, and allow families moving to an area to be able to secure a place at a local school or for each of their children at the same school. Consideration for the quality of the education provision available in any area is also included when planning for sufficient places.

Capital allocations such as the 'Education Basic Need' grant to meet projected shortfalls in provision are provided by the Education and Skills Funding Agency to all local authorities. However, there is pressure on capital budgets for new school places across the country and it is likely that allocations will continue to be limited for the foreseeable future. It is important, therefore, to consider value for money in the process of commissioning school places. Where new housing development creates a demand for school places in excess of those available, we will work with District and Borough Councils and developers to ensure that the appropriate contributions from developers for the provision of additional school places are made. We will seek the maximum contribution from developers to support the provision of additional places that we believe is proportionate to the impact of the development ensuring all requests for contributions are compliant with the relevant legislation.

Warwickshire is in a period of significant growth, with large scale housing development proposed across the county over the next 10 years and beyond. It is expected this will require additional education provision for Warwickshire children. As development progresses across the county there will be a need for the delivery of new provision during the next 5 years and effective planning for further new provision beyond that period.

Further details on education investment planning can be found in the Education Sufficiency Strategy – see **Annex C**.

Capital Investment Fund

The Capital Investment Fund is a fund held separately within the capital programme, its purpose is to drive forward investment which supports the Council Plan and Delivery Plans.

We would therefore expect to commission business cases that demonstrate the investment in new assets to the delivery of the corporate outcomes and the delivery plans, the financial costs and benefits over the short, medium and long term in the following areas:

1) **'Must Do'** - Schemes where the Authority has minimal choice about whether to invest, with the focus being on ensuring value for money in how the scheme is delivered. Unavoidable due to minimal choice or statutory requirements.
2) **'Should Do'** - Invest-to save schemes that deliver savings in the Authority's revenue budget and/or generate additional income to support the revenue budget.
3) **'Optional'** - Investment to deliver on the Council's wider ambitions and support the delivery of the Council Plan

A pipeline of potential projects underpinning these areas of focus has been provided by services and will continue to be monitored and amended by the Capital Strategy Group. However, there is a high probability that the emerging pipeline will exceed the available CIF resources over the MTFS period, therefore, prioritisation of which schemes the Council invests is very important.

To ensure widespread support for the investment programme all proposals are subject to an officer led Capital Strategy Group endorsement evaluated over four distinct prioritisation and scoring criteria areas:

1) Outcome Impact
2) Financial Impact
3) Reputational Risk
4) Complexity prior

The overarching governance structure is designed to ensure the most effective use of the available resource and organisational capacity required to see capital schemes through to implementation. A summary of the evaluation criteria and their relative weighting is attached at **Annex A.**

Our flexible approach to utilising the Capital Investment Fund requires revenue funding to be set aside to meet the cost of borrowing prior to knowing how the capital resources generated will be used. This approach has the benefit of retaining the ability to bring projects forward for inclusion in the capital programme as opportunities arise, not just once a year through the budget setting process, through the agreed capital framework. It also provides confidence that developing positive and innovative schemes to support the delivery of the Council's core outcomes can be delivered within the amount of funding available. As the Capital Investment Fund is financed from borrowing, the level of the fund is reviewed on an annual basis to ensure the requisite borrowing costs remain affordable within the revenue budget.

Appendix D

Guiding Principles for Non-Treasury Capital Investments

The Council does not make commercial investments purely for the purpose of generating a financial return, this is prohibited under HM Treasury guidance and the CIPFA Prudential Code.

Where the approval of a Warwickshire Property and Development Group site development plan by Cabinet triggers a loan from the provision in the capital programme further Full Council approval is only required where the loan would take lending above the provision in the capital programme.

Where the approval of a Warwickshire Recovery & Investment Fund lending proposal by Cabinet triggers a loan from the provision in the capital programme further Full Council approval is only required where the loan would take lending above the provision in the capital programme.

The Council owns a small number of assets classified as Investment Properties, but these are primarily assets whose usage has changed over time and that now fall into this category. Income from these assets is immaterial.

Warwickshire Property and Development Group

On 28 January 2021 Cabinet approved the first business plan for the Warwickshire Property and Development Group to increase the value generated through a more effective use of our land and property assets in support of the Council's key objectives and outcomes. This business plan is updated annually to reflect changing assumptions and direction of the Group and the latest proposals are reflected within the Capital Programme and Strategy.

Proposals to develop the individual sites in the business plan will go through an evaluation and assurance process by the Council, as the shareholder, that will include consideration of the affordability and prioritisation of the investment proposals relative to other elements of the Medium-Term Financial Strategy and capital investment priorities. Only once this process takes place and the individual site development plan is approved will any loans to the company that constitute capital expenditure be made from the facility in the capital programme. Current estimates based on the 2024 WPDG business plan suggest £59.1m of lending to the company will be required over the period of the Medium-Term Financial Strategy.

Any such approvals will increase the Council's underlying need to borrow. The strategy for borrowing externally to finance the company and associated capital expenditure is reflected in the Treasury Management and Investment Strategies.

Warwickshire Recovery and Investment Fund

In 2021-22, Cabinet approved the original business plan for the Warwickshire Recovery and Investment Fund to support the Council's strategic place shaping agenda and its recovery and regeneration strategies in response to the economic impacts of the COVID-19 pandemic.

Per the latest WRIF Business Plan and Investment Strategy, the fund currently totals £64m of which £50m constitutes capital expenditure which is required to be included in the capital programme and capital strategy including detail on how this will be funded. To mitigate risk and cashflow impacts of this lending the Council has provided to borrow externally to fund this activity and is therefore it will also be reflected in updated Treasury Management and Investment Strategies.

Current estimates based on the business plan suggest the full £50m capital allocation will be utilised over the period of the Medium-Term Financial Strategy.

Guiding principles for our Corporate Capital Funds

Planned Asset Replacement Programme

In 2022/23 a new Asset Replacement Fund was created to alleviate pressure on service revenue budgets accumulating underspends to fund costs of replacing vehicles, plant and equipment and to avoid the depletion of capital resources set aside for investment. This will be funded from corporate borrowing.

A review was undertaken on remaining useful lives of our existing Vehicles, Plant and Equipment assets. Based on the analysis a £15.0m allocation across the term of the Medium-Term Financial Strategy and Capital Strategy was created. The fund is held corporately, and budget is allocated to services as and when required following completion of the agreed governance process.

A review of the fund balance is undertaken annually as part of the refresh of the capital budget to ensure the level of funding is consistent with the emerging needs from Service asset management plans. Following a review as part of 2023-24 budget setting a further £3.0m was added as a 2027-28 allocation, increasing the fund to £18.0m, of which £14.7m remains. The current balance of the fund is considered sufficient to cover replacement costs of existing Vehicle, Plant and Equipment assets. The value of the fund will be reviewed as part of the 2025/26 Capital Strategy refresh.

Services are expected to use any sales proceeds from the disposal of those assets being replaced as a first call on funding the replacements, with the Asset Replacement Fund providing the difference.

Planned Asset Design Programme

A £4.0m top slice from the available CIF funding was taken in 2023-24 to establish an Investigation Design Fund (IDF). The IDF allows managers to access resources to finance and carry out the early work necessary as part of large scale, high value and/or high-risk schemes.

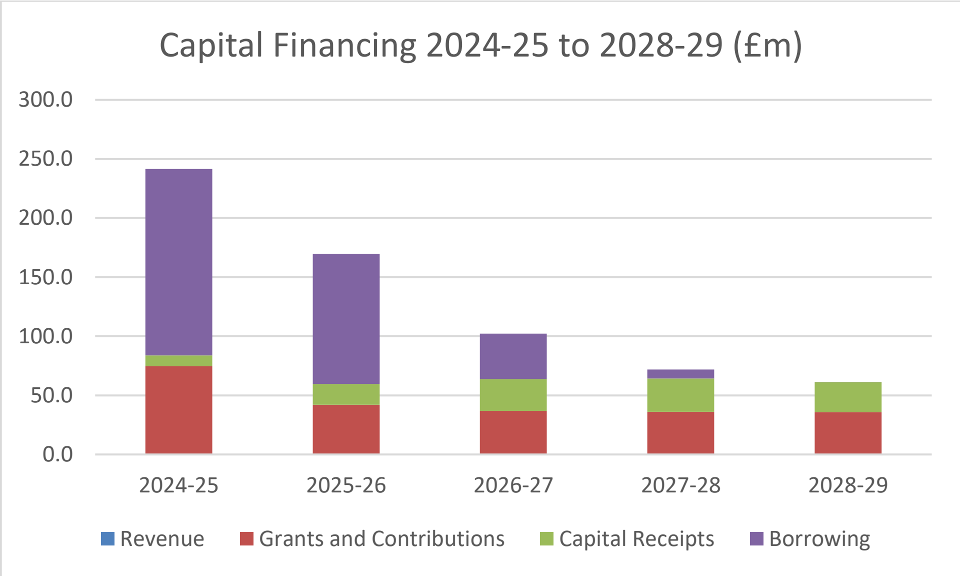
The fund’s purpose is to reduce the risk of approving projects without fully understanding the true costs of delivery, and therefore lead to a reduction in the number of capital projects which request additional funding once in the delivery stage. This is achieved via a three-stage approval process, part of which involves the use of the IDF to provide up-front funding for investigative work that is necessary to give greater cost certainty when a full business case is submitted for approval.

There may be occasions where projects receive IDF funding, but the project does not proceed, and no capital asset is realised. In these cases, abortive costs will have to be written off to revenue. An existing revenue reserve, the Capital Fund, is used to fund these abortive costs. Given the more rigorous pipeline process that has now been introduced it is anticipated that such occurrences will be infrequent.

Appendix D

Guiding principles for our Capital Funding

A summary of how the capital programme will be financed over the MTFS period is provided below:



Capital Receipts

Through our approach to asset management planning (see **Annex B**), we undertake continuous monitoring and review of the Council's property portfolio seeking to ensure we make best use of the capital value tied up in those assets. When making decisions on the disposal of assets and hence the generation of capital receipts a number of factors are taken into consideration:

- Whether assets are surplus to requirements in the short, medium and long-term;
- Whether assets are achieving their financial or service delivery performance targets;
- The level of any potential financial return;
- Any legal obligations; and
- The impact on Council policies and the promotion of key strategic policies.

All capital receipts, unless previously earmarked, are used to offset the requirement for additional debt, with a consequent reduction in the Council's borrowing costs. Capital receipts are inherently volatile and the timing of when the money is received is uncertain and unrelated to the timing of any need to incur capital spend. Therefore, our approach to the use of capital receipts enables a proportion of our capital spend to be financed before we need to take out additional borrowing. This delays the need to incur additional borrowing and therefore avoids incurring the requisite revenue costs to finance the borrowing.

Grants and Contributions

The Council receives various capital grants and contributions, the majority of which are from central government and other organisations such as developer contributions. These can be received for specific reasons and are therefore ring-fenced within projects, or they can be for wider uses and therefore un-ringfenced and initially held until such time as a decision is taken to use them.

Appendix D

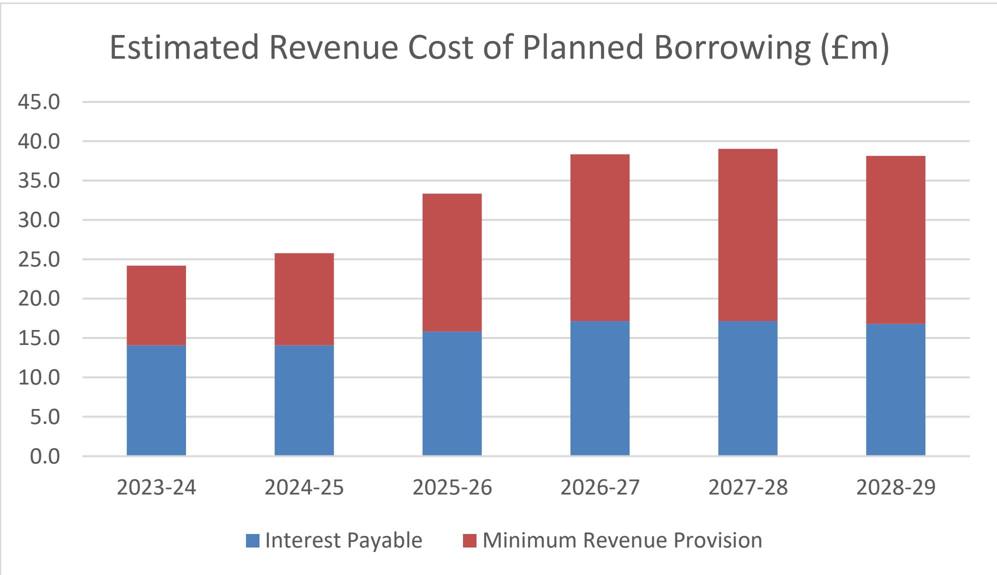
Our approach to enable flexibility in funding the capital programme is that specific grants and contributions are used first to finance spend before the used of un-ringfenced grants, capital receipts, revenue contributions and corporate borrowing.

Borrowing

We are required, by statute, to base our approach to borrowing money for financing the capital programme on a set of guiding principles (the Prudential Framework). The framework includes the principles of affordability, prudent funding, efficiency, forward planning, outcomes, sustainability and investment return.

Making additional annual borrowing allocations of £30.6m in 2024-25, increasing to £31.7m by 2028-29, is affordable within the 2024-29 Medium Term Financial Strategy and is deemed to be the minimum level of borrowing needed over the medium term to support the delivery of Council Plan objectives. The impact on the Revenue budget of borrowing is felt in two ways; firstly in real interest charges incurred on our loans and secondly in the Minimum Revenue Provision (MRP). MRP is a notional charge to the revenue budget which spreads the cost of acquiring assets across the years in which the benefits of that expenditure are felt, its main financial management purpose is to ensure sufficient funds are set aside to repay the principal amount of borrowing when loans mature.

To forecast future years' revenue costs of borrowing, we must consider both historic levels of expenditure funded from borrowing, the full cost of the existing capital programme funded from borrowing, and any decisions the Council makes to take out further borrowing in future years. We estimate that the total revenue cost of past and planned new borrowing will increase by 58% over the period of the 2024-29 Medium Term Financial Strategy, as follows:



Provision for these estimated costs are included as part of the Medium Term Financial Strategy. The figures include the cost of borrowing to support the activity of the Warwickshire Property and Development Group and Warwickshire Recovery Investment Fund which will be funded over the medium/long term through charges to and surpluses generated by the Company and the Fund respectively.

Further details of anticipated borrowing levels, forecast repayment schedules, our detailed approach to the Minimum Revenue Provision and the framework within which we make decisions about debt and investments can be found within our Treasury Management and Investment Strategy (**see Annex C**). Our modelling of future debt levels, detailed within the Treasury Management Strategy, can be compared to our Operational Boundary and Affordable Limit, two of the key indicators within the Prudential Framework. This shows that our approach of determining borrowing affordability from the position of ongoing revenue resource availability ensures we will remain financially sustainable and that we will not commit the Council to future costs it cannot afford by committing to sensible, prudent levels of borrowing.

We recognise that significant drivers of additional capital spend exist both in terms of providing additional school places, growing our business rates and council tax bases and providing the additional infrastructure needed as a result of housing growth. New borrowing for capital investment is cash limited at £18.9 million.

Capital Financing Requirement

Where capital expenditure is to be financed from borrowing, the expenditure results in an increase in the Capital Financing Requirement, a measure of the capital expenditure incurred historically yet to be financed, similar to a house mortgage.

At 31 March 2023 our Capital Financing Requirement was £256.9m. The Council sets aside annual amounts from its revenue budget called Minimum Revenue Provision of currently circa £10.1mi to reduce this balance. This means it will take an estimated 25 years to clear the current balance. This figure is reviewed periodically to ensure it is aligned to the average useful life of our assets. The Council's current strategy to reduce this balance is to continue to set aside the annual charge whilst utilising available capital receipts to offset any further need to borrow because of increasing capital programme activity.

The planned annual increase in borrowing of £30.6m plus the WPDG and WRIF loan facilities means that capital receipts alone will not be able to finance the increased capital programme in the medium term, therefore, provision has been made in the Medium-Term Financial Strategy to increase the annual revenue charge to pay down the forecast increase in the Capital Financing Requirement.

Debt Capacity

The council's current external debt is £272.4m. The amount of debt that an organisation can take without jeopardising its financial position is, as the name suggests, referred to as its debt capacity. In practical terms it means the organisation can meet its financial obligations over the short, medium and long-term, without any operational setback.

Debt capacity is not just an important concept for organisations, whether they be companies or local authorities. It is also a critical metric for lenders and other stakeholders. Lenders use the same concept before approving a loan to ensure a borrower can handle a particular level of debt. For local authorities this principle is underpinned by the Prudential Code and the Public Works Loan Board (the main source of external debt for local authorities), which governs the financing of local authority capital expenditure.

Appendix D

A similar approach being introduced by DLUHC and OFLOG using a narrower suite of national metrics at this stage.

The table below therefore shows the debt capacity for a basket of selected indicators at the shire county average and upper quartile levels and then the average of WCC's implied debt capacity.

Ratio	Shire County Average Implied Debt Capacity £m	Shire County Upper Quartile Implied Debt Capacity £m
Debt to total asset ratio	364	434
Debt to usable reserves ratio	278	353
Debt service coverage	347	452
CFR to usable reserves	434	509
CFR to total asset ratio	571	656
CFR to council tax income	507	639
Basket average	**417**	**507**

Therefore, based on these ratios, with Warwickshire's current Capital Financing Requirement at £256.8m, and external debt forecast to increase by £61.0m to £333.4m in 2028/29 per current capital investment plans, there is capacity to increase the annual borrowing beyond £333.4m, without becoming an outlier, by:

1) a further £83.6m to the shire county average of £417.0m, or;
2) a further £173.6m to the upper quartile level of £507.0m.

However, the critical factor is affordability, which is limited to what can be funded from the MTFS without redirecting some of the council tax flexibility, as quantified below:

- £83.6 m of additional borrowing would equate to additional revenue costs to be provided in the MTFS of £7.5m; or
- £173.6m of additional borrowing would equate to revenue costs provided in the MTFS of £15.6m.

Accounting for Leases

On 1 April 2024 the Council is required to adopt a new accounting standard for leases (IFRS16). This means that for all leases where we are the lessee, our right-to-use the asset will be recognised and we will account for the leased asset on our Balance Sheet as though we had purchased the asset. There are two exceptions to this where the value of the asset leased is below our £6,000 de minimis or the remaining term of the lease is less than 12 months.

From 1 April 2024 existing leases will be brought onto the Balance Sheet. The introduction of increased numbers of leases onto the Balance Sheet will increase the level of capital spend to be financed i.e. the Capital Financing Requirement. Without any other change this would increase the amount we are required to set aside in the revenue budget to repay debt. However, we are already making lease rental payments from revenue budgets for these assets and therefore, to avoid double counting the cost of the leased assets, a technical adjustment will be made to ensure a "net nil" effect on the revenue budget.

For assets under lease contracts existing from 2024/25 onwards, the annual MRP charge will match the element of the rent/charge that goes to write down the lease liability. Therefore, there will be no impact on available capital resources or the capital financing requirement from this new accounting requirement.

Making It Happen

Management of the Capital Programme

The key risks to the delivery of our capital programme are overspending against the approved budget for a scheme, project/programme reprofiling where the project is not delivered in accordance with the planned timescales thereby delaying achievement of the expected benefits, and delays in or non-receipt of external contributions towards the cost of a scheme.

To ensure our staff are equipped with the right training and knowledge to deliver the capital programme, a suite of e-learning materials and guidance notes are made available to all project managers and finance staff explaining the rules and principles underpinning capital expenditure and financing. Guidance on monitoring and approval processes is made available to all staff on our intranet.

The implementation of our capital framework includes a methodology to classify and define stages/ phases of delivery for our capital investments and build understanding of the quality of capital programme delivery. It will continue to use the following mechanisms to ensure our capital spending and the delivery of our capital strategy is effectively managed:

- Officers monitor physical progress regularly, usually monthly, and there is a system of exception reporting to senior managers where problems emerge;
- Financial progress is reported quarterly to Corporate Board and Cabinet, highlighting any key issues that need more detailed consideration or investigation, including seeking Cabinet approval to any variations to schemes both in terms of the total cost and the phasing of spend across years and the consequent impact on the overall financing of the programme;
- Projects part or wholly funded by external contributions are separately monitored to ensure compliance with any funding conditions applicable; and
- Post-contract appraisal is carried out to provide feedback on the success, or otherwise, of the design solution, procurement process and customer satisfaction levels.

The procedures and mechanisms used to assist officers and members in managing the capital programme are subject to review with an aim of continual improvement.

A widespread review of the management of the capital programme led to implementation of improvements which was completed in 2023/24. Improvements have now been implemented in the following areas:

- post-contract appraisal is carried out to provide feedback on the success, or otherwise, of the design solution, procurement process and customer satisfaction levels;
- more accurate costings at the point of project approval;
- more effective monitoring and reporting, supported by fit-for-purpose systems and processes;
- improved risk management;
- development of skills and knowledge supported by appropriate training;
- a better understanding of the link between financial performance and operational delivery; and
- a culture which supports all of these changes

Appendix D

Annex A

Summary of Capital Investment Fund Scheme Evaluation Criteria

The high-level weighted criteria under which all technical evaluations of investment bids will be assessed are:

1) 40% - Evidence of Measurable Benefits and Change
2) 40% - Finance, Project Management and Risk
3) 10% - Levelling Up
4) 10% - Sustainability, Climate Change and Environmental Impact

These high-level criteria are supplemented by more detailed evaluation criteria designed for each strand of the investment programme to ensure a consistent and transparent approach. Once the strategy has been approved these more detailed evaluation criteria will be approved by Capital Gateway Group which will ensure that the commissioning/evaluation process considers:

- Whether the preferred option/approach is the best one for environmental sustainability, even where environmental sustainability is not a big issue, and comment and filter schemes accordingly;
- The clarity over the measurable benefits to be delivered and how these will be assessed both during construction and when the asset is operational;
- The alignment/incorporation of any financial benefits into the Medium Term Financial Strategy;
- The deliverability of the scheme within the proposed timeframe both in terms of the scheme itself and the overall capacity to deliver the capital programme; and
- Comparison to the level of the remaining unallocated investment fund to understand the optimum investment given limited resources available.

The technical scrutiny process and Gateway Group use a structured evaluation process that assesses:

- What we are trying to achieve for Warwickshire residents, businesses and visitors by investing;
- The contribution of the new assets to the delivery of the corporate outcomes;
- The financial and non-financial costs and benefits over the short, medium and long term; and
- The risks inherent in the delivery of the scheme itself and the expected benefits, with a focus on better up-front planning and timetabling.
- The contribution the new asset can make to addressing the Climate Change Emergency

The results of this evaluation process are taken forward to Capital Strategy Board who consider whether to recommend schemes to Members for approval. If the total cost of a scheme is less than £2 million this approval is by the Leader or Cabinet. Schemes over £2 million require the approval of Full Council. In response to the Council declaring a climate change emergency, the evaluation criteria specifically require that every new investment scheme explains how it will contribute to addressing climate change.

Appendix D

Annex B

Prioritisation of the Annual Maintenance Programme

Given the announcement of a climate change emergency, all annual maintenance programmes are expected to consider how the programme of works can contribute towards addressing climate change.

Flood Defence

Prioritisation Methodology

Capital spend on Flood Risk Management in Warwickshire is primarily through the delivery of Flood Alleviation Schemes.

These schemes are funded through Flood Defence Grant in Aid (FDGiA), and Local Levy as part of the Environment Agency (EA) led six-year national programme. This funding is based on the number of properties better protected from flood risk, and other assets such as highway and private land do not attract such funding.

The locations for capital schemes are prioritised using the outputs from the Warwickshire Local Flood Risk Management Strategy (LFRMS) and Surface Water Management Plan (SWMP). These documents assessed the flood risk across the County using both historical reports and predicted risk to produce a ranking score of risk for every square kilometre of the county. Areas at the highest flood risk have been prioritised for feasibility assessments for potential schemes. These schemes are then submitted to the EA to secure an indicative allocation within the six-year programme. To unlock this allocated funding, WCC must produce a business case for approval that shows the scheme is viable and meets the funding rules. Due to the dispersed nature of the villages at risk in Warwickshire, the schemes are smaller in nature and a contribution from WCC is usually required to secure the funding.

The LFRMS is in the early stages of a review and refresh, however additional locations may be prioritised for a potential scheme should a flood event occur that was not captured in the ranking, but would make the location high risk.

Household Waste Recycling Centres (HWRC) and Transfer Stations

Prioritisation Methodology

Maintenance will be prioritised as follows:

a) Health and Safety and wellbeing – for the staff employed to run the site, members of the public using the site and the District and Borough Councils who use the Transfer stations to facilitate their kerbside collections. Other statutory requirements would also fall under this umbrella;
b) Efficiency, cost effectiveness, increasing the service offer to the public (new recycling streams etc.)

Balance of Planned Maintenance and Emergency Work

The annual plan includes a contingency for emergencies. Regular meetings are held to monitor the plan against actual activity and any move from the plan would be based on the prioritisation criteria above.

Appendix D

Highways Maintenance and Street Lighting

Prioritisation Methodology

An asset management approach is used to manage the highway network in order to ensure that the best possible use can be made of the available resources. Central to this is the collection and use of robust network condition data year-on-year, which allows us to model its deteriorating or improving condition. The results allow us to target suitable treatments at the most appropriate locations, maintaining and, where possible, improving the whole network condition. Capital allocations for street lighting are used for the replacement of columns that fail structural testing, installations that need replacing due to untraced third-party damage and improvements that fall outside the scope of specific capital allocations made in recent years for a Central Management System and the introduction of LED technology. The allocations for bridge maintenance are used to undertake the minor capital works that are deemed essential. This approach should ensure our bridge stock remains in a safe condition.

Planned Versus Emergency Maintenance

All routine, reactive and emergency works required to the highway network are revenue funded, allowing capital to be used for planned programmes of work designed to maintain and improve the asset condition. Bridge maintenance emergency works are funded from capital and tend to be in the form of vehicular damage, flash flooding or vandalism. At the start of the year a contingency sum from the capital allocation will be reserved to cover emergencies based on experience in previous years. This will be released for planned maintenance at the end of the year if a proportion is unused.

Schools and Non-Schools Building Maintenance

Prioritisation Methodology

Condition survey work is carried out across the property stock and classifies building and engineering maintenance items into 4 categories: D (Bad), C (Poor), B (Satisfactory) and A (Good). The categories are then given priorities highlighting recommended timescales for the work to take place: 1 – Urgent Work, 2 – Work required within 2 years, 3 - Work required within 3 to 5 years, 4 – Work outside the 5-year planning period. The data is further measured through a scoring system, to give a total weighted score which then ranks the items to be addressed in priority order. The priority listing is then further interrogated and validated by using a surveyor intervention check and a property future review with the Strategic Asset Management team. The budget available is then allocated to the priority list and this determines the approximate number of projects that can be carried out in year.

Balance of Planned Maintenance and Emergency Work

Emergency work that arises may take priority over the planned maintenance programme developed from the above methodology and therefore the plan is revised in some areas throughout the year. Projects are then reprioritised and delivered in line with the remainder of the available budget.

Country Parks Maintenance

Prioritisation Methodology

Maintenance will be prioritised as follows:

a) Health and Safety – in particular the duty of care under Occupiers' Liability. This also reduces claims against the Council;

b) Maintaining the visitor welcome, and parking infrastructure (to maintain income) and replacement play equipment, fishery development, and visitor enhancements (to increase income); and
c) Schemes that lever out match funding.

The winter works programme is developed in early autumn for delivery November - Easter. Resourcing is a blend of Country Park staff, volunteers, partners and contractors in order to maximise what is achieved within the allocation. Certain works are completed outside of that period due to ground conditions, weather etc.

Balance of Planned Maintenance and Emergency Work

Emergency work that arises is funded from revenue where there is capacity to deliver this. However, if the cost cannot be accommodated the planned maintenance programme developed from the above methodology is revised.

Common emergency works include repairs to paths, roads, furniture and play areas affected by flooding and severe weather events. Timely repair is undertaken by Ranger teams with occasional use of external contractors.

Estate management includes surfaced paths, play areas, bridges, fencing, board walks, bird hides, fishing pegs, shelters, revetments, barriers and payment machines, signage, vehicles, plant and equipment, sculptures and art installations, habitat creation and restoration, and a host of other built and green infrastructure within the parks.

Gypsy and Traveller Sites Maintenance

Prioritisation Methodology

Maintenance will be prioritised to meet health and safety requirements, in particular, the duty of care under Occupiers' Liability. This also reduces claims against the Council.

Balance of Planned Maintenance and Emergency Work

The annual plan includes a contingency for emergencies. Regular meetings are held to monitor the plan against actual activity and any move from the plan would be based on the prioritisation criteria above.

Rural Services

Prioritisation Methodology

All properties are on a rolling five-year rotation for condition surveys, asbestos inspections are carried out annually and water hygiene inspections every two to four years dependent on risk and all properties have Energy Performance Certificate ratings. Work will be prioritised by identifying high category items from the latest surveys/inspections. The level of risk / consequences to the tenant's business (and hence the Council's rental income) is also taken into account as part of the prioritisation process.

- Priority items, identified from condition surveys as D1s (urgent), will be dealt with immediately or within one year based on risk. Prioritisation is then given to Cs (poor - items identified as needing to be addressed within 2 years);
- Items that have been recommended to be removed due to potential health risks on asbestos reports are programmed as the service becomes aware of them to reduce the Council's liability; and
- Dwelling properties that do not meet Minimum Energy Efficiency Standards are prioritised based on when they are due to be re-let where they do not score the minimum rating of 'E'. Under current Government proposals, new lettings of residential properties will need to meet a rating of C and by 2028 all residential dwellings should meet this rating; therefore, further review will be necessary ahead of these proposed dates.

Balance of Planned Maintenance and Emergency Work

The first call for emergency maintenance is from the revenue maintenance budget. Having a capital maintenance budget to address planned maintenance has resulted in not having to put planned maintenance on hold when emergencies arise that cannot be accommodated within the revenue budget.

Assistance towards suitable placements for Children Looked After and those who leave care through adoption and special guardianship

Prioritisation Methodology

Applications are invited from foster carers, prospective adopters, special guardians who are approved or judged to be able to provide the necessary care to the child. Social Workers of children can also apply on behalf of the birth parent following agreement from their manager. The social worker needs to be satisfied and be able to demonstrate that a real need for financial support exists and will either result in long term opportunities for additional placements or is required to ensure stability and permanence of a current placement for a child looked after. In the case of parents, it must be shown that capital investment to property for example will support a child to remain at home. There is an application process, endorsed by the relevant operations manager, which is considered by a panel which is chaired by a Head of Service (Tier 3) and include a finance representative. The decision to award the grant is made at Head of Service level.

Balance of Planned Maintenance and Emergency Work

All planned Grants will be approved though the panel as described above who meet on a quarterly basis. In emergencies, the panel can convene to assess individual cases, to meet the timescales required.

Schools and Non-schools' asbestos and safe water

Prioritisation Methodology

Asbestos

The prioritisation of asbestos remedial work is set out in the HSE Guidance 'The Surveyors Guide – HSG 264'. This document provides a prioritised scoring matrix for each occurrence of asbestos and allocates a condition rating of D (Bad), C (Poor), B (Satisfactory) or A (Good). Each property is resurveyed a minimum of once every 2 years. The asbestos is scored based on the type, condition and quantity; this is called the Material Assessment. The Material Assessment is then further weighted by applying a score to elements such as location, type of location and potential number of people exposed; this is called the Prioritisation Assessment. Following completion of both assessments, a score is allocated to each occurrence of asbestos – the higher the score, the higher the risk and therefore the higher the prioritisation.

Water Hygiene

All properties are surveyed every two or four years, dependant on property risk type. The Water Hygiene risk assessments are reported with all remedial works banded into categories indicating, High, Medium or Low risk. This data is then input into a weighting system which allocates a weighting per item, along with a weighting for type of property, occupation density etc. The result of the methodology ranks the properties into order of the highest risk difference score that could be obtained by carrying out the remedial works and all works are carried out in this priority order.

Balance of Planned Maintenance and Emergency Work

Emergency work that arises may take priority over the planned maintenance programme developed from the above methodology and therefore the plan is revised in some areas throughout the year. Projects are then reprioritised and delivered in line with the remainder of the available budget.

Climate Change Emergency

The Council is committed to reaching net zero carbon by 2030, by reducing our energy consumption through improving the energy efficiency of our buildings and making our corporate buildings carbon neutral; and substantially increasing our renewable energy generation.

All capital maintenance works carried out on Buildings, Asbestos and Safe Water will follow their condition-based prioritisation methodology, they also will strive to address the Climate Change Emergency strategy by ensuring the design solutions align to the target of reaching net zero carbon by 2030.

Equipment for Fire Engines

Prioritisation Methodology

Spending is prioritised through an approved fleet replacement programme produced by consultation with manufacturer’s recommendations and the Council’s/WFRS fleet management team.

Balance of Planned Maintenance and Emergency Work

The Fire and Rescue Service has stores which hold at least enough equipment to immediately restock a spare fire engine if a front-line vehicle should be lost along with its entire inventory. This is our emergency reserve which is maintained as part of the approved rolling capital equipment replacement programme and is also used to procure additional equipment if required following National Fire Chiefs Council guidance following a major incident.

Appendix D

Annex C

Related Documents

Asset Management Strategies

- The Asset Management Framework and Property Strategy
- The Highways Asset Management Strategy and the Highways Asset Management Policy
- The ICT Devices Strategy
- The Education Sufficiency Strategy
- County Fleet Replacement Strategy
- Fire Service Integrated Risk Management Plan
- Digital & Technology Strategy
- WCC Waste Core Strategy
- Local Flood Risk Management Strategy
- Customer Experience Strategy
- WCC Economic Strategy & CWLEP Strategic Economic Plan

Treasury Management and Investment Strategies

- The Treasury Management and Investment Strategy
- Minimum Revenue Provision Policy

Other relevant strategies, plans and documents

- The Council Plan
- Commercial Strategy
- Risk Management Strategy
- Reserves Strategy
- WPDG Business Plan
- WRIF Business Plan
- Local Transport Plan
- Children's Services Business Plan

Agenda Item 4

Cabinet

23 January 2024

Treasury Management Strategy and Investment Strategy

Recommendations

That Cabinet recommends to Council to:

1. Approve the Treasury Management Strategy for 2024/25 (Appendix 2) with effect from 1 April 2024;

2. Approve the Investment Strategy for 2024/25 (Appendix 3) with effect from 1 April 2024;

3. Require the Executive Director for Resources to ensure that gross borrowing does not exceed the prudential level specified (Appendix 2, Section 3.13, Table 12 “Authorised Borrowing Limit”);

4. Approve the revised lending limits for the Warwickshire Property Development Group (WPDG) (Appendix 3, Annex 7);

5. Approve the revised lending limits for the Warwickshire Recovery Investment Fund (WRIF) (Appendix 3, Annex 7);

6. Require the Executive Director for Resources to ensure that gross investment in non-Treasury investments does not exceed the prudential levels specified (Appendix 3, Annex 7);

7. Delegate authority to the Executive Director for Resources to undertake such delegated responsibilities as are set out in Appendix 2, Annex 7, and Appendix 3, Section 2.5;

8. Require the Strategic Director for Resources to implement the Minimum Revenue Provision (MRP) Policy (Appendix 2, Section 2.11-2.26); and

1 Executive Summary

1.1 The Council is required to set a Treasury Management Strategy and Investment Strategy each year and these are set out at Appendix 2 and Appendix 3.

1.2 The Treasury Management Strategy, Investment Strategy, and Capital Strategy are all related. The features of these three strategies are summarised below, and the interrelationships are detailed in Appendix 1.

Capital Strategy	Treasury Management strategy	Investment strategy
Sets out all Council expenditure that is capital in nature, i.e. expenditure on assets that provide benefits over more than one financial year.	Sets out how the Council manages its cash balances, and how capital financing (borrowing) requirements will be managed.	Sets out how the Council will manage non-treasury investments.

1.3 Treasury Management activity has been focused on managing the cash balances of the Council in secure and liquid settings as needed, following the priority of security being the most important consideration, followed by liquidity, with yield being important but not as important as security and liquidity. This is covered in the Treasury Management Strategy (Appendix 2).

1.4 The strategic investments made by the Council are covered in the Investment Strategy (Appendix 3). These investments include, but are not limited to the

- Warwickshire Recovery Investment Fund (WRIF); and
- Warwickshire Property and Development Group (WPDG).

1.5 Due to the level of cash balances held by the Council, no new external borrowing has been required to finance the capital programme of the Council or its Investment activity in recent years.

1.6 The financial year 2023/24 has seen a sustained period of volatile economic activity, with inflation remaining high although it has begun to reduce and interest rates have stabilised after a period of significant increase.

2. Treasury Management (Appendix 2) - Headlines

2.1 Treasury management is to do with the safe handling of cash (the priorities are ensuring security and liquidity, followed by the objective of earning an efficient return). Treasury cash balances are planned to reduce driven by “internal borrowing” whereby the Council makes use of temporarily available cash balances in order to reduce the amount of external borrowing required to support new investment. Internal borrowing is preferred where possible because internal borrowing is cheaper than external borrowing. Appendix 2, Table 7 shows how the position will move in this direction and become increasingly “under borrowed” (i.e. the Council will be borrowing both externally and internally rather than just externally).

2.2 The need to borrow, also referred to as the Capital Financing Requirement or CFR (Appendix 2, Table 4) is forecast to increase driven by the planned capital strategy including investments in WPDG and the WRIF.

Interest Rates

2.3 Interest rates reached a peak during the year and have remained high. The outlook for 2024/25 is expected to be that rates settle and gradually reduce during the year. The rates at which local authorities can borrow have risen from the historic lows at the end of 2021/22, in line with the trend in interest rates.

2.4 Interest returns received on treasury investments have reflected the interest rates in the marketplace. This is expected to reduce during the year 2024/25 as both the interest rates are expected to fall, and the overall treasury portfolio size will reduce.

2.5 Non-treasury investments provide financial returns that reflect market rates, having regard to covering the Council's costs and reflecting risk.

Borrowing

2.6 Taking out new PWLB borrowing is now more expensive than it has been in recent years (Appendix 2 Section 3) but it is still a relatively low cost source of financing. A key requirement will be to ensure that the Council maintains access to PWLB rates when it does need to borrow (although alternatives will also be considered when borrowing is required to ensure best value is achieved). There are two specific factors that will be managed to achieve this:

- By providing HM Treasury with a forward forecast of capital plans local authorities can maintain access to the lowest rates (referred to as the "certainty rates"); and
- By making non-treasury investments that meet PWLB lending criteria (Appendix 3, Annex 1).

2.7 The current borrowing maturity profile includes a concentration of debt due to be repaid around 2050-2060 (Appendix 2 Annex 2). When new borrowing is taken out the opportunity will be taken to consider spreading out the maturity profile more evenly.

2.8 Limits for borrowing have been set based upon expected levels of investment, including an "Authorised Borrowing Limit" which cannot be exceeded (Appendix 2, Table 12).

2.9 The Minimum Revenue Provision (MRP) that is used to reflect the repayment of borrowing principal has been amended. For the majority of capital spending financed by borrowing the MRP remains unchanged. However, as a result of changes to government statutory guidance and regulations, from the 1 April 2024 MRP will in future only be charged for capital WPDG and WRIF loans where there is an expectation of a default (Appendix 2, Section 2.18-2.22). Separately, MRP in respect of leases accounted for under a new accounting standard IFRS16 with effect from 1 April 2024 will be managed in such a way as to avoid double counting of leasing charges in the revenue budget (Appendix 2, Section 2.22-2.24).

3 Investment Strategy (Non-Treasury Investments - Appendix 3) – Headlines

3.1 The WPDG and WRIF will continue in 2024/25. Both initiatives have refreshed strategies, including a reduction of the total WRIF budget and the closure of the Business Investment Growth (BIG) pillar of the WRIF as per the WRIF Business Plan, which is approved annually by Cabinet and the updated WRIF Investment Strategy and Business Plan are elsewhere on this committee meeting's agenda. These initiatives continue to create non-treasury investments that will be funded from internal and external borrowing.

3.2 The final WPDG and Joint Venture Business Plan is not yet completed and will be received and considered by officers between the date of this Report and the final consideration of the Treasury Management Strategy by Council in February. The Executive Director for Resources will consider whether any changes are required to the Treasury Management Strategy as a result and these will be noted and explained to full Council as part of the approval process.

3.3 An important feature of all non-treasury investments is that they are made with the primary purpose of delivering organisational objectives, and not purely or primarily to make a financial return (Appendix 3, Section 3). The objectives of the WPDG and WRIF reflect this requirement and are set out in their respective strategies.

3.4 The Council holds a small amount of other non-treasury investments, all related to the delivery of service objectives (Appendix 3, Section 14).

Risk

3.5 Any investment involves risk, with the risks depending upon the nature of the investment. A range of strategic governance and risk management standards are set out throughout the Investment Strategy which all non-treasury investments must adhere to (as set out in Appendix 3, Annex 2 – Annex 4). In addition, more detailed requirements may be determined for specific funds and incorporated into the approval of those funds.

3.6 Investment risk and return are linked, with higher risks typically being rewarded by higher returns. How financial risk manifests itself varies with the type of investment, for example equity risk manifests in the form of share price volatility, and lending risk manifests in the form of loan repayment default.

3.7 The financial risks and rewards involved in non-treasury investments are of a different nature to (and greater than) the financial risks relating to traditional capital expenditure and treasury investments (Appendix 3, Section 8).

3.8 The reasons for the differences are:

- Treasury investments prioritise security and liquidity to serve the primary objective of treasury management which is to ensure that cash is available when needed to serve the purpose for which that cash is held.

- Traditional capital spending is basic expenditure by nature and is fully funded as such.
- Non-Treasury investment risks are different in that although they are made with the primary purpose of delivering organisational objectives, and not purely or primarily to make a financial return, they are assumed to retain or increase their original asset value and are assumed to provide a more significant financial return than traditional treasury investments. Therefore, there is exposure to the risk of these assumptions not happening.
- The objectives of non-treasury investments by their nature are not the same as treasury investments, and therefore they may not prioritise security and liquidity as highly as treasury investments do.

3.9 A key feature of managing risk will include having arrangements to manage the risk of losses. This will include a certain degree of expected losses built into business models (no investment is 100% guaranteed to pay back), the use of reserves to provide some cover, and hard limits on non-treasury investment levels to limit maximum exposure to losses.

3.10 Some risks are driven by the duration of an investment. The longer the investment is for, the greater the probability is of a default. In addition, very long-term investments introduce intergenerational risks that need to be considered.

3.11 Aside from the risks associated with any individual investments, another type of risk is addressed by the Investment Strategy called “proportionality” (Appendix 3, Section 9). This is to do with the overall aggregate level of investment and exposure to loss, in comparison to the size and financial capacity of a local authority to bear the losses that it is exposed to. The issue of proportionality will be monitored, and proportionality measures may be used in the future to put limits on investment activity.

Prudential Indicators

3.12 The Investment Strategy has been updated to have regard to revised investment plans, including the relevant Prudential Indicators (Appendix 3, Annex 7) that place limits on gross and net investment.

3.13 The gross amount that may be invested in each fund annually is controlled by a hard ceiling within each year. The net level of investment will be monitored (i.e. after accounting for repayment of previous investments). If the annual net position is lower than expected due to repayment defaults, this would trigger a review of future gross investment limits.

3.14 In addition, the following more detailed limits will be applied to manage risk (Appendix 3, Annex 7):

- the length of time that investments may be made for; and
- the amount of a fund that may be debt or equity investment.

3.15 The “Authorised Borrowing Limit” set within the Treasury Management Strategy (Appendix 2, Table 12) includes borrowing required to service these investments.

3.16 All non-treasury management investments will be required to demonstrate that they meet the following criteria:

- That they are primarily for the purpose of delivering organisational objectives and meeting service need.
- That they meet the revised criteria recently set out by the Government that need to be met to retain access to PWLB lending. The Government has specified the kinds of investment that may be made (Appendix 3, Section 3). It is possible to invest in other initiatives but if that were the case, the local authority would have to find borrowing sources from elsewhere and would be considered a higher risk to lend to.
- That whilst they may make a financial return, they must not be purely or primarily for the purpose of making a financial return.

Governance

3.17 High-level requirements for the governance of non-treasury investments are specified in the Investment Strategy (Appendix 3). These are the minimum requirements that must be met. Where specific investments or funds are developed, they may prescribe more detail around their governance arrangements, but those arrangements must meet these strategic requirements.

4 Financial Implications

4.1 The financial implications are detailed within the report and appendices.

5 Environmental Implications

5.1 Both strategies include an “Environmental Social and Governance” (ESG) policy. The primary objectives of treasury management will however remain security, liquidity, and yield, with non-treasury investments also including the delivery of organisational service objectives.

6 Timescales Associated with Next Steps

6.1 The Treasury Management Strategy and Investment Strategy will, subject to approval by Council, come into effect on 1st April 2024.

Appendices

Appendix 1 – Explanation of Capital Expenditure, Treasury Investments, and Non-Treasury Investments
Appendix 2 – Treasury Management Strategy
Appendix 3 – Investment Strategy (for Non-Treasury Investments)

Background Papers

None.

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The report was circulated to the following members prior to publication:
Local Member(s):
Other members:

Appendix 1

Explanation of Capital Expenditure, Treasury Investments, and Non-Treasury Investments

	Capital Expenditure	**Treasury Investments**	**Non-Treasury Investments**
Purpose	Traditional capital expenditure to meet service objectives	Maximising the security and liquidity of cash, and generating the most efficient returns without compromising the required security and liquidity	Investment in assets to meet service objectives and/or commercial objectives
Investment Timescales	Long term	Short-term (up to 1 year)	Short term through to exceptionally long term - dependent on objectives
Outcome for Asset Value	Assets are consumed through their working life and are assumed to have no remaining value at the end of their working life. New funding is then required to purchase or create a new asset.	The preservation of capital (security) is the top priority. Assets are only held until the cash is needed for its original purpose (for example a capital receipt that was held until it was spent).	Asset values are assumed to be maintained and repaid where investments are loans by nature. Where investments are equity in nature then either (1) asset values are assumed to be maintained and/or increase or (2) be replaced by other value (e.g. dividends, capital receipts).
Sources of Funding	Investment is permanent (i.e. the investment does not come back). Sources include capital receipts and grants and borrowing. Provision is made for replacement costs via the MTFS.	Investments are temporary (i.e. investments are assumed to come back eventually) Cash balances provide the funding.	Investments are temporary (i.e. investments are assumed to come back eventually). Primarily borrowing and cash balances
Risk	Assets are fully funded, so there is no risk of a loss of an assumed financial investment as such, however there are risks for example (1) cost over-run and (2) that an asset does not deliver its objectives, and that this has knock-on implications.	Credit and liquidity risk exist but are minimised, for example by restricting investments to counterparties with high credit ratings and restricting investments to shorter durations.	Risks are directly dependent upon the nature of the investments undertaken, and the governance and controls built around them. Risks relate to individual investments, and also emerge from the aggregate total amount of activity.
Primarily covered by which strategy document?	**Capital Strategy** Capital plans also feature in the Treasury Strategy as they drive borrowing and cash planning.	**Treasury Management Strategy**	**Investment Strategy** • Will also feature in the capital strategy where investment is capital in nature and must be accounted for as such. • Will also feature in the Treasury Strategy where the investment drives borrowing or the use of cash balances.
Examples of what this covers in practice	Traditional capital expenditure, for example on roads, IT infrastructure, etc.	• Loans to Banks, Building Societies, and other Local Authorities • Investments in Money Market Funds • Investment in the CCLA Property Fund	• Pre-existing non-treasury investments (e.g. land bank, companies such as ESPO, loans to Educaterers, and loans made via CWRT). • WPDG

Appendix 2

Treasury Management Strategy Statement

Warwickshire County Council
2024/25

1.0 Introduction

Background

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines Treasury Management as:

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

1.2 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the Treasury Management operation is to ensure that this cash flow is adequately planned and managed with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

1.3 The second main function of the Treasury Management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

1.4 The contribution the Treasury Management function makes to the authority is critical, as the balance of debt and investment operations ensure cash liquidity and the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The costs of debt and the investment income arising from cash deposits have an effect on the Council's available budget. Since cash balances generally exist to serve specific purposes, it is paramount to ensure adequate security of the sums invested so that ultimately the cash is still available to be used for the reason it was originally being held for.

Treasury Management reporting

1.5 The Council is currently required to receive and approve, as a minimum, three main Treasury reports each year, which incorporate a variety of policies, estimates and actuals:

a.) **Prudential and Treasury indicators and Treasury strategy** (this report) -:
- the capital plans, (including prudential indicators);
- a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the Treasury Management strategy, (how the investments and borrowings are to be organised), including Treasury indicators; and
- an investment strategy, (the parameters on how investments are to be managed).

b.) **A mid-year Treasury Management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c.) **An annual Treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and Treasury indicators and actual Treasury operations compared to the estimates within the strategy.

d.) **Scrutiny -** The above reports are scrutinised by the Resources and Fire and Rescue Overview and Scrutiny Committee.

e.) **Quarterly reports** – In addition to the three major reports detailed above, from 2023/24 quarterly reporting is also required. However, these additional reports do not have to be reported to full Council/Cabinet but do need to be adequately scrutinised. This role is undertaken by the Resources and Fire and Rescue Overview and Scrutiny Committee.

Capital Strategy and Investment Strategy

1.6 The Treasury Management Strategy Statement (TMSS) interacts with both the Capital Strategy and the Investment Strategy.

a.) **Capital Strategy -** The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and Treasury Management activity contribute to the provision of services;
- an overview of how the associated risk is managed; and
- the implications for future financial sustainability.

The aim of the strategy is to ensure that all the Council's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

b.) **Investment Strategy -** The Council is required to set out separately an Investment Strategy (IS) in relation to non-Treasury investments. Non-Treasury investments must consider security, liquidity, and yield, however the relative priority of these three factors does not have to follow Treasury Management principles as non-Treasury investments are, by their nature, not intended to deliver Treasury Management objectives. The Council's Investment Strategy is a separate document; however, it does interrelate with the Treasury Management Strategy and Capital Strategy.

1.7 The table below summarises these different strategies.

Capital Strategy	Treasury Management Strategy – including Treasury Investment Strategy	Investment Strategy
Traditional capital expenditure to directly meet service objectives.	Management of cash and debt to service the delivery of day-to-day operations and the long-term financing of investments.	Non-Treasury investments with the primary objective of meeting service objectives.

Treasury Management Strategy for 2024/25

1.8 The strategy for 2024/25 covers two main areas:

a.) Capital considerations -
- Capital expenditure plans and the associated prudential indicators; and
- Minimum revenue provision (MRP) policy.

b.) Treasury Management considerations -
- The current Treasury position;
- Treasury indicators which limit the Treasury risk and activities of the Council;
- Prospects for interest rates;
- Borrowing Strategy;
- Policy on borrowing in advance of need;
- Debt rescheduling;
- Investment Strategy;
- Creditworthiness policy;
- The policy on use of external service providers; and
- The Councils Income Management Policy.

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

1.10 The Treasury Management scheme of delegation, and responsibilities of the Section 151 officer are set out in Annex 6 and 7 respectively.

Training

1.11 The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for Treasury Management receive adequate training in Treasury Management. This especially applies to members responsible for scrutiny.

1.12 The following is carried out to monitor and review knowledge and skills:

a.) Planned and recorded attendance at training and events.
b.) Tailored learning plans for Treasury Management officers and board/Council members.
c.) Treasury Management officers and board/Council members undertake a self-assessment against the required competencies.
d.) Regular communication with officers and board/Council members to highlight training needs on an ongoing basis.

1.13 A formal record of the training received by officers central to the treasury function will be maintained by the treasury team. Similarly, a formal record of the Treasury Management/capital finance training received by members will also be maintained by the Treasury Manager. Both records will be included in Treasury Management Outturn reports at the end of the financial year.

Treasury Management Consultants

1.14 The Council currently contracts with Link Group, Treasury Solutions as its external Treasury Management advisers.

1.15 The Council recognises that responsibility for Treasury Management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of external service providers. All decisions will be undertaken with regard to all available information, including, but not solely, our Treasury advisers.

1.16 The Council also recognises that there is value in employing external providers of Treasury Management services in order to acquire access to specialist skills and resources as and when required. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly contracted, agreed and documented and subjected to regular review.

1.17 In respect of non-Treasury investments, two adviser contracts are used for access to specialist skills and resources. These are detailed in the Investment Strategy and are separate to the above treasury adviser contract.

2.0 The Capital Prudential Indicators 2024/25 – 2028/29

2.1 The Council's capital expenditure plans are the key driver of Treasury Management activity. The outputs of the capital expenditure plans are reflected in the prudential indicators (Annex 1), which are designed to assist members to review and confirm capital expenditure plans.

Prudential Indicator – Capital Expenditure and Financing

2.2 This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Table 1 – Total Capital Programme

2.3 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a need to borrow to fund the shortfall.

Table 2 – Financing of Capital Expenditure

£000's	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Capital Expenditure	183,666.00	205,682.29	143,251.03	75,761.74	56,936.62	55,586.40
Non-Treasury Investment WPDG*	10,738.00	15,725.38	11,420.13	11,367.23	15,013.46	5,555.21
Non-Treasury Investment WRIF*	-	20,000.00	15,000.00	15,000.00	-	-
Total	**194,404.00**	**241,407.67**	**169,671.16**	**102,128.98**	**71,950.08**	**61,141.61**

***WPDG Warwickshire Property and Development Group**

***WRIF Warwickshire Recovery and Investment Fund BIG and PIF Pillars**

£000's	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Capital receipts	222.91	2,683.20	144.00	192.00	-	-
Capital grants	138,221.48	74,340.38	42,035.38	36,916.38	36,064.38	35,966.38
Self Financed Borrowing	-	-	-	-	-	-
Revenue	547.00	272.00	-	-	-	-
Capital Programme Funding/Income	138,991.39	77,295.58	42,179.38	37,108.38	36,064.38	35,966.38
WPDG Receipts	5,643.00	6,419.79	12,993.40	19,610.56	18,351.55	15,171.09
WRIF Receipts	-	-	4,400.00	7,000.00	10,000.00	10,000.00
Non Treasury Investment Funding/Income	5,643.00	6,419.79	17,393.40	26,610.56	28,351.55	25,171.09
Total Funding/Income	**144,634.39**	**83,715.37**	**59,572.78**	**63,718.94**	**64,415.93**	**61,137.47**
Total Capital Expenditure	194,404.00	241,407.67	169,671.16	102,128.98	71,950.08	61,141.61
Net financing need for the year	**49,769.61**	**157,692.29**	**110,098.37**	**38,410.04**	**7,534.15**	**4.14**
Minimum Revenue Provision (MRP)	- 10,082.80	- 11,670.27	- 17,511.15	- 21,214.64	- 21,902.45	- 21,327.72
Borrowing Requirement	**39,686.81**	**146,022.03**	**92,587.23**	**17,195.40**	**- 14,368.31**	**- 21,323.59**

2.4 The net financing need split between capital expenditure and non-Treasury investments is shown below, to help show the relative scale of non-Treasury investments.

Table 3 – Financing of Non-Treasury Investments

£000's	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
WPDG Capital Investment	10,738.00	15,725.38	11,420.13	11,367.23	15,013.46	5,555.21
Less: WDPG Related Receipts and Repayments	- 5,643.00	- 6,419.79	- 12,993.40	- 19,610.56	- 18,351.55	- 15,171.09
WRIF Capital Investment	-	20,000.00	15,000.00	15,000.00	-	-
Less: WRIF Related Receipts and Repayments	-	-	- 4,400.00	- 7,000.00	- 10,000.00	- 10,000.00
Net financing need for the year	**5,095.00**	**29,305.59**	**9,026.73**	**- 243.32**	**- 13,338.09**	**- 19,615.88**
Percentage of total net financing need %	10.2%	18.6%	8.2%	n/a *	n/a *	n/a *

*** Note that reciepts exceed payments from 2026/27-2028/29 so no net financing is needed for non treasury investments**

2.5 Further details in respect of non-Treasury investments are set out in the separate Investment Strategy document.

Prudential Indicator – The Council's Borrowing Need (Capital Financing Requirement)

2.6 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is a measure of the indebtedness and underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

2.7 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges for the economic consumption of capital assets as they are used.

Table 4 – Capital Financing Requirement

£000's	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
CFR – Capital Programme	291,445.69	408,162.13	491,722.63	509,161.35	508,131.13	506,423.43
CFR - WPDG	5,095.00	14,400.59	12,827.32	4,584.00	1,245.90	(8,369.98)
CFR - WRIF	0.00	20,000.00	30,600.00	38,600.00	28,600.00	18,600.00
Total CFR	**296,540.69**	**442,562.72**	**535,149.94**	**552,345.34**	**537,977.04**	**516,653.45**
Movement in CFR - Capital Prog		128,386.70	101,071.65	38,653.36	20,872.24	19,620.02
Movement in CFR - WPDG		9,305.59	(1,573.27)	(8,243.32)	(3,338.09)	(9,615.88)
Movement in CFR - WRIF		20,000.00	10,600.00	8,000.00	(10,000.00)	(10,000.00)
Movement in CFR - Total		**157,692.29**	**110,098.37**	**38,410.04**	**7,534.15**	**4.14**
Movement in CFR represented by						
Net financing need for the year	49,769.61	157,692.29	110,098.37	38,410.04	7,534.15	4.14
Less MRP and other financing	(10,082.80)	(11,670.27)	(17,511.15)	(21,214.64)	(21,902.45)	(21,327.72)
Movement in CFR net of MRP	**39,686.81**	**146,022.03**	**92,587.23**	**17,195.40**	**(14,368.31)**	**(21,323.59)**

Prudential Indicator – Liability Benchmark

2.8 A third and new prudential indicator for 2024/25 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

2.9 There are four components to the LB:

a.) Existing loan debt outstanding: the Authority's existing loans that are still outstanding in future years.

b.) CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.

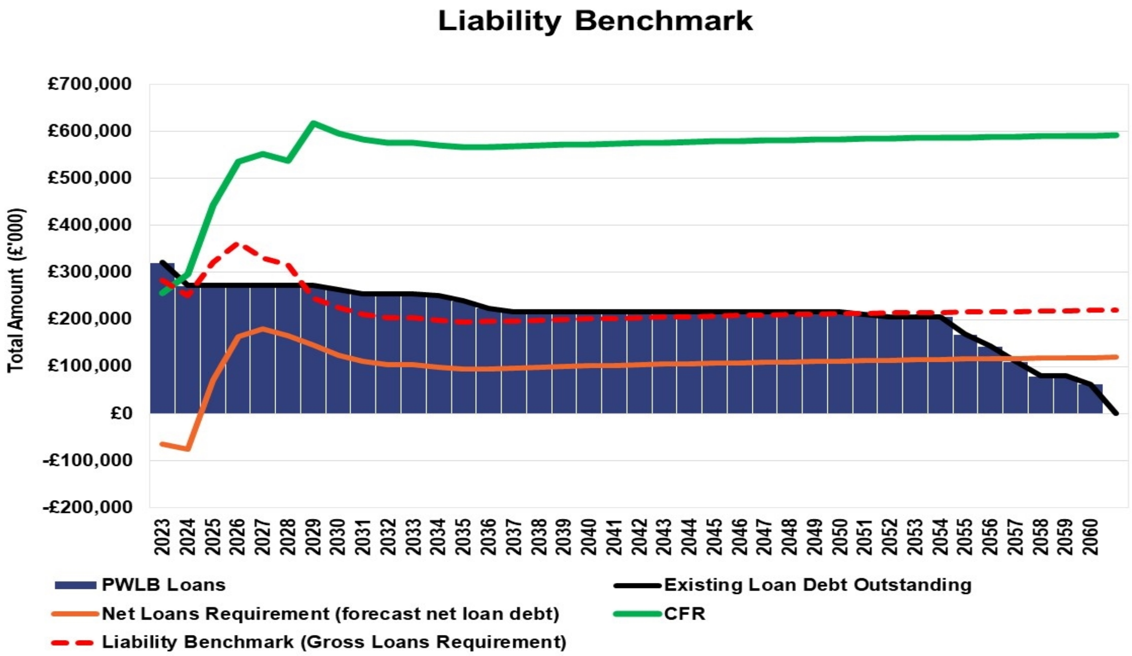
c.) Net loans requirement: this will show the Authority's gross loan debt less Treasury Management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.

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

Table 6 Liability Benchmark

In £000's	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Existing Loan Debt	£272,413	£272,413	£272,413	£272,413	£272,413	£272,413	£264,413	£254,413	£254,413	£254,413	£250,413
Net Loans Requirement	-£74,965	£71,057	£163,645	£180,840	£166,472	£145,148	£124,673	£111,439	£104,285	£104,169	£99,030
CFR	£296,541	£442,563	£535,150	£552,345	£537,977	£616,478	£596,003	£582,769	£575,615	£575,499	£570,360
Liability Benchmark	**£250,035**	**£321,057**	**£363,645**	**£330,840**	**£316,472**	**£245,148**	**£224,673**	**£211,439**	**£204,285**	**£204,169**	**£199,030**
Forecast Investments	£344,320	£169,289	£115,407	£159,027	£234,263	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000
(Over)/Under LB	-£22,378	£48,644	£91,232	£58,427	£44,059	-£27,265	-£39,740	-£42,974	-£50,128	-£50,244	-£51,383

Chart 1 Liability Benchmark



Core Funds and Expected Investment Balances

2.10 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Table 7 – Expected Investments

£000's	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Fund balances / reserves	226,608.43	197,599.04	193,304.04	193,120.04	192,988.04	192,988.04
Capital receipts	-	-	-	-	-	-
Other	5,852.46	5,852.46	5,852.46	5,852.46	5,852.46	5,852.46
Total core funds	**232,460.89**	**203,451.50**	**199,156.50**	**198,972.50**	**198,840.50**	**198,840.50**
Working capital	136,000.00	136,000.00	136,000.00	136,000.00	136,000.00	136,000.00
(Under)/over borrowing	- 24,140.69	- 170,162.72	- 219,749.94	- 175,945.34	- 100,577.04	- 26,253.45
Expected treasury investments	**344,320.20**	**169,288.78**	**115,406.56**	**159,027.16**	**234,263.46**	**308,587.05**

* Working capital balances shown are estimated year-end; these may be higher mid-year

Minimum Revenue Provision (MRP) Policy Statement

2.11 Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred and so such expenditure is spread over several years so as to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision (MRP).

2.12 The MRP should be designed to make prudent provision to redeem debt liabilities over a period which is reasonably commensurate with the associated capital expenditure benefits.

2.13 Having regard to these requirements, the MRP provision will be calculated as set out below.

MRP for Capital Programme Expenditure.

2.14 The MRP provision will be calculated on the average remaining useful life of the Council's asset portfolio. We will calculate and apply the remaining useful life over two categories of asset:

- Land, buildings and infrastructure; and
- Vehicles, plant and equipment and intangible assets.

2.15 The proportion of debt outstanding in each category of asset will be determined by the value of assets included in the balance sheet at the end of each financial year.

2.16 The 2020 review shows that the remaining useful life of our assets is now 22 years. By using an average life of 25 years for our assets equates to an annual provision of 4% straight line MRP.

2.17 For vehicles, plant and equipment, the remaining useful life is assumed to be 6 years e.g. 5 years average remaining useful life will result in 20% straight line MRP.

MRP for the Warwickshire Property Development Group (WPDG)

2.18 Unlike mainstream capital spending where provision for purchase of replacement assets has to be made in order to have funding available for replacement assets, expenditure (investment) in the WPDG will at a later date be repaid in full.

2.19 It is possible to assume that these repayments of principal amount to the necessary revenue provision. However, there is a risk that repayment of principal is not made, or not made in full. In order to mitigate this risk, the MRP policy for the WPDG will be to make a provision as follows:

- No MRP will be charged to the revenue account on any equity land or asset transfers into Wholly Owned subsidiaries.

- No MRP will be charged on working capital loans. Any anticipated impairments will be treated following the relevant accounting standards (namely IFRS9 - Financial Instruments), and not charged through the capital financing regime.
- MRP on development loans made to DevCo (a subsidiary of WPDG) will be charged over 25 years of equivalent to 4% per year on any amount reasonably expected to default, rather than the full value of the loan.
- MRP on loans to ManCo (a subsidiary of WPDG for purchase of assets from DevCo) will be charged to the revenue account over 25 years (4% per year) on any amount expected to default, rather than the full value of the loan.
- Any capital receipts then received as repayment of the loan principal from ManCo and Dev Co will be used to offset “traditional” borrowing requirements for financing the wider capital programme.

MRP for the Warwickshire Recovery Investment Fund (WRIF)

2.20 Unlike mainstream capital spending where provision for purchase of replacement assets has to be made in order to have funding available for replacement assets, expenditure (investment) in the WRIF will at a later date be repaid in full.

2.21 It is possible to assume that these repayments of principal amount to the necessary revenue provision. However, there is a risk that repayment of principal is not made, or not made in full. In order to mitigate this risk, the MRP policy for the WRIF will be to make a provision as follows:

> “*MRP on WRIF loans that are capital in nature will be charged over 25 years or equivalent to 4% per year on any amount reasonably expected to default, rather than the full value of the loan*”

2.22 Any capital receipts then received as repayment of the loan principal from WRIF will be used to offset “traditional” borrowing requirements for financing the wider capital programme.

MRP For International Financial Reporting Standard 16 (IFRS16) - Leases

2.23 On 1 April 2024 the Council is required to adopt a new accounting standard for leases (IFRS16). This means that for all leases where we are the lessee, our right-to-use the asset will be recognised and we will account for the leased asset on our Balance Sheet as though we had purchased the asset.

2.24 The introduction of increased numbers of leases onto the Balance Sheet will increase the Capital Financing Requirement. Without any other change this would increase the MRP charge. However, lease rental payments are already made from revenue budgets for these assets and therefore, to avoid double counting the cost of the leased assets, a technical adjustment will be made to ensure a “net nil” effect on the revenue budget.

2.25 For assets under lease contracts existing from 2024/25 onwards, the annual MRP charge will match the element of the rent/charge that goes to write down the lease liability. Therefore, there will be no impact on available capital resources or the capital financing requirement from this new accounting requirement.

MRP Calculation

2.26 The actual calculation of MRP will be based on the [Total Capital Financing Requirement x 4%]. This is deemed to be a prudent overall level of provision based upon the requirements set out above.

2.27 The Council has the option to directly and specifically link internal borrowing to specific investments and where this is the case a MRP would not be made. This would mean that repayments associated with the loan would not be capital and would therefore not be ringfenced to financing capital spending. Any anticipated impairments will be treated following the relevant accounting standards (namely IFRS9 - Financial Instruments), and not charged through the capital financing regime. However, the default position is that specific funding sources are not directly linked to specific investments therefore an express decision to link specific funding to a specific investment would need to be made for this to happen.

3.0 BORROWING

3.1 The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The Treasury Management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Capital Strategy. This involves both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant Treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy

3.2 In recent years the Council has held an over borrowed position (meaning external borrowing was greater than the total capital financing requirement), however this is forecast to change by the end of the financial year 2023/24 when we expect a marginal under borrowed postion. Going forward, the capital programme and use of internal borrowing will mean the Council expects to maintain an under borrowed position. The need for further borrowing will be kept under review.

Current Portfolio Position

3.3 The overall Treasury Management portfolio as at 31st March 2023, 30th September 2023 and 31 December 2023 are shown below for both borrowing and investments.

Table 8 – Current Portfolio Position

Treasury Portfolio						
	Actual 31.03.2023 £m	Actual 31.03.2023 %	Actual 30.09.2023 £m	Actual 30.09.2023 %	**Actual 31.12.2023 £m**	**Actual 31.12.2023 %**
Treasury investments						
Banks	38.29	8.35%	17.00	4.35%	17.17	5.11%
Building Societies	50.34	10.98%	50.00	12.79%	30.00	8.93%
Local authorities	201.14	43.86%	192.00	49.12%	172.35	51.29%
Housing Associations			30.00	7.68%	30.00	8.93%
Total managed in house	**289.77**	**63.19%**	**289.00**	**73.94%**	**249.52**	**74.26%**
Bond funds	29.40	6.41%	28.98	7.41%	29.44	8.76%
Property funds	10.02	2.19%	9.89	2.53%	9.82	2.92%
Cash fund managers	129.39	28.22%	63.00	16.12%	47.23	14.06%
Total managed externally	**168.81**	**36.81%**	**101.87**	**26.06%**	**86.49**	**25.74%**
TOTAL TREASURY INVESTMENTS	**458.58**	**100%**	**390.87**	**100%**	**336.01**	**100%**
Treasury external borrowing						
PWLB	321.406	100%	272.400	100%	272.400	100%
Total external borrowing	**321.406**		**272.400**		**272.400**	
Net Treasury Investments / (Borrowing)	**137.17**		**118.47**		**63.61**	

3.4 Annex 2 sets out the current maturity profile of the borrowing portfolio. Currently there is a significant concentration of debt maturities across the period 2050-2060.

3.5 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Table 9 – External Debt Forecast

£m	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
External Debt						
Current Debt	272.400	272.400	272.400	272.400	272.400	264.400
New Debt	-	-	43.000	61.000	61.000	61.000
Actual gross debt at 31 March	**272.400**	**272.400**	**315.400**	**333.400**	**333.400**	**325.400**
The Capital Financing Requirement	296.541	442.563	535.150	552.345	537.977	516.653
Under / (over) borrowing	**24.141**	**170.163**	**219.750**	**218.945**	**204.577**	**191.253**

Internal Debt

3.6 The Council will seek to hold efficient levels of cash and will therefore run-down external investment balances and use cash to finance a share of the Capital Financing Requirement. This is referred to as internal borrowing. The level of internal borrowing will be kept under review to ensure that the level of liquid Treasury investments (a liquidity buffer) does not fall below £75m, and total Treasury Investments does not fall below £100m.

Table 10 – Internal Debt Forecast

£m	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
External Debt	272.400	272.400	315.400	333.400	333.400	325.400
Internal Debt (internal borrowing)	24.141	170.163	219.750	218.945	204.577	191.253
Internal borrowing as % of CFR	**8.1%**	**38.4%**	**41.1%**	**39.6%**	**38.0%**	**37.0%**

3.7 Where it is deemed appropriate to add to the level of current external loan finance, any risks associated with such borrowing will be subject to prior appraisal (including borrow now or borrow later analysis) and subsequent reporting through the mid-year or annual reporting mechanism.

3.8 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

3.9 The Director of Finance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Treasury Indicators: Limits to Borrowing Activity

3.10 **The operational boundary** – This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Table 11 – Operational Boundary

£m	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
External Debt	393.313	486.819	588.665	607.580	591.775	568.319
Total	**393.313**	**486.819**	**588.665**	**607.580**	**591.775**	**568.319**

The Authorised Limit for External Debt

3.11 This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

3.12 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all

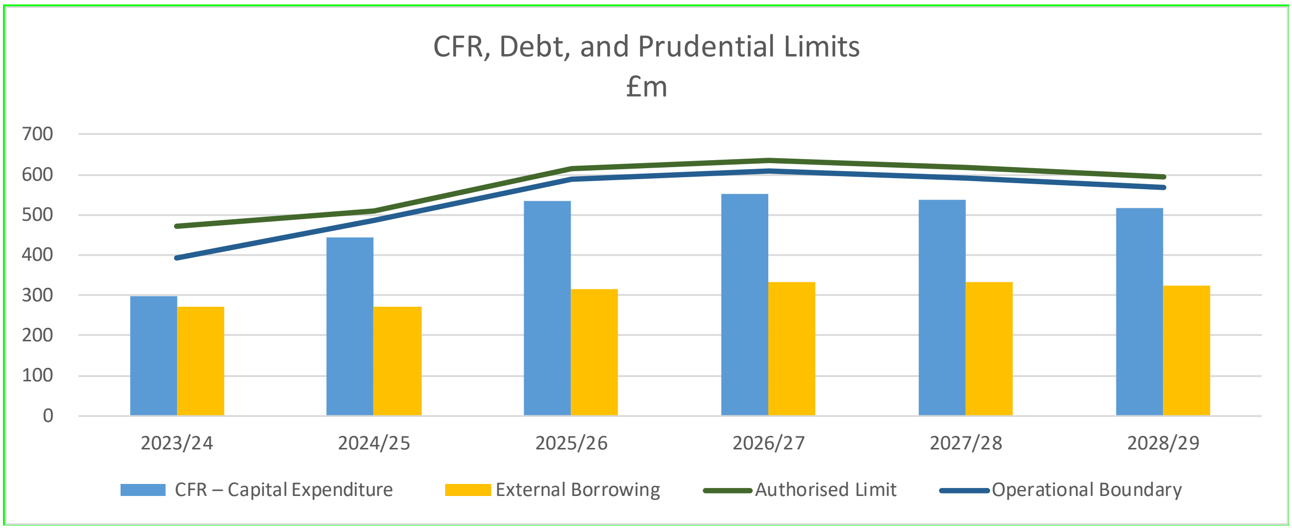
Councils' plans, or those of a specific Council, although this power has not yet been exercised.

3.13 The Council is asked to approve the following authorised limit.

Table 12 – Authorised Limit

£m	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
External Debt	472.00	509.00	616.00	636.00	619.00	595.00
Total	**472.000**	**509.000**	**616.000**	**636.000**	**619.000**	**595.000**

Chart 2 - Capital Financing Requirement, Debt and Prudential Limits



Prospects for Interest Rates

3.14 The Authority has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 07 November 2023. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	07.11.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

3.15 Additional notes by Link on this forecast table:

- Our central forecast for interest rates was previously updated on 25 September and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and that there is a likelihood of the overall economy enduring at least a mild recession over the coming months, although most recent GDP releases have surprised with their on-going robustness.

- Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.
- On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing somewhat better at this stage of the economic cycle than may have been expected. However, as noted previously, most of those excess savings are held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

3.16 **PWLB Rates** – Gilt yield curve movements have broadened since our last Newsflash. The short part of the curve has not moved far but the longer-end continues to reflect inflation concerns. At the time of writing there is 60 basis points difference between the 5 and 50 year parts of the curve.

3.17 **The balance of risks to the UK economy** – The overall balance of risks to economic growth in the UK is to the downside.

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

- Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- The Bank of England has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- UK / EU trade arrangements – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- Geopolitical risks, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

3.19 Upside risks to current forecasts for UK gilt yields and PWLB rates:

- Despite the recent tightening to 5.25%, the Bank of England proves too timid in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to remain elevated for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.

- The pound weakens because of a lack of confidence in the UK Government's pre-election fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer-term US treasury yields rise strongly if inflation remains more stubborn there than the market currently anticipates, consequently pulling gilt yields up higher. We saw some movements of this type through October although generally reversed in the last week or so.
- Projected gilt issuance, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields compensating

Link Group Forecast

3.20 We now expect the MPC will keep Bank Rate at 5.25% for the remainder of 2023 and the first half of 2024 to combat on-going inflationary and wage pressures. We do not think that the MPC will increase Bank Rate above 5.25%, but it is possible.

3.21 **Gilt yields and PWLB rates** – The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation starts to fall through the remainder of 2023 and into 2024.

PWLB debt	Current borrowing rate as at 06.11.23 p.m.	Target borrowing rate now (end of Q3 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	5.02%	3.80%	3.90%
10 years	5.15%	3.80%	3.80%
25 years	5.61%	4.20%	4.10%
50 years	5.38%	4.00%	3.90%

3.22 Our target borrowing rates are set two years forward (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below:

- Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate has increased from 2.75% to 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to wait for inflation, and therein gilt yields, to drop back later in 2024.

3.23 Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are rounded to the nearest 10bps and set out below.

You will note that investment earnings have been revised somewhat higher for all years from 2025/26 as Bank Rate remains higher for longer.

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.70%	4.70%
2025/26	3.20%	3.00%
2026/27	3.00%	2.80%
2027/28	3.25%	3.05%
Years 6 to 10	3.25%	3.05%
Years 10+	3.25%	3.05%

3.24 As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

3.25 Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

Borrowing Strategy

3.26 Being mindful of the economic outlook for 2024/25 (Annex 8) the following assumptions will be adopted in the borrowing strategy:

- The cheapest borrowing will be internal borrowing by running down cash balances and foregoing interest earned at historically low rates.
- Internal borrowing will be weighed against potential long-term costs that will be incurred if market loans at long term rates are higher in future years.
- Long term fixed rate market loans at rates significantly below PWLB rates will be considered where available, to ensure the best rates and to maintain an appropriate balance between PWLB and market debt in the debt portfolio.
- PWLB borrowing for periods under ten years will be considered where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing which will spread debt maturities away from a current concentration in longer dated debt.
- To ensure that the Council considers all options to secure long-term certainty, the Council may also look to make use of forward starting loans as this will allow us to lock into a known financing rate out of a future date. These loans tend to be offered by Financial institutions (primarily insurance companies and pension funds but also some banks, where the objective is to use the forward loan with a mix of internal loans/temporary borrowing to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

Policy on Borrowing in Advance of Need

3.27 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

3.28 However, the Council may borrow in advance of need for risk management or borrowing efficiency purposes. In determining whether borrowing will be undertaken in advance of need, the Council will:

- Ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to fund in advance of need;
- Ensure the ongoing revenue liabilities created, and the implications on future plans and budgets have been considered;
- Evaluate the economic and market factors that might influence the manner and timing of any decision;
- Consider the merits and demerits of alternative forms of funding;
- Consider the alternative interest rate bases available, the most appropriate time periods and repayment profiles; and
- Consider the impact of temporarily increasing cash balances until cash is required to finance capital expenditure, and the consequent increase in exposure to counterparty and other risks.

Debt Rescheduling

3.29 As short-term borrowing rates are cheaper than longer term rates, there may be opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of their short-term nature and the cost of debt repayments. Reasons for debt rescheduling would include:

- The generation of cash savings and/or discounted cash flow savings;
- Helping to fulfil the strategy; and
- Enhancing the balance of the portfolio, for example reducing concentration of the debt maturity profile.

3.30 The option to make repayment of some external debt to the PWLB in order to reduce the difference between its gross and net debt position will be kept under review.

New Financial Institutions as a Source of Borrowing and / or Types of Borrowing

3.31 Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both Housing Revenue Account and non-Housing Revenue Account borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons (for full list see Annex 3):

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a "cost of carry" or to achieve refinancing certainty over the next few years).
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time).

3.32 Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

4. ANNUAL INVESTMENT STRATEGY

Investment Policy – Management of Risk

4.1 The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with Treasury (financial) investments, (as managed by the Treasury Management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

4.2 The Council's investment policy has regard to the following:

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

4.3 The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and within the Council's risk appetite. In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider spreading investments for periods up to 18 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options

4.4 The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

- Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector

on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisers to maintain a monitor on market pricing such as **"credit default swaps"** and overlay that information on top of the credit ratings.

- **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- This authority has defined the list of **types of investment instruments** that the Treasury Management team are authorised to use. There are two lists in annex 4 under the categories of 'specified' and 'non-specified' investments -

4.5 **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.

4.6 **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

- **Non-specified and loan investment limits.** The Council has determined that it will set a limit to the maximum exposure of the total Treasury Management investment portfolio to non-specified Treasury Management investments of £150m.
- **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in Annex 4.
- **Sector Limits.** The Council has determined that it will limit the maximum exposure within different sectors of investments. These are set out in Annex 4
- **Transaction limits** are set for each type of investment in Annex 4.
- Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.10).
- This authority has engaged **external consultants**, (see paragraph 1.11), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

4.7 As a result of the change in accounting standards for 2022/23 under IFRS 9, the Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. The Government has extended the Override for an additional two-year period until 31 March 2025.)

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

4.9 The above risk management policy criteria are **unchanged** from last year.

Creditworthiness Policy

4.10 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that it:

- Maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- Has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

4.11 The Director of Finance will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

4.12 Credit rating information is supplied by the Link Group, our Treasury advisers, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing. For instance, a negative rating Watch applying to counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

4.13 The criteria for providing a pool of high-quality investment counterparties, (both specified and non-specified investments) is:

a.) **Banks of good credit quality –** the Council will only use banks which are:
- UK banks; or
- non-UK and domiciled in a country which has a minimum sovereign Long-Term rating of A-and have, as a minimum, the following Fitch Ratings:
- Short Term – F1
- Long Term – A-

b.) **Council's own Bank** – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.

c.) **Building Societies** - The Council will use all societies which meet the ratings for banks outlined above;

d.) **Money Market Funds (MMFs)**:
- CNAV (constant net asset value) – AAA rated
- LVNAV (low volatility net asset value)– AAA rated
- VNAV (variable net asset value) – AAA rated

e.) **Property Funds** - CCLA

f.) **Social Bond Funds** - Threadneedle

g.) **Ultra-Short Dated Bond Funds** – at least AA rated

h.) **Local Authorities and Parish Council Loans** - both spot and forward dates

i.) **Housing Association Loans** - both spot and forward dates

4.14 **Use of additional information other than credit ratings** – Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

4.15 **Time and monetary limits applying to investments** – The time and monetary limits for institutions on the Council's counterparty list are detailed in Annex 4.

4.16 **Creditworthiness** – Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating was placed on Negative Outlook by the three major rating agencies in the wake of the Truss/Kwarteng unfunded tax-cuts policy. After the Sunak/Hunt government has calmed markets, the outlook of the UK sovereign debt has since been rated stable by Moody's (20 October 2023), S&P (21 April 2023) and DBRS (13 January 2023). Accordingly, when setting minimum sovereign debt ratings, the Council will not set a minimum rating for the UK.

4.17 **Credit Default Swaps (CDS) prices** – Although bank CDS prices (these are market indicators of credit risk) spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitors CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

Other Limits

4.18 Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors:

a.) **Country limit** – The Council has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of *A-*** from Fitch Ratings. The list of countries that qualify using this credit criteria as at the date of this report are shown in Annex 5. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

b.) **In-house funds** – Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed:

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Investment Performance / Risk Benchmarking

4.19 **Benchmarks** are guides to risk, they may be breached depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is so that officers can monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Current advice suggests using the investment benchmark – ‘returns above the 7-day SONIA compounded rate’.

Non-Treasury Investment Strategy

4.20 A separate document entitled “Investment Strategy” covers the Council’s position in respect of non-Treasury Management investments held for service reasons or commercial reasons.

End of Year Investment Report

4.21 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

External Fund Managers

4.22 The County Council uses a number of external managers to spread risk and obtain maximum market exposure. Current external fund managers actively used during the last year are listed below. This list is not exhaustive and new fund managers may be engaged if necessary. Officers will periodically review the position, performance, and costs of external fund managers, and may meet with client relationship managers or fund managers as appropriate.

- Blackrock
- Deutsche Bank
- Goldman Sachs

- Insight
- Aberdeen
- Federated Hermes
- CCLA
- Threadneedle

4.23 The council currently holds investments with two variable net asset value funds, CCLA and Threadneedle. Both funds have experienced volatility driven by Covid followed by a period of stabilisation. These Funds are kept under review.

Environmental, Social, and Governance Policy

4.24 As a responsible investor, the Council is committed to considering environmental, social, and governance (ESG) issues, and has a particular interest in taking action against climate change and pursuing activities that have a positive social impact.

4.25 However, the Treasury Management function is controlled by statute and by professional guidelines and the first priorities of Treasury must remain security, liquidity, and yield. With those priorities kept in place, the following activity will be undertaken in respect of climate change and responsible investing. Steps will be taken to:

- Ensure an understanding of the degree to which investments may contribute towards climate change. This may take the form of measuring the carbon footprint or some similar measure.
- Where appropriate, move cash balances to funds that have are ESG driven targets, or “green funds”, to ensure our investment is contributing towards tackling ESG issues.
- Identify and understand the extent to which investments which are exposed to risks driven by climate change, for example investments in assets at risk of weather change (e.g. property or infrastructure at risk of flooding), assets at risk of becoming stranded (e.g. fossil fuel investments), or assets at risk from geopolitical risks driven by climate change (e.g. water access, the capacity for food production, or economic conflict).
- Keep abreast of new investment opportunities that have regard to ethical investing and climate change as this is a quickly developing arena.
- Understand the ESG policies of funds, other local authorities, when considering new investment opportunities.

Pension Fund Cash

4.26 This Council will comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, implemented 1 January 2010. With effect 1 April 2010, the Council does not pool pension fund cash with its own cash balances for investment purposes. Any investments made by the pension fund directly with this local authority after 1 April 2010 must comply with the requirements of SI 2009 No 393. The council has a separate statement for Pension Fund investment purposes.

ANNEXES

1. Prudential and Treasury Indicators
2. Treasury Management - Portfolio
3. Approved Sources of Long and Short Term borrowing
4. Treasury Management - Practice
5. Approved Countries for Investments
6. Treasury Management - Scheme of Delegation
7. Treasury Management - Role of the Section 151 Officer
8. Economic background

Annex 1

Prudential and Treasury Indicators

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

The following indicators are set out in the main body of the report:

Prudential Indicator	Reference
Capital Expenditure	Table 1
Gross Debt	Table 2
Capital Financing Requirement	Table 4
Liability Benchmark	Table 6
Over/Under Borrowing	Table 7
Borrowing - Operational Boundary	Table 11
Borrowing - Authorised Borrowing Limit	Table 12

In addition, the prudential indicators below will be applied.

TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Upper limit for fixed interest rate exposure						
Net principal re fixed rate borrowing / fixed term investments	100%	100%	100%	100%	100%	100%
Upper limit for variable rate exposure						
Net principal re fixed rate borrowing / fixed term investments	25%	25%	25%	25%	25%	25%
Upper limit for total principal sums invested for over 365 days	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
(per maturity date)	150,000	150,000	150,000	150,000	150,000	150,000

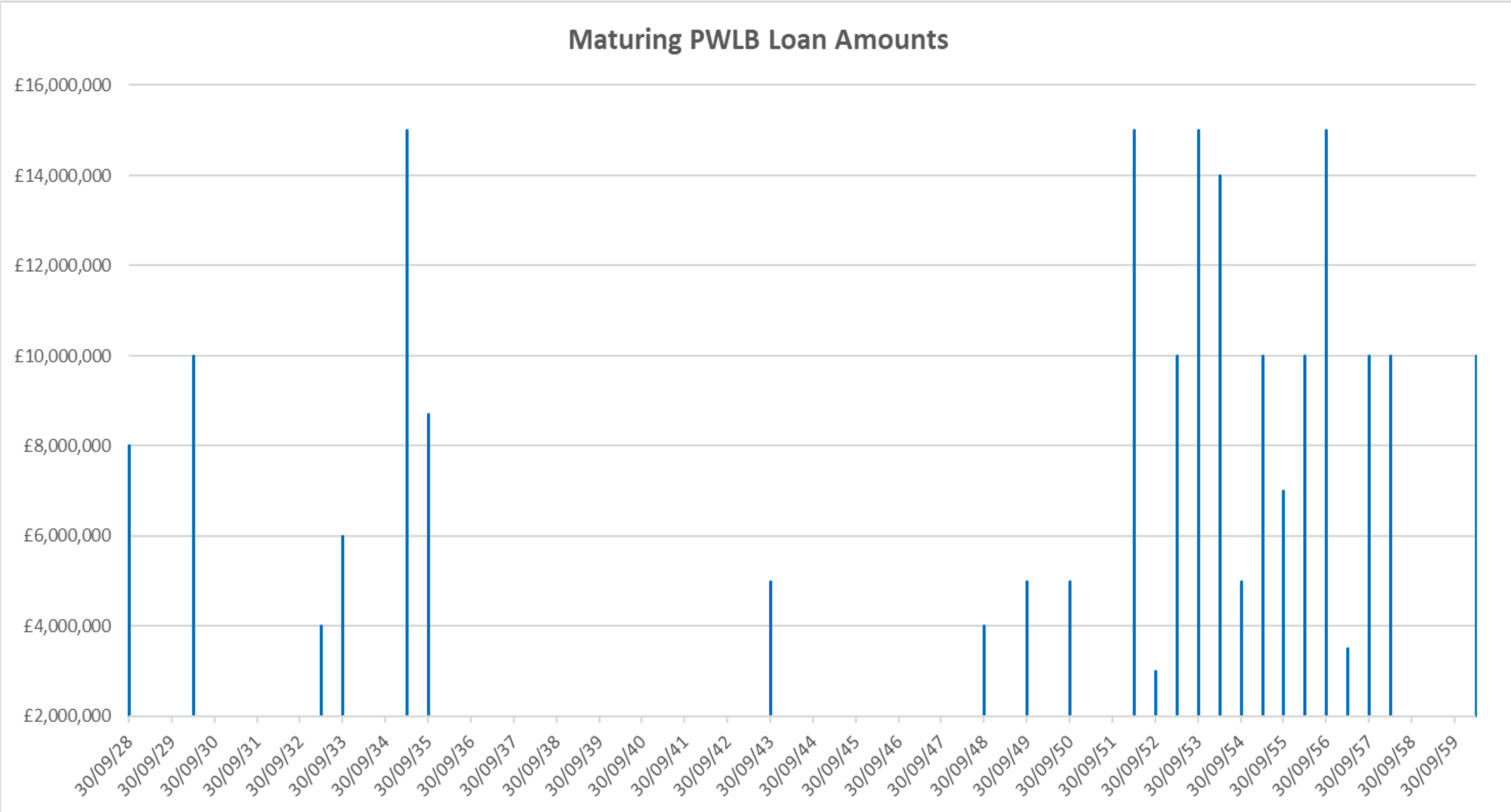
Maturity structure of new fixed rate borrowing during year	upper limit	lower limit
under 12 months	20%	0%
12 months and w ithin 24 months	40%	0%
24 months and w ithin 5 years	60%	0%
5 years and w ithin 10 years	100%	0%
10 years and above	100%	0%

Maturity structure of new external borrowing during year	upper limit	lower limit
under 12 months	35%	0%
12 months and w ithin 24 months	45%	0%
24 months and w ithin 5 years	65%	0%
5 years and w ithin 10 years	100%	0%
10 years and above	100%	0%

Annex 2

Treasury Management Portfolio

1. Debt Schedule



2. Balance Sheet Forecast

Warwickshire County Council
Balance Sheet Projections

2023/24 (£'000)		2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)
CAPITAL FINANCING REQUIREMENT						
296,541	CFR Relating to General Fund	442,563	535,150	552,345	537,977	516,653
296,541	Total CFR	442,563	535,150	552,345	537,977	516,653
-	Finance Lease Liabilities		-	-	-	-
296,541	Underlying Borrowing Requirement	442,563	535,150	552,345	537,977	516,653
272,400	External Borrowing c/fwd	272,400	272,400	315,400	333,400	333,400
	Loan Maturities					(8,000)
-	New Loans	-	43,000	18,000		
272,400	External Borrowing	272,400	315,400	333,400	333,400	325,400
24,141	Under / (Over) Borrowing	170,163	219,750	218,945	204,577	191,253
8%	*Borrowing as a % of Requirement*	*38%*	*41%*	*40%*	*38%*	*37%*
RESERVES / BALANCES, INVESTMENTS & WORKING CAPITAL (£'000)						
17,835	General Fund Balance	17,835	17,835	17,835	17,835	17,835
(618)	Collection Fund Adjustment Account	(618)	(618)	(618)	(618)	(618)
209,391	Earmarked reserves	180,382	176,087	175,903	175,771	175,771
-	Capital Receipts Reserve	-	-	-	-	-
3,453	Provisions	3,453	3,453	3,453	3,453	3,453
2,399	Capital Grants Unapplied	2,399	2,399	2,399	2,399	2,399
(24,141)	Over / (Under) Borrowing	(170,163)	(219,750)	(218,945)	(204,577)	(191,253)
136,000	Working Capital	136,000	136,000	136,000	136,000	136,000
344,320	Expected Treasury Investments	169,289	115,407	116,027	130,263	143,587

*Year end balances currently estimated for 2023/24

Annex 3

Approved Sources of Long and Short-Term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock Issues	●	●
Local Temporary	●	●
Local Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance Leases	●	●

Annex 4

Treasury Management – Practice

4.1 Counterparty Limits

	Fitch Long term Rating	Money Limit	Transaction limit	Time Limit
Banks	*A-*	£20m	£20m	1yr
Building Societies	*A-*	£20m	£20m	18 months
Local authorities	N/A	£10m	£10m	2yr
Housing Associations	N/A	£10m	£10m	3yr
DMADF	UK sovereign	unlimited	unlimited	6 months
Other Institutions limit	N/A	£10m	£10m	1yr
	Fund rating**	Money Limit	Transaction Limit	Time Limit
Money Market Funds CNAV	AAA	£60m	£60m	liquid
Money Market Funds LVNAV	AAA	£60m	£60m	liquid
Money Market Funds VNAV	AAA	£60m	£60m	liquid
Ultra-Short Dated Bond Funds	AA	£60m	£60m	liquid
Property Fund	N/A	£15m	£15m	90 day
Social Bond Funds	N/A	£40m	£40m	90 day

4.2 Sector Limits

Sector Type	Limit Applied
Money Market Funds (overnight funds) and Instant Access funds	£300m aggregate
Money Market Funds (overnight funds) and Instant Access funds	Maximum holding in any one fund should not represent more than 5% of that funds total asset value
Short Term Investments 7-95 day (deposits, call and notice accounts, property and social bond funds)	£200m aggregate
Medium Term Investments 95-365 day (lending, deposit, call and notice accounts)	£100m aggregate
Lending to Local Authorities	Maximum £250m total
Lending to Local Authorities	Forward deals (deals agreed in advance of the loan issue date) allowed up to a total of 2 years to include both notice and loan term
Deposits with Housing Associations	Maximum £100m total
Deposits with Housing Associations	Forward deals (deals agreed in advance of the loan issue date) allowed up to a total of 3 years to include both notice and loan term
Deposits with Building Societies	Maximum £100m total
Deposits with Building Societies	Forward deals (deals agreed in advance of the loan issue date) allowed up to a total of 18 months to include both notice and loan term

4.3 Specified Investments

Investment Type	Credit Criteria (Fitch Ratings)	Limits (per institution)	Use
DMO Deposit Facility	--	No Limit	In-house
Term deposits: Local Authorities	--	£10m	In-house
Term deposits: Housing Associations	--	£10m	In-house
Nationalised Banks	Short-term F1, Support 1	£20m	In-house and External Manager
Term deposits: UK Banks	Short-term F1, Long-term A, Viability a, Support 3	£20m	In-house and External Manager
Term deposits: Bank Council uses for current account	--	£25m	In-house and External Manager
Term deposits: UK Building Societies	Top five largest societies as reported annually. (To be continually monitored)	£20m	In-house and External Manager
Term deposits: Overseas Banks	Short-term F1+, Long-term AA- Viability aa, Support 1	£20m	In-house and External Manager
Certificates of deposits issued by UK banks and building societies	Short-term F1, Long-term A, Viability a, Support 3	£20m	External Manager
Money Market Funds	AAA	£60m	In-house and External Manager
Ultra Short Dated Bond Funds	AA	£40m	In-house and External Manager
UK Government Gilts, Treasury Bills	--	No Limit	External Manager
Gilt Funds and Bond Funds	Long-term A	No Limit	External Manager

(All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum 'high' rating criteria where applicable)

4.4 Non-Specified Investments

Investment Type	Credit Criteria (Fitch Ratings)	Limits (per institution)	Use
Term deposits: UK banks and building societies with maturities in excess of one year with a maximum of three years allowed for in-house deposits	Short-term F1, Long-term A, Viability a, Support 3	£20m	In-house and External Manager
Fixed Term Deposit with Variable Rates and Variable Maturities	Short-term F1, Long-term A, Viability a+, Support 3	£20m	In-house and External Manager
Certificates of Deposits issued by UK banks and building societies	Short-term F1, Long-term A, Viability a, Support 3	£20m	External Manager
UK Government Gilts with maturities in excess of 1 year	--	£20m	External Manager
Local Government Association Municipal Bond Agency	--	£20m	--
CCLA Property Fund	--	£20m	--
Threadneedle Social Bond Fund	--	£40m	--
Local Authority wholly owned trading company	--	£5m	In-house

Annex 5

APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

Based on lowest available rating

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

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

Annex 6

Treasury Management - Scheme of Delegation

(i) Council

- approval of annual strategy.
- budget consideration and approval.
- approval of the division of responsibilities.

(ii) Cabinet

- scrutinise the proposed annual strategy.
- approval of/amendments to the organisation's adopted clauses, Treasury Management policy statement and Treasury Management practices.
- Receiving and reviewing half year and annual monitoring reports and acting on recommendations.

(iii) Resources and Fire & Rescue Overview and Scrutiny Committee

- Overview and scrutiny of Treasury Management policy, practice, and activity as required.
- Receiving quarterly monitoring reports for overview and scrutiny.

Annex 7

Treasury Management – Role of the Section 151 Officer

The S151 (responsible) officer

- recommending clauses, Treasury Management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular Treasury Management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the Treasury Management function;
- ensuring the adequacy of Treasury Management resources and skills, and the effective division of responsibilities within the Treasury Management function;
- approve the early payment of pension fund contributions
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and Treasury Management, with a long term timeframe.
- Recommending the MRP policy.

Annex 8

ECONOMIC BACKGROUND-

Provided by Link Treasury Advisors

The first half of 2023/24 saw:

- Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.

- Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.

- CPI inflation falling from 8.7% in April to 6.7% in September, its lowest rate since February 2022, but still the highest in the G7.

- Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 years high.

- A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose by 7.8% for the period June to August, excluding bonuses).

• The registering of 0% GDP for Q3 suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.

• The fall in the composite Purchasing Managers Index from 48.6 in August to 46.7 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0% q/q rise in real GDP in the period July to September, being followed by a contraction in the next couple of quarters.

• The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.

• As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.

• The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

• But the cooling in labour market conditions still has not fed through to an easing in wage growth. The headline 3myy rate rose 7.8% for the period June to August, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular annual average total pay growth for the private sector was 7.1% in June to August 2023, for the public sector this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. The Bank of England's prediction was for private sector wage growth to fall to 6.9% in September.

• CPI inflation declined from 6.8% in July to 6.7% in August and September, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.1%. That reverses all the rise since March.

• In its latest monetary policy meeting on 06 November, the Bank of England left interest rates unchanged at 5.25%. The vote to keep rates on hold was a split vote, 6-3. It is clear that some members of the MPC are still concerned about the stickiness of inflation.

• Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. In terms of messaging, the Bank once again said that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures", citing the rise in global bond yields and the upside risks to inflation from "energy prices given events in the Middle East". So, like the Fed, the Bank is keeping the door open to the possibility of further rate hikes. However, it also repeated the phrase that policy will be "sufficiently restrictive for sufficiently long" and that the "MPC's projections indicate that monetary policy is likely to need to be restrictive for an extended period of time". Indeed, Governor Bailey was at pains in his press conference to drum home to markets that the Bank means business in squeezing inflation out of the economy.

• This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates in the future.

In the table below, the rise in gilt yields across the curve as a whole in 2023/24, and therein PWLB rates, is clear to see.

PWLB RATES 01.04.23 - 29.09.23

HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.23 – 29.09.23

The peak in medium to longer dated rates has generally arisen in August and September and has been primarily driven by continuing high UK inflation, concerns that gilt issuance may be too much for the market to absorb comfortably, and unfavourable movements in US Treasuries.

The S&P 500 and FTSE 100 have struggled to make much ground through 2023.

CENTRAL BANK CONCERNS

Currently, the Fed has pushed up US rates to a range of 5.25% to 5.5%, whilst the MPC followed by raising Bank Rate to 5.25%. EZ rates have also increased to 4% with further tightening a possibility.

Ultimately, however, from a UK perspective it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

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Appendix 3

Investment Strategy
(For Non-Treasury Investments)

Warwickshire County Council

2024/25

1. Introduction

1.1 Local Authorities may make investments of two types:

- Treasury Investments.
- Other Investments (also referred to in this strategy as “non-treasury investments”).

1.2 This Investment Strategy covers “Other Investments” and is prepared according to statutory guidance issued under the Local Government Act 2003, the Treasury Management Code of Practice, and The Prudential Code for Capital Finance in Local Authorities. Non-Treasury Investment are policy investments made to deliver Corporate objectives as set out in the Capital Strategy and Medium Term Financial Strategy.

1.3 For the purposes of this Investment Strategy, an investment is any financial or non-financial asset of the authority which is held partially or primarily to generate a return. Investments include loans made by the local authority to wholly-owned companies or associates, to a joint venture, or to a third party. For the avoidance of doubt, the strategy does not include pension fund or trust fund investments which are subject to separate regulatory regimes, or treasury investments which are detailed separately in the Treasury Management Strategy.

1.4 Non-treasury management investments may take a number of forms, for example holding shares in companies, issuing loans to companies, promoting economic development, or holding non-financial assets (e.g. property). Details of the Council’s existing and planned non treasury investments are set out in Section 12 and 13 of this strategy.

2. Transparency and Democratic Accountability

2.1 This Investment Strategy is a public document and must be approved annually by full Council, and any material changes during the year also being presented to Council for approval.

2.2 The more specific and detailed governance arrangements for any new funds will also be subject to Member approval through Cabinet or Council. For example, arrangements for the governance of the Warwickshire Property and Development Group (WPDG) and Warwickshire Recovery and Investment Fund (WRIF).

2.3 Under Regulation 17 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 as amended overview and scrutiny committee members have right of access to any confidential information relating to any decision by the executive or any member of the executive of their council where relevant to a review or scrutiny being undertaken by the committee or included in its work programme.

2.4 Any fundamentally new or additional levels of investment outside of those specified in or delegated by this Investment Strategy for investment for non-treasury purposes will be required to have direct Council approval that would be set out in an updated Investment Strategy.

2.5 The Section 151 Officer has delegated authority to implement this Investment Strategy, with the following overarching responsibilities highlighted.

- Ensuring that due diligence is carried out on investment proposals in accordance with the risk appetite of the authority.
- Ensuring the proportionality of investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources.
- Ensuring an adequate governance process is in place for the approval, monitoring, and ongoing risk management of non-treasury investments.

3. Investment Objectives

3.1 The primary objective of all non-treasury investments will be to contribute towards the Council's core organisational objectives for Warwickshire:

- "A county with a vibrant economy and places with the right jobs, skills, and infrastructure";
- "A place where people can live their best lives; where communities and individuals are supported to live safely, healthily, happily and independently"; and
- "A county with sustainable futures which means adapting to and mitigating climate change and meeting net zero commitments."

3.2 In Addition, all Non-Treasury investments will be required to demonstrate how they contribute towards the objectives specified in the Department for Levelling Up, Housing and Communities (DLUHC) guidance which will control local authority access to Public Works Loan Board (PWLB) lending by the withdrawal of PWLB lending to authorities when not met. DLUHC's objectives are harmonious with the Council's overarching strategic objectives and powers, and are summarised below and detailed in Annex 1:

- Service;
- Housing;
- Regeneration;
- Treasury management; and
- Prevention of social or economic decline.

3.3 The principles of security, liquidity, and yield must be considered when making any investment. When considering treasury management investments, security is the highest priority, followed by liquidity, and yield is a low priority. However, for non-treasury investments, whilst all three principles matter, there is more flexibility around the relative priorities depending upon risk appetite and investment objectives. The following sections set out these principles in detail.

3.4 There have been significant changes in economic circumstances since the WRIF was created. It is no longer the case that recovery of the local economy from the impact of Covid in itself is a primary driver. Rather the drivers of the need to support the local economy are broad and complex. Therefore, it is recommended to change the title of the Fund to become simply "The Warwickshire Investment Fund". Should this be adopted the Strategy will be amended to reflect this

4. Security

4.1 The principle of security relates to the preservation of capital, i.e. ensuring that the original investment is returned.

4.2 Non-treasury investments will be categorised as a means of indicating and controlling risk as follows:
- Specified Investments;
- Loans; and
- Non-Specified Investments.

4.3 Annex 2 describes these in detail and Annex 3-5 sets out how these will be managed.

4.4 Total exposure to investments will be capped as specified by this Investment Strategy, including detailed limits specifying ceilings on different types of investment, in order to limit risk exposure. This is summarised in Section 11 and detailed in Annex 6 and Annex 7.

4.5 All investments will have a specified end date and a documented process for review and, where contractually possible, early closure and realisation of capital should the circumstances performance, or risk profile require it. Investments which are of a nature that do not have a contractual end date, for example equity, will still have a planned holding duration.

4.6 Investment cash or non-treasury assets will not be issued in advance of need, minimising third party treasury management risk and the risk of cash or assets being used for objectives other than the investment objective.

5. Liquidity

5.1 The principle of liquidity relates to how quickly investments can be returned to the Council.

5.2 In order to manage liquidity risk, this Investment Strategy will specify the maximum durations for which financial investments may be committed.

5.3 The default arrangement for loans will be annuity repayments, i.e. the payment of principal in even instalments throughout the duration of the loan term. Other profiles may be considered on an exceptional basis, however the risk of alternative profiles must be considered alongside how the profile would help to meet organisational objectives.

5.4 The contractual terms of investments made will specify repayment conditions and timing.

5.5 For non-treasury investments, medium and long-term financial planning will be used to ensure that funds can be accessed when needed to repay capital borrowed.

5.6 The level of liquidity of non-treasury assets will be assessed and monitored.

5.7 The capital programme, capital financing requirement, and treasury management activity will have regard to the planned repayment of investments relating to non-treasury investments, for example capital receipts and the repayment of loan principal.

5.8 The new investments in the Warwickshire Property Development Group (WPDG) will be relatively long term and illiquid in nature. Annexes 2 to 8 set out arrangements and controls which will be used to manage this risk.

6. Yield

6.1 Investments will not be made purely or primarily for yield. This will mean that the Council will have access to PWLB lending at the low rates available from this source. Should the Council want to consider investments purely or primarily for yield, this would require a review of the overall capital financing position for the Council, because the Council would lose access to PWLB rates and capital financing costs would foreseeably be expected to increase.

6.2 However, where investments are made, the expected rates of return will have regard to the nature of investment and the level of risk been taken by the Council. Investment returns cannot be so low as to breach state aid/subsidy rules and cannot be so high as make an appropriate investment unviable to appropriate counterparties. Investment returns will seek to align with market norms.

6.3 Net yield will be calculated after having regard to costs, fees, and expected credit loss calculations.

7. Borrowing

7.1 The Council will not borrow purely for profit and will not borrow more than or in advance of need purely or primarily to profit.

7.2 However, the Council may borrow in advance of need primarily for risk management or borrowing efficiency reasons (for example to lock into low interest rates if interest rates are expected to rise significantly).

7.3 Capital receipts shall not be repurposed from the acquisition of assets that contribute to service delivery in order to fund the purchase of investments solely to avoid borrowing in advance of need.

8. Risk

8.1 Any investment, by its nature, involves a risk that the rate of return may not be achieved, and the original investment may not be repaid. It also carries the potential risk that more than the original investment is lost if an investor for whatever reason subsequently puts additional money in above the original investment, for example if unsuccessfully attempting to turn around a failing investment.

8.2 The financial risks involved in the non-treasury investments relating to the WPDG and WRIF are of a different nature and greater than the financial risks relating to traditional capital expenditure and treasury investments. The reasons for the differences are:

- Treasury investments prioritise security and liquidity in order to serve the primary objective of treasury management which is to ensure that cash is available when needed to serve the purpose for which that cash is held. To achieve this treasury objective, relatively safe and secure investments are chosen, and consequently low rates of return are accepted.
- Traditional capital spending is expenditure by nature and is fully funded as such. A capital asset provides benefits over its financial life and the cost of the asset is spread across the life of the asset, reflecting its consumption and use. At the end of the life of the asset, a new asset would be required if the same benefits are required to continue, and in order to pay for a new asset new money is needed. This new money is prudently provided for by the Council making an annual provision called the Minimum Revenue Provision (MRP). This means that money will be available to purchase a

new asset when the time comes. There is no assumption that the asset will retain its financial value, or that the asset will provide a financial return, and therefore there is no risk of either of these assumptions not happening.

- Non-Treasury investment risks are different in that:
  - They are assumed to retain or increase their original asset value, and they are assumed to provide a financial return. Therefore, there is exposure to the risk of those assumptions not happening.
  - The objectives of non-treasury investments by their nature are not the same as treasury investments, and therefore they may not prioritise security and liquidity as highly as treasury investments do.

8.3 Although the Council will not pursue investments purely for the objective of financial return, the Council will pursue investments in order to meet objectives as set out in Section 3, and in doing so accepts higher risks with respect to security and liquidity.

8.4 Higher risk is associated with higher reward. Investors will seek to find opportunities receiving higher returns for lower risk, while organisations seeking investment will seek opportunities paying lower returns for higher investor risk. These competing requirements result in a market-norm rate of return for a given level of risk. Rates of return will have regard to this, ensuring that rates of return are not so low as to breach state aid/subsidy rules and not so high as to be unviable to counterparties. Rates should be market normative and enough to reward the investment risk taken.

8.5 The majority of traditional treasury management investment is very low risk, for example loans to other local authorities, and money market funds designed to preserve capital. There are some small investments in higher risk investments including the Threadneedle Social Bond Fund (currently £29m) and CCLA Property Fund (currently £10m). These two investments are held over a longer timeframe in order to provide access to higher rates of interest in return for accepting less liquidity and higher risk. The WPDG and WRIF investments will be further up the risk/return spectrum, however this positioning is driven by the objectives of the WPDG and WRIF being different to treasury management objectives.

8.6 Before entering into an investment, and whilst and investment is in place certain protocols will be followed to manage risks. These are detailed at Annex 3.

9. Proportionality

9.1 Any particular investment will carry its own risks, driven by the investment itself and the counterparty it relates to. The risk and return associated with any particular investment will vary.

9.2 In addition, there is the aggregate risk that the Council is exposed to when considering all investments in totality. This is a function of the total amount of assets and income at risk of loss, and the extent to which the Council is dependent upon those assets and that income.

9.3 This Investment Strategy sets out maximum limits for non-treasury investments in order to limit total risk exposure.

9.4 The Medium-Term Financial Strategy sets out the extent to which the overall Council budget is supported by income from non-treasury investments. However, when considering exposure to financial risk, there is also the risk of loss of principal, and where this occurs this may impact on the income and expenditure account directly.

9.5 Two indicators are required by Government guidance to be used to set limits that cannot be exceeded in order to manage proportionality. These measures are:

- Gross debt as a proportion of net service expenditure; and
- Commercial income as a percentage of net service expenditure.

9.6 These measures are incorporated into the indicators detailed in Annexes 5 and Annex 6.

10. Capacity, Skills and Culture

10.1 Non-Treasury investments carry particular risk, and the nature and scale of proposed investments in the WPDG and WRIF create new risks. We will ensure we have the appropriate capacity, culture, and skills to manage Non-Treasury investments through a range of specific actions and policies as set out in Annex 4.

11. Prudential Indicators and Limits

11.1 A range of measures will be used to report on and control exposure to financial risks from investment decisions. Annex 5 sets out definitions of the measures that will be used.

11.2 Measures are classified as either “Indicators” or “Limits” and the distinction is set out below:

- Indicators (Annex 6) – these are measures to monitor a particular financial parameter which will provide insight into performance and/or risk.
- Limits (Annex 7) - these measures which set hard limits on certain financial parameters in order to control and limit exposure to risk.

11.3 The most important measures are the limits on gross investment set out in Annex 7. These provide the fundamental control over maximum exposure to risk.

11.4 Over time, the use of measures will be reviewed and measures that are initially used for monitoring purposes may in the future used for control purposes.

11.5 The measures used, and any targets or limits, will be updated at a minimum annually when the Investment Strategy is updated.

11.6 The indicators have been chosen having regard to DLUHC guidance.

12. Warwickshire Property and Development Group

12.1 In 2019/20 Council approved a commercial strategy setting out the intention to explore new approaches to the delivery of organisational objectives.

12.2 During 2021/22, the Warwickshire Property and Development Company (WPDG) was launched and WPDG drew down the working capital facility provided by the Council.

12.3 During 2022/23 WPDG has drawn down scheduled payments of the first capital (development) loan.

12.4 During 2023/24 WPDG has drawn down a second development loan, repaid its first development loan and drawn down a further management loan.

12.5 WPDG was launched with the following objectives:

- To undertake regeneration and place making activities within the county of Warwickshire. This should include delivery of major schemes, prioritising regeneration activities and delivering specific regeneration plans across the county.
- To undertake activities that progress Warwickshire County Council’s key policy objectives, for example mitigating climate change, promoting sustainable and inclusive economic growth in Warwickshire, improving quality of life, and improving Warwickshire’s 5G network and connectivity.
- To undertake activities with a view to generating new short- and long-term financial returns from the Council’s property assets as appropriate and establishing and maintaining momentum in such activities.
- To operate in effective partnership with public sector stakeholders, in particular district and borough councils, NHS bodies, Warwickshire Police,

universities, West Midlands Combined Authority, Coventry and Warwickshire Local Enterprise Partnership and Homes England.

12.6 WPDG investments may be of the following nature:

- Equity Investment;
- Commercial Loans;
- Corporate Guarantees; and
- Partnerships (Joint Venture).

12.7 The value of any loan guarantees will be included in counting of the total value of loans issued as they allow a third party to call on a loan unilaterally.

12.8 Any investments of a convertible nature between equity and debt will be counted as the actual type of investment that they are at the given time.

12.9 For the management of risk, limits will be set by the Investment Strategy controlling the following:

- How much can be invested in each year;
- How much may be equity, capital, and revenue in nature; and
- The maximum duration of investments will be as set out in the detailed business plan.

12.10 Annex 7 specifies the limits for investment in the WPDG. These limits are specific for the next year, and indicative for the following 4 years.

12.11 The WPDG business plan includes potential investments over a significantly longer period of time, however actual approval for it is subject to viable detailed business cases for each individual investment and is also subject to the approval of an Investment Strategy with appropriate investment limits being approved at the necessary time. For completeness, the indicative total gross investment profiles proposed for the WPDG are set out in the table below. The table shows the *planned* investment. Annex 7 also sets out the *maximum* investment per year. The headroom this provides enables the Council and the company to function efficiently and effectively without the need for disproportionate governance approvals should circumstances change or opportunities arise, but at the same time keeping a hard limit to provide Council with certainty and assurance as to the maximum level of investment exposure that could be taken without further approval from members.

Table 1 – WPDG Gross Investment

Table 1 WPDG Gross Investment

Indicative Gross Investment £m	2024/25	2025/26	2026/27	2027/28	28/29	Total
Equity	15.73	11.42	11.37	15.01	5.56	59.08
Working Capital Loans (Revenue)	1.10	-	-	-	-	-
Total	**16.82**	**11.42**	**11.37**	**15.01**	**5.56**	**59.08**

12.12 All individual investments will be subject to approval of bespoke business cases and due diligence as required by the specified governance arrangements.

12.13 The investment profile will be updated each year on a rolling basis. For example, before the actual investment limits for 2024/25 are proposed in the next annual Investment Strategy, they will be informed by experience to date of investments made in 2023/24.

13. Warwickshire Recovery and Investment Fund

13.1 A business case and strategy have been approved by Council in June 2021 to set up a Warwickshire Recovery and Investment Fund (WRIF) with the objective of providing finance to support business start-ups and business growth within Warwickshire and supporting the Council's strategic goals and priorities as set out in the Warwickshire Council Plan, Covid 19 Recovery Plan, Economic Strategy, Commercial Strategy, and Place Shaping Programme.

13.2 A revision to the WRIF business case and strategy is being presented to Cabinet in January 2024 with updated investment levels for 2 of the pillars of the fund, and closure of 1 of the pillars.

13.3 Although the primary objective of this fund is to deliver service objectives (specific examples being job creation and job safeguarding, leveraging additional resources funding into the County, and increasing social value) the fund will operate on a commercial basis and will therefore plan to generate financial returns for the council.

13.4 The business plan and investment strategy for this specific Fund must fit within all of the controls and governance requirements set out in this overarching non-Treasury Investment Strategy. For the avoidance of doubt, should there be any difference this strategy/policy would prevail, and should there be a need or desire to invest outside of the boundaries set out in this policy, that would require bringing this policy back to Council to approve the changes first. In this way members and Council retain direct control of the overall level of risk being taken.

13.5 Annex 7 sets out the limits on gross investment within each fund each year. Following a review of the WRIF, changes have been made to the original

WRIF plan. These limits are designed to control exposure to risk. The WRIF is made up of three sub funds with different risk profiles and therefore each sub fund has its own limit as follows:

	Maximum Investment over remaining 3 years of WRIF
Property and Infrastructure Fund (PIF) Capital Lending	£50m
Property and Infrastructure Fund (PIF) Revenue Lending	£4m
Local Communities Enterprise Fund (LCE) Revenue Lending	£10m
Total	£64m

13.6 The business plan for the WRIF sets out an explanation of the nature and risks to do with these funds in detail.

13.7 In addition to having a limit on the amount that can be invested over the five-year period, other constraints are also placed on investment activity in order to control exposure to risk as follows:

- Limits for the amount that can be invested in each financial year (Annex 7.3);
- Limits on how much investment may be equity or working capital loans, which carry different risk profiles to debt invested in capital (Annex 7.3, 7.4 and 7.5);
- Limits on how long a loan may stay out with a third party before it must be paid back (Annex 7.4); and
- Each fund will have tailored governance arrangements and individual investments will be assessed against specified criteria that include consideration of risk and the financial strength of the counterparty as well as the benefits in terms of delivering Council objectives.

13.8 No limits will be set on net debt however net debt will be monitored, and in addition to the monitoring of these strategic indicators there will be detailed monitoring of the investment portfolio.

14. Other Non-Treasury Investments

14.1 The Council already holds a number of investments that are non-treasury by nature. These investments are managed under existing procedures and protocols. This section sets out these investments.

Company Shares

14.2 The Council currently holds shares and debt with the following companies for the purposes of promoting the achievement of organisational objectives. These companies may provide a return on investment but that is not the primary reason for their existence.

- Warwickshire Legal Services Trading Ltd
- Educaterers Ltd
- University of Warwick Science Park Innovation Centre Ltd
- Warwick Technology Park Management Company Ltd
- Warwick Technology Park Management Company (No2) Ltd
- Eastern Shires Purchasing Organisation (ESPO)
- SCAPE Group Ltd
- Coventry and Warwickshire Local Enterprise Partnership
- Coventry and Warwickshire Waste Disposal Company
- Local Capital Finance Company Ltd
- UK Municipal Bond Agency PLC
- Border to Coast Pension Partnership Ltd

14.3 The share value relating to the above companies recorded in the 2022/23 accounts was £2.645m, with dividend income of £1.147m.

Company Loans

14.4 In addition to the above the Council currently operates two wholly owned Local Authority Trading Companies:

- Warwickshire Legal Services Trading Ltd; and
- Educaterers Ltd.

14.5 There is a £1.8m loan facility in place with Educaterers at a rate of return that tracks base rate to provide support to the company's cash flow.

14.6 Local authority-controlled company activity has been an area of particular interest to CIPFA and the government, and CIPFA are developing further guidance around the governance of these entities. We will keep up to date with developments and have regard to any new guidance as appropriate.

14.7 The capital programme already includes allocations available for the purposes of making loans to local businesses who cannot raise funds through other means such as banks. This includes the following capital programme forecast for 2023/24.

Table 2 – Capital Programme Loans

Forecast £m	2023/24	2024/25 Onwards	Total Balance
Capital Growth Fund Business Loans and Grants	0.222	0.270	0.492
Capital Investment Fund/Duplex Fund	-	-	-
Capital Investment Fund/Small Business Grants	0.150	0.325	0.475
Total	**0.372**	**0.595**	**0.967**

14.8 Loans and grants are managed via the Coventry and Warwickshire Reinvestment Trust (CWRT), this includes arrangements for assessing loans, issuing loans, and recovery.

Property Investment

14.9 The Council does not currently invest in property for the purposes of generating commercial income, however the Council does currently hold some assets for the purpose of generating future capital receipts.

Table 3 – Property Investment

£m	31/03/2023
NUNEATON/Land at former Magistrates Courts, Vicarage Street	0.238
NUNEATON/Land Adjoining 51 Queens Road, Queens Road	0.007
Attleborough Fields Industrial Estate Slingsby Close	0.907
NUNEATON/Former Manor Park Community School, Beaumont Road	3.187
ARLEY/ARC School (Former Herbert Fowler Junior School)	1.116
RUGBY/Great Central Industrial Estate, Great Central Way	1.497
ALCESTER/Former Area Library, Priory Road	0.300
Kineton/ River Meadows Care Home	0.112
ALCESTER/Meadow View H.E.P Kinwarton Road	0.721
WARWICK/Land at Heathcote Hill Farm	0.028
Former Priory Medical Centre	0.887
WARWICK/Land at Fusiliers Way	1.232
BEDWORTH/Former Manor Park Playing Field	0.192
WOLSTON/South Lodge Farm	1.689
DUNCHURCH/Blue Boar Farm, Lawford Heath Lane	0.481
DUNCHURCH/Blue Boar Farm-1	0.970
DUNCHURCH/Blue Boar Farm-2	0.041
Total	**13.387**

Investment Property as % of Total Fixed Assets	**31/03/2023**
Total Fixed Assets £m	1,421.05
% of Total Fixed Assets	**0.942%**

14.10 The value of these assets can change, and these assets generate a small amount of incidental income (approximately £500k in 2022/23). The properties classified as investment property had an asset value of £13.387m as at March 2023, which is 0.9% out of a full asset value in the balance sheet of £1.421bn.

14.11 Where any of these properties in future come under the auspices of the WPDG, the governance arrangements in place for the WPDG will apply.

15. Environmental, Social, and Governance Policy

15.1 As a responsible investor, the Council is committed to considering environmental, social, and governance issues, and has a particular interest in taking action against climate change and pursuing activities that have a positive social impact.

15.2 The impact of an investment in respect of climate change may be a consideration for investment decisions, with investments that help to prevent climate change, or help to cope with its impact, or which are resilient to its effects being desirable. Measurement of impact such as via carbon footprint will be undertaken where practical.

15.3 Investments that have a social impact benefit, either on a local scale or more widely may be considered.

15.4 The ESG policy of fund managers and investment partners may be considered when making decisions, with the preference being for fund managers and partners who share similar values around ESG.

Annex 1

Public Works Loan Board – Lending Objectives

Type	Description
Service	Normal local authority capital spending, for example education, highways, transport, social care, public health, cultural services, environmental services, regulatory services, and Fire and Rescue Services, as would be captured in the MHCLG Capital Outturn Return.
Housing	Normal local authority general fund or housing revenue account activity, as would be captured in the housing sections of the DLUHC Capital Outturn Return. In principle this includes land release, housing delivery, and subsidising affordable housing.
Regeneration	• Addressing economic or social market failure by providing services, facilities, or other amenities of value to local people which would not otherwise be provided by the private sector • Preventing negative outcomes including through buying and conserving assets of community value that would otherwise fall into disrepair • Investing significantly in assets beyond the purchase price, developing assets to improve them and/or change their use • Generating significant additional activity that would not otherwise happen without the local authority's intervention, for example creating jobs and/or social or economic value • Investments that recycle income to related projects with similar objectives rather than income being applied to wider services
Treasury Management	Restructuring or extending existing debt from any source, including the restructuring of internal financing
Prevention of Social or Economic Decline	• Investments that prevent a negative outcome, for example conserving assets of community value that would otherwise fall into disrepair, or providing support to maintain economic activity that would otherwise cease • Investment where there is no realistic prospect of support from any other source • investments with a defined exit strategy so that investments are not held for any longer than is necessary to achieve their objective

DLUHC issued guidance following the 2020 PWLB consultation stating that authorities that invest make Non-Treasury investments for the above reasons will have access to PWLB lending.

Local authorities that choose to invest for other reasons, or who choose to invest purely or primarily for yield will not be allowed to access PWLB lending for a period of time. In these cases, lending will be available from other sources, however it is foreseeable that the credit rating and risk profile of a local authority will be adversely impacted where it been refused access to the PWLB, and this would foreseeably impact on the lending rates and terms made available to the local authority.

Annex 2

Investment Categories

Investment Type	Description
Specified Investments	Generally lower risk. These are sterling denominated, short-term, not capital by nature, and are made with counterparties with high credit ratings The Investment Strategy, will use the same criteria for the determination of specified investments as the Treasury Management Strategy
Loans	Generally higher risk than specified investments. In order to mitigate risk: • Credit risk and expected credit loss models will be used for loans and receivables. • Documented credit control arrangements will be used. • The value of loan guarantees will be counted against total lending exposure, whether or not a loan facility has been fully utilised. • Where a loan may be convertible to equity this can only be at the Council's discretion. No loans will be offered with any contractual commitment to convert them to equity.
Non-Specified Investments	This category covers all investments which are not specified investments, for example equity.
Non-Treasury Investments	This relates to physical assets which can be realised to recoup the capital invested. In order to mitigate risk: • The Council will monitor on an annual basis whether assets retain sufficient value to provide security. • Where security is sufficient, a statement should be made to this effect. • Where security is insufficient, a plan detailing the mitigating actions being taken to protect capital invested should be produced. • Where a loss is recognised in the accounts, the impact of this loss should be reported in an updated Investment Strategy. • Where the initial directly attributable purchase costs are greater than the realisable value of an asset, a statement setting out the timescales expected for the asset value to provide security for the sums invested will be made.

Annex 3

Risk Management

Risk	Risk Management
Business market itself is not sound	• Review of the wider market in which the counterparty operates
Counterparty is not financially sound or well governed	• Use of independent credit ratings or credit assessments • Review of published financial reports and accounts • Review of the wider business plans of the organisation • Review of the counterparty's business case for seeking Council investment • Undertaking bespoke due diligence on the counterparty's financial and governance position where appropriate. •
The counterparty investment plan is not sound	• Reviewing the specific investment business case methodology, rationale, and assumptions • Review of the specific market environment • Undertaking bespoke due diligence where appropriate.
The investment is not repaid	• Establishing security against counterparty assets where appropriate • Including appropriate wordings in loan agreements • Regular monitoring of loan repayments, with the information required from the counterparty being specified • Use of credit control processes • Regular monitoring of counterparty financial metrics • Use of shareholder powers in respect of shareholdings, for example voting rights, reserved shareholder powers, board membership rights, and access to company information. • Utilising internal expertise and external expertise to monitor and review investment risk. • Where appropriate providing information, guidance, and support to counterparties to assist them in navigating difficulties in making repayments. • Use of the expected credit loss model to account for investments. • Having exit strategies built into the investment plan.
The Council does not adequately understand an investment	• Commissioning of experts and external advisers where internal expertise is not available. • Use of competitive procurement processes to secure external advisers. • Use of specified contract terms and objectives, and proactive contract management, to direct external advisers. • Investments in new markets or endeavours will be profiled with lower investments in the initial years to provide proof of concept and organisational learning before investment levels are scaled up

Annex 4

Capacity, Skills, and Culture - Policies and Actions

	Actions
Capacity	• For investment funds ensuring adequate capacity is resourced at conception to deliver the fund objectives. • For individual investments, ensuring business cases include regard to the capacity required to deliver investment objectives for the Council and the counterparty. • Ensuring that investment costs are accounted for and covered by gross investment returns before net returns are counted.
Skills	• An annual training plan for Members closely involved in investment governance but noting that Members are not expected to be investment experts and require appropriate support and advice from experts. • Specific training on the prudential framework for officers and other stakeholders involved in negotiating investments • Commissioning of external expertise where internal expertise is not available • The use of appropriately qualified and experienced internal staff where necessary
Culture	• Reporting to Members and senior officers of lessons learned from other local authorities, where public reports are made available. • Ensuring no investment or counterparty is ever perceived to be “too big to fail”. • Ensuring that unsuccessful investments are identified and accepted as such as early as possible and that robust decisions are taken to prevent further losses, for example by investing further into an unviable project. • Ensuring a positive support and challenge culture. • A robust culture promoting consistent application of investment controls • Investment appraisals consider the long-term and the whole investment life-cycle. • Investment funds consider intergenerational fairness. • Conflicts of interest are transparent and proactively managed. • Risk management and performance management will be evidence based.

Annex 5

Indicator Definitions

Title	Purpose
Gross debt as a proportion of net service expenditure (to be monitored)	Demonstrates the scale of debt in comparison to the financial size and strength of the authority Indicates proportionality and whether the authority is taking too much risk in aggregate
Commercial income as a proportion of net service expenditure (to be monitored)	Demonstrates the dependence of the authority on commercial income associated with investments Indicates proportionality and whether the authority is taking too much risk in aggregate Note this indicator only relates to commercial income associated with non-treasury investments, therefore for example it excludes income from normal trading with third parties such as schools.
Loan to value ratio (to be monitored)	Demonstrates the amount of debt issued compared to the total associated underlying asset value Indicates risk of exposure to losses
Gross investment limits	To manage risk, limits will be set with respect to how much can be invested in non-treasury investments profiled across the medium term financial planning horizon at a high level, and provide a more detailed limits around investment durations for investments to be made in the coming year Gross limits are a hard limit in-year Net lending will be monitored and will inform the gross limits updated for following years
Non-treasury investment net borrowing as a percentage of net financing need (to be monitored)	Total non-treasury investments as a proportion of total capital financing requirement, assuming non-treasury related capital receipts reduce non-treasury related borrowing.
The expected net rate of return (to be monitored)	The overall expected net rate of return for investments This is the gross rate of return, less costs and fees, and less expected credit loss Returns are not risk-free, therefore higher rates of return indicate higher levels of risk

Annex 6

Investment Strategy Indicators

6.1 Gross debt as a proportion of net service expenditure

		2024/25	2025/26	2026/27	2027/28	2028/29
Gross Debt	£m	272.40	315.40	333.40	333.40	325.40
Net Service Expenditure	£m	610.13	606.01	616.67	635.12	658.00
Gross debt as % of net service expenditure	%	44.6%	52.0%	54.1%	52.5%	49.5%

6.2 Income as a proportion of net service expenditure

		2024/25	2025/26	2026/27	2027/28
WRIF income	£m	1.237	2.202	2.813	2.378
WPDG income	£m	1.306	3.513	3.300	6.498
Income (gross)	£m	2.543	5.715	6.113	8.876
Net Service Expenditure	£m	610.13	606.01	616.67	635.12
Commercial income as % of net service expenditure	%	0.42%	0.94%	0.99%	1.40%

Note - gross income represents income before having regard to costs

6.3 Loan to value

		2024/25	2025/26	2026/27	2027/28	2028/29
Total Loans (Capital)	£m	35.725	26.420	26.367	15.013	5.555
Asset Value	£m	to be monitored				
Loan to value	%					

Note - asset values will depend on lending opportunities, these will initally be monitored rather than a limit being set.

6.4 Non-treasury investment net financing as a percentage of total net financing need

		2024/25	2025/26	2026/27	2027/28	2028/29
Net Financing Relating to Non Treasury Activity	£m	29.306	9.027	- 0.243	- 13.338	- 19.616
Total Net Financing Requirement	£m	157.692	110.098	38.410	7.534	0.004
Non Treasury Borrowing as % of Total	%	18.6%	8.2%	* n/a	* n/a	* n/a

* Note - in 2025/26 repayment of principal exceeds loans issues hence a net negative figure

6.5 Expected Gross Rate of Return

	Approximate Average Rate of Return
WPDG	7%
WRIF - Property Fund	6.5%-7.5%
WRIF - LCEF	6%-15%

Annex 7 Investment Strategy Plan and Prudential Limits

7.1 Annual Gross Investment Plan - Medium Term

		2024/25	2025/26	2026/27	2027/28	2028/29	Total
WPDG - Equity	£m	-	-	-	-	-	-
WPDG - Development Loans	£m	15.725	11.420	7.365	10.661	0.150	45.322
WPDG - Owned Property Loans	£m	-	-	4.002	4.352	5.405	13.759
WPDG - Revenue Loans	£m	1.096	-	-	-	-	1.096
WPDG - Joint Venture Equity	£m	-	-	-	-	-	-
Sub Total - WPDG	£m	16.821	11.420	11.367	15.013	5.555	60.177
WRIF - BIG Fund	£m	-	-	-	-	-	-
WRIF - LCE (Revenue)	£m	3.334	3.333	3.334	-	-	10.000
WRIF - PIF Fund	£m	20.000	15.000	15.000	-	-	50.000
WRIF - PIF Fund (Revenue)	£m	1.000	1.000	1.000	1.000	-	4.000
Sub Total - WRIF	£m	24.334	19.333	19.334	1.000	-	64.000
Total	£m	41.155	30.753	30.701	16.013	5.555	124.177

Other Revenue Loans		2023/24	2024/25	2025/26	2026/27	2028/29
Other LATC Loans	£m	3.000	3.000	3.000	3.000	3.000
CWRT	£m	5.000	5.000	5.000	5.000	5.000
Total		8.000	8.000	8.000	8.000	8.000

7.2 Cumulative Gross Investment Plan - Medium Term

		2024/25	2025/26	2026/27	2027/28	2028/29
WPDG - Equity	£m	-	-	-	-	-
WPDG - Development Loans	£m	15.725	27.146	34.511	45.172	45.322
WPDG - Owned Property Loans	£m	-	-	4.002	8.354	13.759
WPDG - Revenue Loans	£m	1.096	1.096	1.096	1.096	1.096
WPDG - Joint Venture Equity	£m	-	-	-	-	-
Sub Total - WPDG	£m	16.821	28.242	39.609	54.622	60.177
WRIF - BGF	£m	-	-	-	-	-
WRIF - LCEF (Revenue)	£m	3.334	6.666	10.000	10.000	10.000
WRIF - Property	£m	20.000	35.000	50.000	50.000	50.000
WRIF - PIF Fund (Revenue)	£m	1.000	2.000	3.000	4.000	4.000
Sub Total - WRIF	£m	24.334	43.666	63.000	64.000	64.000
Total	£m	41.155	71.908	102.609	118.622	124.177

7.3 Maximum Investment Limits

	£m	2024/25	2025/26	2026/27	2027/28	2028/29
WPDG Capital Loans	£m	25.00	25.00	25.00	25.00	25.00
WPDG Revenue Loans	£m	4.00	4.00	4.00	4.00	4.00
WRIF PIF Capital Loans	£m	20.00	20.00	20.00	20.00	20.00
WRIF PIF Revenue Loans	£m	3.00	3.00	3.00	3.00	3.00
WRIF LCE Revenue Loans	£m	3.00	3.00	3.00	3.00	3.00
Other Revenue Loans	£m	7.00	7.00	7.00	7.00	7.00
Total	£m	62.00	62.00	62.00	62.00	62.00

*Annual investment limits are for in year spend only. These will be amended per year as necessary based on actuals.

7.4 Maximum Duration Limits

WPDG - Equity		Investment durations will be specified by each business case, subject to the investment limits set out in this strategy. The net investment limits above align with investment duration limits over the period of the MTFS.
WPDG - Development Loans		
WPDG - Revenue Loans		Revenue loans are short term by nature. The balance each year represents the lending facility available.
WRIF - LCEF	£m	5 years
WRIF - Property	£m	5 years

7.5 Equity Limits

		Equity Limits
WPDG		As specified by each business case, and subject to the specific limits set out in this strategy. If an equity investment is in the form of pre-existing owned property then the investment may go ahead if a higher value is due to revaluation only.
WRIF		No more than 10% of the gross investment budget for each year may be equity in nature

7.6 Maximum Investment Per Counterparty

WPDG		As per the gross investment values in Table 7.3
WRIF - LCEF		£500k
WRIF - Property		£10m

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Agenda Item 5

Cabinet

23 January 2023

Allocation of 2024/25 Dedicated Schools Grant

Recommendations

That Cabinet:

1. Endorses the Schools Block DSG allocation, as detailed in Section 3, following the Department for Education's (DfE) approval of the Council's disapplication to request a 0.5% transfer of funding from the Schools Block to the High Needs Block at a value of £2.283m;
2. Approves the Early Years Block DSG allocation of funding for all early years providers as outlined in Section 4;
3. Approves the allocation of the High Needs DSG budget, as set out in Section 5; and
4. Supports the proposals for allocating the Central School Services DSG budget, as set out in Section 6.

1. Purpose of the Report

1.1. The Dedicated Schools Grant (DSG) is the ringfenced grant from Government that provides each local authority with an allocation of funding for schools and services for pupils.

1.2. The report outlines the 4 blocks of the DSG, and the current proposals to allocate the provisional DSG allocation. Warwickshire Schools Forum received these proposals at the meeting held on 11 January 2024, and subject to Cabinet approval, they will be confirmed at the Schools Forum meeting on 21 March 2024.

1.3. Full Council will approve the 2024/25 budget resolutions on 8 February 2024 which includes allocating resources to schools and other educational settings in accordance with the National Funding Formula (NFF) for schools and early years settings. There is an expectation in the annual budget that the cost of schools and educational settings will be contained within the level of the DSG, but a reserve has been created to support a deficit if spending continues at the levels currently estimated without further external funding and/or recovery plan activities do not deliver cost reductions.

2. Dedicated Schools Grant

2.1. Whilst the DSG is often referred to as a single grant it is in fact made up of four blocks with minimal flexibility to move funding between the blocks.

Therefore, in considering how the DSG is allocated it is necessary to consider each block separately.

2.2. The provisional 2024/25 DSG allocation (before deductions) of £622.224m, split across the four blocks by the Education and Skills Funding Agency (ESFA) is set out in Table 1.

Table 1: 2024/25 DSG Allocations (before deductions)	**£m**
Schools Block	456.656
Early Years Block	63.795
High Needs Block *(Note 1)*	97.638
Central Schools Services Block	4.135
Total DSG Allocation 2024/25	**622.224**

Notes

1. Provisionally, the amount of the 2024/25 High Needs Block allocation that will come to the authority is £80.404m. The Education and Skills Funding Agency (ESFA) will top slice £17.234m to allocate directly to non-maintained providers. Similarly, an estimated £308.775m of Schools Block funding will be paid by ESFA direct to Academy Schools and £4.351m will be top sliced to cover EFSA payments of NNDR to billing authorities.

2.3. The rest of this section outlines the powers and responsibilities of the Local Authority and Schools Forum in relation to DSG allocations before the rest of this report covers the basis of allocations in each of the blocks separately.

2.4. Schools Block

It is the responsibility of the County Council to propose and decide any changes to the formula which is used to allocate Schools Block DSG to all primary and secondary schools. The Schools Forum is consulted on any proposed changes and informs the governing bodies of all consultations.

2.5. Early Years Block

Funding rules require that the whole of the funding allocation for Early Year pupil Premium and Disability Access Fund be passported to all early years providers for eligible children aged 9 months to 4 years.

The local authority must passport a minimum of 95% of funding for Under 2s, 2-year-olds and 3- & 4-year-old children of eligible working parents directly to settings. This means up to 5% can be retained by the Council to fund early years functions delivered by Education Services.

It is the responsibility of the local authority to propose and decide the allocation of Early Years Block funding. Schools Forum and an Early Years Working Group are consulted annually and given an opportunity to give their view on the local authority proposal.

2.6. High Needs Block

The High Needs Block supports provision for children and young people with special education need and disabilities (SEND). The High Needs Block also provides the resources for place funding, top-up funding for institutions and funding for high need services delivered by the local authority.

It is the responsibility of the local authority to propose and decide the allocation of High Needs Block funding. Schools Forum is consulted on any proposed changes and informs the governing bodies of all consultations.

2.7. Central School Services Block
The Central School Services Block provides funding for the local authority to carry out central functions on behalf of pupils in both maintained schools and academies. Services are split between ongoing and historic responsibilities.

The local authority proposes the spending allocations funded from the Central School Services Block, but the final decision is made by the Schools Forum.

3. Schools Block National Funding Formula 2024/25

3.1. The Schools Block DSG allocation for 2024/25 is £456.656m which is an increase of £31.019m (7.29%) from the equivalent 2023/24 allocation and is mainly due to increase in pupil numbers.

3.2. The total Number on Roll for 2024/25 has increased by 1,485 pupils (1.88%) above 2023/24 pupil numbers. Table 2 shows the Number on Roll changes by phase.

Table 2: Changes to the Number on Roll between 2022/23 and 2023/24 October Census Points

Phase	No. of pupils of Roll 2024/25	No. of pupils of Roll 2023/24	Variance
Primary Pupils	46,315	45,615	700
Secondary Pupils	34,290	33,506	784
Total	**80,606**	**79,121**	**1,485**

3.3. In addition, the minimum pupil funding for 2024/25 has increased to £4,610 for Primary Schools and £5,995 for Secondary school compared to £4,405 in Primary Schools and £5,715 in Secondary Schools for 2023/24. This represents an increase of 4.65% and 4.90% respectively above 2023/24 funding levels.

3.4. The Minimum Funding Guarantee has been set at +0.50%.

3.5. Within National Funding Formula guidelines, a Local Authority can transfer up to 0.5% from the Schools Block to the High Needs Block. Following an annual consultation with schools, Schools Forum did not support the transfer of any of the Schools Block DSG to the High Needs Block DSG in 2024/25 at their extraordinary meeting in November. The primary reasons for this decision were:

- the current pressures faced by school budgets (and the wider economy) during the current ‘cost of living’ crisis and rising inflation.
- the impact that the transfer would have had on reducing many Individual School Budgets (ISB)

3.6. The Local Authority submitted a disapplication to the Secretary of State to transfer the 0.5% from the Schools Block to the High Needs block in order to help with ongoing pressures on the High Needs Block. The ESFA confirmed to the Local Authority on 12 January 2024 that the disapplication had been conditionally approved. The conditions of grant were accepted by the S151 Officer. Consequently, the Local Authority is able to approve a single version of the Schools Budget incorporating the 0.5% transfer.

3.7. The DSG allocation for 2024/25 from the ESFA is not sufficient for the Local Authority to fully apply what is referred to as the 'hard' NFF in 2024/25. This is predominantly due to a larger than anticipated increase in pupil numbers. However, the conditions of the National Funding Formula allow Local Authorities to set local factors that are within 10% range so that the National Funding Formula can still be implemented.

3.8. The majority of factors have been set in line with the 'hard' NFF as per the below:

- Allocate funding for English as an additional language for the maximum 3 eligible years in line with the 'hard' NFF.
- Prior attainment set at 100% in line with the 'hard' NFF.
- The new Split sites allocates a basic eligibility rate of £56,000 and a distance funding rate of £27,096 in line with the 'hard' NFF.
- Business Rates are fully funded, and this is mandatory.
- Funding to meet minimum per pupil funding (£4,610 for primary school pupils and £5,995 for secondary school pupils) in line with the 'hard' NFF.
- Set the Minimum Funding Guarantee at +0.50% in line with the 'hard' NFF.
- Allocate £3.6m to the Growth Fund which Schools' Forum approved at their meeting on 11 January 2024.

3.9. The factors that have been adjusted (within the NFF 10% threshold) are as follows:

- The Age Weighted Pupil Unit (AWPU) rate has been set 1.45% lower than the 'hard' NFF for Primary, and 1.52% lower than the 'hard' NFF for Secondary.
- All Deprivation rates (Free Schools Meals and Income Deprivation Affecting Children Index) have been set 2.56% lower than the 'hard' NFF.
- All schools are allocated a lump sum of £131,993, 2.56% lower than the 'hard' NFF.

3.10. A breakdown of the movements in the NFF factors between 2023/24 and 2024/25 is shown in Table 3 below.

Table 3 - Comparison of NFF allocations 2023/24 and 2024/25 (with 0.5% transfer)

Factor	2023-24 £m	2024-25 £m	Difference £m	Difference %	Reason for Change
Age Weighted Pupil Unit (AWPU)	324.23	343.05	18.82	5.8%	Pupil led factor and increase in rates.
Deprivation	29.59	33.49	3.91	13.2%	Pupil led factor and increase in rates.
English as an Additional Language	3.07	3.90	0.83	27.0%	Pupil led factor
Mobility	0.08	0.72	0.64	782.6%	As per NFF requirement
Prior Attainment	26.51	28.56	2.05	7.7%	Pupil led factor
Lump Sum	29.60	30.89	1.29	4.3%	Increased Lum Sum
Split Sites	0.15	0.37	0.22	140.3%	New formula factors
Sparsity	1.08	1.10	0.02	2.2%	Increased rate
Rates	3.72	4.35	0.63	17.0%	Actual costs of rate bills are fully funded
Minimum Pupil Funding	3.88	3.94	0.06	1.6%	As other factors increase there is less need to protect schools through this factor
Minimum Funding Guarantee	0.25	0.40	0.15	62.1%	As other factors increase there is less need to protect schools through this factor
Growth Fund	3.48	3.60	0.12	3.4%	Increase in pupil number for bulk classes (for details see separate paper for growth fund)
Total (impacted by roundings)	**425.63**	**454.37**	**28.74**		

3.11. At their 11 January 2024 meeting, Schools Forum agreed to recommend the following in relation to the Schools Block allocation for 2024/25. (Please note that this is subject to the ESFA verifying our schools funding submission which needs to be submitted by Monday 22 January 2024. Schools Forum will therefore receive the final budget position at their March meeting.)

- Schools Forum agree to recommend to Cabinet implementation of the National Funding Formula in 2024/25 in line with national guidelines as set out in paragraph 3.8. This assumes that the Local Authority's disapplication to the Secretary of State for a transfer of 0.5% from the Schools Block to the High Needs Block is not accepted.
- Schools Forum agree to recommend to Cabinet implementation of the National Funding Formula in 2024/25 in line with national guidelines as set out in paragraphs 3.9. This assumes that the Local Authority's disapplication to the Secretary of State for a transfer of 0.5% from the Schools Block to the High Needs Block is approved.

3.12. As the Local Authority's disapplication to the Secretary of State for a transfer of 0.5% from the Schools Block to the High Needs Block has been approved, it is the latter of the recommendations that is brought forward to Cabinet.

4. Early Years Block National Funding Formula 2024/25

4.1. In previous years the Early Years Block element, within the Dedicated Schools Grant (DSG) funded the universal provision for all 3- & 4-year-old children as well as the early years provision for disadvantaged 2-year-old children. From April 2024 this will be extended to include eligible working parents of 2-year-olds and then children over 9 months (Under 2s) from September 2024.

4.2. ESFA announced in December 2023 early years allocations for 2024/25. These allocations cover the following areas:

- Under 2s
- 2-year-olds
- 3- and 4-year-olds

- Early Years Per Pupil Premium (EYPPP)
- Disability Access Fund (DAF)
- Supplementary Funding for Maintained Nursery Schools

4.3. Rates for 2023/24 and a comparison to 2024/25 rates are as follows:

Table 4: Early Years allocations rates 2023/24 and 2024/25

Factor	2023/24 Rates	2024/25 Rates	% Change
Under 2s	£0.00	£10.69	New
2-year-olds	£7.81	£7.87	0.76%
3- & 4-year-olds	£4.98	£5.58	10.75%
TPPG	£0.03	£0.03	No change
EYPP	£0.62	£0.63	1.59%
DAF	£828	£910	9.90%
MNS	£3.80	£4.64	22.11%

Allocations for under 2s

4.4. The hourly allocation for under 2s is £10.69 per hour for 2024/25.

4.5. As per the revised funding rules up to 5% of the allocation can be retained by the Local Authority to fund central services which support all early year's providers.

Allocations for 2-year-olds

4.6. The hourly allocation for 2-year-olds is £7.87 per hour for 2024/25

4.7. As per the revised funding rules up to 5% of the allocation can be retained by the Local Authority to fund central services which support all early year's providers.

Allocations for 3- & 4-year-olds

4.8. The hourly allocation for 3- & 4-year-olds has increased by 63p per hour from £4.98 per hour in 2023/24 to £5.61 per hour in 2024/25, this includes £0.03 for Teachers Pay and Pensions Grant (TPPG). This represents a 10.75% increase above the 2023/24 funding allocation.

4.9. As in previous years up to 5% of the allocation for 3- & 4-year-olds can be retained by the Local Authority to fund central services which support all early year's providers.

National Funding Formula Guidance

4.10. The Early Years National Funding Formula allocates funding to Local Authorities using an hourly rate. 95% of this must go directly to providers either as a universal rate or as the mandatory supplement for deprivation, and 5% can be retained by the Local Authority to fund central early years functions (since 2018/19) for 3 & 4year-olds and for the first time this year for under 2s and 2-year-olds. The formula also may have a fixed number of supplements in addition to the required deprivation factor.

4.11. The ESFA announced in December 2023 early years allocations for 2024/25 and the Early Years Working Group met on Monday 8 January 2024 to discuss the allocation of funding and to make a recommendation to Schools Forum.

4.12. A breakdown of how the recommended allocations from the working group and Schools Forum are set out in Table 5 below:

Table 5: Breakdown of Hourly rates

	2024/25 Allocation Per Hour		
	Under 2s	**2-year-olds**	**3 & 4year-olds**
Total Rate	**10.69**	**7.87**	**5.61**
Universal rate allocated to all providers	10.07	7.39	5.22
Teachers pay and pension grant	N/A	N/A	0.03
Deprivation Supplement	0.09	0.09	0.09
Central Provided Services (5%)	0.53	0.39	0.27

Early Years Per Pupil Premium and Disability Access Fund

4.13. From 2024/25 eligibility for Early Years Per Pupil Premium (EYPP) and Disability access fund (DAF) will be extended to include eligible children aged 2 years old and under.

4.14. The EYPP rate has been increased this year to 63p per hour for eligible children.

4.15. The Disability Access Fund allocation rate for 2024/25 is £910 per eligible child, an increase of 9.90%.

Supplementary Funding for Maintained Nursery Schools (MNS)

4.16. From 2023 to 2024 ESFA reformed the distribution of supplementary funding to ensure that it is being shared more evenly across all local authorities with MNSs.

4.17. The only change that has been made to the MNS Funding for 2024/25 is the hourly rate, this has increased from £3.80 to £4.64. In 2023/24 the ESFA mainstreamed the funding that MNSs previously received through the teachers' pay and pensions grants, so as per last year this is included within each local authority's supplementary funding allocation.

4.18. The Supplementary funding rate for Warwickshire is £4.64 and must be paid to 6 Maintained Nursery Schools for the Universal funded hours.

5. High Needs DSG Budget Allocations 2024/25

5.1. The 2024/25 allocation for High Needs Block DSG is £97.638m. This represents a £3.107m increase on the equivalent allocation for 2023/24. Of the total allocation of £97.638m the ESFA will top slice and allocate £17.234m direct to academies for high needs places. The allocation available to the local authority to manage is therefore £80.404m.

5.2. The High Needs Block allocation will be distributed to individual service budgets, taking into account both expenditure requirements and savings requirements (based on workstreams and interventions within the SEND and Inclusion Change Programme (DSG High Needs Recovery Plan) and participation in the DfE's Developing Best Value (DBV) in SEND programme.

5.3. High Needs Block funding is based on SEND pupil numbers at October 2023 in mainstream; special and resourced provision, maintained schools and academies, and SEND pupil numbers at January 2023 in independent provision. The funding is made up as follows:

- Basic entitlement factor funding at £4,711.06 per pupil, adjusted for area costs. This is a decrease of £0.166m from 2023/24 per pupil funding.
- Historic spend factor. This amount is maintained at a cash-flat level and accounts for approximately 85% of the total high needs allocation. The remaining amount of overall funding is distributed to local authorities using the following proxy indicators:
  - 2 to18 year old population
  - deprivation
  - health and disability
  - low attainment
- The formula then applies the protection of a funding floor to all elements except the basic entitlement factor.
- Hospital education funding is added.
- Import/export adjustments are made mid-year to reflect the transfer of pupils with SEND into and out of the County.
- Additional funding for Special Free Schools

5.4. The 2023/24 Quarter 3 forecast figures reported to Cabinet elsewhere on this Cabinet agenda, forecasts a 2023/24 High Needs Block in year overspend of £17.514m. It is recognised that nationally pressures on the school system, and the high needs budget in particular, are an issue; and Local Authorities continue to raise this with Central Government.

5.5. With the Government requiring all schools and early years services to be provided within the level of DSG allocated, more still needs to be done to ensure the budget for these services is robust and sustainable. The SEND and Inclusion Change Programme along with Warwickshire's participation in the DfE's Developing Best Value (DBV) in SEND programme will set out Warwickshire's plan towards how the DSG can be brought more into balance. Whilst further stages of the plan are developed and implemented, and/or the Government brings forward proposals for funding DSG deficits at a national level, sufficient funding will be set aside in reserves in 2024/25. As noted in the December MTFS report to Cabinet, it is not affordable for the Authority to make provision for the deficit beyond 2024/25, at this time. The financial assumption is that the Authority will take advantage of the statutory override from April 2025 onwards and will commit to implementing the options available to make good the accumulated deficit when the statutory override is lifted.

6. Central Schools Services Block 2024/25

6.1. The allocation to the Central School Services Block (CSSB) is £4.135m in 2024/25. This represents a £0.033m increase on the 2023/24 figure. CSSB funding is allocated partly for historic commitments and partly for ongoing functions relating to both maintained schools and academies.

6.2. For Warwickshire's historic commitments allocation, this was due to be reduced by 20% from 2024/25 but a successful appeal to the ESFA has meant that the funding of £1.003m is same as 2023/24. The cost of the historic commitments has similarly remained static.

6.3. Funding for ongoing functions is allocated using a pupil-led formula, based on October 2023 pupil numbers and comprises a basic per-pupil amount. This has been reduced from £39.17 to £38.96 for 2024/25. The effect of this reduced rate has been mitigated by the increase in overall pupil numbers as detailed in Table 2 above.

6.4. The decision on the use of the CSSB is one for the Schools Forum. The CSSB allocations for 2024/25 will be confirmed by the Schools Forum at their meeting on 21 March 2024.

7. Financial Implications

7.1. In addition to the financial implications which are within the body of the report. the following paragraphs are for noting:

7.2. This demand and cost pressures, alongside the need to deliver material savings and manage future demand to bring the budget back into balance, means the High Needs Block DSG remains an area that requires close oversight. Progress on the recovery plans will be reported to Cabinet and to Schools Forum as appropriate.

7.3. A High Needs Block DSG deficit is not unique to Warwickshire and reflects a major national problem. A sustainable funding model needs to be implemented by Central Government.

8. Environmental Implications

8.1. There are no specific environmental implications arising from the decision being made as part of this report.

9. Background Documents

9.1. None

10. Supporting Papers

Schools Forum 11 January 2024 meeting.

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

Cabinet

23 January 2024

Strategic Risk Management Framework

Recommendation

That Cabinet approves the refreshed Strategic Risk Management Framework at Appendix 1 and supports the approach to risk management recommended by the Framework.

1. Executive Summary

1.1 The purpose of this report is to seek the approval of Cabinet to the revised Strategic Risk Management Framework (the Framework).

1.2 The Framework has been in place since 2020/21. Elements of the Framework have been reviewed through an officer working group, which was established to consider the strategic risks to ensure they remain current and appropriate and to refresh those risks and the Framework. The revised Framework document has been presented to and endorsed by Corporate Board and is included as **Appendix 1**.

1.3 The majority of the changes to the Framework have been made to bring the document up to date to reflect the current Council Plan, organisational structures, ways of working and wider Council arrangements. In addition, the approach to calculating risk scores has been reconsidered and revised and now reflects a simplified and more standard approach to scoring. Risk appetite levels and categories have also been reconsidered and a small number of changes made. Further detail is included in Section 4 below.

2. Financial Implications

2.1 There are no direct financial implications arising from this report.

3. Environmental Implications

3.1 There are no direct environmental implications arising from this report..

4. Supporting Information

Background

4.1 The Framework was updated in 2020/21 with support and advice from Marsh Risk Consulting. The joint work between Marsh and the Council resulted in the establishment and agreement of a new Framework and the incorporation of the concept of risk appetite into the Council's approach.

4.2 The inclusion of risk appetite in 2020/21 was a significant step forwards in our approach to risk management, and an important element of our wider governance framework. Benchmarking, to compare Warwickshire against peers, has highlighted several local authorities are currently considering establishing a risk appetite.

4.3 Given the time that has passed and the impact of several significant events such as the pandemic, the cost of living challenges and global conflicts, it was considered sensible to review the position. The process outlined at paragraph 1 above has concluded and resulted in the revised Framework at Appendix 1.

Summary of the Changes

4.4 Several of the changes proposed to the Framework are simply to implement language and terminology that is consistent between the strategic and individual service risk registers and the Framework document and to reduce the use of technical language. This is to facilitate better understanding of the Framework and to encourage its continued active use within the Council.

4.5 Along with the language point above, amendments to the main body of the Framework also aim to bring the document up to date, to improve consistency and to reflect the Council's ways of working. The Framework continues to provide a good basis for the effective management of risk within the Council.

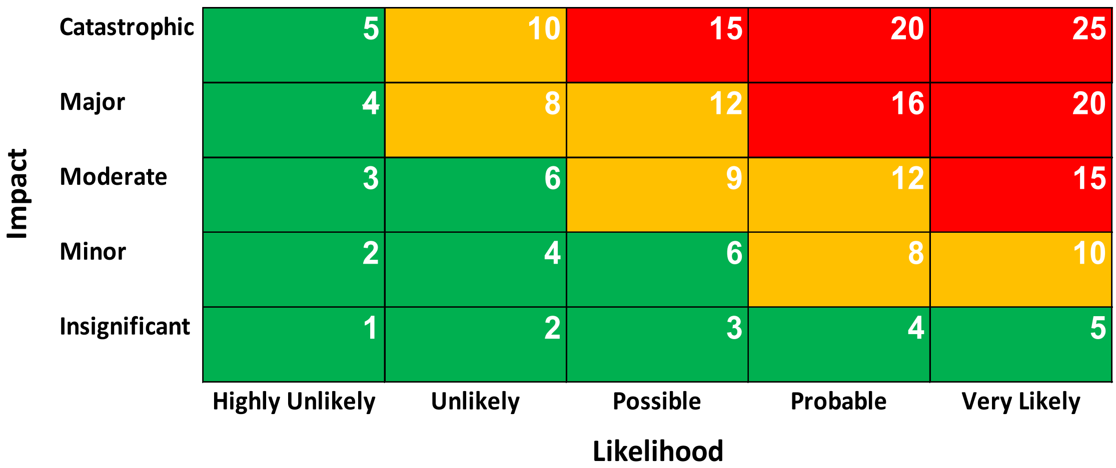
Standardised Risk Scoring

4.6 Risk is the product of the potential impact and the likelihood of a risk occurring. The likelihood and impact assessment criteria continue to provide a sound approach, and the detail in those criteria remains unchanged. In the past the approach to calculating scores has been to give more weighting to impact by calculating the risk score as follows: (Likelihood x Impact) + Impact. This approach, whilst justifiable, has caused a degree of confusion in practice where the vast majority of users of risk registers are more accustomed to a simple calculation of "Risk Score = Likelihood x Impact".

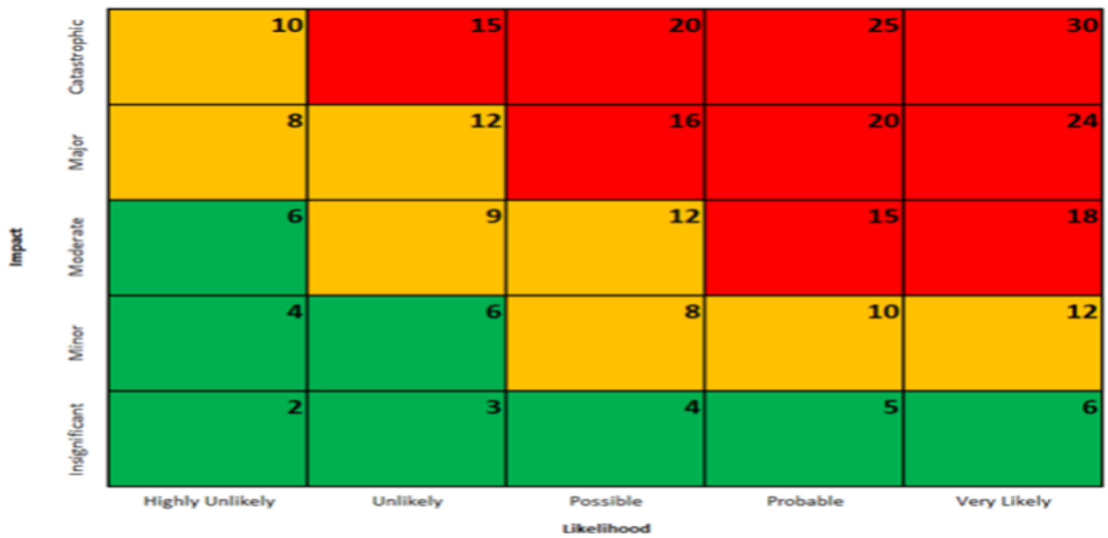
4.7 Therefore, through this refresh of the Framework, a simplified standard approach to scoring has been agreed, where Risk Score = Likelihood x Impact, which is in keeping with standard principles, reflects the approach of peers and is more clearly recognised by officers.

4.8 Following the change to the calculation of risk scores, the Likelihood Impact Grid (Heatmap) must be amended to reflect the change. The tapering of Red, Amber and Green has also been reconsidered and the refreshed arrangements incorporated into the Framework. The revised Heatmap is included below to highlight the approach. The main difference is that the heatmap now categorises fewer risks as red, where previously more risks scores were categorised as red than amber risks which was considered excessive.

Using the simplified approach: Risk Score = Likelihood x Impact



Using the previous approach: Risk Score = Likelihood x Impact + Impact



Risk Appetite

4.9 A core component of the Framework, and any management of a risk system, is regular / periodic reviews of risk appetite. A review of the Council's risk appetite has recently been carried out. This initially involved the risk working group reviewing appetite categories and levels prior to a full re-assessment by Corporate Board. The changes to the risk appetite statements are built into the Framework but for ease of reference the following table highlights the movement in risk appetite levels:

Risk Appetite		
Risk Area / Category	**Level (previous)**	**Rationale**
People	Open (Cautious)	Risk appetite increased from Cautious to Open to reflect the sustained change to the labour market, employee preferences and the need for WCC to be more innovative in approaches to recruiting and retaining employees.
Information Security	Minimalist (Cautious)	Risk appetite reduced from Cautious to Minimalist. With cyber-attacks increasing, particularly associated with national and local elections, and recent high profile data breaches, this is considered to have become more critical. The Appetite Statement reflects a more cautious approach is appropriate to sharing data for the benefit of services and users.

5. Timescales associated with the decision and next steps

5.1 The refreshed arrangements are currently being implemented throughout the Council's risk management arrangements. Cabinet will be provided with refreshed strategic risks scored using the revised approach as part of the performance reporting from Quarter 3 onwards.

Appendices

Appendix 1 – The Strategic Risk Management Framework

Background Papers

None

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

Local Member(s): n/a – county wide report
Other members: Chair & Spokes of Resources and F&R OSC need including in circulation

Warwickshire County Council

Strategic Risk Management Framework

Reviewer: 1. Director of Finance: Signature: Date: 13 November 2023	**Owner:** Executive Director for Resources: Signature: Date: 13 November2023
2. Director of Strategy, Planning & Governance Signature Date: November 2023	
Refreshed: 13 November 2023	

Warwickshire County Council

1. Introduction

Document Purpose

The purpose of this document is to introduce Warwickshire County Council's (WCC) Strategic Risk Management Framework (the Framework), assist its communication and understanding and to provide guidance to those with responsibilities for ensuring that it is applied effectively and consistently.

As a Council, we are accountable for delivering in a complex and changing environment. Managing risk and uncertainty is critical to the successful delivery of the Council's priorities.

The Framework sets out an enhanced and integrated approach that builds on our existing risk management practice. The Framework is intended to support innovation and in the medium term to assist growth and equality across Warwickshire.

It sets out the strategic, holistic and organisation-wide focus on risk, including the ambition and principles that frame our approach.

We are committed to implementing a mature, organisation-wide risk management culture which draws on good practice in the identification, assessment and effective management of risk in respect of current activities and new opportunities.

The Framework is designed to follow the Council's strategy framework. It is also a framework that will influence and interact with core strategies and related frameworks to build a 'One Council' approach and strengthen our strategic core.

In a climate of increased uncertainty alongside the pursuit of opportunities to innovate, this Framework is considered critical to our future direction and progress as an organisation; it provides essential guidance by articulating our risk management objectives and approach.

2. Overview of the Framework

The Framework is the council's policy document guiding our approach and practice. It was originally developed following an independent risk maturity assessment and reflects current national and international good practice

The Framework has been reviewed in 2023 and updated to ensure the content is appropriate and fit for the current environment.

The Framework is made up of three key elements:

Strategic Intent Why	Sets out the objectives for risk management to inform our strategic planning and decision-making and support the achievement of the Council Plan.
What	Sets out the tools and activities that we will use to deliver our objectives and management of risk.
How	Describes how we will implement and govern the Framework through relevant systems, procedures and practices.

3. Strategic intent and objectives

The purpose of the Framework is to enable us to deliver Council priorities and respond to new opportunities that maximise outcomes for the Council. This will be through the anticipation and management of risks to inform the decision making and planning process, acting as a driver for change and sustainable service delivery.

Specifically, we seek to:

- Build our resilience and thrive within an uncertain operating environment by identifying both risks and new opportunities to drive improvement, maximise benefits and positive outcomes for the Council and our residents.
- Act strategically, understand and influence risks holistically by managing cross-cutting, shared and partnership risks, including understanding the aggregate risk level across directorates, services and programmes/projects.
- Embed the consideration of risks and opportunities into all our strategic decision-making processes, including investment decisions, business planning and our change portfolio.
- Manage risk in line with risk appetite and without breaching risk tolerances, ensuring that all necessary controls and processes are in place to anticipate and respond proactively to risks thereby minimising negative impacts.
- Enable a common and consistent approach to risk by ensuring our risk parameters are clearly communicated, understood and that mitigation strategies are joined up across service areas.
- Create visibility by integrating risk management and the consideration of risk and control into assurance and reporting processes.
- Encourage effective risk intelligence sharing and collaboration across and between services, projects and other management of risk disciplines, such as; Health & Safety, Business Continuity Planning, Treasury Management, Internal Audit and the within the management of programmes and projects both revenue and capital.

4. What we will do to manage risks

Our approach will be delivered through the following principles and functional components:

- **Risk Principles**
- **Risk Appetite Statements**
- **Strategic Risk Register**
- **Directorate, service, programme and project risk profiles including mitigations**
- **Partnership risk assurance**

Our Risk Principles

Our risk principles provide guidelines by which we align our service and cross cutting risk management processes, allowing freedom for each Directorate whilst encouraging good practice and consistency across the Council as a whole. The following principles have guided the development of and refresh of our framework:

Risk Principle	Guidelines
We are risk aware	• WCC's people scan for emerging risks and concerns & take ownership of risks, controls and actions they have responsibility for. • There is evidence of risk management awareness, training & familiarisation. • Colleagues are supported to report on risks, to learn and share information and collaboratively work to manage risk.
We understand our appetite to risk & opportunity	• We monitor and manage our risks against risk appetite thresholds to achieve our goals. • Decisions which could expose WCC to risks above acceptable/appetite are impact assessed and escalated. • The escalation and any decisions are documented.
We think about risks & opportunities	• Colleagues are encouraged to innovate, collaborate and be entrepreneurial where there are opportunities to be explored to improve and deliver within the risk appetite. • Colleagues are encouraged to continually look for efficiency and effectiveness improvements without impacting front line services helping ensure costs and processes are in line with strategic objectives, budgets and governance arrangements.
We own our risks	• Risk, control and action owners are clearly identified and accountable for the effective treatment of risk. • Risks requiring Member or Corporate Board oversight will be promptly presented by the relevant Executive Director / Director / Head of Service supported by the risk team as necessary.

We will respond proportionately.	• All directors, managers and colleagues should feel empowered to raise risks, mitigate to an appropriate level and / or de-escalate risks. • We will report openly on risks and be supported as part of a learning culture. • We will encourage informed risk taking, management and learning but will not tolerate behaviours that breach our codes of conduct, governance and regulations.

Risk Appetite

The Council is committed to ensuring that all risks are identified and mitigated to a level that is consistent with the types and amount of risk we are willing to operate with. To do this, we assess our risk appetite for key risk areas which align to the overall strategy of the Council.

We are willing to bear or retain risks that have been assessed as being within the appetite levels set for each area/category.

Figure 1: Risk appetite levels November 2023

Risk Area / Category	Averse	Minimalist	Cautious	Open	Hungry
Staff Health & Wellbeing		✧			
Community Safety & Well Being		✧			
Information Security		✧			
Reputational			✧		
Service Delivery			✧		
Legal & Compliance			✧		
People				✧	
Commercial & Investment				✧	
Climate Change				✧	
Economy & Place				✧	

Risk Appetite Statements (Appendix 1) are established for each risk area / category to help the Council achieve its risk management objectives and articulate risk for the benefit of our partners and stakeholders in the pursuit of Council priorities. Risk appetite for each risk area is defined by Corporate Board and considered annually as part of the review of the Framework which will be endorsed by Cabinet.

Risk Appetite Dashboards for each risk area / category will set thresholds for measuring the current level of risk against the appetite. Wherever possible, risk metrics are aligned with Key Business Measures and Key Performance Indicators. Any risks identified as having exposures above agreed appetite levels will have a **risk action plan.** Those risks that cannot be mitigated are communicated through the quarterly Corporate Board risk reports, including appendices, and a highlight included in the performance framework report to Corporate Board and members.

Risk Framework Tools and Activities

The Framework consists of the following functional components. Each component is facilitated and maintained with support from the Risk Management Team and is performance monitored as part of the Council's risk reporting and summarised within the overall performance reporting.

Figure 2: Risk Framework Components and supporting elements

Functional Component	Supporting Elements
Risk Appetite	• risk appetite levels and statements • risk appetite dashboards and threshold metrics
Strategic Risk Register	• strategic risks assessed by Corporate Board quarterly • the most significant service and cross cutting risks • the most significant programme & project risks
Directorate Risk Profiles	• tracking residual risk exposure against risk appetite thresholds across the directorate • residual red service and cross cutting risks (performance)
Service Risk Registers and Risk Control Plans	• operational and specific to that service area • owned cross cutting risks • Health & Safety and other regulatory compliance reporting
Programmes, Projects and Change Risks	• PMO and change risks and assurance • capital projects in receipt of CIF • commercial initiatives, including the property company • ongoing programme and project risks are recorded
Partnership Risks	• partnership board risk and assurances e.g. ICS /ICB • collaboration agreements and risk ownership

How

We will implement the Framework through the following systems, procedures and practices:

- **Risk identification, assessment and control**
- **Risk reporting using profiles and dashboards (with aggregated and cross cutting views for Corporate Board, Directorates, Services, Programmes and Partnerships)**
- **Including risk in business planning and quarterly performance reviews**
- **Being part of an integrated approach with strategic planning and performance management.**

The application and effectiveness of the Framework will be overseen using the three-line assurance model shown in figures 3 and 4.

Strategic Risk Register

A key component will be to maintain a strategic risk register, as a tool that captures the **most significant risks** in the pursuit of priorities, **controls and actions** at any point in time.

The Strategic Risk Register will be reviewed and updated at least quarterly and more frequently if needed. This will include directorates, services, change programmes, capital projects and partnerships.

Corporate Board will agree quarterly updates to the Strategic Risk Register and a summary will be presented to Cabinet quarterly as part of the performance reporting.

Risk Registers will capture and be able to report on the management of risks in the following ways, depending on the purpose (e.g. review or decision making) and audience:

- as critical themes, where there are similar causes or effects;
- against risk appetite threshold levels;
- against council priorities;
- at Service, Directorate or Strategic Level, including the escalation of risk;
- by Programme and / or project as part of programme and project management activity; and / or
- as Service and Corporate Risk Dashboards.

Risk Assessment Criteria

Risk will be assessed consistently in its impact and likelihood using the risk assessment and evaluation matrix presented at Appendix 2.

We will use descriptions of our most significant areas of risk aligned to our strategic priorities and timeframes, to inform our evaluation of risk. We will be able to measure the effect of the mitigations, controls and actions, on risk impact and likelihood and substantiate these measures through links to risk control evaluations and the three lines of defence assurance model.

Service Risk Registers

Each service will maintain its own service risk register, using the same format, functionality and assessment criteria as the Strategic Risk Register.
Service risk registers will capture:

- risks that may impact on the successful delivery of priorities, delivery and business plans;
- mitigations to stay within risk appetite levels;
- the effectiveness of controls; and
- target levels of risk (based on the risk appetite).

Where risks materialise, they can be managed directly and outside of the Framework.

Risk Actions Plans

Any risks that are not being managed within a risk appetite threshold will have a risk action plan, integrated within the service risk register, that sets out mitigating strategies and specific actions to bring the risk to within tolerance levels.

Reporting Risk - Risk Dashboards and Profiles

Wherever possible we will use risk dashboards and risk profiles to report on the contents of risk registers and the effectiveness of risk management. Risk actions are also considered and included in reports to key audiences and key users of risk information including Cabinet, Corporate Board, Directorate Leadership Teams, Service Leadership Teams and any delivery programme, project and / or partnership boards.

Risk management information will be accessible at all times to risk owners and those accountable for managing risk and providing assurance about the effectiveness of risk management.

Integrated Approach

The Framework builds on our existing risk management good practice and processes and aims to integrate risk management with the following corporate systems:

- strategic planning and Medium-Term Financial Strategy;
- business planning and performance reporting against the Council Plan and delivery plans;
- Programme Management Office governance;
- investment decision making and governance; and
- partnership governance arrangements

Embedding a Risk Aware Culture

The Framework was initially supported by a programme of risk management learning and development opportunities that engaged with services and activities across the Council. This covers all the Risk Principles and aligns with Our People Strategy to develop:

- risk leadership;
- risk awareness as part of innovation and ways of working across the Council; and
- resilience and capability in the face of change and uncertainty.

Further refreshing of that training and raising awareness has taken place in 2023, as necessary, and as part of the monitoring and updating of risk information.

Risk Management Governance

Risk management is recognised as a key component in our Code of Corporate Governance. It is at the heart of the wider corporate assurance framework and a key component of the Council's three-line assurance model. As such, risk management will continue to respond and evolve to meet governance and assurance requirements.

A clear risk management governance structure along with roles and responsibilities through organisational tiers and across directorates will build ownership and accountability for risk management.

Risk management is delivered through a model of ensuring independent challenge on risk methodology, process and decision making. These can be represented as three levels of assurance, which align to a broader three lines assurance model (Figures 3 and 4).

Figure 3: Risk Management Governance Model

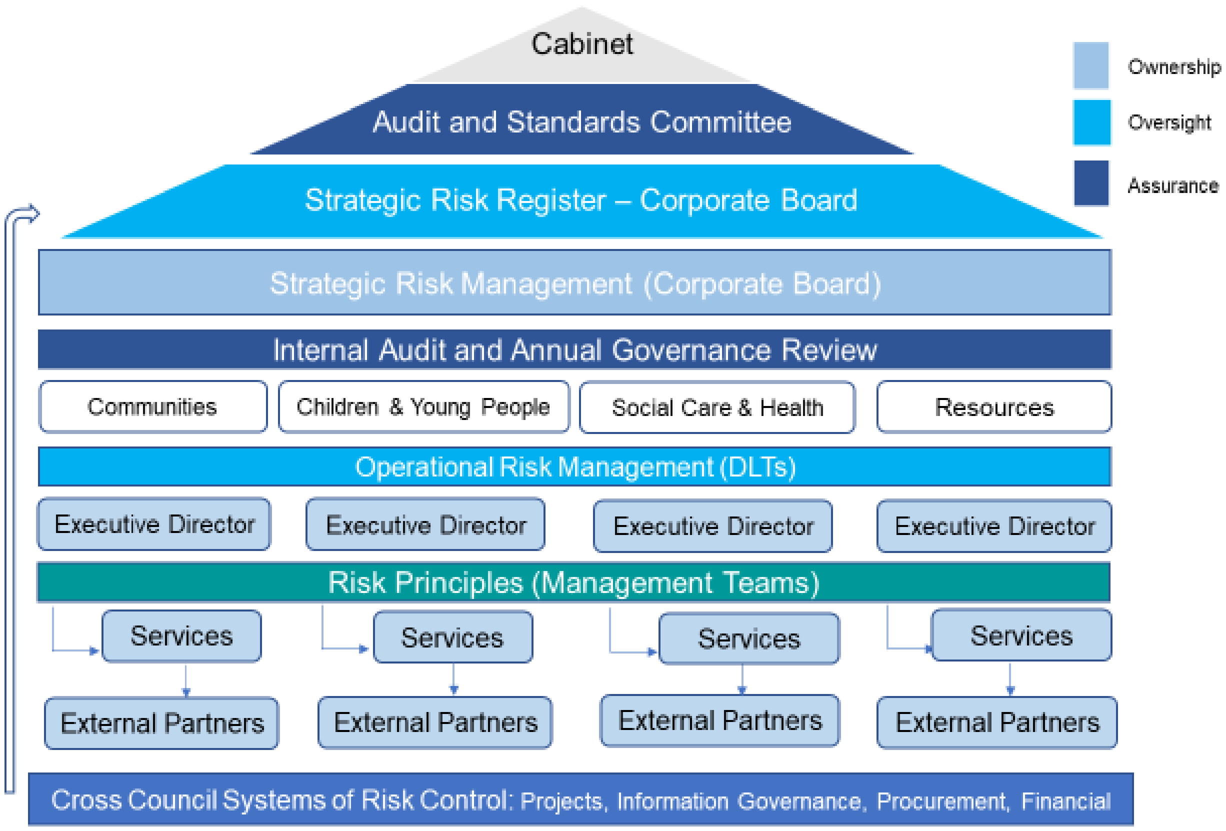

Figure 4 Risk Management Assurance Model and Responsibilities

Ownership (First Line)	*Oversight and Challenge (Second Line)*	*Assurance (Third Line and External)*
Directorate Leadership Teams, Service Managers, Programme and Project Managers, Partnership Arrangements	**Risk Management, Strategy, Planning & Governance, Finance and Corporate Board**	**Internal Audit Review / reporting to Audit & Standards Committee, external assessments**
• Perform service and change activities to fulfil strategic objectives, in line with risk appetite • Accountable for risks incurred in these activities • Manage risks through avoidance, mitigation, transfer or acceptance • Design and operate effective primary controls and procedures in line with frameworks and policies	• Support the establishment of an effective risk management framework and definition of risk appetite • Monitor risk profile and mitigation strategies, escalate or delegate as appropriate • Provide advisory support and challenge to risk owners.	• Independent review of adherence to risk and control standards and guidelines • Provide assurance on adequacy and effectiveness of 1st and 2nd line risk management approaches • Integrates with risk-based audit planning and assurance work

Key Delivery Actions, Monitoring and Review

To progress the further development and delivery of the Framework we are focused on delivering the following priority actions before the next review of the Framework.

- finalising Risk Appetite Dashboards and metrics to measure risk tolerance;
- standardising the use of the integrated Corporate Risk Register tool with services;
- maintaining the Strategic Risk Register, keeping it up to date to reflect the most significant strategic risks to the achievement of priorities, which are owned by Corporate Board members, and further development of reporting processes;
- refreshing project risk tools in Verto (our programme and project management software), which have been aligned to the Framework;
- risk management guidance and e-learning opportunities; and
- communication and engagement through business-as-usual activity to continue to embed risk management across directorates and services.

The Framework will be maintained through regular monitoring, annual review and sign off by Corporate Board in March / April and an in-year check to consider any changes (as determined by Corporate Board in November 2023). Keeping the Framework up to date will ensure it continues to align with good practice and the Council's planning and business cycle. The Framework will also be endorsed by Cabinet. Additionally, the Audit & Standards Committee will maintain oversight of the Framework including through annual assurance reporting, the Annual Governance Statement and the Internal Audit Annual Report.

5. Related Documents

Additional risk related documents and related sources of information are highlighted below:

- **WCC Risk Appetite Statement**: summary statement providing a high level of description of the organisations risk appetite, and detailed appetite statements for each risk category / area indicating the metrics by which WCC measures and controls exposures;
- **WCC Risk Registers**: the database of risk information to be maintained and regularly reviewed and updated
- **Strategic and Directorate Risk Profiles**: strategic and service risk register content;
- **Change Portfolio programme and project risks**: held within the programmes and projects;
- **Risk assessment and evaluation criteria** (technical appendix): held in the Framework and incorporated into the risk register template;
- **Health & Safety Strategy**: held on the intranet and sets out the Council's policy and approach;
- **Anti-Fraud and Corruption Strategy** (Fraud Risk Assessment); the Strategy is maintained by Internal Audit and accessible via the intranet;
- **Code of Corporate Governance and Annual Governance Statement**: is available on the intranet and sets out the Council's governance principles, approach whilst the Governance Statement reports on how the Council has complied with the Code.

Risk Appetite Statements (November 2023) **Appendix 1**

Risk Appetite	Description
Averse	Avoidance of risk and uncertainty is a key organisational objective
Minimalist	Risk is to be avoided unless essential; only prepared to accept the possibility of very limited loss
Cautious	Tolerance for risk taking is limited to those events where there is little chance of any significant downside impact
Open	Tolerance for decisions with potential for significant risk, but with appropriate steps to minimise any exposure and deliver benefits
Hungry	Eager to pursue options offering potentially higher rewards despite greater inherent risk

Risk Appetite Statements (November 2023) **Appendix 1**

Risk area	Definition	Appetite level	Commentary
Staff Health & Well Being	The risk of uncertain outcomes relating to harm, injury or illness of WCC staff in the workplace	**Minimalist**	WCC has very limited appetite when considering the health, safety and well being of our people. We seek to promote health and safety for our people and ensure that we regularly review any activities which may put our colleagues in danger or harm. As an organisation we will do everything possible to prevent serious harm or loss of life to our colleagues and third parties engaged with us. We promote mental health and wellbeing and will always provide our colleagues with the support they need.
Community Safety & Well Being	The risk of uncertain outcomes relating to harm, injury or illness of communities (including children and vulnerable adults)	**Minimalist**	The safety and well being of the Warwickshire community is of paramount importance to us, therefore WCC has a very limited appetite for this risk. We will continually seek to avoid any activities that present a threat to the safety of the public, and we do everything possible to prevent the loss of life to anyone in the community. We also work with our partners to promote the physical and mental health and wellbeing of our communities. We are responsible for providing care to those who need it most, including children and vulnerable adults, and we endeavour always to provide the support and safety that these individuals require. Alongside this, we operate rigorous safeguarding measures to ensure the health and safety of Warwickshire citizens.
Information Security	The risk of breach of IT systems and/or data	**Minimalist**	WCC has a minimalist appetite to the risk: breach of data and / or systems and will not compromise our residents', customers' or colleagues' data, ensuring it is stored within our IT and records infrastructure to meet international and UK regulatory standards. We have a strong policy to ensure that sensitive information is stored and used securely, and thorough processes exist for the identification and resolution of incidents that present a threat to information security. However, WCC recognises the wealth of data and information that we hold and the importance of sharing this with our partners to achieve effective service delivery. As such, WCC is more open in its approach to sharing data as we recognise the benefits that this can deliver when managed within a controlled framework.
Reputational	The risk of detriment to WCC's reputation locally and nationally	**Cautious**	Maintaining trust and confidence in the Council is of paramount importance to us and is a key performance indicator for the organisation, therefore WCC is cautious to the risk of damaging this reputation; both locally and nationally. We seek to ensure that all residents, businesses, service users and partners have a positive experience of our services and identify the Council as a support mechanism for the Warwickshire community. Sustaining our reputation is critical and there are inherent risks associated with aspects of service delivery, therefore we reduce these to the best of our ability through well co-ordinated risk assessments and oversight of delivery and performance.
Service Delivery	The risk of disruption to council service delivery and operations from failed procedures, systems, policies or unsustainable demand	**Cautious**	The success of the Council depends on effective service delivery. We are towards the open end of cautious in seeking opportunities to innovate and improve our services and their delivery however, we are cautious to potential disruptions and ensure that we do everything possible to minimise disruptions to our service obligations. Our procedures, systems and policies are robust and regularly reviewed for effectiveness. There is sufficient resilience in place so that service users and residents are always able to access our critical services and the information they require. It is important that as an organisation we place importance on developing our own workforce so that WCC has the right skills and capabilities to commission and deliver services effectively.

Risk area	Definition	Appetite level	Commentary
Legal & Compliance	The risk of loss from legal penalties or fines from non-compliance or legal cases	Cautious	We are cautious towards legal and compliance risk and recognise that having a strong culture in managing this risk is fundamental to the way the Council operates. We aim to minimise our exposure to Ombudsman complaints by ensuring that all of our Services provide the highest quality of service. We ensure that all of our staff have undertaken the necessary compliance training where required and periodically seek assurance to test effectiveness. The organisation takes a balanced view of contract risk and understands that our legal and contracting processes should enable fast and timely decision-making to support effective delivery of services.
Commercial & Investment	The risk of financial loss from commercial decisions	Open	WCC is open to accepting a calculated level of risk in order to create positive rates of return and drive value for the Council, Warwickshire citizens, service users and colleagues. Through careful and strategic selection of commercial and investment opportunities that will benefit our service delivery, we will have to accept financial risks and mitigate through strong financial controls. Whilst we are open to innovative opportunities, we recognise the importance of the risk of financial loss and sustaining our financial resilience, therefore we have strong financial controls in place to ensure financial sustainability.
People	The risk of loss of critical colleagues and/or reduction in employee morale	Open	WCC is a people-orientated organisation and our people are one of our key assets, therefore engagement and retention of colleagues is imperative. We will seek to provide our people with appropriate education to promote personal and workforce development and we understand this will also bring benefits to the organisation. We accept an amount of turnover in the organisation because we realise the benefit that new colleagues can provide to the business through original ideas and innovation. We are open to innovation to build workforce capacity and capability and have a tolerance for decisions with potential for risk however, we have strong controls in place to manage this.
Climate Change	The risk of causing an adverse effect on the environment due to business activities	Open	WCC has a strong commitment to tackling Climate Change and is open to seeking out innovative opportunities to control our own emissions and to encourage businesses to also minimise their emissions. We aspire to sustainable levels of waste generated in the community and promote initiatives towards reusing and recycling as part of the wider circular economy. As an organisation we are conscious of the various benefits associated with high levels of biodiversity across the County and we regularly set and review targets to reduce our environmental footprint.
Economy & Place	The risk of detrimental effect on the Warwickshire economy due to external factors	Open	Whilst economic growth is driven by external factors, WCC is open to accepting a calculated level of risk that may drive economic growth within the County. Whilst these decisions may carry greater risk, we closely monitor economic factors to determine their impact upon the County and continually seek to attract economic investment, business growth and talent across the County.

Risk Assessment and Evaluation Matrix

Appendix 2

Purpose: Risks that have been identified need to be assessed so we can prioritise, escalate the highest concerns and measure risk including the effect of mitigations i.e. controls and actions / the risk treatments. We use the risk assessment matrix, set out below, to assist with the evaluation of probability (likelihood) and impact to generate:

(i) **inherent risk score** - this is before applying any mitigating controls, which are in place already and in operation.

(ii) **residual (current) risk score** - after applying the controls and before proposed additional actions to be implemented; and

(iii) **target risk score** the destination of the risk journey. Where the mitigating actions lead to manage the risk within the appetite level.

The inherent, residual and target risk scores will be recorded in all risk registers and used to produce risk profiles and facilitate prioritisation and escalation of risks for reporting.

Risk Score: Likelihood x Impact = Inherent, Residual and Target Risk Scores. We score inherent, residual and target risk using a five-point scale for likelihood and impact using the guides below. Risk profiles are generated from residual scores and displayed in the following heat map:

Impact					
Catastrophic	5	10	15	20	25
Major	4	8	12	16	20
Moderate	3	6	9	12	15
Minor	2	4	6	8	10
Insignificant	1	2	3	4	5
	Highly Unlikely	Unlikely	Possible	Probable	Very Likely

Likelihood

Risk Assessment and Evaluation Matrix

Appendix 2

To assist us to evaluate risk from these two perspectives; **likelihood** (probability of the risk occurring) and **impact** (consequence on the council and its objectives should the risk occur), we use the following assessment criteria:

Likelihood Assessment Criteria

Score	Description	Probability of Occurrence	Likelihood of Occurrence
1	Highly Unlikely	The event may occur in only rare circumstances (remote chance)	1 in 8 + years
2	Unlikely	The event may occur in certain circumstances (unlikely hance)	1 in 4-7 years
3	Possible	The event may occur (realistic chance)	1 in 2-3 years
4	Probable	The event will probably occur (significant chance)	1 in 1-2 years
5	Very Likely	The event is expected to occur or occurs regularly	Up to 1 in every year

Risk Assessment and Evaluation Matrix **Appendix 2**

Impact Assessment Criteria

Score		Financial Impact	Reputational	Safeguarding	Community Health & Well Being	WCC Staff	Service Delivery	Legal & Compliance
1	Insignificant	< £250,000 per annum	No public or customer awareness and contained internally within the Council, no complaints received from the Warwickshire community and insignificant impact on relationships with strategic partners.	No impact on the safety and wellbeing of vulnerable children and adults and no intervention required from the Council	No impact on the health and well-being on the Warwickshire community, no individuals are at risk of physical or mental harm and communities are able to thrive	No work-related fatalities and no impact on staff health and wellbeing, insignificant impact to staff morale and engagement, there is a diverse workforce where all staff feel equal and included	No impact to the quality and effectiveness of Service delivery, all demand for Services can be met and can be delivered in a sustainable manner	No legal proceedings brought against the Council and WCC is compliant with all required policies and procedures

Risk Assessment and Evaluation Matrix **Appendix 2**

Score		Financial Impact	Reputational	Safeguarding	Community Health & Well Being	WCC Staff	Service Delivery	Legal & Compliance
2	Minor	£250,000 - £2,500,000 per annum	Minor public or customer awareness but no local media concern, low level of complaints received from the Warwickshire community and minor impact to some strategic partnerships	Minor impact on the safety and wellbeing of vulnerable children and adults resulting in isolated instances of harm or injury and short-term intervention required	Minor impact on the health and wellbeing of the Warwickshire community, a low level of individuals are at risk of physical or mental harm and communities are largely unaffected	No work-related fatalities however potential impact on staff health and wellbeing (e.g. shorter-term absences / sickness), minor impact to staff morale and engagement, there is a diverse workforce where the majority of staff feel equal and included	Minor impact to the quality and effectiveness of Service delivery however not resulting in any disruptions, minor impact to strategic partnerships, ability to meet nearly all demand for Services and with minimal environmental impact	No legal proceedings brought against the Council however minor breaches to some policies and procedures have occurred
3	Moderate	£2,500,000 - £10,000,000 per annum	Limited local public and media concern with 'short lived' local coverage, moderate level of complaints received from the Warwickshire community and some strategic partnerships are moderately impacted	Moderate impact to the safety and wellbeing of vulnerable children and adults resulting in some level of harm or injury and requiring Council intervention	Moderate impact to the health and wellbeing of the Warwickshire community, some individuals are at risk of physical or mental harm and specific communities adversely impacted	No work-related fatalities however significant impact on staff health and wellbeing (e.g. longer term absences / sickness, increased number of vacancies, minor impact to staff morale and engagement, there is a relatively diverse workforce although not all staff feel equal and included	Moderate impact to the quality and effectiveness of Service delivery resulting in short term disruptions limited to a single Service, moderate impact to strategic partnerships, the majority of demand for most Services can be met and delivered with no environmental impact.	The Council is subject to a low number of legal proceedings and some policies and procedures have been breached

Risk Assessment and Evaluation Matrix **Appendix 2**

Score		Financial Impact	Reputational	Safeguarding	Community Health & Well Being	WCC Staff	Service Delivery	Legal & Compliance
4	Major	£10,000,000 - £20,000,000 per annum	Significant regional public and media concern with the potential to escalate to national coverage, significant level of complaints received from the Warwickshire and regional community and multiple strategic partnerships adversely impacted	Major failure to protect vulnerable children and adults resulting in avoidable injury or fatality and significant intervention required from the Council	Major failure to protect the health and well-being of the Warwickshire community, the physical and mental health of a high number of individuals is impacted and communities are unable to thrive	Potential work-related fatalities or serious injury and significant impact on staff health and well-being, significant impact to staff morale and engagement and short to medium term implications to WCC culture, the workforce lacks diversity and a significant number of staff are made to feel unequal/excluded	Major impact to the quality and effectiveness of multiple Services and long-term disruptions resulting in required standards, including environmental standards, not being met, multiple strategic partnerships affected, demand cannot be met for some key Services (e.g. Social Care), service provision.	The Council is subject to a significant number of legal proceedings which are likely to be successful, a number of policies and procedures have been breached by a significant number of WCC staff

Risk Assessment and Evaluation Matrix **Appendix 2**

Score		Financial Impact	Reputational	Safeguarding	Community Health & Well Being	WCC Staff	Service Delivery	Legal & Compliance
5	Catastrophic	> £20,000,000 per annum	Sustained national public and media criticism resulting in long term adverse impacts for the Council, high levels of regional and national complaints and all strategic partnerships experience long term catastrophic impacts	Catastrophic failings to protect vulnerable children and adults resulting in multiple avoidable injuries or fatalities and long-term intervention from the Council required	Catastrophic failings to protect the health and wellbeing of the Warwickshire community, almost all communities experience significant physical or mental harm and communities suffer long term adverse impacts	Work related fatality / fatalities or multiple serious injuries and staff are affected across all Services. Long term impact to staff morale and engagement and sustained impact to WCC culture. The workforce lacks any diversity at all and the majority of staff feel unequal/excluded	Catastrophic impact to the quality and effectiveness of Service delivery for all Services, and key required standards, including environmental standards, are consistently not met, all strategic partnerships are significantly affected with long term adverse impacts, demand cannot be met for Services	The Council is subject to a high number of high profile legal proceedings all of which are likely to be successful, there has been organisational breaches of all major policies and procedures which will in turn likely lead to further legal proceedings.

Reviewing Risk Assessment Criteria:

Risk assessment criteria are informed by Council Plan priorities and risk appetite levels. Likelihood and impact assessment criteria will be reviewed annually along with the Framework, around March / April, and an in-year check carried out. Updating will take place as required to ensure there is continuing alignment to best practice and the Council's planning and business cycle.

Cabinet

23 January 2024

Creating Opportunities Update

Recommendations

That Cabinet:

1. Notes the progress made to date on Levelling Up and Community Powered Warwickshire and endorses the ‘Journey So Far’ Review document at Appendix 1 for publication; and

2. Supports the adoption of the Creating Opportunities approach going forward, noting the two plans agreed for Stratford District and Nuneaton & Bedworth Borough and WCC’s contribution to them.

1. Executive Summary

1.1 Levelling Up was first set out by national government in the Levelling Up White Paper published in 2022 and legislated in the Levelling Up and Regeneration Act 2023.

1.2 The national policy seeks to address long standing inequalities that exist within and between individuals, communities and groups.

1.3 In July 2022 Cabinet approved the Countywide Approach to Levelling Up providing a local definition of Levelling Up and an understanding of the local issues, which translated national policy into an approach for Warwickshire that builds on the strengths of our communities and tackles the longstanding challenges facing some of our residents and places.

1.4 Since the publication of the Countywide Approach to Levelling Up, working collaboratively with Nuneaton and Bedworth Borough Council and Stratford-on-Avon District Council, two Creating Opportunities place plans have been developed which identify the local priority places and groups where to targeted interventions are being pursued.

1.5 Eighteen months on from first publishing the Countywide Approach to Levelling Up in Warwickshire there have been great successes in embedding a new approach across the county and with partners. It is now a suitable time to create a digital home for work across Warwickshire and projects connected to Creating Opportunities which is why a Creating Opportunities microsite has been created. The site will link to 'news' updates on projects being led by other authorities and content will be managed by WCC.

1.6 Alongside this site, which will highlight current and yet to come projects that connect to the four-part local definition of Levelling Up:

- Tackling inequalities
- Increasing social mobility
- Ensuring sustainable futures
- Empowering communities

1.7 The County Council wishes to appraise progress so far and reflect on the achievements made through our 'Creating Opportunities – Journey So Far' review document which is attached at Appendix 1.

2. Financial Implications

2.1 There are no direct financial implications associated with this report. Existing budgets will be used for costs relating to the microsite.

3. Environmental Implications

3.1 Sustainable Futures is one of the four agreed elements of our definition of Levelling Up and is foundational to Creating Opportunities in Warwickshire.

3.2 The emerging Sustainable Futures Strategy and *Creating Opportunities* place plans will further help embed work on climate.

4. Supporting Information

4.1 Since the publication of a Countywide approach to Levelling Up in Warwickshire, the programme has developed considerably, and the branding has evolved to reflect this progress. *Creating Opportunities* is now the umbrella brand, unique to Warwickshire, used for projects and plans associated with Levelling Up, reducing inequalities, increasing social mobility and Community Powered Warwickshire.

4.2 The review document aims to bring together progress so far on Levelling Up and Community Powered Warwickshire and showcase current successes as well as demonstrating how the programmes will intersect going forward.

4.3 The review document highlights the following:

- Context of Levelling Up & Community Powered Warwickshire
- Recent strategies that embed Creating Opportunities

- Local community examples of Creating Opportunities including projects funded by Warwickshire County Council's Social Impact Fund and Green Shoots Community Fund
- Ongoing and future projects including three community powered place pilots

4.4 Warwickshire County Council's Social Fabric Fund, which launched in the summer of 2023, will be an important element of Creating Opportunities going forward. The fund which totals £2.5million aims to support communities build their own solutions, particularly in the county's identified priority places. The fund has an indicative split of 40% revenue and 60% capital funding and will run over two years up to 31 March 2025.

4.5 Warwickshire County Council has already received many Expressions of Interest from groups wishing to secure funding. A number of these have made it through to a second round of consideration. The Councils anticipates receiving more Expressions of Interest before the closing date.

4.6 At a national level devolution is also linked to the Levelling Up agenda. Locally, comprehensive work on devolution was undertaken in 2023 and the position reached was Warwickshire would not at that time pursue a deal which involved a mayor or directly elected leader at Level 3. Following the Government's Autumn statement, deals at Level 2 may now be possible and the County Council has expressed an interest. We await further dialogue with Government in order to progress.

4.7 As the Creating Opportunities programme further progresses the aim will be to produce an annual review that reflects our delivery against our 2030 targets.

5. Timescales associated with the decision and next steps

5.1 Key dates and next steps are set out below:

- 15 January 2024 - Stratford-on-Avon District Council Cabinet for Growing Opportunities Plan delivery plan approval
- 1 February 2024 - Publication of Journey So Far document and microsite

Appendices

1. Journey So Far Review Document
2. Creating Opportunities in Nuneaton and Bedworth Place Plan
3. Growing Opportunities in Stratford-on-Avon Place Plan

Background Papers

1. Countywide approach to Levelling Up
2. Levelling Up in Warwickshire Evidence Base
3. Draft Creating Opportunities Microsite

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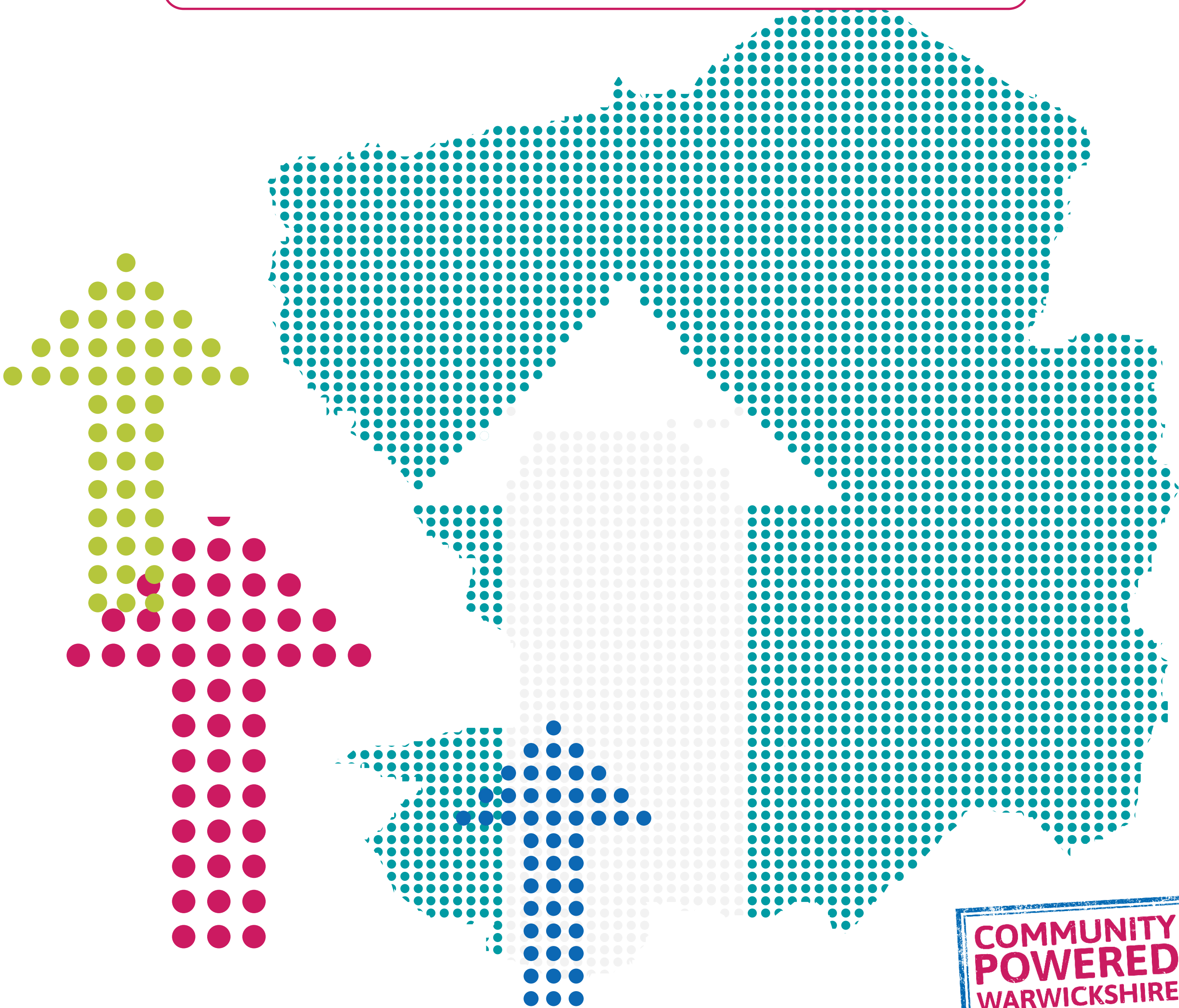
The report was circulated to the following members prior to publication:

Local Member(s):
Other members: Cllr Adrian Warwick – Chair of Resources and Fire & Rescue OSC
Cllr Parminder Singh Birdi – Vice Chair of Resources and Fire & Rescue OSC

Delivering a Better Borough

Nuneaton & Bedworth

Making a difference, by doing things differently



COMMUNITY POWERED WARWICKSHIRE

Foreword

Kris Wilson
Leader of Nuneaton & Bedworth Borough Council

Cllr Izzi Seccombe OBE
Leader of Warwickshire County Council

Delivering a better borough in Nuneaton & Bedworth Borough is a long-term ambition, shared across a broad range of local partner agencies.

Building on the vast strengths and rich history of the Borough we are aiming to focus our collective effort in tackling some of the long-standing challenges that residents face. Our overarching goal is that every resident in the Borough has access to the same opportunities regardless of where they are born or who their parents are.

The Plan complements Council plans and existing strategies and aims to sustain the many successful projects and partnerships in the Borough. The objectives in this plan reflect the national and countywide approach to Levelling Up, whilst making sure that activity in Nuneaton & Bedworth Borough is targeted to places and people who need the most support.

Using our collective strengths across partner agencies and drawing on a range of evidence we will tailor approaches to the local needs of communities across the Borough ensuring that activity delivers real and lasting change in residents' lives.

Together, we want to make a difference by doing things differently in the Borough.

Introduction

Nuneaton and Bedworth Borough benefits from a rich history, high levels of life satisfaction and good levels of happiness.

It has an excellent geographic location where residents benefit from access to a range of high-quality transport options as well as extensive digital connectivity.

The borough has a proud history of strong community spirit, and we want to build on this to unlock the potential of communities across Nuneaton and Bedworth. Levelling up will capitalise on the opportunities in place to improve several metrics that are indicative of a resident's life experiences and quality of life in our communities. We want to use the existing strengths of the Borough to support people to overcome the persistent challenges they may face and make sure people have good opportunities to get on in life, regardless of where they are born in the Borough or who their parents are.

Purpose and context

The Government has emphasised the criticality of Levelling Up the country through its Levelling Up White Paper and twelve national missions to address the causes of inequality and lack of social mobility. In Warwickshire we have translated this into the Countywide Approach to Levelling Up, published in July 2022.

This Levelling Up Plan for Nuneaton and Bedworth Borough goes a step further: it stands in its own right whilst also complementing the Countywide Approach by setting out what Levelling Up means for the communities and residents of Nuneaton and Bedworth Borough.

For Warwickshire Levelling Up means four things:

1. Tackling inequalities

2. Increasing social mobility

3. Building community power

4. Creating sustainable futures

This plan has been jointly developed by Nuneaton and Bedworth Borough Council and Warwickshire County Council, informed by work with the partners who will be part of a collective effort to connect and drive forward work against the priorities it sets out.

Where this plan sits?

To make Levelling Up work for Warwickshire we will work at different organisational and geographical levels, ensuring nobody is left behind in our approach to Levelling Up.

Countywide approach

- Countywide Levelling Up Approach
- Countywide strategies and partnerships e.g. Education strategy, Strategic Economic Plan, Sustainable Futures Strategy
- Social Fabric Fund
- Countywide Levelling Up Data set

Nuneaton & Bedworth Borough-wide approaches

- Levelling Up Place Plan
- Borough-wide strategies and partnerships
- Key borough metrics relevant to Levelling Up
- Business as Usual activity
- Existing projects and partnerships e.g. health
- Shared focus on - Growing & Learning, Skills & Working, Health & Wellbeing, Community pride

Community-led approaches

- Hyper-local community-powered pilots, starting in priority neighbourhoods
- Community networks and assets
- Series of engagement sessions
- LSOA level data dashboards

The approach

We know some of the challenges relating to Levelling Up are long-term and inter-generational.

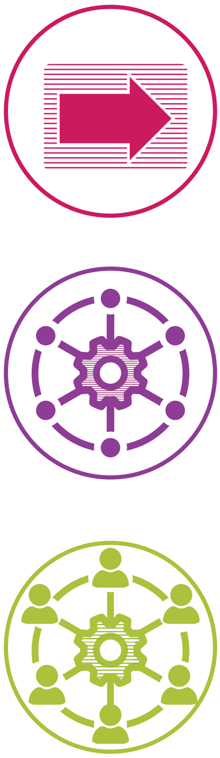
Levelling Up aims to give a new approach to tackling these challenges whilst building on current activity. We want to use this plan to accelerate existing effort and resources across partners and communities.

This plan builds on existing strengths and will help Nuneaton and Bedworth's communities to find their own solutions that have lasting impact. It provides a clear plan to improve key metrics, with clear baselines and trajectories as a way to focus, target and join up Levelling Up.

It does not try to replace or replicate the work of partner agencies or groups.

This is shown in the diagram below:

How this approach is different



Accelerator

- Building on existing assets and strengths
- Accelerating existing projects

Connector

- Joining up themes
- Working holistically and across multiple agencies

Community led

- Place based
- Community powered

Who is this plan for?

Our Priority Communities

Focusing on the Lower Super Output Areas (LSOAs) in the 20% most deprived nationally, according to the Index of Multiple Deprivation 2019, the following 17 places have been identified as a priority:

Prioritising certain areas will not disadvantage other places. The aim of our priority places is to target our limited available resources where they can have the most impact. The accompanying delivery plan highlights the range of actions planned, with a mix of borough-wide and targeted activities.

Priority LSOAs	***Middle layer super output areas (MSOA)***
Bar Pool North & Crescents Bede Cannons	Bar Pool
Bede East Bede North	Bedworth Central
Camp Hill East & Quarry Camp Hill North West & Allotments Camp Hill Village & West *(now known as Camp Hill - Queen Elizabeth Recreation Ground and Camp Hill - St Mary & St John)*	Camp Hill
Poplar - Coalpit Field Poplar - Nicholas Chamberlain	Exhall
Hill Top Middlemarch & Swimming Pool Riversley	Hill Top
Abbey & Town Centre Abbey North Abbey Priory	Nuneaton Town Centre
Kingswood - Stockingford Schools Kingswood Grove Farm & Rural	Stockingford

There is an additional focus on Bedworth and Nuneaton town centre regeneration through the existing programmes for each, and will continue the community powered pilot in Bar Pool North & Crescents. Maintaining, and enhancing, both Councils' and our partners' long-term focus on regeneration is critical to Levelling Up in the Borough.

Priority residents and groups

Our communities in Nuneaton and Bedworth aren't just based on geography or places. There are groups across the borough with shared characteristics and needs, which we have described as 'communities of interest.'

both among such groups and in particular places means understanding the data, setting a clear baseline and measurable aspirations for improvement which partners can work together on. Key groups we want to work with include:

- **people struggling with mental health**, especially young men;
- **global ethnic majority** communities;
- **individuals leaving the criminal justice system**;
- **Young people and families affected by violence** and the causes of violence
- **overweight and obese adults and children**;
- **adults at risk of chronic health conditions** such as cardiovascular and respiratory disease;
- **people living in poor housing conditions**
- **Early Years** – pupils at the end of early years foundation stage not ready for the next stage of education, Key Stage One;
- **young people with Special Educational Needs and Disabilities**;
- **children in care**;
- **pupils in primary school not meeting the expected standard** in reading, writing and maths;
- **pupils in secondary education not achieving GCSEs in English and maths** by age 19 ;
- **school-aged children who are missing 10%+ of possible school sessions**;
- **attainment levels** for disadvantaged children, children living in low-income households, in receipt of Free School Meals and Pupil Premium;
- **school leavers** that are not going into education, employment, or training;
- **adults in unskilled employment**;
- **long-term unemployed people** seeking sustainable careers; and
- **adults with no qualifications** above level 3.

Who we've engaged with

This plan will only succeed if we continuously work with our communities to develop local approaches that achieve our long-term ambitions. We are committed to a further programme of engagement that targets sixth forms, schools and community centres to ensure communities develop solutions with us.

Voice of Warwickshire

The Voice of Warwickshire is a residents' panel with just under 1,000 members, broadly representative of Warwickshire's population. The survey was sent to all 161 members of the panel who live in Nuneaton & Bedworth Borough to inform this plan and ask them about proposed approach. There were a total of 71 responses, a response rate of 44.1%.

Theme: Growing and learning

73.9% strongly agreed or agreed with the priority to reduce the number of children in care

85.7% strongly agreed or agreed with the priority to improve school readiness

90% strongly agreed or agreed with the priority to increase educational attainment and attendance

Theme: Skills and working

91.4% strongly agreed or agreed with the priority to increase access to training

90% strongly agreed or agreed with the priority to increase young people's aspirations

87.1% strongly agreed or agreed with the priority to improve employment support and access to higher paid jobs

Theme: Health and wellbeing

92.6% strongly agreed or agreed with the priority to lower the suicide rate

91.4% strongly agreed or agreed with the priority to reduce the under 75 mortality rate from respiratory diseases

87.1% strongly agreed or agreed with the priority to reduce obesity in adults and children

Theme: Safe and strong

91.4% strongly agreed or agreed to the priority of targeting youth offenders

90% strongly agreed or agreed to the priority to reduce the fear of crime

92.8% strongly agreed or agreed to the priority to improve community engagement

What are we going to do?

Overall aim - To Raise Ambition & Aspiration for everyone in Nuneaton & Bedworth

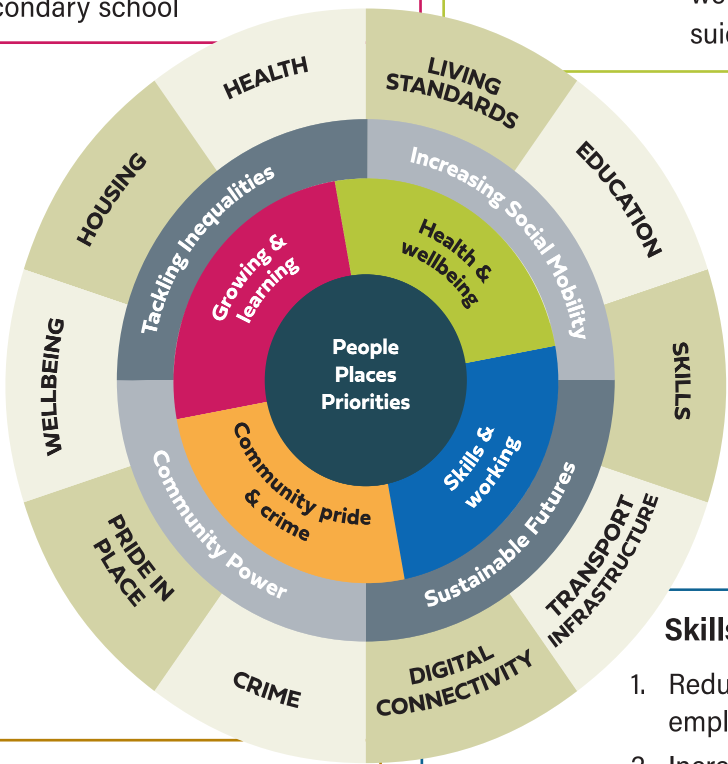
Objectives 2023-25

Growing & Learning

1. Reduce the number of children in care
2. Improve the school readiness of infants
3. Improve the grades young people achieve in secondary school
4. Improve attendance at primary and secondary school

Health & Wellbeing

1. Improve and promote healthy lifestyle choices for both children and adults
2. Improve housing conditions and reduce the prevalence of damp and mould
3. Improve mental health and wellbeing and reduce rates of suicide



Skills & working

1. Reduce the barriers to employment
2. Increase the number of people accessing 16+ training opportunities
3. Support and facilitate new enterprises
4. Attract inward investment to diversify the economy
5. Enable more productive businesses and increase gross domestic household incomes

Crime and community pride

1. Reduce youth crime
2. Prevent violence and address the causes of violence
3. Deliver key infrastructure
4. Improve community cohesion

Growing & Learning

The challenge:

Children in Care - In Nuneaton and Bedworth we want every child to have the opportunity to access high-quality education, develop essential skills, and achieve their full potential, regardless of their background. By fostering strong partnerships, we want to reduce the number of children in care by expanding our preventative approaches and trialling new localised methods to ensure every child has a safe, happy home.

School Readiness - We believe no child should be left behind due to their background, socio-economic disparities or geographical location. Through improved collaboration between schools, parents, community organisations, and local authorities we want to improve school readiness across the Borough. We will explore new, creative ways to support parents get children ready for school, work and life.

Educational Attainment - Our shared mission in Nuneaton and Bedworth will explore and target the barriers that prevent disadvantaged students from performing at the same level as non-disadvantaged students. We want to use tailored, holistic approaches to close the gap and increase the proportion of disadvantaged students achieving their expected standards in school. We want to target the experiences of students in secondary schools to ensure success in primary school is carried forward into young adulthood. By fostering a sense of shared responsibility, we can collectively contribute to creating a more supportive and nurturing environment, and a culture of high achievement for all young people irrespective of their backgrounds.

School Attendance -Regular attendance is a critical factor for educational success and future prospects. We are committed to using a multi-agency approach to understand and address the diverse reasons for missing school. By identifying these underlying causes, we can develop targeted interventions and support mechanisms tailored to the specific needs of students, and we will measure our impact in terms of achieving substantial improvements in the school attendance level.

Who's involved?

- **Warwickshire County Council**
- **Nuneaton & Bedworth Borough Council**
- **Saints**
- **Aspire in Arts**
- **Citizens Advice**
- **Youth Forums**
- **Nuneaton Schools Consortium**
- **Early Years providers**
- **Schools, Academies and Colleges**

What are we doing already?

- **Nuneaton Education Strategy**
- **Early Help & Targeted support**
- **Social Workers in 3 secondary schools**
- **Saints Homework Lounges**
- **WCC Future Career Fund**
- **Sporting diversionary activities**
- **Nuneaton Careers Alliance**
- **Children & Family Centres**
- **Children in Care Council**
- **Money management for young people**
- **Family Information Service**

What does the evidence tell us?

2021/22

In Early Years the proportion of children achieving a Good Level of Development in the Borough

Disadvantaged - 50%

Non-disadvantaged - 67%

Proportion of Year 6 children achieving the expected standard in reading, writing and maths

Disadvantaged - 47.2%

Non-disadvantaged - 66.9%

Proportion of Year 11 (KS4) children achieving 9-5 (strong pass) in English and Maths

GCSE 9-5

Disadvantaged - 19.9%

Non-disadvantaged 42.3%

As of March 2023 the **proportion of children in care** in the Borough was **97 per 10,000** of child population compared to the Warwickshire average 65 per 10,000 of child population

97 per 10,000

Proportion of pupils missing 10%+ of school sessions:

14.4%

(Warwickshire average is 11.5%)

Game changer actions

1. Work with the Nuneaton School Consortium to develop a specific approach to school engagement and work related to improving social mobility and reducing educational inequalities
2. Track outcomes for a high-priority cohort of Year 10s starting in September 2023, implementing initiatives to divert them from becoming Not in Education, Employment, or Training, aiming to share and implement learning across the Borough.

How will we measure progress?

- Reduce the gap between the proportion of disadvantaged and non-disadvantaged young children achieving a Good Level of Development
- Reduce the gap between the proportion of disadvantaged and non-disadvantaged year 6 achieving the expected standard in reading, writing and maths
- Reduce the gap between the proportion of disadvantaged and non-disadvantaged Year 11 (KS4) children achieving 9-5 (strong pass) in English and Maths
- Reduce the proportion of pupils in the Borough missing 10%+ of school sessions
- Increase the rate of Free School Meals take-up

Skills & Working

Good jobs and higher pay have a considerable impact on living standards, health and quality of life. The Borough benefits from higher apprenticeship starts and significantly higher levels of apprenticeship achievements than the national average, however employment rates and household incomes in the Borough fall below the county and national average.

Employment

We want to encourage local people to work in key growth sectors and will promote career pathways to inspire the next generation of talent to those industries.

We will enable an ambitious and productive economy for the borough through a range of business support programmes with a focus on increasing start-up rates in the Borough, supporting business resilience and growth, and supporting key sectors.

We want to continue to promote major development and regeneration sites across the Borough to attract investment to the area to provide better local facilities and increased job opportunities.

We want to encourage and support local businesses to break down barriers and recruit in an inclusive way, allowing easier entry routes into employment for our priority groups. This approach includes creating inclusive apprenticeships for people with SEND to enable them to gain specific skills, knowledge and qualifications relevant to industry and the local economy.

We want to build on the work of Brighter Futures, Financial Inclusion Partnership, and Fair Chance Employers to support long-term unemployed individuals and adults with no qualifications above a level 3 (A-Level equivalent) to secure stable, well-paid jobs.

We want to support the working population in accessing skills and training to further develop their skills through short courses, accredited training, apprenticeships & higher apprenticeships, providing residents the opportunity to increase their earning potential.

Skills

We will maximise the opportunities the new facilities at King Edward VI College in Nuneaton town centre present, and explore new ways of attracting young people to access training that will support their future careers. By exploring creative, locally tailored approaches we want to ensure every young person in the Borough has access to high quality careers and future advice that allows them to make informed decisions.

We will support our schools in providing valuable careers provision, showcasing industry and employment pathways for post-16 and beyond. Alongside this we will help our colleges develop strong links to industry to ensure their training offer meets the needs of the local economy and enable our young people to go on to positive destinations.

We will support local businesses in creating skills plans for their workforce to encourage investment in in-work skills development to improve productivity across the Borough.

Who's involved?

- **University of Warwick**
- **George Eliot Hospital Trust**
- **Nuneaton Signs**
- **Warwickshire Supported Employment Service**
- **Invest Warwickshire**
- **Coventry and Warwickshire Growth Hub**
- **Coventry and Warwickshire Chamber of Commerce**
- **Coventry and Warwickshire Reinvestment Trust (fund manager for Local and Communities Enterprise Fund - part of the Warwickshire Recovery and Investment Fund (WRIF))**
- **CBRE (fund advisor for the Property and Infrastructure Fund - part of the WRIF)**
- **Warwickshire Skills Hub**
- **Colleges and sixth forms**

What are we doing already?

- **UK Shared Prosperity Fund work on community wealth building**
- **Warwickshire Recovery and Investment Fund (WRIF)**
- **County programme - young business links**
- **Bus pass funding**
- **George Eliot Hospital Trust - career stories**
- **Digital skills and employability workshops**
- **Fair Chance Employment Programme**
- **Future Careers Filming Project**
- **WCC Apprenticeship Levy Programme**
- **WCC Apprenticeship Progression Fund**
- **WCC Future Apprenticeships Fund**
- **Invest Warwickshire - property search and promotion, investor engagement**

2021/22

In 2021/22 the **apprenticeship start rate** (per 100,000 population) was **1,212** for the Borough compared to the England rate of 981.

In 2021/22 the **apprenticeship achievement** rate (per 100,000 population) was **434** for the Borough compared to the England rate of 385.

Gross Disposable Household Income (GDHI):

In 2020 average GDHI per head in the Borough was **£18,044** compared to the Warwickshire average £22,613.

£18,044

Between January 2022-December 2022 the annual employment rate in the Borough was **78.8%**, this was higher than the England average but the lowest annual employment rate in the county.

Gross Value Added (GVA) per hour worked: *(This measures labour productivity)*

In 2020 GVA per hour worked for the Borough was **£28.90** compared to £38.40 for the Warwickshire average and £37.70 for the UK average.

20.9%

In 2022 the Annual Survey of Hours and Earnings (ASHE) found that 20.9% of all employee jobs in the Borough earned below the living wage.

Game changer actions

1. Develop a tailored offer of skills provision for the Borough that strengthens the link between education and skills and engages local business and anchor organisations including colleges and universities and adult education.
2. Establish multi-faceted teams aimed at early intervention, transition (17-24) and hyperlocal community capacity building including links to vocational and skilled employment.

How will we measure progress?

- Increase the annual employment rate
- Increase the Gross Disposable Household Income per head
- Increase the apprenticeship achievements rate

Crime & Community Pride

Everyone should be able to feel safe in their communities. Crime rates in the Borough are consistently above the county average and it will be fundamental in terms of Levelling Up to tackle the root causes of crime and help people feel safer in their neighbourhoods.

Crime

By taking a multi-agency, holistic approach to crime and what experiences lead an individual to crime, our goal is to enhance the overall safety of the borough, creating an environment where local residents and businesses can thrive securely in strong, safe communities. We want to target youth crime and build on the legacy of the Knife Angel to further investigate how to reduce knife crime in the Borough.

We want to focus our energies on preventing violence, the connections between organised criminality and personal conflict that drives serious violence and importantly the underlying causal factors that increase the risk of violence. We also want to focus on perpetrators who are regularly in and out of the criminal justice system, breaking the cycle of crime to support them getting into secure and sustainable lifestyles and work.

Who's involved?

- **Aspire in Arts**
- **Saints**
- **Sea Scouts**
- **Probation Service**
- **Refuge**
- **Change Grow Live Nuneaton**
- **Warwickshire Police**
- **Nuneaton and Bedworth Community Safety Partnership**
- **Office of Police & Crime Commissioner**
- **Warwickshire Youth Justice Service**

Regeneration

Feeling proud of where you live is important for strong communities. Our vision involves the regeneration of town centres and high streets, the provision of leisure and recreational facilities, and the implementation of tailored crime prevention measures. By doing so, we want to reduce the fear of crime for residents, increase pride in place and encourage greater local community participation.

Community Power

Delivering a better Borough will only be sustainable if we work in a way that empowers communities to lead and builds confidence that their views will shape their places. We want to support community groups to grow and engage with their places in new ways. Learning from pilots like Bar Pool North and Crescents and ensuring that the Social Fabric Fund has maximum impact will be vital for building social infrastructure and community action.

What does the evidence tell us?

The Borough had the highest number of weapon-related youth offences for 2022/23 in the County *(n=20)*.

The highest volumes and rates of violence with injury offences are in Nuneaton & Bedworth Borough at 29.51 offences per 1,000 population. *Stratford-on-Avon has the lowest level at 15.47.*

29.51 offences per 1,000 population

The highest volumes and rates of violence with injury offences involving a knife over the three-year period have been in Nuneaton & Bedworth Borough . The rates of offences (1.75) are well above the county average of 1.12 offences per 1,000 population for April 2020 to March 2023.

In 2022/23 the recorded crime rate for all crime (per 1,000 population) for the Borough was 88.7 compared to the England average of 83.9.

The Borough had the highest number of youth offences in the county for 2022/23 (n=100).

Violence with injury *(non-domestic)* - Nuneaton and Bedworth accounts for 1/3 of recorded violence with injury offences in the County.

There were 117 per 100,000 11-17 year olds first time entrants into the youth Justice System for the period October 2021- September 2022 compared to the previous 12 months. This slightly higher than the West Mids (110) but lower than the national average (146)

Violence with injury (domestic) - Analysis indicates that domestic violence is one of the main themes for violence with injury in Warwickshire, with over a third of offences linked to this flag (4,698 offences).

Nearly a third of all domestic violence with injury offences in the three-year period occurred in Nuneaton & Bedworth Borough.

The Borough also has the highest rate of offences in the county.

What are we doing already?

- **2022 Community Safety summit**
- **King Edwards VI College - vaping zone at school**
- **Prevention in schools**
- **Serious violence 121 and group work in schools**
- **Youth Violence Prevention Team**
- **Operation officer**
- **Mobile CCTV cameras**
- **Public Health - smoking and vaping**
- **Restorative approach in King Edwards VI College**
- **County lines projects**
- **Volunteering e.g. Building Societies**
- **Developing a 17-25 transition programme**

Game changer actions

1. Take a targeted approach to tailoring both interventions and support in hyperlocal areas which are affected by violence and criminal activity, which has become an intergenerational issue.
2. Shape a programme of diversionary activities within the Borough which support wider health, economic and social benefits eg, sports provision, vocational programmes and access to employment and skills.
3. Roll-out the Social Fabric Fund aimed primarily at Levelling Up priority Lower Super Output Areas and with the objective to enable communities to access capital funding to build "social fabric", as well as time limited revenue funding for community development focusing on local priorities and demonstrating sustainability.

How will we measure our progress?

- Reduction in violence with injury (non-domestic)
- Reduction in Knife Crime offences
- Reduction in Section 18 Wounding with intent
- Reduction in violence with injury (domestic)
- Increase public confidence in the police
- Reduction in first time entrants in the youth justice system
- Number of pupils engaged in violence prevention programmes in secondary schools
- Percentage of survivors of domestic abuse who access commissioned services, say they feel safer after using the service

- Reduction in under-18s youth crimes (all types)
- Reduction in knife crime offences
- Reduction in Section 18 wounding with intent
- Minimum of 1,500 young people engaged with through violence programmes with schools
- Reduction in violence with injury incidence (domestic)
- To reduce first time entrants in the youth justice system in line with the West Mids

Health & Wellbeing

We want to address specific health and wellbeing challenges within the Borough, particularly in places where there are the greatest health inequalities. The areas where the Borough falls behind the county and national averages are related to healthy lifestyles and mental health.

We also recognise the role that the wider determinants play on improving health and wellbeing. For example strong educational attainment can lead to greater opportunities for jobs with higher incomes, and jobs where local employers promote inclusive employment initiatives and company cultures that promote healthy working environments lead to greater productivity and foster good mental health and wellbeing.

By focusing on Growing and Learning and Skills and Working, we will see improvements to health outcomes for local people. Housing and homes are another key determinant of health, as conditions such as overcrowding, mould and damp can lead to an increased risk of certain illnesses and affect mental wellbeing. We will focus on improving housing conditions across the borough in order to promote good health. We have existing strong partnerships in Warwickshire and we will continue to explore and trial evidence-based and innovative approaches to improving health through the Warwickshire North Health & Wellbeing Partnership. Our ultimate goal is to reverse the current decline in healthy life expectancy in the Borough.

Healthy lifestyles - this includes preventing people from starting smoking, smoking cessation and reducing levels of obesity in both children and adults.

Who's involved?

- **Nuneaton & Bedworth Borough Council Housing**
- **Public Health**
- **GPs**
- **WCC Community Safety**
- **Saints**
- **George Eliot Hospital Trust**
- **Bedworth, Rugby and Nuneaton Citizens Advice Bureau**
- **Coventry and Warwickshire Partnership Trust**
- **Active Warwickshire Partnership**
- **Drug & Alcohol Strategic Partnership**

Mental health and wellbeing – focusing on preventing suicides within the borough and promoting mental wellbeing support through the Suicide Prevention Strategy Delivery Plan.

Housing - we will take a multi-agency approach towards improving housing conditions in the Borough. This includes reducing dampness and mould levels in homes, along with boosting energy efficiency to alleviate financial burdens on residents (based on the Borough's health priority on housing).

Life expectancy has stalled and started to decline in the Borough according to latest figures (2018-20). Inequality in life expectancy exists between the most and least deprived parts of the Borough.

Healthy lifestyles

As of 2021/22 the estimated percentage of adults (18+) classified as overweight or obese in the borough is **72.88%**, higher than England percentage, 63.8%.

72.9%

As of 2021/22 the percentage of children in Year 6 classified as overweight or obese in the Borough is **42%**, higher than the England average, 37.8%.

42.2%

Smoking - As of 2022 the smoking prevalence in over 18s (current smokers) is **17.1%** compared to 12.7% England average.

This rises to 36.8% for manual workers in the Borough aged 18-64.

Physical activity – As of 2021/22 the percentage of physically active adults was **56.7%**, below the national average of 67.3%

Mental health and wellbeing

Emergency hospital admissions for intentional self-harm (2021/22) is **174.5** per 100,000, higher than the England average of 163.9 per 100,000.

Suicide rates within the Borough for the period 2019-21 are **similar to the national average** (12 per 100,000 compared to 10.4 per 100,000). **This is higher in males** (18.2 per 100,000) than females (5.8 per 100,000), which again reflects national trends.

Housing

The estimated proportion of homes in Nuneaton and Bedworth Borough with an energy performance certificate (EPC) rating of less than C is 64%. **Only 2.4% of homes have an EPC rating of F and G.** G is the least efficient energy rating. This is important as there is a strong relationship between low energy efficiency and poor housing quality, including damp and mould.

What are we doing already?

- Early Help & Targeted support
- Decent Homes Funding (NBBC)
- New physical activity hub
- Investment into mountain bike trails in Bedworth
- Allotments
- Community cafes
- Sky Blues in the Community
- Suicide prevention work
- Saints breakfast programme
- Cost of living including foodbank support
- Countywide healthy lifestyles services including weight management and smoking cessation delivered in the borough
- Children and young people preventing smoking and vaping in school programme
- Shared communications for damp and mould leaflets for all districts and boroughs
- NBBC Damp and Mould Task Force
- Landlord Services for social housing stock
- HEART services for helping you live independently at home (includes holistic assessment of conditions of homes to improve housing conditions)

(The Levelling Up data pack provides further data on the health and wellbeing of people in Nuneaton and Bedworth. Further data can also be found in the Health and Wellbeing Board's Health Inequalities dashboard.)

Game changer actions

1. Create a multi-agency approach to improving housing conditions in the Borough

Short-term outcomes

Strategic reduction of inequalities

Implementation of Health in all Policies (HiAP) across the Borough Council, measured through:

- Numbers of Health Equity Assessment Tool (HEAT) training sessions delivered
- Proportion of all policies and/or strategies which have had HEAT or Health Impact Assessment (HIA) carried out on them

Healthy lifestyles:

- Improved access to and opportunities for physical activity across the Borough including through the development of a new physical activity hub, social prescribing and referrals to commissioned lifestyles services
- Proportion of schools engaged in the stopping smoking and vaping in children and young people programme

Mental health and wellbeing:

- Delivery of suicide prevention training to frontline staff, in line with the Suicide Prevention Strategy (initially training will be delivered to Borough Council staff, with the intention of rolling out to voluntary and community sector partners).

Housing:

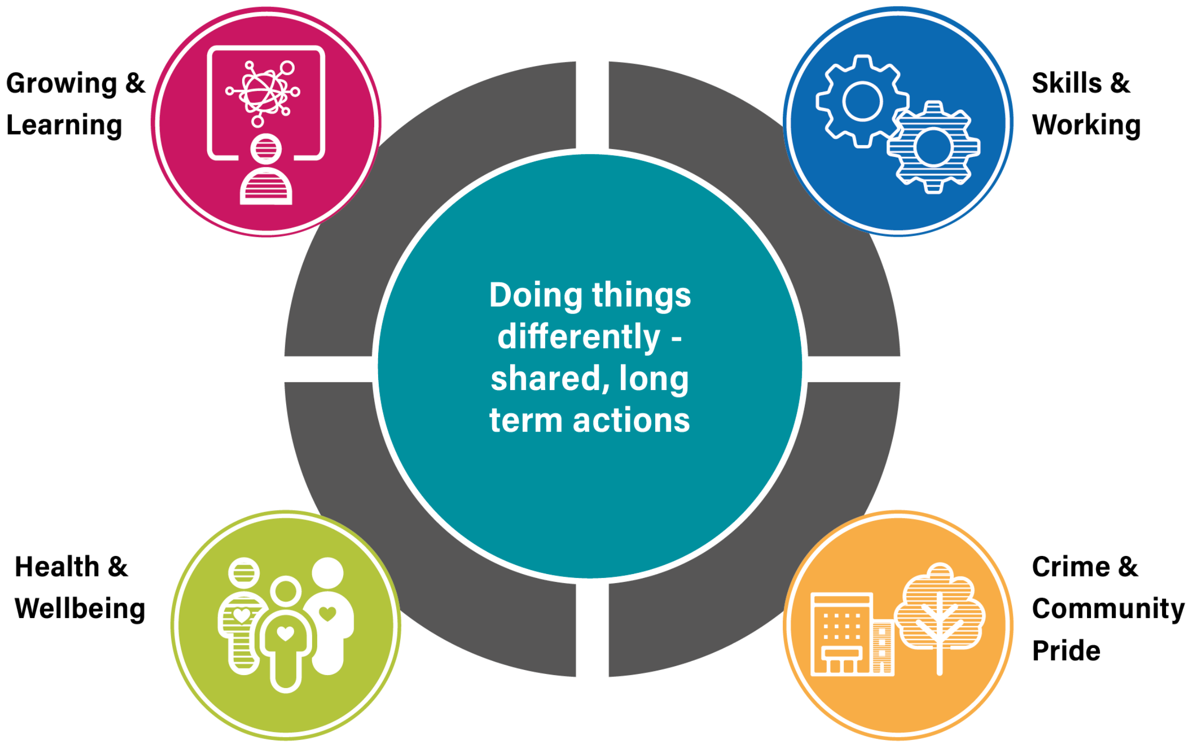
- Improve the energy efficiency of housing stock in the Borough by first identifying which homes fall below an energy performance certificate (EPC) rating of C; and then take collective action to ensure all homes have an EPC rating of C or above.
- Tackle damp and mould issues in housing stock, by first identifying which homes within the 17 priority LSOAs may have the highest prevalence of damp and mould; and then take collective action to reduce this amount.

Long-term outcomes

- Life expectancy being maintained or improved in the Borough and evidence of 'window of need' (years spent in poor health) being maintained or falling
- Reduction in suicide rate in the Borough
- Reduction in smoking rate in the Borough
- Evidence of health inequalities being routinely identified and addressed in services in the Borough
- Impact of Health Equity Assessment Tool (HEAT)
- Reduction in under 75 mortality rate from respiratory disease in the Borough
- Increase in access to green spaces
- Reduction in proportion of children overweight and very overweight
- Increase in proportion of adults physically active in the Borough

What will we deliver?

Alongside this plan we have developed a targeted delivery plan that details what we will deliver over the next two years and beyond. Our delivery plan needs to reflect the long-term nature of the changes this plan aims to deliver. The delivery plan includes targeted work we believe will make the biggest difference to the places and people we have included in this plan. This work will be additional to wide variety of existing strategies and programmes active in the Borough.



The Delivery Plan supports this document and is made up to two elements:

1. ***Game changers*** (included in this plan) – Longer term; cross theme, partnership and systemic actions, that seek to do things differently.
2. ***Mobilising actions*** – Actions to get us started over the next two years; build upon existing strengths and create momentum. These are additional to existing strategies an programmes of work and not exclusive.

Making it happen

The plan will need the help, effort and input of a wider range of partners as well as great engagement with and between our communities in order for it to be realised. We want to build on everything we have so far – strong partnership working, great networks and longstanding relationships with communities.

Funding – Making our collective case for external funding to support Levelling Up and increasing resource for the Borough.

Resourcing – Using our resources in a smarter way, ensuring maximum added value in the most efficient way.

Data – Using data-sharing and pooling data sets together across partners to enable predictive analytics and better-targeted, more integrated service delivery.

Strategies – Across the partners who are leading this plan, work will continue to align relevant strategies. The county wide Serious Violence Prevention Strategy, Sustainable Futures Strategy, and Economic Growth Strategy will be of particular relevance.

Partnerships – Using our existing bodies, boards and partnerships to support delivery of this plan and simplifying where we can.

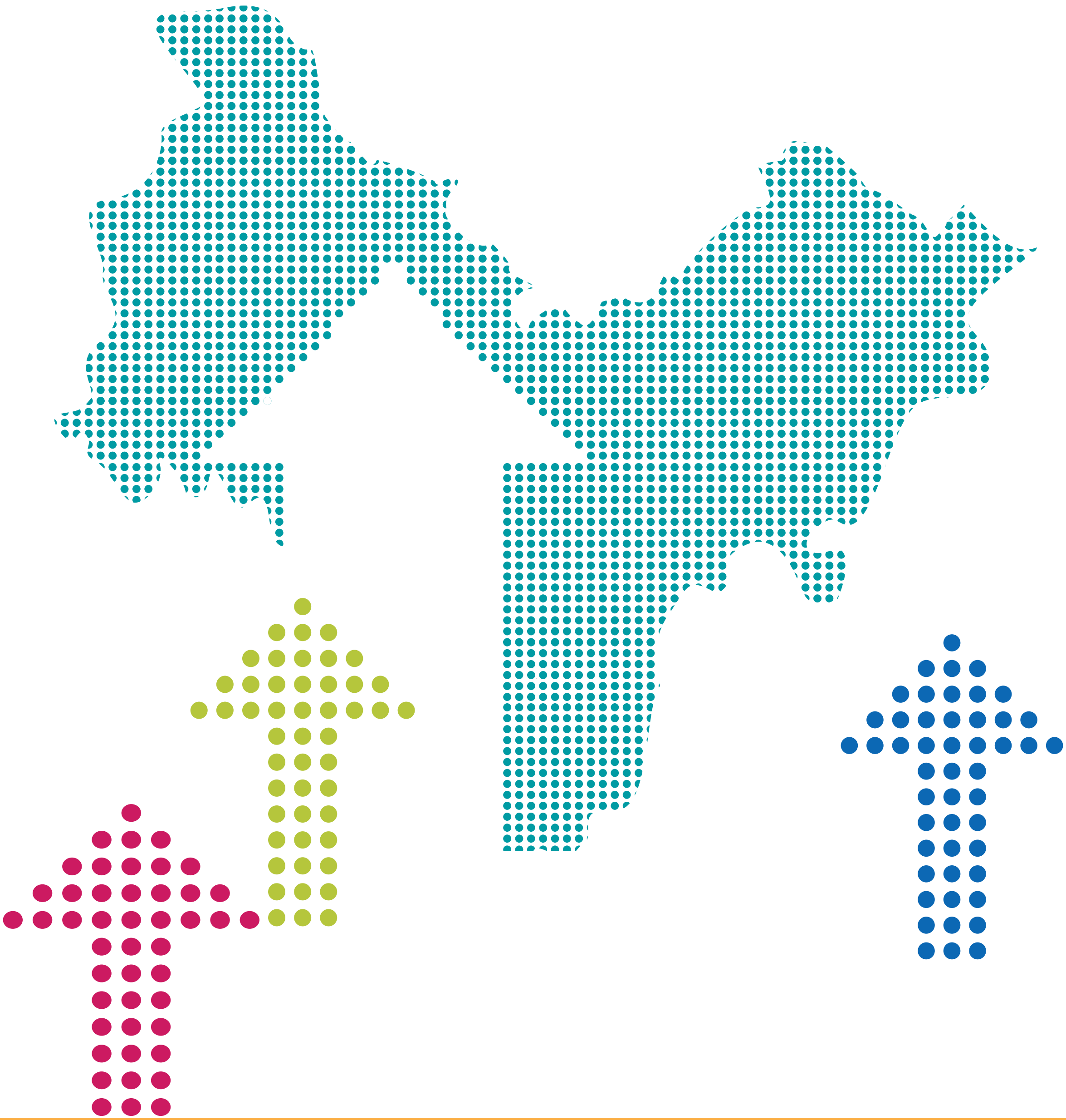
Countywide shared principles:

- ***A joint opportunity and holistic approach*** - we will bring together partners from across Warwickshire's public, private, voluntary and community sectors to work together on Levelling Up and our shared challenges as Team Warwickshire.
- ***Addressing root causes*** - we will use data, insight and partnerships to tackle the root causes of complex issues, rather than the symptoms, prioritising prevention and early intervention to prevent long-term problems.
- ***Strengths-based*** - we will build on the strengths of individuals, communities, places and interest groups to improve quality of life for them. This approach will not hold back other places or groups with a stronger starting position.
- ***Data-driven*** - we will use data and insight to identify the things and places we need to target and help us adapt as we learn. We will track and report transparently on progress to our communities, using national benchmarks wherever possible.
- ***Targeted and tailored to communities of place and of interest*** - based on data and insight, we will prioritise and engage the communities of place and interest that need most support, building community power and influence. We will capitalise on their strengths to help them build the capacity to improve things in the long-term, tailoring approaches to local circumstances.

Growing Opportunities

Stratford-on-Avon

2023-25



This plan is supported by the Stratford-on-Avon Social Inclusion Partners as represented in the organisational logos above and taken from the original statement. Reflecting the additionality that the new plan brings, the SIP will work with a number of partner organisations and groups. Many are represented here and others will be added as the action plan develops.

Member Foreword

Creating Opportunities in Stratford-on-Avon District is a long-term ambition, shared across the broad range of partner agencies, who you will see represented in this plan.

Hosted by our Social Inclusion Partnership and facilitated jointly by the District and County Councils we are aiming to build upon a rich history of partnership working within the district.

The Creating Opportunities Plan 2023-2025 is the next evolution of the Social Inclusion Statement and Action Plan 2019-24. The objectives have been updated to reflect the national and countywide approach to Levelling Up, whilst ensuring our focus in Stratford-on-Avon District is on the communities, places and people who need the most support.

The Plan complements Council and organisation plans and strategies within our partnership. Our aim is to better understand need and build resilience across our many communities within the district. We will tailor approaches to local need using insight, and ensuring that activity delivers real and lasting improvements in residents' lives.

Our pledge is that all partners will work together and achieve together for the benefit of our communities.

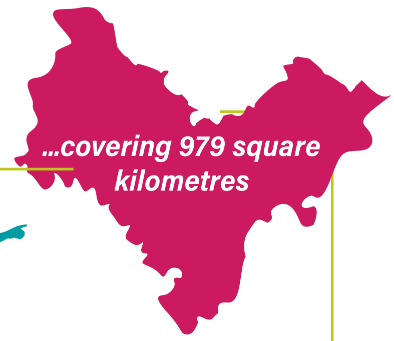
Councillor Susan Juned
Leader of Stratford-on-Avon District Council

Councillor Liz Coles,
Portfolio Holder, Stratford-on-Avon District Council

Cllr Izzi Seccombe OBE
Leader of Warwickshire County Council

Introduction

Stratford-on-Avon is one of the largest districts in England…



The district boasts 6.25 million visitors a year

The district has a distinctly rural character, with over 77% of our residents living outside the main town in smaller market towns like Alcester, Shipston-on-Stour and Southam and in over 250 rural communities.

Levelling Up aims to spread opportunity more equally across the UK. Stratford-on-Avon District compares favourably with other local authorities in England, ranking 266 out of 317 in 2019, where 317 was the least deprived, according to the Indices of Multiple Deprivation.

Locally Stratford-on-Avon District is the least deprived of the five districts in Warwickshire. However, there are areas of need in the district where residents' experience is far from equitable. We are demographically the second oldest district in the West Midlands and our predominantly rural setting can make it harder to access key services and opportunities. The population continues to grow, creating the opportunity for further community building, particularly in those areas where there are the greatest inequalities.

Creating Opportunities

Stratford-on-Avon is internationally recognised as a tourist destination and offers a great place to live and work. However, the evidence indicates that this is not the experience for all residents and the overall picture can mask challenges faced by some communities within the district. Citizens Advice South Warwickshire have seen a 26% increase in clients across the district seeking help during 2022-23 compared to the previous year.

Drawing from the evidence base we know that for Stratford-on-Avon-District:

- In 2021, **9,464 (16%)** households were estimated to be in fuel poverty measured by low-income low energy efficiency (LILEE)
- **2,544 (11%)** children under 16 were estimated to be living in low-income households in 2022
- **6,767** emergency food parcels were issued by the Trussell Trust in 2022-23
- **1,500 (1.9%)** people aged 16+ were claiming out of work benefits (Universal Credit and Job Seekers Allowance) in August 2023
- **1,541 (7%)** school children are attending a school not rated as good or outstanding by Ofsted

How the Plan works

This plan seeks to better understand the contributors to the inequalities and create choice and opportunity for our residents.

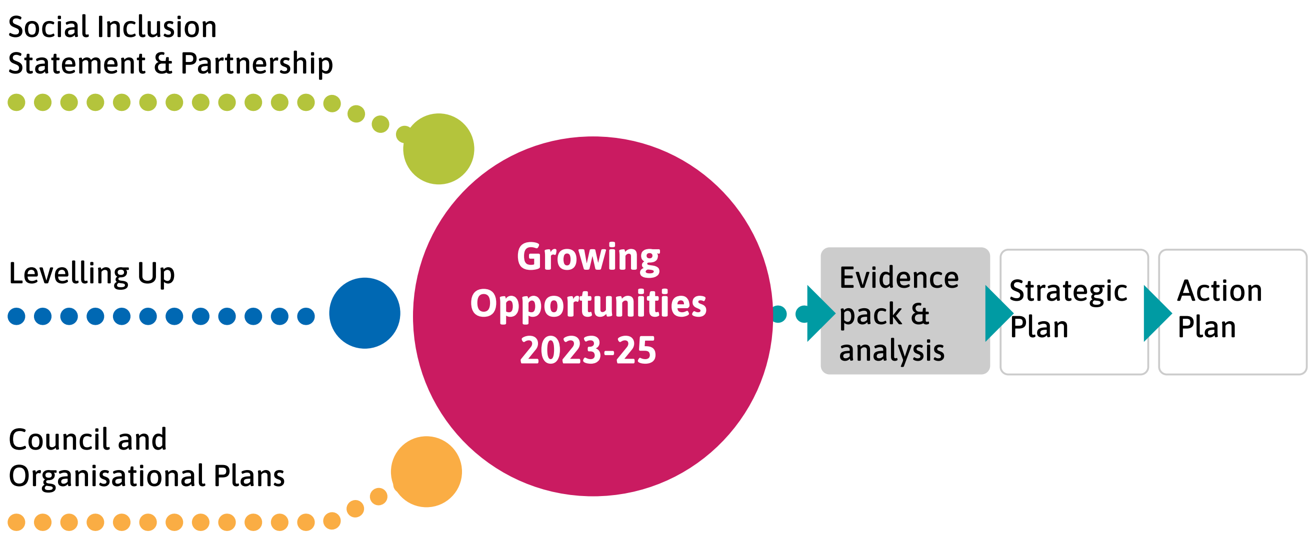
It aims to build upon the considerable efforts of a range of organisations that already exist within the district and target effort and activity to enhance opportunities and quality of life for everyone but especially those most disadvantaged.

The Plan has been developed through extensive research and analysis and through a process of consultation with public bodies, the Voluntary Community Social Enterprise sector (VCSE) and other community stakeholders. It identifies opportunities, sets priorities, explains why they were chosen and outlines what we intend to do about them.

It should be read alongside the following:

1. Creating Opportunities Evidence Pack
2. Creating Opportunities Action Plan 2023/25

This plan brings together the work of three different agendas as shown in the following diagram:



How did we get here?

Social Inclusion Statement 2019-24

There is no specific definition of social exclusion, however, socially excluded households are likely to be characterised by their circumstances. These include limited access to employment, education and training opportunities, poor housing or limited health services, minimal or high interest financial products and services, an un-safe neighbourhood and lower incomes.

We know socially excluded groups can face challenges as a result of ill health, low incomes, being in a minority or marginalised group, lower levels of educational attainment or perhaps worklessness and will typically be living in poverty.

The Stratford-on-Avon Social Inclusion Statement 2019-24 enabled district level, multi-agency, targeted interventions and funding in priority areas.

Our key achievements include:

- Delivering the Covid Recovery Plan
- Coordinating £250k of Cost-of-Living Interventions: Act on Energy, Food banks, Citizens Advice outreach.
- Improving the UBUS rural transport within the district
- Sourcing £900k of community funding, for distrct wide projects
- Delivering the Community Builder project
- Supporting projects in the new communities of Meon Vale and Upper Lighthorne
- Facilitating Older People's Forums (Senior Citizens Action Networks)

Levelling Up

Levelling Up is a national challenge made relevant for Warwickshire in the Countywide Approach to Levelling Up, published in July 2022.

Crucially, this is about joining up across agencies, targeting effort and building a supportive relationship with communities across the following twelve, national missions:

- **Pride in Place**
- **Health**
- **Wellbeing**
- **Crime**
- **Local Leadership**
- **Living Standards**
- **Digital Connectivity**
- **Transport Infrastructure**
- **Housing**
- **Education**
- **Skills**
- **Research & Development**

The Creating Opportunities Plan, alongside Stratford District's new council plan and the Countywide Approach to Levelling Up in Warwickshire will complement each other in identifying and tackling residents' most pressing needs.

The countywide approach

Warwickshire County Council have adopted a local definition that identifies four overarching themes:

- Increasing Opportunity and Social Mobility
- Reducing Inequalities (in Living Standards, Transport and Connectivity)
- Building Community Power
- Creating Sustainable Futures

For Stratford-on-Avon District, this presents an opportunity to continue and strengthen the work already started by the Social Inclusion Partnership and complements the wider aims of the district council.

Stratford-on-Avon District Council Plan

The District Council Plan's core areas of focus align closely to the themes identified in this plan and are as follows:

- Local economy
- Affordable, well built and maintained homes
- Health and wellbeing
- Climate change
- Delivery of service
- Residents and communities

Stratford-on-Avon District Council is currently developing a new council plan. This will set out priorities for the council along with key related strategies and objectives.

Partner organisations

Whilst Stratford-on-Avon District Council and Warwickshire County Council will facilitate the Creating Opportunities Plan, this is truly a joint effort that connects the work of all the following organisations, as members of the Social Inclusion Partnership (SIP) and/or leads of relevant services:

SIP Members:

Act on Energy

Age UK Coventry & Warwickshire

Citizens' Advice South Warwickshire (CASW)

Dept. of Work & Pensions

Equality and Inclusion Partnership (EQUIP)

Orbit Housing Association

South Warwickshire & Worcestershire Mind

Spring Housing Association

Stour Health & Wellbeing Partnership

Stratford-on-Avon District Housing Forum

Stratford Foodbank

Stratford-on-Avon District Council

Stratford Town Trust

Voluntary and Community Action Stratford-on-Avon (VASA)

Warwickshire Association of Local Councils (WALC)

Warwickshire Community and Voluntary Action (WCAVA)

Warwickshire County Council (inc. Public Health, Community Safety, Transport, Economy, Education, Community Partnerships),

Warwickshire Rural Community Council (WRCC)

Wider Partners:

Alzheimer's Society

City Save

Everyone Active

Stratford Time Bank

Stratford Youth Collective

Think Active

Welcome Here

Young People First

Youth Council

In addition to the SIP, key partnerships that we will work with to support the Plan include:

- Warwickshire Health and Wellbeing Board
- South Warwickshire Place Partnership
- South Warwickshire Community Safety Partnership
- Warwickshire Community Safety Agreement to strategies

Growing Opportunities – Who and Where?

Using the metrics set out by the government for each of the Levelling Up missions, we have compiled a dedicated evidence pack which summarises a rich range of data and intelligence. Along with anecdotal evidence and local experience, these have informed the Creating Opportunities priority themes, groups and communities for Stratford-on-Avon District.

Priority Themes and Groups

- Communities and residents at risk of isolation or exclusion (social, digital or physical) due to poor transport links, rurality or lack of community infrastructure and/or cohesion
- Young people & adults with or at risk of poor mental or physical health
- Older people in need of services and support
- Under-represented groups, including refugees and those defined under the nine protected characteristics in the Equalities Act 2010
- School leavers in need of work-related skills and training
- Adults and children living on a low income, using food banks, on benefits and/or receiving free school meal support

Priority Communities

The national Indices of Multiple Deprivation (IMDs) measure a range of factors in small areas in England called lower-layer super output areas (LSOAs), or neighbourhoods. These have an average population of 1500 people or 650 households. The Index of Multiple Deprivation combines information from the seven domains that make up the indices to show the LSOAs where there is greatest need.

Between 2015 and 2019, 37 LSOAs in Stratford-on-Avon had become relatively more deprived. This reflects an increasing number of residents in the district who are facing challenges, and these communities will be our priority areas.

Additionally, recognising the specific needs involved, this plan will continue to work closely with new communities as they emerge, such as Upper Lighthorne, Meon Vale and Fernleigh Park.

Evidence:

ONS subnational indicators explorer website

Levelling Up Mission Statements

2019 Indices of Multiple Deprivation

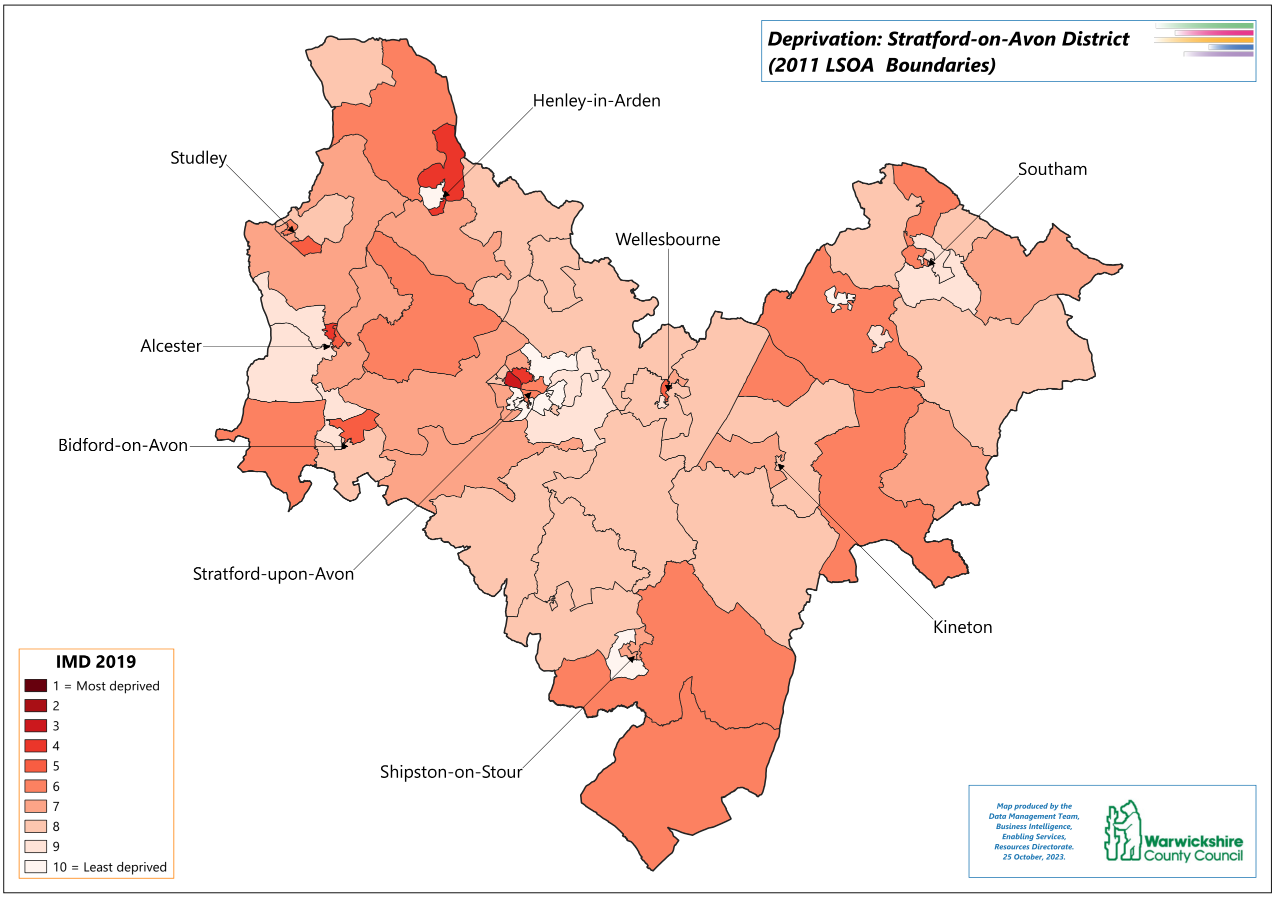
2019 IMD Score for the most deprived LSOAS in Stratford-on-Avon District

1 = the most deprived in the district based on an overall score which combines scores measured across all 7 domains of deprivation: Income/ Employment/ Education, Skills and Training/ Health and Disability/ Crime/ Barriers to Housing and Services/ Living Environment

LSOA code	2019 Ranking	2019 Overall Score	2015 Ranking	2015 Overall Score	Ranking Change
Stratford Mount Pleasant East	1	27.01	2	23.82	+1
Alcester North & Conway	2	22.79	3	22.17	+1
Maybird	3	21.68	1	24.20	-2
Henley East and Beaudesert	4	21.64	7	18.73	+3
Studley South	5	21.43	6	20.05	+1
Alcester East & Island	6	21.03	4	21.23	-2
Bidford East, Waterloo & Broom	7	20.33	5	20.58	-2
Wellesbourne West	8	19.29	9	17.35	+1
Deppers Bridge, Chester & Kings	9	17.22	18	14.82	+9
Long Compton	10	17.17	12	16.69	+2
Old Town & Town Centre South (Stratford)	11	16.84	11	16.72	-
Dunnington and Salford Priors	12	16.42	21	14.08	+9
Studley North	13	16.06	13	16.37	-
Lighthorne & Lighthorne Heath	14	15.90	8	17.38	-6
Burton Dassett	15	15.70	22	13.47	+7

Further analysis of the fifteen LSOAs will inform the action plan.

Indices of Multiple Deprivation 2019 Stratford-on-Avon (includes all 7 domains of deprivation). Darker areas indicate greater deprivation.



Creating Opportunities – Identifying Priority Themes for 2023-25

The Creating Opportunities Plan seeks to build on the work of the Social Inclusion Partnership.

Our Social Inclusion intervention priorities between 2019 and 2024 were:

- Improving education, employment and training; increasing income and reducing debt
- Combating social and rural isolation
- Supporting older people
- Empowering communities to harness local resources and expertise to help themselves
- Improving health and wellbeing
- Delivering Afghan Relocation & UKRS Refugee Resettlement Scheme

Since the creation of our last Social Inclusion Statement, the challenges our communities face have evolved. Nationally, we have moved through Covid-19 and are focused on supporting the most vulnerable families through the Cost-of-Living challenges.

We want to ensure our priorities reflect what our communities care about and need and in doing so bring the Social Inclusion and Levelling Up agendas together under Creating Opportunities.

Following a series of workshops held by the Social Inclusion Partnership and with input at county and district levels, the SI Priorities have been updated for 2023-25

The Creating Opportunities priorities have been aligned to the relevant Levelling Up mission, as shown on the next page.

Stratford-on-Avon Creating Opportunities Priority Themes 2023-

Reducing rural inequalities

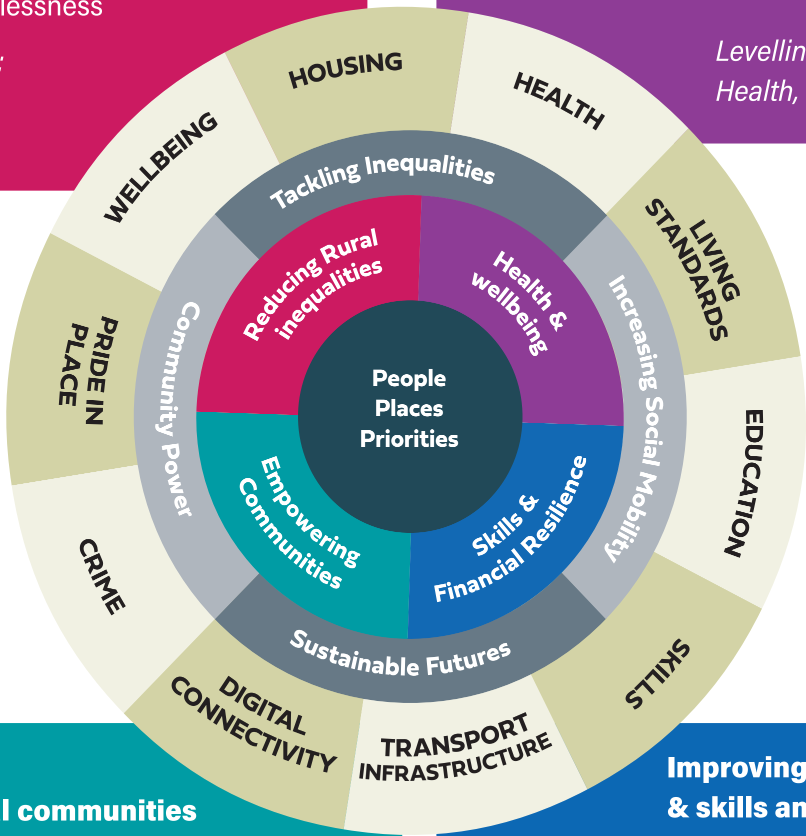
- Improving access to services
- Addressing social isolation
- Tackling digital exclusion
- Championing affordable housing and choice and tackling homelessness

Levelling Up missions: Housing, Transport Infrastructure, Digital

Improving Health & Wellbeing

- Improving services and support for older people
- Making physical activity a part of life for everyone, particularly the Inactive
- Improving mental health

Levelling Up missions: Health, Wellbeing



Empowering and strengthening local communities

- Empowering local communities to help themselves
- Supporting new and existing communities to become strong and resilient
- Growing the capacity and capability of voluntary and community groups to reduce social inequalities
- Supporting displaced Afghan and Ukrainian citizens and refugees worldwide to resettle in the district
- Empowering and engaging young people in the community

Levelling Up missions: Crime, Pride in Place

Improving education & skills and increasing financial resilience

- Increasing income and access to work
- Managing the pressures of the rising cost of living
- Addressing poverty and supporting 'Just About Managing' families
- Increasing access to free school meal and additional support

Levelling Up missions: Skills, Education, Living Standards

Making it happen

Creating Opportunities is a long-term commitment that will require ongoing effort and support from our communities and the Social Inclusion Partnership.

Creating Opportunities Action Plan

This plan is supported by a dedicated and detailed action plan which should be read alongside it.

Efforts to address these objectives will be multi-agency and targeted to the priority groups and places identified above.

Related strategies

In addition to the Action Plan, the SIP will build links and connect to a range of other strategies and activities which support the priority themes, including:

- Sustainable Homes, Sustainable Communities, Housing Strategy 2021-26
- Warwickshire Health and Wellbeing Strategy
- South Warwickshire Economic Plan
- Warwickshire Education Strategy and Services
- Warwickshire County and Stratford-on-Avon District Local Transport Plans

Funding

This plan will be used to both source and coordinate funding to support Growing Opportunities including:

- Levelling up fund
- Shared prospety fund
- Rural prosperity fund
- Expand VCSE funding

Tracking progress

Given the long-term nature of this work, it will be essential to measure the impact we are having. The SIP will own the Action Plan and track progress made against it over the next two years. The Action Plan will then be refreshed annually on a rolling basis to ensure it remains relevant.

Levelling Up Mission Statements

The nine statements below summarise, for each of the national Levelling Up missions, the opportunities for Stratford-on-Avon District. For the evidence and data which underpin each opportunity, please refer to the accompanying evidence base.

Reducing rural inequalities

Housing

Housing has a great impact on health and wellbeing and educational attainment. Ensuring both sufficient supply and decent quality housing is a long-term commitment for both District and County Councils.

In 2020-21 there were more than double the net additions to district housing stock, compared to national figures. Median house prices in the district continue to run higher than those in other parts of Warwickshire with the greatest increases in detached properties, likely due to the high levels of satisfaction in the district as a place to live. We want to do further work to understand the impact of additional stock and the availability of affordable housing.

Both home ownership and private renting in the district remain expensive in comparison with other parts of the UK. The median house price in Stratford on Avon in March 2023 was £375,000 compared to £285,000 in England. In the year ending March 2023, the lower quartile monthly private rent in the district was £150 more than the national figure.

We want to help deliver the aims of Stratford-on-Avon District's Sustainable Homes Sustainable Communities Housing Strategy and support access to safe, secure and affordable accommodation.

Transport infrastructure

Stratford-on-Avon is one of the largest districts in the country at 979km^2, therefore good transport networks are vital to enable residents to access local services, jobs and health provision.

With an average journey time of 14.7 minutes by public transport or walking to an employment centre, according to ONS figures from 2019, the district is worse than the UK median, but in line with the national median for cycling (11.4 mins) or driving (8 mins).

In terms of geographical isolation measured by distances to large employment centres and local facilities, Long Compton is in the 1% most deprived in England and a further 22 district LSOAs are in the most deprived 10% of LSOAs nationally.

We want to increase transport options for residents, reduce journey times and allow for greater social connection, especially for rural communities through solutions such as community transport.

The district has a selection of transportation which helps to combat rural and social isolation, but residents have identified improved public transport as a top priority and the district will be working closely with the county to support Warwickshire County Council's Local Transport Plan.

Digital connectivity

High-speed digital connectivity is increasingly essential for day-to-day life, as well as helping to support productivity and increase social connection.

While there is an opportunity to expand gigabit-capable broadband connectivity across the district, the latest data shows 100% of 4G coverage by at least one mobile network operator.

Most residents (95%) access the internet at home. A small proportion (3%) do not have access to the internet at all.

We need to be mindful of those residents who either do not have access to technology at home or prefer to receive their information via traditional media such as posters, print media and mail. These individuals are at risk of digital exclusion, and we need to ensure that there are locations where they can access information and online services, such as libraries and warm hubs.

Improving health & wellbeing

Health and Wellbeing

Health outcomes across all age ranges are generally positive in Stratford-on-Avon District, with life expectancy for both males (81.4) and females (85) higher than the national average. The under 75 mortality rate from all causes is significantly lower for persons in Stratford-on-Avon District compared to the England average.

The percentage of adult smokers is lower than that of England (9% compared to 13% in 2021) and rates of early-stage cancer diagnosis are also considerably better in the district (57.1% compared to 52.3% nationally in 2020), enabling more proactive treatment.

However, nearly two-thirds of district residents (64.2%) qualified as medically obese between 2020-21, slightly higher than England's average of 63.5% and in some areas of the district nearly 1 in 10 residents on the 2021 census indicated that they had bad or very bad health. With an ageing demographic there are challenges around mobility and overall health and wellbeing, including dementia and related care needs.

We want to increase access to physical activity and align our efforts to the wider prevention and early intervention agenda whilst seeking opportunities to reduce inequalities in health outcomes and improve mental health for all. We plan to support and align our work with the Warwickshire Health and Wellbeing Strategy.

Empowering and strengthening local communities

Crime

Everyone should be and feel safe in their communities. Whilst the overall crime rate for the district is significantly lower at 25% fewer crimes recorded than the national average, burglary and vehicle crime are both slightly higher and local residents reported feeling less safe in recent years.

We want to tackle the perception and fear of crime within communities and increase the confidence residents have in their place. By aligning our work with Community Safety activity, we have an opportunity to tackle the root causes of crime so that Stratford-on-Avon is a safer place to live.

This section of the Creating Opportunities Plan will use the Warwickshire Community Safety Agreement 2022-26 as a primary driver. The agreement's priority themes are as follows:

- Address the causes of violence
- Tackle discrimination in all its forms
- Safe, Healthy and Empowered communities.

Pride in place

Being proud of where you live is an important factor in motivating people to act in a way that sustains and strengthens local communities and increases human connection.

According to a 2022 residents' survey, a large majority of residents (86%) are satisfied with their local area. However, dissatisfaction leapt from 4% in 2019 to 9% in 2022, with 7% fairly dissatisfied and a further 2% very dissatisfied. These dissatisfaction levels are the highest seen over the ten-year period.

Analysing results by geography and age, Stratford Town and Wellesbourne/ Kineton residents (both 81%) were less likely to be satisfied. Residents in Henley and Studley areas were more likely to be satisfied (both 92%). The younger the resident, the less likely they were to be very satisfied with the area as a place to live.

We want to build on local strengths and foster pride in those places where community networks are not as strong, such as large developments, new settlements and new urban extensions. We plan to involve communities in decision making, work alongside them to take practical action, and enable them to lead and drive positive change locally, utilising innovative techniques to build connections and work together on the things residents care about. An additional focus will be sustaining town centres and high streets.

Improving education & skills and increasing financial resilience

Skills

Having desirable skills and qualifications is key to securing good jobs. Generally, the mix of skills in the district is positive, with a significantly higher proportion of the population aged 16-64 with level 3+ qualifications.

While this number compares favourably with the national average, we know that there are barriers to accessing apprenticeships and training courses and the number of school leavers over 19 engaging with further education or apprenticeships is only 65% of the national figure.

We recognize that training and work experience have the capacity to broaden horizons and skills, providing valuable preparation for the world of work. Volunteering is another option to develop workplace skills. We want to increase aspirations across the district and expand further education, training and apprenticeship opportunities to all residents, especially those in priority LSOAs.

The district council will be working closely with the County Council to support the Warwickshire Careers Strategy 2019/20-2024/25.

Education

In the district, schools and academic performance across all key stages are generally good, with the percentage of pupils meeting the expected standard in reading, writing and maths by the end of primary school higher than the national average.

However, for Key Stage 1 readiness disadvantaged pupils in the district perform 29% less well than their national non-disadvantaged peers. We want to do more to understand the specific challenges disadvantaged children face and how we can alleviate the barriers.

Disadvantaged pupils in receipt of free school meals have more than double the absenteeism rates of other pupils across both primary and secondary levels and are reaching standards lower than their peers nationally and across the region.

We want to work with partners to understand the reasons behind high absenteeism and increase the support available to parents.

The district will be working closely with the county to support the Warwickshire Education Strategy.

Living standards

Good jobs and good pay significantly impact living standards, health and quality of life. Stratford-on-Avon District benefits from a strong economy with gross value added per hour worked, and the employment rate for 16-64 year-olds both above the national average.

However, closer inspection reveals some concerning inequalities. Citizens Advice South Warwickshire saw a 34% increase in clients in the district seeking advice about employment during 2022-23 in comparison with the previous year. While the median gross weekly pay for all those working in Stratford-on-Avon is above the median for England, there is a wide range of pay. Twenty per cent of employees have a gross weekly pay below £346, compared to the top twenty per cent who earn over £964. There is a significant gender disparity in earnings, with men's gross median weekly pay nearly a hundred pounds more than women's.

We want to address the employment gap by supporting people such as those with disabilities, health conditions or childcare responsibilities to access good jobs. We will need to identify and help to address potential barriers, such as the cost of childcare. To increase the living standards in the district we want to tackle the causes of cost-of-living pressures, to help those facing food and fuel poverty, while simultaneously increasing access to employment, ongoing training and educational opportunities. South Warwickshire Economic Plan will inform our actions in this priority area.

Glossary

Census Official count or survey of the population. The Census takes place every 10 years and gives a picture of all the people and households in the UK. It is undertaken by the Office for National Statistics and was most recently completed in 2021. (*ons.gov.uk)*

Community stakeholder
Someone who has a vested interest in the health, well-being, advancement and success of the community. They usually have first-hand knowledge about their community and their role is to help promote and advance the interests of the community.

Fuel poverty This relates to households that cannot meet their energy needs at a reasonable cost. How fuel poverty is measured in the UK. Office for National Statistics *(ons.gov.uk)*

Gross pay An individual's total earnings before taxes or other deductions.

Index of Multiple Deprivation (IMD) The official measure of relative deprivation for small areas in England. It is the most widely used of the Indices of Deprivation and ranks every small area in England from 1 (most deprived area) to 32,844 (least deprived area). The IMD combines information from the seven domains to produce an overall relative measure of deprivation. The seven domains are:

▪ Income Deprivation ▪ Employment Deprivation ▪ Education, Skills and Training Deprivation ▪ Health Deprivation and Disability ▪ Crime ▪ Barriers to Housing and Services ▪ Living Environment Deprivation.

English Indices of Deprivation 2019 FAQs *(publishing.service.gov.uk)*

Levelling Up The Levelling Up White Paper (2022) sets out how the government intends to spread opportunity more equally across the UK Levelling Up. *(gov.uk)*

Lower-Layer Super Output Areas (LSOAs) Made up of between 400 and 1,200 households, LSOAs usually have a population between 1,000 and 3,000 persons and are a standard area that allows for comparison between areas over time. *(ons.gov.uk)*

Median The value or quantity at the midpoint of a range of data.

Public body A formally established organisation that is publicly funded to deliver a public or government service, though not as a ministerial department.

Social Inclusion Partnership (SIP) A partnership of public, voluntary, charity and community sectors across the district. The partnership aims to tackle social exclusion, including initiatives to address social isolation, loneliness, health and wellbeing, unemployment, older people and supporting local communities.

Voluntary, Community and Social Enterprise (VCSE) A non-governmental organisation that is value-driven, and which principally reinvests its profits to further social, environmental or cultural objectives.

For further information please contact:

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For help to understand this information please contact us on 01926 410410

Creating Opportunities in Warwickshire

The journey so far

July 2022 - December 2023

COMMUNITY POWERED WARWICKSHIRE

Introduction

Levelling Up is a national agenda which we have worked to bring to life in the Warwickshire context. This means creating opportunity for all our residents and especially those who live in places where we know that inequalities exist.

By aligning this work to our Council Plan, countywide strategies and services, we have given it new meaning and made sure it has embedded into our day-to-day thinking.

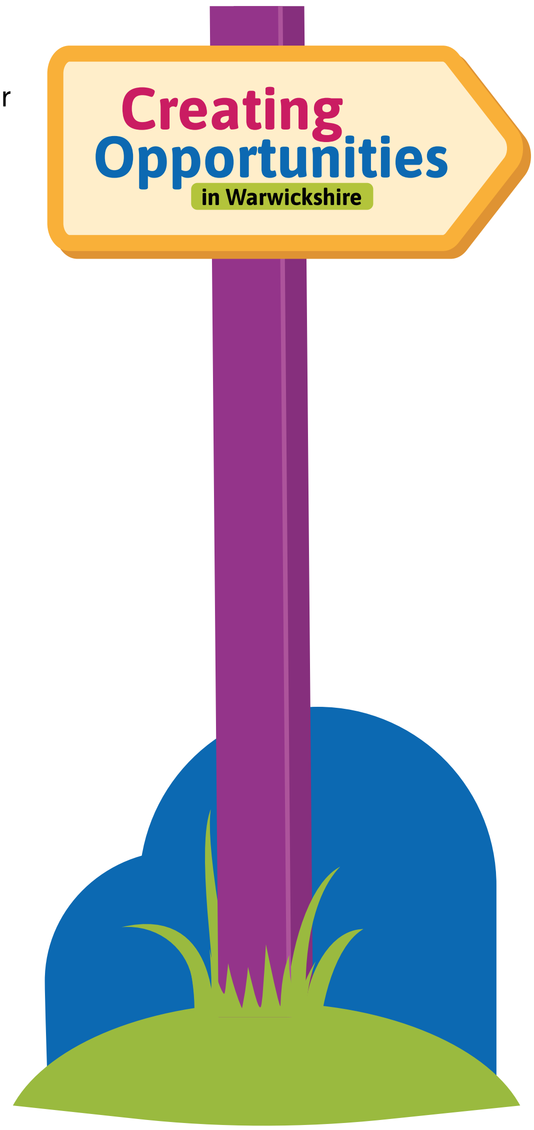
In July 2022, we published the **Countywide Approach to Levelling Up**. It has acted as a catalyst to all that has followed.

- **Creating Opportunity by embedding our Community Powered Warwickshire approach**, which runs through all we do, seeking to empower communities and underpin our efforts.
- **Creating Opportunity by building Levelling Up principles** into all our services and core strategies as they are developed.
- **Creating Opportunity by funding community led projects**, committing £2.5 million of funding to invest primarily in the 22 most deprived communities in the County through our Social Fabric Fund.
- **Creating Opportunity by working collaboratively** with our District, Borough, Town and Parish Councils; public, voluntary and community sector partners; businesses; and health and education providers.

There is much to be proud of and this document provides an overview of countywide initiatives, innovative place-based schemes and hyper-local, community driven projects that are driving the progress against our Levelling Up commitments.

Creating Opportunity in Warwickshire is a long-term mission that will need to tackle the longstanding challenges facing some of our residents and places.

We want to celebrate the work that has taken place so far and look ahead to the opportunities that follow.



Our journey so far...

This report brings three key streams of activity together – Levelling Up, Community Powered Warwickshire and Creating Opportunity.

Levelling Up: *(2022-23)*

In February 2022, the Government outlined its ambition to address place-based inequality across the country. WCC's commitment to this agenda was consolidated through the Countywide Approach to Levelling Up, approved by our Cabinet in July 2022.

Community Powered Warwickshire: *(2021-23)*

Community Powered Warwickshire aims to harness and enhance the strength of our communities to spread opportunity and to unlock and fulfil the full potential of all the residents within them. This potential was demonstrated across the County during the Pandemic and provided a robust foundation to build upon.

Creating Opportunity: *2024 onwards*

Bringing together Levelling Up and Community Powered Warwickshire, Creating Opportunity takes a community-centred approach to address place-based inequality across the County.

Community Powered Warwickshire

The global Covid-19 crisis tested the strength of Warwickshire's community power and demonstrated what can be achieved when residents come together to support each other and their communities. Community Powered Warwickshire looks to build upon this strength, helping communities to harness it in order to meet other challenges.

Key achievements:

- Continued to focus on working with communities with regards to decision-making and practical action. We know that individual communities are best placed to recognise their own immediate needs and have worked to enhance and utilise the strengths and knowledge they hold.
- Established a valuable two-year strategic partnership with New Local to shape our thinking and translate our plans into practical action.
- Created five community power-focused ground breaker projects. The areas of focus for the ground breakers include improving transport, highways and road safety; strengthening place-based wellbeing; and addressing inequalities by improving access to affordable food.
- Established Social Impact and Social Fabric Funds to invest £3.5m in social infrastructure, both of which are delivered by the Heart of England Community Foundation.
- Hosted a Big Conversation event that brought together key partners, as well as facilitated specific events on cost-of-living issues and the topics which matter most to our communities.
- Established three pilot schemes designed to test our community power principles. The pilots have taken place in Barpool North and Crescents, Mancetter South and Ridge Lane as well as Lillington East.
- Utilised the Anchor Alliance which draws together Coventry City Council, Coventry and Warwick Universities, District and Borough Councils and NHS trusts to promote social value by developing a more coordinated way of working through which communities feel services are working with them.

Looking ahead, Community Powered Warwickshire will underpin much of what we do to create opportunity in Warwickshire. It will be our underpinning ethos and test to ensure that we are putting the needs and views of communities at the heart of local decision making.

Bringing it to life

Along the right hand side of this document you'll find a series of case studies that showcase projects from across Warwickshire which support our local definition of Levelling Up. Whilst not exhaustive, this sample highlights the exciting work already underway across the County and indicates how it relates to the views expressed by the Voice of Warwickshire residents' panel in 2022 (see page 6 for more information about the panel).

Fair Change Employment Programme

The programme is a collaboration with education providers and employability groups, helping employers to "level up" their opportunities by offering Warwickshire residents with supportive and needs-equal access to careers.

The scheme aims to work with Warwickshire employers to engage with high-priority talent pools who are keen to access work opportunities. It is designed to unlock hundreds of jobs to jobseekers who experience mental health, disability and learning barriers, as well as women and Armed Forces veterans returning to work, young offenders, young care givers and care leavers who are not in education, employment or training and people over the age of 50.

FAIR CHANCE EMPLOYMENT PROGRAMME

Levelling Up

The Government published the Levelling Up White Paper in February 2022 which was legislated through the Levelling Up and Regeneration Bill 2023.

The White Paper introduced twelve national missions which focus on boosting productivity; spreading opportunities; restoring a sense of community; and empowering local leaders. In July 2022, we published a **Countywide Approach to Levelling Up in Warwickshire** which introduced Warwickshire's four-part definition of Levelling Up and established our priority places and communities.

For Warwickshire, Levelling Up means four things:

1. **Tackling inequalities** by improving living standards, health, educational attainment, access to affordable housing and connectivity.
2. **Increasing social mobility** by ensuring success is less dependent on where you live, your background and who your parents are.
3. **Building community power** by amplifying your voice and influence over your places.
4. **Creating sustainable futures** so that future generations can enjoy better opportunities, improved quality of life and a rising standing

Warm Hubs

72.3% of the Voice of Warwickshire panel said a supportive local community makes a great place to live.

Working countywide, Warm Welcomes aims to tackle social isolation by helping community venues extend their opening hours, offer warm and safe spaces, host more events and provide energy saving advice. Stratford-upon-Avon introduced a Warm Hub in May 2023, inviting residents to coffee mornings and exercise classes in a friendly community area. Rugby Borough Council opened it's first Warm Hub at the Benn Partnership Centre in June 2023, providing transport support and access to Community Energy trained volunteers who offer advice on energy efficiency.

Grayson Place

75% of the VoW panel said that shops and local facilities make them proud of where they live.

Grayson Place, as part of the Transforming Nuneaton Programme (a partnership between WCC and NBBC), looks to grow its leisure offer to provide a unique experience for both residents and visitors, with new cafes, restaurants, public spaces and community services. Recently completed structural work includes the Hampton by Hilton Hotel, ahead of planned opening in summer 2024.

Progress so far

Building an evidence base

Underpinning all our work so far has been the commitment to develop and understand a strong evidence base. We have developed a suite of materials that support this work and provide insight at a regional, county, district/borough and community level, including:

- The State of Warwickshire dashboard provides an in-depth analysis of the strengths and challenges from across the County.
- Creating Opportunity profiles and evidence bases for each of the District and Borough Councils identified headline messages from community engagement with the Voice of Warwickshire residents' panel.
- Place based Joint Strategic Needs Assessments (JSNAs): analyse current and future wellbeing needs across the population, establishing key local priorities across health and social care.
- Poverty dashboard: WCC's business intelligence dashboard which outlines statistical information, interactive mapping and reporting tools that provide detail about the local areas in Warwickshire.

Engaging with communities - The Voice of Warwickshire

Launched in October 2021, the Voice of Warwickshire is a residents' panel that gives people who live in the County an opportunity to share their views on a broad range of subjects. In May 2022, the panel was asked for its views on Levelling Up in Warwickshire. A further questionnaire was completed in Autumn 2023 which looked specifically at the priorities in Nuneaton & Bedworth Borough.

You can find out more about the Voice of Warwickshire panel here: www.warwickshire.gov.uk/voice

'You Can' Online

Warwickshire's Youth Council said they welcome the prioritisation of digital skills provision.

Across Warwickshire Libraries, this initiative provides digital devices, connectivity and IT support to help #FixTheDigitalDivide. The initiative aims to reduce the negative real-world impacts that digital exclusion has on job opportunities, developing career skills and confidence in shopping and banking online.

Solar Vision Lighting Technologies

90% of the VoW panel said that parks and outdoor spaces make their communities great places to live.

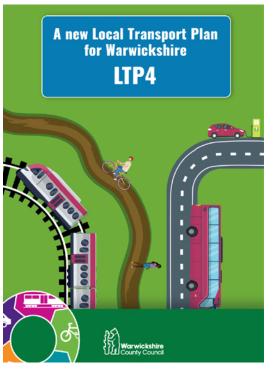
This small business provides off-grid solar lighting across the local community in outdoor areas such as streets, schools and shopping centres to improve safety and accessibility. The business benefitted from the support of WCC's Local Community and Enterprise Fund, one of the pillars of the Warwickshire Recovery Investment Fund which supports small and micro businesses to access economic support.

Embedding Levelling Up

Warwickshire County Council has committed to embedding creating opportunity into our strategies. This has fundamentally strengthened the way we think about inequality and how we link between the themes and wider determinants that have an impact on quality of life.

Published:

- **Local Transport Plan (LTP) 4**: The new LTP for the county (adopted in July 2023) presents a huge opportunity to improve the lives of our residents. The LTP will seek to deliver a range of sustainable transport options across Warwickshire that will reduce pollution and improve access to services. Each district and borough area will be supported by its own area sustainable transport strategy.
- **Sustainable Futures Strategy**: This strategy has considered the wider determinants of good health and explored the connections to other Levelling Up missions and themes. Working in partnership with the public, private and voluntary sectors, we will help shape a Warwickshire with lower levels of carbon consumption, strive to ensure that our natural landscapes flourish with biodiversity, and continue to foster a sustainable, thriving economy.
- **Health and Wellbeing Strategy**: This strategy has led the charge on considering the wider determinants of good health and exploring the connections to other Levelling Up missions and themes. The strategy is led by Warwickshire's Health and Wellbeing Board and supported by multi-agency partnerships in the North, South and Rugby.
- **Voluntary and Community Sector Strategy 2020-2025**: WCC has a vision for a thriving, sustainable and dynamic community sector that improves the lives of individuals and communities in Warwickshire. This strategy establishes how WCC can enable and support a strong voluntary and community sector for Warwickshire residents, despite the challenges of constrained resources and a rapidly evolving environment.



Community Pantries

80% of the VoW panel said that they agree with reducing disparities and addressing gaps and inequalities.

In partnership with Feed the Hungry UK, Community Pantries have been piloted in Camp Hill, Lillington and New Arley, allowing members to receive good-quality food and 'wrap-around' family support for £5 per visit for six months. Nearly 5,000 visits have been made and 906 residents have registered so far. Family Information Service has also been offering intervention and Citizens Advice have provided debt advice, writing off £92,557 across the three locations.

In development:

- **Economic Growth Strategy:** We are committed to developing a vibrant economy, supported with the right jobs, skills, training and infrastructure. This strategy works to ensure Warwickshire reaches its full potential and capabilities by building and maximising its current economic strengths, addressing areas of underperformance and ensuring the economy is equipped for the future.

- **Education Strategy:** Education and schools are at the core of creating opportunity. A new Education Strategy, published in 2024, will reflect this by setting out our approach to education and providing a platform for tailored solutions for our diverse communities.

- **Safer Warwickshire Serious Violence Prevention Strategy:** This strategy will outline the long-term commitment of the Safer Warwickshire Partnership to address the causes of violence. The approach is aligned to key Public Health priorities to violence prevention; preventing violence before it happens, responding to the immediate risk and taking a long-term approach.

- **Future Infrastructure Strategy:** How infrastructure is developed and delivered has a huge impact on how communities interact with their place. This strategy will set out a long-term plan for major infrastructure developments and integrate a holistic approach to place-making.

Coventry, Solihull and Warwickshire Broadband Project

23% of the VoW panel said that Broadband and 5G connectivity are important for pride of place.

In partnership with neighbouring authorities, 'Contract 3' will ensure 15,000 properties in the region will have superfast broadband by the end of December 2023. Supported by £2 million of European Regional Development Fund investment, the project will incorporate a minimum of 400 small and medium enterprises, boosting productivity and strengthening social inclusion for residents who may find it easier to access services online.

Connecting Solihull & Warwickshire to FIBRE broadband

Escape Community Arts in Action

73% of the VoW panel respondents said that leisure and culture make Warwickshire a great place to live.

A capital grant of £65,000 from the Social Impact Fund has supported renovations and extensions to the Stratford-upon-Avon Arts & Heritage centre, improving access, supporting larger group sessions and increasing overall capacity.

Countywide action plan

The Countywide Approach to Levelling Up set our strategic vision. Many of our countywide priorities are addressed through the strategies and associated delivery plans listed above in pages 7-8. Specific actions are also picked up in our **Integrated Delivery Plan (IDP)**.

The IDP is a rolling two-year delivery plan that sets out how we will deliver against the Council Plan's objectives.

Over 100 actions in the current IDP are linked to Levelling Up. The refreshed delivery plan will continue to monitor progress with a continued focus on creating opportunity.

Securing funding

In 2021, we launched the Social Impact Fund and subsequently awarded funding to 21 projects led by voluntary, community and social enterprise organisations and Town and Parish Councils, with a specific focus on financial, digital, health and cultural inclusion, which can help build stronger communities. Find out more about the beneficiaries of the fund: **www.warwickshire.gov.uk/wsif**

In 2019, the Government invited 100 areas to develop proposals for a Town Deal through the £3.6 billion Towns Fund. Nuneaton was selected as one of these localities, with the fund's objective being to drive town regeneration for the successful delivery of long term economic and productivity growth.

In 2021, it was announced that Nuneaton and Bedworth Borough Council would receive the full £23.2 million bid from the Towns Fund, which is supporting the Transforming Nuneaton Programme to achieve its vision of a forward-looking innovation and entrepreneurial centre, benefiting from modern transport links and digital infrastructure, as well as offering a diverse range of community and leisure opportunities.

Community Powered Pilots

Mancetter South and Ridge Lane Pilot

Mancetter South and Ridge Lane have been selected to be a Creating Opportunities pilot. So far, community engagement is well underway, with 448 households approached and 167 questionnaires completed. This pilot strives for community engagement with stakeholders when making decisions about the communities' futures.

Bar Pool North and Crescents Pilot

Another of the community pilots is taking place in West Nuneaton. The proposal is in partnership with a local social enterprise, Saints Nuneaton, funded by WCC's Social Fabric Fund to create a community hub and facility for community outreach. Looking to launch in 2024, this development will provide a space for community groups, activities and local initiatives.

Lillington East Pilot

The third community pilot is Lillington East. Current actions are centring around community conversations with over 60 hours of discussions between individuals, groups and professionals already carried out.

Newton Centre

A £93,000 Social Impact Fund grant has supported the hosting of regular community activities in a warm and welcoming environment at the Newton Centre in Nuneaton and Bedworth. Warwickshire Vision Support, hosting support sessions at the centre, has improved on-site acoustics and lighting through the grant funding.

Green Grants Programme Extension

"Energy costs are a major concern so the Warwickshire Business Support Green Recovery Grants scheme is there to help SMEs reduce their costs and make their premises greener as quickly as possible"

The Green Recovery Businesses Grant Scheme works as part of our Covid recovery and investment programmes, which are targeted at supporting local economic recovery. Rough Hill Farm Shop in Stratford-on-Avon has benefitted by using grant funding to insulate the shop roof and help develop the shop's plans for growth by increasing the number of employees.

Creating Opportunity in 2024 and beyond

Using our new visual identity for Creating Opporutnities we will bring toegther Levelling Up and Community Powered Warwickshire in 2024.

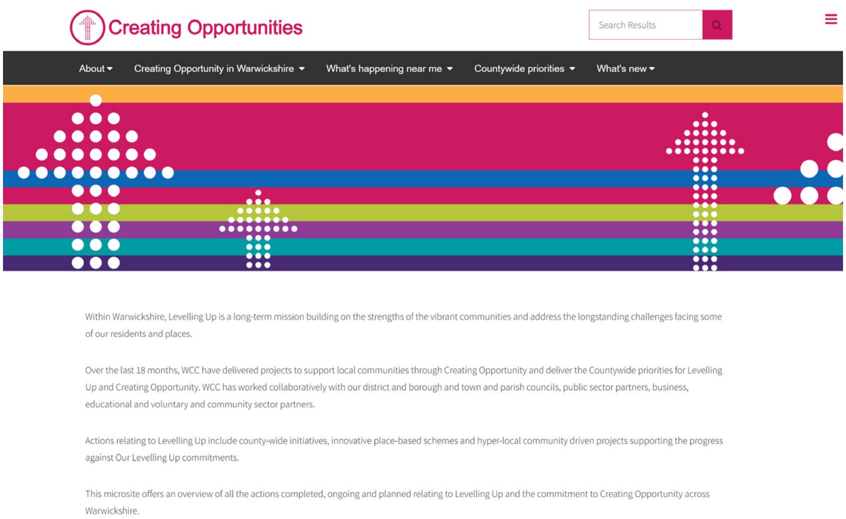
Creating Opportunities in Warwickshire

Warwickshire County Council

January 2024

Launch of Creating Opportunities microsite

The microsite offers an overview of all the actions, those already completed, ongoing and planned, which relate to Levelling Up and the commitment to Creating Opportunity for Warwickshire.



Health Equity Partnership Programme

75% of the VoW respondents living in Nuneaton and Bedworth Borough said that education and schools make an area a great place to live.

WCC's Public Health team, in partnership with Change Makers and Coventry University, have worked to tackle high levels of childhood obesity and deprivation in Nuneaton Central and have made recommendations to promote accessibility and improve the understanding of childhood obesity. Parents at three Nuneaton and Bedworth schools were engaged with, and Middlemarch Junior School received funding to support healthy lifestyle initiatives for both pupils and staff. A further eight primary schools have expressed interest in a £10k fund to support healthy lifestyle initiatives, with funding set to be released in January 2024.

Kenilworth Repair Café

74% of the VoW panel living in Warwick District said that having a supportive local community makes an area a great place to live.

Through Warwickshire's **Green Shoots Community Fund**, Kenilworth Repair Café has been supported to repair personal and portable items to avoid waste and save residents money. Similar repair cafés have reported that approximately 80% of all repairs are electronic goods that would otherwise have been discarded or replaced.

Working at place

Stratford-on-Avon - Growing Opportunities

Building on the expertise of the Social Inclusion Partnership, Stratford-on-Avon District Council has embedded the Levelling Up missions into a refresh of its Social Inclusion Strategy. There is a focus on four priority themes: reducing rural inequalities; improving health and wellbeing; empowering and strengthening local communities; and improving education, skills and increasing financial resilience.

Growing
Opportunities
Stratford-on-Avon

Nuneaton and Bedworth - Building a better borough

A multi-agency plan is now in place for Nuneaton and Bedworth Borough Council. The plan focuses on meeting the needs of local residents and has set out the priority themes of growing and learning, skills and working, health and wellbeing, crime and community pride.

Delivering a
Better Borough
Nuneaton & Bedworth

Plans for Warwick District, North Warwickshire Borough and Rugby Borough will move forward in early 2024.

Poverty Proofing

WCC worked with Children North East to establish a 'Poverty Proofing' offer across public service settings. This work aimed to understand the opportunities to improve how services are designed and offered to allow for easier access. Venues in the programme include North Warwickshire Borough Council leisure centres; South Warwickshire University NHS Foundation Trust's midwifery and health visiting service; Mary Ann Evans Hospice and palliative care; George Eliot Hospital maternity service; local partners and organisations including the museum, theatre and NHS community services in Rugby Borough; and early years provision including the Barnardo's Children's Centre.

Joining up partnerships

Effective partnership across multiple agencies is key to creating opportunity.

Our Team Warwickshire approach means joining up across local authority, health and social care, police, business and the voluntary sector.

In 2024, we will continue to work with these partnerships at both countywide and local levels to coordinate our efforts and activities in support of creating opportunities:

- Health and wellbeing partnerships
- Community safety partnerships
- Schools consortia and Headteacher forums
- Business and industry forums
- Coventry and Warwickshire Anchor Alliance
- Voluntary, Community and Social Enterprise Sector.

Internal Boards bring together officers from across the council, who are involved in these partnerships to co-ordinate our activity and approach.

Social Fabric Fund

This is a £2.5 million fund which will progress until the end of March 2025, investing in social infrastructure to support the development of the most deprived communities in the County. The fund puts community power at its centre by providing flexible funding that begins with communities' strengths and priorities.

This fund will primarily focus on the 22 priority places across the County recognised in Warwickshire's Countywide Approach to Levelling Up. The fund amounts to £2.5 million, comprising £1.5 million capital and £1 million revenue.

There have been positive levels of interest in the fund to date.

Find out more about the Social Fabric Fund being run by the Heart of England Community Foundation.

Knife Angel

Our Community Safety team successfully delivered sessions across three weeks to over 1,700 students on knife crime and the consequences of choosing to carry and use knives. Schools undertaking the knife awareness training included Hartshill Academy, St. Thomas More Catholic Academy & Sixth Form and The George Eliot Academy. The training coincided with the Knife Angel Exhibition, designed and constructed out of 100,000 recycled knives and stood in Nuneaton town centre in mid-2023.

Agenda Item 8

Cabinet

23 January 2024

New Music Hub Arrangements

1. Recommendations

That Cabinet:

1.1 Approves the development of an options appraisal between Warwickshire County Council, Coventry City Council and Solihull Metropolitan Borough Council Music Services to establish and operate a new regional Music Hub that encompasses all three local authority areas from 1 September 2024; and

1.2 Authorises the Executive Director for Children and Young People in consultation with the Executive Director for Resources to work with Coventry City Council and Solihull Metropolitan Borough Council to develop the options appraisal with a report back to Cabinet on the preferred model, its establishment and operating arrangements.

2. Executive Summary

2.1 In March 2023 the Department for Education (DfE), through Arts Council England (ACE), published new geographic arrangements for Music Hubs, which proposed from September 2024, Warwickshire will form part of a new Music Hub encompassing Warwickshire, Coventry & Solihull Local Authority Areas.

2.2 An open competitive application process to lead new Music Hubs from September 2024 began in late July 2023. A collaborative application was developed with Coventry and Solihull Music Local Authority Services and submitted on 12 October 2023 following approval from the Portfolio Holder for Education on 2 October 2023.

2.3 A successful application will enable Warwickshire's continued receipt of £0.777m of Music Education Grant funding. The outcome of the application process is expected in April 2024.

2.4 Options for delivery of the new regional Music Hub need to be explored, although it is anticipated that the preferred option would be for a new legal entity (possibly a company limited by guarantee with charitable status, a Trust or an Unincorporated Association) to be established and jointly owned by the three Local Authorities to oversee and manage the new Music Hub that will encompass Warwickshire, Coventry & Solihull Local Authority Areas. Each

Local Authority Music Service will retain its local identity and independence and will be the Music Hubs Lead Delivery Partner and recipient of the Music Education Grant for their Local Authority Area.

2.5 A full options appraisal will be developed with Coventry and Solihull and a further report will be brought to Cabinet for approval to proceed with the preferred operating model.

3. Financial Implications

3.1 The Council's Music Service acting as the lead partner for the Music Education Hub (MEH) receives and manages the Music Education Grant (MEG) for Warwickshire and is also the principal deliverer in the MEH. In 2023-24 Warwickshire's MEG is £0.777m and is used to support and subsidise the delivery of the National Plan for Music (NPME).

3.2 The aim through the proposed management arrangements for the new Music Hub, is to retain funding for Warwickshire at current levels, (which would not be possible without the proposed new arrangement). As expenditure will be adjusted to match resources, this is a cost neutral decision for the Council.

3.3 If the preferred option for delivery of the regional Music Hub is for a new legal entity to be set up then there will be costs associated with its establishment, for example: legal costs to draft and agree the constitutional documents and any agreements with the other Local Authorities. However, whilst these are not fully known at this moment, it is envisaged these can be managed within existing resources in the current financial year.

4. Environmental Implications

None

5. Supporting Information

5.1 Warwickshire Music is a fully traded County Council music education service. The service provides musical opportunities for over 12,000 children and young people each week in school and community settings. In the current year turnover is £2.2m. of which £0.777m of income comes from the Music Education Grant with the balance of revenue gained from trading with schools, parents/carers.

5.2 Since 2011, Warwickshire Music, has been the lead for Warwickshire's Music Education Hub. Hub Lead Partners (in the case of Warwickshire, this is the County Council) receive and manage the Department for Education (DfE) Music Education Grant to support the delivery of the National Plan for Music Education (NPME) through a range of delivery and partnership mechanisms.

5.3 In June 2022, the DfE published a new National Plan for Music Education (NPME) (A National Plan for Music Education – The Power of Music to Change Lives) which included the intention to fund fewer, larger, more strategic Music Hubs, encompassing multiple local authority areas.

5.4 In March 2023 the DfE, through Arts Council England (ACE), published new geographic arrangements for Music Hubs, which proposed from September 2024, Warwickshire will form part of a new Music Hub encompassing Warwickshire, Coventry & Solihull Local Authority Areas. This builds effectively on existing relationships between Warwickshire, Coventry and Solihull Local Authorities, their Music Services and Music Hubs.

5.5 An open competitive application process to lead new Music Hubs from September 2024 began in late July 2023. A collaborative application was developed with Coventry and Solihull Music Local Authority Services and submitted on 12th October 2023. A successful application will enable Warwickshire's continued receipt of £0.777m of Music Education Grant funding. The outcome of the application process is expected in April 2024. In the unlikely event the collaborative bid is unsuccessful, we would have to review the Council's Music Service offer in light of the arrangements proposed by the DfE's preferred regional Music Hub provider.

5.6 Warwickshire Music is in a transformation process to establish new management and administrative structures to better meet the current and future business and educational needs of the service. Given the capacity pressure placed on the Service, to ensure the effective implementation of a new structure for Warwickshire Music and mitigate against the risk of an unsuccessful application outcome, it was felt that Warwickshire was best placed to support not lead a collaborative Hub application.

5.7 Coventry City Council, through its Music Service Coventry Music, agreed to lead the collaborative application with Warwickshire and Solihull to establish a new Music Hub.

5.8 Assuming the successful outcome of the application process in summer 2024 and depending on the outcome of an options appraisal, the three Local Authority Music Services will work to establish a new regional Music Hub (possibly a new legal entity with charitable status) which would be jointly owned/operated by the three Local Authorities to oversee and manage the new Music Hub that will encompass Warwickshire, Coventry & Solihull Local Authority Areas. The aim is for each Local Authority Music Service to retain its local identity and independence and be the Music Hubs Lead Delivery Partner and recipient of the Music Education Grant for their Local Authority Area.

5.9 A Memorandum of Understanding (MoU) has been agreed between the three Local Authorities, outlining how they will work together during the application process and how they will work towards establishing a new Regional Music Hub. This MoU included details of the governance and management arrangements for the project including financial contributions of each partner.

5.10 The proposed recommendations aim to ensure that Warwickshire Music Service retains its position and influence in the strategic leadership of new Music Hub arrangements from September 2024, and that, Warwickshire schools, children and families continue to benefit from the Music Education Grant to sustain and develop musical opportunities in schools and communities across the county. An equality impact assessment will be undertaken to assess local needs, identify gaps, meeting the different needs of communities and consider those in rural and urban areas.

6. Subsidy Control

6.1 Part of the grant conditions from the DfE state that the Local Authorities are to generate additional funding from other sources at 50% or more of the Music Hub's total income. Public bodies and charities are capable of being enterprises if they undertake commercial activities. Cultural activities that are free of charge are not economic activity but where primarily funded via commercial payment by entrants then would be considered economic in nature and therefore the subsidy control rules will be relevant.

6.2 If the regional Music Hub commissioned services such as an Orchestra to deliver a particular programme there could be a number of bidders to deliver the service. In order to comply with subsidy control requirements, the Council needs to demonstrate that the following principles are met:

i.) The subsidy should pursue a specific policy objective in order to remedy an identified market failure or address an equity rationale.
ii.) The subsidy should be proportionate and limited to what is necessary to achieve the objective. This assessment will need to be made each time an amount of money is committed and the amount is likely to increase subject to the outcome of the Spending Review by Central Government and as the funding potentially being available until 2026.
iii.) The subsidy should be designed to bring about a change in economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of subsidies being provided.
iv.) The subsidy should not normally compensate for the costs the beneficiary would have been funded in the absence of the subsidy.
v.) The subsidy should be an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.
vi.) The subsidy's positive contribution to achieving the objective should outweigh any negative effects in particular the negative effects on trade or investment in the UK and internationally.

6.3 A subsidy control assessment will be undertaken as part of the options appraisal exercise to ensure compliance with subsidy control rules under any arrangements for the new regional Music Hub.

7. TUPE

7.1 If the regional Music Hub is planning on directly employing staff to deliver or transfer service and activities from one organisation to another, then it will be necessary to consider whether the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) apply. This will be factored into the options appraisal and any TUPE implications included in the report back to Cabinet.

8. Timescales associated with the decision and next steps

8.1 The current plan is set out in the table below:

Date	Activity
12 October 2023	A collaborative application with Warwickshire, Coventry and Solihull Local Authority Music Services was submitted to the DfE/Arts Council England.
January 2024 to April 2024	Working with Coventry and Solihull LAs, undertake an options appraisal for the management of the regional Music Hub.
April 2024	Bidding process outcome to be announced.
May 2024 to August 2024	Transition period
September 2024	New Hub arrangements initiated

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

Local Member(s): None – this is a County Wide report.
Other members: Chair & Spokes of Children and Young People OSC (Councillors M Humphreys, Brown, Roodhouse)

Agenda Item 9

Cabinet

23 January 2024

Safer Warwickshire Partnership Board Serious Violence Prevention Strategy 2024-30

Recommendations

That Cabinet

1) Endorses the Safer Warwickshire Partnership Serious Violence Prevention Strategy 2024-30 (Appendix 1) and the summary document (Appendix 2); and

2) Supports the approach being taken to address the Serious Violence Duty in Warwickshire and the County Council's contribution to meeting the duty.

1.0 Key Issues

1.1. The Police Crime Sentencing and Courts Act 2022 introduces a new statutory requirement referred to as the Serious Violence Duty.

1.2. In summary, the above Act places a duty on specific organisations known as the 'specified authorities' to plan and collaborate to prevent and tackle serious violence in their local area. Specified Authorities are:-

- **Police** - Chief Officers of police for police areas in England and Wales
- **Justice** - Probation Services and Youth Offending Teams
- **Fire and rescue authorities** operating in England and Wales
- **Health** - Integrated Care Boards including Public Health
- **Local authorities** – District/Borough and County Councils

1.3. The legislation allows two or more specified authorities to collaborate to prevent and reduce serious violence in a "local area". This means that authorities are permitted to work across local government boundaries and in doing so, collaborate on strategies which cover areas greater than that which they primarily provide services in. It has been agreed by all of the Specified Authorities that the local area is Warwickshire.

1.4. Warwickshire County Council is a Specified Authority in its own right. In addition the functions of Youth Justice, Fire and Rescue and Public Health sit within the County Council. Therefore, our role in leading the collaboration between all Specified Authorities to meet the Serious Violence Duty is particularly important to Warwickshire County Council and the endorsement of the strategy by Cabinet is a key part of this leadership.

1.5. To fulfil the Serious Violence Duty, the Home Office has set out a series of mandatory requirements. These include:

- **Strategic Needs Assessment** – There is a requirement to produce a Strategic Needs Assessment setting out the profile of serious violence within the local area. A Serious Violence Strategic Needs Assessment has been produced using a wide range of partnership data as well as qualitative case study analysis of individuals engaged with either the Warwickshire Youth Justice, or Probation Service, due to serious violent offences. The Strategic Needs Assessment is available on request.
- **Serious Violence Strategy** – To produce and publish a strategy setting out how Specified Authorities will work together to prevent and reduce serious violence in the local area.

1.6. The Safer Warwickshire Partnership Board (SWPB) is the Countywide governance body which ensures that all agencies with a responsibility under the Crime and Disorder and Criminal Justice legislation, meet their statutory duties. It is responsible for the Countywide Community Safety Agreement (CSA) which sets out the key community safety priorities across the County. The CSA is mandatory in two tier areas under the Police and Justice Act 2006.

1.7 The SWPB has a number of subgroups with responsibility for specific priority areas or statutory responsibilities. These include Youth Justice Chief Officers Board, Violence Against Women and Girls, Prevent, Reducing Reoffending and the Serious Violence Executive and Delivery Groups.

1.8 Based on the findings from the Strategic Needs Assessment, the Strategy has been refreshed and was supported by the Safer Warwickshire Partnership Board, on behalf of all Specified Authorities, on 5th December 2023. Th SWPB is the governance body with overall responsibility for the Serious Violence Duty, on behalf of all of the Specified Authorities.

1.9 Each of the named Specified Authorities have agreed their own approval process and how they will review progress. These processes have already been completed or will be completed within the statutory timeframes. This has been confirmed by each Specified Authority.

1.10 Based on the finding of the findings of Serious Violence Strategic Needs Assessment, consultation and case study analysis, the Safer Warwickshire Partnership Serious Violence Prevention Strategy 2024-30 highlights that:-

- Whilst Warwickshire is a safe place to live, with relatively low levels of serious violence, the causal factors that can lead to violent conflict are just as prevalent in the county as in other areas of the country.
- The case study analysis identifies a series of impact factors or "triggers" which can lead to an escalation of risk-taking behaviour in childhood and adolescence. Developing interventions to address these triggers, at the times when they occur the most, provides the best opportunity to prevent this escalation.

- Intergenerational domestic violence, particularly where children witness domestic violence on multiple occasions, is a key contributing factor to violence and conflict. There is an opportunity for partnership agencies and educational providers to work together to better identify and support children who are impacted by domestic violence.
- Street based serious violence, particularly where weapons are used, is driven by personal conflict and feuds that have built up over time. There is an opportunity for partner agencies to use a wide range of intelligence, including social media intelligence to intervene and prevent conflict escalating.
- There are specific local areas in the county which are at higher risk of being impacted by serious violence. Focusing on these areas is a priority for all partner agencies.

1.11 The findings and recommendations set out in the strategy haven been aligned with the Director of Public Health Annual Report on Domestic Abuse as well as the County Council's approach to both Levelling Up and Community Power.

1.12 A short public facing summary version of the strategy has been developed. This will be published on the Safe In Warwickshire website (Appendix 2).

2.0 Options and Proposal

2.1. Whilst the Serious Violence Duty places a series of requirements on Specified Authorities, including district, borough, and county councils, working collaboratively with partners across the county is considered to be the best approach for Warwickshire.

2.3. The Warwickshire County Council Community Safety Team has taken the lead, on behalf of the Safer Warwickshire Partnership Board to ensure that all Specified Authorities met their statutory requirement under the Serious Violence Duty.

2.4. There is an option for each of the four Community Safety Partnerships (CSP's) (South Warwickshire CSP, Rugby CSP, Nuneaton and Bedworth CSP and North Warwickshire Responsible Authorities Group) to develop their own response to the Serious Violence Duty. However, this would result in significant duplication by other Specified Authorities and would not demonstrate a cohesive response to the countywide challenges of serious violence and their causes.

2.5. The development of the strategy has been a collaborative partnership approach involving all of the Specified Authorities, the Warwickshire Police and Crime Commissioner, schools, senior leads involved in the Levelling Up agenda and partners engaged in violence prevention programmes.

2.6. A delivery group involving all of the Specified Authorities has been established to ensure the recommendations set out in the strategy are being progressed and delivered.

2.7. The Serious Violence Delivery group has responsibility for the delivery plan, commissioning and evaluating interventions and identifying good practice.

2.8. As part of our approach to violence prevention the delivery group is also responsible for developing training for front line services across all Specified Authorities, including the County Council to embed this into our accepted ways of working.

3.0 Financial Implications

3.1. The Home Office is providing funding over the period January 2023 – March 2025 for Specified Authorities in the local area to meet the above requirements. The funding is divided into two distinct cost areas:

- **Labour Costs** - This includes the costs associated with preparing and developing the SNAs and local strategies. It includes familiarisation costs, training, meeting costs, analysis, and strategy development. This funding must be used to meet the Specified Authorities' labour costs incurred under the Duty, this can include the cost of additional resource in the local area to reduce the burden on the Specified Authorities.

- **Non-Labour Costs** – This includes the costs associated with implementing the Specified Authorities' local strategy to reduce serious violence (the interventions). This can include the salary costs for delivering these interventions.

3.2. Home Office funding is provided through the Office of Police and Crime Commissioners who are required to ensure that Specified Authorities are taking appropriate steps to meet their duty.

3.3. It has been agreed with the Specified Authorities across Warwickshire that the Warwickshire County Council's Community Safety Team will take the lead in developing countywide intervention programmes and Home Office funding will be allocated as appropriate.

3.4. It is the intention that interventions will align with existing service provision and aimed at developing sustainable programmes by better alignment of partnership resources. There will be a particular focus on programmes that bring together multi agency teams in order to maximise skills that can respond to the triggers of violence and thereby reduce the risk of escalation into high cost service provision.

3.5. This approach will ensure that the funding is aimed at programmes which are sustainable or are building capacity within local communities to prevent violence in local areas identified as most at risk through the serious violence needs assessment.

3.6. Aligning the programmes with the Community Powered Warwickshire and Levelling Up programmes, creates the greatest opportunity for sustainability and value for money.

4.0 Environmental Implications

4.1. There are no direct environmental implications associated with this report.

5.0 Timescales associated with the decision and next steps

5.1. The refreshed Safer Warwickshire Partnership Serious Violence Prevention Strategy 2024-30 (Appendix 1) and the summary document (Appendix 2) will be published on the Safe in Warwickshire website and the associated delivery plan will be implemented, overseen by the Serious Violence Delivery group.

Background papers

1. Safer Warwickshire Partnership Board – Serious Violence Prevention Strategy 2024-30.
2. Safer Warwickshire Partnership Board – Serious Violence Prevention Strategy 2024-30 - Public facing summary strategy
3. Serious Violence Prevention Strategy 2024-30 - Equality Impact Assessment.

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

Local Member(s): N/a – county wide matter
Other members: Councillors Chilvers, Clarke, Feeney and Fradgley.

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Safer Warwickshire Serious Violence Prevention Strategy

2024 - 2030

safe in... warwickshire

Contents

Warwickshire is one of the safest places to live, work and visit in the country. Our cases of serious violence, particularly those involving a weapon, remain low for the region and nationally.

But we cannot be complacent.

As a county we are not immune from the impacts of serious violence, be that as a result of Organised Criminality and County Lines, as a result of local Street Gangs, or linked to the violence in a public place.

Despite the considerable efforts of policing and community safety partners in Warwickshire, rates of violence with injury continue to increase in the county. There is also real concern about the rate of knife-related violence, as well as the number of individuals found by police to be carrying knives and other weapons.

And we cannot ignore the impact of Violence Against Women and Girls. As highlighted in the Strategy, domestic abuse continues to be some of the most under-reported and most impactive crimes in Warwickshire. Yet despite being under-reported, over a third of all violence with injury reports to Warwickshire Police relate to domestic violence.

The physical and psychological damage that Serious Violence can cause to individuals, families, our communities and wider society, is immeasurable. Even one death or life-changing injury in Warwickshire as a result of Serious Violence, is one too many. Together, we should have a collective ambition of zero incidents of Serious Violence in the county.

And preventing Serious Violence does require a collective and collaborative approach. No one agency alone can prevent Serious Violence. It is everyone's responsibility. Police action alone will not solve the societal problems that underpin the causes of Violent Crime. It requires a long-term, whole-system, multi-agency solution.

This means a combined, sustained effort by all key organisations. We need to make this effort, not only to protect our communities today, but to make a generational change that will protect the communities of tomorrow.

Philip Seccombe
Police and Crime Commissioner for Warwickshire

But if we want to prevent Serious Violence from occurring in the first place and make a difference over the long-term, we need to understand the causes of Serious Violence in Warwickshire; and what we can do individually, together, and with our communities, to remove those causes, and prevent the cycle of reoccurrence.

This will not be an easy task, but it is a most important one. It requires a step-change in approach from all of us. This strategy sets the framework and direction in which we can achieve this goal and will help bring about real and lasting change.

Foreword

The Warwickshire Serious Violence Prevention Strategy sets out a long-term commitment by partner agencies to tackle violence and the causes of violence.

The Police Crime, Sentencing and Courts Act 2022 sets out a Statutory Duty for partner agencies and educational establishments to work together to develop plans to prevent and reduce violence. However, as portfolio holder I want this strategy to be much more than a response to the Duty. If we are going to address the causes of violence, we have to fundamentally shift the conversation to what can we do to prevent violence, challenging the very concept that violence has any place in our society.

This is ambitious. Our strategy is ambitious. We should be ambitious because we already know that experience of violence restricts choice, limits opportunity and creates the very environment for those who intimidate, coerce, threaten and inflict violence to act with impunity.

I hope that in reading this strategy you will recognise steps that you, your school, organisation or community can take that can help prevent violence. Importantly, you will not be alone. We have provided links where you can get help and advice.

Finally, I would like to pay tribute to the families of loved ones who have tragically lost their lives to serious violence. These are not statistics, these are sons, daughters, brother, sisters, fathers and mothers. They are friends to many, and they are part of our communities. No family should ever have to face such a tragedy and my heart goes out to them. I hope this strategy will bring renewed commitment to do everything in our power to prevent violence and its devastating impact.

Cllr Andy Crump
Warwickshire County Council Portfolio Holder – Fire and Rescue and Community Safety & Chair of the Safer Warwickshire Partnership Board

Executive Summary

The Police, Crime, Sentencing and Courts Act (PCSC) 2022 sets out a Statutory Duty for specified authorities in a local government area to work together and plan to prevent and reduce serious violence. It should include identifying the kinds of serious violence that occur, the causes of that violence and to prepare and implement a strategy for preventing and reducing serious violence in the area.

The Duty requires partner agencies to develop a Strategic Needs Assessment and Serious Violence Strategy. Warwickshire has developed a Serious Violence Prevention Strategy with the following vision:-

“To make Warwickshire a place where people recognise the causes of violence, break the cycle and prevent further serious violent crime occurring, thereby reducing serious violent crime rates in the county”.

The duty provides an opportunity for agencies to work collaboratively to prevent and reduce serious violence.

However, addressing serious violence and its causes was already a priority for the Safer Warwickshire Partnership. Local communities across Warwickshire have been experiencing an increasing impact from serious violence, particularly through county lines illegal drug supply and the personal conflict that this creates, and there has been a collective focus on domestic abuse which has been a priority for partner agencies across the county.

In Warwickshire we have defined serious violence as including domestic abuse where violence is occurring (referred to as “domestic violence”), weapon related violence, violence against the person, county lines and violence driven through social media as well as the causes of violence.

Domestic abuse is defined in the Domestic Abuse Act 2021 and describes the behaviour of one person towards another if they are aged over 16, are personally connected to each other, and the behaviour is abusive. The act also defined children who have witnessed or experienced domestic abuse as victims in their own right.

Based on the evidence gathered through the Strategic Needs Assessment, the key findings and recommendations are:-

- Warwickshire is a safe place to live, with relatively low levels of serious violence. However, the causal factors that can lead to violent conflict are just as prevalent in the county as in other areas of the country.
- The case studies analysis identifies a series of impact factors or “triggers”, as set out in detail below, which can lead to a sense of lack of belonging and an escalation of risk-taking behaviour in childhood and adolescence. Developing interventions to address these triggers, at the times when they occur the most, provides the best opportunity to prevent this escalation and serious violence.

- Intergenerational domestic abuse, particularly where children witness domestic abuse on multiple occasions, is a key contributing factor to social and emotional challenges in later life. There is an opportunity for partnership agencies and educational providers to work together to better identify and support children who are impacted by domestic abuse
- Street based serious violence, particularly where weapons are used, is often driven by personal conflict and feuds, that have built up over time. There is an opportunity for partner agencies to use a wide range of intelligence, including social media intelligence, to intervene and prevent conflict escalating.
- There are specific local areas in the county which are at higher risk of being impacted by serious violence. Focusing on these areas is a priority for all partner agencies.

In light of the findings, our approach is based on three key Public Health priorities to violence prevention:-

- **Preventing violence before it happens**
- **Responding to the immediate risk**
- **Taking a long-term approach.**

The strategy sets out a Warwickshire Serious Violence Prevention Framework, based on national best practice approaches to tackle violence and the causes of violence. Our intention is to work collaboratively to embed this framework across our partners, schools, community and voluntary organisations so that their staff can recognise the early signs or triggers, know how and where to seek support and play a part in co-producing interventions.

A multi-agency Serious Violence Delivery Group reporting to the Safer Warwickshire Partnership Board will oversee the delivery of the outcomes. These are set out in a jointly developed Theory of Change Model which forms part of the Strategy.

The Safer Warwickshire Partnership Board will produce an Annual Report, setting out the progress in delivering the outcomes and recommendations from the strategy.

Information and advice, or where to seek support on any of the areas covered in the strategy is available and can be found on the Safe In Warwickshire website. https://safeinwarwickshire.com/contact-us/

Our Vision

"Warwickshire is a place where people, recognise the causes of violence, break the cycle and prevent further serious violent crime occurring, thereby reducing serious violent crime rates in the county"

Our Definition of Serious Violence

We have adopted the World Health Organisation definition of violence as follows:-

"The intentional use of physical force or power, threatened or actual, against oneself, another person, or against a group or community, that either results in or has a high likelihood of resulting in injury, death, psychological harm, maldevelopment, or deprivation."

Krug et al, ed. World report on violence and health. 2002, World Health Organisation: Geneva

(A whole-system multi-agency approach to serious violence prevention HM Government Oct 2019[1])

However, our definition will include coercive and/or controlling behaviour and financial abuse which are part of the underlying causes of violence, as set out in this strategy. This will ensure our approach aligns with other key strategies which address other forms of violence, such as Domestic Abuse and Violence Against Women and Girls.

[1] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/862794/multi-agency_approach_to_serious_violence_prevention.pdf)

Why do we need a Serious Violence Prevention Strategy?

A Statutory Duty to Prevent Serious Violence

The Police, Crime, Sentencing and Courts Act (PCSC) 2022 sets out a Statutory Duty for specified authorities in a local government area to work together and plan to prevent and reduce serious violence. It should include identifying the kinds of serious violence that occur, the causes of that violence and to prepare and implement a strategy for preventing and reducing serious violence in the area.

The Duty states that the following Specified Authorities should and will be accountable for their activity and co-operation:

- Chief Officer of Police.
- Local Authorities in the defined local area, for Warwickshire this includes, Warwickshire County Council, North Warwickshire Borough Council, Nuneaton and Bedworth Borough Council, Rugby Borough Council, Warwick District Council and Stratford-on-Avon District Council
- Fire and Rescue Authority, including the Fire and Rescue Service.
- Integrated Care Boards (for Warwickshire we have included NHS Trusts and Public Health).
- Probation Service and .
- Youth Offending Services.

The Act also provides that educational authorities must collaborate with specified authorities to prevent and reduce serious violence in the area, if their involvement is requested. In Warwickshire, we recognise the vital role that our educational providers have in preventing violence. Our ambition is to create a framework across our schools and colleges where we can share best practice, embed programmes and interventions that can prevent violence.

In addition, Prisons and the Children and Young People Secure Estate are required to actively participate when requested to do so by the specified authorities for the area.

Local policing bodies, being Police and Crime Commissioners, the Mayor's Office for Policing and Crime (MOPAC) and the Common Council of the City of London in its capacity as a police authority, are not specified authorities under the Duty. However, they are strongly encouraged to take on a role as lead convener for the local partnership arrangements for the Duty in order to support the development and implementation of Serious Violence Duty

The Duty is intended to create the right conditions for authorities to collaborate and communicate regularly, to use existing partnerships to share information and take effective coordinated action, in their local areas.

Whilst the duty does not specify a lead authority, the Safer Warwickshire Partnership Board will take the lead on behalf of all of the named Specified Authorities, working collaboratively with the Health and Wellbeing Board and Local Criminal Justice Board.

Why is Serious Violence Prevention a priority for Warwickshire?

Warwickshire is a safe place to live compared to many other areas across the country. Our levels of serious violence and weapon related violence remain well below the national averages.

However, similar to other local authorities, the underlying causes of violence are just as significant in Warwickshire, meaning that the risk of violence escalating is as relevant to our families, schools and communities as elsewhere in the country.

Our evidence, based on the quantitative analysis and in-depth case analysis, sets out the key causal factors including:-

- **The intergenerational impact of domestic abuse.**
- **The key triggers that can impact on an escalation into violence.**
- **The triggers are most likely to occur in the age ranges of 0-3, 7-11, 13-16 and early adulthood.**
- **The lack of a sense of belonging can lead into personal conflict, feuds and other harmful behaviour.**

Preventing serious violence is everyone's business. Our strategy sets out what partner agencies, schools, local community and voluntary organisations can do to prevent violence and reduce its impact. Serious Violence is preventable, not inevitable. By working to together we can make a real difference.

The key areas of serious violence covered in our strategy

In line with the government's 2018 Serious Violence Strategy[2], our strategy includes:

- **Domestic Abuse** – Domestic abuse is defined in the Domestic Abuse Act 2021 and describes the behaviour of one person towards another if they are aged over 16, are personally connected to each other, and the behaviour is abusive. Based on the evidence set out below, we will include a focus on the impact of intergenerational domestic abuse with a priority on children as victims.

  Behaviour is abusive if it consists of any of the following
  - physical or sexual abuse
  - violent or threatening behaviour
  - controlling or coercive behaviour
  - financial abuse (which is behaviour that substantially affects a person's ability to either acquire, use or maintain money or other property, or obtain goods and services)
  - psychological, emotional, or other abuse.

  For the purpose of this strategy, reference has been made to "domestic violence". This is domestic abuse where a violent crime has occurred.

- **County Lines** – The exploitation of individuals, families or groups, through a network of drug supply from one area to another.

- **Violence involving a weapon** - Including knife crime, gun crime and corrosive substances..

- **Personal conflict and group on group violence** - Including feuds, disrespect, territory-based violence.

- **Serious violent acts driven through social media** – Using threats or coercion or using social media to promote serious violent conflict.

- **The causal factors of serious violence** – The underlying factors that directly impact on serious violence. These factors are set out in detail in our Warwickshire Transition and Influence section..

Warwickshire does not have town centre or night-time economy violence issues. However, the town centres of Nuneaton and Leamington Spa feature in the local profiles.

[2]https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/698009/serious-violence-strategy.pdf

What the data tells us

Warwickshire is one of the safest places to live in the country. Our cases of serious violence involving a weapon remain low within the West Midlands region and compared nationally.

In the year ending March 2023, the rate of police recorded crimes of violence with injury in Warwickshire was 792 offences per 100,000 population. This can be compared to the highest national rate of 1,353 offences per 100,000 population in the West Midlands Police Force area.

Warwickshire compared to National and Regional Trends

Knife crime

In the period April 2022 to March 2023, the highest rate for Knife Crime offences recorded in England and Wales was in the West Midlands Police area with 169.3 offences per 100,000 population. West Midlands Police area is consistently the force with the highest rate of these offences in England and Wales and has had an increase of 23.4% since the previous year.

During this period, Warwickshire Police recorded 67.8 offences per 100,000 population for offences involving a knife or sharp instrument, an increase of 5.5% on the previous year.

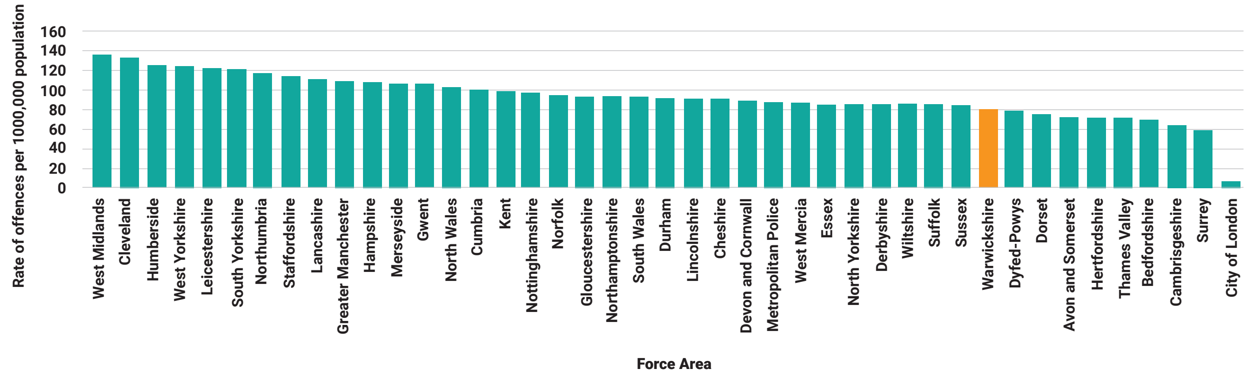
Figure 1 Police recorded crime offences involving knives and sharps per 100,000 population by Police Force Area, April 2022 to March 2023

Source: HMICFRS Digital Crime and Performance Pack

Violence with injury

In the period April 2022 to March 2023, the highest rate for violence with injury offences recorded in England and Wales was in West Midlands Police area with 1,352.5 offences per 100,000 population (a decrease of 2.2% from the previous year). Warwickshire Police recorded 792.0 offences per 100,000 population from April 2022 to March 2023 (an increase of 5.5% from the previous year).

Figure 2 Police recorded crime – violence with injury offences per 100,000 population by Police Force Area, April 2022 to March 2023

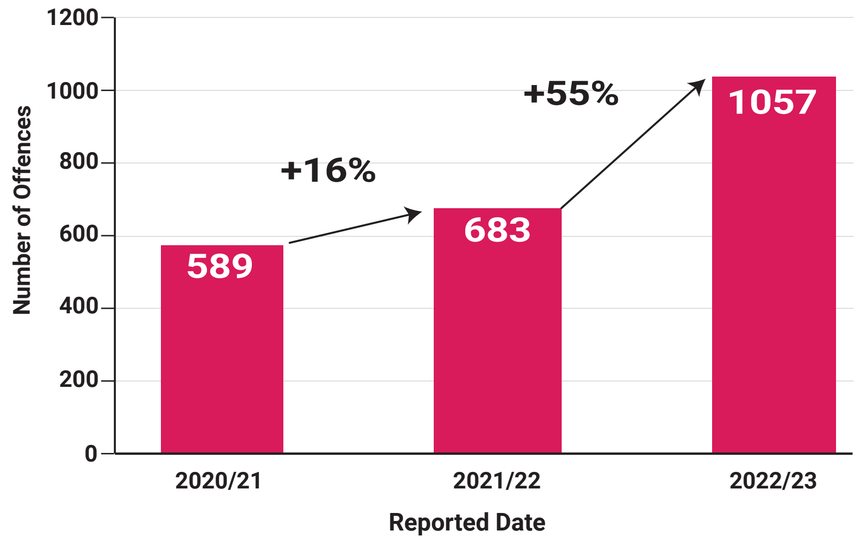


Source: HMICFRS Digital Crime and Performance Pack

Violence without Injury

Violence without injury offences include harassment and common assault, as well as violence driven through social media. In Warwickshire, violence driven through social media offences have almost doubled between 2020/21 and 2022/23.

Figure 3 'Sending Letters with Intent to Cause Distress or Anxiety including social media messages and posts' (Intimidation only) Offences in Warwickshire, April 2020 to March 2023, with proportional increases.



Source: SAP Bi Warwickshire Police

Domestic Related Violence with Injury

Over a third of violence with injury offences in Warwickshire are domestic violence.

Although Warwickshire has lower rates of domestic violence compared to the national average, reported offences to Warwickshire Police have increased by 11% in the county over the last financial year (amounting to 159 extra offences in 2022/23). There was a 6% increase in referrals to the commissioned support service for domestic abuse in Warwickshire (177 more referrals in 2022/23), and a 16% increase in cases (117 more cases) discussed at the Multi-Agency Risk Assessment Conference (MARAC) which receives referrals for high and medium risk domestic abuse cases.

County Lines

County lines often involves the exploitation of people through couriering drugs from one area to another, by involving people in the operating of the local market, exploiting vulnerable people and taking over their home, or coercing or controlling people so that they are forced into a criminal or violent lifestyle.

It has been estimated that there are around 2,500 county lines operating across England. The majority of county lines originate from large metropolitan areas, with those orchestrating lines running routes in multiple areas.

In Warwickshire, there are usually around 12-15 known county lines operating at any one time. The vast majority of these county lines originate from Coventry, Birmingham and the wider West Midlands region. However, there are county lines from other metropolitan areas operating in Warwickshire, such as London and Manchester. Warwickshire Police work closely with the Regional Organised Crime Unit for the West Midlands, to disrupt county lines activity and, since 2020, a series of successful police operations has contained the number of lines.

How county lines operate

There are three ways that county lines tend to operate:-

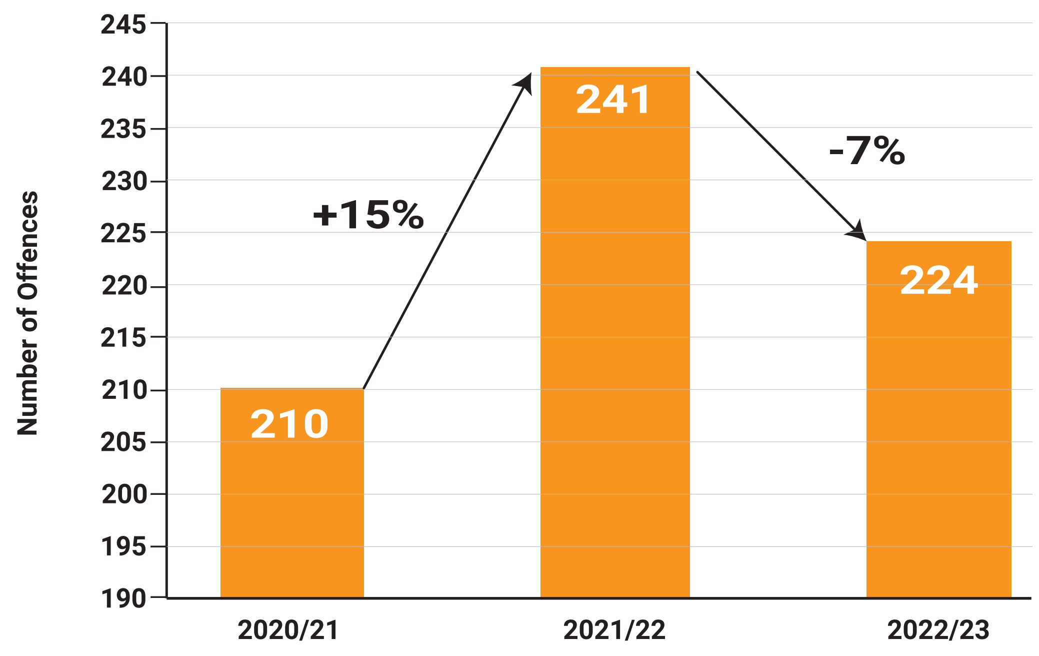
- **Direct supply –** Illegal drugs are brought into an area through a series of organised “drops” by individuals involved in running the line. Once the delivery is made they move to the next location.
- **Hybrid model** – County Lines operators identify local vulnerable adults, often with substance misuse or other vulnerabilities to help supply illegal drugs in the local area. This can include taking over an address or addresses in the local area. This can be referred to as cuckooing.
- **Recruitment and Grooming** – a network of local people, often young people, are recruited to both courier illegal drugs, be responsible for the line by holding the phones, collecting payments and enforcing when monies are owed, or there are potential threats from other illegal drugs supplies. These lines can be overseen by “olders”, often young adults who are part of a wider organised criminal network, who enforce against those local people trusted to run the line. This model is based on grooming people into the drug supply market, holding them in that lifestyle through a series of exploitation and threats of severe violence, extortion, disrespect, feuds or personal conflict.

The Safer Warwickshire Partnership has established a multi-agency Serious and Organised Crime Tactical Group, reviewing county lines and how they operate in Warwickshire and the local region. The group includes representatives from the West Midlands and designs a series of interventions, from disruption tactics, to support for vulnerable people being exploited through County Lines.

Knife Crime

Knife related violence with injury offences in Warwickshire has reduced in 2022/23 since 2021/22, following a rise the previous year. Over the three year period from April 2020 to March 2023, 5% of all violence with injury involved a knife (675 offences). Over half of these offences in Warwickshire occurred in a home address, 21% occurred in the street and 5% occurred in a licensed premises. Over one third of all knife related violence with injury offences during the three year period were domestic related.

Figure 4 Knife related Violence with Injury Offences in Warwickshire, April 2020 to March 2023, with proportional increases.



Source: SAP Bi Warwickshire Police.

The highest volumes and rates of violence with injury offences involving a knife over the three-year period have been in Nuneaton & Bedworth Borough followed by Rugby Borough. The rates of offences in these areas are well above the county average of 1.12 offences per 1,000 population for April 2020 to March 2023.

During the three-year period there were 366 offences of violence with injury in schools, with 18 offences involving a knife. Volumes of these knife related offences have remained the same for the last two years. However, suspensions and permanent exclusions relating to ‘Use or threat of use of an offensive weapon or prohibited item’ have increased year on year since 2020.

Between October 2021 and November 2023 Trading Standards undertook 45 test purchase visits using underage volunteers to target traders across the county. Knives were sold on 12 occasions with no sales being made in 9 visits made in November 2023.

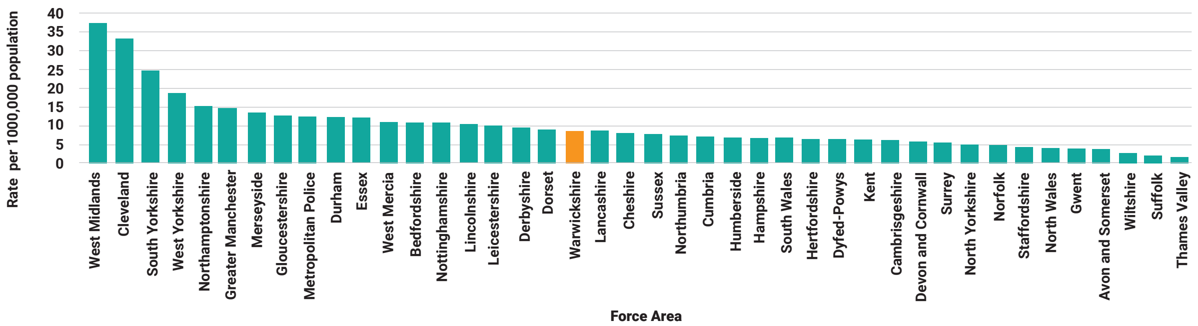
Firearm Offences

The National Crime Agency (NCA) states that levels of firearms crime in the UK remain amongst the lowest in the world; however, criminals continue to engage in firearms enabled crime.

Firearm offences in the UK, April 2021 to March 2022

Nationally the use of a firearm (whether it has been fired, used as a blunt instrument against a person, or used as a threat) increased by 0.6% (35 offences) to 5,750 in April 2021 to March 2022 compared to the previous 12 months.[3] For the year ending March 2023, the highest rate of offences was in the West Midlands Police Force area, with 37.3 offences per 100,000 population.

Figure 5 Police recorded crime - Firearms offences per 100,000 population by Police Force, April 2022 to March 2023



Source: HMICFRS Digital Crime and Performance Pack

Warwickshire has low rates of both volumes of firearm offences and the number of offences per 100,000, when compared nationally and to the West Midlands area. The number of recorded offences in Warwickshire during a 12-month period decreased by 16 in April 2022 to March 2023, from 70 to 54 offences.

[3]https://nationalcrimeagency.gov.uk/nsa-firearms accessed 15th November 2023

Serious Violence Risk Profiling Tool

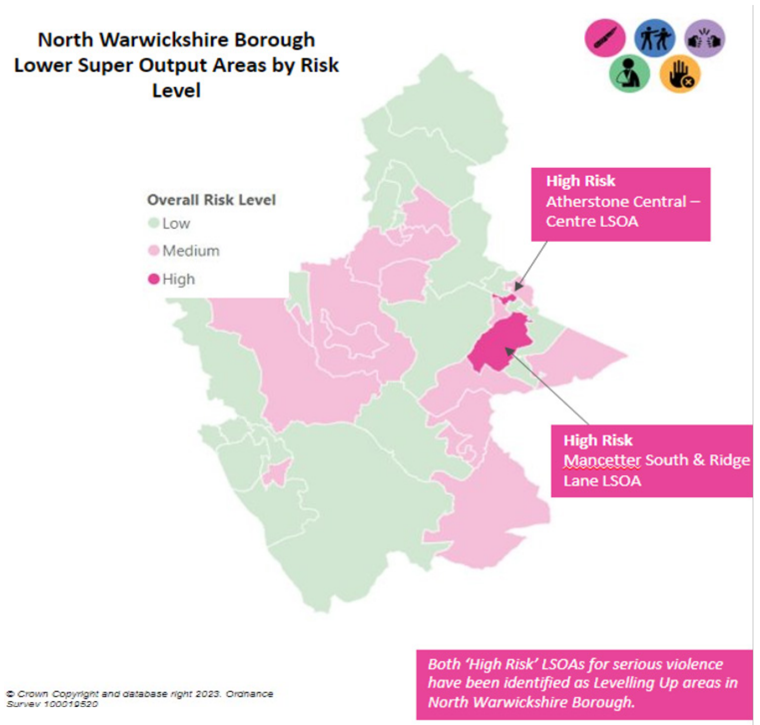
Warwickshire's Serious Violence Risk Profiling Tool has been created to sit alongside the Strategic Needs Assessment to help prioritise prevention activity at a local level. It provides a statistical risk analysis across 13 indicators at a low geographical level across Warwickshire. A total risk score for each Lower Level Super Output Area (LSOA) has been calculated, and each LSOA has been given a risk level of "Very High", "High", "Medium", "Low" or "Very Low" overall for each measure. Maps showing the LSOAs that are "High" or "Very High" are included in the local district and borough profiles available in the tool.

Local Profiles across Warwickshire

North Warwickshire Borough

Risk areas in North Warwickshire Borough are shown in the infographic below.

Figure 6 Risk Profile – North Warwickshire Borough



The Warwickshire Serious Violence Needs Assessment has identified the following priorities for North Warwickshire Borough:

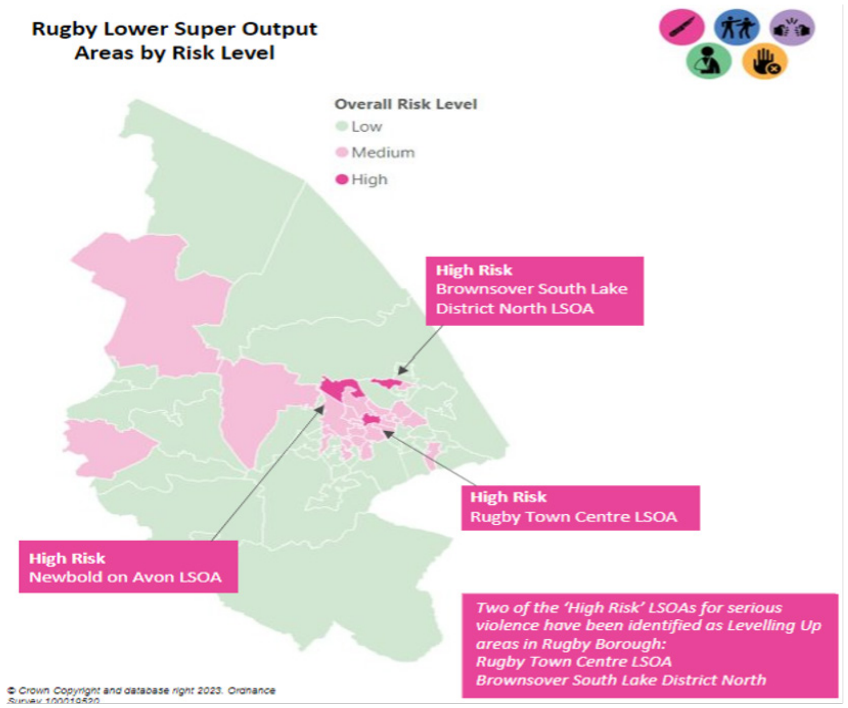
- **Domestic Violence with injury** – North Warwickshire Borough has the second highest rate of reported domestic violence with injury offences per 1,000 population, between April 2020 to March 2023 (8.31).
- **Domestic Abuse** – particularly repeat victims. North Warwickshire Borough has a rate of 24.6 children per 1,000 affected by domestic abuse, higher than the Warwickshire average.
- **School pupils, focusing on exclusions, persistent absence and attainment at GCSE** – North Warwickshire Borough has the lowest levels of attainment at GCSE of all the districts and boroughs in Warwickshire.
- **Serious Violence Profiler Tool findings** – Mancetter South and Ridge Lane LSOA has a 'High' risk score in the borough. Analysis of non-domestic violence with injury[4] showed the main area as Atherstone Town Centre LSOA although the figures are very low. There were a total of 50 recorded offences in the town centre in the three year period.

[4]"non-domestic" is used to describe crime that is not flagged as "domestic" in Police data

Rugby Borough

Risk areas in Rugby Borough are shown in the infographic below.

Figure 8 Risk Profile: Rugby Borough



The Warwickshire Serious Violence Needs Assessment has identified the following priorities for Rugby Borough:

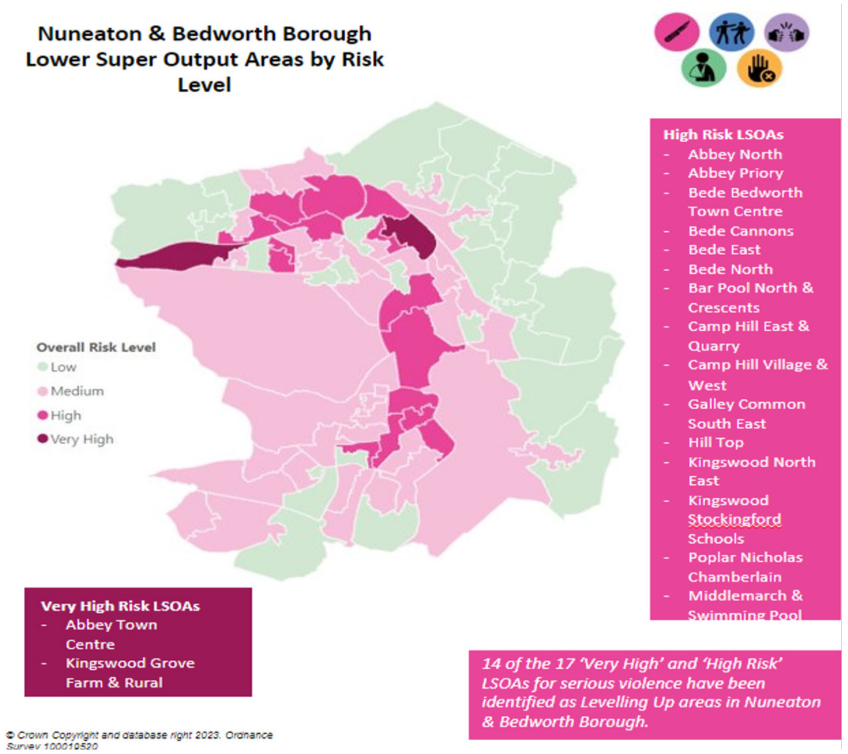
- **Domestic Abuse** – there were 603 children were recorded as being linked to a Police recorded Domestic Violence with injury offences in the three year period (with 93 linked to two or more offences).
- **Public place violence** - Rugby town centre is a key location for non-domestic violence. Victims were most likely to be males aged 10 to 29 years old.
- **Controlling and Coercive behaviour** - the second highest volume and rate of offences occurred in Rugby Borough (200 offences, 1.74 offences per 1,000 population).
- **Serious Violence Profiler Tool** – Brownsover South LSOA, Lake District North LSOA and Newbold on Avon LSOA were areas with 'High' risk scores based on the findings of the profiler tool.

Analysis of non-domestic violence with injury showed the main areas as the Rugby Town Centre and Caldecott North West LSOAs, although the figures are relatively low compared to other town centre areas. Over the three year period there were a total of 100 offences in each location.

Nuneaton and Bedworth Borough

Risk areas in Nuneaton and Bedworth Borough are shown in the infographic below.

Figure 7 Risk Profile: Nuneaton and Bedworth Borough



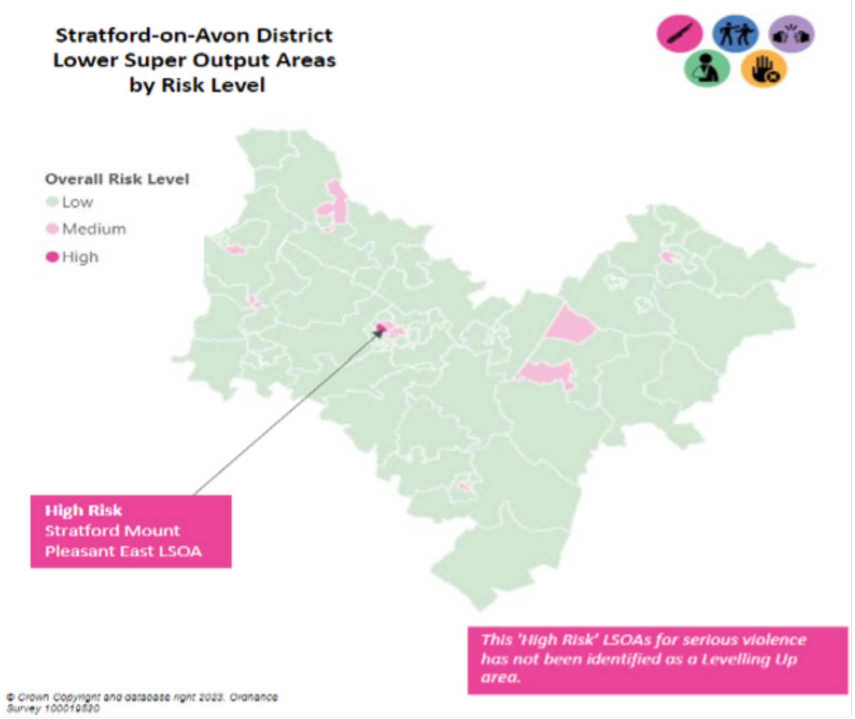
The Warwickshire Serious Violence Needs Assessment has identified the following priorities for Nuneaton and Bedworth Borough:

- **Domestic Abuse** – Police recorded rates of domestic violence incidents in Nuneaton and Bedworth Borough were the highest in the county – 10.8 per 1,000 population for April 2020 to March 2023.
- **Non-domestic violence** – Nearly a third (30%) of non-domestic violence with injury offences in Warwickshire occurred in Nuneaton and Bedworth Borough.
- **Public place violence** – One of the main hotspots for public place violence in the county was in Nuneaton, in the Abbey town centre LSOA. This area had the highest number of offences in Warwickshire.
- **Knife related offences**– Nuneaton and Bedworth Borough recorded the highest rates of reported Knife related Violence with Injury Offences per 1,000 population between April 2020 to March 2023, at 1.75 offences.
- **Hospital admissions for assaults** – Nuneaton and Bedworth Borough has the highest rate for admissions for assaults (184 per 100,000 population).
- **Children not in education, employment or training and children in care** – the rate of Children in Care is 36.8 per 1,000 children in Nuneaton and Bedworth Borough, a much higher rate than in all other Warwickshire districts and boroughs.
- **Serious Violence Profiler Tool** – there were two areas that recorded 'Very High' risk scores and 15 areas that recorded 'High' risk scores based on the profiler tool. The two 'Very High' risk areas were Kingswood Grove Farm and Rural LSOA and the Abbey Town Centre LSOA. It is important to note that 14 of the 17 areas align with the Levelling Up areas for the Borough.

Stratford-on-Avon District

Risk areas in Stratford-on-Avon District are shown in the infographic below.

Figure 10 Risk Profile: Stratford-on-Avon District



The Warwickshire Serious Violence Needs Assessment has identified the following priorities for Stratford-on-Avon District:

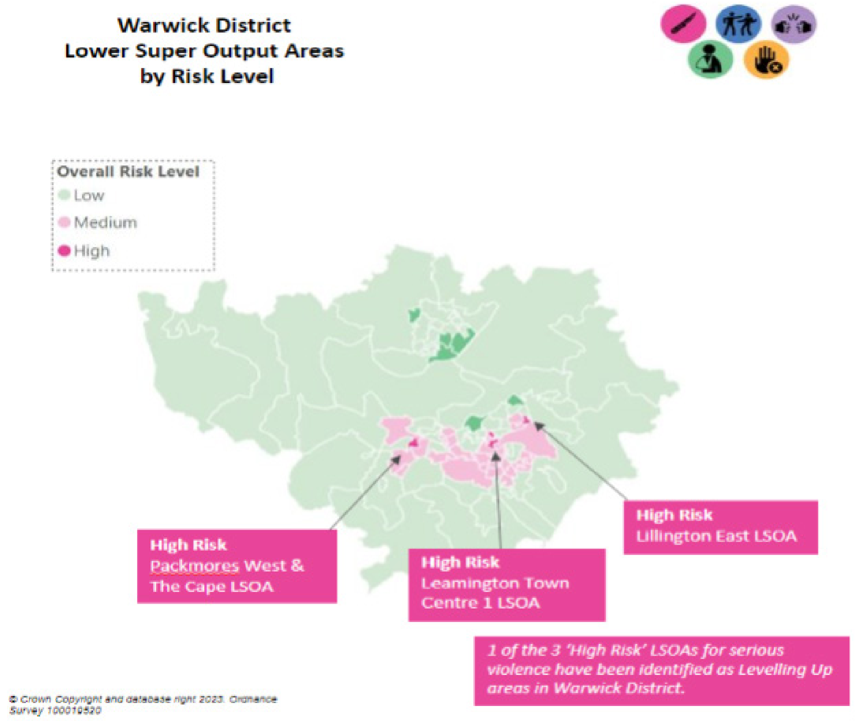
- ☐ **Rural domestic violence** – the rate of domestic violence offences is much lower in rural locations in Stratford-on-Avon District than in urban areas, suggesting less reporting of these offences.
- ☐ **Access to services such as alternative provision for education** - Stratford-on-Avon District had the highest number of children accessing alternative provision in March 2023. This equates to 75 children.
- ☐ **Findings from the Serious Violence local profiler tool** – the area of Stratford Mount Pleasant East LSOA has a 'High' risk score for serious violence.

Analysis of non-domestic violence with injury showed the main area reporting the highest number of offences as the Stratford Old Town LSOA and Town Centre South LSOA, although the figures are relatively low.

Warwick District

Risk areas in Warwick District are shown in the infographic below.

Figure 9 Risk Profile: Risk Profile: Warwick District



The Warwickshire Serious Violence Needs Assessment has identified the following priorities for Warwick District:

- ☐ **Public place violence** – particularly weapons related – focusing on Leamington Town Centre, which saw the second highest number of non-domestic violence with injury offences in the county.
- ☐ **Violence and homicide with links to county lines** – Leamington Spa was reported as being the most impacted area for county lines.
- ☐ **Educational attainment at GCSE (disadvantaged children)** - Warwick District has the largest percentage gap between those achieving a strong pass in Maths and English who are disadvantaged (24.0%) and those who are not (64.3%).
- ☐ **Serious Violence Profiler Tool** – Lillington East LSOA and Packmores West and The Cape LSOAs are the two areas which recorded 'High' risk scores based on the findings of the profiler tool.

Good practice case study – Rugby Youth Intervention Programme

Over the summer of 2022 Rugby Borough Council (RBC) saw a rise in youth ASB in the town centre and in parks and open spaces. Through the Community Safety Partnership there was a change in approach to dealing with youth ASB. This focused on direct intervention, identifying vulnerability and providing diversionary activity to individuals and groups of young people at risk of participating in or instigating ASB rather than focusing on punitive measures.

The youth intervention meeting refers young people to agencies for specialist support, including referrals to Compass (for young people who have drug issues); referrals to 'Ontrack' (part of RBC sports and recreation) for one-to-one support, or diversionary activities such as hair and beauty or art placements at local training centres. Referrals are made to Warwickshire Youth Justice Service for young people who are at risk of becoming being drawn into criminality, exploitation, or county lines. Other interventions are aimed at making young people or their parents responsible for their actions and provide support to steer them away from adverse behaviour.

Good Practice Case Study Warwick Community Impact Operations Group CIOG

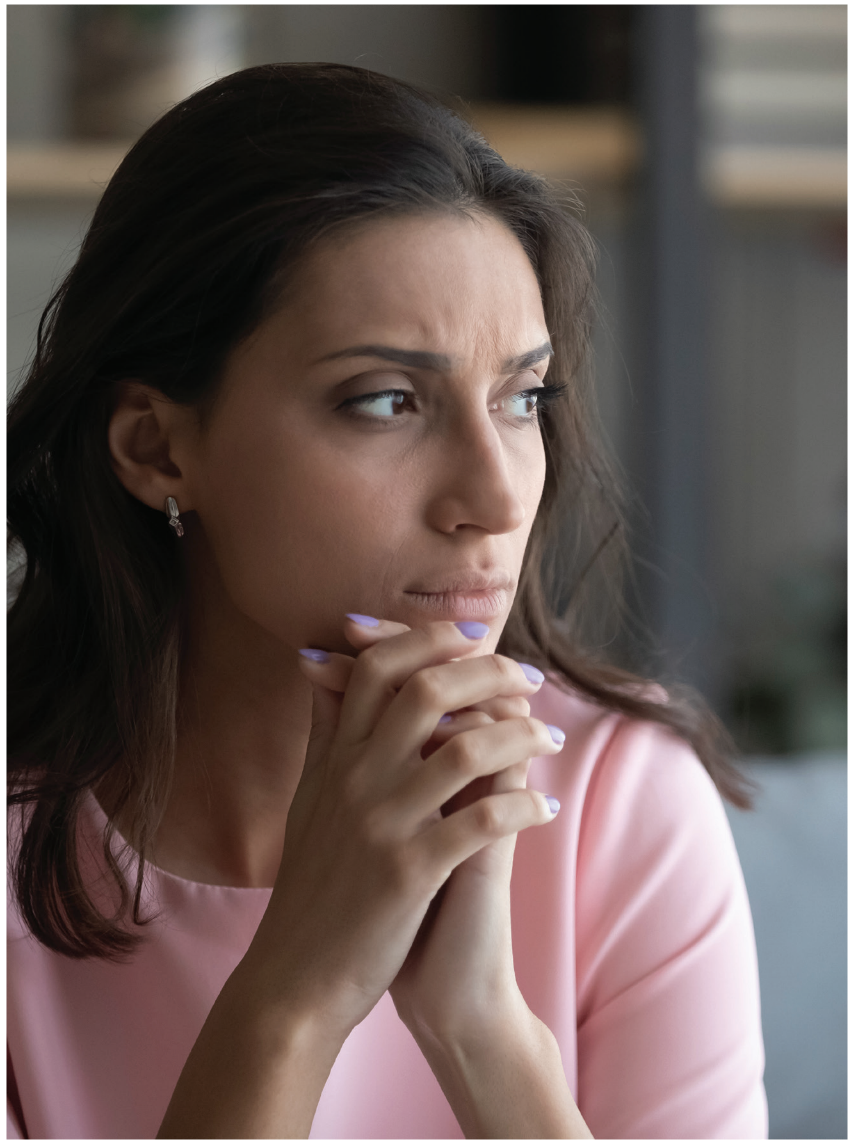
Following two county lines related murders in 2020, the South Warwickshire Community Safety Partnership established a partnership to identify those most vulnerable to exploitation through county lines and also develop a range of local disruption tactics to prevent criminal networks establishing drug supply networks in local areas.

Since the group was established 309 individuals have been identified, many of which received positive partnership interventions.

One example of the success of the group relates to a vulnerable male who was being exploited by a County Lines network from Coventry. His flat was taken over by drug dealers, using a combination of violence and the promise of free drugs. Warwickshire Police made a number of arrests at the property and support services were able to engage with the victim, supporting him to access a 12 month rehabilitation placement out of area. As a result, this person has relocated and now volunteers at the hospital where he recovered.

Summary and Local Context

In light of the findings of the above local profiling, it is recommended that an in-depth consultation in the high-risk areas in each District and Borough should be undertaken. The consultation will aim to understand the local challenges and develop a strong community consensus on programmes that can prevent violence in the long term. Where possible, this should take place as part of the Warwickshire Levelling Up delivery programme.[5]



[5]https://www.warwickshire.gov.uk/strategies-policies-legislation/levelling

[6]https://www.childfriendlywarwickshire.co.uk/

What our communities told us

Safer Warwickshire Partnership Board and its partner agencies have undertaken extensive consultation on priorities of serious violence.

Key headlines are:-

- **As part of our focus on Domestic Abuse (DA), 108 residents from across all five Districts and Boroughs responded to an online survey undertaken as part of the Domestic Violence and Abuse Joint Strategic Needs Assessment in October 2021. Over two thirds (71%) of respondents had experienced, or were currently experiencing, domestic abuse, and 75% knew someone else experiencing domestic abuse.**
- **Respondents provided information on their experience of domestic abuse, experience of accessing support and what they would want from a support service.**
- **As part of our focus on the impact of drugs and substance misuse, in-depth interviews were conducted with 132 individuals with lived experience and 52 professional stakeholders as part of the Warwickshire Drugs Needs Assessment in September 2022.**
- **A key priority that emerged was breaking drug supply chains through county lines.**
- **Consultation undertaken by Child Friendly Warwickshire[6] with 40 young people and 15 Members/Officers from Warwickshire County Council made a number of recommendations to improve confidence and feeling safe, including:-**
  - **Young people want to see Police preventing crime rather than reacting to incidents.**
  - **They would like to see more police on the streets and Safer Neighbourhood Team officers out in the community for reassurance.**
  - **They would like to see Police officers going into schools to talk about county lines, knife crime and youth violence.**

As part of our consultation with young people on serious violence, the Safer Warwickshire Partnership Board undertook a series of in-depth focus groups during 2023 with 42 young people, aged 13-19 years, across the county.

Common themes highlighted by the young people which they recognise as challenges include:

- Use of drugs including cannabis and an attraction to dealing drugs.
- Gangs/drug nominals either relocating or being relocated into Warwickshire and educating young people in gang life and drug dealing.
- Use of parks for gathering.
- There is a belief that children are often treated as offenders rather than victims.
- A perception that agencies focus more on the criminal behaviour of young people rather than the perceived more serious criminal behaviour of adults.
- A perception of not receiving good enough careers advice, therefore having little understanding of what opportunities exist, leading to low aspirations.
- Inconsistent experiences with services and professionals.

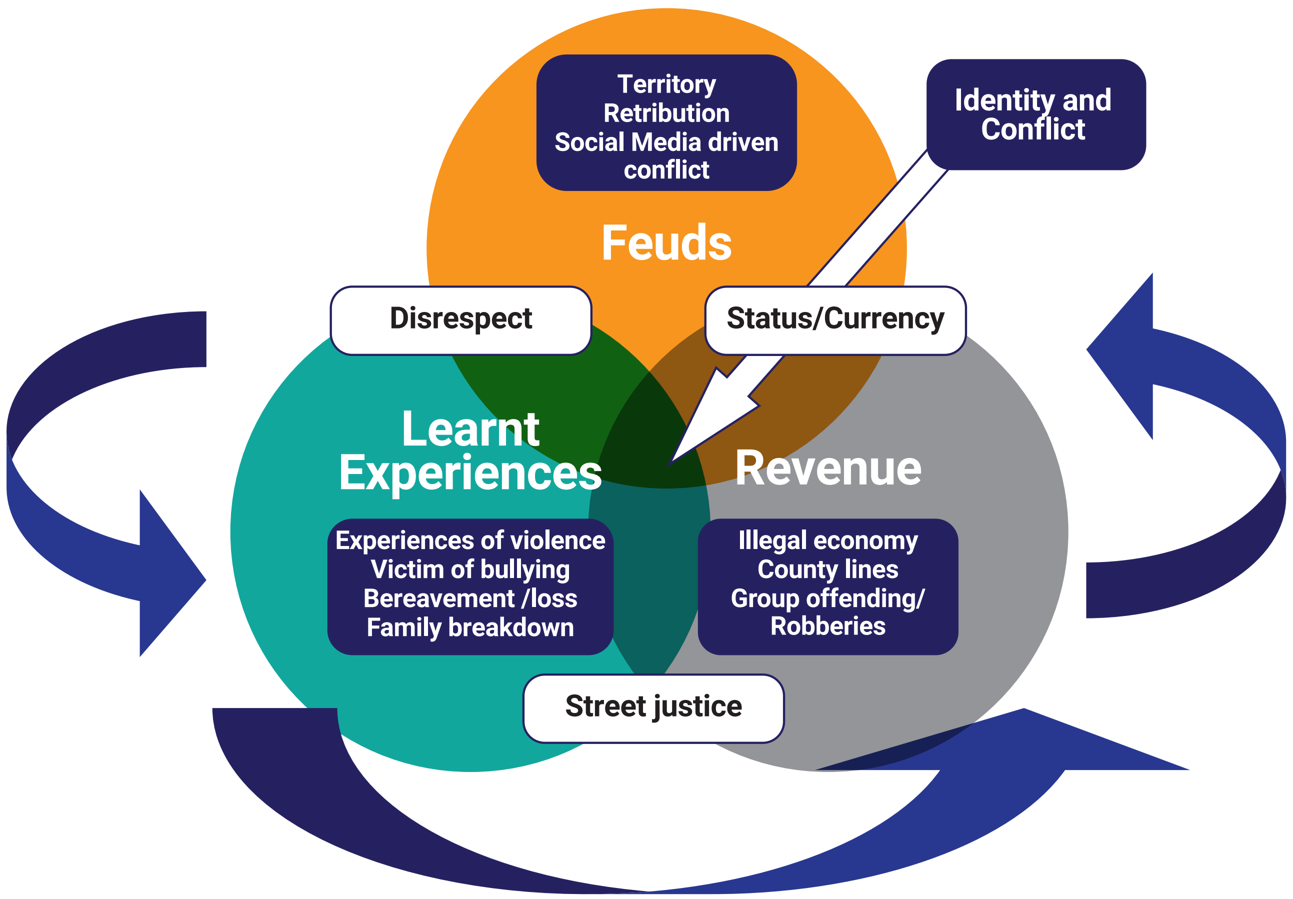
Analysis of serious violence incidents

As part of our in-depth analysis, we undertook a review of the most serious violence offences that were recorded as street based or in a public place. They included two homicides of Warwickshire residents, conflict between known groups in Nuneaton and Bedworth Borough and Leamington Spa, and a number of Wounding with Intent offences across the County.

There were a number of common factors that featured across the cases reviewed. These included connections to other criminal activity, or group on group conflict, as set out in the figures and diagram below. Threats and intimidation were often a feature in the build-up to the violent incident. However, there were two consistent themes:-

- **In each of the cases there was a clear escalation of conflict. In several cases the conflict escalated and continued over months, resulting in a rise in the severity of violence.**
- **In every case, the conflict was between people who were known to each other. The incidents related to feuds or disrespect between individuals. Status within peer groups was a common reference in all of the group related serious violence incidents.**

Figure 11 The dynamics of street based violence



Key Recommendations

- **Warwickshire Police and Warwickshire Community Safety Team to co-produce a predictive analytical tool that can identify the early stages of escalating conflict in order that partner agencies can take action to intervene.**
- **Local Community Safety and Police leads to work with schools, local community and voluntary sector organisations to share information to identify potential violent conflict and prevent it from escalating.**

Causal Factors

Alongside the crime data, we have taken the opportunity to look deeper into the underlying factors that create an environment where violent conflict can become established. These causal, or risk factors, fall under four headings:-

- **Determining factors** – these are the experiences in early years that have a long term, physical, emotional, relationship or societal impact on the individual. For example, homelessness, neglect, parental substance misuse, experiences of violence or abuse. There is health research that strongly indicates that prenatal experiences can have a negative impact on the development of the child due to the stress experienced by the mother.[7]
- **Impact factors** – these can be described as the experiences that impact on a person's individual choices, consciously, or subconsciously. For example, alcohol or substance misuse within the family may impact on a child or young person through living in an unstable home environment, resulting in a lack of belonging. These experiences can also be seen as "triggers". They may appear minor in isolation but trigger early years experiences and vulnerabilities that impact on their emotional, social and relationship development through adolescence and into adulthood.
- **Escalation factors** – these are experiences that re-enforce the interpretation of self-worth, self-value, or a lack of belonging. For example, being temporarily excluded from school, reinforces the view that opportunities are limited in later life; being bullied or being a victim of crime re-enforces the sense of having a lack of belonging and the need for respect or status; or being involved in low level offending, increases risk taking behaviour and potentially, violent conflict.
- **The intergenerational impact of Domestic Abuse** - We have included a section on the impact of Domestic Abuse including children witnessing domestic abuse as a key causal factor for Warwickshire.

[7] https://www.nhs.uk/pregnancy/support/domestic-abuse-in-pregnancy/#:~:text=Domestic%20abuse%20during%20pregnancy%20puts,the%20development%20of%20the%20baby
https://www.bath.ac.uk/announcements/domestic-abuse-in-pregnancy-linked-to-structural-brain-changes-in-babies/#:~:text=A%20new%20study%20suggests%20psychological,can%20shape%20baby%20brain%20development.&text=Domestic%20abuse%20against%20women%20during,according%20to%20a%20new%20study

Causal factors – Case Analysis

As part of the Warwickshire Serious Violence Prevention Strategic Needs Assessment, a detailed case review was undertaken of individuals involved in the criminal justice system for violent offences – 14 anonymised cases from Warwickshire Probation Service and 20 cases from Warwickshire Youth Justice.

- ☐ **Of the 34 cases reviewed, there was evidence in 18 cases of a history of domestic abuse. In 27 cases there was direct reference from experiences of family breakdown.**
- ☐ **In 21 cases there was a record of missing episodes in childhood with the most common age range of 14 to 16 years.**
- ☐ **In 50% of cases there was evidence of parental substance misuse. These experiences were from birth to 16, with the most common age range being 0-5 years old.**
- ☐ **In 21 cases the offender had been excluded from school with the youngest age being 9. The most common age range at the point of exclusion was 13-14 years old.**
- ☐ **Peer pressure, either from friends or family members was a consistent feature in the case studies. In 28 of the 34 cases reviewed peer pressure was referenced in the history of offending.**
- ☐ **In 14 cases there was a reference to bereavement in early years. The age range varied from 0-14 years old.**

Understanding the importance of Influence and Transition

Based on the case reviews set out above, Figure 12 is a summation of the key casual factors and when they most commonly occur, from birth into adulthood.

The colour coding relates to the three factors as set out in the diagram.

It highlights the value of Warwickshire's investment in Early Help and supporting families and aligns with the approach set out in the Director of Public Health's 2023 Annual Report, "Breaking the Silence- Working together to prevent domestic abuse.

The diagram also identifies the key age ranges where the impact factors or triggers are most common. The age ranges of 3-5, 8-11 and 13-16 years are the most critical, where there are multiple impact factors. These age ranges also correspond with the key transition periods in a person's life; the transition between pre-school and primary school, from primary to secondary school and importantly the emotional, physical and biological transitions through the adolescent years.

We know through neurological studies there is a further transition period, in early adulthood. For those individuals who have faced multiple determining and impact factors, the age range of 19-25 years is a critical time in processing the emotional effect of these experiences and where specialist, structured support, can play a key role.

Summary

It is clear from the Transition and Influence diagram that there is need to continue to focus on early help services across our partner agencies, through early years provision and front-line health agencies focused on the 0-5 age range.

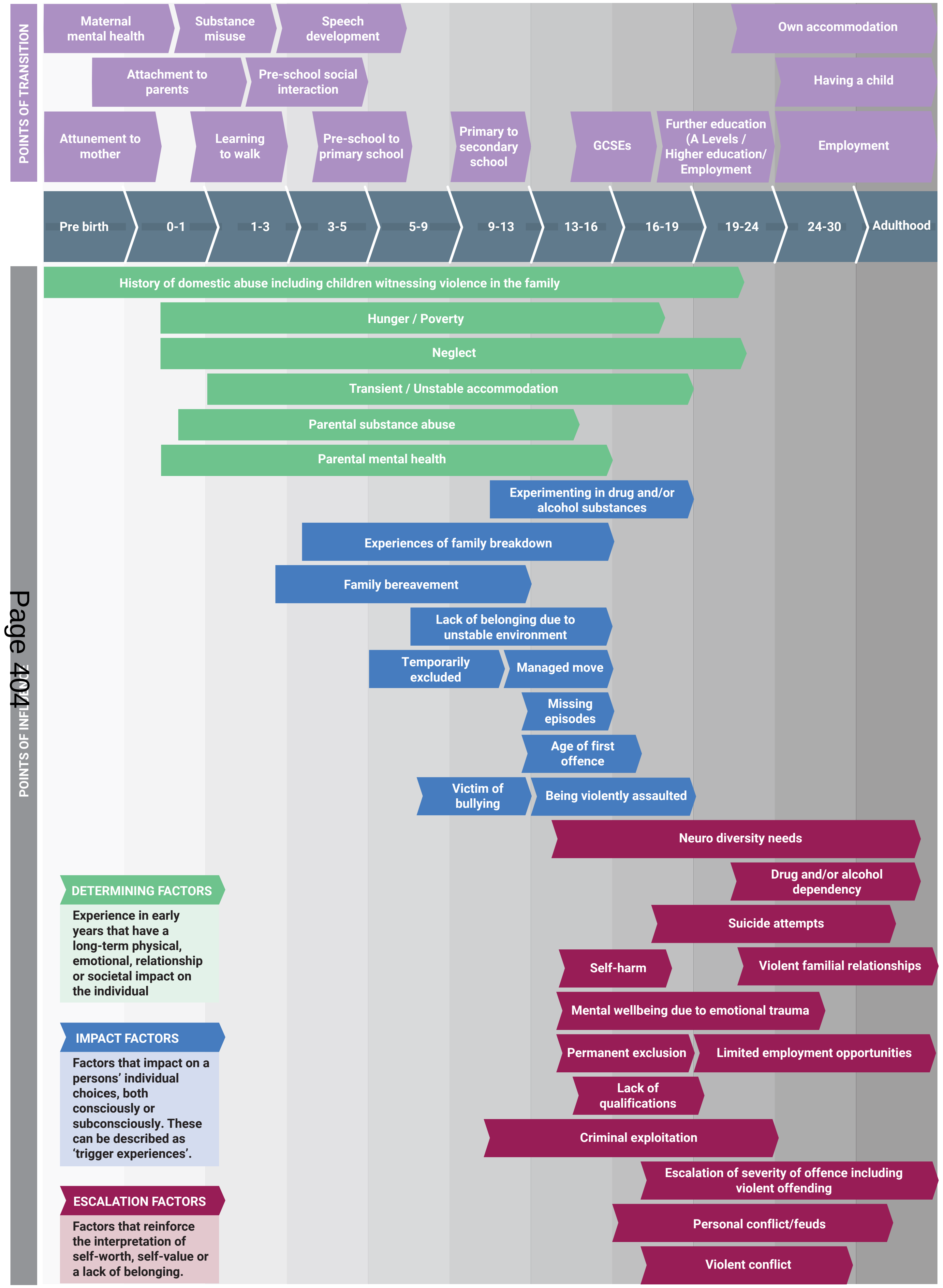
However, there is also a strong Warwickshire evidence base to develop a partnership approach to support the earlier identification of the impact factors, or triggers, particularly for 8-11 year olds and 13-16 year olds. These factors are key reachable moments at critical developmental age ranges.

Key Recommendations

Using the contextual safeguarding approach set out in Figure 12, schools, children and families services and criminal justice services should develop a common framework to identify and address these triggers and codesign interventions before they escalate.

All front-line agencies supporting children and families should be trained to recognise the triggers and where to refer to seek support. This training should include Trauma Informed Practice as a key foundation of a consistent partnership response.

Figure 12 Transition and Influence Diagram for Warwickshire



Good Practice Case Study – Warwickshire Identity Programme

The Warwickshire Identity Model has been designed to both assess and challenge young people on five dynamics which shape their identity. It can also be delivered to parents to help them in understanding how difference experiences can shape identity.

Importantly it has been designed at addressing the challenge of a "sense of a lack of belonging", which has been highlighted in our analysis.

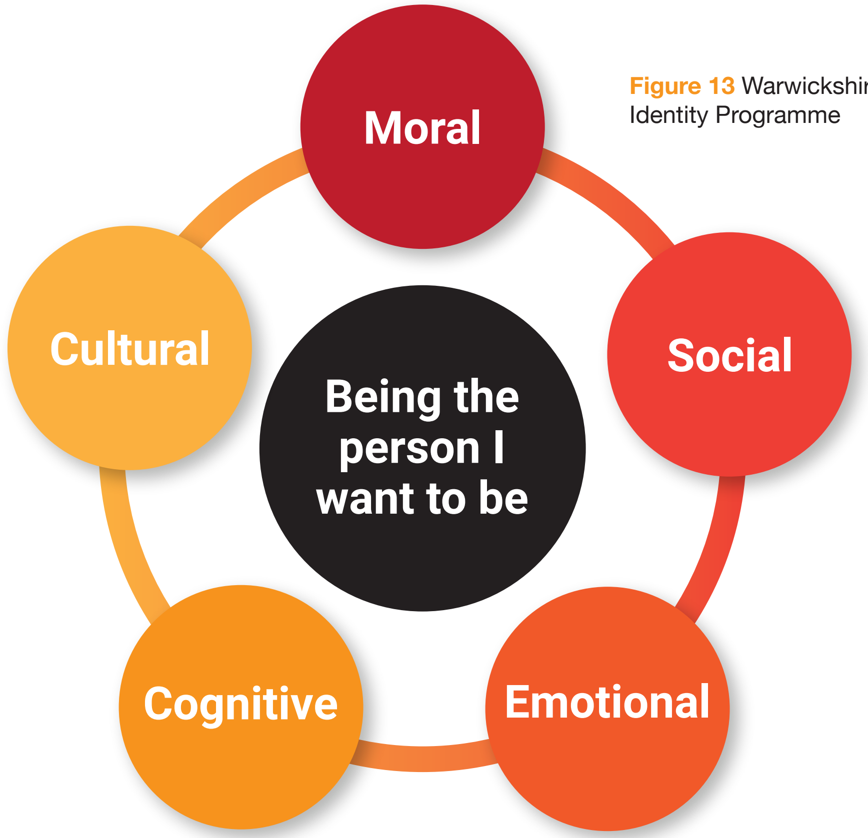


Figure 13 Warwickshire Identity Programme

The 5 dynamics are:-

- **Moral – Understanding the Moral Values they have and why they are important.**
- **Social – Exploring how current social issues shape and influence them.**
- **Emotional – Understanding what influences our emotions, recognising the importance of those influences and how to channel them in positive ways.**
- **Cognitive – Reflecting on how their actions or perceptions impact on others creates the opportunity for changing their approach to confrontational or challenging situations**
- **Cultural – Exploring their cultural journey and how their journey is different to that of their parents, siblings and peers.**

The intergenerational impact of Domestic Abuse

We have included a dedicated section on Domestic Abuse including a focus on the impact of children witnessing domestic abuse as a key causal factor for serious violence in Warwickshire.

What the data tells us

- Over a third of recorded violence with injury offences were domestic related between partners, ex-partners and family members (4,698 offences).
- Over half of the total number of offences took place within the home (57%).
- 5% of all domestic violence with injury in the three year period (April 2020 to March 2023) involved a knife, which equates to over a third (244) of all knife related violence with injury offences.
- 72% of victims were female with the prominent age range being 26-35 years.
- 76% of suspects were male with the most prominent age range being 26-35 years followed by 36-45 years.
- 11 domestic homicide reviews were adopted in Warwickshire during the three-year period of April 2020 to March 2023 and over the last 12-month period, the number of reviews has nearly doubled.

Children as victims of Domestic Abuse

The Domestic Abuse Act 2021 makes it clear that "children of domestic abuse victims who have seen, heard or experienced the effect of that abuse are victims in their own right". The potential impact of domestic abuse can cause many problems such as withdrawn and detached behaviour, difficulty in school, substance abuse and 'acting out' violence and aggression they have witnessed themselves.

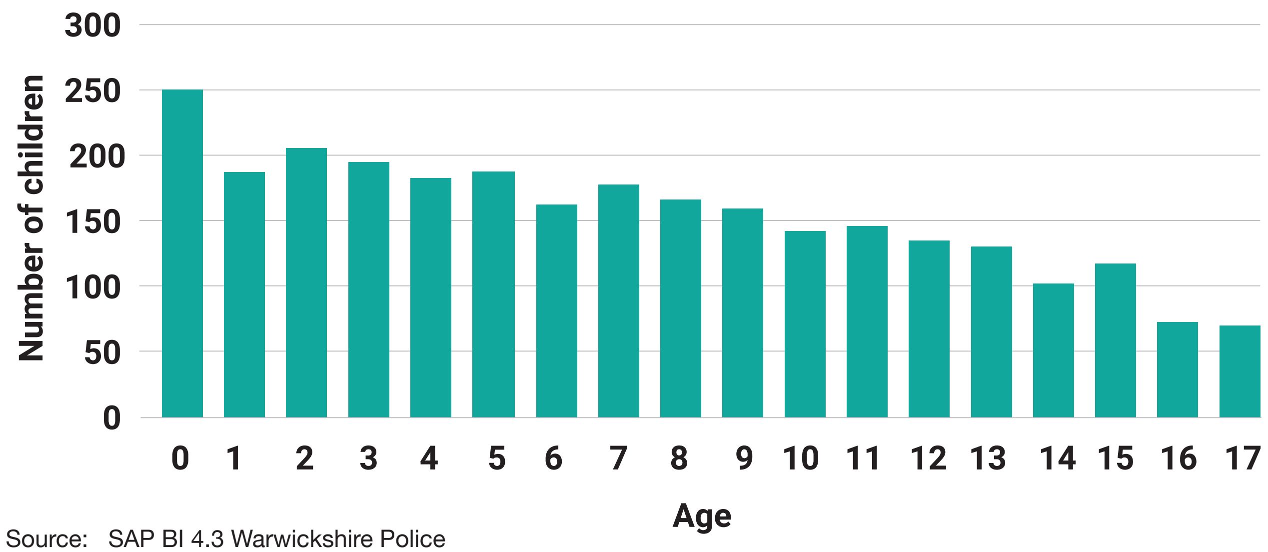
The key findings data in relation to children as victims is set out in the below bullet points. The word "linked" means that they may or may not have been present at the time of the offence but are a dependent of at least one of the parties involved.

- In the 3 year period from April 2020 to March 2023, there were a total of 13,447 children under 18 linked to a reported domestic abuse offence to Warwickshire Police.
- 12% of domestic abuse offences where children were recorded as being linked to the offence were violence with injury offences (1,803). In total 2,800 children were linked to the offence being responded to.
- One third (36.5%) of children were aged under 5 years (1,023) at the time of the first recorded violence with injury incident. The average age is just over 7 years old.
- Overall, two thirds of these children (1,862, 66.5%) were linked to at least one violence with injury and one other offence.
- 454 of these children (16.2%) were linked to more than one violence with injury offence within the time period.
- Research undertaken by Refuge[8], one of the leading national charities for supporting women and children against domestic abuse, highlights that around 20% of women accessing their services are pregnant or have recently given birth.
- There was an average of 78 days per child between the first domestic abuse offence that was not violence with injury, and the first violence with injury offence. This suggests that there is an opportunity to intervene before the level of violence escalates.
- The age ranges of 0-3, 7-9, 11-13 appear to be more prevalent in relation to children being impacted by domestic violence with injury incidents.

[8]https://refuge.org.uk/what-is-domestic-abuse/the-facts/

- It should be highlighted that the most prominent age range varied by each district and borough, as follows:-
  - North Warwickshire Borough – the peak recorded age range is 3 years of age.
  - Nuneaton and Bedworth Borough – nearly 12% of children were aged 0-1.
  - Rugby Borough – the data indicates the peak age range being 7-9
  - Warwick District – recorded the highest proportion of children who were linked to more than one violence with injury offence (18%). There is a noticeable increase in incidents in the age range of 11-13 years.
  - Stratford-on-Avon District – There was a noticeable downward trend from the age of 9 rather than from birth.

Figure 14 Age of child at first Violence with injury offence in Warwickshire, April 2020 to March 2023



Source: SAP BI 4.3 Warwickshire Police

Domestic Abuse as a causal factor for serious violence

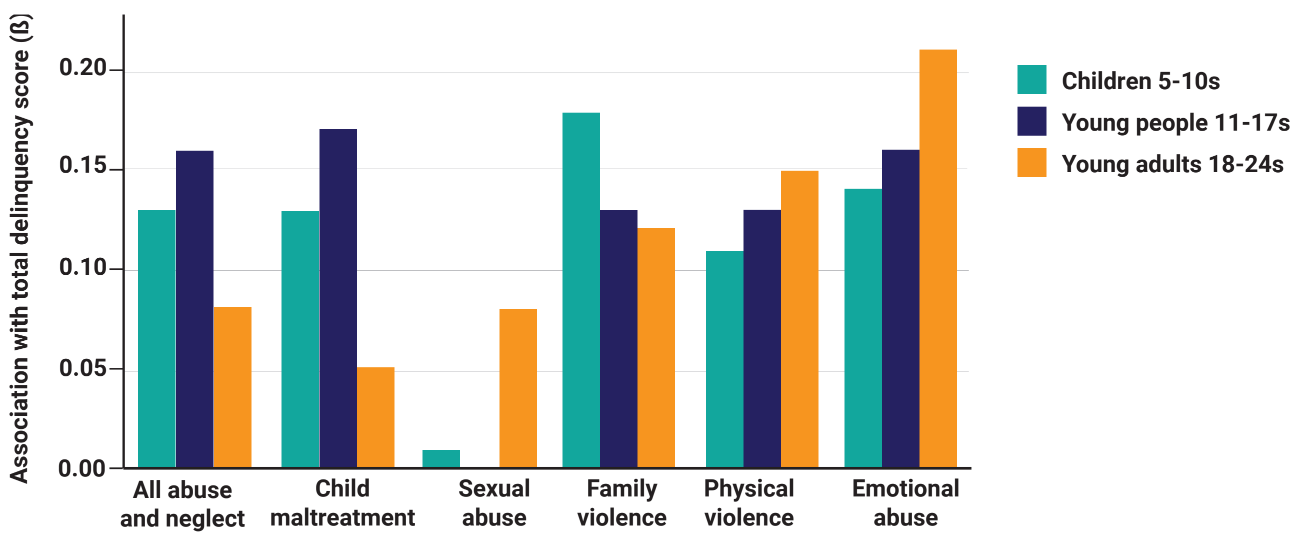
It is well documented that the exposure to domestic abuse in early years through to adolescence is a key casual factor for emotional, social and relationship challenges in later life.

It is important to note that the relationship between witnessing abuse as a child and becoming a perpetrator or victim later in life is not always totally causal; protective factors such as trusted adult relationships can reduce the risk. Nevertheless, the risk exists, and we need to do more to identify the causes, so we are better equipped to provide early intervention. Failure to address the impact and trauma experienced by children who witness domestic abuse, can result in negative outcomes for children.

The report [Child abuse and neglect in the UK today (nspcc.org.uk)] looked at this impact of exposure to domestic and family abuse on delinquent behaviour, including "acts such as violence to others, skipping school, running away and taking drugs".

The report highlights that across all age groups, exposure to physical violence, emotional abuse and witnessing domestic or family violence were associated with significantly higher levels of delinquent behaviour. This is highlighted in the following table.

Figure 15 Impact of aggregated lifetime maltreatment by parents or guardians on delinquent behaviour for each age group



Source: Child abuse and neglect in the UK today (nspcc.org.uk)

This corresponds with the findings of our qualitative case studies. In 13 of the 20 cases known to the Youth Justice Service in Warwickshire, experiences of domestic abuse and family breakdown were prevalent. Cases reviewed through the Probation Service highlighted that 43% had early years experiences of domestic abuse and of these, 50% had a history of abusive relationships with their partner(s).

Based on the qualitative research carried out in Warwickshire, it is evident that early exposure to family breakdown, domestic abuse, and connected adverse childhood experiences directly contributes to the normalisation of abusive relationships, long-term emotional and mental wellbeing challenges. This includes the ability of adolescence and young adults to recognise abusive behaviours in relationships.

As part of the Warwickshire Serious Violence Prevention Strategic Needs Assessment a series of focused sessions were carried out with young people on the edge of school exclusion or with behavioural challenges. Of the 42 cases, a quarter were female. All of the females referenced family breakdown and half made direct reference to experiences of domestic abuse.

Those young people who were interviewed referenced the impacts on their behaviour or attitudes as being, anger, self-harm, suicidal ideation and increased sexualised behaviour. In addition, there was a consistent reference to the impact on their ability to maintain healthy and safe relationships.

Key Recommendations

It is recommended that partner agencies across the health sector, children centres and early years provision, establish a task and finish group to recognise and agree the opportunities to identify children affected by domestic abuse and co-design interventions. This will be co-ordinated by Warwickshire County Council Early Help and Targeted Support.

It is recommended that the above task and finish group ensures there are clear, joined up, multi-agency pathways for children and young people witnessing domestic abuse, from the first recorded offence. In addition it is recommended that:-

- ☐ **All front-line agencies involved in early years emotional support are Trauma Informed Trained. This will better equip agencies to provide sufficient support and prevent other adverse experiences or "triggers" from further impacting on future wellbeing.**
- ☐ **To explore creating a forum to identify high risk cases where there is evidence that a child has witnessed violent incidents.**
- ☐ **Use the Safe and Well visits carried out by Warwickshire Fire and Rescue as an opportunity to identify risks of domestic abuse or other vulnerabilities in the home.**
- ☐ **Partner agencies involved in delivering the Serious Violence Duty to adhere to recommendations from the county Violence Against Women and Girls strategy and included in the Director of Public Health's 2023 Annual Report, "Breaking the Silence- Working together to prevent domestic abuse**
- ☐ **To explore opportunities for Adolescent to Parent Violence and Abuse programme to support and intervene with families where children's behaviour is escalating.**
- ☐ **Continue to work with perpetrators of domestic abuse, to enable them to understand the impact of their abuse.**
- ☐ **In line with our findings of causal factors of serious violence, partner agencies should focus resources on transition periods. A focus on transition periods for children to adult services should be a priority.**

Summary of findings from the Warwickshire Serious Violence Prevention Strategic Needs Assessment

Warwickshire is a safe place to live, with relatively low levels of serious violence. However, the causal factors that can lead to violent conflict are just a prevalent in the County as in other areas of the Country.

The case study analysis identifies a series of impact factors or "triggers" which can lead to a sense of a lack of belonging and the potential escalation of risk-taking behaviour in childhood and adolescence. Developing interventions to address these triggers, at the times when they occur the most, provides the best opportunity to prevent this escalation.

Intergenerational domestic abuse, particularly where children witness domestic violence on multiple occasions, is a key contributing factor to violence and conflict. There is an opportunity for partnership agencies and educational providers to work together to better identify and support children who are impacted by domestic abuse.

Street based serious violence, particularly where weapons are used, is driven by personal conflict and feuds that have built up over time. There is an opportunity for partner agencies to use a wide range of intelligence, including social media intelligence to intervene and prevent conflict escalating.

There are specific local areas in the county which are at higher risk of being impacted by serious violence. Focusing on these areas is a priority all partner agencies.

Our multiagency approach to Serious Violence Prevention in Warwickshire

Our core principles – A Trauma Informed Approach to Preventing Serious Violence

Public Health England, in its publication, "A whole system multi-agency approach to violence prevention" sets out three levels of violence prevention, shown in Figure 16 below.

Figure 16 The three Pillars of Violence Prevention

Primary	**Prevent Serious Violence before it happens**	Developing a series of universal, targeted, and intensive interventions that prevent people becoming involved in county lines, group, or gang violence, carrying, or using a weapon, or becoming involved in social media that leads to violent conflict.
Secondary	**Respond to emerging or immediate risks of serious violence**	Co-ordinating a response led by criminal justice, safeguarding, education and community safety leads to reduce the immediate threat of county lines, personal conflict, or group violence and weapon related violence.
Tertiary	**Long Term Support**	Co-produce a series of interventions that offer routes out of violent conflict; strengthen communities to create an environment where serious violence is challenged; and collaborate with health colleagues to embed violence prevention at the core of the long-term approach to improve health and wellbeing.

Source: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/862794/multi-agency_approach_to_serious_violence_prevention.pdf

In summary, these principles are at the foundations of our approach to preventing serious violence and the partnership model that we have developed

The Warwickshire Serious Violence Prevention Framework

The Warwickshire Serious Violence Framework is based on well researched Public Health approaches to violence reduction, combined with current safeguarding principles.

Our model is described in the following diagram and is based on:

- **The 5 C's approach** – Collaboration; co-production; co-operation in data intelligence and sharing; a counter narrative; and embedded in a community consensus approach are recognised by Public Health England as core elements to any violence prevention approach.
- **Transition and Influence factors** – Led by Public Health Wales, there is strong evidence of the association between childhood adversity and poorer physical and mental well-being across a person's life through childhood, adolescence, and into adulthood. As set out above, our deep dive case studies have looked in more detail on how these factors interrelate.
- **Understanding Risk and Protective factors** – Alongside causal factors, risk and protector factors enable agencies to recognise the risks in a person's life and the positive elements that can be built on. This approach acts as a counter narrative to the issues that a person affected by serious violence may present, building on the positive abilities, or relationships, that can keep them safe.
- **Contextual Safeguarding** –Looks beyond the individual and family dynamics by exploring their peer, school and wider community relationships. Each context is weighted for each individual, looking at the risks and protective characteristics.
- **Capricorn Framework** – developed by Public Health England, the Capricorn Framework recognises the opportunities for collaborative approaches by looking at the root causes that can prevent offending by children, as well as interventions that can reduce reoffending.

At the core of our Model is a Trauma Informed Approach to Serious Violence Prevention. Trauma-informed is a strengths-based framework that is grounded in an understanding of and response to, the impact of trauma. It emphasises physical, psychological, and emotional safety for those affected by Serious Violence, and creates opportunities to rebuild a sense of control and empowerment.

The following two diagrams illustrate how we have combined these approaches to create our Warwickshire Serious Violence Prevention Model. The first diagram (Figure 17) sets out the common risk factors identified through the Warwickshire Serious Violence Prevention Strategic Needs Assessment and Qualitative case studies. It should be highlighted that our analysis has highlighted the "Lack of identity and belonging" as a key risk factor as well as the lack of a suitable place to live.

Figure 17 Warwickshire Serious Violence Contextual Safeguarding Risk Factors

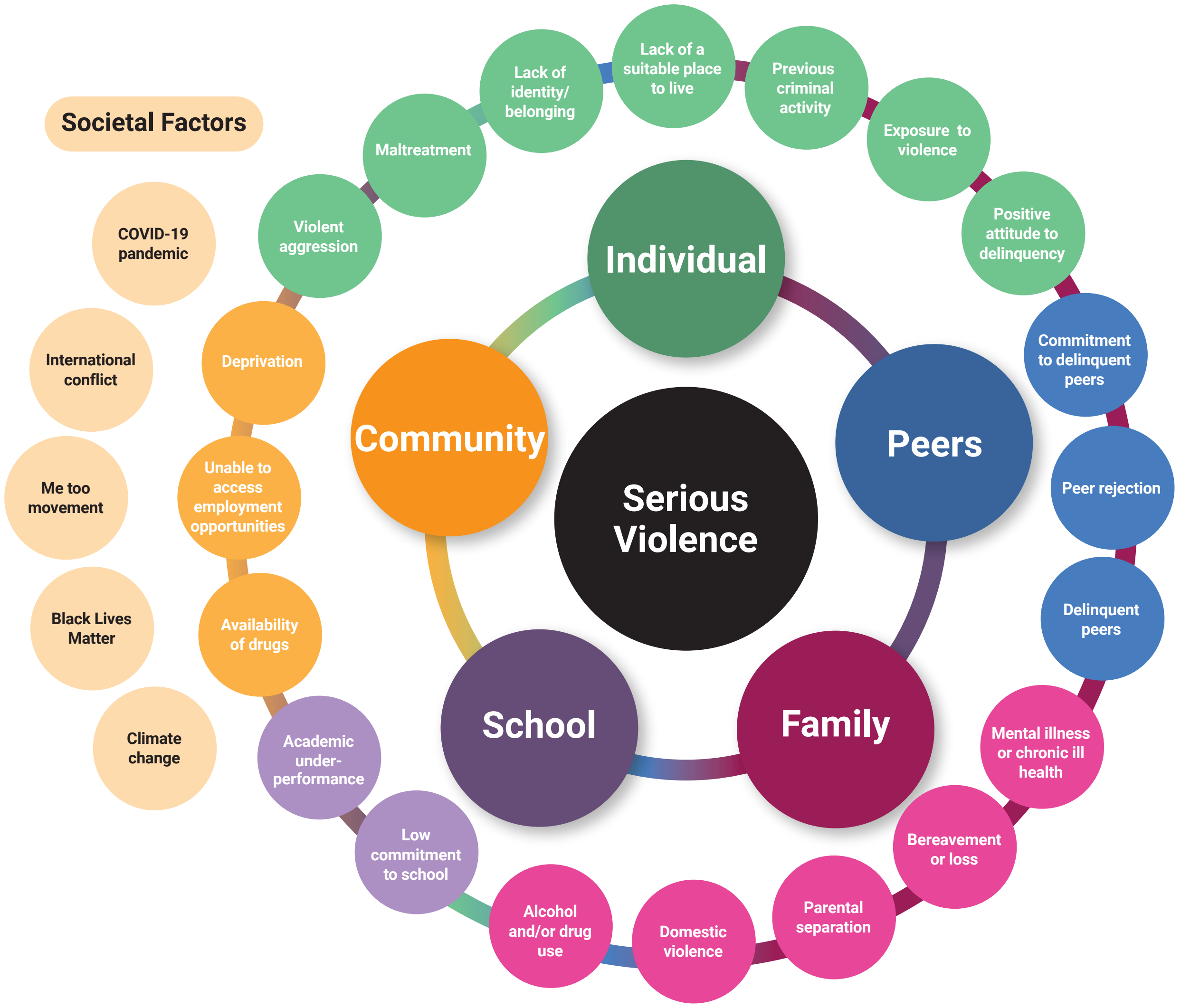


Figure 18 Public Health Approaches to Violence Prevention

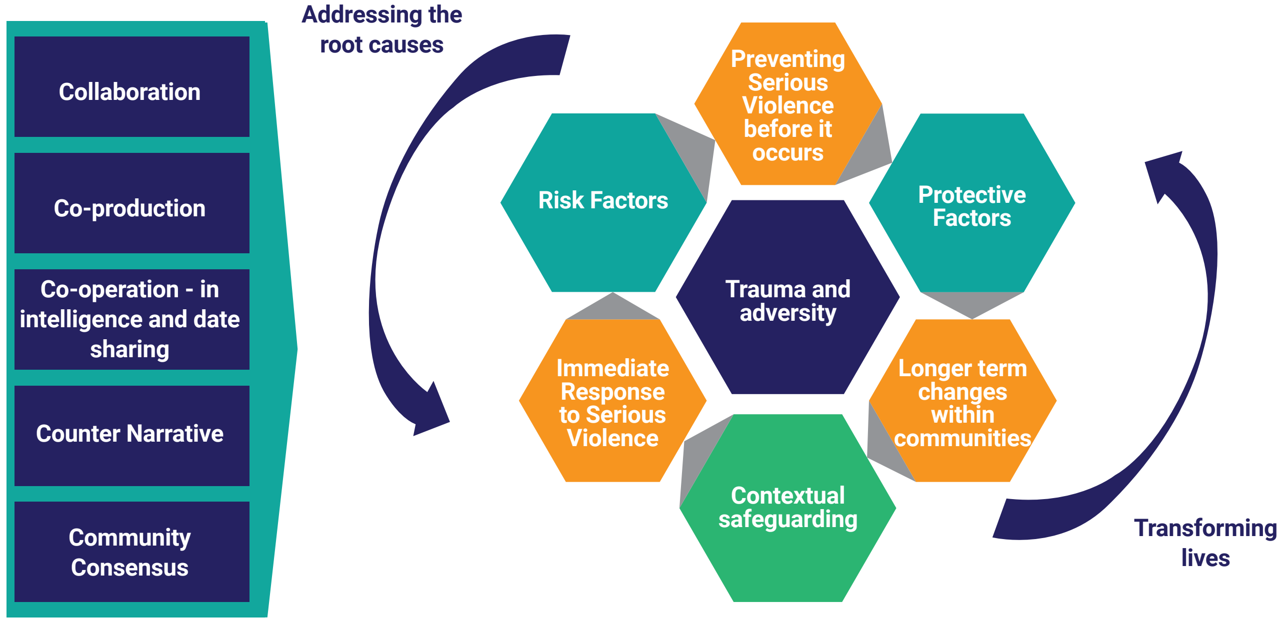


Figure 17 sets out the common risk factors identified through the Safer Warwickshire Serious Violence Strategic Needs Assessment and qualitative case studies. Figure 18 defines how we've combined all of the approaches and risk factors to create our Warwickshire Serious Violence Prevention Model.

Partnership Commitments

- ☐ **For all partner agencies involved in serious violence prevention to understand and adopt the Warwickshire Serious Violence Prevention Framework.**
- ☐ **Partners agencies to create pathways of support that are available at the reachable moment for a person affected by violence, whenever that is.**
- ☐ **Safer Warwickshire Partnership Delivery Group to establish a community and voluntary sector network forum to support the delivery of the strategy, its recommendations and outcomes.**

Setting out our long-term Strategic Approach

Warwickshire partners want this strategy to be different. We want to bring it to life so those that read it recognise the importance of a preventative approach and the role they can have in delivering it.

In order to do that we have taken a series of real-life case studies of people affected by serious violence and merged them into one life journey. Each chapter sets out a part of that journey from early years to adulthood. Each chapter uses the Warwickshire Serious Violence Prevention Framework to identify the opportunities and what we will do to make a difference, collaboratively.

We fully recognise that a number of the challenges we face are both generational and societal. By basing them on a real life journey, we can start to see how we can affect change by defining the problem, identifying the causes, and delivering interventions at the right time with the maximum impact. This will allow us to scale up our successes, for the benefit of communities across Warwickshire.

Recommendation

Deliver an awareness raising training programme with key partners across health, criminal justice, police, educational providers, children and families and community organisations so they can recognise the crucial role they play in violence prevention.

The journey in the life of...

0-5 My early years

"My early years? To be honest you are the first people to ask me that.

It's a bit like a jigsaw puzzle. I've heard what people have said about my first few years. My mum was young when she had me, 17 I think, she had lots of issues, mostly drugs and alcohol. When she was up she was like really up, but there were lots of dark times, I remember them. My dad, well I can't say much about him. I had an older sister and my grandmother. I remember being safe with them.

What I do remember is being cold and hungry, I remember being frightened when we weren't allowed in the house. I remember being frightened when my dad came round, the fights and the beatings. I remember being beaten when I wet the bed and I remember when the front door was smashed in by the police and crying when social workers came to take us away. I remember the times we were evicted, not all of them, but I remember my sister crying and being scared at night in the places we lived. They were never a home.

I cannot see these things clearly, but I still feel them, being cold, frightened and hungry, unwanted. I suppose that's why I did what I did to survive."

What we will do to make a difference

Countywide

Train all front-line family health providers to recognise Aversity and Trauma and Contextual Safeguarding.

Ensure that those residing in Domestic Abuse Safe Accommodation are supported with financial, practical, social and emotional support.

Commission an all-age drug and alcohol service that focuses on early intervention, prevention and appropriate treatment provision.

Engage front line health heath care support with other early years services to provide a co-ordinated programme of support for those families with significant determining factors (Figure 12) in key local areas as identified in the strategic needs assessment.

Local

Create locally based emotional support programmes for extended family carers.

Assess local community assets to ensure there are accessible facilities offering social, practical, and emotional support for young parents and carers

5-11 My primary years

"I remember my first day at school. Yeah, that was special. It felt like an escape. My sister took me cos she was a few years older and my mum was having one of her dark times. I tried real hard to make friends, I wanted to be someone people liked; that wanted to be my friend. It was important. Yeah I was physical, but not violent.

I did well in my first year. I loved art and I was told I was gifted. That was a big thing, I still remember it. It was in the second year when I started to get bullied. It was my clothes to start with, then people said I smelled. That hurt. After a while it got the better of me, so I started to deal with it, to fight back. I got labelled, but I also got different friends, more loyal. Some of them are still my friends now. My Gran got called in, like every few weeks. Then I got suspended. I stopped doing art cos it didn't fit with the image I had....I wanted.

My Gran died when I was 9. I don't want to talk about that.

Mum had a new boyfriend and he was good for her. She started getting straight and we stopped having lots of different people in our house, night and day. Her boyfriend? I didn't like him and after a while my sister starting to stay out, stayed at friends, even though he would go searching for her. I missed her but she had her life and I couldn't protect her."

What we will do to make a difference

Countywide

Develop a training and awareness toolkit for all educational providers to recognise the signs associated with adverse experiences which can harden trauma and the impact of trauma.

Establish an advice and support service for schools and college staff to discuss emerging trends and issues.

Co-produce an assessment framework that can identify the impact factors or "triggers", to ensure that the opportunity to deliver early intervention programmes is recognised and responded to.

Define an accessible emotional support programme for young people and families affected by bereavement or loss.

Work with Street Doctors to introduce First Aid, Knife Awareness sessions for Year 6 and Year 7 groups.

Encourage referrals from all agencies for fire safety intervention where fire setting has been identified in children and young people between the ages of 4 and 18.

Collaboration between schools, children, families and health providers to ensure that emotional support for young people affected by trauma is accessible at the point of need.

Local

Ensure that practical support for families is easily accessible and does not create stigma.

Local intelligence sharing across early years and primary education, local authorities and children and family services so that practical and emotional support can be provided by local services.

Create local Serious Violence Prevention Community Forums, engaging with community and voluntary sector organisation to develop and deliver local intervention programmes.

11-16 Shaping my identity

"My first year at secondary school was tough, bit of an initiation I suppose. I got bullied to start with, dirt rubbed into my face and mouth. Then I got robbed, school bag, money, my shoes. Mum got angry and reported them at first, to the school and the Police. Nothing changed. I wasn't the only one.

By the second year me and my friends started forming our own alliances with some of the older kids. They got me a bike and I did some work for them to pay them back, nothing heavy. We looked out for each other. Yeah, there were a group of us, boys and girls. That's one thing you lot have got wrong you know. You always focus on the boys when its often the girls that bring things on.

By 14 I had a rep. I did a few things I won't lie. But I was earning money and I was current. That's something else you lot need to understand; what it means to be current.

By the time I was 15 I had a plan. I stayed at school. I could of got expelled but I'm not stupid. I made sure school worked for me.

My mum? She had two other kids with her man. I was close to the oldest. He was 5 or 6 by the time I was in year 10. He looked up to me and I looked out for him. Then mum got cancer. Her man said I should take care of her, but I wasn't invested in her like that. My sister moved back in to help out. She was 18 then, had a kid on the way. But she moved back for mum. She told me what mum's boyfriend did to her. That's when things really turned. I got my friends over, even some of the olders, we dragged him out the house and beat him, in the middle of the street. Police got called. But no one said anything, not even my mum. What did I feel? An adrenaline rush, that's what's I felt. I got fixed on it, for the first time in my life I felt alive.

What we will do to make a difference

Countywide

Embed the Warwickshire Whole School Approach to Violence Prevention across all Secondary Schools in the County

Expand the Warwickshire "Identity Programme" for both parents and young people (Figure 13).

Review the commissioned provision of Mental Health and Emotional Support Services for children and young people to ensure it is accessible and responsive to those most at risk of becoming involved of serious violence.

Embed the Warwickshire Violence Prevention Model across agencies and expand the attendees at SOCJAG interventions to include schools and key health providers.

Review our social media and cyber educational programmes to ensure they focus on violence prevention and risks of exploitation.

Encourage all secondary schools to take up the Warwickshire Fire and Rescue Arson awareness programme.

Local

Establish local forums between schools, children and families, police and community safety to share low level intelligence on incidents that could lead to an escalation in risk, including violence through social media.

Carry out a review of local community and voluntary provision that young people and parents with complex health needs can be signposted to.

Identify local community and voluntary sector providers that would run sessions within the school environment.

16-21 Becoming an adult?

To be honest, once I finished school things got mad. I got my GCSE's, including Maths and English. I got signed up for college. But, in reality, it was all about my friends, what we did on the road, the parties, earning money, staying current. Yeah, we smoked and took stuff. But we weren't like those nitties. We carried stuff, set up houses, carried phones, got paid for all sorts of work. Feds were all over us, but there we were a crew so they couldn't pin anything.

I first got stabbed when I was 16. I was dumb. Wrong place with the wrong people. But it helped my rep. I posted selfies of me in the hospital with the stiches in leg. Yeah I've been stabbed three times, but back then it's like I was invincible. When we got to about 18-19 some of my friends wanted out. There was a lot of beef over that. Some of the olders stepped in. One of my friends was called out. He got stabbed by others in our group. He was lucky to survive. That's when it all started to fall apart then. We didn't know who to trust. So we kept it tight, between 3 or 4 of us and started to recruit our own youngers.

Arrested? Yeah I got arrested lots of times. Most of them just go NFA'd. I had a number of people who worked with me, from social services I think or the youth offending team . Most of them were busy and they changed every few months. Some of them described me as being "exploited"! Like seriously, who do you think has exploited me? There was one worker, she was good but then when I got to over 18 that all stopped. Seems that being 18 changes you. By then I had left home. I was mainly sofa surfing and if I didn't have anywhere to stay I paid for a hostel. I learnt to drive, bought a car and some nights slept in that. When I was 20, I got arrested on the M1 with a kilo of coke and £5,000 in cash. I had a younger in the car, 14, 15 years old. He took the main rap. But I still got time.

Prison? Yeah prison was hard. Too much time locked in a cell. I wasn't ready for that. That's when I got into drugs, not like addicted, just to get through the days so I didn't have to think much.

What we will do to make a difference

Countywide

Establish a Community Violence Prevention Navigators Programme that can be rolled out in local areas affected by serious violence.

Establish a Warwickshire based programme linked to NHS Trusts to support any young person, aged 14-25 years, who have suffered a serious violence injury. This will be part of the proposed Community Navigators approach.

Youth Justice Service and Warwickshire Probation Service to work together to co-produce an intensive support programmes for 17-24 year olds who are affected by serious violence and motivated to change. The programme will include practical, social and emotional support, including access to vocational and employment opportunities.

Establish a sustainable Countywide Serious Violence Exit programme based on the principles of the Boston Ceasefire Model (see Warwickshire Interventions Programmes Page 44).

Expand our Fair Chance employability and skills offer for young people affected by serious violence so that they are both work ready and successful in seeking employment opportunities.

Take the learning from the Warwickshire Fire and Rescue Service work with Warwickshire College and the Princes (Kings) Trust programme to deliver fire safety and arson awareness

Local

Establish a local employment opportunities scheme or employment placements for young people at risk of becoming involved in serious violence.

Identity local funding opportunities for training programmes for young adults.

Train community-based Violence Interrupters in key local areas affected by serious violence.

21 plus Moving on?

I did just over 2 years. By the time I came out my friends had moved on. Seems I wasn't current anymore. I got put into an AP, cos I refused to go home. I did some work, nothing heavy, just to earn some money. I got arrested few times, returned to prison and re-released. By the time I was 23-24 I had enough. So, I got some night work on the railways. It was alright until they did a random drugs test, then I was let go. I got my CSAS card through my Probation Worker. Respect to her. I'm back at college now training to be a painter/decorator and working for a construction company. Seems I'm quite good at it. My Probation Worker said she would get some counselling, but turns out I'm not eligible. I'm not bothered.

Did I mention I had a kid? Yeah, he's 5 now. That changed a lot. My sister has helped bring him up so I didn't lose touch. She's got her own place now, she's training to be a nurse. I'm also seeing someone, its good, we argue but I don't know any relationship where there isn't some heat every now and then.

Mum? Her man left her just after she got sick. But she's clean, she's been clean for a few years. She works in a home supporting older people. She's doesn't get paid much but she's got a new man, whose got his own kids and he's good for her. I don't go round.

My younger brother? I still keep an eye out for him. He's between schools right now, but he needs to make his own choices.

I still see some of my friends, we meet up for a smoke. Most have moved on but those that haven't we still stay close to. You cannot just walk away you know! When you think about it, there a lot you cannot just walk away from.

What would I change in my life? I don't know, no one ever asked me that before. I don't know how to answer. What would you change?

What we will do to make a difference

Countywide

Use the Warwickshire Community Based Navigators Programme to train local people to become skilled mentors to provide long-term support.

Establish a countywide Business Entrepreneurs programme directly focused on young adults affected by serious violence.

Establish a dedicated support service to support employers who are willing to offer employment or volunteering opportunities for young people affected by violence.

Establish a Warwickshire Conflict Mediation Service with the aim of reducing the conflict between group or within groups to enable people to exit safely.

Embed the Caring Dads programme across the county.

Local

Work with local Business Improvement Districts and Growth Hubs to expand the employment and skills opportunities as a pathway for those looking to exit serious violence lifestyles.

Working with local colleges to review the vocational educational courses so they are accessible to young adult offenders.

How we will know that we have made a difference

Theory of Change

Lead practitioners across the Specified Authorities participated in a Theory of Change workshop, facilitated by the National Council for Voluntary Organisations (NCVO), to co-produce the Theory of Change model for serious violence prevention, which is described in the map set out in Figure 19 below.

The Theory of Change map describes:

- Impact – the big change that our work will contribute towards.
- Outcomes – the specific change that results from our activities.
- Activities – the things we do to achieve those outcomes.
- Assumptions – the things that need to be in place to make the theory work; necessary conditions.

Our Strategic Needs Assessment (SNA) analysis has highlighted the significance for Warwickshire of identifying and addressing the causes of violence and of breaking the cycle of violence. The intergenerational impact of domestic abuse is recognised as a key challenge.

Activities and target groups

The Theory of Change highlights different types of activities and interventions for individuals, families, schools, peers, practitioners, communities, and wider society. These activities range from skills programmes, home visits, family therapy, specialised and structured one-to-one support, group interventions and employment schemes, and will target localities which will have the most impact.

Outcomes

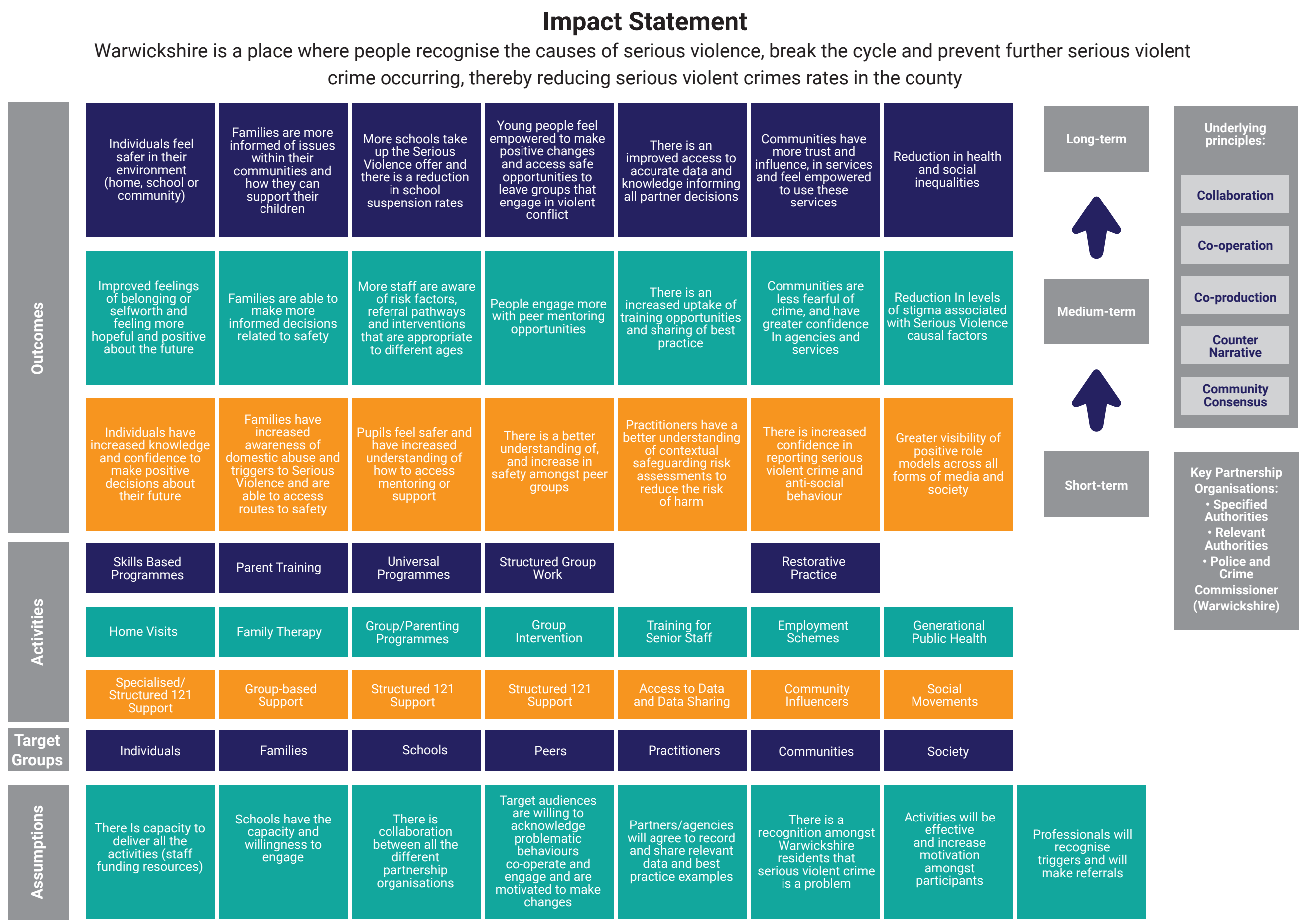
As a result of these activities, it is anticipated that communities and individuals will benefit in several ways. For example, through structured support and skills-based programmes, individuals will be more confident in accessing support to meet their needs and increase their stake in their community.

Similarly, there are range of highly knowledgeable practitioners involved in the delivery of activities in different settings, who have a range of different skills and expertise. The continued and increasing sharing of data and best practice amongst this group will further inform interventions and strategy.

Assumptions

Developing a consistent long-term approach, using the Warwickshire Serious Violence Prevention Model based on collaboration, co-operation, co-production, counter narrative and community consensus is key, and this is reflected in the assumptions described.

Figure 19 Warwickshire's Theory of Change Map



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Overarching Outcomes

The outcomes for this strategy are set out in the above Theory of Change Model. They are based on a series of short term (12-18 months), medium term (within 3 years) and long-term ambitions, aimed at influencing wider social issues that impact local areas most affected by serious violence. These outcomes will be aligned with the Warwickshire Levelling Up approach to ensure these outcomes can be sustained.

Delivering our Outcomes

Countywide

As part of the delivery of the outcomes set out within this strategy, we have developed a delivery action plan. The action plan includes the activities set out in the above Theory of Change.

The action plan will be overseen by the Serious Violence Partnership Delivery Group and will report to the Serious Organised Crime and Serious Violence Executive.

Locally

In addition, each of the local Community Safety Partnerships will develop a local action plan to focus on the serious violence priorities most relevant to their area. Whilst these will be managed locally, the Serious Violence Partnership Delivery Group will monitor progress as part of its overall responsibility of ensuring the outcomes are being achieved and the Serious Violence Duty is being met.

An annual report will be produced setting out the progress that has been made and the highlighting emerging challenges.

Partnership Commitments

The following is a summary of the partnership commitments set out above and which will form part of the overall delivery plan.

The table links these commitments to the three pillars of Preventing Violence before it happens, responding to immediate risk and long-term support

We have broken these recommendations into two headings.

Actionable - on track to be delivering in the next 18 months

Partnership Commitments	Related Theory of Change Outcomes	Relationship to the three Pillars
Each Community Safety Partnership to develop an action plan based on the Serious Violence Profile as part of their local strategic priorities.	Communities are less fearful of crime and have greater confidence in agencies and services.	Long Term Support
Undertake in-depth consultation in the high-risk areas in each District and Borough. Where possible this should take place as part of the Warwickshire Levelling Up delivery programme.	There is increased confidence in reporting serious violent crime and anti social behaviour.	Long Term Support
Local Community Safety and Police leads to work with schools, local community and voluntary sector organisations to share information to identify potential violent conflict and prevent it from escalating.	There is an improved access to analytical data and knowledge improving all partners. Individuals feel safer in their environment (home school or community).	Responding to Immediate Risk
Warwickshire Police and Warwickshire Community Safety Team to co-produce a predictive analytical tool that can identify the early stages of conflict before it escalates in order that partner agencies can take actions to intervene.	Practitioners on the front line have a better understanding of contextual safeguarding assessments to reduce the risk of harm.	Preventing violence before it happens
Establish a multi- agency Task and Finish group to identify children affected by domestic abuse and co-design interventions.	There is an improved access to analytical data and knowledge improving all partners.	Preventing violence before it happens
Use the Safe and Well visits carried out by Warwickshire Fire and Rescue as an opportunity to identify risks of domestic abuse or other vulnerabilities in the home.	Families are able to make more informed decisions related to safety.	Preventing violence before it happens
Partners agencies involved in delivering the Serious Violence Duty to adhere to recommendations from the Warwickshire Violence Against Women and Girls Strategy.	Reduction in health and social inequalities.	Long term support

Partnership Commitments	Related Theory of Change Outcomes	Relationship to the three Pillars
Continue to work with perpetrators of domestic abuse, to enable them to understand the impact of the abuse.	Individuals have increased knowledge and confidence to make positive decisions about their future.	Long term support
Partners agencies to create pathways of support that are available at the reachable moment for a person affected by violence, whenever that is.	Improve feelings of belong or self-worth and feeling more hopeful and positive about the future.	Preventing violence before it happens
Deliver an awareness raising training programme with all partners so that they can recognise the crucial role they play in violence prevention.	There is an improved access to accurate data and knowledge, informing all partner's decisions.	Preventing violence before it happens
Train Early Help, Targeted Support and Youth Justice Prevention Teams on the Warwickshire "Identity Programme".	More staff are aware or risk factors, referral pathways and interventions that are appropriate to different ages.	Responding to immediate risk
Review current social media and cyber educational programmes to ensure they focus on violence prevention and risks of exploitation.	There is a better understanding of, and an increase in, safety amongst peer groups. Greater visibility of positive role models across all forms of media and society.	Preventing violence before it happens
Establish a Community Violence Prevention Navigators Programme that can be rolled out in local areas affected by serious violence.	People engage more with peer mentoring opportunities. Families are more informed of issues within their communities and how they can support their children.	Long term support
Youth Justice and Warwickshire Probation Service to work together to co-produce an intensive support programme for 17-24 year olds who are affected by serious violence.	Individuals have increased knowledge and confidence to make positive decisions about their future	Responding to immediate risk
Establish a sustainable Countywide Serious Violence Exit programme based on the principles of the Boston Ceasefire Model.	Young people feel empowered to make positive changes and access safe opportunities to leave groups that engage in violent conflict.	Responding to immediate risk

Partnership Commitments	Related Theory of Change Outcomes	Relationship to the three Pillars
Expand the existing Serious Violence Prevention Delivery Plan to include the outcomes set out in the Theory of Change and recommendations above.	There is an improved access to analytical data and knowledge improving all partners.	Long term support
Safer Warwickshire Partnership Delivery Group to establish a community and voluntary sector network forum to support the delivery of the strategy, its recommendations and outcomes.	Communities have more trust and influence in services and feel empowered to use these services There is an improved access to analytical data and knowledge improving all partners.	Long term support
Produce an Annual Report on the progress made in delivering the strategy and emerging trends.	Communities are less fearful of crime and have greater confidence in agencies and services.	Long term support

Aspirational - to be developed or delivered within the lifetime of the strategy

Partnership Commitments	Related Theory of Change Outcomes	Relationship to the three Pillars
Using the contextual safeguarding approach, children and families and criminal justice services should develop a common framework to identify and address causal impacts or triggers of serious violence and co-design interventions before they escalate.	Families have increased awareness of domestic abuse and triggers to serious violence and are able to access routes to safety	Preventing Violence before it happens
All front-line agencies involved in early years emotional support are Trauma Informed Trained.	There is an increased uptake of training opportunities and sharing of best practice.	Long term support
To explore creating a forum to identify high risk cases where there is evidence that a child has witnessed violent incidents.	Practitioners on the front line have a better understanding of contextual safeguarding assessments to reduce the risk of harm.	Respond to the immediate risk
Partner agencies should focus resources on periods of transition, to reduce the risk of violence in later life.	Reduction in health and social inequalities.	Preventing violence before it happens
For all partner agencies involved in serious violence prevention to understand and adopt the Warwickshire Serious Violence Prevention Framework.	Practitioners on the front line have a better understanding of contextual safeguarding assessments to reduce the risk of harm.	Long term support
Embed the Warwickshire Whole School Approach to Violence Prevention across all Secondary Schools in the county.	More schools take up the serious violence offer and there is a reduction in school exclusion rates. Pupils feel safer and have increased understanding of how to access mentoring and support.	Long term support
Work with Commissioners to ensure Mental Health and Emotional Support Services for children and young people is responsive to those most at risk of becoming involved of serious violence.	Reduction in levels of stigma associated with serious violence causal factors.	Long term support

Warwickshire Interventions and Programmes

The following section sets out a series of partnership programmes that are designed to meet our recommendations and outcomes. We have aligned them with the three pillars of serious violence prevention.

Preventing Violence Before it Happens **Navigators Programme**	Navigators are people from the community, voluntary or front-line services who have a connection to a local area. They work in settings to help develop opportunities for those involved in violent conflict to find routes away from this lifestyle. In Warwickshire, our intention is to develop a Community Navigators Programme as part of our Community Powered approach. Working in partnership with voluntary and community organisations, the aim is to train identified local people who either have lived experiences or are committed to making a difference in preventing violence, so they have the skills to navigate a pathway at key reachable moments for those affected by violence.
Preventing Violence Before it happens **Multi agency criminal justice intervention teams**	Warwickshire is bringing together skills from Youth Justice, Probation, targeted youth support, employment and skills and specialist mentors, to support those already engaged with the criminal justice system. The aim is to prevent them from either reoffending, or reduce their risks of an escalation in offending. Examples of this innovative approaches include:- Youth Justice Prevention Team – the team aims to work with young people who are identified as being at risk of becoming involved in offending. It offers a series of interventions to reduce those risks. The team lead on delivering the Warwickshire Serious Violence Whole Schools programme, described below. 17-25 year old Transitions Service – combining the skills of Youth Justice workers, Probation officers, employment and skills and 121 mentoring, the service will work with those already in the youth justice system and transitioning to adult provision. It is designed to work with those clients who are motivated to change, offering intensive support, pre and post release, to prevent them from reoffending.

Responding to Immediate Risk – **Warwickshire Family and Adolescence Support Team (FAST)**	FAST is a multi-agency team made up of Social Workers, Family Support Workers, a Youth Worker, Homeless Prevention Worker, Children and Young People drug and alcohol Worker and Trauma Informed Practitioners. FAST are part of children's services and are co-located with the Police, Barnardo's and Youth Justice, and work within a contextual safeguarding framework. FAST works with children and young people aged 11+ years where the over-riding risk is harm outside of the home, or extra-familial harm. FAST practitioners are trained in solution focused brief therapy, which is a trauma informed model, motivational interviewing and mediation techniques. The team work with the child/young person and their family to increase safety, utilising a range of disruption techniques and interventions.
Responding to Immediate Risk **Boston Ceasefire Model**	The Boston Ceasefire Model was originally designed to reduce gun violence in the US city of Boston. The Model was based on two strategic approaches: to co-ordinate enforcement agencies to maximise every opportunity to disrupt those involved in gun violence; to develop interventions that deter violence. The approach:- 1. Target gangs/groups directly involved in violence. 2. Reaches out to those involved, as a group or individuals, with an offer of help to move away from a lifestyle of violence. 3. Involve community leads to re-enforce the message that violence will not be tolerated. 4. Co-ordinate enforce against those who chose to continue with violent conflict. In the UK, this approach was delivered by a series of "Call-In's" involving partnership organisations, key community influencers and the voice of those affected by violence. In Warwickshire, we will embed the Boston Ceasefire Model as part of part of a sustained multi-faceted intervention programmes to address serious violence or organised criminality, including Clear Hold Build.

Responding to Immediate Risk **Clear Hold Build**	Clear Hold Build is a Police led initiative which has been developed in West Yorkshire. Through a series of police and partnership activities it aims to: • tackle organised crime groups (OCGs) acting in the neighbourhood • build community resilience • improve confidence and trust in the police • make the area a safer place to live Clear - The police and partners use all powers and levers to impact to target those involved in organised crime, their networks, business interests, criminality, and spheres of influence. Hold - involves consolidating and stabilising the initial phase to stop remaining or others capitalising on the vacuum created. The phase aims to improve community confidence by ensuring spaces remain safe. Build – focuses on a multi-partnership approach to deliver community-empowered interventions that tackle drivers of crime, exploitation of vulnerabilities and hotspots of harm. The build phase should planned from the beginning of the initiative. The aim is to reduce the activity of organised crime and serious violence, improve community safety and confidence in the police.

Long Term Support **Warwickshire Serious Violence Prevention Whole Schools Approach**	The Warwickshire Whole Schools approach works with the Senior Leadership Team of a school, College or Trust to design a structured programme that supports teachers, students and parents, based on the issues that the school is facing. Led by the Warwickshire Youth Justice Service in collaboration with the Warwickshire Community Safety Team, the programme can be delivered through a universal offer, aimed at groups of students and parents who are affected by gangs, knife crime or county lines, or through bespoke one to one support. Where the opportunity allows, the programme directly involves local community organisations and businesses with the aim of developing local interventions, or pathways out.
Long Term Support **Offensive Weapon Homicide Reviews**	The Police Crime Sentencing and Courts Act 2022 has introduced Offensive Weapon Homicide Reviews. The Reviews consider the circumstances of certain homicides where the victim was aged 18 or over and the events surrounding their death involved, or were likely to have involved, the use of an offensive weapon. These reviews will focus on the involvement of key agencies and the lessons learnt that could prevent similar tragic deaths occurring.

How we will deliver the Strategy

The Safer Warwickshire Partnership Board is the strategic board which sets the ambitions and priorities for the county to reduce crime and the fear of crime. However, as we have highlighted above, delivering a long-term approach to serious violence prevention requires collaboration across other strategic partnerships and the co-production of programmes.

The Health and Wellbeing Board is a crucial strategic partnership. Our intention will be for these two boards to co-design our approach, maximising the resources available and, importantly, to use their influence across partner organisations to deliver the Warwickshire Serious Violence Prevention Model set out in this strategy.

In 2021 the Safer Warwickshire Partnership set out three long term strategic ambitions:-

- Addressing the causes of violence
- Safe, Healthy and Empowered Communities
- Tackling discrimination in all its forms

Preventing serious violence is a key priority for the Safer Warwickshire Partnership and this Strategy is critical in achieving these ambitions.

The following structure sets out our partnership approach.

- **Safer Warwickshire Serious Organised and Serious Violence Executive** – Sets the partnership priorities and delivery plan to ensure that the Warwickshire Serious Violence Prevention Model is delivered.
- **Serious Violence Delivery Group** – The multi-agency partnership body has responsibility to oversee the delivery of the strategy, performance and action plan.
- **Safer Warwickshire Serious Violence Tactical Group** – Fortnightly partnership meetings to assess the most up to date threat and harm from county lines or group violence. The meeting reviews the impact of county lines operating across Warwickshire, those involved and the partnership disruption tactics.
- **Local Community Safety Partnership Violence Prevention Operational Groups** – Each of the 4 Community Safety Partnerships across the County have established local operational groups based on the local challenges related to serious violence. These vital operational groups use a Problem Solving approach to identify those most at risk of county lines or group conflict, develop a series of disruption tactics and develops locally based interventions, or routes out.

Figure 20 Safer Warwickshire Serious Violence Prevention Delivery Structure

Where to get help and advice

If you would like further help or advice in preventing serious violence or you are concerned about someone becoming affected by violence you can find support through:-

County lines, gang or knife crime

You can get help and advice through:-

Safe in Warwickshire at https://safeinwarwickshire.com/contact-us/

Crimestoppers at https://crimestoppers-uk.org 0800 555 111 or

Fearless at https://www.fearless.org/

If you are concerned about a child or young person becoming involved in crime contact Warwickshire Youth Justice Service for an informal discussion on North 02476 482900 and South 01926 682650

Sexual Abuse and exploitation

If you want to report child abuse concern or would like advice in relation to child safety, please visit https://www.warwickshire.gov.uk/childrens-social-care or call 01926 414144

Something's Not Right website provides helpful advice and support if you are concerned about exploitation https://www.somethingsnotright.co.uk

For support on sexual abuse you can find helpful advice and contact details at https://www.safeguardingwarwickshire.co.uk/images/downloads/ID10815_WCC_SAAS_Directory_For_Service_Users_V5.pdf

Domestic Abuse

If you or someone you know is experiencing Domestic Abuse or Violence Against Women and Girls (VAWG).

If you or someone else is in immediate danger, ring or text 999. If you are deaf, hard of hearing or have any speech impairment, please dial Minicom/Textphone 18001

If you're worried a friend, family member, neighbour or colleague might be a domestic abuse victim you can report your concerns anonymously to Crimestoppers online here: https://crimestoppers-uk.org/keeping-safe/personal-safety/domestic-abuse

We know this can be daunting but the services below will support you every step of the way.

Warwickshire Domestic Violence Service - - If you are experiencing domestic violence in Warwickshire, Refuge's domestic violence service can support you and your children to keep safe. Refuge is a county-wide service that provides support to women, men and children experiencing domesticviolence in Warwickshire.

T: **0800 408 1552**

W: **https://www.refuge.org.uk/our-work/our-services/refuge-warwickshire-domestic-violence-service/**

Rights of Women - Rights of Women aims to increase women's understanding of their legal rights and improve their access to justice enabling them to live free from violence and make informed, safe, choices about their own and their families' lives by offering a range of services including specialist telephone legal advice lines, legal information and training for professionals.

T: **020 7251 6577** (family law helpline – other numbers are available on the website)

W: **https://rightsofwomen.org.uk/**

Galop – Galop is a charity offering advice and support to LGBT+ people who have experienced violence or domestic abuse.

T: **0800 999 5428**

W: **http://www.galop.org.uk/**

Mankind – A confidential helpline is available for male victims of domestic abuse and domestic violence across the UK as well as their friends, family, neighbours, work colleagues and employers.

T: **01823 334 244**

W: **https://www.mankind.org.uk/**

RoSA - RoSA is an independent charity working throughout Warwickshire, offering free confidential support for anyone who has experienced rape, sexual abuse, or sexual violence.

T: **01788 551151**

W: **http://www.rosasupport.org**

Safeline - Safeline is a specialist charity providing a range of services across Warwickshire to support all survivors of rape and sexual abuse.

T: **01926 402498** (or text **07860 027573**)

W: **https://www.safeline.org.uk/**

The Blue Sky Centre

(Sexual Assault Referral Centre) –

The Blue Sky Centre is a SARC where any victim of rape or sexual assault will receive medical care, police intervention (if they wish to report the crime), and various other support services.

T: **01926 507805**

W: **https://blueskycentre.org.uk/**

Respect Phoneline - Is your abusive behaviour costing you your relationship? Help is available.

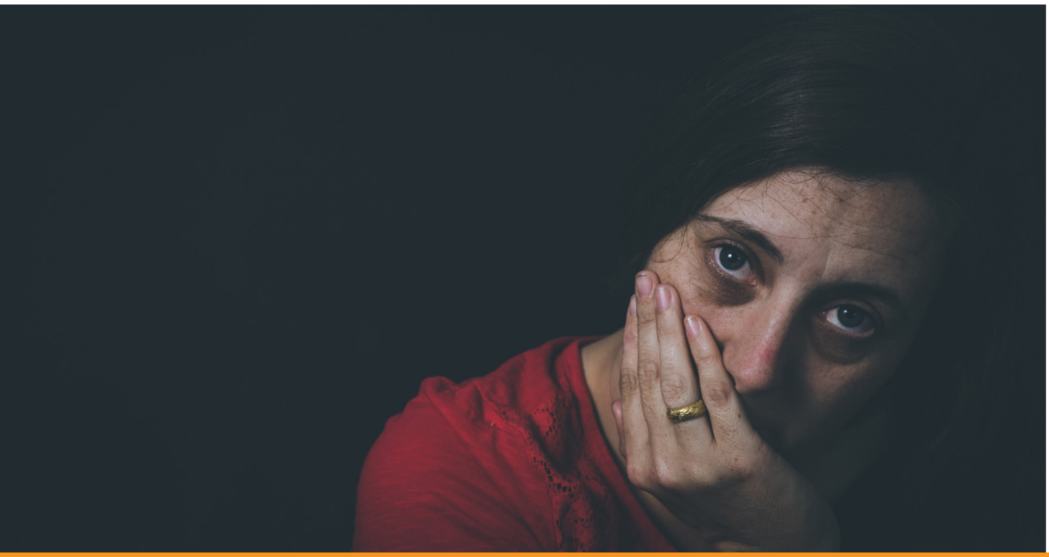
T: **0808 802 4040**

W: **https://respectphoneline.org.uk/**

A full range of support options are available at:
https://www.talk2someone.org.uk/

Or check out the Safe In warwickshire website at:
https://safeinwarwickshire.com/support/.






Official

Safer Warwickshire Serious Violence Prevention Strategy

Summary

2024 - 2030

safe in...
warwickshire

Why do we need a Serious Violence Prevention Strategy?

Violence has a devasting impact. It can tear families apart, divide friends, create fear in our schools and our communities. This fear can cause people to make poor or risky choices about how to keep themselves safe; carrying a knife to protect yourself, the groups in which young people associate so they are not victimised, or staying in a relationship for fear of what might happen if you leave.

Warwickshire is a safe place to live compared to the West Midlands and other areas across the country. But our families, schools and communities are not immune to violence. This strategy highlights the impact of serious violence and the causes of violence.

Preventing serious violence is everyone's business. Our strategy sets out what partners agencies, schools, local community and voluntary organisations can do to prevent violence and reduce its impact. Serious Violence is preventable, not inevitable. By working together we can make a real difference.

Our Vision

"Warwickshire is a place where people, recognise the causes of violence, break the cycle and prevent further serious violent crime occurring, thereby reducing serious violent crime rates in the county"

The Serious Violence Duty

The government has introduced the Police Crime Sentencing and Courts Act 2022. The act requires named organisations to work together to prevent and reduce serious violence in a local area.
The organisations are:-

- **Chief Officer of Police**
- **Local Authorities in the defined local area.** We defined the local areas as the county of Warwickshire which includes, Warwickshire County Council, North Warwickshire Borough Council, Nuneaton and Bedworth Borough Council, Rugby Borough Council, Warwick District Council and Stratford District Council.
- **Fire and Rescue Authority,** including the Fire and Rescue Service
- **Integrated Care Boards** (for Warwickshire we have included NHS Trusts and Public Health)
- **Probation Service** and
- **Youth Offending Services.**

The act also encourages collaboration with schools, youth and adult prisons.

What do we mean by Serious Violence

Figure 1 sets out the areas of serious violence that are covered in our strategy

Figure 1 Types of serious violence covered the Safer Warwickshire Partnership Serious Violence Prevention Strategy

Key headlines from our analysis

Partner agencies have worked together to collect data over the past three years (2020/21 – 20222/3) on each of the above types of violence. The key headlines are:-

Warwickshire has low levels of knife crime offences compared to other areas of the West Midlands

Over a third of violent crime related to Domestic Absue

57% of knife crime offences took place in the home

Knife and weapon assaults are escalating conflicts **between people who know each other**

Knife crime offences in Warwickshire have **increased by 5.5% in 2022/23** compared to 2021/22

Threats through social media has **increased by 55%** in 2022/23 compared to 2021/22

There is **at least one area** in each district and borough which has a high risk level based on the Serious Violence Profiler Tool

There was **1,800 domestic violence** with injury offences with **2,800 children** referenced

454 children were referenced in 2 or more domestic violence with injury offences

There are on average **3 months** between the first reported domestic abuse offence and a violence with injury offence

The causes of violence

We looked at a number of case studies of people involved in serious violence to understand if there were similar factors in their lives that affected involvement in violent conflict or criminality.

The common factors, that were identified, fall into three areas:-

- ☐ **Factors from birth – these are experiences which take place from early years and are consistent through childhood and into early adulthood. We describe these as "determining factors".**
- ☐ **Impacts or Triggers – these are experiences that take place that can impact on both decision making and a sense of a lack of belonging.**
- ☐ **Escalating factors - these are experiences that increase a lack of self-worth, self-value, or a lack of belonging. These experiences escalate and place the individual at a greater risk of harm.**

Our case reviews highlight that by recognising the trigger at reachable moments, partner agencies, including school, local community and voluntary sector services, can work together to prevent the risks escalating.

Our Warwickshire Approach to Serious Violence Prevention

The below table sets out the three pillars at the heart of our approach to preventing serious violence. The partnership commitments and interventions that are set out in our strategy, have been developed to respond to these priorities.

Prevent Serious Violence before it happens	Developing a series of interventions that prevent people becoming involved in county lines, personal or group conflict, violence, carrying, or using a weapon, or becoming involved in social media that leads to violent conflict.
Respond to emerging or immediate risks of serious violence	Co-ordinating a response led by criminal justice, safeguarding, education and community safety leads to reduce the immediate threat of county lines, personal conflict or group violence and weapon related violence.
Long Term Support	Co-producing a series of interventions that offer routes out of violent conflict; strengthen communities to create an environment where serious violence is challenged; and collaborate with health colleagues to embed violence prevention at the core of the long-term approach to improve health and wellbeing.

Our Partnership Commitments

We want our strategy to make a difference to families and communities affected by serious violence. We are committed to working together and taking every opportunity to prevent violence and offer pathways out for individuals or groups involved in serious violent conflict when they are motivated to change.

There are interventions that we can deliver in the short term and there are programmes that will take longer but are important if we are to make the changes last a generation.

Our Partnership commitments and key interventions are set out below.

To be delivered in the first 18 months (January 2024 - July 2025):

Preventing Violence Before it Happens	Responding to Immediate Risk	Long Term Support
Children and families services and criminal justice services should develop a common framework to identify causal impacts/triggers and co-design preventative interventions.	**Local Community Safety and Police leads to work with schools, local community and voluntary to share information to identify potential violent conflict and prevent it escalating.**	**Each Community Safety Partnership to develop an action plan based on the Serious Violence Profile as part of their local strategic priorities.**
Warwickshire Police and Warwickshire Community Safety Team to co-produce a predictive analytical tool that can identify the early stages of conflict before it escalates.	**Train Early Help, Targeted Support and Youth Justice Prevention Teams on the Warwickshire "Identity Programme".**	**Local partners to undertake in-depth consultation in the areas most affected by serious violence in each District and Borough.**

Establish a multi-agency Task and Finish group to identify children affected by domestic abuse and co-design interventions.	Youth Justice Service and Warwickshire Probation Service to work together to co-produce an intensive support programme for 17–24 year-olds who are affected by serious violence.	Partner agencies involved in delivering the Serious Violence Duty to adhere to recommendations from the Warwickshire Violence Against Women and Girls Strategy.
Use the Safe and Well visits carried out by Warwickshire Fire and Rescue as an opportunity to identify risks of domestic abuse or other vulnerabilities in the home.	Establish a sustainable Countywide Serious Violence Exit programme based on the principles of the Boston Ceasefire Model.	Continue to work with perpetrators of domestic abuse, to enable them to understand the impact of the abuse.
Partner agencies to create pathways of support that are available at the "reachable moment" for a person affected by violence, whenever that is.		Local partners to undertake in-depth consultation in the areas most affected by serious violence in each District and Borough.
Deliver an awareness raising training programme with all partners so that they can recognise the crucial role they play in violence prevention.		Safer Warwickshire Partnership Delivery Group to establish a community and voluntary sector network forum to support the delivery of the strategy, its recommendations and outcomes.
Review current social media and cyber educational programmes to ensure they focus on violence prevention and risks of exploitation.		

Our Partnership Commitments

To be delivered in the lifetime of the strategy

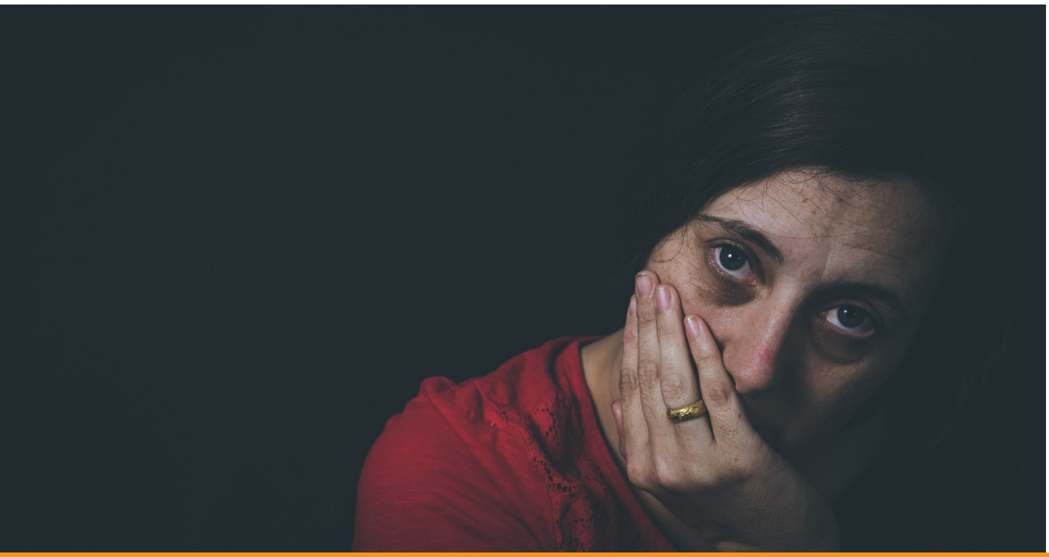
Preventing Violence Before it Happens	Responding to Immediate Risk	Long Term Support
Partner agencies should focus resources on periods of transition, to reduce the risk of violence in later life.	To explore creating a forum to identify high risk cases where there is evidence that a child has witnessed violent incidents.	All front-line agencies involved in early years emotional support are Trauma Informed Trained.
Work with Commissioners to ensure Mental Health and Emotional Support Services for children and young people is responsive to those most at risk of becoming involved of serious violence.		For all partner agencies involved in serious violence prevention to understand and adopt the Warwickshire Serious Violence Prevention Framework.
		Embed the Warwickshire Whole School Approach to Violence Prevention across all Secondary Schools in the county.

Where can you get help

If you would like further help or advice, you can find more information on the Safe-in Warwickshire Website
https://safeinwarwickshire.com

A full range of support options are available at:
https://www.talk2someone.org.uk/

Or check out the Safe In warwickshire website at:
https://safeinwarwickshire.com/support/.



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Agenda Item 11

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Agenda Item 12

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Agenda Item 13

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