

Cabinet

Tuesday 28 January 2025

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

Others Present

Councillor Sarah Boad
Councillor Jonathan Chilvers
Councillor John Holland
Councillor Marian Humphreys
Councillor Jerry Roodhouse

1. General

(1) Apologies

Monica Fogarty, Chief Executive

(2) Disclosures of Pecuniary and Non-Pecuniary Interests

None.

(3) Minutes of the Previous Meeting

The minutes of the meeting of Cabinet held on 12 December 2024 were agreed as an accurate record.

(4) Public Speaking

None.

2. 2024/25 Financial Monitoring - Forecast position as at Quarter 3

Councillor Peter Butlin (Deputy Leader and Portfolio Holder for Finance and Property) presented this report, which outlined the forecast financial position of the organisation at the end of 2024/25, based on the information known at the end of the third quarter. He advised the meeting that there were headline overspends of 39.4m, however, taking account of funding and reserves already set aside, the net residual overspend was £6.6m which was an improvement on the overspends seen at quarter 2. This reduction in overspend was the result of the Financial Recovery Plan which has 4 strands outlined in paragraph 2.4

Councillor Butlin stated that the Dedicated Schools Grant (DSG) deficit remained a concern with a forecast overspend of £44.4m, taking the forecast cumulative DSG High Needs Block deficit to £84.7m and the Council would need to use the statutory override to cover what had not been provided for (£27.2m). Special educational needs and disabilities (SEND) remained a budget pressure for which a national solution was required. Other budget pressures highlighted were the continued increase in volume and demand in both Adult and Children's social care, market failure in terms of excessive costs for placements and lack of capacity, and home to school transport. Councillor Butlin concluded by drawing attention to the sections of the report relating to savings forecast and capital.

In response to a question from Councillor Holland, Councillor Butlin explained the statutory override as a type of overdraft allowed by government. Councillor Seccombe noted that funding for SEND was complex and reiterated that a national review of funding and the legislation was required.

Councillor Sarah Boad asked when figures relating to the A46 Stoneleigh Junction scheme would be known and Councillor Butlin advised negotiations with the contractors were still ongoing.

Resolved:

That Cabinet:

1. Notes the forecast net service overspend of £6.567m (1.6%) that would need to be funded from reserves at the end of 2024/25;
2. Notes the forecast delivery of savings for 2024/25 of £9.803m (61%), and the consequent shortfall against the target;
3. Notes the forecast controllable capital spend for 2024/25 of £169.172m;
4. Notes and approves the movement in the forecast spend on the capital programme of £13.447m from 2024/25 into future years;
5. Notes the new S106 developer funding that is being utilised within the capital programme; and
6. Approves the transfer of £0.472m from the Schools Absence Insurance Equalisation Reserve to the Schools Liability Reserve as detailed in Section 7 of the report.

3. 2025/26 Budget and 2025-30 Medium Term Financial Strategy - Updated Information

Councillor Peter Butlin (Deputy Leader and Portfolio Holder for Finance and Property) introduced this report which updated Members on the 2024/25 Budget and 2024-29 Medium Term Financial Strategy (MTFS). Councillor Butlin noted that the Government had committed to multi-year funding settlements from 2026-27 as part of a series of much wider reforms to Local Government funding and business rates. Assumptions made in the December report to Cabinet relating to a 4.99% council tax increase and £80m of savings to balance the five year MTFS continued in this report. Councillor Butlin highlighted key changes from the December estimates as set out in the report and pointed out that the report included the capital strategy, draft capital programme and the capital governance framework. In summary, the report presented a revenue budget position that would balance over the five year period, which was a strong position when compared to many other councils across the country.

Councillor Jerry Roodhouse questioned the North Warwickshire Council Tax Base set out in Table 2 of the report and Councillor Butlin advised that whilst this appeared unrealistic, it had been checked with the Borough Council who had confirmed it was correct. He suggested that it may be that there were houses in the system yet to be registered.

Resolved:

That Cabinet:

1. Notes the latest resource and spending information, the advice and the impact on the emerging budget proposals presented in the report;
2. Notes the Executive Director for Resources' risk assessment on the level of general reserves, as detailed in Appendix A to the report;
3. Notes the draft Capital Strategy, Technical Annex and Capital Programme, as detailed in Appendices B to D to the report; and
4. Publishes, in light of the information provided, their 2025/26 budget resolutions for recommendation to Council on 6 February 2025.

4. Treasury Management Strategy and Investment Strategy

This report, which recommended the Treasury Management Strategy for 2025/26 and the Investment Strategy for 2025/26, was introduced by Councillor Peter Butlin (Deputy Leader and Portfolio Holder for Finance and Property). He applauded the work undertaken to manage the Council's investments which had assisted in achieving a balance budget and, moreover, no new external borrowing had been required to finance the capital programme or investment, which meant that the Council had transitioned from an over-borrowed to under-borrowed position. However, the need to borrow was forecast to increase, driven by the planned capital strategy,

Warwickshire Property and Development Group (WPDG) and the Warwickshire Investment Fund (WIF) as well as the need to cover the rapidly growing Dedicated Schools Grant High Needs Deficit, which was using up cash reserves.

In response to a question from Councillor Martin Watson, Councillor Butlin advised that there was flexibility to take advantage of the interest rate changes and the methodology used by the Bank of England. Councillor Isobel Seccombe added that the Council's principles around borrowing were to borrow on the basis that it would bring in capital to reduce the cost of demand (eg through Extracare housing), or support income (through enterprise or business zones) or other priorities around growth.

Resolved:

That Cabinet recommends to Council to:

1. Approve the Treasury Management Strategy for 2025/26 (Appendix 2 to the report) with effect from 1 April 2025;
2. Approve the Investment Strategy for Non Treasury Investments for 2025/26 (Appendix 3 to the report) with effect from 1 April 2025;
3. Require the Executive Director for Resources to ensure that gross borrowing does not exceed the prudential level specified (Appendix 2 to the report, Section 3.16, Table 12 "Authorised Borrowing Limit");
4. Approve the revised lending limits for the Warwickshire Property Development Group (WPDG) (Appendix 3 to the report, Annex 7);
5. Approve the revised lending limits for the Warwickshire Investment Fund (WIF) (Appendix 3 to the report, 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 to the report, Annex 7);
7. Authorise the Executive Director for Resources to undertake such delegated responsibilities as are set out in Appendix 2 to the report, Annex 7, and Appendix 3 to the report, Section 2.5;
8. Require the Executive Director for Resources to implement the Minimum Revenue Provision (MRP) Policy (Appendix 2, to the report Section 2.13-2.29).

5. Allocation of the 2025/26 Dedicated Schools Grant

Councillor Kam Kaur introduced the annual report outlining the allocation of the Government Dedicated Schools Grant (DSG). She explained that the DSG was the ring-fenced grant from Government that provided each local authority with an allocation of funding for schools and

services for pupils. Councillor Kaur indicated that the report outlined the context and position for each of the four blocks of the DSG, and the current proposed allocations.

Councillor John Holland considered that the report was jargon-heavy which made it difficult for a lay person to understand how their taxes were being spent. In response Councillor Kaur considered that the blocks had been in place for many years and the report was relatively straightforward.

Councillor Margaret Bell welcomed additional funding for the Early Years Block which was set out in the report and asked if there was confidence that there were sufficient places available to accommodate the increase. In response, Councillor Kaur responded positively, noting that the Council was actively working with providers and undertaking analysis to reach and support more disadvantaged areas where the recruitment of child minders was also being explored.

Resolved:

That Cabinet:

1. Approves the Schools Block DSG allocation, as outlined in Section 3 of the report.
2. Approves the Early Years Block DSG allocation of funding for all early years providers as outlined in Section 4 of the report.
3. Approves the allocation of the High Needs DSG budget, as set out in Section 5 of the report.
4. Supports the proposals for allocating the Central School Services DSG budget, as set out in Section 6 of the report.

6. Additions to the Education Capital Programme 2024/25

Councillor Kam Kaur (Portfolio Holder for Education) opened this item and set out the further additions to the Education Capital Programme as detailed in the report: establishment of a SEND minor capital works fund; establishment of specialist resourced provisions at Queens CofE Academy (Nuneaton), Woodside CofE Primary School, The Nethersole CofE Primary School, St Benedict's Catholic High School, and Boughton Leigh Junior School; and a scheme at Wellingtons Day Nursery (Rugby). The report also referenced two proposals (Whitestone Infant School and Chetwynd Junior School) which were being postponed to allow more time for pre-application advice to be taken in terms of Highways and Road Safety.

Councillor Marian Humphreys welcomed the proposed specialist resource provision, drawing on her experience with the SEND Members' Panel to note the improvements that had been made over the last four years.

Resolved:

That Cabinet

1. Agrees that the proposal to increase the capacity of Whitestone Infant School from three form entry (270 pupils) to four form entry (360 pupils) is not taken forward at the current time.
2. Agrees that the proposal to increase the capacity of Chetwynd Junior School from three form entry (360 places) to four form entry (480 places) is not taken forward at the current time.
3. Approves the establishment of a SEND minor capital works fund as detailed in the report up to the value of £0.400 million funded from the High Needs Provision Capital Allocation and authorises the Executive Director for Children and Young People to draw down from the fund to undertake smaller scale capital works.
4. Approves the addition to the capital programme of £0.150 million for the establishment of specialist resourced provision at Queens CofE Academy, Nuneaton to be funded from the High Needs Provision Capital Allocation.
5. Approves the addition to the capital programme of £0.085 million for the establishment of specialist resourced provision at Woodside CofE Primary School to be funded from the High Needs Provision Capital Allocation.
6. Approves the addition to the capital programme of £0.081 million for the establishment of specialist resourced provision at The Nethersole CofE Primary School to be funded from the High Needs Provision Capital Allocation.
7. Approves the addition to the capital programme of £0.038 million for the establishment of specialist resourced provision at St Benedict's Catholic High School to be funded from developer contributions.
8. Approves the addition to the capital programme of £0.072 million for increasing places at the specialist resourced provision at Boughton Leigh Junior School to be funded from developer contributions and the High Needs Provision Capital Allocation.
9. Approves the addition to the capital programme of £0.150 million for the scheme at Wellingtons Day Nursery, Rugby to be funded from developer contributions.
10. In relation to the schemes covered in this Report, authorises the Executive Director for Children and Young 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.

7. Coventry All Electric Bus City Scheme

Councillor Jan Matecki (Portfolio Holder for Transport and Planning) explained progress with the Coventry Electric Bus City (CEBC) Scheme, noting that the remaining element of the scheme, the introduction of an all-electric fleet for existing subsidised bus services operating under contract to West Midlands Combined Authority (WMCA) and Warwickshire County Council, had been due to

complete through a joint procurement exercise but it had become apparent that WMCA had no immediate plan to undertake procurement arrangements for their contracted bus services with a view to them being operated by new all-electric buses by December 2025. As the Council's cross-boundary tendered bus services contracts were due to expire in December 2025, it was proposed that the Council should run its own procurement exercise covering these bus services with the aim of the new all-electric buses and possible supporting charging infrastructure being in operation by December 2025 in line with the CEBC Scheme completion deadline set by the Department for Transport.

Resolved:

That Cabinet:

1. Authorises the Executive Director for Communities, in consultation with the Portfolio Holder for Transport & Planning, to commence a procurement exercise to secure the operation of cross-boundary bus services to be operated under contract to the County Council as set out in the report; and
2. Authorises the Executive Director for Communities to enter into any contracts and agreements necessary following the above procurement process on terms and conditions acceptable to the Executive Director for Resources.

8. Annual Education Sufficiency Update (0-25) 2024

This report was presented by Councillor Kam Kaur, Portfolio Holder for Education, who stated that the Council had a statutory duty to ensure that sufficient early years, childcare, primary, secondary and post-16 education places were available for their area, including places appropriate for pupils with Special Educational Needs/Disabilities (SEND). Since 2010, 13 new schools had opened as well as several permanent school expansions contributing to an overall increase of over 20,000 new permanent school places. During the next five year period it was expected that a further five new schools would be delivered, alongside several expansion projects for both mainstream and specialist settings.

In response to questions from Councillors Jerry Roodhouse and Yousef Dahmash, Councillor Kaur provided an update on the Eden Valley School, noting that a feasibility study had taken place and discussions were taking place with contractors. Extensions were also considered where a need for specialist resource provision was identified. However, Rugby was uniquely attractive to families due to the presence of grammar schools and its logistical placement along the A5 and housing development. Members discussed the geographic placement of Rugby and where families were moving in from and it was suggested that analysis take place along these lines to understand which schools were in greater demand.

Resolved:

That Cabinet endorses the Annual Education Sufficiency Update (Ages 0-25) 2024 and confirms its support for the development of design, feasibility and detailed costings for the proposed projects identified in the report.

9. Concessionary Travel - Future of the Companion (+1) Pass Add-on

Councillor Jan Matecki (Portfolio Holder for Transport & Planning) explained the background to this report, noting that a discretionary add-on to the concessionary bus pass had been introduced for a fixed term ending on 31 March 2025, which had allowed some passholders to travel with a carer free of charge. Feedback on the scheme had been positive and there were 183 passholders with the add-on at the end of December 2024. The report proposed retaining the add-on so long as funding was available within the existing concessionary travel budget.

Councillor Andy Crump was welcoming of the report and increase in bus patronage but suggested that further promotion was required.

Councillor Sarah Boad was also supportive of the continuance of this initiative and suggested some improvements to the Council's website to ensure that older people meeting the criteria were aware they may be eligible for the pass. Councillor Matecki agreed to liaise with officers about the wording on the website.

Councillor Isobel Seccombe thanked Richard Waller, the local resident who attended Cabinet in April 2023 to bring attention to the challenges faced by disabled travellers which had resulted in this scheme coming forward.

Resolved:

That Cabinet:

1. Approves the continuation of the Companion (+1) concessionary travel pass add-on scheme, subject to funding continuing to be available within existing budgets.
2. Confirms the continued application of the existing eligibility criteria for the companion (+1) add-on.

10. Approval to Commence Procurement of Electric Vehicle Charging Infrastructure

Councillor Jan Matecki, Portfolio Holder for Transport and Planning, introduced this paper explaining that the County Council had secured £3.295m from the Local Electric Vehicle Infrastructure (LEVI) Capital Fund to support the delivery of additional publicly available charging infrastructure and, by doing so, to encourage the uptake of electric vehicles. The Council had been working closely with neighbouring local authorities as part of a consortium led by the sub-national transport body, Midlands Connect which would use its collective buying power to leverage as many new chargepoints as possible and promote the roll-out of charging infrastructure in parts of Warwickshire where delivery had been slower to date. The report sought approval to move into the procurement phase. It was anticipated that procurement would commence in Spring 2025 with the installation of new public charging infrastructure likely to start in the Autumn and to continue for the following two to three years.

Resolved:

That Cabinet:

1. Recommends to Council that £3.295 million be added to the Capital Programme for the installation and ongoing management of electric vehicle chargepoints being procured below and to be funded from a grant awarded under the Local Electric Vehicle Infrastructure (LEVI) Fund and associated private sector investment.
2. Authorises, subject to Council's agreement to the required addition to the Capital Programme:
 - (a) the Executive Director for Communities in consultation with the Portfolio Holder for Transport and Planning to commence procurement activity as a joint exercise with Midlands Connect and Worcestershire County Council to appoint a provider to install, manage and maintain electric vehicle chargepoints across Warwickshire.
 - (b) authorises the Executive Director for Communities to award and enter into all relevant contracts following the above procurement process on terms and conditions acceptable to the Executive Director for Resources.

11. Warwickshire Investment Fund Strategy and Business Plan 2025/26

Councillor Peter Butlin (Deputy Leader and Portfolio Holder for Finance and Property) introduced this report, which presented the Warwickshire Investment Fund (WIF) Investment Strategy and Business Plan for approval. The objectives were set out in Appendix 1 to the report and there were limited changes proposed. He noted that demand for the Local Communities Enterprise Fund and Property Infrastructure Fund was considered sufficient to maintain overall investment levels as detailed in the report but a review of the potential need for the WIF from 2027/28 onwards would commence in the new financial year.

Councillors Martin Watson and Isobel Seccombe expressed their support for the Fund and the benefits that it had delivered towards achieving a vibrant economy.

Resolved:

That Cabinet:

1. Approves the Warwickshire Investment Fund ("WIF") Investment Strategy attached to the report at Appendix 2;
2. Approves the WIF Business Plan attached to the report at Appendix 3;
3. Authorises the Executive Director for Resources in consultation with the Portfolio Holder for Finance and Property to make such minor modifications to the WIF Investment Strategy as are considered appropriate but only where such changes do not reduce or remove any of the current checks and balances on investments included within the Strategy or Business Plan; and

4. Notes that the WIF Investment Strategy coming into effect is dependent upon approval of the wider Treasury Management Statement and Investment Strategy under which the WIF Investment Strategy and Business Plan sits.

12. 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.

13. Educaterers Limited (Catering LATC)

Councillor Peter Butlin, Portfolio Holder for Finance and Property, introduced this item and summarised the exempt report.

Resolved:

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

14. Warwickshire Property & Development Group (WPDG) Business Plan for 2025

Councillor Peter Butlin, Portfolio Holder for Finance and Property, introduced this item and summarised the exempt report.

Resolved:

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

The meeting rose at 1.02pm

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Chair