

# Cabinet

18 March 2021

## Revenue Investment Funds

### Recommendations

That Cabinet:

- 1) Supports the progress made on the Climate Change strategy and Place Shaping strategy with the Climate Change Impact Assessment and Stoneleigh Bridge design project approved by Corporate Board under the authorisation delegated to Chief Executive at a cost of £0.010m and £0.051m respectively.
- 2) Approves the bids as detailed in section 2.1 and 2.7, amounting to £0.990m from the Place Shaping Investment Fund and £0.340m from the Sustaining Prevention Fund.
- 3) Authorises the Strategic Directors for People and Communities to procure and enter any agreements to give effect to the above proposals on terms and conditions acceptable to the Strategic Director for Resources.

### 1. Purpose of the report and context

- 1.1. As part of the 2020/21 budget, Council approved the creation of four Revenue Investment Funds, with a total allocation of £20m, to provide opportunities to run initiatives to meet objectives of tackling climate change, investing in commercialism, sustaining prevention of demand within communities and investment in place shaping including scoping capital and development opportunities for better value service provision. The indicative allocation of the resources between the funds was then updated by Cabinet in June to reflect the increased need to invest in economic recovery post Covid-19, and the remaining Early Intervention Fund from 2019/20 was added to the Sustaining Prevention Fund. The breakdown of these funds is below:

Council Investment Funds	Total £000s
<b>Sustaining Prevention Fund</b> – A fund to pump-prime upfront investment in demand management and early intervention initiatives prior to the financial benefits accruing.	5,404
<b>Climate Change Fund</b> – A fund to invest in priorities flowing from the Climate Change Task and Finish Group and Council Plan 2025	4,000
<b>Commercial Fund</b> – A fund to deliver commercial investment in outcomes for Warwickshire arising from the commercial strategy.	3,500
<b>Place Shaping and Capital Investment Fund</b> – A fund to support capital feasibility work, investment in place and to improve delivery.	7,500
<b>Total MTFS Allocation</b>	<b>20,404</b>

- 1.2. The funds are outside of core budgets, and members approved a four-stage approval process for projects seeking funding:
- Stage 1: A project proposal document is developed and reviewed by Gateway Group/Corporate Board as to the strategic fit with the priorities in the Council Plan;
  - Stage 2: The business case for the project is then prepared and an Investment Panel, made of representatives from Finance, Project Management Office and managers from services across the organisation, provides a technical evaluation and commentary on the proposal;
  - Stage 3: Gateway Group use this technical evaluation alongside their own analysis of project governance and feasibility, to recommend the projects to Corporate Board if under £0.1m per project, or Cabinet if over this value for approval; and
  - Stage 4: Cabinet approve/reject the allocations over £0.1m and note the projects under this value approved by Corporate Board. If the project is approved, funding is transferred to the service, and if savings have been identified flowing from the investment these are built into the medium-term financial strategy.
- 1.3. The schemes detailed in section 2 of this paper have been considered for strategic fit by Gateway Group, and for robustness of plans by the Investment Panel. Subject to Cabinet’s decision today the remaining amounts in the four Investment Funds will be as below:

Sustaining Prevention Fund	£2.928m
Climate Change Fund	£2.959m
Commercial Fund	£2.603m
Place Shaping and Capital Feasibility Fund	£5.809m

## **2. Description of the Investment Fund bids**

### **Rugby Parkway design and scoping project**

- 2.1. Corporate Board recommend approval of £990,000 from the Place Shaping fund for the Rugby Parkway design and scoping project with the project sponsor being the Assistant Director, Strategic Commissioning for Communities.
- 2.2. Funding will be used to take the Parkway Station project to build phase, incorporating a number of the Council's objectives through joint planning with internal partners, and considering the best value approach for build and subsequent ownership. The primary objectives supported include: Supporting Warwickshire's communities by locating a new station within walking and cycling distance of an accelerated development of 6,200 new houses; boosting Warwickshire's economy; unlocking growth potential and supporting growth in skills and talent; making the best use of resources, supporting the town's expansion by using existing rail network; reducing congestion and carbon emissions and improve air quality; and taking a commercial approach to delivery.
- 2.3. During its evaluation, the panel noted the high quality of the business case and planning so far. It is noted that as work is completed some elements of this feasibility phase may be able to be funded from capital, this will be added to the phase 2 Capital Investment Fund bid and where relevant, will be reimbursed to the place shaping fund at that point.

### **Stoneleigh Bridge design costs**

- 2.4. Corporate Board have approved £51,000 from the Place Shaping Fund for the Stoneleigh Bridge design costs with the project sponsor being the Assistant Director, Strategic Commissioning for Communities.
- 2.5. This request is part of a CIF bid for the delivery an enhanced accommodation bridge over the trace of the High Speed 2 Rail Line (HS2) within the boundaries of Stoneleigh Business Park. There is a revenue cost to WCC for commissioning HS2 Ltd to design the bridge to an enhanced specification. This design work, additional to the work already conducted by HS2, will cost £102,267.95. Warwick District Council has contributed 50% of these costs. Through the agreement with Warwick District Council and by taking this opportunity to amend existing HS2 designs, this represents a revenue saving to WCC.
- 2.6. The bid has been recommended by the Capital Investment Fund Technical Panel as part of the total fund request.

## **SEND and Inclusion Improvement Programme**

- 2.7. Corporate Board recommend approval of £339,840 from the Sustaining Prevention Fund for the SEND and Inclusion Improvement programme with the project sponsor being the Assistant Director for Education.
- 2.8. The first stage of funding for the programme approved in Autumn 2020 was £1.059m and the request now being made is for remaining funding for phase one of the programme, to cover training, stakeholder management and support functions (Communication, Legal, ICT, Business Intelligence and Finance resource). The programme supports the Council's efforts to manage rising demand and costs for delivery of the education services within the limited resources.
- 2.9. During its evaluation, the panel requested coordination of the funding requests coming through for the programme, which reaches across a number of the internal funding streams. This is now being managed by the Finance Portfolio Lead for Education, and will form part of future reports to Cabinet on the programme.

## **Climate Change Impact Assessment**

- 2.10. Corporate Board have approved £10,000 from the Climate Change Fund for a Climate Change Impact Assessment to be carried out, with the project sponsor being the Assistant Director for Commissioning Support.
- 2.11. The assessment gives a forecast of predicted impacts of changes in climate affecting the council's assets, infrastructure and capacity to deliver services, and future impacts on public service providers and local communities, and will be produced in March 2021. The assessment is an approved Local Government Association approach to managing climate change agendas, and will involve district and borough councils across Warwickshire.

## **3. Environmental Implications**

- 3.1 There are no environmental issues or concerns arising from the initiatives proposed in this document aside from the expected positive impacts of the Rugby Parkway development and climate change impact assessment.

## 4. Financial Implication

- 4.1 The cost of the projects are limited to the amounts detailed above, with any ongoing costs from the initiatives to be managed within the relevant service's existing budget. The Investment Panel have highlighted exit strategies to ensure further funding is not committed without prior approval being sought. The anticipated financial benefits from the investments are contribution to savings already built into the Medium Term Financial Strategy proposals currently being considered.

## 5. Background Papers

None

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