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Date: 9th July 2024

Dear Sir/Madam,

A meeting of the **CABINET** will be held in the Council Chamber, Town Hall, Nuneaton, on **Wednesday, 17th July 2024 at 6.00 p.m.**

The public can follow the decision making online:-
www.nuneatonandbedworth.gov.uk/virtual-meeting.

Please note that meetings are recorded for future broadcast.

Yours faithfully,

Tom Shardlow

Chief Executive

To: Members of Cabinet

Councillor Chris Watkins (Leader)	-	Housing
Councillor Jill Sheppard (Deputy Leader)	-	Environment and Public
Councillor Steve Hey	-	Resources and Customer Service
Councillor Tim Jenkins	-	Leisure, Communities and Health
Councillor Nicola King	-	Business and Regeneration
Councillor Robert Roze	-	Planning and Enforcement

Observer

Leader of the Main Opposition Group	-	Councillor Kris Wilson
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AGENDA

PART I

PUBLIC BUSINESS

1. EVACUATION PROCEDURE

A fire drill is not expected, so if the alarm sounds, please evacuate the building quickly and calmly. Please use the stairs and do not use the lifts. Once out of the building, please gather outside the Lloyds Bank on the opposite side of the road.

Exit by the door by which you entered the room or by the fire exits which are clearly indicated by the standard green fire exit signs.

If you need any assistance in evacuating the building, please make yourself known to a member of staff.

Please also make sure all your mobile phones are turned off or set to silent.

I would also advise that all or part of the meeting will be live streamed and recorded for future broadcast.

2. APOLOGIES - To receive apologies for absence from the meeting.

3. DECLARATIONS OF INTEREST

To receive declarations of Disclosable Pecuniary and Other Interests, in accordance with the Members' Code of Conduct.

Declaring interests at meetings

If there is any item of business to be discussed at the meeting in which you have a disclosable pecuniary interest or non-pecuniary interest (Other Interests), you must declare the interest appropriately at the start of the meeting or as soon as you become aware that you have an interest.

Arrangements have been made for interests that are declared regularly by members to be appended to the agenda (**Page 8**). Any interest noted in the Schedule at the back of the agenda papers will be deemed to have been declared and will be minuted as such by the Committee Services Officer. As a general rule, there will, therefore, be no need for those Members to declare those interests as set out in the schedule.

There are, however, TWO EXCEPTIONS to the general rule:

1. When the interest amounts to a Disclosable Pecuniary Interest that is engaged in connection with any item on the agenda and the member feels that the interest is such that they must leave the room. Prior to leaving the room, the member must inform the meeting that they are doing so, to ensure that it is recorded in the minutes.

2. Where a dispensation has been granted to vote and/or speak on an item where there is a Disclosable Pecuniary Interest, but it is not referred to in the Schedule (where for example, the dispensation was granted by the Monitoring Officer immediately prior to the meeting). The existence and nature of the dispensation needs to be recorded in the minutes and will, therefore, have to be disclosed at an appropriate time to the meeting.

Note: Following the adoption of the new Code of Conduct, Members are reminded that they should declare the existence and nature of their personal interests at the commencement of the relevant item (or as soon as the interest becomes apparent). If that interest is a Disclosable Pecuniary or a Deemed Disclosable Pecuniary Interest, the Member must withdraw from the room.

Where a Member has a Disclosable Pecuniary Interest but has received a dispensation from Audit and Standards Committee, that Member may vote and/or speak on the matter (as the case may be) and must disclose the existence of the dispensation and any restrictions placed on it at the time the interest is declared.

Where a Member has a Deemed Disclosable Interest as defined in the Code of Conduct, the Member may address the meeting as a member of the public as set out in the Code.

Note: Council Procedure Rules require Members with Disclosable Pecuniary Interests to withdraw from the meeting unless a dispensation allows them to remain to vote and/or speak on the business giving rise to the interest.

Where a Member has a Deemed Disclosable Interest, the Council's Code of Conduct permits public speaking on the item, after which the Member is required by Council Procedure Rules to withdraw from the meeting.

4. MINUTES - To confirm the minutes of the Cabinet meeting held on the 17th June 2024 (**Page 11**).

5. PUBLIC CONSULTATION – Members of the Public will be given the opportunity to speak on specific agenda items, if notice has been received.

Members of the public will be given three minutes to speak on a particular item and this is strictly timed. The Chair will inform all public speakers that: their comments must be limited to addressing issues raised in the agenda item under consideration: and that any departure from the item will not be tolerated.

The Chair may interrupt the speaker if they start discussing other matters which are not related to the item, or the speaker uses threatening or inappropriate language towards Councillors or officers and if after a warning issued by the Chair, the speaker persists, they will be asked to stop speaking by the Chair.

The Chair will advise the speaker that, having ignored the warning, the speaker's opportunity to speak to the current or other items on the agenda may not be allowed. In this eventuality, the Chair has discretion to exclude the speaker from speaking further on the item under consideration or other items of the agenda.

6. NATURAL CAPITAL INVESTMENT STRATEGY – report of the Strategic Director – Economy and Place (**Page 14**)
7. NEWDIGATE RECREATION GROUND – report of the Assistant Director – Leisure and Recreation attached (**Page 54**)
8. TENANT SURVEY MEASURES UPDATE – report of the Assistant Director Social Housing and Community Safety (**Page 60**)
9. GENERAL FUND REVENUE OUTTURN 2023/24 – report of the Strategic Director – Corporate Resources attached (**Page 75**)
10. HRA REVENUE OUTTURN 2023/24 - report of the Strategic Director – Corporate Resources attached (**Page 90**)
11. CAPITAL OUTTURN 2023/24 - report of the Strategic Director – Corporate Resources attached (**Page 98**)
12. COLLECTION FUND 2023/24 - report of the Strategic Director – Corporate Resources attached (**Page 111**)
13. RECOMMENDATIONS FROM OVERVIEW AND SCRUTINY PANELS

a) BUSINESS REGENERATION AND PLANNING OSP

At its meeting held on Thursday 20th June 2024 the Integrated Performance Report Q4 was considered and the following minute produced which includes a recommendation to Cabinet for consideration:

BRP 4 Integrated Performance Report – Fourth Quarter 2023-24

A report of the Risk Management and Performance Officer provided Panel Members with appropriate performance measures, budget information and risk data for service areas within the scope of the Panel. The report has been adapted to reduce the volume of data (as previously reported under the former scrutiny panel arrangements), whilst still providing the Panel with sufficient information to monitor results to address issues arising.

The Panel discussed and asked questions on the following:

- It was noted that some financial information was missing from the report.
 - Panel Members were advised that some information may not be available until after the closure of the accounts.
- It was agreed that Cabinet should be asked to ensure that all available financial figures and information be included in future reports.
- Freedom of Information (Fol) and Complaints – it was recognised that the same Officers may have to deal with all Fol requests and complaints in their area, which could lead to additional pressure for some Officers.

- It was noted that some FoI requests can be time consuming and can be charged if certain criteria are met.
- It was felt that it would be useful to have additional information relating to outstanding requests and a summary of reasons to see if there were any patterns.

RESOLVED that

- a) the contents of the report be considered and noted; and
- b) **IT BE RECOMMENDED TO CABINET that all available and relevant financial information and figures be included in future financial reports.**

b) HEALTH AND CORPORATE RESOURCES OSP

At its meeting held on Thursday 27th June 2024, the following item was considered and the following minute produced with a recommendation for Cabinet to consider. A copy of the report is attached (**Page 119**)

HCR 6 St Benedict's House – 196/198 Church Road, Nuneaton

A report of the Assistant Director – Social Housing and Community Safety, provided the Panel with the financial information and final outturn figures for the Housing Revenue and Account property, St Benedict's House, 196/198 Church Road, Nuneaton.

The Panel discussed and asked questions on the following:

- The purchase price and different prices recorded in previous reports was queried. Some prices given may have included stamp duty but will need confirming.
- The costs of remodelling were more than the preliminary estimates. It was noted that prices increased due to Covid, inflation and contractor price increases.
- Reducing costs and payback times (e.g. the heat pump) were discussed and how the changes will impact on running costs and payback times. This information will be confirmed via email to Panel Members.
- Pre-planning advise was taken – Officers worked with Planning in relation to the redesign. Capacity issues have caused some problems.
- Contingencies were built in – Officers had to deal with unprecedented challenges in terms of cost increases. This will be looked at in relation to future projects.

RESOLVED that

- a) the contents of the report be considered and noted; and
- b) IT BE RECOMMENDED TO CABINET that Cabinet review this report.**

14. ANY OTHER ITEMS - which in the opinion of the Chair of the meeting should be considered as a matter of urgency because of special circumstances (which must be specified)

Nuneaton and Bedworth Borough Council

Building A Better Borough

Nuneaton and Bedworth 2032: working in partnership, restoring pride in our borough

AIM 1: LIVE

We want to make our borough a place where our residents enjoy living and in which others choose to make their home.

Priority 1: Promote residents' health and wellbeing

Priority 2: Enable appropriate housing development

Priority 3: Sponsor a sustainable green approach

Priority 4: Prioritise community safety and empowerment

AIM 2: WORK

Using our prime location within the national road and rail networks and responding to the needs of private companies, we want to make our borough a place in which businesses choose to locate and where our residents enjoy a range of employment options.

Priority 1: Grow a strong and inclusive economy

Priority 2: Champion education and skills

Priority 3: Embrace new and emerging technology

Priority 4: Support local businesses

AIM 3: VISIT

Taking advantage of our open green spaces, our heritage, and our location within the West Midlands, we want our borough to be a vibrant destination for residents and visitors alike. A place where people and families want to spend time relaxing, socialising and taking part in leisure and cultural activities.

Priority 1: Create vibrant and diverse town centres

Priority 2: Stimulate regeneration

Priority 3: Celebrate and promote our heritage

Priority 4: Improve the physical environment

Cabinet - Schedule of Declarations of Interests – 2024/2025

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	General dispensations granted to all members under s.33 of the Localism Act 2011			Granted to all members of the Council in the areas of: <ul style="list-style-type: none"> - Housing matters - Statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992 - An allowance, payment given to members - An indemnity given to members - Any ceremonial honour given to members - Setting council tax or a precept under the Local Government Finance Act 1992 - Planning and Licensing matters - Allotments - Local Enterprise Partnership
	S. Hey	Director – - Heywire Ltd - Brilliant Bookings Ltd	Member of the Labour Party, National Trust, CAMRA (Campaign for Real Ale), Royal Photographic Society. Representative on the following Outside Bodies: <ul style="list-style-type: none"> • West Midlands Employers Board (NBBC representative) • Local Government Superannuation Scheme Consultative Board • Grayson Place (NBBC) Limited • West Midlands Employers • Nuneaton and Bedworth Older People's Forum 	
	T. Jenkins	Managing Partner – Gribblybugs LLP	The Labour Party (sponsorship) - Committee Member of Warwickshire Amphibian & Reptile Team - Member of Warwickshire Wildlife Trust - Member of Equity – Trade Union Members of National Trust and English Heritage Representative on the following Outside Bodies:	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			<ul style="list-style-type: none"> • Nuneaton and Bedworth Sports Forum, • Safer Warwickshire Partnership Board, • Warwickshire Health and Wellbeing Board, • Warwickshire Police and Crime Panel, • Biodiversity Champion • Committee of Management of Hartshill and Nuneaton Recreation Ground • Exhall Education Foundation • Foleshill Charity Trustee – Proffitt's Charity 	
	N. King	Employed by Love Hair and Beauty	Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Nuneaton Town Deal Board 	
	R. Roze	Director – InfiniTEN Ltd	Representative on the following Outside Bodies: <ul style="list-style-type: none"> • A5 Member Partnership • Nuneaton and Bedworth Community Enterprises Ltd • PATROL (Parking and Traffic Regulations Outside of London) Joint Committee Services. • Building Control Partnership Steering Group • Bedworth Town Deal Board 	
	J. Sheppard		Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Sherbourne Asset Co Shareholder Committee • Warwickshire Direct Partnership • Warwickshire Waste Partnership • Nuneaton Neighbour Watch Committee 	
Director of Wembrook Community Centre.			Dispensation to speak and vote on any matters of Borough Plan that relate to the Directorship of Wembrook Community Centre	
Member of Labour Party				

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	C.M. Watkins	Employee of Nutri Pack	<p>Representative on the following outside bodies:</p> <ul style="list-style-type: none"> • Nuneaton and Bedworth Community Enterprises Ltd. (NABCEL) • Coventry, Warwickshire and Hinckley and Bosworth Joint Committee • Local Government Association • Nuneaton and Bedworth Hone Improvement Agency • Nuneaton and Bedworth Safer and Stronger Communities Partnership • Nuneaton and Bedworth Community Enterprises Ltd • Warwickshire Housing Support Partnership • West Midlands Combined Authority Board (WMCA) • West Midland Combined Housing and Land delivery Board 	

NUNEATON AND BEDWORTH BOROUGH COUNCIL

CABINET

19th June 2024

A meeting of Cabinet was held on Wednesday 19th June, 2024 in the Council Chamber at the Town Hall.

Present

Councillor J. Sheppard (Deputy Leader and Environment & Public Services)
Councillor S. Hey (Resources & Customer Services)
Councillor T. Jenkins (Leisure, Communities and Health)
Councillor R. Roze (Planning & Enforcement)
Councillor N. King (Business and Regeneration)

A minute silence was held for Tom Ellis, a young man who died following an assault in Nuneaton Town Centre.

CB08**Apologies**

Apologies received for Councillor C. Watkins (Leader and Housing)

CB09**Declarations of Interest**

RESOLVED that the Declarations of Interest for this meeting are as set out in the Schedule attached to these minutes.

CB10**Minutes**

RESOLVED that the minutes of the Cabinet meeting held on 22nd May 2024, be approved, and signed by the Chair.

CB11**Complaint Handling Code Self – Assessment & Housing Complaints Annual Report 2023/24**

The Assistant Director – Social Housing & Community Safety submitted a report providing details of the Housing Ombudsman Service (HOS) code of practice (the Code), and the procedure that Landlords now need to comply with which will be monitored by the HOS.

RESOLVED that

- a) the contents of the Housing Complaints Annual Report and Complaint Handling Code Self-Assessment attached at Appendix A of the report be noted;
- b) the requirements of the HOS, Cabinet receives comments from the Housing and Communities Overview and Scrutiny Panel, held on 6th June 2024 be noted;
- c) Cabinet make comment as per the requirements of the HOS; and
- d) the appointment of the Portfolio Holder for Housing as the Member Responsible for Complaints (MRC) be endorsed. A copy of the requirements of the post is attached at Appendix B of the report.

Speakers:

None

Options

- 1) to endorse the recommendations.
- 2) to make amendments following consideration of the report.
- 2) to reject some or all of the recommendations.

Reasons

The Council is statutorily required to submit a Housing Complaints Annual Report and Complaint Handling Code Self-Assessment. Failure to do so will result in non-compliance with regulations, resulting in regulatory action by the HOS.

CB12 NBBC Productivity Plan

The Strategic Director – Corporate Resources submitted a report to Cabinet seeking delegated authority to submit the Productivity Plan if required.

RESOLVED that delegated authority be given to the Strategic Director – Corporate Resources in consultation with the Leader of the Council to submit the Productivity Plan if required.

Speakers:

None

Options

To accept the report

Reasons

To enable government timelines to be adhered to.

CB13 Recommendations From Overview and Scrutiny Panels

None

CB14 Any Other Items

None

Chair

PUBLICATION DATE: 24TH JUNE 2024

DECISIONS COME INTO FORCE: 2ND JULY 2024

Cabinet - Schedule of Declarations of Interests – 2024/2025

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	General dispensations granted to all members under s.33 of the Localism Act 2011			Granted to all members of the Council in the areas of: <ul style="list-style-type: none"> - Housing matters - Statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992 - An allowance, payment given to members - An indemnity given to members - Any ceremonial honour given to members - Setting council tax or a precept under the Local Government Finance Act 1992 - Planning and Licensing matters - Allotments - Local Enterprise Partnership
	S. Hey	Director – - Heywire Ltd - Brilliant Bookings Ltd		
	T. Jenkins	Managing Partner – Gribblybugs LLP	The Labour Party (sponsorship) - Committee Member of Warwickshire Amphibian & Reptile Team - Member of Warwickshire Wildlife Trust - Member of Equity – Trade Union	
	N. King	Employed by Love Hair and Beauty		
	R. Roze	Director – InfiniTEN Ltd		
	J. Sheppard .			
			Director of Wembrook Community Centre.	Dispensation to speak and vote on any matters of Borough Plan that relate to the Directorship of Wembrook Community Centre
			Member of Labour Party	
	C.M. Watkins	Employee of Nutri Pack	Representative on the following outside bodies: <ul style="list-style-type: none"> • Nuneaton and Bedworth Community Enterprises Ltd. (NABCEL) 	

Cabinet/Individual Cabinet Member Decision

Report Summary Sheet

Date: 17th July 2024

Subject: Natural Capital Investment Strategy

Portfolio: Planning and Enforcement

From: Strategic Director for Place and Economy

Summary:

This report asks Cabinet to adopt the Warwickshire, Coventry and Solihull Natural Capital Investment Strategy as the basis for utilising natural capital funding across the sub-region, noting that the strategy aligns closely with the Biodiversity Action Plan (BAP) and has the potential to support the delivery of the BAP. In addition, the report proposes that, as the next steps, the governance arrangements are put in place to oversee the delivery of the strategy, including developing an implementation to address the elements set out in Appendix 2 of the main report.

Recommendations:

- (1)** That, subject to the other partners listed in Appendix 1 of the main report doing likewise, the Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy as set out in Appendix 1 is adopted.
- (2)** That the proposals to develop the Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Implementation Plan (as set out in 1.4 and Appendix 2) are agreed and a further report is brought back to Cabinet for approval on completion of that work.

(3) That, subject to recommendations 1 and 2 being agreed, the Warwickshire, Coventry and Solihull Natural Capital Investment Board and Natural Capital Investment Management Group are established to enable the delivery of the Strategy

Options:

The Cabinet could choose not to adopt this Strategy. This would either

- a) leave the Council without a strategy approach to investing in natural capital, meaning that investments are made in an ad hoc way, thereby leaving the District vulnerable to missed opportunities, slow delivery and reduced benefits, or
- b) require a local strategy to be developed which could still deliver a positive approach, but would fail to deliver to the multiple benefits set out in the main report.

Reasons:

To ensure the efficient and effective utilisation of biodiversity section 106 funds.

Consultation undertaken with Members/Officers/Stakeholders

Consultation undertaken across the County, across NBBC Directorates and with the previous and current portfolio holders

Subject to call-in:

Yes

Ward relevance:

All Wards

Forward plan:

Yes

Building a Better Borough Aim: 1

Building a Better Borough Priority: 2 and 3

Relevant statutes or policy:

None

Equalities Implications:

(Does this require an Equalities Impact Assessment? If so please append.)

To ensure that all citizens impacted by the source of the funding benefit from the investment, a sequential mitigation hierarchy similar to that used for Biodiversity Net Gain will be applied to decide where the compensation is to be sited (fig 2 in main report).

As a result, each local authority will benefit in the same way, proportionally, over the lifespan of the strategy. Full details of how the benefiting environmental projects will be chosen and funded will be explained within the NCIIP and scrutinised by the Natural Capital Investment Board. Each project will also be closely linked to the sub-regional Green Infrastructure Strategy and the respective Local Nature Recovery Strategies (LNRS).

Human resources implications:

None

Financial implications:

Taken as a whole and over time, the Strategy seeks to ensure a proportionate distribution of the funding to enable all communities within the sub-region to benefit in a fair way. In the short-term, the flexibility offered by working together means that some funding arising in one part of the sub-region may not be spent directly within the area if there are no suitable investable projects. However, by focusing on bringing forward investible projects in areas where underspending has occurred, it is expected that over time and fair balance will be struck.

The development of the NCIS was funded by Warwickshire County Council. It is estimated that a further £75,000 will be required to complete the NCIIP and it is proposed that, subject to legal confirmation, the development of the NCIIP should be funded from the existing Section 106 offsetting funds held by Warwickshire County Council and other LA's. Therefore, it is not expected that additional funding will be required from Nuneaton and Bedworth Borough Council to prepare the NCIIP. However in the event that there are legal impediments for using existing Section 106 funds in the way proposed, the eight participating authorities may be asked to consider funding the NCIIP for up to £10,000 each

Health Inequalities Implications:

Enhanced natural capital in the District is expected to have associated health and wellbeing benefits by supporting mental wellbeing and enabling physical activity. The potential to create a natural capital market linked to social prescribing (i.e. bringing in resource to support volunteering schemes) has the potential to deliver further health and wellbeing benefits

Section 17 Crime & Disorder Implications:

None

Risk management implications:

A full risk analysis will be developed as part of the NCIP to be scrutinised by the Board before any formal adoption as required by each partner local authority.

For all ecosystem services markets a mitigation hierarchy will be developed in the NCIP (similar to the existing BNG hierarchy in figure 2 of the min report) which will influence and determine what mitigation will be required and where it should be carried out.

Environmental implications:

The NCIS and NCIP will provide long-term, sustainable funding and income sources to support the delivery of Warwickshire, Coventry and Solihull's Green Infrastructure Strategy and the Local Nature Recovery Strategy (in preparation), as well as local strategies.

Funds generated from environmental markets and nature-based compensation schemes will be available to support environmental initiatives within the sub-region, specifically those focussing upon enhancing biodiversity and tackling climate change. These will be exclusively natural capital related projects.

It is expected that some of the projects delivered on the basis of this Strategy will help to mitigate climate change by sequestering carbon; and to enable our environment to adapt to the changing climate.

Legal implications:

Taking a sub-regional approach to the Investment Strategy and Implementation Plan will make it easier to align our strategy and delivery with the Environment Act 2021 and emerging Local Nature Recovery Strategies (LNRS). This will also reflect and enhance the overlap between the Warwickshire LNRS. It will also provide a platform for the effective delivery of Biodiversity Net Gain.

Contact details:

Maria Bailey

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AGENDA ITEM NO. 6

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet

From: Strategic Director for Place and Economy

Subject: Natural Capital Investment Strategy

Portfolio: Planning and Enforcement

Building a Better Borough Aim: 1

Building a Better Borough Priority: 2 and 3

1. Purpose of Report

- 1.1 This report asks Cabinet to adopt the Warwickshire, Coventry and Solihull Natural Capital Investment Strategy as the basis for utilising natural capital funding across the sub-region, noting that the strategy aligns closely with the Biodiversity Action Plan (BAP) and has the potential to support the delivery of the BAP. In addition, the report proposes that, as the next steps, the governance arrangements are put in place to oversee the delivery of the strategy, including developing an implementation to address the elements set out in Appendix 2.

2. Recommendations

- 2.1 That, subject to the other partners listed in Appendix 1 doing likewise, the Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy as set out in Appendix 1 is adopted.
- 2.2 That the proposals to develop the Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Implementation Plan (as set out in Appendix 2) are agreed and a further report is brought back to Cabinet for approval on completion of that work.
- 2.3 That, subject to recommendations 1 and 2 being agreed, the Warwickshire, Coventry and Solihull Natural Capital Investment Board and Natural Capital Investment Management Group are established to enable the delivery of the Strategy.

3. Background

- 3.1 Those who live, work, visit or do business in Warwickshire, Coventry and Solihull draw varied benefits and value from the rich and diverse natural environment of the region. Investing in our natural capital will help us to recognise and improve the value of the natural environment, the benefits it provides us and embed this within the approach we take to addressing a range of local priorities. This will enable us to develop income and funding streams, allowing us to invest in the protection, enhancement and recovery of our natural capital assets in Warwickshire, Coventry and Solihull. This work will be fundamental to reversing nature's decline and securing the continued provision of services and benefits provided by nature and the environment.
- 3.2 The NCIS provides a mechanism for delivering some element of the Biodiversity Action. It provides the potential to use resources to bring the greatest benefits to biodiversity across the sub-region. Within the Nuneaton and Bedworth Borough it provides the opportunity to identify and fund investment in a range of natural assets to bring about benefits for biodiversity, flooding and carbon sequestration.
- 3.3 Officers have worked in partnership with Warwickshire County Council and the other Districts and Boroughs in Warwickshire to the Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy (known henceforth as the NCIS), see Appendix 1. This is a top-level local authority strategy which specifically manages how the sub-region Local Authorities will utilise the nature-based compensation monies, and other income streams, generated through the planning system (for example Biodiversity Net Gain (BNG)) or other voluntary environmental markets.
- 3.4 The NCIS gives a strategic direction for the local authorities to achieve and implement investment in Warwickshire, Coventry and Solihull's natural capital assets. It lays the foundations for a detailed Natural Capital Investment Implementation Plan (NCIIP) that will describe what actions are required, how they will be carried out, who will be involved and how funding will be distributed, monitored and reported. The proposed elements to be addressed in the NCIIP are set out in Appendix 2.
- 3.5 The overall strategic aim of the NCIS is: *"Local authorities in Warwickshire, Coventry and Solihull will use the income raised from environmental markets and nature-based compensation schemes to enhance nature and the environment, benefit its people and help tackle climate change. They will do this through an agreed, region-wide strategy and Natural Capital Investment Implementation Plan."*

4. Body of Report

4.1 Taking a sub-regional approach to natural capital investment has many advantages:

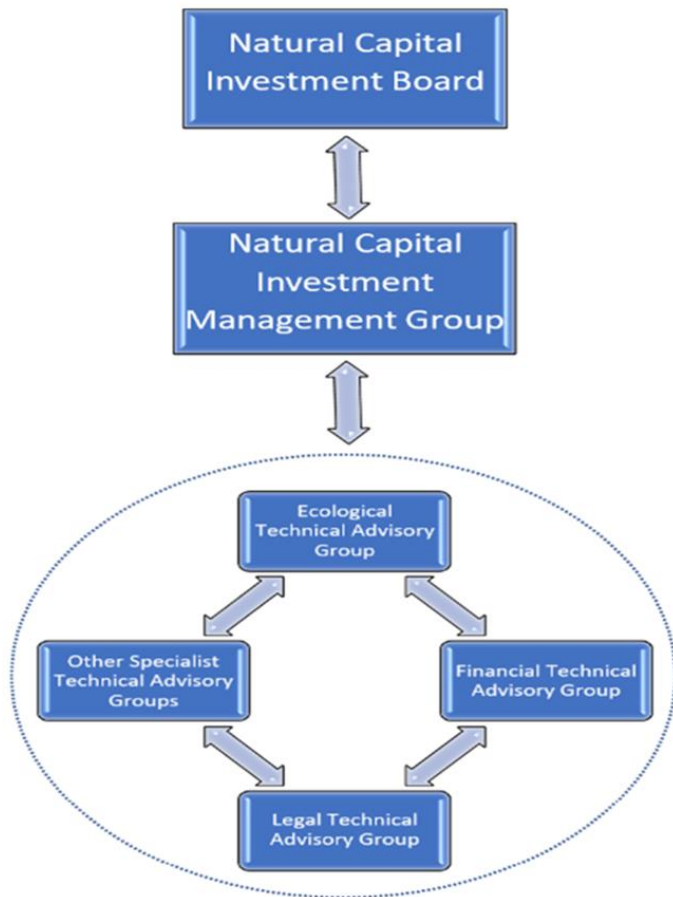
- **Together we are stronger than the sum of our parts:** By working together with a common approach, we can pool our resources and expertise in a cost-effective and efficient manner to create a more comprehensive and effective strategy for protecting and restoring our natural environment. We can also leverage each other's strengths to find innovative solutions and approaches that would be difficult for any single district or borough to achieve. .
- **Utilising combined resources:** By working together, we can combine our resources, such as staff, volunteers, equipment and funding to achieve more than we could on our own. This will allow us to implement more ambitious projects and achieve greater results.
- **Attracting greater levels of investment:** The NCIS and NCIIP will develop new investment, income and funding streams which will drive the development of ambitious and impactful projects. By creating a joint sub-regional Investment Strategy and Implementation Plan, we can offer investors a stable and low-risk platform for those looking to advance environmental goals or invest ethically.
- **Develop a project pipeline:** The Natural Capital Investment Implementation Plan will include a region-wide pipeline of shovel and investment ready projects. These will allow swift and efficient reactions to funding, buying or investment opportunities and further develop a regional environmental vision and identity.
- **Each local authority will benefit in the same way, proportionally, over the lifespan of the strategy:** Full details of how the benefiting environmental projects will be chosen and funded will be explained within the NCIIP and will be closely linked to the sub-regional Green Infrastructure Strategy, the respective Local Nature Recovery Strategies¹ (LNRS) and the ecosystem services trading protocol.
- **Best for nature – a ‘more, bigger, better & joined up’ approach delivered at a local scale:** A regional NCIS will allow us to take a more comprehensive, shared approach to protecting and restoring our natural environment. We can identify and address cross-boundary issues, such as air pollution and water quality, and work together to develop a more connected and resilient network of natural habitats.

- **Delivering natural capital benefits, climate change mitigation and resilience which will benefit local people:** The NCIS will help to deliver a wide range of benefits for communities across Warwickshire, Coventry, and Solihull. These will include improved air quality, cleaner water, increased biodiversity, healthier people, and a more resilient environment in the face of climate change.
- **Working alongside other regional and national policies and strategies:** This joint sub-regional Investment Strategy and Implementation Plan will make it easier to align our strategies with the environmental ambitions of the West Midlands Combined Authority (WMCA) and national initiatives including the Environment Act 2021 and emerging Local Nature Recovery Strategies (LNRS). This will also reflect and enhance the overlap between the Warwickshire LNRS and WMCA LNRS.

5. Governance

- 5.1 Governance of the Warwickshire, Coventry and Solihull Natural Capital Investment Strategy and Implementation Plan will be managed by the Warwickshire, Coventry and Solihull Natural Capital Investment Board. The Board will be supported by a Natural Capital Investment Management Group and Technical Advisory Groups (Figure 1).
- 5.2 Board membership will be comprised of the relevant Cabinet Members, or representative, from each of the eight constituent local authorities. Supported by the officer-led Management Group, the Board will be the key steering and decision-making body in relation to the allocation and investment of current S106 funds and future local authority environmental income streams. It will ensure that decisions made in respect of natural capital investment are transparent, sustainable and ultimately maximise the benefit to the environment and the local communities in Warwickshire, Coventry and Solihull.

Figure 1: Governance Structure



5.3 The Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy (NCIS), see Appendix 1, has been developed and is now ready to be adopted by all eight local authorities in Warwickshire, Coventry and Solihull.

5.4 Once adopted, the next stage in the process will be to agree to the development of the Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Implementation Plan (NCIIP) and to fund this work.

5.5 To manage the NCIS and NCIIP, the Warwickshire, Coventry and Solihull Natural Capital Investment Board and Natural Capital Investment Management Group should be established.

6. Funding the NCIS and NCIIP

6.1 Income will be generated through planning contributions, trading credits/units from ecosystem service markets (such as Biodiversity Net

Gain (BNG), carbon offsetting, Green social prescribing, etc) and/or regulatory compensation mechanisms linked to local authority regulatory functions.

6.2 Existing funds relating to the already established Biodiversity Offsetting scheme are held either by Warwickshire County Council within various local authority Section106 accounts or by the LA's themselves. Where these are held to be paid incrementally to project delivery organisations on an annual basis (in other words released on annual basis over time – sometimes as much as 30 years), there are significant interim funds which are available and could be invested, subject to applying strict criteria to manage risk and deliver benefits. In addition, some of these offset schemes have also delivered financial surpluses.

6.3 Current, or nearly established, ecosystem services markets applicable to Warwickshire, Coventry and Solihull are:

Biodiversity Net Gain - already established in Warwickshire through planning and mandatory from 12 February 2024
The Net Zero Carbon Buildings Planning Policy providing capital for Woodland Carbon (through implementation of the Warwickshire Carbon Standard and Woodland Carbon Code)
District Level Licensing funding (e.g. great crested newts)

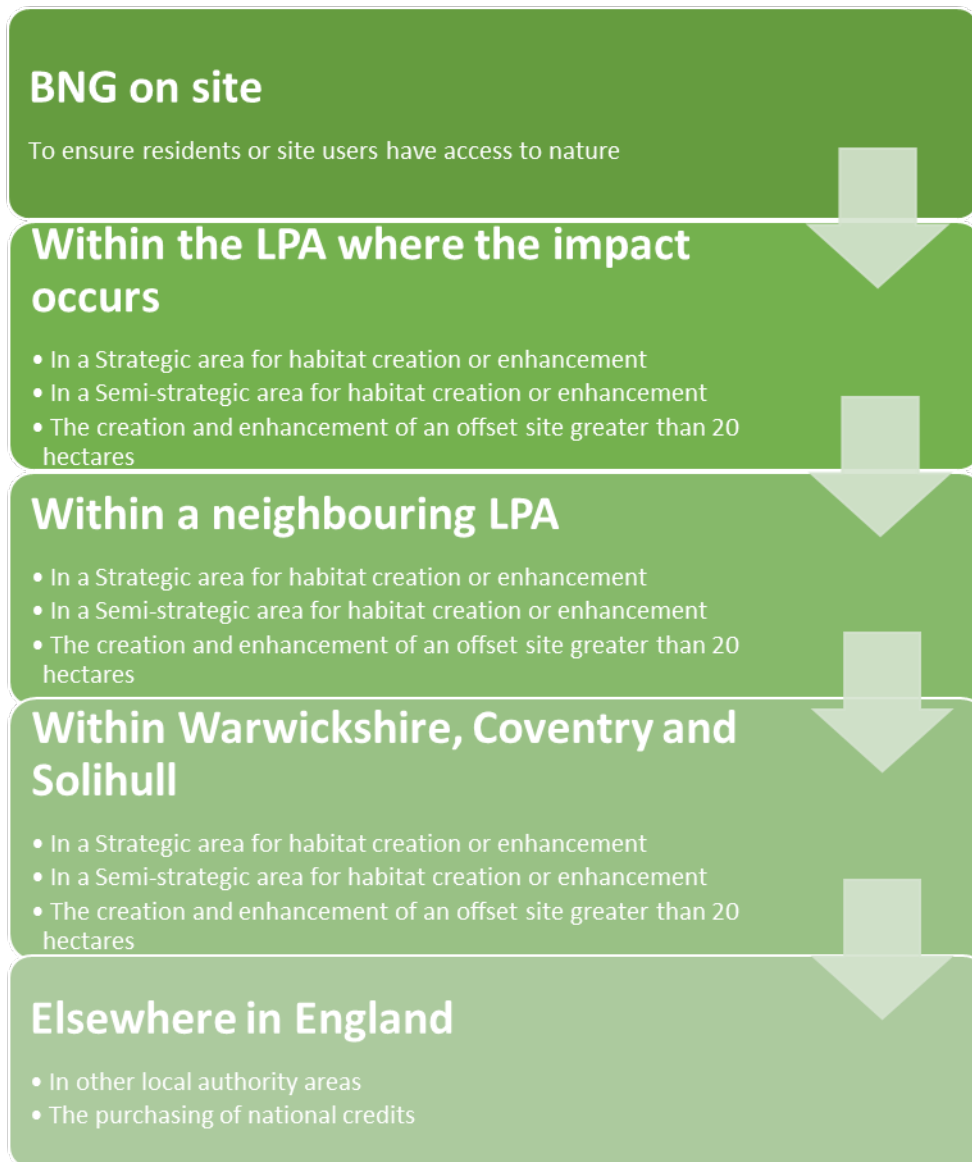
Other ecosystem services markets which could be applicable to Warwickshire, Coventry and Solihull are:

Future carbon markets, including soil, grassland and hedgerows.
Air quality
Flood risk mitigation
Nutrient neutrality
Water quality
Green social prescribing
Health and wellbeing

6.4 The NCIIP will investigate the funding mechanisms to deliver the NCIS and NCIIP under the instruction to follow a full cost recovery principle.

Figure 2 below sets out the hierarchy that will be used to allocate, noting that the lowest level (“Elsewhere in England”) will only be used in exceptional circumstances and then only with the agreement of the Natural Capital Investment Board.

Figure 1: Biodiversity Net Gain sequential mitigation hierarchy for Warwickshire, Coventry and Solihull (based upon the Warwickshire, Coventry and Solihull Green Infrastructure Strategy) presented as an example of a mitigation hierarchy.



7. Conclusion

- 7.1 The Cabinet could choose not to adopt this Strategy. This would either
- a) leave the Council without a strategy approach to investing in natural capital, meaning that investments are made in an ad hoc way, thereby leaving the District vulnerable to missed opportunities, slow delivery and reduced benefits, or
 - b) require a local strategy to be developed which could still deliver a positive approach, but would fail to deliver to the multiple benefits set out in paragraph 1.2 above.

8. Appendices

- Appendix 1: The Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy
- Appendix 2 – NCIIP Contents

9. Background Papers (if none, state none)

None



Investing in our natural environment - Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy

(DRAFT)



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1 Executive Summary

1.1 Warwickshire County Council funded work to produce a natural capital investment strategy for all local authorities within Warwickshire. Given the focused nature of this document and the clear partnerships already in place, it will also be inclusive of Coventry and Solihull Local Authorities and will complement any additional natural capital investment strategies they may adopt.

1.2 The Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy (known henceforth as the NCIS) has been adopted as a top-level local authority strategy which specifically manages how the sub-region Local Authorities will utilise the nature-based compensation monies, and other income streams, generated through the planning system or other voluntary environmental markets.

1.3 The NCIS gives a 'strategic direction of travel' for the local authorities to achieve and implement investment in Warwickshire, Coventry and Solihull's natural capital assets. It lays the foundations for a detailed Natural Capital Investment Implementation Plan (NCIIP) that will describe what actions are required, how they will be carried out, who will be involved and how funding will be distributed, monitored and reported.

1.4 Strategic aim

Local authorities in Warwickshire, Coventry and Solihull will use the income raised from environmental markets and nature-based compensation schemes to enhance nature and the environment, benefit its people and help tackle climate change. They will do this through an agreed, region-wide strategy and Natural Capital Investment Implementation Plan.

1.5 This strategy document presents the key outcomes and actions of the NCIS. It outlines the proposed governance of the strategy and the formation of a Natural Capital Investment Board, a Natural Capital Investment Management Group and Technical Advisory Groups. This document also describes the funding and income sources; how they will be generated and used to benefit nature, the local environment and the people of Warwickshire, Coventry and Solihull.

2 Background

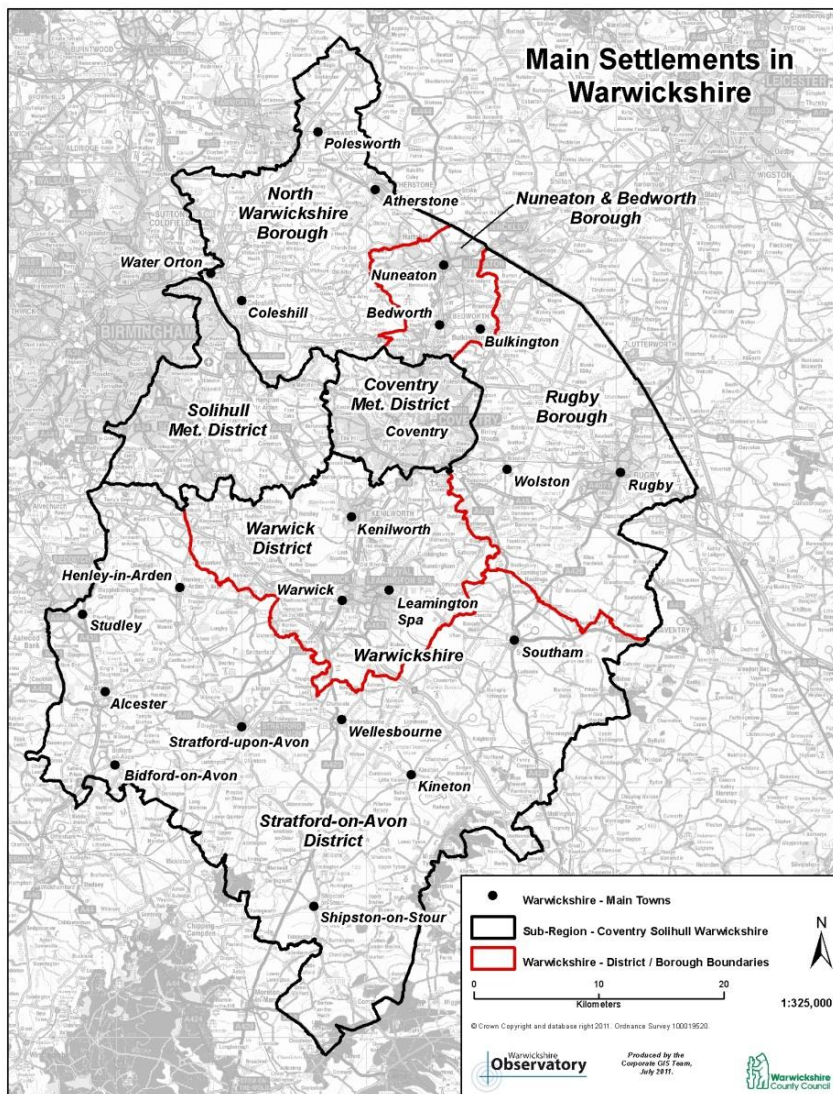
2.1 Those who live, work, visit or do business in Warwickshire, Coventry and Solihull draw enormous and varied benefits and value from the rich and diverse natural environment of the region. However, this value is poorly understood and often goes unrecognised.

2.2 Taking a natural capital approach will help us to recognise and understand the true value of the natural environment, the benefits it provides us and embed this within all relevant local authority policies and strategies.

2.3 The strategy will encompass the sub-region of Warwickshire, Coventry and Solihull and all eight local authorities within this area (see map). This reflects long standing partnership working between the eight authorities over three decades and includes a national pilot scheme for Biodiversity Offsetting, an extensive sub-regional Habitat Biodiversity Audit, sub-regional Green Infrastructure Strategy and shared,

nationally recognised expertise in our natural environment.

2.4 The strategy will specifically focus on the investment and funding side of the NCIS and will relate to all nature-based compensation monies, and other income streams, and nature recovery or environmental projects within this sub-region. In that respect, whilst this strategy will be the lead document for the six Warwickshire local authorities it will complement the broader strategies being developed by Coventry (CCC) and Solihull (SMBC)¹ by providing a sub-regional investment focus.



¹ The draft SMBC NCIS was approved or consultation in October 2023 and published in January 2024. It is due to be adopted in Spring 2024.

What is natural capital?

2.5 Natural capital is a concept that refers to the elements of nature that produce value (directly and indirectly) to people, It is our stock of natural assets. The stocks of renewable and non-renewable natural capital (known as natural capital assets) include soils, freshwater, farmland, forests, the atmosphere, oceans, biodiversity, ecological processes and the natural processes that underpin them. The flows of ecosystem services and benefits they provide can be very obvious such as food, fuel, clean air, clean water and opportunities for recreation. Others are much less visible, such as climate regulation, flood defences provided by natural vegetation, the billions of tonnes of carbon stored by peatlands and other habitats, the pollination of crops by insects, the provision of valuable shade and cooling in hot weather by trees and other vegetation and the positive contribution of nature to human health and wellbeing.

2.6 These services and benefits all have a value to people, society and the economy. Some of these values can be easily quantified and reflected in the economy (such as the value of timber or food produced from farmland), whereas many others cannot and are thus hidden or missing from decision-making and economic valuation.

2.7 Natural capital approaches to environmental management have a few defining characteristics:

- a focus on the environment as a set of assets (Natural Capital)
- these assets provide a wide range of services and benefits for people (Ecosystem Services)
- there is an emphasis on a spatial and place-based understanding of these assets
- opportunities are sought to maximise multiple ecosystem services benefits across issues/sectors, and these can help manage multiple risks.

2.8 Ecosystem services benefits are commonly divided into three types:

- Provisioning services – products obtained from nature
- Regulating services – benefits obtained from environmental processes that regulate the environment
- Cultural services – Non-material benefits that people obtain from nature

2.9 Diagram 1: Ecosystem services benefits



2.10 Natural capital approaches typically comprise of natural capital investment strategies and plans which define a specific vision, programmes of activities, funding models and income/revenue streams.

Warwickshire Carbon and Environmental Markets project

2.11 The Defra-funded Warwickshire County Council (WCC) Natural Environment Investment Readiness Fund (NEIRF) project ran from October 2021 to March 2022. It was designed to investigate opportunities to develop long-term, sustainable funding mechanisms for the sub-region of Warwickshire, Coventry and Solihull Councils' (sub-region) environmental ambitions within the mandatory system of Local Authority consenting regimes. This project, titled 'Warwickshire Carbon and Environmental Markets', provided recommendations for the development and establishment of a carbon market (a Warwickshire Carbon Standard based on the UK Woodland Carbon Code) and an air quality market. It also identified other potential mandatory ecosystem services markets (nutrient neutrality, flood risk mitigation and green social prescribing) to work alongside the current mandatory Biodiversity Net Gain (BNG) market. The project also outlined options for a Warwickshire Natural Capital Investment Strategy (NCIS) and Plan, recommended what they could cover and the detailed process by which they could be developed.

Why develop a Natural Capital Investment Strategy (NCIS) and Plan for Warwickshire, Coventry and Solihull?

2.12 Natural capital investment planning is a relatively new approach, both globally and nationally, however the links between the economy, human well-being and the natural environment are increasingly being realised and understood. There is also a growing recognition that this approach should be evidence-based and used to inform socio-economic decision making across all sectors of our society.

2.13 Investing in the protection, enhancement and recovery of our natural capital assets in Warwickshire, Coventry and Solihull is fundamental to reversing nature's decline and securing the continued provision of services and benefits provided by nature and the environment.

2.14 Whilst the environment knows no boundaries, since the 1992 Rio Earth Summit there has been a significant movement towards 'saving wildlife in your own back yard'. This approach has developed into the Environment Act (2021) and the establishment of Local Nature Recovery Strategies. In 1994 the Warwickshire, Coventry and Solihull ecological community came together to produce Local Biodiversity Action Plans. In 2013 the Warwickshire, Coventry and Solihull Local Nature Partnership formed and this included all sectors of society, including business and health. Warwickshire County Council, on behalf of the regional local authorities, has created a nationally acclaimed, mandatory BNG market that has generated over £6M since 2015 and they have pledged to work with partners to plant a tree for every resident, currently 566,000, by 2030. This tree-planting initiative will be a key contributor to the Council's commitment to addressing the global climate change emergency and will help restore landscape character areas and improve biodiversity by creating extensive new habitats for wildlife. The region is therefore already one of the leaders in natural capital within the UK, so taking a Natural Capital Investment approach is the logical next step. The region should invest, at scale, in its natural capital assets but on the understanding that there is zero detriment to any city, district or borough.

2.15 Taking a sub-regional approach to natural capital investment has many advantages:

- **Together we are stronger than the sum of our parts**
By working together with a common approach, we can pool our resources and expertise in a cost-effective and efficient manner to create a more comprehensive and effective strategy for protecting and restoring our natural environment. We can also leverage each other's strengths to find innovative solutions and approaches that would be difficult for any single district or borough to achieve. This approach will promote cross-boundary working and collaborative projects between departments and local authorities. It will also give a stronger political voice for nature, the environment and natural capital in the sub-region.

- Utilising combined resources**

By working together, we can combine our resources, such as staff, volunteers, equipment and funding to achieve more than we could on our own. This will allow us to implement more ambitious projects and achieve greater results. It could also help develop training programmes and expand the provision of local green skills, therefore increasing local employment opportunities.
- Attracting greater levels of investment**

The NCIS and NCIIP will develop new investment, income and funding streams which will drive the development of ambitious and impactful projects. By creating a joint sub-regional Investment Strategy and Implementation Plan, we can offer investors a stable and low-risk platform for those looking to advance environmental goals or invest ethically. Also, such a sub-regional Strategy and Implementation Plan will allow us to develop large, landscape-scale projects suitable for multi-million pound investments from financial institutions and institutional investors.
- Develop a project pipeline**

The Natural Capital Investment Implementation Plan will include a region-wide pipeline of shovel and investment ready projects. These will allow swift and efficient reactions to funding, buying or investment opportunities and further develop a regional environmental vision and identity.
- Each local authority will benefit in the same way, proportionally, over the lifespan of the strategy**

Full details of how the benefiting environmental projects will be chosen and funded will be explained within the NCIIP and will be closely linked to the sub-regional Green Infrastructure Strategy, the respective Local Nature Recovery Strategies² (LNRS) and the ecosystem services trading protocol.
- Best for nature – a ‘more, bigger, better & joined up’ approach delivered at a local scale**

A regional NCIS will allow us to take a more comprehensive, shared approach to protecting and restoring our natural environment. We can identify and address cross-boundary issues, such as air pollution and water quality, and work together to develop a more connected and resilient network of natural habitats.
- Delivering natural capital benefits, climate change mitigation and resilience which will benefit local people**

The NCIS will help to deliver a wide range of benefits for communities across Warwickshire, Coventry, and Solihull. These will include improved air quality, cleaner water, increased biodiversity, healthier people, and a more resilient environment in the face of climate change.

² DEFRA have identified Warwickshire as one Local Nature Recovery Strategy area whilst Coventry and Solihull are grouped with the Birmingham and Black Country authorities within the West Midlands Combined Authority area.

- **Working alongside other regional and national policies and strategies**
This joint sub-regional Investment Strategy and Implementation Plan will make it easier to align our strategies with the environmental ambitions of the West Midlands Combined Authority (WMCA) and national initiatives including the Environment Act 2021 and emerging Local Nature Recovery Strategies (LNRS). This will also reflect and enhance the overlap between the Warwickshire LNRS and WMCA LNRS.

2.16 Although investing in natural capital is an investment in nature and our environment, it is also an investment which benefits the people of Warwickshire, Coventry and Solihull. It could provide:

- cleaner water, green spaces and fresh air
- an investment in jobs and prosperity
- improved health and wellbeing
- an investment in our future and the future of our children

The Natural Capital Investment Strategy

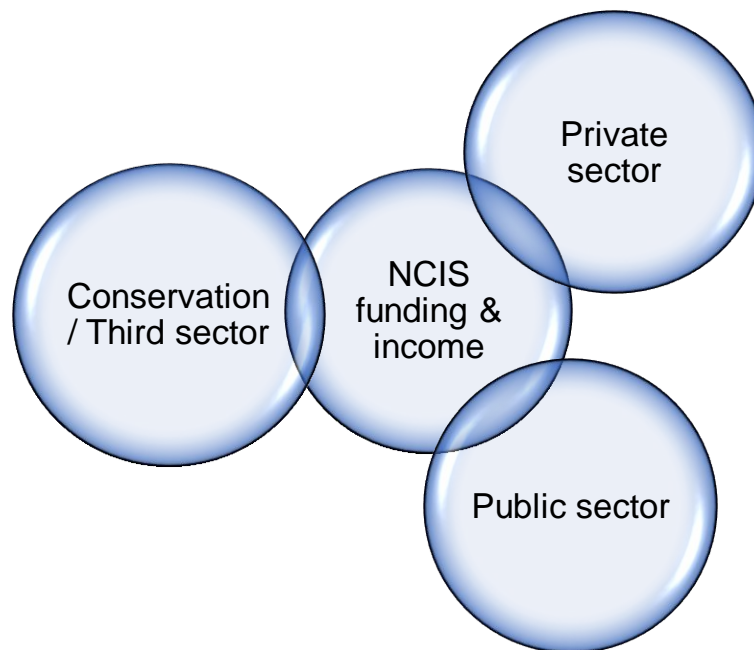
2.17 A Natural Capital Investment Strategy offers a critical tool in society's response to the biodiversity and climate emergencies by enabling the creation and enhancement of habitats, and increasing the resilience of the natural environment, communities and economy to the impacts of climate change, such as extreme weather events.

2.18 This Natural Capital Investment Strategy has been adopted as a top-level local authority strategy which manages how the sub-region Local Authorities will utilise the nature-based compensation monies, and other income streams, generated through the planning system or other voluntary environmental markets. This builds upon and continues the work carried out in developing the mandatory Warwickshire BNG market and developing Warwickshire Carbon and Environmental Markets.

2.19 The strategy gives a 'strategic direction of travel' for the local authorities to achieve and implement investment in Warwickshire, Coventry and Solihull's natural capital assets. The strategy lays the foundations for a detailed Natural Capital Investment Implementation Plan (NCIIP) that will describe what actions are required, how they will be carried out, who will be involved and how funding will be distributed, monitored and reported. The NCIIP will align with local strategies and policies including the 'Warwickshire, Coventry and Solihull Ecosystem Services Trading Protocol' [WCSGI Strategy CSWAPO consultation](#).

2.20 The NCIIP will be based upon a blended finance model (see diagram 2) incorporating public, private and third sector income streams in addition to grant funding, philanthropic support and some of the monies already generated through mandatory BNG.

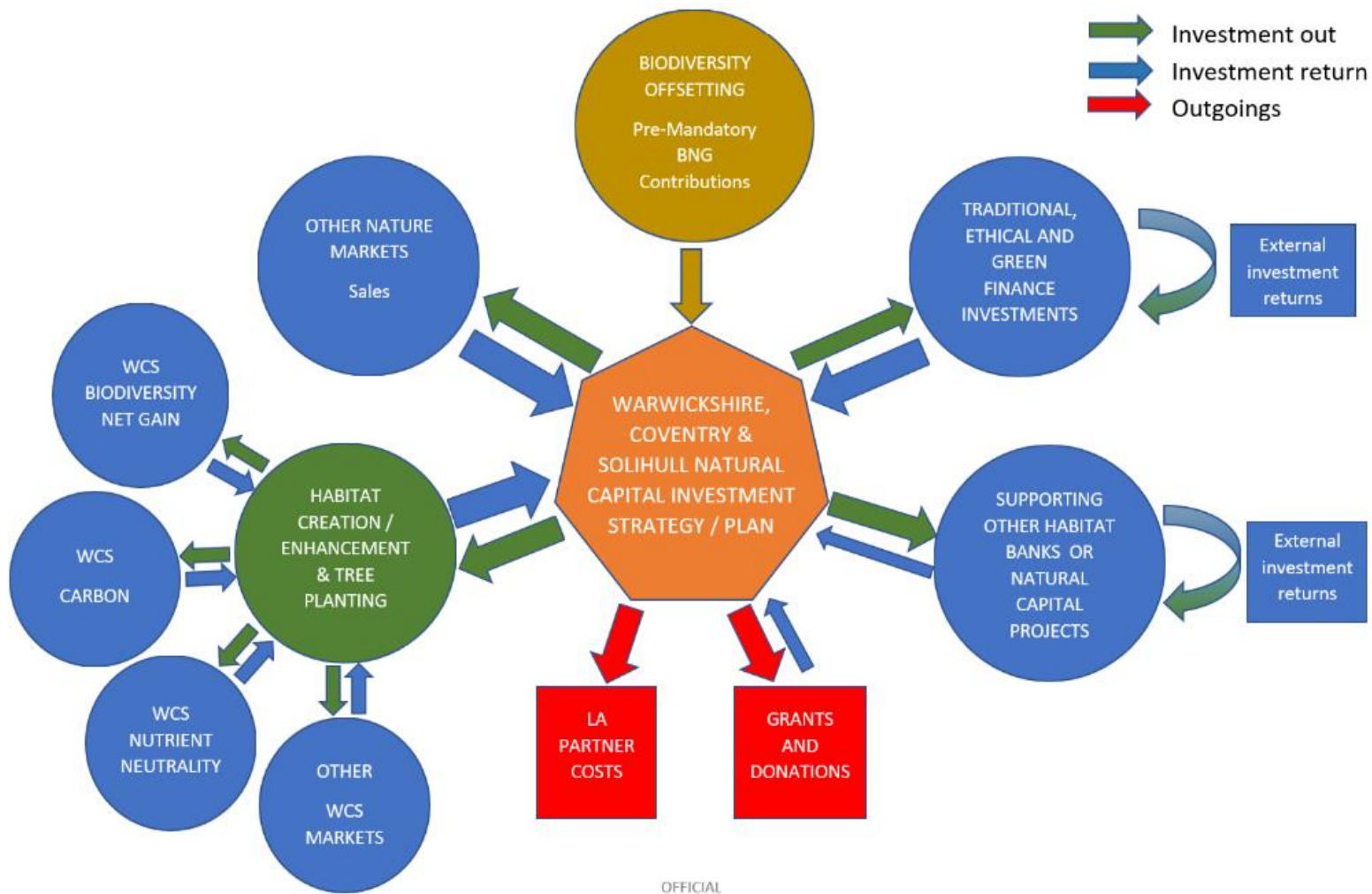
Diagram 2: The key elements of a blended finance approach.



2.21 The purpose of the plan, and the Warwickshire, Coventry and Solihull Ecosystem Services Trading Protocol (currently in development), is to examine the roles of different types of potential sellers, buyers and investors within the wider picture of the social, economic and governance structure of the county and supporting local and national environmental policies and regulations. The plan will include a pipeline of potential projects, financial flow models (to facilitate income streams from the public, private and third sectors) and contain the recommendations to put the plan into practice over the next ten years.

2.22 Following adoption of the NCIS, the accompanying NCIIP will develop a range and pipeline of environmental projects and it will model potential flows of finance and investment, and could produce a process similar to the draft proposal presented in diagram 3.

Diagram 3: A draft financial flow model for the NCIS and NCIIP.



2.23 This indicative model shows how finance and investment could flow through a NCIIP. It shows sources of income and investment, and projects that these could support. The sizes of arrows indicate the relative amounts of investment, funding or profit (return on investment) that might be expected.

2.24 See Appendix 1 for examples of UK NCIS visions or key principles, and Appendix 2 for examples of UK Natural Capital Investment Strategies and approaches.

2.25 It is important that the NCIS works alongside all relevant, current and forthcoming national and regional policies and strategies (see diagram 4). These include the Environment Act 2021, emerging Local Nature Recovery Strategies (LNRS) for Warwickshire and the West Midlands, current and forthcoming Local Planning documents and the Warwickshire, Coventry and Solihull Sub-regional Green Infrastructure Strategy.

2.26 A full list of these policies, with hyperlinks where suitable, is given in Appendix 3.

2.27 Diagram 4: The inter-relationships between the NCIS and other local/regional environmental initiatives.



3 The Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy (NCIS)

3.1 Strategic aim and outcomes of the NCIS

3.1.1 Strategic aim

Local authorities in Warwickshire, Coventry and Solihull (WCS) will use the income raised from environmental markets and nature-based compensation schemes to enhance nature and the environment, benefit its people and help tackle climate change. They will do this through an agreed, region-wide strategy and Natural Capital Investment Implementation Plan (NCIIP).

3.1.2 Key outcomes

- The Warwickshire local authorities, working in partnership with Coventry and Solihull, will be recognised as being leaders in the provision of high quality, high integrity environmental markets and nature-based compensation schemes.
- The strategy will ensure that all legal agreements for the delivery of nature-based compensation schemes (e.g. Biodiversity Net Gain (BNG)) are fulfilled and fully compliant with respective legislation.
- The strategy will provide enduring financial opportunities to support environmental initiatives within the sub-region, for example by offering repayable development finance, environmental market development or pump-priming opportunities.
- Key local authority leaders and decision makers will have a good awareness and understanding of Natural Capital approaches and Ecosystem Services. This will include knowledge and understanding of the associated markets, income streams and investment opportunities which could benefit the local authorities, its people, nature, environment and economy.
- The strategy will help develop and promote Warwickshire's green ambitions and credentials, and complement the range of national and local nature recovery strategies, policies and projects in Warwickshire and adjoining Coventry and Solihull.
- The strategy will increase cross-boundary working and departmental cross-cutting themes, and incorporate them in all relevant local authority and regional strategies and policies, e.g. community, climate, health and wellbeing, power, transport, etc.
- The strategy will support the development, implementation, monitoring and long term management of a Natural Capital Investment Implementation Plan.

- Environmental markets and funding/income streams will be developed and delivered within the sub-region.

Where appropriate, it is envisaged that environmental initiatives will be developed in strategic locations as close to the planned loss (e.g. BNG) or damage (e.g. water or air quality) as possible, with any habitat banks being designed to match this approach. Subject to ecological advice, the Warwickshire, Coventry and Solihull sub-regional green infrastructure strategy mitigation hierarchy and Governing Board approval.

3.2 Summary of actions, roles and responsibilities

3.2.1 The key actions for delivery of the NCIS will be:

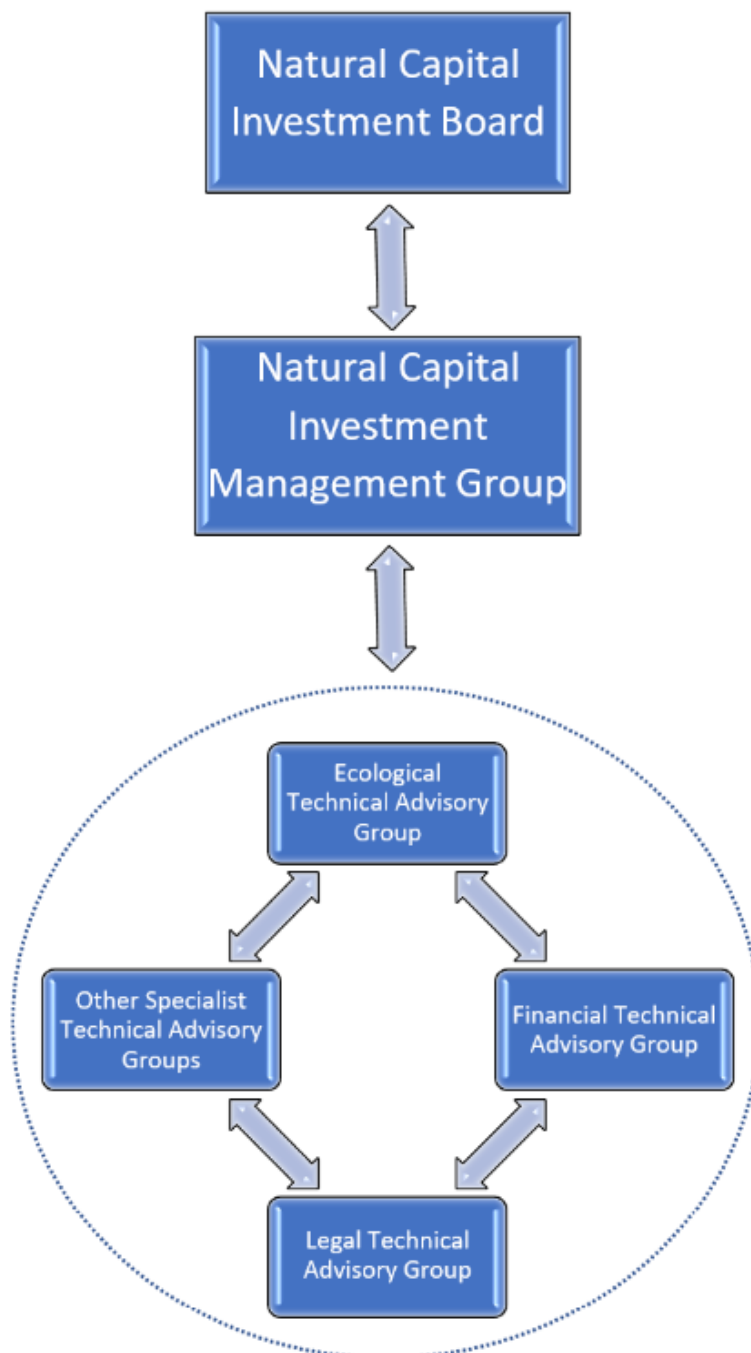
- A commitment to biodiversity and the recovery of nature through all WCS local authorities adopting a natural capital approach.
- Embed a natural capital approach within all current and forthcoming local authority policies and strategies.
- Development and implementation of the NCIIP.

3.2.2 The outcomes for the NCIS will be delivered as part of the development, delivery and implementation of the NCIIP. This is currently being managed by Warwickshire County Council, supported by a specialist, external consultant.

3.3 Governance

3.3.1 Governance of the Warwickshire, Coventry and Solihull Natural Capital Investment Strategy and Implementation Plan will be managed by the Warwickshire, Coventry and Solihull Natural Capital Investment Board. The Board will be supported by a Natural Capital Investment Management Group and Technical Advisory Groups (see diagram).

Diagram 5: An indicative governance structure for the NCIS



Natural Capital Investment Board (NCIB)

3.3.2 Membership will be comprised of the relevant Cabinet Member, or representative, from each of the eight constituent authorities. Initial leadership will be provided by Warwickshire County Council, until a Chair is elected.

3.3.3 The Investment Board is the key steering and decision body for the implementation of the WCS Natural Capital Investment Strategy and Implementation Plan. All eight local authorities have formally agreed the creation of the Board and the following tasks and responsibilities.

3.3.4 The objective of the Board is to ensure that decisions made in respect of natural capital investment are transparent, sustainable and ultimately maximise the benefit to the environment and the local communities in Warwickshire, Coventry and Solihull.

Natural Capital Investment Management Group (NCIMG)

3.3.6 This group will be responsible for drafting reports and advising the Board on non-delegated decisions. Membership of this group will comprise relevant senior officers from each of the eight constituent authorities.

3.3.7 The Natural Capital Investment Management Group will have delegated powers and budgetary control as agreed by the NCIB.

Technical Advisory Groups

3.3.8 In order to identify and select potential projects and income/investment opportunities the Natural Capital Investment Management Group will need to seek advice from a range of technical advisory groups. The groups will comprise relevant experts and specialists from within local authority, statutory body and third sector partner teams, as necessary. The operational work of such groups will be overseen by a member(s) of the Management Group.

3.3.9 The Technical Advisory Groups will provide technical advice and direction in progressing and co-ordinating the various programmes, projects and funding bids.

3.4 Internal partners and stakeholders

3.4.1 Local Authority partners

- Coventry City Council
- North Warwickshire Borough Council
- Nuneaton and Bedworth Borough Council
- Rugby Borough Council
- Solihull Metropolitan Borough Council
- Stratford District Council
- Warwickshire County Council
- Warwick District Council

Note that external partners and stakeholders are not considered to be required for this local authority-focussed approach. However, they will be involved in the development of the NCIP.

3.5 Funding and income sources

The current funding situation

3.5.1 Income has been generated through planning contributions and trading credits/units from ecosystem service markets (BNG) linked to local authority regulatory functions. Current funds are held within various local authority S106 accounts and these are paid to project delivery organisations on an annual basis, so there are significant surplus funds in the S106 accounts which we have access to.

How will income be generated within the NCIS going forwards?

3.5.2 Current ecosystem services markets applicable to Warwickshire, Coventry and Solihull:

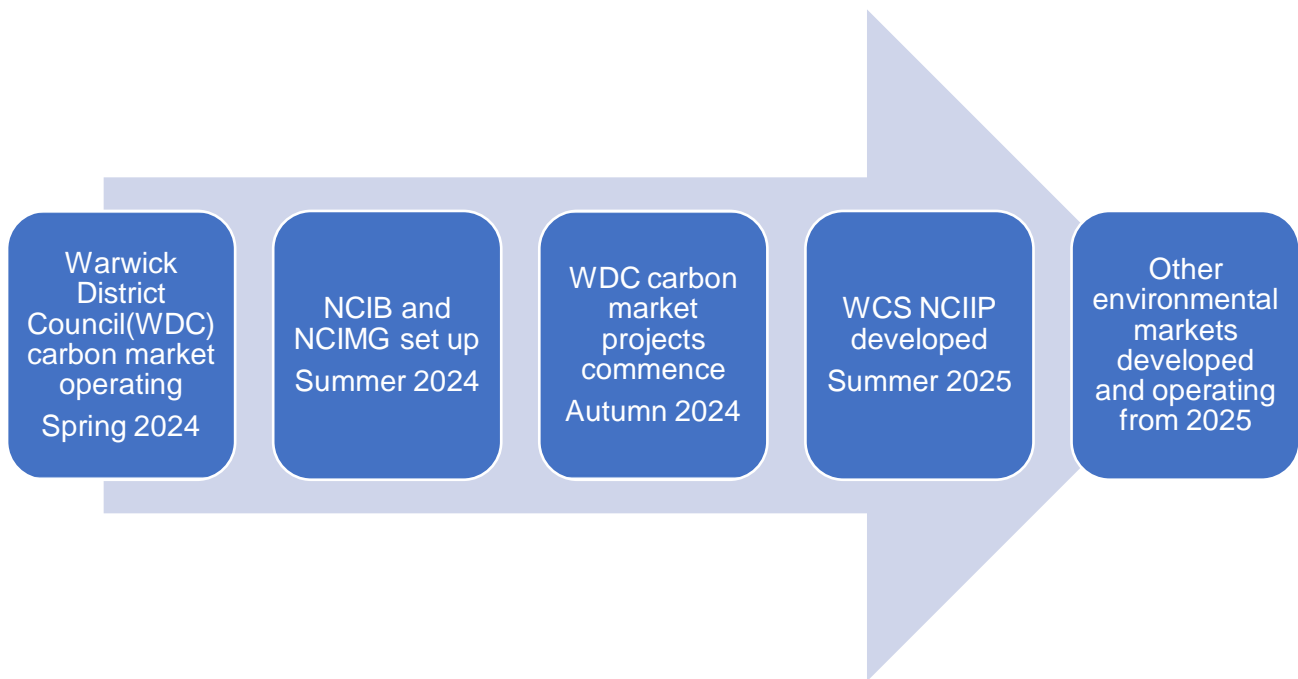
- Biodiversity Net Gain (currently mandatory in Warwickshire, Coventry and Solihull and nationally mandated from January 2024)
- Woodland Carbon (through implementation of the Warwickshire Carbon Standard linked to the Warwick District Council Net Zero Carbon Policy)
- District Level Licensing funding (e.g. great crested newts)

3.5.3 Forthcoming ecosystem services markets which could be applicable to Warwickshire, Coventry and Solihull:

- Future carbon markets, including soil, grassland and hedgerows.
- Air quality
- Flood risk mitigation
- Nutrient neutrality
- Water quality
- Green social prescribing
- Health and wellbeing

3.5.4 For all ecosystem services markets a mitigation hierarchy will be developed, influencing what mitigation will be required and where it should be carried out. See the Warwickshire, Coventry and Solihull sub-regional Green Infrastructure Strategy and diagram 7.

3.5.5 Diagram 6: A proposed roadmap towards the development of an NCIIP and environmental markets in Warwickshire, Coventry and Solihull.



How will this income be used?

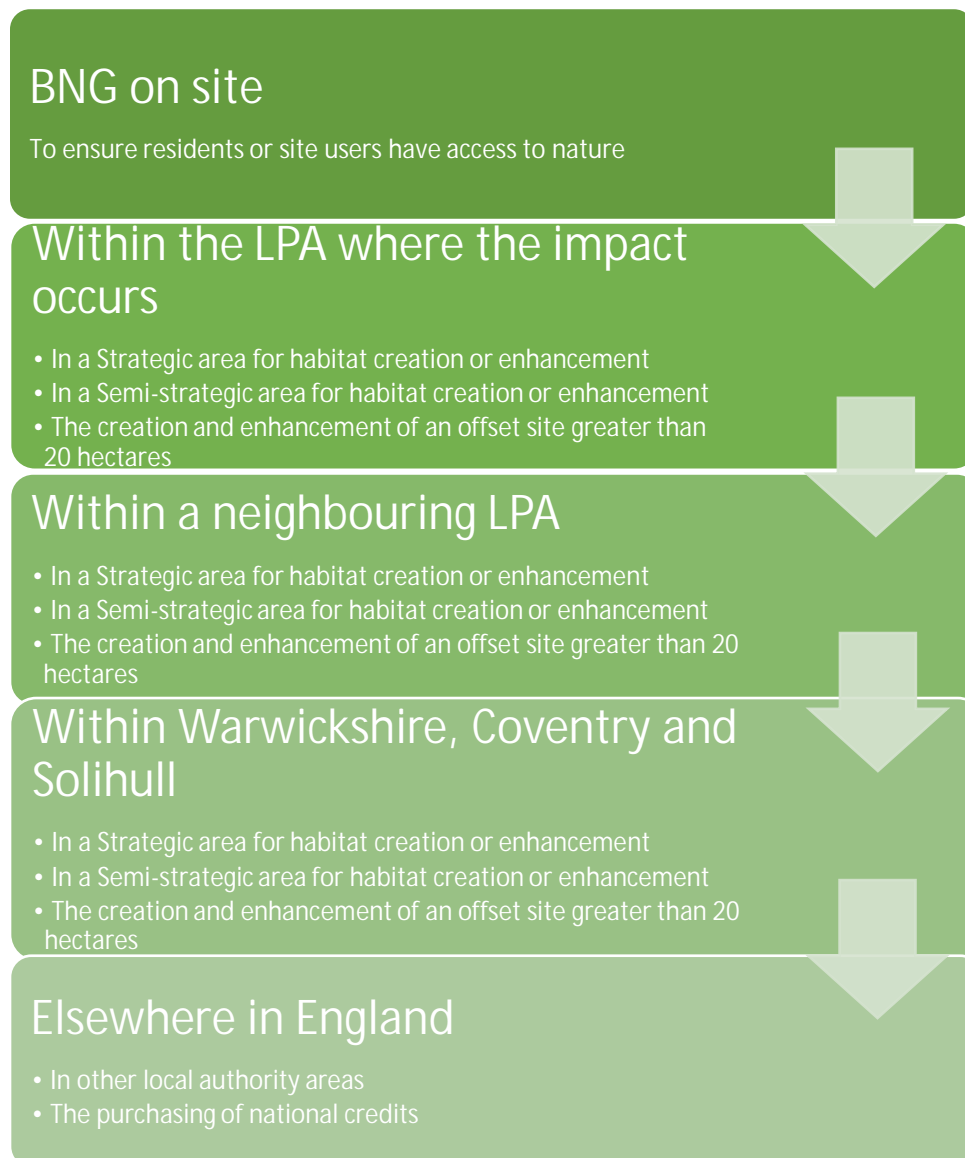
3.5.6 Note: This section covers what the NCIS and the Board (NCIB) will do with the monies already generated, and earmarked for spending, from the current BNG market and with any newly raised monies going forwards. It must follow current and future national trading rules and schemes.

3.5.7 Funds generated from environmental markets and nature-based compensation schemes will be available to support environmental initiatives within the sub-region, specifically those focussing upon enhancing biodiversity and tackling climate change. These will be exclusively natural capital related projects.

3.5.8 Environmental initiatives will be developed in appropriate strategic locations however all decisions will be subject to ecological advice and NCIB approval. Diagram 7 suggests a sequential mitigation hierarchy for BNG, a similar hierarchy could be applied to other environmental projects, and ecosystem services markets, and become a key part of the spatial decision-making process. Every local authority area will receive a fair share of the benefits in proportion to the funds or investments raised within its boundaries. This will help to ensure that the strategy is equitable and that all

residents and communities have the opportunity to benefit from improvements to the local natural environment.

3.5.9 Diagram 7: Here the Warwickshire, Coventry and Solihull BNG mitigation hierarchy (currently being consulted upon as part of the sub-regional GI strategy) is presented as an example of what a future Ecosystem Service or Natural Capital Investment Strategy hierarchy might look like. The actual hierarchies adopted will be designed by the Natural Capital Investment Management Group and ratified by the Natural Capital Investment Board.



3.5.10 Current funds are already allocated to specific 'spends' associated with habitat compensation agreements (e.g. BNG), so any finance made available to other projects will need to conform to strict risk, repayment, liquidity and return on investment rules which will be determined within the proposed Natural Capital Investment Implementation Plan. Decisions will also consider the potential benefits for nature, the environment and people of the sub-region. Examples could include

offering repayable development finance, market development or pump-priming opportunities.

3.5.11 Future income will be subject to similar rules, though the requirement for repayment or return on investment will be determined by the funding source and the discretion of the Governing Board and/or awarding body. From Spring 2024 BNG will be nationally mandated and traded income will need to follow statutory Defra rules and regulations.

3.5.12 It is important to plan for and manage risks associated with any income streams, financing and investment arrangements as well as in any proposed environmental projects or initiatives. A detailed Risk Management Plan will be developed within the NCIIP.

Appendix 1 - Examples of UK NCIS visions or key principles

- **Solihull Council draft NCIS vision**

Solihull is a borough where all parts of society, including local authorities, companies, non-governmental organisations (NGOs) and communities can enjoy the benefits, are invested in the protection of and have access to all parts of the natural environment and recognise our reliance on natural capital and the impact we have on it.

- **Warwickshire, Coventry and Solihull Sub-regional Green Infrastructure Strategy**

Vision

A diverse and well-managed Warwickshire, Coventry and Solihull Green Infrastructure network that underpins the quality of life for communities. This will be the result of a well-connected, accessible and biodiversity resilient landscape, supporting economic growth, social health and climate change adaptation.

- **Surrey Nature Partnership (LNP led by the Surrey Wildlife Trust)**

Vision

A thriving, resilient and attractive county providing natural benefits to all who live and work here.

- **Sussex LNP**

Overarching principle

A commitment to biodiversity within the natural capital approach.

Key elements of the strategy:

1. Protection and enhancement of natural capital
2. Investment in natural capital to deliver specific benefits and services
3. Making it happen: the steps needed to take the natural capital approach forward within Sussex through the work of the LNP

In Summary the strategy seeks to:

- Gain a better understanding of the natural capital of Sussex, where it is located and what benefits it provides to the economy of the area, using the best data available.
- Assess how best to focus effort, resources and funds to look after natural capital assets for the benefit of nature and people.
- Identify opportunities to use a natural capital approach to enhance services and benefits, such as clean water, accessible nature, carbon storage, flood risk reduction and healthy/productive inshore waters.

- Provide guidance on the steps needed to take this strategy forward into action.
- **North Devon Biosphere Natural Capital Strategy**

Their natural capital strategy identifies four priorities for urgent action:

- Protect and improve water quality
- Minimise flood risk
- Increase carbon capture and storage
- Manage tourism and recreation pressure

Here are two examples of Investment visions or key principles:

- **HSBC Pollination: Nature is capital**

Sustainable investment in natural capital provides exposure to projects focused on nature including sustainable forestry, regenerative and sustainable agriculture, water supply, blue carbon (carbon captured by oceans and coastal ecosystems), nature-based biofuels, or nature-based projects that generate returns from reducing greenhouse emissions.

- **Triodos Bank**

We believe investing should support a sustainable future. All the **investments in our funds** have been hand-picked by impact investing experts using a themed approach, which ensures they have a positive impact on society and the environment.

Appendix 2 – Examples of UK Natural Capital Investment Strategies and approaches

The **Solihull Metropolitan Borough Council** draft Natural Capital Investment Strategy



Draft NCIS
September 2023.docx

In 2015, the **Surrey Nature Partnership** launched 'Naturally Richer - A Natural Capital Investment Strategy for Surrey'
(<https://surreynaturepartnership.files.wordpress.com/2015/11/naturally-richer-a-natural-capital-investment-strategy-for-surrey.pdf>).

This was a high-level document which gave a strategic direction of travel for implementing investment in Surreys' natural capital assets. It explained why it mattered and indicated the key areas where they thought they needed to develop in order to secure investment. The Surrey Nature Partnership used this strategy to develop a natural capital investment plan in 2018.

Sussex Local Nature Partnership launched their 2019-2024 Natural Capital Investment Strategy in December 2019.

Summary [Microsoft Word - Natural Capital Investment Strategy Summary Feb2020.docx \(sussexlnp.org.uk\)](#)

Full document [Microsoft Word - Natural Capital Investment Strategy ADOPTED Final Dec 2019.docx \(sussexlnp.org.uk\)](#)

The aim of their strategy is to:

- Support nature's recovery as a fundamental component of a healthy, prosperous and secure future for Sussex
- Protect and enhance the natural assets of Sussex so that these continue to provide multiple benefits for people into the future
- Position nature as a foundation for a strong, stable local economy and resilient society
- Increase resilience of natural capital assets in the face of current and future risks, such as climate change, increasing development and extreme weather events, which in turn will help to secure the benefits they provide

Their strategy provides:

- Initial understanding (based on best available data) of the natural capital of Sussex, where it is located and the raft of benefits and services it provides to people and the economy of the area
- Initial strategic assessment of how best to focus effort, resources and funds to protect and enhance the stock of natural capital assets for the benefit of nature and people

- Identification of opportunities to use a natural capital approach to deliver specific outputs of interest to LNP members, such as clean water, accessible nature, carbon storage and flood risk reduction
- Guidance on the steps needed to take this broad spatial strategy forward into action and outcomes on the ground

The **North Devon Biosphere Natural Capital Strategy** highlights a range of workable and affordable interventions, their next steps are to get these delivered in a consistent and organised way.

To deliver change at the scale that is needed they need to transform the way they manage the environment. Specifically, they need an approach designed for engaging with a complex system. They believe that this will require adoption and progression of four key management principles:

- **Institutional responsibility** - each environmental problem needs to be owned by an organisation or formal partnership.
- **Adaptive management** - declaring a target, tracking progress against it and adapting plans and investments as required.
- **Localisation** - devolving responsibility of environmental management to a geographical level discrete enough for integrated planning.
- **Shared commitment** – schemes should be co-developed and have shared understanding and commitment between stakeholders.

The North Devon Biosphere is working to make these a reality and engage with national and local partners. They are also considering developing a natural capital spatial plan to ensure that the right investments go in the right places.

Here is the strategy summary document

<http://publications.naturalengland.org.uk/file/4576451154411520>

In 2022, **Cornwall Council** produced an 'Investing in nature guidebook' <https://letstalk.cornwall.gov.uk/19619/widgets/55725/documents/32282> and an 'Investing in nature process checklist' <https://letstalk.cornwall.gov.uk/19619/widgets/55725/documents/32319> .

Appendix 3 - Current and forthcoming international, national and regional policies and initiatives

The NCIS needs to work alongside the following policies and initiatives:

Note: These were current at the time of writing

International

- [G7 2030 Nature Compact \(2021\)](#)
- [Kunming-Montreal Global Biodiversity Framework \(COP15\) December 2022](#)
- [IPCC AR6 Synthesis Report: Climate Change 2023](#)

National

- [Environment Act 2021](#)
- [The 25 Year Environment Plan 2018](#)
- [Environment Improvement Plan 2023 \(first revision of 25 Year Environment Plan\)](#)
- [The Levelling Up and Regeneration Bill](#)
- Forthcoming Land Use Framework 2023
- [Environmental Land Management schemes \(ELMs\)](#)
- [Natural England Green Infrastructure Framework](#)
- [National Planning Policy Framework \(NPPF\) 2023](#)
- [The John Lawton Review 2010 – Making Space for Nature](#)
- [The Natural Environment White Paper \(NEWP\) The Natural Choice: Securing the Value of Nature \(2011\)](#)
- [England Tree Strategy \(2021\)](#)
- [England Peat Action Plan \(2021\)](#)
- [National Pollinator Strategy \(2014\)](#)
- [Biodiversity Net Gain \(2024\)](#)
- [Nature Recovery Networks](#)
- [The Economics of Biodiversity: The Dasgupta Review \(2021\)](#)
- [State of Nature Report \(2013, 2016, 2019, 2023\)](#)
- [Nature Positive 2030 \(2022\)](#)
- [Urban Design Compendium](#)
- [National Design Guide](#)
- [National Model Design Code](#)
- [Building for Healthy Places](#)
- [Building for a Healthy Life](#)
- [Building with Nature](#)

Regional

- Emerging Local Nature Recovery Strategies (LNRS) for Warwickshire and West Midlands
- Current and forthcoming Local Plans
- [Warwickshire, Coventry and Solihull Sub-regional Green Infrastructure Strategy](#)

- Draft Solihull Metropolitan Borough Council Natural Capital Investment Strategy (NCIS)
- [Warwickshire Local Nature Partnership plans and initiatives](#)
- [Warwickshire, Coventry and Solihull Species and Habitat Action Plans](#)
- [Warwickshire Landscape Guidelines for Arden](#)
- [Warwickshire Sustainable Futures Strategy](#)
- [Solihull Green Infrastructure Study](#)
- [Warwickshire Historic Landscape Characterisation](#)
- [Warwickshire Historic Farmsteads Characterisation](#)
- Catchment Management Plans
- [West Midlands Natural Environment Plan 2021-2026](#)
- Warwickshire, Coventry and Solihull Local Authority Corporate Strategies
- Warwickshire, Coventry and Solihull Local Authority Climate Change Strategies
- Warwickshire, Coventry and Solihull Local Authority Health and Wellbeing Strategies
- Warwickshire, Coventry and Solihull Local Authority Flood Risk Management Strategies
- Warwickshire, Coventry and Solihull Local Authority Air Quality Management Strategies
- Warwickshire, Coventry and Solihull Local Authority Tree Planting and Woodland Strategies
- Warwickshire, Coventry and Solihull Local Authority Green Space Strategies
- Warwickshire, Coventry and Solihull Local Authority Economic Strategies
- Emerging Warwick District Council Biodiversity Action Programme
- Emerging Warwick District Council Net Zero Carbon Development Plan Document (DPD)

Warwickshire, Coventry & Solihull Natural Capital Investment and Implementation Plan (NCIIP)

Skeleton plan: What will the NCIIP contain?

Main sections

- How the NCIIP will support and enable the Natura Capital Investment Strategy (NCIS)
- How and where income will be generated.
- Where funds will be kept and managed
- In line with the NCIS, the criteria for deciding what is funded and how
- Method of identifying investible or fundable projects (standard proforma?).
- Portfolio of current sites/projects and a pipeline of investment-ready projects
- Operating model
- Marketing and business strategies for investment and income generation.
- NCIIP role in supporting (but not developing) new Environmental Services markets.
- Links with wider regional strategies/policies – i.e. using monies to help pump-prime or support Local Nature Recovery Strategy, Green Infrastructure Strategy and other strategic initiatives.
- Financial requirements including requirements for investments or loans.
- Funding and investment decision-making processes and roles (including mitigation or funding hierarchies).
- Monitoring and reporting processes.
- Legal implications/parameters.
- Governance and accountability relating to specific funded projects.
- Links and relationships with funding bodies
- Insurance requirements.
- Ethical implications/parameters.
- Day to management of the NCIS and NCIIP including any staffing, costs and funding.

Report Summary Sheet

Date: 17th July 2024

Subject: Newdigate Recreation Ground

Portfolio: Planning and Enforcement (Councillor R. Roze)

From: Assistant Director – Recreation and Culture

Summary:

To provide Cabinet with a recommendation to surrender the current lease in relation to Newdigate Pavilion and Sports Pitches, handing the facility back to the landowner and to enable officers to negotiate a new agreement in relation to the sports ground.

Recommendation:

1. That delegated authority is given to the Strategic Director - Public Services in consultation with the Assistant Director - Recreation and Culture and Portfolio Holder - Planning and Enforcement to surrender the existing lease with Newdigate Sports and Social Club;
2. That delegated authority is given to the Strategic Director - Public Services in consultation with the Assistant Director - Recreation and Culture and Portfolio Holder - Planning and Enforcement and Portfolio Holder - Leisure, Communities and Health to negotiate and enter into a new agreement with Newdigate Sports and Social Club in relation to public open space.

Options:

- a) That the recommendations be accepted in full.
- b) Not to proceed with the recommendations.

Reasons:

The site is not council owned and is managed under a lease from 1970, due to the age of the lease there is a requirement for the Council to review the terms of the current agreement to better meet the requirements for the facility.

Consultation undertaken with Members/Officers/Stakeholders

Portfolio Holder – Leisure, Communities and Health
Portfolio Holder – Planning and Enforcement
Strategic Director – Public Services

Subject to call-in: Yes

Ward relevance: Heath

Forward plan: Yes

Building A Better Borough

Aim 1: Live

Priority 1: Promote residents' health and wellbeing

Aim 3: Visit

Priority 4: Improve the physical environment

Relevant statutes or policy:

Building a Better Borough
Playing Pitch Strategy

Equalities Implications:

No direct equal opportunities implications

Human resources implications:

Multiple Council Officers and service areas have been involved in negotiations and discussions regarding the site.

Financial implications:

The council are responsible for utilities, maintenance, and liabilities in relation to the pavilion and pitches on the site, these will cease at point of termination and the financial commitment to deliver these. This averages at an estimate figure of £6,500.

Any pitch booking income previously received by the Council will cease at the point of lease termination. This will lead to a small loss of income to the Council of approximately £1,500.

The Council look to enter into a new agreement with the Newdigate Sports and Social Club (the Club) in relation to retaining public access to the green space, this may include supporting with a schedule of works for grounds maintenance.

Health Inequalities Implications:

The adopted Leisure Facilities Needs Assessment Strategy supports the Council's Building a Better Borough in improving health and wellbeing by providing opportunities and facilities for residents to access and take part in physical activity at all levels across the Borough.

Section 17 Crime & Disorder Implications:

No direct Section 17 Crime and Disorder implications however self-management of Sports Club's gives opportunities for more residents to take part in physical activities. This will support improved outcomes for crime and disorder, whereby opportunities are taken up by young people in particular instead of other less desirable activities.

Risk management implications:

The Council will retain some responsibilities for the site within a new agreement. These will be safeguarded under an agreement and consideration for liabilities reviewed.

The Council wish to enter into a new agreement with the landowners, to safeguard access to the land as public open space.

Environmental implications:

None identified

Legal implications:

The site is an important local amenity and any proposal to dispose or acquire public open space was subject to the provisions of Section 123 of the Local Government Act 1972.

The requisite notice of disposal of public open space has been advertised and no objections have been received.

Contact details:

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AGENDA ITEM NO:7

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: 17 July 2024

From: Assistant Director – Recreation and Culture

Subject: Newdigate Recreation Ground

Portfolio: Planning and Enforcement (Councillor R. Roze)

Building A Better Borough

Aim 1: Live

Priority 1 : Promote residents' health and wellbeing

Aim 3: Visit

Priority 4: Improve the physical environment

1. Purpose of Report

To provide Cabinet with a recommendation to surrender the current lease in relation to Newdigate Pavilion and Sports Pitches, handing the facility back to the landowner and to enable officers to negotiate and enter into a new agreement in relation to the sports ground.

2. Recommendation

2.1 That delegated authority is given to the Strategic Director - Public Services in consultation with the Assistant Director - Recreation and Culture and Portfolio Holder - Planning and Enforcement to surrender the existing lease with Newdigate Sports and Social Club;

2.2 That delegated authority is given to the Strategic Director - Public Services in consultation with the Assistant Director - Recreation and Culture and Portfolio Holder - Planning and Enforcement and Portfolio Holder - Leisure, Communities and Health to negotiate and enter into a new agreement with Newdigate Sports and Social Club in relation to public open space.

3. Background

3.1 The pavilion and sports pitches at Newdigate Recreation ground, Smorrall Lane Bedworth, have been managed by the Council, under a lease agreement since 1970 – which at the time was between Newdigate Colliery and District Sports and Social Club (landowners) and Bedworth Urban District Council.

- 3.2 The Council have been adhering to the lease agreement through the management and maintenance of the pavilion, green space and sports pitch maintenance at the site since that time.
- 3.3 Following recommendations approved by Cabinet on 10th April 2024, the advertisement of the surrender of the existing lease dated 28th April 1970 pursuant to Section 123 of the Local Government Act 1970 was executed from Wednesday 24th April 2024 to Wednesday 1st May 2024.
- 3.4 During the two-week advertisement period of the surrender proposal, the Council received one request for further information, this request was for a site plan of the area in question. No objections were received to the notice.
- 3.5 Following completion of the advertisement of surrender period the Council now wish to provide Newdigate Sports and Social Club (the Club) with notice of surrendering the lease.
- 3.6 The Council wish to continue to support and work with the Club to enable the land to remain public open space and now wish to enter negotiations with the club to reach an agreement to occur at point of lease termination.

4. Financial Implications

- 4.1 The Council would no longer have the maintenance and utility responsibilities for the pavilion as per the 1970 lease agreement. This includes to maintain the sports pitches at the site. This is estimated to be approximately £6,500 per year.
- 4.2 Any pitch booking income previously received by the Council will cease at the point of lease termination. This would lead to a small loss of income to the Council of approximately £1,150 per annum.
- 4.3 The Council now look to enter into a new agreement with the Club in relation to retaining public access to the green space, this may include supporting with a schedule of works for grounds maintenance.

ENDS

Katie Memetovic-Bye
Assistant Director – Recreation and Culture

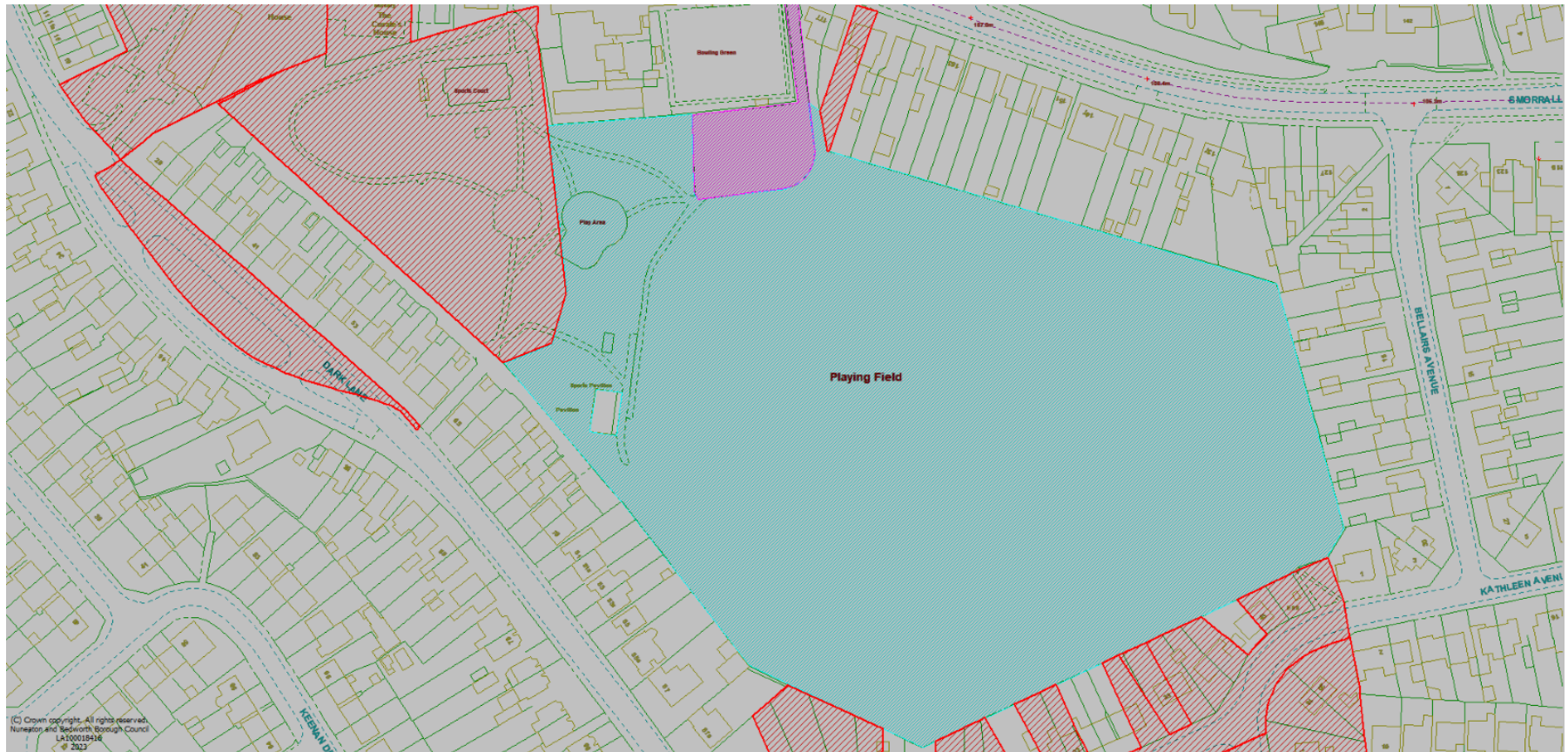
Appendices

Appendix A – Site Plan Newdigate Recreation Ground

Background Documents

Newdigate Recreation - Cabinet 10th April 2024 Minute number: CB130

Appendix A – Site Plan Newdigate Recreation Ground



Key: (Scale: NTS)

- Red hatched area – NBBC owned Land.
- Blue hatched area – Newdigate Colliery Sports & Social Club owned Land
- Purple hatched area – Newdigate Colliery Sports & Social Club owned Land

Report Summary Sheet

Date: Cabinet – 19th July 2024

Subject: Tenant Satisfaction Measures

Portfolio: **Housing** - Councillor C. Watkins

From:

Nicola Botterill, Assistant Director – Social Housing & Community Safety

Summary:

The provide Cabinet with an update of revised results of the Tenant Satisfaction Measures (TSM's) survey 2023/24. These measures were reported to the Regulator of Social Housing on 27th June 2024, and which were presented to Cabinet on 22nd May 2024 (report attached).

Recommendations:

1. The content of the report be noted.
2. The Assistant Director – Social Housing and Community Safety be required to work with the Portfolio Holder for Housing and the Strategic Director for Housing and Community Safety, to utilise the results of the TSM's to improve services and service delivery:
3. The Assistant Director – Social Housing & Community Safety be required to consult with the appropriate Scrutiny Panel upon any such service and/or service delivery improvements identified.

Options:

To note the content outlined in the report.

Reasons:

The Government's Charter for Social Housing Residents (Social Housing White Paper – 2020) set out a commitment for the Regulator of Social Housing to bring in a set of annual TSMs for all social housing landlords. The aim of the measures is to provide tenants and the Regulator with clear and comparable information about a landlords' performance. This data will help tenants hold their landlords to account and will also be used by the Regulator in their role of assessing how well social housing landlords in England are doing at providing good quality homes and services. The subsequent Social Housing (Regulation) Act 2023 formally incorporated these requirements.

Consultation undertaken with Members/Officers/Stakeholders

Officers

Subject to call-in:

No

Ward relevance:

All

Forward plan:

No

Building a Better Borough Aim:

1 - Live

Building a Better Borough Priority:

- 1 – Promote residents health & wellbeing
- 4 - Prioritise Community Safety & Empowerment

Relevant statutes or policy:

Social Housing (Regulation) Act 2023

Equalities Implications:

None

Human resources implications:

None

Financial implications:

None

Health Inequalities Implications:

None

Section 17 Crime & Disorder Implications:

None

Risk management implications:

It is a requirement for Social Housing Landlords to undertake this exercise on an annual basis. If they do not, then there is a risk that the Regulator of Social Housing will serve Regulatory Notices upon the Council or issue a fine for non-compliance.

Environmental implications:

None

Legal implications:

Must be compliant with legislation set out within the Social Housing (Regulation) Act 2023.

Contact details:

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AGENDA ITEM NO.8

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet – 17 July 2024

From: Nicola Botterill – Assistant Director, Social Housing & Community Safety

Subject: Tenant Satisfaction Measures revised performance

Portfolio: Housing Councillor C. Watkins

Building a Better Borough Aim: 1

Building a Better Borough Priority: 1 and 4

1. Purpose of Report

1.1 The provide Cabinet with an update of revised results of the Tenant Satisfaction Measures (TSM's) survey 2023/24. These measures were reported to the Regulator of Social Housing on 27th June 2024, and which were presented to Cabinet on 22nd May 2024 (report attached **Appendix A**).

2. Recommendations

2.1 The content of the report be noted.

2.2 The Assistant Director – Social Housing and Community Safety be required to work with the Portfolio Holder for Housing and the Strategic Director for Housing and Community Safety, to utilise the results of the TSM's to improve services and service delivery:

2.3 The Assistant Director be required to consult with the Housing and Communities Overview and Scrutiny Panel upon any such service and/or service delivery improvements identified.

3. The revised performance

3.1 When the TSM submission was input into the Regulator of Social Housing (RSH) NROSH+ system, it transpired that some formulas had been applied incorrectly when calculating the Council's performance. Therefore, after seeking advice from the RSH, the external consultants Integrity Connect were asked to recalculate some of the TSM data which has now been accepted as valid by the NROSH+ system.

3.2 The table below sets out the previous current survey results and the revised survey results against the prescribed set of questions:

Perception Survey

	Code	Tenant Satisfaction Measure	% very & fairly satisfied	Revised %
Overall Satisfaction	TP01	Overall Satisfaction	80.85%	80.8%
Keeping properties in good repair	TP02	Satisfaction with repairs	80.89%	85.4%
	TP03	Satisfaction with the time taken to complete most recent repair	78.82%	83.9%
	TP04	Satisfaction that the home is well maintained	79.56%	79.5%
Maintaining building safety	TP05	Satisfaction that the home is safe	80.32%	81.3%
Respectful & helpful engagement	TP06	Satisfaction that the landlord listens to tenants views and acts upon them	66.37%	69.9%
	TP07	Satisfaction that the landlord keeps tenants informed about things that matter to them	72.89%	75.0%
	TP08	Agreement that the landlord treats tenants fairly and with respect	75.83%	78.4%
Effective handling of complaints	TP09	Satisfaction with the landlords approach to handling complaints	49.96%	43.1%
Responsible neighbourhood management	TP10	Satisfaction that the landlord keeps communal areas clean and well maintained	70.04%	73.8%
	TP11	Satisfaction that the landlord makes a positive contribution to neighbourhoods	58.37%	64.6%
	TP12	Satisfaction with the landlords approach to handing anti-social behaviour	51.92%	61.6%

3.2 TP01 and TP04 have remained unchanged and TP09 has seen a decrease of 6%. All other measures have seen an increase in performance which is an improvement upon the previously published results.

3.3 There were no changes to the management information previously submitted.

4. Rectification process

4.1 The RSH requires that the performance data is reported to Cabinet and published to our tenants. The RSH has therefore been made aware of the publication of incorrect performance data via the recent tenants magazine 'In House' and on the Council's website. They have also been made aware that Cabinet have also been informed incorrectly.

4.2 In order to rectify this, this report is being presented to Cabinet, and the data has been updated on the Council's website and a letter will be sent out to tenants week commencing 22nd July 2024.

8. Conclusion

8.1. This is the first year that the TSM's have been required to be submitted to the RSH and some of the formulas that were applied to the previous data collection process were incorrect. This meant that performance looked worse than it actually was in a number of areas.

8.2 The data has now been reviewed and submitted to the RSH. The Council has now updated the information on the Website and will write to tenants in due course after Cabinet have noted this report.

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet – 22 May 2024

From: Nicola Botterill – Assistant Director, Social Housing & Community Safety

Subject: Tenant Satisfaction Measures

Portfolio: Cabinet Member for Housing

Building a Better Borough Aim: 1

Building a Better Borough Priority: 1 and 4

1. Purpose of Report

1.1 The purpose of this report is to provide Cabinet with an update following the results of the Tenant Satisfaction Measures (TSM's) 2023/24 survey which must be reported to the Regulator of Social Housing by 30th June 2024.

2. Recommendations

2.1 The content of the report be noted.

2.2 The Assistant Director – Social Housing and Community Safety be required to work with the Portfolio Holder for Housing and the Strategic Director for Housing and Community Safety, to utilise the results of the TSM's to improve services and service delivery:

2.3 The Assistant Director – Social Housing & Community Safety be required to consult with the appropriate Scrutiny Panel upon any such service and/or service delivery improvements identified.

3. Background

3.1 The Government's Charter for Social Housing Residents (Social Housing White Paper – 2020) set out a commitment for the Regulator of Social Housing to bring in a set of annual TSMs for all social housing landlords. The aim of the measures is to provide tenants and the Regulator with clear and comparable information about a landlords' performance. This data will help tenants hold their landlords to account and will also be used by the Regulator in their role of assessing how well social housing landlords in England are doing at providing good

quality homes and services. The subsequent Social Housing (Regulation) Act 2023 formally incorporated these requirements.

- 3.2 In December 2021 the Regulator for Social Housing launched a consultation on the proposed Tenant Satisfaction Measures. In September 2022, the Regulator confirmed the final set of 22 TSMs. 10 of these will be measured by landlords directly through their own management information, and 12 by landlords carrying out tenant perception surveys. The Tenant Satisfaction Measures are list below:

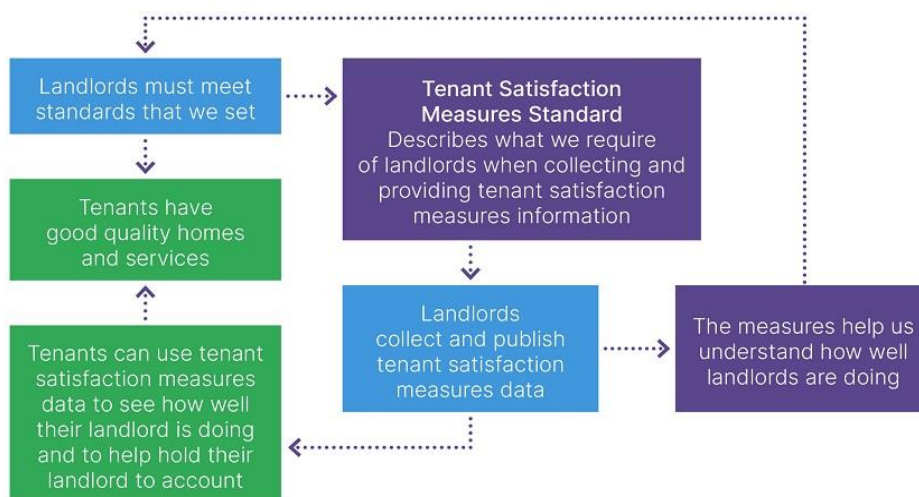
TSMs collected from tenant perception surveys	
TP01	Overall satisfaction
TP02	Satisfaction with repairs
TP03	Satisfaction with time taken to complete most recent repair
TP04	Satisfaction that the home is well maintained
TP05	Satisfaction that the home is safe
TP06	Satisfaction that the landlord listens to tenant views and acts upon them
TP07	Satisfaction that the landlord keeps tenants informed about things that matter to them
TP08	Agreement that the landlord treats tenants fairly and with respect
TP09	Satisfaction with the landlord's approach to handling complaints
TP10	Satisfaction that the landlord keeps communal areas clean and well maintained
TP11	Satisfaction that the landlord makes a positive contribution to neighbourhoods
TP12	Satisfaction with the landlord's approach to handling anti-social behaviour
TSMs generated from management information	
CH01	Complaints relative to the size of the landlord
CH02	Complaints responded to within Complaint Handling Code timescales
NM01	Anti-social behaviour cases relative to the size of the landlord
RP01	Homes that do not meet the Decent Homes Standard
RP02	Repairs completed within target timescale
BS01	Gas safety checks
BS02	Fire safety checks
BS03	Asbestos safety checks
BS04	Water safety checks
BS05	Lift safety checks

- 3.4 The surveys can be conducted by post, by phone, face to face, online, or however is best for our tenants. It is compulsory to say at the start of the survey roughly how long it will take to complete; let tenants know that the survey will be used for tenant satisfaction measures and include the 12 tenant perception survey questions exactly as written by the Regulator. Landlords were permitted to include additional questions if they so wished.

4.0 How will tenant satisfaction measures work?

4.1 The following graph from the Regulator of Social Housing indicates how the TSM's work:

How will tenant satisfaction measures work?



5.0 The survey approach

5.1 An external research organisation, Integrity Connect was contracted to deliver the surveys over two consecutive years. They were tasked with sending out the survey to tenants and collating all of the responses received. The Council offered an incentive which was if that tenants returned their survey by the 19th August 2024, they would be entered into a draw to win a £25 ASDA voucher (20 vouchers in total were on offer limited to one voucher per household).

5.2 All tenants were sent a paper questionnaire to complete. The total number of surveys sent was 5557.

5.3 There was the option to either survey all tenants or just a sample of tenants, however if the decision was taken to only survey a sample of tenants, there were strict rules set as to how many tenants were surveyed and how to randomly select who was surveyed. Given the importance of our service delivery for our tenants, this exercise was used as an opportunity to seek opinions as far and wide as possible and therefore the decision was made to contact all tenants to encourage them to respond.

5.3 The surveys were sent out for the period 19th June 2023 to 18th September 2023. A chaser letter was sent out on 5th July 2023.

5.4 A total of 1507 responses were received in total, which equates to a 27% response rate.

6.0 Survey Results

6.1 The table below sets out the current survey results against the prescribed set of questions:

Perception Survey

Theme	Code	Tenant Satisfaction Measure	% very & fairly satisfied
Overall Satisfaction	TP01	Overall Satisfaction	80.85%
Keeping properties in good repair	TP02	Satisfaction with repairs	80.89%
	TP03	Satisfaction with the time taken to complete most recent repair	78.82%
	TP04	Satisfaction that the home is well maintained	79.56%
Maintaining building safety	TP05	Satisfaction that the home is safe	80.32%
Respectful & helpful engagement	TP06	Satisfaction that the landlord listens to tenants views and acts upon them	66.37%
	TP07	Satisfaction that the landlord keeps tenants informed about things that matter to them	72.89%
	TP08	Agreement that the landlord treats tenants fairly and with respect	75.83%
Effective handling of complaints	TP09	Satisfaction with the landlords approach to handling complaints	49.96%
Responsible neighbourhood management	TP10	Satisfaction that the landlord keeps communal areas clean and well maintained	70.04%
	TP11	Satisfaction that the landlord makes a positive contribution to neighbourhoods	58.37%
	TP12	Satisfaction with the landlords approach to handing anti-social behaviour	51.92%

6.2 Although the survey highlighted areas of improvement, it is encouraging to note that senior managers had already identified the same areas required stronger focus and development in order to for the Council to be compliant against the new Consumer Standards. A Gap Analysis document has since been introduced which will sit alongside subsequent action plans. This will ensure that the Council can offer its tenants, and the Regulator of Social Housing, assurances that it takes its obligations as a landlord seriously and is working towards increased satisfaction in the future. Examples and approaches supported by the TSM outcomes already include:

- Getting STAN the Van (Supporting Tenants Around Neighbourhoods) out on the road and in neighbourhoods. This means we can go out to our tenants and ask them what areas of our service they would like us to improve on, what is important to them. This also gives us an opportunity to take advice and support to their doorsteps, rather than coming to us:
- Identifying our most vulnerable customers so that additional support can be given to them if required and so that their views are also heard:
- To better understand the diverse needs of our tenants, including those arising from protected characteristics, language barriers, and additional support needs by ensuring that our tenant profiling information is regularly updated by staff on a regular basis
- Development of a new Tenant Engagement Strategy
- Working with tenants on any new policies or strategies that need to be implemented, to ensure they are reflective of tenant needs:
- Working towards a Tenant Participation Service (TPAS) accreditation. TPAS is the acknowledged national umbrella organisation for tenant participation in the country. Achievement of an accreditation would demonstrate that we employ best practice in relation to engaging our tenants:
- Undertaking more focus groups and tenant panels for issues that are important to them. This allows the Landlord Service to hear directly from tenants and to amend our approach as appropriate:
- Improving our complaints handling process by updating the Council's complaints system in line with the new Complaint Handling Code 2024, including updating all of our complaint templates and implementation of a new Complaints Policy:
- Ensuring that staff dealing with complaints have had relevant training in order to deal with complaint responses:
- Implementing neighbourhood walkabouts with tenants, members and Police.
- Working towards an ASB accreditation, to ensure that we are employing best practice when dealing with these issues.

6.3 As can be seen, the satisfaction in dealing with anti-social behaviour is relatively low. For this question, the Council asked all tenants the following supplementary question: ***In the last 12 months, have you***

reported an anti- social behaviour to the Council? An overwhelming 86.73% of tenants who were surveyed, advised they had not, reported any anti-social behaviour to the Council.

7. Benchmarking against peers

- 7.1 The Council is a member of Housemark, which is a leading data and insight company for the UK housing sector. To help their members understand TSM results in context, they invited English registered providers to take part in a project to compare data during October 2023. In total, 189 landlords took part in this exercise, managing around 2.2 million properties – half of all social housing in England. Based upon results up to the mid-point in the year (April-Sept 2023), the following report is exclusive to participating landlords and shows our results compared to national figures and a peer group of similar organisations. The results are as follows (for the tenant perception survey section of the TSM's):

Results Summary

Tenant Perceptions



Satisfaction	Sector			South Central LA ALMOs <10k			Your result
	Quartile 3	Median	Quartile 1	Quartile 3	Median	Quartile 1	
Overall service from their landlord	65.0%	72.3%	79.2%	66.0%	70.0%	78.9%	80.9%
Overall repairs service	67.0%	74.5%	80.0%	66.7%	75.1%	79.3%	80.9%
Time taken to complete their most recent repair	62.8%	70.0%	76.3%	62.3%	68.0%	76.0%	78.8%
Home is well maintained	66.0%	72.2%	80.0%	65.0%	68.8%	76.5%	79.6%
Home is safe	72.2%	78.7%	85.6%	72.0%	77.4%	80.6%	80.3%
Landlord listens to tenant views and acts upon them	53.2%	61.0%	69.4%	49.2%	58.0%	61.0%	66.4%
Landlord keeps them informed about things that matter to them	65.0%	71.4%	78.8%	60.5%	68.8%	72.9%	72.9%
Landlord treats them fairly and with respect	72.0%	78.2%	84.6%	66.8%	73.0%	75.8%	75.8%
Landlord's approach to complaints handling	28.0%	34.0%	42.0%	25.3%	31.0%	38.6%	48.0%
Landlord keeps communal areas clean and well maintained	58.9%	66.0%	72.4%	59.0%	66.3%	70.3%	70.0%
Landlord makes a positive contribution to the neighbourhood	57.3%	64.0%	74.0%	54.4%	59.3%	71.0%	58.4%
Landlord's approach to handling ASB	51.0%	57.6%	64.0%	50.2%	52.9%	56.0%	51.9%

7.2 The information shows, that the Council is in **top quartile** performance in the following areas:

- Overall Service
- Overall repairs service
- Time taken to complete the most recent repair
- Home is well maintained
- Landlords approach to complaints handling

7.3 The information shows, that the Council is in **median** performance in the following areas:

- Home is safe
- Landlord listens to views and acts upon them

- Landlord keeps tenants informed about the things that matter to them
- Landlord keeps communal areas clean and well maintained

7.4 The information shows, that the Council is in **quartile 3** performance in the following areas:

- Landlord treats tenants fairly and with respect
- Landlord makes a positive contribution to neighbourhoods
- Landlords approach to handling anti-social behaviour

7.5 Management Information

The table below includes the compliance performance:

Code	Tenant Satisfaction Measure	Result
BS01	Proportion of homes for which all required gas safety checks have been carried out.	99.23%
BS02	Proportion of homes for which all required fire risk assessments have been carried out.	100%
BS03	Proportion of homes for which all required asbestos management surveys or re-inspections have been carried out.	100%
BS04	Proportion of homes for which all required legionella risk assessments have been carried out.	100%
BS05	Proportion of homes for which all required communal passenger lift safety checks have been carried out.	100%
RP01	Proportion of homes that do not meet the Decent Homes Standard.	1.62%
RP02 (1)	Proportion of non-emergency responsive repairs completed within the landlord's target timescale.	46%
RP02 (2)	Proportion of emergency responsive repairs completed within the landlord's target timescale.	62%
Q6a	Number of responsive repairs raised during the reporting year.	14,260
Q6b	Number of responsive repairs that were cancelled by the landlord during the reporting year (for any reason, and including those cancelled at tenant request).	565

Q6c	Number of responsive repairs reclassified as planned or cyclical works during the reporting.	0
Q6d	Number of responsive repairs completed within the reporting year.	10,312
Q6e	Number of responsive repairs that have not been completed ('work-in-progress') at year end.	3948
NM01	Number of Anti-Social Behaviour cases, opened per 1,000 homes	78
NM02	Number of Anti-Social Behaviour cases that involve hate incidents per 1,000 homes	0.9%
CH01 (1)	Number of stage one complaints received per 1,000 homes	47.5
CH01 (2)	Number of stage two complaints received per 1,000 homes	6.2
CH02 (1)	Proportion of stage one complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales.	97%
CH02 (2)	Proportion of stage two complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales.	91%

8. Conclusion

- 8.1. The whole purpose of the TSMs is to be transparent with tenants on how the Council is performing. The results of the TSM's will be shared on the Council's Website, Housing Facebook Page and articles will be in the next tenants newsletter and annual report.
- 8.2. Most importantly, as an organisation, we should be learning from the results. The Council will be looking at the results and considering ways to improve satisfaction in areas that scored lowest and to strive for continuous improvement in all areas. A comprehensive improvement plan will therefore be developed to address the issues associated with lower satisfaction scores.

Cabinet

Report Summary Sheet

Date: 17th July 2023

Subject: General Fund Revenue Outturn 2023/24

Portfolio: Resources & Customer Services (Councillor S Hey)

From: Assistant Director – Finance

Summary:

To provide the final revenue outturn position on the general Fund for 2023/24.

Recommendations:

That the forecast outturn position and key variances are noted.

That the earmarked reserve balances are approved.

Options:

To accept the report or request further information on the outturn position.

Reasons:

The Council is required to achieve a balanced budget each year.

Consultation undertaken with Members/Officers/Stakeholders

Councillor Hey, Strategic Directors and relevant officers

Subject to call-in:

Yes

Ward relevance:

None directly.

Forward plan:

Yes

Building a Better Borough Aim:

Work

Building a Better Borough Priority:

Grow a strong and inclusive economy.

Relevant statutes or policy:

Local Government Finance Act 1992

Equalities Implications:

None

Human resources implications:

None

Financial implications:

Detailed in the report.

Health Inequalities Implications:

None

Section 17 Crime & Disorder Implications:

None

Risk management implications:

The Council analyses risks as part of the budget setting process and ensures an appropriate level of reserves are in place.

Environmental implications:

None

Legal implications:

To achieve a balanced budget each year.

Contact details:

Liam Brown – Assistant Director - Finance

Liam.brown@nuneatonandbedworth.gov.uk

AGENDA ITEM NO.9

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet - 17th July 2024

From: Assistant Director – Finance

Subject: General Fund Revenue Outturn 2023/24

Portfolio: Resources & Customer Services (Councillor S Hey)

Building a Better Borough Aim: Work

Building a Better Borough Priority: Grow a strong and inclusive economy

1. Purpose of Report

1.1 To present the final outturn position for 2023/24 for the General Fund and approve the earmarked reserve balances at 31st March 2024.

2. Recommendations

2.1 That the 2023/24 outturn position for the General Fund be noted.

2.2 That the earmarked reserve balances as detailed in Appendix 2 are approved.

3.0 Body of the Report

3.1 The approved General Fund revenue net expenditure budget for 2023/24 of £16,906,464 was approved in February 2023 with a contribution expected to general reserve of £3,344. The final outturn position has resulted in net expenditure of £17,755,040 with a contribution to general reserve of £265k.

3.2 Cost and income pressures have been seen during the year and have been reported in the quarterly monitoring reports. Alongside the pressures however, savings and additional income have also been generated. A summary of the final outturn is listed in the following table with further detail included in Appendix 1.

General Fund Variances	£'000
Lower recycling material share income	500
Increased costs for planning appeals legal costs	330
Increase in costs due to review of service recharges for Revenues and Benefits	307
Reduced commercial property income	194
Expected recovery of Benefit Overpayments lower than anticipated	187
Overspend on Civic Hall utility costs and property maintenance	164
Reduced income for cemetery fees	122
Increased contributions to HEART due to a deficit	100
Increased audit fees for the external audit of 2023/24 accounts	91
Savings targets not being met on the museum	80
Increased costs for Public Passenger Transport due to lower income from bus operators and increased bus station utility costs.	76
Delayed transfer of community centres - budget savings not achieved	71
Reduced income for markets	54
Increased Costs / Losses in Income	2,276
Net saving on vacancies, agency expenditure and pay award provision	(1,082)
Increased planning fee income	(404)
Reduced property maintenance costs and increased profit share for the leisure contract	(137)
Reduced consultancy expenditure	(113)
Election fees underspend	(112)
Reduced Business Rates expenditure	(109)
Net underspend on Subsidy losses	(100)
Increase fees from caravan sales	(76)
Reduced costs for the Borough Plan	(68)
Increased level of income for car parking	(63)
Savings / Increases in Income	(2,264)
Net Variance from Services	12
Increased contribution to earmarked reserves	2,461
Additional financing of capital expenditure	280
Increased investment income and reduced interest costs	(1,905)
Increased funding from business rates	(1,035)
Additional Government Grants	(75)
Net Variance	(262)

3.3 In addition to the Portfolio budgets, there are a number of budgets not allocated specifically to service areas. These budgets consist of interest income and expenditure, depreciation, transfers to and from reserves and provisions. These budgets and the outturn position are also included in Appendix 1 and the table above.

3.4 The forecasted underspend in March 2023 was expected to be approximately £250k, inclusive of an earmarked reserve draw down. The actual underspend is reported as £262k and does not require the utilisation of reserves.

3.5 During the financial year, increased investment income, business rates income and vacancy savings have ensured the in-year pressures have been mitigated. These funding sources can not be relied upon for future years. and the council will need to continue to deliver efficiencies to ensure financial sustainability moving forward. On this basis the Council has been prudent in contributing to reserves to provide funds to support the Council's transformation.

3.6 The New Homes Bonus has been contributed to earmarked reserves for financial resilience and transformation to use for initiatives in the future.

4.0 **Core Funding**

4.1 The Council receives funding to provide services through Business Rates, Council Tax and general Government Grants.

4.2 Income through Council Tax was as budgeted whereas Business Rates exceeded budget assumptions and resulted in a surplus of £1,035k.

5.0 **Earmarked Reserves**

5.1 Earmarked reserves are held for specific purposes and transfers to and from reserves have been made in year for both revenue and capital purposes.

5.2 As at 31 March 2023, the Council held £12.7m in specific earmarked reserves, an increase of £1.5m. Capital earmarked reserves total £2.4m with revenue reserves totalling £10.3m. A detailed list of all of the reserves held is listed in Appendix 2.

5.3 As part of the year-end closure of the Accounts, earmarked reserves have been reviewed to ensure they are relevant and adequate and have been adjusted where required.

6.0 Conclusion

6.1 It has been a challenging year for the Council, but additional business rates, investment income and a hold of recruiting to vacancies has assisted in the outturn position.

6.2 The rise in contract inflation and the ongoing challenges around homelessness are going to continue to add pressure to the General Fund and further pressures are likely to be seen as the new year progresses.

6.3 An updated medium-term financial strategy will be presented to Cabinet including the known risks and potential pressures in November 2024 as part of the budget setting process. Although the Council does have a level of reserves to call on, this cannot be used as a longer-term sustainable plan and caution must be taken when looking to commit to any future targets if they are not going to provide a financial benefit to the authority.

7.0 Appendices

7.1 Appendix 1 – General Fund Outturn 2023/24

7.2 Appendix 2 – General Fund Earmarked Reserves 2023/24

8.0 Background Papers (if none, state none)

8.1 General Fund and HRA Budget 2023/24 reported February 2023

APPENDIX 1

	BUDGET	OUTTURN	VARIANCE
	2023/24	2023/24	2023/24
	£0	£0	£0
<u>Portfolio Analysis:</u>			
Business & Regeneration	1,921	1,730	(190)
Finance & Corporate	4,528	4,464	(63)
Health & Environment	3,207	3,297	90
Housing & Communities	1,556	1,252	(304)
Planning & Regulation	(225)	33	258
Public Services	7,594	8,588	993
Portfolio Total	18,581	19,365	784
Central Provisions	1,236	446	(789)
Depreciation & Impairment	(3,097)	(3,078)	18
Transfers To/(From)	(936)	1,525	2,462
Reserves			
Financing Of Capital Expenditure	470	750	280
PWLB Premiums & Discounts	21	21	0
Investment Income	(460)	(2,321)	(1,861)
Minimum Revenue Provision	654	654	(0)
External Interest Paid	438	393	(45)
Council Net Expenditure	16,906	17,755	849
Financed by:			
NBBC Council Tax Precept	(10,039)	(10,039)	0
New Homes Bonus	(1,361)	(1,361)	0
Other Government Grants	(143)	(219)	(76)
NBBC Share of Council Tax Surplus	(82)	(82)	0
Business Rates Retention	(5,284)	(6,319)	(1,035)
Total Funding	(16,910)	(18,020)	(1,111)
2023/24 Transfer from/ (to) General Fund Balances	(3)	(265)	(262)

General Fund	2023/24 Budget	2023/24 Outturn	2023/24 Variance	Comments
	£	£		
Business & Regeneration				
MARKETS & STREET TRADING	181,399	280,545	99,146	Reduced fee income on Nuneaton Market and increased employee related costs
TOWN CENTRE MANAGEMENT	245,296	230,246	(15,050)	Reduced Employee Related Costs
CHRISTMAS DECORATIONS	98,050	71,179	(26,871)	Lower than anticipated utility costs on Christmas Decorations
WEST MIDLANDS COMBINED AUTHORITY	25,000	30,000	5,000	
CAR PARKS	340,083	167,542	(172,541)	Underspends as a result of less business rates and increased levels of income for car parking.
PUBLIC PASSENGER TRANSPORT	25,652	101,949	76,297	The overspend is due to increased utility costs and reduced income from bus operators.
PUBLIC CONVENIENCES	143,588	155,632	12,044	
MARKETING, PROMOTIONS AND PUBLICITY	291,912	312,998	21,086	Vacancy underspends are offset by additional expenditure for coronation celebrations.
ECONOMIC DEVELOPMENT	569,680	380,393	(189,287)	UKSPF Grant off-setting expenditure not forecasted
	1,920,660	1,730,484	(190,176)	
Finance & Corporate				

RENT ALLOWANCES	357,142	258,570	(98,572)	Net £100k underspend on Rent Subsidy losses in comparison to Budget
RENT REBATES	1,053,427	1,240,701	187,274	Reduction in recovered benefit overpayments
ELECTORAL REGISTRATION	181,820	217,189	35,369	Additional uplift in printing and postage costs
ELECTION EXPENSES	299,720	187,601	(112,119)	Underspend as a result of election fees being incorrectly budgeted for.
EQUAL OPPORTUNITIES	34,050	35,656	1,606	
EMERGENCY PLANNING	26,120	35,378	9,258	
DEMOCRATIC REPRESENTATION AND MANAGEMENT	691,889	685,304	(6,585)	
REVENUES	612,666	565,224	(47,442)	Variance due to vacancy underspends and increased recoverable charges.
COUNCIL TAX BENEFITS	161,435	468,883	307,448	Increase in employee related costs after a review into service recharges.
CORPORATE MANAGEMENT	1,070,875	733,776	(337,099)	Reduced consultancy and staffing offsetting increased audit fees.
NON DISTRIBUTED COSTS	0	331	331	
MAYORALTY	38,420	35,474	(2,946)	
	4,527,564	4,464,086	(63,478)	
Health & Environment				
ENVIRONMENTAL PROTECTION	388,928	414,478	25,550	Increased costs for legal fees and Crematorium expenses as well as a reduction in fees and charges for stray dogs.
FOOD & OCCUPATIONAL SAFETY	352,544	353,309	765	
HEALTH PROMOTION & INEQUALITIES	7,220	10,647	3,427	

FOOTPATH LIGHTING	12,570	12,037	(533)	
ENVIRONMENTAL PROJECTS	94,200	86,193	(8,007)	
CEMETERIES	(39,276)	83,098	122,374	Overspend as a result of lower income from cemetery fees.
ALLOTMENTS	464	5,590	5,126	
PARKS	2,319,194	2,329,785	10,591	Increased costs for insurance claims offset by reduced costs in relation to the grounds maintenance contract and increased fee income.
ENVIRONMENTAL SUSTAINABILITY	71,050	1,944	(69,106)	No expenditure on consultancy resulted in an underspend.
	3,206,894	3,297,079	90,185	
Housing & Communities				
HOUSING ADVICE CENTRE	158,217	320,324	162,107	Overspend variance caused by no transfer from earmarked reserve to fund initiatives.
PRIVATE SECTOR GRANTS	393,270	493,129	99,859	Increased costs for HEART are offset by reduced court costs in relation to injunctions.
HOUSING STRATEGY	360,651	56,697	(303,954)	Salary Savings.
PRIVATE SECTOR HOUSING STANDARDS	241,711	154,830	(86,881)	Increased shared service income and vacancy savings are offsetting agency expenditure.
MOBILE HOME SITES	(92,726)	(168,750)	(76,024)	Increased fees from caravan sales.
COMMUNITY DEVELOPMENT	46,450	22,701	(23,749)	Salary Savings.
VOLUNTARY BODIES	157,130	152,120	(5,010)	
COMMUNITY SAFETY	291,275	221,052	(70,223)	Salary Savings.
	1,555,978	1,252,103	(303,875)	

Planning & Regulation				
LAND DRAINAGE WRKS	7,070	404	(6,666)	
STREET NAMEPLATES	19,050	25,158	6,108	
BUILDING CONTROL	49,060	63,587	14,527	Costs for compensation and costs for unplanned emergency works have caused an overspend.
DEVELOPMENT CONTROL	355,080	433,632	78,552	Planning appeals legal costs and agency expenditure is offsetting increased planning application fees.
PLANNING POLICY & APPLICATIONS	542,948	475,953	(66,995)	Reduced costs for land reviews are offsetting increased costs for consultancy.
COMMERCIAL PROPERTY	(1,025,324)	(830,902)	194,422	Reduced Commercial Property income slightly offset by reduced utility costs
INDUSTRIAL ESTATES	(162,803)	(142,961)	19,842	Reduced income for rents.
LAND CHARGES	(10,010)	8,099	18,109	Reduced income for land charges.
	(224,929)	32,969	257,898	
Public Services				
REFUSE & CLEANSING	4,040,886	4,149,544	108,658	Increased net staffing overtime and Agency Expenditure
RECYCLING	1,268,101	1,929,575	661,474	Predominantly overspent due to lower recycling material income and smaller overspends on agency and publicity.
COMMUNITY RECREATION	1,333,040	1,195,822	(137,218)	A reduction in property maintenance costs and increase contract profit share have resulted in an underspend.
SPORTS DEVELOPMENT	182,076	217,640	35,564	

CIVIC HALL	304,435	468,329	163,894	Overspend due to utility costs, property maintenance and staffing costs.
MUSEUM	307,463	387,641	80,178	Overspend due to savings target not met slightly offset by salary savings.
ARTS DEVELOPMENT	51,030	45,303	(5,727)	
LICENCES	41,728	57,686	15,958	Overspend due to lower than budgeted Cab licence fees.
COMMUNITY CENTRES	65,699	136,308	70,609	Savings targets not met which is slightly offset by increased income for room hire.
	7,594,458	8,587,848	993,390	
Portfolio Total	18,580,625	19,364,570	783,945	
Central Provisions	1,235,500	446,260	(789,240)	Underspend as a result of the provision for the staffing pay award.
Depreciation & Impairment	(3,096,530)	(3,078,036)	18,494	
Contributions To/From Reserves	(936,251)	1,525,413	2,461,664	Increased contribution to reserves for finance resilience and transformation reserve and not relying on drawdowns to offset expenditure.
Financing of Capital Expenditure	470,000	750,296	280,296	Increased contribution to capital based on expenditure.
PWLB Premiums	21,120	21,120	0	
Investment Income	(460,000)	(2,320,879)	(1,860,879)	Increased investment income due to budget assumptions for interest rates being lower than actuals.
Minimum Revenue Provision	654,000	653,601	(399)	
External Interest	438,000	392,695	(45,305)	Lower interest payments than anticipated due to delaying borrowing.

Total Council Net Expenditure	16,906,464	17,755,040	848,576	
Council Tax	(10,039,237)	(10,039,237)	0	
New Homes Bonus	(1,361,266)	(1,361,266)	0	
General Government Grants	(143,405)	(218,979)	(75,574)	
Business Rates Retention	(5,124,733)	(6,159,840)	(1,035,107)	Additional business rates income in comparison to budgeted assumptions.
NDR Collection Fund (Surplus)/ Deficit	(159,299)	(159,299)	(0)	
Council Tax Collection Fund (Surplus)/ Deficit	(81,868)	(81,864)	4	
Total Funding	(16,909,808)	(18,020,485)	(1,110,677)	
(Surplus) / Deficit	(3,344)	(265,445)	(262,101)	

Earmarked Reserves Summary

APPENDIX 2

GENERAL FUND	Opening Balance 2023/24 £'000	Net Movement 2023/24 £'000	Closing Balance 2023/24 £'000
Borough Plan	(210)	0	(210)
Carry Forward Requests	0	(107)	(107)
Collection Fund	(387)	0	(387)
Community Development	(109)	0	(109)
Covid Resilience	(276)	0	(276)
Financial Planning	(263)	(500)	(763)
Future High Street/ Towns Fund	(76)	0	(76)
GF Rev Budget	(37)	(47)	(84)
HEART	(262)	0	(262)
Homelessness	(762)	(95)	(857)
Innovations/ Invest to Save	(65)	0	(65)
Insurance	(620)	0	(620)
IT	0	0	0
LAMS	(89)	0	(89)
Levelling Up Fund	(166)	0	(166)
Local Welfare Scheme	(17)	0	(17)
Museum Donations	(25)	(2)	(27)
NDR Retention	(2,674)	0	(2,674)
New Burdens R&B	(390)	(40)	(430)
Other	(995)	(134)	(1,129)
Other Reserves	(5)	0	(5)
Planning for Future	(481)	0	(481)
Repossession Grants	(92)	0	(92)
Skills & Development	(182)	0	(182)
Transformation	0	(796)	(796)
Transforming Nuneaton & Bedworth	(347)	0	(347)
REVENUE EARMARKED RESERVES	(8,529)	(1,721)	(10,250)
Computer Reserves	(249)	0	(249)
Target Hardening	(100)	0	(100)
COMF - WCC	(200)	38	(162)
CCTV Replacement Fund	(273)	138	(135)
Etone Astroturf	(201)	0	(201)
Cemeteries Development Fund	(126)	0	(126)
Skate Parks	(126)	0	(126)
General Fund - Capital	(657)	0	(657)
Vehicle Replacement	(394)	0	(394)
Other Capital Reserves	(288)	19	(269)
CAPITAL EARMARKED RESERVES	(2,613)	195	(2,418)
TOTAL GENERAL FUND RESERVES	(11,142)	(1,525)	(12,668)

Cabinet/Individual Cabinet Member Decision

Report Summary Sheet

Date: 17th July 2024

Subject: Housing Revenue Account Outturn 2023/24

Portfolio:

**Resources & Customer Services (Councillor S Hey)
Housing (Councillor C Watkins)**

From: Assistant Director - Finance

Summary:

To provide detail regarding the Housing Revenue Account outturn position for 2023/24.

Recommendations:

That the outturn position and key variances are noted.

That the earmarked reserves balances are approved.

Options:

To accept the report or request further information on the outturn position.

Reasons:

The Council is required to achieve a balanced budget each year.

Consultation undertaken with Members/Officers/Stakeholders

Councillor Hey, Councillor Watkins, Strategic Directors and relevant officers

Subject to call-in:

Yes

Ward relevance:

None directly.

Forward plan:

Yes

Building a Better Borough Aim:

Live

Building a Better Borough Priority:

Promote residents' health and wellbeing
Enable appropriate housing development
Sponsor a sustainable green approach

Relevant statutes or policy:

Local Government Finance Act 1992

Equalities Implications:

None

Human resources implications:

None

Financial implications:

Detailed in the report.

Health Inequalities Implications:

None

Section 17 Crime & Disorder Implications:

None

Risk management implications:

The Council analyses risks as part of the budget setting process and ensures an appropriate level of reserves are in place.

Environmental implications:

None

Legal implications:

To achieve a balanced budget each year.

Contact details:

Liam Brown – Assistant Director - Finance

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AGENDA ITEM NO. 10

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet - 17th July 2024
From: Assistant Director - Finance
Subject: Housing Revenue Account Revenue Outturn 2023/24
Portfolio: Resources & Customer Services (Councillor S Hey)
Housing (Councillor C Watkins)

Building a Better Borough Aim: Live

**Building a Better Borough Priority:
Promote residents' health and wellbeing
Enable appropriate housing development
Sponsor a sustainable green approach**

1. Purpose of Report

1.1 To present the final outturn position for 2023/24 for the Housing Revenue Account (HRA) and approve the HRA reserve balances at 31st March 2024.

2. Recommendations

2.1 That the 2023/24 outturn position for the HRA be noted.

2.2 That the reserve balances as detailed in Appendix 2 are approved.

3.0 Body of the Report

3.1 The HRA revenue net expenditure budget for 2023/24 of £254k was approved in February 2023 with a drawdown from general reserve expected. The final outturn position has resulted in net surplus of £27k which is an underspend of £281k.

3.2 Although cost pressures have been seen for utility price increases, increased expenditure related to this has been offset by other underspends. Savings have been seen in relation to property maintenance, de-carbonisation work and material costs with more detail outlined in the table at point 3.4.

3.3 The main savings areas to note are within Supervision and Management and service charge income. The main areas of overspend

are within Independent Living Schemes, housing system costs and reduced rental income.

3.4 The following table lists out all of the key variances seen within the HRA during 2023/24:

HRA Key Variances 2023/24	£000
Overspends/ Under-recovery of income	
Reduced Rental Charges	374
Increased Utilities Charges	349
Increased Housing System Costs	230
Increased Cost of Borrowing/Reduction in Investment Income	186
Salary Overspends across the HRA (net of agency spend)	41
Increased Transport Costs	31
Increased Hostel Management Fees	23
Increased Compensation Claims	21
Increased External Training Costs	14
Subtotal	1,269
Underspends/ Over-recovery of income	
Increased Service Charge Income	(270)
Reduction in Bad Debt Provision	(226)
Decarbonisation project work delayed due to capacity	(165)
Reduction in Property and Grounds Maintenance Costs	(160)
Reduced Consultancy Expenditure	(153)
Reduced Recharge Costs from Support Services	(123)
External Contractor, Equipment and Material savings	(102)
Increased Recoverable Charges Income	(34)
Reduced Insurance Claim Charges	(32)
Reduced Legal Fees Costs	(30)
Other Minor Expenditure Variances	(22)
Subtotal	(1,317)
Capital Financing Items	
Increased Depreciation Charges (<i>depreciation charges are contributed to the Major Repairs Reserve and are ring-fenced for capital spend</i>)	1,112
Reduction in capital expenditure financed by HRA revenue due to the increase in depreciation charges and re allocation of housing system costs	(1,345)
Subtotal	(233)
Net Variance	(281)

4.0 Reserves

4.1 Reserves are held for both revenue and capital purposes and there was no budget to fund expenditure from earmarked reserves in 2023/24.

- 4.2 As at 31 March 2024, the HRA held £5,311k in reserves. Capital reserves total £3,773k with revenue reserves totalling £1,538k Capital reserves. A detailed list of all of the reserves held is included in Appendix 2.
- 4.4 Capital earmarked reserves are low and could be fully utilised during 2024/25 with the significant capital programme being carried out by the Council.
- 4.5 In addition, due to the scheduled repayment of loans taken out under self-financing, there is a risk that during 2024/25 the HRA may need to borrow externally if internal funds are not available to cover.

5.0 Conclusion

- 5.1 It has been a challenging year for the HRA, with cost pressures from a variety of activities being seen. Management of resources in relation to consultancy and re-aligning the work programme for de-carbonisation has assisted in mitigating these pressures. Increased depreciation charges which will finance capital expenditure has been managed by reducing the funding from revenue. The slippage on the programme is still likely to cause further revenue strain in future years and will be factored in with the review of the HRA Business Plan.
- 5.2 The anticipated rise in salary costs is going to add to financial challenges that are already being seen and the work to catch-up on the backlog of repairs will be needed to ensure compliance with the regulators. Revenue savings will likely need to be identified to ensure the on-going pressures the HRA is facing can be managed.
- 5.3 An updated medium-term financial strategy will be presented to Cabinet including the known risks and potential pressures in November 2024.

6.0 Appendices

- 6.1 Appendix 1 – HRA Outturn 2023/24
- 6.2 Appendix 2 – HRA Reserves 2023/24

7.0 Background Papers

- 7.1 General Fund and HRA Budget 2023/24 reported February 2023

APPENDIX 1

	BUDGET	OUTTURN	VARIANCE
	2023/24	2023/24	2023/24
	£0	£0	£0
<u>Expenditure</u>			
Supervision & Management (General)	6,344	5,916	(428)
Supervision & Management (Special)	4,200	4,661	461
Repairs & Maintenance	5,995	5,865	(130)
Depreciation	8,724	9,836	1,112
Capital Expenditure	2,493	1,147	(1,346)
Interest Payable	1,791	1,552	(239)
Total Expenditure	29,547	28,976	(571)
<u>Income</u>			
Dwellings Rent Income	(26,822)	(26,074)	748
Interest Receivable	(37)	389	426
Non Dwelling Rent Income	(573)	(727)	(154)
Other Income (Services & Facilities)	(2,090)	(2,593)	(503)
Total Income	(29,522)	(29,004)	518
NET HRA Expenditure	25	(27)	(52)
<u>Adjustments</u>			
Voluntary Contributions to Major Repairs Reserve	0	0	0
Support Services (Pay Award Provision)	229	0	(229)
Transfers to/(from) Earmarked Reserves	0	0	0
Total Adjustments	229	0	(229)
Net HRA	254	(27)	(281)

APPENDIX 2

<u>Housing Revenue Account</u>	Opening Balance 2023/24 £000	Net Transfer £000	Closing Balance 2023/24 £000
Revenue Reserves			
Housing & Planning Act Changes	(350)	0	(350)
Service Delivery Improvements	(152)	0	(152)
Planning for the Future	(179)	0	(179)
Grounds Maintenance & Tree Works	(60)	0	(60)
Other Revenue Reserves	(797)	0	(797)
Total Revenue Reserves	(1,538)	0	(1,538)
Capital Reserves			
General Capital	(3,160)	0	(3,160)
Computer Strategy	(613)	0	(613)
Total Capital Reserves	(3,773)	0	(3,773)
Total Housing Revenue Account Reserves	(5,311)	0	(5,311)



Cabinet

Report Summary Sheet

Date: 17 July 2024

Subject: Capital Outturn 2023/24

Portfolio: Resources & Customer Services (Councillor S Hey)

From: Strategic Director – Corporate Resources

Summary:

To provide the final capital outturn position on the General Fund and Housing Revenue Account (HRA) for 2023/24.

Recommendations:

To consider the capital outturn position for 2023/24

That the updated capital budget for 2024/25 is recommended to Council for approval

To note the capital reserve position as at the end of 2023/24

Options:

To accept the report or request further information on the outturn position.

To recommend approval of the updated 2024/25 capital budget to Council

Reasons:

To ensure the Council has an accurate capital budget.

Consultation undertaken with Members/Officers/Stakeholders

Councillor Hey, Management Team and relevant officers

Subject to call-in:

Yes

Ward relevance:

None directly.

Forward plan:

Yes

Building a Better Borough Aim:

Work

Building a Better Borough Priority:

Grow a strong and inclusive economy.

Relevant statutes or policy:

Local Government Finance Act

Equalities Implications:

None

Human resources implications:

None

Financial implications:

Detailed in the report.

Health Inequalities Implications:

None

Section 17 Crime & Disorder Implications:

None

Risk management implications:

None.

Environmental implications:

None

Legal implications:

None

Contact details:

Vicki Summerfield – Strategic Director – Corporate Resources

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AGENDA ITEM NO.11

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet – 17 July 2024

From: Strategic Director – Corporate Resources
Assistant Director - Finance

Subject: Capital Outturn 2023/24

Portfolio: Resources & Customer Services (Councillor S Hey)

Building a Better Borough Aim: Work

Building a Better Borough Priority: Grow a Strong & Inclusive Economy

1. Purpose of Report

1.1 To update on the Council's outturn position on capital expenditure for both the General Fund and Housing Revenue Account (HRA). The report is structured in the 2023/24 Cabinet Portfolios.

2. Recommendations

2.1 To consider of the final capital outturn position for 2023/24 for the General Fund and HRA.

2.2 That the updated capital budget for 2024/25 detailed in Appendix 2 is recommended to Council for approval.

2.3 To note the capital reserve position at the end of 2023/24.

3. Background

3.1 Nuneaton and Bedworth Borough Council has a large capital programme to provide community value and improve facilities. The outturn position for 2023/24 updates on how the programme is progressing.

4. Body of Report

4.1 The Council's capital programme covers many projects for both the General Fund and Housing Revenue Account.

4.2 General Fund projects are developed in line with strategies reported to Cabinet/Council and are funded through Section 106 developer contributions, grant funding (from the Government and other external

providers), internal and external borrowing plus capital receipts generated through asset sales.

- 4.3 HRA projects are mainly for refurbishment of council houses, disabled adaptations to council housing plus new build. They are funded from HRA reserves, capital receipts from Right to Buy plus grant income.
- 4.4 The capital budget for 2023/24 of £106,627,852 was approved in February 2023 at Council with an updated budget requirement reported of £111,917,651 to Cabinet in July 2023 after the final outturn was reported. The budget profile for 2023/24 was altered to give a three-year plan for capital spend rather than an annual update to prevent large movements in the budget in year.
- 4.5 A summary of the General Fund and HRA actual expenditure versus budget is below alongside financing of the programme with further detail included in Appendix 1.

Expenditure	Actual 2023/24 £	Amended Budget 2023/24 £	Variance 2023/24 £
Business & Regeneration	16,071,125	55,245,947	-39,174,822
Finance & Corporate	546,389	290,000	256,389
Housing & Communities	6,086,396	6,688,637	-602,241
Public Services	1,852,869	23,745,567	-21,892,698
Planning & Regulation	0	0	0
Health & Environment	0	0	0
Miscellaneous	0	100,000	-100,000
	24,556,780	86,070,151	-61,513,371
HRA	17,338,336	25,847,500	-8,509,164
Total Expenditure	41,895,116	111,917,651	-70,022,535

Financing	Actual 2023/24 £	Amended Budget 2023/24 £	Variance 2023/24 £
Earmarked Reserves / Revenue	3,242,916	4,617,631	-1,374,715
Capital Grants / Contributions	17,364,885	39,797,415	-22,432,530
Major Repairs Reserve	8,724,000	8,895,155	-171,155
Capital Receipts	357,882	1,460,000	-1,102,118
Prudential Borrowing	12,205,432	57,147,450	-44,942,018
Total Financing	41,895,116	111,917,651	-70,022,535

General Fund

- 4.6 The programme for the General Fund has underspent by £61.5m in year but a large proportion of this underspend is due to regeneration.

- 4.7 The Council was included as part of the Government's Pathfinder Project which enabled the transfer of grants between projects to ensure that regeneration was affordable. As a result, an updated regeneration plan was approved in February 2024.
- 4.8 A number of variances were seen in year, some of which were expected and reported in February 2025. They are summarised below.

Business & Regeneration

- The main underspends are for Grayson Place phases 1 & 2, Bridge to Living and projects related to Towns Fund grant income.
- Phase 1 of Grayson Place is underway with the hotel in the process of construction due for opening in August 2024 and phase 2 is being finalised with construction partners.
- Options appraisals have been conducted for Bridge to Living due to the increase in construction costs. A final plan is to be reported to a future Cabinet.
- Towns Fund is made up of numerous projects, but a delay due to discussions with the Department of Levelling Up Housing & Communities (DLUHC) regarding the transfer of funding to different projects has resulted in a large underspend.
- CCTV – Wireless Technology was reported in February 2024 as an overspend after a business case regarding the works required was completed internally. This project has been fully funded from earmarked reserves set-aside for specific CCTV works.

Finance & Corporate

- All projects within this Portfolio overspent in year but were fully funded and the overspends were known and reported in February 2024.
- ICT overspent due to additional cyber resilience works but grant funding to support was received. ICT projects are funded by earmarked reserves set-aside.
- Changing Places quotes to fit the toilets were far more expensive than the initial grant funding received. Additional support from the UKSPF grants plus general earmarked reserves have enabled completion of the project.
- Camp Hill expenditure is for claims against the Council that are fully funded by external contributions from Barratts. The majority of claims are now settled and an increase to the 2024/25 budget is proposed to ensure no further overspend is noted.

Housing & Communities

- Underspends have been seen on the Homeless Hostel Conversion and Homes Upgrade Grants and small carry forwards have been proposed. It had been assumed in February budget setting that an underspend would be seen, and a revised budget was proposed. Other underspends include the Home Environment Assessment and Response Team (HEART) which covers all authorities in Warwickshire and any underspend is held in reserve plus Empty Homes which are demand led and have been included as full budgets in 2024/25.
- The main overspends against budget was seen in year for UKSPF and Green Homes but both of these are fully grant funded and the overspend was reported in February 2024. Smaller overspends were seen in other projects but these are fully funded from specific earmarked reserves.

Public Services

- The main underspend is on the Bedworth Physical Activity Hub (BPAH) which was delayed due to discussions with DLUHC. The project is now progressing and the budget for 2024/25 has been updated slightly due to a carry forward request.
 - Other underspends were either expected to have no expenditure and were therefore budgeted in full in 2024/25 or carry forward requests have been put forward. In addition to carry forward requests, the budget for Buttermere Park is requested to increase by £52k as works on the park are progressing well and S106 funding is available to support the additional cost.
 - An overspend is reported on the Sherbourne Materials Recycling Facility (MRF) and Ambleside Sports Club but both of these were known and reported in February. The MRF is a budget profile issue and the project is now complete with a total of £4.874m paid as a loan which was previously approved by Cabinet.
 - .Ambleside Sports Club had a business case approved internally to provide table tennis provision through S106 funds. The budget was not updated in 2023/24 but £75k was available and the remainder has been requested as a carry forward.
- 4.9 A carry forward of underspends is required and a summary of the proposed transfer into 2024/25 is listed below with detail in Appendix 1. The revised capital budget for 2024/25 is detailed in Appendix 2.

	Carry Forward £
Business & Regeneration	102,216
Finance & Corporate	0
Housing & Communities	70,074
Public Services	947,612
	<u>1,119,902</u>

HRA

- 4.10 The original HRA budget of £24,418,500 was updated in July 2023 to include carry forwards and was amended to £25,847,500.
- 4.11 Management of the HRA capital programme is based on scheduled works and progression of new build and acquisition targets. The budget as a whole is utilised by need of the customer and the most efficient use of resources to ensure value for money and will therefore fluctuate against the initial forecasted expenditure by line in any one year.
- 4.12 The main variances against the revised budget are on construction of new properties which are in the pipeline but are delayed whilst reviewing the Business Plan and structural repairs budget which provided the funding for the Council's EWI programme. The programme commenced in April 2023 and will complete in March 2025. In order to ensure value for money from our contractors the main works delivered under Wave 2.1 have been condensed into a 12-month programme commencing April 2024 with low value enabling works being completed in 2023/24.
- 4.13 A couple of small carry forwards are requested for renovation projects already underway but the 2024/25 budget was set as a one year stop gap whilst the Business Plan is reviewed.
- 4.14 The HRA Business Plan is review is underway and a full update to the capital plan will be reported to Cabinet by January 2025. Detail of the capital programme is included in Appendix 1 with the revised budget for 2024/25 included in Appendix 2.

Capital Reserves

- 4.15 Reserves are held by the Council for capital purposes either generated through sales of assets, setting aside sums from underspends or receipts of grants for capital purposes.
- 4.16 The Council's capital reserve position at the end of March 2023 is as follows.

	2023/24
	£
Capital Receipts	622,010
Capital Grants	13,737,647
Earmarked Reserves	2,417,687
GF Total	16,777,344
Capital Receipts	825,714
1-4-1 Receipts	2,896,612
Earmarked Capital	4,163,826
Major Repairs Reserve	2,752,340
HRA Total	10,638,492
Total Capital Resources	27,415,836

4.17 Capital reserves are allocated against specific projects with no residual unallocated amount available. This poses risks to any movement in the projected capital expenditure as there is nothing available to cover any fluctuations in expenditure.

5. Conclusion

5.1 The capital programme is fully funded and for 2023/24 there has been slippage in the programme. After a fundamental review of regeneration was undertaken during the year, this has enabled a reset on affordability and a revised plan has been approved. There are still risks associated with borrowing costs and changes in the economic landscape, but these have been mitigated as far as possible. Projects are in the process of tender exercises and contingencies may not prove high enough with the cost of construction.

5.2 Any impact to the programme after tender will be reviewed and further options appraisals completed if they fall outside of the budgetary provision. Interest rates on projects where prudential borrowing is required will be carefully assessed for affordability prior to progressing.

6. Appendices

6.1 Appendix 1 – Capital Outturn and Carry Forwards 2023/24
Appendix 2 – Updated Capital Budget 2024/25

7. Background Papers

7.1 None.

GENERAL FUND CAPITAL OUTTURN 2023/24

Appendix 1

	Revised Budget 2023/24 £	Outturn 2023/24 £	Variance 2023/24 £	Reprofile 2024/25 £
Transforming Bedworth	18,612	6,658	-11,954	0
Grayson Place phases 1 & 2	35,865,295	15,040,374	-20,824,921	0
Bridge to Living	8,221,994	829,866	-7,392,128	102,216
Towns Fund	10,080,553	55,930	-10,024,623	0
Towns Fund - Parks Revival	6,538	0	-6,538	0
CCTV - Wireless Technology	52,957	138,297	85,340	0
Business & Regeneration	55,245,947	16,071,125	-39,174,822	102,216
ICT Strategy Programme	140,000	163,709	23,709	0
Changing Places	125,000	183,609	58,609	0
Camp Hill - Early final phase	25,000	199,071	174,071	0
Finance & Corporate	290,000	546,389	256,389	0
Empty Homes and Works in default	40,000	0	-40,000	0
HEART - Disabled Facilities	5,125,000	4,817,146	-307,854	0
Empty Property Loans	100,000	0	-100,000	0
Green Homes Grant PH 3	405,359	764,111	358,752	0
Homeless Hostel Conversion	200,000	37,782	-162,218	37,218
HUG2	733,000	144	-732,856	32,856
Eaton House	0	12,546	12,546	0
Safer Streets - Stubbs Pool/The Dingle	41,917	69,774	27,857	0
Safer Streets - Nomad Camera	0	18,515	18,515	0
UKSPF	43,361	366,378	323,017	0
Housing & Communities	6,688,637	6,086,396	-602,241	70,074
Major Repairs	250,000	222,230	-27,770	0
Vehicle & Plant Replacement	270,000	0	-270,000	270,000
Sub-Regional Materials Recycling Facility	507,034	703,710	196,676	0
Leisure Strategy	230,904	118,265	-112,639	112,639
Play & Teenage Provision	4,710	0	-4,710	0
Ambleside Sports Club - Table Tennis	0	52,250	52,250	22,750
Fly Tipping Cameras	5,000	0	-5,000	0
Bedworth Physical Activity Hub (BPAH)	21,839,919	515,852	-21,324,067	255,285
Pauls Land Pavilion	10,500	0	-10,500	0
Cemetery Extension	100,000	0	-100,000	0
Stockingford Community Centre Grant	25,000	0	-25,000	25,000
Community Centre Grants	55,000	6,984	-48,017	48,017
Buttermere Recreation Ground Redevelopment	447,500	233,579	-213,921	213,921
Public Services	23,745,567	1,852,869	-21,892,698	947,612
Planning & Regulation	0	0	0	0
Health & Environment	0	0	0	0
Miscellaneous Projects	100,000	0	-100,000	0
TOTAL	86,070,151	24,556,780	-61,513,371	1,119,902

HOUSING REVENUE ACCOUNT CAPITAL OUTTURN 2023/24

	Revised Budget 2023/24 £	Outturn 2023/24 £	Variance 2023/24 £	Reprofile 2024/25 £
Decent Homes	1,900,000	1,775,254	-124,746	0
Roof Coverings/Modifications	750,000	928,641	178,641	0
Windows & Doors	700,000	727,383	27,383	0
Sheltered Alarm Call System	18,000	0	-18,000	0
Door Entry Scheme	160,000	49,873	-110,127	0
New Properties (Construction)	4,539,000	1,363,735	-3,175,265	0
Byford Court - Rebuild	3,011,000	2,789,288	-221,712	221,712
Acquisition of Properties	512,500	397,027	-115,473	115,473
Hostel Conversion	50,000	31,391	-18,609	-18,609
Independent Unit Living - Remodelling	150,000	0	-150,000	0
Conversion of Kingsway House	0	7,916	7,916	0
Conversion of Church Road	0	168,427	168,427	0
Conversion Cheverly Place	0	51,445	51,445	-51,445
District Heating Boilers	310,000	248,332	-61,668	0
Fire Works (General Purpose)	2,600,000	2,207,546	-392,454	0
Level Access Showers	600,000	144,352	-455,648	0
Aids & Adaptations	1,175,000	725,829	-449,171	0
Central Heating	1,000,000	937,211	-62,789	0
Slabs to Tarmac	124,000	260,533	136,533	0
Lift Renewal Works	30,000	4,522	-25,478	0
PIR Electrical Works	400,000	3,074	-396,926	0
Voids	760,000	868,500	108,500	0
Structural/Concrete Repairs	4,196,000	11,337	-4,184,663	0
Stock Condition Surveys	200,000	420,157	220,157	0
Environmental Works	190,000	168,748	-21,252	0
Housing Management System	10,000	0	-10,000	0
External Wall insulation	0	1,099,702	1,099,702	0
CCTV Renewal - GP Flats	10,000	2,545	-7,455	0
Garages	30,000	20,000	-10,000	0
Replacement Vehicles	1,750,000	1,428,259	-321,741	0
Contingency	200,000	0	-200,000	0
Capital Salaries	472,000	497,311	25,311	0
TOTAL	25,847,500	17,338,336	-8,509,164	267,131

GENERAL FUND CAPITAL BUDGET 2024/25

Appendix 2

	Approved Budget 2024/25 £	Budget Amend £	Revised Budget 2024/25 £
Grayson Place ph 1 & 2	16,395,904	0	16,395,904
Bridge to Living	1,654,819	102,216	1,757,035
George Eliot Visitor Centre	222,500	0	222,500
Parks Revival	1,605,807	46,734	1,652,541
E-mobility Hub	302,800	0	302,800
Corporation Street/Queens Road Junction	390,000	0	390,000
Car Park Machine Upgrade	300,000	0	300,000
Business & Regeneration	20,871,830	148,950	21,020,780
ICT Strategy Programme	100,000	0	100,000
Camp Hill - Early final phase	25,000	175,000	200,000
Finance & Corporate	125,000	175,000	300,000
Empty Homes and Works in default	40,000	0	40,000
HEART - Disabled Facilities	5,125,000	0	5,125,000
Empty Property Loans	100,000	0	100,000
Homeless Hostel Conversion	125,000	37,218	162,218
Home Upgrade Grant 2	1,702,000	32,856	1,734,856
Attleborough Community Park	100,000	0	100,000
Marlborough Community Park	150,000	0	150,000
Sorrell Road Community Park	225,000	0	225,000
Bedworth Market	716,184	0	716,184
Boundary Paddock Toilet Block Improvements	100,000	0	100,000
Housing & Communities	8,383,184	70,074	8,453,258
Major Repairs	250,000	0	250,000
Vehicle & Plant Replacement	683,000	270,000	953,000
Pingles LC Decarbonisation Scheme	1,957,307	0	1,957,307
Environment Bill Food Waste Grant	981,000	0	981,000
Leisure Strategy	227,609	-114,970	112,639
Fly Tipping Cameras	5,000	0	5,000
Bedworth Physical Activity Hub (BPAH)	20,216,451	255,285	20,471,736
Pauls Land Pavilion	10,500	0	10,500
Sandon Park/Jack Whetstone Pavilion	26,859	0	26,859
Cemetery Extension	100,000	0	100,000
Ambleside Sports Club - Table Tennis	0	22,750	22,750
Play Area Improvements	75,000	0	75,000
Stockingford Community Centre Grant	0	25,000	25,000
Community Centre Grants	0	48,017	48,017
Buttermere Recreation Ground Redevelopment	0	266,327	266,327
Public Services	24,532,726	772,409	25,305,135
Miscellaneous Projects	100,000	0	100,000
General	100,000	0	100,000
TOTAL	54,012,740	1,166,433	55,179,173

HOUSING REVENUE ACCOUNT CAPITAL BUDGET 2024/25

	Approved Budget 2024/25 £	Budget Amend £	Revised Budget 2024/25 £
Decent Homes	1,200,000	0	1,200,000
Roof Coverings/Modifications	900,000	0	900,000
Windows & Doors	800,000	0	800,000
Sheltered Alarm Call System	40,000	0	40,000
Shop Improvements	15,000	0	15,000
New Properties (Construction)	6,032,768	0	6,032,768
Byford Court - Rebuild	458,720	-237,008	221,712
Acquisition of Properties	0	115,473	115,473
New Street	1,365,000	0	1,365,000
Hostel Conversion	176,000	-18,609	157,391
Independent Unit Living - Remodelling	150,000	0	150,000
Decent Homes Work - Homeless Hostels	167,000	0	167,000
Conversion Cheveral Place	120,000	-51,445	68,555
District Heating Boilers	150,000	0	150,000
Fire Works (General Purpose)	2,400,000	0	2,400,000
Level Access Showers	700,000	0	700,000
Aids & Adaptations	1,000,000	0	1,000,000
Central Heating	720,000	0	720,000
Slabs to Tarmac	304,500	-47,773	256,727
Lift Renewal Works	50,000	0	50,000
PIR Electrical Works	396,000	0	396,000
Voids	800,000	0	800,000
Structural/Concrete Repairs	190,000	0	190,000
Electrical Storage Heaters	300,000	0	300,000
External Wall insulation	2,400,000	0	2,400,000
Warm Air Units	200,000	0	200,000
Garages	15,000	0	15,000
Cleaver Gardens	360,000	0	360,000
Contingency	200,000	0	200,000
Capital Salaries	470,000	0	470,000
TOTAL	22,079,988	-239,363	21,840,625

Cabinet/Individual Cabinet Member Decision

Report Summary Sheet

Date: 17 July 2024

Subject: Collection Fund Outturn 2023/24

Portfolio: Resources & Customer Services (Cllr S Hey)

From: Strategic Director – Corporate Resources

Summary:

To detail the outturn position on the Collection Fund for 2023/24, detail of which has been shared with Warwickshire Preceptors.

Recommendations:

That the report is considered and approved.

Options:

To note and accept the position on the Collection Fund as to be reported in the 2023/24 Statement of Accounts.

To request further information.

Reasons:

For inclusion in Statement of Accounts for 2023/24

Consultation undertaken with Members/Officers/Stakeholders

Councillor S Hey, Management Team, Finance Officers, Revenues and Benefits Officers

Subject to call-in:

Yes

Ward relevance:

All

Forward plan:

Yes

Building a Better Borough Aim:

Work

Building a Better Borough Priority:

Grow a strong and inclusive economy

Relevant statutes or policy:

Local Government Finance Act

Equalities Implications:

(Does this require an Equalities Impact Assessment? If so please append.)

No

Human resources implications:

None

Financial implications:

Update to the overall position on the Collection Fund and the impact to the General Fund will be determined in future years.

Health Inequalities Implications:

None

Section 17 Crime & Disorder Implications:

None

Risk management implications:

None

Environmental implications:

None

Legal implications:

None

Contact details:

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AGENDA ITEM NO. 12

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet – 17 July 2024

From: Strategic Director – Corporate Resources

Subject: Collection Fund Outturn 2023/24

Portfolio: Resources & Customer Services (Councillor S Hey)

Building a Better Borough Aim: Work

Building a Better Borough Priority: Grow a strong and inclusive economy

1. Purpose of Report

1.1 To report the final position on the Collection Fund for 2023/24.

2. Recommendations

2.1 That the Collection Fund position as detailed in the report is considered and approved.

3. Background

3.1 The Collection Fund is a statutory requirement collating all income collected by the Council through National Non-Domestic Rates (NNDR) and Council Tax on behalf of Warwickshire Preceptors.

4. Body of Report

4.1 The Council is classed as a Billing Authority for both Council Tax and NNDR and is responsible for distributing charges annually to the residents and businesses located within the Borough.

4.2 Estimates of expected income to be generated from taxation charges are reported annually to the relevant Government Department as part of the Council Tax Base and NNDR1 returns.

4.3 The returns are used to determine the precept due in the following financial year to the Preceptors and the Council's share will be reported to Council as part of the Budget round in February.

4.4 Any surplus or deficit generated on the Fund during the previous financial year is allocated to the relevant Preceptor as part of the annual forecast reporting.

Council Tax

- 4.5 Council Tax was introduced as a charge on households on 1 April 1993 and each residential property is allocated a band according to their open market value on 1 April 1991. Detail of the bands is listed below:

Band	Between	
A	£0	£40,000
B	£40,001	£52,000
C	£52,001	£68,000
D	£68,001	£88,000
E	£88,001	£120,000
F	£120,001	£160,000
G	£160,001	£320,000
H	£320,001	and above

- 4.6 The amount of Council Tax payable by an individual household is calculated using the band allocation less deductions for national and local exemptions.
- 4.7 As part of the forecast for the following years precepts, the Council is required to calculate estimated chargeable dwellings, revised for estimated exemptions as noted above. An average Band D equivalent tax base is then determined and is used as the basis for Council Tax setting by each of the Preceptors, including the Council.
- 4.8 The precept for each Preceptor is calculated using the estimated tax base multiplied by the Band D value. The Band D for the Council is reported annually to Council as part of the General Fund Revenue Budget Report. An additional report for formal Council Tax setting is reported to Council or Council Tax Setting Committee in February and lists the precept demands for the Preceptors plus the banded charges.
- 4.9 The approved Band D and precept demands as set in February 2023 for 2023/24 are included below:

	Band D £	Precept £
Nuneaton and Bedworth Borough Council	255.94	10,039,221
Warwickshire County Council	1,653.57	64,861,118
Police and Crime Commissioner	276.71	10,853,913
	<u>2,186.22</u>	<u>85,754,252</u>

- 4.10 The Council had a deficit on Council Tax of £344k versus an estimated deficit of £395k in 2023/24. A thorough review of the bad debt provision was undertaken in 2022/23 due to the levels of debt carried by the Council and this impact has affected the position in 2023/24 although not to the level expected.

- 4.11 Growth of the taxbase between years has been good and it is anticipated, based on the current taxbase growth to July, that a surplus in year is likely. The estimated Band D equivalent was 39,224.9 with the actual Band D equivalent being 45,445.2 at the end of March 2024.
- 4.12 A deficit of £395k was forecast on the Fund in January 2024 and this will be deducted from the Preceptors in line with their allocated split during 2024/25.

NNDR

- 4.13 Taxation to fund local services has been in existence for over 50 years but under the Local Government Finance Act 1988, a consistent administrative assessment from 1 April 1990 in England and Wales was introduced in relation to property taxes.
- 4.14 The Valuation Office Agency (VOA) is responsible for setting the rateable value of business premises which is the average rental that could be achieved per annum at a fixed valuation date using assumptions set by statute.
- 4.15 A business within the borough is charged annually by the Council based on the rateable value set by the VOA multiplied by the non-domestic rating multiplier which is set by the Government.
- 4.16 The chargeable amount can be altered with mandatory and discretionary reliefs and the overall rateable value can also be challenged and appealed by a business.
- 4.17 The retention of business rates for local authorities changed significantly on 1 April 2013. Prior to this date, business rates were collected by authorities and paid over to the Government, and this was then redistributed across the country by a set formula.
- 4.18 The introduction of a new funding system provided a direct financial incentive for authorities to work with local businesses to create a favourable environment for growth, but this also added more risk as bad debts, business failures and appeals are now partially borne by the authority.
- 4.19 Under the new system, a Start-up Funding Assessment was determined for each authority which reviewed the income required to fund services. The assessment set out a Baseline Need and this was split between Revenue Support Grant (RSG) and business rates.
- 4.20 To fund the Baseline Need, local authorities each had an expected level of business rates to be collected which was referred to as the NDR Baseline. For authorities with a Baseline Need that is higher than their NDR Baseline, a Top Up grant would be required. When the

Baseline Need is lower than the NDR Baseline, a Tariff is payable by the authority. The Council pays a Tariff of over £11m per annum.

- 4.21 Authorities that collect a higher level of income than their NDR Baseline are rewarded through the scheme as they are able to keep a proportion of the growth. Where there is growth above the Baseline however, a levy becomes payable to the Government.
- 4.22 Where an authority does not achieve its allocated NDR Baseline, a safety net system was also introduced to ensure that income achieved below 92.5% of the Baseline would be reimbursed centrally. The first 7.5% would need to be covered locally. The safety net is funded by the levy noted in 4.20.
- 4.23 Authorities were able under the new scheme to combine into a Pool to retain more of the business rates income locally. All Top Up and Tariff allocations are combined as part of the Pool and one levy rate and safety net rate is then applied to any income growth/loss in the Pool.
- 4.24 The Council joined the Coventry and Warwickshire Business rates Pool in 2013/14 after being reported to Cabinet on 17 October 2012. The Council contributes to the Pool annually due to the growth above the Baseline, but the contribution is far lower than the levy imposed by the Government had the Pool not been in existence.

Local Performance

- 4.25 Through the Collection Fund Account, precepts are paid to the Government (50%), Warwickshire County Council (10%) and Nuneaton and Bedworth Borough Council (40%). The Council also has to fund the Tariff noted above which reduces the actual income retained to approximately 16%.
- 4.26 The NNDR1 return is completed in January each year, and this provides the forecasted income for the following financial year for all Preceptors. Within the return the surplus or deficit from the previous financial year is split between the Preceptors and paid/recovered as part of the precept payment. A summary of the return for 2023/24 is included below.

	Precept £	Surplus Payment £	Total £
Central Government	18,724,519	199,124	18,923,643
Nuneaton and Bedworth BC	14,979,616	159,299	15,138,915
Warwickshire County Council	3,744,904	39,825	3,784,729
	37,449,039	398,247	37,847,286

- 4.27 Due to the pandemic which reduced income and increased bad debt and appeals provisions during 2020/21, a large deficit of £12.66m was made on the Fund. It was legislated to spread any deficit on the Fund over a three-year period to ensure that all Preceptors had a longer time frame to cover the loss in income.
- 4.28 The Fund has performed well in year. A surplus of £398k was forecast in January 2023 and paid to the Preceptors during 2023/24 however, the surplus on the Fund for 2023/24 was £3m. The closing surplus balance on the Fund is £6m of which £3.3m is payable to Preceptors in 2024/25, the remainder will be due in 2025/26.
- 4.29 The Council set-aside £5.38m at the end of 2020/21 to help mitigate the losses from business rates on the General Fund. In year, £3.06m is remaining as no drawdown from the reserve has been required but the uncertainty surrounding a proposed Business Rates reset plus the risks surrounding the top up / tariff arrangement, it is recommended that this reserve is held to support revenue for any potential impact.

5. Conclusion

- 5.1 The Collection Fund is a statutory requirement, and the Council is obliged to account for all transactions relating to taxation as a Billing Authority and report the outturn position plus forecast on the Fund to both Cabinet/Council and the Preceptors.

6. Appendices

- 6.1 None

7. Background Papers (if none, state none)

- 7.1 None

Health and Corporate Resources OSP

Date: 27 June 2024

Subject: St Benedicts House – 196/198 Church Road, Nuneaton

Portfolio: Housing – Councillor Chris Watkins

From:

Nicola Botterill, Assistant Director – Social Housing & Community Safety

Summary:

The report provides the financial information and final outturn figures for the Housing Revenue Account property, St Benedicts House, 196/198 Church Road, Nuneaton.

Recommendations:

That the content of the report be noted.

Options:

To note the content outlined in the report.

Reasons:

So that the financial information provided, can be examined and subsequent comments and feedback can be made to the Portfolio Holder, Housing and Communities.

Consultation undertaken with Members/Officers/Stakeholders

The Head of Audit has been consulted on the report and has provided their comments as required.

Subject to call-in:

No

Ward relevance:

All

Forward plan:

No

Building a Better Borough Aim:

1 - Live

Building a Better Borough Priority:

1 – Promote residents health & wellbeing

Relevant statutes or policy:

None

Equalities Implications:

None

Human resources implications:

None

Financial implications:

None

Health Inequalities Implications:

None

Section 17 Crime & Disorder Implications:

None

Risk management implications:

None

Environmental implications:

None

Legal implications:

None

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AGENDA ITEM NO. _____

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Health and Corporate Resources Overview & Scrutiny Panel

Date: 27th June 2024

From: Nicola Botterill – Assistant Director, Social Housing & Community Safety and Linda Downes – Audit Manager

Subject: St Benedicts House – 196/198 Church Road, Nuneaton

Portfolio: Housing – Cllr C. Watkins

Building a Better Borough Theme: 1

Building a Better Borough Priority: 1 and 2

1.0 OBJECTIVES OF SCRUTINY

1.1 To provide the Panel with the financial information and final outturn figures for the Housing Revenue Account property, St Benedicts House, 196/198 Church Road, Nuneaton.

2.0 WHAT IS THE PANEL BEING ASKED TO CONSIDER?

2.1 The Panel is asked to consider the information provided within the report.

3.0 WHO/ WHAT CAN THE PANEL INFLUENCE?

3.1 The panel can examine the financial information provided and provide comments to the Portfolio Holder, Housing and Communities.

4.0 BACKGROUND INFORMATION

4.1 Nuneaton and Bedworth Borough Council has a statutory housing duty under Part 7 of the Housing Act 1996, to provide interim accommodation for eligible homeless applicants, whilst inquiries are carried out. The Homelessness Reduction Act 2017 (HRA 2017) introduced an enhanced prevention and relief duty, extending the period a household is threatened with homelessness from 28 days to 56 days. This means that local housing authorities are required to work with people to prevent homelessness at an earlier stage and for a longer period. The HRA 2017 also introduced a duty upon local housing authorities for those who are already homeless in terms of extended stay in temporary accommodation.

- 4.2 It is therefore clear that the HRA 2017 has increased the usage of temporary accommodation by the Council, in order to meet its statutory duties. In March 2020, during the pandemic the government took the unprecedented step of asking councils to move all those, and those at risk of sleeping rough into accommodation under the Everyone In initiative. For Nuneaton and Bedworth Borough Council, this equated to 52 households. In addition, global factors impacting upon the national economic situation have further increased the numbers of households presenting as homeless. This includes Landlords serving 'no fault' eviction notices to either sell or re-rent at a higher level, households who can no longer afford their current accommodation due to mortgage and other related housing costs, landlords selling properties due to the pending impact of rental reform, as well as an increase in the number of presentations of those fleeing domestic abuse and those whose families are no longer willing to accommodate them.
- 4.3 The costs for the provision of temporary accommodation are substantial. The majority of applicants are in receipt of full or partial welfare benefits that entitle them to benefit assistance for their temporary accommodation costs. The average nightly cost for externally provided accommodation is £100 which equates to £700 per week. However, housing benefit subsidy regulations mean that for every externally provided unit of temporary accommodation, the Council is only able to recoup £99.05 per week of that £700 cost. Additionally, where the homelessness applicant has a pet(s), the local housing authority must pay to board these animals in appropriate provision.
- 4.4 In order to mitigate these growing costs, the Council has undertaken two main courses of action. Firstly, it has sought to increase the levels of internally provided temporary accommodation. In 2020, the Council House was converted to homelessness accommodation, providing 32 longer term units of accommodation. These units are in addition to 8 provided at Spitalfields House, with a further 21 units provided via the Housing Revenue Account.
- 4.6 Secondly, the Council has focused increased resources on the prevention of homelessness. As well as taking advantage of working alongside the West Midlands Combined Authority Homelessness Task Force, the Council successfully prevented 117 cases of homelessness in 2022/23.
- 4.6 However, homelessness presentations have continued to increase. For the eight week period to 8th February 2024, on average, 100 households were in temporary accommodation with an average of 36 of those households occupying externally provided accommodation. It is therefore clear that the use of externally provided temporary accommodation is a substantial cost to the general fund.
- 4.8 In 2020, the Council was approached by a developer wishing to sell a block of 9 x 2 bedroom flats. The Council's Registered Valuer considered the

offer and determined that the sale price demonstrated value for money. Following discussions with the then Executive Director, Portfolio Holder and Head of Finance, it was agreed that the Housing Revenue Account would purchase the building to provide temporary accommodation. Borrowing of £1.6m was undertaken by the Head of Finance in order to purchase and refurbish the building.

- 4.9 In early March 2021, the Developer informed the Council that it did not want to proceed with the sale and would be offering the flats on the private rental market. Given the urgent need for internally provided accommodation, steps were immediately undertaken to identify any suitable properties for the provision of self-contained temporary accommodation.

5.0 FINANCIAL INFORMATION

- 5.1 The property at 196/198 Church Road, Nuneaton was identified via the property website Rightmove, as for sale, with a purchase price of £664,635 including Stamp Duty Land Tax (SDLT). Known as Aberglynmarch, it provided bed and breakfast accommodation and had previously been utilised by the Council for temporary accommodation.
- 5.2 The Head of Housing Assets viewed the property and drew up plans to remodel the property to provide self-contained accommodation, including 4 units with separate access allowing the placement of households with pets. The preliminary costs for these works were estimated to be in the region of £500,000.
- 5.3 The initial scope of remodelling works included the addition of a two storey extension to the side of the property. In total, this would have provided 16 self-contained units, with the Head of Finance assessing that the property would achieve payback in 4 years.
- 5.4 The initial designs were rejected by the Planning team in November 2021, and so a re-design was undertaken to comply with the feedback provided. This meant that 2 communal kitchens were to be provided with the loss of associated habitable units and the height of the extension was reduced to a single storey. In addition, Planning required the provision of a bike shed, 2 electric vehicle charging points and tarmac access to the road. Planning permission was finally granted in June 2022.
- 5.5 A full procurement exercise was undertaken based upon planning requirements. In August 2022, the tender price was returned at £735,000. The increased costs could be attributed to the additional requirements for planning conditions and also, it was at this point that increases to labour and materials costs were beginning to be experienced nationally.
- 5.6 In order to reduce costs, a value engineering exercise was undertaken. The extension was removed, the heating type was changed from air source and electric to gas via a communal system. This reduced the cost to £641,000.

The financial appraisal was recalculated based upon the revised cost and the provision of 14 units of accommodation. This identified a payback of 5.08 years for a total anticipated cost of £1,296,000.

- 5.7 The Cabinet financial report of 8th February 2023 identified the budget for the project as £640,000. It is advised that this is a rounding error which accounts for the £1,000. The final certificate for the works, as per the original specification showed costs of £652,424.25, an overspend of £12,424.25 or +1.94% against the £640,000 re-modelled costs. However, an audit of the costs charged to the general ledger has identified additional costs relating to the conversion for unforeseen items outside of the original specification, see section 6 below.

6.0 AUDIT ASSESSMENT

- 6.1 The Head of Audit and Governance has assessed the procedures followed to purchase and convert the property, reviewed all associated documents, and determined all payments in relation to the conversion. From this review she is satisfied that proper procurement practices were followed, and the Council's procedure rules were complied with, advice being sought from the procurement team as and when required.
- 6.2 The Head of Audit has also been able to confirm that £652,424.55 was paid to the key contractor for the works completed as per the original specification, the completion certificates state £652,424.25, as stated above in paragraph 5.7, but there was a small overpayment of 30p due to numbers being transposed when the first payment was made.
- 6.3 It was noted during this review that further payments amounting to £25,816.54 were made which related to the conversion but were unforeseen when the original specification was drafted. For example, the need for a new gas supply and advice sought from an engineer on structural integrity after evidence of a historic fire came to light. The true cost of the conversion was therefore £678,241.09, an overspend of £38,241.09 or 5.98%.

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