

To: The Deputy Leader and Members of the Community and Environment Board

(Councillors Bell, Fowler, Hobley, Jackson, Jarvis, Jenns, Melia, H Phillips, Ririe, Singh, Smith, Turley, Whapples and A Wright)

For the information of other Members of the Council

For general enquiries please contact Democratic Services on 01827 719226 or via e-mail democraticservices@northwarks.gov.uk.

For enquiries about specific reports please contact the officer named in the reports.

The agenda and reports are available in large print and electronic accessible formats if requested.

COMMUNITY AND ENVIRONMENT BOARD AGENDA

20 AUGUST 2024

The Community and Environment Board will meet in The Chamber, The Council House, South Street, Atherstone on Tuesday 20 August 2024 at 6.30pm.

The meeting can also be viewed on the Council's YouTube channel at [NorthWarks - YouTube](#).

AGENDA

- 1 Evacuation Procedure.**
- 2 Apologies for Absence / Members away on official Council business.**
- 3 Disclosable Pecuniary and Non-Pecuniary Interests.**

4 **Public Participation**

Up to twenty minutes will be set aside for members of the public to put questions to elected Members.

Members of the public wishing to address the Board must register their intention to do so by 9:30am two working days prior to the meeting. Participants are restricted to five minutes each.

If you wish to put a question to the meeting, please register by email to democraticservices@northwarks.gov.uk or telephone 01827 719226 / 01827 719237 / 01827 719221.

Once registered to speak, the person asking the question has the option to either:

- a) attend the meeting in person at the Council Chamber.
- b) attend remotely via Teams; or
- c) request that the Chair reads out their written question.

The Council Chamber has level access via a lift to assist those with limited mobility who attend in person however, it may be more convenient to attend remotely.

If attending remotely an invitation will be sent to join the Teams video conferencing for this meeting. Those registered to speak should dial the telephone number and ID number (provided on their invitation) when joining the meeting to ask their question. However, whilst waiting they will be able to hear what is being said at the meeting. They will also be able to view the meeting using the YouTube link provided (if so, they may need to mute the sound on YouTube when they speak on the phone to prevent feedback).

5 **Minutes of the meeting of the Board held on 20 May 2024** – copies herewith, to be approved and signed by the Chairman.

PUBLIC BUSINESS (WHITE PAPERS)

6 **Leisure-related Section 106 Receipt** - Report of the Director of Leisure and Community Development

Summary

The report asks the Board to consider and determine the use of a leisure-related Section 106 receipt held by the Borough Council.

The Contact Officers for this report are Simon Powell (719352) and Becky Evans (719346).

7 **Local Visitor Economy Partnership – Elected Member Forum** – Report of the Director of Leisure and Community Development

Summary

In response to representations from borough and district councils, the Coventry and Warwickshire Local Visitor Economy Partnership (LVEP) has established an Elected Member Forum to represent the interests of those authorities, including the Borough Council. The report requests that a member of the Community and Environment Board be nominated to represent this Authority on that Forum.

The Contact Officer for this report is Rachel Stephens (719301).

8 **Fixed Penalty Notice Charge Increase** – Report of the Chief Executive

Summary

The report asks the Committee to consider increasing the fixed penalty notice charge in line with the revised charges in the Environmental Protection Act.

The Contact Officer for this report is Sharon Gallagher (719292) and Milen Woldeab (719326)

9 **Leisure Project Update and Options** – Report of the Interim Corporate Director – Streetscape

Summary

The report sets out the work undertaken to date to review the future provision of leisure facilities within North Warwickshire and the development of the new leisure project to date, it also outlines the key considerations and options for the board to consider in the future provision of new facilities to replace the current facilities at Polesworth and Atherstone. The paper also sets out the options available to the Council in respect of the future management and operation of the council's leisure facilities.

The Contact Officer for this report is Cath James (719295)

10 **Budgetary Control Report 2024/25 (April – June)**

The report covers revenue expenditure and income for the period from 1 April 2024 to 30 June 2024. The 2024/25 approved budget and the actual position for the period are given, together with an estimate of the outturn position for services reporting to this Board.

The Contact Officers for this report are Adrian Vaughan (719379) and Akanshka Downing (719384)

11 **Minutes of the UKSPF Advisory Panel** held on 13 June 2024 – copies herewith.

12 **Exclusion of the Public and Press**

To consider, in accordance with Section 100A(4) of the Local Government Act 1972, whether it is in the public interest that the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

13 **Staffing Matter** - Report of the Director of Leisure and Community Development.

The Contact Officer for this report is Becky Evans (719346).

STEVE MAXEY
Chief Executive

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE COMMUNITY AND ENVIRONMENT BOARD

20 May 2024

Present: Councillor Bell in the Chair.

Councillors Bates, Fowler, Hopley, Jarvis, Melia, Osborne, H Phillips, Ririe, Singh, Symonds, Turley, Whapples and A Wright.

Apologies for absence were received from Councillor Jackson (Substitute Councillor Osborne), Councillor Jenns (Substitute Councillor Symonds) and Councillor Smith (Substitute Councillor Bates).

1 **Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

2 **Minutes of the Meeting of the Board held on 25 March 2024**

The minutes of the meeting held on 25 March 2024, copies having been previously circulated, were approved as a correct record and signed by the Chairman.

3 **Haunchwood Sports Junior Football Club and Ansley Workshops Sports Ground**

The Director of Leisure and Community Development requested comments from the Board regarding the principle of granting a long-term lease to Haunchwood Sports Junior Football Club, in respect of its security of tenure at Ansley Workshops Sports Ground and in support of its engagement in the national Home Advantage Programme. The report presented an initial draft of the lease for Members' consideration. The final determination of any lease arrangements would be made at a future meeting of the Resources Board.

Resolved:

That the appended draft 25-year lease agreement with Haunchwood Sports Junior Football Club, through which it could assume responsibility for the management and maintenance of Ansley Workshops Sports Ground, be agreed in principle, prior to its consideration at the Resources Board meeting to be held in June 2024.

4 Leisure Facilities: Service Improvement Plan

The Director of Leisure and Community Development presented for Members' consideration a copy of the approved 2024/25 Service Improvement Plan (SIP), through which the Board had agreed to monitor the operational performance of the leisure facilities.

Resolved:

- a That the progress made against the requirements identified in the approved 2024 / 25 Leisure Facilities Service Improvement Plan and its accompanying draft KPI template be noted; and**
- b That the extension of the short-term hire agreement with The Polesworth School, in order to support the hosting of exercise classes, gymnastics and community use sports sessions, be approved.**

5 Minutes of the Health and Wellbeing Working Party

The minutes of the meeting of the Health and Wellbeing Working Party held on 23 April 2024, copies having been previously circulated, were noted.

6 Exclusion of the Public and Press

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act, namely it is likely to reveal the identity of an individual.

7 Confidential Extract of the minutes of the Community and Environment Board held on 25 March 2024.

The confidential minutes of the Community and Environment Board held on 25 March 2024, copies having been previously circulated, were approved as a correct record and signed by the Chairman.

Margaret Bell
Chair

Agenda Item No 6

Community and Environment Board

20 August 2024

Report of the Director of Leisure and Community Development

Leisure-related Section 106 Receipt

1 Summary

- 1.1 This report asks the Board to consider and determine the use of a leisure-related Section 106 receipt held by the Borough Council.

Recommendation to the Board

- a) That the Board approves, or otherwise varies, the use of the Section 106 receipt referred to in the report of the Director of Leisure and Community Development.**

Recommendation to the Executive Board

- b) That the Executive Board approves a supplementary estimate of £104,477 to be included within the capital programme for the proposed undertaking detailed in the report of the Director of Leisure and Community Development.**

2 Consultation

- 2.1 Consultation has taken place with relevant Councillors, including Ward Members, and any comments received will be reported at the meeting.

3 Introduction

- 3.1 At its meeting held in October 2023, the Board was informed that the Borough Council is holding a number of Section 106 receipts for, amongst other things, open space-related undertakings. At that time, Members were reminded that the formal Agreements associated with these receipts are frequently very specific about where, upon what and by when the money can be used. The Board instructed Officers to meet with relevant Ward Members in order to ascertain their priorities for the use of any leisure-related receipts held by the Authority.
- 3.2 Subsequent to the Board agreeing the use of Section 106 receipts for schemes and projects in Warton, Atherstone, Coleshill, Grendon, Newton Regis and Polesworth, a further receipt, in the sum of £104,477, has been collected for the “enhancement of open space in Warton”. A meeting has

been held with relevant Councillors and it is proposed that this money be used to upgrade Warton Recreation Ground. This proposed use is consistent with the priorities of the Green Space and Playing Pitch Strategies.

- 3.3 The Board is asked to consider and approve, or otherwise vary, the use of this Section 106 receipt in the manner proposed by Ward Members. Within this process, Councillors attention is drawn to the fact that the proposed use will require the involvement of Polesworth Parish Council, which owns the Recreation Ground.

4 Report Implications

4.1 Finance and Value for Money Implications

- 4.1.1 The proposed use of the identified Section 106 receipt represents a cost effective way for the Borough Council to enhance and / or maintain service provision in accordance with the needs generated by residential development in North Warwickshire. It is also consistent with the Borough Council's adopted Green Space and Playing Pitch Strategies, as well as its Sport, Recreation and Open Space Supplementary Planning Document.

- 4.1.2 The proposed undertaking in Warton will require a supplementary estimate in the sum of £104,477 to be added into the Authority's capital programme. This will have no budgetary impact, as the expenditure is matched by income from the Section 106 receipt.

4.2 Safer Communities Implications

- 4.2.1 Projects advanced through the use of Section 106 receipts contribute to community safety by providing well-managed recreation facilities and open spaces that afford opportunities for positive activity.

4.3 Legal, Data Protection and Human Rights Implications

- 4.3.1 Section 106 of the 1990 Town and Country Planning Act (as amended) allows Local Planning Authorities to require developers to enter into Legal Agreements to provide measures to mitigate the impact of their development. These Agreements are known as Section 106 Agreements. The measures contained within them either require the developer to deliver on-site mitigation or to make a financial contribution to enable the Council to provide appropriate mitigating measures.

- 4.3.2 The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. Use of receipts from S106 Agreements is governed by the Community Infrastructure Levy Regulations 2010 (as amended).

4.3.3 Receipts from Section 106 Agreements must be spent in accordance with the Agreements themselves, unless specifically agreed with the other parties to the Agreement.

4.4 **Environment, Climate Change and Health Implications**

4.4.1 Delivery of priorities identified in the Green Space and Playing Pitch Strategies contributes directly to environmental improvements, enhancement of biodiversity and mitigation of the effects of climate change. Along with implementation of the recommendations of the Leisure Facilities Strategy, it also helps to build sustainable, healthy and vibrant communities.

4.5 **Human Resources Implications**

4.5.1 There are no human resource implications arising directly out of this report.

4.6 **Risk Management Implications**

4.6.1 Additional to those previously reported to the Board, there are no direct risks consequent upon the proposed undertaking identified within this report.

4.7 **Equalities Implications**

4.7.1 There are no equalities implications arising from this report. The services and projects delivered through the use of related S106 receipts are provided for the benefit of the whole community and no group or individual defined by the protected characteristics under the Equality Act will be excluded therefrom.

4.8 **Links to Council's Priorities**

4.8.1 The project(s) to be developed through the use of the listed Section 106 receipt has direct and positive links to the following corporate priorities:

- Safe, liveable, locally focused communities
- Prosperous and healthy
- Sustainable growth and protected rurality
- Efficient organisation

4.8.2 Additionally, implementation of the project(s) will contribute directly to the attainment of the priorities of the Sustainable Community Strategy to:

- Raise aspirations, education attainment and skill levels
- Develop healthier communities
- Improve access to services

The Contact Officers for this report are Simon Powell (719352) and Becky Evans (719346).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No.	Author	Nature of Background Paper	Date
1	Director of Leisure and Community Development	North Warwickshire Green Space and Playing Pitch Strategies Progress Report	October 2023
2	Director of Leisure and Community Development	Leisure-related Section 106 Receipts	March 2024

Agenda Item No 7

Community and Environment Board

20 August 2024

Report of the Director of Leisure and Community Development

Local Visitor Economy Partnership – Elected Member Forum

1 Summary

- 1.1 In response to representations from borough and district councils, the Coventry and Warwickshire Local Visitor Economy Partnership (LVEP) has established an Elected Member Forum to represent the interests of those authorities, including the Borough Council. The report requests that a member of the Community and Environment Board be nominated to represent this Authority on that Forum.

Recommendation to the Board

That the Board notes the establishment of the Elected Member Forum as part of the Local Visitor Economy Partnership (LVEP) and nominates a Councillor to represent the interests of North Warwickshire Borough Council on the Forum.

2 Consultation

- 2.1 Consultation has taken place with relevant Members and any comments received will be reported at the meeting.

3 Introduction

- 3.1 As Members will recall, at its meeting held on 22 January 2024, the Board received a report that provided an update on the development of the Local Visitor Economy Partnership (LVEP) for Coventry and Warwickshire. For reference, a copy of that report is attached at **Appendix A**. At the meeting, the question of Member involvement in the Partnership was raised, as, at that time, Elected Member engagement did not form part of the governance structure.

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4 Elected Member Involvement

- 4.1 Following the meeting, the Board's query was fed back to the Local Authority Stakeholder group for consideration. It was agreed that an Elected Member Forum be established to sit under the Advisory Group within the governance structure, a copy of which is attached at **Appendix B**.

...

4.2 The Forum will meet, on Teams, on a quarterly basis, between 5.00pm and 6.30pm. The first two meetings have been scheduled as follows:

- 24 October 2024
- 23 January 2025

4.3 The role and purpose of the Forum are as follows:

- To ensure that Councillors gain a greater understanding of the working of the Local Authority Advisory Group and LVEP Advisory Board and to allow discussion and greater understanding between Councillors from all parts of the sub-region
- For Councillors to receive feedback from the Local Authority Advisory Group on matters being discussed at the Advisory Group and Advisory Board
- For Councillors to advise on matters where the local authorities may need or wish to take a collective position in respect of issues they will be taking to the Advisory Board
- To enable discussion to take place about the desire and scope for greater collaborative working through the new LVEP

5 Next Steps

5.1 The Board is asked to nominate a Councillor to sit on the Elected Member Forum. Contact details for the nominated Member will then be passed through to Warwickshire County Council, which will administer the Forum on behalf of the Partnership.

6 Report Implications

6.1 Finance and Value for Money Implications

6.1.1 There are no financial implications arising from this report, except in terms of the Member time needed to be involved in the Forum. It is, however, anticipated that, at some point in the future, all of the local authorities in Coventry and Warwickshire will be asked to contribute towards the delivery and operation of the LVEP. If and when a request for funding is made, a report will be presented to Members outlining the proposed amount and the anticipated return on investment.

6.2 Safer Communities Implications

6.2.1 There are no direct safer community implications arising from this report. As with all regeneration activity, however, it is hoped that by increasing visitor numbers, and by making the area more buoyant, it will help to make the Borough feel safer.

6.3 Legal, Data Protection and Human Rights Implications

6.3.1 There are no legal, data protection or human rights implications arising directly from this report.

6.4 Environment, Climate Change and Health Implications

6.4.1 The creation of the LVEP is intended to support the development of a more sustainable tourism product for Coventry and Warwickshire. In addition to promotional activity, it is also intended that the LVEP will have a wider agenda around accessibility and inclusivity, sustainability and reducing harmful environmental impacts.

6.5 Human Resources Implications

6.5.1 Whilst there are no direct human resource implications arising from this report, it is expected that Officer time will be needed to support and communicate further with the nominated Member.

6.6 Risk Management Implications

6.6.1 The only real risk associated with this activity is that, despite the best efforts of Officers and Members, the interests of North Warwickshire may not be fully recognised within the Partnership and that the LVEP will instead be focused on Coventry and the south of Warwickshire.

6.7 Equalities Implications

6.7.1 Effective delivery of this regeneration activity will not adversely affect any groups or individuals defined by the protected characteristics under the Equality Act.

6.8 Links to Council's Priorities

6.8.1 LVEP activity supports, and has direct and positive links to, the following corporate priorities:

- Safe, liveable, locally focused communities
- Prosperous and healthy
- Sustainable growth and protected rurality
- Efficient organisation

6.8.2 Additionally, it positively impacts upon the priorities of the Sustainable Community Strategy to:

- Raise aspirations, education attainment and skill levels
- Develop healthier communities
- Improve access to services|

The Contact Officer for this report is Rachel Stephens (719301)

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No.	Author	Nature of Background Paper	Date
1	Director of Leisure and Community Development	Community and Environment Board Report – Local Visitor Economy Partnership	January 2024

Agenda Item No 11

**Community and Environment
Board**

25 March 2024

**Report of the Director of
Leisure and Community Development**

Local Visitor Economy Partnership

1 Summary

- 1.1 This report updates Members on the work being undertaken at a sub-regional level to create a Local Visitor Economy Partnership for Coventry and Warwickshire.

Recommendation to the Board

That Members note the work being undertaken to create a Local Visitor Economy Partnership for Coventry and Warwickshire and endorse the involvement of Officers in the process to represent the interests of North Warwickshire and its tourism businesses.

2 Consultation

- 2.1 Consultation has taken place with relevant Members and any comments received will be reported at the meeting.

3 Introduction

- 3.1 In March 2021, the Secretary of State for the Department for Culture, Media and Sport (DCMS) and the Tourism Minister commissioned an independent review of Destination Management Organisations (DMOs). A DMO is an organisation that exists to represent the interests of a tourism destination, through promotional and development activity, and to bring together all of the different parties that make up the visitor economy in that area.
- 3.2 The review, led by Nick De Bois, examined and assessed the role, structure, and performance of all of the different DMOs operating across England.
- 3.3 Whilst the report recognised the need for DMOs, acknowledging them as a crucial part of the tourism ecosystem, it also identified an inconsistent and complicated patchwork of organisations that were managed in different ways. It additionally identified funding as being a “big problem”, with a withdrawal of public sector funding and a huge drop in commercial revenues following the pandemic.

4 A New National Structure

- 4.1 The De Bois review concluded that the current landscape was not economically efficient, effective or sustainable, and that its current configuration would not allow the Government to successfully deliver its priorities, as set out in the Tourism Recovery Plan. A fundamental change, therefore, was needed in order to “level up” DMOs.
- 4.2 The review recommendations included the introduction of a tiered accreditation system to create a national portfolio of high performing DMOs:
- Top tier ‘Destination Development Partnerships’ will form the “hubs” and will be made up of large geographic areas, such as city regions.
 - Second tier ‘Local Visitor Economy Partnership’ (LVEPs) will be members of the Destination Development Partnerships and will act as the “spokes”. The LVEPs will provide leadership and management across the destination, ensuring that the visitor economy is an active and valued contributor to Levelling Up and the wider economy.
- 4.3 The review also recommended that Government should provide core funding to each Destination Development Partnership, with a degree of that funding being passed down to the accredited LVEPs to allow them to deliver a shared vision.

5 Coventry and Warwickshire Local Visitor Economy Partnership (LVEP)

- 5.1 Within Coventry and Warwickshire, there are currently two DMOs in existence:
- Shakespeare’s England is a not-for-profit membership organisation and a public-private sector partnership, which covers South Warwickshire (Stratford-on-Avon, Warwick, Kenilworth, Leamington Spa and the surrounding area). It receives funding from Stratford-on-Avon District Council, Warwick District Council, Warwickshire County Council and its membership organisations.
 - Destination Coventry is a two-year proof-of-concept collaboration between Coventry City Council and the Coventry and Warwickshire Chamber of Commerce and it has a range of membership packages for businesses operating within the visitor economy.
- 5.2 In July 2023, Shakespeare’s England and Destination Coventry applied for, and were successful in gaining, LVEP accreditation from Visit England.
- 5.3 A key feature of the Coventry and Warwickshire LVEP will be the production and subsequent submission of a Growth Plan to Visit England. This is a requirement of the LVEP and will focus on a range of areas related to supporting, enhancing and building resilience in the sub-region’s visitor economy, that includes:

- Promoting Tourism – the aim to attract visitors through marketing campaigns, events and promotional activities
- Supporting Local Businesses – to provide support and resources to local businesses in the tourism and hospitality sectors to help them thrive and grow
- Enhancing Infrastructure and Service – to improve infrastructure such as transportation, accommodation and recreational facilities that will enhance the visitor experience
- Sustainable Development – to focus on sustainable tourism practice to minimise environmental impact and support the long-term viability of the local visitor economy

5.4 A proposed structure setting out the governance to oversee this work has been developed. This will be led through the establishment of a LVEP Board with links to three stakeholder groups.

5.5 Under this proposal, membership of the Board will comprise four Board members - one representative from Shakespeare's England, one from Destination Coventry and two from the local authorities, as well as a representative from Visit England. It is envisaged that the two local authority places will be held by Warwickshire County Council, representing the interests of the five districts, and Coventry City Council. There will also be a number of non-voting members, who will be able to attend to observe and advise.

5.6 One of the stakeholder group's will be set up with representation from the County Council and the five district and borough councils. This group will have a direct link to the LVEP Board via the Warwickshire County Council Board member, thereby ensuring a clear line of communication with all partners. The other two stakeholder groups will focus on issues relating to Shakespeare's England and Destination Coventry.

5.7 It is anticipated that both Shakespeare's England and Destination Coventry will be represented by private-sector businesses.

6 **A Way Forward for North Warwickshire**

6.1 Although it is anticipated that the detail (including possible funding arrangements) will become clearer over the next year, it is important to consider how the interests of North Warwickshire and its tourism businesses will best be represented in the wider sub-regional context, especially in light of the anticipated closure of Northern Warwickshire Tourism (NWT).

6.2 Established in 2004, Northern Warwickshire Tourism is a volunteer-led membership organisation that represents the interests of tourism businesses and promotes North Warwickshire and Nuneaton and Bedworth to visitors. NWT members have worked extremely hard to support each other and to put Northern Warwickshire on the tourism map.

- 6.3 Over recent years, however, it has become increasingly difficult for the organisation to recruit new committee members, and with a number of existing members set to retire, it took the difficult decision to close the organisation.
- 6.4 As an interim measure, it has been agreed that North Warwickshire Borough Council, together with Nuneaton and Bedworth Borough Council and Warwickshire County Council, will temporarily assume the branding and promotional activity of NWT, as a means of retaining and protecting its marketing assets (specifically the Facebook page and website), whilst decisions are being made in respect of the Local Visitor Economy Partnership. It is hoped that by retaining this “Northern Warwickshire” brand, the interests of the north of the county will be better represented, and that it will be in a position to show its value to the wider Coventry and Warwickshire tourism product.

7 Next Steps

- 7.1 Clearly, there are many challenges associated with developing a Local Visitor Economy Partnership, not least the need to bring together a range of stakeholders with different functions and priorities, which have until now worked relatively independently of each other. Historically, there have also been differing levels of funding and resources that have been invested into each area.
- 7.2 The Coventry and Warwickshire Local Authority group (which was established to give a combined local authority perspective on the progression of the LVEP) has determined that any structural change needs to go beyond a simple partnership arrangement, and further exploration is needed around the merits of creating a single combined, sustainable and inclusive tourism body.
- 7.3 Whilst North Warwickshire’s tourism product is less well developed than those in the south of the county, it still has a considerable amount to offer tourists and it is still providing a living for many businesses that are reliant on visitors.
- 7.4 It is, therefore, important to actively participate in the discussions being held about the proposed LVEP, to represent the interests of those businesses and to advocate on behalf of the Borough. Without this engagement, there is a danger that North Warwickshire may be over-looked and that the Partnership will instead be dominated by Coventry and South Warwickshire.
- 7.5 The Board, therefore, is asked to endorse Officer involvement in these discussions, in order to ensure that the most appropriate outcome for the Borough is achieved.

8 Report Implications

8.1 Finance and Value for Money Implications

- 8.1.1 There are no immediate financial implications arising from this report, except in terms of the Officer time needed to be involved in stakeholder discussions. It

is, however, anticipated that, at some point in the future, all of the local authorities in Coventry and Warwickshire will be asked to contribute towards the delivery and operation of the LVEP. If and when a request for funding is made, a report will be presented to Members outlining the proposed amount and the anticipated return on investment.

8.2 Safer Communities Implications

8.2.1 There are no direct safer community implications arising from this report. As with all regeneration activity, however, it is hoped that by increasing visitor numbers, and by making the area more buoyant, it will help to make the Borough feel safer.

8.3 Legal, Data Protection and Human Rights Implications

8.3.1 There are no legal, data protection or human rights implications arising directly from this report.

8.4 Environment, Climate Change and Health Implications

8.4.1 The creation of the LVEP is intended to support the development of a more sustainable tourism product for Coventry and Warwickshire. In addition to promotional activity, it is also intended that the LVEP will have a wider agenda around accessibility and inclusivity, sustainability and reducing harmful environmental impacts.

8.5 Human Resources Implications

8.5.1 Whilst there are no direct human resource implications arising from this report, it is expected that Officer time will be needed to participate in discussions and to work through the development of the Partnership.

8.6 Risk Management Implications

8.6.1 The only real risk associated with this activity is that, despite the best efforts of Officers, the interests of North Warwickshire may not be fully recognised within the Partnership and that the LVEP will instead be focused on Coventry and the south of Warwickshire.

8.7 Equalities Implications

8.7.1 Effective delivery of this regeneration activity will not adversely affect any groups or individuals defined by the protected characteristics under the Equality Act.

8.8 Links to Council’s Priorities

8.8.1 This project supports, and has direct and positive links to, the following corporate priorities:

- Safe, liveable, locally focused communities
- Prosperous and healthy
- Sustainable growth and protected rurality
- Efficient organisation

8.8.2 Additionally, it positively impacts upon the priorities of the Sustainable Community Strategy to:

- Raise aspirations, education attainment and skill levels
- Develop healthier communities
- Improve access to services

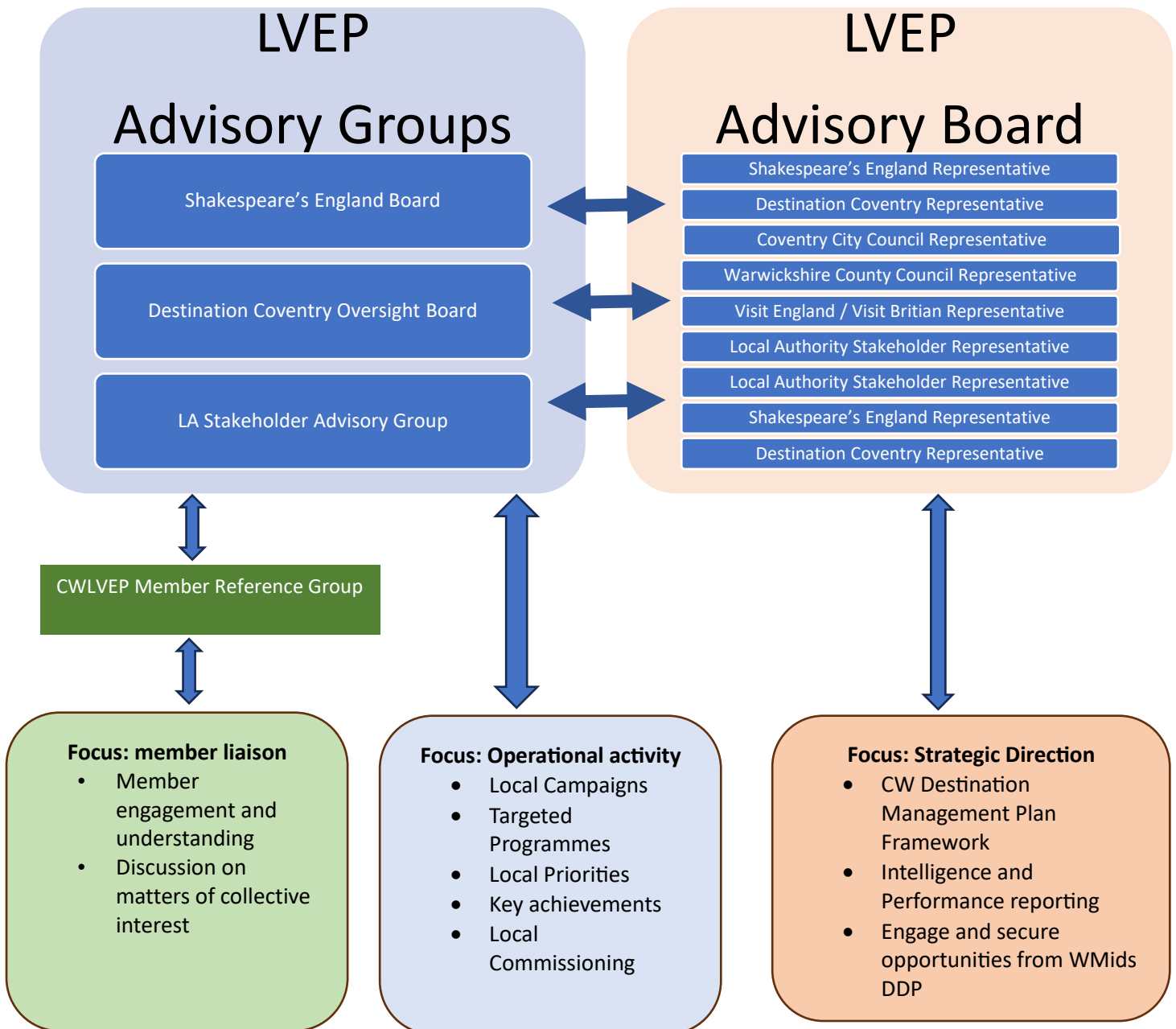
The Contact Officer for this report is Rachel Stephens (719301).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No.	Author	Nature of Background Paper	Date

C&W LVEP Governance Model



Coventry and Warwickshire Local Visitor Economy Partnership Proposed interim governance model April 2024 – March 2025

NB: This model is predicated on the two current DMOs (SE & DC) operating as separate organisations but with a single officer team to work across both organisations. Areas currently not being covered by the DMOS are represented by their corresponding local authorities through the stakeholder group.

The CWLVEP is a strategic partnership which will hold the responsibility for driving the interests of the sub regional Visitor Economy to Visit England and the regional DDP. The purpose, to protect, enhance and grow the Visitor Economy within the sub region of Coventry and Warwickshire. It will be essential that partners in the area work together to collaborate on strategic objectives set out in the Coventry and Warwickshire Growth Plan, that through this collective position it will strengthen the individual partners as well as identifying efficiencies and providing a strong sub regional voice to the West Midlands and central government.

CWLEP Advisory Board Principles

There would be a new LVEP Advisory Board. The membership of this would be:-

- 2 x Shakespeare's England Representatives
- 2 x Destination Coventry Representatives
- Warwickshire County Council
- Coventry City Council
- Visit England and Visit Britain Advisor
- 2 x Local Authority Stakeholders

The Chair and Vice Chair of the board will be selected internally from within the board, these positions represent both the geography of Warwickshire and Coventry and the private or public sector.

The purpose of the CW LVEP Advisory Board is to provide the strategic oversight and direction for the LVEP partnership. Broadly these are:-

- Development and monitoring of an agreed Growth Plan and upcoming Regional Destination Management Framework.
- Representation of the sub region at the regional DDP
- Identify and agree priorities, informed by the advisory groups to support the visitor economy.
- Enable and develop a continued support mechanism for the visitor economy, across the geography of Coventry and Warwickshire. To benefit from Visit England and Visit Britain support and give economies of scale across the sub region

Advisory Group Principles

There will be three main groups who will lead on operational activities undertaken in the sub region. Two of these would be the current Boards of Shakespeare's England and Destination Coventry. The third would be a new **Local Authority Stakeholder Group** made up of 2 x representatives from each local authority.

These three groups hold the responsibility for delivering local activities including programmes, commissioning, tourism events, and to present local tourism priorities relevant to the DMO and or local authority areas. It is expected that each group will represent their members interests, or local council priorities. They will be responsible for disseminating information from the LVEP Advisory Board to their organisations, and to inform and shape on behalf of their organisation the Coventry Warwickshire Tourism Growth Plan.

Member Reference Group

Sitting below the Advisory Group will be a Member Reference Group. Each local authority will commit to nominating a member to attend this group which will meet on a quarterly basis. The group will have the following role and purpose. The role and purpose of the Member Reference Group is as follows:-

- To ensure that councillors gain a greater understanding of the working of the Local Authority Advisory Group and LVEP Advisory Board and to allow discussion and greater understanding between councillors from all parts of the sub region.
- For councillors to receive feedback from the LA Advisory Group on matters being discussed at the Advisory Group and Advisory Board.
- For councillors to advise on matters where the local authorities may need or wish to take a collective position in views they will be taking to the Advisory Board.
- To enable discussion to take place about the desire and scope for greater collaborative working through the new LVEP.

Agenda Item No 8

**Community and Environment
Board**

20 August 2024

**Report of the
Chief Executive**

**Fixed Penalty Notice Charge
Increase**

1 Summary

- 1.1 The report asks the Committee to consider increasing the fixed penalty notice charge in line with the revised charges in the Environmental Protection Act.

Recommendation to the Board

That the Board support an increase in the Fixed Penalty Notice charge as set out in this report.

Amended charges would take effect from 1 September 2024

2 Report

- 2.1 This report proposes an increase in fixed penalty notice (FPN) for fly tipping, duty of care and littering.
- 2.2 The Statutory Instrument to bring about these changes was laid on the 31 July 2023 and came into effect 28 days later.
- 2.3 The receipt of an FPN is an enforcement option for the council which can be issued in lieu of prosecution. However, if the FPN is not paid, the council can review the evidence and proceed with a prosecution.

Fixed Penalty Notice	Current Fee Paid within 10 days (£)	Current Fee Paid within 14 days (£)	Proposed Fee Paid within 10 days (£)	Proposed Fee Paid within 14 days (£)
Fly-tipping	300	400	600	1000
Duty of Care	300	400	400	600
	Current Fee if Paid within 7 days (£)	Current Statutory Fee (£)	Proposed Fee Paid within 10 days (£)	Proposed Fee Paid within 14 days (£)
Littering	65	100	250	500

3 Report Implications

3.1 Finance and Value for Money Implications

3.1.1 There are no additional financial implications arising from this report.

3.2 Safer Communities Implications

3.2.1 These are set out in the report.

3.3 Legal and Human Rights Implications

3.3.1 Fly tipping is an offence under the Environmental Protection Act 1990. That Act also creates a Duty of Care which requires producers of waste, including householders, to take all reasonable measures to ensure that it is disposed of lawfully and, where applicable, only transferred to someone who is authorised to transport or dispose of it. Failure to comply with that duty is also an offence.

3.4 Environment, Climate Change and Health Implications

3.4.1 Tackling fly tipping will make positive contributions towards improving the environment and sustainability. The fly tips create adverse impacts on the local environment and use significant resources in removing them and carrying out investigations.

3.4.2 By reducing fly tipping the quality of life in local communities will be improved.

3.5 Human Resources Implications

3.5.1 There are no human resource implications contained in the report.

3.6 Equalities Implications

3.6.1 There are no known adverse impacts on any groups having protected characteristics as defined in the Equality Act 2010. The adverse impacts of fly tipping on the local environment is often in rural locations although not exclusively.

3.7 Links to Council's Priorities

3.7.1 The ongoing actions will contribute towards the priorities of creating safer communities and protecting our countryside and heritage.

- Efficient and Sustainable organisation
- Safe, Liveable, Locally Focussed communities
- Prosperous, active and healthy
- Sustainable growth, protected rurality

The Contact Officers for this report are Sharon Gallagher (719292) and Milen Woldeab (719326).

Agenda Item No 9

**Community and Environment
Board**

20 August 2024

**Report of the
Interim Corporate Director - Streetscape**

**Leisure Project Update and
Options**

1 Summary

- 1.1 This report sets out the work undertaken to date to review the future provision of leisure facilities within North Warwickshire and the development of the new leisure project to date.
- 1.2 The report outlines the key considerations and options for the board to consider in the future provision of new facilities to replace the current facilities at Polesworth and Atherstone. The paper also sets out the options available to the Council in respect of the future management and operation of the council's leisure facilities.

Recommendation to the Board

- a) **That delegated authority be given to the Interim Corporate Director of Streetscape to award a contract with a design and build/developer partner to undertake the detailed feasibility and potential design of two new leisure facilities in Polesworth and Atherstone.**
- b) **The Board agrees to proceed with the preparation of a procurement process with the market to secure a ten plus 5-year contract for the future management and operation of the new and existing leisure facilities.**
- c) **The Board agrees to continue to develop a detailed business case to meet the Council's aspirations for the provision of a new leisure/health facility at Atherstone.**
- d) **The Board agrees to establish a small member steering group made up of members of the committee to function as a sounding board in the development of the broader leisure project.**
- e) **The Board agrees to ringfence in a specific reserve fund the £471,655 VAT reclaimed for leisure income due to the HMRC ruling regarding the leisure project.**

2 Consultation

- 2.1 A workshop for all members of the Council will be held on the 13 August 2024 to provide an update on the North Warwickshire Leisure Project. Feedback from the workshop will form part of a verbal update at the Communities and Environment Board meeting on the 20 August 2024.

3 Introduction and Background

- 3.1 The North Warwickshire Corporate Plan 2024-27 sets out the key objectives for the Council. There are objectives that are relevant to all services, including leisure:

- Efficient and sustainable organisation
- Safe, Liveable, Locally Focussed communities
- Prosperous, active, and healthy
- Sustainable growth, protected rurality
- Improved health outcomes
- Increased use of improved leisure facilities and services
- Levelling Up Plan

We will work in partnership with other agencies to tackle health inequalities through implementation of the corporate Health and Wellbeing Action Plan and relevant Warwickshire North Place Plan priorities.

- Make the financial savings we need in ways which least affect our residents.
- A robust transformation programme to ensure our services and processes are as lean as possible.
- Identifying the resources needed to deliver the Council's plan to provide high-quality priority services to our communities.
- Consider new models of working and providing services.

- 3.2 The North Warwickshire Leisure Project has a number of key objectives in order to meet these strategic aspirations namely:

- The Council is very clear in its Corporate Plan that the purpose of leisure services is to support the Council's corporate objectives to address health inequalities and the wider determinants of health.
- To provide affordable quality leisure services and facilities to benefit the residents of North Warwickshire.
- Allied to 2 points above, to provide these services in the most cost efficient and effective way possible to the taxpayers of North Warwickshire.

- 3.3 Members have previously prioritised some specific areas that the leisure service should focus on, namely:

- Children and young people,
- Older People,
- Physical wellbeing,
- Mental health and wellbeing.

3.4 The Council is a partner within the Warwickshire North Health & Wellbeing Partnership whose priorities are:

- Access to Services
- Reducing Health Inequalities
- Housing and Health
- Reducing Obesity and Improving Lifestyles.

... 3.5 **Appendix 2** shows responses to Sport England's Active Lives Survey for adults in North Warwickshire between 2015 and 2023.

Findings indicate that:

- A higher percentage of residents are participating in 150 minutes of physical activity per week now than in 2015, but there is less physical activity in the most deprived communities than there was in 2015.
- The 'Monitoring Health Inequalities' dashboard shows that 71.22% of adult residents in the Borough are now classified as overweight or obese compared to 64.32% in 2015.
- The number of children who are overweight or obese at year 6 has increased from 34.17% in 2015 to 37.67% in 2022/3.

Whilst the Council's Leisure service is not in control of all activities that would reduce health inequalities, good quality, accessible, leisure provision assists in having a bigger impact on the lives of people where health outcomes are worst.

The residents survey 2024 found that:

- 38% of residents use one or more of the council's leisure facilities.
- A further 37% said that they would consider using the facilities but need to be encouraged to do so.

The main ways to encourage use by non-users were:

- Lower prices
- Better programming
- New activities
- Café

The 37% of residents who said they might be encouraged to use council facilities represent an opportunity for growth in income and an opportunity to address health inequalities in a significant proportion of the population.

If the leisure service is to make a bigger contribution towards improving health outcomes, then facilities need to be more attractive, offer a better programme of activities and provide a value proposition. Facilities also need to meet the needs of a growing population which is estimated to increase from 65,000 in 2021 to 88,017 in 2040.

Leisure Project – Phase 1 – Works completed to date.

- 3.6 Members have received several studies and reports since 2016 regarding options for the operational management of the Leisure Service and capital investment in leisure facilities. These reports are summarised in **Appendix 1**.

In 2022, Members received a report on future models in respect of the operational management of the leisure service in the future. This formed part of the Strategic Outcomes planning Model (SOPM) 2020.

The SOPM included a comparison of efficiencies created by different operating models. The full options appraisal, the evaluation criteria and the evaluation scores for each option are in **Appendix 3**. The conclusion shown below was that the optimum option would be to externalise the service:

Management Option	Evaluation Score
In house	55%
External Contractor	82%
Local Trust	68%

- 3.7 Community & Environment Board reviewed the option to externalise the leisure service in March 2022.

Their view was that at that time the market had not sufficiently recovered from the pandemic to participate in a broader procurement exercise. Having been severely impacted by covid, operators adopted a significantly more cautious approach to new opportunities and were much more risk-averse than pre-pandemic.

Consequently, the Board was advised that externalisation of the service should “be left until the market has stabilised after the pandemic and confidence has returned.”

- 3.8 At that stage a decision was made to progress with the creation of a Local Authority Trading Company (LATCo).

The business case or decision to proceed with the LATCo is set out below. It was also agreed that moving to a LATCo arrangement in the interim would provide a stepping stone to a potential review of the service once the market had stabilised post covid. At the time the decision was taken, "... the initial drive to review the option to establish a LATCo was informed by the need to realise a saving within the revenue budget" At that time, the LATCo provided a Business Rate and VAT advantage over the in-house delivery model in the order of £207,000.

- 3.9 The operating environment for leisure services was challenging for all operators during the pandemic and the subsequent volatility in the energy market. The environment has now stabilised, and the VAT advantages available to a LATCo are no longer there. Since Spring 2023 HMRC have provided new guidelines (ruling) to all local authorities to say that the VAT benefits that the external market and LATCo arrangements previously provided were now fully available to all local authorities, even those with in house service provisions. The Business Rates advantage still exists for the LATCo and external operators.

In addition, the council was awarded a sum of £471,655 in February 2024 as a back payment for the vat reclaimed due to the HMRC ruling on the VAT status of Leisure Income.

- 3.10 Work was progressed in establishing a LATCo: a vision was agreed, a business case was prepared, legal documentation developed, and a specification drafted. However, once officers were aware that the core business case of implementing a LATCo arrangement had changed then the opportunity to review the future management arrangements was included as part of the new leisure project.

The Council now has an opportunity to review its current position in light of the VAT ruling, the current market intelligence in relation to operator costs post covid; and confirm the future direction of travel for the management of the new leisure service.

4 Existing Facilities

- 4.1 Key core existing facilities provide a limited offer, such as Polesworth Fitness Hub- or are not sustainable and need to be replaced. Continuing to 'patch and repair' Atherstone is a false economy. A major refurbishment to Atherstone was completed in 2000, including:

£2m investment (£3.69m in 2024 prices) including.
Replacement of Mechanical & Electrical equipment such as
Boilers
Air handling units
Wiring
Reception
Roof replaced.

It is best practice to replace the M&E and roof every 20-25 years.

- 4.2 Consequently, we are at a key point in the lifecycle maintenance of the building.

Replacing the M&E/roof without other improvements will not improve the customer experience. And the 'doing nothing' option means accepting further deterioration and risk of building closure.

Each closure of the pool has a knock-on impact to users and income thereby increasing cost and reducing the efficiency of the service. With the building

now being nearly fifty years old, the need to implement a replacement facility is well overdue.

The roof of the Memorial Hall is in an extremely poor condition with concerns around its life expectancy.

- 4.3 Both buildings are currently costly to repair, and those repairs will not result in a better customer experience, nor will this address the criticism outlined in the Residents Survey and the Strategic Outcome Planning Model (SOPM) 2020 (summarised in **Appendix 1**) that non-users want better facilities to attract them to use the Council's service.
- 4.4 The business cases and recommended Schedule of Accommodation for the two new builds were outlined in the SOPM and based on the analysis in the Leisure Facilities Strategy (adopted 2018) (summarised in **Appendix 1**) which identified that:
- There is a current over-supply of sports halls, and this is likely to be sufficient for anticipated population growth until 2031 (provided that public access to existing sites is not lost)
 - There is a current small under-supply of swimming pool space. Population growth will increase demand and the equivalent of two 25m lanes will be needed to meet demand by 2031.
 - There is a current under-supply of gym equipment stations. A further 123 stations are needed to meet the existing shortfall and future population growth up until 2031.
 - There is no standard method for assessing demand for fitness studios, but the report assumes that the unmet demand for gym stations is likely to reflect an unmet demand for fitness studios as well.

Whilst the SOPM is a standard model developed by Sport England to assist local authorities with planning their future leisure facilities, it is a framework that needs to be adapted to each locality. Any future capital investment by North Warwickshire on any existing or new facility will need to be affordable.

- 4.5 Following the budget in February 2024 Council agreed the following:

To provide a further £1.5 million towards the provision of a new leisure facility at Polesworth bringing the total budget to £4.5 million from an original base of £3 million.

To provide a further £750,000 in addition to the original £3.0 million in the budget to continue with the feasibility study in relation to the replacement of Atherstone Leisure centre and the Memorial Hall

In addition to this a further circa £900k of S106 monies has been identified for the project in Polesworth, taking the available budget to approximately £5.4 million.

4.6 In June 2024 Max Associates were appointed via a competitive process to support the council in undertaking the next phases of the leisure project and to act as the council's technical advisors throughout the relevant procurement processes set out in this report. The costs of the technical support are fully covered by the project budgets above.

4.7 The remainder of this report sets out the future options for the replacement of existing facilities in Polesworth and Atherstone and the operational management arrangements to run them alongside the remaining leisure facilities in Coleshill and TQEA (Queen Elizabeth Academy)

5 **Leisure Project - Phase 2 – Detailed Feasibility Stage**

5.1 Between now and the end of October 2024 Members are being asked to agree to delegate authority to the interim Director Streetscape to award a contract to a developer/Lead Architect to work with the council to:

- Undertake detailed site surveys at Abbey Green Park in Polesworth to assess the suitability of the site for a new leisure facility.
- To develop outline designs and floor accommodation plans for the new facility
- Continue to develop a business case to meet the council's aspiration for the provision of a new leisure/health facility at Atherstone.
- Following the failure to secure LUF (Levelling Up Funding) for the Atherstone site in 2023 - develop a new set of design proposals that need to meet future affordability constraints. Whilst the initial proposal to government included the NHS and county library, uncertainty around their own funding positions is likely to leave NWBC in a position to proceed on its own with a view to those conversations continuing during the feasibility stage to ascertain whether any combined facility and funding could be pursued.
- Flexible multi use accommodation may be provided in the new design to accommodate future use e.g. services like blood transfusion and local clinics.

These designs will in due course be used to undertake further stakeholder and community engagement as well as form the basis of pre planning consultation.

5.2 The need to develop designs in the timescales set out in the project timetable at 11.1 will be critical to ensure that any future operator is able to influence and input before final planning is sought.

Procurement Options for the appointment of a Design Partner

5.3 There are four main routes to procure new facilities for the future which are.

- Traditional Local Authority Build
- Design & Build (one or two stage)

- Design and Build with a development partner.
- Design, Build, Operate & Maintain (DBOM)

5.4 The advantages and disadvantages of the four approaches are summarised below together with an assessment of their appropriateness for the Polesworth and Atherstone projects:

Type of arrangement	Key points	Key risks	Appropriateness
Traditional Local Authority Build: the Council procures and manages a design team and construction company separately	Ultimate flexibility in the quality of design and control over the project	The Council must ensure it has the expertise and capacity to manage both processes. Designers and build companies have no incentive to advise the Council on factors that may benefit the operational costs of a new facility.	This option is discounted because of the strain on the council's in-house technical teams and their limited experience of building leisure centres
Design & Build – Single Stage: the council's technical team develop the design to RIBA Stage 3/4	Transfers key risks to the contractor	The Council would have to commit to a design concept for the leisure centre investment at an early stage. No incentive for the specification to be of a high quality	This option is discounted because fewer contractors are likely to be willing to bid on a fixed price while prices remain volatile; and because the council will need to commit to a design at a very early stage in the process with less opportunity to change it
Design & Build – Two Stage: the design is developed by the local authority's technical team with expert support to RIBA stage 2/3. Bidders	This contracting arrangement is the most widely used. maximises the transfer of risk from the local authority to the contractor.	The key risk is cost 'creep' between the estimated cost at the first stage and the fixed price offer at completion of the second stage.	This is a viable option because it is widely understood and used by the construction market; and it gives the council

then provide their initial costs. The preferred bidder from stage 1 then develops the design with the council	offers the Council greater flexibility than single stage.		more flexibility to modify the design
Design & Build with a development partner: The development partner takes the council's requirements develops the scheme with its own design team and (once agreed) uses its construction partner/ supply chain to deliver the project	There is a high transfer of risk to the development partner. one agreement and one relationship for the client Improved efficiency and cost of delivery. Reduced tendering/estimating costs	The development partner selects their preferred architect and build: the council has no influence of the selection of the design team or construction partner. There are only a limited number of contractors	This is a viable option because it simplifies the procurement process and reduces the strain on the council's internal resources. There are a limited number of contractors, but they have a proven track record of delivery
Design, Build, Operate, maintain (DBOM): The Council enters a design, build, operate and maintain contract for the delivery of a new centre and the management of it and the others within the portfolio	There is one procurement process undertaken by the Council assessing capital and revenue costs. The operator takes most design, programme, cost overrun and operational income risk in delivering a new facility.	It will reduce the overall market. There are very few operators who will also have expertise in design and build and access to capital. The Council has much less control over the design of the facility.	This option is discounted because there is a limited market, operators may pass build risk back to the Council, the term of the contract is much longer than a standard operating contract, consequently the level of due diligence in constructing the contract is much higher than for the other options, and the council has no experience of this type of contract

5.5 It is proposed that officers further assess the two most viable options (Two stage Design & Build, and Design & Build with a development partner) and

select the most appropriate option based on risk, expediency of delivery, cost certainty and the impact on internal resources.

External legal advice on procurement surrounding the two preferred options is currently being sought and will be reflected in the overall decision to select the best route to market for NWBC.

Preferred bidders will either be selected from a suitable framework, or officers will run a mini competition to assess value for money.

- 5.6 Board is asked to delegate authority to the Interim Corporate Director of Streetscape to award a contract with a design and build/developer partner to undertake the detailed feasibility and design of two new leisure facilities in Polesworth and Atherstone.

6 Feasibility of Abbey Green Site Polesworth

- 6.1 An initial design has been prepared for a new facility to be located in Abbey Green Park to include:
- A new gym
 - Multi-purpose studios
 - Community/ function room
 - Male change
 - WCs
 - Female change
 - Village change
 - Café
 - Consultation room
 - Office

Whilst the SOPM is a standard model developed by Sport England to assist local authorities with planning their future leisure facilities, it is a framework that needs to be adapted to each locality. Any future capital investment by North Warwickshire on any existing or new facility will need to be affordable.

Initial high level cost estimates put the cost of build as being in the order of £5 million depending on the mix of facilities and the site conditions and constraints. At this stage this number remains heavily caveated as none of the key investigation surveys have been undertaken. These include ground conditions, highways, engagement with the Canal & River Trust and ecology/biodiversity.

... A copy of the site plan is attached at **Appendix 4**

- 6.2 The site has a number of identified risks including:
- Proximity to the canal and flood plain
 - Highways access/egress
 - Increased need for parking on the site
 - Planning policy requirements

- 6.3 It is anticipated that the initial surveys will cost in the order of £50,000 to £80,000 and can be funded from the existing budget for the development of a new facility in Polesworth. The surveys are likely to take at least three months to complete and will inform any future design criteria and constraints.

A further report on progress on this site and its on-going feasibility will be reported back to a future meeting of the Community and Environment Board.

Ongoing Feasibility - Atherstone Leisure Complex

- 7 A design for a replacement Atherstone facility was submitted as part of an unsuccessful Levelling Up Fund (LUF) bid in 2022. This had an estimated build cost of £23million and included a replacement for the Atherstone library and the NHS buildings on the same site.

Since this time officers have been reviewing the options for Atherstone Leisure Centre and the Memorial Hall and intend to develop a new set of design proposals that provide an affordable alternative to the current provision.

- 7.1 The SOPM provided an outline business case for the new buildings at Polesworth and Atherstone which was predicated on the capital costs (including interest on borrowing) being paid for by efficiencies generated by the operation of the improved facilities.

This is critical in terms of future affordability and the next section of potential options for the future management of the leisure provision is inextricably linked to this.

- 7.2 The scheme at Atherstone has been reviewed and the accommodation schedule revised to make it a simpler build/refurbishment project that meets the needs of the current and future population whilst being more affordable.

The recommendations from the SOPM are included and these are:

- A new swimming pool
- Teaching pool
- A new gym
- Fitness studios
- A multi-purpose studio for larger classes
- A flexible space for young people (e.g. clip and climb or soft play)
- Café
- Office
- WCs
- Male change
- Female change
- Village changes for the pools.

Whilst the SOPM is a standard model developed by Sport England to assist local authorities with planning their future leisure facilities, it is a framework that

needs to be adapted to each locality. Any future capital investment by North Warwickshire on any existing or new facility will need to be affordable.

- 7.3 The funding strategy for Atherstone is in development but £3m has been allocated in the capital programme to date, along with £750k for developing proposals for a new facility. A review of applicable Section 106 monies that could be used towards a new facility are currently being looked at.

Discussions are ongoing regarding the optimum build solution for Atherstone which include:

- using the existing building as the basis for a major refurbishment, together with additional space to meet the necessary requirements.
- a phased build programme to construct an entire new building.
- complete demolition of the existing building and using the cleared site as required.

8 Affordability – Provision of new facilities

- 8.1 A key requirement of the investment strategy for the new facilities at both Polesworth and Atherstone is to be able to create enough efficiencies through the future management of the council’s leisure portfolio to ensure that the borrowing costs for each new facility can be met in future years. The whole viability of the leisure project is predicated on this position.

This will apply regardless of whether the management of the services remain in-house, are delivered via a LATCo or via an external operator or provider. Early market testing shows that it is unlikely that an in-house service or a LATCo will be able to provide the same economies of scale to meet these criteria moving forward. The rationale for that is set out in the following sections.

There are limited ways in which efficiencies can be created in the leisure contract. These are: reducing costs, improving productivity, and increasing income. There are industry benchmarks that can be used to assess the current performance of the in-house operation, and these are shown below:

Metric	Industry norm	Current performance
payroll as %age of total expenditure	below 60% with most nearer 50%	56.60%
Payroll as %age of income (productivity)	80% max	115%
Income per visit	£3.50-£4.50	£2.62
cost per visit	£3.00-£4.50	£6.31
Subsidy per visit	£0.00-£1.00	£3.69

- 8.2 It will be difficult for the in-house team to significantly change the delivery outputs to match those of an external operator for the following reasons:

- The current level of efficiency suggests that there are limited ‘commercial’ skills within the service and an external operator has corporate teams that already exist to support this function.
- Larger organisations have economies of scale in purchasing power including energy, which is a significant proportion of expenditure in leisure services especially in centres with a pool.
- The Council has higher overheads than an external operator.
- The service is not big enough to warrant specialist support services (such as IT), including evening and weekend support which would be available to an external operator, and which makes them more resilient to service disruption which can impact income and delivery of key services to the public.
- The council carries all the risks associated with an in-house delivery, whereas a contract with an external operator shares risk, including -usually- some repair & maintenance risk and trading risk.

Future Operating Model Options

9 As set out above

In 2022, Members received a report on future models/options in respect of the operational management of the leisure service in the future. This formed part of the Strategic Outcomes planning Model from 2020.

The SOPM included a comparison of efficiencies created by different operating models. The full options appraisal and the evaluation criteria agreed by Members are in Appendix 3. The conclusion shown below was that the optimum option would be to externalise the service:

Management Option	Evaluation Score
In house	55%
External Contractor	82%
Local Trust	68%

9.1 Community & Environment Board reviewed the option to externalise the leisure service in March 2022.

Their view was that at that time the market had not sufficiently recovered from the pandemic to participate in a broader procurement exercise consequently, the Board was advised that externalisation of the service should “.be left until the market has stabilised after the pandemic and confidence has returned.”

9.2 Members have previously considered different operating models for the leisure service. The external leisure operator market has now stabilised and adjusted to the post-pandemic environment, and operators are interested in new opportunities; particularly those involving new facilities or where capital investment is assured.

- The number of new leisure service contracts being procured has increased significantly since 2022, and this is creating real competitive tension within the market which increases the likelihood of the council being presented with a number of attractive proposals.
- The council has developed proposals for two new leisure centres and allocated monies in the capital programme, which demonstrates to the market that there is a real intent to deliver these. This makes the council's service an attractive opportunity for operators.
- A Soft Market Testing exercise with some potential operators in 2023 confirmed that they are interested in bidding for contracts in North Warwickshire even with the existing building stock. The addition of new facilities would provide a more cost-effective platform for any future operator to work within.
- The VAT advantage that a LATCo previously benefited from is now also available to local authorities (since March 2023). Consequently, the LATCo no longer has an advantage as a tax efficient envelope.
- The Market is currently very active, and operators are looking to rebuild their portfolios after covid.
- Current market intelligence suggests that there is real competitive tension in the market.
- With the LATCo tax advantage has gone, external operators now have 'agency' models in place to gain a further VAT advantage over in house operators. It should be noted that these new agency models are quite new and require careful future consideration.
- Operators have an appetite for opportunities especially when new builds are available. This creates further competitive tension amongst bidders (which is good for the Council).
- There is a commitment from the Council to develop/improve new facilities and to develop design options.
- The section below talks about the timetable for the project, but the design of the facilities and the input of the preferred market bidders is a critical phase where the balance between the size, scope, commercial return, and potential profitability of future provision is balanced against the skills and market knowledge of the operator market. The balance required is one where the mix of facilities and size of build can meet the affordability criteria of the council. The improved facilities need to maximise the revenue position to support funding.
- When the original SOPM was written in 2020 costs and the marketplace have changed significantly since covid. Borrowing is now above 5%, energy

costs have doubled, and construction and staffing costs are significantly higher.

9.3 In the current environment, the evaluation of the management options undertaken in 2020 in the SOPM is still relevant and sufficiently robust that the conclusion to externalise the service is still valid. Following the previous assessment, soft market testing and professional advice, this is the preferred and most sustainable route to pay for the future borrowing required to invest in leisure facilities and improve service outcomes.

9.4 The recommendations in the report seek to authorise officers to undertake an external procurement exercise to maximise best quality and value for money for the future operation and management of the NWBC leisure service.

10 Leisure Operator Contract Procurement Length

10.1 The justification for recommending a 10 year plus an additional five years (at the discretion of the council) is:

- The majority of externalised leisure contracts are 10+5 years; consequently, the potential bidders will be currently operating this type of contract for other councils. Nuneaton and Bedworth are currently out to tender in the market for the same length of contract.
- The 10+5 enables the potential bidders to profile expenditure and income over a period which is sufficient for them to allow for depreciation for start-up costs such as branding, uniforms, IT systems, gym equipment, any refresh of the buildings at year 5.
- It would normally take 2-3 years for the business to reach the industry-standard level of efficiency; and an operator may well predict a loss in the early years which are then offset by improved performance in the later part of the contract.
- A longer contract enables the risk profile to be shared between the operator and the council. Short-term contracts place the burden of risk on the council.
- During soft market testing in winter 2023, all of the operators contacted indicated a preference for a 10+5 contract.

11 Leisure Project Timetable

11.1 It is important at this stage to set out the proposed high-level timetable to show the potential interdependencies and timescales as the project progresses. Clearly at such an early stage this timetable is indicative and subject to change, However it does provide a roadmap for the project to follow.

Date	Polesworth	Atherstone	Operator
September 2024	Agree procurement strategy: either a Design & Build or Development Partner approach		
December 2024			Ask for Expressions of Interest
January 2025	Planning application submitted		

February 2025			Issue Invitation to Tender
March 2025		Planning application submitted	Bidders have full information on the new builds
May 2025			Tenders received from bidders
June/July 2025	Certainty on capital costs		Negotiation with shortlisted bidders
August 2025	Start on site		Final tenders
September 2025			Preferred bidder chosen
October 2025			Mobilisation period begins
November 2025			
January 2026		Start on site	Contract commences
January 2027	New building opens		
December 2027		New building opens	

12 Member Steering group

- 12.1 Due to how often The Board is scheduled to meet, The Board is asked to consider the establishment of a small member steering group made up of members of the committee.

Officers will update the Group regularly and its principal purpose will be to offer guidance from time to time to officers on certain issues which may arise. It's terms of reference will be confined to this project, and it will have no decision-making role or powers.

13 Key Council Options

- 13.1 The purpose of the feasibility stage of the project is to identify key risk and issues prior to the council continuing into the next gateway or phase of the project. A full options appraisal will be presented to councillors at the conclusion of the feasibility stage enabling a further informed decision to be taken on the scope, viability, and affordability of future facilities, allied to the likely cost and savings that can be derived from an alternative management model.
- 13.2 At this stage the council still has the **Option (1)** to do nothing, whereby the project will stand down .No further consideration or review of leisure options within the Borough would be undertaken; ; the offer continuing to be b on existing facilities as outlined in Paragraph 4 of the Report
- 13.3 **Option (2)** – Members agree the recommendations set out above to proceed with the feasibility stage as set out in this report.
- 13.4 **Option No (3)** – push the review of facilities back with the intention of considering the leisure offer within the Borough again at some point in the future.

13.4 Members are reminded that leisure is a non-statutory service of the council meaning that there is no obligation to provide leisure facilities at any kind of level or at all.

14 Risks

14.1 The corporate risk management process identifies and scores risks associated with the provision, management, and maintenance of leisure facilities. The process through which the procurement of new leisure facilities and future management and operation of the leisure service would require the detailed assessment of risk at a number of key stages throughout the project. This process will help to ensure that informed decisions can be made in respect of the most appropriate means by which to sustainably meet and manage the leisure-related needs of the local community.

Potentially significant risks include the following:

- Political
- Project Management
- Revenue Funding/ Affordability
- Capital Investment/ Affordability
- Procurement
- Communications
- Workforce/ HR
- Operations
- Legal
- Contract Mobilisation and Monitoring

14.2 The early identification of risks is a key part of the project plan and managing those risks will form a regular part of the management of the project. Regular monitoring of the risk register and associated actions ensure that risks are actively managed and reported.

14.3 An Officer Project Board has been established to oversee the direction and delivery of the project. This board provides regular updates to management Team and will provide update reports to councillors and boards as required. The officer board is led by the interim Director of streetscape and its membership includes the interim Corporate Director Finance, the Council's Monitoring Officer, the Interim Assistant Director of Leisure, the Head of Corporate Services, the Head of HR, and other technical officers.

14.4 The Board is currently developing a comprehensive risk management matrix which will be shared with members during the feasibility stage of the project.

14.5 The most significant risks that need to be mitigated immediately in relation to the facilities are associated with confirming the feasibility of both schemes:
Site surveys, including ground conditions, highways, services.
Planning policy requirements

Affordability

15 Finance and Value for Money Implications

- 15.1. The current cost of delivering leisure services is £2.1 million of which £700k is non controllable costs such as capital charges and support services, giving a net cost to the council of £1.4m.
- 15.2 At the February tax set meeting an additional £2.25 million was allocated to the provision of a new leisure facility at Polesworth. In addition, to existing Section 106 monies. The total budget available which has to cover all design and professional fees and construction and fit out is £5.4 million.
- 15.3 There is an existing budget of £3 million for the provision of refurbished/new leisure facilities at Atherstone. At the budget meeting in February members allocated a further £750,000 to develop an on-going feasibility and options appraisal for future provision at the site. There is also £471,655 which was reclaimed VAT because of the HMRC ruling on leisure income, the recommendation in this report is that these funds are moved into a ringfenced revenue reserve for new leisure facilities.
- 15.4 Members will be aware that the council was un-successful in its bid to government as part of the Levelling up LUF proposals for what was the Atherstone leisure Hub proposal with NHS and County libraries. It is unlikely that future funding may be available in time to replace the current ageing facilities and a revised design and footprint is currently being investigated.
- 15.5 The cost to procure and appoint a design and build and/or developer partner will be met from the existing project budgets set out in 15.2 and 15.3 above. At this stage the cost of the work is unknown until the market exercise has concluded.
- 15.6 The cost to procure a new leisure operator will be met from the existing project budgets set out in 15.2 and 15.3 above. At this stage the cost of the new contract is unknown until the market exercise has concluded.
- 15.7 The SOPM provided an outline business case for the new buildings at Polesworth and Atherstone which was predicated on the capital costs (including interest on borrowing) being paid for by efficiencies generated by the operation of the improved facilities.

This is critical in terms of future affordability and the next section of potential options for the future management of the leisure provision is inextricably linked to this. Final agreement to proceed with the project will only be taken after a full options appraisal is provided to Board.

- 15.8 Further update reports will be brought back to the Community and Environment board over the course of the next few months setting out progress and identifying any further financial implications as the project progresses.

16 Safer Communities Implications

- 16.1 Leisure facilities contribute to community safety through the provision of well managed indoor and outdoor leisure and recreation services that are safe by design and afford opportunities for positive activity.

17 Legal, Data Protection and Human Rights Implications

No legal implications arise directly from this report. The Board is advised that there is no statutory requirement for councils to provide these services, but they do so on a discretionary basis because as they often recognise the significant value of these services and infrastructure to their communities.

18 Environment, Sustainability and Health Implications

The provision of a sustainable, fit-for-purpose portfolio of well managed leisure facilities has a positive impact on the health and wellbeing of individuals and communities by providing opportunities for leisure and recreation activities and by contributing to an improved quality of life. Opportunities to improve the carbon footprint of our leisure facilities will be considered as part of this leisure project.

19 Human Resources Implications

- 19.1 The Authority would need to ensure that any staff transferring from the Borough Council to a LATCo or an external operator retain certain Terms & Conditions and pension protections. In this regard, the transfer of the Leisure Facilities service into a company would result in the applicability of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). Where this is the case, there are obligations to inform and consult with affected employees and employees have the right to transfer with their existing employment contracts and continuity of service.

20 Equalities Implications

- 20.1 It is intended that Local Authority Trading Company management and operation of the Authority's Leisure Facilities service would ensure continued equality of access to sustainable, good quality leisure opportunities.

21 Links to Council's Priorities

- 21.1 The proposals to develop new leisure centres and to transfer the leisure service to an external operator provides positive links to the corporate priorities in respect of:
- Efficient and sustainable organisation,
 - Safe, Liveable, Locally Focussed communities,
 - Prosperous, active, and healthy,
 - Sustainable growth, protected rurality.

The Contact Officer for this report is Cath James (01827 719295).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

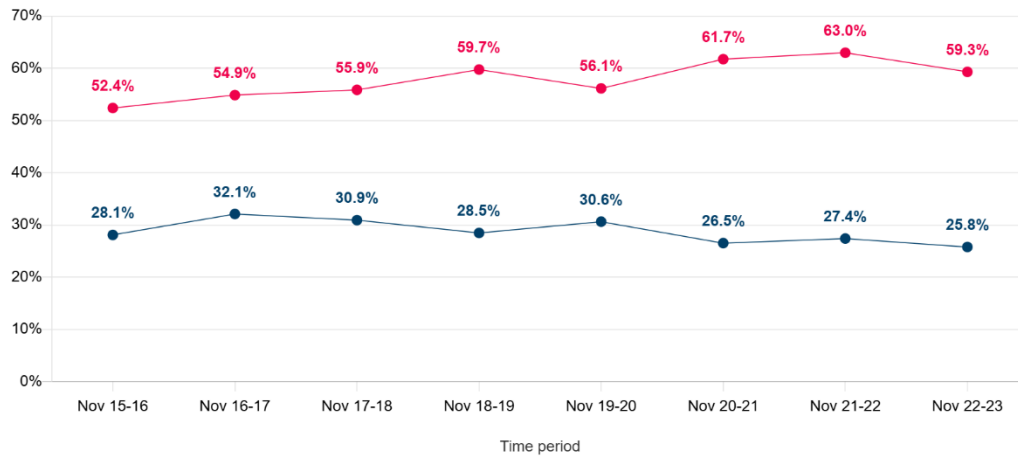
Background Paper No	Author	Nature of Background Paper	Date

Summary of previous reports

1. 2017 - 'Options Appraisal for Leisure Facility Provision and operational management' recommendations:
 - a. Operational management retained in-house for 24 months with a Service Improvement Plan in place to improve the operational performance
 - b. Consideration is given to the replacement and re-development of existing facilities in Polesworth and Atherstone
2. 2017 - 'Leisure Facilities Strategy':
 - a. There is a current over-supply of sports halls, and this is likely to be sufficient for anticipated population growth until 2031 (provided that public access to existing sites is not lost)
 - b. There is a current small under-supply of swimming pool space. Population growth will increase demand and the equivalent of two 25m lanes will be needed to meet demand by 2031
 - c. There is a current under-supply of gym equipment stations. A further 123 stations are needed to meet the existing shortfall and future population growth up until 2031
 - d. There is no standard method for assessing demand for fitness studios, but the report assumes that the unmet demand for gym stations is likely to reflect an unmet demand for fitness studios as well
3. 2020 - 'Strategic Outcome Planning Model':
 - a. The main reason that residents do not use the council leisure centres is that "the facilities are not good enough" [source SOPM para 2.15.4]
 - b. The main factors that would encourage residents to use council leisure centres are a "better range of facilities or equipment", "improved facilities" and "cleanliness of facilities"
 - c. The report recommended a replacement facility for the Atherstone leisure centre in the existing town centre location. A schedule of accommodation was included based on current and future need.
 - d. The report recommended that a new leisure centre should be provided in Polesworth at Abbey Green Park. A schedule of accommodation was included based on current and future need.
 - e. The capital investment required for the two new leisure facilities would be predicated on operational revenue savings which would service any borrowing

- f. An evaluation of operational management options concluded that the optimum model was to externalise the service
4. March 2022 - C&E report:
- a. The council received advice that externalisation of the service should “be left until the market has stabilised after the pandemic and confidence has returned.”
 - b. However, the council still faced financial challenges and it was agreed that a LATCo should be progressed to deliver the leisure service
5. October 2022 – Executive Board report - Leisure Facilities Local Authority Trading Company: Business Case:
- a. The Business Case for the LATCo set out the financial benefit of establishing a Company Limited by Guarantee compared to the additional expense to the council of treating the in-house leisure service as being exempt from VAT

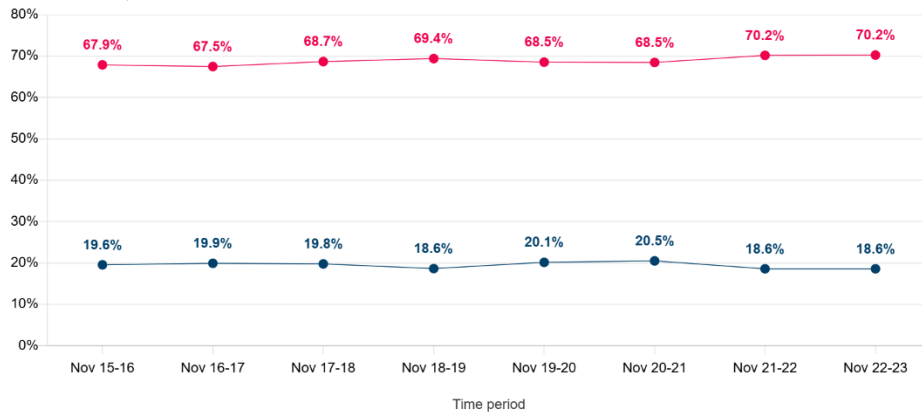
Levels of activity (Main - 3 categories)
North Warwickshire LA



% Levels of activity (Main - 3 categories):

■ Inactive: less than 30 minutes a week ■ Active: at least 150 minutes a week

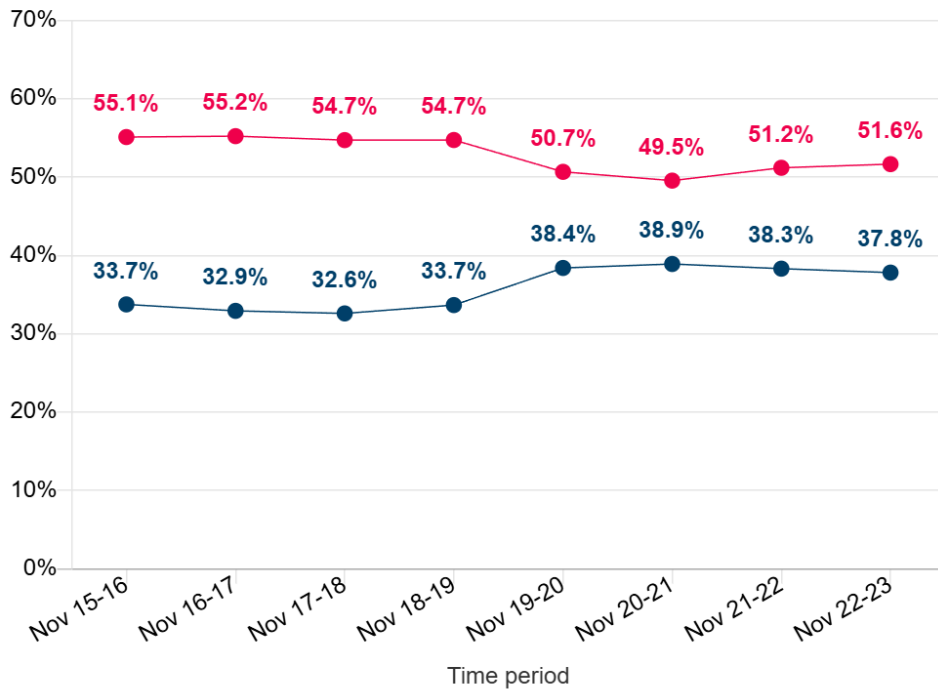
Levels of activity (Main - 3 categories)
Decile 10 - Least deprived



% Levels of activity (Main - 3 categories):

■ Inactive: less than 30 minutes a week ■ Active: at least 150 minutes a week

Levels of activity (Main - 3 categories)
Decile 1 - Most deprived



% Levels of activity (Main - 3 categories):

■ Inactive: less than 30 minutes a week ■ Active: at least 150 minutes a week

Operating Models – Options Appraisal- previously provided as part of the SOPM 2020

IN HOUSE		EXTERNAL CONTRACTOR (regional / national)		LOCALLY ESTABLISHED TRUST	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
OPERATIONS					
More effective cross department working; sports development teams, health, community cohesion etc.	Without a defined specification, service delivery is often based upon short term priorities.	Head office specialists enable operations to be the ‘latest’ in the market. Enable best practice from several contracts to be disseminated across facilities.	Operations can be ‘corporate’ as opposed to locally led.		The Council has less influence as it is led by a board of Trustees
Joined up service provision for residents.	There is no ‘contractual’ requirement for the council to carry out its responsibilities; therefore, where budgets are not available facilities can deteriorate and service levels	Economies of scale provide effective product management; fitness, swimming lessons etc.	Changes to the specification / contract require a variation that can affect the management fee and can incur legal costs.	Single focus on service delivery and empathy with the local area.	No expertise from a ‘head office’. Expertise re market led product development has to be bought in or learned as products mature in the industry. Marketing and branding expertise will need to be bought in

IN HOUSE		EXTERNAL CONTRACTOR (regional / national)		LOCALLY ESTABLISHED TRUST	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
	reduce, for example, in relation to repairs and maintenance.				
Changes in priorities can be implemented quickly.	Officers have to use council contracts in areas that may not be suitable for the services, for example IT and FM.	Generally, have well-structured Quality Management Systems covering general operations, H&S, all product areas etc.	It can be harder to work with other partners effectively; other council departments, education, Active Communities.	Closer links with the community through the Trustees.	No ability to easily gain information about industry best practice in relation to operations.
Members / officers feel that they 'own' the services.	The Council can be slow to react to implement change.	A contract and specification that ensures roles and responsibilities are clearly defined between the parties.	May not fully achieve local priorities and cultural requirements and operating philosophy may not be compatible.	Staff feel more involved in the service delivery as not part of a large organisation.	
Officers have autonomy to make local decisions that	Limited access to the benefits of developing new opportunities and	Output based specifications allow the Council to focus on ensuring that the		Stronger 'partnership' approach.	

IN HOUSE		EXTERNAL CONTRACTOR (regional / national)		LOCALLY ESTABLISHED TRUST	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
impact on the services.	from economies of scale and also to the wider knowledge gained by experienced (larger) operators for innovation and development.	external contractor is delivering Council targets and objectives.			Normally a much softer approach to monitoring (for example with no deduction mechanism) in place.
		An external contractor with charitable status makes it easier to apply for external funding.		Arm's length from the Council results in operations less influenced by officers / members	
RISK					
Council is not paying for any risk premiums.	Council has to pay for all risks / additional costs as they occur.	Generally, accept all income risk and most expenditure risk, with external contractors taking the risk in	Partners are becoming increasingly unlikely to accept risk on utilities tariffs, LGPS pension contributions; NJA salary	Generally, accept all income risk and most expenditure risk. Trust models with legal	Less able to withstand significant changes in leisure trends.

IN HOUSE		EXTERNAL CONTRACTOR (regional / national)		LOCALLY ESTABLISHED TRUST	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
		relation to NNDR and VAT relief.	rises above inflation and building structure of older buildings.	structures in place to lever in NNDR and VAT benefits.	
No procurement implications of delivery of in-house support services.	Council may not be best placed to manage all risks; for example. income risk, change in industry trends, procurement of building specialists etc.	External contractors with trust legal structures in place to lever in NNDR and in some cases VAT benefits.	Contractors, and in particular those with 'hybrid trust' structures, may propose that risk on loss of NNDR and VAT relief, even where their structures are eligible for such relief, remains with the Council.	If there is no formal contract in place, council does not have legal obligations (for example, to undertake repairs and maintenance responsibilities).	No other contract/sites to absorb poor financial performance.
	Non-statutory status of leisure means service is vulnerable to year on year savings.	Offer local authorities a known level of financial commitment and certainty over a contract period.	Following Covid-19 pandemic, likely to require open book deficit position / income benchmarking.		Ultimately risk of 'failure' remains with the Council.

IN HOUSE		EXTERNAL CONTRACTOR (regional / national)		LOCALLY ESTABLISHED TRUST	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
		Historically able to offset any contract losses within overall portfolio, thus accepting trading risk.	Limits to risk transfer, e.g. market will not accept unaffordable and costly repairing obligations (particularly of older buildings).		
			The Council is obliged to fulfil its responsibilities or be subject to a claim from the operator.		
INVESTMENT					
Low costs in providing capital if the Council has access to it.	Future invest to save investment opportunities compete with capital for other council priorities.	Can provide investment into facilities; either investment to reduce revenue or for backlog maintenance.	Large scale operator investment unlikely / will be costly.	The Council could support the Trust in respect of investment opportunities in relation to Prudential Borrowing etc.	
	Can be slower to react to introduce	For larger investment projects, prudential		New investment opportunities can be	

IN HOUSE		EXTERNAL CONTRACTOR (regional / national)		LOCALLY ESTABLISHED TRUST	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
	income generating schemes due to sign off timescales and Council procedures.	borrowing will be the cheapest solution. Contractors will however, project manage the works with their suppliers and accept programme overruns and income risk..		negotiated at any time during the contract period.	
	Ancillary areas are often not invested in; changing rooms, catering areas.	New investment opportunities can be negotiated at any time during the contract period.		Status makes it easier to apply for external funding.	
	No 'sinking' fund in place for future building works and equipment replacement.				
FINANCIAL					

IN HOUSE		EXTERNAL CONTRACTOR (regional / national)		LOCALLY ESTABLISHED TRUST	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
Economies of scale normally achieved in utilities purchasing.	The Council does not have the benefit of NNDR and VAT relief.	National operators are able to ‘spread’ the risk of the contract across their company.	Above projected profits (apart from through a profit share mechanism) will not be re-invested into the contract and are liable to be “lost” to Trust surplus.	NNDR and VAT savings.	Disadvantages of a small company, high central costs.
Effective purchase ledger and accompanying budget monitoring systems in place.	Increased staff costs from T&Cs and pension contributions.	Councils can plan, knowing the longer-term management fee – although where there are shared risks these have to be incorporated.	Expenditure will include an element for both head office costs and surplus.	All profits are re-invested back into the services / facilities.	Few economies of scale realised.
No need to pay operator any management fee and local authority retains any surpluses.	Unlikely to deliver required level of savings, only way to achieve this would be to close facilities.	Economies of scale in purchasing utilities, R&M contracts, fitness equipment etc.	Trust will have a ‘central cost’ recharge and Council’s central costs have to be shared over fewer departments.	Councils can plan, knowing the longer-term management fee.	Unable to spread financial risk across contracts.

IN HOUSE		EXTERNAL CONTRACTOR (regional / national)		LOCALLY ESTABLISHED TRUST	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
	Budget set year on year and may be subject to reductions with changing priorities of council or central government.	Gain benefit of operational skills (delivering services and commercial elements; fitness, swimming lessons, dry side courses, secondary sales).	There may be duplication of central staff posts, which may result in redundancy costs.		Additional set up costs required to establish local trust
	Often look to cut costs to achieve budget as opposed to generate more sales.	Existing market place had established track record in improving financial position.	Needs suitable client-side resources / expertise for the partnership to be effectively managed.		Needs suitable client-side resources / expertise for the partnership to be effectively managed.
	Any surpluses are allocated into the Council's central funds as opposed to be re-invested	Financial benefits should be achievable (NNDR and VAT) because of taxation efficient models.	Need to consider VAT implications on surplus management fees and costs within investment projects.		Need to consider VAT implications on surplus management fees and costs within investment projects.

IN HOUSE		EXTERNAL CONTRACTOR (regional / national)		LOCALLY ESTABLISHED TRUST	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
	into the service / facilities.				
	Central/support costs of the Council can be arbitrarily included in leisure budgets and disproportionate to overall service.				

SOPM Evaluation Criteria

Options Appraisal Evaluation Criteria			Overall weighting
	Criteria	Measures	
1	Council influence and control	Ability for Council to influence strategic and operational direction	10%
2	Council Objectives/Strategic outcomes	Able to understand the community within which the organisation is working to deliver the strategic outcomes of the Council; ability to work with the Council’s key stakeholders.	20%
3	Innovative and flexible	Must be an agile organisation able to react to; change in direction from the council, customer expectation and changes and impact of external environment	5%
4	Capital resources	Access to capital funds for development works / lifecycle and on-going maintenance works	5%
5	Revenue implications	Ability to maximise revenue, through performance and/or governance structure. Ability to effectively manage expenditure and costs.	25%
6	Risk/sustainability	How much financial risk can be transferred? Risk of not meeting customer demands and expectations	15%
7	Service delivery	How well will the services be delivered? Potential for innovation and improve/maintain quality services. Will customers,	15%

		particularly targeted and vulnerable people be able to access and afford facilities and services.	
8	Staffing	Degree of impact on local employment, impact upon staff terms and conditions, future opportunities for staff development	5%
			100%

SOPM Evaluation Scores for each Option

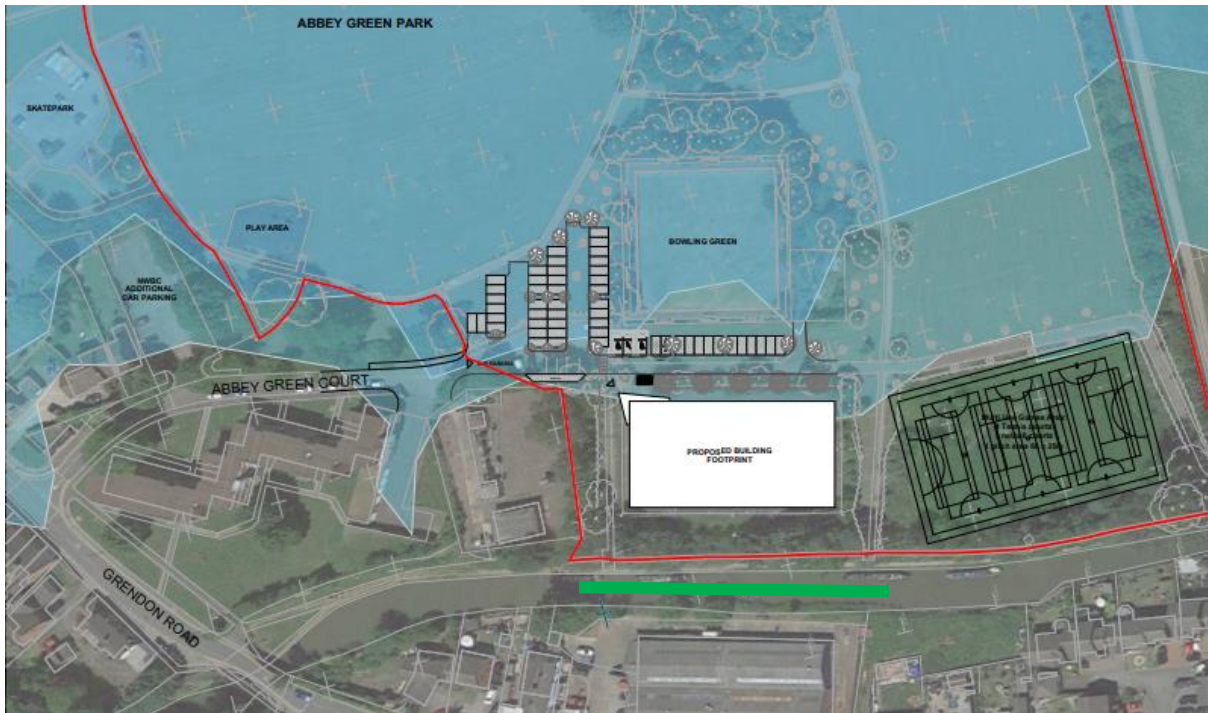
	Criteria	Measures		In house		External Contractor		Local Trust	
				Score	Weighted score	Score	Weighted score	Score	Weighted score
1	Council influence and control	Ability for Council to influence strategic and operational direction	10%	5	10%	3	6%	4	8%
2	Council Objectives/Strategic outcomes	Must be able to meet Council's current and future strategic objectives; ability to work with Council's key stakeholders.	20%	2	8%	3	12%	3	12%
3	Innovative and flexible	Must be an agile organisation able to react to; change in direction from the council, customer expectation and changes and impact of external environment	5%	2	2%	4	4%	4	4%
4	Capital resources	Deliver invest to save where possible. Fund asset programme in the longer term.	5%	3	3%	4	4%	3	3%

5	Revenue implications	Strong revenue position. Increase in participation. NNDR and VAT benefits. Savings across client and support costs	25%	2	10%	5	25%	4	20%
6	Risk/sustainability	How much financial risk can be transferred? Risk of not meeting customer demands and expectations	15%	3	9%	4	12%	2	6%
7	Service delivery	How well will the services be delivered? Potential for innovation and improve/maintain quality services.	15%	3	9%	5	15%	4	12%
8	Staffing	Economies of scale, impact upon staff terms and conditions, future opportunities for staff development	5%	4	4%	4	4%	3	3%
		TOTAL	100%		55%		82%		68%





SOPM Management Options Evaluation Score

Management Option	Evaluation Score
In house	55%
External Contractor	82%
Local Trust	68%

Polesworth new build site plan



Legend:

-  Curtilage of site
-  Floodplain
-  Footprint of proposed new building
-  Canal

Agenda Item No 10

Community and Environment Board

20 August 2024

Report of the
Interim Corporate Director – Resources
(Section 151 Officer)

Budgetary Control Report 2024/25
(April-June)

1 Summary

- 1.1 The report covers revenue expenditure and income for the period from 1 April 2024 to 30 June 2024. The 2024/25 approved budget and the actual position for the period are given, together with an estimate of the outturn position for services reporting to this Board.

Recommendation to the Board

That the report be noted and that the Board requests any further information it feels would assist it in monitoring the budgets under the Board's control.

2 Introduction

- 2.1 Under the Service Reporting Code of Practice (SeRCOP), services should be charged with the total cost of providing the service, which not only includes costs and income directly incurred, but also support costs relating to such areas as finance, office accommodation, telephone costs and IT services. The figures contained within this report are calculated on this basis.
- 2.2 In April 2024 a new Financial Management System (Unit 4) was implemented which will significantly change how budget monitoring and budget preparation is delivered in the future making it more efficient and timely automating as much as possible directing resources an interpreting the figures and presenting forecasts to give a clear indication of the outturn position and impact on balances which then feeds into the Medium-Term Financial Strategy. This report is the first budget monitor using forecasting rather than profiling, this will be more informative as the year progresses.

3 Estimated Outturn

- ... 3.1 The figures presented in **Appendix A & B** are based on the actual spend for April to June. The report provides details on the likely out-turn position for each of the services reporting to this Board. The forecast (anticipated out-turn) for this Board for 2024/25 is **£7,641,987** compared to an approved budget of **£7,686,370**. A reduction of **£44,843**.

3.2 The figures provided are based on information available and with only three months data it is difficult to forecast with certainty, but it highlights the areas which need to be monitored closely during the year and may change as the financial year progresses. Members will be updated in future reports of any changes to the forecast out turn and any additional funding will need to be approved by members as a supplementary estimate. More detail is shown in **Appendix A – B** of this report.

4 Leisure and Community Services

4.1 The income based on this quarter is forecasted to exceed the approved budget position. Previous years trends have been considered along with the actuals for the first quarter. No adjustments will be made at this stage, this will be closely monitored going forward.

4.2 Employee costs are forecasted to exceed the approved budget position. This is due to the estimated impact of the 24/25 pay award which is not yet agreed. When the pay award is approved the salary budgets will be adjusted across the council to match the actual percentage awarded.

4.3 Expenditure against Transport is estimated lower than the budgeted position due to lower fuel and maintenance costs. Expenditure against supplies and services no variance to be reported in this quarter as some transactions recorded on the new financial system are shown in later periods.

5 Streetscape

5.1 Income is currently forecasted to exceed the approved budget position. This is due to higher-than-expected revenues from bin sales and other waste collections.

5.2 Employee costs currently are estimated below the approved budget position. This is due to vacant posts in services and use of agency staffing, partly offsetting the estimated impact of the 24/25 pay award which is not yet agreed. These budgets will continue to be closely monitored going forward into the half year position.

5.3 Expenditure against Transport is forecast to outturn less than the budgeted position due to lower fuel and maintenance costs. It's difficult in the first quarter to draw any definite conclusions so these budgets will continue to be monitored closely and adjusted in line with forecast if this trend continues.

6 Environment

6.1 The first quarter figures do not highlight any potential variances to the original budget.

7 Report Implications

7.1 Finance and Value for Money Implications

7.1.1 Income and Expenditure will continue to be closely managed and any issues that arise will be reported to this Board at future meetings.

7.2 Environment and Sustainability Implications

7.2.1 The Council must ensure that it adopts and implements robust and comprehensive budgetary monitoring and control, to ensure not only the availability of services within the current financial year, but in future years.

The Contact Officers for this report are Adrian Vaughan (ext. 2379) and Akanksha Downing (ext. 4384).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
Executive Board – Agenda item 10	Interim Corporate Director - Resources (Section 151 Officer)	General Fund Revenue Estimates and Setting the Council 2024-25	

		Budget	Actuals	Forecast	Variance
	Streetscape	£3,675,510	£1,045,424	£3,591,060	-£84,450
NW5010	Amenity Cleaning	£837,430	£362,100	£870,673	£33,243
NW5016	Atherstone Market	£3,480	£4,263	£3,480	£0
NW5003	Cesspool Emptying	£81,420	£80,052	£62,418	-£19,002
NW5000	Domestic Refuse Collection	£1,288,100	£587,290	£1,283,817	-£4,283
NW5014	Drain Unblocking And Land Drainage	£19,710	£19,710	£19,710	£0
NW5007	Green Waste Service	£131,450	-£287,150	£104,142	-£27,308
NW5004	Recycling	£1,071,610	£482,355	£993,972	-£77,638
NW5015	Street Furniture	£8,630	£7,150	£8,630	£0
NW5001	Streetscene Grounds Maintenance	£198,620	-£159,416	£123,240	-£75,380
NW5002	Trade Refuse Collection	£12,220	-£130,110	-£54,862	-£67,082
NW3301	Transport Workshop Account	£0	£2,404	£157,289	£157,289
NW3303	Transport Fuel Account	£0	£117	-£2,070	-£2,070
NW3300	Transport Management Account	£0	£62,360	£0	£0
NW3410	Transport Pool Vehicles	£0	£0	£11,541	£11,541
NW3302	Transport Sundry Spares And Consumables	£0	£0	-£13,760	-£13,760
NW5013	Unadopted Roads	£22,840	£14,300	£22,840	£0
	Environment	£676,620	£645,129	£676,620	£0
NW5006	Abandoned Vehicles	£5,760	£3,851	£5,760	£0
NW5005	Animal Control	£35,710	£27,079	£35,710	£0
NW4002	Commercial Pollution Control	£521,200	£537,528	£521,200	£0
NW5023	Consultation	£11,160	£6,130	£11,160	£0
NW5025	Corporate Policy	£42,270	£27,431	£42,270	£0
NW4003	Domestic Pollution Control	£41,070	£37,361	£41,070	£0
NW5034	Landscape	£13,750	£1,970	£13,750	£0
NW5021	Public Health Act 1984 Burials	£5,700	£3,780	£5,700	£0
	Leisure and Community	£3,334,240	£2,486,045	£3,374,307	£40,067
LL9003	Atherstone Leisure Complex	£1,129,250	£674,572	£1,203,660	£74,410
LL9002	Coleshill Leisure Centre	£581,470	£424,148	£459,109	-£122,361
NW5047	Community Fund For Local Projects	£0	£14,498	£0	£0
NW5019	Green Space Budget	£715,650	£675,049	£715,650	£0
NW5055	Health Improvement	£17,860	£12,419	£17,457	-£403
NW5040	Marketing And Market Research	£15,880	£9,280	£15,880	£0
LL9005	Memorial Hall (Cultural)	£0	£417	£1,734	£1,734
LL9004	Memorial Hall (Sport)	£180,360	£123,234	£292,925	£112,565
LL9001	Polesworth Gym (Prv Workspace Units)	£239,940	£152,151	£216,839	-£23,101
LL9000	Polesworth Sports Centre	-£3,710	£89	-£12,318	-£8,608
LL9007	Qe School Artificial Grass Pitch	-£1,020	£6,707	£4,811	£5,831
NW5030	Rural Regeneration	£4,440	£3,240	£4,440	£0
NW5056	Safer Communities	£399,380	£372,370	£399,380	£0
NW5044	Support To Voluntary Organisations	£54,740	£17,870	£54,740	£0
	Community & Environment Board Total	£7,686,370	£4,176,598	£7,641,987	-£44,383

NOTE: The variance is between the budget and forecast

	Budget	Actuals	Forecast	Variance
Streetscape	£3,675,510	£1,045,424	£3,591,060	-£84,450
Employees	£2,977,140	£716,484	£2,948,913	-£28,227
Premises-Related Expenditure	£309,240	£22,937	£309,240	£0
Supplies & Services	£724,790	£160,215	£724,790	£0
Transport-Related Expenditure	£1,451,710	£131,406	£1,421,598	-£30,112
Income	-£2,658,910	-£982,157	-£2,685,021	-£26,111
Balance Sheet	-£10,200	£114,800	-£10,200	£0
Central Support Charges	£881,740	£881,740	£881,740	£0
Environment	£676,620	£645,129	£676,620	£0
Premises-Related Expenditure	£14,480	£6,815	£14,480	£0
Supplies & Services	£78,310	£36,423	£78,310	£0
Income	-£18,510	-£449	-£18,510	£0
Balance Sheet	£4,410	£4,410	£4,410	£0
Central Support Charges	£597,930	£597,930	£597,930	£0
Leisure and Community	£3,334,240	£2,486,045	£3,374,307	£40,067
Employees	£1,382,780	£357,811	£1,486,941	£104,161
Premises-Related Expenditure	£919,800	£222,627	£919,800	£0
Supplies & Services	£633,680	£151,266	£633,680	£0
Transport-Related Expenditure	£6,090	£265	£5,929	-£161
Income	-£1,335,970	-£234,434	-£1,399,904	-£63,934
Balance Sheet	£212,280	£472,930	£212,280	£0
Central Support Charges	£1,515,580	£1,515,580	£1,515,580	£0
Grand Total	£7,686,370	£4,176,598	£7,641,987	-£44,383

North Warwickshire UKSPF Advisory Panel - Minutes

Thursday 13 June 10am

Present: Cllr. D Wright (Chairperson), Cllr. H. Phillips, Cllr. Ridley, Cllr. Clews, Cllr. Osbourne
Steve Maxey, Becky Evans, Sally Roberts, Rachel Stephens (all NWBC), William Tse (WCC), Sarah Newell (WCAVA)

Apologies for Absence: Cllr. Bell, Cllr. Gosling, Mary Dunleavy (DWP), Charles Barlow (WCC), Lorraine Verrall (NWCA), Roger Minett (NWCA),

Notes					Action
Allocation					
The Panel were reminded that the overall funding allocation for North Warwickshire is:					
Funding Sources	2022 - 23	2023 - 24	2024 - 25	Total	
UKSPF Allocation	£238,544	£477,088	£1,249,970	£1,965,602	
Rural England Prosperity Fund		£280,000	£215,639	£495,639	
Allocations to Date					
Total allocations to date:					
Investment Priority	Allocation (2022 / 2023)	Allocation (2023 / 2024)	Allocation (2024 / 2025)	Spend allocated to date	Left to allocate
Communities & Place	£181,044	£278,088	£506,970	£775,824	£190,278
Local Business	£27,500	£117,000	£239,250	£338,988	£44,762
People & Skills	£30,000	£82,000	£503,750	£193,067	£422,683
Rural England		£280,000	£215,639	£161,909	£333,730
The cost of administrative support also comes from the core UKSPF funding.					

Notes	Action																														
<p>Funding Requests and Decision Making</p> <p>The following applications were received and concluded as shown:</p> <table border="1" data-bbox="108 360 1310 1043"> <tbody> <tr> <td>Fillongley Changing Rooms (Fillongley Parish Council)</td> <td>APPROVED</td> </tr> <tr> <td>Central Coleshill Improvements (Coleshill Partnership)</td> <td>APPROVED</td> </tr> <tr> <td>Shustoke Play Area (Friends of Shustoke Park)</td> <td>APPROVED</td> </tr> <tr> <td>Sensory Garden (Oldbury Cottage Care Farm)</td> <td>APPROVED</td> </tr> <tr> <td>“Kick Start” (Next Generation)</td> <td>REJECTED</td> </tr> <tr> <td>Project EPC (NWBC)</td> <td>APPROVED</td> </tr> <tr> <td>Atherstone Sports Club Pitch and Clubhouse Improvements (Atherstone Sports Club)</td> <td>APPROVED</td> </tr> <tr> <td>IT Equipment (Oldbury Cottage Care Farm)</td> <td>APPROVED</td> </tr> <tr> <td>Central Polesworth Flood Measures (Polesworth Partnership)</td> <td>APPROVED subject to clarification</td> </tr> <tr> <td>Teenage Market Skills Workshop (NWBC)</td> <td>APPROVED</td> </tr> <tr> <td>People & Skills Offer (Hercules Construction Academy)</td> <td>APPROVED</td> </tr> <tr> <td>Automated packaging line for fresh and frozen chips (Edima Holdings Ltd)</td> <td>APPROVED</td> </tr> <tr> <td>Warton Village Hall Improvements (Warton Parish Council)</td> <td>APPROVED</td> </tr> <tr> <td>Access Improvements at Brett’s Hall Recreation Ground (NWBC)</td> <td>APPROVED</td> </tr> <tr> <td>Accessibility Improvements to Green Spaces (NWBC)</td> <td>APPROVED</td> </tr> </tbody> </table>	Fillongley Changing Rooms (Fillongley Parish Council)	APPROVED	Central Coleshill Improvements (Coleshill Partnership)	APPROVED	Shustoke Play Area (Friends of Shustoke Park)	APPROVED	Sensory Garden (Oldbury Cottage Care Farm)	APPROVED	“Kick Start” (Next Generation)	REJECTED	Project EPC (NWBC)	APPROVED	Atherstone Sports Club Pitch and Clubhouse Improvements (Atherstone Sports Club)	APPROVED	IT Equipment (Oldbury Cottage Care Farm)	APPROVED	Central Polesworth Flood Measures (Polesworth Partnership)	APPROVED subject to clarification	Teenage Market Skills Workshop (NWBC)	APPROVED	People & Skills Offer (Hercules Construction Academy)	APPROVED	Automated packaging line for fresh and frozen chips (Edima Holdings Ltd)	APPROVED	Warton Village Hall Improvements (Warton Parish Council)	APPROVED	Access Improvements at Brett’s Hall Recreation Ground (NWBC)	APPROVED	Accessibility Improvements to Green Spaces (NWBC)	APPROVED	
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<p>Future Meeting Dates</p> <p>18 September 10am Committee Room 11 December 10am Committee Room</p>																															

Agenda Item No 12

Community & Environment Board

20 August 2024

**Report of the
Chief Executive**

Exclusion of the Public and Press

Recommendation to the Board

To consider, in accordance with Section 100A(4) of the Local Government Act 1972, whether it is in the public interest that the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

Agenda Item No 13

Restructure of Community Development – Report of the Director of Leisure and Community Development

Paragraph 2 – By reason of information which is likely to reveal the identity of an individual.

In relation to the item listed above members should only exclude the public if the public interest in doing so outweighs the public interest in disclosing the information, giving their reasons as to why that is the case.

The Contact Officer for this report is Marina Wallace (719226)