

Tuesday 9 April 2024

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EXECUTIVE

You are summoned to a meeting of the Executive, which will be held in the Council Chamber, Council Offices, Woodgreen, Witney, Oxfordshire OX28 1NB on **Wednesday 17 April 2024 at 2.00pm.**



Giles Hughes
Chief Executive

To: Members of the Executive

Councillors: Andy Graham (Leader), Duncan Enright (Deputy Leader), Lidia Arciszewska, Joy Aitman, Charlie Maynard, Andrew Prosser, Geoff Saul, Alaric Smith and Tim Sumner.

Recording of Proceedings – The law allows the public proceedings of Council, Executive, and Committee Meetings to be recorded, which includes filming as well as audio-recording. Photography is also permitted. By participating in this meeting, you are consenting to be filmed.

As a matter of courtesy, if you intend to record any part of the proceedings please let the Democratic Services officers know prior to the start of the meeting.

AGENDA

1. **Apologies for Absence**
To receive any Apologies for Absence from Members of the Executive.
2. **Declarations of Interest**
To receive any Declarations of Interest from Members of the Executive on any items to be considered at the meeting.
3. **Minutes of Previous Meeting (Pages 5 – 12)**
To approve the minutes of the previous meeting, held on Wednesday 6 March 2024.
4. **Receipt of Announcements**
To receive any announcements from the Leader of the Council, Members of the Executive or the Chief Executive.
5. **Participation of the Public**
Any member of the public, who is a registered elector in the District, is eligible to ask one question at the meeting, for up to three minutes, of the Leader of the Council, or any Member of the Executive on any issue that affects the district or its people.

Notice, together with a written copy of the question, must be provided to Democratic Services, either by email to:
democratic.services@westoxon.gov.uk

or by post to:
Democratic Services, West Oxfordshire District Council, Woodgreen, Witney OX28 1NB.

Questions are to be received no later than 2.00pm two clear working days before the meeting (e.g. for a Wednesday meeting, the deadline would be 2.00pm on the Friday before).

A response may be provided at the meeting, or within three clear working days of the meeting. If the topic of the question is not within the remit of the Council, advice will be provided on where best to direct the question.

The appropriate Executive Member will either respond verbally at the meeting or provide a written response which will be included in the minutes of the meeting.
6. **Reports from the Overview and Scrutiny Committee**
To consider any reports or recommendations from the Overview and Scrutiny Committee, which meets on 10 April 2024.
7. **Matters raised by Audit and Governance Committee**
To consider any matters raised by the Audit and Governance Committee.
8. **Ubico Business Plan 24/25 (Pages 13 – 38)**
Purpose:
To consider the Ubico Business Plan 2024-25, which has been produced by Ubico in consultation with the Directors and Shareholders, and to recommend that the Leader (as Shareholder Representative) approves the plan.

Recommendations:

That the Executive Resolves to:

1. Note the 2024/25 Ubico Business Plan; and
2. Note that the Leader of the Council, as shareholder representative, will sign the written resolution to approve the Ubico Business Plan 2024-2025 in due course.

9. Local Authority Housing Fund Round 3 Application (Pages 39 – 60)

Purpose:

To determine whether to support a third-round application to the Local Authority Housing Fund (LAHF) and sign the associated Memorandum of Understanding ('MoU').

Recommendations:

That the Executive Resolves to:

1. Approve the signature of the Memorandum of Understanding ('MoU') with government in respect of round three of the Local Authority Housing Fund ('LAHF');
2. Agree to accept a proposal from Soha Housing to fulfil the requirements of the LAHF on behalf of the Council in respect of the delivery of a further 4 additional affordable homes;
3. Agree to passport the funding received by the Council to Soha Housing underpinned by a funding agreement setting out the relevant grant terms;
4. Delegate authority to the Assistant Director for Resident Services, in consultation with the Director of Finance, to agree to provide funding (if necessary) from relevant refugee budget to fit out properties to an appropriate standard for affordable provision as set out in paragraph 4.2 of the report.

10. Funding Request for Asset Management Strategy (Pages 61 – 66)

Purpose:

To present the benefits of an Asset Management Strategy and Condition surveys and secure funding for their delivery.

Recommendations:

That the Executive Resolves to:

1. Agree to commission an Asset Management Strategy and allocate funding of £50,000 from the Property Budget 2024/2025;
2. Delegate authority to the Director of Finance, in consultation with the Executive Member for Finance, to award the contract for Conditions surveys following an Open Procurement;
3. Agree to allocate funding of £30,000/year from future revenue budgets for a rolling programme of building and carpark condition surveys.

11. Funding for Decarbonisation Scheme – Carterton Leisure Centre (Pages 67 – 76)

Purpose:

To present the business case for the decarbonisation of Carterton Leisure Centre and agree a strategy for funding the scheme.

Recommendation:

That the Executive Resolves to:

- I. Agree to pause the current project to decarbonise Carterton Leisure centre, informing Salix that there will be no further expenditure of PSDS 3b funding, and to reapply for more PSDS funding in Autumn 2024 to enable the scheme to proceed.

(END)

WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of a meeting of the

Executive.

Held in the Council Chamber, Council Offices, Woodgreen, Witney, Oxfordshire OX28 1NB
at 2.00pm on **Wednesday 6 March 2024.**

PRESENT

Councillors: Andy Graham (Leader), Duncan Enright (Deputy Leader), Joy Aitman, Charlie Maynard, Andrew Prosser, Alaric Smith, Geoff Saul, Tim Sumner and Lidia Arciszewska.

Officers: Giles Hughes (Chief Executive), Madhu Richards (Director of Finance), Andrea McCaskie (Director of Governance), Bill Oddy (Assistant Director – Commercial Development), Phil Martin (Assistant Director – Business Services), Andrew Brown (Business Manager, Democratic Services), Max Thompson (Senior Democratic Services Officer), Alison Borrett (Senior Performance Analyst), Christine Elsasser (Democratic Services Officer), Gemma Moreing (Business Information and Performance Lead), Mandy Fathers (Business Manager – Environmental, Welfare and Revenues), Heather McCulloch (Community Wellbeing Manager) and Hannah Kenyon (Climate Change Manager).

Other Councillors in Attendance: Michele Mead, Rosie Pearson, Julian Cooper and David Melvin.

154 Apologies for Absence

There were no Apologies for Absence from Members of the Executive.

155 Declarations of Interest

There were no Declarations of Interest made by Members of the Executive.

A number of officers employed by Publica Group would leave the meeting for Agenda Item 8: Publica Transition Update.

156 Minutes of Previous Meeting

Councillor Andy Graham, Leader of the Council, proposed that the minutes of the previous meeting, held on Wednesday 14 February 2024, be agreed by the Executive as a true and accurate record, and signed by the Leader of the Council.

This was seconded by Councillor Duncan Enright, was put to a vote, and was unanimously agreed by the Executive.

The Executive **Resolved** to:

- I. Agree the minutes of the previous meeting, held on Wednesday 14 February 2024, as a true and accurate record.

157 Receipt of Announcements

Councillor Andy Graham, Leader of the Council, welcomed Members and Officers to the meeting.

The Leader advised that the Annex to the final Agenda Item contained commercially sensitive information, and if the Executive wished to discuss the information contained within the Annex, the meeting would need to agree to enter private session. The Leader advised the attendees that this would be highlighted at the appropriate juncture.

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The Leader also highlighted that Annex A to Agenda Item 14: Retail Relief – Business Rates was an incorrect Annex contained within the printed agenda papers, adding that printed copies of the correct Annex were available on Members' benches, and was available to view on the Council's website.

Councillor Tim Sumner, Executive Member for Leisure and Major Projects, provided the Executive with updates regarding regeneration work being undertaken at leisure locations in Chipping Norton, including refurbishment work at Chipping Norton Leisure Centre. The Executive Member stated that sign off on the works was imminent and that staff were very happy with works nearing completion.

The Executive Member also shared updates regarding the Open-Air Swimming Pool in Woodstock. The Executive Member gave an overview of the wide range of activities that were available and confirmed that the venue would be open throughout the summer months between May and September 2024.

Councillor Charlie Maynard, Executive Member for Planning and Sustainable Development, announced that in conjunction with Cotswold District Council, the Council had been awarded £95,000 from Round 4 of the Proper Tech Innovation Fund, which would help the Council to develop online tools to engage with the public, on several planning related issues such as site identification. The Executive Member stated that the work would begin in the coming months and would allow the Council to be more accessible to the public.

Councillor Geoff Saul, Executive Member for Housing and Social Welfare, provided the Executive with an update on the Homelessness Prevention Grant. The Executive Member stated that the fund would allow local authorities to make further provisions for the prevention of homelessness, as well as funding for the provision of temporary accommodation.

The Executive Member gave an overview of funding received from Central Government which included an additional £215,177 towards prevention measures in West Oxfordshire.

Councillor Duncan Enright, Deputy Leader of the Council and Executive Member for Economic Development, gave an update regarding the West Oxfordshire Small Business Grant Scheme. The Deputy Leader highlighted that 41 applications had been received from different organisations around the local economy, with 36 applications successfully passing Counter Fraud checks thus far. The Deputy Leader further highlighted that all applicants had been invited to a session with the Oxfordshire Local Enterprise Partnership (OxLEP), with 34 successful applicants being awarded a grant of £5,000, to help further grow their businesses and employ further staffing resources.

Councillor Joy Aitman, Executive Member for Stronger, Healthy Communities, provided the Executive with an update regarding 3-Year Service Level Agreement awards. The Executive Member stated that in March 2023, the Executive agreed a new approach to funding, better aligned to the intended outcomes of the Council Plan. The Executive Member announced that 17 applications had been forthcoming and that total funding across the applications totalled £1.1 million.

The Executive Member gave an overview of the applications that fell into the three 'lots' that Executive had previously agreed to in March 2023, and thanked the projects associated with the applications for their continued hard work across the district.

The Executive Member further highlighted that 1 of the 5 projects which were currently live on the 'WestHive' platform had reached its target - 'Cycles of Good'. The Executive Member

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stated that additional workshop was held at the end of February 2024 for new round of funding, with 25 applicants attending.

The Leader advised that the next meeting of the Executive would take place on Wednesday 17 April 2024, at 2.00pm in the Council Chamber at Woodgreen, Witney.

158 Participation of the Public

There was no public participation at the meeting.

159 Reports from Overview and Scrutiny

The Leader stated that the recommendations from the Overview and Scrutiny Committee would be considered as part of the Financial Performance Report Q3 2023/2024, and Carbon Action Plan agenda items.

160 Matters raised by Audit and Governance Committee

No matters had been raised by the Audit and Governance Committee.

161 Publica Transition Update

Ahead of the item of business being considered by the Executive, Officers employed by Publica Group left the Council Chamber.

Councillor Andy Graham, Leader of the Council, introduced the report, which considered a report from Local Partnerships and the findings and recommendations therein.

The Leader gave an overview of the implications that were associated with the report, and explained that, whilst not fully known, a wide-ranging scale of financial costings would be associated with the proposals, as well as legal and recruitment implications. The Leader highlighted that a full transition plan and full business case would be formulated in due, to ensure that residents and Council staff remained foremost in the aims of the Council. The Leader stated that an Interim Programme Director had recently been appointed to oversee the transition of services, and that the appropriate officers meet and engage with the Programme on a regular basis.

The Leader reminded the Executive that the Publica model, was not the same as the one that was initially set up in 2017, and the needs and aims of both individual council's and residents had changed over the time that the model had been in place. The Leader urged Members to exercise caution when highlighting potential associated costs with the transition and that such plans must be fully costed and with the best interests of residents and staff in mind.

In debate, the Executive thanked the work of the Council's Overview and Scrutiny Committee for its input so far in scrutinising the proposals. The Executive reaffirmed its commitment to ensuring that the transition process was as smooth as possible, and that services to residents would not be affected. The Executive was also steadfast in ensuring that the terms and conditions of staff were protected as part of the transition.

The Executive also referred to the effectiveness of the Council, efficiencies of the Council, and feasibility of the project to ensure that the transition would be as smooth as possible, and the proposals associated with the transition project must be financially sound, and in keeping with the intended outcomes of the plan pertaining to West Oxfordshire District Council.

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At the invitation of the Leader, Councillor Michele Mead and Councillor Julian Cooper, attending as non-Executive Members, highlighted that the proposals were lacking consistent detail in relation to the overall financial implications of that transition, and that it was imperative to have a 'cap' on the financial costings associated with the project, before fully entering into a business agreement.

The Chief Executive stated that no estimates were currently available as the overall transition project was still in its infancy, and that a more detailed transition plan would be brought before the Executive in the coming months, which would take into account the Council's Medium Term Financial Strategy.

Councillor Andy Graham proposed that the Executive agree to the recommendations as listed on the report. This was seconded by Councillor Duncan Enright, was put to a vote, and was unanimously agreed by the Executive.

The Executive **Resolved** to:

1. Note the findings and recommendations set out in the Local Partnerships report;
2. Note that the Interim Programme Director shall prepare a detailed transition plan, building on the recommendations set out in the Local Partnerships report, for subsequent consideration by Executive, Overview and Scrutiny Committee and Council.

Officers employed by Publica Group, returned to the Council Chamber at the conclusion of the item.

162 West Oxfordshire Food Action Plan

Councillor Joy Aitman, Executive Member for Stronger, Healthy Communities, introduced the report, which presented the action plan produced by the Food Action Working Group (West Oxfordshire), noting the actions attributed to the Council. The plan was one of five district-specific action plans being produced as part of the Oxfordshire Food Strategy.

In debate, the Executive thanked the ongoing work of officers for producing a thorough plan and thanked local partners for their own commitments made in relation to the plan. The Executive referred to the difficult position that partners had been put in by a lack of funding received from central government.

The Executive also highlighted the important partnership working model with local partners across the district, including Cotswold National Landscape, Abingdon & Witney College, Oxfordshire County Council, Good Food Oxfordshire and the North East Cotswolds Farm Cluster.

Councillor Joy Aitman proposed that the Executive agree to the recommendations as listed on the report. This was seconded by Councillor Lidia Arciszewska, was put to a vote, and was unanimously agreed by the Executive.

The Executive **Resolved** to:

1. Endorse the Food Action Plan (West Oxfordshire) attached at Annex A of the original report;
2. Approve the actions attributed to the Council as set out in paragraph 3.5 of the original report.

163 Service Performance Report 2023–24 Quarter Three

Councillor Andy Graham, Leader of the Council, introduced the report, which provided details of the Council’s operational performance at the end of 2023-2024 Quarter Three (Q3).

In debate, the Executive praised the work of Officers for a series of consistently thorough, detailed and high-quality reports, and thanked the wider analysis team, embedded within the Council’s data team, for their continuing hard work.

The Executive praised the levels of the Council’s operational service output across the quarter, including the processing of planning applications and increased collections of Council Tax. The Executive also highlighted recent events that had taken place in the district which had helped to achieve the levels of operational output detailed within the original report, and made specific reference to a Christmas Market, held at Marriott’s Walk in Witney in December 2023, which contributed to substantially increased footfall in the town.

Officers gave the Executive clarity regarding the figures contained within missed waste collection target setting, and advised that missed collection figures overall were reducing. Officers and the Executive thanked the work of the Council’s waste collection partner Ubico for their continued work in support of the Council.

Councillor Andy Graham proposed that the Executive agree to the recommendation as listed on the report. This was seconded by Councillor Duncan Enright, was put to a vote, and was unanimously agreed by the Executive.

The Executive **Resolved** to:

- I. Note the 2023-2024 Q3 service performance report.

164 Financial Performance Report – 2023/24 Quarter Three

Councillor Alaric Smith, Executive Member for Finance, introduced the report, which detailed the Council’s financial performance for Quarter Three 2023-2024.

The Executive Member stated that the Executive had received a recommendation from the Overview and Scrutiny Committee, requesting that the Chair of the Overview and Scrutiny Committee be included as a consultee in the delegation to the Director of Finance, to review and repurpose earmarked reserves, in addition to the Executive Member for Finance.

The Executive Member stated that the Executive had decided not to accept the recommendation, highlighting that the additional consultation of the Chair of Overview and Scrutiny Committee would blur Executive and non-Executive responsibilities and would therefore not be appropriate.

The Executive Member reminded Members and Officers that Delegation to the Director of Finance in consultation with the Executive Member of Finance, is proper in terms of governance, adding that any decisions taken by officers would be notified to Members and any key decisions taken by officers would be subject to call in by Members.

Councillor Alaric Smith proposed that the Executive agree to the recommendations as listed on the report. This was seconded by Councillor Andy Graham, was put to a vote, and was unanimously agreed by the Executive.

The Executive **Resolved** to:

1. Note the Council's Financial Performance for Quarter Three 2023-2024;
2. Delegate authority to the Director of Finance, in consultation with the Executive Member for Finance, to review and repurpose earmarked reserves to mitigate against the four main financial risks identified in the original report.

165 Road Closure Policy

Councillor Duncan Enright, Deputy Leader of the Council and Executive Member for Economic Development, introduced the report, which considered a new policy for the administration of Temporary Road Closure applications.

In debate, and by invitation of the Leader, Councillors Michele Mead and Julian Cooper queried whether fees and charges related to road closures for significant national events such as Armistice Day, were required to be applied for by local town and parish councils where necessary, and also sought clarification as to whether road closures required authority for events such as national cycle races and major sporting events.

Officers clarified that the new policy was targeted at more local events and fees would be charged as appropriate. Officers gave further assurance that events of national significance had standing authority from Oxfordshire County Council, and that the County Council was the authority charged with the provision of such closures.

Councillor Duncan Enright proposed that the Executive agree to the recommendations as listed on the report. This was seconded by Councillor Andy Graham, was put to a vote, and was unanimously agreed by the Executive.

The Executive **Resolved** to:

1. Note the report and approve the Temporary Road Closure Policy;
2. Agree to implement the Temporary Road Closure Policy following the standard call-in period, but no sooner than 1 April 2024;
3. Agree to amend the Officer Scheme of Delegation and insert that the determination of Temporary Road Closure applications will be made by an appropriate officer in consultation with a legal representative, where there is no objection from any statutory consultee;
4. Approve the fees as set out in paragraph 4 of the report for Temporary Road Closure applications.

166 Fixed Penalty Notice Policy

Councillor Lidia Arciszewska, Executive Member for Environment, introduced the report, which considered a new policy for the administration of Fixed Penalty Notices.

Councillor Lidia Arciszewska proposed that the Executive agree to the recommendations as listed on the report. This was seconded by Councillor Andrew Prosser, was put to a vote, and was unanimously agreed by the Executive.

The Executive **Resolved** to:

1. Note the report and approve the Fixed Penalty Notice Policy;
2. Agree to implement the Fixed Penalty Notice Policy following the standard call-in period.

167 Retail Relief – Business Rates

Councillor Alaric Smith, Executive Member for Finance, introduced the report, which considered a scheme of rate relief for retail premises, as outlined by Government in the Autumn Statement 2023.

Councillor Alaric Smith proposed that the Executive agree to the recommendations as listed on the report. This was seconded by Councillor Duncan Enright, was put to a vote, and was unanimously agreed by the Executive.

The Executive **Resolved** to:

1. Approve the Retail, Hospitality and Leisure scheme as set out in Annex A for 2024/2025;
2. Delegate authority to the Assistant Director for Resident Services the award of such reliefs.

168 Carbon Action Plan

Councillor Andrew Prosser, Executive Member for Climate Change, introduced the report, which presented the West Oxfordshire District Council Carbon Action Plan proposed to be adopted and resourced by the Council from April 2024.

The Executive Member stated that the Executive had received a recommendation from the Overview and Scrutiny Committee, which requested that Carbon training be provided to Members, to help inform decision making and communication on carbon reduction.

The Executive Member highlighted that, following discussions with councillors, climate teams, monitoring officers and a Climate Literacy Experience Workshop with 20 other Local Authorities within the Net Zero Living Programme, a proposal for a blended approach to Councillor engagement and training on carbon and climate was being produced for consideration by the Publica Councils.

Councillor Andrew Prosser proposed that the Executive agree to the recommendation as listed on the report, with an additional recommendation agreed to by the Executive, whereby training on carbon and climate literacy for Members would take place, to inform decision making and communication on carbon reduction.

This was seconded by Councillor Lidia Arciszewska, was put to a vote, and was unanimously agreed by the Executive.

The Executive **Resolved** to:

1. Approve the West Oxfordshire District Council Carbon Action Plan to deliver on the Council's commitment to become carbon neutral by 2030;
2. Agree that member training on carbon and climate literacy will take place to inform decision making and communication on carbon reduction.

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169 Sport England Swimming Pool Support Fund Phase 2

Councillor Tim Sumner, Executive Member for Leisure and Major Projects, introduced the report, which sought approval for the Council to enter into an agreement with Sport England for the acceptance of a grant from the Swimming Pool Support Fund (SPSF) Phase 2. The report also sought approval for the Council to draw down funding awarded to Chipping Norton Lido, acting in its capacity as lead authority for the delivery of the SPSF.

Councillor Tim Sumner proposed that the Executive agree to the recommendations as listed on the report. This was seconded by Councillor Andrew Prosser, was put to a vote, and was unanimously agreed by the Executive.

The Executive **Resolved** to:

1. Approve the acceptance of the SPSF Phase 2 grant awarded to West Oxfordshire District Council, valued at £243,328, to install rooftop solar PV (Photo Voltaic) and energy saving showers at the Windrush Leisure Centre, Witney;
2. Delegate authority to the Director of Finance to draw down and deploy the SPSF Phase 2 grant awarded to Chipping Norton Lido Ltd, valued at £84,366, to install solar PV and an air source heat pump.

170 Exclusion of Press and Public


The item was not considered at the meeting.

171 Exempt Annex A – Sport England Swimming Pool Support Fund (Phase 2) – Capital Grant Agreement (CGA)

The exempt annex was considered as part of the public consideration of the Sport England Swimming Pool Support Fund Phase 2.

The Meeting closed at 3.28pm.

CHAIR

 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and Date of Committee	EXECUTIVE – 17 APRIL 2024
Subject	UBICO BUSINESS PLAN 2024-2025
Wards Affected	ALL
Accountable Member	Councillor Andy Graham – Leader of the Council. Email: andy.graham@westoxon.gov.uk
Accountable Officer	Giles Hughes – Chief Executive. Email: giles.hughes@westoxon.gov.uk
Report Author	Simon Anthony – Business Manager, Environmental Services. Email: simon.anthony@publicagroup.uk
Purpose	To consider the Ubico Business Plan 2024-25, which has been produced by Ubico in consultation with the Directors and Shareholders, and to recommend that the Leader (as Shareholder Representative) approves the plan.
Annexes	Annex A – Ubico Business Plan 2024-2025
Recommendations	That the Executive Resolves to: <ol style="list-style-type: none"> 1. Note the 2024/25 Ubico Business Plan; and 2. Note that the Leader of the Council, as shareholder representative, will sign the written resolution to approve the Ubico Business Plan 2024-2025 in due course.
Corporate Priorities	<ul style="list-style-type: none"> • Putting Residents First • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency
Key Decision	NO
Exempt	NO
Consultees/ Consultation	The following people have all been consulted on this report and the detail contained within: <ul style="list-style-type: none"> • Councillor Andy Graham • Councillor Lidia Arciszewska

	<ul style="list-style-type: none">• All Members as part of Ubico briefing on 8 February 2024• Senior Council Officers• Senior Publica Officers
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1. EXECUTIVE SUMMARY

- 1.1 Ubico is a Teckal company wholly owned by local authorities including West Oxfordshire District Council (WODC). The company delivers environmental services on behalf of its shareholders, including WODC, and is required to submit an annual business plan for approval by its shareholders.
- 1.2 The Leader of the Council, as the Shareholder Representative, has authority to approve the Business Plan.
- 1.3 Whilst the Leader of the Council has authority, as shareholder representative, to approve the business plan, it is being brought to Executive for members to note and consider.

2. BACKGROUND

- 2.1 West Oxfordshire District Council (WODC), is a shareholder of Ubico limited, a teckal company designed to deliver environmental services, offering better value for money than commercial contracts.
- 2.2 The Teckal model enables councils to commission services without the costs associated with an EU procurement process. Ubico delivers environmental services on behalf of the council at a price which reflects the actual cost of service provision, but in doing so holds no assets, and so the depot it operates from, the vehicles it uses to perform the services and the waste and recycling containers which are provided to residents, are all owned or leased by the authority. This ensures that the shareholders have full control over high value expenditure.
- 2.3 As part of the establishment of Ubico, a number of items were identified as reserved matters for council approval to ensure that shareholder councils retained an element of control over their company.
- 2.4 The reserved matters decisions fall to the shareholder representatives to determine. For WODC this is the leader of the council.
- 2.5 Members received a Business Plan engagement presentation directly from Ubico at an All Member Seminar in early February and their comments will be verbally given to the executive at the meeting.

3. MAIN POINTS

- 3.1 The Business Plan provides the vehicle to carry forward and address the issues identified by the Ubico shareholder councils. The 5 year vision developed by the Ubico board of directors in 2021 identifies the following priorities:
 - Leveraging Synergies and economies of scale
 - Harnessing opportunities to deliver value back to our partners
 - Using technology to drive operational efficiency

- Understanding our communities needs
- Inspiring our workforce to be committed to providing value for money and carbon neutral services.

3.2 Ubico's 2024/25 Business Plan and 5-year vision is built around four key pillars:

People

We will have a well-trained, supported and engaged workforce who live our values and are proud to work for Ubico.

Operations

We will deliver high quality services, which remain safe and compliant, seeking continuous improvement in productivity, value and service excellence. We will harness innovation where appropriate and will explore synergies and opportunities for partnership and cross boundary working.

Climate

We will minimise our environmental impact and support our shareholders to meet their carbon neutral targets, integrating carbon reduction opportunities wherever reasonably possible in both our fleet and non-fleet activities.

Business Development

We will build business development capability which enhances our partnerships and allows for effective identification, analysis and presentation to shareholders of potential new business opportunities. We will explore opportunities that aren't simply about profit, including those that would deliver greater value, help our communities or improve services.

3.3 In support of the council's service related and financial priorities, Ubico is continuing to work in partnership with Publica and the Council as part of the Environmental Services Innovation Program (ESIP) which is bringing forward opportunities to deliver better services to residents, reduce the effect services have on the climate and environment, and capture efficiency and financial savings for all partners. This will therefore further support the Business Plan. During the last year ESIP has delivered the following:

- Transfer of Business Waste back-office function from Ubico to Publica which is planned to increase income and improve customer satisfaction.
- Waste Collection Review to understand collection options, potential savings, increase recycling rates and impact on residents.
- Round Optimisation Modelling is underway to identify potential financial and carbon benefits of more efficient rounds. The modelling work will investigate potential shorter 'urban' rounds for a future fully electric waste collection vehicle.

- A review of street cleansing and grounds maintenance services and investment in in-cab technology by the Council
- Implemented a stream of work to adopt a vehicle strategy and support the Councils net-zero by 2030 target.

3.4 One of the Ubico Directors will attend the Executive meeting and be able to answer any questions.

4. ALTERNATIVE OPTIONS

4.1 The Leader of the Council, as shareholder representative, has delegated authority to approve the Ubico business plan (which forms part of the 5 year vision), and there is no need, other than to support transparency for a report to be considered and noted by executive.

5. CONCLUSIONS

5.1 We recommend the Business Plan is accepted to meet the company's members agreement, which is to approve the Business Plan.

6. FINANCIAL IMPLICATIONS

6.1 There are no additional financial implications associated with the Ubico Business Plan as the budget has already been approved. Ubico has committed to supporting the council deliver savings through the Environmental Services Innovation Program (ESIP) to support its medium-term financial strategy (MTFS).

7. LEGAL IMPLICATIONS

7.1 The Business Plan has to be adopted in accordance with the Shareholder Agreement for Ubico.

8. RISK ASSESSMENT

8.1 There are no specific risks in adopting the Ubico Business Plan. The council is a shareholder of the company and has already committed to a contract extension until 2026.

8.2 If the council does not approve the plan there is a risk that the company will not be able to support some of the activities necessary to deliver the savings set out in the council's MTFS or its corporate priorities.

9. EQUALITIES IMPACT

9.1 Not Applicable

10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

10.1 Climate implications feature heavily in the Business Plan with climate being a strategic pillar and emissions benchmarking and carbon reduction goals clearly detailed throughout the plan.

If the council does not approve this plan it could risk delivery of these targets and progress towards the Council's own net zero goal by 2030.

II. BACKGROUND PAPERS

II.1 None

(END)



2024/25 Business Plan

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1. Business Overview

1.1. Introduction













Ubico is a successful and well-respected local authority owned company operating across Gloucestershire and West Oxfordshire. We deliver high quality environmental services including waste and recycling collections, grounds maintenance, street cleansing and household recycling centre management. Our purpose is to keep places clean and green for every resident, visitor, town, village and community. Our close relationships with our council shareholders see us working in partnership to deliver the best services possible for our local communities. Now operating across the whole of Gloucestershire and in West Oxfordshire, our growth, size and position places us in a strong position to leverage opportunities for greater efficiencies across a wider base, leading to cost-savings for our councils and their residents and the opportunity to explore new and exciting areas for growth and innovation.

We set out a new five-year vision for the company in 2021, and in 2024/25, the fourth year of this vision, we will build on the successes already achieved. Ubico has seen significant growth since we started delivering services in 2012 and will grow again in 2024/25, extending the services we deliver for the Forest of Dean to include waste, recycling and street cleaning services from August 2024 and the mobilisation and delivery of these services will be a key focus in the first half of the year.

We are a significant local employer, particularly in Gloucestershire, where we are 72nd in the top 100 employers in the county (based on 2022 turnover). We employ over 800 staff, the backbone of our operations. We will continue to have a strong focus on our people this year and will continue to advance our work on climate initiatives, also working closely with our partners to support them in delivering their ambitious climate targets. Subject to shareholder approval and funding being in place, foundational work on cross-boundary and cross-partner initiatives commenced in prior years will move to delivery phase this year, with the project to centralise fleet ownership and deliver savings to partners in future years being the first on the roadmap. Other partnership-wide opportunities will continue to be explored and presented to shareholders for their consideration, as will any potential external growth opportunities that could deliver greater value to all partners.

1.2. Our services

Our services

 Refuse collections	 Food waste collections	 Garden waste collections	 Recycling collections	 Trade waste and recycling collections	 Recycling centre management
 Recycling and bulking transfer	 Street cleansing	 Building and public convenience cleaning	 Grounds maintenance	 Fleet management and maintenance	 MOT and taxi testing

1.3. Our shareholders

 STROUD DISTRICT COUNCIL	 Forest of Dean DISTRICT COUNCIL	 Tewkesbury Borough Council
 Gloucestershire COUNTY COUNCIL		 Gloucester City Council
 COTSWOLD DISTRICT COUNCIL	 WEST OXFORDSHIRE DISTRICT COUNCIL	 CHELTENHAM BOROUGH COUNCIL

1.4. Quality and safety

Ensuring high standards of health, safety and compliance is a key priority and underpins everything we do. This is demonstrated through our ongoing achievement of industry-recognised accreditations, including ISO 45001 and ISO 14001 for our Health and Safety Management and Environmental Management Systems respectively, which reflects our positive health and safety culture which we are committed to maintaining and improving. Our Safety, Health, Environment and Quality team drive our safety culture and practices, and health and safety performance is monitored at all levels of the business and reviewed by our board of directors at every board meeting. Our internal compliance team supports the company in maintaining high standards through a thorough programme of scrutiny involving both scheduled and risk-based assessments, checking compliance in key areas such as ISO standards, fleet compliance, Environment Agency permitting requirements and the Health & Safety at Work Act 1974. This is complemented by our annual internal audit plan which is drawn up in consultation with the chair of the Risk and Audit Committee and in partnership with our internal auditors.

In 2024/25 we will continue our commitment to seeking continuous improvement in our health and safety performance, with a focus on vehicle accidents and employee wellbeing. Our internal training team support us in delivering flexible, targeted training, including health and safety and compliance-related training which consistently receives high feedback scores for both content and delivery. We will continue to support them to deliver excellent, highly valued and effective training that meets the needs of our business.

1.5. Governance and risk management

1.5.1. Governance

Good corporate governance and the continued professional development of the board of directors and the senior management team is fundamental to the effective operations of the company. In 2024/25 we will continue to ensure appropriate competency standards and qualifying criteria are applied to all directors and follow the spirit of the UK Corporate Governance Code. At all times, the company will remain open, transparent and accountable. The board and its members will operate as a cohesive team, with its priority at all times to further the aims, goals and values of the company, whilst always having risk and risk management at the forefront of discussions.

Ubico's board of directors comprises three executive directors, four non-executive directors from local authority shareholders, and three independently appointed non-executive directors including an independent chair of the board. During 2024/25 two of the current local authority appointed non-executive directors will come to the end of their term and we will work with partners to ensure that the skills and experience of any new appointee will support and enhance the skills and knowledge of the board.

The board is supported by two sub-committees, a Risk and Audit Committee and a Governance and Nominations Committee. These committees support the board in key governance areas, for example, better understanding of business risk, and ensuring the processes to mitigate risk are effective and there is compliance.

As a company, we regularly review our policies, procedures and governance arrangements to ensure they are fit for purpose, represent good practice and meet all relevant legislative and regulatory requirements, with key policies routinely scrutinised and signed off by the board of directors.

An internal audit programme is completed annually against a plan which is agreed by the board. The findings and the full audit reports are shared with the board of directors for review and oversight, and progress against action plans arising from the audits is monitored by the Risk and Audit Committee and reported to the board.

External audit of the company's accounts is determined by our shareholders at the Annual General Meeting.

1.5.2. Risk management

Risk management is a core principle of effective corporate governance and is also a key contributor to a sound internal control environment. Ubico continues to seek and adopt recognised best practice in the identification, evaluation and cost-effective control of risks and opportunities to ensure that these are managed at acceptable levels.

Our strategic risk management objectives include board and senior management setting a 'tone from the top' on the level of risk we are prepared to accept - our risk appetite. We maintain a strategic approach to risk management in order to make better informed decisions and use risk management to enable consistent appraisal of options and improved flexibility/agility in delivering change. We are committed to ensuring leadership capacity and skills to ensure understanding of the risks facing the company and how we manage them,

and to integrate risk management into how we run Ubico business/services. Overall, we aim to develop a culture of balanced and informed risk taking throughout Ubico, including strategic, programme, partnership, project and operational risk.

1.6. Our values



1.7. 2023 Headline Performance

Pillar	Measure	2021 Goal	2021 Achievement	2022 Achievement	2023 Achievement	2026 Goal
People	Vacancy fill rate (advertisement to acceptance)	<1 month	84.08% fill rate Time to hire 2.4 months	85.02% fill rate Time to hire 1.9 months	Time to hire 2.3 months	<1 month
	Annual training budget utilisation	80% of annual training budget	80.08% (Apr to Dec)	100% (21/22)	108% (22/23)	100% of annual training budget
	Conformance to mandatory training to schedule	>90%	New starters >95%	New starters >95%	New starters >95%	>95%
	Staff turnover	<14% attrition	9.62% (20/21)	13.4% (21/22)	15.09%	<10% attrition
Operational Excellence	Service KPIs - Missed bins	<0.05 %	0.073% per 100,000 collections	0.0807% per 100,000 collections	0.071% per 100,000 properties	<0.075 % per 100,000 properties
	Fleet compliance	Fleet Audit Scores >90%	92.37% average	92.76% average	93.2% average	Fleet Audit Scores >95%
	RIDDOR occurrence	<12 per year	6	11	9	<9 per year
	Deliver to set budget	Within 5% set budget	-6.4% (20/21)	-3.1% (21/22)	+1.5% (22/23)	Within 3% set budget
Climate	Reduced carbon emissions	Benchmark in 2021/22	Carbon reduction strategy in place Baseline work in progress (consultant engaged to advise on methodology)	Emissions from activities from fuel consumption: CO2e 6,237t	Emissions from activities from fuel consumption April to Dec 23: CO2e 4.161t	Sophisticated measures in place across transport, buildings and key activities

1.8. Balanced Scorecard

A Balanced Scorecard will be introduced in 2024/25. This is a tool which will use meaningful key performance indicators and key results indicators to measure our performance against our strategy objectives, and will help to steer our future direction in relation to strategic goals and objectives.

2. Business Plan 2024/25

2.1. Our five-year vision (2021-2026)

Recognised by our customers and employees as a quality provider of sustainable services for our local communities, delivering best value and reliability

Through:

- Leveraging synergies and economies of scale
- Harnessing opportunities to deliver value back to our partners
- Using technology to drive operational efficiency
- Understanding our communities' needs
- Inspiring our workforce to be committed to providing value for money and carbon neutral services

2.2. Strategic Pillars

Four strategic pillars underpin delivery of our vision and our business plan is built around pillars:

People	Operational Excellence	Climate	Business Development
<ul style="list-style-type: none">• We will have a well-trained, supported and engaged workforce who live our values and are proud to work for Ubico.	<ul style="list-style-type: none">• We will deliver high quality services which remain safe and compliant, seeking continuous improvement in productivity, value and service excellence. We will harness innovation where appropriate and will explore synergies and opportunities for partnership and cross boundary working.	<ul style="list-style-type: none">• We will minimise our environmental impact and support our shareholders to meet their carbon neutral targets, integrating carbon reduction opportunities wherever reasonably possible in both our fleet and non-fleet activities.	<ul style="list-style-type: none">• We will build business development capability which enhances our partnerships and allows for effective identification, analysis and presentation to shareholders of potential new business opportunities. We will explore opportunities that aren't simply about profit, including those that would deliver greater value, help our communities or improve services.

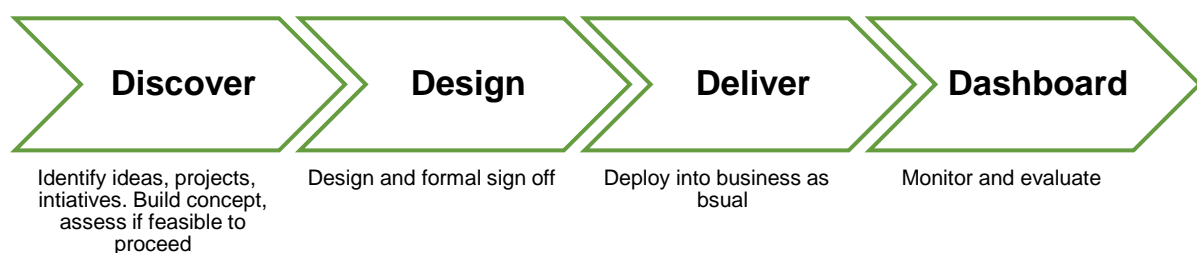
2.3. Strategy planning

Ubico's board routinely evaluate the validity of our 5-year vision and plan, and the roadmap for its delivery, ensuring it reflects the needs and desires of our shareholders and maintains the company as a sound proposition, whilst driving value. The process for drawing up the annual business plan incorporates feedback from key stakeholders, including the company's senior management team and the board. Shareholder engagement presentations take place with each shareholder council ahead of presentation of the final written business plan, which incorporates feedback received.

Our current five year strategy takes us to the end of the 2025/26 year, therefore in 2024/25 the board will begin work on the strategy for the next ten years for presentation to shareholders towards the end of the year.

2.4. Project lifecycle

We have adopted a project lifecycle with four phases; Discover, Design, Deliver and Dashboard, and these can be seen alongside the activities outlined in this business plan. This aids in identifying the stage of each project or initiative and assists with long term planning and mapping, and resource management.



All projects and programmes are managed through a stage gateway system and strategic projects are managed by the PMO and sponsored by a member of the executive leadership team. The project scope, objectives, goals, budget, and necessary stage documents are closely managed by the senior leadership team, and progress against delivery of strategic projects is routinely monitored by the board.

2.5. People Pillar

We will have a well-trained, supported and engaged workforce who live our values and are proud to work for Ubico.

Attract and retain

Recognise

Upskill

Satisfaction

2.5.1. 2024/25 Activity

In our people pillar we will continue our focus on attraction and retention, supporting and valuing our excellent staff. In order to continue to deliver safe, compliant and relevant services for its shareholders, Ubico must offer a package that is competitive and attractive in the marketplace, both to retain current, loyal employees, as well as to attract new ones when required. Starting last year, and working closely with our recognised trade unions, we began a review of our terms and conditions package to ensure that we are both competitive to retain our staff, and attractive in the employment market when we need to recruit. 2024/25 will see us complete this work and deliver any agreed changes arising from the review, staying within existing budgets unless separate business cases are approved by shareholders.

In 2024/25, Ubico will grow again, welcoming staff delivering waste, recycling and street cleaning services in the Forest of Dean, and proportionally increasing capacity requirements in a number of our support teams which will be recruited to throughout the year. A new role will also be introduced, Head of People, reflecting a specific need for greater leadership capacity in HR within the business.

Our Communications Strategy has a strong focus on our market presence and enhancing our reputation to support attraction and retention of staff. In 2024/25 we will continue to enter sector awards to promote the excellent work of the business and make best use of our social media channels and work with our shareholder communication teams to promote our reputation. We will continue to develop our employee engagement and communication programme, following up on actions identified in our employee engagement surveys to ensure continuous improvement in staff satisfaction.

We will also explore opportunities for new partnerships with external organisations to broaden our recruitment routes for new employees.

A pilot of a new skills assessment process for our supervisors proved very successful last year, and this year we will extend the pilot to include management roles with a view to extending this across all roles in future years. To ensure consistent ongoing management of this programme, a learning management system may prove beneficial. Stand-alone software has previously been considered; however, it was found the renewal of other systems due in the next few years may offer an opportunity to incorporate this functionality, reducing the total number of software programs needed and driving efficiency. This opportunity will be further assessed this year.

2.5.2. People risks and mitigations

Risk	Mitigation
Our employment offer is unattractive in the marketplace.	Terms and conditions review underway, any agreed changes to be implemented 2024/25. Monitor market conditions, interest in our vacancies, vacancy fill rate and attrition rate.
HR leadership capacity insufficient to meet growing size of the company.	Head of People role to be recruited in 2024.
Skills assessment process does not drive the desired benefits	Progress and success to be monitored throughout the year. Internal compliance function to be commissioned to undertake an audit during 24/25

2.6. Operational Excellence Pillar

We will deliver high quality services which remain safe and compliant, seeking continuous improvement in productivity, value and service excellence. We will harness innovation where appropriate and will explore synergies and opportunities for partnership and cross boundary working.

Performance

Quality

2.6.1. 2024/25 Activity

The activities identified in our operational excellence pillar support Ubico in providing high quality, safe and compliant services, harnessing continuous improvement and innovation wherever possible.

A large element of the work that we undertake in 2024/25 in the operational excellence pillar will be to support projects which sit in our business development pillar, particularly preparing for, and then delivering, the waste, recycling and street cleaning services for Forest of Dean, and supporting the project to deliver efficiencies for all shareholders through centralising vehicle ownership.

Our programme of digital transformation has seen significant achievements in the last few years, with the connected workforce ('in cab') technology system now in place across the company for waste and recycling, and work commencing in early 2024 to extend the system to include further services such as street cleaning and grounds maintenance. This programme of work will continue throughout this year, including expansion to bring the system into the Forest of Dean waste and recycling services. It will then move into benefits realisation and insight analysis towards the end of the year and into the next, to drive further efficiencies where possible. In addition, we will further digitise our fleet workshop processes, introducing tablets to record and manage workshop tasks, providing an interface with fleet back-office systems, and providing improved efficiency and improved management information.

Software will be needed to support project implementation for the centralised vehicle ownership, including fleet management software, and software which can help deliver unit

costings for each of our services. The discovery stage of the new fleet management software began last year and procurement or re-procurement of the system will take place in 2024/25.

We will continue to support our in-house training team to deliver excellent, highly valued and effective training that meets the needs of our business. In 2024 the team will be extending their services to include in-house Accredited Driver Continuing Professional Competence (Driver CPC) training. This is compulsory training for large goods vehicle drivers and bringing the training in house will allow us to offer content that is specifically relevant to the services we deliver, at a time that best suits our colleagues. We will support them to develop their offering further to support the business in meeting our operational needs.

We will also continue our work developing longer term strategic cost projections for each partner, aligning them across partners where possible. Last year we commenced a pilot with a limited number of partners developing longer term strategic cost projections to enable a better understanding of cost commitments when aligned to residency profiles, service level commitments and climate target aspirations. In 2024/25 we will complete these plans for all our partners, and combine them to create a company long-term strategic financial plan to better support our strategic aims.

2024/25 marks the final year of our current communications strategy, and work will be undertaken to develop a new one to commence the following year.

Our work to measure our progress against our strategic goals and develop sound business intelligence to be able to react and adapt to change has been proceeding well and will continue this year. The data this gives, combined with insights from the connected workforce ('in cab') software, will give us insights into quality and performance that we can use to strengthen the management of the business and inform future business decisions and strategy.

We are committed to fostering positive impacts on society and the environment and will continue to ensure that social responsibility is embedded into our policies, plans and business practices to the benefit our staff, the wider community, and the environment. In 2024/25 we will continue to use procurement opportunities to gain social, economic and environmental benefits for the communities we serve, sourcing local source goods and services wherever economical and practical. We will provide local employment opportunities

with good employment standards and practices and will provide apprenticeship and training opportunities, and support community initiatives and events.

2.6.2. Operational excellence risks and mitigations

Risk	Mitigation
Digitisation projects are not delivered to agreed timetable resulting in agreed project budget being insufficient	Partners are key decision makers on programme board Programme structure enables progress monitoring at appropriate levels, and clear and early presentation of risks and any potential costs to the programme board allows for informed decision making at all times
Benefits of digitisation projects are not recognised	Monitor capture and share benefits realised through digitalisation, including financial benefits, future financial pressures mitigated following realisation of efficiencies, and other areas of added value.
Budget pressures	Continue to seek early understanding of areas of cost pressure for partners and work together to determine mitigation plans where necessary. Continue to highlight potential areas of cost pressure as early as possible in both budget setting processes and monthly forecasting reports. Ensure partners are aware that Ubico do not hold contingency funding
Demonstrating value. current and predicted shareholder cost pressures	Monitor capture and share benefits realised through digitalisation, including financial benefits, future financial pressures mitigated following realisation of efficiencies, and other areas of added value direct and indirect. Results of benefits be published evidencing value

2.6.3. Procurement Activity 2024/25

In 2024/25 we will complete procurement activity to allow contract award as follows:

Further to procurement activity undertaken in 23/24, contracts will be awarded for the supply of:

- Vehicle maintenance in West Oxfordshire
- Agency staff
- Container refurbishment
- Liquid Fuel - Supply of HVO
- Bulking and haulage - material marketing
- Cleaning and grounds products
- Site fire and security contracts

Award contract extensions or undertake new procurement activity and award a contract for the supply of:

- CPC Driver training
- Fleet management system
- Connected workforce ('in-cab')
- PPE - Footwear and Gloves

Undertake new procurement activity and award a contract for the supply of:

- Absence management service
- Small plant and equipment – hire
- Small plant and equipment – purchase
- Weed control (Cheltenham and Cotswold)
- Tachograph audit services
- Mobile compactors service and maintenance
- Bins/bags and containers
- Interceptor waste
- External audit provider
- Internal audit provider

2.7. Climate Pillar

We will minimise our environmental impact and support our shareholders to meet their carbon neutral targets, integrating carbon reduction opportunities wherever reasonably possible in both our fleet and non-fleet activities.

Our environmental impact

Supporting partners with their impact

2.7.1. 2024/25 Activity

Ubico's carbon strategy recognises two strands of activity:

- Ubico owned carbon reduction activities that are within the gift of the company to deliver.
- Shareholder sponsored activity which requires approval and funding from our shareholders.

In 2024/25, we will continue to develop our work to understand our environmental impacts across the business and design a programme of activity which aims to reduce the main impact areas, including behaviour change programmes to reduce our energy consumption in buildings.

We will continue to work closely with our significant suppliers to encourage them to measure and report on their scope 1 and 2 emissions to support us in achieving more detailed scope 3 emissions data. We will ensure that climate implications are built into our project initiation processes so that climate impact is considered early and mitigating measures and initiatives can be built into project design and implementation wherever possible, and will seek further opportunities for recycling or reuse of our waste streams wherever possible.

We will work closely with our partners to identify and action joint carbon reduction schemes, including playing a key role in the waste sub-group for the Climate Leadership

Gloucestershire project. We will support them in evaluating alternative fuel options for fleet and reviewing infrastructure requirements they may bring. This could include the installation of refuelling and/or recharging infrastructure where necessary, and (as existing capacity in electrical supply within depots is likely to be insufficient as demand grows for battery electric vehicles), supporting partners with assessments of electricity supply requirements for any

battery electric fleet that may be purchased. We will also work closely in partnership with our shareholders on any projects to increase biodiversity and reduce carbon pollution from our joint land management and maintenance activities.

2.7.2. Climate risks and mitigations

Risk	Mitigation
Emissions from fleet remain high due to ageing fleet or fuels chosen.	Alternative fuel vehicle options identified on fleet replacement programmes; replacement strategy agreed with partners.
Ubico is not consulted on decisions which could impact carbon emissions, or the success of our carbon reduction initiatives.	Ubico invited to attend key meetings, both with individual partners and in wider partnership forums to ensure our input or impact on our activities is considered.

2.8. Business Development Pillar

We will build business development capability which enhances our partnerships and allows for effective identification, analysis and presentation to shareholders of potential new business opportunities. We will explore opportunities that aren't simply about profit, including those that would deliver greater value, help our communities or improve services.

Assess and evaluate

Create value

Build

2.8.1. 2024/25 Activity

Further to foundational work undertaken in 2023/24 exploring opportunities to further leverage partnership working across boundaries to drive value, subject to shareholder support and funding, we will commence mobilisation of the centralised fleet ownership project in 2024/25. In addition, we will evaluate further cross-boundary opportunities facilitated by owning the fleet and present business cases back to shareholders for their consideration.

A number of the current partner contracts will require renewal in 2027, offering an opportunity to make any adjustments required to reflect new partnership working arrangements. Work will begin in 2024/25 to scope this work and consider necessary elements for review or inclusion, and to design a timeline for commencement of the review process.


Another key piece of work will be the continuation of mobilisation work, leading to the commencement of delivery of the waste, recycling and street cleaning services for Forest of Dean District Council from August.

In addition, we will consider any approaches relating to growth which could create value for the partnership, presenting back business cases as appropriate for shareholder consideration and designing any growth projects which are approved.

We will also continue to work with individual councils on service design and innovation projects where required.

2.8.2. Business development risks and mitigations

Risk	Mitigation
Cross boundary or collaborative working proposals are not endorsed.	Proposals are not taken forward
Current company governance arrangements require review to be appropriate for greater level of cross boundary / collaborative working.	Review of contracts planned ahead of some 2027 expiry dates, to include review of overarching governance arrangements
Expectation of delivery beyond that which can be achieved with available capacity.	Assess methods to estimate capacity and resourcing requirements to support strategic programmes.
Leadership capacity to manage an expanding portfolio.	Focus on core environmental services where we are skilled and experienced. Include additional, appropriate, leadership capacity in any business cases for growth.

 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and Date of Committee</p>	<p>EXECUTIVE – 17 APRIL 2024</p>
<p>Subject</p>	<p>LOCAL AUTHORITY HOUSING FUND ROUND THREE APPLICATION</p>
<p>Wards Affected</p>	<p>ALL</p>
<p>Accountable Member</p>	<p>Councillor Geoff Saul – Executive Member for Housing and Social Welfare. Email: geoff.saul@westoxon.gov.uk</p>
<p>Accountable Officer</p>	<p>Jon Dearing – Assistant Director, Resident Services. Email: murry.burnett@westoxon.gov.uk</p>
<p>Report Author</p>	<p>Murry Burnett – Strategic Housing and Development Officer. Email: murry.burnett@westoxon.gov.uk</p>
<p>Purpose</p>	<p>To determine whether to support a third-round application to the Local Authority Housing Fund (LAHF) and sign the associated Memorandum of Understanding ('MoU').</p>
<p>Annexes</p>	<p>Annex A – Memorandum of Understanding.</p>
<p>Recommendations</p>	<p>That the Executive Resolves to:</p> <ol style="list-style-type: none"> 1. Approve the signature of the Memorandum of Understanding ('MoU') with government in respect of round three of the Local Authority Housing Fund ('LAHF'); 2. Agree to accept a proposal from Soha Housing to fulfil the requirements of the LAHF on behalf of the Council in respect of the delivery of a further 4 additional affordable homes; 3. Agree to passport the funding received by the Council to Soha Housing underpinned by a funding agreement setting out the relevant grant terms; 4. Delegate authority to the Assistant Director for Resident Services, in consultation with the Director of Finance, to agree to provide funding (if necessary) from relevant refugee budget to fit out properties to an appropriate standard for affordable provision as

	set out in paragraph 4.2 of the report.
Corporate Priorities	<ul style="list-style-type: none"> ● A Good Quality of Life for All ● Working Together for West Oxfordshire
Key Decision	YES
Exempt	NO
Consultees/ Consultation	Soha Housing

1. BACKGROUND

- 1.1** In February, April and August 2023 the Executive considered reports which set out the LAHF Rounds 1 and 2 aimed at providing housing initially for Afghan and Ukraine families, and with an element of temporary accommodation, which would then subsequently be recycled into the general affordable housing stock or emergency housing provision.
- 1.2** The Executive resolved to approve applications to the LAHF and the signing of MoUs with the Department of Levelling Up, Housing and Communities to provide a total of twenty-three affordable housing units under the scheme and receive £3,521,597 made available via two rounds of funding for this purpose.
- 1.3** The Executive determined, after an options appraisal, that delivery via partnership with a Registered Provider would provide the best value for money for local taxpayers requiring no additional support to be provided by the Council for the acquisition of the houses.
- 1.4** The delivery programme for these Round 1 and 2 homes is January to June 2024.

2. MAIN POINTS

- 2.1** On 7 March 2024 the Government announced a further round of funding (Round 3) to support the Afghan resettlement programme and ease wider homelessness pressures and has prioritised Local Authorities that successfully delivered the previous two rounds of funding in its initial offer.
- 2.2** For Round 3 West Oxfordshire has been offered a further allocation of funding to deliver four units of property over financial years 2024/25 and 2025/26.
- 2.3** Flexibilities in the grant rates offered have been introduced that offer additional funding if the homes are acquired as new build.
- 2.4** The Round 3 grant offer also includes £5,500 revenue funding.
- 2.5** The total Round 3 offer of funding to West Oxfordshire to acquire the 4 homes is £735,500 if acquired from existing market housing stock or £800,100 if acquired from new build housing stock.
- 2.6** As previously appraised for Rounds 1 and 2 of the funding, officers consider that partnering with a Registered Provider to deliver the homes remains the best value route.
- 2.7** The Registered Provider Soha Housing have made an offer to partner with West Oxfordshire District Council to deliver the Round 3 homes in accordance with the grant conditions.
- 2.8** Indications from discussions with Soha are that the best route to acquiring the homes would be through the existing market housing stock meaning the lower of the grant rates outlined at para 2.5 would be applicable.
- 2.9** Officers will work with Soha on delivering the 'fit out' within the funding envelope and will also explore whether the fit-out costs can be delivered through previous refugee funding allocated to the Council which is no longer required for its original refugee purpose. Alternatively Officers can explore with other agencies whether voluntary or other funding is available.

3. ALTERNATIVE OPTIONS

3.1 The Council could choose not to seek the funding for the further four units.

4. FINANCIAL IMPLICATIONS

4.1 If the proposed transactions conclude as set out the Council will have access to a further 4 units of affordable homes without any cost to local taxpayers.

4.2 To enable the fit out of these units it is proposed that delegated authority is granted for the release of up to £7,000 per affordable unit from previous government funding for refugee support subject to confirmation that it can be used for this refugee programme purpose.

5. LEGAL IMPLICATIONS

5.1 A legal agreement will be put in place to ensure the grant funding passported to Soha meets the requirements of the scheme.

6. RISK ASSESSMENT

6.1 The use of the Registered Provider ('RP') approach de-risks several aspects of the scheme as they have a strong business model which supports the provision of affordable housing. Direct provision would require the Council to build up the capacity to do it itself or procure a partner to provide this service on its behalf.

6.2 Specifically the risks around the following activities will be mitigated via an RSL approach:

- Voids;
- Maintenance risk;
- Rent collection and bad debts;

7. EQUALITIES IMPACT

7.1 This housing will, in the first instance be set aside for refugee utilisation as per the scheme requirements. Thereafter lettings will be controlled by an agreed letting strategy which will be reviewed for equality compliance.

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

8.1 The scheme will utilise existing stock (or stock being currently built) so will have a neutral impact on the climate and ecological emergencies.

9. BACKGROUND PAPERS

Executive – February 2023; April 2023; - Chief Executive Decision Making Meeting August 23.

(END)

MEMORANDUM OF UNDERSTANDING

Between

Department for Levelling Up, Housing and Communities

-and-

LA Name

1. Purpose

- 1.1. This Memorandum of Understanding ('MOU') sets out the agreed working relationship between the Department for Levelling Up, Housing and Communities ('DLUHC') and **LA Name** ('the Council') regarding the administration and delivery of the Local Authority Housing Fund – third funding round ('LAHF R3').
- 1.2. This MOU will be for the period 2024/25-2025/26. It will be reviewed and updated only where either of the signatories deem it necessary, in which case it will require joint agreement. Further detail on changing the MOU is set out in Paragraph 4.5.
- 1.3. This MOU is not intended to create legal or binding obligations. It describes the understanding between both parties for the use of funding specified in Section 3 of this agreement.

2. Background

- 2.1. LAHF R3 was launched in March 2024. The details of the fund were shared with the Council in the document 'Local Authority Housing Fund - third funding round: Prospectus and Guidance' ('the Prospectus').
- 2.2. LAHF R3 is a £450m grant fund, with objectives to:
 - Reduce local housing pressures and use of expensive and unsuitable accommodation, by providing better quality temporary accommodation to those owed homelessness duties by local authorities.
 - Reduce temporary accommodation costs.
 - Provide sustainable settled housing to those on ACRS so that they can build new lives in the UK, find employment and integrate into communities.
 - Support local housing markets by assisting the delivery of new housing stock or new developments to grow overall housing supply.

2.3. DLUHC has accepted the Council's plan to provide X homes ('the total delivery target') under LAHF R3, and DLUHC will provide a capital grant of £X ('the total allocation'). This will be provided as £X in 2024-2025 ('the Year 1 allocation') and £X in 2025-2026 ('the Year 2 allocation'). The Council agrees the following targets to deliver at least:

- X properties to be allocated to households that meet the **TA element** eligibility criteria outlined in section 5.1 of the Prospectus.
- X properties for households that meet the **R3 resettlement element** eligibility criteria outlined in section 5.2 of the Prospectus;
- X properties (4+ bed) for households that meet the **R3 large resettlement element** eligibility criteria outlined in section 5.2 of the Prospectus.

2.4. DLUHC will also provide £X in revenue funding in 2024-2025 to the Council.

2.5. This MOU covers the funding commitments from DLUHC and the delivery, financial expenditure, agreed milestones, reporting and evaluation, and communications between the Parties. It also sets out the steps DLUHC could take in the event of underperformance if required.

3. Purpose of the Funding

3.1. LAHF R3 funding has been provided specifically for spending on LAHF R3 priorities and the Council agrees to spend LAHF R3 funding on activity set out in this MOU as agreed with DLUHC or subsequently agreed with DLUHC as per Paragraph 4.5.

3.2. DLUHC will part fund the cost of the Council obtaining properties for use by households that meet the eligibility criteria. The Council will use its best endeavours to meet the delivery target and to achieve value for money.

3.3. For the **TA element** and the **R3 resettlement element**, DLUHC's contributory share of capital funding ('the base grant rate') has been calculated as 40% of the costs of each acquisition or refurbishment that the council charges to its capital budget plus £21,000 per property. Eligible costs funded by the 40% and the £21,000 per property could include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration, furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items. The Council should ensure it complies with the Code of Practice for Local Authority Accounting.

- 3.4. For the **R3 large resettlement element**, the base grant rate has been calculated as 50% of the costs of each acquisition or refurbishment that the council charges to its capital budget plus £21,000 per property. Eligible costs funded by the 50% and the £21,000 per property could include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration, furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items. The Council should ensure it complies with the Code of Practice for Local Authority Accounting.
- 3.5. DLUHC has also agreed to provide a 10% uplift to the grant rate for each property that is a new home ('the new home uplift'). A new home is a property that will be delivered in FYs 24/25 or 25/26 as a direct new development, an 'Off-the-shelf' new build property purchased from developers, a property that has its use converted (delivering an extra residential unit) or a property that has its use changed (delivering an extra residential unit). The Council has agreed to deliver at least the following as new homes ('the new home target'):
- TA element or R3 resettlement element properties
 - R3 large resettlement element properties
- 3.6. The Council may determine how it uses the base grant rate, the new home uplift and the £21,000 per property and how much is to be spent on each individual property as long as the delivery target and the new home target is met.
- 3.7. The Council or its delivery partner(s) will fund the outstanding sum required for each property.
- 3.8. The funding will be provided by DLUHC in four tranches. The 'Tranche 1 allocation' is 30% of the Year 1 allocation. The 'Tranche 2 allocation' is 70% of the Year 1 allocation. The 'Tranche 3 allocation' and the 'Tranche 4 allocation' are both 50% of the Year 2 allocation. All tranches are set out in Table 1.

Table 1 – Capital funding allocation

	Tranche 1 allocation	Tranche 2 allocation	Tranche 3 allocation	Tranche 4 allocation	Total allocation
Total funding	£X	£X	£X	£X	£X

- 3.9. Revenue funding has been provided to the Council for any activities which support delivery of the total allocation, including but not limited to programme/ administration resource or professional services (e.g. fees, conveyancing). Revenue funding will be paid in full alongside the Tranche 1 allocation.

4. Delivery Profile

- 4.1. Delivery of the fund will be measured on the basis of exchange of contracts, or equivalent milestone where exchange of contract will not occur, and the number of households accommodated in the properties. Any variations to this, and necessary changes to the MOU, will need to be agreed by the parties and an amendment to this MOU made.
- 4.2. Funding outlined in Table 1 is provided to deliver the total delivery target. The Council agrees to make best endeavours to meet the total delivery target by 31 March 2026.
- 4.3. The Council agrees to deliver **X** properties in financial year 2024-25 ('the Year 1 delivery target') and **X** properties in financial year 2025-26. The property types that the Council agrees to delivery is each year is outlined in Table 2.

Table 2 – delivery profile

Property type	Year 1 delivery target (2024-25)	Year 2 delivery target (2025-26)	Total delivery target
TA element	X	X	X
R3 resettlement element	X	X	X
R3 large resettlement element	X	X	X
All property types	X	X	X

- 4.4. This MOU is for the full term of the total allocation unless signatories agree to change as per Paragraph 4.5. A further Grant Determination Letter (GDL) will be provided following confirmation of each tranche payment.
- 4.5. DLUHC and the Council both have the right to request a change to the MOU. With regards to changing the target number of units, the Council may ask for either a higher or lower target. Any proposed change will impact the amount of funding received (as set out in the Prospectus) unless the Council is seeking to deliver more units for the same amount of money. Requests will be considered based on the progress of the reallocations process as outlined in Section 11 of the Prospectus and confirmed in writing.

5. Financial Arrangements

- 5.1. The agreed funds will be issued to the Council as grant payments under section 31 of the Local Government Act 2003. The Council may pass on the funding to a third party (e.g. Registered Providers) as appropriate to deliver the delivery target, complying with the Subsidy Control Act 2022.
- 5.2. Table 3 sets out the timetable for payments to be made to the Council. The earliest payment date for the Tranche 1 allocation is in April 2024. The Tranche 2 allocation will be paid once the Council has demonstrated that at least 60% of the Tranche 1 allocation has been committed ('the Tranche 2 spend requirement') via a Section 151 officer Statement of Grant Usage.
- 5.3. The Tranche 3 allocation will be paid once the Council has demonstrated that at least 80% of the Tranche 1 and Tranche 2 allocations has been committed ('the Tranche 3 spend requirement') via a Section 151 officer Statement of Grant Usage.
- 5.4. The Tranche 4 allocation will be paid once the Council has demonstrated that at least 80% of the Tranche 1, Tranche 2 and Tranche 3 allocations has been committed ('the Tranche 4 spend requirement') via a Section 151 officer Statement of Grant Usage.
- 5.5. Should the Council not meet the spend requirement for Tranche 2, 3 or 4 payments by the dates set out in Table 3, DLUHC will consider putting in place further payment dates.
- 5.6. The Council may wish to return unspent monies to the Department.
- 5.7. DLUHC reserves the right to request the return of some or all of the capital and resource funding if the Council significantly reduces its agreed delivery target or withdraws from LAHF R3 completely.

Table 3 – Payments timetable

Payment milestone	Requirements for payment milestone	Payment by
Tranche 1 (30% of total Year 1 capital allocation) 100% of programme revenue allocation	MOU signed with DLUHC	By 15 May 2024 (if a MOU is signed by 5 April) or By 14 June 2024 (if a MOU is signed by 6 May)

<p>Tranche 2 (70% of Year 1 capital allocation)</p>	<p>Statement of Grant Usage (SOGU) demonstrating <u>60% of the Tranche 1</u> first tranche has been committed*, AND</p> <p>Relevant monitoring information (MI) submitted</p>	<p>By 2 September 2024 (if SOGU provided by 5 August) and all MI submitted to schedule.</p> <p>or</p> <p>By 4 November 2024 (if SOGU provided by 7 October) and all MI submitted to schedule.</p> <p>(With further payment windows in January 2025, and March 2025 deadlines TBC)</p>
<p>Please note that Year 2 allocation can be paid in full, in a combined tranche 3 & 4 payment if the relevant milestone is met and SOGU submitted by relevant deadline¹.</p>		
<p>Tranche 3 (50% of Year 2 capital allocation)</p>	<p>Statement of Grant Usage (SOGU) demonstrating <u>80% of the Tranches 1 and 2</u> has been committed*, AND</p> <p>Relevant monitoring information (MI) submitted</p>	<p>By 2 June 2025 (if SOGU provided by 12 May) and all MI submitted to schedule.</p> <p>Or</p> <p>By 4 July 2025 (if SOGU provided by 2 June) and all MI submitted to schedule.</p> <p>(With further payment windows in September 2025, November 2025, January 2026, and March 2026 deadlines TBC)</p>

¹ For local authorities seeking to accelerate delivery, a combined tranche 3 & 4 payment can be made. The SOGU needs to demonstrate the local authority has committed 80% of the combined Tranche 1, 2 and 3 total. Note that the tranche 3 payment may not yet have been paid to the local authority.

Tranche 4 (50% of Year 2 capital allocation)	Statement of Grant Usage (SOGU) demonstrating <u>80% of the Tranches 1, 2 and 3</u> has been committed*, AND Relevant monitoring information (MI)	By 2 June 2025 (if SOGU provided by 12 May) and all MI submitted to schedule. Or By 4 July 2025 (if SOGU provided by 2 June) and all MI submitted to schedule. (With further payment windows in September 2025, November 2025, January 2026, and March 2026 deadlines TBC)
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* Note: committed spend in table 1 refers only to capital grant spend (and does not include revenue grant spend)

6. Charging Affordable Rents for LAHF R3 funded homes

- 6.1. The LAHF Prospectus specifies "It is up to local authorities to determine the precise rent level and tenure of homes in line with the fund objectives. This could include...Affordable Rent."
- 6.2. The Rent Standard <https://www.gov.uk/government/publications/rent-standard/rent-standard-april-2023-accessible-version> provides that Affordable Rents may be charged only in limited circumstances.
- 6.3. This MOU records the agreement between the Secretary of State and the Council that relevant accommodation, provided by the Council or a partner Registered Provider pursuant to LAHF grant funding, is permitted to be let at an Affordable Rent, and that accordingly that an Affordable Rent may be charged for such accommodation in accordance with paragraph 3.8b of the Rent Standard - April 2023.
- 6.4. In Paragraph 6.3, "relevant accommodation" means accommodation:
 - in the Council area;
 - which is being used to further the LAHF objectives set out at paragraph 2.3 of the MOU;
 - which has never been let at a social rent; and
 - where the accommodation is provided by a partner Registered Provider, for which the Council has agreed that the partner Registered Provider may charge affordable rent.

7. Roles and Responsibilities

DLUHC Responsibilities

7.1. DLUHC is responsible for setting national housing policy, providing grant(s) to the Council and monitoring the delivery of homes.

Council Responsibilities (fund delivery)

7.2. The Council will make housing investment decisions, review existing housing policies and products, maximise leverage of this public sector investment and ensure that funds provide value for money and are deliverable within the timescale of the fund. The Council may work in partnership with private Registered Providers, local authority housing companies or other bodies to deliver homes. The Council will also report on the fund by providing Management Information (MI) as set out in **Annex A** of this MOU and will work with DLUHC to ensure they have the capability to deliver the fund and provide MI within the set timescales.

7.3. The Council is expected to have the necessary governance and assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely:

- **subsidy control**, at all levels e.g. the funding the Council allocates to project deliverers and subsidies that project deliverers provide to third parties.
- **equalities duties**, the Council must ensure that all LAHF funded activity is delivered in accordance with its obligations under the public sector equality duty (PSED)
- **procurement**, the Council must ensure that the allocation of funding to project deliverers that constitutes a procurement is managed in compliance with the public contract regulations
- **fraud**, the Council must ensure that robust arrangements are in place to manage fraud risk, including ensuring that project deliverers have robust fraud risk management process and paying particular attention to projects that involve the payment of grants to beneficiaries e.g. businesses.

7.4. The Council's Section 151 Officer is expected to ensure that these legal duties and all other relevant duties are considered and that delivery of LAHF investment is carried out with propriety, regularity and value for money.

Council Responsibilities (Affordable Rents – where required by LAs)

- 7.5. The Council should note (and remind partner Registered Providers) that conversion of social rent properties to affordable rent is not permitted pursuant to paragraph 3.15 of the Rent Standard other than in the circumstances set out in chapter 2 of the Rent Policy Statement.
- 7.6. Where the Council has agreed that a partner Registered Provider may charge affordable rent, the Council will confirm to the Registered Provider that the Registered Provider may charge affordable rent in accordance with Paragraph 6.3 of this MOU.
- 7.7. The Council will require partner Registered Providers to provide details to the Council of any accommodation provided pursuant to LAHF grant funding for which Affordable Rent is charged.
- 7.8. The Council will maintain a register of any accommodation provided pursuant to LAHF grant funding for which it or a partner Registered Provider is charging Affordable Rent. This register should be available for inspection upon request by either DLUHC or the Regulator for Social Housing. The fields of information required in register are specified in **Annex C**.

8. Monitoring Arrangements and Accountability

- 8.1. The Council will put in place appropriate governance and oversight arrangements to ensure that delivery of housing is on track and that plans remain ambitious and provide value for money.

Reporting Arrangements

- 8.2. The Council has agreed to provide reporting information to DLUHC on fund allocations and delivery. The Council will be asked to provide a mix of quantitative and qualitative summary updates to DLUHC; a full list of MI can be found in **Annex A**.
- 8.3. The first report will be due in July 2024 and then every two months thereafter, until the Council's programme has completed. The schedule for monitoring reports is outlined in **Annex B**.
- 8.4. Spend outturn and forecast should be signed off by the Section 151 officer or deputy Section 151 officer.
- 8.5. A Statement of Grant Usage Section 151 officer or deputy Section 151 officer should be submitted when:
 - at least 60% of the Tranche 1 allocation has been committed

- at least 80% of the Tranche 1 and 2 allocations has been committed
- at least 80% of the Trance 1, 2 and 3 allocations has been committed

8.6. The Council also agrees to work with the department to provide any reasonable additional MI as and when requested by the DLUHC Senior Reporting Officer (SRO). DLUHC will provide an appropriate amount of time to return any additional MI requests.

8.7. The Council agrees to work collaboratively with any requests from DLUHC to support any retrospective assessment or evaluation as to the impact or value for money of LAHF. As a minimum, the Council is expected to monitor spend, outputs and outcomes against agreed indicators and keep this information for at least 5 years.

9. Governance & Assurance

9.1. The Council is expected to ensure that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely, state aid / subsidy control, equalities duties, procurement, health and safety, and fraud prevention. The Council has prerogative to establish internal governance and assurance arrangements as they see fit to achieve this.

9.2. The Council will ensure data can be shared for the prevention and detection of fraud by including the following clause in all agreements with companies or external entities in relation to LAHF – including, but not limited to, property contracts, professional services contracts, construction contracts and lease agreements:

“Data may be shared with other enforcement agencies for the prevention and detection of crime.”

Signed for and on behalf of DLUHC

Signature:

Name:

Position:

Date:

Signed for and on behalf of **LA Name**

Signature:

Name:
Position:

Date:

SAMPLE

Annex A – Reporting and Monitoring Arrangements

Scope and Purpose

1. This annex sets out the agreed reporting and monitoring arrangements for LAHF, including the expected frequency and content of the regular reports that the Council will provide to DLUHC.

DLUHC Role

2. DLUHC will support the running of the fund and maintain a national picture of delivery by putting in place a proportionate monitoring and governance framework. This will include a fund governance board(s) attended by the DLUHC Senior Reporting Officer (SRO) and other relevant stakeholders. Wherever possible DLUHC will avoid duplication of requests towards the Council.

Council Role

3. Day-to-day project monitoring and delivery responsibilities will be delegated to the Council. The Council will submit reports to DLUHC in accordance with the agreed timescales and frequency set out in the MoU. The Council will also work with DLUHC to provide any reasonable additional MI required as and when requested by the DLUHC Senior Reporting Officer. DLUHC will provide an appropriate amount of time to return any additional MI requests.

Management Information (MI)

4. The list of MI is split between operational data – required for monitoring the ongoing fund delivery (Table 3) and evaluation data (Table 4) required to assess the strategy-level success of the fund and inform future policy development. Tables 4 and 5 present the required routine MI and is subject to change, with agreement by DLUHC and the Council. For MI and payment purposes, “committed spend” is considered funding which has been allocated to a property where there has been an exchange of contracts or equivalent milestone where exchange of contract will not occur.

Table 3 – Monitoring Data

Item	Frequency
Number of properties where contracts exchanged, including: <ul style="list-style-type: none"> • bedroom size • whether located in another borough area • who will own the dwellings • how properties obtained 	Every 2 months
Number of properties occupied/ ready to let, including bedroom size	Every 2 months
Number of resettlement scheme households housed	Every 2 months
Number of pending resettlement scheme properties pre-matched to current/ former bridging hotel households	Every 2 months
Total expenditure (incl grant and other funding)	Every 2 months
Total committed spend (incl grant and other funding)	Every 2 months
DLUHC grant used	Every 2 months
Overall assessment (RAG rated) of whether delivery is on track as determined by the responsible Council officer	Every 2 months

Table 4 – Evaluation Data

Item	Frequency
How properties have been sourced (e.g. through stock acquisition or another delivery route)	In April 2026 and thereafter upon request to aid with evaluation of the fund
How the Council has funded its contributory share	
Breakdown of resettlement scheme households housed by previous housing situation, e.g. in bridging hotel, in LA emergency accommodation/temporary accommodation	
Tenancy duration	
Rent levels	
Number of properties obtained outside the local authority's area, if applicable, and where these are located.	

- In addition, to enable the assessment of relative value for money and to assist with future spending reviews, we may occasionally ask for additional information including details of how the fund is delivered and housing market conditions. This will provide important data to support future policy developments and will also support engagement with HM Treasury. This information will be provided to agreed timeframes when requested by DLUHC.
- Should the Council wish to amend and/or not collect any of these proposed data points, they should submit a proposal to DLUHC for agreement.

Frequency of Reporting

- The Council will be asked to provide reports every two months. The schedule for monitoring reports is outlined in Annex B.

Data Consistency

8. DLUHC and the Council have a shared commitment to ensure that, for clarity and transparency purposes, consistent methods of recording outputs are maintained. It is expected that the provided reporting will be robust, accurate and quality assured to a high standard. As such minimal revisions would be expected – although, where these are required, DLUHC should be advised as soon as practical.

Use of Material Provided

9. DLUHC will use the provided material to monitor delivery nationally.

Annex B – Monitoring Milestones

1. The Council is requested to submit the monitoring information summarised in **Annex A** via a Microsoft Form every two months by 5pm on the dates outlined below. DLUHC will provide the link to the form directly to the Council well in advance of each touchpoint date.
2. DLUHC will provide full guidance for submitting the form directly well in advance of each touchpoint date.

Table 5 – Monitoring Touchpoint Dates

Monitoring touchpoint	Microsoft Form to be submitted by 5pm on the following dates
Touchpoint 1	01 July 2024
Touchpoint 2	02 September 2024
Touchpoint 3	04 November 2024
Touchpoint 4	06 January 2025
Touchpoints 5-12	TBC
Evaluation	April 2026

Annex C – Register of LAHF accommodation for which an Affordable Rent is charged


This annex sets out the agreed information which will be contained in the Council's Register of LAHF accommodation for which an Affordable Rent is charged.

This register should be available for inspection upon request by either DLUHC or the Regulator for Social Housing.

Property address			
Completion date			
Name of Registered Provider			
Registration Code			

(Note: The Council is not required to submit this information as part of regular delivery monitoring submissions.)

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 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and Date of Committee</p>	<p>EXECUTIVE – 17 APRIL 2024</p>
<p>Subject</p>	<p>FUNDING FOR ASSET MANAGEMENT STRATEGY AND CONDITION SURVEYS</p>
<p>Wards Affected</p>	<p>ALL</p>
<p>Accountable Member</p>	<p>Councillor Alaric Smith – Executive Member for Finance. Email: alaric.smith@westoxon.gov.uk</p>
<p>Accountable Officer</p>	<p>Claire Locke – Assistant Director, Property and Regeneration. Email: claire.locke@publicagroup.uk</p>
<p>Report Author</p>	<p>Claire Locke – Assistant Director, Property and Regeneration. Email: claire.locke@publicagroup.uk</p>
<p>Purpose</p>	<p>To present the benefits of an Asset Management Strategy and Condition surveys and secure funding for their delivery.</p>
<p>Annexes</p>	<p>Nil.</p>
<p>Recommendations</p>	<p>That the Executive Resolves to:</p> <ol style="list-style-type: none"> 1. Agree to commission an Asset Management Strategy and allocate funding of £50,000 from the Property Budget 2024/2025; 2. Delegate authority to the Director of Finance, in consultation with the Executive Member for Finance, to award the contract for Conditions surveys following an Open Procurement; 3. Agree to allocate funding of £30,000/year from future revenue budgets for a rolling programme of building and carpark condition surveys.
<p>Corporate Priorities</p>	<ul style="list-style-type: none"> • Responding to the Climate and Ecological Emergency • Putting Residents First
<p>Key Decision</p>	<p>YES</p>
<p>Exempt</p>	<p>NO</p>

Consultees/ Consultation	Nil.
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1. EXECUTIVE SUMMARY

- 1.1 The development and adoption of the Asset Management Strategy provides a clear framework for the management of the Councils assets ensuring a coordinated approach, linked to Council priorities and the Medium-Term Financial Strategy.
- 1.2 Once adopted the Strategy will be applied in a review of key parcels of land and property to produce Asset Plans and ensure the Council is achieving the maximum benefit from its assets.

2. BACKGROUND

- 2.1 The Council owns assets totalling £128M. These Assets are held principally as either commercial investments (£51M), to provide services such as Leisure, Waste or Council offices (£73M) or as a result of historic ownership, particularly of small plots of land (£4M).
- 2.2 Recent Audit reports, internal and external, have identified significant risks to the Council in managing its Assets without an Asset Management Strategy (AMS) in place.
- 2.3 In order to effectively manage this estate, the Council needs to understand its condition so it can plan for and budget for pro-active repairs and maintenance and future investment can form part of decision making on whether an asset is retained, redeveloped or sold.
- 2.4 An Asset Management Strategy would provide a strategic approach to property, establishing what the Council wished to achieve from its estate, aligning it with other Council priorities and ensuring decision making is based on clear policy. Decisions on purchasing, investing in or disposing of property would be based on pre-agreed principles to maximise return, reduce expenses and manage risk, enabling a far more strategic approach rather than consideration of individual properties in a piecemeal way.
- 2.5 The overarching Strategic document would then be complimented by a review of the Council's assets to consider what future approach should be taken. This would be based on data such as current value, how the property is performing (lease income and return on investment) and broader opportunities to maximise income or in some cases dispose of a financial liability.
- 2.6 There is scope to significantly increase the efficiency with which Assets are managed by streamlining delegations and decision making based on the adopted Strategy and transferring or selling assets that provide no value but take time and money to manage and maintain.
- 2.7 Condition surveys would inform this by identifying current defects or items which will require repair or replacement over the next 5 years. This assessment of condition and likely costs would enable work to be planned in advance, efficiencies in procurement and more accurate budgeting, rather than reactive repairs which are often more expensive and harder to manage. The Council has £200,000/year allocated in the capital programme for repair and maintenance.
- 2.8 Condition surveys would be undertaken for properties where the Council retains responsibility for repairs and maintenance. In some cases responsibility is split between the Council and the tenant i.e. WODC is responsible for the main structure of the leisure centres but GLL (leisure contract provider) has responsibility for internal repairs, maintenance and equipment.

- 2.9 Most of the Councils commercial investment property is let on a Full Repairing and Insuring Lease. There is a schedule of condition attached to the initial lease and then a Schedule of Dilapidations completed when the tenancy comes to an end. There are not currently the staff resources in place to carry out inspections during the lease. This means there is a risk that a lease ends and the Council suffers financial losses due to the condition, particularly in the case of bankruptcy, even though the lessee is obligated to reinstate the building to its original condition. A view on how this is best managed can be requested in the Asset Management Strategy.
- 2.10 Once commissioned the Strategy would be developed May – July and the Asset Plans would then follow taking approximately 12 weeks once the Strategy has been adopted.

3. PROCUREMENT

- 3.1 The Council has used a Procurement Framework to obtain a fee proposal for the Asset Management Strategy and Asset Plans. Frameworks mean that there has already been Due Diligence carried out on the consultants or contractors and they have demonstrated competitive fees, usually based on hourly rates in the case of consultants. Carter Jonas would be appointed to complete this work if funding is approved.
- 3.2 The condition surveys will be the subject of an Open Procurement. Carter Jonas are assisting the Council by preparing a specification for the work the Council wishes to undertake. This will ensure the condition surveys procured cover every element that is needed. The Council will then go out to tender. There is a far larger pool of consultants that can carry out Condition surveys than can competently complete an Asset Management Strategy, so different procurement approaches are being used.

4. ALTERNATIVE OPTIONS

- 4.1 The Council could decide not to commission the Asset Management Strategy and Condition surveys and continue to manage its assets on an individual basis.

5. CONCLUSIONS

5.1 The commissioning of an Asset Management Strategy would provide a clear framework for the management of the Councils assets ensuring a coordinated approach, linked to Council priorities and the Medium-Term Financial Strategy. Once adopted the Strategy will be applied in a review of key Land and Property assets to ensure the Council is achieving the maximum benefit from its assets.

5.2 With investments totalling £128M it is considered prudent financial management to adopt clear strategy for the management of these assets.

6. FINANCIAL IMPLICATIONS

6.1 The cost of both phases to deliver the Asset Management strategy and the subsequent Asset Plans is £50,000.

6.2 The condition surveys have not yet been tendered. They will be undertaken on a rolling programme. Buildings or sites such as car parks will be prioritised with a few being done each year. A budget of £30,000/year is requested to fund this with a delegation sought to award the contract. Each site would be surveyed broadly every 5 years although this will be slightly dependant on costs. The consultant will be appointed initially for 5 years.

7. LEGAL IMPLICATIONS

7.1 The Council has statutory duties to provide certain services such as Planning, Benefits and Waste collection. The Council also provides essential discretionary services which benefit the public such as leisure centres and public conveniences. The Council needs to have access to appropriate land and buildings to provide these services. In addition, the Council owns some commercial investments and acts as landlord. The Council has legal responsibilities regarding the standard of leased properties.

8. RISK ASSESSMENT

8.1 If the Council decides not to commission the Strategy there is a risk that a lack of clear strategic direction in the investment, regeneration, acquisition or disposal of assets negatively affects the Council's finances.

9. EQUALITIES IMPACT

There are no equalities impacts resulting from this report.

10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS


None associated with this report. Decarbonisation of assets will be considered both as part of the Strategy and on a building specific basis.

11. BACKGROUND PAPERS

None

(END)

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 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and Date of Committee</p>	<p>EXECUTIVE – 17 APRIL 2024</p>
<p>Subject</p>	<p>FUNDING FOR DECARBONISATION OF CARTERTON LEISURE CENTRE</p>
<p>Wards Affected</p>	<p>Carterton North East</p>
<p>Accountable member</p>	<p>Councillor Andrew Prosser – Executive Member for Climate Change. Email: andrew.prosser@westoxon.gov.uk</p>
<p>Accountable Officer</p>	<p>Claire Locke – Assistant Director, Property and Regeneration. Email: claire.locke@publicagroup.uk</p>
<p>Report Author</p>	<p>Claire Locke – Assistant Director, Property and Regeneration. Email: claire.locke@publicagroup.uk</p>
<p>Purpose</p>	<p>To present the business case for the decarbonisation of Carterton Leisure Centre and agree a strategy for funding the scheme.</p>
<p>Annexes</p>	<p>Annex A – Business Case</p>
<p>Recommendation</p>	<p>That the Executive Resolves to:</p> <ol style="list-style-type: none"> I. Agree to pause the current project to decarbonise Carterton Leisure centre, informing Salix that here will be no further expenditure of PSDS 3b funding, and to reapply for more PSDS funding in Autumn 2024 to enable the scheme to proceed.
<p>Corporate Priorities</p>	<ul style="list-style-type: none"> • Responding to the Climate and Ecological Emergency
<p>Key Decision</p>	<p>YES</p>
<p>Exempt</p>	<p>NO</p>
<p>Consultees/ Consultation</p>	<p>GLL – Leisure provider at Carterton Leisure Centre.</p>

1. EXECUTIVE SUMMARY

- 1.1** The Council has been progressing the Public Sector Decarbonisation Scheme funded project to install Air Source Heat Pumps and Solar PV at Carterton Leisure Centre. Unfortunately the Investment Grade Proposal that has now been received indicates the Council would need to invest around £3.3M in capital funding and would not get a full return on this investment. The level of ongoing subsidy each year would be just under £130,000 and is not therefore an affordable long term commitment.
- 1.2** The Council is still committed to delivering the scheme and whilst it is uncertain whether sufficient additional funding can be secured, the Council should consider pausing the current project and reapplying for more funding in the Autumn round of PSDS funding.

2. BACKGROUND

- 2.1** In November 2022 Cabinet received a report which explained that the Council had been forced to withdraw from PSDS3a due to time delays associated with Scottish and Southern energy (SSE) installing a new sub-station. In order that the opportunity for PSDS funding was not lost the Council reapplied in October 2022, for the next round of funding.
- 2.2** To inform the decision to accept any grant funding, should it be offered, an option appraisal was commissioned to ensure the Council could consider whole life costs of any option selected.
- 2.3** In January 2023 Executive considered that option appraisal and agreed in principle to proceed with a scheme to install Air Source Heat Pumps and Solar Photovoltaic roof mounted panels. A Member-led Project Board was established to oversee delivery of the project.
- 2.4** In February 2023, via a Delegated Decision the Chief Executive agreed, in consultation with the Project Board, to proceed with commissioning an Investment Grade Proposal (IGP). Contractors Kier were appointed, via a Framework, on a 'Design and Build' basis to undertake the detailed design and costing that would form the IGP, with a view to entering into contract with them for the build phase, if the scheme is approved by Full Council. At that stage the feasibility study, set out a total capital cost estimated as £2.698M, with £1.607M grant funding and the remaining £1.091M needing to be funded by the Council. The Council's capital contribution was not agreed at that stage as the decision to proceed with any investment would be based on affordability of a fully designed and costed scheme.
- 2.5** Two key project decision points, known as Gateway Decisions, were identified. The project would only be able to proceed if the leisure contractor GLL agreed to the change in heating systems, and if the scheme was affordable to the Council once the scheme was fully costed as part of the IGP.
- 2.6** The funding received totalled £1.607M and was allocated over two years with £614,000 available in 2023/24 and just under £993,000 available in 2024/25. The funding is not transferable between these years. A clear project plan was therefore established to ensure the IGP was completed, agreement from GLL was secured, a Full Council decision could be taken to proceed and kit and equipment could be ordered ensuring the full funding allocation could be spent in 2023/24.

3. INVESTMENT GRADE PROPOSAL

- 3.1** An Investment Grade Proposal provides the detailed design for the installation of the Heat Pumps, Solar PV and related infrastructure as well as detailed tendered costs enabling a full assessment of the business case. The costs include the initial capital cost of the installation as well as an estimate of repair and maintenance costs over the life of the equipment. The revenue impact of the change in heating and power is also modelled. This is critical in a site like a leisure centre which uses a lot of energy to heat and power the building and incurs very significant utility bills. With the plan to switch from a gas boiler system to Heat Pumps, there would be no need for gas but an increase in electricity usage. This is quite challenging financially as gas is currently cheaper than electricity so this change in energy supply could increase operating costs.
- 3.2** The principle behind the proposed installation was that it would be part grant funded but the Council would also need to meet some capital costs. The business case for this investment would be based on a reduction in operating costs with this 'saving' effectively repaying the capital investment and cost of borrowing. As part of the leisure contract the leisure provider; GLL are responsible for paying the utility costs and their consent must be gained for a change in heating system which may affect their costs or the operation of the leisure centre.
- 3.3** To enable the Council to receive any return on its investment, there would therefore need to be a contract variation enabling the Council to cover the cost risk associated with utility bills increasing as a direct result of the heating system change. Equally GLL would have to pay the Council any savings realised as a result of the changes.
- 3.4** In the early stages of the IGP it was clear that a simple switch from gas boilers to electricity powered heat pumps would result in an increase in revenue costs due to an increased demand for expensive electricity from the National Grid. The Council therefore considered how on-site electricity generation could be maximised through Solar Photovoltaic installations both on the roof top of the leisure centre and on car ports which could also be installed with Solar PV. Whilst this would increase the capital cost of works to the building it would reduce the reliance on electricity from the Grid and therefore reduce ongoing revenue costs.
- 3.5** The IGP was due to be provided to the Council on 8th November 2023, however Kier experienced internal issues which led to a delay in them tendering the works to sub-contractors and ultimately a delay in the priced IGP. As a result the Council did not receive the IGP until 20th December 2023. This placed significant pressure on the project programme.
- 3.6** The IGP indicated a far higher capital investment cost than had originally been projected by consultants. This was challenged and the principal reason given by Kier for the significant increase in costs was market forces. There are very few companies producing heat pumps and the related infrastructure and demand is extremely high. There are programmes including the national PSDS scheme and a drive from the public sector in the decarbonisation of Prisons, hospitals etc. and from Housing Associations to install heat pumps in social housing. Added to this there are broader construction market pressures and high rates of inflation which have pushed prices of all construction materials, plant and labour up. The scope of the project also

widened from the original proposals set out in the feasibility study with the addition of additional roof mounted Solar PV and carports and Solar PV.

- 3.7** Even withstanding the high cost of the decarbonisation scheme SSEN responded to the connection application in December 2023 stating that they could not provide the 1500 KVA upgrade that was required until 2030, so the proposed scheme was not viable anyway. Grant funding has to be spent by March 2025.

4. DEVELOPING AN ALTERNATIVE OPTION

- 4.1** Given the implementation of the original proposal was not viable due to a lack of grid capacity, alternatives were considered which would require no more than the 1000 KVA upgrade that was available locally.
- 4.2** The original proposal removed all gas from the site, however it is this shift to a total reliance on electricity that resulted in the high grid capacity needed. Whilst the Council planned to install Solar PV to maximise on-site electricity generation, SSEN require that the grid capacity matches site demand without consideration of the on-site generation. This is because that solar PV could theoretically fail or be removed and the grid therefore has to be capable of supplying power to the whole site.
- 4.3** The sports hall and soft play areas of the site are relatively new having been added as Phase 2 of the leisure centre in 2019/20. Those areas are heated using radiant panels. These are ceiling mounted gas heaters which have their own igniters. This means gas comes into the building and splits, with some gas piped to the boilers and some piped to these radiant panels. The boilers can therefore be removed whilst retaining the radiant panels which operate independently.
- 4.4** The retention of these panels still enables the buildings gas boilers to be decommissioned, which is compliant with the grant funding and the panels are relatively new and therefore have a long life left in them, so a proposal was developed on this basis. The panels can then be replaced at a later date when there is sufficient grid capacity to support this.
- 4.5** The revised IGP therefore includes the installation of air source heat pumps and solar PV to both the roof and to car ports but retains these radiant gas panels. This reduces the capital cost of the programme and the disruption to the leisure centre. Certain works will require partial closure of the centre and compensation would be payable to GLL for loss of income during closure periods.
- 4.6** Planning consent was successfully obtained for the scheme on 23 November 2023. The application number 23/02420/FUL can be viewed on the Councils website.
- 4.7** The Council received a response to its revised DNO application at the end of February 2024 confirming that it could receive the 1000 KVA upgrade. The cost of which is £71,443 plus VAT and eligible for grant funding. The Council must accept that offer by 30 April 2024 if it wishes to proceed. If the Council does not proceed with this connection there is a significant risk that other users in the locality request additional supply and it will not then be available to the Council next year when, subject to further PSDS funding, the Council can proceed. The Council consulted Salix to see if they would agree to the Council accepting the offer from the DNO to proceed with this connection, funded from the current grant allocation. Salix

agreed the offer could be accepted and funded by 31st March 2024 to use existing 2023/24 grant funds, despite the Council not taking a decision on whether to proceed until 17th April 2024.

5. GATEWAY DECISIONS

- 5.1** In order to proceed with the capital investment and commence works the Council needs an affordable scheme and agreement from GLL.
- 5.2** The Council have been keeping GLL informed throughout this IGP process. GLL have been very supportive and are fully engaged in the decarbonisation of leisure centres they manage for the Council, having carried out a number of smaller works themselves. The principle of a contract variation to enable the council to claim any savings generated as a result of its investment in decarbonisation has been discussed with GLL. However, due to the business case and affordability concerns, these discussions have not progressed.
- 5.3** The business case is set out in annex A. The high capital cost of £4.6M for the scheme means that the Council would have to fund in excess of £3.3M and would not fully recover its investment in the scheme through a reduction in utility costs. The modelled revenue reduction would be £142,000/year. However, the annual capital finance costs would be £271,803. This means the net loss to the Council from its capital investment and the cost of borrowing equates to £129,356 every year.
- 5.4** The Council therefore needs to consider whether this investment is affordable. If it is not, then the scheme would need to be paused and a new application for PSDS funding would need to be submitted in Autumn 2024 seeking a higher level of grant funding to reflect the actual scheme costs.
- 5.5** The Council has invested significant time and effort in progressing the scheme and is fully committed to its delivery. The costs incurred to-date total £290,000 as at end February 2024 and have been funded through the Salix grant scheme. If the Council does not progress within the current grant funded programme, the costs incurred to-date do not need to be repaid. However, it should be viewed that this initial investment would support the delivery of a decarbonisation project in the future rather than this being abortive investment.
- 5.6** Due to the initial time delays in the receipt of the IGP and the need to then work through a new option as the original proposal was unviable there is insufficient time to seek a Full Council decision, enter into contract with Kier for the 'Build' element and place orders for kit and equipment before the end of March 2024. This means the unspent grant funding for 2023/24 will be lost. This reduction in overall grant funding is included in the business case in Annex A.

6. ALTERNATIVE OPTIONS

- 6.1** The Council can either proceed with the scheme now, accepting the significant investment it will be required to make with only a partial return or it can pause the project and reapply for more funding.

6.2 Alternatively the Council could cease this project and consider smaller scale carbon saving measures such as PV only. This would not be eligible for PSDS grant funding but is likely to have a reasonable return on investment as a stand-alone item. However, the Council has already demonstrated its commitment to the broader decarbonisation and remains committed to a move away from gas.

7. CONCLUSIONS

7.1 The Council is firmly committed to the decarbonisation of its buildings and its currently focussed on a programme of decarbonisation of its leisure centres. Significant officer and member resources have been spent in developing and progressing this project, however, the business case shows the Councils investment would not be repaid in full. This means there would be a large ongoing subsidy required over the 25 year life of the scheme. With Councils under increasing financial pressure, this financial commitment is not affordable.

7.2 The Council does now have a designed and costed decarbonisation scheme. It is considered highly likely that the leisure provider GLL will agree to the proposals. Therefore, the only notable barrier is the cost of implementation. If additional grant funding can be secured which sufficiently reduces the Councils capital investment the scheme should be able to proceed. However, securing sufficient funding is not guaranteed and the Council will still need to consider ways in which costs can be reduced.

7.3 It is therefore recommended that the current PSDS 3b funded project pauses, and the Council reapplies for additional capital funding in the Autumn 2024 round of funding.

8. FINANCIAL IMPLICATIONS

8.1 The financial implications are a Gateway Decision and are therefore covered in Section 5 above. The business case set out in Annex A shows that with capital costs of £4.6M, the Council would have to fund more than £3.3M. The modelled revenue reduction is £142,000/year but with annual capital finance costs of £271,803, the net loss to the Council would be £129,356 every year over the 25 year life of this scheme.

9. The current PSDS grant scheme is capped at around £1.8M of grant funding. With industry wide cost pressures and inflation it is hoped this cap will be raised for the future scheme. Grant funding from other sources will also be explored to reduce the capital contribution the Council needs to make.

10. LEGAL IMPLICATIONS

10.1 The Council is in contract with GLL for the provision of leisure management and services. Any changes affecting that contract, such as a change in heating system must be agreed by GLL. Contractual changes would usually be set out and agreed formally via a contract variation.

10.2 The Council has ensured that it adheres to the terms of the Salix administered PSDS funding. Therefore, costs incurred to-date are grant eligible and do not need to be repaid.

11. RISK ASSESSMENT

- 11.1** The capital costs in the business case have been tendered however there remains a risk that costs increase as work progresses particularly if unforeseen works arise. There is some contingency costs built in to cover this.
- 11.2** The revenue savings resulting from the change in heating system and addition of Solar PV are modelled. This means they cannot be guaranteed and could be subject to significant change. It is very difficult to model now, how the energy markets may perform longer term. Ultimately, there will be a risk that the savings generated are lower than those modelled and therefore the cost to the Council is higher. Conversely, if gas prices rise, savings may be greater than currently modelled.
- 11.3** In pausing this project and reapplying for the next round of PSDS funding there is a risk that the funding bid is not successful. PSDS funding rounds are usually over subscribed and a new prioritisation mechanism is being introduced by Salix this year, replacing the first come first served basis with value for money criteria that are yet to be disclosed. It is not yet known how the new criteria will affect the likely success of the bid. However, it is hoped that the work that has been completed so far, the funding that has already been committed and the Councils continued determination to deliver this project will be viewed favourably.
- 11.4** There is a risk that even if a further bid for PSDS funding is successful, insufficient grant funding can be secured to render the scheme affordable. The PSDS grant funding is currently capped but it is not yet known what the funding limits will be for the Autumn 2024 funding round. Opportunities to reduce capital costs will also be explored considering the way in which work packages are tendered and seeking other grant funding opportunities.

12. EQUALITIES IMPACT

- 12.1** There are no equalities impacts resulting from this report.

13. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 13.1** The proposed decarbonisation scheme would save an estimated 61 tCO₂e/year, which is a reduction of 15%. This reduction will continue to increase as the electricity grid decarbonises. It would move away from a total reliance on gas to heat the building and limit gas consumption to the radiant panels in some spaces. The use of on-site solar PV electricity generation which would be stored in a battery and used on site further reduces the environmental impact of the leisure centre.
- 13.2** The decarbonisation of the leisure centre is on the carbon neutral pathway and therefore is critical in the Council achieving carbon neutrality by 2030, as stated in the Council's Carbon Action Plan 2024-2030.

14. BACKGROUND PAPERS

None

(END)

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ANNEX A – Business Case

Cost Element	Cost/Saving
Costs up to March 2024 - IGP	£298,384
Estimated build costs	£3,915,616
Total	£4,214,000
10% Contingency for build costs	£391,562
Total estimated expenditure	£4,605,562
Grant funding 2023/24	-£298,384
Grant funding 2024/25	-£993,355
Total grant funding	-£1,291,739
WODC Funding required	£3,313,823
Annual Revenue cost of funding	£271,803
Average Annual Energy cost saving	-£142,447
Additional revenue cost	£129,356

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