

Executive

Minutes of the meeting held on Wednesday 3 April 2019 at the Town Hall, Royal Leamington Spa, at 6.00 pm.

Present: Councillors Mobbs (Leader), Butler, Coker, Grainger, Phillips, Rhead, Thompson and Whiting.

Also present: Councillors: Boad (Liberal Democrat Group Observer), Quinney (Chair of Finance & Audit Scrutiny Committee); Mrs Falp (Chair of Overview & Scrutiny Committee) and Naimo (Labour Group Observer).

Apologies for absence were received from Councillor Coker.

165. **Declarations of Interest**

There were no declarations of interest.

Councillor Mobbs, the Leader of the Council, thanked Members of the Executive, Members of Scrutiny Committees and officers for what he considered to have been a very productive year. On behalf of the Executive, Councillor Mobbs thanked Councillor Coker for his wonderful commitment and work over many years, and emphasised that his input and influence would be a loss to the Council.

166. **Minutes**

The minutes of the meeting held on 6 March 2019 were taken as read and signed by the Chairman as a correct record.

Part 1

(Items upon which a decision by the Council was required)

167. **Procurement Strategy and Review of Shared Service**

The Executive considered a report from Finance proposing a new Procurement Strategy for the period 2019-23.

Since April 2018, the Council had been in partnership with Warwickshire County Council for the provision of Strategic Procurement Support. The initial agreement was for two years, with a review after the first year.

A new National Procurement Strategy was published in 2018 providing clearer guidance on strategic objectives that local authorities should focus on. In addition, increased scrutiny on environmental sustainability, in particular the increasing pressure to reduce single use plastics, needed to be reflected in the Council's procurement objectives and therefore required the Council's Procurement Strategy to be updated.

The purpose of the report was to introduce a new Procurement Strategy 2019-2023 for the Council. The new Strategy would build on the

successes of the previous Strategy by maintaining previous targets while expanding to include new targets identified by both the National Procurement Strategy and the new Council single use plastics policy. The challenges of supporting the local economy and delivering value for money remained as valid as they were in the original strategy. However, to promote focus on key objectives, the new strategy changed its format from the previous strategy, so that those key objectives were more clearly defined.

The new Strategy had been created by collaborating with Warwickshire County Council under the Shared Service arrangement for strategic procurement, as well as through consultation with the Council's Procurement Board, Procurement Champions Group, and Senior Management Team.

The proposed new strategy set out the future direction of procurement within the Council and created a framework for procurement which was aligned to the Fit for the Future and sustainability policies, as well as reflecting best practice and recommendations set out in the National Procurement Strategy for Local Government 2018.

The Corporate Procurement Strategy inter-related with the Council's Code of Procurement Practice. The proposed new strategy reflected new legislative requirements in the UK Public Contract Regulations 2015.

The strategy also set out the objectives that would enable improvements through Procurement, and would also lead to the mitigation of financial, commercial and legal risks.

In January 2018, the Executive agreed to enter a partnership with Warwickshire County Council Procurement for two years from April 2018, with a review after the first year. These new arrangements were entered into following the Council's difficulty in recruiting and retaining senior procurement staff. As a consequence, there was the risk that the Council did not have the resources and expertise to provide procurement advice and support to all projects.

The Procurement Partnership with the County Council entailed the Council retaining two procurement officers (Senior Procurement Business Partner and Procurement Business Partner), and having support from WCC in respect of strategic initiatives and significant projects. Alongside this, the WDC Procurement Team had been able to get additional advice and assistance on other projects throughout the year as and when required.

To enable the Partnership to work efficiently, it was important that the policies and procedures of both Councils were closely aligned. The most notable initiative here had been for the Council's Code of Procurement Practice (CoPP) to be reviewed. As a consequence, a new CoPP was agreed by Council in November 2018. This was a greatly reduced document (29 pages compared to the previous 43 pages), and was very much more strategic, setting out what needed to be done, not how things

needed to be done. The "how" was contained within the many supporting operational documents.

The WCC Head of Procurement had worked with the Council's Senior Procurement Business Partner to produce the proposed Procurement Strategy. In addition, he had supported and attended meetings of the Procurement Board, Procurement Champions and Finance and Audit Scrutiny Committee.

The projects specifically supported by Warwickshire County Council Procurement during 2018/19 included the Leisure Option phase 2 (Kenilworth) and Covent Garden Redevelopment (construction and demolition).

To assist in the reviews of the shared service over the last year, views had been sought from managers across the authority with responsibility for contracts. This review was primarily carried out via "SurveyMonkey". In addition, views were sought from Heads of Service at the Procurement Board.

The responses received had been very positive. Officers appreciated the accessible in-house support from the WDC Procurement Team, and also the availability of more strategic or technical support from WCC. It should be noted that there was a minority of respondents that were not aware of the partnership.

Discussions had been held between the Head of Finance and WCC Head of Procurement to review the partnership. Both were very pleased with the progress and success of the partnership over the last year. As referred to earlier, having the main Codes aligned had greatly helped, even though the thresholds adopted by WDC were below those for WCC.

The projects worked upon by WCC had been fewer than anticipated. Several projects flagged up 12 months ago had not progressed to the stage of requiring any great input from WCC. In future, it would be necessary for officers to give more consideration of the timeline of projects so that Procurement resources (WDC or WCC), could be better aligned.

The WDC Procurement Business Partners had benefitted from the professional advice and support from WCC. This had been particularly important given the lack of long term procurement experience of the team.

Appendix B included the record of progress against the 2018/19 Procurement Action Plan as agreed by Members in April 2018.

The operations over the last year had helped to "de-risk" procurement and encourage good procurement practice across the Council. However, further improvements were planned, notably in seeking to instil good contract management practices across the Council. During 2019 WCC

Procurement would lead on Contract Management training for contract managers.

The Procurement Partnership was initially agreed for two years to 2020, with a 12-month review. Based on the first year's success, it was proposed to extend the partnership to 2023. This would align with the period of the proposed Procurement Strategy. Given that the Partnership had only been in operation for a single year, it was proposed that a further review should be undertaken and reported to Members in 12 months' time.

Following the creation of the Partnership, a programme board of senior officers (WDC and WCC) was established to oversee the Council's procurement progress. This board had agreed the programme of work for 2019/20 and was detailed at Appendix C to the report. This programme was in effect the business plan for the coming year as it had considered the anticipated work and resources necessary to deliver the programme.

In terms of alternative options, Members could choose not to agree the new Procurement Strategy, or to propose changes to it. The new Strategy was intended to provide clear objectives and priorities for the Council's procurement function and to align the Council with the National Procurement Strategy, with these objectives not being achieved if the new Strategy was not accepted.

The Council could revert to relying entirely on an in-house procurement team. This was not proposed due to the benefits over the last year from the new arrangements, and the increased risks that would be encountered in seeking to maintain an in-house team to provide the same level of overall service.

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

The Executive, therefore,

Recommended to Council that the Procurement Strategy 2019-2023, at Appendix A to the report, be approved.

Resolved that

- (1) the success of the Procurement Partnership for the first year be noted;
- (2) the Partnership should continue for a further four years to 31 March 2023, subject to a further review being reported to Executive in 12 months' time; and

- (3) the programme of work agreed with Warwickshire County Council at Appendix C to the report, be noted.

(The Portfolio Holder for this item was Councillor Whiting)
Forward Plan reference 1,005

168. **Employer's Agent for New Housing Programme**

The Executive considered a report from Housing seeking approval for a budget to enable the procurement of programme management / Employer's Agent support services for a programme of new Council and market housing over the coming years.

In August 2018, the Executive agreed to pursue a bid to central Government for additional borrowing headroom to finance a programme of circa 340 new Council affordable homes and 107 market homes.

The Government subsequently withdrew the additional headroom programme and instead, removed the borrowing cap, thus freeing Councils to set their own borrowing limits for the Housing Revenue Account, subject to the Prudential Borrowing Code.

The programme of proposed housing schemes was therefore being taken forward. Additional advice and support had been obtained from other local authorities with direct development experience and it had become apparent that a key appointment would be that of an Employer's Agent.

There was no single definition of the role of an Employer's Agent (EA). A model used by some Councils with housebuilding programmes was for a comprehensive service covering:

- programme and project management;
- quantity surveying;
- civil and structural engineering;
- principal design;
- party wall; and
- clerk of works functions.

With this model the contract was then let for up to a specified number of units (for example "up to 500 completed dwellings") and then, as and when a site came forward, the number of units was called off and the contractor provided the services for the site. If the site did not proceed to completion, the contractor was paid for the work that they had done, but the capacity of the contract in terms of unit numbers was not reduced. The unit capacity was only reduced when dwellings were completed. In this way, the bulk of the necessary professional support services could all be mobilised on a potential development site with the minimum of delay.

Other specialist services were sometimes required that were not covered by the EA contract, but these tended to be site-specific and therefore could not be predicted. However, the EA appointment remained important

to these services as well because the EA would identify the need for such services at an early stage and would support the procurement process for the necessary provider.

It was therefore recommended that an Employer's Agent along the above lines should be procured at the earliest opportunity to support the house building programme. It was proposed to let a contract for up to 500 dwellings over seven years. This was a little higher than the original programme referred to in paragraph 3.1 of the report, so as to allow some spare capacity for any new opportunities that would arise during the contract. The detail of any such new schemes would be brought to Executive for approval in the normal way first.

The final cost for the EA service would be dependent upon the contract capacity in terms of number of dwellings, how many sites were investigated and how many came to fruition. An estimate had been included in confidential Appendix 1 to the report.

A full OJEU-compliant procurement process would be required for a contract of this size, and this could be achieved relatively quickly and efficiently through a competitive process with a small number of suppliers on an OJEU-compliant framework or Dynamic Purchasing System or by a direct award if the framework permitted this.

Subject to approval of the budget requested under recommendation 2.1 in the report, and compliance with the Council's Code of Procurement Practice in selecting the contractor as set out in paragraph 3.9 in the report, it was proposed under recommendation 2.2 in the report that the appointment of the contractor should be delegated to the Head of Housing Services in consultation with the Portfolio Holder.

In terms of alternatives, the option of not having any Employer's Agent support had been considered but development of new housing was a technical field that required specialist support that was not available in-house. This would therefore carry major risks and was not an acceptable option.

Another option would be to procure Employer's Agents on a scheme-by-scheme basis. However, this would be inefficient in terms of timescales, introducing delays at the inception of every potential site. It would also be much more expensive in the long term because significant economies of scale would be gained from procuring an agent for a larger number of dwellings.

The option of procuring for a smaller number of sites had been considered with a further competitive process a proportion of the way through the building programme. This would allow the contractor's performance to be assessed and ensure that they did not become complacent over time. However, this again would be more expensive in the long term due to reduced economies of scale. It would also introduce uncertainty and the potential for a hiatus some way into the programme. Furthermore, the same outcomes could be achieved through appropriate contract

management, and including break clauses and extension options within a single contract.

On balance, it was considered that procuring an EA for the whole programme was the best option.

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

At Overview & Scrutiny Committee, Councillor Phillips, Portfolio Holder for Housing, undertook to submit a revision to the wording of the Housing Revenue Account (HRA) amendment that would address the concerns raised by the Overview & Scrutiny Committee so that the Employer's Agent ensured that these new homes met the required standards regarding performance-in-use measures of energy efficiency, lifetime homes and renewable energies. Councillor Davison had supplied a form of wording which Councillor Phillips agreed he could use to base the revision as below:

Councillor Davison's suggested wording:

The Council is currently developing "a Plan to incorporate in new-builds funded through the Housing Investment Programme improved housing standards, in-use performance standards (such as identified by the Sustainable Development Foundation), lifetime homes standard and renewable energy installations." Consequently, the Employer's Agent would need to demonstrate experience and expertise in these areas, so that the new homes would be built in accordance with these standards and performance monitored.

Councillor Phillips thanked the Leader of the Council for his leadership and support over the years. He was in agreement with Councillor Davison and proposed the report as laid out, with the addition of another paragraph, 3.11 to read:

3.11 The Employer's Agent brief will include taking account of the additional motion in item 11 at Full Council on February 20th 2019 whereby the Council is currently developing "a Plan to incorporate in new-builds funded through the Housing Investment Programme improved housing standards, in-use performance standards (such as identified by the Sustainable Development Foundation), lifetime homes standard and renewable energy installations." Consequently, the Employer's Agent would need to incorporate these objectives, so that the new homes would be built in accordance with these standards.

The Executive, therefore,

Recommended to Council that a budget for the sum identified in Confidential Appendix One be allocated for the procurement of professional support services in the identification, design and build of a programme of up to 500 new homes.

Resolved that authority be delegated to the Head of Housing Services, in consultation with the Housing Services Portfolio Holder, to finalise and let a contract for the professional support services.

(The Portfolio Holder for this item was Councillor Phillips)
Forward Plan reference 1.008

169. **Warwick District Council Strategic Business Plan Template**

The Executive considered a report from the Chief Executive seeking agreement to a template for a Strategic Business Plan to update the Fit for the Future Strategy for a new Administration and for a report back on content at the earliest opportunity after the May elections.

In response the LGA Peer Review follow up reported in February 2019, the Executive agreed that the new Council should prepare a Strategic Business Plan to update the Fit for the Future Strategy for the lifetime of the next Administration and that a report on the template should be brought forward for agreement, allowing officers to prepare baseline information to help expedite the Strategic Business Plan.

The template attached at Appendix 1 to the report was considered by officers to be appropriate in terms of the aspects such a Strategic Business Plan should cover for a Local Authority. This was based upon feedback from the Local Government Association (LGA) and examples from other Local Authorities, and links were provided in Section 3.2 in the report where the examples could be seen.

In considering the template, it was important to understand the purpose of the Strategic Business Plan which should be strategic in nature (hence referred to as the Strategic Business Plan) and should allow the Administration to set out clearly its priorities for its lifetime, i.e. the next 4 years. This would then enable high level decisions to be made about what the Council would and would not do and the resources (people, money, property, etc.) it would allocate in order to achieve those priorities.

The Strategic Business Plan would then set the direction for Service Area Plans; Strategic Projects and the other Supporting Strategies of the Council. This would then filter through to Team Operational Plans and to individual performance objectives so providing a proverbial golden thread. It would act not as the apex of the performance management pyramid but rather as the bedrock. This was shown illustratively in Table 1 in the report.

It was expected that, once agreed, the performance of the Council on the Strategic Business Plan would be reported quarterly, open to scrutiny and subject to an annual update in association with agreement to the annual budget. This reporting process would need to be integrated with that on the budget to avoid duplication of process but also to be clear about the financial performance of the Strategic Business Plan. The same issue

arose in respect of integrating the Strategic Business Risk Register (SBRR) process with reporting on risks of the Strategic Business Plan.

The Strategic Business Plan would be the written manifestation of the long standing Fit for the Future change programme (FFF). Effectively, this would mean that the Strategic Business Plan would be the FFF Strategy version 2.0. The detail of how this would be done would be set out in the report to follow if the recommendations in the report were agreed.

Once the template was agreed, officers could prepare any relevant baseline information (no existing organisation could start with a blank sheet of paper, there were matters ongoing that would have to be dealt with regardless of the outcome of an election though it would determine how those issues were dealt with). Following the election in May, this should enable the new Administration to shape the content of the Strategic Business Plan to reflect its priorities.

It was suggested that if there were any detailed comments that arose from Members, the Chief Executive should be delegated authority to agree any such detailed changes in consultation with all Group Leaders.

In terms of alternative options, the Council had already agreed to develop a Strategic Business Plan so not progressing it was not an option. The Council could, however, vary the format and it was the purpose of this report to seek agreement to the format in whatever shape it took.

The Executive, therefore,

Resolved that

- (1) the template attached at Appendix 1 to the report be agreed as the template for a Strategic Business Plan to update the Fit for the Future Strategy for the District Council to cover the period of the next Administration. If any detailed, minor amendments to the template are raised by Members, consideration of them be delegated to the Chief Executive in consultation with the Group Leaders; and
- (2) following the May 2019 elections, a report on the content of the Strategic Business Plan updating the Fit for the Future Strategy be brought forward for consideration at the earliest opportunity.

(The Portfolio Holder for this item was Councillor Mobbs)

170. **Software and Hardware Upgrade for CCTV Service**

The Executive considered a report from Health and Community Protection setting out the update for the digital upgrade of the software and hardware used to deliver the Closed-Circuit Television (CCTV).

The CCTV service fulfilled the following roles:

- providing reassurance – residents, visitors, businesses and their staff felt safer;
- monitoring and directing support to the vulnerable including mental ill health and missing persons;
- monitoring of prolific and dangerous offenders;
- a central point to coordinate and prioritise the response of a wide range of services enabling prompt and effective early intervention; and
- public protection evidence to court standard e.g. Police, Licensing and members of the public.

Since initial original installation, technology had developed rapidly and had evolved, becoming more efficient and adaptable to changing circumstances, particularly since 2013 when the CCTV system was changed from video recording to the Synectics digital system.

The Synectics systems software and hardware was becoming harder to maintain in terms of support and availability of spare parts. Under the Council's contract for maintenance, should the software fail, then the incumbent contractor had to repair or replace it, but this was becoming increasingly problematic due to patching issues or hardware incapability. ADT was the Council's supplier since 2001, supported by a BT line contract.

The Executive report in July 2018 outlined a business case to upgrade the CCTV hardware, software and relocate the service into the new headquarters.

Due to change in the timelines for the relocation of the council offices, this report addressed the first part of the proposed upgrade, namely the upgrading of the digital software and hardware used to deliver the closed-circuit television in the existing location.

To ensure that the upgrade was sufficient to meet needs and provided best value, the ESPO framework 628: Security and Surveillance Equipment & Services, Lot 4 via mini competition had been utilised.

There was a limited supplier group for this work activity and on this occasion, only one bid was received. The bid had been assessed and the expected contract start date would be 16 April 2019, subject to Executive approval.

In order to deliver the upgrade of the service with minimal interruption, it was proposed that the digital upgrade took place with a phased approach. A table was included in Section 3.4.1 in the report, outlining this approach.

A contingency fund of £39,000 had been built into the project to ensure any increase in costs were met to ensure the project was completed on time and to the standard required.

The total of phases 1-3 were higher than the provisional estimates given in July 2018. However, the total costs remained within the £800,000 – £1,000,000 bracket as described at the 25 July 2018 Executive.

As the relocation of the new headquarters had been delayed, the aforementioned costs did not include the phases which related to the relocation of the service, namely:

- installation of a new control room in the new headquarters (phase 4);
- installation of CCTV to the new headquarters (phase 5);
- relocation of hardware to the new headquarters (phase 6); and
- decommissioning of old CCTV control room costs (phase 7).

The project management costs as outlined in the Executive report for staff resources within the organisation were no longer included as these had been found within existing budgets.

There was £250,000 allocated within the Headquarters Relocation Budget for the additional relocation phases. A table included at Section 3.4.6 in the report provided provisional estimated costs (July 2018) for this work.

As highlighted in the previous Executive paper, the upgrade would also deliver annual revenue savings. Following the completion of the upgrade, there would no longer be a reliance on BT line rental, saving approximately £50,000 annually. There would also be a reduction in the maintenance contract. A minimum savings of £16,000 annually on the existing contract of £68,000.

A table included in Section 3.4.8 in the report detailed a total saving of £300,000 over a five-year period, after which an ongoing licence fee of approximately £8,000 would become payable, which would reduce the annual savings against current maintenance costs.

Within the New Homes Bonus allocation for 2019/20, £1,000,000 had been set aside to deliver the CCTV project.

In terms of other options, consideration had been given to the different options of upgrading the software and hardware of the CCTV service or not. However, due to the risks associated with the existing system, these had been discounted in favour of the proposed option.

The Finance & Audit Scrutiny Committee firmly supported the recommendations in the report.

Councillor Thompson, the Portfolio Holder for Health & Community Protection, emphasised that the current system was out of date and that there was a need for an updated one which would allow more flexibility in terms of location. In addition, having mobile cameras would also give opportunities to engage with local businesses.

The Executive, therefore,

Resolved that

- (1) the upgrade of the software and hardware technologies for the CCTV service including the introduction of mobile cameras, be agreed;
- (2) the tender returns as detailed in the report, be noted;
- (3) the release of funding of up to £900,000, funded from New Homes Bonus, be agreed;
- (4) the £100,000 allocated from New Homes Bonus for the project which is not required be allocated to the Community Projects Reserve; and
- (5) that phases of the upgrade with have not been included and that these will be included within the new Headquarters project with an appropriate report to Executive at the relevant time, be noted.

(The Portfolio Holder for this item was Councillor Thompson)
Forward Plan reference 982

171. Severe Weather Emergency Protocol (SWEP)

The Executive considered a report from Housing setting out the Council's policy in operating a Severe Weather Emergency Protocol (SWEP), making recommendations for the future of the policy following a change last year to extend the provision from when the temperature was predicted to fall to zero or below for three successive nights to a policy to provide emergency accommodation when the temperature fell to zero or below for one night.

The change approved by Executive in November 2017 was agreed for one year with an agreement to return to Executive to update about other initiatives around homelessness and to approve a SWEP policy for subsequent years. Other reports to Executive had addressed the other homeless activities but a SWEP had not been approved policy going forward.

Last year, the Council decided to extend the provision under the Severe Weather Emergency Protocol (SWEP) from when the temperature fell to zero or below from three consecutive nights to one night. Although this change led to an increase in costs and time resources for staff, these were reasonable and achievable within existing budgets and staff resources and therefore could be extended going forward.

The increased provision ensured that rough sleepers were offered accommodation on more occasions in severe weather, and this was considered a positive change. During the winter 17/18, SWEP was activated on 31 occasions of which 16 occasions the primary provision was at night shelters. This was a significant increase in activity. The Council provided temporary accommodation to rough sleepers that amounted to 101 nights of accommodation. The cost of this was £5,600. Some of these costs would be recovered from Housing Benefit claims. SWEP had been activated on 11 occasions to date during this winter.

The number of rough sleepers that Warwick District Council had accommodated was mitigated by the availability of night shelter accommodation. Last year, shelters were not available every night and in these circumstances, the only other avenue was to provide guest house accommodation. This year, the Council had opened a direct access hostel at William Wallsgrove House. This facility was available every night to provide accommodation for rough sleepers in addition to the night shelters. The provision at William Wallsgrove House had transformed the provision for rough sleepers and would mean that there were less people sleeping rough in general and provided additional capacity to minimise the need for guest house accommodation, reducing additional costs and work for the Allocations & Advice team.

The new SWEP provision therefore could be sustained and would provide a safety net to the provision of emergency accommodation at the hostel and night shelters. We had also reflected on the conditions that were caused by wind, snow and rain and were recommending that the policy was applied flexibly in these circumstances.

Staff working in the Housing Advice & Allocations team checked the weather each day and when the conditions were met, they would activate SWEP. This involved notifying all key agencies working with rough sleepers that SWEP was activated and that there was no need for anyone to be sleeping rough. The agencies would then refer rough sleepers to the provision available or if the accommodation was not suitable, to the Housing Advice & Allocations team.

In terms of alternative options, last year, as part of the original decision to extend the SWEP provision, the Executive considered alternative options including:

- introducing a trigger based on a different temperature;
- use other factors to determine the trigger point; and
- adopt a combination of the above.

The proposal to extend from three nights to one night with temperatures predicted to be zero degrees or below was considered a clear position.

The proposal to add a flexible approach to account for other factors affecting the severe conditions could be rejected if this was considered too vague or more generous than wanted.

The Executive, therefore,

Resolved that

- (1) Warwick District Council should continue to ensure overnight accommodation is available to rough sleepers for every night that the temperature is predicted to drop to zero or below; and
- (2) Warwick District Council operates a more flexible policy when there is heavy rain, snow, high winds or similar extenuating factors. So the temperature maybe above zero, at between 1 and 3 degrees centigrade but conditions are such that the Housing Services team consider conditions on the street to be severe. This flexibility allows our staff the ability to react to conditions on the ground.

(The Portfolio Holder for this item was Councillor Phillips)
Forward Plan reference 989

172. Corporate Property Repair and Planned & Preventative Maintenance Programme (PPM) 2019/20

The Executive considered a report from Assets proposing that budget provision of £2,215,400 was made available in 2019/20 to continue the Council's investment in its corporate property assets. The report provided the rationale for the proposed allocation of works against the budget.

The overall budget allocation for the Council's Corporate Property Responsive Repair & Cyclical Maintenance Programme and its Planned & Preventative Maintenance (PPM) Programme had hitherto been informed by stock condition data and contained in a five-year PPM plan, for which 2018/19 was the final year.

This expenditure had enabled the Council to proactively maintain all existing corporate assets (i.e. all assets owned by the Council other than its Housing Revenue Account homes, shops, garages and land) in a sound condition unless or until any future decisions were made in respect of individual assets through a Corporate Asset Management Strategy.

The proposed budget allocation for 2019/20 was based on a review of historic responsive and cyclical repair data and a review of the current PPM data by officers within the Assets Team, in consultation with building managers from other service areas which held or operated specific assets. The Proposed Corporate Property & Planned Preventative Maintenance (PPM) Programme works 2019/20 was set out at Appendix 1 to the report.

For 2018/19, the total budget was £1,668,800. This was split between the Repair element of the budget totalling £656,600 and the PPM programme totalling £1,012,800 (which included £595,000 for work slipped from 2017/18). The majority of the PPM programme work had been completed or, in respect of some the slipped work from 2017/18 found on inspection not to be required as the work had already been carried out utilising other budgets. Consequently, and unlike previous years, there was minimal slippage of works into the new financial year's budget. A major driver for the Assets team re-design was to ensure that additional resource was added to the surveying team to achieve this outcome and the impact on the 2018/19 programme demonstrated that a higher cost programme for 2019/20 would be deliverable.

During the financial year the budget provision was varied, initially with the inclusion of £115,400 of earmarked reserve for the repair element of the budget for work that had not been completed by the end of the previous year and subsequently, with the allocation of a further £136,400 to this element of the budget as part of the Budget report, to reflect budgetary pressures that had emerged during the year. The amended budget therefore totalled £1,920,600 and the projected outturn for 2018/19 was currently estimated as £1,917,400, marginally below budget.

In terms of the 2018/19 budget, the PPM programme would have come in under budget. This was due to a combination of factors: better prices than the initial indicative costs approved in last year's report being achieved on some projects; the omission of works scheduled for the Leisure Centres; the re-allocation of works to HRA owned shops to the HRA budget; the omission of works already completed as part of an urgent responsive repair; and the omission of works to the Victoria Park cricket pavilion that would be now be planned as part of a wider programme of work related to the Commonwealth Games project.

In contrast, the Corporate Property Repair programme element of the budget experienced budgetary pressures during the year. Again this was due to a number of factors: major structural works were identified at 26 Hamilton Terrace with significant movement to the rear wall requiring urgent work to prevent it being classed as a dangerous structure; unanticipated expenditure on repairs to the fountains in Jephson Gardens; unanticipated repair requirements for the Oakley Wood cremators; and pressures arising from the PPM slippage in previous years which required some works to be done on a responsive rather than planned basis. As a result of these pressures, the base budget for 2019/20 was reviewed as part of the budget setting process and increased to £777,400, as explained in Section 5 in the report. The increased Repair budget and the enhanced PPM programme was anticipated to mean the overall budget would not come under the same pressures in the coming year.

There would be some PPM work that was not practically complete at year end and budget would be set aside through the normal Earmarked Reserve process. As stated above, the proposed £79,000 of slippage into the 2019/20 programme was minimal compared to previous years but was necessary to account for those elements of the 2018/19 programme

that had either not been able to commence for unavoidable reasons or which had commenced but not finished due to unavoidable delays. The specific items of slipped work, shown in summary at Appendix 2 of the report, were:

- Abbey Fields car park (indicative cost £5,900) – work could not be commenced until authorisation received from Heritage England as the car park overlaid a designated Scheduled Monument. Following the required consultation process, consent had been received but was not issued in time to allow commencement in 2018/19;
- Assembly Rooms, Town Hall (indicative cost £5,600) - the sanding and resealing of the floor was deferred at the request of the client service area to assist in their facility management of the building and allow the accommodation of existing bookings;
- Pump Rooms (indicative cost £4,800) – work to the staff kitchen had been deferred to allow it to be incorporated with other proposed kitchen improvements in the current year programme to facilitate better value for money being achieved;
- Abbey Fields Barn (indicative cost £57,900) – although work to the scheduled Ancient Monument started in 2018/19 delays caused by adverse weather meant the bulk of the expenditure would fall into 2019/20; and
- Newbold Comyn park – (indicative cost £4,000) – work to repair a wall had been delayed due to a change in the specification

The base budget for Corporate Property Repair and PPM works was set at £1,192,900 for 2019/20 in the February 2019 Budget setting report. The total cost of proposed work for 2019/20 (excluding the £79,000 slippage) was £2,136,400 and accordingly, there was a requirement to draw down £943,500 from the Corporate Asset Reserve. This draw down was to facilitate the proposed 2019/20 PPM budget of £1,359,000, as shown in Table 1 to the report, Section 5.

Subject to approval of recommendations in the report, the works would be procured in accordance with the Council's Code of Procurement Practice, with advice and input provided by the Procurement Team as appropriate.

As with previous years, the cost of the proposed PPM programme was an estimate based on the stock condition surveys undertaken to date and the allocations for each specific element of the programme as set out in Appendices 1 and 2 to the report were, therefore, indicative only. As part of the procurement process for individual elements of the programme, further detailed surveys would be undertaken and the cost allocation for individual items amended accordingly.

This process meant that the indicative allocations were liable to change. Rather than attempt to address this volatility by building a contingency into the budget, a more effective and flexible means of managing the programme was through the use of the delegated authority to bring forward, omit or defer works, provided this could be contained within the overall £1,438,000 budget allocated for the PPM programme, as proposed in recommendation 2.5 of the report. This allowed for the programme to

be managed within the overall budget allocation for the year and provided the flexibility needed to ensure that as service priorities evolved or new opportunities emerged during the course of the financial year, the programme could be re-profiled to ensure that the Council achieved the maximum value for money from its investment in its corporate assets.

A full review of the forward programme for the next five years (as part of the overall 30-year programme) would be undertaken in 2019/2020 in conjunction with the emerging Asset Management Strategy, which was scheduled to be presented to Executive in September 2019.

In terms of alternatives, the Corporate Property Repair and Planned Maintenance Programmes could be reduced to a level that only supported necessary responsive repair works. However, it was considered that this approach would risk reducing the performance of the assets with the lack of a managed approach preventing underlying degradation of the building fabric to be proactively addressed. This would store up longer-term, potentially costlier maintenance liabilities that would have to be addressed in future budget setting.

Members could choose to recommend that only work covered by the recurring base budget should be undertaken, and to not take the additional money from the Corporate Asset Reserve to cover the full 2019/20 programme. However, officers considered that it would be prudent to fully fund the 2019/20 programme as this would ensure that the Council was undertaking preventative maintenance efficiently and that would reduce the risk of diminished building operational performance by making use of available budget within the Corporate Asset Reserve.

The Finance & Audit Scrutiny Committee noted the recommendations in the report.

The Executive, therefore,

Resolved that

- (1) the proposed budget allocation of £2,215,400 for the 2019/20 Corporate Property Repair and Planned & Preventative Maintenance (PPM) Programmes, as set out in Table One in Section 5 of the report, to fund the list of proposed works set out at Appendices 1 and 2 to the report, be approved;
- (2) the proposed 2019/20 budget includes £79,000 for works previously included within the 2018/19 budget but which have been subject to slippage for the reasons set out at paragraph 3.4 of the report, be noted;
- (3) the drawdown of funding from the Corporate Asset Reserve of up to £943,500 to support the

2019/20 programme, as set out in paragraph 5.3 to the report, be approved;

- (4) that the Assets Manager, in consultation with the Deputy Chief Executive (BH) and the Procurement Manager, be authorised to procure the proposed works as per the Code of Procurement Practice;
- (5) authority be delegated to the Assets Manager, the Deputy Chief Executive (BH) and the Head of Finance, in consultation with the Finance Portfolio Holder and the Leader of the Council, to approve any amendments to the proposed programme of works listed at Appendix 1 or Appendix 2 and/or revisions to the amount of budget allocated for specific schemes, provided these could be accommodated within the overall PPM budget allocation of £1,438,000, as set out in Table 1 in the report; and
- (6) work will be undertaken during 2019/20 to develop a detailed five-year PPM programme, within the overall indicative 30-year programme, for the corporate property assets and that a further report detailing how this programme should be funded will be presented to a future meeting.

(The Portfolio Holder for this item was Councillor Phillips)
Forward Plan reference 1,009

173. **Adoption of the Public Open Space SPD**

The Executive considered a report from Development Services seeking approval of the Public Open Space SPD.

The Warwick District Local Plan 2011 – 2029, adopted in September 2017, contained commitments to bring forward Supplementary Planning Documents on a number of matters, including Public Open Spaces (POS).

The draft version of the POS SPD was subject to a period of public consultation between 28 January and 11 March 2019. The report sought out the outcome of the consultation and recommended adoption of an amended SPD.

The provision of suitable and sufficient Public Open Space (POS) as a requirement of development was an integral part of ensuring that the District was a great place to live, work and visit.

The Public Open Spaces SPD refreshed and updated the previous Open Spaces SPD adopted in 2008, ensuring that the evidence base and

subsequent requirements were robust and appropriate, whilst adapting to changes in the National Planning Policy Framework (NPPF), case law and other legislation.

The SPD had been the result of collaborative work with the Green Spaces team to ensure that the guidance was deliverable and desirable.

The SPD went through an appropriate public consultation period, the representations to which were summarised and responded to in Appendix 1 to the report. As a result of this, there were several minor amendments to be made in order to produce the most robust SPD possible, and these were detailed in Appendix 1 to the report.

Further work with colleagues at Warwickshire County Council Legal Services had resulted in an amended Appendix within the SPD, and this was attached to the report as Appendix 2. These changes provided a clearer framework for the appendix of the SPD, but remained consistent with the purpose of the original. It was not considered that these changes were material amendments and therefore there was no requirement to re-consult.

In terms of alternative options, Members could decide not to adopt the Public Open Spaces SPD and to continue to use the previous SPD. However, this would have a detrimental affect overall on the quality of future Public Open Spaces in the district.

The Executive could decide not to accept the recommended amendments to the draft SPD. However, this would be contrary to the public consultation process.

Councillor Rhead, Portfolio Holder for Development, thanked the Leader, Councillor Mobbs, for his leadership over the years.

The Executive, therefore,

Resolved that

- (1) the statement of community consultation attached as Appendix 1 to the report, be noted;
- (2) the adoption of the SPD following the identified amendments set out in Appendix 1 to the report, be approved;
- (3) authority be delegated to the Head of Development Services, in consultation with the Portfolio Holder for Development, to make any further minor amendments subsequently required as a consequence of undertaking the principal amendments set out in Appendix 1 to the report; and

- (4) the adopted POS SPD will be used in the determination of planning applications.

(The Portfolio Holder for this item was Councillor Rhead)
Forward Plan reference 1,012

174. **Significant Business Risk Register**

The Executive considered a report from Finance setting out the latest version of the Council's Significant Business Risk Register for review by the Executive. It had been drafted following a review by the Council's Senior Management Team and the Leader of the Council.

The report sought to assist Members fulfil their role in overseeing the organisation's risk management framework. In its management paper, "Worth the risk: improving risk management in local government", the Audit Commission set out clearly the responsibilities of Members and officers with regard to risk management:

"Members need to determine within existing and new leadership structures how they will plan and monitor the council's risk management arrangements. They should:

- *decide on the structure through which risk management will be led and monitored;*
- *consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;*
- *agree an implementation strategy;*
- *approve the council's policy on risk (including the degree to which the council is willing to accept risk);*
- *agree the list of most significant risks;*
- *receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;*
- *commission and review an annual assessment of effectiveness: and*
- *approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.*

The role of senior officers is to implement the risk management policy agreed by members.

It is important that the Chief Executive is the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work. However, it is unlikely that the chief executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people throughout the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility."

In terms of alternative options, the report was not concerned with recommending a particular option in preference to others.

The Finance & Audit Scrutiny Committee supported the recommendations in the report and the risk register.

The Executive, therefore,

Resolved that

- (1) the Significant Business Risk Register attached at Appendix 1 to the report is noted; and
- (2) the emerging risks identified in section 10 of the report, be noted.

(The Portfolio Holders for this item were Councillors Mobbs and Whiting)

175. **Rural/Urban Capital Improvement Scheme (RUCIS) Application**

The Executive considered a report from Finance providing details of a Rural/Urban Capital Improvement Scheme grant application by Kenilworth Wardens Cricket Club to replace netting on their three lane outdoor practice nets that had reached the end of its life span and purchase two Bowdry water remover machines.

Warwick District Council operated a scheme to award Capital Improvement Grants to organisations in rural and urban areas. The grants recommended were in accordance with the Council's agreed scheme and would provide funding to help the projects progress.

The project contributed to the Council's Fit for the Future Strategy. Without the Cricket Club, there would be fewer opportunities for the community to enjoy and participate in sporting activity which could potentially result in an increase in anti-social behaviour, an increase in obesity (particularly in children) and disengage and weaken the community. If the project work was not carried out in the near future, the outdoor cricket net facilities would become unusable as the netting was nearing the end of its life span; if it was not replaced, health and safety issues would increase and make them unusable. The project would also provide two Bowdry Water Removing machines which, following rain, would help to ensure that the cricket pitch remained available for use, allowing various matches across adult and youth teams to continue.

In terms of alternative options, the Council had only a specific capital budget to provide grants of this nature and therefore there were no alternative sources of funding if the Council was to provide funding for Rural/Urban Capital Improvement Schemes.

Members might choose not to approve the grant funding, or to vary the amount awarded.

Councillor Whiting thanked the Executive, the Leader and the Scrutiny Committees for their support.

The Executive, therefore,

Resolved that a Rural/Urban Capital Improvement Grant be approved from the urban cost centre budget for Kenilworth Wardens Cricket Club of 80% of the total project costs to replace netting on their three lane outdoor practice nets and purchase two Bowdry water remover machines, up to a maximum of £3,080, as supported by Appendix 1, excluding vat subject to receipt of the following: written confirmation from Kenilworth Town Council to approve a capital grant of £500 (if the application is declined or a reduced amount is offered the budget shortfall will be covered by Kenilworth Wardens Cricket Club's cash reserves which have been evidenced through their annual accounts and the provision of a recent bank statement)

(The Portfolio Holder for this item was Councillor Whiting)

176. **Update on Action Plan following Review of Closure of Accounts**

The Executive considered a monthly update report from the Deputy Chief Executive (AJ) setting out the progress on the action plan that was agreed in the report on the Review of the Closure of 2017/18 Accounts in October 2018.

Appendices 1 and 2 to the report set out the monthly progress report on, and risk register of, the action plan agreed following the Review of the Closure of the 2017/18 Accounts. Progress was to be noted and for the Executive and the Finance and Audit Scrutiny Committee to make any comments.

In terms of alternatives, various actions were considered in the development of the action plan but what was proposed was considered to be an appropriate response to the issues which had been identified.

The Finance & Audit Scrutiny Committee welcomed the report and noted the recommendations in the report and appendices. The Committee accepted that the timing for closure of the final Accounts for 18/19 remained on track for the end of July, as indicated by this report and by

the separate report to Committee by the external auditors, who also contributed to the discussion on this paper. The Committee requested that any bad news regarding closure be immediately reported to the Committee.

Councillor Whiting, Portfolio Holder for Finance, emphasised that the key task for the next administration was to follow through, and although the focus was on the financial year which had just ended, changes were needed which went way beyond that, and those changes should be the focus of the scrutiny committees.

The Executive, therefore,

Resolved that

- (1) the content of the action plan at Appendix 1 to the report, be noted; and
- (2) the content of the Risk Register at Appendix 2 to the report, be noted.

(The Portfolio Holder for this item was Councillor Whiting)

177. Public and Press

Resolved that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the paragraph of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below.

Minute Nos.	Para Nos.	Reason
179	2	Information which is likely to reveal the identity of an individual
178, 179, 180, 181	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The items below were considered in confidential session and the full details of these were included in the confidential minutes of this meeting.

Part 1

(Items for which a decision by the Council was required)

178. Confidential Appendix 1 to Item 4 – Employer’s Agent for New Housing Programme

The Executive considered a confidential appendix to Minute Number 168 .
The appendix was noted.

Part 2

(Items for which a decision by the Council was not required)

179. Asset Team Redesign – Update Report

The Executive considered a confidential report from the Deputy Chief Executive (BH) provided an update on the Asset Team redesign.

The recommendations in the report were approved.

(The Portfolio Holder for this item was Councillor Phillips)
Forward Plan reference 1,010

180. Purchase of premises in Royal Leamington Spa - Update

The Executive considered a confidential report from Housing regarding the purchase of premises in Royal Leamington Spa.

The recommendations in the report were approved.

(The Portfolio Holder for this item was Councillor Phillips)
Forward Plan reference 1,006

181. Minutes

The confidential minutes of 6 March 2019 were approved and signed by the Chairman as a correct record.

(The meeting ended at 6.28pm)