

# Overview and Scrutiny Committee

Tuesday 1 December 2015

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A meeting of the above Committee will be held at the Town Hall, Royal Leamington Spa on Tuesday 1 December 2015 at **6.30pm** or at the conclusion of a joint meeting of the Finance & Audit and Overview & Scrutiny Committee, whichever is the latter.

## Membership:

	Councillor Boad (Chairman)
Councillor Bromley	Councillor Miss Grainger
Councillor Mrs Cain	Councillor Margrave
Councillor D'Arcy	Councillor Naimo
Councillor Davison	Councillor Parkins
Councillor Edgington	Councillor Mrs Redford

## Emergency Procedure

At the commencement of the meeting, the Chairman will announce the emergency procedure for the Town Hall.

## Agenda

### 1. Apologies and Substitutes

- (a) to receive apologies for absence from any Councillor who is unable to attend; and
- (b) to receive the name of any Councillor who is to act as a substitute, notice of which has been given to the Chief Executive, together with the name of the Councillor for whom they are acting.

### 2. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be entered on the form to be circulated with the attendance sheet and declared during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

3. **Minutes**

- (a) to confirm the minutes of the Overview & Scrutiny Committee meeting held on 3 November 2015; and
- (b) to confirm the minutes of the Joint meeting of the Finance & Audit and Overview & Scrutiny Committee held on 3 November 2015.

**(Item 3/Page 1)**

4. **Comments from the Executive**

To consider a report from Democratic Services.

**(Item 4/Page 1)**

5. **Call-in of Executive Decisions – Leisure Development Programme**

To consider a report from Democratic Services.

**(Item 5/Page 1)**

6. **Portfolio Holder Update – Housing & Property Services**

Question and Answer session arising from a report from the Portfolio Holder for Housing & Property Services giving an update on his service area.

**(Item 6/Page 1)**

7. **Coventry & Warwickshire LEP Update**

To receive a verbal update from the Leader on the CWLEP.

8. **LGA District Councils' Network**

To receive a verbal update from the Leader on the LGA District Councils' Network.

9. **Current Arrangements for Crime and Disorder Scrutiny**

To receive a verbal update from Health & Community Protection.

10. **Air Quality Action Plan**

To review the Action Plan Listing and select any items that may require scrutiny.

**(Item 10/Page 1)**

11. **Executive Agenda (Non Confidential Items and Reports) – Wednesday 2 December 2015**

To consider the non-confidential items on the Executive agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting.

**You are requested to bring your copy of that agenda to this meeting.**

**(Circulated separately)**

12. **Public and Press**

To consider resolving 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 paragraphs 1,2 & 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

13. **Executive Agenda (Confidential Items and Reports) – Wednesday 2 December 2015**

To consider the confidential items on the Executive agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting.

**You are requested to bring your copy of that agenda to this meeting.  
(Circulated separately)**

14. **Review of the Work Programme & Forward Plan**

To consider a report from Democratic Services. **(Item 14/Page 1)**

Published on 23 November 2015

General Enquiries: Please contact Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ.

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Enquiries about specific reports: Please contact the officers named in the reports.

You can e-mail the members of the this Committee at  
[o&scommittee@warwickdc.gov.uk](mailto:o&scommittee@warwickdc.gov.uk)

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**Please note that the majority of the meetings are held on the first floor at the Town Hall. If you feel that this may restrict you attending this meeting, please call (01926) 353362 prior to this meeting, so that we can assist you and make any necessary arrangements to help you attend the meeting.**

**The agenda is also available in large print, on request, prior to the meeting by calling  
01926 353362.**

# Joint meeting of the Finance & Audit and Overview & Scrutiny Committee

Minutes of a joint meeting held on Tuesday 3 November 2015, at the Town Hall, Royal Leamington Spa at 6.00pm.

**Present:** Councillors Ashford, Barrott, Boad, Bromley, Butler, D'Arcy, Davison, Day, Edgington, Gifford, Harrington, Mrs Hill, Illingworth, Mann, Margrave, Naimo, Parkins, Quinney, Mrs Redford and Thompson.

**Also present:** Councillors Gallagher, Gill, Mrs Knight, Mobbs, Phillips and Whiting.

Apologies for absence were received from Councillors Mrs Cain and Heath.

## 1. **Appointment of Chairman**

It was proposed and duly seconded that Councillor Boad be appointed as Chairman for the meeting.

**Resolved** that Councillor Boad be appointed as Chairman for the meeting.

## 2. **Substitutes**

Councillor Ashford substituted for Councillor Rhead and Councillor Mrs Hill substituted for Councillor Miss Grainger.

## 3. **Declarations of Interest**

There were no declarations of interest.

## 4. **Executive Agenda Item 3 – Wednesday 4 November 2015 – Leisure Options – Part A**

The Committee considered an Executive report from Cultural Services, seeking approval of a series of recommendations following completion of the initial phase of the Leisure Development Programme.

The programme had been established in November 2014 to formulate options for the future provision and management of the Council's leisure centres and dual-use sites. The report addressed two significant issues that Members needed to determine.

The first issue was whether the Council should invest significant capital sums in Newbold Comyn and St Nicholas Park leisure centres, to make them fit for purpose.

The second issues was to decide which was the best model for managing the Council's leisure facilities in the future; to keep the management in house or to manage via an external partner.

The Head of Cultural Services presented the report and thanked Members for attending the briefing on Monday evening. She outlined a number of key points that the team aimed to cover which included answers to a number of questions that had emerged at the briefing, fees and charges, contract management and the protection of existing staff.

Councillors raised the possibility of the management of the service moving to a Trust and officers advised that this had been considered in the November 2014 report. However, this was not a recommendation at the present time for a number of reasons. It was acknowledged that there was a benefit to using a Trust with regard to NNDR and VAT arrangements but it was a less popular option for Local Authorities to take nowadays. There had been examples of Trusts failing resulting in external providers having to bail them out and officers felt this would be a risk for the Council.

Councillor Boad requested that officers look at including a 'passport to Leisure' into the contract specification to ensure that all residents, especially those on lower incomes or needing assistance, would be able to access the facilities. The Head of Cultural Services advised that this would require a high specification IT system and was satisfied that external providers would be able to incorporate this into any contract.

Councillors also raised concerns about the potential impact on existing staff, the management of the contract and the funding sources. Officers also clarified issues relating to potential savings, membership rates, realistic projections and equipment renewal.

Having considered the report, and having heard from the officers present, the Joint Scrutiny Committee felt they could not support recommendations 2.6 to 2.9 of the report. Members advised that their preferred option would be to retain the Leisure Service in house, keeping it under Council's management control, and retain the current arrangements.

The Joint Committee therefore

**Recommended** to the Executive that

- 1) recommendations 2.6, 2.7, 2.8 and 2.9 of the report are removed, effectively retaining the Leisure Options in Council's management control and continuing under existing arrangements; and
- 2) officers investigate the option of introduction a "Passport to Leisure" into the contract to enable access to leisure facilities for all members of the community.

(Councillors Mann, Day, Edgington and Ashford arrived part way through discussion of this item and were therefore, unable to vote on the decision)

5. **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 items by reason of the likely disclosure of exempt information within paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

6. **Confidential Executive Agenda Item 8 – Wednesday 4 November 2015 – Leisure Options – Part B**

The Committee considered additional documents relating to the Executive report from Cultural Services for the Leisure options proposals.

These appendices were private and confidential because they contained commercial information, investment proposals and potential operator comparisons.

Following discussions, the Joint Scrutiny Committee

**Recommended** to the Executive that they consider the Trust option and ensure they consider the Social Value losses and gains of all three options.

(The meeting ended at 7.34 pm)

# Overview and Scrutiny Committee

Minutes of the meeting held on Tuesday 3 November 2015 at the Town Hall, Royal Leamington Spa at 6.00 pm.

**Present:** Councillor Boad (Chairman); Councillors Bromley, D'Arcy, Davison, Edgington, Mrs Hill, Margrave, Naimo, Parkins and Mrs Redford.

**Also Present:** Councillors Mobbs and Whiting.

An apology for absence was received from Councillor Mrs Cain.

## 31. **Substitutes**

Councillor Mrs Hill substituted for Councillor Miss Grainger.

## 32. **Declarations of Interest**

There were no declarations of interest.

## 33. **Minutes**

The minutes of the meeting held on 29 September 2015 were taken as read and signed by the Chairman as a correct record.

## 34. **Comments from the Executive**

The Committee considered a report from Democratic Services which detailed the responses the Executive gave to the comments the Overview and Scrutiny Committee made regarding the reports submitted to the Executive at the end of September.

**Resolved** that the report be noted.

## 35. **Coventry & Warwickshire LEP Update**

The Leader of the Council, Councillor Mobbs, gave members of the Overview and Scrutiny Committee a short explanation on what the Coventry & Warwickshire LEP (CWLEP) did and what work had been undertaken recently. He explained that his role was as a Board Member and that the Deputy Chief Executive (BH) was a representative for the Officer Group for Warwick District. The CWLEP dealt with applications for funding from grant money provided by Central Government, of which the Government had provided £90m so far, and he cited various examples of where bids for this funding had been made. To-date, there had been 70 expressions of interest for funding, 12 of which were from within the Council's area. Two bids had been received for the Creative Quarter.

The Deputy Chief Executive (BH) was asked to distribute a "snapshot" of Councillor Mobbs' talk to the members of Overview and Scrutiny Committee.

Concern was raised about the issue of broadband roll-out in new housing developments because the required trunking was not, as a matter of

## **OVERVIEW AND SCRUTINY COMMITTEE MINUTES (Continued)**

course, being installed. The question was raised on whether the CWLEP could look at this, but Councillor Mobbs felt that this would be better handled by making it a condition of planning consent; BT had already offered to supply the trunking free of charge.

The Chairman thanked Councillor Mobbs for the information. Councillor Mobbs then left the meeting.

### **36. Portfolio Holder Update – Finance**

The Portfolio Holder for Finance, Councillor Whiting, gave an update on Finance. In response to questions, he informed the Committee that:

- There was a strategy to finance the large scale projects and priorities had been set. Borrowing funds to cover these would not be an issue providing the Council had the revenue to repay the debt. Ensuring this was the main priority.
- The Finance Section had a manning issue at present because of the number of staff that were leaving; in particular, Procurement was highlighted.
- Some contracts had not performed as well as they should have done and this was a source of frustration. It was likely that the Council may well have to place growing reliance on external contractors, therefore it was vital that knowledge increased in respect of procuring services. Training staff within the different service areas for this was already ongoing and signs of progress were evident.

The Chairman thanked Councillor Whiting for answering the questions. Councillor Whiting then left the meeting.

### **37. Annual Feedback on Outside Appointments**

The Committee considered a report collated by Democratic Services in which Councillors who represented the Council on outside bodies gave their annual statement of work undertaken by those bodies. As this was the first report following the May 2015 Council elections, and therefore some councillors would have had limited experience of this role, the reports could not, in general, give 12 months' worth of information.

Overview and Scrutiny Committee members felt that in respect of next year's report, a template of what the report should cover would be provided to the councillors so that greater emphasis would be placed on what added value and benefit was provided to the District by the representation on the particular outside body and what role the councillor played.

It was noted that several of the outside bodies were represented by a Portfolio Holder. The Committee would use the opportunity of the regular updates given by the Portfolio Holders on their service areas at Overview and Scrutiny Committee meetings to question them about what they did in respect of those outside bodies and the benefits derived from it.

Members noted that reports on the Local Government Association (LGA) District Councils' Network and the National Association of Councillors had not been submitted. They requested that the relevant councillors (Councillors Mobbs and Coker) gave a report on these in December.



## **OVERVIEW AND SCRUTINY COMMITTEE MINUTES (Continued)**

### **38. Review of the Work Programme & Forward Plan**

The Committee considered its work programme for 2015/16 and the latest published version of the Forward Plan.

The Chairman informed the Committee that he had received a number of emails expressing concern following on from the Committee's decision not to pursue the formation of a Task & Finish Group to look at the proliferation of sales and lettings boards around the District.

As a consequence, he had spoken to Planning Enforcement staff and driven around the district to see what the current situation was. In his opinion, it had improved greatly. He had asked Planning Enforcement staff to send letters to letting and property sales agents to remind them of the law concerning these boards. When this had previously been done, it had resulted in improvement of the situation. He had also asked the officers to monitor any complaints they received, and, if necessary, undertake prosecution of offenders to set an example.

The Committee agreed that a report from Planning Enforcement on the situation and complaints received would come forward at the meeting in January or February 2016.

It was agreed that a training exercise would be undertaken at the December Committee meeting using the slides that had been circulated arising from a recent meeting of the West Midlands Scrutiny Network. This had concentrated on selecting items to scrutinise. Councillor Boad volunteered to lead this session, and suggested it be done on the lines of a "round table" discussion.

Following on from discussion of items for the Work Programme and Forward Plan, it was

#### **Resolved that:**

- (1) the following items are to be added to the Work Programme for December 2015:
  - (a) verbal update from Councillor Mobbs on the LGA District Councils' Network;
  - (b) update from Councillor Coker on the National Association of Councillors;
  - (c) to review the Air Quality Action Plan listing to determine any areas that required any follow-up; and
  - (d) a training event on Work Programme setting;
- (2) the following items are to be added to the Work Programme, with dates to be determined:
  - (a) the vision for Royal Leamington Spa Town Centre – to scrutinise the best way forward to develop a model; how best to engage.

## **OVERVIEW AND SCRUTINY COMMITTEE MINUTES (Continued)**

Councillor Boad and the Deputy Chief Executive (BH) should liaise to discuss a suitable date for this to come forward to Overview and Scrutiny Committee; and  
(b) a strategy report for parking across the District - Councillor Boad and the Deputy Chief Executive (BH) should liaise to discuss a suitable date for this to come forward to Overview and Scrutiny Committee;

- (3) a report on action taken to control the proliferation of sales and lettings boards and analysis on reported incidents be brought to the Committee in either January or February 2016;
- (4) Councillors agreed that the Committee would be able to determine whether scrutiny was necessary in respect of car parking for the HQ relocation following receipt of the report going to the Executive in January 2016; and
- (5) the Forward Plan be noted.

### **39. Executive Agenda (Non-confidential items and reports) – Wednesday 4 November 2015**

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 4 November 2015.


#### **Item number 5 – Leamington Creative Quarter**

During discussions of this report, questions were asked on information that was confidential. It was therefore

**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 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

The Overview & Scrutiny Committee noted the report.

(The meeting finished at 9.17 pm)

 <b>Overview and Scrutiny Committee – 3 November 2015</b>		<b>Agenda Item No.</b>  <div style="float: right; font-size: 2em; font-weight: bold;">4</div>
<b>Title</b>	Comments from the Executive	
<b>For further information about this report please contact</b>	Lesley Dury, Committee Services Officer, 01926 456114 or <a href="mailto:committee@warwickdc.gov.uk">committee@warwickdc.gov.uk</a>	
<b>Service Area</b>	Democratic Services	
<b>Wards of the District directly affected</b>	N/A	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	3 November 2015	
<b>Background Papers</b>	Executive Minutes – 4 November 2015	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No

<b>Officer/Councillor Approval</b>		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
	<b>Date</b>	<b>Name</b>
Relevant Director		
Chief Executive		
CMT		
Section 151 Officer		
Legal		
Finance		
Portfolio Holders		

<b>Consultation Undertaken</b>	
N/A	
<b>Final Decision?</b>	Yes
<b>Suggested next steps (if not final decision please set out below)</b>	

## 1. **Summary**

- 1.1 This report informs the Committee of the response the Executive gave to their comments regarding the reports submitted to the Executive in November.

## 2. **Recommendation**

- 2.1 The responses made by the Executive are noted.

## 3. **Reasons for the Recommendation**

- 3.1 This report is produced to create a dialogue between the Executive and the Overview and Scrutiny Committee. It ensures that the Overview and Scrutiny Committee are formally made aware of the Executive's responses.
- 3.2 Where the Overview & Scrutiny Committee have made a recommendation as opposed to a comment the Executive are required to respond to the recommendation(s) made, including whether or not they accept the recommendation(s).

## 4. **Alternative Option considered**

- 4.1 This report is not produced and presented to the Committee.

## 5. **Budgetary Framework**

- 5.1 All work for the Committee has to be carried out within existing resources.

## 6. **Policy Framework**

- 6.1 The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly efficiently and effectively.

## 7. **Background**


- 7.1 As part of the new scrutiny process, the Committee is no longer considering the whole of the Executive agenda.
- 7.2 On the day of publication of the Executive agenda all Councillors are sent an e-mail asking them to contact Committee Services, by 09.00am on the day of the Overview and Scrutiny Committee meeting to advise which Executive items they would like the Committee to consider.
- 7.3 As a result the Committee considered the items detailed in appendix 1. The response the Executive gave on each item is also shown.
- 7.4 In reviewing these responses Committee can identify any issues for which they would like a progress report. A future report, for example on how the decision has been implemented, would then be submitted to the Committee at an agreed date which would then be incorporated within the work programme.

**Response from the meetings of the Executive on Overview and Scrutiny  
Committee Comments – 4 November 2015**

<b>Items no.</b>	5	<b>Title</b>	Leamington Creative Quarter	<b>Requested by</b>	Labour Group
<b>Reason considered</b>	To ask some questions about the feedback from the soft market testing exercise and next steps around procuring a regeneration partner.				
<b>Scrutiny Comment</b>	The Overview & Scrutiny Committee noted the report.				
<b>Executive Response</b>	No response as there was no comment.				

**Response from the meetings of the Executive on Joint Finance & Audit and  
Overview & Scrutiny Committee Comments – 4 November 2015**

<b>Items no.</b>	3	<b>Title</b>	Leisure Options	<b>Requested by</b>	
<b>Reason considered</b>	Because of the importance to the District.				
<b>Scrutiny Comment</b>	<p>The Joint Scrutiny Committee recommends to the Executive that</p> <p>(1) recommendations 2.6, 2.7, 2.8 &amp; 2.9 are removed, effectively retaining the Leisure Options in Council's management control and continuing under existing arrangements; and</p> <p>(2) the Executive investigate the option of introducing a "Passport to Leisure" into the contract to enable access to leisure facilities for all members of the community.</p> <p>(3) they consider the Trust option and ensure they consider the Social Value losses and gains of all three options.</p>				
<b>Executive Response</b>	As detailed within the call-in report (see agenda item 5)				

 <b>Overview and Scrutiny Committee</b> <b>1 December 2015</b>		<b>Agenda Item No. 5</b>
<b>Title</b>	Call-in of Executive Decisions	
<b>For further information about this report please contact</b>	Lesley Dury, Democratic Services	
<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	The report to the Executive 4 November 2015 is not private but confidential Appendices are included as a Part B report	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Joint Scrutiny 3 November 2015 and Executive 4 November 2015	
<b>Background Papers</b>	Reports to Executive 4 November 2015, Minutes of Executive 4 November 2015 and Joint Scrutiny 3 November 2015	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes (Ref 688)
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	No

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	18/11/15	Chris Elliott
Head of Service		
CMT	17/11/15	Andrew Jones
Section 151 Officer	18/11/15	Mike Snow
Monitoring Officer	17/11/15	Andrew Jones
Finance	18/11/15	Mike Snow
Portfolio Holder(s)		
<b>Consultation &amp; Community Engagement</b>		
Rose Winship and Padraig O'Herlihy for information purposes only.		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. **SUMMARY**

- 1.1 On 4 November 2015, the Executive made a decision on a report: items 3 and 8 "Leisure Development Programme". In accordance with the Council's call in procedure, three or more Councillors have called-in the decisions to the Overview & Scrutiny Committee for consideration.

## 2. **RECOMMENDATIONS**

- 2.1 That in respect of the resolutions made by the Executive on the "Leisure Development Programme" at its meeting of 4 November 2015, the Overview and Scrutiny Committee takes one of the following actions:
1. to allow the decision to be implemented without further delay;
  2. to refer the decision back to the Executive together with the observations of the Overview & Scrutiny Committee;
  3. to request the Executive to allow further time for the Overview and Scrutiny Committee to consider the issue and make observations at a later date; or
  4. to seek the advice of the Monitoring Officer and/or the Chief Finance Officer as to whether the decision is contrary to, or not wholly in accordance with, the policy framework or the budget and, if applicable, to refer the matter to the Full Council for a final decision.

## 3. **REASONS FOR THE RECOMMENDATIONS**

- 3.1 The recommendations are in line with the procedure set out in the Council's Constitution under Council Procedure Rules for call-ins.

## 4. **POLICY FRAMEWORK**

- 4.1 A call-in is simply the referral of a decision made, but not yet implemented, to the Overview and Scrutiny Committee. It is a key way of holding the Executive to account. A called-in decision cannot be implemented until it has been considered by the Overview and Scrutiny Committee, which can examine the issue and question the decision maker on the reasons for the decision.

## 5. **BUDGETARY FRAMEWORK**

- 5.1 There are no budgetary framework implications as a consequence of this report.

## 6. **ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1 There is no requirement for alternative options because a call-in requires that a set procedure is followed.

## 7. **BACKGROUND**

- 7.1 On 3 November 2015, the Joint Finance and Audit Committee and Overview and Scrutiny Committee considered a report that would be decided by the Executive the following day. This was listed on the Executive agenda as:

Item 3 – Leisure Options – Part A; and  
Item 8 – Leisure Options – Part B.

- 7.2 The comments made by Joint Scrutiny is attached as Appendix 3.
- 7.3 On 4 November 2015, the Executive met and made its decision on the report (see Appendix 2). Appendix 4 is an extract of the public minutes of the meeting which shows the decisions made by the Executive in respect of the report. For the confidential minutes, please see the relevant item on the Executive Agenda for the 2 December 2015.
- 7.4 On 11 November 2015, Councillors called-in the report. (See Appendix 1 for a list of councillors who made the call-in and the reasons why.)
- 7.5 The call-in is in respect of the decisions in respect of procuring a partner to manage the leisure centres (recommendations 2.6 to 2.9 in the report that went to the Executive on 4 November). It is not in respect of decisions regarding the refurbishment and expansion of the leisure centres.


Recommendation 2.2 cannot be part of the call-in process as the decision in respect of this must be made by Council.



## Appendix 1 – Call-in

Executive Agenda Item Number	Report Title	Councillors who called-in the report	Reasons
3	Leisure Development Programme	Councillors: Barrott Naimo Quinney	<p>(In respect of recommendations 2.6 to 2.9 in the report to Executive 4 November and the subsequent decision that evening.)</p> <ol style="list-style-type: none"> <li>1. The decision is contrary to the Fit for the Future Policy: <p>The Council usually examines thoroughly all options in determining the way forward on any matter of significance which this is. The Council has not done this in this case by failing to fully explore the option of a Trust or of allowing staff to being retained in house to allow a trial period to see if they can deliver the level of income alleged to be able to be delivered by outside bodies. Nor has the Council consulted on this issue with the public or staff.</p> <p>This means that the decision was not rational, reasonable or proportionate.</p> </li> <li>2. There is no funding for the proposal in an agreed budget/capital programme.</li> <li>3. The decision was not reasonable within the common meaning of the word, i.e. rational, based on sound judgement.</li> <li>4. The decision was not proportionate, i.e. the action was not proportionate to the desired outcome.</li> <li>5. The decision was not taken on the basis of due consultation.</li> <li>6. It was not clear what alternative options (if any) were considered.</li> <li>7. It was not clear why the alternative options were not chosen.</li> <li>8. More information/clarification is required.</li> </ol>

## Appendix 2 – Report to Executive 4 November 2015

	<b>EXECUTIVE</b> <b>4<sup>th</sup> November 2015</b>	<b>Agenda Item No. 3</b>
<b>Title</b>	Leisure Development Programme	
<b>For further information about this report please contact</b>	Rose Winship     01926 456223 <a href="mailto:Rose.winship@warwickdc.gov.uk">Rose.winship@warwickdc.gov.uk</a>	
	Paddy Herlihy     01926 456228 <a href="mailto:Padraig.herlihy@warwickdc.gov.uk">Padraig.herlihy@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	The report is not private but confidential Appendices are included as a Part B report	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Executive, 9th October, 2013 Finance & Audit Scrutiny Committee, 1st September, 2014 Overview and Scrutiny Committee, 1st September, 2014 Executive, 5th November, 2014	
<b>Background Papers</b>	Visions and Principles – Oct 2013 Sport and Indoor Facilities Strategy – April 2015 Playing Pitch and Outdoor Sports Strategy – April 2015 Neil Allen Associates Facilities Audit - 2013	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes (688)
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	No

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive	16/10/15	Chris Elliott
CMT	16/10/15	Chris Elliott, Bill Hunt, Andrew Jones
Section 151 Officer	16/10/15	Mike Snow
Finance	16/10/15	Maqsood Ahmed, Andy Crump, Sue Simmonds
Monitoring Officer	16/10/15	Andrew Jones
Heads of Service	16/10/15	Rose Winship, Mike Snow, Andy Thompson, Tracy Darke, Rob Hoof, Richard Hall

Legal Services	21/10/15	Victoria Newbold, Kate Hiller (WCC)
Portfolio Holder(s)	14/10/15	Councillor Mrs Sue Gallagher
<b>Consultation &amp; Community Engagement</b>		
Community Consultation on leisure provision – May 2015		
Community consultation on leisure centre activity programme – Spring/Summer 2014		
<b>Final Decision?</b>		No
<p>The next steps will be that, should the Executive agree to the procurement of an external provider of the Leisure Service (Recommendation 2.6), the recommended procurement process will be overseen by way of the delegations sought and on the outline programme set out in this Report.</p> <p>Further reports to follow re: investment in facilities and car parking arrangements at relevant facilities (Recommendations 2.1 and 2.4).</p>		

## 1 SUMMARY

- 1.1 This report asks Executive to approve a series of recommendations following completion of the initial phase of the Leisure Development Programme. The programme was established in November 2014 to formulate options for the future provision and management of the Council's leisure centres and dual-use sites. The recommendations are based on strengthening the Council's facilities, service offering and income. The report addresses two significant issues that Members will need to determine.
- 1.2 Firstly, whether the Council should invest significant capital sums in two of its existing leisure centres (Newbold Comyn and St Nicholas Park) to make them fit for purpose for the next 20/30 years. The investment proposals at these two leisure centres include: the creation of state of the art health and fitness facilities; remodelling and updating of reception areas; and at Newbold Comyn, the construction of a new sports hall. Without this investment, there is a significant risk that these major leisure facilities will no longer be fit for purpose, resulting in a reduction in usage and a potential increase in public subsidy. There is also robust evidence supported by the Sport England Facilities Planning Model to support the view that without this investment the facilities will be insufficient for the growing population of the District.
- 1.3 Secondly, deciding what is the best model for managing the Council's leisure facilities in the future – keeping the management of the Leisure Service in-house or management via an external partner. Such a decision needs to be made in the context of the continuing reductions in local authority funding and take account of the need to secure best value for money without compromising the aim of securing the best outcome for the District in terms of providing quality leisure facilities and services.

## 2 RECOMMENDATIONS

That the Executive:

- 2.1 Agrees to the refurbishment and expansion of the Newbold Comyn and St Nicholas Park Leisure Centres at a cost in the region of £12 million, subject to a further report to the Executive in June/July 2016 detailing the final cost model and the sources of funding for the investment.

- 2.2 Subject to agreement of recommendation 2.1, the Executive recommends to Council that it approves the funding of £550,000 (included in the £12m referred to in 2.1) from Section 106 payments (c£170,000) already received and internal borrowing (c£380,000) managed by the Head of Finance, to allow the design proposals for Newbold Comyn and St Nicholas Park Leisure Centres to be developed up to and including the end of RIBA Stage 4, thereby enabling appropriate planning applications to be submitted, a preferred developer to be selected and a provisional contract price to be established.
- 2.3 Subject to agreement of recommendations 2.1 and 2.2, delegate authority to the Head of Cultural Services, in consultation with the Portfolio Holder for Culture to seek planning permission and such other necessary statutory consents that would enable the proposed improvements to Newbold Comyn and St Nicholas Park Leisure Centres to be implemented.
- 2.4 Delegate authority to the Head of Cultural Services, in consultation with the Portfolio Holder for Culture, to work with Sport England to seek funding from Sport England's Strategic Facilities Fund (SFF) as a contribution to the costs of the capital investment referred to in recommendation 2.1.
- 2.5 Note that the further report referred to in recommendation 2.1 will also provide details of further mitigation of car parking constraints at St Nicholas Park and note that the mitigation may involve:
- i) Improved signage directing traffic to Myton Fields
  - ii) Remodelling of some areas of St Nicholas Park car park
  - iii) Reviewing the relative charges at St Nicholas Park and Myton Fields car parks.
- 2.6 Agree that:
- i) procurement of a partner to manage all of the Council's leisure centres and dual-use operations (subject to necessary consents by dual use partners) is undertaken on a timeline that marries-up with the refurbishment programme, should Recommendation 2.1 be agreed; and
  - ii) a budget of £30,000 is allocated from the Contingency Budget to fund the cost of the procurement exercise.
- 2.7 Subject to Executive agreeing recommendation 2.6, to:
- (i) note the principles of the draft Service Specification at Appendix 1 which details the future service standards that will be delivered at the Council's leisure centres and dual-use facilities (subject to necessary consents by dual-use partners); and
  - (ii) delegate authority to the Head of Cultural Services, in consultation with the Portfolio Holder for Culture, to finalise the Service Specification, to undertake the procurement process to select one partner, and to enter into the necessary legal agreements with that partner including arrangements in relation to staffing, pensions and assets.
- 2.8 Subject to agreeing recommendation 2.6, to agree that the current Members' Working Group that has been overseeing the Leisure Development Programme

to date extend its role to provide oversight of the procurement process and risk logs.

- 2.9 Subject to agreeing recommendation 2.6, that the current level and process of liaison and consultation with staff and their representative bodies continue.

### **3 REASONS FOR THE RECOMMENDATIONS**

#### **A *First Issue***

##### **3.1 Investment**

- 3.1.1 The Council has 4 main leisure centres, all of which were built 20 – 30 years ago, which for many years have provided the District with a range of modern and varied facilities. The Council also manage dual use centres at Kenilworth School and Myton School which are available for community-use outside of school hours. Over time investment has been made in the centres, adding new elements and updating the internal finishes, ensuring that the facilities have remained in good condition and are structurally sound. This ongoing investment was justified when in 2013 a condition survey of all the Council's assets found the leisure centres to be in good structural condition, but crucially also found them to be in need of modernisation and requiring the establishment of a programme of planned preventative maintenance including the replacement of significant elements of mechanical and electrical plant and building fabric.
- 3.1.2 In parallel with the condition survey, a facility audit (available on the Council website) was undertaken by Neil Allen Associates (NAA) to establish whether the range of leisure facilities was appropriate for the District, and if this provision would be able to meet the future needs and demands of the local community. The audit concluded that when using the Sport England Facility Planning Model (FPM), the existing provision was largely in the right place and was providing a suitable range of activities and facilities for the people of Warwick District. There was no evidence to suggest that any of the facilities was under-used nor that there were parts of the District that did not have reasonable access to facilities. The model also took account of the anticipated growth of population in the District and at the time of assessment in 2014, used the then Local Plan figures to calculate demand. Based on the figures at that time, the audit recommended that the present facilities were retained, but that investment was made to bring the facilities up to modern standards and extended to provide additional health and fitness provision and an additional sports hall (located in Leamington).
- 3.1.3 However, following receipt of the Planning Inspector's Local Plan letter early this summer and the subsequent development of the sub regional Memorandum of Understanding about housing numbers, officers have liaised with Sport England on the potential implications for sports facilities. Officers have been advised that the FPM should be re-run in the next 12 months to take into account the additional houses that are now required in the District. However, having undertaken an initial desk-top exercise using the model, the data suggest that the additional houses will not change the outcome of the FPM significantly and that the approach of extending and refurbishing current facilities remains valid.
- 3.1.4 The NAA report strongly supports the proposals for significant expansion of the health and fitness element of the facilities (gyms and studios). It is

acknowledged that this is a strong and commercially significant element of the leisure sector and one which is a key source of income for any operator. A soft market testing exercise was undertaken by Strategic Leisure (consultants commissioned by the Council to support on the Programme) in Spring 2014 to examine the appetite and interest of the private sector in partnering with the Council to manage its leisure centres. The respondents confirmed that they would see the expansion of health and fitness facilities as a priority in the event that they were offered the opportunity to manage the Council's leisure centres.

- 3.1.5 Aware of the levels of potential investment being proposed, set against the volatile nature of the health and fitness sector, officers have undertaken a review of the status of health and fitness provision locally (Appendix 2). It has concluded that, whilst there are some local gyms that were not identified in the NAA report, there remains a strong case for expansion of the Council's facilities to offer a modern and accessible health and fitness product that will have the capacity to attract new members and increase levels of physical activity across all sectors of the community.
- 3.1.6 The investment recommendations in this report relate only to the leisure centres in Leamington and Warwick. The situation in Kenilworth is significantly different for two reasons. Firstly, the proposed relocation of Kenilworth School and the Kenilworth Wardens sports club from land allocated as strategic housing development sites within the Submission Draft Local Plan could directly impact on the existing Council facilities. Secondly, unlike Leamington and Warwick, there is a potential impact on the Council's leisure facilities in Kenilworth from planned future facility development in neighbouring areas and, in particular, the emerging plans that Coventry City Council and the University of Warwick have for their leisure provision. Discussions have been held, and continue, with both bodies. Coventry's plans relating to the replacement of the Fairfax Street 50m pool and sports centre are acknowledged but due to the travel time from the District are not considered relevant to Warwick District's facility planning exercise. However, Warwick University are reviewing their campus master-plan and this process includes a review of sports and leisure provision. Whilst any changes made at the University site have a broad relevance to the whole District they are not considered to be in conflict with the proposals for St Nicholas Park and Newbold Comyn but, due to the proximity of the University to Kenilworth, they would potentially have a direct impact on the Council's facilities in Kenilworth.
- 3.1.7 In the light of these issues officers have consulted with Kenilworth Councillors on the recommendations of the NAA report and the feedback from Strategic Leisure in respect of the leisure facilities in the town. The conclusion of these discussions is that it would be premature to recommend an investment programme for the Kenilworth facilities until the Local Plan has been adopted, the funding issues around the relevant site developments clarified and the potential impact of facility development in neighbouring areas confirmed. Future plans for the Kenilworth facilities should, therefore, be viewed as a second phase to a programme of investment and development with the current proposals for Newbold Comyn and St. Nicholas Leisure Centres forming Phase I. Members should note that, if recommendation 2.6 is approved and a procurement process undertaken to identify an external operator for the Council's leisure facilities, any future contract would include the current Kenilworth sites. Any contract would need to be structured in a way that would allow for variation in the event of significant changes to the facilities in Kenilworth in the future.

3.1.8 In developing the investment proposals to RIBA Stage 2 (Appendix 3), project managers, Mace Ltd, and their professional colleagues such as architects and Mechanical & Electrical (M&E) consultants have produced a cost model (see Appendix 1 in the Part B report elsewhere on the Agenda). The model includes construction costs, M&E costs and an allowance for professional fees, which total £11,984,698. Initial fees to the total of £171,400 was approved previously by the Executive and has already been spent in reaching RIBA Stage 2. Should the Executive approve Recommendations 2.1 – 2.5 which enable the project to progress to RIBA Stage 4, the design plans will be refined and a comprehensive cost model developed. Invasive surveys of the existing buildings will be carried out in order to provide certainty that the designs being prepared can be successfully built. The designs will be prepared for a planning application and the application will be submitted towards the end of RIBA Stage 4 as can be seen in Table 1 below:

**Table 1: Milestones for Investment Proposals**

ID	Task Name	Start	Finish	01 July 08/06	21 November 26/10	11 April 04/01	01 September 14/03	21 January 23/05	11 June 01/08	01 November 10/10	21 19/12	21 27/02	21 08/05	21 17/07	21 25/09	21 04/12	21 12/02
0	<b>Leisure Development Programme</b>	<b>Wed 04/11/15</b>	<b>Fri 26/05/17</b>														
1	1 RIBA Stage 2 Sign Off	Wed 04/11/15	Wed 04/11/15														
2	2 RIBA Stage 3	Wed 11/11/15	Fri 04/03/16														
3	3 Planning	Mon 08/02/16	Fri 12/08/16														
4	4 RIBA Stage 4	Mon 07/03/16	Fri 27/05/16														
5	5 Council Decision on Investment	Mon 30/05/16	Mon 13/06/16														
6	6 Two Stage Tender Process (OJEU)	Mon 23/11/15	Fri 24/06/16														
7	7 St Nicholas Park Construction	Mon 27/06/16	Fri 03/02/17														
8	8 Newbold Comyn Construction	Mon 27/06/16	Fri 26/05/17														

3.1.9 It should be noted that the investment proposals have subsumed some of the leisure centre elements of the Council's Planned Preventative Maintenance Programme (PPM). These elements were estimated to cost in the region of £3m over a period of 30 years. The first 5 years of the leisure centre PPM Programme had an estimated cost of £836,000. Further detail on the financial implications of the PPM Programme is included in paragraph 5.7 of this report.

## 3.2 RIBA Plan of Work

3.2.1 The plans and costs included in this report in respect of Newbold Comyn and St Nicholas Park Leisure Centres represent Stage 2, the "Concept Design" phase of the RIBA framework. In Stages 3 and 4, the project progresses with updated proposals for structural design, building service systems, outline specifications, and fully detailed cost projections and Risk Assessments. At the end of this phase, the Council has the opportunity to continue with the proposals or halt the project. In order to achieve this, £550,000 is required to fund the Project and Programme Management, planning applications and surveys.

3.2.2 To progress the investment proposals to RIBA Stage 2, the Council engaged Mace Ltd as project managers through the NHS Shared Business Services Framework. In doing so the project has benefited from the services of a range of professions including architects and M&E consultants, all of whom have been sub contracted by Mace Ltd on competitive rates. If the Executive approves Recommendations 2.1 and 2.2 and authorises officers to produce detailed proposals for the investment and thereby progress the scheme to RIBA Stage 4, consideration needs to be given to the most appropriate way of procuring the relevant services.

- 3.2.3 Officers have sought advice from the Procurement Manager and Head of Finance on the most appropriate approach to this next stage that minimises costs and ensures continuity of the project to RIBA Stage 4. Officers will therefore continue to work with Mace Ltd as project managers under the NHS Shared Business Services Framework to complete this next phase of work and, subject to the decision to progress to construction, Mace Ltd will continue as project managers until the end of the construction phase.
- 3.2.4 It is proposed that an application for planning permission should be made towards the end of RIBA Stage 4, using the information prepared as part of the RIBA Stage 4 process. This will ensure that the planning process can be undertaken in time to begin work on site in accordance with the agreed programme, subject to permission being granted. Delegated authority is also sought to apply for planning permission and for any other necessary and statutory consents to allow the project to proceed to the next stage of proceedings (Recommendation 2.3).
- 3.3 Sources of Funding
- 3.3.1 It is anticipated that the investment proposals will be funded from a number of sources, some of which are already secured, and others which have yet to be confirmed. Further details are included in 5.2.4.
- 3.3.2 It is proposed that officers seek to access funding from the Sport England Strategic Facilities Fund (SFF). Due to the way in which Sport England manage this fund, there is no indication at this stage as to whether an application would be successful. Recommendation 2.4 seeks the relevant delegation to the appropriate officer and Member to progress any application.
- 3.3.3 The Sport England SFF is designed to direct capital investment to local authority projects that have been identified through a strategic needs assessment and that have a maximum impact on growing and sustaining community sport participation. Projects that are funded from this source are promoted as best practice in the delivery of quality and affordable facilities and are able to demonstrate long term efficiencies. Projects also need to be able to demonstrate that they are bringing together a number of partners, with input from public and private sectors, and have the support of national governing bodies of sport.
- 3.3.4 Applications to this fund are on a "solicited-only" basis, meaning that the Council has to be invited by Sport England to make an application. Consequently, officers have been working closely over the last 12 months with Sport England, and with the County Sports Partnership who has an overview of the regional strategic picture of facility provision, to get to a point where Sport England will hopefully invite an application for the improvements at Newbold Comyn and St Nicholas Park Leisure centres.
- 3.3.5 In the event that the Executive approve Recommendations 2.1 – 2.5, officers will confirm to Sport England the Council's commitment to the investment proposals and will look to work with the relevant Sport England officers to secure funding from this source in order to improve the affordability of the schemes. The modelling explained in Section 5 of this report and Appendix Z of the Part B report shows the impact of the Council being unsuccessful in securing Sport England funding.



### 3.4 Car Parking considerations

- 3.4.1 A fundamental consideration in finalising the detail of the investment proposals for Newbold Comyn and St Nicholas Park Leisure Centres is the impact of increased customer visits to these sites and the additional pressure that this will place on the car parking provision. If facilities are expanded and insufficient parking provision is made, business models will not be deliverable and customer satisfaction levels will be reduced.
- 3.4.2 Recognising the challenges that this could pose, consultants Atkins were commissioned to assess the current level of car park usage, to consider the future pressures on parking provision at these sites as a result of the investment proposals and to make recommendations on how car parking provision could be managed in future to minimise the impact on customers of the leisure centres and other car park users (see Appendix 4).
- 3.4.3 In summary, the surveys came to the following high level conclusions:
- 3.4.4 St Nicholas Park Leisure Centre:
- This site has historically experienced issues with car parking provision which has had an impact on leisure centre users.
  - The car park currently operates at capacity late morning/early afternoon on a weekday and a Saturday in summer but demand exceeds capacity at certain times within this range.
  - The expansion of the leisure centre would lead to a peak shortfall in parking of around 44 spaces. Shortages would occur between 11am – 3pm Monday to Friday in the summer and 11am - 4pm on Saturdays in the summer.
  - The report recommends that further work is undertaken to consider the opportunities of a revised layout, and revised charging strategies for this car park and Myton Fields (summer only) which could reduce or alleviate the pressure at key times.
- 3.4.5 Newbold Comyn Leisure Centre:
- Spare capacity currently exists even at peak times of the week/year
  - Taking into account the loss of the car park closest to the current facilities (for the construction of the sports hall) alongside lining of parking bays in the car parks to the north of the road onto the Comyn, there would be a net gain of 44 spaces available for leisure centre users, thus ensuring sufficient capacity for the increased visitor numbers.
- 3.4.6 Officers of Cultural Services and Neighbourhood Services have considered the findings and recommendations of the Atkins surveys and have concluded that car parking provision at Newbold Comyn is satisfactory for the extended facilities proposed for this site. In respect of St Nicholas Park it is clear that, whilst the current parking provision could meet demand at most times of the day/week, there are some times when demand would exceed capacity. Officers have considered a range of mitigation measures that could be put in place in future to address these shortfalls, but also taking into account the emerging findings of an investigation into car parking throughout Warwick town centre currently being undertaken. It is proposed that the outcome of this work is reported to the Executive alongside the further report referred to in Recommendation 2.1. It is believed that the car parking issues at St Nicholas Park Leisure Centre are not severe enough to question the decision to invest in

the facilities. Nonetheless, any mitigation will be advantageous to the future performance of the Centre and the user experience more broadly.

- 3.4.7 As part of the planning process Green Travel Plans will be developed for both facilities and this will help to alleviate pressure on car parking.

## **B Second Issue**

### **3.5 Management Options**

- 3.5.1 The recommendation that tenders should be invited for the management of all the Council's leisure and dual use facilities (subject to agreement by dual use partners), takes into consideration the Business Plan (Appendix 2 in Part B of the Agenda) and the confidential Prospectus (Appendix 3 in Part B of the Agenda and circulated prior to the meeting) submitted by the in-house team. It also considers the report from Strategic Leisure (Appendix 4 in Part B of the Agenda) comparing the relative merits of the in-house model and potential external operators (based on industry benchmarks for external operators).
- 3.5.2 Due to the commercial sensitivity of this information, the full details of the in-house proposal is included in Part B of the Agenda. The proposal is considered to be a robust and comprehensive Business Plan and Prospectus that has been developed from first principles and has included forensic challenge of all aspects of the business.
- 3.5.3 The Business Plan has been written to address two scenarios. Firstly, and referred to hereafter as **Option 1**, there is an assumption that the Executive decides not to invest in the enhancement and extension of Newbold Comyn and St Nicholas Park Leisure Centres (other than essential £3.9m of works referred to in paragraph 5.7), and so relies on the in-house team delivering the service in a more commercial manner with a clear focus on the areas of greatest potential for income generation i.e. swimming lessons and health and fitness.
- 3.5.4 The alternative, **Option 2**, is based on Executive agreeing to invest in the region of £12m in the Newbold Comyn and St Nicholas Park Leisure Centres, and so relies on significant increase in the income generated by the expanded health & fitness provision, the expansion of the swimming lesson programme (as in Option 1), the installation of a "Clip and Climb" facility and a new sports hall at Newbold Comyn, and a consequent uplift in income from a number of areas as a result of the improved changing provision, refurbished reception areas and general service improvement.
- 3.5.5 The Prospectus describes in detail how the in-house team intends to approach the service improvement that is essential for both Option 1 & 2 to be successful. It highlights the many benefits that would be optimised by retaining the service in-house, focuses on the Principles that would underpin the new-look "Warwick District Sports & Leisure" team going forward, and describes the areas that the team intends to focus on in order to develop the service.
- 3.5.6 In order to get an independent assessment of the in-house proposals, Strategic Leisure was asked to produce an evaluation report which is included in full as Appendix 4 on Part B of the Agenda. Strategic Leisure highlighted a number of areas which they believe warrant detailed consideration when comparing the in-house v external model for both Options 1 & 2. A financial analysis of the two models is included at section 5 of this report and in all scenarios Strategic

Leisure considers that an external provider would out-perform the in-house model, albeit by a margin that requires careful consideration.

3.5.7 However, when considering the in-house bid against what an external operator might be able to provide in the context of the separate decision on investment, the Council needs to consider a wider number of issues, not all of which are financial. These are set out in Table 2 below:

Table Two - Leisure Development Programme Scenarios

<b>INVESTMENT - £4m investment (maintenance and services only)</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<p>Less borrowing requirement on the Council leading to lower repayment charges</p> <p>Less disruption to service as no major refurbishment or new facilities</p> <p>No teething or snagging problems as no new buildings</p>	<p>Buildings remain old-fashioned and inefficient, leading to loss of income and increase in public subsidy</p> <p>Insufficient indoor sports provision for growing population</p> <p>Lost opportunity to capture the income from new health and fitness facilities</p> <p>Runs risk of creating an opportunity for a major new operator to set up in the District with its own modern facilities that takes customers and income</p> <p>Doesn't achieve Medium Term Financial Strategy savings if operated in-house</p>
<b>INVESTMENT - £12m investment – (refurbishment and significant extension)</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<p>Significantly enhanced buildings will increase income and thus reduce subsidy in the medium term</p> <p>Provides sufficient indoor sports provision for growing population</p> <p>Captures income from health and fitness market</p> <p>Dissuades commercial operators from setting-up in opposition</p> <p>Refurbished buildings are cheaper to run as more efficient</p>	<p>Increased borrowing requirement leads to higher repayment charges and more pressures on budgets initially</p> <p>Disruption to service whilst work is carried out (although neither centre will close completely at any time)</p> <p>Potential risk that costs may rise if project risks are realised</p> <p>Teething or snagging problems possible with new buildings</p>
<b>MANAGEMENT – In-house option</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<p>Leisure staff remain part of the District Council team and the Council is better able to retain its operational capacity</p> <p>Retains greater flexibility over management of the facilities by the Council</p> <p>The Council receives positive comments due to the success of the</p>	<p>Modelling suggests that the in-house option does not achieve the Medium Term Financial Strategy savings</p> <p>Budgets suffer if the significant income increases are not achieved when resources are already under pressure</p> <p>External management offers a better financial situation at less risk</p>

service

No costly and time-consuming procurement exercise for an external contractor

No opportunity to produce further savings through addressing support service costs

### **MANAGEMENT – External operator option**

#### **Advantages**

Achieves Medium Term Financial Strategy savings and more

Less risk to Council if income targets not met or costs rise

Council does not bear the cost if income figures not achieved  
Further savings may be achieved if WDC addresses support service costs

#### **Disadvantages**

Requires a robust client-side role to ensure relationship with contractor remains strong

Council may get less credit for investment in the new facilities as linked to contractor

Loses some flexibility over management of the facilities by the Council  
Procurement exercise takes time and money

### 3.5.8 This assessment brings out the following issues:

#### a. Track record of the in-house offer

It is acknowledged that over the course of the last two years, and more particularly the last six months, the in-house operation has improved significantly, with income projected to be circa £50k above the 2015/16 budget at year end. However, the increased income detailed in the business plan, whilst being cautious, is a major step-change on what has previously been delivered by the in-house team. Consequently, the Option 2 business plan which increases income by some £2m could be a major challenge for the Council in-house team to sustain. The contrast with a commercial operator is that driving income is its day-to-day business. The recent improvement coincides with the appointment of the current Sports & Leisure Manager and other operational management changes. It is the case, though, that if the current position has largely been driven by one individual there is a significant risk to the business if that individual leaves the organisation, or falls ill or is otherwise prevented from performing as now.

#### b. Financial Impact

Strategic Leisure's view is that an external operator would be able to deliver a financial benefit at least as good as the in-house offer, indeed surpassing it. If this was not the case and the operator was unable to deliver to its business plan it would still be liable to pay the agreed contractual fee to the Council. However, should the in-house bid not deliver in accordance with the business plan, it would lie with the Council to make good any deficit.

#### c. Impact on staff

This is more difficult to estimate but feedback from Strategic Leisure's experience in similar leisure service outsourcing projects elsewhere suggests that the overwhelming majority of staff who work within the current service is likely to continue to do so. This is of course subject to the Council's

compliance with the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and the Government's Fair Deal pension policy.

- d. Impact of procuring an external provider on the rest of the Council  
No modelling has been done so far on what other savings could be made from "back-office" changes should Executive decide to externalise the service. However, should Executive make this decision then the next report will detail the areas where it is considered that further savings could be made and will also address any other possible consequences.
- e. Certainty of benefit of procuring an external provider  
Strategic Leisure states, *"Without formal procurement of the service it is difficult to confirm definitively the difference between an in-house operation and an external operator."* The whole tenor of Strategic Leisure's appraisal is that an external operator could deliver a greater financial advantage than the in-house provider and deliver the same service, but the only way to determine this is by going to the market.
- f. Best Value  
The Public Services (Social Value) Act 2012 places a requirement on the Council to consider overall value, including economic, environmental and social value, when reviewing service provision. These elements will be integrated into the evaluation methodology for the tenders for both the management and the construction and refurbishment projects.

## Procurement

3.5.9 Taking into careful consideration the recommendations from Strategic Leisure, it is recommended that:

- a. The Council procure a partner to manage its leisure centres on a long-term basis through a competitive process in compliance with the Public Contract Regulations 2015. The specific procurement procedure likely to be used is the Competitive Procedure with Negotiation, as this would enable the Council to specify its minimum requirements and then to negotiate with bidders on their proposals with a view to refining and improving the proposals, ultimately to arrive at a preferred bidder and a preferred arrangement;
- b. As part of the procurement process, the Council would set down minimum requirements which it is seeking from any proposal in the Service Specification. Bidders will be invited to submit proposals which, amongst other things, are deliverable, financially acceptable to the Council and best fit with the Council's requirements.
- c. The timing of the procurement process will be heavily influenced by the construction programme should this be approved and it is proposed that the two processes dovetail to cause minimum interruption for service users, staff and management. Accordingly, the provisional procurement timetable would be as follows:

Activity	Target Date
Procurement process commences	1 <sup>st</sup> July 2016
Selection of preferred partner	1 <sup>st</sup> October 2016
Negotiation with preferred partner	1 <sup>st</sup> October 2016–1 <sup>st</sup> February 2017
Contract award	1 <sup>st</sup> February 2017

3.5.10 The decision by the Executive to undertake a procurement to seek tenders from the external market must be a considered one. Members will need to balance a number of factors when reaching their decision, including:

- a. The financial and other benefits of what the market can offer compared to an in-house model, which is capable of being clearly articulated to all interested parties,
- b. That Council officer time and costs will be incurred in undertaking the procurement process, as well as increased costs of contract monitoring and risk of contract failure,
- c. That the procurement procedure will need to be planned in such a way as to avoid the need for cancellations and avoid the risk of challenge from prospective partners, and
- d. To mitigate (but not remove) this risk, it is recommended that the Council, in the procurement documents, reserves the right not to award any contracts as a result of the procurement process, and that the Council will not be liable for any of the bidders' costs in submitting a bid.

3.5.11 If the decision is made by the Executive to procure a provider to manage the Council's leisure centre management service, it is recommended that the Executive delegate authority to the Head of Cultural Services, in consultation with the Portfolio Holder for Culture, to finalise the Service Specification (see paragraph 3.6 below), to undertake the procurement process through to one preferred party, and to complete the necessary legal documentation with this party. In the event that a significant risk or change to the proposed project emerges through the procurement process, then a full report will be brought back to the Executive before any decision is made.

### 3.6 Service Specification

3.6.1 The Service Specification is a detailed document which lays out the parameters within which the service will be delivered, and at the same time is the document by which the performance of any operator, be it the in-house team or an external contractor, can be monitored and managed. The successful delivery of the service will rely on the development of a "partnership approach" between Council and operator, subject to the terms and conditions agreed in the contract.

3.6.2 For example, the Service Specification includes minimum standards in respect of opening hours, cleanliness and maintenance, health and safety management, customer service, staff training and qualifications, and how the facilities are programmed to accommodate a wide range of users.

3.6.3 The Service Specification will also include a list of index-linked key charges and concessionary rates that any operator will be required to adhere to as maximum charges. It will be left to the discretion of the operator should they wish to lower the key charges. In this way the Council is able to protect certain user groups and ensure that they are not disadvantaged or discouraged from using the facilities.

3.6.4 The Specification will also include a performance management framework which again will be an essential tool in the Council managing the performance of the operator.

3.6.5 The draft Service Specification is attached as Appendix 1. The Council must recognise that there are many variables in the provision of leisure services which officers will need to work through in more detail should the Executive agree Recommendation 2.6. This will enable officers to finalise the Service Specification prior to the commencement of the tender process and then to enter into the necessary legal agreements with the chosen partner in order to best protect the Council's and the customers' interests.

### 3.7 Members' Working Group

3.7.1 The cross-party Members' Working Group has played a crucial role in steering the Programme to date. As the Programme enters the new phase it is considered appropriate for the Group to continue to provide oversight of the procurement and contract award process, and the investment work as it progresses to RIBA Stage 4. Members of the Group are also able to feed-back to their political Groups to ensure that Councillors remain up to date as the programme develops.

### 3.8 Staff Implications

3.8.1 Throughout the course of the programme, sports and leisure staff and Unison representatives have been engaged in the process through regular briefing notes, and by the Unison Secretary being a member of the Programme Board. Staff from the leisure centres were also involved in the development of the in-house Prospectus and Business Plan and took part in a design workshop for the refurbishment work.

3.8.2 If the management of the service is externalised pursuant to Recommendation 2.6 all operational staff will automatically transfer to the new operator under the terms of the Transfer of Undertakings (Protection of Employment) Regulations (TUPE). HR and other relevant officers will work closely with the Programme Manager to ensure that appropriate pension arrangements are in place. They will also identify other support staff that may be subject to TUPE by virtue of their duties as they relate to the Leisure Service. This will ensure the necessary work in this area is progressed in line with Council policies, and that staff are fully consulted at the appropriate times.

## **4 POLICY FRAMEWORK**

### 4.1 Fit for the Future (FFF)

4.1.1 The FFF Programme is designed to help deliver the Sustainable Community Strategy (SCS) for Warwick District and to that end it contains a number of significant projects one of which is the Leisure Development Programme.

4.1.2 The FFF Programme has 3 strands and the impact of this report's proposals in relation to each of them is as set out below:

Maintain or Improve Services – the recommendations will see two leisure centres significantly extended and enhanced in Phase I, which will in turn lead

to a better quality of service for customers. There is recognition that proposals for facility enhancement in Kenilworth will be brought forward as Phase II of the project.

Achieve and maintain a sustainable balanced budget – the recommendations will help the Council address its financial revenue situation by making better use of its physical assets and reducing the level of subsidy for these discretionary services.

Engage and Empower staff: The development of the “in-house proposal” has been underpinned by input from staff across all sites. Each leisure centre now has its own Improvement Action Plan which identifies the contribution made by staff to achieving the aims of the service. Whether or not the service remains in-house, this process will have empowered staff and prepared them for a more competitive approach to the delivery of the service in the future.

#### 4.2 Sustainable Community Strategy (SCS)

4.2.1 The Council has approved a Sustainable Community Strategy for Warwick District (SCS) which has 5 key objectives. The programme contributes to these in the following ways:

##### 4.2.2 Health & Wellbeing

- Increasing opportunities for all to engage in sports and physical activity
- Contribution to reducing levels of obesity in the local community
- Increasing opportunities for people to learn new skills

Successful delivery of the programme will also allow the Council to contribute to the Warwickshire Health & Wellbeing Board’s Strategy by ensuring that appropriate facilities exist to serve the District, and that these facilities are managed in a way that allows all sectors of the community access to the activities on offer.

##### 4.2.3 Prosperity

- Ensuring that the right infrastructure is available
  - Making best use of public sector assets
- Attracting visitors to spend within the district

The delivery of the new facilities in accordance with the Indoor Facilities Strategy will ensure that the right infrastructure is available in Leamington and Warwick and fit for purpose for the next 30 years. Phase II of the work will provide the same service for Kenilworth.

##### 4.2.4 Sustainability

- Our community has actively minimised environmental impacts

The design of the new works at Newbold Comyn and St Nicholas Park Leisure Centres has been rigorously scrutinised in order to minimise the environmental negative impact. The fuels to be used in the new boiler plant have been selected on both environmental and practical grounds.

#### 4.3 Local Plan

4.3.1 The Council has agreed a strategy statement “The future and sustainable prosperity for Warwick District” which amongst other things seeks to:



- Support the growth and development of the local economy
- - providing for the growth of, and changes within, the local population
- - a strong development management framework including high quality of design

This project will support the growth of the leisure market within the local economy, provide new sports and leisure facilities for the growing size of the population and contribute to strong development through producing two significant extensions to two important local buildings using high quality design.

#### 4.4 Corporate Asset Management Plan

- 4.4.1 The investment proposals described in this report are aligned to the Corporate Asset Management Plan in that they look to make best use of Council assets and do so in such a way that reduces cost. The proposals also take account of the current and anticipated future maintenance liabilities of these facilities.

#### 4.5 Indoor Sports Strategy

- 4.5.1 This strategy guides the future provision and management of built sporting facilities in the District. The relationship between the Indoor Sports and Leisure Strategy and the proposed developments has been demonstrated elsewhere in this report and in previous reports.

### **5 BUDGETARY FRAMEWORK**

#### 5.1 The structure of this section

- 5.1.1 This section of the report examines in detail the financial aspects of the proposals for the investment in the improvements at Newbold Comyn and St Nicholas Park Leisure Centres and the recommendation to procure an operator for the Council's leisure facilities. The section is divided into three sub-sections. The first part covers the decision as to whether or not to invest in the refurbishment and extension of two leisure centres. The second part considers the financial aspects of the decision as to whether the leisure centres should be operated in-house or externally. These are two separate decisions. However, the third section considers both decisions and their influence on each other.

#### SECTION ONE

#### 5.2 Investment proposals

- 5.2.1 The proposed investment in the two leisure centres is estimated to cost £12m in total (including fees and the feasibility work to date). This cost has been prepared by Mace Ltd, the project management company that has been appointed by the Council to get the project to this point i.e. end of RIBA Stage 2.
- 5.2.2 The Cost Estimate (Appendix 1 Part B report) provides a detailed breakdown of the costs of the proposals, including construction, professional fees for further design work, an estimate for inflation, and an allowance for further surveys that may be required.

5.2.3 The Cost Estimate and RIBA Stage 2 report have been considered by officers in Housing and Property Services who have confirmed that these documents are robust and reflect a realistic approach to the investment.

5.2.4 The works would be funded from a variety of sources:-

i. s106 funding

The s106 agreements in place provide for a total of £2.7m payable by developers towards indoor sports facilities. Confirmation has been provided by officers in Development Services that the contributions are eligible for the works proposed. To date, £172k of this income has been received by the Council. The receipt of the remainder of this money is dependent on the speed with which the developments are constructed. A likely profile of this income is shown at Appendix 6 of this report. There is a risk that some income will not be forthcoming if the developments do not proceed. Within the modelling discussed below, just over £1.3m s106 income has been assumed in the "central case", received over the next eight years. No allowance has been made at this stage for any Community Infrastructure Levy contributions that the Council will receive for future developments.

ii. Sport England Funding

As discussed in paragraphs 3.3.2 to 3.3.5 of this report, it is possible that Sport England funding may be available for the project. The fund in question is a solicited fund, and therefore the Council will work with Sport England to attempt to persuade them to solicit an application. The cost model assumes £2m will be available, due in 2017/18, which is the maximum funding that Sport England will make available. Alternative scenarios are also considered below. The outcome of the application for Sport England funding will be known before Members are asked to commit to the borrowing needed to progress the capital works in 2016.

iii. Borrowing.

Given the limited resources available to the Council for investment in capital schemes, it would be necessary to borrow to pay for the bulk of the works. Given the nature of the works, and the likely life thereof (for example, the plant usually has a shorter life than the buildings), the borrowing has been based on a mix of 25 and 40 year annuity borrowing. The base modelling assumes that long term interest rates for borrowing from the Public Works Loans Board will be 4.25%, having factored in increases that are anticipated over the course of the project. Alternative interest rates have been modelled below.

iv. Temporary funding.

Given the timing of the receipt of the s106 and the Sport England funding, it will be necessary to make use of temporary funding. This may be the use of Council internal balances/reserves or temporary borrowing. Either way, this funding will have a cost attached to it which, based on projected interest rates, is estimated at 1.5%.

5.2.5 The estimated cost of the works at £12m excludes the cost of the new gym equipment which will be required for the extended gym facilities. The modelling within the in-house Business Plan allows for the cost of gym equipment by way of the inclusion of leasing costs. If the management is externalised, the contractor will be instructed to include the cost of leasing or buying this equipment within their tender price. The costs for these works were included in the in-house and external models considered by Strategic Leisure.

5.2.6 The estimated cost of the capital works is £12m. The net cost to the Council will depend on whether the gross cost varies from this figure and the s106 and Sport England funding available. At best, the net cost could reduce to £5.5m, or at worst increase to £13.5m. The "central case" being worked on is £8.5m with £2m Sport England funding, and £10.5m if the Sport England bid is unsuccessful. This net cost to the Council would be funded by borrowing.

5.2.7 Just as the net cost of the works to the Council may vary, the cost of borrowing may vary. Based on a "central case" of a net cost of £8.5m, the annual borrowing costs would amount to £486k per annum based on currently projected interest rates. If there is no funding from Sport England and the net cost to the Council amounts to £10.5m, the annual borrowing costs will be £600k per annum. The table below shows how these projected borrowing costs may vary. All borrowing costs are based on "annuity" costs.

Table 3: Potential Borrowing Costs

		£m	£m	£m	£m	£m	£m	£m	
		Net Cost	5.5	7.5	8.5	9.5	10.5	11.5	
<b>% Rate Cost of Borrowing Net Cost</b>	3.75%	0.295	0.402	0.455	0.509	0.563	0.616	0.723	<b>Yearly Repayment Amount</b>
	4.00%	0.305	0.415	0.471	0.526	0.581	0.637	0.748	
	4.25%	0.315	0.429	0.486	0.543	0.601	0.658	0.772	
	4.50%	0.325	0.443	0.502	0.561	0.620	0.679	0.797	
	4.75%	0.335	0.457	0.518	0.579	0.640	0.701	0.823	

5.2.8 Depending on the timing of the receipt of the external funding, there will be additional short term borrowing costs. Each £1m funding that is delayed for a year will present the Council with an additional borrowing cost estimated at £15,000 (based on projected interest rates).

5.2.9 Modelling has been carried out to bring together the anticipated capital expenditure and funding receipts profiled over the expected time profile for the "central case" of net expenditure of £8.5m. On the basis of this, it has been possible to calculate the net revenue cost to the Council relating to the borrowing. Based on the assumptions used, the total revenue funding costs would peak in 2018/19 at £501k, and flatten out to £486k per annum from 2023/24.

5.2.10 This modelling has also been carried out on the basis of the net cost to the Council being £10.5, with no Sport England funding. In this scenario the on-going revenue cost relating to the borrowing is £600k.

5.2.11 Should the capital works not proceed beyond RIBA Stage 4, for whatever reason, it is likely that the costs currently proposed for this stage of the works will need to be written-off to revenue which will present an additional cost to the Council's limited revenue resources.

### 5.3 Additional Operating Income

5.3.1 The Management options are considered in the second section of this Budgetary Framework. It is considered that both options would produce an increase in the net income received by the Council.

### 5.4 Net Funding and Operating costs

5.4.1 For the investment in the leisure centres to break even, the net additional income must exceed the funding costs discussed in section 5.2.7. Appendix Z shows that the central case assumptions represent an additional cost to the General Fund in the short term. With Sport England funding, if the service is operated externally, from 2018/19 the service will represent a saving against the planned budget as reflected in the Medium Term Financial Strategy. Conversely, if operated internally, savings would accrue from 2020/21. The on-going net saving to the General Fund from the external model would give savings of £200,000 from 2020/21, over and above the £500,000 saving assumed by the Medium Term Financial Strategy. Based on net investment of £8.5m, this additional annual income represents a return of 2% per annum.

### 5.5. Sensitivity analysis

5.5.1 As stated in section 5.2.9, the above figures are based on the "central case" assumptions. The best case and worse case scenarios would represent a very different picture.

5.5.2 The best case scenario would include the following changes:-

- Reduced cost of the capital investment
- Increased funding from s106 or Community Infrastructure Levy
- s106 and Sport England funding received earlier
- Reduced borrowing costs from lower interest rates

Modelling these scenarios suggests that the annual funding costs would in this case reduce by £190k per annum. In addition, in the best case scenario, the income from the leisure centres would also increase. This could give a significant improvement on the trading position of the centres, with substantial additional net income to the General Fund.

5.5.3 Conversely, the worst case scenario would present additional net funding costs of £330,000 per annum, and income reducing substantially. This would mean the General Fund would have to find a significant additional sum per annum.

5.5.4 Given the overall funding position of the Council, it is not in a position to take on any increased revenue expenditure without commensurate reductions elsewhere. If the decision is taken to invest in the leisure centres, Members will need to be confident that all measures are taken to avoid the costs increasing from the "central case" position. This is discussed further in Section 6 – Risks.

## SECTION TWO

### 5.6 Management Options

- 5.6.1 A key element of the Leisure Development Programme was the development of an in-house Business Plan (Appendix 2 of Part B report). It was acknowledged in the early phase of the Programme that an independent appraisal of the in-house proposals would be essential when Members were asked to consider the best option for the management of the Council's leisure centres in the future. Strategic Leisure was appointed to undertake this appraisal.
- 5.6.2 The in-house Business Plan presented the **2 options** discussed at paragraphs 3.5.3 and 3.5.4. The In-House team undertook a thorough exercise in working up income and expenditure budgets from first principles, seeking to strike a balance between a new approach to delivering the service and optimising the opportunities presented by the investment proposals in Option 2, whilst ensuring that both options were modelled from a position of reality and deliverability. Both options see a significant reduction in the subsidy for the service by the end of Year 5 (2020/21). In Option 1 the subsidy reduces by £397,000 (from 2015/16, including PPM) and Option 2 by £1,118,000 (2020/21) although this is before the borrowing cost of the improvement works is factored in.
- 5.6.3 The Strategic Leisure appraisal (Appendix 4 of Part B report) took the in-house Business Plan and Prospectus and compared it with industry benchmarks to come to a series of conclusions of how the in-house model compares with what would be expected of a commercial/private sector operator.
- 5.6.4 The Strategic Leisure appraisal summarises each option, benchmarks the proposal against industry standards and challenges assumptions made by the in-house proposals. The report also highlights the comparative position of the in-house and externalised models in respect of NNDR and VAT, compares the risks of each model and comments on the deliverability of each model.
- 5.6.5 Strategic Leisure has summarised the comparison of the in-house and externalised options as follows. "Without a formal procurement of the service it is difficult to confirm definitively the difference between an in-house operation and an external operator. SLL's comments and observations are based on the numerous bids we have seen from the operator market, our own in-house database, and industry benchmarks. Based on the information presented in the in-house Option 2 Facility and Service Improvement figures, and what we would expect to see from the market, there is a financial differential, although this is reduced substantially from Option 1. Of this financial differential over two-thirds relates to VAT and NNDR savings, which are not available to an in-house operator."
- 5.6.6 Officers have considered the Strategic Leisure appraisal and would ask Members to consider the comments made in Appendix 5 of this report when assessing all the information.

### 5.7 Pre-planned maintenance

- 5.7.1 A survey conducted by EH Harris in 2011 identified that the leisure centres were in a good condition for their age and use. However, they also identified a range of works that would be required in order to maintain the buildings in at least

their current state of repair. This work would be scheduled throughout a 30 year period as part of the Council's PPM Programme. The total cost over the 30 years, for the 4 leisure centres owned by the Council, was estimated to be around £3 million.

- 5.7.2 The first 5 years of this PPM has been scoped in detail. The total cost of the PPM for the 4 leisure centres for the next 5 years has been established as £836,000. The PPM is not currently funded.
- 5.7.3 As discussed at paragraph 3.1.9 of this report, the design team have identified a further range of works that need to be completed at Newbold Comyn and St Nicholas Park Leisure Centres in order to ensure that the facilities are fit for purpose and ready for their next period of use. The cost of these necessary works has been calculated as £3.9 million. To reiterate, if the Leisure Development Programme does not go ahead, these works will still need to be funded in order that the buildings can remain open and remain fit for purpose.
- 5.7.4 There are works totalling £397,000 that are common to the PPM and the Leisure Development Programme. If the Leisure Development Programme works do go ahead, this work will therefore be removed from the PPM.
- 5.7.5 There are also works totalling £439,000 that are included within the first five years of the PPM for the four leisure centres owned by the Council that are not included in the work proposed under the Leisure Development Programme. The cost of this work has been included in the in-house Business Plan. If the management process is externalised, the contract would require the contractor to carry out these works on the Council's behalf. The potential contractors would price for this when submitting their tender. The costs for these works were included in the in-house and external options considered by Strategic Leisure.
- 5.7.6 To ensure comparability in considering the investment opportunity, the cost of the PPM needed at Newbold Comyn and St Nicholas Park that is not included within the Business Plan or Strategic Leisure report has been assessed at £3.5m. This is the value of the additional work that would need to be carried out at these leisure centres if the investment does not progress. If the cost of this work is spread over 25 years, this would amount to an additional annual cost of £230,000. This cost has been factored in to the comparison of the options within Appendix Z.

## 5.8. Support Service costs and overheads

- 5.8.1 It will be noted from the Business Plan that the Council's support service costs have been excluded on the basis that these would apply to the in-house and external models, as support service costs would not automatically fall if the contract was externalised.
- 5.8.2 The Strategic Leisure modelling has made an allowance for "overheads" of an external contractor at 3% of income. These are significantly below the support service costs charged to the current leisure service, largely reflecting how an external operator would seek to "absorb" the extra leisure centres without having to increase their central overheads through economies of scale. As will have been noted above, even with the inclusion of the overheads, the external provider still provides improved financial performance when compared to the in-house model where the support service costs have not been included.

- 5.8.3 If the service is to be operated by an external provider, the Council should seek to reduce its support service costs. In the event of externalisation, all staff directly employed on providing the service at the centres automatically transfer to the new provider under TUPE. Whilst this will apply to all staff directly involved in the provision of the service, it may also apply to some staff indirectly supporting the service. In this respect there should be some reduction in the Council's support service costs, but this is not likely to be significant compared to the overall support service cost currently charged to the leisure centres.
- 5.8.4 Beyond the TUPE transfers, Service Areas should seek to reduce their cost, ideally proportionally, through natural wastage or potentially through staff restructures, which would generate further savings for the Council. If restructures are implemented there may, in due course, be an additional cost in terms of early retirement/redundancy costs. However, it is unlikely that it will be possible to reduce these support service costs by the amount that is currently charged to the leisure centres. This is because there will always be an element of our central costs that are relatively fixed. The fixed elements may include, for example, the need to maintain central ICT systems, the need to produce annual accounts and the management of required HR policies. As a minimum, the Council should seek to reduce its support service costs by at least the central overheads that would be assumed to be paid by the external operator otherwise the Council will in effect be paying twice for these services.

## 5.9 Comparison to external provider

- 5.9.1 The report from Strategic Leisure compares the in-house model to the potential performance of an external provider as discussed earlier. This analysis did not model the potential cost/income profile by year, and did not explicitly quantify some of the potential income sources, notably the health and fitness income. Officers have attempted to do this, as shown within Appendix Y on part B of this report.
- 5.9.2 It will be noted that the external operator should benefit from 80% mandatory relief for business rates, which has been factored into the projections. However, under the Business Rate Retention Scheme, the Council receives 20% of any change in business rate income due, and similarly bears the cost of 20% of any reduction. This has already been discussed and factored into the analysis by Strategic Leisure.

## SECTION THREE

### 5.10 Overall Financial position

- 5.10.1 Appendix Z of this report sets out to compare the revenue cost of the current service provision, as reflected within the Council's Medium Term Financial Strategy, with the projected costs of the service being provided in-house or externally, with and without the capital investment in the facilities. The analysis also shows the net costs if the Sport England bid is unsuccessful and brings in the capital financing costs that are discussed in Section 5.2.
- 5.10.2 Compared to the Council's Medium Term Financial Strategy (MTFS), it will be noted that the projections under Option 1 (no capital investment) in-house team, will present an additional cost to the Council in future years. However, in

making this comparison to the MTFS, it should be noted, as discussed in Section 5.7, that the Pre-Planned Maintenance is not currently fully budgeted for, and as such, presents an additional cost on the MTFS.

5.10.3 As discussed elsewhere within the report, there are obviously risks attached to the projections, hence the various modelling that has been carried out. In terms of the management of the centres, as discussed in the Strategic Leisure report, the operation by an external provider should present less risk in terms of achieving the projected increased income and cost savings.

5.10.4 Members will note that, should they agree to the recommendations to invest in the two leisure centres and externalise the operation of the service, there will be an increased cost in the first three years. The options for meeting this include, in no particular order, use of expected New Homes Bonus funding (should the scheme continue), a review of the current capital programme or one-off savings from elsewhere. Should Members agree to proceed with the recommendations then the future report referenced in recommendation 2.1 will advise how this shortfall will be met.

## 5.11 MTFS and FFF

5.11.1 Members will be aware from the Fit For the Future report considered in September, that the Council needs to secure savings approaching £1m for 2016/17, increasing to £1.1m by 2020/21. A programme of projects to secure the necessary savings was agreed by Members. This programme included £500,000 savings from Leisure Option work, with £250,000 per annum from 2018/19 increasing by a further £250,000 per annum from 2019/20.

5.11.2 The above analysis shows that under the external model, the investment in the leisure centres could generate £200,000 extra savings from 2020/21, in addition to the £500,000 savings described in 5.11.1 above.

5.11.3 Should Members agree to recommendation 2.5 then £30,000 from the Contingency Budget will be required to undertake the procurement of an external management operator. Members should also be aware that a further funding request is likely to come forward in the next report to provide programme management for Phase II of the Leisure Development Programme.

## 6 **RISKS**

6.1 The table below summarises the key risks and mitigations relating to the proposals set out in this report. Members should note that the Programme Board has been using a comprehensive Risk Log to help guide its work which is included as Appendix 7 to this report.

Table 4: Risk and Mitigation

<b>Risk (not in priority order)</b>	<b>Mitigation</b>
Reduction in demand through competing new provision Depressed market	Strong marketing by operator; good initial design and sound management Demand report predicts stable demand
Insufficient resource to complete tendering process	Staff resource in place



That the market does not respond to the procurement opportunity	This was the reason for carrying out the soft market testing which confirmed that the market will respond positively to the procurement opportunity
That, as a consequence of the Council undertaking a procurement exercise, it decides not to award a contract to an external provider	The Council plans a procurement procedure in such a way as to avoid the need for cancellations and avoid the risk of challenge from prospective suppliers
The appointed partner will not enter into a contract on satisfactory terms to the Council at the conclusion of the procurement process	A contract, with KPIs, will need to be drafted to ensure that the partner is fully bound at law to deliver what has been agreed. The contract will be included in the procurement documentation, and the risk will be minimised by ensuring (a) that the contract is very specific on the Council's requirements and (b) any issues or areas of concern are address during the negotiation stage of the procurement process.
Car parking at St Nicholas is inadequate for new business Modifications become necessary to the design due to unavailable utilities, existing but latent structural and filtration problems, or flood alleviation s106 Developer contributions do not materialise as anticipated	Further report to Executive  RIBA Stage 3 and 4 will carry out more intensive surveys to identify and cost any additional issues before a final decision to go ahead is made. Calculations in section 5.2 are based on a supressed figure of £1.3m rather than the full £2.7m
Sport England Strategic Facilities funding application is unsuccessful	Officers continue work with Sport England and information will be available before any final decision is made
Costs of new facilities higher than anticipated	Robust project management using RIBA framework and regular value engineering
Works do not proceed beyond RIBA Stage 4, so project costs incurred need to be written off to revenue. Delay in the decision-making process significantly impacts on the deliverability of the programme	Council maintaining adequate reserves.  Ensure that reports are timely and comprehensive and officers fully engage with the Members' Working Group
Delay to Planning process	Ensure Planning Applications are thorough and work closely with Planning colleagues to resolve issues promptly

- 6.2 In view of the above mitigations, officers believe that the risks to the Council can be managed and should not prevent the Council from proceeding with this project. Any significant risk will be reported back to Executive for action.

## **7. ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 The report details the reasons why investment in Newbold Comyn and St Nicholas Park Leisure Centres is considered necessary (Section 3.1). However, a decision could be taken not to make the significant investment outlined in the report. If this were the decision, there would be some substantial essential maintenance required to the structure of the facilities, and some significant replacement of plant. Without these items, the leisure centres would become “not fit for purpose”, attendances would fall, and the subsidy required to operate the facilities would increase. There would also be a shortfall in sports and leisure provision in the District which would have a detrimental effect on the health and well-being of current and future residents of the area.
- 7.2 A decision could be taken to invest on one but not both of the above venues. In this case some of the additional demand on sporting provision would be met by the additional provision made, but the District would face a shortfall in terms of the levels of provision that has been modelled by the Sport England Facilities Planning Model, and again risk not meeting the demands of a growing population. There would also remain a need to undertake essential maintenance/replacement at the venue that was not refurbished.

**Appendices:**

1. Draft Service Specification
2. Health & fitness – update on local provision
3. Investment proposals – extracts from RIBA Stage 2 report
4. Summary of parking surveys (SNPLC & NCLC)
5. Issues to consider when externalising the operation of WDC leisure centres
6. Phasing of s106 developer contributions
7. Risk Log

**Appendices in Part B report i.e. Confidential:**

1. Investment proposals – RIBA Stage 2 Cost Estimate
2. In-house Business Plan
3. In-house Prospectus – circulated separately
4. Strategic Leisure appraisal of in-house model
5. Commentary on Strategic Leisure appraisal
- Y. Potential operator comparisons
- Z. Costs and income - summary

**Background Papers to go on Council Website:**

1. Atkins parking report
2. Clip and Climb product
3. NAA Facility Audit

## **Appendix 3**

### **Comments made on the Executive Agenda for 4 November 2015 by the Joint Finance & Audit Committee and Overview & Scrutiny Committee**

#### **Leisure Options**

The Joint Scrutiny Committee recommends to the Executive that

- 1) recommendations 2.6, 2.7, 2.8 & 2.9 are removed, effectively retaining the Leisure Options in Council's management control and continuing under existing arrangements;
- 2) the Executive investigate the option of introducing a "Passport to Leisure" into the contract to enable access to leisure facilities for all members of the community; and
- 3) the Executive considers the Trust option and ensure they consider the Social Value losses and gains of all three options.

## **Appendix 4 – Extracts from the public draft minutes of the Executive 4 November 2015**

### **10. Leisure Development Programme**

The report asked the Executive to approve a series of recommendations following completion of the initial phase of the Leisure Development Programme. The programme was established in November 2014 to formulate options for the future provision and management of the Council's leisure centres and dual-use sites. The recommendations were based on strengthening the Council's facilities, service offering and income. The report addressed two significant issues that Members would need to determine.

Firstly, whether the Council should invest significant capital sums in two of its existing leisure centres (Newbold Comyn and St Nicholas Park) to make them fit for purpose for the next 20/30 years. The investment proposals at these two leisure centres included: the creation of state of the art health and fitness facilities; remodelling and updating of reception areas; and at Newbold Comyn, the construction of a new sports hall. Without this investment, there was a significant risk that these major leisure facilities would no longer be fit for purpose, resulting in a reduction in usage and a potential increase in public subsidy. There was also robust evidence supported by the Sport England Facilities Planning Model to support the view that without this investment the facilities would be insufficient for the growing population of the District.

Secondly, deciding what was the best model for managing the Council's leisure facilities in the future – keeping the management of the Leisure Service in-house or management via an external partner. Such a decision needed to be made in the context of the continuing reductions in local authority funding and take account of the need to secure best value for money without compromising the aim of securing the best outcome for the District in terms of providing quality leisure facilities and services.

The Council had 4 main leisure centres, all of which were built 20 – 30 years ago, which for many years have provided the District with a range of modern and varied facilities. The Council also managed dual use centres at Kenilworth School and Myton School which were available for community-use outside of school hours. Over time investment had been made in the centres, adding new elements and updating the internal finishes, ensuring that the facilities had remained in good condition and were structurally sound. This ongoing investment was justified when in 2013 a condition survey of all the Council's assets found the leisure centres to be in good structural condition, but crucially found them to be in need of modernisation and requiring the establishment of a programme of planned preventative maintenance including the replacement of significant elements of mechanical and electrical plant and building fabric.

In parallel with the condition survey, a facility audit (available on the Council website) was undertaken by Neil Allen Associates (NAA) to establish whether the range of leisure facilities was appropriate for the District, and if this provision would be able to meet the future needs and demands of the local community. The audit concluded that when using the Sport England Facility Planning Model (FPM), the existing provision was largely in the right place and was providing a suitable range of activities and facilities for the people of Warwick District. There was no evidence to suggest that any of the facilities were under-used nor that there were parts of the District that did not have

reasonable access to facilities. The model took account of the anticipated growth of population in the District and at the time of assessment in 2014, used the then Local Plan figures to calculate demand. Based on the figures at that time, the audit recommended that the present facilities were retained, but that investment was made to bring the facilities up to modern standards and extended to provide additional health and fitness provision and an additional sports hall (located in Leamington).

However, following receipt of the Planning Inspector's Local Plan letter early that summer and the subsequent development of the sub regional Memorandum of Understanding about housing numbers, officers had liaised with Sport England on the potential implications for sports facilities. Officers have been advised that the FPM should be re-run in the next 12 months to take into account the additional houses that were now required in the District. However, having undertaken an initial desk-top exercise using the model, the data suggest that the additional houses would not change the outcome of the FPM significantly and that the approach of extending and refurbishing current facilities remained valid.

The NAA report strongly supported the proposals for significant expansion of the health and fitness element of the facilities (gyms and studios). It was acknowledged that this was a strong and commercially significant element of the leisure sector and one which was a key source of income for any operator. A soft market testing exercise was undertaken by Strategic Leisure (consultants commissioned by the Council to support on the Programme) in Spring 2014 to examine the appetite and interest of the private sector in partnering with the Council to manage its leisure centres. The respondents confirmed that they would see the expansion of health and fitness facilities as a priority in the event that they were offered the opportunity to manage the Council's leisure centres.

Aware of the levels of potential investment being proposed, set against the volatile nature of the health and fitness sector, officers had undertaken a review of the status of health and fitness provision locally, Appendix 2 to the report. It concluded that, whilst there were some local gyms that were not identified in the NAA report, there remained a strong case for expansion of the Council's facilities to offer a modern and accessible health and fitness product that would have the capacity to attract new members and increase levels of physical activity across all sectors of the community.

The investment recommendations in this report related only to the leisure centres in Leamington and Warwick. The situation in Kenilworth was significantly different for two reasons. Firstly, the proposed relocation of Kenilworth School and the Kenilworth Wardens sports club from land allocated as strategic housing development sites within the Submission Draft Local Plan could directly impact on the existing Council facilities. Secondly, unlike Leamington and Warwick, there was a potential impact on the Council's leisure facilities in Kenilworth from planned future facility development in neighbouring areas and, in particular, the emerging plans that Coventry City Council and the University of Warwick had for their leisure provision. Discussions were held, and continued, with both bodies. Coventry's plans relating to the replacement of the Fairfax Street 50m pool and sports centre were acknowledged but due to the travel time from the District were not considered relevant to Warwick District's facility planning exercise. Warwick University were reviewing their campus master-plan and this process included a review of sports and leisure provision. Whilst any changes made at the University site had a broad relevance to the

whole District they were not considered to be in conflict with the proposals for St Nicholas Park and Newbold Comyn but, due to the proximity of the University to Kenilworth, they would potentially have a direct impact on the Council's facilities in Kenilworth.

In the light of these issues officers had consulted with Kenilworth Councillors on the recommendations of the NAA report and the feedback from Strategic Leisure in respect of the leisure facilities in the town. The conclusion of these discussions was that it would be premature to recommend an investment programme for the Kenilworth facilities until the Local Plan had been adopted, the funding issues around the relevant site developments clarified and the potential impact of facility development in neighbouring areas confirmed. Future plans for the Kenilworth facilities should, therefore, be viewed as a second phase to a programme of investment and development with the current proposals for Newbold Comyn and St. Nicholas Leisure Centres forming Phase I. Members should note that, if recommendation 2.6 of the report, was approved and a procurement process undertaken to identify an external operator for the Council's leisure facilities, any future contract would include the current Kenilworth sites. Any contract would need to be structured in a way that would allow for variation in the event of significant changes to the facilities in Kenilworth in the future.

In developing the investment proposals to RIBA Stage 2 (Appendix 3 to the report), project managers, Mace Ltd, and their professional colleagues such as architects and Mechanical & Electrical (M&E) consultants had produced a cost model (Confidential Appendix 1 in the Part B). The model included construction costs, M&E costs and an allowance for professional fees, which total £11,984,698. Initial fees to the total of £171,400 was approved previously by the Executive and had already been spent in reaching RIBA Stage 2. Should the Executive approve Recommendations 2.1 – 2.5 which enabled the project to progress to RIBA Stage 4, the design plans would be refined and a comprehensive cost model developed. Invasive surveys of the existing buildings would be carried out in order to provide certainty that the designs being prepared could be successfully built. The designs would be prepared for a planning application and the application would be submitted towards the end of RIBA Stage 4 as can be seen in Table 1, in the report.

It should be noted that the investment proposals had subsumed some of the leisure centre elements of the Council's Planned Preventative Maintenance Programme (PPM). These elements were estimated to cost in the region of £3m over a period of 30 years. The first 5 years of the leisure centre PPM Programme had an estimated cost of £836,000. Further detail on the financial implications of the PPM Programme was included in paragraph 5.7 of the report.

The plans and costs included in respect of Newbold Comyn and St Nicholas Park Leisure Centres represent Stage 2, the "Concept Design" phase of the RIBA framework. In Stages 3 and 4, the project progressed with updated proposals for structural design, building service systems, outline specifications, and fully detailed cost projections and Risk Assessments. At the end of this phase, the Council had the opportunity to continue with the proposals or halt the project. In order to achieve this, £550,000 was required to fund the Project and Programme Management, planning applications and surveys.

To progress the investment proposals to RIBA Stage 2, the Council engaged Mace Ltd as project managers through the NHS Shared Business Services

Framework. In doing so the project had benefited from the services of a range of professions including architects and M&E consultants, all of whom have been sub contracted by Mace Ltd on competitive rates. If the Executive approves Recommendations 2.1 and 2.2 and authorised officers to produce detailed proposals for the investment and thereby progressed the scheme to RIBA Stage 4, consideration needed to be given to the most appropriate way of procuring the relevant services.

Officers had sought advice from the Procurement Manager and Head of Finance on the most appropriate approach to the next stage that minimises costs and ensures continuity of the project to RIBA Stage 4. Officers therefore continued to work with Mace Ltd as project managers under the NHS Shared Business Services Framework to complete this next phase of work and, subject to the decision to progress to construction, Mace Ltd continued as project managers until the end of the construction phase.

It was proposed that an application for planning permission should be made towards the end of RIBA Stage 4, using the information prepared as part of the RIBA Stage 4 process. This would ensure that the planning process could be undertaken in time to begin work on site in accordance with the agreed programme, subject to permission being granted. Delegated authority was also sought to apply for planning permission and for any other necessary and statutory consents to allow the project to proceed to the next stage of proceedings.

It was anticipated that the investment proposals would be funded from a number of sources, some of which were already secured, and others which had yet to be confirmed. Further details were included in 5.2.4, of the report.

It was proposed that officers sought to access funding from the Sport England Strategic Facilities Fund (SFF). Due to the way in which Sport England manage that fund, there was no indication at that stage as to whether an application would be successful. Recommendation 2.4 sought the relevant delegation to the appropriate officer and Member to progress any application.

The Sport England SFF was designed to direct capital investment to local authority projects that had been identified through a strategic needs assessment and that have a maximum impact on growing and sustaining community sport participation. Projects that were funded from this source were promoted as best practice in the delivery of quality and affordable facilities and were able to demonstrate long term efficiencies. Projects needed to be able to demonstrate that they were bringing together a number of partners, with input from public and private sectors, and had the support of national governing bodies of sport.

Applications to this fund were on a "solicited-only" basis, meaning that the Council had to be invited by Sport England to make an application. Consequently, officers had been working closely over the last 12 months with Sport England, and with the County Sports Partnership who had an overview of the regional strategic picture of facility provision, to get to a point where Sport England would hopefully invite an application for the improvements at Newbold Comyn and St Nicholas Park Leisure centres.

In the event that the Executive approved Recommendations 2.1 – 2.5, officers would confirm, to Sport England, the Council's commitment to the investment



proposals and would look to work with the relevant Sport England officers to secure funding from this source in order to improve the affordability of the schemes. The modelling explained in Section 5 of this report and Confidential Appendix Z of the Part B report showed the impact of the Council being unsuccessful in securing Sport England funding.

A fundamental consideration in finalising the detail of the investment proposals for Newbold Comyn and St Nicholas Park Leisure Centres was the impact of increased customer visits to these sites and the additional pressure that this would place on the car parking provision. If facilities were expanded and insufficient parking provision is made, business models would not be deliverable and customer satisfaction levels would be reduced.

Recognising the challenges that this could pose, consultants Atkins were commissioned to assess the current level of car park usage, to consider the future pressures on parking provision at these sites as a result of the investment proposals and to make recommendations on how car parking provision could be managed in future to minimise the impact on customers of the leisure centres and other car park users.

The high level summary of the surveys for St Nicholas Park and Newbold Comyn leisure centres were set out in the report.

Officers of Cultural Services and Neighbourhood Services had considered the findings and recommendations of the Atkins surveys and had concluded that car parking provision at Newbold Comyn was satisfactory for the extended facilities proposed for this site. In respect of St Nicholas Park it was clear that, whilst the current parking provision could meet demand at most times of the day/week, there were some times when demand would exceed capacity. Officers had considered a range of mitigation measures that could be put in place in future to address these shortfalls, but also taking into account the emerging findings of an investigation into car parking throughout Warwick town centre currently being undertaken. It was proposed that the outcome of this work would be reported to the Executive alongside the further report referred to in Recommendation 2.1. It was believed that the car parking issues at St Nicholas Park Leisure Centre was not severe enough to question the decision to invest in the facilities. Nonetheless, any mitigation would be advantageous to the future performance of the Centre and the user experience more broadly.

As part of the planning process Green Travel Plans would be developed for both facilities and that would help to alleviate pressure on car parking.

The recommendation that tenders would be invited for the management of all the Council's leisure and dual use facilities (subject to agreement by dual use partners), took into consideration the Business Plan (Confidential Appendix 2 in the Part B report) and the confidential Prospectus (Confidential Appendix 3 in Part B of the report) submitted by the in-house team. It considered the report from Strategic Leisure (Confidential Appendix 4 in Part B of the Agenda) comparing the relative merits of the in-house model and potential external operators (based on industry benchmarks for external operators).

Due to the commercial sensitivity of this information, the full details of the in-house proposal was included in Part B of the Agenda. The proposal was considered to be a robust and comprehensive Business Plan and Prospectus that

had been developed from first principles and had included forensic challenge of all aspects of the business.

The Business Plan had been written to address two scenarios. Firstly, and referred to hereafter as Option 1, there was an assumption that the Executive decides not to invest in the enhancement and extension of Newbold Comyn and St Nicholas Park Leisure Centres (other than essential £3.9m of works referred to in paragraph 5.7), and so relied on the in-house team delivering the service in a more commercial manner with a clear focus on the areas of greatest potential for income generation i.e. swimming lessons and health and fitness.

The alternative, Option 2, was based on Executive agreeing to invest in the region of £12m in the Newbold Comyn and St Nicholas Park Leisure Centres, and so relied on significant increase in the income generated by the expanded health & fitness provision, the expansion of the swimming lesson programme (as in Option 1), the installation of a "Clip and Climb" facility and a new sports hall at Newbold Comyn, and a consequent uplift in income from a number of areas as a result of the improved changing provision, refurbished reception areas and general service improvement.

The Prospectus described in detail how the in-house team intended to approach the service improvement that was essential for both Option 1 & 2 to be successful. It highlighted the many benefits that would be optimised by retaining the service in-house, focuses on the Principles that would underpin the new-look "Warwick District Sports & Leisure" team going forward, and describes the areas that the team intends to focus on in order to develop the service.

In order to get an independent assessment of the in-house proposals, Strategic Leisure was asked to produce an evaluation report which was included in full as confidential Appendix 4 in Part B of the report. Strategic Leisure highlighted a number of areas which they believed warranted detailed consideration when comparing the in-house v external model for both Options 1 & 2. A financial analysis of the two models was included at section 5 of this report and in all scenarios Strategic Leisure considers that an external provider would out-perform the in-house model, albeit by a margin that requires careful consideration.

However, when considering the in-house bid against what an external operator might be able to provide in the context of the separate decision on investment, the Council needed to consider a wider number of issues, not all of which are financial. These were set out in Table 2, of the report. :

This assessment brought out issues; track record of the in-house offer, financial impact, impact on staff, impact on procuring an external supplier on the rest of the Council, certainty of benefit of procuring an external supplier; and best value.

It was acknowledged that over the course of the last two years, and more particularly the last six months, the in-house operation has improved significantly, with income projected to be circa £50k above the 2015/16 budget at year end. However, the increased income detailed in the business plan, whilst being cautious, was a major step-change on what has previously been delivered by the in-house team. Consequently, the Option 2 business plan which would increase income by some £2m could be a major challenge for the Council in-house team to sustain. The contrast with a commercial operator was that driving income is its day-to-day business. The recent improvement

coincides with the appointment of the current Sports & Leisure Manager and other operational management changes. It was the case, though, that if the current position had largely been driven by one individual there was a significant risk to the business if that individual leaves the organisation, or falls ill or is otherwise prevented from performing as now.

Strategic Leisure's view was that an external operator would be able to deliver a financial benefit at least as good as the in-house offer, indeed surpassing it. If that was not the case and the operator was unable to deliver to its business plan it would still be liable to pay the agreed contractual fee to the Council. However, should the in-house bid not deliver in accordance with the business plan, it would lie with the Council to make good any deficit.

The impact on staff was more difficult to estimate but feedback from Strategic Leisure's experience in similar leisure service outsourcing projects elsewhere suggests that the overwhelming majority of staff who work within the current service were likely to continue to do so. This was of course subject to the Council's compliance with the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and the Government's Fair Deal pension policy.

No modelling had been done so far on what other savings could be made from "back-office" changes should Executive decide to externalise the service. However, should Executive make this decision then the next report would detail the areas where it was considered that further savings could be made and would also address any other possible consequences.

Strategic Leisure states, *"Without formal procurement of the service it is difficult to confirm definitively the difference between an in-house operation and an external operator."* The whole tenor of Strategic Leisure's appraisal was that an external operator could deliver a greater financial advantage than the in-house provider and deliver the same service, but the only way to determine this was by going to the market.

The Public Services (Social Value) Act 2012 placed a requirement on the Council to consider overall value, including economic, environmental and social value, when reviewing service provision. These elements would be integrated into the evaluation methodology for the tenders for both the management and the construction and refurbishment projects.

Taking into careful consideration the recommendations from Strategic Leisure, it was recommended that the Council procured a partner to manage its leisure centres on a long-term basis through a competitive process in compliance with the Public Contract Regulations 2015. The specific procurement procedure likely to be used was the Competitive Procedure with Negotiation, as that would enable the Council to specify its minimum requirements and then to negotiate with bidders on their proposals with a view to refining and improving the proposals, ultimately to arrive at a preferred bidder and a preferred arrangement.

As part of the procurement process, the Council would set down minimum requirements which it was seeking from any proposal in the Service Specification. Bidders would be invited to submit proposals which, amongst other things, were deliverable, financially acceptable to the Council and best fit with the Council's requirements.

The timing of the procurement process would be heavily influenced by the construction programme should that be approved and it was proposed that the two processes dovetail to cause minimum interruption for service users, staff and management. The provisional procurement timetable was set out in the report.

The decision by the Executive to undertake a procurement to seek tenders from the external market must be a considered one. Members would need to balance a number of factors when reaching their decision, including:

The financial and other benefits of what the market could offer compared to an in-house model, which was capable of being clearly articulated to all interested parties,

That Council officer time and costs would be incurred in undertaking the procurement process, as well as increased costs of contract monitoring and risk of contract failure,

That the procurement procedure would need to be planned in such a way as to avoid the need for cancellations and avoid the risk of challenge from prospective partners, and

To mitigate (but not remove) this risk, it was recommended that the Council, in the procurement documents, reserves the right not to award any contracts as a result of the procurement process, and that the Council would not be liable for any of the bidders' costs in submitting a bid.

If the decision was made by the Executive to procure a provider to manage the Council's leisure center management service, it was recommended that the Executive delegated authority to the Head of Cultural Services, in consultation with the Portfolio Holder for Culture, to finalise the Service Specification, to undertake the procurement process through to one preferred party, and to complete the necessary legal documentation with this party. In the event that a significant risk or change to the proposed project emerges through the procurement process, then a full report would be brought back to the Executive before any decision was made.

The Service Specification was a detailed document that lays out the parameters within which the service would be delivered, and at the same time was the document by which the performance of any operator, be it the in-house team or an external contractor, could be monitored and managed. The successful delivery of the service would rely on the development of a "partnership approach" between Council and operator, subject to the terms and conditions agreed in the contract.

For example, the Service Specification includes minimum standards in respect of opening hours, cleanliness and maintenance, health and safety management, customer service, staff training and qualifications, and how the facilities were programmed to accommodate a wide range of users.

The Service Specification would also include a list of index-linked key charges and concessionary rates that any operator would be required to adhere to as maximum charges. It would be left to the discretion of the operator should they wish to lower the key charges. In this way the Council was able to protect

certain user groups and ensure that they were not disadvantaged or discouraged from using the facilities.

The Specification would also include a performance management framework which again would be an essential tool in the Council managing the performance of the operator.

The draft Service Specification was attached as Appendix 1, to the report. The Council must recognise that there was many variables in the provision of leisure services which officers would need to work through in more detail should the Executive agree Recommendation 2.6. This would enable officers to finalise the Service Specification prior to the commencement of the tender process and then to enter into the necessary legal agreements with the chosen partner in order to best protect the Council's and the customers' interests.

The cross-party Members' Working Group had played a crucial role in steering the Programme to date. As the Programme entered the new phase it was considered appropriate for the Group to continue to provide oversight of the procurement and contract award process, and the investment work as it progresses to RIBA Stage 4. Members of the Group were also able to feed-back to their political Groups to ensure that Councillors remain up to date as the programme develops.

Throughout the course of the programme, sports and leisure staff and Unison representatives had been engaged in the process through regular briefing notes, and by the Unison Secretary being a member of the Programme Board. Staff from the leisure centres were also involved in the development of the in-house Prospectus and Business Plan and took part in a design workshop for the refurbishment work.

If the management of the service was externalised pursuant to Recommendation 2.6 all operational staff will automatically transfer to the new operator under the terms of the Transfer of Undertakings (Protection of Employment) Regulations (TUPE). HR and other relevant officers would work closely with the Programme Manager to ensure that appropriate pension arrangements were in place. They would also identify other support staff that may be subject to TUPE by virtue of their duties as they relate to the Leisure Service. This would ensure the necessary work in this area was progressed in line with Council policies, and that staff were fully consulted at the appropriate times.

The report detailed the reasons why investment in Newbold Comyn and St Nicholas Park Leisure Centres was considered necessary (Section 3.1). However, a decision could be taken not to make the significant investment outlined in the report. If that were the decision, there would be some substantial essential maintenance required to the structure of the facilities, and some significant replacement of plant. Without these items, the leisure centres would become "not fit for purpose", attendances would fall, and the subsidy required to operate the facilities would increase. There would also be a shortfall in sports and leisure provision in the District which would have a detrimental effect on the health and well-being of current and future residents of the area.

A decision could be taken to invest on one but not both of the above venues. In that case some of the additional demand on sporting provision would be met by the additional provision made, but the District would face a shortfall in terms of

the levels of provision that has been modelled by the Sport England Facilities Planning Model, and again risk not meeting the demands of a growing population. There would also remain a need to undertake essential maintenance/replacement at the venue that was not refurbished.

A Joint meeting of the Finance & Audit and Overview & Scrutiny Committee had taken place and recommended to the Executive that

- (1) recommendations 2.6, 2.7, 2.8 and 2.9 of the report are removed, effectively retaining the Leisure Options in Council's management control and continuing under existing arrangements; and
- (2) officers investigate the option of introduction a "Passport to Leisure" into the contract to enable access to leisure facilities for all members of the community.

The Executive welcomed the recommendations from the Joint Scrutiny Committee and agreed to support the second point. However they could not support the first recommendation because of the substantial reasons within report to support the recommendations, the information and debate within the confidential part of the meeting relating to this matter, the way this provided upgrade to the facilities, the way the external management option provided for growth in this District including provision of further jobs, that this would provide a substantial improvement in the financial health of the Council and the significant and important advice received from officers on this matter.

The Executive therefore

**Resolved** that

- (1) the refurbishment and expansion of the Newbold Comyn and St Nicholas Park Leisure Centres, be approved, at a cost in the region of £12 million, subject to a further report to the Executive in June/July 2016 detailing the final cost model and the sources of funding for the investment;
- (3) (2) authority be delegated to the Head of Cultural Services, in consultation with the Portfolio Holder for Culture to seek planning permission and such other necessary statutory consents that would enable the proposed improvements to Newbold Comyn and St Nicholas Park Leisure Centres to be implemented; the Head of Cultural Services, in consultation with the Portfolio Holder for Culture, to work with Sport England to seek funding from Sport England's Strategic Facilities Fund (SFF) as a contribution to the costs of the capital investment;
- (4) that a further report be brought forward that would also provide details of further mitigation of car parking constraints at St Nicholas Park and note that the mitigation may involve:

- i) Improved signage directing traffic to Myton Fields
  - ii) Remodelling of some areas of St Nicholas Park car park
  - iii) Reviewing the relative charges at St Nicholas Park and Myton Fields car parks.
- (5) the procurement of a partner to manage all of the Council's leisure centres and dual-use operations (subject to necessary consents by dual use partners) is undertaken on a timeline that marries-up with the refurbishment programme;; and a budget of £30,000 was allocated from the Contingency Budget to fund the cost of the procurement exercise;
- (6) note the principles of the draft Service Specification at Appendix 1 to the report, which detailed the future service standards that would be delivered at the Council's leisure centres and dual-use facilities (subject to necessary consents by dual-use partners); and delegates authority to the Head of Cultural Services, in consultation with the Portfolio Holder for Culture, to finalise the Service Specification, to undertake the procurement process to select one partner, and to enter into the necessary legal agreements with that partner including arrangements in relation to staffing, pensions and assets;
- (7) the current Members' Working Group that had been overseeing the Leisure Development Programme to date extend its role to provide oversight of the procurement process and risk logs;
- (8) the current level and process of liaison and consultation with staff and their representative bodies continue; and
- (9) officers investigate the option of introduction a "Passport to Leisure" into the contract to enable access to leisure facilities for all members of the community.

**Recommended** that Council approves the funding of £550,000 (included in the £12m) from Section 106 payments (c£170,000) already received and internal borrowing (c£380,000) managed by the Head of Finance, to allow the design proposals for Newbold Comyn and St Nicholas Park Leisure Centres to be developed up to and including the end of RIBA Stage 4, thereby enabling appropriate planning applications to be submitted, a preferred developer to be selected and a provisional contract price to be established.

(The Portfolio Holder for this item was Councillor Whiting)









(Forward Plan reference number 697)



## **Housing & Property Services Portfolio Holder Update to Overview and Scrutiny Committee - December 2015**

### **Notable achievements/successes in the last few months**

#### *Context and Update on the Warwick District Housing Market*

-  The mean house price in the district of Warwick is £263,781
-  Private sector rents for a typical three bedroom house now running £800 to £1000 a month depending on area.
-  Ratio between house prices and incomes is 9:1. Fourth highest in West Midlands and on a par with national average (9.5:1),
-  An income of circa £60,000 per annum is needed to buy a home in Warwick (Income required for 80% mortgage in 2013 (80% at 3.5x, £).
-  The total number of homes in the district of Warwick is 53,530.
-  Council owned homes total 5,500, all of which are let at social rents.
-  Rate of Right to Buy applications and sales has significantly increased since 2014/15; 27 were sold during 2014/15, but 22 have already been sold in the first six months of 2015/16.
-  The current Housing Register for affordable housing stands at 3,489. Trend in demand is for smaller homes. Homechoice details for September 2015 explain this further.

Property required	Number of applicants	Number of Voids in the period 1 <sup>st</sup> October 2014 to 31 <sup>st</sup> September 2015
1 bed	2,248	139
2 bed	884	206
3 bed	297	114
4 beds	50	3
5 beds	10	0
Total number of applicants on HomeChoice	3489	462

#### *Delivery of Affordable housing*

Housing & Property Services have recently completed the purchase of the first new council homes in Warwick District this century. The development of 21 new homes, including 15 shared ownership and 6 social rented houses, at Great Field Drive in South West Warwick is now complete and the first residents are moving in. The purchase of these homes has added much needed affordable housing to the Council's stock and has delivered the Council's first ever shared ownership homes.

A further 61 new affordable homes have been delivered in the past 12 months through the W2 Joint Venture with Waterloo Housing Association. Other Registered Providers (RPs) also known as housing associations, are also delivering affordable homes either through participating in private sector development sites that are required through the planning consents to have a

proportion of affordable housing or on sites developed by the RPs where they deliver all-affordable housing schemes. This means a total of 358 new affordable homes in Warwick District in the past 12 months. These new affordable homes have all been allocated to applicants on the Council's Homechoice scheme.

### *Aids and Adaptations*

Warwickshire's Housing Assessment Team (HAT) pilot project, which delivers housing aids and adaptations to help support people with disabilities remain living at home, has won a Warwickshire County Council Stars Award in the 'Innovation' category and were finalists in the 'Partnership Working' category. Warwick District Council (WDC) is a taking part in the southern area of the HAT pilot. This is a partnership between WDC, Stratford upon Avon District Council and Warwickshire County Council to deliver adaptations to all residents across South Warwickshire irrespective of the tenure of their home. There is also a similar pilot taking place for the North of the County.

The pilot is trialling an approach that gives all residents who require an adaptation access to the service through a single entry point. Technical officers and occupational therapists have been brought together as part of a single team to deliver an effective and efficient service. The outcome of the pilot will be evaluated in 2016/17 to prepare future long term proposals for the provision of these important services.

One of the primary outcomes of the future proposals will be reduced time from when a client first contacts the Council to when the agreed aids and adaptations works are complete. Although progress has been made over the past year in reducing this waiting period, it remains too long. For the south of Warwickshire, this in part is due to a backlog of work inherited by the pilot project covering Warwick District and Stratford upon Avon. Additional resources have been provided on a temporary basis by WCC and WDC to clear this backlog and so allow for the service to begin to operate from a clear base-line and so demonstrate its true potential.

### *Improving Housing Standards*

In August and September the Council secured successful prosecutions against two landlords who had failed to meet their obligations. This resulted in significant penalties for the landlords concerned. Making sure that all residents are able to live in safe, good quality accommodation is an important role for the Council. The successful prosecutions have been well publicised to promote and encourage responsible behaviour from all landlords operating in Warwick District.

## **What is planned in the coming 12 months?**

### *Delivery of affordable housing*

The development of Sayer Court is now progressing swiftly with the completion anticipated in autumn 2016 of 81 new affordable homes for older residents, including five bungalows. We are also looking at further options for delivering new Council developed and owned homes including the development of small garage sites and other Council owned land. There are a further 258 new affordable homes in the W2 pipeline over the next one to two years, including a major multi-tenure scheme at Station Approach in Leamington Spa.

Consideration is also being given to further large scale opportunities for new housing, including sites at Europa Way and supporting the social and economic development in Lillington, with further reports to be presented to Executive over the coming 12 months.

### *Allocations*

The new Allocations Policy which was approved by the Executive in July 2015 will be implemented in April 2016. This will bring about changes in the way in which the Council allocates homes. Existing council and registered provider tenants with no housing need will be able to apply for a transfer in some instances outside of the bidding and banding system. This will enable existing tenants to have more options to move than they currently do and will enable the Council to make the best use of its stock. Other changes include the restriction of applicants to those with a local connection, except in specific circumstances, and the removal of the ability to bid for one bedroom in excess of need.

The new customer information documents will be crystal marked by the Plain English Campaign to make it as readable as possible.

### *Aids and Adaptations*

The HAT pilot (see above) will be reviewed to consider what the best option is for the long term delivery of adaptations to residents' homes. We will consider how successful the pilot has been and what options are available to us in the future to ensure that we have the most efficient model for delivery going forward. A report will be presented to Executive in 2016.

### *Managing the Council's assets*

We will be commissioning a stock condition survey of the Council's housing assets to provide us with comprehensive information about the condition of key housing components. The survey, which will cover all the homes owned by the Council, will inform the future shape of the Housing Revenue Account Business Plan. Scheduled for completion in August 2016, it will allow the Council to make informed decisions about how it shapes a new Housing Improvement Programme, which will run from April 2017. A structural survey of the Council tower blocks and non-traditional construction homes will also be undertaken at the same time, the first since 1997. Software will be deployed as part of the

Stock Condition Survey that allows the Council to maintain and effectively use stock condition information to plan long term investment programmes.

We have also recently amended the Housing Repairs process and re-introduced Property Maintenance Officer pre-inspections of repairs to replace the 'Attend and Repair' arrangements in which the contractors self-determined the works to be undertaken to the Council's homes.

The Council is also transitioning from Open Book Accounting (OBA) to a Schedule of Rates (SOR) pricing mechanism for responsive repairs and voids works. This is currently being negotiated with the current contractor and is expected, subject to a mutually acceptable agreement being reached, to be complete by no later than April 2016. This approach will give the Council pricing certainty over the works it orders, allows it to see the cost in advance of each repair or job so it can manage expenditure to budget and will simplify the administrative process. The introduction of pre and post inspections will reduce the risk of variations in works arising from an SOR approach.

Taken together, the Council will gain a greater degree of control over the nature and cost of repairs, increase the knowledge the Asset Management team have of the Council's assets and develop closer direct links between the Council and its tenants.

#### *Neighbourhood and Estates Team*

We are reviewing how the newly set up Neighbourhood and Estates team works. As the team becomes established we will review service provision across the Council's blocks of flats in order to provide a consistent service to meet the demands and needs of our tenants, leaseholders and residents


This review will also be used to address concerns expressed by residents that the quality of cleaning in some locations is poor. This means it is necessary to consider the effectiveness of the current cleaning contract arrangements. The current service is being provided at a low price, the sustainability of which is open to question. It is possible that changes to improve quality may increase the resources needed for this service.

#### **Any issues the Department faces**

##### *Housing and Planning Bill*


The Government have recently published a Housing and Planning Bill which has a number of implications for the Service. The Council's Portfolio Holder for Housing and Property Services and the Head of Housing and Property Services are both directors of the Association of Retained Council Housing and have been at the forefront of ARCH's work to try and influence and shape the detail and implementation of the Bill.


The main elements of the Housing and Planning Bill are:


-  Housing association tenants getting the Right-to-Buy: The Government wants to extend to housing association tenants the same rights council

tenants have to buy their home. People who rent their homes from a housing association lost this right in 1989. The discounts that the Council has to give to its tenants buying their homes are not refunded by the Government. However, housing associations will be compensated for the discounts they offer.

This is to be funded by council housing landlords, who will be expected to find at least some of the money by considering whether or not to sell high-value properties as they become empty. Councils may also be able to find the money by looking carefully at their housing business plans, which set out how much is to be invested in repairs and maintenance, housing management and new homes. We don't yet know how much will be expected from Warwick District Council. We are already looking at the properties we own and our business plan to see how we can best accommodate these changes.

 Higher earning tenants paying more rent: Known as Pay-to Stay, households with an income of more than £30,000 a year will be expected to pay a higher rent for their Council home. The new rent will be set at or close to the open market rent for a similar home. This change is scheduled to come into effect in April 2017. Further details of how the income of the household will be calculated and the marginal rates of implementation are still to be developed by the Government.

 Starter Homes: Currently, the Council can use its planning powers to require housebuilders to provide a proportion of low cost rented and home ownership homes on new developments. In future, housebuilders will be able to substitute what are known as Starter Homes for some of these affordable rented or low cost home ownership properties, such as shared ownership. Starter Homes will be sold at a discount of 20% on the open market price for a similar home, with an upper limit in our area of a total price of £250,000 (including stamp duty). This may reduce the number of affordable rented homes that the Council can secure from private developers.

 The Government in the summer announced that it wanted to review the terms on which council homes are let. An amendment may be tabled to the Housing and Planning Bill which will require the Council to offer new tenants short term tenancies, similar to the way private landlords let their properties. When the tenancy is due to end, the Council will be expected to consider with the tenant whether or not they can move to a privately rented property, buy a place to live or need to remain in their Council home. The length of this new type of tenancy is not yet known and nor are the guidelines which will be used to help decide what options will be offered to a tenant when their tenancy ends. Implementing and managing short term tenancies will add to the administrative costs of operating the Council's landlord service and may lead to an increase in properties falling void.

### *Welfare Reform and Work Bill*

The Bill passed its third reading in the House of Commons on 27 October 2015 and is now being considered by the House of Lords.

The changes proposed in these Bills and other recent legislative changes may impact upon residents of Warwick District in a variety of ways, not least of which is the ability of the Council to maintain income recovery. Some of the changes may result in an increase in rent arrears as people make the necessary adjustments to accommodate changes to their income. The Council has put in place additional financial advice support to help its own tenants to adjust to any changes they may experience. There may also be an increase in demand for housing advice and assistance from people who are not tenants of the Council as a result of these changes.

The main changes that will impact upon housing services and residents in Warwick District are:

- A 1% cut in rents: From April 2016, every council and housing association tenant will have their rent reduced by 1% a year, for four years. In the first year, that could mean a saving of around £50 for a Warwick District Council tenant.
- Reduction in the Overall Benefit Cap: The total amount of benefits that a household can receive will be reduced from £26,000 to £20,000 outside London. These changes are likely to impact most on families with three or more children.
- Freezing of Benefit and Tax Credits: Some social security benefits and certain elements of Working and Child Tax credits will be frozen for four years from 2016. This could lead to a real terms reduction in income for affected people depending on inflation levels.
- Pay to Stay: Increases in rent may be challenging for some tenants of the Council and housing associations to adjust to which may in turn lead to rent arrears as the changes become embedded.

The Council will now start to review and revise its Housing Revenue Account Business Plan in response to these changes. Because not all the details of the changes are known, this may result in the Plan having to be revised more than once over the next year. The review will consider how to maintain the long term viability of the landlord service which in turn will require consideration of the balance between competing investment options – new homes, maintenance and repair of existing properties and estate management.

### *Housing Related Support*

Warwickshire County Council has reviewed the Housing Related Support (HRS) budgets and as a result the budgets have been reduced by approximately 50%. There will be a number of services that will no longer be funded and reductions in other areas. Currently funding is provided for HRS for people living in WDC's designated sheltered and frail elderly accommodation. Funding is also provided

for tenants living in designated properties benefiting from community alarm services as well as a floating support (support that is linked to the person and not their home – the team providing the services are mobile and travel between residents) and resettlement officer for homeless families. We are currently reviewing options for continuing to deliver such services and a report will be presented to the Executive in January 2016. The County is also embarking upon a programme of commissioning and decommissioning services. This could lead to a reduction in the availability of support and supported accommodation available for residents in the District, which may lead to an increase in demand for advice and assistance from WDC.

### *Estate Management*

#### Cyclical visits

The Sustaining Tenancy Team has started to carry out cyclical visits to all our properties. The visits are not just about the management of our stock but picking up specific issues, such as vulnerabilities due to age or ethnicity, mental health issues, anti-social behaviour including domestic violence, health issues and any financial concerns that could impact on a tenants ability to pay their rent. If we can identify any problem with their current housing situation early, we are able to ensure that we make the relevant referrals to support the tenant to sustain their tenancy with the relevant interventions. We are currently working on a 3 year cycle to visit all of our tenants by the end of 3 years. We want to make this visit count and reopen the communications with our tenants.

#### Tenants Incentive Grant Scheme

Executive have agreed to close the Tenants Incentive Grant Scheme from 20<sup>th</sup> December 2015. It will be replaced with a revised Resettlement Service which will be available to Council tenants who are affected by the under-occupation charge and who are downsizing to a smaller property, it will also be available to persons with a disability who is moving to a property that is already adapted to suit their needs. The service will allow a tenant who fulfils these definitions to benefit from services up to £1000, to include arranging removals, new carpets and curtains, decoration of property, refitting of white goods.

### *General Fund Savings*

The Council's Medium Term Financial Strategy identifies significant savings to be achieved. Housing & Property Services have reviewed how it is able to contribute towards achieving the required level of savings whilst maintaining increased demand for statutory services including homelessness and private sector housing enforcement.

Housing and Property Services have as part of this work reviewed how the Council can more efficiently procure energy for all its buildings, with changes to be introduced to make savings – subject to global energy prices – from April 2016 onwards. Proposals have also been developed to reduce the energy that the Council uses, for example by reducing temperatures in buildings.

**Any areas you believe that the Overview and Scrutiny Committee might usefully examine/scrutinise to help.**

The Housing Advisory Group has been established to enable elected members to consider and advise Housing & Property Services on policy and practice relating to the way the Council discharges its duties and responsibilities. It will provide an opportunity for Members and officers to share their experiences of receiving and providing services to inform and shape service development and delivery. Its first meeting has taken place in November 2015 and it was agreed the groups' initial priorities will be around the repairs and maintenance service and the housing business plan.





## **Air Quality Action Plan: Warwick District Council**

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June 2015



Experts in air quality  
management & assessment

## Document Control

<b>Client</b>	Warwick District Council	<b>Principal Contact</b>	Grahame Helm
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<b>Job Number</b>	J2175
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<b>Report Prepared By:</b>	Dr Clare Beattie
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### Document Status and Review Schedule

Report No.	Date	Status	Reviewed by
J2175/1/F1	23 June 2015	Final Report	Prof. Duncan Laxen (Managing Director)

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## Executive Summary

This Air Quality Action Plan sets out seven broad actions and for each of them, specific measures have been included. The actions are as follows:

- Action 1: Promote Smarter Travel Choices;
- Action 2: Actively promote low emission vehicles and supporting infrastructure;
- Action 3: Use the procurement system to ensure that air quality is a consideration within contracts for Warwick District Council;
- Action 4: Use the planning system to ensure that air quality is fully considered for new development;
- Action 5: Use traffic management to reduce emissions in locations with AQMAs;
- Action 6: Work with Public Health colleagues to inform the public about health impacts of Air Pollution and how they can change behaviour to reduce emissions and reduce exposure; and
- Action 7: Continue to monitor and assess air quality in line with Government guidance on Local Air Quality Management.

The Actions are evaluated in terms of their impacts on:

- air quality;
- cost;
- feasibility or practicability; and
- timescale for implementation.

An implementation plan is outlined, which includes targets for each measure and a time scale for implementation. Ultimately the delivery of this action plan is dependent on adequate levels of resourcing, both for capital costs and staffing and suggestions of funding sources for specific measures have been included in the evaluation.

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## 1 Introduction and Aims of the Plan

- 1.1 It is now well documented that air pollution adversely affects human health. Poor air quality has both long- and short-term health impacts, particularly for respiratory and cardiovascular health, including increased hospital admissions and premature death. The impacts are not distributed equally, with the effect on life expectancy being greatest for the elderly and those with pre-existing heart and lung conditions<sup>1</sup>. The World Health Organisation estimates that some 80% of outdoor air pollution-related premature deaths worldwide are due to heart disease and strokes, while 14% of deaths are due to chronic obstructive pulmonary disease or acute lower respiratory infections and 6% of deaths are due to lung cancer. The majority of health evidence relates to particulate matter (PM), but evidence associating nitrogen dioxide (NO<sub>2</sub>) with health effects has strengthened substantially in recent years (Committee on the Medical Effects of Air Pollution, 2015).
- 1.2 Within Warwick District air quality is generally good. However, there are locations where pollutant levels are high, with the highest levels of pollution being experienced along the narrow congested street canyons (i.e. roads with properties close to the road on either side of the street) in Warwick and Leamington Spa. Kenilworth has lower levels of pollution but has still experienced exceedences of relevant objectives in recent years.
- 1.3 This Action Plan aims to reduce nitrogen dioxide concentrations, as this is the pollutant for which Warwick District Council is not currently achieving relevant air quality objectives. There is a growing body of evidence of the health effects of both nitrogen dioxide and particulate matter and it is important that measures that reduce nitrogen dioxide do not inadvertently increase emissions of particulate matter, as there is no threshold for health effects of particulate matter.
- 1.4 This Action Plan is published in response to both local and national calls for action on air pollution. Locally, there has been recent political pressure to ensure that improvements in air quality are forthcoming. At a national level, the Environmental Audit Committee published its third report on Air Quality in December 2014, which concluded that recommendations from the previous two reports had not been implemented. It concluded that the Government must act urgently to:

*Meet EU nitrogen dioxide targets as soon as possible;*

*Engage with local authorities to establish best practice in tackling air pollution across the UK;*

*Adjust planning guidance to protect air quality in local planning and development; and*

*Examine fiscal and other measures to gradually encourage a move away from diesel vehicles towards low emission option.*

---

<sup>1</sup> Within Warwick District it is estimated to account for up to 64 premature deaths per annum attributable to particulate matter PM<sub>2.5</sub>  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/332854/PHE\\_CRCE\\_010.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/332854/PHE_CRCE_010.pdf)

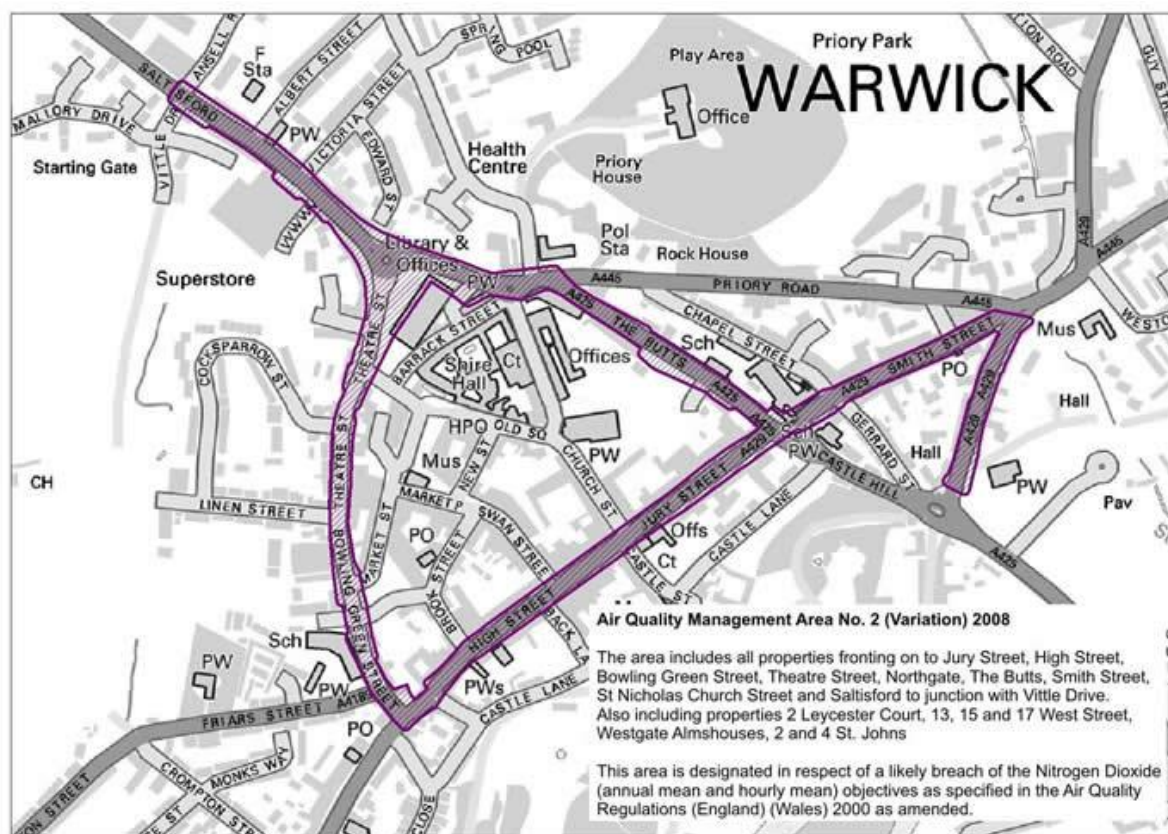
- 1.5 Road transport is the main source of emissions in relation to nitrogen dioxide, and to a lesser extent for particulate matter, with diesel cars having the highest sector of emissions within the AQMAs. In particular stop-start traffic (i.e. acceleration and deceleration) results in higher emissions.
- 1.6 This revised Air Quality Action Plan aims to reduce air pollution across Warwick District Council, focussing on the AQMAs, in order to reduce the health impacts of current concentrations. It sets out how Warwick District Council, and its partners will act to reduce emissions of relevant pollutants. As such, not only will it address nitrogen dioxide concentrations but also acknowledge health risks from particulates. Even though particulate concentrations are below the national objectives, all actions will help in securing further improvements.

## 2 Context of Air Quality and Transport within Warwick District Council

### Air Quality

- 2.1 Under Part IV of the Environment Act 1995, Local Authorities are required to review and assess air quality in their areas and to report against objectives for specified pollutants of concern, to the Department for Environment, Food and Rural Affairs (Defra). For each air quality objective in the Regulations, local authorities have to consider whether the objective is likely to be achieved. Where it appears likely that the air quality objectives are not being met, the authority must declare an Air Quality Management Area (AQMA). Following the declaration of an AQMA, the authority must then develop an Air Quality Action Plan (AQAP) which sets out the local measures to be implemented in pursuit of the air quality objectives. Prompted by the Review and Assessment process, Air Quality Management Areas have been declared in Warwick, Leamington Spa and Kenilworth and an Air Quality Action Plan published in 2008 outlining 16 measures to improve air quality within the AQMAs.
- 2.2 The Council currently has 5 Air Quality Management Areas (AQMAs) declared for nitrogen dioxide (NO<sub>2</sub>). These are described below and shown in Figure 1 to Figure 5.
- AQMA No. 2: Warwick centre including properties on Jury Street, High Street, Bowling Green Street, Theatre Street, Northgate, The Butts, Smith Street, St Nicholas Church Street and Saltisford
- AQMA No. 7: Warwick, Coventry Road near junction with Coten End
- AQMA No. 1: Leamington Spa. South Town centred on High Street, Clements Street and Bath Street
- AQMA No. 4: Kenilworth, part of Warwick Road
- AQMA No.5: Kenilworth, part of New Street
- 2.3 All of the AQMAs have been declared for nitrogen dioxide, with the main source of emissions being from road traffic (particularly where congested), often exacerbated by a lack of dispersion due to surrounding buildings.

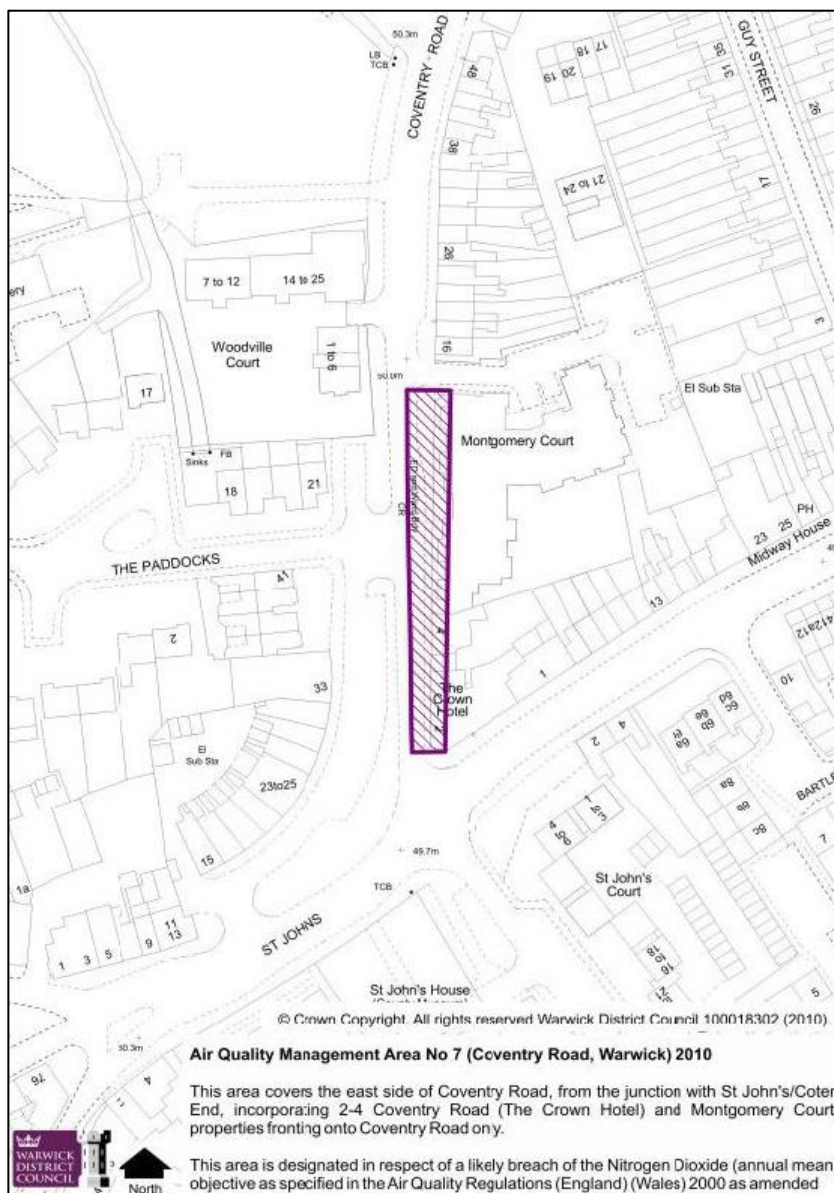




**Figure 1: AQMA declared in Warwick**

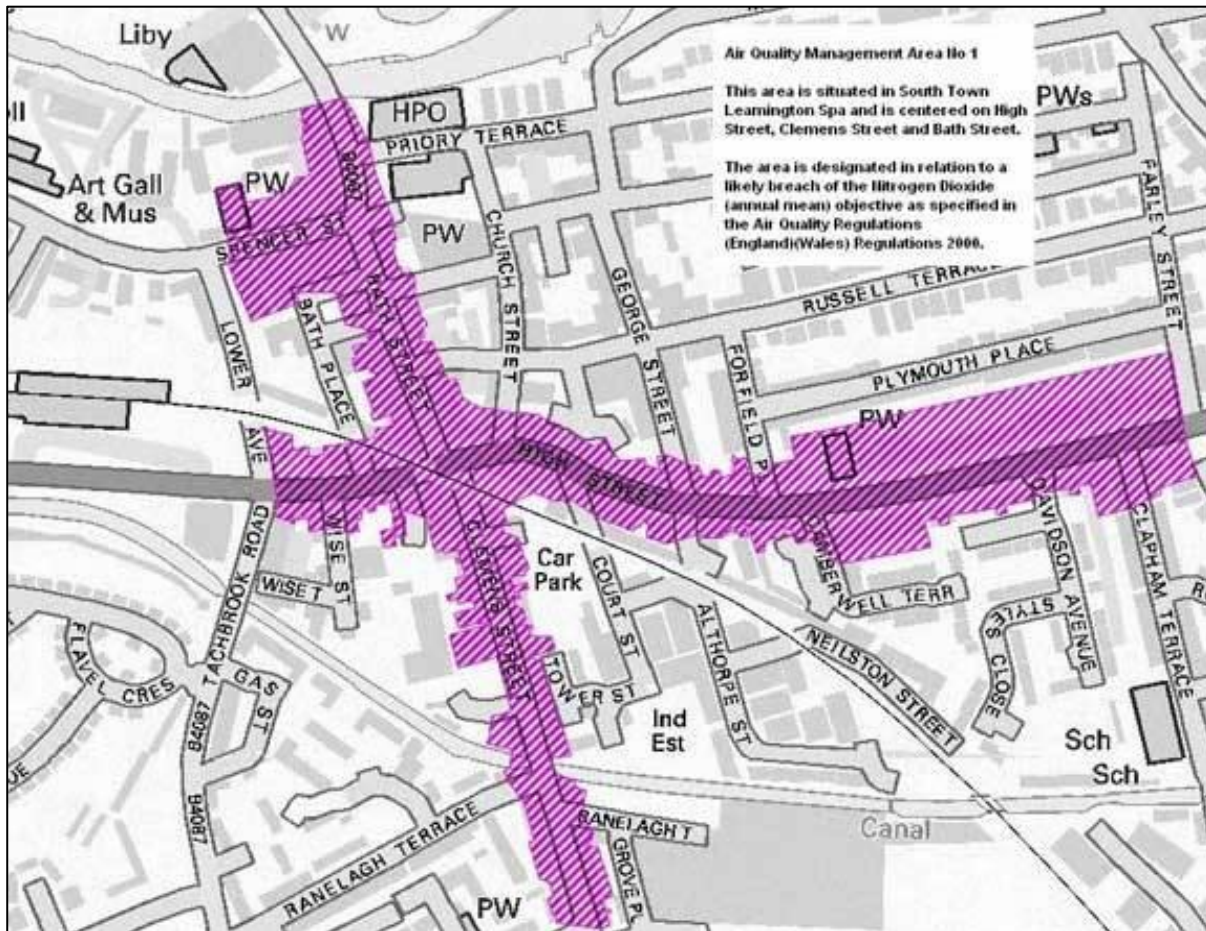
- 2.4 The Warwick AQMA (AQMA No.2) experiences the highest concentrations of nitrogen dioxide of all the AQMAs, particularly along Jury Street, where a real time analyser is situated. There is no strong evidence for nitrogen dioxide concentrations having reduced at this monitoring location over the last 5 years, although diffusion tube data do suggest that there has been a reduction in concentrations in Warwick. Data are published annually as part of the Review and Assessment process (Warwick District Council, 2014), (Warwick District Council, 2013), (Warwick District Council, 2012).





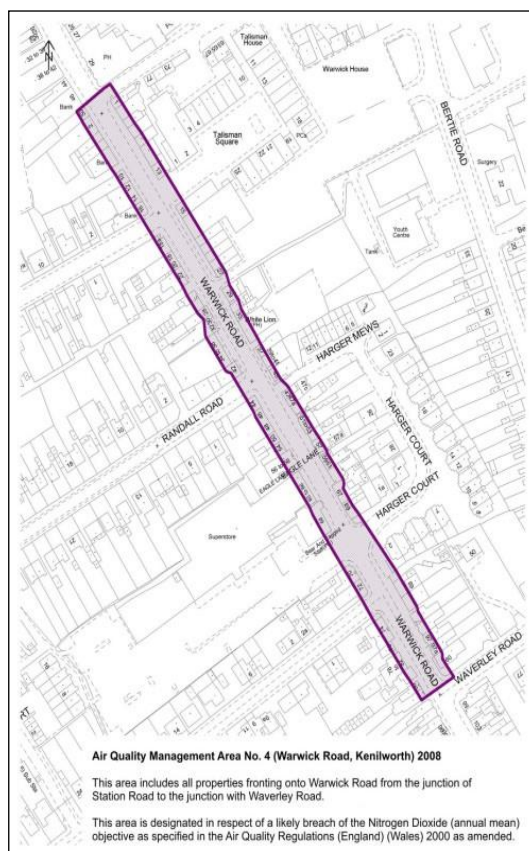
**Figure 2: AQMA declared in Coventry Road, Warwick**

- 2.5 Coventry Road in Warwick was declared in 2010 (AQMA No.7), following a Detailed Assessment based on monitoring along Coventry Road. Exceedences are apparent where properties lie close to the carriageway such as Montgomery Court and Woodville Court. There are 6 diffusion tubes along Coventry Road, with 2 of them having had exceedences over many years (Crown Hotel and Montgomery Court). There is evidence that concentrations have reduced over the last 5 years.



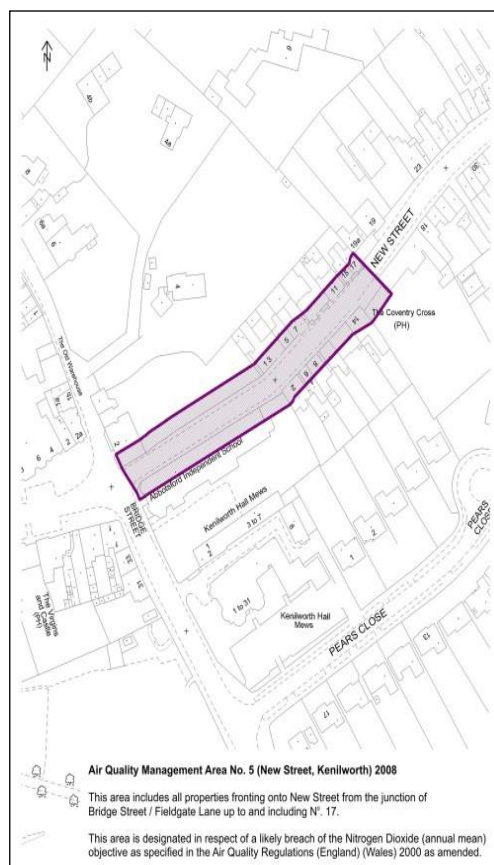
**Figure 3: AQMA declared in Leamington Spa**

- 2.6 The Leamington Spa AQMA (AQMA No.1) is geographically smaller than in Warwick with exceedences of the objectives along Wise Street, Tachbrook Road, Old Warwick Road and Bath Street. As in Warwick, road traffic is the main source of local emissions giving rise to the exceedences. There is some evidence for concentrations reducing over the last 5 years in Leamington Spa.



**Figure 4: AQMA declared in Warwick Road, Kenilworth**

- 2.7 The AQMA in Warwick Road, Kenilworth (AQMA No.4) currently has 5 diffusion tubes in place along its length. There have been no exceedences of the objectives since 2010 and there is evidence that concentrations are reducing. For this reason, the AQMA has not been included explicitly within this action plan, although the measures proposed should also contribute to reductions of emissions in Kenilworth.



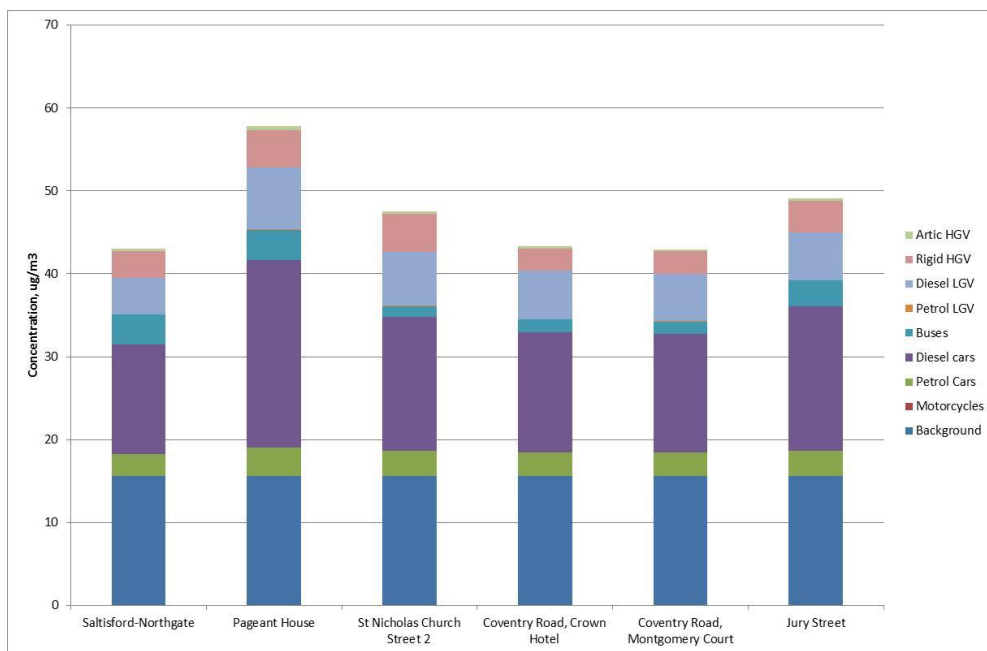
**Figure 5: AQMA declared in New Street, Kenilworth**

- 2.8 The AQMA declared in New Street Kenilworth (AQMA No.5) has 4 diffusion tubes along its length. Two of these sites are comfortably within the objectives, with the other 2 very close to the objective and above in 2010.

### **Source apportionment**

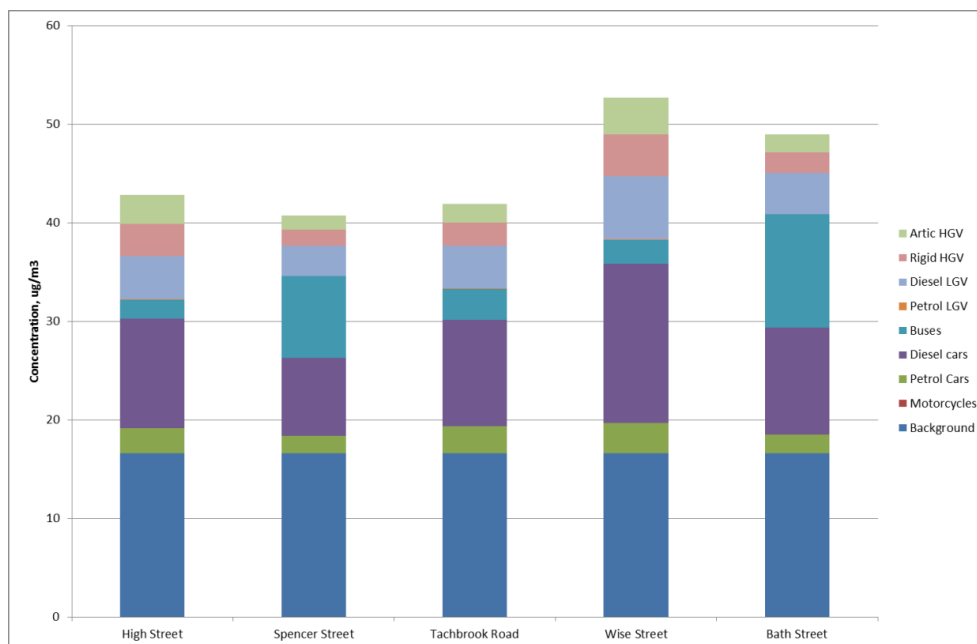
- 2.9 The overall contribution made by emissions of nitrogen oxides from motor vehicles, which includes both nitric oxide and nitrogen dioxide, to measured nitrogen dioxide concentrations depends on a number of factors, including how the emissions react in the atmosphere; in particular the reaction of nitric oxide with ozone, and the amount that is emitted directly as nitrogen dioxide (primary NO<sub>2</sub>). Figure 6 shows the contribution from different vehicle types to total predicted annual mean nitrogen dioxide concentrations at each of the diffusion tube monitoring locations where the air quality objective was being exceeded within the Warwick AQMA in 2011. Diesel cars and diesel light goods vehicles make the largest contribution from traffic.





**Figure 6: Source Apportionment of Nitrogen Dioxide at Diffusion Tubes in Warwick (Ricardo-AEA, 2013)**

2.10 Figure 7 shows the contribution from different vehicle types to total predicted annual mean nitrogen dioxide concentrations at each of the diffusion tube monitoring locations which are exceeding the air quality objective within the Leamington Spa AQMA in 2011. Diesel cars make the largest contribution from traffic at the High Street, Wise Street and Tachbrook Road monitoring sites. Buses make the largest contribution at the Bath Street and Spencer Street sites



**Figure 7: Source Apportionment of Nitrogen Dioxide at Diffusion Tubes in Leamington Spa (Ricardo-AEA, 2013)**

## Air Quality Action Plan 2008

- 2.11 The 2008 Air Quality Action Plan (Warwick DC, 2008) sets out 16 actions grouped in the following themes:
- specific proposals related to the AQMAs;
  - non-specific proposals for improving air quality throughout the district;
  - vehicle emission reduction;
  - improvement in alternative transport/ public transport; and
  - other non-transport related measures.
- 2.12 The actions include large scale measures such as improvements to junctions 13, 14 and 15 of the M40, development of Intelligent Transport Systems (ITS) in Warwick and Leamington Spa, implementation of various elements of the LTP (to which the Action Plan was appended), as well as more indirect measures such as encouragement of School Travel Plans and the implementation of the Sustainable Freight Distribution Strategy etc..

## Transport

- 2.13 Work undertaken for the Warwick and Leamington Spa Transport Strategy has identified a number of contributory factors which affect the existing and future performance of transport networks in the urban areas of Warwick and Leamington Spa. These factors are equally important for this Action Plan.
- 2.14 Census data show 61% and 57% of travel-to-work trips are undertaken by car as single passenger trips in Warwick and Leamington Spa respectively (54% average in England and Wales). In addition, the proportion of households in both Leamington Spa and Warwick owning one or more cars exceeds 75% and 81% respectively, compared to 74% nationally.
- 2.15 Bluetooth data extracted from mobile phones and satnav technology have been used and show that approximately 69% to 74% of car trips in the peak periods are generated from within the Warwick and Leamington Spa urban areas. Influencing local travel behaviours will therefore need to be a key priority. A very high proportion of these trips are short distance local trips. One in four journeys to work are less than 2 km, with a further one in five being in the 2 km to 5 km range (Census 2011 Journey to Work data). A key challenge is therefore to encourage local residents to consider use of sustainable modes for short distance trips. Providing cycling and walking infrastructure, together with the associated promotional activities to encourage greater uptake of active travel modes, will be a key challenge looking forward. Ensuring cycle and walking routes are safe and well connected for users will be fundamental in achieving mode shift from car for shorter journeys.

- 2.16 Around 30% of pupils attending local authority schools in Warwick and Leamington Spa do so by car. Car use increases in the private schools to around 60%. Traffic counts have shown that traffic during the school holidays was 23% lower in the AM peak period (7-10 am). The differences are most evident on Banbury Road, Myton and Hampton Road where three large schools are located in close proximity. It is evident from historic traffic surveys comparing school term-time and non-term-time traffic levels that school traffic is a contributor to local peak hour congestion during term times.
- 2.17 Various sources of evidence suggest that key deterrents to greater use of public transport, cycling and walking are:
- perceived and actual safety concerns associated with alternative modes (particularly walking and cycling);
  - perceived high costs of bus travel;
  - lack of journey time competitiveness against the car;
  - alignment with life style/ household travel requirements;
  - lack of information about what realistic alternatives exist; and
  - poor quality infrastructure to make travel by these modes attractive.
- 2.18 There is a plentiful supply of relatively low cost or free private and public long-stay parking within Warwick and Leamington Spa. This combined with a plentiful supply of free parking provided by local employers (conservative estimate of 13,000 spaces) provides ideal conditions for high car dependency. Achieving modal shift will require both trip attractors and generators to implement effective sustainable travel behaviours. Encouraging more businesses to promote sustainable travel behaviours will be a key challenge.

### 3 Existing Policies and Strategies

#### Warwickshire Local Transport Plan

3.1 The third Warwickshire Local Transport Plan (LTP3) came into effect on 1st April 2011. LTP3 sets out the transport policies and strategies for the County for period 2011-2026. The objectives of the LTP are as follows:

1. To promote greater equality of opportunity for all citizens in order to promote a fairer, more inclusive society;
2. To seek reliable and efficient transport networks which will help promote full employment and a strong, sustainable local and sub-regional economy;
3. To reduce the impact of transport on people and the [built and natural] environment and improve the journey experience of transport users;
4. To improve the safety, security and health of people by reducing the risk of death, injury or illness arising from transport, and by promoting travel modes that are beneficial to health;
5. To encourage integration of transport, both in terms of policy planning and the physical interchange of modes; and
6. To reduce transport's emissions of carbon dioxide and other greenhouse gases, and address the need to adapt to climate change.

3.2 The LTP contains an Air Quality Strategy which focuses on road transport as the main contributor of polluting emissions in Warwickshire, and presents an Air Quality Action Plan for reducing these emissions which includes actions such as improving air quality through partnership working, and using information and education to promote the use of public transport, walking and cycling as alternative methods of transport to the private car, in parallel with changing travel behaviour initiatives such as travel plans for schools and workplaces. Many of the schemes and initiatives outlined in the Action Plan have common, interlinked approaches, which complement the wider objectives of the LTP. The vision of the County Council's Air Quality Strategy is: *'To take a proactive approach to maintaining and improving air quality within the County where transport is causing unacceptable levels of air pollution, in order to improve health and quality of life for all'.*

3.3 The 2008 Air Quality Action Plan also forms part of the LTP (Appendix C contains Action Plans for Warwickshire).



## Warwick and Leamington Spa Transport Strategy

- 3.4 The evidence and the option assessment, including feedback from stakeholders, suggests that the future transport strategy for Warwick and Leamington Spa should consist of:

Comprehensive area wide improvements to walking and cycling infrastructure and way-finding information;

Targeted road space re-allocation to prioritise movement of pedestrians, cyclists, car share and public transport users;

Local authority led Smarter Choices and Travel Planning programme;

Targeted bus stop infrastructure upgrades on key public transport corridors to improve passenger experience, including provision of real time information;

Introduction of Park and Ride north and south of Warwick and Leamington Spa as previously identified by WCC;

Consideration of other complementary measures which improve the local environment for pedestrians and cyclists which could include lower speed limits and regulated parking; and

Medium-term consideration of harder demand management measures such as Workplace Parking Levy.

## Warwick Local Plan

- 3.5 Warwick District Council is preparing a new Local Plan for Warwick District, which will guide the area's future development up to 2029. The Local Plan was submitted on 30 January 2015 for examination and the outcomes of this initial examination are currently being considered. The draft Plan includes policies on Transport including TR2 Traffic Generation which states:

*“All large scale developments (both residential and non-residential) which result in the generation of significant traffic movements, should be supported by a Transport Assessment and where necessary a Travel Plan, to demonstrate practical and effective measures to be taken to avoid the adverse impacts of traffic. Any development that results in significant negative impacts on health and wellbeing of people in the area as a result of pollution, noise or vibration caused by traffic generation will not be permitted unless effective mitigation can be achieved.*

*Development will not be approved that results in a significant increase in traffic and results in associated measures to facilitate this increase in traffic which harms the significance of the heritage assets, unless appropriate mitigation can be achieved, or be justified in accordance with national planning policy. Any development that results in significant negative impacts on air quality within identified Air Quality Management Areas or on the health and wellbeing of people in the area as a result of pollution should be supported an*

*air quality assessment and, where necessary, a mitigation plan to demonstrate practical and effective measures to be taken to avoid the adverse impacts".*

- 3.6 The Plan also seeks to ensure that investment is made into Low Emission Vehicle Infrastructure. Furthermore, *"Unless it can be demonstrated that it would undermine the viability of development, recharging points should be provided in line with the Low Emission Strategy Guidance for Developers (April 2014) or subsequent revisions of this."*
- 3.7 As part of the evidence base for the Local Plan, an air quality assessment was undertaken which used the transport modelling undertaken to investigate the impacts of the proposals, which had already been undertaken using the S-Paramics model. The work used the outputs of the S-Paramics traffic model, to assess air quality impacts (in terms of concentrations) on the AQMAs in Warwick and Leamington Spa. Two scenarios, the 'Revised Allocation' and the 'Revised Allocation Without Warwick Town Centre Improvements', were compared with the 'Reference' scenario.

### Warwick Town Centre Area Action Plan

- 3.8 Warwick District Council in partnership with Warwickshire County Council, Warwick Town Council, Warwick Chamber of Trade and Warwick Society, are preparing a Town Centre Plan for Warwick. The first stage of the process was to identify the issues that need to be addressed within the Town Centre. The next stage of the process has been to consider a 'vision' for the town and how the issues identified can be addressed. The Partnership will commence work on a Draft Plan once the Warwick District Local Plan has been adopted<sup>2</sup>. Many of its emerging proposals have been subsumed into the Local Plan.

### LEZ Feasibility Study

- 3.9 A study was undertaken which focuses specifically on the potential for Low Emission Zones that might address the most polluted 'hotspots' that have been identified in Warwick, Leamington Spa and Kenilworth. The study examined LEZ designs that could be implemented (there are many types of low emission zones and low emission schemes) and developed the evidence base necessary to assist policy and decision makers in their consideration of the adoption of LEZs. Implementation of an LEZ in Warwick would mean that most of the owners of non-compliant vehicles would be required to replace them with vehicles meeting the required standards if they wish to gain access to the LEZ. The cost (net present value at 2014 base year prices) of replacing Warwick residents' non-compliant diesel cars and light goods vehicles was estimated to be approximately £4.1 million. The implementation of the LEZ was expected to result in health benefits for the inhabitants of the LEZ, reducing the number of life-years lost over 100 years from chronic mortality effects by 1.3 years. For Leamington Spa the equivalent cost of replacing

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<sup>2</sup> <http://www.warwicktowncentreplan.org/>

Leamington Spa residents' non-compliant diesel cars and non-compliant buses within the scheduled bus fleet was estimated to be approximately £4.6 million. The implementation of the LEZ was expected to result in health benefits for the inhabitants of the LEZ, reducing the number of life-years lost over 100 years from chronic mortality effects by 1.0 year.

- 3.10 Nitrogen dioxide concentrations at monitoring locations in the Kenilworth AQMA have exceeded the annual limit value of  $40 \mu\text{g m}^{-3}$  in recent years. However, concentrations were less than the limit value throughout the AQMA in 2011 and are expected to decrease in future years as older, more polluting vehicles are replaced. It was concluded that an LEZ would not be necessary to achieve the objective.

### **Low Emission Guidance for Developers**

- 3.11 The Low Emission Strategy Guidance for Developers (April 2014) forms part of Warwick District Council's Air Quality Action Plan. It provides a template for integrating air quality considerations into land use planning and development management policies, providing a protocol for development scheme assessment, mitigation and compensation. Essentially it states when an air quality assessment is required, and what mitigation would be considered acceptable. In addition to mitigation set out, electric vehicle recharging provision is expected at a rate set out in the guidance. For residential developments this constitutes 1 charging point per unit for a property with dedicated parking or 1 charging point per 10 spaces for unallocated parking.

### **Warwickshire Health and Wellbeing Strategy**

- 3.12 The Warwickshire Health and Wellbeing Board provides a countywide approach to improving local health and social care, public health and community services, so that individuals, service-users and the public experience more 'joined up' care. Looking after the health and wellbeing of the population of Warwickshire is not the responsibility of one single body. Statutory and non-statutory organisations, including the voluntary sector, across the county all play a part in impacting on our health and wellbeing and influencing our behaviour. The Health and Wellbeing Strategy provides Warwickshire residents and organisations with a picture of what the Health and Wellbeing Board, through its members and wider partners, will need to deliver over the next 5 years and how we will work together to achieve this. Air pollution is one cause of ill health to be considered.

### **The Arden Health Protection Strategy for Coventry and Warwickshire (2013-2015)**

- 3.13 The Arden Health Protection Committee has agreed air quality as an environmental health priority for this strategy (Arden Health Committee, 2013). The strategy recognises that improvement in air quality is heavily dependent upon traffic management and increased collaboration between stakeholders is required to ensure improvement. The strategy aims to do this by raising the

importance of air quality in the decision making process of transport planning and providing increased understanding and health impacts of PM<sub>2.5</sub> levels in each local authority area.

## Climate Change

- 3.14 Warwick District Council is committed to taking a lead in dealing with the issues presented by the climate change agenda. The Council is a signatory to the LGA Climate Local Initiative and has an agreed climate change strategy in place. There are a number of energy efficiency schemes within Council properties, including solar and biomass schemes, and the Council works to promote energy efficiency amongst the community, including enhanced building insulation. In the 'Strategic Approach to Sustainability and Climate Change for Warwick District Council' (Warwick DC, 2015), three strategic aims and objectives are set out, which are followed by specific actions to be implemented to achieve these aims. Actions include raising staff awareness, making housing stock more energy efficient, providing more energy from renewable and low carbon sources, reducing transport-related carbon dioxide emissions and ensuring sustainability is fully integrated into procurement activities. Most of the actions included are complementary to those within this action plan. There are, though, potential conflicts around biomass burning which can reduce our reliance on fossil fuels, hence reducing greenhouse gas emissions, but conversely have an adverse effect on air quality and public health, particularly in densely populated urban areas.

## 4 Actions for Improving Air Quality

4.1 Some of the following actions are already underway, but within this Action Plan they will continue to be improved upon. Others are in the early planning stages, or do not have funding associated with them yet. The actions therefore have different likely implementation times. There are 7 broad actions and for each of them, specific measures have been included. The actions are evaluated in relation to their expected impact on:

- air quality (i.e. reduction in emissions or concentrations);
- cost;
- feasibility or practicability of option (including the wider non-air quality impacts); and
- timescale for implementation.

### Air Quality Impact

4.2 Air quality impacts have been classified using a score of 1 to 3 to represent 'low' to 'high' impact. The higher the score, the greater the improvement in air quality, i.e. the greater the reduction in NO<sub>2</sub> concentrations. For each action, the expected reduction in annual mean NO<sub>2</sub> concentrations has been determined based on professional judgement, drawing, wherever possible, on experience gained from other studies. It should be noted that the impacts on air quality are judged in relation to the impacts within the AQMA(s). So, for example, an action may have wide reaching benefits, but only be slightly beneficial within the AQMA(s). The following classification scheme has been used:

**Low:** *imperceptible* (a step in the right direction). Improvements unlikely to be detected within the uncertainties of monitoring and modelling;

**Medium:** *perceptible* (a demonstrable improvement in air quality). An improvement of up to 2µg/m<sup>3</sup> NO<sub>2</sub>, which could be shown by a modelling scenario. Improvement is not likely to be shown by monitoring due to confounding factors of the weather; and

**High:** *significant*. Improvement of more than 2µg/m<sup>3</sup> NO<sub>2</sub>. Can be clearly demonstrated by modelling or monitoring (a significant improvement is likely to be delivered by a package of options rather than by a single intervention).

### Cost

4.3 The implementation of the measures set out in this draft Action Plan are dependent on securing a sufficient and consistent level of funding both to support any additional staff that may be required, and to deliver the programme. In line with current Government guidance, it is not necessary to

carry out a detailed cost-benefit analysis. Rather the aim is to provide a broad indication of costs so that the proposed measures can be ranked according to the cost and the expected improvement to air quality. A score of 1 to 5 represents “very high” to “very low” costs, as follows:

**‘Very Low’** cost is taken to be £10K and under;

**‘Low’** cost is taken to be £10 - £50K;

**‘Medium’** cost is £50 - 500K;

**‘High’** cost is £500K - £2 million; and

**‘Very High’** cost is over £2 million.

## Feasibility

4.4 The feasibility of individual measures is not straightforward to quantify. The following factors have been taken into consideration:

- Alignment / synergies with other WDC Council initiatives, strategic initiatives such as the Warwick and Leamington Transport Strategy, The Local Plan or Local Transport Plans;
- Wider non-air quality impacts (social, environmental or economic);
- Stakeholder acceptance / “political” feasibility; and
- Source of funding available or possible.

The Feasibility has been scored as 1 to 3, representing “low” to “high” feasibility:

**Low feasibility;**

**Medium feasibility;**

**High feasibility.**

## Timescale

4.5 The timescale for the implementation of measures has also been considered. The following classifications have been used: **Short-term** relates to those measures that can be implemented within the 2015/16 financial year; **Medium-term** relates to those implemented within 3-5 years; **Long-term** options are those which are 6+ years.

## Action 1: Promote Smarter Travel Choices

4.6 This action will have a number of strands, some of which are ongoing already, largely in partnership with Warwickshire County Council. The Warwick and Leamington Spa Transport Strategy has already evaluated a range of sustainable transport options to address transport

issues in the area, and identified a package of improvements which will best address the identified transport issues. These include comprehensive area- wide improvements to walking and cycling infrastructure, targeted re-allocation of road space to prioritise and facilitate movement of pedestrians, cyclists, public transport and car share users, a smarter choices and Travel Planning Programme and targeted bus-stop infrastructure upgrades on key public transport corridors. In addition there is to be further consideration of the introduction of Park and Ride sites north and south of the urban areas using existing bus services. Recent modelling suggests there would be a considerable level of demand for both sites and discussions with stagecoach indicate that the sites could be served by existing bus services operating at 10 minute frequency during peak periods.

4.7 Specific actions will therefore include;

- area wide improvements to walking and cycling infrastructure;
- a smarter choices and Travel Planning Programme, including continued liaison with bus companies regarding business and schools liaison;
- targeted bus stop infrastructure upgrades on key public transport corridors (including real time bus information were appropriate);
- improving infrastructure to improve walking and cycling signage;
- Hearts and Minds campaign to encourage modal shift away from private car use;
- further consideration of Park and Ride (north and south of urban areas);
- consideration of a car club; and
- Publicising CarShare Coventry and Warwickshire (<https://carsharewarwickshire.liftshare.com>)

**Table 1: Evaluation of Action 1**

ACTION 1	Promote Smarter Travel Choices
<b>Air Quality Impact</b>	Emissions from transport form the biggest single contributor to NO <sub>2</sub> concentrations in Warwick and Leamington Spa. Increasing the use of public transport and active travel, such as walking and cycling, should reduce single occupancy car use and hence improve air quality, as well as mitigate against climate change. It is judged that initially benefits to air quality would be <b>Low</b> , but should progressively increase over time depending on the level of investment. <b>Medium</b> impact should be achievable.
<b>Cost</b>	The cost of implementing smarter choices options as an overall package would be <b>High to Very High</b> , although the costs of individual options would be <b>Low to Medium</b> .
<b>Feasibility</b>	<b>High</b> feasibility as politically acceptable. Aligns with Warwick District Council and Warwickshire County Council policies etc. Positive impacts for health, climate change gas emissions and potentially noise.

<b>ACTION 1</b>	<b>Promote Smarter Travel Choices</b>
<b>Ownership</b>	Mainly implemented by Warwickshire County Council, through the Warwick and Leamington Transport Strategy
<b>Partners</b>	Public Health; Public Transport Operators; employers; Cycling Forum.
<b>Funding</b>	CIL and Section 106
<b>Timescale</b>	<b>Short to Long</b> term.

## **Action 2: Actively promote low emission vehicles and supporting infrastructure**

4.8 Warwick District Council, in partnership with Warwickshire County Council is already promoting Electric Vehicles, in part through its “Low Emission Strategy Guidance for Developers” which sets out requirements for developers for electric vehicle recharging provision, but also through the installation of electric charging points in two of the car parks in Leamington Spa, where drivers can recharge at no cost. This Action Plan will enhance the promotion of Electric Vehicles in particular, and Low Emission Vehicles more widely.

4.9 Specific actions will include:

- supporting future opportunities for funding for Low Emission Vehicles, in particular for vehicle charging infrastructure;
- use of the planning system to ensure a more widespread infrastructure for low emission vehicles;
- moving the Warwick DC fleet to electric vehicles where practicable;
- working to set up an Ecostars scheme in Warwick District Council whereby fleet operators can join for free and work to reduce their environmental impacts;
- working with Warwickshire County Council and bus operators to encourage lower emission buses (either retrofitting existing buses, or use of alternative fuels);
- ensuring that the electric taxi within Warwick District Council is utilised to promote Low Emission Vehicles to commercial operators and the public;
- promotion of electric vehicles through the Warwickshire Drive Electric Website<sup>3</sup>;

<sup>3</sup> <http://www.warwickshire.gov.uk/driveelectric>



- use the Hackney carriage (taxis) and private hire licensing system to try and reduce emissions from taxis and private hire vehicles. Currently taxis must be new and of a type approved by the Council with wheelchair access. There are no restrictions on emissions from private hire vehicles.

**Table 2: Evaluation of Action 2**

<b>ACTION 2</b>	<b>Actively promote low emission vehicles and supporting infrastructure</b>
<b>Air Quality Impact</b>	As the proportion of Ultra Low Emission Vehicles such as electric vehicles increases, emissions of NO <sub>x</sub> and PM <sub>10</sub> will decrease and concentrations will reduce. There will need to be a large swing towards electric vehicles before improvements are measurable. Therefore initially benefits to air quality would be <b>Low</b> , but should progressively increase over time depending on the level of investment.
<b>Cost</b>	Costs will largely be dependent on the level of investment gained. In order to make a difference to the vehicle parc, it is considered that the overall investment would be <b>High</b> or <b>Very High</b> . As for the previous action, the costs of individual options would be <b>Low</b> to <b>Medium</b> .
<b>Feasibility</b>	<b>Medium</b> feasibility. Some measures are very feasible (such as including infrastructure for electric vehicles within the planning system and promotion of the electric taxi), with others being less feasible and dependent on achieving funding (such as Ecostars and expansion of electric vehicle charging network).
<b>Ownership</b>	Warwick District Council
<b>Partners</b>	Warwickshire District Council, developers, public transport operators, taxi operators.
<b>Funding</b>	Section 106, CIL, Air Quality Grants.
<b>Timescale</b>	<b>Short</b> to <b>Long</b> term.

### **Action 3: Using the procurement system to ensure that air quality is a consideration within contracts for Warwick District Council**

- 4.10 The impact to carbon emissions of the supply chain is well documented, but the resulting emissions of NO<sub>x</sub> and PM<sub>10</sub> are often not considered in procurement policy decisions. The public sector is a major consumer and procures, indirectly, a significant number of road transport vehicles. There is considerable scope to drive down emissions through the adoption of fit for purpose procurement strategies. The public sector can play a leading role in improving the emissions arising from the vehicle parc by specifying vehicles that have lower emissions, based on life cycle information, through the potential for cost reduction of low emission technologies associated with volume purchasing power and adopting an innovative approach to vehicle purchasing, including the development of partnerships with the private sector.

4.11 There are various guidance documents available on sustainable procurement, including that published by the Low Emission Strategy Partnership. In the main guidance is aimed at fleet purchase (Warwick District Council has a very restricted fleet, so this would not be applicable) but also covers procurement policy in general. Appendix 1 includes some useful weblinks for procurement policy. The Low Emission Strategy Partnership has published a toolkit for sustainable procurement (which can be downloaded from the website: [http://www.lowemissionstrategies.org/downloads/Sefton\\_Procurement\\_Toolkit.zip](http://www.lowemissionstrategies.org/downloads/Sefton_Procurement_Toolkit.zip)), which covers different areas of procurement. It is suggested that Warwick District Council initially use this as basis on which to proceed.

4.12 Specific Actions will include:

- Investigation with procurement colleagues within Warwick District Council to produce a sustainable procurement guide, specifying particular clauses within contracts to ensure transport emissions are as low as possible.

**Table 3: Evaluation of Action 3**

<b>ACTION 3</b>	<b>Using the procurement system to ensure that air quality is a consideration within contracts for WDC</b>
<b>Air Quality Impact</b>	<b>Low</b> air quality impact within Warwick and Leamington Spa AQMAs.
<b>Cost</b>	<b>Very Low to Low</b> for Warwick District Council. May be some cost to contractors and suppliers of Warwick District Council.
<b>Feasibility</b>	<b>High</b> Feasibility as long as there is political and management support.
<b>Ownership</b>	Warwick District Council
<b>Partners</b>	Contractors and suppliers to Warwick District Council
<b>Funding</b>	Unlikely to need external funding. Could potentially apply for Defra Air Quality Grant.
<b>Timescale</b>	Investigation to take place 2015-2016 financial year, with implementation in the <b>Medium to Long</b> term.

#### **Action 4: Using the planning system to ensure that air quality is fully considered for new development**

4.13 This action will enhance work which is ongoing both through the Local Plan process and through development control. There is a specific policy on traffic generation which includes air quality, as well as on Healthy Safe and Inclusive Communities.

4.14 Policy TR2 on Traffic Generation, sets out that *“Any development that results in significant negative impacts on air quality within identified Air Quality Management Areas or on the health and wellbeing of people in the area as a result of pollution should be supported an air quality*

*assessment and, where necessary, a mitigation plan to demonstrate practical and effective measures to be taken to avoid the adverse impacts.”*

- 4.15 Policy HS1 on Healthy, Safe and Inclusive Communities, sets out that “*The potential for creating healthy, safe and inclusive communities will be taken into account when considering all development proposals. Support will be given to proposals which: d) contribute to the development of a high quality, safe and convenient walking and cycling network.*” This policy is reinforced by Policy HS6 on Creating Healthy Communities.
- 4.16 Large Scale developments to the south of Warwick are already coming through the planning system and transport improvements / infrastructure will be funded through this process (both via Section 106 agreements and the Community Infrastructure Levy (CIL)).
- 4.17 Specific Actions will include:
- ensuring that the Warwick Low Emission Strategy Guidance for Developers is kept up to date, and implemented (particularly in relation to updates of national guidance etc);
  - working with planning policy colleagues to ensure that the Local Plan fully addresses air quality issues with appropriate policies included;
  - working with planning colleagues and developers to ensure that new developments are based around the ‘five-minute walkable neighbourhood’, thereby encouraging active travel as the preferred methods of transport to access local facilities;
  - ensure that green infrastructure is integrated into all residential and commercial developments, in line with the National Planning Policy Framework (NPPF);
  - ensuring that planning applications with potential air quality impacts are fully assessed for their impacts, at relevant locations using appropriate methodologies (as specified in the Low Emission Strategy Guidance);
  - ensuring that where possible, cumulative impacts are taken into account. Any committed developments should be included within a given air quality assessment; and
  - ensuring that appropriate mitigation is implemented where any relevant impacts are identified.

**Table 4: Evaluation of Action 4**

<b>ACTION 4</b>	<b>Using the planning system to ensure that air quality is fully considered for new development</b>
<b>Air Quality Impact</b>	In the longer term, the air quality impact of siting new development in the locations which take air quality into consideration is likely to have a <b>High</b> impact on air quality, particularly in locations which are most sensitive. In the shorter term the impact will be <b>Low</b> .
<b>Cost</b>	<b>Low</b> cost for Warwick District Council.
<b>Feasibility</b>	<b>High</b> feasibility assuming political will.
<b>Ownership</b>	Warwick District Council
<b>Partners</b>	Warwickshire County Council, developers.
<b>Funding</b>	Section 106 Agreements and CIL
<b>Timescale</b>	Ongoing over the timescale of the Local Plan (and beyond)

### **Action 5: Traffic management to reduce emissions in locations within AQMAs**

4.18 Traffic management was explored within the previous Action Plan and also to some extent within the Warwick and Leamington Spa Transport Strategy work. Since the last Action Plan was published, Intelligent Transport Systems have been implemented in Warwick and Leamington Spa. The Warwick and Leamington Spa Transport Strategy has considered the role of 20mph zones, traffic calming, re-routing, vehicle restrictions (movements or vehicle types), turning restrictions, reallocation of road space to public transport, cyclists and pedestrians, and signage and information improvements. Specific Actions will include:

- junction improvements on key travel corridors in Warwick and Leamington Spa AQMAs are proposed which include junction/ highway modifications, improvements for walking and cycling and bus priority measures. Where these coincide with the AQMA, these are likely to provide significant improvements to air quality.
- an investigation of 20 mph zones as part of the wider transport strategy, where this will smooth traffic flow;
- targeted re-allocation of road space to prioritise and facilitate movement of pedestrians, cyclists, public transport and car share users; and
- managing deliveries across Warwick District to ensure that no additional congestion is caused by stationary delivery vehicles in busy locations.

- 4.19 In terms of this action plan it is recommended that 20 mph zones are investigated as part of the wider transport strategy. 20 mph zones may impact positively on emissions where they smooth traffic flow and reduce congestion.

**Table 5: Evaluation of Action 5**

<b>ACTION 5</b>	<b>Traffic management to reduce emissions in locations within AQMAs</b>
<b>Air Quality Impact</b>	As a package, traffic management measures as a whole may have a <b>High</b> impact on air quality. Individual measures are likely to have a <b>Low</b> impact.
<b>Cost</b>	As a package traffic management measures as a whole are likely to have a <b>High to Very High</b> cost, with individual measures costing varying amounts.
<b>Feasibility</b>	Very feasible
<b>Ownership</b>	Warwickshire County Council.
<b>Partners</b>	Warwick District Council
<b>Funding</b>	LTP, CIL and Section 106. DfT if any relevant funding streams.
<b>Timescale</b>	<b>Short to Long</b> term.

### **Action 6: Work with Public Health colleagues to inform the public about health impacts of air pollution and how they can change behaviour to reduce emissions and reduce exposure**

- 4.20 Air quality is a key issue for Public Health as exposure to high levels of air pollution can have adverse effects on the health of the population. This is because pollutants can exacerbate conditions such as asthma, and contribute to the risk of developing respiratory and cardiovascular disease, as well as lung cancer. These conditions are more likely to be present in people living in areas of deprivation, and nationally, evidence highlights linkages between the most deprived areas experiencing the worst air quality, thereby exacerbating health inequalities.
- 4.21 Active travel would lessen these health inequalities, as well as improve the health and wellbeing of people and achieve positive public health outcomes. For example, if people choose to walk and cycle more there would be a reduction in transport pollution as well as an increase in physical activity. Not only will this increased activity lead to a reduction in obesity levels, and health conditions associated with obesity, evidence shows that exercise improves mental wellbeing, leading to greater feelings of revitalisation and a reduction in depression and anxiety.
- 4.22 Funding streams are currently being investigated to develop a website with the specific objective to influence behaviours that will have a measureable impact on air quality, increase the use of public and sustainable transport and decrease reliance

on private motor vehicles, especially diesel. The approach proposed uses innovative communication and educational activities to deliver the above objectives and would reflect the understanding of the different user groups on the website and wider district community.

4.23 Specific Actions will include:

- re-investigate funding for a website to engage with the public on air quality, the health impacts of poor air quality, sustainable transport and strategies to improve air quality;
- working with planners and developers to embed Public Health's Evidence for Planning guidance, thereby encouraging any new developments to support access to active travel, both improving air quality and residents' health and wellbeing; and
- investigating the implementation of a campaign aimed at vulnerable members of the public (i.e. those with existing respiratory or cardio vascular conditions) in order that they could change behaviour to reduce exposure when pollution levels are high.

**Table 6: Evaluation of Action 6**

<b>ACTION 6</b>	<b>Work with Public Health colleagues to inform the public about health impacts of Air Pollution and how they can change behaviour to reduce emissions and reduce exposure</b>
<b>Air Quality Impact</b>	Low over the AQMAs as a whole, but required as a complimentary measure to traffic management, Smarter Travel and Low Emission Vehicles.
<b>Cost</b>	<b>Low</b> cost for each of the elements of this measure. As a whole the action is likely to be <b>Medium</b> cost.
<b>Feasibility</b>	Highly feasible option as fits well with Warwick District Council policy and Warwickshire Health and Wellbeing Strategy.
<b>Ownership</b>	Warwick District Council
<b>Partners</b>	Warwickshire County Council Public Health Team
<b>Funding</b>	Defra Air Quality Grants and through bidding for Public Health funding against countywide strategies.
<b>Timescale</b>	Medium term.

### **Action 7: Continue to monitor and assess air quality in line with Government guidance on Local Air Quality Management**

- 4.24 The Government is currently consulting on changes to Local Air Quality Management with changes to the reporting process likely to simplify procedures for local authorities. It is also likely that some objectives will be dropped from LAQM, with PM<sub>2.5</sub> potentially being included within the process. Warwick District Council currently monitors extensively for nitrogen dioxide and this action will

retain this commitment. The monitoring will assist in assessing the impacts of this Air Quality Action Plan as well as ensuring that new development does not cause exceedences of the air quality objectives.

4.25 Specific Actions will include:

- continuation of monitoring within Warwick District Council, focussed on AQMAs, but also in other strategic locations;
- regular assessment of air quality against air quality objectives as specified by the LAQM process with reports to Defra and the public;
- review of measures set out in this Air Quality Action Plan on a regular basis to ensure they are up to date and being implemented.

**Table 7: Evaluation of Action 7**

<b>ACTION 7</b>	<b>Continue to monitor and assess air quality in line with Government guidance on Local Air Quality Management</b>
<b>Air Quality Impact</b>	None directly in relation to LAQM but acts as evidence base for measures.
<b>Cost</b>	<b>Low</b> cost (per annum) to Warwick District Council.
<b>Feasibility</b>	<b>High</b> Feasibility
<b>Ownership</b>	Warwick District Council
<b>Partners</b>	Warwickshire County Council (particularly in relation to reviewing measures in this Air Quality Action Plan).
<b>Funding</b>	Internal budget.
<b>Timescale</b>	Ongoing.

## 5 Consultation

5.1 Under Schedule 11 of the Environment Act, local authorities are required to consult on their draft Air Quality Action Plan. It is important to have involvement of all local stakeholders to ensure the success of the Action Plan. This updated Action Plan has been drafted through a partnership approach in particular with Warwickshire County Council (transport and public health), planners, sustainability officers and town centre managers.

5.2 The next stage will be to consult more widely on this document including both internal and external stakeholders. External stakeholders will include:

*The Secretary of State*

*The Environment Agency*

*Highways England*

*Warwickshire County Council Public Health*

*WDC and WCC Councillors and Officers*

*Neighbouring local authorities*

*Local residents within and bordering the AQMAs*

*Relevant local businesses, community groups and forums.*



## 6 Implementation Plan

- 6.1 To implement the Action Plan measures Warwick District Council will work jointly with all relevant partners, particularly planners and transport planners and operators. To secure the necessary air quality improvements, all local stakeholders and Warwick District Council must be involved.
- 6.2 Ultimately the delivery of this Action Plan is dependent on adequate levels of resourcing, both for capital costs and staffing. Funding sources have been highlighted in the evaluation tables.
- 6.3 The implementation and effectiveness of the AQAP will be carefully monitored through the monitoring of NO<sub>2</sub> concentrations at relevant locations within both Warwick and Leamington Spa. In addition, other indicators such as traffic flow, proportions of different categories of vehicles, use of public transport and levels of cycling will be incorporated. There will be regular reviews of the Action Planning proposals, which will be reported on an annual basis to Defra. These reviews will include both direct air quality monitoring information, as well as information on proxy measures for monitoring specific proposals. The following tables include a more refined timescale for implementation.

**Table 2: Measures to be Included in the Air Quality Action Plan**

Action	Proposed Measure	Timescale	Lead Agency
<b>1</b>	Area Wide improvements to walking and cycling infrastructure	Ongoing	WCC
	Smarter Choices and Travel Planning programme	By 2020	WCC
	Targeted bus stop infrastructure upgrades on key public transport corridors	By 2020	WCC
	Improving infrastructure to improve walking and cycling signage	By 2020	WCC
	Hearts and Minds campaign to encourage modal shift away from private car use	By 2018	Public Health
	Further consideration of Park and Ride	By 2020	WCC
	Consideration of a car club	By 2017	WDC
	Publicising CarShare Coventry and Warwickshire	On-going	WCC
<b>2</b>	Supporting future opportunities for funding for Low Emission Vehicles, in particular for vehicle charging infrastructure	On-going	WDC
	Use of the planning system to ensure a more widespread infrastructure for low emission vehicles	Implemented	WDC
	Moving the Warwick DC fleet to electric vehicles where practicable	By 2016	WDC
	Strive to set up an Ecostars scheme in Warwick District Council whereby fleet operators can join for free and strive to reduce their environmental impacts.	By 2017	WDC
	Working with Warwickshire County Council and bus operators to encourage lower emission buses (either retrofitting existing buses, or use of alternative fuels).	On-going	WDC
	Ensuring that the electric taxi within Warwick District Council is utilised to promote Low Emission Vehicles to commercial operators and the public.	On-going	WDC
	Promotion of electric vehicles through the Warwickshire Drive Electric Website. <a href="http://www.warwickshire.gov.uk/driveelectric">http://www.warwickshire.gov.uk/driveelectric</a>	On-going	WCC
	Use the taxi and private hire licensing system to try and reduce emissions from taxis and private hire vehicles.	By 2017	WDC
<b>3</b>	Investigation with procurement colleagues to produce a sustainable procurement guide to ensure transport emissions are as low as possible.	By 2016	WDC
<b>4</b>	Ensuring that the Warwick Low Emission Strategy Guidance for Developers is kept up to date, and implemented.	On-going	WDC
	Working with planning policy colleagues to ensure that the Local Plan fully addresses air quality issues with appropriate policies included	On-going	WDC
	Working with planning colleagues and developers to ensure that new developments are based around the 'five-minute walkable neighbourhood', thereby encouraging active travel as the preferred methods of transport to access local facilities	On-going	Public Health
	Ensure that green infrastructure is integrated into all residential and commercial developments, in line with the National Planning Policy Framework (NPPF)	On-going	WDC

Action	Proposed Measure	Timescale	Lead Agency
	Ensuring that planning applications with potential air quality impacts are fully assessed for their impacts, at relevant locations using appropriate methodologies (as specified in the Low Emission Strategy Guidance)	On-going	WDC
	Ensuring that where possible, cumulative impacts are taken into account. Any committed developments should be included within a given air quality assessment	On-going	WDC
	Ensuring that appropriate mitigation is implemented where any relevant impacts are identified	On-going	WDC
<b>5</b>	Junction improvements on key travel corridors in Warwick and Leamington Spa AQMAs are proposed which include junction/highway modifications, improvements for walking and cycling and bus priority measures. Where these coincide with the AQMA, these are likely to provide significant improvements to air quality concentrations.	By 2020	WCC
	An investigation of 20 mph zones as part of the wider transport strategy, where this will smooth traffic flow	By 2017	WCC
	Targeted re-allocation of road space to prioritise and facilitate movement of pedestrians, cyclists, public transport and car share users	By 2022	WCC
	Manage deliveries across Warwick District Council to ensure that no additional congestion is caused by stationary delivery vehicles in busy locations	By 2017	WCC
<b>6</b>	Re-investigate funding for a website to engage with the public on air quality, the health impacts of poor air quality, sustainable transport and strategies to improve air quality	On-going	WDC
	Working with planners and developers to embed Public Health's Evidence for Planning guidance, thereby encouraging any new developments to support access to active travel, both improving air quality and residents' health and wellbeing	On-going	Public Health
	Investigate implementing a campaign aimed at vulnerable members of the public (i.e. those with existing respiratory or cardio vascular conditions) in order that they could change behaviour to reduce exposure when pollution levels are high	By 2016	Public Health
<b>7</b>	Continuation of monitoring within Warwick District Council, focussed on AQMAs, but also in other strategic locations	On-going	WDC
	Regular assessment of air quality against air quality objectives as specified by the LAQM process with reports to DEFRA and the public	Annual	WDC
	Review of measures set out in this Air Quality Action Plan on a regular basis to ensure they are up to date and being implemented	Annual	WDC

6.4 To summarise, initial actions (in the 2015/16 financial year) will involve:

- Apply to Defra for a grant to implement the Ecostars scheme;
- Moving the Warwick DC fleet to include electric vehicles;

- Investigation of a sustainable procurement Guide;
- Investigation of a public health campaign (behaviour change)

**On-going actions:**

- Improvements to walking and cycling infrastructure;
- Publicising car share Coventry and Warwickshire;
- Supporting future opportunities for funding Low Emission Vehicles;
- Encouraging Lower Emission Buses;
- Utilising the electric taxi for promotional purposes;
- Promotion of electric vehicles;
- Ensuring that the Warwick Low Emission Strategy Guidance is implemented and up to date;
- Working with planning colleagues to ensure that the Local Plan fully addresses air quality issues, that new developments are based around the 'five-minute walkable neighbourhood, ensuring that planning applications are fully assessed for their impacts, including cumulative impacts where possible and that appropriate mitigation is implemented;
- Re-investigate funding for a website to engage the public on air quality;
- Working with planners to embed Public Health's Evidence for planning guidance;
- Continuation of air quality monitoring, assessment of air quality and reviewing measures within this Action Plan.

**Longer term strategic measures include:**

- Smarter choices and travel planning programme;
- Targeted bus stop infrastructure upgrades;
- Improving walking and cycling signage;
- Hearts and minds campaign to encourage modal shift from private car use;
- Further consideration of Park and Ride scheme;
- Consideration of a car club;
- Trying to reduce emissions from taxis and private hire vehicles;
- Junction improvements on key travel corridors in Warwick and Leamington Spa;
- An investigation of 20 mph zones as part of the wider transport strategy;

- Targeted re-allocation of road space to prioritise and facilitate movement of pedestrians, cyclists, public transport and car share users;
- Managing deliveries across Warwick District Council to ensure that no additional congestion is caused by stationary delivery vehicles in busy locations.

## 7 Summary and Conclusions

7.1 This Air Quality Action Plan sets 7 broad Actions on which some stakeholders have been consulted. For each action, specific measures have been included. The actions are as follows:

- Action 1: Promote Smarter Travel Choices.
- Action 2: Actively promote low emission vehicles and supporting infrastructure.
- Action 3: Using the procurement system to ensure that air quality is a consideration within contracts for Warwick District Council.
- Action 4: Using the planning system to ensure that air quality is fully considered for new development.
- Action 5: Traffic management to reduce emissions in locations with AQMAs.
- Action 6: Work with Public Health colleagues to inform the public about health impacts of Air Pollution and how they can change behaviour to reduce emissions and reduce exposure.
- Action 7: Continue to monitor and assess air quality in line with Government guidance on Local Air Quality Management.

7.2 At this stage, it has not been possible to quantify emissions reductions for specific actions. It is considered that the measure with the greatest potential impact on NO<sub>2</sub> concentrations within the AQMAs is Action 1 and in the longer term Action 4 and Action 2. The document has, where possible, included targets for particular measures. Based on professional judgement, and the improvements in air quality required at locations in Warwick and Leamington Spa it is considered that the air quality objectives will not be met until post 2020, although AQMAs should reduce in size.

7.3 The measures highlighted in this Air Quality Action Plan should reduce concentrations of NO<sub>2</sub> at the relevant sensitive receptors, although it is too early to say exactly what impact they will have on improving air quality. The Council is continuing to monitor air quality at several locations within the AQMAs. The results of the monitoring will be made available through the annual review and assessment reports along with proxy measures for quantifying improvements.

## 8 References

Arden Health Committee . (2013). *Arden Health Protection Strategy 20132 - 2015*.

Committee on the Medical Effects of Air Pollution. (2015). *Statement on teh Evidence for the Effects of Nitorgen Dioxide on Health*. COMEAP.

Ricardo-AEA. (2013). *Low Emission Zones Feasibility Study*. Warwick District Council.

Warwick DC. (2008). *Warwick District Council Air Quality Action Plan 2008*.

Warwick DC. (2015). *WDC Strategic Approach to Sustainability and Climate Change*.

Warwick District Council. (2012). *Air Quality Updating and Screening Assessment 2012*.

Warwick District Council. (2013). *Air Quality Progress Report 2013*.

Warwick District Council. (2014). *Air Quality Progress Report 2014*.

## 9 Glossary

<b>AQMA</b>	Air Quality Management Area
<b>AURN</b>	Automatic Urban and Rural Network
<b>DCLG</b>	Department for Communities and Local Government
<b>Defra</b>	Department for Environment, Food and Rural Affairs
<b>DfT</b>	Department for Transport
<b>EPUK</b>	Environmental Protection UK
<b>Exceedence</b>	A period of time when the concentration of a pollutant is greater than the appropriate air quality objective. This applies to specified locations with relevant exposure
<b>IAQM</b>	Institute of Air Quality Management
<b>LAQM</b>	Local Air Quality Management
<b>LEZ</b>	Low Emission Zone
<b>µg/m<sup>3</sup></b>	Microgrammes per cubic metre
<b>NO</b>	Nitric oxide
<b>NO<sub>2</sub></b>	Nitrogen dioxide
<b>NO<sub>x</sub></b>	Nitrogen oxides (taken to be NO <sub>2</sub> + NO)
<b>NPPF</b>	National Planning Policy Framework
<b>Objectives</b>	A nationally defined set of health-based concentrations for nine pollutants, seven of which are incorporated in Regulations, setting out the extent to which the standards should be achieved by a defined date. There are also vegetation-based objectives for sulphur dioxide and nitrogen oxides
<b>PM<sub>10</sub></b>	Small airborne particles, more specifically particulate matter less than 10 micrometres in aerodynamic diameter
<b>PM<sub>2.5</sub></b>	Small airborne particles less than 2.5 micrometres in aerodynamic diameter
<b>Standards</b>	A nationally defined set of concentrations for nine pollutants below which health effects do not occur or are minimal



# 10 Appendices

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## A1 Useful Procurement Websites

- A1.1 Low Emission Strategies Guidance. Using Public Procurement to Reduce Road Transport Emissions [http://www.lowemissionstrategies.org/downloads/LES\\_Procurement\\_Guidance.pdf](http://www.lowemissionstrategies.org/downloads/LES_Procurement_Guidance.pdf)
- A1.2 Low Emission Strategy partnership. Sefton Procurement Tool. [http://www.lowemissionstrategies.org/tools\\_and\\_resources.html](http://www.lowemissionstrategies.org/tools_and_resources.html)
- A1.3 West Midlands Low Emissions Towns & Cities Programme. Good Practice Air Quality Procurement Guidance [http://cms.walsall.gov.uk/low\\_emissions\\_towns\\_and\\_cities\\_programme](http://cms.walsall.gov.uk/low_emissions_towns_and_cities_programme)
- A1.4 City of London 'A practical procurement guide to reduce the emission profile of the business' <http://www.cityoflondon.gov.uk/business/environmental-health/environmental-protection/air-quality/Documents/improving-air-quality-city-of-london-practical-procurement-guide.pdf>
- A1.5 Forum for the Future Sustainable Procurement Toolkit <https://www.forumforthefuture.org/project/buying-better-world-sustainable-procurement-toolkit/overview>

## A2 Professional Experience

### **Prof. Duncan Laxen, BSc (Hons) MSc PhD MEnvSc FIAQM**

Prof Laxen is the Managing Director of Air Quality Consultants, a company which he founded in 1993. He has over forty years' experience in environmental sciences and has been a member of Defra's Air Quality Expert Group and the Department of Health's Committee on the Medical Effects of Air Pollution. He has been involved in major studies of air quality, including nitrogen dioxide, lead, dust, acid rain, PM<sub>10</sub>, PM<sub>2.5</sub> and ozone and was responsible for setting up the UK's urban air quality monitoring network. Prof Laxen has been responsible for appraisals of all local authorities' air quality Review & Assessment reports and for providing guidance and support to local authorities carrying out their local air quality management duties. He has carried out air quality assessments for power stations; road schemes; ports; airports; railways; mineral and landfill sites; and residential/commercial developments. He has also been involved in numerous investigations into industrial emissions; ambient air quality; indoor air quality; nuisance dust and transport emissions. Prof Laxen has prepared specialist reviews on air quality topics and contributed to the development of air quality management in the UK. He has been an expert witness at numerous Public Inquiries, published over 70 scientific papers and given numerous presentations at conferences. He is a Fellow of the Institute of Air Quality Management.

### **Dr Clare Beattie, BSc (Hons) MSc PhD CSci MEnvSc MIAQM**

Dr Beattie is a Principal Consultant with AQC, with more than fourteen years' relevant experience. She has been involved in air quality management and assessment, and policy formulation in both an academic and consultancy environment. She has prepared air quality review and assessment reports, strategies and action plans for local authorities and has developed guidance documents on air quality management on behalf of central government, local government and NGOs. Dr Beattie has appraised local authority air quality assessments on behalf of the UK governments, and provided support to the Review and Assessment helpdesk. She has also provided support to the integration of air quality considerations into Local Transport Plans and planning policy processes. She has carried out numerous assessments for new residential and commercial developments, including the negotiation of mitigation measures where relevant. Clare also works closely with Defra and is currently managing the Defra Air Quality Grant Appraisal contract. She is the Secretary of the Institute of Air Quality Management.

Full CVs are available at [www.aqconsultants.co.uk](http://www.aqconsultants.co.uk).

**Overview and Scrutiny Committee  
Work Programme 2015/2016**

**1 December 2015**

<b>Title</b>	<b>Where did item originate from</b>	<b>Format</b>	<b>Lead Officer</b>	<b>Membership of Task &amp; Finish</b>	<b>Next report date if applicable</b>	<b>Completion date</b>
CWLEP – Verbal Update	O & S July 2015	Briefing	Councillor Mobbs		9 February 2016	
LGA District Councils' Network – Verbal Update	O & S November 2015	Briefing	Councillor Mobbs			1 December 2015
Holding Portfolio Holders to account – Housing & Property Services	30 June 2015	Report / Q & A	Councillor Philips		1 December 2016	Annually
Air Quality Action Plan – review the Action Plan listing and determine any areas that require follow-up	November 2015		Grahame Helm			1 December 2015
Current arrangements for Crime and Disorder Scrutiny	Mandatory	Verbal briefing and discussion	Richard Hall / Pete Cutts		TBA – see O&S Minutes 30 June 2015 on report requirement and the officers/councillors to attend meeting	

Health Scrutiny Sub-Committee Update					9 February 2016	
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**Imminent items for scrutiny that require dates:**

Vision for Leamington Town Centre – to scrutinise the best way forward to develop a model; how best to engage – Councillor Boad and BH to liaise to discuss a suitable date to come to Overview and Scrutiny Committee.

Strategy Report for parking across the District - Councillor Boad and BH to liaise to discuss a suitable date to come to Overview and Scrutiny Committee.

	On the agenda as a separate item
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**12 January 2016**

<b>Title</b>	<b>Where did item originate from</b>	<b>Format</b>	<b>Lead Officer</b>	<b>Membership of Task &amp; Finish</b>	<b>Next report date if applicable</b>	<b>Completion date</b>
Housing – Adaptations for people with disabilities – to consider whether to set up a Task & Finish Group to streamline the assessment process	Suggestion made by Councillor Mrs Falp – O & S 8 April 2015	Verbal Briefing	Andy Thompson			
Holding Portfolio Holders to account – Neighbourhood Services	30 June 2015	Report / Q & A	Councillor Shilton		12 January 2017	Annually
Training event on Work Programme setting	November 2015	Round table discussion with slide presentation	Councillor Boad			1 December 2015
Review Pre-application Charging Regime for Development Proposals	Executive 1 July 2015 – Minute 9	Report	Tracy Darke		April 2016	Every three months

**9 February 2016**

<b>Title</b>	<b>Where did item originate from</b>	<b>Format</b>	<b>Lead Officer</b>	<b>Membership of Task &amp; Finish</b>	<b>Next report date if applicable</b>	<b>Completion date</b>
Sales & Lettings Boards – report on action taken to control the proliferation of sales and lettings boards and analysis on reported incidents – see minutes November 2015	November 2015	Report	Rajinder Lalli			
CWLEP – Verbal Update	O & S July 2015	Briefing	Councillor Mobbs		5 April 2016	
Holding Portfolio Holders to account – Health & Community Protection	30 June 2015	Report / Q & A	Councillor Grainger		9 February 2017	Annually
Health Scrutiny Sub-Committee Update					5 April 2016	

**8 March 2016**

<b>Title</b>	<b>Where did item originate from</b>	<b>Format</b>	<b>Lead Officer</b>	<b>Membership of Task &amp; Finish</b>	<b>Next report date if applicable</b>	<b>Completion date</b>
Holding Portfolio Holders to account	30 June 2015	Report / Q & A	Councillor Mobbs		8 March 2017	Annually

**5 April 2016**

<b>Title</b>	<b>Where did item originate from</b>	<b>Format</b>	<b>Lead Officer</b>	<b>Membership of Task &amp; Finish</b>	<b>Next report date if applicable</b>	<b>Completion date</b>
End of Term report	Mandatory	Written report	Committee Services		5 April 2016	
CWLEP – Verbal Update	O & S July 2015	Briefing	Councillor Mobbs		Next O & S Meeting following: 23 May, 25 July, 10 October, 28 November	
Children's Champions – End of Year Report	Council recommendation	Written report	Bill Hunt and Member Children Champions		April/May 2016	
Review Pre-application Charging Regime for Development Proposals	Executive 1 July 2015 – Minute 9	Report	Tracy Darke		April 2016	Every three months
Health Scrutiny Sub-Committee Update					TBA	




**Future Items or Dates to be Agreed 2015/2016**

<b>Title</b>	<b>Where did item originate from</b>	<b>Format</b>	<b>Lead Officer</b>	<b>Membership of Task &amp; Finish</b>	<b>Next report date if applicable</b>	<b>Completion date</b>
National Association of Councillors Report – and decide if further action required.	November 2015	Report	Councillor Coker			
Review of Taxi Token Scheme – See Health Scrutiny Minutes October 2014 and November 2014	Health Scrutiny Sub-Committee October and November 2014	TBA	TBA		TBA	Deferred until the arrangements for Health Scrutiny have been agreed.
Local Plan Infrastructure Delivery Plan	30 June 2015	Report	Tony Ward/Dave Barber		TBA	Quarterly update once the Local Plan has been agreed.
Social Value in Procurement & what is happening about this in the Council update report.	29 September 2015	Report	Mike Snow		May 2016	
CWLEP update	30 June 2015	Verbal Report	Councillor Mobbs		BH to provide a copy of the Board Meeting Dates to LD	Quarterly if an update is available
Holding Portfolio Holders to account – Development Services	30 June 2015	Report / Q & A	Councillor Cross		Early September 2016	Annually

Appendix 1 – O&S Work Programme

Holding Portfolio Holders to account – Cultural Services	30 June 2015	Report / Q & A	Councillor Gallagher		Late September 2016	Annually
Holding Portfolio Holders to account - Finance	30 June 2015	Report / Q & A	Councillor Whiting		November 2016	Annually
Outside appointments Report – Annual statement of the work undertaken by the Body	O & S September 2013	Written report	Lesley Dury		November 2016	Annually

 <b>Overview and Scrutiny Committee – 1 December 2015</b>		<b>Agenda Item No.</b>  <div style="font-size: 2em; float: right;"><b>14</b></div>
<b>Title</b>	Review of the Work Programme & Forward Plan	
<b>For further information about this report please contact</b>	Lesley Dury, Committee Services Officer, 01926 456114 or <a href="mailto:committee@warwickdc.gov.uk">committee@warwickdc.gov.uk</a>	
<b>Service Area</b>	Democratic Services	
<b>Wards of the District directly affected</b>	N/A	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	3 November 2015	
<b>Background Papers</b>		

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality and Sustainability Impact Assessment Undertaken</b>	No
n/a	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive		
Head of Service		
CMT		
Section 151 Officer		
Monitoring Officer		
Finance		
Portfolio Holder(s)		
Consultation & Community Engagement		
n/a		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

## 1. **Summary**

- 1.1 This report informs the Committee of its work programme for 2015/2016 (Appendix 1) and of the current Forward Plan December 2015 to March 2016 (Appendix 2).

## 2. **Recommendations**

- 2.1 The report be noted;
- 2.2 Any amendments suggested at the meeting for the Work Programme, be made accordingly;
- 2.3 The Committee to identify any future Executive decisions to be made, or future policies to be adopted, which members wish to have an input into before the Executive take the decision, and either:
  - 1. nominate one member to investigate that future decision/policy and report back to a future meeting of the Overview and Scrutiny Committee, before the final report is submitted to the Executive.
  - 2. request an officer report to be submitted to a future meeting of the Overview and Scrutiny Committee, before the final report is submitted to the Executive.

## 3. **Reasons for the Recommendations**

- 3.1 The work programme needed to be updated at each meeting to reflect the work load of the Committee.
- 3.2 Two of the five main roles of overview and scrutiny in local government are to undertake pre-decision scrutiny of executive decisions and to feed into policy development.
- 3.2 If the Committee has an interest in a future decision to be made by the Executive, or policy to be implemented, it is within the Committee's remit to feed into the process.
- 3.3 The Forward Plan is actually the future work programme for the Executive. If a non-executive member highlighted a decision(s) which is to be taken by the Executive which they would like to be involved in, that member(s) could then provide useful background to the Committee when the report is submitted to the Executive and they are passing comment on it.

## 4. **Policy Framework**

- 4.1 The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly efficiently and effectively.

## 5. **Budgetary Framework**

- 5.1 All work for the Committee has to be carried out within existing resources. Therefore, there is a limit to the time available that officers will have to assist Members, so the Committee may wish to prioritise areas of investigation.

## 6. **Risks**

- 6.1 This Committee contributes to the effective minimisation of risk by fulfilling its duties in a timely manner and scrutinising the work undertaken by the Executive.

## 7. **Alternative Options Considered**

- 7.1 The only alternative option is not to undertake this aspect of the overview and scrutiny function.

## 8. **Background**

- 8.1 There are five main roles of overview and scrutiny in local government. These being:
- Holding to account
  - Performance management
  - Policy review
  - Policy development
  - External scrutiny
- 8.2 The pre-decision scrutiny of Executive decisions falls within the role of 'holding to account'. To feed into the pre-decision scrutiny of Executive decisions, the Committee needs to examine the Council's Forward Plan and identify items which it would like to have an impact upon.
- 8.3 The Council's Forward Plan is published on a monthly basis and sets out the key decisions to be taken by the Council in the next twelve months. The Council only has a statutory duty to publish key decisions to be taken in the next four months. However, the Forward Plan was expanded to a twelve month period to give a clearer picture of how and when the Council will be making important decisions.
- 8.4 A key decision is a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.
- 8.5 The Forward Plan also identifies non-key decisions to be made by the Council in the next twelve months, and the Committee, if it wishes, may also pre-scrutinise these decisions.
- 8.6 There may also be policies identified on the Forward Plan, either as key or non-key decisions, which the Committee could pre-scrutinise and have an impact upon how these are formulated.
- 8.7 The Committee should be mindful that any work it wishes to undertake would need to be undertaken without the need to change the timescales as set out within the Forward Plan.
- 8.8 At each meeting, the Committee will consider their work programme and make amendments where necessary, and also make comments on specific Executive items, where notice has been given by 9am on the day of the Overview and Scrutiny Committee meeting. The Committee will also receive a report

detailing the response from the Executive, on the comments the Committee made on the Executive agenda in the previous cycle.

- 8.9 The Forward Plan is considered at each meeting and allows the Committee to look at future items and become involved in those Executive decisions to be taken, if members so wish.