

# Executive

Excerpt of minutes of the meeting held on Wednesday 10 February 2016 at the Town Hall, Royal Leamington Spa at 6.00 pm.

**Present:** Councillor Mobbs (Chairman); Councillors Coker, Cross, Mrs Gallagher, Mrs Grainger, Phillips Shilton and Whiting.

**Also present:** Councillor Barrott (Chair Finance & Audit Scrutiny Committee), and Councillor Boad (Chair of Overview & Scrutiny Committee & Liberal Democrat Group Observer).

## 100. **Declarations of Interest**

There were no declarations of interest.

## 101. **Minutes**

The minutes of the meeting held on 13 January 2016 were agreed as written and signed by the Chairman as a correct record.

### **Part 1**

(Items on which a decision by Council is required)

## 102. **Election of Chairman and Vice Chairman of the Council 2016/17**

**Recommended** that

- (1) Councillor Mrs Knight be appointed as Chairman of the Council for 2016/17; and
- (2) Councillor Boad be appointed as Vice-Chairman of the Council for 2016/17

(This is a recommendation to Council on 18 May 2016)

## 103. **Waste Container Charging**

The Executive considered a report, from Neighbourhood Services, that brought forward proposals to charge households for wheeled bins, red boxes, recycling bags and food caddies

Warwick District Council provided the majority of waste containers wheeled bins, red boxes, recycling bags and food caddies free of charge to households.

A budget of £120,000 had been allocated each year to cover the cost of replacement receptacles. In recent years this cost had risen to approximately £165,000 per annum. Therefore, the Council needed to consider introducing a charge to households for the provision of waste containers to reduce the budgetary pressure.

The original capital budget for the supply and delivery of waste containers was set in 2013 at £600,000 for 5 years (April 2013 – March 2018). However, the cost of waste container provision had increased since this time and there was now a significant projected budget shortfall.

The cost of waste container provision was likely to increase in future years because the current waste containers had come to the end of their lifespan and needed to be replaced. It was estimated that the cost of replacing the containers could be in excess of £2.3million over the next 10 years (inclusive of current annual expenditure on waste containers).

The provision of waste containers to new homes, as identified in the local plan, would increase these costs further.

The Council received requests for approx. 6,500 red boxes, 6,500 recycling bags and 2,000 green wheeled bins every year, yet recycling levels remained static. The Council also received requests for over 1,000 grey wheeled bins every year.

A number of local authorities had introduced charges and had seen reductions in the number of waste containers requested. Once a charge was introduced households tended to look after their waste containers to a greater extent.

There are a number of alternative options for waste container charging which included; a charge for each waste container but no delivery charge; a charge of £34 for each individual green bin and a £5 delivery charge for all containers; A charge of £5 for the delivery of recycling containers and £15 for the delivery of wheeled bins; No charges are introduced. These options were not recommended because either did not generate the same level of income that would reduce the cost burden on the Council or would not raise income at all.

The Finance and Audit Scrutiny Committee supported the recommendations in the report although there were concerns that the introduction of charging may only recover 50% of the costs incurred by the Council. In addition, it was felt that further work was needed to educate the operatives on acceptable service delivery but it was noted that the contractor could also be charged for any damage to the containers.

The Overview and Scrutiny Committee supported the recommendations in the report but requested that monitoring take place on information such as the number of bins/boxes bought, number supplied; and whether recycling has increased/decreased. The Committee will be requiring a review in 12 months' time on the service.

In response to the comments from the Scrutiny Committees it was explained that the charging scheme would only recover around 50% of the costs to the Council and therefore a budgeted was required to fund the remaining 50%.

The Portfolio Holder agreed that further work needed to be done to train operatives to ensure boxes were not damaged and returned correctly to households. That said this work was ongoing and improvements had already

been made due to the robust working relationship that the Council had with Sita. He welcomed the report back to Overview & Scrutiny Committee in 12 months and informed the Executive that he would be providing them with regular updates.

**Recommended** to Council that it approves;

(1) the introduction, from June 2016, a charge to the household for any new, replacement or additional waste containers requested and for the delivery of them to their property

;  
(2) the following charges are introduced

Wheeled bin (grey and green)	£25.00
Recycling box with lid	£5.00
Lid only (for recycling box)	£1.50
Recycling bag	£2.50
Food caddy	No charge (funded by Warwickshire County Council)
Delivery Cost Per Order	£5.00

(3) a one off £5 delivery charge per order irrespective of the number of containers requested (e.g. the same charge applies to the delivery of just 1 red box as it would to the delivery of 2 red boxes and 2 recycling bags); and

(4) no concessions will be offered as experience has shown that it is difficult to prove whether a household may or may not be entitled to a concessionary rate.

(The Portfolio Holder for this item was Councillor Shilton)  
(Forward Plan Reference number 731)

#### 107. **Treasury Management Strategy Plan for 2016/17**

The Executive considered a report, Finance, that detailed the strategy for 2016/17 that the Council would follow in carrying out its Treasury Management activities including the Annual Investment Strategy and Minimum Revenue Provision (MRP) Policy Statement.

The report consisted of a number of Appendices; Appendix A Annual Treasury Management Strategy Plan 2016/17; Appendix B 2016/17 Annual Investment Strategy Including Annex 1; Appendix C Minimum Revenue Provision Policy Statement; Appendix D An Explanation of Credit Rating Terms; Appendix E Economic Background; and Appendix F Glossary of Terms

The Council was required to have an approved Treasury Management Strategy, including an Annual Investment Strategy and Minimum Revenue Provision Policy within which its Treasury Management operations can be carried out. The Council would be investing approximately £11.72 million in new capital in 2016/17 and would hold average investments of £57 million (2015/16 latest £62m). This level of investments arises from the Council's reserves and provisions, the General Fund and Housing Revenue Account balances, and accumulated capital receipts as well as cashflow.

The Council's treasury management operations were governed by various Treasury Management Practices (TMP's), the production of which was a requirement of the CIPFA code and which must be explicitly followed by officers engaged in treasury management. These had been reported to the Executive and approved. There had been the following changes to various Treasury Management Practices (TMP's) and these changes were outlined in the report.

This Council had regard to the Government's Guidance on Local Government Investments and CIPFA's updated Treasury Management in Public Services Code of Practice. The guidance stated that an Annual Investment Strategy must be produced in advance of the year to which it related and must be approved by the Council. The Strategy could be amended at any time and it must be made available to the public. The Annual Investment Strategy for 2016/17 was contained within Appendix B to the report and its Annex.

The current low interest rate environment was expected to continue for the foreseeable future as whilst interest rates were expected to start rising from the final quarter of 2016 it would be from a very low base and consequently investment returns would continue to be depressed for some time to come. The Council's requirement under the Fit For the Future agenda for an additional £50,000 investment income to be generated each year from 2016/17 for the General Fund and continuing high investment balances mean that it had become necessary once again to look at alternative investment vehicles in order to ensure that the Council could continue to invest its funds with the highest possible security whilst obtaining a reasonable rate of return. This meant that the Council could diversify its risk rather than just increasing the limits for existing counterparties. The change being recommended was described in more detail in Appendix B, to the report, but essentially involved the addition of Repo's and Corporate Equity Funds for longer term investments. In addition, various changes to counterparty credit ratings and limits were proposed and again these are described in more detail in Appendix B to the report.

The Council had to make provision for the repayment of its outstanding long term debt and other forms of long term borrowing such as Finance Leases. Statutory guidance from the DCLG required that a statement on the Council's policy for its annual MRP should be submitted to the Council for approval before the start of the financial year to which it relates and this was contained in Appendix C to the report.

The Prudential Code for Capital Finance in local authorities which was revised in 2009 introduced new requirements for the manner in which capital spending plans are to be considered and approved, and in conjunction with

this, the development of an integrated treasury management strategy. The Prudential Code requires the Council to set a number of Prudential Indicators and this report does therefore incorporate within section 5 of Appendix A to the report the indicators to which regard should be given when determining the Council's treasury management strategy for the next 3 financial years.

The approval of an annual Treasury Management Strategy was a requirement of the CIPFA Treasury Management in the Public Services Code of Practice, the latest version of which was adopted by the Council in 2011/12.

An alternative to the strategy being proposed for 2016/17 would be to not introduce the new investment vehicles or alter the current counterparty limits and minimum credit ratings but this would not achieve the increase in investment interest required by the Council.

The Finance & Audit Scrutiny Committee supported the recommendations in the report although Members were concerned that in order to increase return, the level of risk also had to increase.

Councillor Whiting explained that the increased level of risk was a concern but at the same time work was being taken to ensure this was mitigated. That said this small increased risk should provide greater rewards for the Council and help to provide a more robust budget for future years.

**Resolved** that the changes to the various Treasury Management Practices as detailed in paragraph 3.2 of the report, be noted.

**Recommended** that Council that

- (1) the Treasury Management Strategy for 2016/17 as outlined in paragraph 3.1 of the report and detailed in Appendix A be approved;
- (2) the 2016/17 Annual Investment Strategy as outlined in paragraphs 3.3 and 3.4 of the report and detailed in Appendix B together with Annex 1, of the report are adopted including the following changes:-
  - i) that as per paragraph 2.3 of Appendix B to the report, for banks and category A and B Building Societies, the minimum long term rating be reduced from A+ to A and for banks rated A, a counterparty limit of £3m be introduced;
  - ii) that as per paragraph 2.4 of Appendix B to the report, the overall group limit of £6m for Variable Net Asset Value Money Market Funds be removed;

- iii) that as per paragraph 2.5 of Appendix B to the report the minimum credit rating for Category 1 & 3 Corporate and Covered Bonds and Floating Rate Notes be reduced from A+ to A;
  - iv) as per paragraph 2.7 of Appendix B to the report; Repo's are added to the list of Specified investment vehicles and Corporate Equity Funds are added to the list of Non Specified investment vehicles that the Council can use;
  - v) as per paragraph 2.9 of Appendix B, of the report, the relevant counterparty limit is increased by £3m where that additional £3m is represented by Repo Collateral with a credit rating higher than that of the counterparty offering the Repo;
  - vi) as per paragraph 2.11 of Appendix B of the report, in the case of Corporate Bond/Equity and Property Funds a volatility reserve be established if necessary in order to manage the impact of capital valuation changes on the General Fund;
  - vii) as per paragraph 2.12 of Appendix B of the report the individual counterparty limit for Corporate Equity Funds be £3m, £2m and £1m for Low, Medium and High risk funds respectively. In each case the limit to be subject to a 10% allowance for capital growth;
  - viii) as per paragraph 2.16 of Appendix B of the report the current long term investment limits of 60% of the core investments portfolio subject to a maximum of £15m be increased to 70% and £20m respectively and the current limit of £10m for Corporate Bond/Equity/Property Funds be increased to £15m to be included within the new proposed overall limit of £20m.
- (3) the Minimum Revenue Provision Policy Statement as outlined in paragraph 3.5 of the report and contained in paragraphs 4.1 to 4.4 of Appendix C to the report are approved; and
- (4) the Prudential Indicators as outlined paragraph 3.6 of the report and contained in paragraphs 5.1 to 5.5 of Appendix A of the report are approved.

(The Portfolio Holder for this item was Councillor Whiting)  
(Forward Plan reference number 756)

108. **Design Guide for the Strategic Urban Extension, South of Royal Leamington Spa and Warwick (February 2016)**

The Executive considered a report, Development Services, that brought forward design guidance for the Strategic Urban Extension, south of Royal Leamington Spa and Warwick (February 2016).

The design guide had been prepared by White Young Green (WYG) on behalf of Warwick District Council. Its purpose was to ensure that new housing development, as designated in the Publication Draft Local Plan 2014, comes forward in accordance with the garden suburb ambitions for this area.

The guidance would support the preparation and determination of future planning applications. It provided a greater level of site specific detail than the earlier prospectus document; "Garden Towns, Villages and Suburbs: A prospectus for Warwick District Council, May 2012". It would help inform the development process and provided greater clarity on how a new garden suburb could look and perform.

This guidance would be a 'best practice' reference document for Warwick District Council and Warwickshire County Council; (the relevant organisations that were involved in the determination of planning applications within the Strategic Urban Extension area); the developers, house builders and designers who would be pursuing applications within the extension area; and interested parties, such as local residents and stakeholders.

The guidance document supported the Council's intention to adopt a proactive and coordinated approach to delivering housing growth and related infrastructure. As such, it would enable a positive contribution to be made towards the Council's 'Fit for the Future' policy, and specifically to accord with a strategic vision to make Warwick District a great place to live, work and visit.

Previously, the vision outlined in 'Garden Towns, Villages and Suburbs; A Prospectus for Warwick District Council' (May 2012), provided a basis for future development, illustrating the overarching principles of garden suburbs and neighbourhoods.

Given the scale of new housing growth to the south of Leamington Spa and Warwick more detailed guidance was required to actively steer forthcoming planning applications. This design guidance was intended to provide greater clarity as more detailed proposals were brought forward. It was important that there was flexibility built in to respond to changing needs of the community, market conditions or changes in policy over the lifetime of the document.

Arising from the public consultation event Council Officers and WYG assessed each representation related to the design guidance. It was Officer's opinion

that no substantial changes were required. Where relevant 10 minor revisions had been made to the document dated November 2015. In addition, each person who completed a feedback form or submitted a response by email had been provided with a full reply.

The Overview & Scrutiny Committee agreed with the design guidance and considered it to be a good document. However, the Committee would like to see in practice higher housing densities where appropriate.

The Executive noted the comments from the Overview & Scrutiny Committee but highlighted that density of housing was not matter that could be considered as part of this document.

**Recommended** that Council endorses the design guidance for the Strategic Urban Extension, south of Royal Leamington Spa and Warwick (February 2016) as a 'best practice' document and acknowledges its supporting role in the future decision making process with regards to planning applications affecting the Strategic Urban Extension area.

(The Portfolio Holder for this item was Councillor Cross)  
(Forward Plan reference number 757)

## **Part 2**

### **(Items on which a decision by Council is not required)**

#### **109. Multi-Storey Car Parks Condition Survey**

The Executive considered a report, from Neighbourhood Services that appraised them on the outcome of the structural condition surveys commissioned on the Council's three multi-storey car parks and set out the intended response to these. The report would have implications upon the forthcoming draft car park strategy which was due to be submitted to Council in March 2016.

Structural engineers, Pick Everard, were commissioned to undertake structural condition surveys for Covent Garden, St Peters and Linen Street MSCPs. Their surveys, summarised at Appendix One to the report, highlighted issues which required further specialist concrete testing which had also been undertaken.

The surveys had demonstrated that the St Peters MSCP was in reasonable condition and with some limited capital investment could continue to provide Leamington with nearly 400 car parking spaces for the next 20 years. However, in order to ensure its continued operation the survey concluded that remedial works of circa £120,000 were required.

It was recommended that essential remedial works including structural repairs, deck coating repairs, Health & Safety works to the split levels and drainage improvements are undertaken as soon as possible. This would put the MSCP into a state or repair that could be maintained through an on-going



annual maintenance programme. The funding for these works would be made available through the Car Park Repairs and Maintenance Reserve.

The results of the survey of Linen Street MSCP were significantly different and indicate that it had reached the end of its design life. The car park required substantial concrete repairs and had steel reinforcement bar degradation throughout with unacceptable levels of section loss to the ramps to decks 8 & 9 and as a result these had been closed from public use. Due to age of construction there were sections of the car park that do not conform to modern health & safety requirements one example would be the timber slats between each parapet which were considered a fire risk. Vehicle impact protection was showing extensive corrosion. The estimated cost to deal with the immediate repairs needed was £439,000 which would only provide the car park with up to three years additional life. Any short term repair offered no value for money due to the limited extended life. In the next 12 months no repairs would be made to Linen Street but the car park would be structurally inspected on a monthly basis to assess its safety risk for ongoing public use. The cost to inspect was £18,000 per annum and was funded through existing budgets, it was anticipated that full closure of the car park would be phased in over the coming 12 months, but would be dependent on the inspection results. The benefit of site inspection for next 12 months was that officers would be able to assess all of the possible options through a feasibility study.

Linen Street provided residential parking to 30 vehicles at Martinique Square and there was a serious financial and logistical impact in regards to the residents parking entitlement. There was a short term alternative parking arrangement planned to cope with the displacement of the Martinique Square vehicles when Linen Street closes. But the displacement created a knock on effect to income derived from other car parks, most notably West Rock. Long term closure of Linen Street could add considerable risk to the vitality of the local economy as loss of parking on this scale would create disproportional displacement of cars throughout the town centre and put further pressure on already well utilised parking locations. An internal options appraisal for Linen Street had identified that the most suitable area for rebuilding the car park was upon the existing footprint and financial modelling would be needed to assess the financial business case. Without design proposals there was no possibility of producing an accurate feasibility study for Council to consider. It was recommended that a procurement exercise be undertaken to appointment a suitable specialist.

The follow on report for Linen Street was necessary as it would take time to procure the necessary specialist companies and develop the options. The purpose of the report would be to give Council a clear understanding of the options and costs for future provision at Linen Street and would be submitted as soon as practically possible.

The results of the Covent Garden report highlighted a number of significant issues, the main concern being ASR (Alkali Silica Reaction) which required further investigative testing. The revised report had now been received and showed that ASR was present throughout the building but at a lower risk than first considered and could be managed in the short term. There were however, substantial costs associated with maintaining Covent Garden for

any length of time. As this site was linked to Riverside House relocation it was proposed that Council note the issues from the survey at Covent Garden. A detailed report into the future of Covent Garden would form part of the Riverside House relocation report due later in 2016.

Current maintenance to all car parks was paid through the repairs and maintenance budget of £60k per annum. This fund is not sufficient to deal with the future challenges of the multi-stories or to keep them in a reasonable standard. It is recommended to Council that future contributions are made to the Car Park Repairs and Maintenance Reserve from any surplus income over the amounts budgeted to cover the future liabilities of any multi-storey car park. Conversely, shortfalls from car park income to the General Fund would also be financed from this reserve.

Alternatively the Council could decide not to fund remedial repairs and ongoing maintenance at St Peters car park. This had been discounted as the Council had funds in the car parks reserve and had made provision to maintain the fund through car park income.

Alternatively the Council could decide not to fund £20,000 for the feasibility study and allow Linen Street to close with no option to replace the car park in the future. This would leave the Council with no detailed plan as to how the Council could deal with the future of the Linen Street site as well as the obligation to supply car parking for Martinique Square and potentially the Print Works on this basis it had been discounted.

Alternatively the officers could bring forward a report detailing the work required at Covent Garden or options appraisal for the site. This had been discounted as there was a wider scheme in respect of the HQ relocation which would consider how best to assess the future of the Covent Garden car park.

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

Councillor Shilton provided assurance that a Working Party would be established to look at the future of Council car parks as a separate piece of work the Task & Finish Group looking at Car Parking Charges. He recognised the obligations this Council had in terms of residents and supporting the local economy and therefore consultation would be undertaken with relevant local Council's before any decisions were taken.

**Resolved that**

- (1) the outcome of the specialist structural condition surveys of the multi-storey car parks (MSCP) set out at Appendix One to the report, be noted;
- (2) the £120,000 essential remedial repairs to the St. Peters MSCP, Leamington, be funded from the Car Park Reserve;
- (3) Linen Street MSCP, Warwick is nearing the end of its design life and as it continues to operate will

need to be monitored through monthly structural surveys to mitigate the ongoing issues;

- (4) a budget of £20,000 be approved to enable detailed feasibility work to be undertaken on options for future provision of appropriate levels of car parking in Warwick town centre to replace the current provision within the Linen Street MSCP. Funded from the Car Park Repairs and Maintenance Reserve;
- (5) a further report detailing the business case for each option will be presented to Executive when this work has been undertaken;
- (6) the position in respect of the Covent Garden MSCP, Leamington and that proposals to address the issues relating to this car park will be developed as part of the proposed wider development of this area and reported through a future HQ Relocation report;
- (7) the principle of reserving car park income surplus from the base budget to cover the future maintenance liabilities of MSCP, be approved.

(The Portfolio Holder for this item was Councillor Shilton)  
(Forward Plan Reference 728)

#### 110. **Rural/Urban Capital Improvement Scheme (RUCIS) Applications**

The Executive considered a report, from Finance, regarding the Rural/Urban Capital Improvement Scheme grant applications that had been received from Leamington Netball Club and Lapworth Cricket Club.

Leamington Netball Club had applied for funding to build and equip a purpose built courtside facility to provide disabled / wheelchair access, two toilets (one of which will be a disabled toilet), a social / mentoring / de-brief area and a kitchen / refreshment facility; as well as Raise the two perimeter fences that were not currently at full height to reduce anti-social behaviour when not in use, ensure that safety aspects were covered by reducing the number of occasions of netballs going over the fence onto either the car park or Leamington Rugby Club's 3rd team pitch and support the club's safeguarding policy for young female players.

Lapworth Cricket Club had applied for funding to build a new patio area and walkway either side of the existing pavilion to resolve health & safety issues with the current uneven surface and to create an enlarged amenity and leisure area for the increasing number of players and spectators; and provide power to the equipment shed and score box to enable the club to carry out their own basic maintenance which would reduce costs, to enable an electronic scoring device to be installed and also enabled the use of power tools in that part of the ground, for example, leaf blowers and hedge cutters.

The Council operated a scheme to award Capital Improvement Grants to organisations in rural and urban areas. The grant recommended was in accordance with the Council's agreed scheme and would provide funding to help the project progress. Both projects also contribute to the Council's Sustainable Community Strategy.

The Council has only a specific capital budget to provide grants of this nature and therefore there are no alternative sources of funding if the Council is to provide funding for Rural/Urban Capital Improvement Schemes.

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

**Resolved** that

- (1) Leamington Netball Club be awarded a Rural/Urban Capital Improvement Grant from the rural cost centre budget for Leamington Netball Club of 42% of the total project costs to build and equip a purpose built courtside facility and raise the height of two perimeter fences, as detailed within paragraphs 1.1, 3.2 and 8.1, up to a maximum of £30,000 including vat subject to receipt of a Written confirmation from BiffaAward (or an alternative grant provider) to approve a capital grant of £30,000, as supported by appendix 1 to the report.
- (2) Lapworth Cricket Club be awarded a a Rural/Urban Capital Improvement Grant from the rural cost centre budget for Lapworth Cricket Club of 50% of the total project costs to build a new patio and walkway and to provide power to the equipment shed and score box, as detailed within paragraphs 1.1, 3.2 and 8.2, up to a maximum of £11,716 including vat. As supported by appendix 2.

(The Portfolio Holder for this item was Councillor Whiting)  
(Forward Plan reference 758)

**111. 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 three items by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below.

Minute No.	Para Nos.	Reason
112	1	Information relating to an Individual
112	2	Information which is likely to reveal the identity of an individual

112. **Potential Redundancy Costs (Customer Service Centre)**

The Executive considered a report from Neighbourhood Services

The recommendations of report were agreed as printed and the full details will be included in the confidential minutes.

(The meeting ended at 6.55pm)