

# Executive

Minutes of the meeting held on Wednesday 11 March 2015 at the Town Hall, Royal Leamington Spa at 7.00 pm.

**Present:** Councillor Mobbs (Chairman); Councillors Caborn, Coker, Cross, Mrs Gallagher, Hammon and Vincett.

**Also present:** Councillor Barrott (Chair of Finance & Audit Scrutiny Committee), Councillor Boad (Liberal Democrat Observer), Councillor Mrs Falp (Chair of the Overview & Scrutiny Committee), Councillor Heath (Independent Group Observer) and Councillor Wilkinson (Labour Group Observer).

## 126. **Declarations of interest**

There were no declarations of interest.

## 127. **Minutes**

The minutes of the meetings held on 14 and 28 January and 11 February 2015 were unavailable and would be submitted to the April 2015 meeting.

### **Part 1**

(Items on which a decision by Council is required)

## 128. **Updated Code of Financial Practice**

The Executive considered a report from Finance which presented an updated Code of Financial Practice for the Executive's consideration and approval. Subsequent to approval, the Code would be presented to Full Council for approval and adoption.

It had been two years since the Code of Financial Practice had been updated. During this period, there had been changes in working practice, notably the introduction of Procurement Cards from April 2014.

The new Transparency Code, to which the Council must comply, required authorities to publish information on their websites to re-enforce local accountability and openness. Much of this data was financial, for example, payments to suppliers above £500, Land and Assets and Senior Salaries as well as Procurement Card information. These had also been incorporated into the revised Code.

The report explained how the Code of Financial Practice was closely aligned with the updated Code of Procurement Practice and both underpinned the Council's Constitution. The amendments proposed in the report sought to ensure that procurement activity and the sections with the Code of Financial Practice were consistent.

Managers needed to consider their budgets when procuring and managing their contracts and guidance was given about recording, raising orders and procuring supplies and services.

From a budgetary stance, the Council needed to identify and achieve circa £1 million on-going savings over the next 5 years to deliver balanced budgets over the same period and the practices within the Code would promote good financial management.

An alternative option was that Members could choose not to have a Financial Code of Practice but this would contravene its Constitution and fail to protect its finances. In addition, not updating the Code would render it out of date and inconsistent with current practices within the Council.

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

The Portfolio Holder for Finance, Councillor Cross, endorsed the report and moved the recommendations as laid out.

The Executive therefore

**Recommended** to Council that the updated Code of Financial Practice, attached as Appendix 1 to the report, be approved.

(The Portfolio Holder for this item was Councillor Cross)  
(Forward Plan reference 668)

## 129. **Procurement Strategy and Action Plan**

The Executive considered a report from Finance which presented a further update to the Action Plan, following the procurement issues raised in March 2014.

The Procurement Strategy and Action Plan were regularly reported to the Finance and Audit Scrutiny Committee and detailed the planned actions to be undertaken during the year.

The Code of Procurement Practice was a fundamental element of the Council's policy framework. Its purpose was to ensure that appropriate contracts were procured to meet service requirements and were subsequently properly managed. The Code of Procurement Practice also supported the ability of the Council to demonstrate that it was achieving value for money from its expenditure and that its contracts and services were being managed in an open and transparent manner, in line with the Council's Core Values.

The Procurement Strategy set out the responsibilities and actions to be undertaken to ensure that the Code of Procurement Practice was adhered to across the Council.

In March 2014 the Executive considered a report entitled "Housing and Property Services: Contracts Update". The report included a March 2014 Action Plan, bringing together the recommendations from investigations on which the original report was based. An interim report was submitted to Executive in November on progress on the actions, with a further update requested for March 2015 Executive.

The Action Plan had been updated for 2015/16 and detailed the planned actions to be undertaken during the year. These actions included all aspects of procurement, including actions by the Procurement Team and by officers across the Council with responsibility for specific contracts.

Most of the actions within the March 2014 Action Plan had been completed. However, the actions which had not been totally completed, or were on-going, were included within the new Procurement Strategy and Action Plan.

The alternative options were that Members could choose to make further observations or recommendations on the Action Plan and updated Strategy, or consider alternative reporting arrangements.

An addendum was circulated prior to the meeting amending recommendation 2.4 and updating paragraph 3.8 of the report, to ensure that paragraph 12.5.2 of the Code was updated to reflect the updated Contract thresholds and the appropriate approvals process.

The Finance & Audit Scrutiny Committee supported the recommendations in the report. They asked that in future revisions to the Code of Procurement Practice were cross referenced with the Code of Financial Practice. The Committee also asked that further consideration be given to page 6 paragraph 1.2 to ensure contracts remained controlled and within the appropriate controls and budgets.

The Portfolio Holder for Finance acknowledged the comments from Finance & Audit Scrutiny Committee and assurances were given that working practices would continue to be monitored.

**Recommended** to Council that

- (1) the report and the progress on addressing the actions within the March 2014 Action Plan (Appendix 1), are noted;
- (2) any further action in addressing the on-going issues within the March 2014 Action Plan is addressed as part of the updated Procurement Strategy and Action Plan, and this is monitored by the Finance & Audit Scrutiny Committee;

- (3) the Finance & Audit Scrutiny Committee consider the updated Procurement Strategy and Action plan; and
- (4) the Code of Procurement Practice is amended so that for Contracts Type 1, up to £4,999, the Head of Service will arrange contracts directly in consultation with the Procurement Manager. Regard must be given to best value and paragraph 12.5.2 of the Code should also be updated to reflect the updated Contract thresholds.

(The Portfolio Holder for this item was Councillor Cross)  
(Forward Plan reference 667)

### 130. **Homelessness Strategy 2015-2017**

The Executive considered a report from Housing and Property Services which proposed that a short two-year Homelessness Strategy be produced and a combined Housing and Homelessness Strategy be developed from 2017 onwards.

It was considered more efficient to bring the two strategies together into a single Housing and Homelessness Strategy so that only a single strategic process would be needed. In addition, Members would be able to take a considered view of the resources available to address all housing needs together rather than having to agree actions on homelessness separately.

The Council was required to have a Homelessness Strategy for the District by law and the existing strategy was due to expire on 31 March 2015. A new strategy was therefore required from 1 April 2015.

The objectives for the new strategy were to ensure accessible and effective homelessness, housing advice and support services; provide suitable accommodation for all homeless households; and prevent homelessness.

An Action Plan was included in the strategy and showed which actions could be undertaken within existing resources and which would require new resources. In addition, the strategy was directed towards the service strand of Fit for the Future in that it sought to improve services for those who approached the Council in need of help and support with their housing problems.

Doing nothing was not an option because the Council was under a statutory obligation to prepare a Homelessness Strategy. However, members could choose to implement a strategy for longer than the proposed two years or amend the action plan if so desired. The report reminded Members, however, that a wide range of options for addressing the priorities had been considered as part of the consultation process and a manageable action plan had been produced on this basis.

The Overview & Scrutiny Committee supported the recommendations in the report, but requested that officers and the Portfolio Holder note its view that during severe weather, the Council should aim to provide shelter to people who sleep rough after just one night, not three; and that these people be provided with both bed and breakfast. The Committee also asked that information be provided about the number of homeless who were ex-servicemen.

In response to the comments from Overview & Scrutiny Committee, the Portfolio Holder for Housing and Property Services, advised that the Council was working with voluntary sectors to incorporate their sentiments into the strategy.

In addition, he requested that an additional recommendation 2.3 be added to read "The Executive recognises the importance of the Homelessness strategy in alleviating homelessness and will pass this to the Housing Advisory Group to monitor progress."

**Recommended** to Council that

- (1) the actions taken in respect of homelessness and its prevention as set out on pages 4 and 9 of the strategy, be noted;
- (2) The proposal to produce a combined five-year Housing and Homelessness Strategy from 2017 onwards, be approved; and
- (3) the Homelessness Strategy, attached as an appendix to the report for the period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2017, be approved.

(The Portfolio Holder for this item was Councillor Vincett)  
(Forward Plan reference 673)

131. **Establishing a Council Economic Development and Housing Company for Warwick District**

The Executive considered a report from Housing and Property Services which set out the option for the Council to develop an additional investment vehicle to deliver affordable housing and economic development by means of establishing a Council-owned Company.

In January 2013, the Council received a report from Price Waterhouse Coopers (PWC) advising that by establishing a Council-owned Housing Company the Council may be able to increase the rate and quantity of affordable housing it could develop.

As a result, in September 2014, the Executive approved a recommendation to develop further this proposition with a view to the entity being funded from within the General Fund (GF) or within the HRA.

A Council House Building Board (CHBB) was established made up of senior officers from across the Council, supported by regular liaison with the Portfolio Holder.

The report considered the opportunities and risks that applied to the local circumstances of Warwick District and the Council if this course of action was taken and sought approval to prepare for the establishment of a wholly owned Council Development a Company with a remit to support investment in social and economic development.

Section 3.14 outlined a list of what the Council Development Company would hope to achieve including providing an additional developer in the District to complement private sector investment, help clarify the financial risks and provide an opportunity to enter into joint ventures.

Members were advised that establishing a wholly owned company would require additional strategic, legal, financial and operational aspects and funding was available to undertake this work as approved by the Executive in September 2014. The technical development of the company would be commissioned by the CHBB from legal and financial experts and the Housing Advisory Group would provide additional oversight and advisory input to the project.

A formal proposal, summarising these details would be submitted to the Executive for approval in November 2015 and a project plan was attached as Appendix D to the report.

The alternative options were that the Council could abandon the idea of establishing a CHC or a CDC. However, having in place a vehicle able to operate at the behest of the Council alongside other investors meant that the Council would be better placed to take advantage of opportunities that could not be delivered by other entities.

Members could establish an independent CHC/CDC with a funded Business Plan to deliver affordable homes, however, in the absence of any mechanism in place to provide subsidy funding this was unlikely to be able to provide affordable housing in the short or medium term.

Finally, an Arms' Length Management Organisation (ALMO) could in itself act as developer of new homes funded outside of the HRA. However, this may not help increase the rate at which affordable housing could be provided.

The Overview & Scrutiny Committee supported the recommendations in the report.

The Executive endorsed the report, with the support of the Portfolio Holder for Housing and Property Services and

**Recommended** to Council that

- (1) the proposal, in principle, as set out in this report, for the establishment of a wholly owned Council Development Company with a remit to support on a case-by-case basis investment in housing and economic development in Warwick District, is approved;
- (2) further work should be undertaken by Officers to develop a Formal Proposal to be presented to Executive in November for approval before the Company is set up; and
- (3) the Housing Advisory Group (HAG), subject to a separate report elsewhere on this agenda, will provide oversight over the development of the Formal Proposal.

(The Portfolio Holder for this item was Councillor Vincett)  
(Forward Plan reference 675)

### **132. HRA Business Plan Review for 2015/16 to 2061/62**

The Executive considered a report from Housing and Property Services advising that the Housing Revenue Account Business Plan (HRA BP) had been updated to reflect the most recent changes in performance and business assumptions.

The report explained that the revisions had, over the full period of the HRA BP, allowed the HRA BP to remain viable with increases in one area, balanced by savings in another area.

In April 2012 the Housing Revenue Account subsidy system was replaced with the Self Financing System. This required the Council to take on a loan of £136.2m to pay the Government's settlement figure. In March 2012, the Executive approved the HRA BP 2012/13 to 2061/62 which, based on the assumptions made at that time on income and expenditure, and the debt arrangements made by the Council, allowed the Council to maintain a viable role as a social landlord.

Performance of the HRA BP had since then been reviewed on a regular basis with reports being submitted on a six monthly basis to the Finance and Audit Scrutiny Committee.

The assumptions underpinning the HRA BP had been reviewed to make sure that the Business Plan could be effectively managed to remain viable. As a result of this, changes had been made to the Business Plan to maintain the viability of the Council's landlord service and the revised HRA BP was attached as an appendix to the report.

To provide scrutiny and oversight over the management of the HRA Business Plan, and to allow for any discrepancies or variations to be managed in a timely and proactive way, the HRA Business Plan would be

continuously monitored and managed. This would include reporting any divergence from the agreed programme to Executive annually to make sure that the long term viability of the HRA Business Plan remained.

Performance of the Plan would also be monitored through the Housing Advisory Group on an annual basis and the Finance and Audit Scrutiny Committee on a bi-annual basis.

An alternative option was that the Housing Business Plan could remain as agreed by Executive in 2013. This would result in the plan not reflecting the most up to date policies, strategies and up-to-date research on the conditions of the local housing and land markets. The plan would therefore not be able to deliver services in a way that was viable, maintain services and service the debts taken on by the Council.

The Council could choose to agree alternative policies, service standards and investment options as part of agreeing the Business Plan. Provided these options were financially viable and deliverable, the Business Plan would be updated as a result.

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

The Portfolio Holder for Housing and Property Services endorsed the report and proposed the recommendations as laid out.

**Recommended** to Council that

- (1) the revised Housing Revenue Account Business Plan 2015/16 to 2062/63, is approved;
- (2) the performance of the Housing Revenue Account Business Plan will be continuously monitored and managed and any divergence from the agreed programme will be reported to Executive annually;
- (3) a standard maximum payback period for new developments of sixty years, is adopted as a benchmark; and
- (4) a budget of £120,000 for a full structural stock condition survey of the Council's seven tower blocks and circa 450 homes of non-traditional construction, is approved.

(The Portfolio Holder for this item was Councillor Vincett)  
(Forward Plan reference 684)



### 133. **Playing Pitch and Outdoor Sports Strategy**

The Executive considered a report from Cultural Services which built on the work which had been ongoing since 2013, to inform the future plans for playing pitch and outdoor sports provision in Warwick District.

The report referenced several studies and assessments which could be drawn upon to provide evidence to support a strategic approach to the provision of these facilities. It also outlined the value of the evidence base and modelling which formed a key component of the Infrastructure Delivery Plan / Local Plan.

The National Planning Policy Framework (NPPF) stated that local planning authorities must ensure "planning policies are based upon robust and up-to-date assessments of needs for open space, sport and recreation facilities and opportunities for new provision".

The evidence base prepared for Warwick District had been gathered in accordance with Sport England approved methodology and provided a robust analysis of provision in the District. In addition, the evidence base was a key component of the data supporting the Infrastructure Delivery Plan (IDP) which sat alongside the emerging Local Plan. These key documents would have a significant impact on the District over the long term and therefore the inclusion of comprehensive and current data and analysis of demands and needs was essential.

The report asked Members to note the evidence base and modelling undertaken and the Athletics Needs Assessment attached as Appendix 2 to the report.

The Athletics Needs Assessment would be used to inform decisions on future athletics provision in the District. Further details about the athletics provision were provided in section 3.2 of the report and showed that the audit had found that based on demand and supply, there was a good argument for ensuring the retention of an athletics track in the District.

The report also recommended that Members approve the updated Indoor Sports and Leisure Strategy March 2014, attached as Appendix 3 to the report, which updated the strategy previously approved in October 2013, to address the Indoor Bowling Facilities. Furthermore, approval of the Playing Pitch and Outdoor Sports Strategy 2014, attached as Appendix 1 to the report, was also required.

The Indoor Sport and Leisure Strategy and the Playing Pitch and Outdoor Sport Strategy provided a coordinated and long term approach to sports facility provision and planning across the District. They took into account the full range of providers including local authorities, schools, sports clubs, private sector provision, and other community organisations.

Alternative options were not considered because the development of a robust evidence base, gathered, modelled and calculated in accordance

with NPPF and Sport England guidance was essential to ensure the Infrastructure Delivery Plan (IDP) stood up to scrutiny and challenge.

The Overview & Scrutiny Committee supported the recommendations in the report but asked the Executive to ensure that provision for hockey was given appropriate support. The Committee also noted that provision of sports facilities at school sites did not guarantee continuing use for the public; so this risk needed to be properly identified and managed.

Members raised concerns about the provision of Hockey in the District which it was agreed was an important part of sporting provision. However, Members were assured that any issues would be picked up as part of the quarterly review and the strategy revised if necessary.

The Portfolio Holder for Cultural Services, Councillor Mrs Gallagher, endorsed the report and advised that the first review would be undertaken in June 2015. Members were assured that clubs from all sporting backgrounds had been engaged in the process and the strategies reflected the challenges the District was faced with and how the Council was dealing with them.

Councillor Mrs Gallagher recognised the concerns of the Scrutiny Committee and agreed that additional wording be added to recommendation 2.4, referencing that the strategy would be reviewed on a quarterly basis.

**Recommended** to Council that

- (1) the comprehensive evidence base and modelling for playing pitches and outdoor sport which has been undertaken and published as part of the Council's Infrastructure Delivery Plan and ongoing preparation of the emerging Local Plan, is noted;
- (2) the Athletics Needs Assessment, attached as Appendix 2 to the report, is noted and this data will be used to inform decisions on future athletics provision in the District;
- (3) the updated Indoor Sports and Leisure Strategy March 2014, which updates the strategy approved by Executive in October 2013 to address Indoor Bowling Facilities, attached as Appendix 3 to the report, is approved; and
- (4) the Playing Pitch and Outdoor Sports Strategy 2014, attached as Appendix 1 to the report, is approved and this will be reviewed on a quarterly basis.

(The Portfolio Holder for this item was Councillor Mrs Gallagher)

(Forward Plan reference 655)