

# EXECUTIVE

Minutes of the meeting held on Wednesday 11 January 2012 at the Town Hall, Royal Leamington Spa at 6.00 pm.

**PRESENT:** Councillor Michael Doody (Chairman), Councillors Caborn, Coker, Mrs Gallagher, Hammon, Mobbs, Shilton and Vincett.

**ALSO PRESENT:** Councillor Boad (Liberal Democrat Group Observer), Councillor Gifford (Chair of Overview and Scrutiny Committee) and Councillor Mrs Knight Chair of Finance and Audit Scrutiny Committee).

Apologies for absence were received from Councillor Mrs Grainger.

## 109. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **PART 1**

(Items which a decision by Council is required)

## 110. **GENERAL FUND BASE ESTIMATES REVISED 2011/12 AND ORIGINAL 2012/13**

The Executive considered a report from Finance which set out the latest projections for the General Fund revenue estimates in respect of 2011/12 and 2012/13, based on the current levels of service and previous decisions.

The 2011/12 revised estimates showed a surplus of £201,300. This surplus assumed that procurement savings would be achieved but £205,000 Fit for the Future savings would not be achieved before the year end.

The proposed 2012/13 Base Budget presented an increase of £127,000 in the Council's expenditure whilst continuing to provide its services and meet its commitments. However, there was still a £332,000 shortfall, including the £205,000 Fit for the future savings to be found.

In July of this year, Members were alerted to the need to find £2.7 million of on-going savings by 2016/17.

One of the key elements of Fit for the Future was ensuring that the Council achieved the required savings to enable it to set a balanced budget whilst maintaining service provision. This report updated members on the financial projections for future years, savings required and some of the key issues needed to be considered in preparing the 2012/13 budget and beyond. More details on Fit for the Future would be included in the February Budget report, with a specific report on Fit for the Future due in March.

## **EXECUTIVE MINUTES (Continued)**

In addition, because the "target" savings from Fit for the Future for the current year were not expected to be fully achieved it increased the savings needed to be found in future years.

The purpose of the report was to produce estimates as determined under the requirements of the Financial Strategy. Therefore, any alternative options or strategies would be the subject of separate reports.

The Finance & Audit Scrutiny Committee discussed the Council's approach to its Fit for the Future programme and, in particular, the change programme element. Members noted work which was underway, including long term financial planning. A desire was expressed that efforts be taken to ensure that the Council's financial concerns be reflected in arrangements made with contractors. The Committee was pleased to see partial recovery of an overspend on Housing and Council Tax Benefits and thanked the officers involved. The Committee supported the recommendations in the report, in particular recommendation 2.2(a).

Councillor Mrs Knight addressed members and highlighted that one of the concerns raised at Finance and Audit Scrutiny Committee was regarding inflation costs. The Committee wanted reassurance that inflation costs would be passed on to contractors to shoulder, where possible.

The Overview and Scrutiny Committee was concerned about the failure of the Fit for the Future programme to meet its savings targets and the effect that may have and recommended that the "Fit for the Future Scrutiny Group" meet to understand the Executive plans to ensure that the Fit for the Future programme delivered the agreed outcomes.

Councillor Gifford, Chair of the Overview and Scrutiny Committee, addressed members and requested that their 'recommendation' be treated as a comment rather than a formal recommendation. He recognised that the scrutiny group was already established and could meet whenever they felt the need to do so.

The Portfolio Holder for Finance, Councillor Mobbs, addressed the concerns raised by the scrutiny committees, and started with the issues regarding inflation costs. He explained that some contracts already had inflation costs built in and that the Chief Finance Officer, Mike Snow, had addressed this issue by removing these costs from managers' budgets. This would enable a more robust management of costs by officers and coincided with measures put in place by the Fit for the Future programme.

He reminded members that without Fit for the Future, the Council would not be in such an advantageous position and would be looking at alternative options, including making cuts. He reiterated the continuous work being undertaken by officers to achieve the savings detailed in section 9 of the report.

Councillor Mobbs believed that the Fit for the Future Scrutiny Group had been a 'one-off' meeting and suggested that any interested members attend the Finance and Audit Scrutiny Committee in March, when a further report would be submitted. This would give those members a chance to scrutinise the report in full and Councillor Gifford accepted the invitation.

## **EXECUTIVE MINUTES (Continued)**

Councillor Mobbs explained that the Council's position was not only due to savings made but also increased income, and highlighted the advances made by the Spa Centre in recent months to contribute to this. He congratulated the Portfolio Holder for Cultural Services, Councillor Mrs Gallagher and her staff, for increasing income by 48% compared to the same time last year and by 31% compared to 2009. He therefore urged members to endorse the recommendations.

Councillor Caborn addressed members, supporting the recommendations, and reminded them that the Peer Challenge would also be a good exercise in scrutinising the work surrounding the Fit for the Future programme.

Councillor Mrs Gallagher thanked the Executive for their comments and stated that she was very proud of the improvement in the Spa Centre this Winter. She felt that some of this was attributed to the improved seating and expressed her thanks to Anthony Flint and his staff for increasing footfall significantly over the holiday period.

Councillor Doody reiterated the comments made by Councillor Mobbs and stated categorically that the Council would not be looking at making cuts but were using Fit for the Future to manage things differently. He also requested that the Portfolio Holders for Cultural Services and Finance pass on the Executive's thanks to all staff in their departments.

Having read the report, and considered the comments by the scrutiny committees, members were satisfied that the resolutions in the report be recommended to Council.

### **RECOMMENDED** that

- (1) the level of Magistrate Court Cost Fees be charged as outlined in appendix B to the report and paragraph 9.8 of the report be set at £85 and the assumed income from this option £73,000 is included in the 2012/13 Base Estimates;
- (2) the revised base budget revenue estimate for the General Fund services in respect of 2011/12 as outlined in appendix D to the report, be noted; and
- (3) the base budget revenue estimate for the General Fund services in respect of 2012/13 as outlined in appendix D to the report, be noted.

**RESOLVED** that the latest financial forecasts for the Medium Term as outlined in Section 8 of the report and the total on-going savings of circa £2.7 million to be achieved by 2016/17, be noted.

(The Portfolio Holder for this item was Councillor Mobbs)

## **EXECUTIVE MINUTES (Continued)**

### **111. HOUSING REVENUE ACCOUNT BASE ESTIMATES REVISED 2011/12 AND ORIGINAL 2012/13**

The Executive considered a report from Finance which set out the latest projections for the Housing Revenue Account (HRA) revenue estimates in respect of 2011/12 and 2012/13, based on the current levels of service and previous decisions.

The report advised that the proposed 2011/12 Revised Budget would present a decrease in HRA balances, compared to the original estimate, of £3,545,500, reducing the balance on the HRA to £3.5m.

In addition, the proposed 2012/13 Base Budget presented a surplus of £1,606,600, which would increase the balance on the HRA to £5.1m. This was in line with the assumptions currently built into the Self Financing Business Plan being prepared for implementation from April 2012.

The purpose of this report was to produce estimates as determined under the requirements of the Financial Strategy. Therefore any alternative options or strategies would be the subject of separate reports.

While some dismay was expressed by members of the Finance & Audit Scrutiny Committee at the average increase in dwelling rents, the reasons for this were understood and the Committee supported the recommendations in the report.

The Portfolio Holder for Housing and Property Services, Councillor Vincett, addressed members and signposted them to the relevant details in the report, including a slight increase in expenditure. He also advised that the details contained in paragraph 1.3 of the report, dealing with the proposed 2012/13 Base Budget surplus of just over £1.6m, could change in the future. He requested that the Executive's congratulations be passed to the Housing & Property Services and Finance departments for their hard work in managing these budgets.

Having read the report, and considered the comments by the scrutiny committees, members were satisfied that the resolutions in the report be recommended to Council.

#### **RECOMMENDED** that

- (1) the revised base budget revenue estimate for Housing Revenue Account services in respect of 2011/12 as outlined in appendix B to the report, be approved; and
- (2) the base budget revenue estimate for Housing Revenue Account services in respect of 2012/13 as outlined in appendix B to the report, be approved.

(The Portfolio Holder for this item was Councillor Mobbs)

## **EXECUTIVE MINUTES (Continued)**

### **112. HOUSING REVENUE ACCOUNT DRAFT BUSINESS PLAN 2012 - 2042 AND SELF FINANCING**

The Executive were due to consider a report from Housing and Property Services which advised that in April 2012, the existing Housing Revenue Account (HRA) subsidy system would be replaced by a self financing model.

The Deputy Chief Executive (AJ) advised members of the Scrutiny Committees that the item had been withdrawn because amendments needed to be made to the recommendations.

It was suggested that the report would come back to Executive in February 2012.

(The Portfolio Holder for this item was Councillor Vincett)

## **PART 2**

(Items which a decision by Council is not required)

### **113. DISCRETIONARY TRAVEL**

The Executive considered a report from the Discretionary Travel Task and Finish Group which detailed the findings following an investigation to establish whether it was possible to introduce a single community transport scheme.

It was hoped the scheme would benefit both the elderly and residents with mobility problems where normal public transport was unsuitable to meet their changing travel needs.

The Discretionary Travel Task & Finish Group was established in March 2010 and their scope was to identify and understand particular issues and needs. They took into account what was already available with a view to exploring the options of 'joined up' service work, voluntary group assistance and the provision of an alternative transport system where no regular bus service operated.

The Group produced a final report, attached as an appendix to the report, however, Warwickshire County Council announced significant changes to the delivery of the Flexibus service which impacted on the Group's recommendations in the final report. For this reason the final report, although agreed by the Overview & Scrutiny Committee, was not considered by the Executive. The Group felt that recommendations 2 and 3 of their final report should be progressed but believed that recommendation 1, which requested funding to provide another Flexibus route, was no longer viable.

There were a number of alternative options available. The Executive could agree the recommendations as set out in the original report or put forward their own recommendations in place of those made by the Task and Finish Group and the Overview and Scrutiny Committee. In addition, Members could refer the report back to the Overview and Scrutiny Committee requesting further information.

## **EXECUTIVE MINUTES (Continued)**

In Councillor Mrs Grainger's absence, the Leader, Councillor Doody, addressed members and endorsed the recommendations in the report.

Having read the report, the Executive decided to agree the recommendations as set out.

### **RESOLVED**

- (1) that recommendation 1 of the original Task & Finish Group report, "that the Executive of Warwick District Council approves the cost of £35,000 to £50,000 to provide another bus route operated by Flexibus that accesses those residents that the current routes do not reach. The specification for the additional route will need to be explored following approval." should not be accepted because of the service reductions made by Warwickshire County Council;
- (2) that officers undertake discussions with Age UK to ascertain if Warwick District Council can assist in the recruitment of volunteer drivers so that the Leamington bus can be fully utilised, therefore, enabling groups or organizations access to community transport; and
- (3) that a joint promotion activity is undertaken to promote all the community transport schemes available. This should include the community places where the questionnaire was issued as there was comprehensive response from the target audience in these places.

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

#### **114. PROPOSAL TO INSTALL PHOTOVOLTAIC SYSTEMS TO SUITABLE WARWICK DISTRICT COUNCIL HOUSING AND CORPORATE PROPERTIES AFTER UNEXPECTED FEED-IN-TARIFF CHANGES**

The Executive considered a report from Housing and Property Services which requested approval of a programme to procure and install up to 170 Photovoltaic (PV) systems by 31 March 2012. This in turn would require certain financial decisions to be made involving the Capital Programme and Housing Revenue Account and the future submission of a business case and subsequent reports.

In September 2011, the Executive considered the report "*Proposal to install photovoltaic systems to suitable WDC housing and corporate properties*" and approved the installation of up to 511 Photovoltaic (PV) systems on Housing Revenue Account (HRA) assets and up to 6 corporate properties by 31 March 2012.

## **EXECUTIVE MINUTES (Continued)**

Subsequently, the Department of Environment and Climate Change (DECC) unexpectedly reduced the Feed-in-Tariffs (FiT) rates, with effect from 12 December 2011. This early review of rates resulted in the reappraisal of the business case and a requirement to seek additional Executive approval.

The delays caused by this change and the results of surveys undertaken so far had reduced the size of the achievable programme and approval was required to deliver a revised District-wide programme to install up to 170 PV systems on HRA assets by 31 March 2012, with no installations on corporate properties.

The initial business case and report to Executive evaluated all the viable alternative options. The preferred option which was approved by Council in September 2011 remained the most viable and the recommendation in this report was consistent with the earlier decision, albeit with a reduction in the PV installation programme from 517 to 170.

The Finance & Audit Scrutiny Committee noted that the proposal was to install panels in social properties, not corporate ones. Some disappointment was expressed that current prices had not been incorporated into the business plan as soon as they had become available, but the Committee supported the recommendations in the report.

The Portfolio Holder for Housing and Property Services, Councillor Vincett, addressed members and explained that this report followed on from the previous one submitted in September 2011 and since changes had been implemented by Central Government. He accepted that the financial position was not ideal but felt that the project needed to be viewed as an exercise in improving social housing and attitudes towards alternative fuel.

Councillor Vincett reminded members that fuel poverty was a real issue for some of the District's social housing tenants and it was hoped that this would help to balance out some of the difficulties faced by low income families.

He also advised members that following further investigation, officers had decided that this would not be a realistic programme for corporate properties.

Having read the report, and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations as set out in the report.

### **RESOLVED** that

- (1) the direct procurement by the Council of a programme to procure and install up to 170 PV systems, on Housing Revenue Account assets by 31 March 2012, be approved. The actual number installed will depend upon structural surveys on proposed properties, tenant agreement, and the volume that can be completed by 31 March 2012;

## **EXECUTIVE MINUTES (Continued)**

- (2) expenditure in the Housing Investment Programme be reduced for the installation of Photovoltaic systems on Housing Revenue Account properties from £3,380,000 to £850,000. This will be further reduced in proportion to the number of installations not completed by 31 March 2012;
- (3) the £375,000 programme for the installation of Photovoltaic systems on corporate properties from the Other Capital Programme, be removed;
- (4) the Head of Housing and Property Services will review and present for approval, if required, a business case for installation of Photovoltaic systems on corporate properties where the Net Present Value is more than £0 after 25 years (not including energy savings);
- (5) the financing of this project will be funded throughout its life from internal resources and/or prudential borrowing as appropriate as part of the Council's overall treasury management/funding strategy, the precise funding to be determined when the Capital Programme funding is next reviewed; and
- (6) a future report will be presented providing a post completion review and to explain further changes to Feed in Tariffs after April 2012.

(The Portfolio Holder for this item was Councillor Vincett)  
(Forward Plan reference 365)

### **115. SIGNIFICANT BUSINESS RISK REGISTER**

The Executive considered a report from Richard Barr, Audit and Risk Manager which set out the latest version of the Significant Business Risk Register, in keeping with Members' overall responsibilities for managing risk.

For several years, the Council had a risk register that was intended to consider all risks to the Council's operations, key priorities, and major projects. This had been known as the 'Corporate and Strategic Risk Register' and individual services had their own 'service risk registers'.

The Register was recently redesigned by the Senior Management Team (SMT) to bring it into line with current thinking on organisational risk registers as well as streamline the approach in line with Lean Systems thinking principles and in particular the Fit for the Future Programme.



## **EXECUTIVE MINUTES (Continued)**

The latest version of the Significant Business Risk Register was attached as an appendix to the report.

A summary of the risks and their position on the risk matrix was set out as an appendix to the report and, in line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top, right hand (north-east) corner of the matrix whilst the converse was true for those risks plotted towards the bottom, left hand (south-west) corner of the matrix.

The report stated that because it was not concerned with recommending a particular option in preference to others, alternative options were not applicable.

The Finance & Audit Scrutiny Committee supported the recommendations in the report and noted that, if the Executive agreed to the recommendations, the Committee would receive quarterly presentations on Service Risk Registers, commencing in April 2012. Councillor Mrs Knight endorsed the Committee's comments and felt that the quarterly reports would help with monitoring but recognised that this was a new venture that would need trying and altering if necessary.

The Portfolio Holder for Finance, Councillor Mobbs, addressed members and thanked all portfolio holders in advance for their assistance with this because it would underpin their responsibilities. He also felt that portfolio holder involvement not only concentrated minds but reinforced the principles of scrutiny. He also welcomed the opportunity for service areas main risks to be scrutinised and appreciated the opportunity for portfolio holders to attend Finance & Audit Scrutiny Committee meetings with their relevant lead officer.

Councillor Vincett supported the recommendations and felt it was the right way forward. However, he was concerned that in the larger departments such as Housing and Property Services, it would be a formidable task to produce the risks for the numerous projects taking place but was mindful that this may resolve itself when it reached scrutiny.

Councillor Shilton endorsed the report and reminded members that this would assist with the task of keeping shadow portfolio holders up to date with the risks relevant to their service area and encouraged all members to attend the Risk Management workshop next week.

Having read the report, and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations as set out in the report.

### **RESOLVED** that

- (1) the Significant Business Risk Register attached at appendix 1 to the report, be noted;
- (2) Portfolio Holders review their respective Service Risk Registers (SRR) quarterly with their service area managers;

## **EXECUTIVE MINUTES (Continued)**

- (3) Portfolio Holder Statements (PHS) include top three risks;
- (4) the process for the review by Finance & Audit Scrutiny Committee of service risk registers, be noted; and
- (5) the relevant Portfolio Holders attend the Finance & Audit Scrutiny Committee meetings at which their respective service risk registers are reviewed.

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

### **116. NEWBOLD COMYN LEISURE CENTRE WATER FLUME REPLACEMENT EXCEPTION REPORT**

The Executive considered a report from Housing & Property Services and Cultural Services which requested an exception to the Code of Procurement Practice, to enable the construction of a replacement water flume at Newbold Comyn Leisure Centre.

The water flume at Newbold Comyn Leisure Centre had provided over 20 years service, and was considered to have contributed significantly to the revenue stream for this leisure centre and was a reason that many people used this particular swimming pool. Due to the age and heavy use of the water flume, it was now considered to have reached the end of its design life, having had two full recoats of its flume surface, and various repairs to the steel work. Additional repairs were not considered to be financially viable and the ongoing inspection regime had identified a number of health and safety concerns relating to the existing installation.

As a result of this and the increasing relative cost of the maintenance and repair requirements, it was agreed that the water flume should be replaced as part of the 2011/12 Corporate Works Programme and this was approved by the Executive in November 2011.

The market for the supply and fit of water flumes was highly technical and analysis had revealed it to be extremely limited. Loyal Grove Leisure LLP, who had a considerable track record in the delivery of water flume projects and had provided services to the Council in the past, had been identified as a high quality supplier. Because of the limited market the Council would find it a significant risk that the tendering process might attract tenders that were not only technically limited but could drive up the cost through management fees, which was not in its interest.

An alternative option was to tender the proposed replacement works within the open market to water flume supply and installation companies, however, the market was felt to be extremely limited with the significant likelihood that the same supplier would win a tender process.

Another alternative was to tender the proposed replacement works within the open market and it was possible that this could receive a number of

## **EXECUTIVE MINUTES (Continued)**

responses. However, it was probable these would entail larger non-specialist construction companies undertaking the work and could result in the Council paying a fee for a management service that would not be required or represent value for money.

The third alternative option was to not replace the existing water flume. Officers felt it was very likely that the existing water flume would have to be closed within 12 months due to health and safety concerns. This would have significant consequences on the revenue for the leisure centre.

The Finance & Audit Scrutiny Committee discussed the justification for making an exception to procurement rules in this instance, recognised that in order to remove risk it was the only feasible option and supported the recommendations in the report. Councillor Mrs Knight addressed members and highlighted that the committee had felt the reasons for moving away from standard procedure could have been detailed more clearly in the report.

The Overview and Scrutiny Committee recommended that the Executive Committee should satisfy itself that the price had been driven down as far as possible if the Council was going to proceed with a single supplier.

Councillor Gifford addressed members and explained the recommendation put forward by the committee. A number of members felt that the advantage was being handed to the sales man if a single supplier was to be used and the Executive needed to ensure they were still negotiating on price.

Councillor Boad reminded members that local authorities tended to have a softer approach to bargaining than other buyers of products and wanted reassurance that our procurement procedures were still focusing on looking for the best deal.

The Portfolio Holder for Cultural Services, Councillor Mrs Gallagher, highlighted that the existing flume had serviced the public well for the past twenty years but had been recently closed due to health and safety issues. Already, it had had a noticeable effect on revenue. She felt that this project did require a specialist contractor and was satisfied that the Council researched all avenues with procurement matters.

The Portfolio Holder for Housing and Property Services, Councillor Vincett, addressed members and stated that an extensive amount of market research had been undertaken prior to officers reaching this decision. The research had included the internet, media publications and numerous retailers. He advised that this was an indicative price at this stage and reminded members that value for money did not always equal the cheapest price. He felt that officers were dealing with a quality retailer with experience and a good reputation.

Therefore, in response to the recommendation put forward by the Overview and Scrutiny Committee, both Portfolio Holders were very satisfied that they were receiving a quality product for a good price and were happy with the combined departmental decision.

## **EXECUTIVE MINUTES (Continued)**

Having read the report, and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations as set out in the report.

### **RESOLVED** that

- (1) an exception to the Code of Procurement Practice in accordance with item 5.2.3 of the same document, be granted;
- (2) authority be delegated to the Head of Housing & Property Services in consultation with the Housing and Property and Cultural Services Portfolio Holders to procure the supply and installation of a new water flume using a single specialist contractor.

(The Portfolio Holders for this item were Councillors Mrs Gallagher and Vincett)

## **117. QUALITY OF LIFE REPORT**

The Executive considered a report from Policy and Performance which presented a summary of the 2011 Quality of Life report, attached as an appendix. Due to the size of the full report, it was not contained within the Executive papers but members were able to access it via a web link.

The Annual Quality of Life report was produced by the Warwickshire Observatory and provided a way of accessing data to help officers understand how effectively the Council were progressing towards their organisational purpose. At the Executive meeting of 9 February 2011 it was agreed that the report be submitted annually.

The Quality of Life report provided important data about what was changing in Warwick District. It was not only useful in understanding the impact of Council strategies but also informed the development of future strategy and services. It was intended to review many of the Council's strategies during 2012 to ensure alignment between the local plan and other strategies. The Quality of Life data provided in this report should be used in these reviews and the same applied to the annual service planning process.

No alternative options were considered because members had requested that the Quality of Life report be submitted to Executive annually.

Councillor Gifford delivered the Overview and Scrutiny Committee comments, who strongly supported the recommendations in the report and requested they be enacted. He felt that this was an excellent report created from a solid, statistical base. He referred to paragraph 7.2.5 of the report, which detailed that 49% of the District's waste was recycled. Councillor Gifford believed this was a result of the work put into educating residents and delivery of an excellent service.

## **EXECUTIVE MINUTES (Continued)**

The Portfolio Holder for Neighbourhood Services, Councillor Shilton, praised the recycling team for their excellent work at maintaining high levels of service and for increasing the District's income from recycling.

Having read the report, and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations as set out in the report.

### **RESOLVED** that

- (1) the contents of the Quality of Life report, be noted;
- (2) the Quality of Life report be used to inform the review of Fit for the Future, the Local Plan and other strategies during 2012; and
- (3) service managers and Portfolio Holders use the Quality of Life data to inform the development of the 2012/13 Service Plans and Portfolio Holder statements.

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

## **118. 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 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
119 & 120	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

## **119. RURAL HOUSING BIOMASS HEATING PROJECT AND EXCEPTION REPORT**

The Executive considered a report from Housing and Property Services which requested acknowledgement of the grant funding that had been secured through a bid to the Energy Saving Trust and asked permission to replace 25 solid fuel back boilers with energy-efficient biomass heating systems.

The Housing and Property Service department competitively bid and were awarded a grant on 4 November 2011 of 50:50 match-funding of £118,190 to install up to 25 energy-efficient biomass heating systems to-

## **EXECUTIVE MINUTES (Continued)**

hard-to-heat rural properties. The grant conditions required all work to be completed by 31 March 2012, and demanded use of the specific equipment and delivery in accordance with the bid submission – in terms of quality and cost.

As a result of securing this funding, Housing and Property Services sought retrospective approval from the Chief Executive in consultation with Group Leaders under his Delegated Powers CE (4) for an exception to the Council's Code of Procurement Practice. This was after full consideration of the constraining circumstances detailed within section 3 of the report, to allow continuation of the installations as proposed. The report requested that members note the decision that had been made under the Chief Executive's Delegated Powers.

The proposed heating systems would assist in delivering the Council's vision of sustainable, stronger, and healthier communities and would directly contribute to the Sustainable Community Strategy's thematic and cross cutting priorities relating to housing and embedding sustainability.

In addition, the programme was designed to capitalise on government incentives on green energy and maximise benefits for tenants via energy savings. It would not only assist in lowering heating bills by up to 50%, helping to alleviate fuel poverty, but also improve health outcomes. The programme was also aimed at reducing the District's carbon footprint and positioning the Council as a leader in the development and delivery of green technologies.

It was calculated that each Biomass system would save over 7.5 tonnes of CO<sub>2</sub> per year compared to the (Anthracite) solid fuel installation it would replace - a total of some 190 tonnes for the scheme in its entirety.

An alternative option was that the existing tenants could have been expected to continue using the aged and inefficient solid-fuel systems presently installed. However, when these failed, replacement would have been with an electrically powered installation that was relatively inefficient in comparison to mains gas.

A second alternative was that the Council could have considered installing the biomass-fuelled systems without grant-support but the considerably higher cost in comparison to a standard system made this difficult to justify within existing budgets.

The Portfolio Holder for Housing and Property Services, Councillor Vincett, endorsed the report and felt this was a good opportunity to install up to 25 systems for the Council's social housing tenants. He explained some of the difficulties faced by tenants in the District's rural areas and felt that this was a positive step forward for energy efficiency.

Having read the report, and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations as set out in the report.

## **EXECUTIVE MINUTES (Continued)**

### **RESOLVED** that

- (1) the (Renewable Heat Premium Payment) grant funding that has been competitively secured through a bid to the Energy Saving Trust, under the DECC (Department of Energy and Climate Change) Renewable Heat Premium Payment's Social Housing Stream, be noted; and
- (2) the decision taken by the Chief Executive to accept an exception to the Code of Procurement Practice and deliver the improvement scheme to replace up to 25 solid fuel back boilers with energy-efficient biomass heating systems under his Delegated Powers CE (4) in consultation with Group Leaders, be noted.

(The Portfolio Holder for this item was Councillor Vincett)

### **120. MINUTES**

The confidential minutes of 14 December 2011 were taken as read and signed by the Chairman as a correct record.

(The meeting ended at 6.50 pm)