

Executive

Wednesday 27 July 2016

A meeting of the Executive will be held at the Town Hall, Royal Leamington Spa on Wednesday 27 July 2016 at **6.00pm**.

Membership:

Councillor A Mobbs (Chairman)
Councillor N Butler Councillor P Phillips
Councillor M Coker Councillor D Shilton
Councillor S Cross Councillor P Whiting
Councillor Mrs M Grainger

Also attending (but not members of the Executive):

Whitnash Residents' Association (Independent) Group Observer	Councillor Mrs Falp
Labour Group Observer	Councillor Barrott
Chair of the Overview & Scrutiny Committee and Liberal Democrat Group Observer	Councillor Boad
Chair of the Finance & Audit Scrutiny Committee	Councillor Quinney

Emergency Procedure

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

Agenda

1. **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.

2. **Minutes**

To confirm the minutes of the meeting held on 2 June and 29 June 2016

(To follow)

Part 1

(Items upon which a decision by Council is required)

3. **Minor Amendments to the Constitution**

To consider a report from Democratic Services

(Item 3 /Page 1)

Part 2

(Items upon which the approval of the Council is not required)

4. **Leisure Development Programme Update**

To consider a report from Cultural Services

(Item 4 /Page 1)

5. **Budget Review to 30 June 2016**

To consider a report from Finance

(Item 5/Page 1)

6. **Council Tax Reduction Scheme**

To consider a report from Finance

(Item 6 /Page 1)

7. **Review of Support to Town and Parish Councils**

To consider a report from Finance

(Item 7/Page 1)

8. **Review of Warwick District Members' Allowances Scheme**

To consider a report from Democratic Services

(Item 8 /Page 1)

9. **Procurement Exemption for WDC Copier Maintenance 2016/17**

To consider a report from Chief Executive's Office

(Item 9 /Page 1)

10. **Significant Business Risk Register**

To consider a report from Chief Executive's Office

(Item 10 / Page 1)

11. **CSC Termination Payment**

To consider a report from Finance

(Item 11 / Page 1)

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 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.

Item Nos. Para Nos. Reason

13 & 14 1 Information relating to an Individual

- | | | |
|---------|---|---|
| 13 & 14 | 2 | Information which is likely to reveal the identity of an individual |
| 13 & 14 | 3 | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |

13. **William Wallsgrove House**

To consider a report from Housing and Property Services

(Item 13/Page 1)
(Not for publication)

14. **Minutes**

To confirm the confidential minutes of the meeting held on 29 June 2016

(Item 14/Page 1)
(Not for publication)

Agenda published Monday 18 July 2016

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

Telephone: 01926 456114

E-Mail: committee@warwickdc.gov.uk

For enquiries about specific reports, please contact the officers named in the reports You can e-mail the members of the Executive at executive@warwickdc.gov.uk

Details of all the Council's committees, Councillors and agenda papers are available via our website www.warwickdc.gov.uk/committees

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) 456114 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 456114.

 Executive 27 July 2016		Agenda Item No. 3
Title	Minor Amendments to the Constitution	
For further information about this report please contact	Graham Leach, Democratic Services Manager & Deputy Monitoring Officer 01926 456114 graham.leach@warwickdc.gov.uk	
Wards of the District directly affected	None	
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?	No	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive	05/07/16	Chris Elliott
Head of Service	05/07/16	David Leech Tracy Darke, Marianne Rolfe, Andy Thompson
CMT	05/07/16	
Section 151 Officer	12/7/2016	Mike Snow
Monitoring Officer	05/07/16	Graham Leach (Deputy)
Finance		
Portfolio Holder(s)	06/07/2016	Andrew Mobbs, Michael Coker, Stephen Cross, Peter Phillips, Moira-Ann Grainger and Peter Whiting
Consultation & Community Engagement		
Councillor Cooke – Chairman of Planning Committee 6 July 2016 John Gregory – Solicitor Acting for the Council (After CMT/Executive)		
Final Decision?	No	
Suggested next steps (if not final decision please set out below)		
The decisions will be a recommendation to Council to amend the Constitution.		

1. **Summary**

- 1.1 This report brings forward some minor amendments to the Council's Constitution to provide clarifications and appropriate delegations to ensure that work is undertaken at an appropriate level.

2. **Recommendation**

- 2.1 The Executive recommends to Council the amendments to the Constitution as set out at Appendix 1 to the report.
- 2.2 The Executive confirms, the Portfolio Holder responsibilities, as set out at Appendix 2 to the report and recommends to Council their inclusion as Part 7, Management & Portfolio Structure, of the Constitution.
- 2.3 The Executive notes that officers are working on further proposals for revisions to the Constitution including the handling of applications relating to HS2 and an improved call-in procedure and that a further report will be brought to a subsequent Executive as appropriate.

3. **Reasons for the Recommendations**

- 3.1 The amendments, set out at Appendix One, are brought forward as part of the ongoing maintenance of the Constitution, to ensure that it is up to date and fit for purpose to enable Council services to be delivered effectively and efficiently.
- 3.2 The proposal to require Warwick District Councillors to provide a valid planning reason for calling in a Planning Application to Planning Committee for determination is proposed at the request of the Head of Development Services and Chairman of Planning Committee. While most Councillors provide a reason for applications to be presented to Committee, in a few limited circumstances this has not been forthcoming. All other comments on applications need to have valid planning reasons, as these are the only grounds an application can be determined. In not providing a valid planning reason, it could lead to questions of motive for an application being determined, potentially via the use of non-material considerations. This amendment would remove this issue, would enable a more informed report for the Committee to consider and the reasoning would be open, transparent and in line with the values of the Council.
- 3.3 The associated revisions to representations for interested parties and Parish/Town Councils, are for the purpose of clarity and are intended to set out clearly the need for all representations made in relation to planning applications to be based on planning reasons.
- 3.4 The amendment to delegation DS(38) proposes a small change in the terminology used to reflect that used more widely in legislation and the associated regulations, therefore ensuring the scheme of delegation is up to date.
- 3.5 The proposed addition of delegated powers to issue Discontinuance Notices in order to remove advertisements, is included to bring the delegation agreement up to date. At present this action would need to be brought before Council, thus potentially delaying action being taken.

- 3.3 At present the deadline for Notices for Motions normally falls on a Sunday (as a result of Council meeting on a Wednesday). This minor revision provides Councillors a longer time to submit notices of motion for consideration at meetings. It also provides a defined cut off time.
- 3.4 The proposal to amend the Chief Executive's delegated powers, in respect of changes to the establishment, is brought forward to improve efficiency but also to recognise the responsibilities of the Council. The Chief Executive, as Head of Paid Service, is responsible for staffing matters and should be permitted to amend the establishment of the Council, so long as the budget is in place (approved by the Executive or Council). At this time it is felt appropriate that Employment Committee retain the responsibility to reduce the size of the establishment because of the potential redundancies and the implications of such changes for the Council.
- 3.5 The proposal regarding property rental write off (where the Council decides it is unlikely to recover the rent for a property) is brought forward following a discussion earlier in the year between officers. It is considered that this is covered within the current delegation for write offs, overall, but this proposal ensures that any ambiguity is removed.
- 3.6 The request for the Head of Finance to determine discretionary Council Tax relief applications is brought forward as a result of the application made by an individual to the Council in 2015. At the time, no delegation was in place and the application had to be considered by the Executive. The proposal is brought forward so that a decision can be taken at an appropriate level and would be consistent with delegations already in place for discretionary rate relief applications.
- 3.7 The Council is obliged under the Micro-chipping of Dogs Regulations 2015 to have appropriate delegations in place to enforce, where necessary. These delegations provide the appropriate level to ensure the Council can enforce the regulations quickly as required.
- 3.8 The proposed move of delegations from Development Services to Housing & Property Services is to reflect the restructure of these services, in particular property management, that now fall within the responsibility of the Head of Housing & Property Services.
- 3.9 These proposed changes amend the delegations to reflect the restructure of services some of which now fall directly within Development Services. The removal of Committee approval for events reflects the custom and practice of the Council for at least 15 years.
- 3.10 The amendment to the Licensing & Regulatory Committee function is to provide clarity. While it is recognised this was the intention of Council previously, the proposal would remove any ambiguity and potential challenge of an appointment.
- 3.11 The amended Portfolio Holder Structure is brought to the Executive for confirmation following the inclusion of the new Business Portfolio. This is because the Portfolio Structure Forms part of the Constitution which would need to be amended by Council. It should however be noted that the Portfolio Holder responsibilities is a matter for the Leader of the Executive to determine.

- 3.12 Proposals for the detailed determination of planning applications relating to the design of the HS2 project are currently being discussed between officers, the Chairman of Planning Committee and the Development Services Portfolio Holder in the light of emerging information from HS2 Limited about the way in which applications are likely to come forward. The final arrangements for these are, as yet, unclear and will remain so until final delegation from Government Office is confirmed. In that respect, it is anticipated that a further report will be brought forward shortly.
- 3.13 It is recognised that the current arrangements for call-in are conflicting and need to be reconsidered in detail. Work paused on this in recent months and investigations into best practice are now under way with a view to reporting back to the Executive in September 2016.

4. **Policy Framework**

- 4.1 **Policy Framework** –The report does not bring forward any proposals that are contrary to the Policy Framework.
- 4.2 **Fit for the Future** – The reports proposals contribute to Fit for the Future in respect of ensuring the Council can continue to deliver services effectively and appropriate arrangements are in place to achieve this.

5. **Budgetary Framework**

- 5.1 The report does not impact on the Budgetary Framework of the Council.

6. **Risks**

- 6.1 The main risks from the proposals are associated with the proposals not being approved and therefore not enabling the Council to work in a more effective manner. As an example, the proposal to delegate the Discretionary Council Tax Application determinations could see a delay of two months while the matter is referred to Executive for determination.

7. **Alternative Option(s) considered**

- 7.1 For each of the proposed changes it would be possible to leave the current situation in place. However, this is not considered appropriate because the intention of the recommendations is to provide a more efficient Constitution and delegations at an appropriate level.
- 7.2 Councillors could consider delegating these functions either to other officers, Committee or Portfolio Holders, however, these changes are brought forward in line with the current principles of delegation within the Constitution.

Part 3 Section 2 Council Functions

(Additional/replacement wording included in *italics*)

D. LICENSING & REGULATORY COMMITTEE

- c. All matters relating to elections and electoral registration *including the appointment of Councillors to a Parish or Town Council under Section 91 of the Local Government Act 1972.*

G. EMPLOYMENT COMMITTEE

- (iii) To approve *any reductions in* the staff establishment of the Council in accordance with the Council's agreed budget

Part 3 Section 4 Scheme of Delegation

(Additional/new wording included in *italics*, deleted text ~~struck through~~)

- CE(9) *Authorise changes to the Council's establishment that do not result in an increase to the cost to the Council of approved establishments or the introduction of new posts.*
- DS (38) Determine all applications for non material amendments ~~minor amendments~~ to planning permissions and other forms of consent.
- DS (48) Serve and withdraw notices in respect of the following: Town and Country Planning Act 1990 (TCPA) and Planning (Listed Buildings and Conservation Areas) Act 1990 (LBCAA) as amended:

(xi) Section 220 1 (TCPA) and/or Section 224 1b (TCPA) – Discontinuance Notices in accordance with Regulation 8 of the Town and Country Control of Advertisement Regulations 2007.
- DS (70) Determine all applications submitted to Warwick District Council as required by the Town and Country Planning Act 1990 (as amended), Town and Country Planning (Control of Advertisement) Regulations 1992, and Planning (Listed Buildings and Conservation Areas) Regulations 1990, with the exception of the following:-
 - (i) Applications where a *valid* written request is received from a member of Warwick District Council within the specified consultation period i.e. 21 days *setting out the planning grounds on which that the referral of the application to Planning Committee referral is required-requested.*
 - (ii) Applications where 5 or more written objections (or letters of support) or a petition (including one of support) with 5 or more signatures ~~on~~ ~~planning grounds~~ has been received, where the recommendation is contrary to the representations that have been made.
 - (iii) Applications where the recommendation of the Head of Development Services i.e. Grant/Refuse is contrary to ~~the~~ representations made by a

Parish/Town Council *on planning grounds*, i.e. Object/Support except in the following circumstances:-

the Head of Development Services is satisfied that the plans have been amended to address the concerns of the Parish/Town Council; where the representations made by the Parish/Town Council raise issues which are not material to the planning assessment of the particular application; or

where the concerns of the Parish/Town Council have been previously considered as part of the assessment of an extant permission on the site and there has been no change in circumstances

(iv to ix remain unchanged so are not included)

- ~~DS(26)~~ Grant wayleaves and easements across Council owned land to other public organisations.
~~HS(98)~~
- ~~DS(27)~~ Grant new leases on vacant properties, excluding HRA properties.
~~HS(99)~~
- ~~DS(28)~~ Following consultation with ward councillors and the relevant Head of Service of the service area owning the land, dispose of other interests in land including its sale where the consideration does not exceed £20,000 and also to accept the Surrender of leases where the value does not exceed £20,000.
~~HS(100)~~
- ~~DS(29)~~ Follow consultation with ward councillors and the relevant Head of Service of the service area owning the land to initiate, proceedings for forfeiture of Leases.
~~HS(101)~~
- ~~DS(30)~~ Agree rent reviews, for non HRA properties, where agreement on the new rent has been reached without recourse to arbitration.
~~HS(102)~~
- ~~DS(31)~~ Grant new leases, for non HRA properties, where statutory renewal rights exist.
~~HS(103)~~
- ~~DS(32)~~ Grant terminable licences, for non HRA properties, for access and other purposes.
~~HS(104)~~
- ~~DS(33)~~ Manage and control properties acquired by the Council in advance of requirements ~~(other than those held under Part V of the Housing Act 1957 where consultation with the Head of Housing and Property Services is required)~~.
~~HS(105)~~
- ~~CS(3)~~ Grant applications for organised visits to and bookings of parks, open spaces and buildings and for conference facilities. ~~where Committee approval has been given in previous years.~~
~~A(10)~~
- ~~CS(4)~~ Engage performers and artists for events in accordance with the policy and within the approved budget.
~~DS(81)~~
- F (15) Take the following action under the NNDR and Council Tax Regulations: *(xvi) to determine discretionary council tax relief applications.*
- F (7) Write off sundry debts, Finance function debts and all other debts, *including property rentals.*
- HCP(79) *The Head of Health & Community Protection, be authorised under the Microchipping of Dogs Regulations 2015, to*
- (a) *serve on the keeper of a dog which is not microchipped a notice requiring the keeper to have the dog microchipped within 21 days;*
- (b) *where the keeper of a dog has failed to comply with a notice under paragraph (a), without the consent of the keeper—*
- (i) *arrange for the dog to be microchipped; and*
- (ii) *recover from the keeper the cost of doing so;*

(c) *take possession of a dog without the consent of the keeper for the purpose of checking whether it is microchipped or for the purpose of microchipping it in accordance with sub-paragraph (b)(i).*

~~CS(3)~~ Grant applications for organised visits to and bookings of parks, open spaces and buildings and for conference facilities ~~where Committee approval has been given in previous years.~~

~~CS(4)~~ Engage performers and artists for events in accordance with the policy and ~~within the approved budget.~~

Part 4

Council Procedure Rules

(Additional wording included in *italics*, deleted text ~~struck through~~)

6. Notices of Motion

- (2) Notice of every motion must be by e-mail or in writing, signed by the member, or by 10 members in the case of motions submitted under Procedure Rule 16, and delivered ~~at least nine clear days~~ *by 10.00am on the sixth clear working day* before the next meeting of the Council, the Executive or Committee they wish it to be considered at, to the office of the Chief Executive.

Deputy Chief Executive, Monitoring Officer & Legal Client Manager Andrew Jones			Chief Executive Chris Elliott	Deputy Chief Executive Bill Hunt			
Michael Coker Portfolio Holder and Deputy Leader	Peter Whiting Portfolio Holder	Moirá Ann Granger Portfolio Holder	Andrew Mobbs - Leader	Peter Phillips Portfolio Holder	Steven Cross Portfolio Holder Development	Noel Butler Portfolio Holder Business	Dave Shilton Portfolio Holder
Cultural Services Rose Winship	Finance (S151) Mike Snow	Health & Community Protection Marianne Rolfe	Human Resources Corporate HR People Management Learning & Development Corporate Payroll Media	Housing & Property Services Andrew Thompson	Development Services & Business Tracy Darke		Neighbourhood Services Robert Hoof
Sports & Leisure Stuart Winslow	Accountancy All Council Accountancy Services Jenny Clayton	Community Partnership Team Community Leadership Community Forums & Voluntary Sector Contracts Health and Wellbeing Liz Young	Legal Services	Housing Strategy and Development Homelessness and Housing Advice Tenants Participation Private Sector Housing Disabled Adaptations New Affordable Housing Developments inc Council House Building Abigail Hay	Development Management Enforcement Land Charges Conservation Gary Fisher	Policy & Projects Dave Barber	Contract Services Refuse & Recycling Collections Parks & Open Space Maintenance Street Cleansing Off Street Parking Gary Charlton
Entertainment Royal Spa Centre/Theatre Town Hall David Gulding	Audit & Risk Corporate Insurance Richard Barr	Regulatory Food Safety Health & Safety Licensing Lorna Hudson	ICT Services Desktop Services incl Helpdesk/Infrastructure Services/Application Support/Geographical Information Systems (GIS) Digital Mapping Services/Local Land & Property Gazetteer (LLPG)/Street Naming & Numbering/Website Ty Walter (reporting direct to Andrew Jones, Deputy Chief Executive)	Asset Management Maintenance & Repair of Corporate Property Assets and Council Houses Matthew Jones	Building Control Consortium Phil Rooke	Corporate Sponsor for: Shakespeare's England DMO; Town Centre Partnerships; Leamington Town Centre Vision; Partner relationship with College and University; CWLEP Funding; Events programme; Business Support; Help for unemployed/low paid e.g. job clubs, etc; Cultural and Digital Quarter; Chandos Street; Stratford Road employment site; St Mary's Lands; Enterprise Facilities; Growth hub; Whitley South Gateway; Stoneleigh; Fen End.	Bereavement Services Burials & Cremations Pam Chivers
Business Support Admin Finance & Admin Support for Culture Stephen Falp	Exchequer Council Tax and Business Rates Rate Collection Sundry Debt Collection Corporate Invoice Payment Dave Leech	Environmental Sustainability Contaminated Land Commercial Noise Flood Alleviations Civil Contingencies Sam Collins/Mike Jenkins	Democratic Services & Corporate Support Team Elections/Electoral Registration/Committee Registration/Councillors/FOI/Data Protection/Complaints/Civic Support/Corporate Support Team Graham Leach (reporting direct to Andrew Jones, Deputy Chief Executive)	Sustaining Tenancies Landlord Services to Council Tenants Collecting Rent Estate Management Ensuring Tenancy Conditions are Completed with Jacky Oughton	Corporate Sponsor for: Local Plan; Infrastructure Development Plan; South of Warwick/Leamington Development; Single Spatial Strategy; Leper Hospital; HQ Relocation	Green Space Improvements Green Space Strategy St Mary's Land Wildlife Habitats Dave Anderson	
Arts & Heritage Royal Pump Rooms Art Gallery & Museum Arts Development Jeff Watkin	Benefits & Fraud (Impact of UC) Housing Benefits & Council Tax Reduction Corporate Fraud Andrea Wyatt	Safer Communities Domestic Noise Anti-Social Behaviour Dog Warden Pest Control & Animal Licensing CCTV Pete Cutts	Corporate Sponsor for: Fit for the Future; HQ Relocation; CWLEP Board, CW Jt Committee; WMCA and Devolution; People Strategy; Digital Transformation and ICT Strategy; Digital Media/Comms Strategy.	Asset Management Maintenance & Repair of Corporate Property Assets and Council Houses Matthew Jones		Performance & Policy One Stop Shop (UNDER REVIEW) Managed by WCC Graham Folkes-Skinner	
Programme Manager for future sport service options Padraig Herlthy	Procurement Compliance with Legislation Support & Advice on Procurement Contracts John Roberts	Corporate Sponsor for: cross cutting Champion for Children's Protection; cross cutting Champion for Vulnerable Adult Safeguarding; cross cutting Champion for Health and Well Being; Health and Well Being Board; Purple Flag; Voluntary Sector and Community projects; cross cutting Champion for Community Safety; South Works Community Safety Partnership; cross cutting Champion for Sustainability; Asylum seekers;		Corporate Sponsor for: Lillington Regeneration Scheme; Europa Way Project; Housing Futures; Council Development Company; new housing in villages; Gypsies and Travellers; Financial Inclusion		Corporate Sponsor for: new Covent Garden car park; Linen Street Car Park; Car Park Strategy; Tachbrook Country Park; Pump Rooms Gardens; Play Area Improvements; Contract Renewal; Abbey Fields;	
Corporate Sponsor for: National Bowls Championships; Womens Cycle Tour; Leisure Programme phase 1; Masterplanning of South of Coventry; Masterplanning at Kenilworth; Leisure Programme phase 2;	Corporate Sponsor for: Annual Governance Statement; Medium Term Finance Strategy; Asset Management Strategy; Financial Inclusion						

 EXECUTIVE 27th July 2016		Agenda Item No. 4
Title	Leisure Development Programme Update	
For further information about this report please contact	Rose Winship Rose.winship@warwickdc.gov.uk 01926 456223 Paddy Herlihy Padraig.herlihy@warwickdc.gov.uk 01926 456228	
Wards of the District directly affected	Warwick and Leamington wards	
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?	No	
Date and meeting when issue was last considered and relevant minute number	Executive – 4 th November 2015 Minute No: 59 Council – 13 th January 2016 Minute No: 66	
Background Papers	Executive – 5 th November 2014	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes Ref:745
Equality & Sustainability Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive	15/7/2016	Chris Elliott
CMT	15/7/2016	Chris Elliott, Bill Hunt, Andy Jones
Section 151 Officer	15/7/2016	Mike Snow
Monitoring Officer		Andy Jones
Heads of Service	15/7/2016	Rose Winship
Legal Services	15/7/2016	Victoria Newbold, Kate Hiller
Portfolio Holder(s)	15/7/2016	Councillor Coker
Consultation & Community Engagement		
Public consultation on Stage 3 plans (Jan/Feb 2016)		
Final Decision?	No	
Part 1 report – Decision on preparatory works requires approval by Full Council on 10 th August 2016 Further report to follow to Full Council in October 2016 to seek approval to award construction contract.		

1 SUMMARY

- 1.1 The report provides members with an update on the Leisure Development Programme. As agreed by Executive in November 2015 the Council has been following the Royal Institute of British Architects (RIBA) approach to the management of this key corporate project, a process that is designed to ensure that full and firm costs are identified prior to the letting of construction contracts. As is common during the RIBA process, as a project progresses from Stage 2 indicative costs to full costs identification by the end of Stage 4, cost variances have been identified from those last reported to members in November 2015. This is a result of the evolution of the project; the current estimates reflect revisions to designs following ground and utility surveys, feedback from public consultation and requirements stipulated by Sport England. The report explains the reasons for the additional costs and the mitigation measures taken to date and those still planned, that will allow the presentation of final proposals that, for the lowest possible cost, will ensure that our leisure centres are fit for purpose and are facilities of which the District will be proud into the future.
- 1.2 The report confirms the timelines for the remaining elements of both the investment projects and management work streams within the Leisure Development Programme. It is highlighted in the report that a decision will be made by Sport England on 19th September regarding the level of funding that they are willing to make towards this project. Members will recall that the Council has entered into dialogue with Sport England on a potential £2m funding contribution. A report will be brought to Full Council in October 2016 at which point members will be asked to make a decision on the investment projects, which by then will be based on a full understanding of the level of grant funding support and the firm project costs at the conclusion of the RIBA Stage 4 process.
- 1.3 The report also seeks approval for funding for preparatory works to be carried out at Newbold Comyn and St Nicholas Park Leisure Centres in advance of the main construction works which, subject to Full Council approval in October 2016, will commence on both sites in autumn 2016.

2 RECOMMENDATIONS

- 2.1 The Executive notes the update on progress made on the investment programme for the leisure centres since the November 2015 Executive report including the latest cost estimates for the works.
- 2.2 The Executive recommends to Council that budget provision of up to £635,876 is approved to complete the preparatory and enabling works at Newbold Comyn and St Nicholas Park leisure centres as detailed in Appendix 1 of this report. This will be funded initially from Internal Borrowing.
- 2.3 Members note that officers and the Council's project managers, Mace Ltd, will continue to work closely with Sport England prior to a decision being made by Sport England on 19th September 2016 on their potential £2m funding contribution to this project.
- 2.4 The Executive notes progress made on the procurement of an external operator for the leisure centres.

3 REASONS FOR THE RECOMMENDATIONS

3.1 Project Management – RIBA Stage 2 to Stage 4

- 3.1.1 Members will recall that a commitment was made at the initiation of the Programme that the construction projects would be managed in line with the Royal Institute of British Architects (RIBA) 'Plan of Work' approach which is recognised as an effective and professional approach for projects of this scale. This decision recognised the need to ensure that, on projects of this scale, costs were confirmed prior to any commitment being made by the Council to commence construction works. The RIBA process comprises a series of stages (set out at Appendix 2) and ; as a project progresses through these stages, greater cost certainty is achieved as a result of increasingly detailed surveys being received and design solutions being proposed. The report presented to Executive in November 2015 presented the RIBA Stage 2 report produced by project managers Mace Ltd, which included the outline designs for the improvements at St Nicholas Park and Newbold Comyn leisure centres. The indicative cost at Stage 2 was £11,813,298. However, the RIBA process is designed to test initial estimates comprehensively and fully, and it is common for cost estimates to vary, normally upwards, as a project progresses beyond Stage 2.
- 3.1.2 In November 2015 the Executive gave approval for officers to develop the investment proposals up to RIBA Stage 4. A budget of £550,000 was approved to fund this work in advance of a final decision being made by Full Council when Stage 4 detailed plans and costs would be presented. The £550,000 was contained within the estimate of £11,813,298. To date, £452,846 of the £550,000 budget has been invoiced or committed leaving a balance of £97,154.
- 3.1.3 Progression from Stage 2 to Stage 3 required significant input from a range of parties. Further technical surveys were completed on site and solutions developed to amend designs based on the outcomes of these surveys; architects refined designs based on feedback from Sport England and WDC officers in order to ensure that the designs complied with the objectives of the project and with Sport England design requirements. The Stage 2 plans were used to support the public consultation exercise that was undertaken in late January/early February 2016, and further amendments to the designs were made following the consultation. The project team were also able at this stage to reduce some costs through a robust value engineering process. The team were very aware throughout this process that any savings being proposed should not fundamentally impact on the standard of the end product or reduce the experience that customers will enjoy from the new facilities.
- 3.1.4 Stage 3 designs were confirmed in April 2016, with estimated costs of £12,938,745. The Stage 3 Cost Plan included construction costs, design fees, additional surveys, an allowance for preparatory works (as explained in section 3.2 of this report), and a 4% contingency (£448,175), compared to the 5% contingency (£520,314) that had been allowed at Stage 2. Based on experience of similar projects, at this stage, Mace advised at that point that they would expect to be able to drive out a cost reduction in the region of a further £500,000 during the Stage 3 to Stage 4 work through further value engineering with the Pre Construction Services Agreement (PCSA) contractor, bringing the total project costs to under £12,500,000. This position was discussed with the Deputy Chief Executive (AJ), Head of Finance and Portfolio Holders for Culture and Finance.

3.1.5 The Stage 3 designs were a key element of the tender documentation that was required in order for the Council to appoint a contractor under a PCSA contract. As is typical for such construction projects, procurement was an OJEU compliant "2 stage process" whereby a contractor is appointed under a PCSA to work alongside project managers, architects, and WDC officers to refine designs and technical solutions that will culminate in Stage 4 designs and costs being confirmed. At the end of Stage 4 the PCSA contractor reaches a point where they are willing to take on single design point responsibility for the elements of the building that are included in the project.

3.1.6 Speller Metcalfe were appointed under the PCSA in June 2016 and have now joined the design team to work with Mace and B3 to provide a further and significant round of value engineering, concentrating on 'buildability', phasing and specifications to ensure the building works offer the best possible value for money. During this phase Speller Metcalfe will also gain a detailed familiarity with the buildings in order to assist them in developing the Stage 4 plans and costs.

3.1.7 As the project has evolved over the last 3 months, further costs have emerged as follows:

£106,000	(additional fees for design team as a result of amendments to the proposed designs to address construction and operational requirements, and unavoidable delays in the programme).
£304,000	(revised preparatory work costs – see paragraph 3.2.6 below)
£93,000	(costs for Clerk of Works and Building Control)
£36,000	(other costs including planning fees, construction of temporary reception and lining of car park). In previous projects such ancillary works have often been charged to other revenue budgets and therefore not shown as project costs. A decision was taken by CMT and the Executive at the start of this project that the costs should represent the true cost of the project, hence being included in the project costs above.

The total of further costs is therefore £539,000.

3.1.8 There are also a number of additional design features that are now considered to be essential or desirable which total £391,000 and which were not allowed for in the previous estimate of £12,934,745.

- Acoustic panelling (Newbold Comyn (NC) sports hall) – required by Sport England (£50,000)
- Additional car park lights (NC) - desirable (£15,000)
- New pool hall lights (NC) – recommended by Sport England (£100,000)
- New sports hall lights (St Nicholas Park (SNP)) – recommended by Sport England (£50,000)
- New lift (SNP) – required by Sport England (max £150,000)
- Electric vehicle charge points (NC) – required by WDC (£26,000)

3.1.9 Based on the additional costs detailed above, the revised total cost of the investment proposals is £13,863,745. Officers are optimistic that there are some savings to be made on this figure by further value engineering with Speller Metcalfe and Mace. There are also further discussions to be had to agree

on which of the items in 3.1.8 can be excluded or reduced. However, given the current position of the project, the wider national economic situation and the Government's emerging new procurement policy for the purchase of steel, it is considered prudent to add £636,255 to the existing contingency sum, taking the overall contingency to 7.5%, and the total budget to £14,500,000.

3.2 Preparatory and enabling works

- 3.2.1 Construction projects of this scale typically include an element of "preparatory works" and "enabling works" that are carried out in advance of the main construction contract, allowing preparation of the site to allow the main construction phase to commence as soon as possible after approval has been given. For the purpose of this report "preparatory works" are defined as utility diversions and upgrades, and "enabling works" as internal service diversions (e.g. data cabling, alarm installations); completion of any outstanding surveys, clearance of any trees or other obstacles within the affected areas, erection of hoardings and possibly the installation of bases for works compounds.
- 3.2.2 Preparatory and enabling works will need to commence on the sites prior to approval of the main construction contract. The contract to undertake these works is completely separate from the main construction contract. The decision to allocate funding for these works does not prejudice the decision to be taken by the Council in October 2016 as the bulk of these works will be required to support any future investment in the two leisure centres. Therefore, if the decision in October was to reconsider the investment proposals and not proceed with the main construction contract at this point the preparatory works would not have been wasted as they would be required whenever the development proceeded with only a small element of the cost (c. £25,000) of the enabling works e.g. hoardings, being written-off. The details of the preparatory and enabling works for this project are set out in Appendix 1.
- 3.2.3 If Members chose to delay the decision to progress the preparatory and enabling works until after the October decision, the project would be delayed and costs would rise at a rate of approximately £200,000 per quarter. This rate allows for the increases in inflation of 1% per quarter (4% per annum) and the increase in fees for the design team that would be created by the additional timespan, calculated at their agreed rates.
- 3.2.4 The Stage 3 Cost Plan includes the costs of "enabling works" and it had always been assumed that these works would be required and that a report would be required to draw down the appropriate funding from the proposed main contract budget to allow these works to take place ahead of the final Council decision. The estimated cost of enabling works, provided by Speller Metcalfe, is £233,875 (including a "client contingency of 10% to cover unforeseen costs).
- 3.2.5 The "preparatory works" (utility works and diversions) require individual orders to be raised with the appropriate utilities companies. Due to the long lead times associated with utility diversions it is key that orders are placed for these works as soon as possible and work needs to be paid for at the time of order. If orders were delayed until October a delay would be built into the project (see 3.2.3 above). It is necessary to move these services because either the existing services are located in areas that are needed for foundations for the new buildings, because the entry point for services will change during the refurbishment, or because the service requirements of the new building are different to the requirements of the existing buildings. In the case of this

project there will be works undertaken by Severn Trent, Western Power and SMS Connections.

3.2.6 The Stage 3 Cost Plan prepared by Mace Ltd included an allowance of £98,000 for the preparatory works, which are now estimated to be in the region of £402,000. The increase in costs (of £304,000) is largely due to 2 elements of the works, namely the need for the diversion of a large Severn Trent water main at Newbold Comyn (estimated cost £200,000) and the upgrade of the electricity supply to St Nicholas Park Leisure Centre at a cost of £85,000. The electricity upgrade includes work to provide a very necessary upgrade to supplies for the children's amusements and café in the park, and whilst this work is not part of this project, it makes sense to complete the work at the same time and reduce disruption. The level of charges for these works was not expected to be this high, and work is ongoing with Severn Trent in particular to attempt to reduce these costs by simplifying the works carried out.

3.2.7 The additional costs attributable to preparatory works is being investigated by Mace Ltd to establish how and why they were so far out in the Stage 3 report. They are clearly unhappy that they significantly underestimated these costs, when they were much more accurate in their other cost estimates. However, the purpose of the RIBA 'Plan of Work' approach to project management is to constantly refine costs and design as more information is available, and to get estimated costs as accurate as possible before deciding whether or not to proceed with the works.

3.2.8 Therefore in order for the necessary preparatory and enabling works to be undertaken, a sum of £635,875 is required. This should initially be funded from Internal Borrowing as discussed in paragraph 5.1.

3.3 Other related updates

3.3.1 Officers and project managers Mace have continued to work closely with Sport England to develop plans that comply with their design advice and meet their strategic objectives. We were invited to submit an application to the Sport England Strategic Facilities Fund in late 2015 and in February 2016 were informed that the project had been judged to be of sufficient quality to be approved at Stage 1 of that process and would now progress to the final stage where a decision would be made regarding the level of funding our project might receive. This decision will be made at the Sport England Board meeting on 19th September 2016.

3.3.2 Public consultation on the Stage 2 designs for both leisure centres took place in January/February 2016. Officers manned displays in the leisure centres for approx. 54 hours and spoke to over 1200 members of the public. 338 people completed feedback forms and of these people 93% were in support of the plans. Officers responded to approximately 200 individual queries in writing, and have had follow up meetings with groups of customers with specific queries. These have included swimmers with concerns over "village changing", customers with concerns about the removal of the splash pool at St Nicholas Park Leisure Centre, the 50+ group at St Nicholas Park Leisure Centre and various clubs and hirers of the facilities (see vAppendix 3 – Statement of Public Consultation).

3.3.3 The proposed designs have been submitted for planning approval and will be considered at the meeting of the Planning Committee on 19th July 2016. An

update on the decision made will be reported at the Executive meeting on 27th July.

3.3.4 A Full Council meeting will be scheduled for October 2016 to consider a further report with Stage 4 final designs and confirmed costs and consider progression to the construction phase. At this stage the design specification and the costs for the Council will be fixed and the risk of any further costs will be borne by the construction contractor. However, the additional contingency within the project costs will allow for any unforeseen problems or opportunities that occur within the building phase to be addressed. As explained in 3.1.9, the project contingency has been increased to 7.5% which is considered appropriate in the current circumstances. The attention to detail that has already been used in preparing the surveys and current designs should ensure any unforeseen incidents requiring use of the contingency are kept to a minimum.

3.4 Appointment of an external operator to manage leisure centres

3.4.1 An OJEU notice was placed on 6th June 2016 to commence the process of identifying an operator to manage the leisure facilities currently managed by the Council. The OJEU process requires all documents relating to the contract to be issued with the OJEU notice, consequently significant work was required from officers and colleagues at Warwickshire Legal Services to complete the main contract document, Pre-Qualification Questionnaire (PQQ), Invitation to Tender (ITT) document, relevant leases, service specification, evaluation matrices, Transfer of Undertakings, Protection of Employment (TUPE) lists, quality questionnaire and supporting background documents.

3.4.2 The contract documents have been prepared on the basis that the investment proposals take place as described above and should this not be the case, it is likely that there would need to recommence the tender process for the management contractor as the basis for the financial modelling would have been fundamentally altered.

3.4.3 16 companies registered on the In-tend procurement portal. The initial PQQ phase closed on 5th July and 11 companies have submitted a PPQ.

3.4.4 Members should note that the most recent feedback from the leisure industry is that the market is buoyant and a number of strong tender processes have recently been completed which have seen significant concession fees being offered to local authorities by operators for contracts to manage leisure centres. Whilst clearly we will be unable to confirm until January 2017 what financial return has been secured for our contract, however, clearly the stronger the market, the more likely it is that the Council will see a good return and the business model will see the prudential borrowing repaid over a shorter period.

3.4.5 Key dates for this process are as follows:

Where indicated * this information is indicative and may be subject to change.

Publication of OJEU notice and tender opportunity	Friday 3 rd June 2016
Deadline for receipt of clarification questions from Applicants completing the PQQ.	Tuesday 28 th June 2016

Deadline for receipt of completed PQQ's	1200hrs (noon) Tuesday 5 th July 2016
Tender (Award Stage) begins	Friday 29 th July 2016 *
Bidders Days/Site visits	Thursday 11 th August 2016* Friday 12 th August 2016 *
Deadline for receipt of clarification questions from Applicants completing the ITT.	Friday 7 th October 2016 *
Deadline for receipt of completed Tenders	17:00 hours Friday 14 th October 2016* Tuesday 4 th October 2016 *

Should the Authority be able to Award a contract based on the initial Tender responses received, the following timescales apply.	
Successful / unsuccessful Applicants notified.	Friday 16 th December 2016 *
Standstill period completes and Contract Award confirmed	Time 00:01hrs (12.01am) Friday 29 th December 2016 *
Contract commences	Tuesday 2 nd May 2017

Should the Authority be unable to Award a contract based on the Tender Responses received and wishes to negotiate, the following timescale applies.	
Conclude initial evaluation and inform shortlisted and unsuccessful bidders	Friday 16 th December 2016 *
Commence Negotiation phase with shortlisted bidders (week commencing)	Week commencing Monday 9 th January 2017 *
ITT Resubmission Date	12:00 hours (noon) Friday 20 th January 2017 *
Successful / unsuccessful Applicants notified.	Monday 20 th February 2017 *
Standstill period completes and Contract Award confirmed	Time 00:01hrs (12.01am) Friday 3 rd March 2017 *
Contract commences	Tuesday 2 nd May 2017

3.4.6 During the last 6 months, managers have continued to engage with operational staff at the leisure centres and the trade unions in order to ensure that they remain up to date on progress and have the opportunity to raise queries and

concerns as they arise. This will continue through the coming months and until the point of transfer. During the procurement process the external operators will make many site visits and therefore it is key that our staff are fully briefed. The formal process for consultation under the TUPE regulations will be followed, and improved upon where relevant and proportionate.

3.4.7 Work has also been progressing on the review of the Cultural Services Business Support Team and "management team" both of which will be affected by the change in management arrangements. It is anticipated that a report will be brought to Employment Committee in December 2016 proposing a new structure for the support team and the "client team" within Cultural Services.

4 POLICY FRAMEWORK

4.1 Fit for the Future (FFF)

4.1.1 The FFF Programme is designed to deliver the Sustainable Community Strategy (SCS) for Warwick District and to that end it contains a number of significant projects. The Leisure Development Programme is one of the Council's key projects in the FFF Programme. Therefore this report can be seen as the way forward for implementing one of the Council's key projects.

4.1.2 The Leisure Development Programme contributes to the FFF Programme in the following ways:

Maintain or Improve Services – the proposals improve the leisure offering in the district and secure the provision and a sustainable management solution for the future.

Achieve and maintain a sustainable balanced budget – the proposals will make a significant contribution to help the Council address its financial revenue situation via making better use of its physical assets and delivering a more financially sustainable management model.

4.2 Sustainable Community Strategy (SCS)

4.2.1 The Council has approved a Sustainable Community Strategy for Warwick District (SCS) which has Prosperity as one of its five key themes. Under this theme a Priority relevant to the Leisure Development Programme is:

- Making better use of public assets to increase financial rewards;

4.2.2 In seeking Sport England funding to support the investment proposals the Council are highlighting how the proposals for investment can contribute to the recently released new Sport England Strategy 'Towards an Active Nation' which highlights the vital role that sport and physical activity can play in the health of communities. The new strategy explicitly focuses on the need to get those who are currently "inactive" involved in activity, and the need to have quality facilities and a well trained workforce to support this objective. This aligns well with the SCS Health & Wellbeing theme.

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

4.3.2 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.

5. BUDGETARY FRAMEWORK

- 5.1 The £550,000 costs agreed at the November 2015 meeting of the Council are being initially funded from the Internal Borrowing. Once the full scheme has formal approval, this sum will be funded from the long term borrowing proposed for the project.
- 5.2 The additional costs referred to in paragraphs 3.2.6 and 3.2.8 above would be similarly financed. If the full scheme does not subsequently progress, a small element of these upfront costs, c£25,000 will need to be written off and funded from revenue (or revenue based reserves), so presenting a one off cost on the Council's limited revenue resources.
- 5.3 The Business Case to justify the investment on financial grounds was included within the November 2015 Executive reports. This had been informed by the work by Strategic Leisure. This demonstrated that the extra income anticipated for the facilities would more than exceed the additional annual borrowing costs. This position should be far more certain with the leisure centres being managed by private contractor. However, this is of course, subject to the success of the current tender process for the operation of the centres. If the sums to be paid by the private contractor are higher than anticipated this will provide additional sums to off-set the additional capital costs of construction.
- 5.4 The current estimate of a cost increase of £2.5million over the Stage 2 figure will, based on interest rates of 4.25%, increase annual borrowing costs by an estimated £140,000. However the original Business Case allowed for the costs of borrowing to be at a prudent level of 4.25%. This is well in excess of current and projected rates and, were future borrowing to be fixed at current rates, there would be a substantial saving on assumed costs within the business case.
- 5.6 Whilst there is uncertainty over future rates, the full financial evaluation will be updated as part of the report being brought to Full Council in October 2016 once the final RIBA Stage 4 costs are known. By that stage there will be certainty as to the success of the Sport England bid. There will also be an update on the S106 funding towards the scheme.
- 5.7 Based on the earlier business case, there is enough tolerance within the overall figures and assumptions (notably interest rates, concession from operator and other funding of the works) that the increased borrowing costs arising from the costs explained in this report can be accommodated. In the event of any further adverse changes, this may not be the case, and the overall project could present an additional financial cost to the Council over the assumptions within the Medium Term Financial Strategy in such a scenario. This situation will be clarified before the October report.

6. RISKS

6.1 The table below intends to summarise the key risks and mitigations relating to the proposals set out in this report.

Risks	Mitigations
That enabling works are completed but Full Council do not approve the main construction contract in Oct 2016	Ensure most enabling works would be needed for any subsequent development of the leisure centres
Delay in making a decision – impact on the total cost of the project – estimated at £200k per quarter	Ensure decision-making programme stays on track, with sufficient information for Members to make prompt decisions
Risk of the outstanding surveys identifying issues which will result in extra costs	Carry out surveys as quickly as possible and respond to any negative findings in a cost-effective manner
The cost of steel rises as a result of the Government's emerging procurement policy with regard to public sector purchase of steel	Work with contractors and project managers to assess applicability and impact of new policy
The current economic uncertainty leads to an unexpected rise in the cost of the project	Work quickly and efficiently with the preferred contractor and project managers to agree a price before any longer term inflation is experienced

7. ALTERNATIVE OPTIONS CONSIDERED

7.1 The "preparatory and enabling works" could be delayed until after Full Council has made a decision on the main construction contract in October 2016. By doing this the length of the construction contract would be extended with the consequence of increasing the cost of the main contract (see 3.2.3), and extending the period of inconvenience to the customers who will be using the facilities during the works. There is also the impact on the management contract which is scheduled to commence at the point that works at St Nicholas Park are completed. If the construction programme is extended then the construction will not be completed at either site at the start of the management contract on 3rd May 2017, and the financial benefits to the Council of awarding the management contract will be delayed.

APPENDICES

1. List of Preparatory and Enabling Works
2. RIBA Stage project approach
3. Statement of Public Consultation

Proposed Enabling and Preparatory Works (St Nicholas Park and Newbold Comyn)

Preparatory Works:

Re-routing of the water main at Newbold Comyn
Installation of new supply for gas at St Nicholas Park
Installation of new supply for gas at Newbold Comyn
Installation of new supply for electricity at St Nicholas Park
Installation of new supply for electricity at Newbold Comyn

Enabling works:

Newbold Comyn Leisure Centre

Drainage Investigation
Asbestos R&D Survey
Roadside Footpath
Temporary Services
Tree Works
Temporary Reception
M&E Investigations
Building Envelope Survey
Opening Up works
Ecology survey works
Preliminaries

St Nicholas Park Leisure Centre

Drainage Investigation
Asbestos R&D Survey
Tree Works
Temporary Reception
M&E Investigations
Building Envelope Survey
Preliminaries

Trial Pits

Temporary School Access

Both Sites

UXO Desk Stud

WAC Testing

Contingency (£10k)



RIBA
Plan of
Work
2013

RIBA

The RIBA Plan of Work 2013 organises the process of briefing, designing, constructing, maintaining, operating and using building projects into a number of key stages. The content of stages may vary or overlap to suit specific project requirements. The RIBA Plan of Work 2013 should be used solely as guidance for the preparation of detailed professional services contracts and building contracts.

www.ribaplanofwork.com

Stages	0	1	2	3	4	5	6	7
Tasks	Strategic Definition	Preparation and Brief	Concept Design	Developed Design	Technical Design	Construction	Handover and Close Out	In Use
Core Objectives	Identify client's Business Case and Strategic Brief and other core project requirements.	Develop Project Objectives , including Quality Objectives and Project Outcomes , Sustainability Aspirations , Project Budget , other parameters or constraints and develop Initial Project Brief . Undertake Feasibility Studies and review of Site Information .	Prepare Concept Design , including outline proposals for structural design, building services systems, outline specifications and preliminary Cost Information along with relevant Project Strategies in accordance with Design Programme . Agree alterations to brief and issue Final Project Brief .	Prepare Developed Design , including coordinated and updated proposals for structural design, building services systems, outline specifications, Cost Information and Project Strategies in accordance with Design Programme .	Prepare Technical Design in accordance with Design Responsibility Matrix and Project Strategies to include all architectural, structural and building services information, specialist subcontractor design and specifications, in accordance with Design Programme .	Offsite manufacturing and onsite Construction in accordance with Construction Programme and resolution of Design Queries from site as they arise.	Handover of building and conclusion of Building Contract .	Undertake In Use services in accordance with Schedule of Services .
Procurement *Variable task bar	Initial considerations for assembling the project team.	Prepare Project Roles Table and Contractual Tree and continue assembling the project team.	<p>←----- The procurement strategy does not fundamentally alter the progression of the design or the level of detail prepared at a given stage. However, Information Exchanges will vary depending on the selected procurement route and Building Contract. A bespoke RIBA Plan of Work 2013 will set out the specific tendering and procurement activities that will occur at each stage in relation to the chosen procurement route. -----></p>			Administration of Building Contract , including regular site inspections and review of progress.	Conclude administration of Building Contract .	
Programme *Variable task bar	Establish Project Programme .	Review Project Programme .	Review Project Programme .	<p>←----- The procurement route may dictate the Project Programme and may result in certain stages overlapping or being undertaken concurrently. A bespoke RIBA Plan of Work 2013 will clarify the stage overlaps. The Project Programme will set out the specific stage dates and detailed programme durations. -----></p>				
(Town) Planning *Variable task bar	Pre-application discussions.	Pre-application discussions.	<p>←----- Planning applications are typically made using the Stage 3 output. A bespoke RIBA Plan of Work 2013 will identify when the planning application is to be made. -----></p>					
Suggested Key Support Tasks	Review Feedback from previous projects.	Prepare Handover Strategy and Risk Assessments . Agree Schedule of Services , Design Responsibility Matrix and Information Exchanges and prepare Project Execution Plan including Technology and Communication Strategies and consideration of Common Standards to be used.	Prepare Sustainability Strategy, Maintenance and Operational Strategy and review Handover Strategy and Risk Assessments . Undertake third party consultations as required and any Research and Development aspects. Review and update Project Execution Plan . Consider Construction Strategy , including offsite fabrication, and develop Health and Safety Strategy .	Review and update Sustainability, Maintenance and Operational and Handover Strategies and Risk Assessments . Undertake third party consultations as required and conclude Research and Development aspects. Review and update Project Execution Plan , including Change Control Procedures . Review and update Construction and Health and Safety Strategies .	Review and update Sustainability, Maintenance and Operational and Handover Strategies and Risk Assessments . Prepare and submit Building Regulations submission and any other third party submissions requiring consent. Review and update Project Execution Plan . Review Construction Strategy , including sequencing, and update Health and Safety Strategy .	Review and update Sustainability Strategy and implement Handover Strategy , including agreement of information required for commissioning, training, handover, asset management, future monitoring and maintenance and ongoing compilation of ' As-constructed ' Information . Update Construction and Health and Safety Strategies .	Carry out activities listed in Handover Strategy including Feedback for use during the future life of the building or on future projects. Updating of Project Information as required.	Conclude activities listed in Handover Strategy including Post-occupancy Evaluation , review of Project Performance , Project Outcomes and Research and Development aspects. Updating of Project Information , as required, in response to ongoing client Feedback until the end of the building's life.
Sustainability Checkpoints	Sustainability Checkpoint – 0	Sustainability Checkpoint – 1	Sustainability Checkpoint – 2	Sustainability Checkpoint – 3	Sustainability Checkpoint – 4	Sustainability Checkpoint – 5	Sustainability Checkpoint – 6	Sustainability Checkpoint – 7
Information Exchanges (at stage completion)	Strategic Brief .	Initial Project Brief .	Concept Design including outline structural and building services design, associated Project Strategies , preliminary Cost Information and Final Project Brief .	Developed Design , including the coordinated architectural, structural and building services design and updated Cost Information .	Completed Technical Design of the project.	' As-constructed ' Information .	Updated ' As-constructed ' Information .	' As-constructed ' Information updated in response to ongoing client Feedback and maintenance or operational developments.
UK Government Information Exchanges	Not required.	Required.	Required.	Required.	Not required.	Not required.	Required.	As required.

Leisure Development Programme – Statement of Community Consultation

Introduction

The Leisure Development Programme will refurbish and extend the Newbold Comyn and St Nicholas Park Leisure Centres in order to prepare the facilities for the next 30 years. A Planning Application will be submitted early in 2016.

As part of the preparation for the submission of this Planning Application, Warwick District Council has undertaken an extensive programme of community consultation. The purpose of this consultation programme was to ask the customers of the centres and the wider public what they thought of the proposed plans. The intention was to seriously consider any proposals made by consultees before finalising the design proposals.

Consultations undertaken

The main part of the consultation exercise took place at Newbold Comyn and St Nicholas Park Leisure Centres. Sessions were run in the main entrance hall of each leisure centre. Officers were on hand to explain the plans and to encourage people to complete feedback forms.

The areas selected for the sessions were accessible to all and the plans were presented in a manner and format that was understandable to all attendees. Although no detailed analysis was undertaken of the socio-economic characteristics of the respondents, officers attending the sessions could detect no positive or negative bias in the representation of any minority group, and it is considered that the percentages of all identifiable groups within the population were broadly representative of the catchment population at large.

The main programme of consultations was launched on Thursday 28th January 2016 at Newbold Comyn Leisure Centre. Invitations were sent to 30 key partners in the area, and the informal session was attended by both invitees and members of the public. Leaflets were distributed to all neighbouring properties in Weston Close to inform them of the sessions at St Nicholas Park Leisure Centre. Neighbouring residents of Newbold Comyn Leisure Centre in Newbold Terrace East were informed of the sessions by word of mouth.

Sessions at Newbold Comyn Leisure Centre took place on 28th, 29th, 30th and 31st January 2016. Total attendances were 708 people who submitted 213 comments forms. Of these, 13 did not support the proposals.

Sessions at St Nicholas Park Leisure Centre took place on 4th, 5th, 6th and 7th February. Total attendances were 546 people who completed 125 comments forms. Of these, 10 did not support the proposals.

The combined totals for these two sessions are therefore 1,254 total attendances with 338 comments forms, of which 23 did not support the proposals. The 23 respondents who did not support the proposals constitute 6.8% of all completed forms, with an implied approval rating of 93.2%.

In addition to these main sessions, Warwick District Council undertook a number of additional sessions with identified groups of people. These sessions are continuing in order to continue to spread the message of the details of the Leisure Development Programme. Sessions conducted to date include –

- Warwick District Council Development Forum on Tuesday 19th January – to present the proposals to County, District and Town Councillors to seek their views, primarily from a design standpoint.
- Schools' Briefing on Tuesday 23rd February – to discuss the implications and advantages for schools that use the two centres for swimming lessons or other activities. This was attended by 11 people representing 10 schools.
- Briefing to the Warwick 50+ Activities Club on Tuesday 23rd February – to explain the developments and to confirm that the Club would not be adversely affected by the plans. This was attended by 36 members of the Activities Club.
- Warwick Town Community Forum on Tuesday 8th March – to present the proposals and to take the views of residents. This was attended by 42 residents and officers, including County, District and Town Councillors.

In addition, 18 comments were received directly by email via the email address set up by the Council to encourage responses. Each of these has received a personal response from officers.

Comments received

An analysis of the Comments Forms received from the public confirms that the large majority of those completing a form are strongly in favour of the proposals. One section of the form invited comments from the public.

Positive comments received regularly included –

- Overall support for this investment in sport and leisure facilities
- Praise for the new changing rooms and their flexibility for many users
- Support for a new sports hall at Newbold Comyn
- Support for investment in new fitness facilities

Negative comments received regularly included –

- By a substantial margin, the greatest number of negative comments received were against the provision of mixed gender changing areas at both centres
- Support of retaining a sauna at St Nicholas Park Leisure Centre

- Support for retaining the splash pool at St Nicholas Park Leisure Centre
- Concerns over parking, particularly (although not exclusively) at St Nicholas Park Leisure Centre

Negative comments which did not relate to the design of the facilities included -

- Comments on the cost of the investment to the Council
- Comments on the management of the facilities

Appendix One to this report lists the comments received from the Development Forum on 19th January, and the responses given by officers.

The comments received at the Schools' Briefing focussed on the timetable for the changes, and the impact that any closures would have on the availability of school swimming. The comments on the design were universally supportive, and the teachers present were very keen to see the provision of dedicated school changing areas at both Centres. There was a query over provision for larger groups, but this was resolved at the meeting as it is a management rather than a design issue.

The comments received at the Warwick 50+ Activities Club were centred on the closure periods and also on the proposal to reduce the size of the meeting room at St Nicholas Park Leisure Centre. Officers confirmed that the representations of the Club had resulted in a change of design, such that the meeting room would now be remaining at its current size. The Club were delighted with this news.

The comments received at the Warwick Town Community Forum were mainly focussed on the loss of the splash pool at St Nicholas Park Leisure Centre. It was pointed out that this facility was not fit for purpose and there was insufficient space to provide an appropriate replacement.

Comments requesting a reply

The over-whelming majority (93%) of people who completed a Comments Form and expressed an opinion supported the proposals overall. Of the 338 people who completed a Comments Form, 66 requested a response from the Council to their comments and provided a contact email or postal address. These have all received an individual response from Officers.

Appendix Two of this report shows the content of the responses with regard to the most comment comments received.

Changes made as a result of the community consultation

The Council entered into the community consultation with a genuine commitment to obtaining the views of customers and the general public with a view to considering making changes to the proposed designs, wherever a consistent message was received from the consultation, and always provided that the requested changes were deliverable and affordable.

As a result of the community consultation, the following changes have been made to the design –

- Officers are working closely with the architects to investigate the possibility of implementing single gender changing facilities to Newbold Comyn Leisure Centre as an option to provide additional or alternative provision to the mixed gender changing areas. It is not possible to do this at St Nicholas Park, due to exigencies of space
- Shoe removal areas will be provided outside both 'wet' changing rooms
- A Members' changing area has been provided in the gym at Newbold Comyn
- The number of private showers and open showers in both 'wet' changing rooms is being increased where possible
- The design of the removable barrier at Newbold Comyn is being re-considered, following representations from swimming clubs
- A toilet is being provided for young children next to the leisure pool at Newbold Comyn
- The staff room at St Nicholas Park is being moved to an alternative location in order to retain the meeting room at its current size

Appendix One – Comments and responses from WDC Development Forum

- Can an alternative location be found for the Community Mosaic currently on the external wall at SNPLC? *Yes*
- Query regarding the external design of NCLC and whether any consideration has been given to timber cladding to be in keeping with “agricultural setting”. Suggestion that we look at the North Leamington School cladding. *Cladding reviewed but existing proposal retained*
- Consideration should be given to how any incoming operator uses branding on and within the sites. *Agreed – will review at correct time*
- Question whether we had considered including squash courts in the investment plans. *Officers responded explaining that the facilities audit/ Needs and Demands report had not identified a need for additional squash provision in the district*
- Clarification sought regarding the car parking provision at both sites. *Officers explained that based on survey work carried out Autumn 2015, there is sufficient capacity at Newbold Comyn with the work being planned for the “pub/golf” car parks. St Nicholas Park car parking required further consideration and officers are in discussion with colleagues on the options for this site.*
- Would provision be made at the 2 sites to cater for cyclists? *Yes.*
- Clarification sought on the process that would be followed to appoint a new operator for the centres. *Officers explained the procurement process.*
- Question raised regarding how the new designs had addressed the challenges of reducing energy consumption and whether consideration had been given to alternative energy sources as part of the design. *Officers explained the approach being taken to include sustainable energy solutions and ensure that the design of the new elements of the centres were as environmentally sustainable as possible.*

Appendix Two – Typical responses sent to the more regular public comments

1. Village Changing

We believe that the plan to incorporate village style changing rooms offers the best all round solution for flexibility and space. The changing rooms will offer double and family sized cubicles as well as single gender changing, outside of school usage times. This will support mixed gender families and will provide generally more space for customers than the traditional separate male / female changing arrangements. Finally, higher cleaning standards and supervision can be achieved as staff access is less restrictive than the separate changing room design. Since the consultation we have been working with the design team to consider options for increasing the number of showers in the village changing area.

2. Cost of the investment

The cost of the investment in the buildings is twelve million pounds. We hope to receive around two million pounds from Sport England from their Strategic Investment Fund. A further sum of at least five hundred thousand pounds will be provided from developers of new homes in the district as part of the sum that they are obliged to provide for infrastructure. The remaining amount will be borrowed by the Council. The improvements to Newbold Comyn and St Nicholas Park Leisure Centres will generate additional income which will pay for the cost of borrowing this money and also improve the financial position of the Council. Borrowing this money will not affect the Council's ability to borrow money for other schemes. Finally, it is worth noting that if the investment project was not going ahead the Council would still be required to spend four million pounds on renewing mainly the plant rooms of the two buildings to ensure they were fit for purpose. If this work did not take place the Centre's would have to shut within the next 10 years. This work is contained within the twelve million pounds cost of the programme.

3. Seeking an external management partner

The Council has decided to seek an external management partner to run the Council's four leisure centres and two dual-use leisure centres on our behalf. This is not privatisation, as the four leisure centres will remain as Council buildings and the Council will prepare a Specification that tells the operator how to run the centres on our behalf. The Council will control key prices and other key elements of the provision of the service. The Council will monitor the operator closely, in order to ensure that they continue to operate a service of excellence. After very careful consideration, the Council has decided that using an external management partner gives us the best chance of securing the best possible financial performance from the Centres, which should ensure their future viability at a time when Council budgets are being cut all the time. The Council has also decided that an external management partner will bring increased expertise and innovation to the management of the centres.

4. Shoe Removal

We have designed an area within the changing rooms where customers can comfortably remove their foot wear in order to encourage customers to remove their outdoor foot wear before entering the changing room.

5. Loss of Sauna

We have discussed with our architects the possibility of replacing the sauna at St Nicholas Park Leisure Centre. Unfortunately the only location within the current plans where we could install the sauna would require extensive work to provide adequate

drainage, ventilation and power in that area. We have considered the historical usage data for the last 3 financial years and we cannot make a strong enough business case to warrant the level of investment required to provide a new sauna.

6. Parking at Newbold Comyn Leisure Centre

We are proposing to provide lines for the spaces in the car park opposite Newbold Comyn Leisure Centre. This will give an additional 40 spaces when the development is completed, because people park closer when there are lines. The car park that will be built on currently has 18 spaces, so in total we will provide 22 additional spaces. We have employed traffic consultants to predict the likely demand for parking spaces once the new facilities are open, and we believe that there will be sufficient spaces at Newbold Comyn for the demand created.

7. Environmental sustainability

A sustainability options review was undertaken at the feasibility stage in which various technologies were appraised in terms of suitability for the two leisure centres. A 'fabric first' approach will be taken to the design of the new elements of both centres. The new swimming pool plant to be installed in both buildings will make both pools more energy efficient and thus more environmentally sustainable.

At Newbold Comyn a biomass boiler will be installed to provide the main heat to the building. This will respond to the constant heat load requirements of the building. A gas fired CHP plant was not selected due to existing and ongoing issues with low pressure gas supply on site at the time the feasibility was undertaken. The biomass boiler plant will provide heat to the hot water generation facility. Photovoltaic cells will be placed on the roof to reduce the building's carbon footprint by providing top-up electricity and assisting in Part L compliance.

At St Nicholas Park a Combined Heat and Power boiler will be installed to reduce the carbon footprint of the building. It is not possible to install biomass at St Nicholas Park due to the problems of delivering fuel by lorry.

8. Thanks

Thank you for your positive response to the proposals to improve our local leisure centres. We will continue to progress the project with the intention of delivering these improvements as planned in 2017.

9. Loss of splash pool at St Nicholas Park

The rationale for removal of this small pool is as follows. The current "splash pool" is not, nor has it ever been, designed as a baby pool. It was designed as part of the circulation system for the pool which in the early 1980's was a radical design and untested at that time, but is now considered inappropriate. It is not suitable as a "baby pool". The pool has a large column in the centre which would not meet current H&S design guidelines and the internal steps are a hazard. The water is the poorest quality water in the pool as it is the only outflow from the main pool. It is not large enough to use as a teaching pool, with no space to increase it. The location of the splash pool also prevents movement of lifeguards and swimming teachers around the pool which constrains the use of the pool and is not good design when considering how the main pool operates. Finally, in order to extend the changing rooms, the additional space currently taken by the splash pool is required to meet the space requirements of current design requirements. Taking all these factors into consideration it was agreed that the "splash pool" would not be retained in the new plans. Of the three pool sites that we have in the district, Newbold Comyn is the one with a purpose built "leisure/splash" pool which has warmer water and is more appropriate for introducing very small children to the water.

 Executive 27 July 2016		Agenda Item No. 5
Title	Budget Review to 30 June 2016	
For further information about this report please contact	Mike Snow Andy Crump	Tel 01926 456800 Tel 01926 456810
Wards of the District directly affected	N/A	
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?	No	
Date and meeting when issue was last considered and relevant minute number	February 2016 Executive – Budget Setting	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes
Equality Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	04.07.16	Chris Elliott
Head of Service	04.07.16	Mike Snow
CMT	04.07.16	Chris Elliott
Section 151 Officer	04.07.16	Mike Snow
Monitoring Officer	04.07.16	Graham Leach (Deputy)
Finance	04.07.16	Andy Crump
Portfolio Holder(s)	04.07.16	Cllr Peter Whiting
Consultation & Community Engagement		
Not applicable		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		
A further report will be presented in the Autumn on options regarding business rates pool		

1. **Summary**

- 1.1 This report updates Members on the latest financial position as various changes to 2016/17 budgets have been identified and are now presented to Members for approval.

2. **Recommendations**

- 2.1 That the Executive notes the latest variances for the General Fund budget, the projected outturn on budget and agrees to the budget changes detailed in paragraph 3.1.
- 2.2 That the Executive agrees to make a one-off payment from the Contingency Budget to fund a salary underpayment for a member of staff. (para 3.2.2)
- 2.3 That the Executive notes that the rent refund to the West Midlands (WM). Reserve Force and Cadets of £16,600 has been paid from this year's Contingency budget rather than last year's as originally agreed. (para 3.2.3)
- 2.4 That the Executive notes that currently there are no projected changes to the HRA budget (para 3.5)
- 2.5 That the Executive notes the Medium Term Financial Strategy projections and the forecast of required recurrent savings of £696k which are being addressed by the Fit For the Future programme agreed by members in June 2016. (para 3.7).
- 2.6 That the Executive notes the position on Coventry and Warwickshire Business Rates Pool from 2017/18 and that a future report will be forthcoming on the future potential pooling options available to the Council. (section 3.8)
- 2.7 That the Executive agrees that Portfolio Holders and Heads of Service review all planned and potential demands for future revenue or capital funding so that the Council's financial projections are as inclusive and accurate as possible (para 3.9.2).
- 2.8 That the Executive notes the position regarding Treasury Management. (para 3.10)
- 2.9 That the Executive note the action taken under delegated powers in accordance with the Code of Procurement Practice to approve Count Venue for the EU Referendum. (para 3.11)

3. **Reasons for the Recommendations**

3.1 General Fund 2016/17

- 3.1.1 The latest variances that have been identified by managers are shown below.

	£
Firmstep Contract	7,000 (A)
Planning Income (see para 3.4.3)	100,000 (F)
Non salary variances	93,000 (F)
Salary Variances	86,800(A)
Minor Variances	5,300(A)
Overall Variance	900(F)

3.1.2 The Firmstep contract budget was included within the savings from the Customer Service Centre review. However this system is still needed for One Stop Shops. The future need for this system will be subject to the review of One Stop Shops.

3.1.3 Changes to salary budgets totalling £86,800 have arisen since these budgets were agreed and these have now been factored into the current forecast out-turn position. These relate to:-

- Contract Services Officer £26,400 – post on establishment but not within Budget.
- ICT salaries vacancy adjustment £22,100.
- Fitness instructors re-gradings £20,000.
- Revenue officer 12 month post funded from council tax penalty income, (penalty income included in budget but not the expenditure of £18,300)

3.2 Contingency Budgets

3.2.1 Details of the current year budget (£471,300) and the balance remaining (£201,900), after calls on this budget in this report, are shown in Appendix A but before any commitments requested in other reports to this meeting. The Prosperity Agenda item originally approved at April's Executive for £29,200 now only needs £25,900, a reduction of £3,300. This has been reflected in the balance remaining mentioned above. None of the 2016/17 Training Contingency Budget of £4,900 has currently been allocated. However, this budget was fully allocated in 2015/16 and is expected to be so this year. There are other Contingency Budgets for Price Inflation (£24,000) and Contract Cleaning (£101,000). Any forthcoming demands for the use of these budgets will be reported upon during the year.

3.2.2 A member of Cultural Services has been underpaid, for a number of years, and the council now has a, one-off £30,000 liability (including employer on-costs). Although the Head of Service has made every effort to fund this from existing budget, it has proved impossible without wider more adverse consequences and it is now considered appropriate that this should be funded from the Contingency Budget.

3.2.3 The rent refund relates to WDC receiving rent from Racing Club Warwick, a portion of which should have been sent to the W.M. Reserve Force/Cadets. They also received a rent refund whilst they were unable to access their Clubhouse. This refund was previously agreed by the Executive in July 2015 to be funded from last year's Contingency Budget. However, owing to the length of time it took to finally resolve all the outstanding issues regarding Racing Club Warwick and the Cadets the decision could not be executed until the beginning of this current financial year.

3.2.4 If agreed, the Contingency Budget balance shown in paragraph 3.2.1 would reduce from £245,200 to £201,900.

3.3 Revenue Slippage- Earmarked Reserves

3.3.1 Revenue slippage from 2015/16 has been added into the 2016/17 budget, totalling £322,600 for the General Fund, see Appendix B. This will be monitored separately and reported to Executive on a quarterly basis. As at the end of June nothing has been spent to date. In addition £258,700 of revenue slippage was approved for the HRA at the same meeting and these can also be seen in Appendix B.

3.3.2 Progress has been made on some of the earmarked reserves and this is detailed in Appendix B.

3.4 Income Budgets

3.4.1 Due to the significant favourable income variances reported in the 2015/16 Final Accounts which contributed to the overall £1.7m net underspend. The Accountancy team is working with budget managers to check whether the current income budget projections are accurately reflecting current market conditions.

3.4.2 Appendix C shows income and budget details for the last three years, for major income budgets. This Appendix shows that over the past few years, income forecasting in those areas, apart from 2015/16, has mainly been reasonable. The two areas, which are exceptions to this, are Car Parking and Planning fee income. Planning Income has averaged, over the past 3 years, a more than £250,000 over recovery of the income budget per annum. Parking has been subject to similar variances at approximately £235,000 per annum.

3.4.3 Whilst it is early in the year, further work is on-going to confirm whether the upturn in these budgets will continue. At this stage the only change is in respect of Planning Fees where £100,000 increase in the income budget is proposed. By the second quarter's report on the budget, later in the year (October/November), managers should be in a better position to identify if these income budgets could be increased, improving the Council's financial position as at 31st March 2017, and also review the budgets for future years to be included within the Medium Term Financial Strategy.

3.5 HRA

3.5.1 No variances have currently been identified for the HRA to end of June 2016.

3.6 Capital

3.6.1 There are currently no General Fund Capital variances being reported by budget managers with the exception of the item below.

3.6.2 The Housing Investment Programme (H.I.P.) reported, to June's Executive that the Renewal of the Fire Alarm Systems in Sheltered Housing Schemes needed additional funding of £207,000. It was agreed that £71,000 would come from an earmarked reserve from 2015/16, with the remainder being paid from existing reserves.

3.7 Medium Term Financial Strategy (MTFS)

3.7.1 The MTFS was updated and presented to Members on 2 June as part of Fit For the future Executive report. The savings requirements within that report are set out below:-

On-going Savings (-) required	2017/18	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000	£000
Additional Savings	148	295	75	52	696
Cumulative Savings	148	147	-220	-23	644

3.7.2 The MTFS allows for the following assumptions:-

- Council Tax annual increases of £5 at Band D to 2019/20, and 2% thereafter
- £300,000 savings from the proposed office move in 2018/19
- £145,000 savings from the Terms and Conditions Review (Phases 1 & 2) from 2018/19
- £500,000 from the investment in the leisure centres and new management arrangements by 2018
- Investment in a new multi storey car park at Covent Garden with the finance costs of borrowing met by increased parking charges from 2018/19
- Revenue Support Grant reducing to zero by 2019/20.

3.7.3 At this stage, there are no significant changes proposed that will alter the above projections. However, the following issues are being considered and monitored:-

- Retained Business Rates. Business Rates income is still subject to substantial appeals waiting to be determined. Consequently, it is still necessary to take a prudent view of current and future retained business rates. As part of the finalisation of 2015/16 accounts the Council was able to increase the balance on the Business Rate Volatility Reserve. The projections for retained business rates income have been reviewed in the light of 2015/16 and it has been determined that there is no need to amend the previous estimates at this stage.
- Following on from the finalisation of 2015/16 accounts, the main income sources are continuing to be monitored tightly, as discussed elsewhere within this report (see Appendix C). Also, the expenditure variances within this report are also being considered, with any variances for the current year being discussed elsewhere within this report.
- The variances in section 3 have not been factored into the MTFS at this stage.
- Investment interest is being kept closely under review as discussed within paragraph 3.10.

3.7.4 The June FFF Executive report agreed a programme of initiatives which should secure sufficient savings to exceed the cumulative savings requirement in the above table. These initiatives are being progressed and any additional savings potential will be closely monitored. If it is not possible to make these savings, this will be reported to Members in future reports and who should note that in such a scenario the Council would need to consider other savings initiatives.

3.8. Business Rates Retention and Pooling

- 3.8.1 The Council is currently in the Coventry and Warwickshire Business Rates Pool, along with the 5 districts in Warwickshire, the County Council and Coventry City Council. As part of the pool, the authorities have been able to reduce the net amount of levy payable to Central Government, and retain more business rate income locally.
- 3.8.2 With the formation of the new West Midlands Combined Authorities, there will be a new pool formed covering that area. Consequently the current pool will no longer exist from 1 April 2017. Consideration is being given to what the alternate pool arrangements are for the Non-Constituent Members of the Combined Authority, along with authorities such as Warwick which have not agreed to join the new Combined Authority. Modelling is also due to be undertaken. This work is likely to progress into the Autumn. Members will be advised in a future report what the pooling options are along with any appropriate recommendation.
- 3.8.3 Overall the Pool arrangement resulted in over £1.1m being retained locally from Business Rates, with WDC's share being £95k for 2015/16. However, due to the Council also receiving a, one-off, safety net payment for 2013/14 from the Pool which is due to be repaid from future years' retained levy, the Council will not directly benefit from this. In addition, it should be noted, that subject to the performance of the pool in 2016/17, the Council may still have a liability to pay when the pool is dissolved. This is currently estimated to be £50k, which would be financed from the Business Rate Volatility Reserve. When further information is available, it will be reported to the next meeting of the Executive. However, as it stands the Council stands to lose business rates income if it remains outside a pool.

3.9 Other Funding Liabilities

- 3.9.1 In addition to the projected shortfall in the Medium Term Financial Strategy, the Council also has the following liabilities to fund:-
- Asset Maintenance Liabilities – following the review of Corporate Assets, the future cost of maintaining all the Council's property assets and land holdings has been established, as previously reported to Executive. The cost of these works is only funded up to and including 2018/19. To fully fund the works required in subsequent years will amount to an additional cost averaging out at approximately £1m per annum.
 - ICT – A separate ICT Reserve has been established to provide funding for the Council's ICT infrastructure. Contributions of £250k, per annum, are being made to this reserve.
 - Equipment Renewals Reserve – For some years the Council has maintained an Equipment Renewals Reserve to fund service equipment replacement. Contributions of £100k per annum are being made to this reserve.
- 3.9.2 It is important that the Council's financial projections are as inclusive of all potential funding demands upon the Council as possible. It is important that Portfolio Holders and Heads of Service review all items currently budgeted for in the current and future years, and any further items which are currently not budgeted for inclusion in the financial projections and future Budget reports.

3.10 Treasury Management

- 3.10.1 Following the Referendum decision to leave the European Union, the UK's credit rating has been downgraded from its AAA rating. The implications of this and

other 'Brexit' issues have not yet become clear and the country has entered a period of un-certainty. The Governor of the Bank of England has already indicated that interest rates are likely to fall. This has not been factored into the financial projections at this stage.

3.11 Procurement

- 3.11.1 An exemption to the Code of Procurement Practice was approved by the Head of Finance, in accordance with paragraphs 6.2.5 and 6.3 of the Code. for the use of Stoneleigh Park as a count venue for the EU Referendum. This exemption was agreed because, following research by officers, there are no other suitable venues for the count within Warwick District. The quote received was for £10,800 for room hire with some further additional services (stage, PA, Tables, Security and parking staff), bringing the total cost to £12,523.
- 3.11.2 Officers are working on securing a contract for a count venue within the District, for the medium term and a report, if necessary will be brought before Members.

4. **Policy Framework**

- 4.1 This report is in accordance with the Council's Financial Strategy as last approved by the Executive in February. This provides the Council with the resources to deliver its other policies and strategies.
- 4.2 One of the 3 Strands of Fit For the Future is ensuring that the Council achieves the required savings to enable it to set a balanced budget whilst also maintaining or improving service provision. This report updates Members on the financial projections for future years, savings required to be found and some of the key issues affecting the Council's Medium Term Financial Strategy up to 2020/21.

5. **Budgetary Framework**

- 5.1 The Council needs to find additional financial savings of almost £700,000 over the next five years for the General Fund as detailed elsewhere in this report. Officers review current year budgets on a monthly basis at the same time as considering implications for the medium term. Members are updated on a quarterly basis.
- 5.2 The Budget Review Process provides a planning tool to ensure resources are directed to the Council's priorities. Alongside the Council's own activities, external factors influencing its finances are also taken into consideration, for example Central Government Financing, the Business Rates Retention scheme, changes in legislation and the economy.
- 5.3 The Council maintains its Reserves to deliver Capital and other projects, and to ensure that there are sufficient resources available to manage unforeseen demands and continue to deliver its services. Close monitoring of these Reserve balances, together with plans to replenish them will preserve the financial stability of the organisation for future years.

6. **Risks**

- 6.1 The Council's Significant Business Risk Register contains several risks which are finance related. Shortage of finance will impact upon the Council's plans for the

provision of services. Reduced income or increased expenditure will reduce the funding available.

6.2 The main sources of income which may be subject to reductions include:-

- Government grant (e.g. Revenue Support Grant, Benefits Administration Grant)
- Business Rates Retention
- Fees and charges from the provision of services
- Rent income
- Investment Income

6.3 Increased expenditure in service provision may be due to:-

- Inflation and price increases for supplies and services.
- Increased demand for services increasing costs
- Changes to taxation regime
- Unplanned expenditure
- Assumed savings in budgets not materialising

6.4 Triggers for increased costs or reduced income include:-

- Economic cycle – impacting upon inflation, interest rates, unemployment, demand for services, Government funding available
- Unplanned expenditure, e.g. Costs from uninsured events, Costs of planning appeals or other legal process
- Project costs – whereby there are unforeseen costs, or the project is not properly costed, or the risks related to them are not properly managed.
- Changes to assumptions underpinning the Medium Term Financial Strategy – these assumptions are closely monitored.

6.5 Many controls and mitigations are in place to help manage these risks. These include:-

- The comprehensive Budget Review process. This entails all budget managers reviewing their budgets on at least a monthly basis, considering previous, current and future years, along with any possible issues that may impact upon their budgets. As part of this process, Budget Review reports are issued to the Executive and Senior Management Team.
- Financial Planning with the Medium Term Financial Strategy/financial projections, bringing together all issues that will impact on the Council's finances in the medium term.
- Financial controls, including the Codes of Financial and Procurement Practice, system controls, reconciliations, audit (internal and external).
- Project Management and associated controls.
- Trained staff and access to appropriate professional advice (eg WCC Legal, Local Government Futures for advice on local government funding).
- Risk Management process across the Council, including the on-going review and maintenance of risk registers.
- Scrutiny by Members of the Council's finances, including Budget Reports, and the financial implications of all proposals brought to them for consideration.
- Within the 2016/17 there is a Contingency Budget with an uncommitted balance of £245,200 (prior to this meeting) for any unplanned or unavoidable expenditure.

- Reserves – Whilst much of these Reserves have already been earmarked for specific projects, it is important that Reserves are held for any unforeseen demands.
- In addition to the reserves, the Council holds the General Fund Balance of £1.5m. This is available to accommodate any unplanned expenditure, or to make up any shortfall in income. However, the Council should seek to maintain the balance at this level.
- The specific causes of reductions to income or increased expenditure should continue to be managed by the relevant Service Area as part of managing the risks within each Service Risk Register. Individual Service Area Risk Registers are brought to Finance & Audit Scrutiny Committee every 2 years.

7. Alternative Option(s) considered

- 7.1 Monitoring expenditure and income and maintaining financial projections is good financial management and part of good governance. Accordingly, to propose otherwise is not considered.

Appendix A Contingency**2016/17****£**

Contingency February Budgets

239,600

Final Accounts 2015/16 Report

231,700

General Contingency**471,300**

Coventry and Warks Growth Hub 3 yr contrib.

-31,200 March Executive

Cultural Services Programme Manager extension

-26,000 March Executive

(September 2017 to March 2018)

Prosperity Agenda

-25,900 6 April Executive

St Marys Lands

-75,000 6 April Executive

Council Relocation

-53,600 20 April Executive

Newbold Terrace East Road Markings

-3,000 HoF delegation 11/5/2016

Review of Internal Audit

-4,500 HoF delegation 12/5/2016

Peer Challenge Review

-3,600 HoF delegation 21/6/2016

W.M. Reserve Force & Cadets – rent refund

-16,600 Part of budget review report

Cultural Services underpayment

-30,000 Part of budget review report**General available****201,900**

Executive March 2015 - Funding requests

Agenda Number

7	HRA business Plan	£120,000	Stock condition Survey	HRA
9	Lillington	£20,000	Socio-economic research	GF contingency
9	Lillington	£20,000	Further master planning work	GF contingency
13	Kites Nest Lane	£10,000	Reinstatement costs	GF contingency
14	Combined Authority	£50,000	Contribution	GF contingency
19	Lillington	£600,000	Property acquisition	HRA
19	Lillington	£25,000	Buckley Road Options Agreements	HRA
19	Lillington	£50,000	Further technical work	GF contingency/HRA
20	Asset Management Redesign	£9,200	Increased revenue costs	GF - recurring
20	Asset Management Redesign	£3,200	Increased revenue costs	HRA - recurring
20	Asset Management Redesign	£31,800	Retirement/Redundancy	GF ERR
20	Asset Management Redesign	£6,100	Retirement/Redundancy	HRA ERR
22	Strategic Opportunity Proposal	£100,000		GF contingency/HRA

GF Cont

£20,000

£20,000

£10,000

£50,000

£25,000

£50,000

£175,000

APPENDIX B EARMARKED RESERVES -2016/17

GENERAL FUND

DEVELOPMENT SERVICES

Skills Initiative

Unspent balance agreed by Executive to be carried forward for match funding of schemes over the next three years.

TOTAL DEVELOPMENT SERVICES

FINANCE

Procurement Training

Professional training of procurement staff delayed due to staff changes and subsequent selection of appropriate course.

TOTAL FINANCE

HEALTH & COMMUNITY PROTECTION

Electric Pool Vehicles

Procurement process delayed and lease costs will be paid on a quarterly basis. Vehicles now on order.

Heat Distribution Network

Part of the Climate Control Strategy / Sustainability Action Plan. Government funding notification not received until February hence delay in procurement of appropriate consultant.

TOTAL HEALTH & COMMUNITY PROTECTION

HOUSING & PROPERTY SERVICES

Lillington Regeneration

The valuation work (£4,000) has been commissioned. This work has taken longer to complete because were awaiting information from a third party that was itself dependent upon work on the Local Plan. This information has now been received and we anticipate that the work will be completed by September 2016

Europa Way Strategic Opportunity Proposal

The Council's LLP partner (PSP) withdrew support for the proposed scheme in late May. Since then we have been in discussion with another potential partner who should decide by the end of July whether or not they are interested in progressing negotiations. The project sponsor (Chief Executive) is now planning to take a report to the Executive in September with recommendations about whether the project should continue, in what form and with what budget.

NEIGHBOURHOOD SERVICES

St Mary's Lands

Demolition of unsafe and derelict structures around site - a significant part of this work has now been completed.

Crematorium

Rebranding of Crematorium, including new signage, etc. delayed due to delays in the capital works. Rebranding delayed as resources might be needed for additional drainage works.

Crematorium generator - installation delayed due to delays in capital works. Generator now on order.

APPENDIX B EARMARKED RESERVES -2016/17

TOTAL NEIGHBOURHOOD SERVICES

APPENDIX B EARMARKED RESERVES -2016/17

STRATEGIC LEADERSHIP

Media Room

New monitors required to replace old equipment. Delays due to staff changes and compatibility assessments.

DMC Relocation

Move delayed due to potential heating issues in proposed new location and subsequent restructuring of Democratic Services.

Payroll Development

Ongoing development of system has taken a phased approach with Coventry due to resource issues.

Staff Engagement

Other changes to staff engagement work, staffing and workloads has delayed implementation.

Master's House Site Investigation and Feasibility Study

Contractor delays

Customer Segmentation in Culture

Technical issues have caused delays. Work now progressing.

TOTAL STRATEGIC LEADERSHIP

TOTAL GENERAL FUND SERVICES

HOUSING REVENUE ACCOUNT

New Carpeting for Sheltered Schemes

Carpets need to be replaced on a regular basis. Procurement underway.

Stock Condition Survey - HRA Stock

Preparation of software to allow full compatibility of field-work survey findings with ActiveH (housing Repairs System) took longer than was originally anticipated.

Chandos Court New Mobility Scooter Store

Change in Contract and Contractor for provision of Disabled Adaptations Works.

The mobility store its final stages of Technical Design and Specification in readiness to obtain pricing from FSG (the Disabled Adaptation Contractors).

Awaiting completion of Fire Risk Assessments in order to programme works and issue to contractor.:

Progress - All Fire Risk Assessments for HRA Blocks of Flats have been received and the Property Team are now compiling a list of Fire Precaution Works into a Works Programme. Once finalised, the approved contractor will be used to undertake works.

Sheltered Schemes Alarm Systems

Upgrades required for all Schemes will provide better value for money by procuring a larger contract.

TOTAL HOUSING REVENUE ACCOUNT

£

28,200

28,200

6,200

6,200

27,000

21,200

48,200

30,000

85,600

115,600

50,200

24,000

11,000

£

85,200

£

2,500

8,000

11,000

9,000

4,100

4,600

39,200

322,600

10,700

84,000

33,000

60,000

71,000

258,700

Crematorium

	£	£	£	£	%
	Original budget	latest budget	Actual	variance	variance
crematorium fees 2013/14	-940,300	-1,105,800	-1,134,700	-28,900	2.6%
crematorium fees 2014/15	-857,000	-1,051,000	-1,051,500	-500	0.0%
crematorium fees 2015/16	-902,600	-752,800	-1,045,200	-292,400	38.8%
2016/17	latest budget	YTD 2016/17	budget 2015/16	YTD 2015/16	
crematorium fees 2016/17	-1,184,700	-213,700	-752,800	-167,400	
percentage of budget		18.0%		22.2%	

Waste recycling credits

	Original budget	latest budget	Actual	variance	variance
Recycling credit 2013/14	-420,000	-420,000	-438,900	-18,900	4.5%
Recycling credit 2014/15	-420,000	-420,000	-423,500	-3,500	0.8%
Recycling credit 2015/16	-420,000	-420,000	-473,800	-53,800	12.8%
	latest budget	YTD 2016/17	budget 2015/16	YTD 2015/16	
Recycling credit 2016/17	-420,000	-1,100	-420,000	0	
percentage of budget		0.3%		0.0%	

Planning

	Original budget	latest budget	Actual	variance	variance
fees & charges general 2013/14	-695,700	-850,000	-1,088,400	-238,400	28.0%
fees & charges general 2014/15	-695,700	-896,300	-1,031,700	-135,400	15.1%
fees & charges general 2015/16	-702,000	-870,000	-1,276,300	-406,300	46.7%
	latest budget	YTD 2016/17	budget 2015/16	YTD 2015/16	
fees & charges general 2016/17	-702,000	-483,000	-870,000	-409,400	
percentage of budget		68.8%		47.1%	

Car parking

	Original budget	latest budget	Actual	variance	variance
car parking fees 2013/14	-2,411,100	-2,506,100	-2,766,400	-260,300	10.4%
car parking fees 2014/15	-2,494,100	-2,706,100	-2,898,100	-192,000	7.1%
car parking fees 2015/16	-2,606,100	-2,746,100	-2,997,200	-251,100	9.1%
	latest budget	YTD 2016/17	budget 2015/16	YTD 2015/16	
car parking fees 2016/17	-2,776,100	-243,800	-2,746,100	-140,600	
percentage of budget		8.8%		5.1%	

Royal Spa Centre (excludes non WDC admissions income and Artistes fees and expenses WDC)

	Original budget	latest budget	Actual	variance	variance
2013/14	-266,100	-227,100	-171,400	55,700	-24.5%
2014/15	-236,800	-240,400	-227,200	13,200	-5.5%
2015/16	-236,700	-236,700	-248,700	-12,000	5.1%
	latest budget	YTD 2016/17	budget 2015/16	YTD 2015/16	
2016/17	-238,000	-69,300	-236,700	-160,000	
percentage of budget		29.1%		67.6%	

Leisure Centres

	Original budget	latest budget	Actual	variance	variance
2013/14	-1,822,500	-1,868,500	-1,893,700	-25,200	1.3%
2014/15	-1,862,900	-1,920,200	-1,917,800	2,400	-0.1%
2015/16	-1,979,200	-2,049,200	-2,030,700	18,500	-0.9%
	latest budget	YTD 2016/17	budget 2015/16	YTD 2015/16	
2016/17	-2,126,400	-404,000	-2,049,200	-489,100	
percentage of budget		19.0%		23.9%	

 Executive 27 July 2016		Agenda Item No. 6
Title	Council Tax Support	
	Council Tax Reduction Scheme	
For further information about this report please contact	Andrea Wyatt Ext 6831	
Wards of the District directly affected	All	
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?	No	
Date and meeting when issue was last considered and relevant minute number	2 December 2015 – Executive 27 January 2016 – Council	
Background Papers	The Council Tax Reduction Schemes (Prescribed Requirements)(England) Regulations 2012. Warwick District Council Reduction Scheme.	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	No
An Equality Impact Assessment will be undertaken and the findings will be circulated with the consultation documents.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive	04 July 2017	Bill Hunt
Deputy Monitoring Officer	04 July 2017	Graham Leach (Deputy)
Head of Service	01 July 2017	Mike Snow
CMT	04 July 2017	
Section 151 Officer	01 July 2017	Mike Snow
Finance	01 July 2017	Mike Snow
Portfolio Holder(s)	04 July 2017	Peter Whiting
Consultation & Community Engagement		
It is a statutory requirement that a consultation in respect of any changes to the Local Council Tax Reduction Scheme is undertaken with pre-cepting authorities, key stakeholders and persons affected.		
Final Decision?	No	
Suggested next steps (if not final decision please set out below)		
A further report on the outcome of the consultation is required and only at that point will revisions to the scheme be determined.		

1. SUMMARY

- 1.1 The Government abolished the national Council Tax Benefit scheme in April 2013 and tasked Local Authorities to design their own schemes for working age customers to be implemented from April 2013. The Government continues to prescribe the scheme for pensioners and they can continue to receive up to 100% reduction in council tax.
- 1.2 The Warwick District scheme for working age was unchanged in April 2013, in April 2014 the maximum amount of reduction a customer could get reduced to 92.5% and to 85% from April 2015.
- 1.3 The current scheme remains more generous than many Council Tax Reduction Schemes, however, in light of the revised national framework, the proposed changes will ensure that the scheme remains equitable for all customers whether they are in receipt of Universal Credit or not, whilst reducing the administrative burdens of operating different means tested schemes.

2. RECOMMENDATION

- 2.1 That Executive agrees the following proposals to be put out to consultation for changes to the Council Tax Reduction Scheme from 2017.
 1. That the calculation of Council Tax Reduction for Universal Credit customers receiving help with their housing costs is amended.
 2. That the maximum period of backdating for working age customers is reduced from three months to one month.
 3. That the amount deducted from entitlement for non-dependants residing in the property are amended to reflect the changes the Government have made to the prescribed scheme and that these are updated annually so that they remain aligned.
 4. To abolish the family premium for all new claims made from the 1st April 2017 onwards.
 5. That a child premium is not included in the calculation for any third or subsequent child born after April 2017, to reflect the changes to the pensioner scheme, the Housing Benefit scheme and Universal Credit.
- 2.2 That Executive agrees for a further report to be considered following the consultation process, so that appropriate recommendations can be made to full Council.

3. REASONS FOR THE RECOMMENDATION

- 3.1 National legislation governing the administration of Council Tax Benefit was abolished for claims made after 1st April 2013 and Local Authorities were expected to introduce their own local schemes which were subject to a 10% cut in funding from Central Government.

- 3.2 The Council Tax Reduction scheme for working age customers is still very similar to the working age and pension age Housing Benefit scheme and the Council Tax Reduction scheme for pensioners. However, whilst legislative changes have been made to these two other schemes over the past 3 years, the Council Tax Reduction scheme has remained untouched; the proposed changes would bring the scheme back into line, ensure that it is equitable for all customers, and make it less confusing by aligning it with the other schemes and easier to administer.
- 3.3 If the changes are not made to the scheme, entitlement to Council Tax Reduction will be more generous to some customers even though their household circumstances and income may be the same as others. This is due to the national legislation which governs how Universal Credit is calculated conflicting with the Council Tax Reduction scheme.
- 3.4 When the Warwick District Local Council Tax Reduction scheme was agreed in 2013, Universal Credit was in its infancy and therefore the calculation of Council Tax Reduction for those customers in receipt of Universal Credit was based on the default scheme published by the Government, as was the case for most Local Authorities. Customers who are working and pay rent, can receive help towards their housing costs as part of their Universal Credit award, however those who are working and own their property receive no help towards their mortgage. The calculation of Council Tax Reduction, currently means that some Universal Credit customers who pay rent and claim Council Tax Reduction have less to pay towards their Council Tax than those who pay a mortgage, despite receiving the same amount of earned income. Appendix 1 shows the calculation of Council Tax Reduction for a single claimant. Calculation 1 shows the amount of Reduction the customer receives if there is no rental liability, there is no entitlement to Universal Credit and entitlement to Council Tax Reduction is £7.89. Calculation 2 shows the same single customer who has a rental liability of £119.09 per week, which means that Universal Credit of £94.73 is payable and Council Tax Reduction is £12.77 per week.
- 3.5 Legislation has changed the maximum period a claim can be backdated to one month for both working age and pension age customers claiming Housing Benefit and for pension age customers claiming Council Tax Reduction. The Warwick District scheme allows three months backdate for working age customers and therefore it is recommended that the scheme is aligned and backdating reduced to one month.
- 3.6 Non dependant deductions are made where a customer has one or more adults in the property who are not liable to pay Council Tax. The level of deduction is based on the income of the other adults within the property. The level of deduction has changed each year for the prescribed pensioner scheme and the Housing Benefit scheme but deductions have remained the same for working age customers claiming Council Tax Reduction since 2013.
- 3.7 The family premium was abolished in 2016 for customers of Housing Benefit, Universal Credit and the pension age Council Tax Reduction scheme, however it remains within the working age scheme. This means that customers who have children and are in receipt of Universal Credit claiming Council Tax Reduction are worse off than customers who claim and are not entitled to Universal Credit and similarly pensioners who have children and claim Council Tax Reduction. However the removal of the premium would only affect new claims made after the 1st April 2017, therefore protecting those who have a continuous award of Council Tax Reduction.

- 3.8 The Government intends to restrict the number of child premiums included in the calculation of Housing Benefit, Universal Credit and Council Tax Reduction for pensioners to two children. Amending the working age scheme to reflect this change would ensure it remains aligned to the other schemes. If this is not amended, customers who are not yet able to claim Universal Credit would be treated more favourably than those who have to claim.
- 3.9 Universal Credit is gradually being rolled out across the country, currently only single customers who would previously have claimed Job Seekers Allowance are eligible within the Warwick District area. An announcement is expected soon from the Government as to when this will be extended to other customers within the District. If our Council Tax Reduction scheme is not aligned, the total Council Tax collected will reduce as the total reduction paid out increases.

4. POLICY FRAMEWORK

4.1 Fit for the Future

- 4.2 There are no plans to remove the help to people who currently receive assistance to pay their Council Tax; doing so could result in plunging some of the most vulnerable people in society further into poverty. This would contravene the Council's vision to make Warwick District a great place to live, work and visit as set out in the Sustainable Community Strategy.
- 4.3 The consultation will include gathering information to inform an Equality Impact Assessment, this will be presented together with the consultation results to ensure that the recommendations are in accordance with the Fit for the Future policy.

BUDGETARY FRAMEWORK

- 5.1 The Council currently spends around £6.1m in council tax reduction annually, funding for the scheme is no longer separately identifiable within the Revenue Support Grant. With Revenue Support Grant reducing to zero by 2019/20, the Council's cost of the scheme will be met from council tax and retained business rates.
- 5.2 If the scheme remains unchanged, the cost to the council will increase as more Universal Credit rolls out across the District. This will result in less Council Tax collected and the impact on budgets would need to be considered.

6. RISKS

- 6.1 The removal of the family premium and changes to the child premium will reduce the amount a customer can receive in reduction. However, it would ensure that all customers are dealt with fairly. In order to mitigate the effects, all current customers would be protected and the changes would only affect new claims or customers whose children are born after 1st April 2017.

7. ALTERNATIVE OPTION(S) CONSIDERED

- 7.1 The current scheme is still complex to administer, and this makes it resource intensive. The administration is still largely funded from the Housing Benefit administration subsidy, as both Housing Benefit and Council Tax Reduction can generally be administered in the same transaction. However, details of full roll out of Universal Credit are expected later in the year and at this point it would

be prudent to begin planning for a more simplified scheme which is less resource intensive and could achieve savings for the Council.

- 7.2 The Council could decide to keep the existing scheme in its current form and make no changes or recommend only some of the changes suggested.

8. BACKGROUND

- 8.1 Council Tax Benefit was paid to persons who had a liability to pay Council Tax and were on a low income; it was a means tested Benefit calculated using an "applicable amount" which was prescribed by the Government each year. The applicable amount was made up of premiums and allowances which was the amount a person, depending on their circumstances was expected to live on.
- 8.2 Those considered to be in vulnerable groups, for example the disabled and those with caring responsibilities, attracted a more generous applicable amount to reflect their circumstances. The applicable amount was compared to the income received by the claimant after certain disregards were applied. In addition certain benefits received by those in vulnerable groups were also disregarded.
- 8.3 If a claimants income was below the amount that the Government determined they should live on and they met certain qualifying criteria, they qualified for an income related Benefit paid by the DWP. These were known as "passported" cases and these claimants automatically qualified for 100% Council Tax Benefit.
- 8.4 The scheme was funded via subsidy received from the Government and authorities received back what they paid out mitigating any risks associated with the scheme such as an increase in the number of claims and annual council tax rises.
- 8.5 From April 2013 the national Benefit scheme was withdrawn and the Government expected Local Authorities to have in place their own Local Council Tax Reduction scheme with the expectation that spending would be reduced by 10%, as reflected in reduced Government Subsidy. This reduced subsidy was calculated by using a forecast of expected Council Tax Benefit expenditure for 2013/14. In addition the Government anticipated that caseloads would fall by around 2.3% nationally and this was factored into the calculation.
- 8.6 The Council is no longer required to submit claims for subsidy to reclaim expenditure and instead the cost of the Reduction scheme is accounted for by making adjustments to the Council Tax Base. The Council Tax Base is the measure of the number of dwellings to which Council Tax is chargeable in the area and is used to calculate the band D Council Tax for both the authority and the pre-cepting authority's. The Council Tax base is the aggregate of the relevant amounts calculated for each of the valuation bands multiplied by the estimated collection rate for the year. The relevant amounts are calculated by taking account of the number of chargeable dwellings in each band shown on the valuation list on a specified day of the previous year, this is then adjusted for the number of discounts and reductions that apply to those dwellings.
- 8.7 From April 2013, Warwick District made no change to their Council Tax Reduction scheme. In April 2014, whilst the scheme continued to be means tested and assessed under the same rules as the old Benefit scheme, all

working age customers were required to make a contribution of at least 7.5% towards their Council Tax charge, increasing to 15% from April 2015.

- 8.9 The Government stipulated that any new scheme must protect current and future pensioners and continue to prescribe the rules by which pensioner claims are assessed and they can continue to receive up to 100% reduction in their Council Tax.
- 8.10 The Housing Benefit scheme is still currently in place whilst Universal Credit continues to roll out and we are currently waiting for the Government to announce the expansion of this project in Warwick District. There have been a number of changes to the Housing Benefit scheme and the prescribed scheme for pensioners but our working age scheme has not been amended to reflect these.

Appendix 1

Calculation 1

Single Person claiming Council Tax Reduction, the net weekly earnings are too high to qualify for Universal Credit.

Single Person Personal Allowance	73.10	Weekly net income from earnings	150.00
Earnings less Personal Allowance	76.90	20% of the difference	15.38
Weekly Council Tax Liability	23.27		
Less 20% of the difference	15.38		
Total Reduction in Council Tax	7.89		

Calculation 2

Single Person Claiming Universal Credit with Housing Costs

Single Person Personal Allowance	73.10	Weekly net income from earnings	150.00
Housing Costs Allowance	119.09	Universal Credit award	94.73
Total Allowance	192.19	Total Income	244.73
Difference between allowance and income	52.54	Times 20%	10.50
Weekly Council Tax Liability	23.27		
Less 20% of the difference	10.50		
Total Reduction in Council Tax	12.77		

 Executive 27 July 2016		Agenda Item No. 7
Title	Review of support to town and parish councils	
For further information about this report please contact	Mike Snow 01926 456800	
Wards of the District directly affected	All	
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?	No	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	N/A	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes
Equality Impact Assessment Undertaken	No (If No state why below)
This will be undertaken as part of the final report following consultation if necessary.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	7/7/16	Chris Elliott
Head of Service	1/7/16	Mike Snow
CMT		
Section 151 Officer	1/7/16	Mike Snow
Monitoring Officer	7/7/16	Graham Leach (Deputy)
Finance	7/7/16	Andy Crump
Portfolio Holder(s)	7/7/16	Peter Whiting
Consultation & Community Engagement		
Parish and town councils will be consulted on the proposals in line with the Warwickshire Local Councils' Charter.		
Final Decision?	No	
Suggested next steps (if not final decision please set out below)		
A further report on the outcome of the consultation will be made before a decision is reached.		

1. **Summary**

- 1.1 This report considers the funding that the District Council provides to parish and town councils. In view of the financial constraints upon the Council it is proposed to consult on the proposal to cease the Concurrent Services and the Council Tax Reduction grants.

2. **Recommendations**

- 2.1 That the Parish and Town Councils are consulted in line with the Warwickshire Local Councils' Charter on the following proposed changes in funding:-

- That the Council agrees to reduce the Concurrent service grants to parish and town councils by 50% for 2017/18, and stop the grants from 2018/19.
- That the Council agrees to reduce the Council Tax Reduction funding for parish and town councils by 50% for 2017/18, and stop the grants from 2018/19.

- 2.2 That the Executive receive a further report in November 2016 with details of the consultation responses.

3. **Reasons for the Recommendations**

3.1 **Concurrent Services**

- 3.1.1 The Concurrent Services scheme pays a grant to parish councils and Whitnash Town Council (not Warwick, Leamington or Kenilworth) under S136 of the Local Government Act 1972 which enables authorities to make such payments to seek to reduce the incidence of double taxation. Double taxation potentially happens when the District Council carries out functions in the urban area (which are charged to the District Council's overall funding, that is, council tax, Revenue Support Grant and Retained Business Rates), and the Parish or Town Council carries out similar services in the rural areas (which are then only charged to the parish area by way of the parish precept/council tax). The rural area is potentially paying a share of the urban area costs (via the district element of the Council tax) together with the full amount for their own village or town costs. Hence the term "double taxation".

- 3.1.2 To help to reduce the incidence of double taxation the District Council contributes towards the Parish or Town Council's net expenditure incurred upon certain services such, including:-

- Maintenance of parks, open spaces and recreation grounds ;
- Repair and maintenance of bus shelters;
- Play leadership schemes;
- Cutting grass verges;
- Replacement and maintenance of seats;
- Emptying dog litter bins and dog faeces bins;

- 3.1.3 Not all Parish Councils get this allocation. The total costs for 2016/17 are £50.5k, excluding Overheads (Support Services).

- 3.1.4 It is proposed to reduce and then cease the Concurrent service grants for the following reasons:-

- a) The Council's expenditure on parks and open spaces is several hundred thousand pounds per annum, with most of this spent in the main parks of

Jephson Gardens, Victoria Park, Saint Nicholas Park and Abbey Fields. These parks are "destination parks" that provide facilities that are used by residents from across the district and visitors and their usage and appeal is far broader than the towns of Leamington, Warwick or Kenilworth. The open spaces within the parish council and Whitnash Town Council areas have a more local client base and so differ to those directly funded by District Council and it may be argued are not subject to "Double Taxation".

- b) Many local authorities do not provide any concurrent services funding, with Warwick being the only one within Warwickshire which still does so. Stratford on Avon DC ceased funding their scheme in 2006/07.
- c) In terms of the overall parish and town council budgets, the concurrent service funding is just over £50,000. Parish/town precepts for 2016/17 total £1.3m. Excluding the towns of Leamington, Warwick and Kenilworth, the precepts of the parishes/town eligible for concurrent expenditure are around £410,000. The concurrent services budget is just over 13% of this total. At an individual level, the concurrent services grant varies from 7.6% (Whitnash) to 35% (Baginton).

3.2 Council Tax Reduction Grant

- 3.2.1 The Local Council Tax Reduction/Support Scheme was first introduced in April 2013 as local authorities took on responsibility for Council Tax Reduction schemes replacing Council Tax Benefits. Alongside this, the major local authorities (Warwickshire County and Warwick District Councils) were given funding equivalent to 90% of the cost of the previous Council Tax Benefit Scheme.
- 3.2.2 The accounting arrangements for the new CTR scheme were such that the council tax base reduced. For parish/town councils this reduction in the tax base meant they would generate less council tax income if they were to raise the same level of Band D council tax. To compensate for this, the Council received a specific grant that it was able to pass on to the parish/town councils. For 2013/14 the grant was £110k, reducing to £102k for 2014/15. No specific grant has been received since, with this funding being stated as part of the overall Revenue Support Grant.
- 3.2.3 It is proposed to reduce and then cease the Council Tax Reduction Scheme Grant service grants for the following reasons:-
 - a) Originally Local Authorities were provided with specific funding that they were able to pass on to Parish/Town Councils. For 2013/14 and 2014/15 central government identified a specific sum within the Revenue Support Grant (RSG) Settlement for this purpose. However, since then, no such sum has been separately identified. At the same time, the RSG funding has been reducing significantly and will be non-existent by 2018/19 when the District Council's RSG income reduces to zero.
 - b) The Council's Council Tax Reduction scheme has been amended in over the last three years so as to be within the funding originally provided by the Government. Similarly the numbers of claimants has reduced. This has all served to protect the tax base which in turn means that there is less need for the compensation payments to parish/town councils.
 - c) The compensation payments (£95,000 for 2016/17) should be considered in the context of the total parish/town precepts (£1.3m). Removing the grant would

increase the precepts of the individual parish/town council if the local councils are not able to make corresponding savings.

- 3.3 The District Council is signed up to the Warwickshire Local Councils' Charter. As part of this the Council should consult with parish and town councils over issues affecting their community. A minimum of 6 weeks is proposed, with responses requested by the end of September. This should allow enough time for a further report to be presented to the Executive ahead of parish and town council having to set their 2017/18 budgets.

4. **Policy Framework**

- 4.1 **Policy Framework** – The Council has provided concurrent services for many years. It is believed that these probably started following local government re-organisation in 1974, these being provided under S136 of the 1972 Local Government Act. The Council agreed to provide the Council Tax Reduction payments from 2013/14 when local council tax reduction commenced.

- 4.2 **Fit for the Future** – As detailed in paragraph 5.3, within the Fit For the Future programme, £145,000 savings are proposed from concurrent services and parish grants towards a present additional savings target of circa £700,000 needed by 2020/21. This saving is needed to help to ensure that the Council has adequate funding to provide its main services to the residents of the district.

- 4.3 **Impact Assessments** – The impact upon parish and town councils will be assessed following the proposed consultation.

5. **Budgetary Framework**

- 5.1 The Council is continuing to have to make substantial reductions in its budget and in the cost of its services. The Council's Revenue Support Grant is reducing from £3.5m in 2014/15 to zero in 2018/19. In recent years savings have been made across the Council, with all services having made savings.

The Council's Revenue Support Grant for recent and future years is set out below:-

	£000
2013/14	4,526
2014/15	3,515
2015/16	2,499
2016/17	1,587
2017/18	794
2018/19	307
2019/20	0

- 5.2 Within the Council's budgets there is currently the following funding for parish/town councils:-

- Concurrent Services £50,500
- Council Tax Reduction Compensation Funding £95,000

- 5.3 Within the 2 June Executive Fit for the Future report details were included of how the Council should seek to make further savings in future years as funding is further reduced (see para 5.1). Within the proposed savings that were agreed by the Executive to be progressed is a Review of Concurrent Services and parish support, to make savings of £145,000. If the Council is not able to make these savings, it will be necessary to seek to make savings elsewhere or to reduce services. As members are aware, significant savings have been made in recent years whilst protecting main services. As a result, identifying new savings initiatives is becoming increasingly difficult.
- 5.4 The funding for the parish/town councils has not been subject to the same degree of reductions as have other local authorities. The only real reduction has been in the concurrent services budget where the funding has been reduced by 10% in line with most of the Council's non-contractual expenditure. Consequently, funding of parish/town councils has remained broadly unchanged whilst the District Council has had to make significant savings.
- 5.5 If the concurrent and council tax reduction funding are withdrawn and the parish/town councils need to increase their precepts to compensate (i.e. assuming no offsetting savings), the position is set out in Appendix A. This is summarised below:-

	Current Band D	Increase in Band D	Potential Band D
Current Average precept	£25.17	11.1%	£27.98
Current Maximum precept	£50.19	8.7%	£54.54
Baginton*	£34.32	43.7%	£49.33

*Baginton has been included in the above table as the parish which would see the largest increase in its precept (in cash and relative terms). This reflects the grant funding from the District Council being the largest relative proportion to the precept.

- 5.6 Parish/town precepts average £25.17 at Band D, ranging from zero to £50.19 for Barford, Sherbourne and Wasperton. The national average parish council tax at Band D for 2015/16 was £35.55 (with £227.33 being the highest). If the Warwick district average was to increase to the national average, it would generate a further £500,000 for parish/town councils.
- 5.7 Parish/town councils have not seen any elements of their funding reduced in recent years in the same way as the rest of the public sector has experienced. In addition, they are not subject to the limitations placed on the rest of local government over how much they may increase their element of the council tax without requiring a referendum.

6. Risks

- 6.1 Members decide not to agree to these changes and the £145,000 saving does not materialise and savings would then have to be sought from elsewhere
- 6.2 Parish/town councils are opposed to the proposed change. Whilst this is highly likely, it is believed that ceasing the funding should not impact upon

parish/town councils, given that they have scope to increase their precepts and their level of council tax. If referendum principles are applied to parish/town councils, this scope would be reduced.

7. Alternative Option(s) considered

7.1 Members may choose not to progress the savings proposed, or to propose other levels of savings. This will mean the Council will need to seek to identify alternative savings. If the grants are maintained, albeit at a lower level, the administrative work involved (for the District and parish/town councils) will still exist.

8. Background

8.1 This Council currently provides ongoing revenue support to Town and Parish Councils in 2 ways-

- A "Concurrent Services Allocation".
- A Council Tax Support compensation funding

Appendix A

Parish	Tax Base 2016/17	Precept 2016/17	Band D 2016/17	Concurrent Service Allocations	Grant	New precept (no Grant or concurrent funding)	Increase in precept	Increase in precept	New precept Band D	Increase in Band D
	£	£	£	£	£	£	£	%	£	£
Baddesley Clinton	88.86	3,500	39.39		341	3,841	341	9.7%	43.23	3.84
Baginton	307.24	10,545	34.32	3,690	922	15,157	4,612	43.7%	49.33	15.01
Barford, Sherbourne & Wasperton	852.50	42,787	50.19	2,290	1,415	46,492	3,705	8.7%	54.54	4.35
Beausale, Haseley, Honiley & Wroxall	325.05	7,314	22.50		225	7,539	225	3.1%	23.19	0.69
Bishops Tachbrook	994.26	40,000	40.23	4,160	1,557	45,717	5,717	14.3%	45.98	5.75
Bubbenhall	317.62	11,602	36.53	3,190	398	15,190	3,588	30.9%	47.82	11.29
Budbrooke	748.57	22,481	30.03	4,540	1,080	28,101	5,620	25.0%	37.54	7.51
Burton Green	450.00	18,788	41.75		642	19,430	642	3.4%	43.18	1.43
Bushwood	13.84		0.00		0	0	0		0.00	0.00
Cubbington	1,482.67	46,000	31.03	7,780	2,538	56,318	10,318	22.4%	37.98	6.95
Eathorpe, Hunningham, Offchurch, Wappenbury	332.15	9,500	28.60	2,650	125	12,275	2,775	29.2%	36.96	8.36
Hatton	943.80	10,600	11.23		324	10,924	324	3.1%	11.57	0.34
Kenilworth	9,596.71	177,504	18.50		8,624	186,128	8,624	4.9%	19.39	0.89
Lapworth	941.08	17,000	18.06	2,950	500	20,450	3,450	20.3%	21.73	3.67
Leamington Spa	16,381.64	323,386	19.74		34,248	357,634	34,248	10.6%	21.83	2.09
Leek Wootton	533.24	8,010	15.02	2,700	103	10,813	2,803	35.0%	20.28	5.26
Norton Lindsey	221.10	6,500	29.40	560	61	7,121	621	9.6%	32.21	2.81
Old Milverton & Blackdown	302.57	13,649	45.11		351	14,000	351	2.6%	46.27	1.16
Radford Semele	784.91	20,452	26.06	3,290	1,090	24,832	4,380	21.4%	31.64	5.58
Rowington	523.07	20,430	39.06	1,260	898	22,588	2,158	10.6%	43.18	4.12
Shrewley	426.41	6,311	14.80		125	6,436	125	2.0%	15.09	0.29
Stoneleigh & Ashow	535.70	16,263	30.36	170	466	16,899	636	3.9%	31.55	1.19
Warwick	11,561.64	334,415	28.92		29,144	363,559	29,144	8.7%	31.45	2.53
Weston-under-Wetherley	185.70	7,031	37.86	1,290	350	8,671	1,640	23.3%	46.69	8.83
Whitnash	3,028.87	131,705	43.48	10,070	9,474	151,249	19,544	14.8%	49.94	6.46
Total Warwick District Council Area	51,879	1,305,773	25.17	50,590	95,001	1,451,364	145,591	11.1%	27.98	2.81

Parish

Bushwood
Hatton
Shrewley
Leek Wootton
Lapworth
Kenilworth
Leamington Spa
Beausale, Haseley, Honiley & Wroxall
Radford Semele
Eathorpe, Hunningham, Offchurch,
Wappenbury
Warwick
Norton Lindsey
Budbrooke
Stoneleigh & Ashow
Cubbington
Baginton
Bubbenhall
Weston-under-Wetherley
Rowington
Baddesley Clinton
Bishops Tachbrook
Burton Green
Whitnash
Old Milverton & Blackdown
Barford, Sherbourne & Wasperton

 Executive 27 July 2016		Agenda Item No. 8
Title	Review of Warwick District Members' Allowances Scheme	
For further information about this report please contact	Graham Leach Democratic Services Manager & Deputy Monitoring Officer 01926 456114, graham.leach@warwickdc.gov.uk	
Wards of the District directly affected	All	
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?	No	
Date and meeting when issue was last considered and relevant minute number	None	
Background Papers	The Local Authorities (Members' Allowances) (England) Regulations 2003	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	No
The review would impact on all residents equally and would be undertaken by an external party.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	4/7/2016	Chris Elliott
Head of Service		
CMT		
Section 151 Officer	11/7/2016	Mike Snow
Monitoring Officer	4/7/2016	Graham Leach (Deputy)
Finance		
Portfolio Holder(s)	5/7/2016 5/7/2016	Councillor Andrew Mobbs Councillor Michael Coker
Consultation & Community Engagement		
Procurement Manager – 20/5/2016		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		
The report of the Independent Remuneration Panel will come back to Executive in October who will consider it and provide recommendations to Council.		

1. **Summary**

- 1.1 The report brings forward proposals for a review of the Warwick District Members' Allowances Scheme.

2. **Recommendation**

- 2.1 That the Executive approve the terms of Reference for the review of the Warwick District Members' Allowances Scheme as set out at Appendix 2 to the report.
- 2.2 That as part of this review, officers consult on the proposal to revise the provision of Committee teas, as set out at below:
 - 1. That no refreshments are provided at meetings starting before 6.00pm;
 - 2. That only drinks and biscuits are provided at all meetings starting at 6.00pm or later excluding Planning Committee and Annual Council;
 - 3. The food provided before Planning Committee is reviewed with the current contractor to provide an amended specification within the current budget.
- 2.3 That the Executive notes that, in parallel to this review, proposals will be consulted on with employees regarding (1) subsistence rates; and (2) the provision of food at training courses hosted by the Council and other events, with a view to ensuring a common approach of not claiming subsistence for Council, Executive, Committee, Sub-Committee meetings or training courses arranged by the Council.
- 2.4 That all Councillors be asked to set out their views on the current Members' Allowances Scheme and pass these to the Democratic Services Manager & Deputy Monitoring Officer for him to forward to the Independent Remuneration Panel (IRP).
- 2.5 That the Executive agrees that all Group Leaders, plus the Green Party Councillor, should meet with the IRP to present the views of their Group on the current scheme and work of members.
- 2.6 The Executive agrees funding of up to £5,000, from the contingency budget, for this review to be undertaken.
- 2.7 That the Executive appoints Dr Declan Hall to undertake the review of the Members Allowances Scheme and act as Chairman of the Panel up to June 2020.
- 2.8 That the Executive agrees that the IRP should comprise of Dr Hall, a representative of the Local Chamber of Trade, a former Councillor and the former Independent Chairman of the Standards Committee and that the appointment of the Individuals be delegated to the Deputy Chief Executive & Monitoring Officer, in consultation with the Leader.
- 2.9 That the other members of the IRP Panel are paid expenses incurred in undertaking the review and a mileage rate of 0.45p per mile.
- 2.10 That the IRP reports back to the Executive to their November 2016 meeting, with a view to the new arrangements coming into effect from 1 April 2017, at the latest.

3. **Reasons for the Recommendation**

- 3.1 The Council is obliged, by legislation, to review its Members Allowances scheme every four years. This review is now due as the last review was undertaken during 2011.
- 3.2 The terms of reference appended to this report enable an overview of the current scheme to be undertaken but also highlight specific issues that have been raised by Councillors within the last 18 months. This list also highlights some comments made by officers during the consultation process on revised terms and conditions for officers. These are brought forward as the basis for the review to consider the equity between the allowances for members and terms and conditions for officers and provide clarification or proposals to ensure consistency/harmony in the approach.
- 3.2 The revisions to the provision of food before meetings is based upon feedback from Councillors combined with a view to a potential saving for the Council that would contribute to the savings required within the general budget. This is combined with an overall review of provision of subsistence allowances and refreshment provision at meetings for officers and Councillors. It needs to be considered carefully along with the potential impact for those coming straight from the office to a meeting after working all day. This may indirectly result in revised working patterns which could have a detrimental effect on the operation of the Council.
- 3.3 Any Independent Remuneration Panel (IRP) undertaking the review would want to hear the view of Councillors about their workload as a Councillor and the demands placed upon them. This will enable the IRP to provide informed recommendations. That said it would be imperative that Group Leaders meet with the IRP so that the Group Leaders can raise any specific concerns about the scheme.
- 3.4 At present no budget provision has been made for the review to be undertaken. Based on experience and the quote received for the work, it is considered that an allocation of £5,000 from the contingency budget would be sufficient. This would be enough to provide for mileage costs as well as the fee for the Chairman.
- 3.5 The Panel, by its nature, has to be independent of the Council and would require funding in some form. The Council has approached a recognised expert (Dr Hall) in this area of work who has been recommended to the Council by colleagues at neighbouring authorities. Dr Hall has provided a quote which is within the restraints of the procurement framework for officers to approve. However, it is felt appropriate that the Executive appoint Dr Hall to lead on the review and appoint him as the Chairman of the IRP. This appointment will reduce the level of work required to be undertaken to support the panel and collate information for them. Dr Hall would also provide training for the Panel on their role and responsibilities under the relevant legislation thus negating the need to bring in a third party to undertake this work as well. In addition, appointing Dr Hall as Chairman for four years will enable the Council to consult with him on any questions/interpretations on the life time of the scheme. The use of Dr Hall to undertake the review of allowance is therefore good value for money. The quote provided for the work is under £4,999 and he can be appointed without the need a wider procurement process. This has been agreed with the Procurement Manager.

3.6 The proposed membership of the Panel is based on good practice and ensures a good understanding of the local area and challenges faced by the Council. The delegation of the appointment of individuals enables discussions to be held informally with individuals before they are confirmed as members of the Panel.

3.7 It is anticipated that the work will be completed by October 2016 but time will be needed to compile the covering report and bring this through the report approval process.

4. Policy Framework

4.1 **Policy Framework** – The report does not impact on the Council’s Policy Framework.

4.2 **Fit for the Future** – The proposal focuses on a commitment to engage and work with the local community. The outcome should also provide a more equitable scheme for Councillors that reflects their commitment to the role thus reflecting the People strand of Fit for the Future.

4.3 **Impact Assessments** – No impact assessments have been undertaken on the proposals within this report

5. Budgetary Framework

5.1 The proposals in report do not impact on the Budgetary Framework for the Council. The contingency budget currently stands at £248,500 and the use for this proposal would reduce it to £243,500.

5.2 For information the current budget allocations for member allowances and expenditure is outlined below:

	2016 budget	2015 budget	2015 actual	2014 budget	2014 actual
Mileage	£5,000	£5,000	£2,895	£5,000	£3,572
Cttee Teas	£14,200	£18,000	£16,374	£18,000	£14,045
Broadband	£6,700	£6,700	£3117	£6,700	£4,865
Basic allowance	£211,600	£211,600	£215,517	£211,600	£212,342
SRA Allowance	£54,300	£54,300	£49,019	£54,300	£56,342
Subsistence	£800	£800	£266	£800	£10

6. Risks

6.1 The main risks associated with the report are the potential impact on the contract for the provision of Committee Teas and the impact of further changes to staff terms and conditions.

6.2 The Executive should be mindful that the contract for the provision of Committee teas is in place until December 2017 and significant revisions to this provision could lead to a challenge that the Council is terminating the contract early.

6.3 The proposed changes in terms and conditions could lead to concerns from members of staff but it is important to recognise these proposals are for consultation and not for adoption at this stage.

7. Alternative Option(s) considered

- 7.1 The Council is obliged to review its Members Allowances Scheme at least every four years and this review is now due. The Executive could revise the list of specific areas to be considered including adding further question to the list.
- 7.2. The Executive could decide not to appoint Dr Hall, but this would mean the Council would need to seek and recruit an expert in this area to undertake the review or find a person to Chair the Panel who would then need to be trained, most likely by Dr Hall. Therefore, this option was not progressed.
- 7.3 It was requested by the Executive that the proposals around refreshments at meetings and subsistence be reconsidered along with officer's terms and conditions and this review provides a proposal for consultation to take place.

**SCHEME FOR
MEMBERS' ALLOWANCES**



July 2008
(Confirmed by Council 14 July 2010,
Revised mileage rates 1st April 2011,
&
Inclusion of Vice-Chairman of Planning
SRA 26 June 2013, revised Council 14
May 2014 for new Committee SRA)

FOREWORD

Subject only to the requirements of commercial or personal confidences which must be maintained, Warwick District Council continues to strive to be open with the public about its activities and to encourage people to communicate their views. In keeping with its strive for increasing openness, the Council is happy to make details of its Members' Allowances Scheme available to the public. Copies of this document are available from the Head of Finance, P.O. Box 2180, Riverside House, Milverton Hill, Royal Leamington Spa, CV32 5QW. Telephone 01926 456812.

Details of amounts paid to individual members are also open to public inspection and are available on the Council's website.

The Council has considered the report of the Independent Remuneration Panel of March 2008 and has implemented the recommendations of the Panel.

It is anticipated that the overall cost of the members allowances scheme will be £274,000 per annum - an average of around £6,500 per year for each member. Although this is an average, some members are paid more because of their particular responsibilities.

Mike Snow,
Head of Finance.

SCHEME FOR MEMBERS' ALLOWANCES

Warwick District Council, in exercise of the powers conferred by the Local Authorities (Members' Allowances) (England) Regulations 2003, has made the following scheme for Members' Allowances.

Definitions

1. In this scheme:-

- a) "Councillor" means a member of the Warwick District Council who is a Councillor;
- b) "Co-Optee" means a person who serves on the committees or sub-committees of an Authority but who is not a member of an Authority,
- c) "Year" means the twelve months ending with the Annual Meeting of the Council.

2. **Basic Allowance**

Subject to paragraph 5, for each year a basic allowance of £4631 shall be paid to each Councillor.

3. **Special Responsibility Allowance**

- a) For each year a special responsibility allowance shall be paid to those Councillors who hold the special responsibilities in relation to the authority that are specified in Schedule 1 to the scheme.
- b) Subject to paragraph 5, the amount of each such allowance shall be the amount specified against that special responsibility in that scheme.
- c) Only one special responsibility allowance will be payable, and this will normally be the largest for which the Councillor is eligible.

4. **Renunciation**

A Councillor may by notice in writing given to the Head of Finance elect to forego any part of his/her entitlement to an allowance under this scheme.

5. **Part Year Entitlements**

- a) This part of the scheme deals with entitlement to allowances where during any year:- the scheme is amended; a Councillor is elected to or leaves the Council; or a Councillor takes on or gives up a position for which a special responsibility allowance is payable.
- b) Any changes affecting special responsibilities will result in pro rata payments from the date of the change.
- c) Newly elected Councillors or Councillors leaving the Council during the year will be entitled to basic allowance pro rata to the full year allowance.
- d) Councillors entitled to special responsibility allowances for part only of any year will be paid a pro-rata amount.

6. **Payments**

Payments shall be made of basic and special responsibility in instalments of one-twelfth of the amount specified each month, subject to the amount due being adjusted in accordance with paragraph 5.

7. **Uprating**

The allowances identified in paragraphs 2 and 3 above and 11 below shall be increased by the annual local government pay percentage increase as agreed each April (linked to spinal column point 49 of the NJC scheme) to be implemented the following May in that year from the date of the Council Annual Meeting.

8. **Travel and Subsistence Allowances**

- a) Councillors shall be entitled to claim allowances for the cost of certain travel and subsistence, as prescribed in Schedule 3 to this scheme.
- b) These allowances will be the same rates as applicable to employees except in the case of the car, bicycle and motorcycle mileage which will be the allowance to the rates prescribed by HMRC.

9. **I.T. Expenses**

All Councillors, upon production of receipts, can claim for reimbursement for broadband supplied to their homes, up to a maximum monthly sum currently paid for the Council-supplied broadband, or actual reimbursement if less.

10. **Vice Chairman's Expenses**

For those occasions where the Vice Chairman of the Council is required to attend official functions but does not have use of the civic car, it will be appropriate for the Vice Chairman to be reimbursed any car travel expenses incurred, in accordance with the rates set out in Schedule 3.

11. **Dependants' Carers' Allowance**

- a) A dependents' carers' allowance is payable to members who incur expenditure on the care of children or dependents on approved duties only.
- b) The event requires the member to provide care for a person who normally lives with the member as part of his/her family and who is:
 - i) a child under 14
 - ii) an elderly or disabled dependdnt requiring care.
- c) In the case of (i) Member must register that they have a dependent child living with them under the age of 14. A signed statement is to be produced which declares that childcare has been provided by a childminder or member of the immediate family not normally resident at the Member's home address.
- d) In the case of (ii) Members must make a written declaration to be lodged with the Standards Committee (and the Legal and Democratic Services Manager). A receipt for actual expenditure incurred has to be produced. As care for elderly and/or disabled dependents would be provided by

professional carers they would be in a position to provide formal receipts in a way that many child carers would not.

- e) Payment will be made as follows:
 - i) the child care element should be paid at the maximum rate of minimum wage relevant to the age of the carer as long as they are over 18 years of age or less for actual reimbursement.
 - ii) the medical/social care element should be paid at the average hourly rate charged by Warwickshire Social Services for social/medical care of dependents or less for actual reimbursement and only upon production of receipts.

12. **Disabled Allowance**

Payment of an allowance to disabled members to assist them in carrying out their duties. This would be at the same level of support that would be offered to disabled officers. Decisions to provide support and at what level to be taken by the Head of Organisation and Performance Improvement and Head of Finance jointly.

13. **Suspension of Allowances**

If a member of the Council or a co-opted member of the Council is suspended from the Council after being found of a breach of the Code of Conduct their allowances be suspended for the duration of that suspension.

SCHEDULE 1
SPECIAL RESPONSIBILITY ALLOWANCES

The following are specified as the special responsibilities in respect of which special responsibility allowances of the amounts shown are payable:-

Leader of the Executive	£8371 per annum
Portfolio Holders on Executive	£3961 per annum
Non-Portfolio Holders on Executive	£3181 per annum
Chairmen of Overview and Scrutiny Committees	£2511 per annum
Chairman of Planning Committee	£3865 per annum
Chairman of Standards Committee	£1115 per annum
Chairman of the Licensing & Regulatory Committee	£3181 per annum
Chairman of the Warwick District Towns Conservation Area	£1115 per annum
Advisory Forum	
Chairman of Employment Committee	£1115 per annum
Vice-Chairman of Planning Committee	£1115 per annum
Leader of an Opposition Group (minimum of 4 members)	£822.00 per annum Plus £103 per group member
Co-optee Allowance	£281 per annum
Appeals panels	£135 per day or £67.50 per half day

SCHEDULE 2
MEETINGS QUALIFYING FOR
TRAVEL & SUBSISTENCE ALLOWANCE

Travelling and Subsistence allowances may be claimed as follows:-

- (i) Attendance at a meeting of the Council, the Executive, or any of its Committees or Sub-Committees, including training seminars arranged for members.
- (ii) All meetings held as pre agreed briefings as part of the Council's Committee timetable between any Committee, Policy or Scrutiny Chair, or Portfolio Holder and appropriate briefing officer of the Council.
- (iii) Attendance at any meeting which may be arranged to discuss matters affecting the work of the Council, provided such meeting is recognised in advance by the Head of Finance and Group Leaders.
- (iv) Attendance at Council, Committee and Sub-Committee meetings of the Association of District Councils and the Local Government Association.
- (v) Attendance at Council, Committee and Sub-Committee meetings of the West Midlands Provincial Council or carrying out Provincial Council duties.
- (vi) Attendance at meetings of a Working Party and Forum or Study Group formally appointed by the Council or one of its Committees.
- (vii) Attendance as an appointed representative of the Council at meetings with, or delegations to, local authorities or public bodies.
- (viii) Attendance as an appointed representative of the Council at meetings of a Study Group or Working Party appointed by another local authority or public body.
- (ix) Attendance as an official Council representative at meetings of bodies or organisations on the list retained by the Monitoring Officer.

SCHEDULE 3

MEMBERS TRAVELLING and SUBSISTENCE ALLOWANCES

GENERAL

All references in this schedule to travel and subsistence allowances are subject to the overriding requirement that they relate to a duty under Schedule 2.

A. TRAVEL

Within the District on approved duties:

Casual Car user Rate:

Following the decision by the Council on 29 June 2009 that the Inland Revenue rates on mileage will be applied to all Councillors from the 1 July 2009 whatever the type and engine size of vehicle, **this currently stands at 45p per mile from 1 April 2011.**

Bicycle Allowance
20p per mile

Motorcycles
24p per mile

Out of District on approved duties:

The most cost-effective method of transport should be used. (This is usually public transport). Receipts must be supplied for all public transport journeys

Travel by car to be at the Casual Car User Rate shown above.

Travel by train to be at standard class.

Exceptional circumstances requiring first class travel require the prior approval of the Chief Executive

Other types of journeys requiring different modes of travel require the prior approval of the Chief Executive

Requirement for Business Use Insurance

Members are reminded that if you use your own vehicle on Council business, then you should ensure that the vehicle is insured for business use and for third party claims e. g. passengers. The mileage allowance includes an element to cover you for these costs.

B. SUBSISTENCE

Within the District on approved duties:

Except where food is provided at Council meeting the NJC rates of subsistence apply for approved duties

Breakfast	£6.61
Lunch	£9.10
Tea	£3.59
Dinner	£11.28

Out of District on approved duties:

Wherever possible meals and accommodation should be pre booked and pre paid in advance through the Council.

If this is not possible then they should conform to the above rates.

For meals that cannot be pre-booked and paid and are in excess of the current rates payable, then reasonable costs will be reimbursed on production of receipts up to a limit of £40 per day.

**Terms of Reference for the 2016 review of
Warwick District Council Members Allowances Scheme**

1. Review basic allowance to ensure that it is appropriate for the Council.
2. Review of the Special Responsibility Allowances for the Council to ensure they are set at an appropriate level.
3. To consider if Councillors should re-opt back into receiving a percentage increase in the basic or special responsibility allowances in line with any agreed national pay award for local government officers on scale point 28.
4. To consider if it is appropriate that Councillors are entitled to claim mileage for attending parish Council meetings? They believe they have an obligation to attend these meetings and update them on District Council business and represent the District Council.
5. Consider if District Councillors be entitled to claim mileage when attending events and duties as Portfolio Holder. This is based on increasing involvement of Portfolio Holders in representing the Council at events, while recognising that they already receive a Special Responsibility Allowance.
6. To remove the broadband allowance for Councillors in recognition that broadband is now a common standard for homes, reflects the decision to remove the homeworking allowance and broadband allowance for officers who work from home. In addition HMRC now identify this as a taxable benefit and being mindful that only 12 councillors currently claim for this.
7. To consider if it is appropriate for Councillors to claim mileage to attend Council, Executive and Committee meetings that would be considered as their place of work.
8. To consider if mileage should be paid for Councillors attending meetings when being consulted by officers prior to officers taking a decision. For example "Following consultation with a solicitor acting for the Council and the Chair or Deputy Chair of the Licensing & Regulatory Committee to exercise the power under Section 61 of the Local Government (Miscellaneous Provisions) Act 1976 (as inserted by the Road Safety Act 2006), to suspend or revoke a private hire or hackney carriage driver's licence where it appears that the interests of public safety require such suspension or revocation to have immediate effect."
9. Consideration is given to the allowance to the Chair & Vice-Chair of the Council as to if they should receive an Special Responsibility Allowance for the responsibility then a separate allowance outside the Members Allowances Scheme to attend and hosts events
10. To bring forward a revised Subsistence scheme for members in line with the proposals being considered for officers.
11. The Council currently provides some iPads to all Councillors who wish to have them. At present we have 32 iPads issued to Councillors with some Councillors choosing to use their own personal device instead. Of these 15 Councillors have Sim cards included in the iPad so they can work when not connected to the internet by wifi access. The Council believes it is an Executive decision to issue the equipment and determine which Councillors should be entitled to have SIM card. For that reason the Councillors IT Working Party are drafting protocol for which Councillors are entitled to have a Sim based on their role and need.
12. At present Councillors can receive paper and toner for printers. However, the intention is for the Council to move towards a paperless environment and not printers, unless there is a specific medical need. Therefore would it be acceptable to update the Members' Allowances Scheme to reflect this.

13. The scheme should be updated to remove the section regarding suspension of Allowances because this related to the previous code of conduct legislation and cannot be acted on under the Localism Act.

 Executive 27 July 2016		Agenda Item No. 9
Title	Procurement Exemption for WDC copier maintenance 2016/17	
For further information about this report please contact	Samantha Ingram Media and Communications Manager Ext: 6069	
Wards of the District directly affected	None	
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?	No	
Date and meeting when issue was last considered and relevant minute number	None	
Background Papers	None	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive	24/6/16	Chris Elliott
Head of Service		n/a
CMT	5/7/16	
Section 151 Officer	11/7/16	Mike Snow
Monitoring Officer	11/7/16	Graham Leach (Deputy)
Finance	11/7/16	Mike Snow
Portfolio Holder(s)	11/7/16	Andrew Mobbs/Michael Coker
Consultation & Community Engagement		
None required		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

- 1.1 This report seeks agreement for Ricoh to continue copier maintenance provision for Warwick District Council's 49 Ricoh copiers on a rolling three month basis until at the latest September 2017, following the expiration of the current maintenance contract in June 2016.

2. **RECOMMENDATION**

- 2.1 That Executive approves an exception to the Code of Procurement Practice to enable the services of Ricoh to implement a rolling three month maintenance contract until September 2017 at the latest.

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 Warwick District Council purchased a fleet of 49 Multi-Functional Devices (MFDs) and printers from Ricoh through a copier tender process in 2011. A colour press was also purchased under a separate tendering exercise at the same time to trial an in-house digital print service with an estimated saving of £12,000 per year. These purchases were then covered by a 5 year finance lease, organised by Finance, while maintenance was agreed via a tender for 4 years with Ricoh UK. The 4 year maintenance contract ended in June 2015, but due to there being another year on the finance lease, Ricoh agreed to extend the maintenance contract for an additional year to expire at the end of June 2016. As of June 2016, the contract automatically started rolling as per standard industry practice.
- 3.2 As the finance lease comes to an end, the Council has two options – either purchase the equipment it has been leasing for a nominal fee or pay to send them back and procure alternative equipment. Although a tender process is underway to replace the current colour press before the end of the 5 year finance lease, the Council is not yet in a position to completely replace its fleet of MFDs and Printers, particularly due to the uncertainty around office copier needs leading up to the relocation of the Council's offices. It has therefore been decided that the best option is to purchase the existing equipment when the lease arrangement ends. This will temporarily bring the annual cost down from £32,143 to around £275, until the fleet can be replaced, as well as allowing the Council more time to consider its requirements for new equipment.
- 3.3 As the Council will be retaining the equipment, it needs to ensure it has a maintenance contract so that it is not vulnerable to any breakdown in equipment. Ricoh has advised that it would not be economically feasible for them to commit to a new maintenance contract, however, they are willing to let the current maintenance contract continue on a 3 month rolling basis until we are able to replace the current copier fleet, subject to a maximum of 12 months.
- 3.4 As the current fleet is Eco-line and therefore made up of a mixture of 5 and 7 year parts, it is unlikely that the Council would be able to obtain a new maintenance contract with a competitor that would be able to match the costs and terms of the rolling contract.
- 3.5 The exemption would align with the timing for the new HQ office relocation, whereby we can re-evaluate our copier and printer requirements for the new office and look in to procuring a new fleet to better suit our needs.

- 3.6 The Code of Procurement Practice would normally require open tenders be obtained for work over the value of £20,000, however the Procurement Manager has agreed that the procurement exceptions are justified in this case and has agreed to proposition within this report to be considered by the Executive.

4. **POLICY FRAMEWORK**

- 4.1 **Policy Framework** – The report does not impact on the Policy Framework for the Council.

5. **BUDGETARY FRAMEWORK**

- 5.1 Currently there is no budgetary impact for running costs because Ricoh has agreed to roll on the current contract at no financial increase, however as previously stated in 3.2, purchasing the copiers would result in short term savings of £31,500 per annum until such time as a new fleet of copiers is procured.

6. **RISKS**

- 6.1 The financial risk to the Council is that if the proposal is not agreed then there would be a need to go out to tender, which may result in an increased cost over and above the cost of the RICOH 3 month rolling contract as well as the time and effort expended for what is likely to be a relatively short term contract.
- 6.2 In addition, the resulting tender could cause Ricoh to withdraw maintenance support of the rolling contract effective immediately leaving the Council vulnerable to copier breakdowns and no consumables. Also, following tender the Council may be left with no maintenance support at all if no company is willing to bid.
- 6.3 It should be noted that the 3 month rolling contract itself does carry its own risk because potentially the supplier could terminate at any of the 3 month intervals, however, given Ricoh have acted in good faith so far and are interested in any future contracts from the Council it is felt unlikely that they would take such action.

7. **ALTERNATIVE OPTION(S) CONSIDERED**

- 7.1 The Council could investigate buying a new fleet now, but this would not be cost-effective given the planned office move within the next couple of years and there are other organisational changes which could drastically alter our print requirements e.g. impact of Leisure development.
- 7.2 The Council could investigate a new maintenance contract with a competitor, but given the fleet is made up of a mixture of old parts, it is unlikely there will be another provider who could match the current provider in terms of costs and terms and conditions for such as short period of time.

8.0 **BACKGROUND**

- 8.1 In summary, with support from the Procurement Manager, the new copier replacement plan is as follows:

- Replace the current fleet of 49 copiers by September 2017 with a reduced number of copiers. This reduced quantity will be a compromise in reducing printers, not quite as few as required in the new building, but less than procured 5 years ago. This reduction will take into account: department moves/shrinkage, increased home working and changes with the leisure centre development.
- The new copier replacement is likely to be a 3 year lease to cover the period up until moving to the new HQ and the first year in the new building.
- A 3 year lease would allow flexibility for an extension beyond 3 years if needed due to any delays that could occur in the HQ move. It would also allow, upon moving to the new HQ and establishing new print requirements, extensions to be made to printers that are deemed essential, and termination without penalty for printers no longer needed.
- The 2017 copier replacement plan would also give us flexibility to work on a new full copier replacement plan suited to the new HQ and ways of working, while in situ, to implement before 2022 and the 5 year maximum lease allowance deadline.

8.2 Work on the copier replacement plan will start in September 2016 when the print framework is completed.

 EXECUTIVE 27 JULY 2016		Agenda Item No. <h1 style="text-align: center;">10</h1>
Title	Significant Business Risk Register	
For further information about this report please contact	Richard Barr Tel: (01926) 456815 E Mail: richard.barr@warwickdc.gov.uk	
Wards of the District directly affected	All	
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?	No	
Date and meeting when issue was last considered and relevant minute number	6 April 2016 – Executive	
Background Papers	Minutes of Senior Management Team	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	No (N/A: no direct service implications)

Officer/Councillor Approval		
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).		
Officer Approval	Date	Name
Chief Executive	07/07/16	Chris Elliott
CMT	11/07/16	CMT
Head of Service	15/06/16	SMT
Section 151 Officer	11/07/16	Mike Snow
Monitoring Officer	07/07/16	Graham Leach (Deputy)
Finance	11/07/16	As S151 Officer
Portfolio Holder(s)	11/07/16	Councillor Mobbs
Consultation & Community Engagement		
Senior Management Team review of Significant Business Risk Register.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1 **Summary**

- 1.1 This report sets out the latest version of the Council's Significant Business Risk Register for review by the Executive. It has been drafted following a review by the Council's Senior Management Team and the Leader of the Council.

2 **Recommendations**

- 2.1 That Executive should review the Significant Business Risk Register attached at Appendix 1 and consider if any further actions should be taken to manage the risks facing the organisation.
- 2.2 That the Executive note the emerging potential risks identified in section 6 of this report.

3 **Reason for the Recommendations**

- 3.1 This report seeks to assist members fulfil their role in overseeing the organisation's risk management framework. In its management paper, "Worth the risk: improving risk management in local government", the Audit Commission sets out clearly the responsibilities of members and officers with regard to risk management:

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

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

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

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

throughout the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility.”

4 **Background**

- 4.1 The Significant Business Risk Register (SBRR) records all significant risks to the Council’s operations, key priorities, and major projects. Individual services also have their own service risk registers.
- 4.2 The SBRR is reviewed quarterly by the Council’s Senior Management Team and the Council Leader and then, in keeping with members’ overall responsibilities for managing risk, by the Executive. The latest version of the SBRR is set out as Appendix 1 to this report.
- 4.3 A summary of all the risks and their position on the risk matrix, as currently assessed, is set out as Appendix 2.
- 4.4 The scoring criteria for the risk register are judgemental and are based on an assessment of the likelihood of something occurring, and the impact that might have. Appendix 3 sets out the guidelines that are applied to assessing risk.
- 4.5 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse is true for those risks plotted towards the bottom left corner of the matrix. If viewed in colour (e.g. on-line), the former set of risks would be within the area shaded red, whilst the latter would be within the area shaded green; the mid-range would be seen as yellow.

5 **Movements in Risk**

- 5.1 Any movements in the risk scores over the last six months are shown on the risk matrices in Appendix 1.
- 5.2 More than six months ago there were three risks in the “red zone” (Risks 4, 6 & 16). Since then, as advised to Members previously, following the introduction of additional controls and mitigations, Risks 4 and 6 have come out of the red zone.
- 5.3 This currently leaves just Risk 16: ‘Risk of Local Plan being unsound’ in the red zone. This is discussed overleaf.

Risk 16 – Risk of Local Plan being unsound

The Planning Inspector considering our Local Plan advised that the plan in its current form would be found unsound unless we withdraw it. Having considered this, we wrote to the Inspector to ask that he re-considers and suspends the plan to allow time for the authorities in the sub-region to agree how they will deal with un-met need from Coventry, together with addressing our windfall allowance. The Planning Inspector agreed to this. The modifications have now been agreed by Council and following consultation these have now been submitted. Until the Examination has been completed, however, the Authority is exposed to the possible consequences that are detailed in the Local Plan Risk Register. This risk therefore remains in the red zone. The consequences of the

risk have been expanded to outline the impact the delay in the local plan may have on infrastructure funding and the Sustainable Community Strategy.

- 5.4 Since Executive last considered the SBRR, the Local Plan risk has reduced slightly, in respect of its likelihood of occurrence. The Council has addressed the concerns of the Inspector raised at the first stage of the Examination and put measures in place to address the housing shortfall to meet Coventry's needs. It is therefore considered that the likelihood of the plan being found unsound has reduced.

6 **Emerging Risks**

- 6.1 As part of the process of assessing the significant business risks for the Council, some issues have been identified which at this stage do not necessarily represent a significant risk, or even a risk at all, but as more detail emerges may become one. They include:

Staff recruitment and retention

The impact of national housing policy proposals on the Council's ability to remain a viable landlord.

- 6.2 A piece of research has been asked of the Council's HR team to look into the data around staff recruitment and retention issue to determine if it is the issue that it is believed to be. The outcome of this has been incorporated into the People Strategy (agreed by Employment Committee in June 2016).
- 6.3 The updated HRA Business Plan was presented to March 2016 Executive, with a further update due later in the year when there is more certainty as to the impact of the Planning and Housing Act.
- 6.4 The SBRR will be updated as necessary in the light of this additional work and officers will continue to scan to identify other potentially emerging risks. Officers undertook a PEST and SWOT analysis in the light of a huge number of changes in the Council's operating environment which was reported as part of the Fit for the Future Executive Report in June 2016. Since that was completed, however, we have had the EU referendum result and, given the overall national economic and political uncertainty arising as a consequence, it ought to be recognised as an additional potential trigger to movement in some of the Council's existing recognised risks in this register.

7 **Policy Framework**

- 7.1 The Significant Business Risk Register is based on the Council's corporate priorities and key strategic projects that are reflected in Fit for the Future. The Fit for the Future programme is also based on an agreed set of values amongst which are the ones of openness and honesty. This is integral to the consideration of risk in an organisation; risk issues needs to be discussed and debated and mitigation put in place, in order to prevent them materialising. It does not mean, however, that all risks recorded are immediately impending or are likely to happen. Ironically, to not debate risks is to help them more likely to materialise.
- 7.2 It is worth members re-appraising themselves of the basis on which risks are scored in relation to likelihood and impact – see Appendix 3. The probability of

a risk being realised and how many times it might happen, is assessed over a number of years, not as if it is going to happen tomorrow.

8 **Budgetary Framework**

- 8.1 Although there are no direct budgetary implications arising from this report, risk management performs a key role in corporate governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.
- 8.2 The risk register sets out when the realisation of risks might have financial consequences. One of the criteria for severity is based on the financial impact.

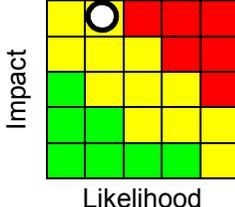
9 **Risks**

- 9.1 The whole report is about risks and the risk environment. Clearly there are governance-related risks associated with a weak risk management process.

10 **Alternative Options Considered**

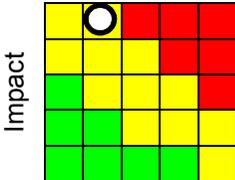
- 10.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable but paragraph 4.1 above is also relevant here.

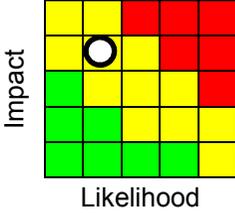
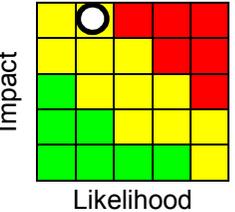
Significant Business Risk Register

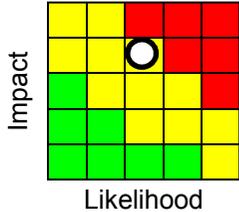
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Performance Management Risks				
<p>1. Fit for the Future Change Programme not managed appropriately/effectively</p>	<p>Poor organisational communication. Conflicting priorities and priorities increasing in number. Unable to dedicate appropriate resources due to the impact on existing services. Poor management. Ineffective use of project management or systems thinking. Lack of funding.</p>	<p>Reduced service levels. Non or reduced achievement of objectives. Adverse financial impacts. Reputational damage. Demoralised and demotivated staff.</p>	<p>OD team in place. (CEO) Project prioritisation. (SMT) SMT are Programme Board. (SMT) Fit for the Future change programme and associated governance arrangements. (SMT) Budget monitoring process. (HoF) Clear communications, staff focus group. (SAMS) People Strategy Action plan. (SMT) Additional training for staff involved with project management. (CEO) Strong leadership to ensure priorities are managed to a deliverable level. (SAMS) Securing additional resources to support existing service provision. (CMT) Projects drawn up within RIBA framework.</p>	 <p style="font-size: small;">Impact</p> <p style="font-size: small;">Likelihood</p>

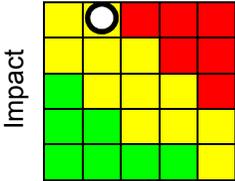
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
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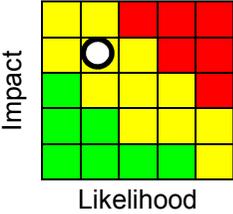
Performance Management Risks (Cont.)

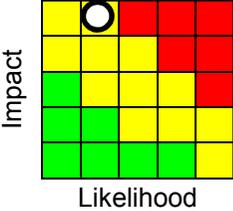
<p>2. Risk of sustained service quality reduction.</p>	<p>Shortage of staff resources and staff skills and knowledge.</p> <p>Staff skills and resources diverted to service redesign proposals as part of delivering Fit For the Future and other emerging corporate priorities.</p> <p>Cannot afford cost of maintaining service quality.</p> <p>Partners such as WCC make service cuts.</p> <p>Pandemic.</p> <p>Contractor failure.</p>	<p>Poor customer service and reductions in income.</p> <p>Lack of direction with critical projects and services being compromised</p> <p>Public lose confidence in Council's ability to deliver.</p> <p>Demoralised and demotivated staff.</p>	<p>Effective Management of Change Programme. (CMT)</p> <p>Agreeing additional resources where service quality is reduced. (CMT)</p> <p>Strong leadership to manage priorities to a deliverable level. (SAMS)</p> <p>Effective vacancy control. (SAMS)</p> <p>Service Reviews. (SAMS)</p> <p>Workforce Planning. (SAMS)</p> <p>Enhanced Performance Management System (SMT HoNS)</p> <p>Project underway considering recruitment & retention, job evaluation procedure, "employee branding", impact of National Living Wage, Apprentices. Reports in due course to Employment Committee and People Strategy Steering Group. (Head of HR&OD)</p>	 <p>Impact</p> <p>Likelihood</p>
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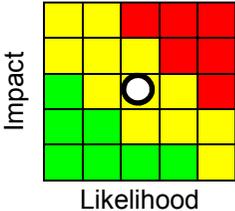
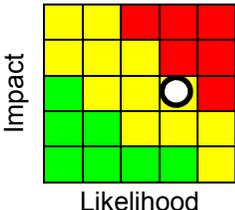
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<p>3. Risk of major contractor going into administration.</p>	<p>Poor procurement of contractor. Poor contract management. Poor management of company. External factors. State of economy. Introduction of Living Wage.</p>	<p>Reduced service levels. Non or reduced achievement of objectives. Adverse financial impacts. Reputational damage.</p>	<p>Properly procured contracts. (SAMS) Active contract management. (SAMS) Business Continuity Plan. (SAMS)</p>	
<p>Corporate Governance Risks</p>				
<p>4. Risk of corporate governance arrangements not maintained effectively.</p>	<p>Ineffective political and senior management leadership. Complacent attitudes. Delays in making, or failure to make, key decisions by Council Members. Breakdown of member-officer relationships. Election of new members.</p>	<p>Breakdown in internal controls leading to: non-achievement of objectives; high volumes of staff, customer, and contractor fraud; and loss of reputation.</p>	<p>Council’s constitution. (DCE(AJ)) Council’s strategies and policies, including Code of Financial Practice and Code of Procurement Practice. (SMT) Strong scrutiny arrangements. (SMT) Effective internal audit function. (HoF) Annual Governance Statement. (DCE(AJ)) Codes of Conduct. (Members) Effective Political Group discipline. (Group Leaders) Councillor training (CMT) New Member/Officer Protocol introduced.</p>	

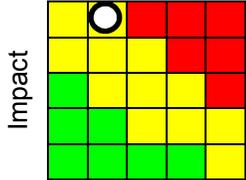
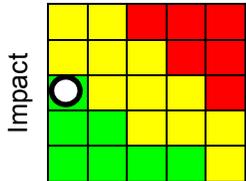
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Human Resources Risks				
5. Risk of staff not developed effectively.	Ineffective workforce strategies. Not managing staffing resources efficiently and effectively. Possible insufficient training budget.	Disruption to Council services – staff cannot undertake level or volume of work to meet all priorities. Poor customer service. ‘Industrial’ action.	People Strategy. (SMT) Management development programme. (HoC&CS) Succession planning. (SAMS) Prioritisation of work. (SAMS) Appropriate use of external resources. (SAMS)	

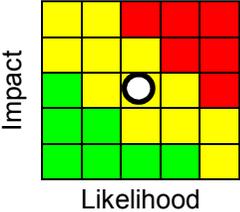
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Financial Management Risks				
<p>6. Risk of insufficient finance to enable the council to meet its objectives (including insufficient reduction in operational costs).</p>	<p>Poor financial planning. Unexpected loss of income and/ or increase in expenditure. FFF Projects do not achieve sufficient savings. Risk of poor Revenue Support Grant Settlement. Business Rate Retention. Council Tax income base reducing. National Economy declines. Local economy declines Tightening of Government fiscal policy. Changes to Government Policy. Reduced Government grants. Demographic changes. Focus on FFF priorities which compromise existing service delivery. Weak financial planning and forecasts. External competition. Member decision making. Council policy framework not conducive to enterprise development. Increased contract costs (from intro of LW) Housing and Planning Bill reducing the resources available to the Council to maintain its housing landlord service.</p>	<p>Forced to make large scale redundancies. Forced to make urgent decisions without appropriate planning. Forced to make service cuts. Increased costs. Fines/penalties imposed. Landlord service becomes unviable and/or the condition of the housing stock reduces its utility and value.</p>	<p>Codes of Financial Practice and Procurement Practice. (HoF) Effective internal audit function. (HoF) External audit of financial accounts. (HoF) Effective management of FFF Projects. (SAMS) All projects accompanied with robust financial appraisals and programme forecasts that allow the Council to understand projected funding requirements. (HoF) Council's constitution. (DCE(AJ)) Financial training. (HoF) Robust financial planning and a Medium Term Financial Plan that can accurately forecast income and expenditure. (HoF) Regular review of Financial Strategy. (HoF/SMT) Prosperity Agenda prioritised within Sustainable Community Strategy aspirations and resources aligned to support delivery. Code of Financial Practice Training being provided. Deloitte's Fees & Charges Review Completed. Plan in place to fill the anticipated budget shortfall. (HoF/SMT)</p> <p>Complete Leisure Development Programme regarding investment and management arrangements. (HoCS/CMT) FFF Savings options agreed by Executive. Review of Housing Revenue Account Business Plan to balance expenditure with net income (after any payments due to government in support of national policy).</p> <p>Further review of FFF programme during 2016/17. (CMT)</p> <p>New FFF programme agreed by Members. (CMT)</p> <p>Ongoing monitoring and future reports of existing assumed savings – e.g. leisure programme, office move, terms & conditions review. (SMT) Should now be "established practice".</p> <p>Complete business case for HQ relocation. (DCE –BH) See also Risk 13</p>	<p>Impact</p>  <p>Likelihood</p>

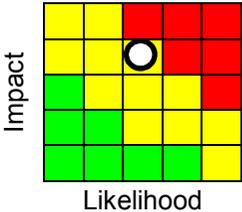
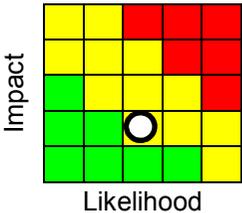
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Financial Management Risks (Cont.)				
<p>7. Risk of additional financial liabilities.</p>	<p>Risk of revenue implications of capital schemes not being fully identified.</p> <p>Risk of loss or delay of capital receipts.</p> <p>Risk of increase in superannuation fund contributions.</p> <p>Uninsured loss.</p> <p>Risk of Medium Term Financial underestimating future revenue income and expenditure (including capital)</p> <p>Legal challenge e.g. relating to a planning development.</p>	<p>Greater level of savings to be sought.</p> <p>Forced to make sub-optimum and short term decision without proper planning.</p> <p>Reduced levels of service.</p> <p>Payment of compensation.</p> <p>Failure to deliver service.</p>	<p>Fit for the Future change programme. (CMT)</p> <p>Project Risk Registers. (SAMS)</p> <p>Project Management. (SAMS)</p> <p>Asset Management. (HoH&PS)</p> <p>More effective financial planning and scenario analysis. (HoF)</p> <p>Regular monitoring of Fit for the Future. (SMT)</p> <p>Legal advice on projects. (SAMS)</p> <p>Projects drawn up within RIBA framework.</p> <p>Reserves used to smooth impact of fluctuations in income.</p>	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Financial Management Risks (Cont.)				
8. Risk of not investigating potential income sources.	Ineffective management. Complacency. Lack of resources to investigate. Other priorities.	More loss making services. Reduced income for the Housing Revenue Account that could compromise banking covenants.	<p>FFF Programme. (SMT) Effective fees and charges schemes. (HoF) Communications & Marketing Strategy. (SAMS) Regular review of financial forecasts to ensure income projections are up to date. (HoF) Secure additional resources to ensure existing services are not impacted as a result of a focus on FFF/corporate priorities. (HoF)</p> <p>Re-design consultation underway for economic development, planning policy and project support functions to ensure resources available for the delivery of prosperity agenda are fit for purpose and effective relationships are maintained with external bodies such as the CW Growth Hub and Warwickshire Investment Partnership (DCE (BH/HoDS) Now complete.</p> <p>Submission of Expressions of Interest to CWLEP SEP refresh process (DCE(BH))</p> <p>Ongoing Submission of bids for external funding opportunities e.g. Expressions of Interest to CWLEP SEP refresh process for future LGF rounds, bids for Growing Places funding(DCE(BH))</p> <p>Adopt new Local Plan. (Members)</p>	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Procurement Risks				
<p>9. Risk of improper procurement practices and legislative requirements not being complied with.</p>	<p>Weak governance arrangements. Ineffective procurement. Poor procurement function.</p>	<p>Reduced levels of service provision. Increased costs. Fines/penalties imposed.</p>	<p>Codes of Financial Practice and Procurement Practice. (HoF) Training of staff. (HoF/SAMS) Monitoring of departmental procurement. (SMT) Procurement Strategy (incl. action plan). (HoF) Code of Procurement Practice and related documents updated.</p>	
Partnership Risks				
<p>10. Risk of partnerships not delivering stated objectives.</p>	<p>Poor management. Failure to apply a robust process for entering into partnerships. Lack of framework governing partnerships. Possible repatriation of calls to Riverside House. Existing sub-regional partnerships disrupted or disbanded as a consequence of the regional focus resulting from the announcement of the West Midlands Combined Authority</p>	<p>Required outcomes not achieved. Increased costs. Reduced level of service or failure to deliver service. Worsening relationship with WCC.</p>	<p>Ongoing scrutiny of partnerships. (DCE(AJ)) Normal management arrangements. (SAMS) Partnership checklists. (DCE(AJ))/SAMS Annual healthcheck completed by senior officers. (DCE(AJ))/SAMS Scrutiny committee regular review. (DCE(AJ)) Audit of partnership arrangements. (DCE(AJ)) Project Groups for significant services. (SAMS) Involvement in and engagement with existing sub-regional partnerships e.g. CWLEP, sEPB etc.</p>	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Legal Risks				
11. Risk of not complying with key legislation or legal requirements, including failure to protect data.	Breakdown in governance.	External censure. Financial loss. Litigation. Financial sanctions/penalties Damage to reputation.	Constitution. (DCE(AJ)) External legal advice. (DCE(AJ)) Ongoing monitoring of all Executive recommendations. (DCE(AJ)) Ongoing professional training. (SMT)	 <p>Impact</p> <p>Likelihood</p>
Information Management Risks				
12. Risk of ineffective utilisation of information and communications technology.	Poor management of IT function. Lack of specialist staffing. Lack of finance. Lack of trained staff.	Costly services. Inefficient services. Poor customer service. Data disclosures.	ICT Strategy and Digital by Transformation Strategy. (DCE (AJ)) Fully-resourced, effective and secure IT function. (DCE (AJ)) Training for staff. (DCE (AJ))	 <p>Impact</p> <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Asset Management Risks				
<p>13. Risk of failing to provide, protect and maintain Council-owned property.</p>	<p>Poor management. Lack of finance. Ineffective asset management. Incomplete data on asset conditions. Lack of effective asset management planning. Insufficient resources to maintain assets. Inaction re multi-storey car parks.</p>	<p>Lack of a suitable and safe living or working environment for residents, staff and visitors. Sub optimum asset decisions that are poor value for money. Building closure. Closure of car parks with resultant loss of income.</p>	<p>End-to-end systems intervention of the Property Service undertaken. New Asset Management Strategy developed linked to Asset Database. (HoH&PS) Overall strategic decisions regarding Council's corporate assets managed by multi-disciplinary Asset Strategy Group – chaired by Deputy Chief Executive. (DCE(BH)) The operational management of the corporate repairs budget is overseen by the Asset Management Group (AMG) – chaired by Property Manager. (HoH&PS) Improvements to be made to end to end systems to manage electrical testing, asbestos and gas servicing and Legionella Disease. (HoH&PS) Completion of HRA stock condition survey. (HoH&PS) Complete business case for HQ relocation. (DCE –BH) Completion of review of planned maintenance programme for corporate assets. (Asset Steering Group) Preparation of Business Cases for future investment in the Linen Street Council's three multi-storey car parks and a Car Parking strategy for all council car parks. (HoNS) Business cases completed for the two other multi-story car parks.</p>	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Emergency Response and Business Continuity Risks				
14. Risk of a major incident not responded to effectively.	Numerous causes including terrorism, natural disaster, loss of ICT facilities/data and pandemic such as bird flu.	Partial or total loss of resources such as staff, equipment, systems. Major media engagement. Major disruption to all Council services. Possible legal action for damages.	Emergency plan reviewed every 6 months. (CMT) Business continuity plan reviewed every 6 months. (CMT) Training for SMT – exercises and reviews. (HoH&CP) ICT Business Continuity contract, inc. annual off-site rehearsal (ICT) Perimeter network protection (Firewall, 2 Factor Authentication, Spam filter, Antivirus, etc.), including penetration testing (ICT) Backup and recovery procedures (ICT) Counter terrorism training has been provided (HoH&CP)	
Environmental Risks				
15. Risk of climate change challenges not responded to effectively.	Lack of expertise. Lack of finance. Failure to reduce carbon footprint.	Budgetary impacts. Service changes required if long recovery phase. Loss of reputation and external censure. Disruption to services. Public health issues.	Climate Change Strategy in place.	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Planning Risks				
<p>16. Local Plan is found unsound.</p>	<p>Developer challenge before local plan complete.</p> <p>Political procrastination.</p> <p>Lack of involvement of external key players.</p> <p>Local Plan not evidenced properly.</p> <p>Failure to identify suitable sites for Gypsies and Travellers.</p> <p>Sub-Regional Housing Allocation not addressed.</p> <p>Failure to adequately address controversial issues such as village green belt boundaries and gypsy and traveller sites.</p>	<p>Non or reduced achievement of objectives.</p> <p>Adverse financial impacts such as failure to set the Community Infrastructure Levy, loss of New Homes Bonus, Reputational damage.</p> <p>Possible legal action for damages.</p> <p>Development not where required.</p> <p>Wasted resources involve in reworking the Local Plan and increased costs.</p> <p>Additional work.</p> <p>Reduction in investment in area.</p> <p>Increase in appeals.</p> <p>Risk of insufficient Infrastructure Funding.</p> <p>Impact on Sustainable Community Strategy (SCS) objectives.</p>	<p>Published timetable. (HoDS)</p> <p>Plan based on robust evidence. (HoDS)</p> <p>Project management. (HoDS)</p> <p>Local Plan Programme Board. (HoDS)</p> <p>Local Plan Risk Register. (HoDS)</p> <p>Appeal letter sent to Greg Clarke, Secretary of state for DCLG. (HoDS)</p> <p>Letter to the Planning Inspector sent to request a suspension to the plan.</p> <p>Ensure effective Duty to Cooperate - MoU agreed.</p> <p>Prepared revised Local Plan proposals in line with the MoU for Council 24/2/16. (CMT/HoDS)</p> <p>Topic papers now completed and submitted to the Inspector with the Local Plan. Further work continuing on G & T sites in time for the examination. (HoDS)</p>	<div data-bbox="1825 368 2107 582" style="text-align: center;"> </div> <p>The requirement of the Inspector to meet Coventry's needs in the HMA has resulted in the local plan being revised. Subsequent to Full Council decision on 24/2/16 and the Inspector agreeing to continue with the examination, we will consult on the soundness of the plan. However, if each of these stages is not followed in line with the timetable, then there is an increased risk of further unpalatable appeal decisions.</p> <p>We have addressed the concerns of the Inspector raised at the first stage of the Examination and put measures in place to address the housing shortfall to meet Coventry's needs. It is therefore considered that the likelihood of the plan being found unsound has reduced.</p>

Key:

New narrative

Narrative transferred

~~Deleted narrative~~

Comment

☺ = Current risk score

etc = Previous risk scores

£ etc = trail (direction) of changes

CMT : Corporate Management Team

SMT : Senior Management Team

DCE(AJ) : Deputy Chief Executive – Andrew Jones

HoC&CS : Head of Corporate & Community Services (now defunct)

HoF : Head of Finance

HoDS : Head of Development Services

HoH&CP : Head of Health & Community Protection

HoNS : Head of Neighbourhood Services

CEO : Chief Executive's Office

HoH&PS : Head of Housing & Property Services

HoCS : Head of Cultural Services

Summary of Significant Business Risks

Consequences	Probability of Occurrence				
	Low	Low-Medium	Medium	Medium-High	High
High		Risks 1, 2, 4, 6, 8 & 11	Risk 16		
Medium-High		Risks 3 & 7	Risks 5 & 14		
Medium	Risk 12		Risks 9 & 13	Risk 10	
Low-Medium			Risk 15		
Low					

Methodology for assessing risk: Criteria for scoring residual risk rating

Probability of Occurrence

Estimation	Description	Indicators
5: High (Probable)	Likely to occur each year (e.g. considered as more than 50% chance of occurrence in any year).	<ul style="list-style-type: none"> Potential of it occurring several times within the specified period (for example - ten years). Has occurred recently.
4: Medium to High	Apply judgement	Apply judgement
3: Medium (Possible)	Likely to occur during a 10 year period (considered as between 5% and 25% chance of occurrence in any year).	<ul style="list-style-type: none"> Could occur more than once within the specified period (for example - ten years). Could be difficult to control due to some external influences. There's a history of occurrence
2: Low to Medium	Apply judgement	Apply judgement
1: Low (Remote)	Not likely to occur in a 10 year period (considered as less than 2% chance of occurrence in any year).	<ul style="list-style-type: none"> Has not occurred. Unlikely to occur.

Consequences

Estimation	Description
5: High	<ul style="list-style-type: none"> Financial impact on the organisation is likely to exceed £500K Significant impact on the organisation's strategy or operational activities Significant stakeholder concern
4: Medium to High	Apply judgement
3: Medium	<ul style="list-style-type: none"> Financial impact on the organisation likely to be between £100K and £250K Moderate impact on the organisation's strategy or operational activities Moderate stakeholder concern
2: Low to Medium	Apply judgement
1: Low	<ul style="list-style-type: none"> Financial impact on the organisation likely to be less than £10K Low impact on the organisation's strategy or operational activities Low stakeholder concern

 Executive – 27th July 2016		Agenda Item No. 11
Title	Customer Service Centre termination payment.	
For further information about this report please contact	Mike Snow – Head of Finance	
Wards of the District directly affected	N/A	
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?	No	
Date and meeting when issue was last considered and relevant minute number	Executive 10 February 2016 Minute Number 112	
Background Papers	Potential Redundancy Costs (Customer Service Centre), Executive 10 February 2016; Review of WDC/WCC Customer Service Centre & Digital Transformation Initiatives, Executive 30 September 2015.	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	14/7/2016	Chris Elliott/Bill Hunt
Head of Service	14/7/2016	Rob Hoof
CMT	14/7/2016	Bill Hunt
Section 151 Officer	14/7/2016	Mike Snow
Deputy Monitoring Officer	14/7/2016	Graham Leach
Finance	14/7/2016	Mike Snow
Portfolio Holder(s)	14/7/2016	Dave Shilton
Consultation & Community Engagement		
As part of the redesign process, consultation was carried out with all staff affected, the Trade Union.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 The purpose of this report is to agree how we fund the previously agreed 50% contribution to the redundancy costs of staff previously employed by Warwickshire County Council, following the District Council decision to withdraw from the joint Customer Service Centre.

2. **Recommendation**

- 2.1 That Executive approves a payment of £24,612 to Warwickshire County Council, funded from the General Fund Early Retirements Reserve, in respect of the previously agreed 50% contribution towards redundancy costs arising from the closure of the previous joint Customer Service Centre.

3. **Reasons for the Recommendation**

- 3.1 In September 2015 members agreed to cease the joint Warwickshire County Council (WCC)/Warwick District Council (WDC) Customer Service Centre (CSC). All calls were transferred back to the District Council from 1 April 2016.
- 3.2 Under the operation of the Joint CSC, the District Council had continued to directly employ some of the staff operating within the CSC. It had also contributed towards the costs of some staff employed by WCC. With the service transferring back to WDC, the County Council has had to reduce its remaining staffing requirements to reflect the reduced service need and the withdrawal of WDC funding.
- 3.3 As part of the agreement to cease the joint CSC, it was agreed that WDC would pay 50% of any redundancy costs incurred by WCC in relation to the impact on any CSC staff employed by them, as a result of WDC's withdrawal. In the previous February 2015 report to Executive it was stated that a further report would be forthcoming once more details were known.
- 3.4 The HR teams from WDC and WCC have worked in close partnership to minimise the impact on staff employed by both organisations as a result of the decision to cease the previous CSC arrangement. For example, all WCC staff impacted by the decision were given equal opportunities to apply for prospective roles within this Council in the same timeframes as their WDC colleagues, rather than have to wait until WDC jobs had been advertised externally as would happen in other cases.
- 3.5 WCC has now completed their service review, following their relevant processes in terms of redeployment and redundancy, in addition to the WDC process. Following on from this, 3 members of WCC staff are being made redundant and a further 2 officers are due a redundancy payment in respect of a reduction in hours.
- 3.6 The total redundancy cost to WCC is £49,224, making WDC's 50% contribution £24,612, which can be funded from the General Fund Early Retirement Reserve.

4. **Policy Framework**

- 4.1 There is a legal requirement to ensure that if members of staff are made redundant, they are paid an appropriate amount of redundancy payment to

compensate for this. Under the agreement for the closure of the former joint CSC, the District Council agreed to bear 50% of any redundancy costs incurred by WCC.

4.2 There are three strands to the Fit for the Future programme and this payment fits within the 'People' strand, ensuring that we treat staff fairly, and adhere to our policies.

4.3 At its meeting of 3rd September 2015, Members agreed that a review of the CSC should be an element of the Fit for the Future (FFF) programme. The approach advocated in that report will provide an improved customer experience whilst at the same time reducing costs. It was acknowledged that there would be a direct impact on staff but it was hoped that any adverse impact will be mitigated.

5. **Budgetary Framework**

5.1 The amount of the redundancy payment to be met by the District Council equates to £24,512 and the costs are proposed to be met from the General Fund Early Retirement Reserve budget. This reserve currently has an unallocated balance of £191,000.

5.2 The review of the CSC and new ways of managing calls have resulted in savings of over £170,000 per annum. These savings have been allowed for within the Council's Budget and Medium Term Financial Strategy.

5.3 The level of the 50% contribution to WCC's costs is in line with the estimated payments envisaged when the agreement was made.

6. **Risks**

6.1 There are legal requirements to compensate an individual if they have been made redundant. The Council has agreed to compensate WCC for 50% of these costs as they have been incurred as a result of the District Council withdrawing from the Joint CSC. If the payment is not made, then the Council is open to a legal challenge, which may result in Court action against the Council.

7. **Alternative Option(s) considered**

7.1 WCC has followed due process to reduce staffing numbers following the end of the joint CSC. In accordance with the agreement for WDC to pay 50% of the resultant redundancy costs, no alternative option other than to pay the sum should be considered.

7.2 It is possible that this Council's share of the redundancy costs could be met from another reserve, e.g., Service Transformation Reserve. However, as WDC is paying WCC rather than employing staff directly, it is appropriate for this payment to be met from the Early Retirement Reserve.