

EXECUTIVE

Minutes of the meeting held on Wednesday 9 February 2011 at the Town Hall, Royal Leamington Spa at 6.00 pm.

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

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

127. **DECLARATIONS OF INTEREST**

Minute Number 140 - Impact of Financial Reductions

Councillors Caborn, Michael Doody, Kirton and Shilton declared personal interests because they were Warwickshire County Councillors.

128. **MINUTES**

The minutes of the meeting held on 26 January 2011 were taken as read and signed by the Chairman as a correct record.

PART 1

(Items which a decision by Council is required)

129. **ELECTION OF CHAIRMAN AND VICE-CHAIRMAN OF THE COUNCIL 2011/12**

RECOMMENDED that;

- (1) Councillor Mrs Bunker be Chairman of the Council for the municipal year 2011/2012; and
- (2) Councillor Kinson be Vice-Chairman of the Council for the municipal year 2011/12.

(This will be considered at Council on 18 May 2012)

130. **ADDITIONAL FUNDS FOR HOUSING AND PROPERTY SERVICES**

The Executive considered a report from Housing and Property Services which requested additional funds to allow the service be appropriately resourced to deliver priorities set out in the Service Improvement Plan.

This request was made following the Audit Commission report on the Housing Landlord Service which identified a number of critical areas for improvement and our action plan (the Service Improvement Plan (SIP)) to address these was approved by Executive and the Tenant Service Authority on 24 November 2010 and 13 December 2010, respectively.

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The report stated that wherever possible the service was making improvements within existing resources by strengthening management capacity and improving the service, using systems thinking principles. Examples included improved performance in the areas of gas servicing and empty property management. This report requested additional funds for aspects of the SIP which could not be improved from existing resources in the short to medium term.

The Finance and Audit Scrutiny Committee supported the recommendations in the report, having been reassured by the Head of Housing & Property Services as to why certain approaches had been adopted in addressing critical areas for improvement identified by the Audit Commission. Members noted the projected surplus of around £19,000 in relation to the activities of the proposed Lettings and Financial Inclusion Officer post. The Head of Housing & Property Services was thanked for the quick and efficient work he had undertaken in turning around a problem area, and was offered the continued support of the Committee.

The Executive thanked the committee for their comments.

The Portfolio Holder for Housing and Property Services, addressed members and explained that the extra funding was needed to bring the department up to where it should be over the next twelve months. She also advised that they would be reporting back regularly and that the Head of Housing and Property Services was more than happy to meet members and discuss any issues they may have.

RECOMMENDED that:

- (1) additional capital expenditure to complete Type 2 Asbestos Management Surveys and associated re-inspections and asbestos removals for relevant dwellings by 31 March 2011 be approved, at an additional capital cost of £605,700 and to continue the re-inspection and asbestos removals for 2011/12 at an additional capital cost of £825,200;
- (2) additional capital and revenue expenditure be approved to increase the number of electrical Periodic Inspection Reports (PIRs) for dwellings at an additional cost of £275,000 (£125,000 capital and £150,000 revenue) in 2010/11 and to complete PIRs for all outstanding dwellings by 31 December 2011 at an additional cost of £605,000 in 2011/12 (£275,000 capital and £330,000 revenue);

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- (3) the delivery of the required level of kitchen and bathroom replacements in void properties be approved, at an additional revenue and capital cost for 2010/11 of £150,000 and £445,000, respectively and to increase the revenue and capital budgets by the same amount in the years 2011/12, 2012/13 and 2013/14;
- (4) the delivery of the required level of central heating replacements be approved, at an additional capital cost of £460,000 for 2010/11 and to increase the capital central heating replacement capital budget by £400,000 in the years 2011/12, 2012/13, and 2013/14;
- (5) the delivery of a comprehensive refurbishment project at Acorn Court, the sheltered housing scheme, be approved for an additional capital cost of £642,000 in 2011/12, which improves the quality of life of tenants and provides the fundamentals to deliver objectives of extra care housing;
- (6) the reduction of both the backlog and waiting times for customers in need of aids and adaptations, be approved, at an additional capital cost of £600,000 for 2011/12 and the aids and adaptations budget be increased by an additional £500,000 capital expenditure per annum to meet customer demand for level access showers in the years 2011/12, 2012/13 and 2013/14;
- (7) the following funding arrangements for 3 temporary, fixed term posts be approved, to assist in the delivery of the Service Improvement Programme, subject to the Employment Committee approving the amendment of the Council's establishment:
 - Appointment of an 'Asbestos Programme Officer' to manage the asbestos programme at an annual additional cost of £29,000 per year for a fixed term period of 3 years (inclusive of on costs) commencing June 2011.

EXECUTIVE MINUTES (Continued)

- Appointment of a 'Service Improvement Plan Support Officer' to manage the Service Improvement Plan at an annual additional cost of £30,000 per year for a fixed term period of 2 years (inclusive of on costs) commencing June 2011.
 - Appointment of an 'Active H Support Officer' to manage and support the development of quality performance information and improved IT systems at an additional cost of £29,000 per year for a fixed term period of 3 years (inclusive of on costs) commencing June 2011.
- (8) the re-investment of additional income generated during 2010/11 be approved, to appoint a temporary, 2 year fixed term 'Lettings and Financial Inclusion Officer' as an 'invest to save' initiative to ensure continued generation of additional income by reducing void rent loss and current tenant arrears, subject to Employment Committee approving the revised establishment;
- (9) subject to approval of the above recommendations, a rigorous exercise will be conducted to ensure all existing and new contracts to deliver the additional investment are compliant with the Code of Procurement Practice; and
- (10) subject to approval of recommendations 2.1 to 2.3, the additional expenditure is provisionally included in the budget calculations set out in the Housing Rents and Housing Revenue Account 2011/12 paper elsewhere on the agenda. The content of this separate report will, if agreed, require a recommendation to Council for final approval and that this report would require suitable amendment should any of the listed recommendations in this report not be approved.

(The Portfolio Holder for this item was Councillor Mrs Grainger)
(Forward Plan reference 303)

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131. BUDGET 2011/12 AND COUNCIL TAX – REVENUE AND CAPITAL

The Executive considered a report from Finance which updated members on the overall financial position of the Council. It included the latest position in respect of the 2010/11 General Fund Revenue Budget and the future implications of the proposed changes within.

For 2011/12 onwards, the report considered both the General Fund Revenue budget and the Capital Programme. The information contained within this report supported the recommendations to Council in respect of setting next year's budgets and this Council's level of Council Tax for 2011/12. It updated members on the latest projections and assumptions in the Medium Term Financial Strategy, identifying the on-going savings required by 2015/16.

The report also updated members on the Council's Reserves and General Fund Balance and included feedback on consultation with the Citizen's Panel, whereby 84% of respondents believed the Council provided good or very good value for the current council tax charged.

A number of amended recommendations were circulated prior to the meeting along with supplementary papers.

The Finance and Audit Scrutiny Committee noted that amended figures detailed in a supplementary report had changed again to an additional £44,000 for 2011/12 and £61,000 for 2012/13, the latter being only a provisional figure. The medium term strategy would be updated in due course. The Committee also suggested adding "continue to" to the sentence "Members will need to address the underlying budget deficit in future years" before the word "address".

The Finance and Audit Scrutiny Committee was concerned that anticipated cuts imposed by other statutory sector organisations could leave some voluntary and charitable organisations under the very real threat of closure. The Committee therefore proposed that Executive urgently look into creating a Third Sector Support Scheme to provide one-off support to organisations which recognised the need to develop alternative business models but required help through a transitional period. The Committee was concerned that if such support were not provided then in the longer term the absence of certain voluntary and charitable organisations would lead to increased costs for the District Council in other areas of work. The effect of cuts on voluntary programmes meant some programmes were in danger of closing down. In the long term this could lead to more costs to the local economy: for example, if the adult training for job skills or the rehabilitation of people with mental illness should cease, or if there was increased isolation of vulnerable and elderly people. A comparatively small amount of money from Warwick District Council could help to release more substantial funds from other donors to continue these programmes.

To fund the proposal the Committee recommended that rather than appropriating £1,475,000 from the General Fund Balance to the new Services Transformation Reserve, this figure be reduced to £1,375,000. Whilst the proposal received unanimous support, the Committee was very

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keen to ensure that appropriate checks and balances were in place to ensure that bids for funding were supported by a sound business case. The Committee recommended that the Grants Review Panel extend the remit of its work to develop criteria for awards in the interim under this proposed new scheme.

The Finance and Audit Scrutiny Committee therefore recommended that the Executive approve the creation of a Third Sector Support Reserve in 2010/11 with £100,000 from the General Fund Balance and that the detail of the new scheme be considered as part of the work by the Grants Review Panel, to be agreed by a future Executive meeting. To enable this to be financed, the appropriation to the Services Transformation Reserve should be reduced to £1,375,000.

In response to the Finance and Audit Committees comments, the Executive accepted their concerns but advised that individual funding would pre-empt the work due to take place by the Grants Review Panel. The Portfolio Holder for Customer & Information Services, Councillor Caborn, reassured members that any hardship cases that arose could be brought forward to the Executive and dealt with on a case by case basis. He stated that no organisation would be placed in jeopardy and highlighted the importance of the review to ensure that all organisations were on the Council's list.

The Overview and Scrutiny Committee had concerns regarding the legality of creating two separate pots for the Urban Initiatives Grant and the Rural Initiatives Grant because Council had already agreed that there would be one to fund both and that this decision made by Council would not be able to be changed until after a 6 month period had lapsed.

The Overview and Scrutiny Committee continued to support the principle that there should be only one pot to fund both the Rural Initiatives Scheme and the Urban Initiatives Scheme and that this fund should have the budget of £150,000. Any of this money that had not been committed to a project by the end of the municipal year should not then be carried over into the following years budget but instead put back into general balances.

The Overview and Scrutiny Committee felt that if there were to be two separate pots more funding should be made available for the Urban Initiative schemes than the Rural Initiative Schemes, with the criteria for the urban applications being different to the ones used for rural applications and potentially a need to limit how much each application could receive because of the difference between the areas. There was a strong concern from a member of the Committee that the funding for the urban grant was not enough for its size and population.

The Overview and Scrutiny Committee also expressed their thanks to the Grants view Panel for getting funds agreed for the Urban Initiatives Grant.

The Overview and Scrutiny Committee had concerns regarding 8.3.5 which gave the Committee the impression that any new proposals for funding an Assisted Travel Scheme, that were agreed as a result of Overview and Scrutiny's report being submitted to Executive on 2 March

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2011, would not be considered until the 2012/13 service plans were developed. The Committee wanted reassurance that if their recommendations were agreed this could be funded with the budget from 2011/12.

In response to this, the Executive categorically stated that there had been no decision made regarding the creation of one fund. With regard to hardship cases, Councillor Michael Doody reiterated the statement that these would be considered on an individual basis. He advised that both the rural initiatives and the urban initiatives would be District wide and a balance needed to be struck as to who received assistance and from where.

With regard to the discretionary travel report, Councillor Caborn highlighted that this issued would be dealt with when the report had been submitted.

The Executive thanked the Overview & Scrutiny Committee for their comments.

The Portfolio Holder for Finance, Councillor Mobbs addressed members and expressed his gratitude to the finance department for their hard work on not only the budget report but also their audit work with IFRS.

He highlighted a number of amendments to recommendations 2.2, 2.16, 2.19, 2.20 and 2.28. An additional recommendation was suggested, to be added as 2.30, which dealt with the Car Park Improvements budget. Councillor Mobbs stated that the District Council had achieved a saving of £1.5m along with an increase in income thanks to the hardwork of employees who had embraced the Lean Systems Thinking approach. The additional benefit of working with the Fit for The Future methodology was the 0% increase in Council Tax for this year.

Councillor Michael Doody proposed a second additional recommendation which dealt with the amount of money currently allocated from the Contingency Budget, for the opposition of HS2. Following a meeting with other affected local authorities it had become apparent that the funds currently allocated to 'fight Westminster' were insufficient. It was therefore agreed by the Executive to recommend an increase to £100,000 from the contingency budget.

RECOMMENDED that

- (1) the 2010/11 Revised General Fund Revenue Estimated net expenditure of £18,228,367, as summarised in Appendix 1 be noted, this is after taking into account the proposed adjustments in section 8.3 of the report. The treatment of any balance upon closure of the accounts to be considered by the Executive in June 2011;
- (2) the changes to the 2011/12 General Fund revenue base budget in sections 8 and 9 of the

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report, with net expenditure of £15,851,307 as summarised in Appendix B of the supplementary report, be agreed and the formal resolution to this effect be contained in the further budget report that will be prepared for the 23 February Council meeting. (This report is to include the parish/town, county and police precepts.);

- (3) the Council Tax of a Band D property for Warwick District Council for 2011/12 before the addition of parish/town councils, Warwickshire County Council and Warwickshire Police Authority precepts be agreed at £146.86, representing a zero increase on 2010/11;
- (4) the Council Tax charges for Warwick District Council for 2011/12 before the addition of parish/town council, Warwickshire County Council and Warwickshire Police Authority precepts, for each band be agreed as follows:-

Band	2011/12
A	£97.91
B	£114.22
C	£130.54
D	£146.86
E	£179.50
F	£212.13
G	£244.77
H	£293.72

- (5) around £257,000 new ongoing savings / increased income have been realised in preparing the 2011/12 General Fund revenue base budget. Further savings of £296,000 are required from Fit For the Future interventions;
- (6) recurring virement £19,900 from 2011/12 from Revenues to Benefits in respect of staffing in preparation for The Universal Credit (paragraph 9.2.12 of the report refers) be agreed;
- (7) the Homelessness budget be increased by £85,500 in 2011/12 and 2012/13 for preventing homelessness, financed by Government Grant (paragraph 9.2.13 of the report refers);
- (8) the cost of the Digital TV service for 2011/12 be shared equally between the General Fund and Housing Revenue Account, with the £6,000 for the General fund met from the 2011/12

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Contingency Budget. A future report on the scheme will consider the future of the service beyond 2011/12, and funding thereof (paragraph 9.2.14 of the report refers);

- (9) the General Fund Capital Programme and the Housing Investment Programme as set out in Section 13 and Appendix 8 of the report, together with their financing as shown in paragraphs 13.4 and 13.5 of the report, be agreed and should the Executive agree viable future self-funded business cases in the future, amendments be made to the Budget as appropriate;
- (10) if there is any mismatch between the proposed General Fund budgets and subsidiary strategies and action plans, officers bring forward proposals for managing within the agreed budgets;
- (11) the latest position and necessary actions in respect of the Equipment Renewal Reserve and necessary actions as detailed in paragraph 11.2.2 ix of the report, be agreed;
- (12) an additional £100,000 be allocated to the contingency budget in 2011/12 from the General Fund Balance as set out in paragraphs 9.2.11 and 11.1.8 of the report;
- (13) that the Finance and Audit Scrutiny Committee be asked to pay particular attention to the reserves and balances set out in appendix 5 and section 11 of the report;
- (14) the Prudential indicators, as set out in Appendix 10 and highlighted in Paragraph 14.1 of the report, be agreed;
- (15) the revised financial strategy, as set out in Appendix 12 of the report be agreed, and updated on an ongoing basis in the light of a review of all resource strategies, as stated in paragraph 16.1 of the report, with quarterly reports on the financial projections brought to Executive, and Fit For the Future continuing to be reviewed in the light of this;
- (16) the significant future forecast deficit, currently estimated to rise to over £2.92m over the next five years by 2015/16 on net expenditure of £18m, be noted. Further on-going savings of this amount must be secured in order for the

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authority to be able to set future balanced budgets, as set out in paragraph 10.3 of the report;

- (17) the arrangements for Budget Management as outlined in paragraph 12.4 of the report, be noted and quarterly reports continue to be submitted to Executive;
- (18) the creation of a new Tourism Reserve in 2010/11 with an initial balance of £55,000 financed from savings within the Tourism budget, be approved and that authority to spend from the reserve be delegated to the Head of Development Services in consultation with the Development Services Portfolio Holder and S151 Officer, as set out in paragraph 8.3.1 of the report;
- (19) the £200,000 already in the Capital Programme from 2011/12 for Rural Initiatives Grants be utilised for the new district-wide capital fund scheme (see also recommendation 20 below regarding scheme details);
- (20) the transfer of £400,000 from the General Fund Balance in 2010/11 to the Capital Investment Reserve to finance the new district-wide capital fund scheme for the period 2011/12 to 2014/15, be approved and that the detail of the new scheme be considered as part of the work by the Grants Review Panel to be agreed by a future Executive meeting, as set out in paragraph 11.1.2 of the report;
- (21) the creation of a Play Equipment Reserve in 2010/11 with £200,000 from the General Fund Balance, be approved. The Executive will consider and approve all requests to utilise this reserve, as set out in paragraph 11.1.3 of the report;
- (22) the creation of a Services Transformation Reserve in 2010/11 with £1,475,000 from the General Fund Balance, be approved. The Executive will consider and approve all requests to utilise this reserve, as set out in paragraph 11.1.4 of the report;
- (23) the transfer of £1,200,000 from the General Fund Balance in 2010/11 to the Capital Investment Reserve to finance future new development proposals, as set out in paragraph 11.1.5. for the report, be approved;

EXECUTIVE MINUTES (Continued)

- (24) the transfer of £400,000 from the General Fund Balance in 2010/11 to increase the balance on the Equipment Renewal Reserve, as set out in paragraph 11.1.6 of the report, be approved;
- (25) the transfer of £100,000 from the General Fund Balance in 2010/11 to increase the balance of the Spend to Save Reserve, as set out in paragraph 11.1.7 of the report, be approved;
- (26) the General Fund Core minimum balance should be £1.5m, as set out in paragraph 11.1.9 of the report;
- (27) the transfer of £183,700 from unspent revenue and capital Housing and Planning Delivery Grant to the Planning Reserve for use on future planning related expenditure, as set out in paragraph 11.2.2. of the report, be approved;
- (28) slippage of the revenue budgets in respect of Warwick Renaissance (£57,300), Culture Trust Feasibility Study (£35,000) and the Corporate Property Maintenance Budget (£210,000) from 2010/11 to 2011/12, be approved, with the financing in an earmarked reserve (paragraph 8.3.12 of the report refers);
- (29) Whitnash Town Council will continue to remain within the Concurrent Services Scheme and the £500 approved from the contingency budget in February 2010, be returned accordingly, as set out in paragraph 8.3.11 of the report;
- (30) the budget for Car Park Improvements (£338,000) in the Capital Programme be slipped for 2010/11 to 2011/12 and associated financing; and
- (31) the monies available from the contingency fund for 2010/11 to contribute towards the campaign for opposing HS2, be increased by £50,000, bringing the total available to £100,000, with the £50,000 slipped to 2011/12 by way of earmarked reserve.

(The Portfolio Holder for this item was Councillor Hammon)
(Forward Plan reference 300)

EXECUTIVE MINUTES (Continued)

132. HOUSING REVENUE ACCOUNT BUDGET 2011/12 AND HOUSING RENTS

The Executive considered a report from Housing and Property Services and Finance which set out the latest projections for the Housing Revenue Account revenue estimates in respect of 2010/11 and 2011/12. The report also detailed the proposed increases to Council tenant rents, garage rents and supporting people charges for 2011/12.

The Council is required to set a budget for the HRA each year, requiring agreement on the level of rents and other charges that are levied.

The report advised members that the dwelling rent increase followed government guidance whereas the proposed garage rent increase was in line with that being considered for dwelling rents, using the same rate of inflation as the Government as at September 2010.

In addition, the Supporting People charge increase applied equated to the inflationary increase awarded by Warwickshire County Council for all Supporting People contracts, effective from April in the previous year.

It was felt that the recommendations would enable the proposed revised Housing Investment Programme for 2010/11 and initial 2011/12 to be carried out, partially funded by a revenue contribution to capital outlay (RCCO) payment from the HRA, whilst maintaining a minimum working balance on the HRA of at least £750,000, in line with Council policy.

There were no alternative options in relation for the setting of housing dwelling rents due to the Government's rent restructuring criteria. There were alternatives regarding the garage rent increases and members could choose to change the percentage applied.

The supporting people charge was not subject to the rent restructuring criteria but there was no indication that the Commissioning Body was due to make a recommendation to increase the charges in 2011/12.

The Finance and Audit Scrutiny Committee were disheartened by the size of the rent increase, but recognised there was no option and supported the recommendations in the report.

The Executive thanked the Committee for their comments and advised that although not ideal, the rent increases could have been higher, considering the current financial difficulties being faced.

RECOMMENDED that;

- (1) housing dwelling rents for 2011/12 be increased by an average of 7.49%;
- (2) garage rents for 2011/12 be increased by 4.6%;

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- (3) the Supporting People charges for Housing tenants remain the same as those charged in 2010/11;
- (4) the 2011/12 Housing Revenue Account (HRA) budget, updated with the Final Subsidy Determination information and the proposed additional funds being requested in a separate report to this meeting, as set out at Appendix 3 of the report, be agreed. These figures are subject to change, depending on the decisions made regarding the request for additional funds and will be reported to the Council meeting on 23rd February, 2011; and
- (5) changes to the 2010/11 revised estimates considered in January, be agreed.

(The Portfolio Holders for this item were Councillor Mrs Grainger and Councillor Mobbs)

(Forward Plan reference 271)

133. APPROVAL OF HEATING, LIGHTING AND WATER CHARGES 2011/12 – COUNCIL TENANTS

The Executive considered a report from Housing and Property Services and Finance which set out the proposed service charges to council housing tenants for 2011/12, for the provision of communal heating, lighting and water supply.

The report highlighted that service charges were levied for the costs of electricity, gas and water supply usage in the communal areas of sheltered and very sheltered housing schemes and for direct supply to individual properties through communal heating schemes. The costs of maintaining communal laundry facilities were also recharged as a service charge at those sites benefiting from these facilities under the heading of miscellaneous charges.

These charges were reviewed annually, based on average consumption over the past three years, and updated for current costs. Tenants were notified of the change at the same time as the annual rent increase.

There were no alternative options to reviewing the charges annually otherwise the costs would have to be met through rent pooling, which would mean covering the cost from the rental income received from tenants. The impact of this would mean that the annual rent would rise and lead to charges being made to tenants who would never benefit from the service provided.

The Finance and Audit scrutiny Committee supported the recommendations in the report. Members suggested that potential savings from alternative energy should be an incentive for the organisation to look at heating and lighting across all Council property, not just housing stock.

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The Executive thanked the Committee for their comments.

RECOMMENDED that the revised service charges for Council tenants relating to heating, lighting, water and miscellaneous charges for the year commencing 1 April, 2011, as set out in paragraphs 7 to 9 of the report, be agreed.

(The Portfolio Holders for this item were Councillor Mrs Grainger and Councillor Mobbs)

(Forward Plan reference 272)

134. JOINT WORKING WITH STRATFORD ON AVON DISTRICT COUNCIL

The Executive considered a report from the Chief Executive's office which provided members with an update on the proposal for joint working with Stratford on Avon District Council (SDC).

The report recommended that, owing to a number of factors, a shared service programme should no longer be pursued. However, other projects with SDC and any other body, where a robust business case can demonstrate that financial savings, service improvements and/or service resilience can be achieved, could still be considered.

Following a decision not to pursue a proposal for a joint management team with SDC in August 2010 it was agreed that a programme for shared services and other common issues such as terms and conditions of employment and IT should be developed and SDC be treated as its preferred partner. With that in mind the Joint Working Party had continued to meet, especially in the light of the progress of work being undertaken on a joint business case for a shared revenues and benefits service.

However, in progressing that work it became clear that issues surrounding shared services, regarding support service costs were significant to both Councils and required an overall approach and understanding by both authorities. As part of that consideration, proposals for swapping services to mitigate the transfer of residual support service costs were considered but were deemed unsatisfactory.

In addition, the Government advised that it was its intention to take the housing benefits service from local authorities into a large national service in a few years time, SDC had re structured their senior management and were considering a proposal for shared services/management team with another District Council.

Warwick District Council had developed and agreed a significant programme (Fit for the Future) and was also engaged at a sub regional level in a number of workstreams of joint work – procurement; asset management; strategic planning and infrastructure; waste management; and to a lesser degree HR, children's services and adult social services.

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The result of these factors was a mutually agreed conclusion by the Leaders and Deputy Leaders of both Councils that the previously agreed work should cease, although it was clear that there remain areas where it will still be of value to work together and the Council could continue to consider opportunities for joint working with SDC, other public, private and voluntary bodies where viable.

It was therefore felt that there was no alternative option to consider.

Members felt that it was important to continue to look at other potential partnerships if financially viable and that although the process of sharing services with SDC had run its course, it had been a valuable exercise.

RECOMMENDED that;

- (1) work should cease on a shared service programme in all respects with Stratford on Avon District Council (SDC). This includes revoking the memorandum of understanding and the proposal for a Joint Committee; and
- (2) notwithstanding recommendation (1), the Council should still consider proposals with SDC and indeed any other public, private and voluntary bodies where a business case can demonstrate financial savings or cost neutrality and one or both of the following: service improvements and/or service resilience.

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

PART 2

(Items which a decision by Council is not required)

135. CHANGE PROGRAMME

The Executive considered a report from Improvement and Performance which set out how it was intended to manage progress towards Fit for the Future (FFF).

The report set out a proposal for managing the organisation and services improvements detailed in FFF as a change programme. This included an initial set of measures which would be used to track progress on delivering the benefits of the Change Programme and the Programme governance arrangements. In addition, the report outlined changes to the context of FFF which would be used to modify it over time.

There were a number of alternative options detailed in the report and these were set out in paragraphs 4.1 to 4.10, however, not having a programme was rejected on the grounds that the Change Programme was vital to the future of WDC and our ability to deliver purpose. The report stressed that processes needed developing to ensure that focus was maintained by all.

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The Finance and Audit Scrutiny Committee were happy with the way the process for the programme was developing, requested that efforts be made to avoid jargon and supported the recommendations in the report. Councillors Edwards, Pittarello and Vincett confirmed their continuing commitment to be involved in the Members Programme Oversight Group.

The Executive thanked the Committee for their comments.

Members felt that this approach would improve services whilst ensuring that communications continued between staff, officers and members. It was also highlighted that the budget was healthy due to the hard work to integrate these processes by all involved.

RESOLVED that

- (1) the management of Fit for the Future be carried out through the following two channels:
 - (i) activities and projects designed to directly deliver societal outcomes (e.g. the priority and cross cutting themes set out in the Sustainable Community Strategy) will be managed by the Warwick Partnership as set out in Section 3.1 of the report; and
 - (ii) activities and projects designed to improve the organisation and WDC's services will be managed through a Change Programme as set out in Sections **Error! Reference source not found., Error! Reference source not found., Error! Reference source not found. and Error! Reference source not found.** of the report;
- (2) the Quality of Life Report summarised in Appendix 1 of the report be used to understand progress on the whole of Fit for the Future and that this be reported to Executive each December or January;
- (3) the FFF Governance arrangements and proposals for reporting updates to Members, as set out in Section 3.3 of the report be approved and that Councillors Edwards, Pittarello and Vincett be nominated from the Finance and Audit Scrutiny Committee be nominated to the Members Programme Oversight Group. The members nominated from the Overview and Scrutiny Committee are to be confirmed;

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- (4) the Change Programme Benefits and Measures as set out in Appendix 3 to the report be approved;
- (5) the current position in relation to financial, service and organisational benefits be noted (appendices 3 and 4 to the report refer);
- (6) the initial composition of the Change Programme's interventions and projects, as detailed in appendix 5 to the report, be agreed;
- (7) the responsibility for the authorisation of expenditure from the 'spend to save' reserve up to a maximum cost of £20,000 for any individual item of expenditure be delegated to the Programme's Senior Responsible Officer (SRO) in consultation with the S.151 Officer.
- (8) Fit for the Future be modified over time to address the changing context and specifically to address the emerging issues set out in section 3.8 of the report;
- (9) the draft Change Programme communication plan (appendix 6 to the report) be approved; and
- (10) the summarised version as at appendix 7 to the report of Fit for the Future be noted.

136. FEASIBILITY STUDY OF VARIOUS WDC ASSETS IN LEAMINGTON

The Executive considered a report from the Chief Executive's office which explored the potential to complement the specific Spencer Yard feasibility study, by undertaking a much wider WDC funded feasibility study to examine potential future options for WDC owned assets in both Spencer Yard and elsewhere in Leamington.

The Executive approved the commissioning of a feasibility study to explore potential options to meet the current funding shortfall on the Spencer Yard project, created by the withdrawal of all AWM funding from the project, at its meeting on 6 January 2011. That study, costing £35,000, exclusive of VAT, will be jointly funded by the project partners, WDC, the Loft Theatre and City Spirit Limited, and is predicated on an assumption that the project will continue on the basis of the refurbishment of the former United Reform Church (URC) as a new theatre for the Loft Theatre, with subsequent redevelopment of their current site and the adjoining, WDC owned, former Dole Office.

The study will explore options to fund the project by alternative use of other buildings in the Spencer Yard area including the Pump Rooms, associated options for potential parking development at Bath Place and/or Station Approach and consideration of an alternative relocation of the Loft theatre to the Spa Centre site.

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The report also highlighted that, in addition to its holdings at Spencer Yard, the Council owns a number of buildings, car parks and other land holdings elsewhere within Leamington Spa, all of which have previously been subject to varying levels of assessment as to their potential for alternative use.

There were a number of alternative options detailed in the report in paragraphs 4.1 to 4.5.

The Finance and Audit Scrutiny Committee noted the contingency plans, expressed a desire to see external scrutiny at an appropriate point in the process, and supported the recommendations in the report.

The Overview and Scrutiny Committee were pleased with the report overall and were impressed with the amendments made to recommendation 2.6. However, the Committee asked for the four year business plan that would be submitted by the Head of Cultural Services and the Spa Centre Manger as mentioned in the recommendation to be submitted as soon as possible and supported the study of the assets within the report.

The Overview and Scrutiny Committee, whilst understanding the decisions also expressed their disappointed that the business case for the One Stop shop at the Pump Rooms would need to be deferred as they felt there was a need for this service within Royal Leamington Spa.

Members noted that a saving needed to be made at the Spa Centre in the region of £90,000 and expressed their gratitude to the Spa Centre Manager for his continued hard work in regenerating the premises.

It was agreed that it was time for the Task and Finish group to finish and to be replaced with a Financial Monitoring Group, to be made of the Portfolio Holder for Cultural Services, the Head of Cultural Services, the Spa Centre Manager, the Portfolio Holder for Finance, Head of Finance, one of the Deputy Chief Executives, one Labour group member and one Liberal Democrat member.

The Portfolio Holder for Finance, Councillor Mobbs, highlighted the need to clarify the wording in recommendation 2.6 so it was clear that an expected saving of £16m was anticipated in 2011/12.

RESOLVED that

- (1) the commissioning of a high level feasibility study to produce options appraisals and an outline masterplan for the Spencer Yard, Bath Place, Station Approach, Pump Rooms, Town Hall, Spa Centre and Riverside House sites, be approved;
- (2) a maximum £90,000 allocation for the estimated cost of the work be met from the 2010/12 Contingency Budget, carried forward,

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if necessary, to 2011/12 by way of an Ear Marked Reserve;

- (3) authority be delegated to the Deputy Chief Executive (BH), in consultation with the Leader of the Council and Portfolio Holders for Development, Culture and Customer & Information Services, to finalise the specification for the study prior to its tender;
- (4) the findings of the high level accommodation review of Riverside House, as set out in Appendix One to the report, be noted;
- (5) the Principles of Occupancy arising from this review, as set out in Appendix Two to the report, be agreed, for future application as the basis on which WDC will occupy its headquarters building(s), at either Riverside House or any new location;
- (6) the current review of the Spa Centre be discontinued and the Head of Cultural Services and Spa Centre Manager be instructed to prepare a four year business plan aimed at reducing the net direct income and expenditure by £90,000 over the period 2011/12 to 2014/15, with an expectation of £16,000 improvement in year 2011/12, noting that the direct expenditure is £1.451m, and the direct income is £1.133m, giving net direct income and expenditure of £318,000 for 2011/12;
- (7) a financial monitoring group be established in place of the Spa Centre Task & Finish Group, to monitor the delivery of the Business Plan and to comprise of the Portfolio Holder for Finance and Head of Finance, in conjunction with the Portfolio Holder for Cultural Services and Head of Cultural Services, plus one member from both the Labour and the Liberal Democrat Groups, one of the Deputy Chief Executives and the Spa Centre Manager;
- (8) any consideration of future major capital investment in the Town Hall be deferred until after the outcome of the study is known;
- (9) discussions continue with the Warwick District Citizens Advice Bureau but otherwise agree to defer any further consideration of alternative options for the use of the Town Hall until after the outcome of the study is known;

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- (10) the consideration of a business case for the creation of a One Stop Shop at the Royal Pump Rooms be deferred until after the outcome of the study is known;
- (11) the catering contract for the Royal Pump Rooms will continue to be let on the previously agreed timetable and that the study will need to reflect the existence and duration of this contract;
- (12) the current marketing exercise continues to identify a potential occupier of surplus space at Riverside House but the completion of any potential agreement to lease space be deferred until after the outcome of the study is known; and
- (13) the undertaking of an exercise to determine the potential value of the Riverside House site based on alternative future uses, be approved.

(The Portfolio Holders for this item were Councillors Caborn, Michael Doody, Mrs Gallagher and Hammon)

137. LOCAL PLAN ISSUES AND OPTIONS CONSULTATION

The Executive considered a report from Development Services which outlined the Local Plan Issues and options for consultation.

It was felt that due to the late submission of some comments, this item should be deferred until the next meeting to allow for proper scrutiny of the comments and options put forward.

This would also allow the Development Plans Working Party to find clarity, along with the Executive members, as to what was being put forward.

RESOLVED that the document be deferred until 2 March 2011 to ensure that the plan is correct.

(The Portfolio Holder for this item was Councillor Hammon)

138. RURAL LOCAL LETTING POLICY

The Executive considered a report from Housing and Property Services which set out proposals regarding the letting of rural affordable housing both within existing stock and new rural affordable housing developments.

The aim of the proposals were to assist with achieving sustainability in rural communities, to support people with a local connection to retain links with their communities and to increase the delivery of affordable housing in rural areas. The rural settlements covered by this report were listed in appendix 1 at point 3.2 of the report.

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The aim of the Rural Local Letting Policy (RLLP) was to enable people to remain or return to a Parish with which they had an association relating to current or past residence; family connection; or employment, in order to contribute to the development of sustainable communities in rural areas.

This would help rural communities retain households who, due to high property prices, were often priced out of the local housing market and unable to afford to live locally. The policy would also promote and increase the development of Rural Affordable Housing across the district and allay fears of Parish Councils and local communities that developments would not be for local people.

The primary focus of the RLLP is that it had regard to an applicant's connection with the surrounding area for which the housing has been developed. The Rural Local Lettings Policy would apply to new rural affordable housing developments including those which would not be subject to a S106 agreement. These were all settlements where evidence from Housing Needs Surveys demonstrated that the small number of lets usually available annually, were insufficient to meet existing housing need in the parishes concerned. Not all rural developments were subject to Local Plan Policy RAP 4 (Rural Exception Policy) however, the provisions of the RLLP would apply for allocation purposes.

An alternative option was to maintain the current inconsistency in lettings of rural affordable housing but this was not considered a favourable alternative as it would impact on the District Council's strategic aim of creating sustainable rural communities. In addition, previous experience had shown Parish Council's could become disillusioned if local people were not given priority and they may then be unwilling to engage in the process of developing rural affordable housing.

Members were supportive of the policy and pleased that this would help rural communities sustain themselves.

RESOLVED that

- (1) the introduction of a Rural Local Lettings Policy (RLLP) as set out in Appendix 1 to the report, be approved.
- (2) a report be taken to the Planning Committee notifying members of the new policy and seeking permission to vary the existing s106 agreements so that the local connection cascades mirror those contained within the RLLP;
- (3) relets of existing rural affordable housing not subject to any S106 provisions will be subject to the provisions set out in paragraph 5.1 and 5.3 of the RLLP where a housing need has been identified through a current housing needs survey; and

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- (4) the Head of Housing and Property Services be authorised, in consultation with the Housing and Property Services Portfolio Holder to make minor amendments to the policy.

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

(Forward Plan reference 279)

139. WARWICKSHIRE LOCAL INVESTMENT PLAN

The Executive considered a report from Housing and Property Services which brought forward the draft Warwickshire Local Investment Plan for endorsement.

The Council had been working with the Homes and Communities Agency (HCA), Warwickshire County Council, Rugby Borough Council, Nuneaton and Bedworth Borough Council, North Warwickshire Borough Council and Stratford-upon Avon District Council to prepare a Local Investment Plan (LIP) for the County.

The LIP would be the mechanism through which the Homes and Communities Agency would identify any financial support it could make towards the housing needs programme and housing led regeneration initiatives. In addition, the Plan identified the main themes and prioritises the key interventions needed to bring forward urban and rural housing including housing for vulnerable people, key housing sites, extra care schemes, and making the best use of and improving existing stock.

The LIP detailed the housing and regeneration investment framework over the next 3-five year period, as well as some indicators on a longer term strategic framework for investment covering 15 years.

In order to assist in meeting these priorities, the five district and boroughs in the county were in the process of submitting a joint bid to Warwickshire County Council to access capital funding through the Local Public Service Agreement 2 (LPSA 2) of approximately £2million to help deliver affordable housing in the District.

RESOLVED that

- (1) the draft Warwickshire LIP, be endorsed;
- (2) the proposed submission of a joint bid between the five district and boroughs to Warwickshire County for Local Public Service Agreement 2 (LPSA 2) monies to the capital value of £2million to deliver much needed affordable housing in the District, be noted; and
- (3) the Head of Housing and Property Services be authorised, in consultation with the Housing and Property Services Portfolio Holder to:

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- (i) make any final amendments to the LIP required as a result of further dialogue with the HCA and our Registered Provider Partners; and
- (ii) approve the final version of the LIP prior to its publication.

(The Portfolio Holder for this item was Councillor Mrs Grainger)
(Forward Plan reference 294)

140. IMPACT OF FINANCIAL REDUCTIONS ON WARWICK DISTRICT COUNCIL AND THE AREA

The Executive considered a report from the Chief Executive's office in response to a motion agreed at Council in December 2010, asking that a report be presented as soon as possible identifying the possible impacts of budget proposals by other public agencies on this council and the area of Warwick District. The report identified a number of key areas of likely impacts and opportunities, and suggested arranging formal meetings in order to address key concerns and possible mitigation and joint work.

Since the motion was carried in December 2010, officers sought information from the key local public agencies on their proposals for achieving financial savings and to consider what effects, if any, there may be on this Council and indeed on the District area. Obtaining clarity was difficult but a schedule was attached as appendix 1, on the proposals being considered by the County Council on 27 January and then later in February. Details of the Police changes were subject to a presentation to Councillors on 17 January and were also set out at appendix 2 of the report.

There were a number of key issues arising from the County Council's proposals detailed in paragraph 3.2 of the report including loss of youth service, library service transformation and closure or outsourcing of care homes.

An alternative option was to decide not to do anything but given the possible impacts financial and otherwise, this was not appropriate. Another alternative was for members to take stronger action, including political lobbying and this could sit alongside the proposed recommendations.

The Overview and Scrutiny Committee agreed that the high level meetings as mentioned within the report should go ahead but felt that if there were local issues being decided upon and discussed, local members should be involved in these discussions at the appropriate stage.

The Committee also agreed that the local health service sector should be included in the high level meetings that would be taking place with other organisations as detailed in recommendation 2.2 of the report.

The Executive thanked the committee for their comments and highlighted that Primary Care Trusts were currently in a period of change but officers would try to gather further information and bring this back to members.

RESOLVED that

- (1) the proposals now being considered by Warwickshire County Council, the agreed proposals of Warwickshire Police and the key concerns arising from these, as set out at paragraphs 3.2 and 3.3 of the report, be noted;
- (2) high level meetings with the County Council, Warwickshire Police and any relevant voluntary/community sector bodies be arranged to discuss the areas listed in the report to clarify what is proposed; to discuss what if anything can be done to mitigate the impact of decisions in those areas, including the taking on of responsibility by WDC for providing or funding activities, if appropriate and financially acceptable;
- (3) a further report be brought back with any response to the action proposed following the meetings detailed above; and
- (4) a report and presentation be made when more details are known of various Government proposals which will impact on this Council and the area.

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

141. OVERVIEW AND SCRUTINY COMMITTEE & FINANCE AND AUDIT SCRUTINY COMMITTEE – SCRUTINY UPDATE

The Executive considered a report from Members' Services that outlined the current work of the Council's Finance & Audit and Overview & Scrutiny Committees.

This report was produced to create a dialogue between the Executive and the Overview and Scrutiny Committee & Finance and Audit Scrutiny Committee.

This item on the Executive agenda was previously the Scrutiny Committees' minutes from the previous cycle. However, producing a report was considered a more effective way of keeping the Executive informed of the Scrutiny Committees' activities.

RESOLVED that the report be noted.

142. TRANSFER OF LEAMINGTON WAR MEMORIAL TO LEAMINGTON TOWN COUNCIL

The Executive considered a report from Development Services – Economic Development & Regeneration informing members that Leamington Town

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Council wished to take on the freehold ownership and responsibility for the Leamington War Memorial in Euston Gardens, Leamington Spa. Warwick District Council currently owned and maintained the memorial and the gardens.

The catalyst for the Town Council's desire to take ownership of the memorial was that they had been investigating the missing names of service personnel who had connections with Leamington (those who were not represented on any other memorial). Over 60 names were put forward and following extensive research, the Town Council confirmed that approximately fifteen of these were eligible according to the criteria it had set.

Royal Leamington Spa Town Council, in conjunction with the District Council Conservation Officer and stonemasons, investigated the best way to add these names to the war memorial and decided that the safest and most cost effective way was to add two plaques to the ground immediately adjacent to the war memorial. This would protect the memorial itself and remove the need to take the memorial apart with all the potential risks that posed.

The Town Council stated that it believed the war memorial was a uniquely Leamington asset and as such it should not be a burden on the ratepayers in other areas of the district. Furthermore all costs associated with this project, currently estimated at £1300, would be met entirely by the Town Council.

The transfer of the memorial to the Town Council meant that work to add the missing names to the memorial could begin and be complete before the Remembrance Service in 2011. Its transfer would significantly simplify issues relating to access, indemnity, insurance and the letting of contracts to upgrade the memorial. Members were reminded that the Remembrance Service was both organised and funded by Royal Leamington Spa Town Council.

One alternative option was that Warwick District Council could retain control of the Leamington War Memorial but this would require the District Council to continue to pay for its maintenance and upkeep would result in having to enter into legal agreements to allow the Town Council to add the missing names and maintain these additions in the future.

The Strategic Asset Group recommended transfer to the Town Council with Warwick District Council entering into a long lease or licence with Leamington Town Council to be responsible for the war memorial. This would allow the wider future of Euston Gardens to be considered without the ownership of the memorial becoming a potential issue. In considering this option, the Town Council stated that it was not interested in a long term lease for the memorial.

RESOLVED that

- (1) the Economic Development and Regeneration Manager be authorised to place the necessary public advertisements regarding the proposed

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disposal referred to in recommendation (2) below;

- (2) subject to no objections being received as a result of the public advertisements referred to in recommendation (1) above, the war memorial and the area of land marked on the plan be transferred to Leamington Town Council for no monetary consideration, subject to the following conditions:-
 - That the transfer be subject to a restrictive covenant over its future use; &
 - That the Town Council agrees to keep the war memorial maintained, insured and in good condition.
- (3) in the event that objections are received as a result of the public advertisements referred to in recommendation (1) this matter be referred back to Executive for further decision as to whether the sale proposed should proceed.

(The Portfolio Holder for this item was Councillor Hammon)

(The meeting ended at 8.20 pm)