

Pre-Scrutiny Questions and Answers – Cabinet Agenda 5 July 2023

4. Updates to the Constitution

Report Author(s): Graham Leach

Councillor Syson:

I have no difficulty at all with the proposed delegation of powers.

In 1.7.4. it states "A structured and documented programme of discussions and negotiations with leaseholders will need to be commenced before a CPO could be made."

I am concerned that many residents may be elderly and the last thing they expected at this stage of life was to have to move, organise the sale of their property and find somewhere else to live. It is overwhelming and stressful for most of us at any age. Will your department be able to give residents appropriate support?

Response:

Thank you for your response.

There are four leaseholders involved. Where appropriate to do so, the team can provide appropriate support, advice and signposting.

5. Milverton Homes Limited Governance Audit

Report Author(s): Lisa Barker & Andrew Jones

Councillor Armstrong:

Regarding Item 5 of the cabinet agenda, p8 section 1.3.3 (membership of the shareholder representative board). The proposed councillor membership reflects the current political makeup of the council. Will this be automatically updated following future elections? If not should that change be made to future proof the board membership?

Response (Andrew Jones):

Yes, the membership will reflect the Political position but you raise a good point as explicit reference to the Leaders of the Lib Dems, Cons and WRA, runs counter to this. I'll revise the wording. Thank you

Councillor Milton:

Thanks for your work on the cabinet paper relating to the Milverton Homes Audit. This was clearly a valuable exercise and has identified some gaps that need to be closed.

Many of the gaps identified in 1.1.7 seemed to relate to a lack of resource I.e. key officers not having sufficient time to give the project the focus it requires. Putting better structures in place (like the shareholder board) are a good thing to do but I'm unclear about how the fundamental resource problem will be solved. Will additional headcount be provided? If not, what compromises will officers need to make, and which activities will they cease doing?

Response:

The resourcing issue primarily sits with the Finance team. This has been addressed by additional resources being deployed into the team that deals with housing and MHL.

Councillor R Dickson:

Is there a legal or governance reason why this report hasn't, as far as I know, been first shared and discussed with the Council's Finance & Audit Committee? Apologies if it has!

Or does MHL have its own separate, internal audit function which reports to the MHL Board?

Response (Andrew Jones):

It's a Cabinet report but I do agree that it may have been ripe for some A&S consideration if meetings had aligned. MHL does have its own internal audit function which would report into their Board.

Councillor Kohler:

At the very top of the report, the Portfolio Holder is incorrectly listed as Cllr Jan Matecki. (It is correct just below in the table.)

Response:

Thank you for alerting us to this oversight which we have corrected.

In Appendix 1 ToR for Shareholder Reference Group, 4.5 states that paperwork for meetings “will only be available for those who are responsible to attend.” Is there a reason why paperwork (including minutes) will not be made available to all Councillors?

Response:

The purpose of the Group is to facilitate good governance of MHL without being overly burdensome to the wider authority. The nature of the business is likely to be commercially sensitive and highly confidential in nature. To circulate such material to a wider audience could be seen as being in breach of the agreements that the Council has with MHL and it with the Joint Venture.

Under “Matters delegated to the Board by Cabinet”, 7.2.5 & 7.2.6 refer to the Crewe Lane development. Should the ToR be less specific and refer instead to any relevant risks or issues linked with any Joint Venture project referred to the Board by the Cabinet?

Response:

This is a useful proposal thank you, we will amend and ask the Portfolio Holder to advise members that we have done so.

Re 7.2.6 specifically, if the Board are concerned about a risk or an issue related to a JV project, how would that concern be relayed to the Council?

Response:

Could you please clarify whether the concerns would be coming from the MHL Board or the Shareholder Representative Board. The origin would dictate what happens next.

Councillor Syson:

Question 1:

1.1.7 G Refers to “pressures on staffing resources in accountancy”. I see there is now a Service Level Agreement between WDC and MHL – does meeting this agreement place further stress on priorities for WDC’s accountancy team?

Response:

A second Principal Accountant has been deployed to deliver the SLA and which has helped to relieve the pressure. However, this officer still has "Council" responsibilities and so there is the need to balance the competing priorities of the Council as effectively as possible which does bring its challenges.

Question 2:

1.1.7 O Succession planning – I note that this will be considered by the Shareholder Representative Board at its second meeting. Please can we be assured that the key elements of the knowledge and experience of Andy Jones, who has been so heavily involved with MHL, will be passed to relevant officers before his retirement?

Response:

The new Shareholder Representative has been briefed and is getting up to speed with matters prior to the departure of Andy Jones. Furthermore, Andy has fully briefed the key shared service legal advisor who has vast experience in this area of work and now has a comprehensive understanding of the company's arrangements. There are now a number of officers within the Council who are familiar with the matters at hand and will be able to offer support.

Question 3:

1.2.3 b) To deliver much needed housing within the district and outside of the district, where appropriate.

Am I right in assuming the phrase "outside the district " is to cover all eventualities such as working with neighbouring authorities, or is there an intention to positively market ourselves as a provider outside WDC.

Response:

There are no current plans to operate outside of WDC.

6. Local Authority Housing Fund Award Round 2

Report Author(s): Lisa Barker

Councillor Milton:

In 4.12 of the report it highlights the risks of rising interest rates on the financial model behind the project. Do we have an idea about at what level things start to become problematic and alternative action needs to be taken? And how close are we to that point.

Response:

This is a long term project where the benefits are clearly shown over time however, in common with other businesses, the company has a level of reserves which can provide a degree of short term protection against fluctuations in the market. The model is not solely based on interest rates as rents and operating also play a key part in offsetting cost.

The model has adopted a rather conservative approach to the levels of income generation which the team are currently reviewing and which should provide additional comfort.

The financial position is monitored by MHL board on a monthly basis with a review undertaken by the Council's finance team as each tranche of properties comes forward for purchase.

Whilst we (WDC/MHL) are not enjoying the benefits of the low interest rates that have prevailed, we are not yet at a point where alternative action needs to be taken. Should interest rates continue to rise, the situation would become much tighter financially however, current expert thinking is that interest rates will peak later this year and start to reduce from next year, ahead of future loan tranches being required.

It is worth noting that following approvals to do so, MHL has entered a Development Agreement with the Joint Venture to purchase the 62 homes. If it fails to proceed with the purchase, financial penalties apply. Both the Council and MHL are therefore modelling scenarios which even despite the rise in interest rates suggest that the business plan is deliverable.

Councillor Syson:

Not really a question but a comment that I am relieved to note that support will be provided to the families housed. I am acutely aware at present of the pressure on primary school places, with children moving into the area being allocated to schools miles from home and with children from the same family split between schools.

Response:

Thank you for your message which is appreciated.

7. Repairs to the Roof of the Royal Pump Rooms

Report Author(s): David Guilding

Councillor Milton:

The new roof is predicted to last 35 years. This is considerably longer than the previous roof. What confidence do we have that this will be the case and will the developer be offering us any sort of guarantee?

There are clearly a lot of activity happening in both the Pump Rooms itself but also the surrounding gardens over the next 1 to 2 years. How will this be managed to ensure that all projects can be delivered successfully without problem?

Response:

The new flat roof covering will have an industry standard guarantee of 20 - 25 years. When we appoint a roofing contractor, this will be the minimum we expect them to provide. If the roof were to fail during this time, they would be liable for its repair.

The current roof is a single ply covering, which was guaranteed unless it was punctured with services running to plant (which is was almost immediately). The new roof covering is 3 ply felt and is fit for purpose.

I'm not sure what you refer to when you mention works in the Pump Room Gardens, but the other potential works within the Pump Rooms, the relocation of WDC customer services to the front of the building, are being managed by the same project management company, Atkins, which means they have the benefit of sequencing the works. I believe it is still the intention to have these works begin immediately so they can be completed by the start of the roof project in October. However, both of these projects are also relatively straightforward in building terms, so if there was overlap it wouldn't cause a major issue.

Councillor Kohler:

5.7 states "If the project were to overspend, then the costs would have to be met from WDC's own reserves." I take it there is no theoretical upper limit on a potential overspend and that the project could not realistically stopped half-way through. Has this risk been added to one of the corporate risk registers?

7.2 states that photovoltaic panels would have an unacceptable impact upon the listed building. The Council's guidance on Energy Efficiency for Historic Buildings states that "solar panels can be permissible on listed buildings as the panels could possibly be disguised within opposing roof slopes and there will not be visible". Does their exclusion from this project mean that there were no suitable locations on the roof the Pump Rooms that would have not been visible from ground level?

Response:

The risk of project overspend will be added to the Neighbourhood & Assets service risk register and the Place, Arts, & Economy risk register. The deterioration of the roof is currently the highest risk on the Place, Arts, & Economy risk register.

The project is relatively straightforward in building terms - it is a flat roof replacement with air handling plant replacement. Theoretically, the project could be paused half-way through- as it will be completed in stages. An area will be cleared of plant, the existing roof stripped off, new roof and covering laid and then new plant installed on top. There are 7 different areas.

A rise in costs would likely be due to significant project overrun because of inclement weather or finding surprises once the roof is stripped off (e.g. asbestos, or structural damage). Atkins believe this risk to be relatively low because they have carried out a range of intrusive surveys in order to give as much information as possible to the contractor to price against. They have also factored in a lot of time to the project, given that the works will be completed over the winter months. It is expected that there will be weeks at a time where the contractor will be unable to work due to wind and rain.

The project also has a sensible contingency included in the budget.

The original proposal for the PV panels was to build a mezzanine structure above the plant on the flat roof to mount them on. There is limited space on the roof surface itself due to the varying levels and the volume of plant machinery. This would not have been visible from the road, but was rejected during the informal pre-app stages, as the roof is overlooked by housing. The view of the Conservation Officer, given the importance of this specific heritage asset to the town, was that as much as possible should be done during this project to reduce modern additions. As highlighted in the report, officer are exploring other ways to include PV panels.

Councillor Syson:

I note in your report on the Pump Rooms Roof repair report you say "The site includes a café, tourist information desk, a shop, and events spaces all of which serve the art gallery and museum. "

Some of this space is possibly about to be redeveloped for other WDC purposes - will this fall foul of any of ACE's conditions of the grant?

Response:

There is nothing in the terms and conditions of the grant agreement which should specifically prevent the removal of the gallery shop to facilitate the relocation of the Council's front-line services.

The Library area is excluded from qualifying for the MEND grant because ACE has a separate grants programme for libraries and they don't want to cross funding streams.

In theory, if ACE's relationship manager takes the view that the Museums Estate and Development Fund should not apply to this element of the building at a later date they could ask for the costs of this area to be withdrawn from the funded project budget. However, I feel this would be very unlikely, as the building as a whole is still a heritage site which largely benefits the Art Gallery & Museum.

8. Revised Statement of Community Involvement

Report Author(s): Aspia Jannat

Councillor Syson:

Will this consultation be along the same lines as the SWLP one which took far too long to complete, or will it be designed at WDC, user friendly and short?

Will you offer it to Councillors for trialling first?

Response:

The consultation on the updated Statement of Community Involvement (SCI) is not legislative requirement but we believe it is good practice to keep residents, local groups, stakeholders and statutory consultees updated on how and when we will involve them in planning matters. This consultation provides an opportunity to get people's views on our current engagement methods which will help us to improve how we consult people in the future.

The SCI will be designed in-house by Warwick District Council's design team in a format which is accessible and easy to navigate. We will follow Government's accessibility regulations to ensure that consultation documents are designed to meet the needs of all users. The South Warwickshire Local Plan (SWLP) consultation was an exceptionally complex one and we did trial this with members. However, the nature and weight of the SCI is not the same as the SWLP which is a joint Plan with two Local Planning authorities. The consultation on the SCI will be a short one-off consultation on an existing document that we propose to update to reflect any relevant changes in legislation and to also give people an opportunity to express their views on our current engagement methods.

Councillor R Dickson:

A six week consultation seems a reasonable length of time, but can you reassure me that this consultation will not be held during the main summer holiday period? Holding a consultation at such a time when many people, businesses and community groups are distracted elsewhere does not help increase trust in the political process.

Response:

The consultation on the updated Statement of Community Involvement (SCI) is not a legislative requirement but we believe it is good practice to keep residents, local groups, stakeholders and statutory consultees updated on how and when we will involve them in planning matters. This consultation provides an opportunity to get people's views on our current engagement methods which will help us to improve how we consult people in the future.

We do try to avoid holding a consultation during the holiday period but this is not always possible or indeed desirable to avoid such periods, given the knock-on impacts to the programme for adopting documents. Within the Statement of Community Involvement

(SCI), we explain that the consultation period may be extended if it overlaps with Christmas, Easter, or August bank holidays and we feel that it reasonable to leave this unchanged. The SCI identifies how the Council will engage with its communities and other customers on planning matters, therefore we will endeavour to encourage people's participation and feedback in this consultation which is very important to us.

9. Use of Chief Executive Delegated Powers for Urgent Decisions

Report Author(s): David Elkington

Councillor R Dickson:

Thanks for this report. It's appreciated that the use of delegated powers is merely seeking retrospective approval from Cabinet for actions taken many weeks ago.

With regard to the 34% increase in AR costs on the Abbey Fields Leisure Project for enabling and demolition works of £279,000, it's appreciated that there was little choice at the time – in the absence of a Cabinet meeting – and the urgent need to respond to the discovery of medieval remains. These extra costs come on top of the 40+% increase in costs between Stage 1 and Stage 2 of the Tender process.

Since these payments were agreed in late March, can you please advise what further payments to AR have been agreed in April, May and June and how these compare to the agreed budget?

Also in the absence of any report on either the forthcoming O&S Agenda or the Cabinet meeting next week about the status of this project and options, can you advise when Councillors will have an opportunity to discuss the possible best way forward and the implications for the state of Abbey Fields and the provisions of swimming pool facilities for residents in and visitors to Kenilworth?

Response:

Could you just bear with us on this one please. The medieval remains finds are playing havoc with our plans and Paddy is discussing with our professional advisors to get a revised programme in place. Paddy will be providing a full update for all Councillors shortly.

12. Customer Service Relocations Provisions

Report Author(s): David Elkington

Councillor Milton:

In the 'alternative options' considered I can't see reference to an option being explored which was within the budget that was previously agreed by cabinet. Has one been done?

Response:

Unfortunately there aren't any viable options within the original budget.

When the original budget was put forward in the February 2023 paper, it was indicated that the costs would be in the region of £200,000. This was an estimate based on past experience of projects and other projects the Council had going on. Unfortunately, upon exploring the potential designs in greater depth and expanding upon the original idea it became clear that the original budget estimates fell short.

We worked with our contracts to look at the impacts other options may have – for example if we weren't in a listed building where the physical building works are restricted, but the impact on overall costs was marginal.

The costs included in the report are at the higher end of the estimates received rather than the lowest. This is purely because when carrying out any form of building project, we have to cover for contingencies. Being mindful that this is public money, wherever an opportunity exists to minimise our costs without impacting on the overall quality of the solution, we will explore it fully. For example, our own team has been researching the costs of meeting pods and these can vary by thousands of pounds. We will do everything possible throughout the project to keep our costs down.

In the Equality Impact Assessment it says that no-one from any protected groups has been consulted on this proposal. Will this be done?

Response:

In the two areas where we did identify that further development was required, these were discussed with our Equalities officer. She confirmed that the first is an issue WDC has to give wider consideration to, so any consultation will be completed as part of that exercise. With regards to parking, it was acknowledged that our best approach would be to monitor and evaluate.

Over the course of the next 12 months, if the proposals are approved, myself and the Customer and Digital Services team will continue to work with our Equalities officer to try and find long term, positive outcomes.

Councillor Kohler:

Question 1:

In the drawing of the existing layout of the Pump Rooms (Figure 2), there is a clearly labelled fire exit. Have officers determined that this fire exit is not needed for the library, art gallery or visitor information centre?

Response:

The fire exit in question was intended to become one of two entrances to the Customer Service Centre. Our contractors have looked into this and we do not believe it will cause a problem as there are sufficient exits from the Pump Rooms – but this will be double checked and confirmed as part of the next stage.

The door was intended to remain a standard swing opening type door, but connected to a powered mechanism to facilitate automatic opening. We can investigate the most appropriate mechanisms to secure the door whilst the Customer Service centre is not in use, and this will probably involve the use of a magnetic lock which defaults to open if a fire alarm or push-to-open button is activated.

Access to all the areas of the Pump Rooms currently serviced by the existing fire exit would continue to be maintained so we fully expect the overall impact on safety to be extremely low, if there is any at all. Access is of course currently limited when the roller shutters for the shop are closed, as shown in figure A11 of Appendix 1.

Question 2:

Did officers look at an option of using either part or all of the area previously used by Warwick University as they are currently laid out, i.e. without making any structural changes to the existing rooms?

Response:

This was considered. However neither room on its own is sufficient to meet all of customer services needs. We could of course separate our services and spread them over two or more rooms, but this would give rise to a very disjointed customer service experience where service users have to be led to different spaces. Whilst it would not be impossible to operate in this way, it's less than ideal. One of the main advantages of the Pump Rooms is that we can create an inviting customer service environment, where the flow of a customer's journey has a natural start and destination. Replicating an experience like this at the Town Hall would be extremely difficult.

Question 3:

Using all 5 of the rooms that were previously used by Warwick University to locate the housing officers as proposed and perhaps an additional service as well? (Perhaps to deal with green bin permits?)

Response:

Our proposals are to introduce a multi-disciplinary customer service team who will be able to address as many queries as possible at first point of contact, for as many services as possible. Housing will of course be one of the areas that our Customer Service team will be able to address, but should a customer present needing assistance with a garden waste subscription, we will be able to help them with this too.

Councillor Syson:

Question 1: Will the Tourist Information counter be able to sell postcards and local history books, often bought by tourists and locals, and catalogues to the current Art Gallery exhibition?

Response:

I would expect there to be some scope for this, particularly with smaller items that may be mountable on mobile display units that could be located near the desk without too much intrusion on the wider space. Such items would also need to be easily moved and put away when no one is in attendance.

I will need to discuss this further with Pump Rooms team of course to confirm but we can look into this. The final recommendation within the report is that we continue to try and find an alternative venue or approach for the Pump Rooms shop, so aspects like the smaller items will be fully considered.

Question 2: Given the rising costs of this exercise I feel we should be challenging whether this is really the best long term solution. Would not the Stoneleigh Arms be a good long term alternative, with better parking? I regularly use St Peter's car park and if I arrive after 10.00am I have to park either on the open air floor or if I am lucky on the one below.

Response:

The original proposal for office relocation that Cabinet considered (in [September 2022](#)) identified a two phase approach to the Council's relocation; the first being to move out of Riverside House into temporary space and the second to look at permanent accommodation.

The proposals for the Pump Rooms would facilitate Customer Services using the site for as long as the Council wanted or needed to; provisions would only be impacted by the second phase of the accommodation strategy if the Council actively wanted that to happen and if the Council wished to move Customer Services elsewhere, there is nothing to stop it from doing so. With the exception of the partition which replaces the existing roller shutters, everything we're proposing to do at the Pump Rooms can be easily removed, relocated and reused if appropriate.

The costs of the exercise are very much a consideration for us, but having engaged with our designers we would face similar expenses wherever we go. We will of course do all that we can to reduce these costs within the project, without impacting on the quality of the facilities overall.

Question 3: I note that shops elsewhere have been explored but what about within Royal Priors, which would encourage greater footfall there, and has good parking, Shopmobility, and is close to bus stops?

Response:

We did consider Royal Priors as a potential alternative site, as there were some suitably sized units available. However, as with stores on The Parade which were given as examples within the report, rent costs are significant and would introduce a new, ongoing expense.

For example, Unit 21 of the Upper Mall is 108m² (which is towards the smaller end of our requirements) and has an annual rental of £42,500 (Source: [Prime Location](#) accessed 03/07/2023). There would also be additional liabilities for Business Rates, utilities, and maintenance, and we would also still incur fit out costs. A new building would also add to the Council's carbon footprint, making our goal of net-zero a little harder to achieve.

Question 4: Turning to the proposed scheme is there adequate ventilation for the pods and the area in general, which has a lot of glass?

Response:

Yes. This is actually something we did have concerns about since, as you say, the front of the building is glass and the pods themselves would have glass doors for privacy.

We have factored this into the build and our architects undertook a full environmental assessment of the work space. Some ventilation will be required to keep the space at a reasonable temperature and the anticipated costs for doing this have been accounted for. We've also looked into the impact any works will have on the Pump Rooms roof project (as most of the plant equipment for the Pump Rooms air handling system is on the roof), so we can ensure co-ordination between the two undertakings.

The pods themselves will have the option of in-built ventilation, to ensure there is adequate airflow and that the temperature does not become uncomfortable.

I hope this helps to address your concerns but if you do have any further questions, please do not hesitate to let me know.

Remark made by Councillor Syson: If 50 people a day are using the face to face service at Riverside House, and we assume no drop off in numbers, and an 8 hour opening period, then each of the 3 pods on average will have 2 visitors/ groups of visitors per hour.