 <b>EXECUTIVE</b> <b>11<sup>th</sup> December 2013</b>		<b>Agenda Item No. 4</b>
<b>Title</b>	A Refreshed Sustainable Community Strategy and Updated Fit For the Future Programme	
<b>For further information about this report please contact</b>	Andrew Jones Andrew.jones@warwickdc.gov.uk	
<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Executive Meeting 19 <sup>th</sup> June 2013	
<b>Background Papers</b>	None	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes. Ref. 547
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	No
These will be undertaken at project level rather than programme level.	

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive	18 <sup>th</sup> November 2013	Chris Elliott
CMT	19 <sup>th</sup> November 2013	Chris Elliott, Bill Hunt, Andrew Jones
Section 151 Officer	19 <sup>th</sup> November 2013	Mike Snow
Deputy Chief Executive & Monitoring Officer	12 <sup>th</sup> November 2013	Author
Portfolio Holder(s)	25 <sup>th</sup> November 2013	Councillors Mobbs & Caborn
<b>Consultation &amp; Community Engagement</b>		
Portfolio Holders, Heads of Service, Various partner agencies.		
<b>Final Decision?</b>		Yes

## **1 SUMMARY**

- 1.1 The report asks Members to agree changes to the Sustainable Community Strategy for Warwick District with consequential changes to this Council's Fit For the Future change programme.

## **2 RECOMMENDATIONS**

- 2.1 That Executive notes the significant changes to the national and local policy and economic environment over the last four years and the impact on this District's Sustainable Community Strategy (SCS).
- 2.2 That Executive affirms its commitment to the Prosperity Agenda and notes at Appendix A the initiatives being undertaken by the Council to promote that Agenda.
- 2.3 That Executive agrees the Strategic Aims, Priorities and Actions as detailed at Appendix B for the five priority themes of a refreshed SCS.
- 2.4 That Executive notes the progress of the Fit For the Future (FFF) change programme at Appendix C and agrees to the new projects highlighted at 13.19.2 becoming part of that programme to assist with the Council's need to reduce cost/increase income.
- 2.5 That Executive notes the six-monthly Service Area Plan, Corporate Project/Study and Locality Plan progress at Appendices D-L.
- 2.6 That Executive notes that following consultation with its members, Unison has decided to withdraw from the FFF Achievement Award scheme and consequently the scheme is no longer in operation. The financial impact for the Council was reported to Executive at its August meeting.

## **3 REASONS FOR THE RECOMMENDATIONS**

- 3.1 In 2009 this Council endorsed the Sustainable Community Strategy (SCS) for Warwick District. Entitled "A Shared Vision", the strategy was produced by the Warwick Partnership (the now defunct Local Strategic Partnership) which was made up of public, private and community/voluntary sector organisations. The strategy is the long term vision for Warwick District that provides the framework for all partners to achieve jointly agreed aims.
- 3.2 The "Shared Vision" for the District is "a great place to live, work and visit, where we aspire to build sustainable, safer, stronger and healthier communities." It was envisaged that this vision would be achieved by the partners jointly addressing four priority themes:
- Safer Communities;
  - Health & Well Being;
  - Housing; and
  - Economy, Skills & Employment
- and five cross-cutting themes:
- "Narrowing the gaps";
  - Embedding sustainability;
  - Working with families at risk;
  - Engaging and strengthening communities; and
  - Targeting disadvantaged rural locations.

- 3.3 Along with these thematic priorities, the strategy focused attention on the wards of Brunswick, Crown and West Warwick and the town centres of Kenilworth, Leamington and Warwick.
- 3.4 The SCS underpins the Council's outward looking element of the Fit For the Future (FFF) programme of work with the key projects described in the annual Service Area Plans, Locality Plans and Corporate Projects/Studies documents (Appendices D-L).
- 3.5 A SCS is a legal requirement and although the stated intention of Government is to abolish the need to prepare, maintain and at appropriate times review the Strategy, this has not happened with the Secretary of State issuing updated guidance instead.
- 3.6 Following consultation with Portfolio Holders and key stakeholders, the Council's Senior Management Team considers that Warwick District's SCS is by-and large fit for purpose, with the Council's resources focused on a programme of work which is referenced against the priorities of the SCS. However, the national and local policy and economic context is very different in 2013, four years on from the Council's endorsement of the Strategy. Therefore, the review has concluded that the Strategy needs to be more tightly focused to address the challenges created by the deterioration in public finances and the consequent impact on Warwick District Council (WDC) whilst at the same time taking account of other changes to the policy landscape.
- 3.7 Over the last four years the national economy has emerged from recession, sunk back into recession and moved back into positive growth although it is recognised by commentators and Government alike that the Country's economy and public finances are only just "on the road to recovery". The Government's growth strategy has been to attempt to reduce public expenditure whilst at the same time trying to encourage growth in the economy through exports and private capital investment in public infrastructure projects. What is clear is that the Government will not be embarking on significant fiscal expansion.
- 3.8 The Government has put its growth strategy at the heart of its programme and this is demonstrated through its Plan for Growth document, its support for Lord Heseltine's vision for growth in his *No Stone Unturned* report and numerous other Government growth-related documents. Perhaps most importantly from a spatial perspective, the National Planning Policy Framework (NPPF) has been produced wherein the Minister states:
- "Development that is sustainable should go ahead, without delay – a presumption in favour of sustainable development, that is the basis for every plan, and every decision. This framework sets out clearly what could make a proposed plan or development unsustainable."
- 3.9 The Government's macro-strategic approach is manifest at local level through the dramatic reduction in Warwick District Council's Revenue Support Grant (some 38% or £4.5m from a total of £10.5m in the last four years) whilst at the same time putting in place a financial framework that rewards Councils for growing their business rates and housing tax bases through the Business Rates Retention and New Homes Bonus Schemes respectively.
- 3.10 Local examples of where this has benefited WDC include the Morrisons development in Leamington, which will see this Council receive an extra

c.£150,000 business rates income on a recurring basis, whilst Waterloo's (the Council's social housing partner) housing development at Park Road, Leamington will provide an extra £570,000 in New Homes Bonus monies (before top-slicing) over the next six years.

- 3.11 The desire to reward growth at a local level is consistent with the Government's overarching policy agenda of Localism. Crudely, the Government is saying that decisions that affect people's lives should wherever possible be made at a local level and if those decisions also support the Government's economic strategy then communities should be rewarded financially.
- 3.12 But changes in the external environment have not just been about finance. There have been significant changes to WDC's partners, some as a result of financial constraint but also because of fundamental policy shifts. So we have Police & Crime Commissioners, the expansion of the Academy programme in education, reorganisation of the NHS and Public Health and a contraction of activity in the voluntary and community sector.
- 3.13 This maelstrom of change has meant that at local level many organisations have turned inward, focusing on "getting their own house in order" as opposed to working with partners in the spirit of the SCS. This was immediately apparent in the melting away of Local Area Agreements (LAA) and the Local Strategic Partnership (LSP). Whilst this may have been disappointing, it did provide this Council with the opportunity to reappraise the way it interacted with other bodies and to consider whether artificial governance structures were the best way of working with partners. Officers concluded that the needs of our communities are best met when partners come together willingly and where the relationship is based on trust and agreed objectives. This is the approach that this Council has used and one that has underpinned the review of the SCS.
- 3.14 Obviously WDC cannot operate outside this changing context and over the last three years, following the Council's endorsement of the FFF change programme, the Council has been changing to ensure it has:
- Reduced its costs or increased its income;
  - Maintained or improved its services;
  - Brought about organisational cultural change.

The change to the organisational structure of the Council to help deliver this programme has been significant. Seven of the Council's Service Areas have been through wholesale interventions (Corporate & Community, Community Protection, Cultural, Development, Environmental, Finance and Neighbourhood), whilst Housing & Property Services is in the midst of Phase II of its redesign. In addition, the organisation has deepened its shared service arrangements with the County Council (Customer Services, Legal, Community Partnership Team, Tree Maintenance) and with Coventry City Council sharing a Head of Service covering Development Services (although this arrangement will be ending shortly). Further shared service opportunities are also being explored (Building Control and Payroll). The Council has also put in place 8 year contracts worth over £40m for Building Cleaning, Grounds Maintenance, Recycling, Street Cleansing and Waste Collection which will mean the Council can concentrate on contract management for a sustained period. Five year contracts have been established for Repairs and Maintenance of Corporate and

Housing Revenue Account (HRA) assets giving certainty to this client/contractor relationship.

- 3.15 But there are also changes over which the Council has more limited control that will have an impact on the organisation such as the WCC's intention to tender its off-street parking management responsibilities; the introduction of Universal Credit with the transfer of financial assistance with rent to the Department for Work and Pensions; and the replacement of council tax benefit with council tax support which due to funding arrangements penalises WDC should unemployment levels locally rise.
- 3.16 What is emerging at this Council from all this change and the new national policy framework is a sleeker organisation, clearer about its purpose and much better at targeting its resources at achieving its objectives. An organisation that has delivered balanced budgets through austere times whilst at the same time maintaining the breadth and quality of services to which residents, business and visitors have become accustomed. What the review of the SCS has revealed though is that further change for WDC is necessary. Despite a backcloth of further reductions in Government grant, there are opportunities that the Council needs to position itself to take advantage of to ensure that it has the resources to deliver its current portfolio of services and remain a financially viable organisation in the long run.
- 3.17 Positioning WDC for a Prosperity Agenda
- 3.17.1 The draft Local Plan is a plan for prosperity. In December 2011, Council agreed a *Strategy for the Future and Sustainable Prosperity of Warwick District* to "support a dynamic, flexible, low carbon based, mixed economy". The Local Plan and its associated policies will seek "to ensure the availability of a wide range of employment land and buildings to meet the needs of businesses into the future". The Council will therefore have a key role in enabling and facilitating enterprise and allocating resources to support the local economy.
- 3.17.2 The Council has already been a strong supporter of the prosperity agenda with proactive participation of both officers and Members in the Coventry and Warwickshire Local Enterprise Partnership and the City Deal initiative. The benefits of this participation are hoped to be both at a sub-regional and local level. However, support for the local economy is manifest in many other initiatives including:
- Promotion of a major retail-led development in the heart of Leamington on WDC owned land;
  - Consultation on a draft Area Action Plan for Warwick Town Centre and a Town Centre plan for Kenilworth;
  - Redevelopment of land at the gateway to Leamington Town Centre;
  - Creation of an LLP with a private sector partner to bring forward ideas for the better use of WDC assets in Leamington including relocation of the Council's HQ;
  - A number of town centre affordable housing schemes with WDC JV partner Waterloo;
  - Exploration of major development in one of our most deprived wards, Lillington.
- 3.17.3 Linked to the latter two bullet points is the freedom given by the new HRA financing regime. The 2012 Housing Business Plan suggests that the Council could build 1,500 houses over the next 50 years. However, although WDC may

well put the finance in place to do this, it needs to ensure it has the appropriate development skills. To ensure WDC takes full advantage of the freedoms inherent in the new regime, its approach to asset management needs to be joined-up and not demarcated between HRA, Council Corporate and Other.

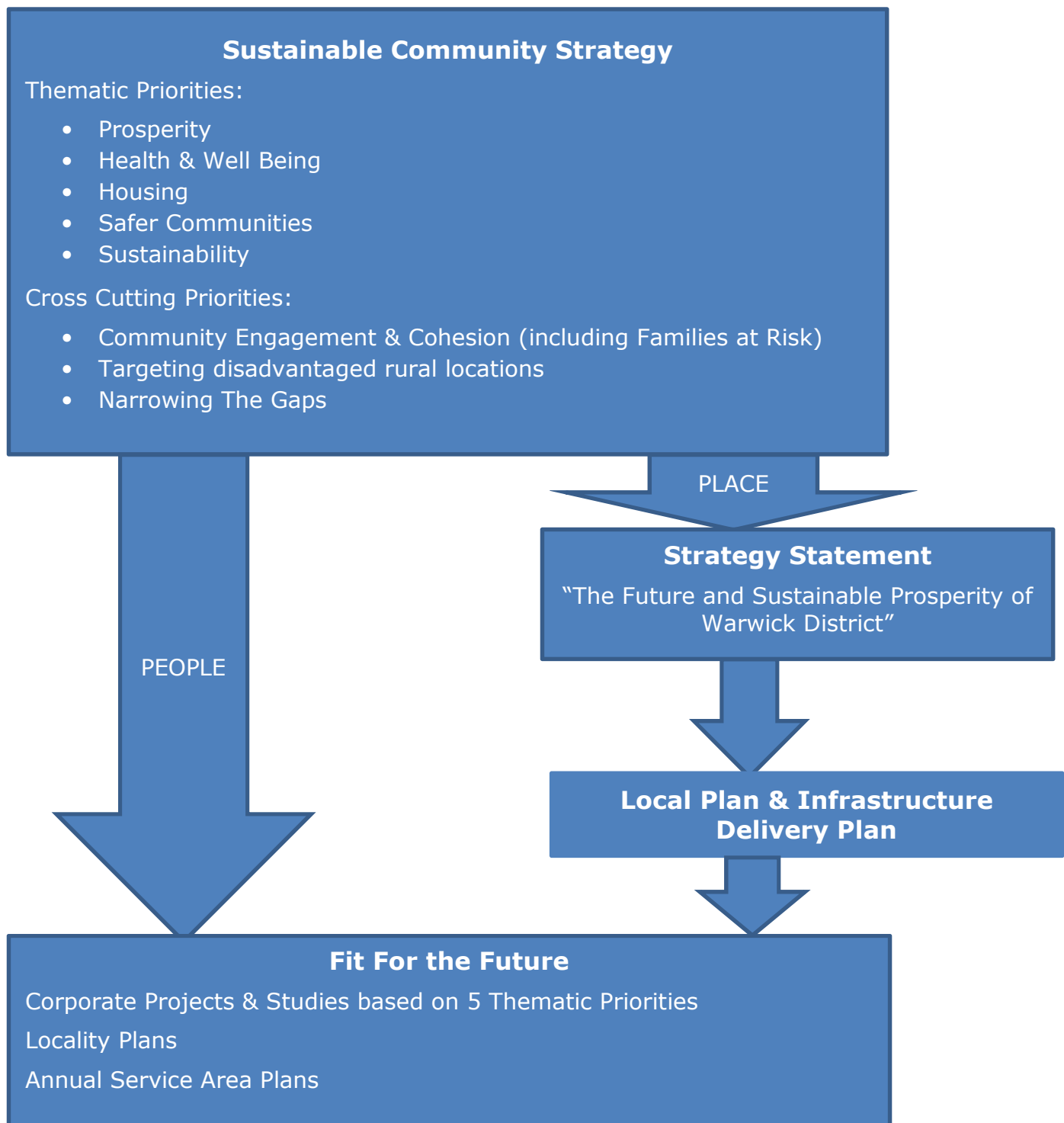
- 3.17.4 The Council has therefore put in place a staffing structure to ensure it is more strategic in the management of assets. Whilst recognising the need for considerable investment in some corporate assets, there are opportunities for disposal and acquisition. Too often the Council's response has been tactical rather than strategic and so the structural redesign of Housing and Property Services and the Council's partnership with Public Sector Partnerships (PSP) seeks to address this. At a micro-level, the Althorpe Enterprise Hub, Job Clubs and more latterly the Arches are working well; however, these were supported by Advantage West Midlands (aka Government) monies. Now that LEP's and the City Deal bid are being progressed, WDC will need to ensure it is focussed in attracting investment into the District and plays an active role on the LEP Joint Committee.
- 3.17.5 In recent years WDC has put in place a strong procurement ethos which in no small measure has enabled the Council to get better value for money. Projects such as the aforementioned 8 year and 5 year contracts, Photocopier replacement and the construction of Chase Meadow Community Centre clearly demonstrate this. However, more needs to be done to encourage small and medium sized local businesses to bid for Council contracts.
- 3.17.6 So, the Council's track record in supporting growth is good (see Appendix A) but in the light of the new context it needs to be even better. Therefore at the centre of the refreshed SCS will be the Prosperity Theme with each of the other four main themes ensuring that they contribute to this agenda.
- 3.17.7 As the Corporate Peer Challenge highlighted, WDC is a good authority, is handling the changes thrown at it well but it could be even better. Officers agree with this and as the first step to moving on to the next stage of change, the SCS needed refreshing to ensure that it is fit for purpose in the context of the external and internal environments described above and more particularly is focussed on the delivery of the Prosperity agenda to enable the Council to continue to contribute to making Warwick a great place to live, work and visit.

### 3.18 A refreshed SCS

- 3.18.1 Whilst the Strategic Aims and Priorities as contained in the current SCS are largely still relevant, the actions to help achieve the Strategic Aims are felt to be too "woolly" and need to be much more tightly focused, with WDC deploying its resources where it can have most influence and ensuring that the changing context described earlier is addressed. Therefore, following consultation with key stakeholders and discussion with Portfolio Holders, the SCS has been refreshed and in summary the Government's strategy of reducing financial support for local government whilst rewarding growth, necessitates the Prosperity agenda to be at the heart of the refreshed SCS. Without the necessary finance, the Council will be unable to provide its current breadth and quality of service. Consequently, first-among-equals in the refreshed SCS is the thematic priority of Prosperity.
- 3.18.2 It is imperative that the thematic priorities of the SCS are consistent with the development of the Local Plan & Infrastructure Delivery Plan (LP/IDP). The

LP/IDP is the spatial interpretation of the Council's Strategy Statement "The future and sustainable prosperity of Warwick District" which itself is borne out of the SCS. The refreshed SCS is consistent with the Strategy Statement and the aspirations contained within the emerging LP.

3.18.3 The relationship between all the parts described in this report can be shown pictorially as follows:



3.18.4 Officers therefore ask Members to endorse the more focused priority themes at Appendix B. The actions necessary for the delivery of the priorities will be and are contained within the service area plans, locality plans and programme of corporate projects. A refreshed SCS in turn means that FFF (the delivery mechanism of the Council's ambitions) has been updated to include any new corporate projects and studies.

3.18.5 There are no specific priorities for the cross-cutting themes as it is considered that the five priority themes can be addressed in such a way so as to contribute to addressing those areas. With regard to the priority wards and town centres, the Council's resources will continue to be used to support the activities and initiatives that have been developed in each of them.

### 3.19 FFF Change Programme

3.19.1 The second element of the Council's FFF programme is around ensuring that it has the necessary financial resources in place to maintain the quality and breadth of services. Currently the Council is forecasting a deficit of c£2m by 2018/19. The FFF programme has projects in place which could bridge c£1m of this deficit and should Executive agree to the proposed Prosperity Agenda, this should eventually bring more income to the Council through Business Rates, Council Tax and New Homes Bonus.

3.19.2 It is officers view that given the timing of when many of the Prosperity initiatives could come to fruition that other proposals need to be considered as part of the FFF programme. Members are therefore asked to agree to the following projects becoming part of the Programme:

- Shared Building Control Service (as agreed by October Executive);
- Options appraisal for Leisure Services (as agreed by October Executive);
- Responding to Universal Credit implications (potential c.£200k saving);
- Responding to Warwickshire County Council's parking proposals (potential c.£200k saving);
- Relocation of Warwick District Council HQ (potential c.£400k saving);
- Review of energy consumption at Council buildings;
- Review of Historic Building Grants/Heritage Open Days;
- Review of the approach to community initiatives such as:
  - Sports, Arts, Small grants;
  - Concurrent Services;
  - Assisted Travel.

3.19.3 The current position of the change programme can be seen at Appendix C. This shows that 30% of the programme is currently outstanding although this is a moving feast with projects added to the programme at different times following Member agreement. The programme is overseen by the Council's SMT who review it on a monthly basis.

### 3.20 Service Area Plan, Locality Plans and Corporate Projects/Studies progress

3.20.1 At Appendices D-J, Heads of Service have provided progress updates on their Service Area Plans (SAPs) for 2013/14 and by extension the Portfolio Holder Statements. These updates provide an opportunity for the Scrutiny Committees to consider whether project delivery milestones are being achieved and if not, to hold the Executive to account as the body with strategic responsibility for the delivery of the change programme.



- 3.20.2 Through regular briefings, Shadow Portfolio Holders are apprised as to SAP progress and queries and concerns can be addressed on an on-going basis. However, this report enables a much broader scope of Council Members to understand how the Council is performing. The need to ensure that the Council understands its performance was raised through the Peer Challenge and Officers would welcome ideas from Members on what else needs to be put in place – if anything – to respond to this issue. Members will wish to note that the Overview & Scrutiny Committee has invited each of the Portfolio Holders (on a rolling basis) to attend its meeting so that a detailed examination of Service Area progress can take place.
- 3.20.3 Members will be aware that the Council has established a FFF Achievement Award which rewards officers should two outcomes be achieved: The first outcome relates to the amount of savings achieved via the FFF projects and the second is about progress against SAP measures/milestones. However, following the national pay offer of 1%, Warwick Unison branch consulted its Members on whether they wished to remain in the FFF Achievement Award scheme or accept the recommended national offer of 1%. Following an advisory poll of members, 96% of members who expressed a view wished to accept the national offer and reject the FFF scheme. The scheme has therefore ended and the Council's financial forecasts have been altered accordingly.
- 3.20.4 However, as part of the scheme each of the Portfolio Holders agreed 3 key milestones for their respective Service Areas and progress against those milestones can be seen below. It was felt important to retain these indicators for this financial year as they are a good proxy indicator of Service Area performance.

<b>Service Area</b>	<b>Agreed Milestones</b>	<b>Outcome</b>
Corporate & Community Services	Implement new Web CMS	Project on track. In testing phase.
	Implement new telephony system at CSC	New Telephony system implemented on time.
	PCI DSS compliance	Project on track. Reviewing consultant feedback
Cultural Services	Conclusion of Events experiment and new arrangements in place in line with project milestones	Experiment completed and new position on establishment
	New structure implemented at RSC and Town Hall and new procedures in place in line with project milestones	New posts in place and new procedures being implemented
	Art Gallery & Museum review in line with project milestones	New posts in place and new working arrangements being implemented
Development Services	Shared Building Control service	Executive agreed pilot project
	Submission of draft local plan	Plan being updated

	Completion of Job, Skills and Economy Strategy	following consultation feedback and results of joint SHMA  Addressed as part of a refreshed SCS
Environmental Services	Report to Executive on Sustainability Plan, by February 2014  Attainment of Bronze level of 'Charter for the Bereaved'  Launch of the Workplace Wellbeing Charter for Council Staff Attainment of 50% of suitable evidence of Commitment in all of the 10 Standards	A draft report is in preparation. However, the Sustainability Officer is leaving the Council. This is likely to slow progress with the Sustainability Plan  On target  It is not expected to fully meet the target due to staff changes and work demands over the first 6 months of the year
Finance	Council Tax Reduction Scheme progressed in line with project plan.  Implementation of Income Management "On-Line" Returns  Implementation of Council Tax Penalties	Project progressing to plan.  Delays with supplier and required software upgrade are delaying project. Still seeking for completion by March 2014.  Project progressing to plan.
Housing & Property Services	Completion of Tier 1 Service Redesign  Completion of Tier 2 Service Redesign  Void Rent Loss	Completed  On track for completion by March 2014  0.97% (On-track)
Neighbourhood Services	Car park income in line with progressive monthly budget  Contract Services customers receive 2 day contact response to request for service is over 90% per month	Over achieved income increased budget by £75k  Have achieved 2 day response over 90% this year
Community Protection	Prevent the level of ASB incidents across the District from increasing against performance in 2012/13.  To achieve SAP milestones for the	On target  On target.

	<p>construction of the Mill Lane project which is a 2 year project spanning 2012/14 and due for completion on site by end of 2013/14.</p> <p>Completion of FFF Intervention proposals across Community Protection, Environmental Health and Housing by end of 2013/14</p>	<p>Full funding for the project has been achieved. Contracts to be issued by 18th Oct. Work to commence on site early January.</p> <p>Completed</p>
--	---	---

- 3.20.5 At Appendices K-L is the latest progress on key projects and locality improvement plans. Corporate Management Team has reviewed all projects to ensure that they are aligned with the Council's priorities, have the appropriate resources available for delivery and are appropriate for the current programme of work. Specifically with regard to the Locality Improvement Plans, some "Green" projects may come forward in future years being funded from the Public Amenity Reserve.

#### **4 POLICY FRAMEWORK**

- 4.1 Should Members agree to the proposed changes to the Sustainable Community Strategy, then this Strategy will form the "policy" bedrock for the Council's approach to many of its activities.
- 4.2 The Fit for the Future (FFF) policy framework was approved by Council in October 2010. Each year the Portfolio Holder Statements and Service Area Plans are developed in line with FFF programme showing which measures would be used to help understand how effective we are being in delivering FFF and setting out the key projects that each service will be undertaking during the year.

#### **5 BUDGETARY FRAMEWORK**

- 5.1 The Council has made substantial savings in recent years so as to continue to provide services with reducing financing. The Council's net budget (as funded by Government Grant/Council Tax and Business Rates) has reduced from over £18m to £15m, with the Council's financial projections showing that savings of over £1.2m need to be agreed by 2018/19.
- 5.2 The Council is in a healthy position in that it does have a level of reserves. Along with providing some security, these reserves may be used for one-off expenditure in support of the provision of services, or possibly to provide service enhancements and new initiatives. Ideally they should be invested so as to reduce future revenue costs in service provision. In agreeing how any unallocated reserves are utilised into the future, members should have regard to all potential demands upon them and possible uses, and not agree to individual schemes in isolation. Accordingly, any major schemes or commitments should only be agreed as part of the Budget Setting process in February of each year.
- 5.3 Local government finance now centres on encouraging growth. The New Homes Bonus scheme and recent Business Rates Retention scheme both provide financial support in recognition of local growth by way of additional dwellings or the business base. Whilst there are many uncertainties facing

local government finance, it is generally agreed that those authorities that do not grow will face far more difficulties in the provision of their services into the future with the funding that will be available to them.

## **6 ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 No alternative options were considered as it is essential that the Council responds to the changed economic and policy context.