

# Executive

Minutes of the meeting held on Wednesday 2 July 2014 at the Town Hall, Royal Leamington Spa at 6.00 pm.

**Present:** Councillor Mobbs (Chairman); Councillors Caborn, Coker, Cross, Hammon, Shilton and Vincett.

**Also present:** Councillor Barrott (Chair of Finance & Audit Scrutiny Committee), Councillor Mrs Falp (Chair of Overview and Scrutiny Committee), Councillor Boad (Liberal Democrat Group Observer) and Councillor MacKay (Independent Group Observer).

An apology for absence was received from Councillor Mrs Gallagher.

## 15. **Declarations of interest**

### Minute Number 19 – Agenda Item 6 – Rural / Urban Capital Improvement Scheme

Councillor Mrs Falp declared a pecuniary interest because she was a Whitnash Town Councillor and left the room whilst the item was discussed.

#### **Part 1**

(Items on which a decision by Council is required)

There were no Part 1 items considered.

#### **Part 2**

(Items on which a decision by Council is not required)

## 16. **Review of Warwick District Council / Waterloo Housing Group JV (W2)**

The Executive considered a report from the Deputy Chief Executive (AJ) which outlined the outcome of a review of the first 30 months of the W2 joint venture and recommended that the agreement continue but with some revisions.

In November 2011, Warwick District Council entered into a contractual joint venture agreement with Waterloo Housing Group for the design and build of affordable housing in Warwick district. As part of the contract it was agreed that a review of W2's performance would take place six months before the expiry of the initial period (3 years) to determine whether the venture should continue for a further three years. The review was commissioned by W2 at a cost of £1,500 and awarded to Campbell Tickell.

The review's findings were attached as an appendix to the report and were on the whole, very positive. The headlines of the report covered Housing delivery, Rent Levels, Impact on the Registered Provider Sector, Project Management, W2 Partners' Perception of Performance and Waterloo Housing Group's view.

The report advised that, given the findings of the review, it was officers' view that W2 should continue for a further three years.

In addition, officers proposed some changes to the joint venture agreement which would need to take place to reflect experience and learning over the past three years and particularly to ensure that the Council was not exposing itself to any State Aid issues. Recommendation 2.2 proposed that Executive delegate authority to the Deputy Chief Executive (AJ), following the appropriate advice and consultation, to agree these changes with Waterloo.

The alternative option was to not continue with W2 but this had been rejected because the findings of the review and the views of the personnel involved in the project were that the evidence demonstrated that the partnership was proving to be a success.

Prior to further discussion, the Executive were advised that legal advice had been received which required the meeting to enter into private and confidential session. The Committee therefore resolved to exclude the public and press as follows:

**Resolved** that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting by reason of the likely disclosure of exempt information within paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

Full details of the discussion will be provided in a confidential minute and the public session reconvened at 18.43.

Councillor Mrs Falp addressed Members and outlined the comments made by the Overview & Scrutiny Committee. She also felt that the Portfolio Holder should have been more fully involved than was implied in the report.

The Overview & Scrutiny Committee supported the recommendations in the report. In respect of item 5.7.10 in the report, the Committee urged the Executive to closely monitor the Mortgagee in Possession clause for any impact on the Council and requested that the Finance Portfolio Holder kept close watch on this issue.

In response to the comments, the Portfolio Holder for Housing and Property Services, Councillor Vincett, stated that he had always had a close working relationship with Waterloo and kept himself up to speed with progress. In addition, the Shadow Portfolio Holder, Councillor Pittarello, had shown great interest and had attended a number of meetings. Councillor Vincett felt that Shadow Portfolio Holders should know what was happening in their portfolio area and they should be able to give this feedback to their own Groups.

With regard to the Mortgagee in Possession issue, advice was provided as to the difference between Right to Buy and Right to Acquire and the relevance of this when applying it to social housing.

Having read the report and considered the comments made by the Scrutiny Committee, the Executive agreed the recommendations with some additional wording to recommendation 2.1.

**Resolved** that:

- (1) the evaluation of the first 30 months of the W2 joint venture, attached at Appendix A to the report, is noted and agrees that the partnership should continue for a further three years, subject to completion of amendments to the contractual agreement as set out in recommendation 2.2 of the report and a further report will be brought forward to Executive in September 2014; and
- (2) authority is delegated to the Deputy Chief Executive (AJ), with appropriate advice from Warwickshire County Council Legal Services and in consultation with the Portfolio Holder, to agree changes to the contractual agreement that reflect the experience of the previous three years.

(The Portfolio Holder for this item was Councillor Vincett)  
(Forward Plan reference number 591)

**17. Service Area Plan / FFF Performance 2013/2014**

The Executive considered a report from the Deputy Chief Executive (AJ) which updated Members on the 2013/14 Service Area Plan full year performance. It provided a review of each Service and their progress against the plan, highlighted areas of success and where learning had led to improvements or changes which contributed to the corporate priorities as agreed in the Fit for the Future (FFF) programme.

The report gave a review of progress made over the last 12 months on the FFF programme of work – indicating successes and highlighted the relationship with the People Strategy Action Plan.

At the Executive meeting of 8<sup>th</sup> June 2011, Members agreed to receive update reports on the Service Area Plans and FFF programme twice yearly to enable effective scrutiny of progress to take place and to ensure that the activities within the Portfolios were progressing and were co-ordinated.

It was vital that Members were made aware of progress so that effective scrutiny could take place and service plans could be formally updated.

Heads of Service had provided a review of their Service Area for 2013/14 and these were attached as appendices A to G to the report and the FFF programme progress was detailed in section 3 of the report. This included examples of organisational and people change, along with feedback from the Corporate Peer Challenge.

Highlighted examples of Customer Improvements were summarised at paragraph 3.6 of the report and included improvements to financial inclusion, events management, planning application processing and street cleansing, amongst others.

The alternative option was to not continue with the FFF programme in this format, however, this had been considered as the preferred approach by Council and had therefore been discounted.

The Finance & Audit Scrutiny Committee broadly supported the recommendations in the report but had some concerns about the Finance Service Area Plan and that the report did not set out steps being taken to meet savings which the Council had to achieve as part of the Fit for the Future programme. With regards to the Finance Service Area Plan, the Committee was extremely concerned that a lack of resources had contributed to an increase in the number of days it was taking to reply to correspondence regarding council tax. The Portfolio Holder and Head of Finance did outline the reasons for this, but also emphasised the need to review staff resources moving forward. Additionally, with regard to the overall Financial Efficiencies, it was noted that while Cultural Services had met its savings target for 2013/14, there was no guarantee that this level of income could be found year on year. It was also noted that there were other savings which the Council still had to achieve in coming years and yet the report had not identified any actions as to how this could be done. Members did note that a detailed report including financial projections was due before the end of July.

The report raised other issues which concerned Members, including a lack of Warwick residents being involved in the "Sky Blues Community Project", the fact that a £5 charge was being made and also that the Warwick Folk Festival had talked about pulling out next year because of the lack of involvement from Warwick District Council. While the Portfolio Holder and officers had responded to these points, the Committee remained concerned about them.

The Overview and Scrutiny Committee noted the report and advised the Executive that it would be planning which issues to scrutinise at future meetings.

Members discussed the issue of Shadow Portfolio Holders and felt that Group Leaders needed to address this to ensure that effective scrutiny continued. It was suggested that the scrutiny committees may wish to challenge this although some Members felt that it depended on who was given the role in the first place.

The Leader, Councillor Mobbs, advised Members that further information on FFF financial projections and savings would be provided in the report being submitted to the 30 July meeting. He also reminded Members that the Shadow Portfolio Holder issue was a two way street and Councillors needed to be invited to attend meetings.

Having read the report and considered the comments made by the Scrutiny Committee, the Executive agreed the recommendations as written.

**Resolved** that:

- (1) the performance of the Service Areas for 2013/14 as detailed in Appendices A-G to the report, is noted; and

(2) the FFF programme progress as detailed in Section 3 of the report, is noted.

(The Portfolio Holder for this item was Councillor Mobbs)  
(Forward Plan reference number 618)

18. **Creation of Digital Gaming Hub at 26 Hamilton Terrace, Royal Leamington Spa**

The Executive considered a report from Development Services which updated members on the success of a funding bid for a games incubator hub at 26 Hamilton Terrace and sought funding for business sector specific support.

The report advised that Coventry and Warwickshire Local Enterprise Partnership had sought proposals from the area's seven Local Authorities for 'shovel ready' capital infrastructure projects which would stimulate jobs and economic growth. As a result, CMT authorised Development Services to make a bid to the CWLEP's Growing Places fund for money to refurbish a vacant WDC owned property (26 Hamilton Terrace) as a digital games incubator hub.

The hub would provide a multi-occupancy serviced office for small & start-up games companies – a digital games version of the Althorpe Enterprise Hub.

The property at 26 Hamilton Terrace had been empty since July 2010 when the former tenant served notice and moved out. The Council had marketed the property for occupation as an office but there had been no takers in its current state.

A feasibility and option appraisal, together with budget estimates, had been conducted by a Council building surveyor and the results were attached at appendix 1 to the report. Building costs for the project had been estimated at up to £85,000, including a contingency of £12,000. In addition, the assets review agreed, & allowed funding for, maintenance liabilities of £6,267. Further figures were provided in sections 5.2 of the report onwards, including furniture, fit out and equipment costs.

The bid to the CWLEP Growing Places Fund for the refurbishment and fit out of the building was successful and the total funding allocated by the LEP totalled £108,000.

An alternative option was to not accept the Growing Places Funding but this had been discounted because it would result in not receiving the external grant of £108,000 and a significant loss of credibility with the CWLEP and the wider industry.

Members could choose to not include sector support spending from revenue generated but this option had been discounted because of inclusion within the bid document to the LEP.

The Finance & Audit Scrutiny Committee fully supported the recommendations in the report. Members were pleased to hear that the contract from the LEP had been received and urged that the project be started as soon as practically possible.

The Portfolio Holder for Development Services, Councillor Hammon, endorsed the report and congratulated the officers involved on their success with the project.

Having read the report and considered the comments made by the Scrutiny Committee, the Executive agreed the recommendations as written.

**Resolved** that:

- (1) the success of the recent bid to the Coventry and Warwickshire Local Enterprise Partnership's (CWLEP) Growing Places Fund, is noted;
- (2) authority be delegated to the Deputy Chief Executive and Economic Development Manager, in consultation with the Portfolio Holder for Development Services, to complete any necessary agreements with CWLEP to draw down the funding;
- (3) the use of up to 12% of the gross rental income in any financial year from 26 Hamilton Terrace, is agreed, to be used for sector specific business support initiatives; and
- (4) that a digital games action plan will be brought to a future Executive.

(The Portfolio Holder for this item was Councillor Hammon)  
(Forward Plan reference number 626)

#### 19. **Rural / Urban Capital Improvement Scheme (RUCIS) Applications**

The Executive considered a report from Finance which provided details of two Rural / Urban Capital Improvement applications which had been submitted by Whitnash Town Council and Kenilworth Rugby Football Club.

The Council operated a scheme to award Capital Improvement Grants to organisations in rural and urban areas. The grants recommended in the report were in accordance with the Council's agreed scheme and would provide funding to help the projects progress.

Whitnash Town Council successfully applied for a grant in December 2013 for the creation of a 'measured mile' track around Acre Close playing field / park. It was hoped that this would provide an increased opportunity for the community to enjoy and participate in a sporting / health & wellbeing activity which could potentially help to reduce obesity, particularly in children, and also help to reduce anti-social behaviour. The project had not yet commenced because of an unsuccessful grant application to Sport England.

Whitnash Town Council therefore submitted an application to increase the grant awarded in December 2013, reference 190. In addition, a new grant application had been made to Waste Recycling Environmental Limited (WREN), whose grants were liable for a third party payment charge before the grant funds could be released.

The RUCIS application was to cover the third party payment charge should the WREN grant application be successful. This resulted in a percentage increase of the grant from 32% to 37% of the total project costs, which increased the maximum amount from up to £24,500 to up to £29,864.

In addition, Whitnash Town Council had stated they would provide £2,000 towards the project from their own cash reserves.

The second application was received from Kenilworth Rugby Football Club to repair the changing room roof to seal a significant leak and to prevent water ingress and to provide a new irrigating system for the main playing pitch to adequately water the pitch to encourage appropriate grass growth and recovery.

The application was for 50% of the total project costs up to a maximum of £3,268 and the club had committed £912 to the net project costs from their cash reserves.

The Council only had a specific capital budget to provide grants of this nature and therefore there were no alternative sources of funding if the Council was to provide funding for Rural/Urban Capital Improvement Schemes. However, Members could choose not to approve the grant funding, or to vary the amounts awarded.

The Portfolio Holder for Finance, Councillor Cross, endorsed the report and proposed the recommendations as written.

The Executive therefore

**Resolved** that:

- (1) an increase to the Rural/Urban Capital Improvement Grant awarded in December 2013 from 32% to 37% of the total project costs is agreed, as set out in Appendix 1 to the report, to create a "measured mile" track around Acre Close playing field / park. This increases the amount from up to a maximum of £24,500 to up to a maximum of £29,864 subject to receipt of the following:
  - (a) confirmation that the original quote from the chosen supplier remains valid to ensure that the project remains within criteria; and
  - (b) written confirmation from WREN to approve a capital grant of £48,767 once the third party payment has been made; and
- (2) a Rural/Urban Capital Improvement Grant of 50% of the total project costs is agreed, as set out in Appendix 2 to the report, to a) repair the changing room roof to seal a significant leak and to prevent water ingress and b) provide a new irrigating system for the main playing pitch to adequately

water the pitch to encourage appropriate grass growth and recovery, up to a maximum of £3,628 subject to receipt of the following:

- (a) a third quote for the supply of the irrigation system equipment; and
- (b) Written confirmation of funding decision from Kenilworth Town Council; if approved, the contribution from Kenilworth RFC's cash reserves will be reduced accordingly.

(The Portfolio Holder for this item was Councillor Cross)

## 20. **Bowls 2014 Additional Marketing**

The Executive considered an urgent report from Development Services which detailed the scope of the additional marketing work that may be undertaken to celebrate the National Bowls Championships. These had been proposed in addition to the previously agreed Action Plan which was attached as Appendix 1 to the report.

The report advised that the existing action plan, approved by the Executive in February 2014, was designed to maximise the economic impact of the bowls, but to do so within existing resources. The majority of the activities were aimed at the bowls attendees and therefore the wider public impact of the original plan was limited.

On further reflection, it is felt that the celebratory element of hosting the English Bowls Tournament is missing from the existing work. Members have asked for further activities to be added to the plan to increase the visible profile of the event and maximize the exposure of this significant sporting event.

Paragraphs 3.3 and 3.4 of the report outlined the proposed additional activities and the corresponding costs associated with them.

The alternative option was to continue with the previous action plan. This would keep the activity to within existing budgets but would have a much lower visual impact, with residents in the District not being aware of the significant sporting event taking place. Furthermore, it could fail to maximise the benefits of the additional potential expenditure within the District that should come with the event.

The Finance & Audit Scrutiny Committee supported the recommendations in the report but with some reservations. The Committee was extremely disappointed with the lateness of this report and that the issues it addressed had not been considered earlier. Members expressed some dissatisfaction with the breakdown of costs for the items required and were concerned at how quickly the procurement process had been followed given the lateness of the request for the report.

The Committee felt that it had been presented with a number of piecemeal reports concerning the bowls event and requested that when the review of the



event was concluded, Members be presented with the report in order to establish what lessons could be learned going forward.

The Overview and Scrutiny Committee voted to discuss this late report at its meeting. The Committee supported the recommendations in the report and asked that the Executive recommend that the event be advertised in all four towns and that the budget be increased to facilitate this if necessary.

The Leader, Councillor Mobbs, apologised for the lateness of the report and accepted responsibility for the late circulation. However, he had felt it important to ensure that all Members were aware of the situation and included in the decision making process.

Members were in agreement that national publicity was needed to encourage as many visitors to the District during the event. It was appreciated that a lot of work had been taking place 'behind the scenes' but such a high profile event should be showcased to residents and businesses within the District.

Having read the report and considered the comments made by the Scrutiny Committee, the Executive agreed the recommendations with an amendment to the proposed figure being increased to £20,000.

**Resolved** that the suggested additional activities are agreed, and the spending of up to £20,000 is authorised from the Tourism Reserve and delegated to the Economic Development & Regeneration Manager in consultation with the Portfolio Holder for Development Services, or the Portfolio Holder for Cultural Services in their absence.

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

## 21. **Public and Press**

**Resolved** that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following items by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below.

Minute No.	Para Nos.	Reason
22 & 23	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

## 22. **Refurbishment of 4 Jury Street, Warwick**

The recommendations of the report were agreed.

The full minute for this item will be set out in the confidential minutes of the meeting.

(The Portfolio Holders for this item were Councillors Coker, Hammon, Mrs Gallagher and Shilton)  
(Forward Plan reference number 625)

23. **Land off Radford Road, Royal Leamington Spa**

The recommendations of the report were agreed.

The full minute for this item will be set out in the confidential minutes of the meeting.

(The Portfolio Holder for this item was Councillor Hammon)

(The meeting ended at 6.55 pm)