

Michael Doody
Chairman of the Council

Council meeting: Wednesday, 20 April 2016

Notice is hereby given that an ordinary meeting of Warwick District Council will be held at the Town Hall, Royal Leamington Spa on Wednesday, 20 April 2016 at 6.05pm.

Emergency Procedure

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

Agenda

1. **Apologies for Absence**
2. **Declarations of Interest**

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct. Declarations should be entered on the form to be circulated with the attendance sheet and declared during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

3. **Minutes**

To confirm the minutes of the meeting of the Council held on 24 February 2016 (Pages 1 – 15).

4. **Communications and Announcements**



5. **Petitions**

6. **Notices of Motion**

(A) To consider a Notice of Motion from Councillor Gordon Cain:

That Warwick District Council:

- (1) Should not join the West Midlands Combined Authority (WMCA) in the current 'window of opportunity' due to end on 10th June 2016; and
- (2) Should however, continue to monitor the progress of the WMCA with a view to considering admission in the next 'window of opportunity' in May 2017 if better and more detailed particulars become evident; further it is a possibility that non-member Councils could be invited as 'Observer Status' during the closure period (June 2016 to May 2017) and WDC should accept any such invitation so as to gather more detailed information and trends which should be reported back to Council as appropriate.

7. **Public Submissions**

8. **Leader's and Portfolio Holders' Statements**

9. **Questions to the Leader of the Council & Portfolio Holders**

10. **Report of the Executive**

To consider reports of the Executive meetings on:

- (1) 10 February 2016 (excluding minutes; 104 to 106 as they were considered by Council on 24 February 2016; and minute 102 which will be considered by Council on 18 May 2016). **(Pages 1 to 45)**
- (2) 9 March 2016 **(Pages 46 to 70)**
- (3) Excerpt of the minutes on 6 April 2016 **(Page 71 to 73, along with Appendices 1 to 4)**

11. **Scrutiny Committee End of Term Reports**

To consider the End of Term report from

- (1) the Finance & Audit Scrutiny Committee **(Page 1 to 5)**
- (2) the Overview & Scrutiny Committee **(Page 6 to 14)**

12. **Council HQ Relocation and Replacement Covent Garden Car Park Project**

To consider a report from the Deputy Chief Executive. **(Pages 1 to 4)**

13. **Public and Press**

To consider resolving that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the relevant paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

14. **Council HQ Relocation and Replacement Covent Garden Car Park Project**

To consider a report from the Deputy Chief Executive. **(Pages 1 to 3)**

15. **Confidential Executive Report**

To consider report of the confidential report of the Executive meeting on 9 March 2016

(Pages 1 and 2)
(Not for publication)

16. **Common Seal**

To authorise the affixing of the Common Seal of the Council to such deeds and documents as may be required for implementing decisions of the Council arrived at this day.



Chief Executive
Published Tuesday 12 April 2016

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

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Enquiries about specific reports: Please contact the officers named in the reports.

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

Please note that the majority of the meetings are held on the first floor at the Town Hall. If you feel that this may restrict you attending this meeting, please call (01926) 456114 prior to this meeting, so that we can assist you and make any necessary arrangements to help you attend the meeting.

The agenda is also available in large print, on request, prior to the meeting by calling 01926 456114.

WARWICK DISTRICT COUNCIL

Minutes of the meeting held on Wednesday 24 February 2016, at the Town Hall, Royal Leamington Spa at 6.05pm.

PRESENT: Councillor Doody (Chairman); Councillors Ashford, Barrott, Boad, Mrs Bunker, Butler, Cain, Mrs Cain, Coker, Cooke, Cross, D'Arcy, Davies, Davison, Edgington, Mrs Evetts, Mrs Falp, Gallagher, Gifford, Gill, Grainger, Harrington, Heath, Mrs Hill, Illingworth, Mrs Knight, Mann, Margrave, Mobbs, Morris, Naimo, Parkins, Phillips, Quinney, Rhead, Shilton, Mrs Stevens, Thompson, Weed and Whiting.

83. **Apologies for Absence**

Apologies for absence were received from Councillors Day, Miss Grainger, Murphy and Mrs Redford

84. **Declarations of Interest**

Minute 88 Local Plan

Councillor Thompson informed the Council that he worked for Warwick University who were mentioned within the Local Plan report but having taken advice from the Deputy Monitoring Officer he was able to consider the matter.

Minute 89 – Setting of the Council Tax 2016/17

Councillors Ashford, Bromley, Mrs Bunker, Cain, Cooke, Cross, Davies, Doody, Edgington, Mrs Evetts, Mrs Falp, Gifford, Mrs Grainger, Heath, Mrs Hill, Howe, Illingworth, Mann, Margrave, Morris, Rhead, Shilton, Stevens and Thompson, all reminded Council that they were either a Town or Parish Councillor and that as part of this item the Council would be confirming the level of precept for these authorities.

Councillors Gifford and Shilton reminded Council that they were Warwickshire County Councillors and that as part of this item the Council would be confirming the level of Council Tax for the County Council.

Minute 90 – Housing Rents and Housing Revenue Account Budget 2016/17

Councillor Barrott declared that he rented a garage from Warwick District Council and would leave the room if the level of garage rents was debated.

Councillor Weed declared that she was a tenant of the Council and would leave the room for this item.

85. **Minutes**

The minutes of the meeting of the Council held on the 27 January 2016, were taken as read and signed by the Chairman as a correct record

85. **Communications & Announcements**

The Chairman informed the Council that he would be speaking on the Local Plan item as the Ward Councillor for Radford Semele and on that item he would have a question for the Leader.

The Chairman informed the Council that there was no business to be considered under Item 5 Petitions, Item 6 Notices of Motion or Item 7 Public Submissions.

86. **Leader's and Portfolio Holders' Statements**

The Portfolio Holder for Housing & Property Services updated the Council on the potential for publishing the details of Non-Licensable HMOs (Houses in Multiple Occupation) that this Council believed existed within the District. The Portfolio Holder had looked into this and informed Members that the information held by the Council was based on information shared within the Council as well as from third parties. The Council was not required to hold this information nor to publish it. That said, it was a useful tool when considering planning applications and whether they were in line with the Article Four direction, which required that a planning application had to be made to the Council for the change of use from a dwelling house to a small HMO for properties located in Leamington Spa. The Housing & Property Services Officers had taken legal advice on this matter and believed that they could release this data to Councillors. Officers were working on this information to ensure that it was meaningful and relevant to for Councillors (e.g. it did not include contact details and would only include locations of properties, etc). Councillor Phillips appreciated that the issue was most pressing in South Leamington and therefore had asked officers to work with the Ward Councillors in this area to test the information.

The Portfolio Holder for Housing & Property Services, Councillor Phillips, reminded Council that all Licensable HMO details could be found on the District Council's website and that if anyone suspected a property to be an HMO which was not on that list, they should contact the Council. In addition, the Council was awaiting the outcome of a Government consultation on HMO Licensing which was due in the spring of this year. This could see further changes to the legislation and requirements for licensing HMO properties

87. **Questions to the Leader of the Council & Portfolio Holders**

Councillor Doody asked the Leader of the Council, if he could confirm that the New Homes Bonus being received by the Council was not being used as part of the general fund.

In response, the Leader of the Council, Councillor Mobbs, explained that this was the case because the level of New Homes Bonus was not set and therefore keeping it for specific projects and not part of the general fund made the Council more financially robust.

Councillor Barrott asked the Leader if, in light of the decision by Warwickshire County Council, he would be reviewing the business case for West Midlands Combined Authority? And if we would be talking to small businesses as part of this?

In response the Leader confirmed his statement as set out in the minutes of the previous meeting that “personally his position had not changed, but was assessing the changing climate and was continuing round table discussions with all relevant bodies including the Police and relevant health partners.” He also confirmed that discussions would be had with small businesses.

Councillor Barrott asked the Leader if he was prepared to have a debate at Council about the issue of a unitary authority in Warwick District and what was his personal position on a unitary authority?

In response, the Leader of the Council explained that there was not a debate to be considered. This was because if an authority decided not to participate it could be imposed, if two authorities did not wish to join it would not happen.

Councillor Boad asked the Leader if he thought the lighting in the Council chamber was very dull. The Leader agreed with this statement.

Councillor Quinney asked the Portfolio Holder for Housing & Property Services if he could confirm that the Council was in crisis because it had only delivered 40% of the level of housing it should, and of this only 27% was affordable housing? Would the Portfolio Holder commit to looking at this issue, working with his colleagues on the Executive to commit some HRA capital towards new schemes?

In response, the Portfolio Holder for Housing & Property Services, Councillor Phillips, explained that the Portfolio Holder for Development Services, Councillor Cross would be more appropriate to respond to this matter because Councillor Phillips was only responsible for Council Housing. That said, Housing would be an integral part of determining what type of affordable housing was being delivered. The Council were looking at potential opportunities for additional Council owned housing. These plans would be brought through in the next 12 months. In addition, Sayer Court was introducing 81 new Council properties which should be occupied in October 2016.

The Portfolio Holder for Development Services, Councillor Cross, explained that since 2011, 1500 houses had been built in Warwick District and over the last 10 years 1024 affordable homes had been built.

88. Local Plan

The Council considered a report from Development Services that set out a series of potential modifications to the Local Plan that had been proposed in response to the Inspector’s interim conclusions as identified in his letter dated 1st June 2015. This included increasing the Plan’s housing requirement to a minimum of 16,776 dwellings over the plan period and the allocation of a number of additional sites for housing. The report updated the infrastructure requirements associated with the Plan’s proposals and presented an update to the Local Development Scheme.

The recommendations in the report were proposed by Councillor Cross and duly seconded.

Councillor Doody addressed the Council on this matter.

First amendment

It was proposed by Councillor Barrott, duly seconded by Councillor D'Arcy:

"That no further major developments should be built South of Warwick, Leamington, Whitnash & Bishops Tachbrook, beyond those already with planning permission or allocated within the submitted Local Plan. Therefore, the proposed increase in dwellings on the following sites should be removed from the plan and the content within Recommendations 2.1 and 2.2 be amended accordingly together with the relevant appendixes and policies:

Gallows Hill – 180 dwellings
East Whitnash / South Sydenham – 200 dwellings
Hazlemere & Little Acre, Whitnash – 75 dwellings
South of Harbury Lane – 105 dwellings"

Councillors Grainger, Cooke, Bunker, Cross, Coker, Mann, Rhead, Boad, Illingworth, Quinney, Mrs Knight, Gifford, Morris, D'Arcy and Barrott addressed Council on this amendment.

On being put to the vote the motion was lost.

Second amendment

It was proposed by Councillor Heath and second by Councillor Mrs Falp that:

"The proposed development at Hazlemere & Little Acre of 75 dwellings be removed from the Local Plan as it is not identified as development land in the Whitnash Neighbourhood Plan which was adopted following a referendum in November last and subsequently adopted by Warwick District Council in January 2016 and therefore this Council has a legal obligation to support it."

Councillors Heath, Mrs Falp, Mann and Cross addressed the Council on this amendment.

On being put to the vote the motion was lost.

Councillors Gifford, Davison, Illingworth, Barrott, Cross and Mobbs addressed the Council on the substantive motion.

On being put to the vote it was

Resolved that

- (1) the modifications to the submitted Local Plan (the 2014 'Publication Draft' as amended by the 2014/15 'Focused Changes'), as identified in Appendix 1 (Table of Proposed Modifications - part 1) to the report and Appendix 2 (Policies Map) to the report, be approved for formal consideration by the Examination Inspector to directly address the issues of soundness identified in his letter dated 1st June 2015;
- (2) the modifications to the submitted Local Plan, as set out in Appendix 1 and Appendix 2 to the report, will be subject to consultation for a period of six weeks

commencing during the week of 7th March 2016. All representations made, along with the Council's modifications, will be submitted to the Local Plan Inspector;

- (3) further modifications to the Local Plan are proposed, as set out in Appendix 3 to the report, and that these are subject to a future period of consultation following their consideration by the Inspector;
- (4) the Head of Development Services, in consultation with the Portfolio Holder, be authorised to take any steps which are considered expedient for the purpose of implementing recommendation (1) or promoting the objectives and interests of the Council at the independent examination. This includes endorsement of updates to the Sustainability Appraisal report for publication ahead of the period for representations;
- (5) the Local Development Scheme be updated as set out in Appendix 4 to the report; and
- (6) in parallel to the progression of the Local Plan, officers work with partners on preparing strategic proposals for the area to the south of Coventry to provide a framework for development both within and beyond the Plan period.

(Councillors Ashford, Cain and Mrs Cain left the meeting at the end of this item)

89. **Setting of the Council Tax 2016/17**

- (A) The recommendations from the meeting of the Executive held on 10 February 2016 were proposed by Councillor Whiting and seconded by Councillor Mobbs.

First amendment

It was proposed by Councillor Davison and seconded by Councillor Mrs Falp that

"The Council amends the 2016/17 Budget so that that £45,000 of the £107,000 increased council tax revenue from increasing the council tax by £5 for 2016/17 (as recommended by the Executive) is earmarked towards the consultation and subsequent running costs (not recovered from the additional licence fee income) of the proposals, with a corresponding reduction in the allocation to the Service Transformation Reserve. Any expenditure would be at the discretion of the Executive, based on future reports from the Head of Housing and Property Services. It is anticipated that use of this funding would be for: a) consultation and development of the business plan; then, b) employment of an additional Private Sector Housing Enforcement Officer. Once established, the licence fees should cover 80% of the officer costs, resulting in a net expenditure of £9,000 per annum, with the remainder of this earmarked funding returned to the Service Transformation Reserve."

Councillor Davison, Mrs Falp, Barrott and Phillips addressed Council on this motion. On the promise from Councillor Phillips that there would be a review of HMO reported back in the spring, the motion was withdrawn.

Seconded amendment

It was proposed by Councillor Boad and seconded by Councillor Gifford that:

"The proposed charges for waste bins to be replaced with funding from the additional £107k 'windfall' received by this Council due to the late decision of the Government to allow an increase in Council Tax above the original cap of 1.99% (£2.92) to £5, as recommended by the Executive.

The remaining balance to be added to the Service Transformation Reserve."

Councillors Boad, Gifford, Whiting, Barrott, Shilton addressed Council on this matter. On listening to the debate Councillor Boad, withdrew the motion.

The original motion was then put to the vote and

Resolved the recommendations contained in minute 104 headed "Budget 2016/17 – General Fund Revenue and Capital" as set out in the report of the Executive meeting held on 10 February 2016, be approved and adopted.

(B) It was proposed by Councillor Whiting, duly seconded and

Resolved that the following recommendations set out in the report of the Responsible Financial Officer be approved and adopted:

(1) **Warwick District Council Budget** as set out in the budget reports (Executive recommendations, 10 February 2016) and Budget Book, the Revenue Budgets for 2016/17; and the Capital Programme for 2016/17, be approved;

(2) **Warwick District Tax Base**
The Council notes the following amounts for the year 2016/17 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:-

(a) £51,879.20 being the amount calculated, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended, as its council tax base for the year.

(b) Part of the Council's Area

PARISH/TOWN COUNCIL	Tax Base 2016/17 £
Baddesley Clinton	88.86
Baginton	307.24
Barford, Sherbourne & Wasperton	852.5
Beausale, Haseley, Honiley & Wroxall	325.05
Bishops Tachbrook	994.26
Bubbenhall	317.62
Budbrooke	748.57
Burton Green	450
Bushwood	13.84
Cubbington	1,482.67
Eathorpe, Hunningham, Offchurch, Wappenbury	332.15
Hatton	943.8
Kenilworth	9,596.71
Lapworth	941.08
Royal Leamington Spa	16,381.64
Leek Wootton	533.24
Norton Lindsey	221.1
Old Milverton & Blackdown	302.57
Radford Semele	784.91
Rowington	523.07
Shrewley	426.41
Stoneleigh & Ashow	535.7
Warwick	11,561.64
Weston-under-Wetherley	185.7
Whitnash	3,028.87
Total Warwick District Council Area	51,879.20

being the amounts calculated, in accordance with regulation 6 of the Regulations as amended, as the amounts of its council tax base for the year for dwellings in those parts of its area;

(3) Calculation of Warwick District Council's Council Tax, including parish/town council precepts

That the following amounts be now calculated by the Council for the year 2016/17 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended:-

- (a) £88,416,273 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2)(a) to (f) of the Act (*Gross Expenditure including parish/town council precepts*);
- (b) £79,232,125 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act (*Gross Income*);
- (c) £9,184,148 being the amount by which the aggregate at (3)(a) above exceeds the aggregate at (3)(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax Requirement for the year;
- (d) £177.03 being the amount at (3)(c) above divided by the amount at (2)(a) above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its council tax for the year (*Average Warwick District Council Tax, including parish/town precepts*);
- (e) £1,305,773 being the aggregate amount of all special items referred to in Section 34(1) of the Act (*Total parish/town council precepts*);
- (f) £151.86 being the amount at (3)(d) above less the result given by dividing the amount at (3)(e) above by the amount at (2)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates (*Warwick District Council Tax excluding parish/town council precepts*);

(g) Part of the Council's Area

Parish Town Council	Band D Charge 2016/17 £
Baddesley Clinton	191.25
Baginton	186.18
Barford, Sherbourne & Wasperton	202.05
Beausale, Haseley, Honiley & Wroxall	174.36
Bishops Tachbrook	192.09
Bubbenhall	188.39
Budbrooke	181.89
Burton Green	193.61
Bushwood	151.86
Cubbington	182.89
Eathorpe, Hunningham, Offchurch, Wappenbury	180.46
Hatton	163.09
Kenilworth	170.36
Lapworth	169.92
Royal Leamington Spa	171.60
Leek Wootton	166.88
Norton Lindsey	181.26
Old Milverton & Blackdown	196.97
Radford Semele	177.92
Rowington	190.92
Shrewley	166.66
Stoneleigh & Ashow	182.22
Warwick	180.78
Weston-under-Wetherley	189.72
Whitnash	195.34

being the amounts given by adding to the amount at (3)(f) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above (3.e) divided in each case by the amount at (2)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate (*Warwick District Council plus parish/town council Council Tax for each parish/town council at Band D*);

- (h) the amounts shown in Appendices 1 and 1a, attached, being the amounts given by multiplying the amounts at (3)(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion

is applicable to dwellings listed in valuation band D, calculated by the Council in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands (*Warwick District Council plus parish/town council Council Tax for each parish/town council for each Band*);

(4) **Warwickshire County Council and Warwickshire Police and Crime Commissioner Precepts**

That it be noted that for the year 2016/17 Warwickshire County Council and Warwickshire Police and Crime Commissioner have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown below:-

Band	Warwickshire County Council	Warwickshire Police and Crime Commissioner
	£	£
A	832.68	127.9865
B	971.46	149.3176
C	1,110.24	170.6487
D	1,249.02	191.9798
E	1,526.58	234.6419
F	1,804.14	277.3041
G	2,081.70	319.9663
H	2,498.04	383.9595

(5) **Total Council Tax for the District for each Band in each Parish/Town Council**

That having calculated the aggregate in each case of the amounts at (3)(g) and (4) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts shown in Appendix 2 as the amounts of council tax for the year 2015/16 for each of the categories of dwellings shown.

In accordance with legislation the Council is required to take a recorded vote on this matter. The result of this vote was as follows:

For: Councillors, Barrott, Boad, Mrs Bunker, Butler, Coker, Cooke, Cross, D'Arcy, Davies, Davison, Doody, Edgington, Mrs Evetts, Mrs Falp, Gallagher, Gifford, Gill, Grainger, Harrington, Heath, Mrs Hill, Illingworth, Mrs Knight, Mann, Margrave, Mobbs, Morris, Naimo, Parkins, Phillips, Quinney, Rhead, Shilton, Mrs Stevens, Thompson, Weed and Whiting.

There were no votes against or abstentions.

90. **Housing Rents and Housing Revenue Account Budget 2016/17**

It was moved by Councillor Phillips and duly seconded that the recommendation of the Executive of 10 February 2016 as set out in minute 105 be approved and adopted.

First amendment

It was proposed by Councillor Barrott, and seconded by Councillor D'Arcy that:

"(2) be amended to now read: Housing dwelling rents for 2016/17 be reduced by 1% for existing HRA dwelling tenants in Designated, Sheltered and Very Sheltered dwellings."

Councillors Barrott, D'Arcy, Phillips, Boad and Parkins addressed the Council on this amendment.

On being put to the vote the amendment was lost. The substantive motion was put to the vote and:

Resolved that the recommendation of the Executive of 10 February 2016 as set out in minute 105 be approved and adopted.

(Councillor Howe left the meeting at the end of this item)

91. **Heating Lighting and Water Charges 2016/17 – Council Tenants**

It was moved by Councillor Phillips, duly seconded and

Resolved that the recommendation of the Executive of 10 February 2016 as set out in minute 106 be approved and adopted.

92. **Executive Report**

The reports of the Executive meeting on 13 January 2016 and Excerpt of 10 February 2016 were proposed, duly seconded and:

Resolved that the

- (1) report of the Executive on 13 January 2016 (excluding minutes 80 to 84 that were considered by Council on 27 January 2016), be approved; and
- (2) excerpt of the report of 10 February 2016 (excluding minutes 104 to 106 that were considered as items above), be approved.

93. **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 item by reason of the likely disclosure of exempt information within the relevant paragraphs of Schedule 12A of the

Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

94. **Confidential Executive Report**

The confidential report of the Executive meetings on 10 February 2016 was proposed, duly seconded and:

Resolved that the Executive report of 10 February 2016, be approved.

95. **Common Seal**

It was

Resolved that the Common Seal of Warwick District Council be affixed to such documents as may be required for implementing decisions of the Council arrived at this day.

(The meeting ended at 9.12 pm)

CHAIRMAN
20 April 2016

Appendix 1

Budget and Council Tax 2016/17 Calculation of Warwick District Council Element including Special Expenses

PARISH/TOWN COUNCIL	151.86	roundings 6	2 7	8	9	11	13	15	18
	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	
	£	£	£	£	£	£	£	£	£
Baddesley Clinton	127.50	148.75	170.00	191.25	233.75	276.25	318.75	382.50	
Baginton	124.12	144.80	165.50	186.18	227.56	268.92	310.30	372.36	
Barford, Sherbourne & Wasperton	134.70	157.15	179.60	202.05	246.95	291.85	336.75	404.10	
Beausale, Haseley, Honiley & Wroxall	116.24	135.61	154.99	174.36	213.11	251.85	290.60	348.72	
Bishops Tachbrook	128.06	149.40	170.75	192.09	234.78	277.46	320.15	384.18	
Bubbenhall	125.59	146.52	167.46	188.39	230.26	272.12	313.98	376.78	
Budbrooke	121.26	141.47	161.68	181.89	222.31	262.73	303.15	363.78	
Burton Green	129.07	150.58	172.10	193.61	236.64	279.66	322.68	387.22	
Bushwood	101.24	118.11	134.99	151.86	185.61	219.35	253.10	303.72	
Cubbington	121.93	142.24	162.57	182.89	223.54	264.17	304.82	365.78	
Eathorpe, Hunningham, Offchurch, Wappenbury	120.31	140.35	160.41	180.46	220.57	260.66	300.77	360.92	
Hatton	108.73	126.84	144.97	163.09	199.34	235.57	271.82	326.18	
Kenilworth	113.57	132.50	151.43	170.36	208.22	246.07	283.93	340.72	
Lapworth	113.28	132.16	151.04	169.92	207.68	245.44	283.20	339.84	
Royal Leamington Spa	114.40	133.46	152.54	171.60	209.74	247.86	286.00	343.20	
Leek Wootton	111.25	129.79	148.34	166.88	203.97	241.05	278.13	333.76	
Norton Lindsey	120.84	140.98	161.12	181.26	221.54	261.82	302.10	362.52	
Old Milverton & Blackdown	131.31	153.20	175.09	196.97	240.74	284.51	328.28	393.94	
Radford Semele	118.61	138.38	158.15	177.92	217.46	256.99	296.53	355.84	
Rowington	127.28	148.49	169.71	190.92	233.35	275.77	318.20	381.84	
Shrewley	111.11	129.62	148.15	166.66	203.70	240.73	277.77	333.32	
Stoneleigh & Ashow	121.48	141.72	161.98	182.22	222.72	263.20	303.70	364.44	
Warwick	120.52	140.60	160.70	180.78	220.96	261.12	301.30	361.56	
Weston-under-Wetherley	126.48	147.56	168.64	189.72	231.88	274.04	316.20	379.44	
Whitnash	130.23	151.93	173.64	195.34	238.75	282.15	325.57	390.68	
Proportion of Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	

**Budget and Council Tax 2016/17
District and Parish/Town Council by Band**

	roundings 6	2 7	8	9	11	13	15	18
	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
Warwick District Council	101.24	118.11	134.99	151.86	185.61	219.35	253.10	303.72
PARISH/TOWN COUNCIL								
Baddesley Clinton	26.26	30.64	35.01	39.39	48.14	56.90	65.65	78.78
Baginton	22.88	26.69	30.51	34.32	41.95	49.57	57.20	68.64
Barford, Sherbourne & Wasperton	33.46	39.04	44.61	50.19	61.34	72.50	83.65	100.38
Beausale, Haseley, Honiley & Wroxall	15.00	17.50	20.00	22.50	27.50	32.50	37.50	45.00
Bishops Tachbrook	26.82	31.29	35.76	40.23	49.17	58.11	67.05	80.46
Bubbenhall	24.35	28.41	32.47	36.53	44.65	52.77	60.88	73.06
Budbrooke	20.02	23.36	26.69	30.03	36.70	43.38	50.05	60.06
Burton Green	27.83	32.47	37.11	41.75	51.03	60.31	69.58	83.50
Bushwood								
Cubbington	20.69	24.13	27.58	31.03	37.93	44.82	51.72	62.06
Eathorpe, Hunningham, Offchurch, Wappenbury	19.07	22.24	25.42	28.60	34.96	41.31	47.67	57.20
Hatton	7.49	8.73	9.98	11.23	13.73	16.22	18.72	22.46
Kenilworth	12.33	14.39	16.44	18.50	22.61	26.72	30.83	37.00
Lapworth	12.04	14.05	16.05	18.06	22.07	26.09	30.10	36.12
Royal Leamington Spa	13.16	15.35	17.55	19.74	24.13	28.51	32.90	39.48
Leek Wootton	10.01	11.68	13.35	15.02	18.36	21.70	25.03	30.04
Norton Lindsey	19.60	22.87	26.13	29.40	35.93	42.47	49.00	58.80
Old Milverton & Blackdown	30.07	35.09	40.10	45.11	55.13	65.16	75.18	90.22
Radford Semele	17.37	20.27	23.16	26.06	31.85	37.64	43.43	52.12
Rowington	26.04	30.38	34.72	39.06	47.74	56.42	65.10	78.12
Shrewley	9.87	11.51	13.16	14.80	18.09	21.38	24.67	29.60
Stoneleigh & Ashow	20.24	23.61	26.99	30.36	37.11	43.85	50.60	60.72
Warwick	19.28	22.49	25.71	28.92	35.35	41.77	48.20	57.84
Weston-under-Wetherley	25.24	29.45	33.65	37.86	46.27	54.69	63.10	75.72
Whitnash	28.99	33.82	38.65	43.48	53.14	62.80	72.47	86.96
Proportion of Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

**Council Tax Calculations 2016/17 Warwick District Council
Including Warwickshire County Council And Warwickshire Police and Crime Commissioner**

PARISH/TOWN COUNCIL	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£							
Baddesley Clinton	1,088.17	1,269.53	1,450.89	1,632.25	1,994.97	2,357.69	2,720.42	3,264.50
Baginton	1,084.79	1,265.58	1,446.39	1,627.18	1,988.78	2,350.36	2,711.97	3,254.36
Barford, Sherbourne & Wasperton	1,095.37	1,277.93	1,460.49	1,643.05	2,008.17	2,373.29	2,738.42	3,286.10
Beausale, Haseley, Honiley & Wroxall	1,076.91	1,256.39	1,435.88	1,615.36	1,974.33	2,333.29	2,692.27	3,230.72
Bishops Tachbrook	1,088.73	1,270.18	1,451.64	1,633.09	1,996.00	2,358.90	2,721.82	3,266.18
Bubbenhall	1,086.26	1,267.30	1,448.35	1,629.39	1,991.48	2,353.56	2,715.65	3,258.78
Budbrooke	1,081.93	1,262.25	1,442.57	1,622.89	1,983.53	2,344.17	2,704.82	3,245.78
Burton Green	1,089.74	1,271.36	1,452.99	1,634.61	1,997.86	2,361.10	2,724.35	3,269.22
Bushwood	1,061.91	1,238.89	1,415.88	1,592.86	1,946.83	2,300.79	2,654.77	3,185.72
Cubbington	1,082.60	1,263.02	1,443.46	1,623.89	1,984.76	2,345.61	2,706.49	3,247.78
Eathorpe, Hunningham, Offchurch, Wappenbury	1,080.98	1,261.13	1,441.30	1,621.46	1,981.79	2,342.10	2,702.44	3,242.92
Hatton	1,069.40	1,247.62	1,425.86	1,604.09	1,960.56	2,317.01	2,673.49	3,208.18
Kenilworth	1,074.24	1,253.28	1,432.32	1,611.36	1,969.44	2,327.51	2,685.60	3,222.72
Lapworth	1,073.95	1,252.94	1,431.93	1,610.92	1,968.90	2,326.88	2,684.87	3,221.84
Royal Leamington Spa	1,075.07	1,254.24	1,433.43	1,612.60	1,970.96	2,329.30	2,687.67	3,225.20
Leek Wootton	1,071.92	1,250.57	1,429.23	1,607.88	1,965.19	2,322.49	2,679.80	3,215.76
Norton Lindsey	1,081.51	1,261.76	1,442.01	1,622.26	1,982.76	2,343.26	2,703.77	3,244.52
Old Milverton & Blackdown	1,091.98	1,273.98	1,455.98	1,637.97	2,001.96	2,365.95	2,729.95	3,275.94
Radford Semele	1,079.28	1,259.16	1,439.04	1,618.92	1,978.68	2,338.43	2,698.20	3,237.84
Rowington	1,087.95	1,269.27	1,450.60	1,631.92	1,994.57	2,357.21	2,719.87	3,263.84
Shrewley	1,071.78	1,250.40	1,429.04	1,607.66	1,964.92	2,322.17	2,679.44	3,215.32
Stoneleigh & Ashow	1,082.15	1,262.50	1,442.87	1,623.22	1,983.94	2,344.64	2,705.37	3,246.44
Warwick	1,081.19	1,261.38	1,441.59	1,621.78	1,982.18	2,342.56	2,702.97	3,243.56
Weston-under-Wetherley	1,087.15	1,268.34	1,449.53	1,630.72	1,993.10	2,355.48	2,717.87	3,261.44
Whitnash	1,090.90	1,272.71	1,454.53	1,636.34	1,999.97	2,363.59	2,727.24	3,272.68
Proportion of Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

Executive

Minutes of the meeting held on Wednesday 10 February 2016 at the Town Hall, Royal Leamington Spa following the conclusion of Council, at 6.00 pm.

Present: Councillor Mobbs (Chairman); Councillors Coker, Cross, Mrs Gallagher, Mrs Grainger, Phillips Shilton and Whiting.

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

100. **Declarations of Interest**

There were no declarations of interest.

101. **Minutes**

The minutes of the meeting held on 13 January 2016 were agreed as written and signed by the Chairman as a correct record.

Part 1

(Items on which a decision by Council is required)

102. **Election of Chairman and Vice Chairman of the Council 2016/17**

Recommended that

- (1) Councillor Mrs Knight be appointed as Chairman of the Council for 2016/17; and
- (2) Councillor Boad be appointed as Vice-Chairman of the Council for 2016/17

(This is a recommendation to Council on 18 May 2016)

103. **Waste Container Charging**

The Executive considered a report, from Neighbourhood Services, that brought forward proposals to charge households for wheeled bins, red boxes, recycling bags and food caddies

Warwick District Council provided the majority of waste containers wheeled bins, red boxes, recycling bags and food caddies free of charge to households.

A budget of £120,000 had been allocated each year to cover the cost of replacement receptacles. In recent years this cost had risen to approximately £165,000 per annum. Therefore, the Council needed to consider introducing a charge to households for the provision of waste containers to reduce the budgetary pressure.

The original capital budget for the supply and delivery of waste containers was set in 2013 at £600,000 for 5 years (April 2013 – March 2018). However, the cost of waste container provision had increased since this time and there was now a significant projected budget shortfall.

The cost of waste container provision was likely to increase in future years because the current waste containers had come to the end of their lifespan and needed to be replaced. It was estimated that the cost of replacing the containers could be in excess of £2.3million over the next 10 years (inclusive of current annual expenditure on waste containers).

The provision of waste containers to new homes, as identified in the local plan, would increase these costs further.

The Council received requests for approx. 6,500 red boxes, 6,500 recycling bags and 2,000 green wheeled bins every year, yet recycling levels remained static. The Council also received requests for over 1,000 grey wheeled bins every year.

A number of local authorities had introduced charges and had seen reductions in the number of waste containers requested. Once a charge was introduced households tended to look after their waste containers to a greater extent.

There are a number of alternative options for waste container charging which included; a charge for each waste container but no delivery charge; a charge of £34 for each individual green bin and a £5 delivery charge for all containers; A charge of £5 for the delivery of recycling containers and £15 for the delivery of wheeled bins; No charges are introduced. These options were not recommended because either did not generate the same level of income that would reduce the cost burden on the Council or would not raise income at all.

The Finance and Audit Scrutiny Committee supported the recommendations in the report although there were concerns that the introduction of charging may only recover 50% of the costs incurred by the Council. In addition, it was felt that further work was needed to educate the operatives on acceptable service delivery but it was noted that the contractor could also be charged for any damage to the containers.

The Overview and Scrutiny Committee supported the recommendations in the report but requested that monitoring take place on information such as the number of bins/boxes bought, number supplied; and whether recycling has increased/decreased. The Committee will be requiring a review in 12 months' time on the service.

In response to the comments from the Scrutiny Committees it was explained that the charging scheme would only recover around 50% of the costs to the Council and therefore a budgeted was required to fund the remaining 50%.

The Portfolio Holder agreed that further work needed to be done to train operatives to ensure boxes were not damaged and returned correctly to households. That said this work was ongoing and improvements had already been made due to the robust working relationship that the Council had with Sita. He welcomed the report back to Overview & Scrutiny Committee in 12 months and informed the Executive that he would be providing them with regular updates.

Recommended to Council that it approves;

(1) the introduction, from June 2016, a charge to the household for any new, replacement or additional waste containers requested and for the delivery of them to their property

;

(2) the following charges are introduced

Wheeled bin (grey and green)	£25.00
Recycling box with lid	£5.00
Lid only (for recycling box)	£1.50
Recycling bag	£2.50
Food caddy	No charge (funded by Warwickshire County Council)
Delivery Cost Per Order	£5.00

(3) a one off £5 delivery charge per order irrespective of the number of containers requested (e.g. the same charge applies to the delivery of just 1 red box as it would to the delivery of 2 red boxes and 2 recycling bags); and

(4) no concessions will be offered as experience has shown that it is difficult to prove whether a household may or may not be entitled to a concessionary rate.

(The Portfolio Holder for this item was Councillor Shilton)
(Forward Plan Reference number 731)

104. **Budget 2016/17 and Council Tax – General Fund Revenue and Capital**

The Executive considered a report, from Finance, that set out the Council's financial position, bringing together the latest and original Budgets for 2015/16 and 2016/17, plus the Medium Term Forecasts until 2020/21. In doing so it advised upon the net deficit from 2017/18 and the savings required to balance future years' Budgets.

The report sought approval of the; Latest Budget 2015/16; Original 2016/17 Budget; This Council's Band D Council Tax charge for 2016/17; 5 Year Capital Programme; Prudential Indicators for 2016/17; while noting the latest Reserves and Schedules, approving the relevant transfers.

The decision on this report would be presented to Council, on 24 February 2016 alongside a separate report recommending the overall Council Tax Charges 2016/17 for Warwick District Council.

By law, the Council must set a balanced budget before the beginning of the financial year. It must levy a Council Tax from its local tax payers to meet the gap between expenditure and resources available.

It was prudent to consider the medium term rather than just the next financial year, taking into account the longer term implications of decisions in respect of 2016/17. Therefore the 5 year financial strategy, Capital Programme and Reserves Schedule were also detailed in the report.

The Local Government Act 2004, Section 3, stated that the Council must set an authorised borrowing limit. The CIPFA Code for Capital Finance in Local Authorities states the Council should annually approve Prudential Indicators.

The Chief Financial Officer was required to report on the robustness of the estimates made and the adequacy of the proposed financial reserves; and this was set out in Appendix 10 to the report.

Within the report and the recommendations, the following funding allocations were proposed:-

	2016/17 New Homes Bonus £	2015/16 Surplus £	2015/16 Contingencies £	2016/17 allocations £	Total £
Waterloo Housing Association	178,500				178,500
St Georges Playing Field, Barford	71,000				71,000
Corporate Assets Reserve	486,000				486,000
Leisure Options Reserve	625,000				625,000
Business Rate Retention	750,000				750,000
Volatility Reserve					
Early	147,064				147,064

Retirement Reserve				
Equipment Renewals Reserve	76,300	123,700		200,000
Contingency Service	75,400		124,600	200,000
Transformation Reserve (from 2016/17 surplus)			23,100	23,100
Total	2,257,564	151,700	123,700	147,700

In addition the Capital Programme included the following new schemes and budget allocations:

- Royal Spa Centre Operational Works – Motors and Stage Lighting Dimmers £350,000
- St Johns Warwick Flood Alleviation Scheme £100,000
- Rural and Urban Initiatives Grants – extension from 2018/19 £150,000 per annum
- Recycling and Refuse Containers - £165,000 per annum

Appendix 1, to the report, summarised the latest 2015/16 Budgets. These were reported to the Executive in December 2015 showing net expenditure of £14.42m and a surplus of £189,800.

The following changes were now proposed to the 2015/16 Budget.

Increased expenditure:

- Increased Leisure Centre salary costs +£50,000;
- Business Rates consultant's fees +£25,000;
- Digital Transformation setup costs (net of reserve funding) +£9,500;

Reduced expenditure:

- Environmental Health & Community Protection staff vacancies - £28,100;
- Earmarked Reserves no longer required -£18,300.

Within the 2015/16 budgets there were still various unallocated contingencies totalling £123,700:

- Office Cleaning Contract £51,000;
- General Contingency Budget £38,800;
- Price Inflation £17,000;
- National Living Wage £16,900.

These budgets were not likely to be used within 2015/16 and so £123,700 was proposed to be appropriated to the Equipment Renewals Reserve.

Taking into account the above budget changes, the 2015/16 Budgets showed a projected surplus of £151,700. It was proposed that this surplus was allocated £76,300 to the Equipment Renewals Reserve

(giving a total contribution to this reserve of £200,000) and £75,400 ring-fenced for the 2016/17 Contingency Budget.

The 2016/17 Base Budgets was agreed in December 2015 and since then, further recurrent changes had been identified. Inclusion in next year's Budgets at this point ensured both the 2016/17 Budget and Financial Projections would contain the most realistic figures as at the beginning of April 2016. These changes were:

- Customer Service Centre Review/Digital by Default;
- Announcement of the Government Settlement;
- Updated Business Rates income based upon the January NNDR1 return;
- Latest Investment Interest Income forecasts;

Specific changes to 2016/17 budgets had been allowed for within service expenditure estimates that were agreed in December, these included energy supplies, civic support, travel tokens, waste containers, Local Enterprise Partnership and employment initiatives.

Within the Fit For the Future savings agreed in September 2015 was £320,000 phased in over 2017/18 and 2018/19 from the re-procurement of gas and electricity. The gas contract had now been re-procured to come into force in April 2016, generating savings of 28.62%, this being ahead of the dates previously reported. Similar savings were expected for electricity from October 2016. Together, these would present savings of £136,000 for 2016/17, with the full year effect of the electricity contract providing an additional £83,000 savings in 2017/18, with annual savings of £219,000.

Whilst these savings were being generated earlier (so benefiting the 2016/17 Budget), the level of these savings was estimated to be lower than earlier anticipated so presenting an additional £100,000 to be included in the Council's Medium Term Financial Strategy. The fuel market could be volatile, with oil prices currently being very low. When the contracts were to be re-procured in two years, the market could be very different with the Council having to fund additional costs for fuel above that currently being budgeted.

The Fit For the Future report included £20,000 savings related to changes to the Civic Support in respect of the Chairman. The Corporate Management Team had given this further consideration and had concluded that these savings would not be achievable without significantly altering the role of the Chairman, which was not considered appropriate at this time.

It had been custom and practice for the last 15 years that any remaining money on the "Chairman's allowance" budget (cost code 2280 4650) to be transferred to the Chairman's account for them to donate to their charities. This had varied from £500 to over £10,000 in recent years. It was recommended that this should not continue due to the financial pressures on the Council. It was highlighted that this made up a significant proportion of the Chairman's Charity donations each year and therefore any future donations, by the Chairman, to charities were likely

to be significantly lower. This budget was also used to pay for the Chairman to attend events and costs associated with events the Chairman hosts. Therefore revised budgeting arrangements would be put in place to clearly define what costs were being incurred by the Chairman of the Council. This would be achieved by reallocating this money across appropriate budget lines.

The Council operated a transport scheme which enabled qualifying individuals to use Council-issued travel tokens when travelling by train, taxi or (flexi) bus if the relevant transport operator agreed to accept the tokens in lieu of cash.

Following payment of a £5.00 administration charge, those eligible individuals would receive either £25.00 or £50.00 in tokens. The purpose behind the scheme is to enable elderly (in the rural areas) and disabled residents, who may not have easy access to bus services, to access transport, predominantly through the use of taxis. The allocations involved were so small that, as the table below demonstrated, a limited number of journeys can be made:

Using the calculator for Hackney Carriage Vehicles and deducting the £5 administration charge, residents were able to travel the follow distances:

	Tariff 1	Tariff 2	Tariff 3
	4 or less passengers (Day*)	4 or less passengers (evening**) 5+ passengers (day*)	5+ passengers (evening**)
£45	21 & 5/10th miles	13 miles	9 & 2/10th miles
£20	9 miles	5 & 7/10th miles	4 miles

Whilst it is the case that a resident may be able to achieve better value through private hire, the table gives Members a sense of the poor value the Council is receiving for its investment in the service. For example, using the calculator above, a resident travelling five miles into Leamington from a rural area would be able to make two return journeys over the course of 52 weeks.

Given the unprecedented financial position the Council is facing, officers do not consider that the scheme offers value for money, however, although this is a discretionary scheme it is recommended that a six week public consultation is undertaken to determine whether there would be any adverse equality impacts and if there are for these to be considered by the Leader and Deputy Leader.

As discussed in Minute 103 it had been recommended to Council to introduce a proposed to charge for waste containers. The anticipated net additional income of £78,000 per annum had been factored in to the proposed 2016/17 Budget. The Medium Term Financial Strategy and Capital Programme had also been altered to reflect this income and the additional on-going cost of the containers.

As part of agreeing the 2015/16 Budget members agreed a contribution to the Local Enterprise Partnership (LEP) of £20,000. Further discussions with the LEP had confirmed that funding was required from the local authorities within the LEP on an on-going basis. Accordingly, £20,000 per annum had been included in the 2016/17 Budget and the Medium Term Financial Strategy.

£50,000 was agreed as part of the 2014/15 Budget a one off sum of £50,000 for Employment Initiatives, of which £26,900 remains. The balance of this funding was proposed to be used as matched funding over the three years (from 16/17 financial year onwards) to support the Coventry and Warwickshire SME Growth Programme of the European Skills Initiative Funding (ESIF). The Chief Executive, using his powers, had previously agreed this re-allocation, and this would ensure a consistent delivery of business support start up advice, business readiness assistance across Warwick District as matched funding in a £3.35m three year programme for Coventry and Warwickshire. There was a shortfall in funding for the third and final year and this would be filled utilising additional monies raised through the Local Labour Agreements over that three year period.

The 2016/17 Budget proposed allowed for the creation of a Contingency Budget to the total of £200,000, including the £75,400 ring-fenced from 2015/16. In recent years the use of a Contingency Budget had been invaluable to allow the Council to deal with un-budgeted demands. These demands were agreed by the Executive or delegations as allowed for within the Code of Financial Practice. Full details of the use of the Contingency were reported to members.

The projected Collection Fund Balance, 2015/16, was calculated to be in surplus by £501,574 on 31 March 2016. Warwickshire County Council and the Warwickshire Police and Crime Commissioner were duly notified of their shares on the 15 January 2016. This Council's share was £55,000. This had been factored into the 2016/17 Budgets presented in this Report.

When the 2015/16 Government Grant Settlement was announced in December 2014 and January of 2015, the Government had not provided indicative settlement figures for future years. Hence the Medium Term Financial Strategy was prudently based upon the latest intelligence (Chancellor's Budget Statements, LGFutures, the Economy). The Government had now provided the proposed Settlement Funding Assessment (SFA) for 2016/17 alongside indicative amounts for the subsequent 3 years. Whilst the Financial Strategy had been based upon Revenue Support Grant for 2016/17 estimated at £1.835 million, the actual amount announced by Government was £1.586 million, a reduction of some £0.25m (and a reduction of over £900k from the 2015/16 £2.5m RSG) . This reduced funding with implications for the future years discussed of the Medium Term Financial Strategy.

The SFA for 2016/17 introduced the concept of Core Spending Power. This comprised of Revenue Support Grant, New Homes Bonus and projected Council Tax and business rates income. In coming to the

projection of Council Tax income, the Government had assumed increases in the Council Tax base and that local authorities would increase their council tax up to the referendum limits. Based on these assumptions, the Government figures showed that the Council's Spending Power would decrease by 0.4% for 2016/17.

A response had been issued to the Grant Consultation from the Council, which had stressed the inequity of the Council Tax increase limitation facing the Council.

The final Grant Settlement was expected in early February and updated figures would be provided to Council when available. Any change in the Revenue Support Grant was proposed to be compensated by the use of the Service Transformation Reserve.

The Council was required to agree its Business Rates estimates by the end of January (the form "NNDR1"). The Head of Finance had delegated authority to agree this. In estimating the business rates, account needed to be taken of prior year adjustments in respect of the net amounts estimated to be received.

As reported previously, there were still many business rates appeals outstanding for which a provision was required. This had the impact of dampening the Retained Business Rates for 2016/17. Funds had previously been set aside for this in the Business Rates Volatility Reserve, the use of which had been factored into the proposed 2016/7 Budget. For 2016/17, it was currently estimated that the Council would retain business rates of £3.6m, but this was reduced by a prior year adjustment of £2.7m, of which £2.5m was being met using the balance on the Business Rate Volatility Reserve.

In recent weeks, case law had agreed that NHS Foundation Trusts had acceptable charitable status to enable them to qualify for mandatory business rate relief. Whilst the Council had not had any applications for this relief, any applications received could be able to be backdated to 2010. The Council's share of this backdated relief could be approaching £1m, with £150,000 recurrent cost. This had not been factored into the proposed Budget. This was a risk facing the Council, although due to the significance of the implications facing many local authorities, this was something that would need to be addressed at a national level.

Whilst the potential cost of mandatory business rate relief for foundation trusts had not been factored into the budget, the Council should seek to ensure it had some provision to meet this potential cost. Hence within the allocation of the 2016/17 New Homes Bonus, £750,000 was proposed to be allocated to the Business Rate Retention Volatility Reserve.

If there was any variance between the business rates retention included within the proposed Budget and the figures within the NNDR1 for 2016/17, it was proposed that the difference should be accommodated with appropriate transfers to/from the Business Rate Retention Volatility Reserve.

In setting these Budgets, Council needed to be aware of the impact on their local Council Tax Payers. 2016/17 was the first time in five years that this Council had increased its share of the Council Tax. The recent zero tax increases had been partially compensated by a Council Tax freeze grant from central government.

The Council Tax referendum limit remained at 2%. Whilst a referendum would have one-off costs relating to its administration, if the electorate agreed to an increase above 2%, this would help to protect the Council's funding and services into the future.

The provisional Grant Settlement, referendum principles were:

- A 2% limit on all Council Tax increases;
- Authorities with responsibility for social care may increase their Council Tax by an additional 2% for adult social;
- District Councils whose current band D council tax is in the bottom quartile may increase their Council Tax by up to £5; and
- No referendum principles had been proposed for parish or town councils.

Warwick District Council was just outside the bottom quartile for its level of Council Tax (57 out of 201 district councils). Accordingly it was limited to the 2% council tax increase, with the proposed increase being 1.99% to ensure of not being within the referendum parameters. The 1.99% proposed increase was the equivalent of an extra £2.92 at Band D and would generate an additional £151,000. This was well below the £5 that authorities in the bottom quartile could raise their tax. A £5 increase in tax would generate a further £108,000 in Council Tax income. By being just outside the bottom quartile, Warwick District Council was limited to one of the lowest increases in Council Tax, in cash and real terms, nationally.

The Council Tax Base was calculated in November of last year, with the Council's preceptors being notified accordingly. The Tax Base for 2016/17 was 51,879.20 Band D Equivalents, an increase of 534 above that previously projected in the Strategy and built into the 2016/17 Base Budget reported to Executive in December.

The Council's element of the Council Tax was calculated by taking its total budget requirement, subtracting the total funding from Central Government in respect of Revenue Support Grant (RSG) and Retained Business Rates and the collection fund balance of £55,000. This figure was divided by the 2016/17 tax base to derive the District Council Band D Council Tax Charge.

The recommendations within this report produce a Band D Council Tax for Warwick District (excluding parish/town council precepts) for 2016/17 of £149.78, this being a 1.99% increase on that of 2015/16. Based on this increase the Council Tax levels for each of the respective bands would be:

Band	£
A	99.85
B	116.50
C	133.14
D	149.78
E	183.06
F	216.35
G	249.63
H	299.56

Parish and town councils throughout the district were asked to submit their precepts for 2016/17 when informed of their Tax Bases. At the time of writing this report, not all precepts had been confirmed. It was estimated that the precepts would total around £1,300,000 based on prior years. This figure did not take into account the Grants that this Council would award in respect of the Council Tax Support adjustments to the Tax Base (as detailed within the December 2013 Base Budget report).

At the time of writing the report, neither the County Council nor the Police and Crime Commissioner had set their 2016/17 budgets and element of the Council Tax. The meeting of the County Council was scheduled for the 23 February 2016 and the Police & Crime Commissioner was due to seek approval from their Panel on the morning of 3 February 2016. Should the Commissioner's proposal be rejected, there would be a subsequent submission on the 17 February 2016.

The Council Tax was set by aggregating the Council Tax levels calculated by the major precepting authorities (the County Council and the Police and Crime Commissioner) and the parish/town councils for their purposes with those for this Council. The report to the Council Meeting on the 24 February, 2016 would provide all the required details. This would be e-mailed to Council as soon as possible following the County Council Meeting on the 23 February 2016. This Council would then be in a position to:

- (a) consider the recommendations from the Executive as to the council tax for district purposes; and
- (b) formally to set the amount of the council tax for each parish/town, and within those areas for each tax band, under Section 30 of the 1992 Local Government Finance Act

Councillors had fiduciary duty to the Council Taxpayers of Warwick District Council. Council had a duty to ensure that the Council acted lawfully. They were under an obligation to produce a balanced budget and must not knowingly budget for a deficit. Council must not come to a decision that no reasonable authority could come to, balancing the nature, quality and level of services that they consider should be provided, against the costs of providing such services.

If any Councillor wished to propose additions or reductions to the budget, on which no information was given in this, they must present sufficient information on the justification for and consequences of their proposals to enable the Executive (or the Council) to arrive at a reasonable decision. This report sets out relevant consideration during deliberations, including the statement at Appendix 10, to the report, from the Chief Financial Officer.

Section 106 of the Local Government Finance Act 1992, stated that any Councillor who had not paid their Council Tax or any instalment for at least two months after it was due and which remained unpaid at the time of the meeting, must declare that at the meeting and not vote on any matter relating to setting the budget or making of the Council Tax and related calculations.

This Council's provisional New Homes Bonus allocation for 2016/17 was £2,257,564. This represented £576,000 for its overall increase in new properties over the last 12 months, a further £350 per new affordable home (£59,000), plus the previous 5 year's allocations (£1.623m).

At present, the funding was based upon a 6 year rolling programme whereby each year's allocation was funded for 6 years. However, in December 2015 the Government issued a consultation paper alongside announcing the 2016/17 provisional allocations. This suggested that from 2017/18 the allocations could reduce to a 4 year period.

This consultation paper sought views on the existing method of calculating the award on Band D equivalents and restricting the award to authorities with a local plan in place. It invited a response on proposals to exclude houses allowed under appeal and those that could be built irrespective of any incentive from New Homes Bonus. Responses were due by the 10 March 2016. It was proposed that the Head of Finance and Head of Development Services send a suitable response, following consultation with the relevant Portfolio Holders.

Of the £2,257,564 allocation for 2016/17 it was proposed this was allocated as follows:

- The Waterloo Housing joint venture, £178,500; in line with the amount of affordable housing delivered from the partnership with the Council, as previously agreed by the Members;
- Corporate Assets Reserve £486,000;
- Business Rate Retention Volatility Reserve £750,000;
- King George Playing Fields in Barford (capital) £71,000 as agreed by Executive in July 2015;
- Creation of a new Leisure Options Reserve with £625,000 transferring to it. This provision is to manage the net reduction in income during the Leisure Centre refurbishment project and initial debt repayments, as detailed in the report to November 2015 Executive;
- Early Retirement Reserve £147,064. Further demands upon this reserve are expected in future years.

Whilst the Government had stated that New Homes Bonus would remain for future years, it was clear that the allocations were likely to reduce. Knowing the uncertain nature of NHB, the Council had sought not to rely on this funding to sustain mainstream service provision, unlike many authorities. This had enabled the Council to use this funding towards other projects. Potential projects expected to come forward for 2017/18 include the Whitnash Community Hub. However, any commitment to this or any other project should not be agreed until there was more certainty over the future levels of NHB, and other potential demands for the use of this funding.

In 2014 the Council agreed all of its employees should receive at least the National Living Wage. Each year the Council needed to review its commitment to paying the National Living Wage from the subsequent April of each year as part of the Budget process.

For 2015/16 this was being paid at the rate of £7.85 per hour. The rate determined by the National Living Wage Foundation for the new year was £8.25.

In July 2015 the Chancellor of the Exchequer announced that the UK Government would introduce a compulsory minimum wage premium for all staff over 25 years of age, and referred to it as the 'national living wage' (NLW). The government rate was separate to the Living Wage rate calculated by the Living Wage Foundation. The government rate was based on median earnings while the Living Wage Foundation rate was calculated according to the cost of living. The government Living Wage was to be introduced from April 2016 at the rate of £7.20 per hour. This was due to increase to £9 by 2020.

The government's Living Wage increases would in due course impact not only on more of the Council's employees, but also on the wage bill of contractors. It was expected that as contracts were re-tendered in future years, the cost of the Living Wage would be reflected in higher contract prices. £50,000 has been factored into the Medium Term Financial Strategy for the additional cost of the NLW falling on the Council for its own employees from 2019/20. No allowance had been factored in for the costs falling on contractors; these were not expected to be a cost for the Council until the major contracts were retendered until after 2021.

From April 2016 it was proposed that the Council would continue to pay the National Living Wage Foundations rate of £8.25.

Taking into account all the budget changes and proposals detailed above, the 2016/17 budget would present a surplus of £23,100. It was proposed that this surplus was transferred to the Service Transformation Reserve.

The Strategy presented to Members in February 2015, when the 2015/16 Budgets were approved, forecast that there would be a £980,000 deficit by 2019/20 unless ongoing savings were identified and delivered within the same period.

The July Budget Review Report indicated that this had now gone up to £1.087 million. This increased primarily due to the Strategy being updated to incorporate a further 5th financial year.

In September 2015 the latest Fit For the Future Programme Report to the Executive, identified various savings, which if achieved would enable the Council to meet the shortfall of £1.087m. These savings totalled a recurrent £1.735 million net of appropriations to Reserves. In addition, the savings would be sufficient to enable annual contributions in respect of:-

- Rural and Urban Capital Initiatives Scheme £150,000 from 2018/19.
- Historic Building Grants £50,000 from 2017/18. However, following the agreement of the Executive in January, this scheme and budget will cease from April 2017, with the funding retuning to the General Fund.
- ICT Reserve £250,000 from 2019/20.
- Equipment Renewals Reserve £100,000 from 2019/20. Recent consideration of forthcoming demands upon this reserve has highlighted a need for a further one-off contribution to this reserve to ensure the commitments over the next five years can be met. Accordingly, within paragraphs 3.2.3 and 3.2.4, additional one off contributions totalling £200,000 have been proposed.

Other significant changes to the Financial Strategy are detailed below:-

- Additional Income above that previously factored into the Financial Strategy, £67,000, as reported in the Fees and Charges Report of September 2015.
- Investment Income has been updated to reflect latest interest rate forecasts informed by Capita, the Council's Treasury Management consultants and changes in the levels of Reserves. Investment Interest is forecast to increase to £1,760,000, of which £760,000 will benefit the General Fund. Whilst the General Fund Balances have diminished over this 5 year Period, interest returns themselves are forecast to increase from 0.7% to 2.02%.
- Reductions in projected Revenue Support Grant (RSG). As discussed in section 3.4.above, the lower level of Government Support continues into future years, falling to just below £800,000 in 2017/18, £300,000 the following year, after which, from 2019/20 there will not be any Revenue Support Grant at all. The Council's main sources of income will be Business Rates, Council Tax and any monies the Council can raise from its own Fees and Charges. It should also be noted that from 2019/20, this Authority's Business Rates Baseline has been deflated by a "Tariff adjustment" of some £240,000. This effectively represents negative RSG in that as the Council is no longer receiving any RSG, it cannot be reduced further.
- Revisions to Business Rates forecasts, £431,000 decrease, as discussed in section 3.5.
- When the Council Tax Base was calculated in November of last year, there was an increase in the numbers of 600 Band D Equivalentents

above that previously forecast. The additional Band D's will see some £100,000 per annum in income by 2020/21.

- The Government announced that Public Sector Pay Awards are to be frozen at 1% for the next four years. This will save £555,000 on the previously assumed 2% per annum for that period.
- The National Living Wage will increase to a minimum payment of £9.00 per hour by 2020. Provision has been made for this of £50,000 from 2019/20 onwards. The NLW is discussed in more detail in section 3.8.1.
- It was expected that a further £50,000 needed to be added to the Inflation Contingency Budget for 2016/17. However, at present, this Budget is not being fully utilised and in light of low inflation factors, (RPI 1.10% and CPI 0.1% in November 2015), which is only expected to rise to averages of 2.6% and 1.6% respectively during 2016/17, the additional budget requirement has been removed. The general inflation provision remaining within the 2016/17 Budget is £24,500.
- 2014/15 was the first year of a deflation factor to be applied to Discretionary Expenditure Budgets (10% over a 4 year period, 2.5% per annum) Members subsequently agreed that year 4 (2017/18) of the reduction be brought forward to 2016/17 i.e. a total of 5% being factored into 2016/17. However, during the last 2 years, Managers have found it increasingly difficult to identify and then deliver these savings, alongside other changes being made during the same period. In finalising these budget reductions for 2016/17 the actual savings have proven £69,000 less than originally forecast within the strategy.
- In the Base Budget Report (December 2015), Members were informed that the new state pension arrangements remove the "opt-out" reduction in respect of employers' National Insurance contributions from April 2016. This is now estimated to cost £214,000 per annum, slightly more than the £200,000 that had previously been allowed for within the projections in respect of this.
- Responsibility for Benefits Fraud has transferred to the Department of Work and Pensions. This has resulted in a recurrent saving on the demand for Legal Services from Warwickshire County Council, which has now been factored into the 2015/16 and 2016/17 Budgets. (£58,000 per annum).
- Income at the Council's Leisure Centres has seen an increase (£61,000) as memberships have increased. It is believed this may have been in part due to some extra promotions, however, officers believe there is an underlying uptake anyway.
- The Apprenticeship Levy becomes payable from 2017/18 of 0.5% of the pay bill over £3m, costing an estimated £42,000.
- A £20,000 recurrent payment to the Local Enterprise Partnership, following on from the one-off sum agreed for 2015/16 as part of the February 2015 Budget report (see paragraph 3.3.2 v).
- Staffing Review – CMT. The Fit For the Future report included £70,000 savings from 2019 related to a future review of CMT. In discussion with the Executive, it is believed that with the significant challenges facing the Council over the forthcoming years, it would be imprudent to assume that these savings will be achievable. Accordingly, this saving has been removed from the updated

Medium Term Financial Strategy, although it is still expected that a future senior management review will be necessary.

- A net recurrent transfer, £87,000 (after allowing for the anticipated income as discussed in section 3.3.2 iv) to Capital to fund the costs of Waste Containers. These are currently provided free of charge, with the exception of additional green bins. The original budget for the supply and delivery of waste containers was set at £120,000 pa for 5 years (April 2013 – March 2018). Due to an increase in demand, there is a budget shortfall of £93k for 2016/17. Levying a modest charge of £25.00 per bin will partly offset these costs.

Taking all of these changes, plus many minor ones into account, the Medium Term Financial Strategy now indicates that £591,000 of recurrent savings still need to be found outside of those built into the Strategy. This is replicated in the table below-

	£'000's
Ongoing 5 year Deficit February 2015 Executive	980
Addition of an extra Year	99
Fees and Charges	-67
Investment Interest	-273
Council Tax Base	-97
Allocations/Savings (September Fit for the Future Report)	-1,145
Adjusted Energy Savings from New Contracts	100
Pay Award	-555
National Living Wage	50
Inflation Provision	-50
Discretionary Savings Target Reduced to actual	69
Additional costs of one state pension (NI contributions)	214
Fraud Legal savings now under DWP	-58
Leisure Centre membership	-61
Apprenticeship Levy	51
Recycling Cannisters (net)	87
net other smaller adjustments	-15
Business Rates Updated	431
Government Grant reductions	833
Ongoing 5 year Deficit February 2016 Executive	593

The Table below breaks down these savings into financial years;-

	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000
Cumulative ongoing Deficit/Savings Required(+)/Surplus(-)	225	217	607	591
In year Additional Savings(+)/Surplus(-)	225	-8	390	-16

Appendix 2, to the report, showed the Medium Term Financial Strategy in more detail. It would be noted, that despite the significant potential savings considered and included within the Medium Term Financial

Strategy, further savings were needed to enable the Council to continue to set a balanced budget within the projected level of financial resources.

The Medium Term Financial Strategy savings from several significant projects had been included. If these savings were not made, the Council would need to agree how further savings could be made. It should be noted, that in seeking to identify further savings, there was the possibility of further savings having to impact upon the level of service provided and service delivery. The saving from projects currently included in the Medium Term Financial Strategy were:-

- Office relocation - £300,000 from 2018/19.
- Staff Terms and Conditions - £145,000 from 2016/17
- Leisure Options - £500,000 from October 2018
- Town Hall Transfer - £85,000 from 2018/19
- Members Allowances - £80,000 from 2019/20.

Officers would continue to monitor and update the 5 year forecast during 2016/17, with Members regularly updated as part of the Budget Review process.

Council had agreed that a £1.5m should be the minimum level for the core General Fund Balance. This Reserve supported the Council for future unforeseen demands upon its resources. In order to consider a reasonable level of general reserves, a risk assessment had been done and was contained at Appendix 11, to the report. This showed the requirement for the General Fund balance of over £1.5 million against the risks identified above. It had been agreed that £1.5m should be the minimum level for the core General Fund Balance.

The General Fund had had many specific Earmarked Reserves. These were attached, at Appendix 3 to the report, showing the actual and projected balances from April 2015, along with the purposes for which each reserve was held. The Finance and Audit Scrutiny Committee had been asked to scrutinise this element and pass comment to Executive.

Those reserves which showed a significant change in the overall balance in the period 1 April 2015 to 31 March 2020 were detailed in Appendix 3 and summarised below.

A reduction of £2,652k, within the Business Rates Retention Volatility Reserve, allowing for a contribution of £750k from the New Homes Bonus. This reserve was used to smooth the retained income from the Business Rates retained income scheme, with some allowance towards the cost of future appeals.

A decrease of £2,196k in the balance of the Capital Investment Reserve mainly due to the use of the reserve in financing projected General Fund capital expenditure, offset by contributions from the General Fund in respect of previous capital expenditure financed by this reserve. The reserve would receive top ups of £150,000 per annum from 2018/19 in order to ensure the on-going funding of the RUCIS scheme. In the past the Council has had a policy of maintaining a minimum balance of £2m in this reserve for unforeseen demands. However, it had proven to be

unrealistic to maintain this level of minimum balance. Also, with the reduced number of capital schemes within the Capital Programme, and the other reserves that the Council holds, it was believed to be acceptable for this nominal balance to be reduced to £1m. This was reflected within the Financial Strategy, as set out in Appendix 9 to the report.

An increase of £122,000, within the Car Parking Repairs and Maintenance Reserve, as a result of £40k per annum contributions being made from the General Fund arising from increased parking fees.

The Community Forums Reserve would make contributions of £136,000 to the General Fund in respect of financing Community Forum grants and would effectively be extinguished at the end of 2017/18, with the cost of these grants then needing to be funded from core General Fund funding.

An increase of £312,000, in the Corporate Assets Reserve, in the balance due to top ups of £570k and £486k from the 2015/16 and 2016/17 New Home Bonuses respectively. The reserve would make a contribution to the General Fund of £744k in 2015/16. The contribution to fund works in 2016/17 would be subject to a report to March Executive. However, it was anticipated that this reserve should now be sufficiently funded for the next three years, although this would be considered in more detail in the March report.

Mangers and Service Area Managers had been tasked with regularly reviewing their forecast future requirements from the Equipment Renewal Reserve and looking to see whether they could reduce their demands on this Reserve by providing services by an alternative method in a more cost effective manner. This was paramount, as if all the future demands on this Reserve were needed, the Reserve was scheduled to run out during 2018/19 even after allowing for a £174k top up from the 2015/16 New Homes Bonus. Additional annual top ups of £100,000 per annum from 2019/20 were scheduled, in addition to the £200,000 contribution to this reserve detailed elsewhere in this report. Councillors would receive further information later in the year as part of the budget review as to how the anticipated shortfall could be financed. The latest Schedule was attached at Appendix 4 to the report.

An increase of £189,000, in the General Fund Early Retirements Reserve, arising as a result of top ups of £100k and £147k from the 2015/16 and 2016/17 New Homes Bonuses respectively offset by contributions from the reserve to the General fund in 2015/16 to fund various redundancies and early retirement costs.

A decrease of £899,000, in the ICT Reserve, arising from the funding of ICT capital expenditure 2015/16 to 2019/20. The reserve would receive annual top ups of £250k from 2019/20, as detailed in Appendix 5.

The Leisure Options Reserve was to be a new reserve initially funded from £625k New Homes Bonus in 2016/17. This reserve had been created to manage the loss of income arising during the Leisure Centre

refurbishment project and also pay for the first year and a half's debt charges.

A decrease of £491,000, in the Public Amenity Reserve, arising from the funding of play equipment capital expenditure in the 2015/16 to 2019/20 capital programme.

An increase of £398,000, in the Public Open Spaces Planning Gain Reserve, arising from S106 contributions received in 2015/16 for which there was, as yet, no planned expenditure.

A decrease of £1,549,000 from the Service Transformation Reserve mainly due to various approvals for Fit For the Future projects. Excluding those approved in previous years which were slipped to 2015/16. The reserve will receive a top up of £23k from the 2016/17 budget surplus.

For some years now, officers had undertaken Options Appraisal when procuring items from the Equipment Renewal Reserve. It was recommended this practice continued and was used for any purchase from a Reserve where this exercise might be appropriate and offer an alternative cost effective means of purchase, e.g. ICT Reserve and Capital Investment Reserve.

The latest programme for both the General Fund and the HRA capital programme were shown at Appendix 6, of the report, along with the proposed financing of these schemes

The General Fund Capital Programme shown in Appendix 6, to the report, included the additional projects listed below and detailed within the capital variations in Appendix 7, to the report. This appendix contained details of other movements in the capital programme e.g. slippage from 2015/16 to 2016/17 and savings.

Project	Amount	Comments
<u>SCHEMES ALREADY APPROVED</u>		
Voice Over IP Telephony System	£75,000	Approved November 2015 by Head of Finance in conjunction with ICT Services Manager under delegated authority and funded from ICT Reserve
King George's Playing Fields, Barford	£166,000	Approved July 2015 Executive and funded from S106 contributions and New Homes Bonus (see paragraph 3.7.6)
Racing Club Warwick – match funding towards ground improvements	£50,000	Approved December 2015 Executive and funded from Capital Investment Reserve
Leisure Options – works to progress to RIBA Stage 4	£550,000	Approved December 2015 Executive and funded by internal borrowing

Project	Amount	Comments
NEW SCHEMES REQUIRING APPROVAL		
Royal Spa Centre Operational Works – Motors and Stage Lighting Dimmers	£350,000	Schemes originally included in Equipment Reserve Renewal Schedule but now removed and to be funded from Capital Investment Reserve in 2016/17
St Johns Warwick Flood Alleviation Scheme	£100,000	New scheme identified and to be funded from Capital Investment Reserve in 2017/18
Rural and Urban Initiatives Grants – extension from 2018/19 (as agreed by Executive September 2015)	£150,000 per annum	Additional allocations re existing schemes to enable them to continue. Will be funded from Capital Investment Reserve using planned revenue savings
Recycling and Refuse Containers, subject to separate report to this Executive meeting	£165,000 per annum	Additional allocations re existing schemes to enable them to continue from 2017/18 onwards. Will be funded from Revenue Contributions

In accordance with the Council's Code of Financial Practice, all new and future capital schemes, needed to be in line with the Council's corporate priorities and a full business cases would be required as part of the Report to the Executive for approval. This case would identify the means of funding and, where appropriate, an options appraisal exercise would be carried out. Should there be any additional revenue costs arising from the project, the proposed means of financing such must also needed to be included in the Report and Business Plan.

In addition to the new projects incorporated above the following capital projects were expected to come forward over the next year:-

- Leisure Centre Investment
- Investment in replacement multi storey car parks
- Office relocation

Slippage items to 2016/17 in the Programme since last reported to were:

- St Mary's Lands Business Strategy £50,000
- Bishops Tachbrook Community Centre £200,000
- 2nd Warwick Sea Scouts' Headquarters £49,825
- Conservation Action Programme £40,409
- Play Area Improvement Programme £223,125

The latest Housing Investment Programme (HIP) was shown at Appendix 6 to the report. Changes to the Programme since last reported were:

- Virement of £20,000 from the 2015/16 Kitchen Fittings and Sanitaryware Replacements programme to Structural improvements; and
- An examination of the salary costs relating to staff carrying out the Council's programme of Disabled Facilities Grants has revealed a case for charging capital salaries to the Mandatory Disabled Facilities

Grants capital budget thus alleviating pressure on revenue resources. Accordingly, £35,000 had been added to the Mandatory Disabled Facilities Grants budget within the 2016/17 Housing Investment Programme which would be financed by usable capital receipts. 2017/18 onwards would be reviewed once the outcome of the South Housing Assessment Team joint project pilot was known.

The RUCIS scheme was now funded on an on-going basis at £150,000 per annum, financed from planned revenue savings (which were passed through the Capital investment Reserve). It should be noted from the regular RUCIS reports that in addition to the annual £150,000 budget, the scheme carried forward significant unspent balances. It was proposed that from the end of 2015/16, the practice of slipping the unallocated budget should cease.

The Council was required to determine an authorised borrowing limit in accordance with The Local Government Act 2004, Section 3, and to agree prudential indicators in accordance with the CIPFA Code for Capital Finance in Local Authorities. The Prudential Borrowing Indicators were shown at Appendix 8, to the report.

The Finance & Audit Scrutiny Committee supported the recommendations in the report. In addition, having received the late information contained in the addendum the Committee recommended that Warwick District Council could take advantage of the increased ability to raise Council Tax for 2016/17 by £5, to place the Council's finances in a stronger position.

The Leader of the Executive highlighted the addendum from officers that had been circulated prior to the meeting. This informed the Council that the Government had amended its position following the publication of the report to the Executive. This would enable all Shire Districts and Boroughs to increase Council Tax by the equivalent of £5 or 2%, depending on which was the higher increase per band D property.

Councillor Barrott outlined the comments from the Finance & Audit Scrutiny Committee and also highlighted concerns over the Chairman's budget and the need to review the accounting practice with a view to reducing the overall allocation to the Chairman's Allowance.

Councillor Boad welcomed the removal of the travel tokens scheme because of the minimal benefit it provided to residents.

Councillor Whiting responded agreeing with Councillor Barrotts concerns about the Chairman's budget and recognised these should be addressed as outlined in the report. On a positive note he thanked the Head of Finance and his team for navigating this Council through a jungle of regulations that the Council had to comply with and in doing ensured we had a robust budget. He reminded Councillors that while a balanced revenue budget was good there was still a need to

finance the capital liabilities which the Council had and until these were met the Council did not have a truly balanced budget.

Councillor Whiting, proposed the recommendations as laid out subject to amending recommendation 2.7, 2.9 and 2.10 to incorporate a £5 increase in Council tax rather than a 1.99% increase, with the extra council tax income being allocated to the Service transformation Reserve in 2016/17. This was duly seconded and:

Recommended that Council

- (1) the proposed changes to 2015/16 Budgets detailed in paragraphs 3.2.2 and 3.2.3, of the report, be approved;
- (2) the revised 2015/16 Budget of Net Expenditure of £14,609,500, as set out at Appendix 1 to the report, after allocating a surplus of £151,700 be approved;
- (3) the 2015/16 surplus is allocated as follows:
 - £76,300 to the Equipment Renewals Reserve; and
 - £75,400 to the General Fund ringfenced towards the 2016/17 Contingency Budget (para 3.2.4);
- (4) the proposed changes to 2016/17 Base Budgets detailed in paragraphs 3.3.1 to 3.3.4 be approved;
- (5) with effect from this financial year (2015/16) any money that remains within the cost code 2280 4650 (Chairman's Allowance) at the end of the financial year is declared as an underspend and not transferred to the Chairman's Charities accounts as set out in paragraph 3.3.2 ii of the report;
- (6) approves ending the Council's Travel Token Scheme with effect from 1 June 2016 noting that there will be a six week public consultation about the proposal to determine whether there would be any adverse equality impact and should this appear to be the case the matter would be considered by the Leader and Deputy Leader to determine next steps, as set out in paragraph 3.3.2.iii of the report;
- (7) the proposed Budget for 2016/17 with Net Expenditure of £12,556,300 taking into

account the changes detailed in section 3.3 of the report and summarised at Appendix 1 and the additional the £107,000 from the increased council tax income is allocated to the Service Transformation Reserve be approved;

- (8) note the Grant Settlement for 2016/17 as discussed in paragraph 3.4.1 of the report. Should there be any changes between the indicative Revenue Support Grant and the final amount, the changes will be managed through the Service Transformation Reserve as set out para graph 3.4.4 of the report, and any change in the Business Rate Retention figures is reflected in the use of the Business Rate Retention Volatility Reserve set out in paragraph 3.5.4 of the report;
- (9) the Council Tax of a Band D property for Warwick District Council for 2016/17 before the addition of parish/town council, Warwickshire County Council and Warwickshire Police and Crime Commissioner precepts is agreed at £151.86 representing a £5 increase on 2015/16 with a further £107,000 allocated to the Service Transformation Reserve;
- (10) Subject to approval of the above Budget 2016/17, the Council Tax charges for Warwick District Council for 2016/17 before the addition of parish/town council, Warwickshire County Council and Warwickshire Police and Crime Commissioner precepts, for each band is agreed by Council as follows:

Band	£
A	101.24
B	118.11
C	134.99
D	151.86
E	185.61
F	219.35
G	253.10
H	303.72

- (11) The 2016/17 proposed New Homes Bonus of £2,257,564, be noted and the allocation of

the 2016/17 monies as follows, be approved as detailed in paragraph 3.7.6 of the report

	£
Waterloo Housing Association	178,500
St Georges Playing Field, Barford	71,000
Corporate Assets Reserve	486,000
Leisure Options Reserve	625,000
Business Rate Retention Volatility Reserve	750,000
Early Retirement Reserve	147,064

- (12) the Head of Finance and Head of Development Services respond to the consultation on New Homes Bonus, following consultation with the relevant portfolio holders as set out in paragraph 3.7.5 of the report;
- (13) the Council should continue to pay the National Living Wage to its employees, with the rate increased to £8.25 from April 2016 as detailed in paragraph 3.8.1 of the report;
- (14) the General Fund budgeted surplus of £23,100 be allocated to the Service Transformation Reserve as detailed in paragraph 3.8.2 of the report;
- (15) approve the Medium Terms financial projections as shown in the Strategy at Appendix 2, to the report. Note the underlying deficit approaching some £600,000 unless this can be addressed by savings of the same magnitude delivered by 2020/21 (paragraph 3.9.6 of the report. An update to the Fit For the Future programme to be brought forward which considers ways to deal with this underlying deficit.
- (16) Approve the creation of a new reserve entitled "Leisure Options" in order to cover the reduced income expected during the refurbishment of two leisure centres and the initial debt charges on the prudential borrowing taken out to finance the refurbishments paragraph 3.10.3.ix of the report. The management and control of the reserve to be as stated in the Reserves schedule in Appendix 3, of the report.

- (17) notes the Reserves Schedule as at 1 April 2017 and projected balances at Appendix 3 of the report and paragraph 3.10.2 of the report.
- (18) the Equipment Renewal Schedule Appendix 4 and ICT Schedule Appendix 5 be financed by the respective reserves and note with concern that neither reserve is fully funded in the long term unless further sources of finance in addition to the recurrent allocations as approved in the September Fit for the Future Report as set out in paragraph 3.10.3 vi, viii of the report;
- (19) the General Fund Capital Programme including the new schemes described in the table in paragraph 3.11.2, of the report, and the Housing Investment Programme, paragraph 3.11.7 of the report, and the funding of both programmes as detailed in Appendices 6 and 7, to the report;
- (20) approve that the practice of slipping the unallocated RUCIS budget should cease from the end of 2015/16 as set out in para 3.11.8 of the report;
- (21) approve the Prudential indicators as set out in paragraph 3.12 of the report and Appendix 8 to the report;
- (22) Approve the Financial Strategy as set out in paragraph 4.2 of the report and Appendix 9 to the minutes; and
- (23) notes the mitigations and controls in place to alleviate the financial risks as detailed in section 6 of the report..

(The Portfolio Holder for this item was Councillor Whiting)
(Forward Plan reference number 754)

105. **Housing Revenue Account (HRA) Budget 2016/17 and Housing Rents**

The Executive considered a report, from Finance, that presented to Members the latest Housing Revenue Account (HRA) budgets in respect of 2015/16 and 2016/17.

The reported provided the detailed reasoning that supported the recommendations to Council in respect of setting next year's budgets,

the proposed increases to council tenant housing rents, garage rents and other charges for 2016/17 and the rents to be set for the new homes being developed at Sayer Court in Leamington Spa. It did not include the impact any potential Housing Association "Right-to-buy" levy.

In July 2015 the Government announced that with effect from April 2016, the rents charged for existing tenants by local authority housing landlords should be reduced by 1% per year, for four years.

In the House of Lord s' debate on 27 January 2016 on the report stage of the Welfare Reform and Work Bill, Lord Freud (Minister of State for Welfare Reform) confirmed the intention to exempt: "all supporting housing" from the 1% rent reduction. Further details, detailing precisely which properties and tenancies would be included within the exemption, are expected in place by the start of the new financial year. However, it was expected that properties of a type provided in the Council's supported housing schemes were likely to be included. It was possible that the exemption may also include designated dwellings.

The exemption would allow the Council to continue to apply CPI plus 1% rent increase to any properties and tenancies defined by the Government in the relevant regulations and guidance. The proposed variation translated into a rent increase of 0.9% in 2016/17 for the Council's sheltered housing and would increase projected income from these properties by £34,000. If the regulations allow for the increase to apply to designated dwellings, a rent increase of 0.9% could be applied to these properties, increasing projected income from these properties.

For void properties, the Council was able to set the base rent as the Target Social Rent (also known as Formula Rent). This represented a small increase over the social rent charged by the Council to tenanted properties and would increase projected rental income by around £5,000 in 2016/17. However, this rent had to be subsequently reduced by 1% at the next annual rent review after the property was re-let to comply with July 2015's policy announcement included in the Welfare Reform and Work Bill 2015/16 (currently progressing through Parliament).

Details of the current rents and those proposed as a result of this recommendation were set out at Appendix 1, to the report. A comparison of the Council's social rents with affordable and market rents was set out at Appendix 2, to the report.

The report recommended compliance with national policy and guidance on the setting of rents for General Needs and Supported Housing properties.

The shared ownership properties rent increases were not governed by the national Policy. Schedule 4 of the lease agreement allowed the Council to increase rents for shared ownership properties by RPI + 0.5% in April 2017.

Garage rent increases were not governed by national guidance. Any increase that reflected costs of the service, demand, market conditions and the potential for income generation can be considered. The HRA

Business Plan base assumption was that garage rents would increase in line with inflation. However, the Council did not have in place a formal policy for the setting of rents for garages.

There were waiting lists for a number of garage sites, whilst other sites had far lower demand; where appropriate these sites were being considered for future redevelopment as part of the overall garage strategy for the future. To date 88 garages had been demolished or disposed of to provide land for new affordable housing. A full review of the Council's role in the provision of garages was included in the Housing Futures project.

Market Research showed that in the private sector, garages were being marketed for around £80 per month.

With regard to these factors an increase of 5% had been recommended as the most appropriate increase, the additional income generated for the service would help to alleviate the loss of rental income from dwellings and ensure the continuous viability of the Housing Revenue Account Business plan.

This increases projected income for 2016/17 by £24,700 compared to 2015/16. For tenants, most garage rents will increase by 29p per week, from £5.82 to £6.11. Non-tenants also pay VAT on the charge, so it will increase by 35p per week, from £6.98 to £7.33.

As reported to Executive in January 2016 the funding the Council receives from WCC to provide housing related support services (formerly referred to as Supporting People services) would end on 31 July 2016.

Executive agreed that the Council would continue to provide the same level of housing related support and therefore would continue to keep the charges for this service at the current level. The level of service provided and the charges for providing this service would be reviewed during 2016/17.

The Council was required to set a budget for the HRA each year, approving the level of rents and other charges that are levied. The Executive made recommendations to Council that took into account the base budgets for the HRA and current Government guidance on national rent policy.

The latest budgets, Appendix 3 to the report, were based on the budgets approved in January 2016 updated for any changes since that report and the recommendations.

The dwelling rents had been adjusted to take account of the loss of rent resulting from actual and anticipated changes in property numbers for 2015/16 and 2016/17. However, additional rental income was expected from October 2016 onwards when the new 81 build properties at Sayer Court are completed and let to tenants.

The garages rental income had been increased to take into account the 5% increase in charges for 2016/17.

The projected income for Sayer Court had increased by £46,000 to reflect the additional rental income from charging Warwick Affordable Rents.

The overall impact of the proposed changes on the Housing Revenue Account was favourable. The HRA working balance would increase by £103,400 to £1.5m.

Appendix 3, to the report, showed the recommended Housing Revenue Account budgets for 2015/16 and 2016/17, updated to show the latest position including the effect of the recommendations in this report.

The Housing Investment Programme was presented as part of the separate February 2016 report 'Budget 2016/17 and Council Tax – Revenue and Capital' a summary is included within Appendix 3 to the report.

The recommendations would enable the proposed latest Housing Investment Programme to be carried out and contribute available resources to the HRA Capital Investment Reserve for future development whilst maintaining a minimum working balance on the HRA of at least £1.4m in line with Council policy.

In October 2016, the Council's new development of flats and bungalows at Sayer Court would be completed and ready for letting. The first show flat would be ready for marketing in March 2016. To make the marketing exercise a success, it would be necessary for prospective tenants to be advised on the rents charged for the various dwelling types within the scheme.

Because Sayer Court was a 100% affordable housing scheme, the Council had a degree of flexibility in rent setting for the tenure of these homes.

The Council's current policy for its own housing stock was for all existing properties to be let at current Rent and new tenancies at Target Social rent.

In the case of new build schemes such as Sayer Court, the Council had the option to either apply its current policy of Target Social Rent or to adopt another approach to rent setting.

Warwick Affordable Rent was the midway point between Target Social Rent and Affordable Rent. The Affordable rent was set nationally as 80% of the local market rent for similar properties. However, setting rents at this level would mean that the Council would not have consistent rent setting policy for all its properties and the scheme might not be as attractive to new and transferring tenants.

The new build properties at Sayer Court would have high energy efficiency ratings compared to existing homes and thus the opportunity for residents to have lower energy bills.

Warwick Affordable Rents were expected to fall within the limits currently set for housing benefit and total projected rental income for 2016-17 would be £251,000 as set out in Appendix 4 to the report.

In addition, the Council could maintain the attractiveness of the existing stock by charging higher rents for the Sayer Court properties

To set a precedent for rent setting for new build schemes and to generate additional rental income which could be used to fund capital investment in future years, setting rents at Warwick Affordable Rents was recommended for Sayer Court. As part of the Housing Futures project, there would be an opportunity to consider the Council's rent policy for its landlord service.

During 2015, the Council took ownership of 15 shared ownership dwellings at Great Field Drive in South West Warwick.

Shared owners were required to pay rent on the proportion of their home which they do not own.

The Council adopted the Homes and Communities Agency (HCA) template lease agreement which included a schedule on rent review. The lease determines that the rent would be reviewed in April 2017 and would be increased by RPI + 0.5%.

The Council has discretion over the setting of Garage rents and therefore could consider alternative rent values. Each 1% change in garage rents results in an increase or decrease of potential income of around £4,800 per year. It would be possible to set Garage rents higher than those proposed to maximise income; however significantly higher rents may make garages harder to let and so could reduce income. The review of the HRA Business Plan during 2016/17 would consider options for increasing the financial viability of providing garages.

Alternatively for Sayer Court the Council could adopt Target Social Rent would provide consistency of rents across all homes owned by the Council and made sure that rents charged remain within the limits that had been set for eligibility for housing benefit support for those with low incomes. The rents would be competitive against other housing options and would support the marketing of these properties to new and transferring tenants. The projected rental income for 2016/17 at Target Social Rent would be in the region of £206,000

The Finance & Audit Scrutiny Committee supported the recommendations although concerns were raised about the maintenance of safety measures being delayed by the Repairs Service. Whilst Members noted that this work was being brought up to date as quickly as possible, it was felt that the Executive should be aware of the high level of risk this posed to the Council.

Councillor Mobbs highlighted to the Executive the addendum to this item that had been circulated at the meeting. This explained that following the publication of the report further clarification had been received. Therefore the proposed variation translates into a rent increase of 0.9% in 2016/17 for the Councils Sheltered and Very Sheltered Dwellings and would increase projected income from these properties by £17,000 compared to 2015/16. If the regulations allow for the increase to apply to designated dwellings, a rent increase of 0.9% would be applied to these properties, increasing projected income from these properties by £37,000 compared to 2015/16. This resulted in the overall impact of the proposed changes on the Housing Revenue Account budget is favourable. The HRA Working Balance would increase by £173,400 to £1.5m.

As a result the proposed average weekly rent charges were amended to read as follows, for Appendix 1 and 2:

1 Bed £79.57 is now £80.53
2 Bed £87.50 is now £87.81
4 Bed £108.03 is now 108.07

Appendix 3 would be amended so that Rents- Housing was amended from £25,453,000 to £25,603,000 and the HRA balance was amended from £23,400 to £173,400.

Councillor Phillips responded to the comments from the Finance & Audit Scrutiny Committee explaining that work was nearly completed on the corporate buildings and under way for all blocks of flats. Initial conclusions were beginning to arrive and a detailed report would be brought back in due course. He took the opportunity to thank the Head of Finance and his team for their work on this report.

Councillor Phillips proposed the recommendations as set out in the report subject to the amendments circulate in the addendum at the meeting.

Recommended to Council that the

- (1) housing dwelling rents for 2016/17 be reduced by 1% for existing HRA dwelling tenants, except as in (2) below;
- (2) rents for Designated, Sheltered and Very Sheltered dwellings be increased by CPI + 1%, subject to receipt of formal government guidance advising that such an option is permissible. Full Council will be notified accordingly of any updates and changes to national policy on rent setting for 2016/17 as detailed in paragraph 3.1.2 and 3.1.3 of the report;
- (3) HRA dwelling rents for 2016/17 for new tenancies are set at Target Social Rent;

- (4) garage rents for 2016/17 be increased by 5%;
- (5) 2016/17 Supporting People charges for housing tenants receiving housing related support should remain the same as 2015/16;
- (6) latest 2015/16 and 2016/17 Housing Revenue Account (HRA) budgets, as set out in Appendix 3 to the report, be approved;
- (7) rents for Sayer Court be set at Warwick Affordable Rents; and
- (8) shared ownership properties rents remain the same as 2015/16 in accordance with the terms of the lease.

(The Portfolio Holder for this item was Councillor Phillips)
(Forward Plan reference number 664)

106. **Heating, Lighting and Water Charges 2016/17 – Council Tenants**

The Executive considered a report, from Finance, that set out the proposed recharges to Council housing tenants for the provision of communal heating, lighting and water supply during 2016/17.

Recharges were levied to recover costs of electricity, gas and water supply usage to individual properties within one of the sheltered and the 5 very sheltered housing schemes, which were provided as part of communal heating and water supplies. The costs of maintaining communal laundry facilities were also recharged at those sites benefitting from these facilities under the heading of miscellaneous charges.

The charges necessary to fully recover costs were calculated annually from average consumption over the past three years, updated for current costs and adjusted for one third of any over-recover or under-recovery in previous years. The charges for 2016/17 were calculated on the basis of average consumption for 2013/14, 2014/15 and 2015/16. The use of an average ensures that seasonal and yearly variations were reflected in the calculation.

For reference, in February 2013 the increase required to meet projected Heating & Lighting costs was deemed unaffordable for tenants, so it was agreed to implement a lower increase and aim to fully recover costs within a 5 year period. In 2015/2016 it was recommended that where the increase to fully recover costs was higher than 95p per week, the increases be constrained to 95p to ensure the increase was affordable for tenants and continue to move towards full recovery over future years.

For 2016/17, the Council was moving towards a policy of full recovery and to achieve this it was recommending that the charges be increased by the lower of, the full amount or an amount commensurate to the decrease in rent arising from the 1% reduction. This approach would

phase in gradually the full costs recovery and would ensure that no excessive increases to the charges are made in one year.

The proposed increase in weekly charges was equivalent to the 1% decrease in average rent to tenants. This was a fair approach as it facilitates the council implementation of full costs recovery and it did not make tenants worse off, as shown at Appendix 1 to the report.

The Gas and Electricity contracts for the authority were currently being renegotiated and reduction in costs was expected to materialise in 2016/17, with savings being passed on to tenants in future years.

If any proposed charges were thought to be unaffordable for tenants, charges could be set at any level between no increase and the proposed charges, with the understanding that this means that the shortfall would either be funded from the rents of all tenants, the majority would also be paying their own electricity and gas costs directly, or recovered from charges in future years when some flats may be occupied by new tenants who had not benefited from the reduced charges.

For those Heating/Lighting charges which had been set below the level necessary to recover the full cost, a higher charge could be set to better reflect the cost. This would mean a number of tenants would be paying an increase in charges of up £3.40 per week (£176.8 per year), while other tenants would see a reduction in the charges they pay by up to 80 pence per week (£41 per Year).

Alternatively charges could be set above the real costs of recovery. This would mean tenants of these schemes would have no choice but to pay above the real cost of these utilities, as the communal nature of these services means they cannot choose their own energy suppliers. This would not be fair.

The Leader of the Executive drew attention to the addendum circulated at the meeting about this item which provided further details and revised the weekly charges so that they were an equivalent to a 1% increase in average rent to tenants. This is a fair approach as it facilitates the council implementation of full costs recovery and it doesn't make tenants worse off and was detailed in a revised Appendix 1 circulated at the meeting.

Councillor Phillips proposed the recommendations as set out in the report subject to the amendments circulate in the addendum at the meeting.

Recommended that the Council approves the revised recharges for Council tenants relating to heating, lighting, water and miscellaneous charges for the rent year commencing 4 April 2016, as set out in Appendix 1 and Appendix 2 to the minutes.

(The Portfolio Holder for this item was Councillor Phillips)
(Forward Plan reference number 755)

107. **Treasury Management Strategy Plan for 2016/17**

The Executive considered a report, Finance, that detailed the strategy for 2016/17 that the Council would follow in carrying out its Treasury Management activities including the Annual Investment Strategy and Minimum Revenue Provision (MRP) Policy Statement.

The report consisted of a number of Appendices; Appendix A Annual Treasury Management Strategy Plan 2016/17; Appendix B 2016/17 Annual Investment Strategy Including Annex 1; Appendix C Minimum Revenue Provision Policy Statement; Appendix D An Explanation of Credit Rating Terms; Appendix E Economic Background; and Appendix F Glossary of Terms

The Council was required to have an approved Treasury Management Strategy, including an Annual Investment Strategy and Minimum Revenue Provision Policy within which its Treasury Management operations can be carried out. The Council would be investing approximately £11.72 million in new capital in 2016/17 and would hold average investments of £57 million (2015/16 latest £62m). This level of investments arises from the Council's reserves and provisions, the General Fund and Housing Revenue Account balances, and accumulated capital receipts as well as cashflow.

The Council's treasury management operations were governed by various Treasury Management Practices (TMP's), the production of which was a requirement of the CIPFA code and which must be explicitly followed by officers engaged in treasury management. These had been reported to the Executive and approved. There had been the following changes to various Treasury Management Practices (TMP's) and these changes were outlined in the report.

This Council had regard to the Governments Guidance on Local Government Investments and CIPFA's updated Treasury Management in Public Services Code of Practice. The guidance stated that an Annual Investment Strategy must be produced in advance of the year to which it related and must be approved by the Council. The Strategy could be amended at any time and it must be made available to the public. The Annual Investment Strategy for 2016/17 was contained within Appendix B to the report and its Annex.

The current low interest rate environment was expected to continue for the foreseeable future as whilst interest rates were expected to start rising from the final quarter of 2016 it would be from a very low base and consequently investment returns would continue to be depressed for some time to come. The Council's requirement under the Fit For the Future agenda for an additional £50,000 investment income to be generated each year from 2016/17 for the General Fund and continuing high investment balances mean that it had become necessary once again to look at alternative investment vehicles in order to ensure that the Council could continue to invest its funds with the highest possible security whilst obtaining a reasonable rate of return. This meant that the Council could diversify its risk rather than just increasing the limits for existing counterparties. The change being recommended was described

in more detail in Appendix B, to the report, but essentially involved the addition of Repo's and Corporate Equity Funds for longer term investments. In addition, various changes to counterparty credit ratings and limits were proposed and again these are described in more detail in Appendix B to the report.

The Council had to make provision for the repayment of its outstanding long term debt and other forms of long term borrowing such as Finance Leases. Statutory guidance from the DCLG required that a statement on the Council's policy for its annual MRP should be submitted to the Council for approval before the start of the financial year to which it relates and this was contained in Appendix C to the report.

The Prudential Code for Capital Finance in local authorities which was revised in 2009 introduced new requirements for the manner in which capital spending plans are to be considered and approved, and in conjunction with this, the development of an integrated treasury management strategy. The Prudential Code requires the Council to set a number of Prudential Indicators and this report does therefore incorporate within section 5 of Appendix A to the report the indicators to which regard should be given when determining the Council's treasury management strategy for the next 3 financial years.

The approval of an annual Treasury Management Strategy was a requirement of the CIPFA Treasury Management in the Public Services Code of Practice, the latest version of which was adopted by the Council in 2011/12.

An alternative to the strategy being proposed for 2016/17 would be to not introduce the new investment vehicles or alter the current counterparty limits and minimum credit ratings but this would not achieve the increase in investment interest required by the Council.

The Finance & Audit Scrutiny Committee supported the recommendations in the report although Members were concerned that in order to increase return, the level of risk also had to increase.

Councillor Whiting explained that the increased level of risk was a concern but at the same time work was being taken to ensure this was mitigated. That said this small increased risk should provide greater rewards for the Council and help to provide a more robust budget for future years.

Resolved that the changes to the various Treasury Management Practices as detailed in paragraph 3.2 of the report, be noted.

Recommended that Council that

- (1) the Treasury Management Strategy for 2016/17 as outlined in paragraph 3.1 of the report and detailed in Appendix A be approved;

- (2) the 2016/17 Annual Investment Strategy as outlined in paragraphs 3.3 and 3.4 of the report and detailed in Appendix B together with Annex 1, of the report are adopted including the following changes:-
- i) that as per paragraph 2.3 of Appendix B to the report, for banks and category A and B Building Societies, the minimum long term rating be reduced from A+ to A and for banks rated A, a counterparty limit of £3m be introduced;
 - ii) that as per paragraph 2.4 of Appendix B to the report, the overall group limit of £6m for Variable Net Asset Value Money Market Funds be removed;
 - iii) that as per paragraph 2.5 of Appendix B to the report the minimum credit rating for Category 1 & 3 Corporate and Covered Bonds and Floating Rate Notes be reduced from A+ to A;
 - iv) as per paragraph 2.7 of Appendix B to the report; Repo's are added to the list of Specified investment vehicles and Corporate Equity Funds are added to the list of Non Specified investment vehicles that the Council can use;
 - v) as per paragraph 2.9 of Appendix B, of the report, the relevant counterparty limit is increased by £3m where that additional £3m is represented by Repo Collateral with a credit rating higher than that of the counterparty offering the Repo;
 - vi) as per paragraph 2.11 of Appendix B of the report, in the case of Corporate Bond/Equity and Property Funds a volatility reserve be established if necessary in order to manage the impact of capital valuation changes on the General Fund;
 - vii) as per paragraph 2.12 of Appendix B of the report the individual counterparty limit for Corporate Equity Funds be £3m, £2m and £1m for Low, Medium and High risk funds respectively. In each case the

limit to be subject to a 10% allowance for capital growth;

viii) as per paragraph 2.16 of Appendix B of the report the current long term investment limits of 60% of the core investments portfolio subject to a maximum of £15m be increased to 70% and £20m respectively and the current limit of £10m for Corporate Bond/Equity/Property Funds be increased to £15m to be included within the new proposed overall limit of £20m.

- (3) the Minimum Revenue Provision Policy Statement as outlined in paragraph 3.5 of the report and contained in paragraphs 4.1 to 4.4 of Appendix C to the report are approved; and
- (4) the Prudential Indicators as outlined paragraph 3.6 of the report and contained in paragraphs 5.1 to 5.5 of Appendix A of the report are approved.

(The Portfolio Holder for this item was Councillor Whiting)
(Forward Plan reference number 756)

108. **Design Guide for the Strategic Urban Extension, South of Royal Leamington Spa and Warwick (February 2016)**

The Executive considered a report, Development Services, that brought forward design guidance for the Strategic Urban Extension, south of Royal Leamington Spa and Warwick (February 2016).

The design guide had been prepared by White Young Green (WYG) on behalf of Warwick District Council. Its purpose was to ensure that new housing development, as designated in the Publication Draft Local Plan 2014, comes forward in accordance with the garden suburb ambitions for this area.

The guidance would support the preparation and determination of future planning applications. It provided a greater level of site specific detail than the earlier prospectus document; "Garden Towns, Villages and Suburbs: A prospectus for Warwick District Council, May 2012". It would help inform the development process and provided greater clarity on how a new garden suburb could look and perform.

This guidance would be a 'best practice' reference document for Warwick District Council and Warwickshire County Council; (the relevant organisations that were involved in the determination of planning applications within the Strategic Urban Extension area); the developers, house builders and designers who would be pursuing applications within

the extension area; and interested parties, such as local residents and stakeholders.

The guidance document supported the Council's intention to adopt a proactive and coordinated approach to delivering housing growth and related infrastructure. As such, it would enable a positive contribution to be made towards the Council's 'Fit for the Future' policy, and specifically to accord with a strategic vision to make Warwick District a great place to live, work and visit.

Previously, the vision outlined in 'Garden Towns, Villages and Suburbs; A Prospectus for Warwick District Council' (May 2012), provided a basis for future development, illustrating the overarching principles of garden suburbs and neighbourhoods.

Given the scale of new housing growth to the south of Leamington Spa and Warwick more detailed guidance was required to actively steer forthcoming planning applications. This design guidance was intended to provide greater clarity as more detailed proposals were brought forward. It was important that there was flexibility built in to respond to changing needs of the community, market conditions or changes in policy over the lifetime of the document.

Arising from the public consultation event Council Officers and WYG assessed each representation related to the design guidance. It was Officer's opinion that no substantial changes were required. Where relevant 10 minor revisions had been made to the document dated November 2015. In addition, each person who completed a feedback form or submitted a response by email had been provided with a full reply.

The Overview & Scrutiny Committee agreed with the design guidance and considered it to be a good document. However, the Committee would like to see in practice higher housing densities where appropriate.

The Executive noted the comments from the Overview & Scrutiny Committee but highlighted that density of housing was not matter that could be considered as part of this document.

Recommended that Council endorses the design guidance for the Strategic Urban Extension, south of Royal Leamington Spa and Warwick (February 2016) as a 'best practice' document and acknowledges its supporting role in the future decision making process with regards to planning applications affecting the Strategic Urban Extension area.

(The Portfolio Holder for this item was Councillor Cross)
(Forward Plan reference number 757)

Part 2

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

109. Multi-Storey Car Parks Condition Survey

The Executive considered a report, from Neighbourhood Services that appraised them on the outcome of the structural condition surveys commissioned on the Council's three multi-storey car parks and set out the intended response to these. The report would have implications upon the forthcoming draft car park strategy which was due to be submitted to Council in March 2016.

Structural engineers, Pick Everard, were commissioned to undertake structural condition surveys for Covent Garden, St Peters and Linen Street MSCPs. Their surveys, summarised at Appendix One to the report, highlighted issues which required further specialist concrete testing which had also been undertaken.

The surveys had demonstrated that the St Peters MSCP was in reasonable condition and with some limited capital investment could continue to provide Leamington with nearly 400 car parking spaces for the next 20 years. However, in order to ensure its continued operation the survey concluded that remedial works of circa £120,000 were required.

It was recommended that essential remedial works including structural repairs, deck coating repairs, Health & Safety works to the split levels and drainage improvements are undertaken as soon as possible. This would put the MSCP into a state of repair that could be maintained through an on-going annual maintenance programme. The funding for these works would be made available through the Car Park Repairs and Maintenance Reserve.

The results of the survey of Linen Street MSCP were significantly different and indicate that it had reached the end of its design life. The car park required substantial concrete repairs and had steel reinforcement bar degradation throughout with unacceptable levels of section loss to the ramps to decks 8 & 9 and as a result these had been closed from public use. Due to age of construction there were sections of the car park that do not conform to modern health & safety requirements one example would be the timber slats between each parapet which were considered a fire risk. Vehicle impact protection was showing extensive corrosion. The estimated cost to deal with the immediate repairs needed was £439,000 which would only provide the car park with up to three years additional life. Any short term repair offered no value for money due to the limited extended life. In the next 12 months no repairs would be made to Linen Street but the car park would be structurally inspected on a monthly basis to assess its safety risk for ongoing public use. The cost to inspect was £18,000 per annum and was funded through existing budgets, it was anticipated that full closure of the car park would be phased in over the coming 12 months, but would be dependent on the inspection results. The benefit of site inspection for next 12 months was that officers would be able to assess all of the possible options through a feasibility study.

Linen Street provided residential parking to 30 vehicles at Martinique Square and there was a serious financial and logistical impact in regards to the residents parking entitlement. There was a short term alternative parking arrangement planned to cope with the displacement of the Martinique Square vehicles when Linen Street closes. But the displacement created a knock on effect to income derived from other car parks, most notably West Rock. Long term closure of Linen Street could add considerable risk to the vitality of the local economy as loss of parking on this scale would create disproportional displacement of cars throughout the town centre and put further pressure on already well utilised parking locations. An internal options appraisal for Linen Street had identified that the most suitable area for rebuilding the car park was upon the existing footprint and financial modelling would be needed to assess the financial business case. Without design proposals there was no possibility of producing an accurate feasibility study for Council to consider. It was recommended that a procurement exercise be undertaken to appointment a suitable specialist.

The follow on report for Linen Street was necessary as it would take time to procure the necessary specialist companies and develop the options. The purpose of the report would be to give Council a clear understanding of the options and costs for future provision at Linen Street and would be submitted as soon as practically possible.

The results of the Covent Garden report highlighted a number of significant issues, the main concern being ASR (Alkali Silica Reaction) which required further investigative testing. The revised report had now been received and showed that ASR was present throughout the building but at a lower risk than first considered and could be managed in the short term. There were however, substantial costs associated with maintaining Covent Garden for any length of time. As this site was linked to Riverside House relocation it was proposed that Council note the issues from the survey at Covent Garden. A detailed report into the future of Covent Garden would form part of the Riverside House relocation report due later in 2016.

Current maintenance to all car parks was paid through the repairs and maintenance budget of £60k per annum. This fund is not sufficient to deal with the future challenges of the multi-stories or to keep them in a reasonable standard. It is recommended to Council that future contributions are made to the Car Park Repairs and Maintenance Reserve from any surplus income over the amounts budgeted to cover the future liabilities of any multi-storey car park. Conversely, shortfalls from car park income to the General Fund would also be financed from this reserve.

Alternatively the Council could decide not to fund remedial repairs and ongoing maintenance at St Peters car park. This had been discounted as the Council had funds in the car parks reserve and had made provision to maintain the fund through car park income.

Alternatively the Council could decide not to fund £20,000 for the feasibility study and allow Linen Street to close with no option to replace the car park in the future. This would leave the Council with no detailed

plan as to how the Council could deal with the future of the Linen Street site as well as the obligation to supply car parking for Martinique Square and potentially the Print Works on this basis it had been discounted.

Alternatively the officers could bring forward a report detailing the work required at Covent Garden or options appraisal for the site. This had been discounted as there was a wider scheme in respect of the HQ relocation which would consider how best to assess the future of the Covent Garden car park.

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

Councillor Shilton provided assurance that a Working Party would be established to look at the future of Council car parks as a separate piece of work the Task & Finish Group looking at Car Parking Charges. He recognised the obligations this Council had in terms of residents and supporting the local economy and therefore consultation would be undertaken with relevant local Council's before any decisions were taken.

Resolved that

- (1) the outcome of the specialist structural condition surveys of the multi-storey car parks (MSCP) set out at Appendix One to the report, be noted;
- (2) the £120,000 essential remedial repairs to the St. Peters MSCP, Leamington, be funded from the Car Park Reserve;
- (3) Linen Street MSCP, Warwick is nearing the end of its design life and as it continues to operate will need to be monitored through monthly structural surveys to mitigate the ongoing issues;
- (4) a budget of £20,000 be approved to enable detailed feasibility work to be undertaken on options for future provision of appropriate levels of car parking in Warwick town centre to replace the current provision within the Linen Street MSCP. Funded from the Car Park Repairs and Maintenance Reserve;
- (5) a further report detailing the business case for each option will be presented to Executive when this work has been undertaken;
- (6) the position in respect of the Covent Garden MSCP, Leamington and that proposals to address the issues relating to this car park will be developed as part of the proposed wider

development of this area and reported through a future HQ Relocation report;

- (7) the principle of reserving car park income surplus from the base budget to cover the future maintenance liabilities of MSCP, be approved.

(The Portfolio Holder for this item was Councillor Shilton)
(Forward Plan Reference 728)

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

The Executive considered a report, from Finance, regarding the Rural/Urban Capital Improvement Scheme grant applications that had been received from Leamington Netball Club and Lapworth Cricket Club.

Leamington Netball Club had applied for funding to build and equip a purpose built courtside facility to provide disabled / wheelchair access, two toilets (one of which will be a disabled toilet), a social / mentoring / de-brief area and a kitchen / refreshment facility; as well as Raise the two perimeter fences that were not currently at full height to reduce anti-social behaviour when not in use, ensure that safety aspects were covered by reducing the number of occasions of netballs going over the fence onto either the car park or Leamington Rugby Club's 3rd team pitch and support the club's safeguarding policy for young female players.

Lapworth Cricket Club had applied for funding to build a new patio area and walkway either side of the existing pavilion to resolve health & safety issues with the current uneven surface and to create an enlarged amenity and leisure area for the increasing number of players and spectators; and provide power to the equipment shed and score box to enable the club to carry out their own basic maintenance which would reduce costs, to enable an electronic scoring device to be installed and also enabled the use of power tools in that part of the ground, for example, leaf blowers and hedge cutters.

The Council operated a scheme to award Capital Improvement Grants to organisations in rural and urban areas. The grant recommended was in accordance with the Council's agreed scheme and would provide funding to help the project progress. Both projects also contribute to the Council's Sustainable Community Strategy.

The Council has only a specific capital budget to provide grants of this nature and therefore there are no alternative sources of funding if the Council is to provide funding for Rural/Urban Capital Improvement Schemes.

Members may choose not to approve the grant funding, or to vary the amount awarded.

Resolved that

- (1) Leamington Netball Club be awarded a Rural/Urban Capital Improvement Grant from the rural cost centre budget for Leamington Netball Club of 42% of the total project costs to build and equip a purpose built courtside facility and raise the height of two perimeter fences, as detailed within paragraphs 1.1, 3.2 and 8.1, up to a maximum of £30,000 including vat subject to receipt of a Written confirmation from BiffaAward (or an alternative grant provider) to approve a capital grant of £30,000, as supported by appendix 1 to the report.
- (2) Lapworth Cricket Club be awarded a Rural/Urban Capital Improvement Grant from the rural cost centre budget for Lapworth Cricket Club of 50% of the total project costs to build a new patio and walkway and to provide power to the equipment shed and score box, as detailed within paragraphs 1.1, 3.2 and 8.2, up to a maximum of £11,716 including vat. As supported by appendix 2.

(The Portfolio Holder for this item was Councillor Whiting)
(Forward Plan reference 758)

111. 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 three 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
112	1	Information relating to an Individual
112	2	Information which is likely to reveal the identity of an individual

112. **Potential Redundancy Costs (Customer Service Centre)**

The Executive considered a report from Neighbourhood Services

The recommendations of report were agreed as printed and the full details will be included in the confidential minutes.

(The meeting ended at 6.55pm)

Heating, Lighting and Miscellaneous Charges

From 6th April 2016 charges covering heating, lighting and miscellaneous charges should be varied as follows:

Heating, Lighting and Miscellaneous Charges	Current Charge per Week 2015/16 £	Charge To Fully Recover Costs 2016/17 £	Proposed Charge per Week 2016/17 £	Proposed Increase/ (Decrease) per Week 2016/17 £	Proposed Change 2016/17 %
Acorn Court, Stockton Grove, Lillington, Royal Leamington Spa					
Nos. 1 - 12, 14 - 41	£10.55	£11.60	£11.35	+£0.80	+7.6%
Nos. 43, 44, 46 and 47 (Misc. Charge only)	£0.60	£0.60	£0.60	+£0.00	+0.0%
Tannery Court, Bertie Road, Kenilworth					
Nos. 1, 2, 4 - 6, 7a, 8 - 12, 22a, 14 - 40	£8.85	£8.35	£8.35	-£0.50	-5.6%
No. 3	£13.00	£12.25	£12.25	-£0.75	-5.8%
Yeomanry Close, Priory Road, Warwick					
Nos. 1 - 12, 14 - 32	£7.60	£10.10	£8.38	+£0.78	+10.3%
James Court, Weston Close, Warwick					
Nos. 1 - 12, 14 - 26	£9.35	£10.35	£10.13	+£0.78	+8.3%
Chandos Court, Chandos Street, Royal Leamington Spa					
Nos. 1 - 12, 11a, 25a, 14 - 46	£10.70	£11.20	£11.49	+£0.79	+7.4%
Radcliffe Gardens, Brunswick Street, Royal Leamington Spa					
Bedsits and 1 bedroom flats	£6.45	£8.40	£7.13	+£0.68	+10.5%
2 bedroom flats	£10.05	£13.45	£10.84	+£0.79	+7.9%

Water Charges

From 4th April 2016 water charges should be varied as follows:

Water Charges	Current Charge per Week 2015/16 £	Proposed Charge per Week 2016/17 £	Proposed Increase/ (Decrease) per Week 2016/17 £	Proposed Change 2016/17 %
Acorn Court, Stockton Grove, Lillington, Royal Leamington Spa				
Nos. 1 - 12, 14 - 41, 43 - 47	£3.45	£3.70	+£0.25	+6.7%
Tannery Court, Bertie Road, Kenilworth				
Nos. 1, 2, 3, 4 - 6, 7a, 8 - 12, 22a, 14 - 40	£4.00	£4.10	+£0.10	+2.3%
Yeomanry Close, Priory Road, Warwick				
Nos. 1 - 12, 14 - 32, 33 and 34	£2.65	£2.65	+£0.00	+0.0%
James Court, Weston Close, Warwick				
Nos. 1 - 12, 14 - 28	£2.90	£2.90	+£0.00	+0.0%
Chandos Court, Chandos Street, Royal Leamington Spa				
Nos. 1 - 12, 11a, 25a, 14 - 46, 47	£3.10	£3.20	+£0.10	+3.2%

Executive

Minutes of the meeting held on Wednesday 9 March 2016 at the Town Hall, Royal Leamington Spa, at 6.00 pm.

Present: Councillor Mobbs (Chairman); Councillors Coker, Cross, Mrs Gallagher, Mrs Grainger, Phillips and Shilton.

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

Apologies for absence were received from Councillor Whiting.

113. **Declarations of Interest**

Minute number 122 – St Nicholas Park Petition

Councillors Cross and Mrs Grainger declared a personal interest because they were Warwick Town Councillors.

114. **Minutes**

The minutes of the meeting held on 10 February 2016 were agreed as written and signed by the Chairman as a correct record.

Part 1

(Items on which a decision by Council is required)

115. **Housing Allocations Policy Review**

The Executive considered a report from Housing and Property Services, that proposed changes to the Housing Allocations Policy to reflect current practice and to take account of recent new case law.

The current adopted Housing Allocations Policy was approved in 2008 and stated, in relation to bedroom standards:

“The following guide is used to determine whether or not a family meets the bedroom standard. The Council considers that each of the following require one bedroom:-

- Partners living together or a lone parent.
- Those over 16 years of age.
- A child or two children sharing unless:-
 - Of the same sex, both over 8 years old with more than 4 years’ age difference, or
 - They are of opposite sex and the eldest is over 8 years of age.”

From 1 April 2013 new Housing Benefit regulations came into force whereby those considered as having one or more spare bedrooms had their Housing

Benefit reduced. The standard applying for this assessment was that a separate bedroom was required for:

- An adult couple;
- Any other person aged 16 or over;
- Two children of the same sex under the age of 16;
- Two children under the age of 10 regardless of their sex'; and
- Any other child who's main and principal home was with the applicant and they lived there permanently.

Prior to the introduction of the regulations in April 2013, there was considerable discussion at Overview & Scrutiny Committee, Executive and Council. The adoption of the revised bedroom standard had been informally applied since that date but recommendation 2.1 of the report provided for the formal inclusion within the policy.

The withdrawal of "one bedroom in excess of need" principle from the Housing Allocations Policy was approved by Council in August 2015. This took account of the new Housing Benefit regulations to ensure that applicants did not move into properties where they would then be subject to the under-occupation charge.

However, it was not made clear in the report at the time that the charge did not apply to many people over retirement age and a small number of households with other specific needs (for example some families that include a person with a disability). Those households could continue to be offered one bedroom in excess of need.

This could be an important incentive in encouraging older tenants to downsize from large properties which, in turn, underpinned current strategy of seeking a small number of two-bedroom bungalows in the affordable housing mix on new housing developments.

With regard to disability, the additional space may be essential for use by a carer or where it was inappropriate for children to share.

For the avoidance of doubt Council was asked to note that the decision to no longer allocate one bedroom in excess of need was not intended to apply to age-designated properties or to applicants exempt from the under-occupation charge for other specific reasons.

One of the principal changes agreed in July 2015 was the introduction of local connection criteria whereby those without a local connection (defined in the same way as in homelessness legislation) would be excluded from the housing register with the exception of:

- a) People needing to move to the district to receive support;
- b) Armed forces cases;
- c) Domestic violence/harassment cases (assessed in the same way as under homelessness legislation);
- d) Council and RP tenants who had a reasonable preference because of a need to move to the district to avoid hardship and need to move because the tenant worked or had been offered work in the district and had a genuine intention to take up the offer;
- e) Key workers who did not qualify under d);

f) Cases where we had accepted a full homeless duty.

After the Council decision, the Court of Appeal handed down judgment in the case of HA, R (On the Application Of) v London Borough of Ealing [2015] which restricted the extent to which local connection criteria could exclude applicants from the housing register.

Applicants with a "reasonable preference" as defined by the Housing Act 1996 should not be excluded from the housing register, even if they had no local connection. Those with a reasonable preference were:

- People who were homeless;
- People who were owed a duty by another local housing authority under section 190(2), 193(2) or 195(2) (or under section 65(2) or 68(2) of the Housing Act 1985) or who were occupying accommodation secured by any such authority under section 192(3);
- People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions;
- People who needed to move on medical or welfare grounds (including any grounds relating to disability); and
- People who needed to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others).

The Council could take account of local connection in deciding how much priority to give to those applicants. The recommendation was therefore that the cases that the Council was intending to exclude, but were now entitled to be admitted to the register, should be placed in Band Four.

As a result of needing to respond to these issues there was likely to be some slippage in implementing the new allocations policy. The original project plan anticipated an implementation date of 1 April 2016 but this was now expected to be 1 June 2016.

Part 3 Section 3 of the Constitution (Executive Functions) defined that, subject to those matters reserved to Council and except matters delegated to an officer by Council, the Executive could exercise all the powers and duties of the Council as Housing Authority (Page C8 and C9 of the Constitution).

The option of not introducing the changes had been considered but not brought forward.

The Bedroom Standard could be left but this would mean reverting to the rules from around three years ago that it was agreed at the time should be changed. The practical effect would be the potential for applicants entitled to Housing Benefit to be signed up for properties for which their benefit would not cover the full rent and the consequent risk of rent arrears and repossession.

The second recommendation about "one-bedroom in excess of need" was a point of clarification for the avoidance of doubt rather than a change to policy.

The third recommendation was in response to a High Court decision so failure to introduce this could risk a legal challenge at a later date.

Recommended to Council that;

- (1) it amends the bedroom standard applied within the Housing Allocations Policy to ensure consistency with that specified in the Housing Benefit regulations and to grant delegated authority to the Head of Housing & Property Services in consultation with the Portfolio Holder for Housing and Property to make minor adjustments to the standard should any such issues be raised in consultation with Registered Providers;
- (2) age-designated properties and applicants exempt from the under-occupation charge for specific reasons will continue to be eligible for allocations of a size equivalent to one bedroom in excess of need, be noted;
- (3) applicants without a local connection, and not exempted from the local connection criteria for one of the reasons set out in the previously approved changes, shall be registered and placed in Band Four, but only if they are in a designated reasonable preference category.
- (4) subject to approval of (1) to (3) above, the timetable for implementing the new Housing Allocations Policy will not be completed until 1 June 2016.

(The Portfolio Holder for this item was Councillor Phillips)
(Forward Plan Reference number 767)

116. **Hackney Carriage & Private Hire Drivers – Policy and Scheme of Delegation Changes**

The Executive considered a report, from Health & Community Protection, that sought agreement to amend Council policies associated with Hackney Carriage Private Hire Drivers (HCPH) and Private Hire Operators (PHO's). The report also recommended changes to the Officer Scheme of Delegation by Council.

After detailed discussion, the Licensing and Regulatory Committee had supported officer proposals that changes were made to Council policies and the Officer Scheme of Delegation for matters relating to HCPH drivers and PHO's.

The primary role of the Licensing Authority was the protection, safety and wellbeing of the public. Through the introduction of a mandatory course in

the prevention of Child Sexual Exploitation (CSE), the authority could contribute to this role.

Throughout 2015 the Drivers and Operators Forum had been reviewing what could be done to spread the message of the 'Something's not right campaign' (Warwickshire's campaign to raise awareness of child sexual exploitation) and had discussed during the Forum what would be the best method of increasing awareness of safeguarding.

The Drivers and Operators Forum were in full agreement that a course should be delivered and that it was an extremely important subject area. The forum had requested a compulsory course, as they believed it was the only way all drivers would attend.

From 1 April 2016, the recommendation was that attendance at a prevention of CSE course was made a compulsory requirement for all HCPH Driver Licences in Warwick District.

A Warwick District HCPH Drivers Licence was three years in duration. If the mandatory requirement was introduced for all licence holders to undertake the course before their licence required renewal, it would take until the end of 2019 to ensure that all drivers had been trained in the prevention of CSE.

Therefore, it was proposed that all licenced drivers must attend the course by the 1 April 2016. There were currently 174 drivers who had not attended one of the free courses provided in January 2016.

Following a full and detailed discussion, the Licensing and Regulatory Committee strongly supported:

- The introduction of a mandatory prevention of CSE course run by our nominated provider with a requirement for all HCPH drivers to attend; and
- The introduction of a condition on the PHO Licence to ensure that staff employed by a PHO are trained in the prevention of CSE.

The alteration to the Scheme of Delegation to enable officers to refuse an application, or renewal of licence from drivers who failed to undertake the prevention of CSE course, would contribute to the protection of children. The alteration of the conditions for an operator's licence and the introduction of a mandatory course on the prevention of CSE for HCPH drivers would bring Warwick District Council in line with good practice being demonstrated in HCPH licensing around the country.

Due to a change in legislation there had been an increase in the statutory duration of a PHO's licence. However, there was a provision within the legislation that allowed for the granting of a reduced duration of licence after consideration of individual circumstances. Licensing and Regulatory Committee had recommended that the scheme of delegation be altered to allow an officer decision to be made following consultation with the Chair/ Vice Chair of the Licensing and Regulatory Committee and a representative of Legal Services to prevent the undue delay of the processing of an existing operator's application.

The Licensing and Regulatory Committee had asked that Executive reaffirm the current policy which stated that a HCPH driver who had allowed their licence to lapse was required to retake the disability awareness course and for the insertion of wording to make clear that failing to undertake the course raised questions regarding a person's suitability to be licenced.

Alternatively, the Executive could decide that the safeguarding training was only voluntary and was not introduced as a requirement of the hackney carriage private hire driver licence application process. However, six free courses had been organised and promoted and yet only 64% of the currently licenced drivers had attended. There were sufficient places provided for all of the licenced drivers to attend. If the courses were not made mandatory, officers believed that this attendance rate would drop until there was no attendance. Therefore, this was not recommended as a suitable alternative option. In addition, failing to introduce suitable training in this subject area could leave the Council open to criticism and significant challenge in the event of an incident occurring.

An addendum was circulated at the meeting outlining a revised recommendation 2.1 to the report that read as follows:

"2.1 The Executive agrees that from 1 April 2016, a hackney carriage private hire drivers' licence will not be granted and from 1 July 2016 not renewed unless the driver can demonstrate that they have undertaken a prevention of child sexual exploitation training course provided by Warwick District Council's nominated trainer and that all current hackney carriage private hire driver licence holders will be required to attend a prevention of child sexual exploitation training course provided by Warwick District Council's nominated trainer by the 1 July 2016. Any current licence holder who has failed to undertake the course by this date will be sent before the Licensing and Regulatory to explain their lack of attendance"

To support this revised recommendation, an update was provided that informed the Executive that there were currently 112 drivers who had not attended one of the nine free courses provided to date and that there would be four more sessions provided before the 1 July 2016.

The Overview & Scrutiny Committee supported the recommendations in the report and agreed that the report was excellent.

The Executive welcomed the report and the proposals behind it recognising the significant effort that had been undertaken by officers to bring these proposals forward. They also welcomed the addendum to the report which provided clarity on one of the recommendations.

Resolved that:

- (1) from 1 April 2016, a Hackney Carriage Private Hire Drivers' Licence (HCPH DL) will not be granted or renewed unless the driver can prove that they have undertaken a *Prevention of Child Sexual Exploitation* (CSE) training course

provided by Warwick District Council's nominated trainer;

- (2) all Private Hire Operators (PHO) and call handlers employed by those PHO's must be trained in *Safeguarding* and that a condition to that effect is applied to a PHO licence renewal; and
- (3) the Executive reaffirms the Council's policy which requires a HCPH driver who has allowed their licence to lapse to retake the disability awareness course and that the wording of the policy is expanded as follows:

"Drivers who have allowed their licences to lapse and reapplied for HCPH drivers' licence are required to retake the disability awareness course."

"Failure to complete the disability awareness course is considered to be a very serious matter that impacts upon a person's fitness to be licenced. Completion of the course is mandatory. It is essential that all drivers licensed by Warwick District Council comply with the requirements of the Equalities Act 2010 and that people with disabilities, who often particularly rely on taxis, are not subject to discrimination. Current licence holders who fail to attend the course will be brought before the Licensing and Regulatory Committee for consideration of appropriate action."

Recommended that Council

- (1) delegates to officers the power to refuse the licence of a person who fails or refuses to attend the prevention of CSE course; and
- (2) the decision to grant a Private Hire Operators licence or Hackney Carriage/Private Hire Drivers Licence of reduced duration is delegated to the Head of Health and Community Protection following consultation with the Chair/ Vice Chair of the Licensing and Regulatory Committee and a representative of Legal Services.

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

Part 2
(Items on which a decision by Council is not required)

117. HRA Business Plan Review for 2016/17 to 2061/62

The Executive considered a report, from Housing & Property Services, that set out an updated Housing Revenue Account Business Plan (HRA BP) that reflected the most recent changes in performance and business assumptions along with the impact of those changes.

The report demonstrated that, on current assumptions, the Business Plan remained viable, able to service its debt and provided financial headroom for building new homes, this report was only an interim statement.

Further significant changes to the HRA BP were likely to arise from the Housing and Planning Bill, currently before Parliament, which had the potential to substantially alter the financial framework within which the HRA would operate. The potential impact of the Bill's changes would require careful consideration and response which would require a thorough review of the HRA BP and an assessment of the impact on the Council's wider Housing Strategy. The Council would be undertaking a thorough review of these issues through a project known as Housing Futures.

In April 2012, the Housing Revenue Account subsidy system was replaced with the Self Financing System. This required the Council to take on a loan of £136.2m to secure independence of the HRA from the Government control over rents, notional cost setting and the payment of subsidy. On the 6 March 2012 Executive approved the first, self-financing HRA BP 2012/13 to 2061/62 which, based on the assumptions made at that time on income and expenditure, and the debt arrangements made by the Council, allowed the Council to maintain a viable role as a social landlord.

Performance of the HRA BP had subsequently been reviewed on a regular basis with reports being submitted on a six monthly basis to the Finance and Audit Scrutiny Committee. A revised Business Plan, based on updated financial assumptions was approved by Executive in March 2015.

The assumptions underpinning the HRA BP had been reviewed again to reflect recent changes in legislation and a review of staffing and budget projections. Specifically, in July 2015 the Government announced that social housing rents would be required to be reduced by 1% per year, for four years beginning in April 2016. This policy replaced the previous guidance on rents issued in 2013 by the Government, in which rents were to rise by CPI + 1% per year for ten years, starting from April 2015.

The revised HRA BP, attached at Appendix One to the report, used the same methodology as that previously presented, with forward projections over a 50 year period. These projections demonstrated that the Business Plan provided for a sustainable position that allowed for existing refurbishment and service standards to be maintained, provided financial headroom to develop new homes and allowed for a minimum balance of £1.3m (increased annually in line with inflation) to be maintained and for the projected debt interest and scheduled debt repayments to remain affordable.

However, it was clear that the 1% reduction in dwelling rents for four years had had a significant impact on the current HRA BP projections. After allowing for all necessary expenditure to maintain the current standard of services, repairs and maintenance, and the expected changes to the staffing structure of the service, the projections showed that over the remaining 46 years of the approved 50 year plan, there was a potential surplus of £189m to invest in new homes. This was a reduction of £371m from the surplus projected in the March 2015 HRA BP.

The assumptions made in the original HRA BP on the cost of developing new homes were revised in March 2015, along with the impact of the Council's preference to levy social rents for municipally provided homes. The latest HRA BP demonstrated that the ability of the Council to develop additional affordable homes from 2016/17 until 2061/62 (the end of the current 50 Year Business Plan and the date when the Council was due to fully repay HRA debt) had been reduced from 2,288 to 658 homes. The latest projected capacity of the HRA to provide new homes was detailed in the report.

In October 2015, the Government published the Housing and Planning Bill. This Bill contained proposals that had the potential to significantly impact on the HRA BP. In the absence of detailed regulations from the Government setting out how these proposals would be taken forward, it had not been possible to make definitive assumptions about the impact they would have on the HRA BP, hence this review being based solely on known changes to the operating environment for the HRA BP.

The current proposals in the Housing and Planning Bill, were they to remain unchanged as the Bill progressed through Parliament, had the potential to require the Council to fundamentally review the HRA BP to ensure it remained viable. Officers would therefore be undertaking a significant piece of work known as the Housing Futures project, during 2016, to review the HRA BP once the Housing & Planning Bill was enacted and also to review the impact on the Council's Housing Strategy, which would, in any case, require review before the current strategy expired in April 2017.

A further report would be presented with the outcomes of this work as soon as possible. It was currently envisaged that this would require a further revision later this year to the HRA BP and that this could require a fundamental re-appraisal of the methodology used to assess the viability of the HRA BP given that the uncertainties of the validity of the assumptions decreases significantly over a 50 year period.

Alternatively the Housing Business Plan could remain as agreed by Executive in 2015. However, the 1% rent reduction policy introduced by Government was a significant policy change and should be reflected within the HRA BP. The review also ensured the HRA BP reflected budget movements and assumptions and up-to-date research on the conditions of the local housing and land markets.

Members could choose to vary the assumptions within the HRA BP or agree alternative policies, service standards and investment options. If these alternative options were financially viable and deliverable, the HRA BP could

be amended. However, officers considered that, given the uncertainties around what would ultimately emerge into legislation after the Housing and Planning Bill had progressed through Parliament to enactment, it would be prudent to retain the current assumptions and policy positions that underpin the HRA BP at this stage.

The Finance & Audit Scrutiny Committee supported the recommendations.

Resolved that

- (1) the revised Housing Revenue Account Business Plan (HRA BP) 2016/17 to 2061/62, as set out in Appendix One to the report, be approved;
- (2) there are a number of significant provisions within the draft Housing and Planning Bill, published in October 2015, that mean that a number of the business assumptions made in this update of HRA BP may need to be revised as the detailed regulations associated with the Bill are agreed by Parliament; and
- (3) a further report on the HRA BP, and any associated impacts on the wider Housing Strategy, will be presented to a future Executive once the impact of the final Housing & Planning Bill provisions has been assessed through the Housing Futures project.

(The Portfolio Holder for this item was Councillor Phillips)
(Forward Plan Reference 736)

118. Rural/Urban Capital Improvement Scheme (RUCIS) Criteria

The Executive considered a report, from Finance, that sought approval of revised criteria for the Rural / Urban Capital Improvement Scheme, as set out at Appendix 1 to the report.

Historically there had been a steady volume of RUCIS applications throughout each year which on the whole had been approved if they met the scheme criteria. However, the budget for the scheme had usually been under spent with slippage being carried forward into the next financial year.

Anecdotally there was evidence that smaller organisations struggled with 50% matched funding on projects which either potentially delayed applications being made or applications not being made at all. In addition, the number of applications below £10,000 in 2015/16 had reduced by 50% compared to the number of applications in 2013/14.

It was therefore proposed that for projects up to £10,000, the Council would be awarding up to a maximum of £8,000 as opposed to the current £5,000. It was anticipated to have little effect on the annual budget but would potentially enable more grants to be awarded. This would be in line with

other capital grant providers such as WREN and BIFFA operate schemes with two categories; one for smaller awards and one for larger awards

The current cash reserves criterion wording had confused some applicants and did not take into account that some organisations had "restricted" cash reserves, i.e. grants or donations that could only be used for a specific use or project. The proposed change would better define what the Council consider as the operating expenditure to ensure that an organisation could continue to operate for a 12 month period should there be no income.

Historically, there had been applications which had raised doubts over the organisations sustainability, for example; they had recently lost hirers and / or grants that had previously been a main source of their income. Currently the criteria was not robust enough to avoid potential challenges on applications that officers did not progress, the proposed change would introduce specific examples where the Council could decline applications due to sustainability concerns.

Currently a grant could only be awarded once in a two year period; this criterion was added to prevent the same organisations continually applying for and benefitting from the RUCIS scheme, the idea was to enable more organisations and communities to benefit from the scheme. In recent years organisations had struggled financially and as a consequence the government had encouraged sports organisations to join up and share facilities which was also the view taken by Sports England when considering grant applications. However, the current criteria prevented the Council from considering further applications from multi-sport organisations that were legally one entity when one of the organisations had already received a grant within the last two years despite the organisations operating independently with regards to separate memberships, committees, constitutions and bank accounts.

There were no requirements in the current criteria for organisations to hold insurance cover for the assets that the Council were contributing towards. If the assets were vandalised / stolen / broken / destroyed with no means to replace them, the RUCIS grant provided for the community to benefit would be wasted. There had been one recent example of this whereby the project funded by the Council had been destroyed.

The current wording of "non-profit organisation" could lead to confusion and interest from organisations for whom a grant could not be appropriate. Amending the wording to "not-for-profit" and including the stipulations that organisations must make use of volunteer labour and operate within Warwick District should help to reduce 'grey areas' around eligibility created by the current criteria and guidelines.

The Overview & Scrutiny Committee noted the report.

Resolved that the criteria for the Rural / Urban Capital Improvement Scheme be amended as follows:

- (1) the RUCIS scheme is split into two categories

- “Small Grant Scheme” – projects with a total cost of up to £10,000 with a maximum contribution of up to 80%
 - “Main Grant Scheme” – projects with total costs of more than £10,000 which remains as now at a maximum contribution of 50%;
- (2) the current cash reserves criterion for whether an organisation is eligible to apply for a grant or not is redefined as:
- Grants cannot be awarded if... the organisation has reserves to fund the project themselves; unrestricted cash reserves / savings that total more than 12 months operating expenditure costs (i.e. basic fixed costs to ensure the organisation can exist for a further 12 month period should there be no income);
- (3) the current criterion with regards to an organisation’s sustainability is redefined as:
- The organisation and / or project are not deemed sustainable for a minimum 5 year period, for example;
 - Income streams with a set time period of less than 5 years that are relied upon to meet annual expenditure costs without which there is potential risk of the organisation or the project being unable to continue to operate
 - Annual expenditure is higher than income resulting in operational losses
 - Leasehold premises with less than 5 years lease remaining
 - Risks of leasehold premises / land being sold
 - Lack of demand; low usage of facilities with no evidence that usage will increase
 - Non-payment or continual late payment of Warwick District Council invoices / debts;

- (4) the current criterion whereby grants will only be awarded once in a two year period is redefined as:
- Individual organisations (e.g. Village Halls, Parish Councils, Sports Clubs, Voluntary Organisations) - Grants will only be awarded once in a 2 year period.
 - Multi-sport organisations that are legally one entity but with separate sports activities that are operated and managed independently on a day-to-day basis with separate memberships, committees, volunteers, constitutions and bank accounts;
 - Each individual sport organisation can apply for a grant in their own right for a project that is connected to their sport / facilities. Grants will only be awarded once in a 2 year period.
 - If the project is for a shared facility, for example, a clubhouse used by each organisation; providing one of the individual sports organisations has not had a grant within the last 2 years and are prepared to be the applicant, a grant may be awarded. Grants will only be awarded once in a 2 year period.
 - In all the above; if an organisation is successful with a grant application in 2016 they will not be able to apply again until 2018 after the 2 year anniversary of the previous award;
- (5) a new criterion is added to state that grants cannot be awarded if there is no insurance cover, or there is an insufficient level of cover, for the capital asset that the project is connected to; and
- (6) the current definition of a "non-profit making organisation" is redefined as a "not-for-profit organisation within Warwick District which makes use of volunteer labour"

(The Portfolio Holder for this item was Councillor Whiting)
(Forward Plan reference 773)

119. **Funding for Coventry & Warwickshire Growth Hub**

The Executive considered a report from the Chief Executive, that sought approval of a funding contribution from this Council towards the Coventry & Warwickshire Growth Hub.

In 2014 Warwick District Council signed the Coventry and Warwickshire City Deal which lasted for 5 years. Amongst other things this secured government support for a clearing house to help local companies find a way through a veritable maze of agencies and offerings to the right kind of support. This was a key part of an overall effort to help improve the local economy. The City Deal involved an undertaking from this Council to support the Clearing House, which would be known as the Growth Hub. A wide package of funding was brought together to enable this business support activity to be brought to fruition including in 2014/15 £23,453, from this Council.

The Growth Hub had in Warwick District engaged or assisted 428 businesses from April 2014 to December 2016. It had helped companies create 194 jobs in this District with a combined investment of £5.5 million. The Growth Hub's work had the support of the Chamber of Commerce and the Federation of Small Businesses (FSB).

This Council, as part of the City Deal, committed to provide support for the period of the City Deal period. One year funding from the Council was agreed for 2014/2015, none was needed for 2015/16 but funding was again requested for the remaining three years of the City Deal period albeit at a lower level than originally forecast. It had been hoped that other funding streams would mean that no more Council funding was required but regrettably this had not proved to be the case and a request had now been received for financial support.

It was considered that the results for the local business community and the local economy justified the Council providing such financial support but given that other Councils needed to agree to provide support it was proposed that the eventual decision should be delegated to the Chief Executive in consultation with the Leader of the Council.

The outcomes of the work of the Growth Hub in the Warwick District Council area were summarised at Appendix 2, to the report. If similar levels of performance were achieved then the Council's proposed contribution of £31,195 over three years represented good value for money.

Officers had enquired of agencies representing business most likely to benefit for the work of the Growth Hub, i.e. the Chamber of Commerce and the Federation of Small Business, and they were supportive of its continued work.

It was suggested, therefore, that the Council should provide the financial support requested which could be funded for the Council's contingency fund, subject to two caveats, that other Councils pay their share and that the Growth Hub continued its good performance in Warwick District.

It was, therefore, further proposed that delegated authority be given to the Chief Executive, in consultation with the Leader of the Council, for the release of this funding each year subject to them being satisfied that the two caveats were met.

Alternatively, the Executive could decide to reject the request in which case the Growth Hub had an uncertain future and businesses may not be able to receive the support they were currently able to obtain. This option had been rejected given that the Council has identified prosperity as a priority for the area.

The Finance & Audit Scrutiny Committee supported the recommendation once they had been given assurance that the Chief Executive was content with the delegation being proposed.

Resolved that total funding of £31,195 for the Growth Hub over the next 3 years, as set out in the letter at Appendix 1 to the report, be funded from the 2016/17 contingency budget subject to the Chief Executive in consultation with the Leader of the Council being satisfied that the other Councils are paying their share and of the continuing good performance of the Growth Hub in the Warwick District area, subject to annual review.

(The Portfolio Holder for this item was Councillor Mobbs)

120. **The Rental Exchange Project**

The Executive considered a report from Housing & Property Services that sought approval to join the national Rental Exchange project which helped people secure lower priced credit and improve their digital profile.

Helping people to have access to reasonably priced credit from reputable providers and a range of options to buy from organisations such as energy providers, represented an important part of the Council's strategy to encourage and support financial inclusion.

Big Issue Invest, the social investment arm of The Big Issue Group and the credit rating firm Experian, had developed The Rental Exchange in response to the financial, digital and social exclusion challenges that tenants compared to homeowners face in Britain. By observing rental payment data in the same way that mortgage payment data was viewed by credit rating agencies, the Rental Exchange allowed tenants with little or no credit history to build up a good credit file.

Warwick District had a strong financial infrastructure. However, this was not the case for a significant minority of residents. Data from City Save Credit Union indicated that the average credit rating for our tenants who had applied for a loan or a savings account was relatively low at 297. There were very few ways for our tenants to improve this score in order to access cheaper goods and services.

In the same way that mortgage payment information counted towards a credit profile, rental payment history could be used as proof of a tenant's financial standing and reliability through the use of the Rental Exchange. This would help tenants to create a proven and robust online identity and a good credit history and so make it easier to open a bank account, receive better gas and electricity rates or obtain cheaper credit. It would help reduce the risk of people turning to loan sharks and payday lenders for credit.

The Rental Exchange helped tenants to build an online proof of identity which was important when applying for a utility supplier, a mobile phone provider or online shopping.

There were three stages to joining the Rental Exchange that were set out in the report.

Before making any decision on full participation the Council needed to complete Stage One. It was proposed that, subject to approval, a further report would be brought back to a future Executive setting out the outcomes of the Stage One analysis and making recommendations as to whether there were sufficient benefits to justify proceeding to Stages Two and Three.

The Rental Exchange was a national initiative developed by Big Issue Invest and Experian. There was currently no alternative to this scheme which could provide the same benefits to the Council's tenants. If the Council chose not to explore joining the Rental Exchange, it could miss out on an opportunity to help reduce the cost of credit and increase the payment options for services such as energy supplies for its tenants.

Resolved that

- (1) the Council joins Stage One of the Rental Exchange project; and
- (2) following an assessment of the results of Stage One a further report will be submitted with recommendations based on the Stage One outcomes .

(The Portfolio Holder for this item was Councillor Phillips)
(Forward Plan reference 747)

121. Corporate Property Planned Preventative Maintenance Programme 2016/17

The Executive considered a report, from Housing & Property Services, that provided the rationale for the proposed allocation of works against the budget for the Corporate Repairs and Maintenance Programme for 2016/17.

The planned preventative maintenance programme for 2016/17 was based on the data and recommendations from the stock condition survey undertaken as part of the on-going assets review work. The data had been reviewed by officers within Housing and Property Services in consultation

with nominated representatives of the management team for each of the assets.

The budget for 2015/16 was to be reduced by circa £128,000. This funding would be returned to the Corporate Assets Repairs Reserve and was the result of underspend on the 2015/16 programme of works.

The total base Corporate Property Repairs and Maintenance budget for 2016/17 was £1,166,100. The total budget required to service the 2016/17 Corporate Property PPM was £2,117,100 of which £502,500 was slippage from 2015/16. Therefore, £466,500 was required from the Corporate Asset Reserve to support the delivery of the programme. Housing and Property Services managed the budget and coordinate the proposed programme of works, which had been set following consultation with the Asset Maintenance Group and the Asset Strategy Group.

The Royal Pump Rooms, and in particular the art gallery and museum within the building was suffering from water ingress due to multiple roof leaks. The roof structure and coverings were complex, and several mechanical plant installations were located on the roof deck. In previous years several temporary repairs to the origins of suspected leaks had been completed with varying degrees of effect. In order to fully understand the roof defects and design a long term solution to eradicate the leaks and prevent further water ingress it was necessary to procure a specialist technical appraisal of the roof structure, coverings and plant installations. It was therefore recommended that £20,000 be released from the Corporate Assets Reserve to support this need.

Considerable work, overseen by the Asset Steering Group (ASG) had already been undertaken to review and refine the Corporate Property PPM which had allowed the 2016/17 budget to be set. However, at present all costs associated with the programme were estimated and the actual costs of delivering the programme of work was liable to change as works were procured. In addition, the ASG work programme would continue and it was possible that both the work programme and overall budget requirement could vary in line with organisational & service area priorities.

Equally, opportunities could emerge during the course of the financial year that could lead to the programme of work being re-profiled if, to do so, would secure better long term value or enable the Council to respond to an opportunity to improve services or the performance of the corporate asset stock. It was therefore recommended that the Head of Housing and Property Services and the Head of Finance, in consultation with their respective Portfolio Holders, be granted delegated authority to approve programme amendments and revised budget allocations within the overall base budget of £2,117,100.

One alternative would be to not apply the refreshed budget setting criteria and/or not to manage the budget centrally but instead let service areas decide priorities and allocation. These options had been rejected when the initial review was carried out in 2008.

A second alternative would be not to proceed with the current proposed programme of works, but instead defer the programme in part or in full to future years and accept the risks of properties and assets falling into disrepair and not being available to support services associated with deferring the recommended projects.

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

Resolved that

- (1) the proposed budget allocation of £2,117,100 for the 2016/17 Corporate Property Repair and Improvement Programme, as set out in table 2 at 5.3 of the report, be approved;
- (2) £502,500 of the 2015/16 budget and funding will be slipped for items that will now proceed in 2016/17;
- (3) the 2015/16 budget will reduce by circa £128,000 and this money will be returned to the Corporate Assets Repairs Reserve;
- (4) up to a maximum of £466,500, be released from the Corporate Asset Reserve to support the 2016/17 Corporate Property and Repair and Improvement Programme;
- (5) £20,000 be released from the Corporate Asset Reserve to support technical inspections of the roof and mechanical plant of the Royal Pump Rooms;
- (6) the Head of Housing & Property Services, in consultation with the Procurement Manager, will procure the work set out in (1) to (3) in accordance with the Code of Procurement Practice;
- (7) the Head of Housing and Property Services and the Head of Finance, be delegated authority, in consultation with their respective portfolio holders, to approve programme amendments and revised budget allocations within the overall base budget of £2,117,100; and
- (8) the funding from the Corporate Asset Repairs Reserve is ring-fenced for the Planned Preventative Maintenance Programme (PPM) and not to subsidise any Budget Shortfall on the Responsive Repairs, Warwick Plant Maintenance or

Open Spaces Repairs & Maintenance which will be reported and considered separately.

(The Portfolio Holder for this item was Councillor Phillips)
(Forward Plan reference 768)

122. **St Nicholas Park Petition**

The Executive considered a report from Neighbourhood Services that enabled them to consider the issues raised in the petition presented to the Council meeting of 27 January 2016 by the Friends of St. Nicholas Park.

The petition related to the creation of meadow areas within the park, previously agreed by Executive in December 2012, as part of a wider agreement of the St. Nicholas Park Improvement Budget.

The areas marked on the original plan, set out at Appendix 2 to the report, where sprayed out in October 2015 and a subsequent petition was raised for the reinstatement back to amenity grass.

The Council meeting of 27 January 2016 referred the petition to Executive for consideration.

The petition, set out in full at Appendix One to the report, called for the two areas of the park, already sprayed and marked out for use as wildflower meadows to be restored to their former condition as soon as possible. The chosen locations were along the river corridor and on the banked area at the back of the all-weather pitch, which was not used and difficult to cut. These areas had been chosen after consultation with stakeholders, as detailed in Appendix Three to the report.

The proposal to create meadow areas within the park was first introduced in 2008 as part of a plan, approved by Council, to bid for Heritage Lottery Fund (HLF) monies to improve the park. They were subsequently included in the proposals for the St. Nicholas Park remaining projects, presented to Executive in 2012, with the idea for a "meadow/improvement to wildlife along river corridor" had emerged from the public survey 'Have Your Say' undertaken in 2009.

A petition, relating to CCTV proposals within the park was presented by residents of Pickard Street in December 2012. As a result it was agreed that any remaining budget not required for CCTV enhancements would be used on other desirable projects with "Wildlife enhancements, especially river corridor" being one of them.

A presentation on the current proposals was made to Warwick Town Council in December 2014. They recommended that further consultation be undertaken with local stakeholders and as a result presentations were also made to Warwick Community Forum on 5 March 2015 and the Friends of St. Nicholas Park on 16 March 2015. As a result of these consultations the chosen areas were scaled back with, in particular, a significant reduction in size of the area along the river corridor as requested by the Friends group.

The wildflower meadow proposals would contribute to the delivery of the Council's Local Biodiversity Action Plan (LBAP) and had received support from Warwickshire Wildlife Trust. Under the Natural Environment and Rural Communities Act 2006, Warwick District Council had a duty to have regard to conserving biodiversity as part of policy or decision making. Conserving biodiversity could include restoring or enhancing a population or habitat.

The meadows would also provide an educational facility for local schools and visitors and it was intended to involve local schools in their establishment in order to provide an educational resource aimed at Key Stage 1, 2 and 3 children. The Green Space Team already had an established network of schools interested in the project.

Wildflower meadows would also make a positive contribution to the marking criteria used for Green Flag Award assessments.

The proposed areas only took up 6.6% of the total park area, leaving plenty of space for recreation, and would create another dimension to St. Nicholas Park and draw visitors down to the river corridor.

The whole band along the river had been sprayed out with the intention of cutting paths through the wild flower meadow to allow access to and from the river side path, as shown at Appendix Two to the report.

Given the advanced stage of preparation for planting, the biodiversity and educational benefits and the extensive consultation already undertaken, it was recommended that the existing locations be retained and that the Friends Group notified accordingly.

It was proposed that the impact and benefits of the meadows were closely monitored over a two year period and the results reported back to Executive. The impact could be measured as part of the Parks survey carried out during the summer and customer feedback from other sources including school participation. The biodiversity impact could be assessed by County Council Ecology and Warwickshire Wildlife Trust. Their value could be assessed by the parks audit carried out by an external body and marked against the Green Flag Criteria.

The true value of the meadows would only become apparent over time and once these assessments had been made. It was worth noting that the value of the removal of flower beds and replacement with sustainable plants, a move that was also the subject of objections, now contributed to Warwick receiving a Gold award for the West Midlands in Bloom competition.

Alternatively the Executive could accept the petition as written. This had been rejected for the reasons set out in the report. The Executive could agree that the meadows areas be scaled back further. This had been rejected because they had already been scaled back following the consultation exercise and their benefit to biodiversity and as an educational resource would be adversely affected.

An alternative proposal would be to site the meadow on Myton Fields, allowing viewing from St. Nicholas Park but this had been rejected because

Myton Fields was used as a car park during the summer and this would impact on revenue. There were also currently meadow areas within Myton Fields.

A revised plan for the planting areas was circulated at the meeting by the Leader that took into consideration the concerns raised by the petition and members of the Executive. The recommendations were proposed as laid out subject to amendments to the proposed location in the revised plan for the planting areas, as circulated at the meeting.

Resolved that

- (1) the petition presented by the Friends of St. Nicholas Park, as set out at Appendix One to the report, be noted;
- (2) the locations chosen to improve biodiversity in St. Nicholas Park through the creation of wildflower meadows are amended as outlined in the plan circulated at the meeting and the petition organisers notified accordingly;
- (3) the areas will take time to become fully established and that monitoring and evaluation is undertaken of their impact, contribution and aesthetics and the results reported back to the Executive after they have been in place for at least two years.

(The Portfolio Holder for this item was Councillor Shilton)

123. Pump Rooms Gardens Parks for People Project

The Executive considered a report from Neighbourhood Services that informed them of the outcome of the Council's second round application to the Heritage Lottery Fund (HLF) for restoration work to Pump Room Gardens.

The HLF had awarded the Council a second round pass and a grant of £995,656 towards the total project cost of £1,455,146, which would enable the Council to proceed with the delivery stage of the project.

To deliver the project the Executive was asked to accept the terms and conditions of the grant award and to authorise the Council to enter into a contract with the HLF.

The Heritage Lottery Fund had asked for evidence of the decision (or the decision of the relevant properly constituted committee, Executive or authorised officer) authorising acceptance of the terms of grant, together with a statement containing specified information as requested in Appendix A, section 30 of the report.

The grant would deliver the Pump Room Gardens Restoration project in line with the costs included in Appendix B to the report and the timetable attached in Appendix C to the report.

The grant would allow the Council to meet its objectives for the Pump Room Gardens and ensure that the community benefitted from the heritage and recreational value.

Accepting the grant would eliminate the potential need to repay the HLF's development grant (a maximum of £48,800) which could be required if Warwick District Council decided not to accept the grant award.

The grant would generate over £1.4 million of investment into Warwick district green spaces as detailed in Appendix B to the report.

Alternatively, the Council could decide not to accept the HLF funding and deal with the significant repairs and maintenance problems facing the Gardens on an ad hoc basis. However, given the condition of the Gardens including the bandstand, footpaths and other infrastructure, this was not a feasible option if the Gardens were to be kept open to the public over the longer term. Furthermore, the Council would miss out on the opportunity to secure £995,656 of HLF funding and other external funding.

Another option was that the Council could deliver a smaller project with no funding from the HLF. This would include doing a basic makeover of the park with all of the capital and on-going revenue costs being met by the Council. This option provided little overall benefit other than to retain the park at its current offer. Again this option would miss the opportunity of external investment. It would however allow the gardens to remain open to the public.

An addendum circulated at the meeting that set out a further risk to the project with regard to the need to complete an agreement with Warwickshire County Council in respect of the path and bridge, which was as yet to be completed.

The Overview & Scrutiny Committee recommended that a Member of the Council should be appointed to the Project Steering Group.

In response, the Executive?

Resolved that

- (1) the Heritage Lottery Fund (HLF) delivery grant of £995,656, be accepted, and the Council enters into a formal contract with the HLF on the terms and conditions set out in Appendix A to the report;
- (2) authority be delegated to the Head of Neighbourhood Services, in consultation with the Portfolio Holder for Neighbourhood Services, to finalise the contract with HLF; and

- (3) on completion of the contract and receipt of the HLF grant, the funding detailed in section 5.2 of the report, is added to the Council's Capital Programme, with the sum 'ring-fenced' to the delivery of the Pump Room Gardens project.

(The Portfolio Holder for this item was Councillor Whiting)
(Forward Plan reference 781)

124. **Use of Building Control Reserve**

The Executive considered a report from Development Services that sought approval to release monies from the Building Control reserve account to fund the engagement of a Marketing Consultant for six months, as approved by Employment Committee, as part of the recent re-structure of the service and to fund scanning of files.

As part of the recent re-structure of the Building Control Service, a temporary post had been approved to provide much needed marketing support from a consultant. There was a gap in this area of expertise in the service and there was a need to brand and promote the service better to increase levels of income. The work would be for a maximum period of six months and the cost would be capped at £40,000. This work was likely to include:

- marketing to increase customer base and win further business,
- producing improved marketing literature,
- advising staff on how to produce tender documents that sold the service in a more professional way to maximise its ability to successfully compete against the private sector, who spend considerable amounts of money on producing such documents.

It was not possible to easily quantify the financial benefits immediately from this investment, but it was reasonable to suggest that if income increased in subsequent years, then the investment had been a contributing factor. It did appear the next essential stage to the success of the business. It should be noted that the service was ring-fenced, and whilst in this current financial year it appeared that the Council would break even, (which was a CiPFA requirement), any potential for additional income through marketing would be put into the reserves to re-cycle back into developing the service. Measures of success were increased or maintained income and levels of new business, providing resilience of service and maintaining choice for customers in the market place.

There were a number of historic files that were required to be scanned in the system for Daventry District Council. Daventry were part of the joint service and this work was necessary to ensure that Warwick District's files were held electronically to enable the whole service to work more efficiently, as all officers needed access to the historic files from time to time, in particular the Business Support team. Quotations had been received in accordance with the Code of Procurement Practice. A supplier that the Council had previously used had produced the most competitive quote which was capped at £9,995. Therefore, this amount was requested from the Building Control Reserve. It

should be noted that Daventry District Council had offered to contribute to the cost in the region of £5K.

The Council had considered doing the marketing in-house within Building Control but this was specialist work and currently the team did not have the skills or the capacity to promote and brand the service in a way that competed with the private sector. Carrying out the scanning in-house would take a considerable amount of time and was likely to be more expensive on staff resources.

Resolved that

- (1) the release of a maximum £40,000 from the Building Control Reserve account, be approved, to fund the provision of marketing consultancy for the new service for a period of up to 6 months, as agreed by Employment Committee on 16 December 2015; and
- (2) the release of a further £9,995, be approved, from the Building Control Reserve account to fund the scanning of paper files.

(The Portfolio Holder for this item was Councillor Cross)

125. Urban Capital Improvement Scheme (RUCIS) Application

The Executive considered a report, from Finance, that sought approval of a Rural/Urban Capital Improvement Scheme grant application from Radford Semele Parish Council for the Third Party Funder payment of a grant application made to WREN to refurbish the village playground.

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

This project contributed to the Council's Sustainable Community Strategy as without a modern well used village playground there were fewer opportunities for children to enjoy and participate in physical activity which potentially resulted in an increase in anti-social behaviour and obesity within children; playgrounds were also an area for parents, grandparents and friends to socialise whilst children were playing. In addition to this, working on this project had already brought families together through researching needs and types of equipment as well as working on funding applications; this would hopefully continue after the project to keep the playground maintained. This all helped to engage and strengthen the community.

The current village playground equipment was somewhat tired, old-fashioned and did not challenge the children either physically or mentally and was only of use for children up to the age of seven, the new equipment that would be provided by the project would be of use to children up to twelve years old

therefore increasing opportunity for children in the community to participate in physical activity and for their families to socialise together.

The Council had only a specific capital budget to provide grants of this nature and therefore there were no alternative sources of funding. In addition, the Executive could choose not to approve the grant funding, or to vary the amount awarded.

Resolved that a Rural/Urban Capital Improvement Grant from the rural cost centre budget for Radford Semele Parish Council of 6% of the total project costs for the Third Party Funder payment for a grant application made to WREN to refurbish the village playground, as detailed within paragraphs 1.1, 3.2 and 8.1, of the report up as supported by appendix 1 to the report, to a maximum of £3,800 excluding VAT be approved.

(The Portfolio Holder for this item was Councillor Whiting)
(Forward Plan reference 759)

126. **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 item 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
127	1	Information relating to an Individual
127	2	Information which is likely to reveal the identity of an individual

(Councillor Mrs Falp left at the conclusion of this item)

127. **Extension of Cultural Services Programme Manager Contract**

The Executive considered a report from Cultural Services.

The recommendations of report were agreed as printed and the full details will be included in the confidential minutes.

(The meeting ended at 6.45pm)

Executive

Excerpt of the minutes of the meeting held on Wednesday 6 April 2016 at the Town Hall, Royal Leamington Spa, at 6.00 pm.

Present: Councillor Mobbs (Chairman); Councillors Coker, Cross, Mrs Gallagher, Mrs Grainger, Shilton and Whiting.

Also present: Councillor Barrott (Chair Finance & Audit Scrutiny Committee), Councillor Boad (Chair of Overview & Scrutiny Committee & Liberal Democrat Group Observer), Councillor Mrs Falp (Whitnash Residents Association Group Observer) and Councillor Naimo (Labour Group Observer).

Apologies for absence were received from Councillor Phillips.

128. **Declarations of Interest**

There were no declarations of interest made in relation to this excerpt.

Part 1

(Items on which a decision by Council is required)

129. **Code of Procurement Practice**

The Executive considered a report from Finance that proposed amendments to the Code of Procurement Practice and the introduction of an Ethical Procurement Statement, a Sustainable Procurement Policy and a Social Value Policy.

The Council's Code of Procurement Practice was last formally reviewed and amended in 2010. It was recognised as good practice to keep this document under review and make amendments as necessary to meet the changing environment in which the authority, its services and its finances operated.

The notable changes to the Code were the thresholds for the relative tender processes, with the threshold for which three quotations to be obtained by the Head of Service being increased from £5,000 - £9,999 to £5,000 - £24,999. Contract values in the range £25,000 - £49,999 would continue to require formal quotations using the intend system. This change would put the Council's practices in line with the Government's requirements. The lower threshold of £10,000 for formal quotations applies to Central Government.

In line with current trends within Local Authorities it was proposed to adjust the contract values to ensure there was greater flexibility to support managers with low level spends whilst still maintaining the necessary level of Procurement oversight and management to ensure compliance, probity and to minimise risks.

In order to explain the workload implications, the report detailed the number of contracts issued during 2015/2016 that fell within the amended contract value range.

The Procurement Team workload capacity was limited with it only being a small team. The change in thresholds would help ensure the team was effective and efficient and was able to concentrate on contracts of medium to high level spend (above £25,000) and those of strategic and "political" importance with a high level of potential risk to the Council.

The Procurement Team had successfully implemented the use of the "quick quotes" option on the E tendering portal and it was proposed to roll this facility out to managers, whilst retaining overall procurement oversight and management to ensure compliance, probity and to minimise risks.

To promote procurement opportunities within the local economy the proposed Code had been amended to ensure that a minimum of two local suppliers must be invited to bid. Also, to increase the number of local SME's registered on the E Portal, Invitations to Participate would be circulated using the Federation of Small Businesses weekly e-newsletter.

The Code introduced the Sustainable Procurement Policy, Ethical Procurement Statement and Social Value Policy in line with current practices within Local Authorities. The Sustainable Procurement Policy and Ethical Procurement Statement was required to meet the Council's obligations in accordance with the UK Government Sustainable Development Strategy.

The updated Code referred to the need to adhere to the Guide to Tender Evaluation. The purpose of this guide was to assist members of the evaluation panel assessing tender submissions and to ensure practice and procedures employed to carry out this activity conformed to the Council's obligations of Integrity, Transparency and Accountability. The guide provided information in relation to the evaluation process and timetable of events, scoring responses and procedural fairness, and scoring sheets and a declaration of confidentiality and interest form to be completed by each panel member.

The Code sought to re-enforce the need for the Procurement Manager to be consulted ahead of proposing to extend a contract, including using an extension option within the original contract. The purpose being to ensure that value for money reviews were systematically carried out by the Heads of Service, with advice from the Procurement Manager in a timely manner. It was necessary to ensure that options to extend contracts were not committed to without due consideration of the contract performance. Where it was identified that the current contract was no longer delivering value for money and / or regularly achieving the level of service and quality levels required by the Council and / or where the requirement was no longer appropriate, suitable and timely action plans would be implemented.

Other notable updates proposed to the Code of Procurement Practice included:-

- Section 10 – 'Constructionline' shall be used as the basis for selecting contractors for works and construction related consultants to quote or tender for contracts up to the value of the EU limits for Works and Services;

- Section 11.1.1– The Procurement Manager (or nominated deputy) would be responsible for opening Tenders (Opening Ceremony) in respect of all tenders and quotations issued via the e-tendering portal;
- Section 11.8 – Clarification of “Alcatel” standstill period; and
- Section 14 – Appointment of Consultants.

The amended document set out how the District Council’s procurement arrangements should operate so as to comply with best practice and current legislation. The report recommended that the updated Code should be accepted in its entirety.

The Finance & Audit Scrutiny Committee supported the recommendation in the report subject to minor amendments to the wording in paragraphs 3.2 and 10.10.

The Overview & Scrutiny Committee suggested that a higher loading/weighting should be placed against “Social Value” when evaluating quotes and tenders.

The Overview & Scrutiny Committee intended to monitor the outcomes of the proposed changes and urged the Executive to set up a monitoring and evaluation regime that clearly stated the strategic outcomes the Council aimed to achieve, and how the achievement of these would be assessed. The Committee would be adding an action to its Work Programme to review the impact of the changes 12 months after implementation.

Revised copies of the Sustainable Procurement Policy and Social Value Policy were circulated at the meeting.

The Executive noted that the Intend system was a multi purpose system and the report should specifically refer to it as a procurement system.

The Portfolio Holder for Finance, Councillor Whiting, thanked his team for their work over recent years for ensuring there was a positive procurement culture within the Council. Whilst he recognised the comments of the Overview & Scrutiny Committee, he felt there was a need for this Council to balance social value against the guardianship of the money from our community and this balance needed to be set at the right level. He welcomed that the Overview and Scrutiny Committee would be looking at this in 12 months.

Recommended to Council they adopt the updated Code of Procurement Practice as detailed in the attached (Appendix 1) and the accompanying Ethical Procurement statement (Appendix 2), Sustainable Procurement Policy (Appendix 3) and Social Value Policy (Appendix 4).

(The Portfolio Holder for this item was Councillor Whiting)

(The meeting ended at 7.05pm)

Warwick District Council Code of Procurement Practice

APRIL 2016



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INTRODUCTION

This code has been revised to reflect the current Public Contract Regulations 2015, EU Procurement Regulations, the Public Services (Social Value) Act 2012 and the Local Government Transparency Code 2014

The code aims to set out how Warwick District Council will procure goods, works and services in line with the above legislation. Failure to do so may result in disciplinary action.

Managers, Officers and Elected Members of the Council will be bound by this code when procuring works, goods and services on behalf of the Council.

The procedures within this code are set out in accordance with the current Public Contract Regulations 2014 and best practice. They are not designed to be a full set of instructions to the procurement process but outline the procedures that will be followed.

The code is designed to ensure transparency of the process and fairness in allowing all suitable suppliers the opportunity to bid for Council work. In following the code managers and officers will be supporting the Council's objectives and values.

This Code should be read in conjunction with the Financial Code of Practice and the Procurement Strategy.

John Roberts – Procurement Manager WDC

1. PURPOSE

1.1. The Local Government Act 1972 requires the Council to have standing orders with respect to the making of contracts. They are part of the Council's Constitution and are; in effect the instructions to Council Officers and Members when entering into contracts on behalf of the Council.

1.2. The purpose of this Code is:-

- To set clear rules for the procurement of works, goods and services for the Council
- To ensure a system of openness, integrity and accountability, in which the probity and transparency of the Council's procurement process will be beyond reproach
- To ensure that the Council achieves value for money when acquiring goods, works and services.

1.3 Accordingly this Code will be followed for ALL Procurement activity (with the exception of internally recharged services) for:

- The supply of goods to the Council
- The supply of services to the Council; and
- The execution of works for the Council

Or any of the above for which the Council is responsible for payment but which are not directly supplied to the Council.

1.4 The Council has a separate Procurement Strategy, which sets out how the Council intends to undertake and improve procurement activity, detailing specific actions.

1.5 All procurement activity over the value of £24,999.99 will be procured by the Procurement Team working closely with project owners. Responsibility for procurement activity below this threshold lies with each team / project owner; however the Council has a Procurement team member available for advice and guidance if required, with overall responsibility for compliance with this code and the wider UK and EU legislation.

1.6 The Council is also subject to EU law with regard to procurement, which requires contract letting procedures to be open, fair, proportionate and transparent. This Code provides a basis for true and fair competition in contracts, by providing clear and auditable procedures, which, if followed, will give confidence that the Council has a procurement regime that is fully accountable and compliant with EU law.

The Code makes provision for the Council to use its purchasing power to assist in delivering elements of the Corporate Strategy and values.

1.7 Wherever used in this document the term "Head of Service" shall be taken to have the same meaning as in the Code of Financial Practice. Heads of Service may delegate Procurement responsibility where appropriate, to senior officers under their management.

1.8 This Code should be viewed as an aid to good business practice and as a tool to enable best value to be achieved.

2. STRUCTURE AND RESPONSIBILITY

2.1 An outline of the responsibilities of Members and Officers is as follows:

- **Executive** – The Executive assume ultimate responsibility for Procurement across the Authority.
- **Finance and Audit Scrutiny Committee** – to promote value for money and good Procurement practice
- **Corporate Management Team** –CMT have responsibility for officer Procurement activity, specifically in accordance with paragraph 3.2.
- **Head of Finance** – Responsible for the procurement team, procurement activity and adherence to the Code.
- **Procurement Manager** – Provides expertise to ensure that all procurement activity undertaken by the Council are transparent, auditable and comply with all relevant local, national and European legislation thus ensuring the Council is exposed to minimal risk in this area and efficient use of resources.
- **Senior Management Team** - Heads of Service are responsible for Adherence to the Code of Practice within their Service Area ensuring that all Managers in their Area understand the Code, training needs are Identified and provided, maintenance of the Contracts Register ensuring the information held is correct in line with the agreed contract award and that procurement exercises are carried in line with the approved budget.
- **Officer Level** – All other tasks relating to procurement and the management of contracts are the responsibility of departments in accordance with the scheme of officer delegation.

3 ROLE OF THE PROCUREMENT TEAM

3.1 The Procurement Team will provide procurement advice and guidance on procurement activity below £25,000.00. The team will manage the process ensuring all procurement activity above £25,000.00 is carried out in line with conditions set with the Code of Procurement Practice and all current Procurement legislation.

3.2 Prior to entering into any contract arrangement the Procurement Team must be consulted early on in the process. This should be at the start of considerations, well before any commitment is made. The advantages of this are:-

3.2.1 To give advice on the recommended process to be followed so as to comply with the Code and the Procurement legislation

3.2.2 To establish whether there may be advantages of bringing selected contracts together, for example for economies of scale, or even where there is the requirement to bring contracts together into lots to ensure EU compliance.

3.2.3 To promote and assist with the evaluation and potential use of buying consortia or other available framework agreements, so as to avoid the cost and time of going through the full procurement process and ensure WDC complies with the rules set within the frameworks.

3.2.4 Explore opportunities for collaboration with other local authorities or public bodies to enable the Council to benefit from aggregation.

3.2.5 To give advice for consideration of any inclusions of the Social Value act into the Procurement exercise.

3.3 The guidance and instructions issued by the Procurement Manager or team member should be followed in all instances unless there is good reason why they are not believed to be appropriate. In these cases, it will be for CMT to agree that the Procurement Manager's / teams recommendations are not to be followed, taking into account all known factors and advice.

3.3 Where it is necessary to follow a full tender process, the Procurement Manager will allocate a resource to lead on the tendering for supplies and services. Early notification of procurement intentions will enable the efficient planning of this resource.

3.4 For corporate supplies and services, it may be appropriate for the Procurement Manager to take the lead. However, in these instances, the Procurement Manager will need to work with relevant budget holders. The management and monitoring of the contract after tendering will then be the responsibility of a suitable budget manager.

3.5 Where contracts are not in place and the procurement of goods and services is occurring on an 'as required' basis the Procurement Manager or team member will assess if a framework needs to be put in place or another contract within the Council can satisfy the requirement.

4. ORDERING GOODS AND SERVICES

4.1 Goods, works and services should be ordered from the contracted Council supplier, using an established framework (e.g. ESPO, YPO, Crown Commercial Services) or through any other public sector framework available to the Council to utilise.

4.2 In the event that an established or other public sector framework is selected as a means of delivering goods or services the officer must follow the award procedures set by the framework and observe any set conditions (e.g. mini-competitions) and complete an access agreement linked to the framework.

- 4.3 Where a supplier cannot be identified, for example; a new requirement, then the Procurement Manager must be notified and an agreeable procurement process will be advised.
- 4.4 A purchase order must be raised as instructions to contractors and suppliers, quoting the relevant framework reference number, WDC Contract Reference number or when quotations are requested and accepted, the quotation date, reference included on the order set.
- 4.5 The total value of the order will include VAT, where applicable. The order raiser will need to establish if VAT applies and ensure the correct VAT category and amount is applied to the net value of the order. Queries in respect of VAT should be raised with the Council's VAT Accountant.
- 4.6 Should it be impractical to raise an order, for example in an emergency situation, then an order must be raised the next working day.
- 4.7 No commitment must be placed with a supplier without an official Purchase order or by utilising a Purchasing Card.
- 4.8 Heads of Service must agree the officers within their Service Areas that are permitted to authorise orders and their individual order limits.
- 4.9 Purchase Orders must specify clearly the amount and quality of goods or services to be supplied, the date for delivery, the price to be paid (showing any discounts off regular prices) and any quotation / framework / contract reference. If unsure of what references should be applied contact the Procurement Team.
- 4.10 The Order System will be used, to maintain a record of goods/services ordered, through which Service Areas can verify:
- The receipt of goods/services ordered;
 - The authorisation of payment (so as to prevent duplicate payments).
- 4.11 An annual order should be raised for utility supply arrangements to enable receipting of relevant invoices. Annual orders may be appropriate for other supplies where there is, for example, a fixed monthly charge.
- 4.12 Select lists are no longer held by the Council. Where necessary these will be replaced by framework agreements via ESPO, YPO, Crown Commercial Services) or other councils. An access agreement will be signed by the Procurement Manager allowing access to the framework.
- 4.13 All gifts and hospitality must be managed in line with the requirements of the member and officer Codes of Conduct.

5 DISPOSAL OF ASSETS

- 5.1 The approach to be taken in respect of the disposal of assets (excluding land and buildings) will depend upon the nature and estimated value of the asset.

- 5.1.1 In the first instance any asset deemed to be of no further use should be offered for re-use within the Council. This can be done via the internet or email to service area managers.
- 5.1.2 For assets worth £19,999 and below Managers should 'have regard' to the need for value for money and equity. Assets should not be sold without competition unless it is clearly sensible to do so. The reasoning must be recorded by the Head of Service. In cases where competition is appropriate, at least two written quotations should be received or the method of electronic auction may be used (e.g. EBay). For the secure disposal of ICT Assets refer to the Council's Information Security and Conduct Policy (ISCP)
- 5.1.3 For assets worth £20,000 and above the Executive approval should be sought detailing the asset and the proposed method of disposal. The method of disposal may be either by formal tender (as described in sections 9-13) or by auction (e.g. EBay or property/land auction)
- 5.2 In the event that electronic auction is selected then this must be through a Council account, under NO circumstances should personal accounts be used.
- 5.3 If a low value asset cannot be sold then consideration should be given as to its suitability to support local charities, voluntary groups and / or parish councils. In the event that this is deemed a suitable route to disposal the Head of Service is responsible for the disposal.
- 5.4 Disposal of land and buildings does not normally fall under the Public Contracts Regulations. However, if the disposal is linked to further outputs or developments then there may be a requirement to comply with the regulations. In considering the proposal to dispose of land or property it is necessary to follow the Code of Financial Practice.

6 EXEMPTIONS TO CODE OF PROCUREMENT PRACTICE

- 6.1 An exemption to the Code of Procurement Practice is a permission to let a contract without complying with one or more of the procedures laid in this document. An exemption may be granted subject to conditions but cannot be granted where a breach of UK or EU legislation may be incurred.
- 6.2 An exemption may be sought when:
- 6.2.1 It is not practicable or advisable by reason of emergency to seek competitive tenders;
- 6.2.2 The Council has followed the procedures but the process has not resulted in a suitable supplier being engaged due to reasons beyond officers' normal control and defined responsibility resulting in an interim supplier being appointed to ensure continuity of service while the procurement process is reviewed.
- 6.2.3 There are exceptional circumstances in which it would not be in the Council's best interests to follow the tender or quotation procedure.

- 6.2.4 In certain extreme circumstances Regulation 32 of the Public Contract Regulations 2014 – Use of negotiated procedures without prior publication of a contract, will apply. Advice should be sought from the Procurement Manager and / or Legal Services (if required) before applying this regulation.
- 6.2.5 Where a 'soft market test' has been carried to understand if there would be interest from the market to provide the service and where this exercise has resulted in only one provider, often this being the current provider, it would be deemed unpractical to carry out any further procurement exercises.
- 6.2.6 Where due to particular circumstances there would be a need to extend current arrangements for a reasonable period e.g. to allow other contracts to be aligned, or pending changes in legislation that may have an effect on defining the need.
- 6.2.7 When the current contracted supplier goes into liquidation and time limited short term emergency measures need to be put in place to maintain services until a new tendering exercise has been completed.
- 6.3 In the event that a Head of Service decides that paragraphs 6.1 and 6.2 apply, in the first instance the agreement of the Procurement Manager must be sought. If the Procurement Manager is in agreement with the decision then a report must be submitted in advance of the exemption coming into force explaining the circumstances and seeking approval on the course of action. In cases of urgency it may be necessary for the Chief Executive to apply the Emergency powers. For exemptions with a total contract value of up to £20k approval should be sought from the S151 officer. For total contract values over £20k exemptions should be submitted to Executive for approval. It should be noted that 'lack of time' is not a reason for this application under current legislation or this Code of Practice.
- 6.4 Exemptions not requiring approval by Executive are:
- 6.4.1 Renewal of software licenses or other IT commodity items where the supply is restricted to either the original supplier or their selected re-sellers, and competition does not affect the price paid owing to way the market operates and/or the need for compatibility.
- 6.4.2 Where officers have followed the procedure for 3 quotes but are unable to obtain 3 quotes. This may be due to lack of market response or where there is only a single supplier in the market place. In this case the approval request should still be submitted to the Procurement Manager using the 3 Quote Form with supporting evidence such as copies of quotes to support the exemption.
- 6.4.3 Memberships, publications and subscriptions that are only available to purchase from a single organisation e.g. membership of a housing advisory organisation.

- 6.4.5 In a single source situation where we are restricted to using a particular supplier.
- 6.4.6 A situation where you need to go to the original equipment manufacturer (OEM)
- 6.4.7 Where using an alternative supplier will invalidate warranties.
- 6.4.8 Where it is agreed that an external provider uses our facilities to provide a service i.e. stage performance and as part of providing this service agree to pay the council a commission.
- 6.4.9 Where the total contract value is up to £20,000, the Head of Finance may agree the exemption in accordance with paragraph 6.3, with the exemption retrospectively reported to the Executive.
- 6.5 Grants, payments to parish councils or similar bodies (where the Council is body responsible for collection of funds via council tax), payments to BID's (Business Improvement Districts, where the Council is the body responsible for collection of funds via business rates), staff salaries and any statutory taxes are not covered by this code as they are not considered to be the procurement of goods, works or services.
- 6.6 Where another public body is procuring goods and services on behalf of the Council, and the Council is contributing to the cost of those goods and services, officers should ensure that appropriate procurement procedures are being followed and agree those with the Procurement Manager.

7 PRE-PROCUREMENT PROCEDURE

- 7.4 Before commencing any new procurement activity above the threshold of £50k, the Head of Service shall complete a Business case / Options Appraisal / Project Initiation Document (PID) to identify the business needs and fully assess any and all options for meeting those needs.
- 7.5 Before undertaking the procurement exercise the officer responsible for the activity shall:
 - 7.5.5 Consider all other means of satisfying the need (including recycling and reuse where appropriate);
 - 7.5.6 Consider whether there is an existing appropriate compliant pre-tendered contract available. This may be either a contract let by another public body or a framework agreement let by a purchasing consortium (e.g. Crown Commercial Services, ESPO, YPO). It may be necessary to examine a number of frameworks and contracts to find the best value solution;
 - 7.5.7 Consider joint working with one or more other local authorities. Sharing knowledge and resources while aggregating spends should be of benefit. The Procurement team can establish contact with other procurement officers at neighbouring councils to assist with this if this is felt to be a viable option.

- 7.5.8 Consider the criticality of the supply and/or service with regard to business continuity to ensure a smooth transition from the outgoing and incoming contractor;
- 7.5.9 Consider and define the need for a confidentiality document either at the initial outset of the tender phase and/or at the contract stage.
- 7.5.10 Consider any 'Conflicts of Interest' from parties involved in the procurement process, i.e. members' involvement with organisations outside the council.
- 7.5.11 Where appropriate, carry out Soft Market testing to ensure that the requirement can be met by the market.
- 7.5.12 Give consideration and ensure adherence to the Ethical Procurement Statement and Sustainable Procurement Policy
- 7.5.13 Give consideration to the social benefits that can be obtained through the lifetime of the service contract in line with the Public Service (Social Value) Act 2012.
- 7.5.14 Seek the advice and guidance from the Procurement Manager as appropriate.
- 7.5.15 Identify any stakeholders that need to be made aware of the renewal process
- 7.5.16 Consult with Finance or service accountant to determine the approved available budget, where the existing budget may be insufficient to cover current costs of such a contract. Any monies to be drawn from the Reserves must follow the due approval process prior to commencing the procurement process
- 7.2.12 Where it is agreed to carry out a new tendering exercise the Council should make best use of its purchasing power by aggregating purchases wherever possible. Consideration should be given to lots to encourage participation from SME's.
- 7.2.13 Consider any current or potential WDC in-house provision of services. They must be invited to participate in the tendering process.

8 ESTIMATING THE VALUE OF CONTRACT

- 8.4 The contract value should be estimated using the total cost of ownership (to include full costs of acquisition, use and disposal) for the term of the contract.
- 8.5 Ensuring the contract value is a true reflection of the business need as this will govern the type of contract and the correct procurement route.
- 8.6 Particular attention should be paid when considering the use of Consultants ensuring that the scope and the length of contract are clearly defined. A reasonable contingency should be applied to the project budget

to cover additional unforeseen expenditure. When considering using Consultants it is important to monitor the contract closely to avoid escalation of costs through follow on work. See section 13.

8.7 The value of a contract to the Service Area should not be viewed in isolation as the regulations are concerned with the aggregated spend / value of a commodity to the Council as a whole.

8.7.5 Service areas need to be aware of other users of similar services within the Council so as to ensure efficiency by aggregation of requirements.

8.7.6 A service area acting in isolation could potentially cause the Council to be in breach of the Regulations. The Procurement Manager can advise of the likelihood of this prior to the commencement of the procurement process.

9 CONTRACT TYPES

9.4 The Procurement Procedure will be defined according to the estimated value. Contract values must not be split in order to change the contract process.

The estimated value including any extensions will be for the term of the contract. This may be a fixed term for project type work.

TYPE	CONTRACT PRICE	PROCEDURE
1	<£4,999	Head of Service to arrange directly, after prior consultation with the Procurement Manager, with regard having to be given for Best Value.
2	<£5,000-£24,999	Head of Service to arrange directly, after prior consultation with the Procurement Manager, to obtain at least three quotations. Regard must be given for best value.
3	£25,000-£49,999	Procurement Manager (or nominated Deputy) to arrange formal quotation exercise, to be advertised exclusively via e-tendering portal with an option to utilise the 'quick quote' function and through advertising on Contracts Finder. A minimum of two local Suppliers must be invited to bid. In order to promote procurement opportunities and increase the number of local SME's registered on the E Portal, invitations to Participate will be circulated using Federation of Small Businesses weekly e newsletter.
4	£50,000-EU Threshold	Procurement Manager (or nominated Deputy) to arrange formal Tender opportunity for goods, works or services above £50,000 advertised exclusively via the e-tendering portal and any other portals, specialist forums etc. and through Contracts Finder, to ensure that as wide a market as possible has the opportunity to respond to the opportunity (as detailed in 10.7), to be sought in accordance with the tendering procedures.

		In order to promote procurement opportunities and increase the number of local SME's registered on the E Portal, invitations to Participate will be circulated using Federation of Small Businesses weekly e newsletter.
5	>EU Threshold	Procurement Manager (or nominated Deputy) to arrange formal Tender opportunity for goods, works or services above E U Threshold will be advertised exclusively via the e-tendering portal and any other portals, specialist forums etc. and through Contracts Finder, to ensure that as wide a market as possible has the opportunity to respond to the opportunity (as detailed in 10.7), to be sought in accordance with the tendering procedures. EU Procurement Directive thresholds at 1 st January 2016: Supplies & Services: £164,176.00, Works : £4,104,394.00
6	Frameworks	Procurement Manager (or nominated Deputy) to arrange the following the procedures set out in the framework without the need to go to back to the market. Mini Competitions advertised exclusively via the e-tendering portal.

9.5 In the event that the minimum number of quotations or tenders cannot be obtained for reasons of insufficient suppliers within the market, the Head of Service in conjunction with the Procurement Manager will have the final decision in whether to proceed or to redesign the specification. See 6.2

9.6 Where the spend is agreed by the relevant Head of Service and Procurement Manager to be classed as low value / low spend, the Council's Purchasing Cards can be used in such circumstances. In such cases the instruction on the use of the Purchasing card must be adhered to.

10 TENDERING PROCEDURES

10.1 Subject to any overriding statutory enactment this tender procedure applies in relation to any and all type 3, 4 and 5 contracts.

10.2 For type 3 contracts a formal quotation process needs to be followed.

10.2.1 The 'Quick Quote' process within the e-tendering portal to be used as a call for competition, where applicable.

10.2.2 Advertise the requirement on Contracts Finder.

10.3 For type 4 and 5 contracts a formal tendering process to be followed.

10.3.1 A formal tendering project to be carried out using the e-tendering portal.

10.3.2 The requirements will be linked to Contracts Finder.

- 10.4 For type 5 contracts the relevant procedure (open, restricted, negotiated or competitive dialogue) needs to be identified prior to advertisement;
- **Open Procedure** – where only a limited number of potential suppliers are likely to respond.
 - **Restricted Procedure** – where there are potentially many suppliers likely to respond and a pre-tender selection is required.
 - **Competitive Procedure with Negotiation** – for complex tenders giving the option to negotiate
 - **Competitive Dialogue** – for highly complex tenders where none of the above are suitable or the solution cannot easily be identified.
 - **Innovation Partnership** – highly complex tenders, working with the market to deliver the business objectives when the route or specification is hard to establish or if the market can deliver (working together partnership)
- 10.5 Where it is agreed to follow a restricted procedure documents will include for a 2 stage tendering process - stage 1 the Pre -Qualification Questionnaire (PQQ) for the Public Sector and stage 2 the Invitation to Tender (ITT)
- 10.6 For type 3, 4 and 5 contracts a clear specification and pricing schedule needs to be developed for publishing to the market. An evaluation criteria and scoring matrix needs to be available for consideration.
- 10.7 At the time of publishing the call for competition for type 4 and 5 contracts, clear background information, specifications and pricing schedules, as required by the Procurement Manager, including the evaluation criteria and scoring matrix, needs to be available for consideration. Service level agreement and key performance indicators should be included and used as a tool to manage the performance during the life of the contract. All KPI's should be SMART (specific, measurable, achievable, realistic and timely) and not onerous. ALL contract documentation needs to be prepared to be published as part of the process.
- 10.8 Tenders will be let as framework agreements for use by other local authorities, where applicable.
- 10.9 All tender opportunities must be advertised via the CSW-JETS e-tendering portal by the Procurement Team. Advertisements will also be advertised through Contracts Finder and on our external web site, while those above EU thresholds will be sent to the OJEU. The advertised opportunity will have links to the documents for consideration and will include the date, time and the process for the return of the completed documents to the originator.
- 10.10 Constructionline shall be used as the basis for selecting contractors for works and construction related consultants to quote or tender for contracts up to the value of the EU limits for Works and Services.

- 10.11 In order to promote procurement opportunities and increase the number of local SME's registered on the E Portal, invitations to Participate will be circulated using Federation of Small Businesses weekly e mail.
- 10.12 The Public Contract Regulations 2015 requires the Council to provide an indication within the invitation to tender contract notice why the Council has not broken a contract down into lots. Therefore, the assumption is that all contracts, where possible, shall be broken down into appropriate lots and requesting a discount where more than one lot is awarded to the same Tenderer. Any discounts proposed shall be considered as part of the overall evaluation of prices and awarded according to the published award criteria.

11. CUSTODY, OPENING AND ACCEPTANCE OF TENDERS Type 3 - 6

11.1 Receipt of Quotations / Tenders

11.1.1 Quotations / Tenders will be returned via the e-tendering portal and will not be available for opening until after the closing time / date where an opening ceremony via the system will take place. No quotation / tender will be available to view until after this event. WDC operate an anonymous submission system and names of tenderers are not revealed until after the submission deadline.

11.2 Opening

11.2.1 The e-tendering system records the time quotes / tenders are submitted.

11.2.2 Once the quote / tender has been opened it is only then that the name of the tenderer is revealed.

11.2.3 The Procurement Manager (or nominated deputy) will be responsible for opening Tenders (Opening Ceremony) in respect of all tenders and quotations issued via the e-tendering portal

11.3 Late Quotations / Tenders

11.3.1 Late quotations / tenders will not be accepted unless the Council is at fault in its ability to accept documents (e.g. loss of internet access, building closure). It is the responsibility of tenderers to allow sufficient time for their documents to reach the Council via the e-tendering portal.

11.3.2 Where information is missing from a quote / tender, officers may clarify the omission with the bidders. Acceptance of any missing information is at the discretion of the Procurement Manager, who will first decide if this breaches any regulations. If no breaches will occur and it is of benefit to the Council then late information can be considered.

11.4 Altered Quotes / Tenders

11.4.1 If examination of an apparently successful quote / tender reveals any errors which affect the quote / tender figure, the tenderer is to be given details of the error and given the choice of either confirming the tender figure or withdrawing the tender except:

11.4.1.1 where the priced specification/schedule of works/schedule of rates/bills of quantities is submitted with the quote / tender, errors in any of those documents may be corrected and tender sums amended accordingly; or

11.4.1.2 by approval of the Executive after considering a report by the appropriate Head of Service.

11.5 Evaluation of Quotes / Tenders

11.5.1 The evaluation must be carried out in adherence with the Guide to Tender Evaluation.

11.5.2 Evaluation must be carried in out in an objective, fair and transparent manner using the criteria specified in the documentation (PQQ and/or ITT) with all scores and relevant comments recorded.

11.5.3 Evaluation must be carried on a 'most economically advantageous tender' (MEAT) basis, that is a mix of price and award criteria in order to identify the best value tender for the Council. In exceptional circumstances, and for goods only, may the lowest price selection criteria be used and this will be subject to the permission of the Procurement Manager.

11.5.4 All calculations, not / comments relating to the selection and the award process must be kept for the term of the contract. The individual score awarded must be given to the tenderer as part of the communications at the contract award stage (mandatory part of the UK Remedies Directive 2009).

11.6 Acceptance of Tenders

11.6.1 Following the evaluation process a Recommendation Report needs to be compiled bringing together the process followed, evaluation details, shortlisted suppliers, reasons for interviews if applicable and reasons for recommendation. This needs to be signed off by the Project lead, Procurement and Budget Holder before communicating outcome to the successful tenderer. In certain circumstances where funding is being provided from an external organisation e.g. Heritage Lottery Fund, Friends Groups, acceptance of the recommendation may need to be obtained.

11.6.2 The Head of Service concerned may then formally accept the most economically advantageous tender (MEAT), provided that:

11.6.2.1 the amount of the MEAT tender can be met from within the revenue budget (including any available virement); or

11.6.2.2 the amount of the MEAT tender, together with any other scheme costs (e.g. fees, capital, salaries, post-contract services etc.) can be met from within the capital programme provision for the scheme/groups of similar schemes and that Executive approval for the capital expenditure has previously been granted,

11.6.2.3 Where a tender cannot be accepted by the Head of Service concerned because of the budget limitations of paragraphs 10.6.1.1. and 10.6.1.2. above, a report should be submitted to the Executive outlining the position and the options. It will then be a matter for the Executive to decide whether to proceed on a reduced basis, how the shortfall will be funded in line with the Financial Code of Practice, or not to proceed with the scheme.

11.7 The intention to award a contract must be communicated in writing to all suppliers that have declared an interest in the process. This should be done as soon as possible once an agreement has been obtained. This should be by formal letter. For contract above £50k the communication needs to include details of;

11.7.1 Criteria for the award of the contract

11.7.2 The score achieved by the successful supplier and the tenderers score (broken down by each element used to evaluate the tender)

11.7.3 Any reasons for the decision including the characteristics and relative advantages of the successful supplier

11.7.4 The name of the successful supplier

11.7.5 The right to appeals or challenge and how this can be done

11.7.6 The date that the standstill period will end

For contracts of types 1-3 this level of information is not required. Although for transparency this may be advantageous.

11.8 Where EU Regulations apply, a period of at least 10 days shall be allowed between the date of despatch of the intention to award letters to all contractors who expressed an interest and the date on which the Council proposes to enter into the contract (the Alcatel standstill period). These letters are to be dispatched by the most rapid means of communication practicable, ideally via e-mail. The standstill period shall be extended to 15 days if notifications are sent by post. In response to a written request the Council shall inform an unsuccessful Tenderer of the characteristics and relative advantages of the successful Tenderer. Tenders have the full 10 or 15 day period within which to either ask further clarification questions or state legal proceedings. Tenders subject to the Alcatel standstill period shall be recommended for acceptance by formal letter and can only be accepted after the end of the Alcatel standstill period and provided that no challenge has been received.

- 11.9 Details of all contracts accepted and awarded will be recorded on the central Contact Register, maintained by the Procurement team. The register will be published on the Council's website quarterly. (Items of a highly confidential nature will not be published).
- 11.10 An annual report of all contracts awarded during the preceding twelve months will be made available to the Finance and Audit Scrutiny Committee. This will be supplemented by a six monthly interim update, for information only.
- 11.11 The successful tender and material associated with the tender process (emails, letters etc.) should be retained for a period of three years from the end/completion of the contract and be available for audit. Unsuccessful tenders should be retained for a period no less than 7 months from the award date in line with Council's retention policy.

12 FORM AND CONDITIONS OF CONTRACT

- 12.1 The officer responsible for the contract shall at the start of the process ensure that the specification is clear and meets all the business needs of the requirement. Procurement will ensure that contracts awarded are sufficiently clear and robust to enable the Council to enforce their execution and fulfilment. Contracts can be bespoke, industry standard (e.g. JCT) or made on Warwick District Council's standard terms and conditions of goods or services as appropriate.
- 12.2 Contracts will clearly state:
- Work to be carried out/goods to be supplied, together with a definite quality of provision;
 - The price, any discounts and (where appropriate) a means of defining price adjustments for any subsequent amendment of requirements and the mechanism for inflationary increases;
 - Time by when (or during which) the contract is to be carried out;
- 12.3 Contracts will also specify the Council's expectations of its contractors in relation to aspects of the Sustainable Community Strategy and Fit for the Future, e.g.
- Employment practices must reflect good practice in equality and diversity.
 - Payment terms to subcontractors should mirror those that the Council agrees to the contract holder e.g.: number of days to pay third party suppliers in line with Government guidelines.
 - Consolidation of invoices. The Council preference is for monthly billing but shorter frequencies may be acceptable depending on the supplier and the expenditure
 - All Health and Safety requirements must be met.
 - Business Continuity and emergency availability for key services and supplies.
 - Environmentally sustainable working practices. The need, where appropriate, for equipment/systems to comply with EU requirements, and any other current legislation.
 - Performance and complaints monitoring and reporting.

Procurement in consultation with Legal Services will determine if the contract requires the provision of a performance bond or parent company guarantee, or the provision for liquidated damages.

12.4 Contracts should provide powers for the Council to cancel the contract and recover any resulting losses from the contractor in the event that the contractor, its employees or agents (with or without its knowledge):-

12.4.1 improperly offers or gives anyone anything or benefit in order to influence the way in which any contract with the Council is given, completed or carried out; or,

12.4.2 Commits any offence under the Prevention of Corruption Acts 1889 to 1916, section 117(2) of the Local Government Act 1972 or any consolidating or amending legislation.

12.5 All contracts should be duly signed by both the Council and supplier before any services are commenced or goods ordered.

12.5.1 Legal advice may be sought before any contract can be put forward for signing.

12.5.2 Only those officers and managers identified as approved may sign and execute contracts on behalf of the Council. Type 1 and 2 authorisation will be at the point of order approval. Contracts of type 3-4 may be signed by a Head of Service (or any officer above this level). For contracts of type 5 only officers that are members of CMT or the S151 Officer may sign. Where contracts are to be executed as a deed, under the scheme of delegation reference G (9), these can only be signed by the Chief Executive or the Deputy Chief Executives.

12.5.3 All signed contracts to be stored in the Central Document Store in line with the Council's Retention Policy

13. EXTENDING EXISTING CONTRACTS

13.1 An extension to a Contract may only be permitted where the details of any extension provisions were included within the scope of the Contract, tender/quotations documents and OJEU notice (where relevant).

13.2 If the existing contract includes a term or condition of contract which automatically extends the contract period that contract must be reviewed in accordance with the following timetable

13.3 Current contracts must be reviewed in accordance with the following timetable:

Total contract Value	Review Date
Where a low value contract has been in place or rolled over repeatedly for at least three years and the total spend has	Carry out review at least 3 months before break clause date by Head of Service

exceeded £ £5000.00	
£25,000- £49,999	Carry out review at least 6 months before break clause date or sooner if the goods / services are of high complexity, strategically important or politically significant as determined by Corporate Management Team / Head of Finance/ Procurement Manager
£50,000-EU Threshold	Carry out review at least 9 months before break clause date or sooner if the goods / services are of high complexity, strategically important or politically significant as determined by Corporate Management Team / Head of Finance/ Procurement Manager
>EU Threshold As at 01/01/2016 Supplies & Services: £164,176.00, Works : £4,104,394.00	Carry out review at least 12 months before break clause date or sooner if the goods / services are of high complexity, strategically important or politically significant as determined by Corporate Management Team / Head of Finance/ Procurement Manager
Frameworks	Carry out review in line with total contract value as indicated above.

13.3 Prior to extending a Contract (valued £25,000 and above), the Head of Service in consultation with the Procurement Manager, must ensure that a value for money appraisal is undertaken to determine if it is in the best interest of the Council to extend the current arrangement, and this will be carried out in accordance with the timetable shown in 13.2.

13.4 When negotiating a Contract extension the Authorised Officer must make every effort to negotiate improved Contract terms with regards to cost and/or quality of the Goods, Services and/or Works being delivered

14. APPOINTMENT OF CONSULTANTS

14.1 The appointment of a Consultant falls into two categories: a Consultancy service or the needs of a specialist Consultant, individual. Defining the specific requirement will ensure the correct contract is awarded.

14.2 A Consultancy service includes:

- A service from a company to provide specialist advice to deliver a particular project such as building consultants (architects, quantity surveyors, structural engineers etc.)

14.3 A specialist Consultant includes:

- Need to employ the skills and expertise of an individual such as employment specialist, training

- 14.4 A Consultant will be appointed after following the required procurement process, as outlined in items 9 and 10, taking into account the full estimated value for the whole period to complete the project(s) and not disaggregated into separate portions.
- 14.5 The requirements from the Consultant need to be clear covering all business needs. Where there may be a need for any potential additional services above the original scope of works, these need to be allowed for in original tender / quotation document.
- 14.6 Fixed fee payment should always be considered alongside shared percentage savings / cost recovery schemes to ensure that selection is equitable, transparent, demonstrates value for money and is the most economically advantageous bid.
- 14.7 The choice of a consultant will be based on price and their ability to deliver to a particular brief as part of the selection / award criteria.

15. POST PROCUREMENT PROCEDURE & CONTRACT MANAGEMENT

- 15.1 Contract management is the process which ensures that both parties to a contract fully meet their respective obligations as efficiently and effectively as possible, to ensure the contract delivers the business and operational objectives requirements
- 15.2 Service level agreement and key performance indicators should be applied and used as a tool to manage the performance during the life of the contract. All KPI's should be SMART (specific, measurable, achievable, realistic and timely) and not onerous.
- 15.3 A clear contract management plan should be developed for managing the contract to ensure delivery of the required outputs from the contract using the agreed measures. A clear escalation process needs to be understood and accepted for the management identified issues.
- 15.4 Regular meetings should be agreed in advance to allow the exchange of information between the supplier and the contract manager. It should be noted that this is a two-way process and that both parties should be looking to develop the contract for mutual benefit (taking care not to fundamentally change the specification of the contract that was awarded).
- 15.5 All contract management meetings should be formally recorded
- 15.6 There should be continuous assessment and management of the risks to service delivery and this should be detailed on the department Risk register.
- 15.7 The contract manager should regularly (annually and/or prior to any extension or renewal) check the Council is continuing to achieve VFM by regularly testing for example price benchmarking or market testing with support from the Procurement team.
- 15.8 Depending on the precise nature of the contract, administration and change management activities may focus on: Cost monitoring and forecasting, ordering, payment and budget monitoring procedures,

Resource management, forward planning, management is reporting systems, asset management.

- 15.9 Any cost variations should be reported to Finance as part of the monthly Budget Review Process. This must be in line with the Budget Management responsibilities within the Financial Code of Practice and Budget Protocol.
- 15.10 In the event of poor supplier performance, the contracts manager should make financial deductions where relevant (the contract should have provision for this). This should only be employed where other mechanisms for resolution of the performance have failed to achieve the required standard.
- 15.11 It is permissible to work with suppliers on a voluntary basis, after contract award, to improve their environmental and/or social performance. This is in addition to those requirements included in the contract. For example, putting in place measures to reduce energy use or recycle packaging.
- 15.12 A contract may only be extended in accordance with the provisions set out in the original advertisement. Extensions of contracts beyond the provisions set will be in contravention to this Code and the wider EU legislation.

All amended contract information, such as price, once approved should be communicated to the Procurement team to enable the Contracts Register to be amended and updated.

- 15.13 All variations to contracts need to be stored with the original signed contract in the Deed Store.

16. NON-COMPLIANCE WITH THE CODE

- 15.1 Any case of non-compliance with this Code of Practice, or? the EU Procurement Regulations (as incorporated into English Law) must be reported immediately to the Head of Finance. A report should also be submitted to the next available Executive. Non-compliance may be subject to action under the Council's Disciplinary Policy.

GLOSSARY

Added Value - Often used to classify non-cash releasing benefits realised through the procurement process. The "added value" from the procurement process may include risk reduction, stakeholder training, exclusivity, preferential access to resources etc., all of which would be classified as 'added value' benefits.

Aggregation – Rules that determine whether a series of below EU threshold contracts (or a contract which under its terms is renewable) should be let as a single, above EU threshold, contract.

Audit – The process of seeking effective assurance through verification as to whether business processes and controls are robust in that they protect value for money, probity, integrity and compliance.

Award Criteria – Evaluation Criteria and sub criterion used to inform, and evidence, the decision-making on which candidate supplier(s) to be awarded contract(s).

Benchmarking – The practice of making comparisons between organisations with the aim of ensuring continuing value for money, getting better performance and improving business practices.

Best value – Best value was a local government performance framework introduced into England and Wales by the Local Government Act 1999. The aim of the framework was to promote continuous improvement in local authorities' performance.

Bid Rigging - This occurs when suppliers communicate with each other before lodging their bids and agree amongst themselves who will be the successful bidder and at what price. This practice is one type of collusive tendering and may be discouraged by introducing new bidders and, regularly benchmarking offers against industry standards. See Collusion.

Business Case – A document prepared in support of a decision to make an investment or award a contract, showing an analysis of the costs, benefits and risks associated with each option open to the authority.

Business Plan – A document agreed between both parties to a contract showing pre-determined milestones (or what needs to be achieved by when) that the contractor is contractually obliged to meet. Also called a contractual obligations timetable.

CCS - Crown Commercial Services. A buying organisation set up by Central Government to offer complaint goods and contracts for use by other Public Sector organisations.

Call-off – the mechanism through which individual contracts (call-offs) are awarded under Framework Agreements. When making a call-off, the authority does not go through the full procedural steps in the EU Directives again, provided the rules were followed appropriately in the setting up of the framework agreements themselves.

Capital Spending – expenditure on any new build properties, improvements to existing ones, land purchases or any additional expenditure on fixed assets.

Cartel - An illegal association of producers bringing to market the same or similar categories who cooperate with each other to influence the market. While they may appear to be competing with each other, their actions such as fixing prices, restricting output, dividing markets or rigging tender bids are based on self-interest. See Collusion.

Central Purchasing Body (CPB) – defined in the Public Contracts Regulations as a contracting authority which a) acquires goods or services intended for one or more contracting authorities; b) awards public contracts intended for one or more contracting authorities; or c) concludes framework agreements for work, works, goods or services intended for one or more contracting authorities.

Clarifications – these are (written) discussions with candidates or tenderers for the purpose of clarifying or supplementing the content of tenders or the requirements of the contracting authority - they must not involve discrimination (i.e. the clarification must be circulated to all relevant parties). Clarifications are not negotiations on fundamental aspects of contracts.

Collusion - Secret agreement between two or more individuals or organisations to limit competition by the use of such methods as deception, misleading behaviour or fraudulent activity, where the objective is to obtain an unfair advantage. Collusion may take the form of a market sharing agreement, price fixing or bid rigging. Legally, all acts affected by collusion are considered to be void. See Bid Rigging and Cartel

Commissioning – the cycle of assessing the needs of people in an area, designing and then securing appropriate services.

Common Procurement Vocabulary (CPV) – CPV is an EU-wide classification system for public procurement contracts. CPV helps all EU businesses and SMEs to easily identify public procurement contracts offered by any EU public authority, irrespective of the original language of the tender notice. It works by allowing businesses to insert the relevant CPV code corresponding to their products or services into the Tenders Electronic Daily (TED) database, where all calls for tender in the EU are published. The system is able to describe contract types in 20 EU languages.

Competitive Dialogue Procedure – One of the EU procurement processes where, following an OJEU Contract Notice and a selection process, the authority then enters into dialogue with potential bidders, to develop one or more suitable solutions for its requirements and on which chosen bidders will be invited to tender. May be used where the authority does not consider that the open or restricted procedures will allow the award of a contract. Normally for use on high value, complex procurements.

Concession – A service contract granted by an authority to a contractor for the provision of a service to the general public usually under the arm's length control of the authority, e.g. a catering kiosk at a hospital or leisure centre.

Contract – Any lawful agreement between two parties where goods, services or works are provided in exchange for a consideration.

Contract and Relationship management – A vital part of the procurement life cycle, definable as the management of the interfaces between client and contractor to ensure that the relationship and contract performance are optimised to deliver best value.

Contract Notice – a notice, published via OJEU, to inform the EU market of an opportunity to win a contract.

Contract Award Notice – a notice, published via OJEU, to inform the EU market of which contract was awarded to which supplier

Contractor – A supplier, seller, vendor, provider, service provider, partner, constructor or other terminology meaning a party contracted by an authority to provide goods or services in return for payment.

Contracts Finder – this is the system, where all new government contract opportunities can be found.

Cost Avoidance - Cost avoidance is a reduction in cost resulting in a spend that is lower than would otherwise have been if the cost avoidance exercise had not been undertaken.

Dynamic Purchasing System – The EU dynamic purchasing system is a completely electronic system established by a contracting authority to purchase commonly used goods, works or services. Typically this will be for lower value goods and will involve the contracting authority linking its purchasing IT system with the supplier's systems. Unlike a Framework it does not have a fixed period and suppliers can join it throughout.

e-auction - Electronic auctions (or reverse electronic auctions as they are sometimes called) are on-line auctions where selected bidders submit offers electronically against the purchaser's specification. Other quality aspects are assessed prior to the auction stage.

EBAY - Electronic reverse auction website

eProcurement – electronic systems for tendering and buying.

eSourcing – electronic-sourcing system used to automate the end-to-end procurement cycle including supplier, tender, and contract management. It's web-based and it's paperless sourcing.

ESPO - Eastern Shires Purchasing Organisation. A buying organisation set up by a group of Local Authorities to offer complaint goods and contracts for use by other Public Sector organisations

EU Procurement Directives – set out the legal framework for public procurement. They apply when public authorities and utilities seek to acquire supplies, services, or works (e.g. civil engineering or building). They set out procedures which must be followed before awarding a contract when its value exceeds set thresholds.

Evaluation Criteria – High level Selection Criteria and Award Criteria found in the PQQ and/or the ITT. Maybe broken down into more detailed sub criterion.

Exit Strategy – A strategy by which a party will terminate a contract and end the relationship in certain circumstances with, if necessary, access or step-in rights that will allow the client to assume control of such assets, materials, personnel and information that are necessary to maintain service continuity.

Expression of Interest (EOI) - An expression of interest is a formal notice to potential suppliers that a prospective buyer is planning to acquire goods or services and inviting interested suppliers to register their interest.

Financial Regulations – (often referred to as Contract Standing Orders) Procurement activities must comply with the Councils' own Contract Procedure Rules contained in Financial Regulations. These regulate how a Council conducts business and employees must conform to them.

Framework Agreement – a general term for agreements with providers that set out terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement (usually 4 years). In most cases a framework agreement itself is not a contract, but the procurement to establish a framework agreement is subject to the EU procurement rules. No new suppliers can join.

Freedom of Information Act (FOIA) - This gives anyone the right to access recorded information held by public sector organisations. There are no restrictions on age, nationality or where you live. The request will be handled under different regulations depending on the kind of information you ask for. An organisation could refuse your request if the information is sensitive or the costs are too high.

Further Competition – (aka mini-competition) the mechanism through which individual contracts (call-offs) are competed under Framework Agreements.

Government Buying Standards (GBS) – These are easy wins. GBS are designed to make it easier for public sector buyers to buy sustainably and therefore cut costs and reduce carbon whilst looking after the environment. GBS specifications are tested by stakeholder review and a market capacity assessment, and whole life costing is assessed.

Ineffectiveness - A remedy which can be obtained by suppliers in procurements where a contracting authority has failed to place a mandatory OJEU notice; has breached requirements relating to standstill thereby denying a supplier the opportunity to challenge an award decision; or has failed to follow call-off requirements under a framework for a call-off over the EC procurement threshold.

Input Specification – A specification that sets out the precise method that the contractor needs to employ to deliver a product or service (sometimes known as a conformance specification). Places the onus and the risk firmly with the client to prescribe correctly, in some detail, such things as materials, staffing levels and processes. Consequently seen to stifle innovation Input specifications tend to be longer documents demanding a greater attention to detail.

Invitation To Quote (ITQ) – A call for bids or call for lower value quotes or invitation to quote (ITQ) (often called quote for short) is a special procedure for generating competing offers from different bidders looking to obtain an award of business activity in works, supply, or service contracts.

Invitation To Tender (ITT) – A call for bids or call for tenders or invitation to tender (ITT) (often called tender for short) is a special procedure for generating competing offers from different bidders looking to obtain an award of business activity in works, supply, or service contracts. They are sometimes preceded by a pre-qualification questionnaire (PQQ) where allowed.

Key Performance Indicator (KPI) – One of a small number of the most important measures of a contractor's performance.

Lessons Learned Log – A document used by both parties to a contract for recording lessons learned during the operational phase, as part of an effort to achieve and monitor continuous improvement.

Letter of Intent - A Letter of Intent is a document outlining the status of agreement between two or more parties before a contract has been finalised and which aims to give some comfort to one or both parties that they can anticipate a contractual agreement will be forthcoming.

Life-Cycle Costing (LCC) – used interchangeably with Whole-Life Costing (WLC).

Liquidated Damages - Present in certain legal contracts, this provision allows for the payment of a specified sum should one of the parties be in breach of contract.

Market Testing - Market testing is about developing an understanding of the market (i.e. of suppliers collectively) to a proposed requirement and procurement approach.

Most Economically Advantageous Tender (MEAT) – Factors other than or in addition to price, like quality, technical merit and running costs can be taken into account. This is the evaluation option other than lowest price.

Negotiated Procedure – One of the EU procurement processes, under which a purchaser may select one or more potential bidders with whom to negotiate the terms of the contract. An advertisement in the OJEU is usually required but, in certain circumstances, described in the Regulations, the contract does not have to be advertised in the OJEU. An example is when, for technical or artistic reasons or because of the protection of exclusive rights, the contract can only be carried out by a particular bidder.

OJEU – Official Journal of the European Union.

OJEU Notices – includes the "Contract Notice" (i.e. an EU wide advertisement) and the "Contract Award Notice" (which informs the EU market who the contract was awarded to).

Open Procedure – One of the EU procurement processes under which all those interested may respond to the advertisement in the OJEU by tendering for the contract.

Options Appraisal – described as "The process of defining objectives, examining options and weighing up the costs, benefits, risks and uncertainties of those options before a decision is made." (Source: HM Government: Green Book). It enables you to objectively and systematically evaluate the best way to achieve your desired outcomes / optimal solution. This is achieved by exploring

the relative costs and benefits of a particular option and then compare this fairly to how other options perform against the same set of evaluation criteria which you will have developed.

Output Specification – A specification that determines only the desired end product or result (sometimes called a performance specification). The contractor is given the flexibility to decide for themselves exactly how those outcomes should be achieved, using their own specialist expertise and competence to determine how best to manufacture and supply the goods or provide the service. Consequently the contractor bears the greater share of risk in this regard. Tend to be shorter, more succinct documents, because they only set out what is required from a product or service, rather than prescribing in detail how the contractor should go about delivering it.

Outsourcing – The transfer of a service currently provided by a public sector body to a private, third sector or other public sector body (and sometimes a consortium) under a contract. Outsourcing usually involves the transfer of staff and assets. The aim may be to improve performance, save money, or both.

Parent company guarantee - A parent company guarantee binds the guarantor (the 'parent company') to fulfil and complete a subsidiary company's obligations and liabilities in the event of failure by that subsidiary to fulfil and complete its obligations and liabilities under a contract.

Payment Mechanism – A mechanism set out in the contract showing precisely how payments to the contractor will be calculated and timed, taking into account any milestone payments and any performance or availability data that may trigger payment deductions or bonuses.

Performance Bond - A performance bond is a written agreement set up by participants in a relationship in order to guarantee performance, or to provide security against default or non-performance. A sum of money is deposited as surety that each party will fulfil their obligations, as the bond may be forfeited in defined circumstances.

Performance Monitoring – The process of gathering data pertaining to a contractor's performance by an agreed set of measures set out in the contract.

Performance Reporting – The process of compiling and analysing data pertaining to a contractor's performance by an agreed set of measures set out in the contract and presenting it as management information.

Pre-Qualification Questionnaire (PQQ) – The PQQ is a tool used as the first part of a two-stage procurement process to enable public sector procurers to identify the most suitable suppliers to invite to tender (or quote) for contracts in the second part of a two-stage procurement process.

Prior Information Notice (PIN) – a mechanism that can be used to take advantage of reduced timescales in the main procurement phase. The rules also require a minimum period of 52 days between the publication of the PIN and Contract Notice before any timescale reductions may take place.

Procurement – the process of acquiring goods and services from third parties. Various policy drivers encourage local authorities to review procurement services and modernise procurement practices to achieve greater efficiencies.

PfH - Procurement for Housing. A buying organisation set up to provide E U compliant framework arrangements for the acquisition of goods and services for use by Housing Associations and Public Sector organisations

Procurement Strategy - The procurement strategy describes the contribution that effective procurement will make to fulfil the Council's aims and objectives. The definition of procurement in this context is not only limited to purchasing – it can have a wider meaning and can address the ways in which the Council can deliver its services – from providing the service in-house to joint commissioning and outsourcing.

Professional Indemnity Insurance – Insurance cover purchased by the contractor at a level usually set by the client, to protect both parties from insurable risks arising from the application of the contractor's professional skill, knowledge and practice in the course of the performance of the contract.

Public Liability Insurance – Insurance cover purchased by the contractor at a level usually set by the client, to protect both parties from claims arising from the general public and third parties in the course of the performance of the contract.

Public-Private Partnership (PPP) – A more complex, long-term contract, joint venture or similar partnership between public and private sector bodies to deliver a public service. Includes contracts awarded under the Private Finance Initiative (PFI).

Purchase to Pay (P2P) – electronic-buying system used to automate the end-to-end P2P process. Much more than "online shopping", it minimise requirements for "touching" data as it is driven through the transactional process. P2P includes requisitioning, ordering (approval), order transmission to supplier, goods receipting and invoicing.

Restricted Procedure – One of the EU procurement processes under which a selection is made of those who respond to the advertisement and only they are invited to submit a tender for the contract and after going through a Pre-qualification process – (see PQQ). This allows purchasers to avoid having to deal with an overwhelmingly large number of tenders.

Retention – A proportion of payment (usually 5-10% of the total contract price) withheld by the client until satisfactory completion of a warranty period or initial period of operation. Usually associated with contracts for the purchase of capital equipment.

Risk – Uncertainty of outcome, whether this is positive (i.e. an opportunity) or negative (i.e. a threat).

Risk Management – Identifying and controlling the factors that may have an impact on the fulfilment of a contract.

Selection Criteria – Evaluation Criteria and sub criterion used to inform, and evidence, decision-making on reducing the quantity of candidate supplier(s) to pass through to next stage selection that will be based on Award Criteria.

SME – Small to Medium Sized Enterprise - Medium-sized enterprises <250 employees, turnover <€50m; small enterprises <50 employees, turnover €10m, micro enterprises <10 employees, turnover €2m.

Social Enterprise - A business driven by social objectives, where profits are principally reinvested in the business or in the community, rather than by the need to maximise profit for shareholders and owners. Social enterprises non-profit taking organisations.

Specification – A document contained within a contract setting out clearly the client’s specific requirements for the goods, services or works in question. See also Input Specification (performance) and Output Specification (technical).

Spend Analysis - Spend analysis is the part of the procurement process focused on reviewing expenditure data to allow exploration of the opportunities which may exist to create value in a category. The key activities include acquiring the data, cleansing the data, and analysing the data.

Spot Price – or spot rate of a commodity (e.g. diesel) is the price that is quoted for immediate (spot) settlement (payment and delivery). This is in contrast with a forward price established in a contract, where terms (price) is set now, but delivery and payment will occur at a future date. Forward price will balance forward premium and forward discount based on the suppliers assessment of price risk and the market.

Stakeholder – Any individual or group of people, either internal or external to the authority, who can be identifying as having either an interest in, or an influence over a contract or relationship. The client, contractor, service users, Members and standards authorities are all stakeholders.

Standstill Period – (sometimes known as the Alcatel Period) a 10 calendar day period (15 days where not electronic) prior to the award stage to permit unsuccessful tenderers to seek further information about the award decision, and enable them to take action in the courts where they have sufficient grounds.

Sub criterion – Low level Selection Criteria and Award Criteria. May be rolled up to less detailed Evaluation Criteria.

Sustainable Procurement – a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.

Third Sector – Another expression for third sector is the voluntary and community sector (VCS). The Third Sector is a diverse and active sector. Organisations share common characteristics: they are non-governmental and value-driven. They also principally reinvest any financial surpluses to further social, environmental or cultural objectives. The term encompasses voluntary and community organisations, charities, social enterprises, cooperatives and mutuals, both large and small.

Thresholds – Monetary values (of contracts) above which different procurement processes must be followed. EU procurement processes are applied to contracts above EU thresholds. EU thresholds are net of VAT.

Transparency code - The local government transparency code is issued to meet the government’s desire to place more power into citizens’ hands to

increase democratic accountability. It will make it easier for local people to contribute to the local decision making process and help shape public services.

The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) - The purpose of TUPE is to preserve continuity of employment and to safeguard employment rights of all employees whose employment transfers to a new employer as a result of a relevant transfer.

Value For Money – the optimum combination of whole-life cost and quality to meet the user's requirement.

Variation – A change to the contract agreed by both parties and implemented under the change control process as set out in the contract.

Variant bids - A bid which is different from that specifically requested by the contracting authority in the tender documents. Examples of variant bids are those proposing different pricing structures, or new and innovative ways of delivering a service.

V.E.A.T notice - The abbreviation stands for Voluntary Ex-Ante Transparency notice and it is covered by the Remedies Directive. It is a means of advertising the intention to let a contract without opening it up to formal competition. If a contracting authority decides to take this route, they must give sufficient information as to the justification for direct award and they must still observe the minimum standstill period. By doing this it provides economic operators the opportunity to challenge the decision.

WDC - Warwick District Council

WEEE – Waste Electrical and Electronic Equipment directive January 2007 - Aims to both reduce the amount of electrical and electronic equipment being produced and to encourage everyone to reuse, recycle and recover it.

Whole-life Cost (WLC) – The total cost of investing in an asset, evaluated by taking into account not only the initial outlay but also all the costs of owning, operating and disposing of that asset i.e. means comparing not just the initial purchase price of a product, but all future costs as well.

WMRIEP - West Midlands Regional Improvement and Efficiency Partnership. An organisation set up to support the Public Sector in the West Midlands Region.

YPO - Yorkshire Procurement Organisation. A buying organisation set up by a group of Local Authorities to offer complaint goods and contracts for use by other Public Sector organisations



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Guide to Tender Evaluation

Introduction

The purpose of a tender evaluation is to identify which bid offers the most economically advantageous proposal based on the criteria specified in the invitation to tender or quote document.

Depending on the value or complexity of the contract, evaluation of contractors can be done in two stages:

- The Pre-Qualifying (or selection) stage - This allows you to identify a short list of suppliers most suitable to bid for your requirements. It is seen as a tool to look at the companies past performances and current practices.
- The Invitation to Tender stage - This is the chance to ask what a company will do to meet your needs and evaluate how much the service, goods or works will cost.

If you use a two stage process you cannot ask for solutions to your needs at stage 1, and conversely cannot ask for details of past performance or experience when you are asking them to provide a solution for you. However if you need them to back up a solution that is being offered then proof that it has worked or provided the necessary benefits can be requested.

In some instances, for example when running a low value procurement, or where the market has a small number of suppliers, a single stage (open) tender may be required to encourage bids through a quicker and simpler process.

You should still use qualifying (or selection) questions which ensure that the company that you consider to supply to you is financially, technically and legally capable of fulfilling the contract, no matter how good the price / solution may be!

2. Pre-Qualification Questionnaires

A Pre-Qualification Questionnaire (PQQ) is an evaluation document used to identify a short-list of suitable companies to invite to tender when restricted and competitive dialogue procedures are used.

The questionnaire should be used to identify if the applicants have the relevant capacity (financial and resources), experience and expertise to fulfil the contract.

A PQQ must not be used to evaluate possible solutions that the company may offer and any criteria used at the pre-qualification stage should not be used again or revisited when evaluating the invitation to tender.

Many elements in a PQQ are Pass / Fail and may require input from specialist officers (such as Finance to undertake a financial assessment).

Where sections of the PQQ are to be scored in order to rank bidders, please read the sections on applying weightings and scoring structures.

If references are required these must be obtained at PQQ stage as once a company is short listed, you can no longer assess their performance in this way.

A more effective way of assessing a company's previous performance is for them to provide detailed case studies which you can then use to follow up with the original contractor.

When using an open tender procedure, the questions normally asked at PQQ should be included as part of the invitation to tender.

The evaluation of the tenders should be undertaken in the same manner as a restricted procedure, first assessing the capability and capacity of all bidders (stage 1 - PQQ evaluation) to identify any which can be eliminated on that basis and to produce a short list to assess at stage 2 (tender evaluation).

The number of questions and amount of information required must be commensurate to the value, criticality and length of the contract, do not restrict your market or discriminate against suppliers without a valid reason.

3. Evaluation Criteria

Fundamental to any tender evaluation is the Quality/Cost % Ratio used. The weighting given should take into consideration, the value of goods / works / services (cost), and for quality any risk associated with the contract and how critical it is to have the contract in place.

Tenders should be assessed on the value for money they offer the authority through the whole-life cost of the contract and the benefits that meet the customers' requirements.

To achieve this, the **cost / quality** ratio should be applied to the evaluation methodology.

When running a competitive tender using a framework agreement let by another public sector organisation (e.g. Government Procurement Services) we are obliged to use whatever Quality / Cost ratio was contained within the original OJEU (Official Journal of the European Union) advertisement / Invitation To Tender for that particular contract.

4. Cost Criteria

Costs should always be based on the whole life cost (WLC) involved with the goods / works / services to be procured.

WLCs comprise all costs to the council of acquiring, owning, maintaining and disposing of goods, services or works. If the duration of a contract is unknown due to maintenance, licensing etc., assume the value of the contract at 48 months (4 years) and structure the cost evaluation to consider costs for this period.

5. Quality Criteria

Quality Criteria should represent the key issues for consideration when assessing the suitability of a bid proposal. The list below provides an indication of the types of criteria that may be included. These will vary dependent on the goods / services / works being procured.

- Technical merit
- Aesthetic and functional characteristics
- Environmental characteristics
- After sales services
- Technical assistance
- Delivery date, delivery period and period of completion

6. Weightings

Each quality criteria should be allocated a score to signify to bidders the relative importance of each area. The maximum 'score' should equal the total quality ratio applied. E.g. For a Routine procurement with Cost 60%, Quality 40%. There should be a maximum of 40 marks available, split between the quality criteria.

When the scoring model is applied the response to each criterion will then be awarded a proportion of the 'marks available' dependent on the score they achieve.

7. Key Principles of Evaluation

- **Fairness:** Each bid deserves equal treatment and assessment and scores should be applied consistently.
- **Confidentiality:** All bids during a tender process are confidential and should not be discussed with any person not involved in the evaluation process.
- **Security:** All bid documentation must be stored securely during the evaluation period. Any electronic versions should be transferred using secure encryption methods.
- **Evaluation:** criteria Bids can only be assessed against the criteria issued in the invitation to tender (ITT). Any criteria not included in the ITT cannot be considered or scored at evaluation stage. Scores cannot be awarded or withheld because of the structure of the bid or how 'easy' it is to assess.
- **Bid content:** Bids can only be assessed based on what information is provided with the submission. Assumptions should not be made regarding proposals and prior knowledge of any bidder cannot be taken into account. At Tender stage only the proposal can be evaluated – not the company.

- **Scoring:** All bids must be scored based on their performance against a set scoring model which must be included in the ITT document. Bids should not be compared with others to determine scores.

8. Evaluation Panels

Evaluation panels should be identified prior to the issue of ITT documents to ensure that the panel understand and agree with the evaluation criteria to be applied.

The panel should include representation from the key stakeholder areas.

A panel should have a minimum of 2 members for smaller projects limited to one area and a minimum of 3 members for larger projects or those affecting multiple areas / teams.

For larger projects, Project Managers may join the panel to evaluate or to facilitate the process as appropriate.

Evaluation panels should be kept consistent throughout the tender process where possible.

Evaluation panel members have a responsibility to understand the specification and the evaluation criteria. Prior to the receipt of bids, the panel must decide who will evaluate which sections.

In most cases, the Business ,Financial , Price and Governance components will be carried out specialist officers as arranged by the Procurement Team and the technical elements (method statement – quality questions) will evaluated by Evaluation panel . The panel must ensure that all areas can be competently assessed by officers with suitable knowledge and understanding of the respective area they are evaluating.

Panel members must also ensure they understand the time commitment and resource they will be required to contribute in order to evaluate the responses.

Where this is unclear, guidance should be sought from the lead Procurement / project officer.

All Evaluation Panel members should complete and return to the Procurement Manger the “Tender Evaluation Panellist Declaration regarding any Conflict of Interest and Confidentiality Undertaking” before commencing the evaluation process .

Any Evaluation Panel member with an actual or potential conflict of interest should not participate in the evaluation process and be replaced by another Officer.

9. Evaluation Process

Prepare a structured scoring matrix to record scores and notes made by the evaluation panel and distribute this electronically to all members of the evaluation panel.

Eliminate any late submissions not received by the published deadline.

Allow the evaluation panel members access to the bids in a secure manner.

Eliminate any submission that has submitted an incomplete bid i.e. failed to provide answers where required.

Each panel member is required to independently read and score each criteria for each bid using the predetermined scoring model:

5	Superior	Sound achievement of the requirements specified in the tender offer & presentation for that criterion. Some minor errors, risks, weaknesses or omissions, which may be acceptable as offered
4	Good	Satisfactory achievement of the requirements specified in the tender offer & presentation for that criterion. Some errors, risks, weaknesses or omissions, which are possible to correct/overcome and make acceptable.
3	Adequate	Reasonable achievement of the requirements specified in the tender offer & presentation for that criterion. Some errors, risks, weaknesses or omissions, which can be corrected/overcome with minimum effort.
2	Inadequate	Minimal achievement of the requirements specified in the tender offer & presentation for that criterion. Several errors, risks, weaknesses or omissions, which are possible, but difficult to correct/overcome and make acceptable.
1	Poor to deficient	No achievement of the requirements specified in the tender offer & presentation for that criterion. Existence of numerous errors, risks, weaknesses or omissions, which are very difficult to correct/overcome and make acceptable.
0	Unacceptable	Totally deficient and non-compliant for that criterion.

In addition to awarding a score, panel members must write notes justifying the score they have selected. Notes are used in the scoring moderation and to compile feedback for bidders, which is a legal requirement.

All notes may also be the subject of a future FOI request therefore it is **crucial** that notes are maintained throughout and are considered, accurate and relate solely to the relevant criteria. Consideration should be given to how the notes are worded as they may have to be produced to the party they are commenting on!

Panel members should input their scores on their electronic scoring matrix and ensure they take an electronic or printed copy to the moderation meeting.

The evaluation panel should convene and look at each response by each bidder for each criterion.

The panel should discuss their individual scores and reach agreement on a moderated score and justifying comments, taking into account each panel members perspective.

It is important that scores are not formulated by taking an average of the individual scores as this does not account for any panel member's misunderstanding of the response or different perspectives.

An average score also does not enable meaningful notes to be made. A 'moderated' score sheet should be created at this meeting to provide a record of the scores awarded.

10. Clarification

Where elements of a bid are unclear, you may need to seek clarification from the bidder. This must be communicated via the E Portal.

Where this is done, ensure clarification is requested and returned in writing and you maintain a fair approach to this with regards to all bidders.

You may decide to incorporate site visits to the supplier, or a customer of the supplier as part of the evaluation process. Presentations or demonstrations may also be used in circumstances where it is pertinent that the proposal is viewed i.e. systems procurement.

Where such additional clarification is undertaken, the following guidance must be adhered to:

- An agenda must be provided to the bidders stating what they will be expected to demonstrate to you
- The evaluation panel should make notes and can ask clarification questions about what they have been shown.
- Where any areas are not addressed by the bidders, further questions cannot be asked by the panel to prompt responses.
- Scores can only be amended where areas are addressed in the clarification. They can be increased or decreased accordingly. Where any areas are not addressed at a clarification session, scores cannot be amended.
- Site visits cannot be used to assess the bidders' capacity or capability in any way – they must only focus on aspects of the bid submitted.

11. Tender Records

All decisions made must be fully documented and all paperwork produced from the evaluation process must be kept in the tender file.

European Tender regulations require certain elements of feedback to be given to all unsuccessful bidders so it is essential that accurate and objective records are kept to ensure that constructive feedback can be provided.

Tender processes may also be subject to Audit and FOI requests.

12. Post Evaluation

Ensure notification is made through the E Portal. Template letters are available.

13. Cautionary Points

Ensure that the documentation you are asking suppliers to complete is necessary and appropriate for the value and risk of the contract you are awarding.

Be clear as to what must be provided with any bid. Companies should be encouraged to tender, not be put off by complex or confusing documents.

Asking suppliers to submit unnecessary documentation can potentially discriminate against smaller companies who do not have the time or resources to prepare a complex bid.

When evaluating a tender, you need to bear in mind that a company that has been incorporated for 18 months will not be able to submit lengthy financial histories and smaller companies may not have achieved formal quality accreditations or may have different Health & Safety regulatory requirements. Such companies should not be penalised for this if they are able to sufficiently evidence compliance in other ways.

When preparing invitation documentation, only ask questions that relate to your tender evaluation criteria. Do not waste a bidder's time by asking questions that will not form part of the evaluation process.

In making your selection you must ensure that you do not discriminate between suppliers on the grounds of nationality or location. However, it is permissible to specify where the contract must be executed (for example, provision of a local health care service), or require realistic delivery times (for example, urgent supplies must be delivered within x hours of receipt of order).

All award criteria, sub criteria and the relative weightings must be specified in the Invitation to tender and must not be changed at any time during the process. They must also be relevant to the subject matter of the contract.

If possible, ask a colleague from your team who is not involved in the procurement to read the evaluation criteria, schedule of prices and associated questions to ensure they are clear and unambiguous.

14. Tips for Effective Valuation

When scoring, have a copy of the invitation to tender at hand so you can remind yourself exactly what was asked of the bidders.

Stick to the scores available - avoid '2.5' etc. If you are unsure of a score, award whichever seems most appropriate and make notes to discuss at the moderation meeting highlighting that you felt a higher / lower score may be justified.

Prior to the moderation meeting, collate every individual's scores to see where everyone has allocated the same score. These areas need little further discussion so this can make the moderation meeting faster.

Make notes on scores as you go through the bids to prevent revisiting these areas after.

When holding clarification sessions allow time after each bidder to finalise and amend (if necessary) the scores. This prevents confusion between bids if many demonstrations are seen in one day.



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Warwick District Council

Ethical Procurement Statement

Introduction

This statement sets out Warwick District council's approach to ethical procurement. Ethical procurement is often referred to as responsible procurement and typically refers to the following procurement principals:

Respect fundamental international standards against criminal conduct (i.e. bribery, corruption and fraud) and human rights abuse (i.e. slavery in modern times), and respond immediately to such matters where they are identified; and result in progressive improvements to the lives of people who contribute to supply chains and are impacted by decisions made by supply chains.

This statement is based on the following principles and includes information as to how they will be implemented:

- safe working conditions;
- promotion of good health;
- employment is freely chosen;
- non-excessive working hours;
- employees are paid at least a minimum living wage;
- training is provided;
- diversity, equality and good workforce practices are encouraged;
- elimination of child labour; and
- elimination of inhuman treatment.

In implementing this statement the Council will work with other organisations engaged in collaborative procurement to:

- highlight the priorities that the UK Government and other contracting authorities are pursuing at home and abroad;
- continue to provide tendering opportunities that are suitable for Small and Medium Enterprises (SMEs), Ethnic Minority Businesses (EMBs), civil society organisations and supported factories both directly and indirectly through first tier supplier;
- promote skills training, apprenticeship opportunities and graduate programmes amongst our suppliers to help tackle youth and graduate unemployment
- support the use of fairly traded goods where this is within the legal framework governing public procurement.

Ethical issues and principles

Ethical issues can be considered where they are relevant to the subject matter of the contract and consistent with both the Council's corporate priorities and UK procurement policy.

The following principles sets out the minimum requirement expected from suppliers and their supply chains.

Safe working conditions

Suppliers will operate appropriate health and safety policies and procedures.

Responsibility for monitoring and ensuring compliance with these policies and procedures will rest with a senior manager.

Responsibility also extends to ensuring that employees have received the necessary training and that they have the necessary health and safety equipment.

Suppliers will provide comfortable and hygienic working conditions with necessary provisions (such as clean drinking water, washroom facilities etc.).

Employment is freely chosen

Employees have the freedom to choose to work and not be forced, bonded or subjected to non-voluntary prison labour.

Employees have the right to join an independent trade union or other workers association and to carry out reasonable representative functions in the workplace.

Facilitate alternative means of democratic representation where laws restrict freedom of association and collective bargaining.

Non-excessive working hours

Suppliers comply with national and international laws or industry standards on employee working hours, whichever affords the greater protection.

Employees should not be expected to work more than 48 hours a week on a regular basis and on average receive one day off at least every seven days.

Overtime should be voluntary and not demanded on a regular basis and where required it should be reimbursed at an appropriate rate and not exceed 12 hours in any week.

Suppliers should provide clear, easily understood disciplinary, grievance and appeal procedures; these must be lawful and appropriate. Suppliers must ensure that they do not deprive the employees of their legal or contractual rights.

Employees are paid at least the minimum living wage

Suppliers delivering contracts to Warwick District Council are expected to adhere to any minimum or living wage requirements set out by the UK Government.

Suppliers should provide their employees with easy to read contracts of employment.

The payment of wages or salary should be in monetary form and not in kind (e.g. goods, vouchers). Any deductions must not be made unless in accordance with relevant law or agreed with the employee, and without duress.

Training is provided

Suppliers are expected to invest in their employees by providing training opportunities which seeks to raise skills required for their role.

Non discrimination

Suppliers are not to practice any discrimination in the hiring, compensation, training, promotion, termination or retirement either directly or indirectly.

Disputes procedure

Suppliers should have clear and accessible processes for managing and resolving disputes with employees.

Elimination of child labour

Suppliers are expected to support the elimination of child labour both directly and indirectly through their supply chains.

Suppliers shall provide for any children found to be performing child labour to attend and remain in quality education until no longer a child.

Suppliers shall ensure that no children or young persons are employed at night or in hazardous conditions as defined by the International Labour Organisation.

Elimination of inhumane treatment

Suppliers must prohibit physical abuse or coercion, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation.

Grounds for exclusion

The UK Public Contracts Regulations 2015 provides clear guidance to public sector bodies to exclude suppliers from being able to secure public sector contracts for up to 3 years where there has been significant or poor performance against a public contract.

Service providers

The Council reserves the right to exclude a service provider where deemed ineligible to tender for, or be awarded a public contract under Regulation 57 of the UK Public Contracts Regulations 2015.

Rejection of a service provider is permissible when the organisation:

- is in a state of bankruptcy insolvency compulsory winding up, administration, receivership, composition with creditors or any analogous state, or subject to relevant proceedings;
- has been convicted of a criminal offence related to business or professional conduct;
- has committed an act of grave misconduct in the course of business;
- has not fulfilled obligations relating to payment of social security contributions;
- has not fulfilled obligations relating to payment of taxes;
- is guilty of serious misrepresentation in supplying information required by the Authority under the Regulations;
- is not in possession of a licence or not a member of the appropriate organisation where the law of that State requires it; or
- is not registered on the professional or trade register of the relevant State in which established.

In deciding whether to exclude a service provider the Council will consider the seriousness of the misconduct, whether it was related to the subject matter of the contract, when it was committed and the action taken or being taken to prevent its recurrence. This discretion will not apply to convictions for offences where there is a mandatory requirement on public sector contracting authorities to exclude candidates in accordance with Regulation 57 of the Public Contracts Regulations 2015.

Economic operators

Part 1 of Regulation 57 covers the criteria for the rejection of economic operators where the contracting authority has actual knowledge that it or its directors or representatives have been convicted of certain offences. For example: conspiracy from participating in a criminal organisation, corrupt practices, bribery, theft, fraudulent trading and defrauding the European Communities, the Revenue and the Customs.

Regulation 57 makes provision for an exception to the mandatory exclusion of an economic operator.

Technical specifications and standards

Where relevant to the contract, the Council will use technical specifications and standards to integrate ethical considerations into procurement, such as standards for IT systems to ensure that they are accessible to people with disabilities and interoperable with software and hardware intended for disabled users.

The specification must be relevant to the requirement and must not discriminate against other products or providers from other member states, nor must it restrict competition.

Unnecessary use of these principles may place an undue burden on small businesses and other organisations, which might have a disproportionate impact on their ability to compete and therefore be unlawful.

In all cases, contracting authorities must be prepared to consider equivalent standards from suppliers from other countries (with different national standards) that meet the underlying requirement.

The onus is on the supplier to prove that the solution being offered meets the requirements.



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Warwick District Council

Sustainable Procurement Policy

1. Introduction

1.1 Warwick District Council recognises that sustainable development considerations should be incorporated into the procurement of goods, works and services. The Council wishes to promote the adoption of more sustainable practices and procedures amongst the wider business community.

2. Guiding Principles

2.1 Sustainable development means achieving four objectives:

- Effective protection of the environment
- Prudent use of natural resources
- Social progress which recognises the needs of everyone
- Promotion of high and stable levels of economic growth and Employment

2.2 Efficient procurement of goods, works and services depends upon balancing considerations of cost and quality. Sustainability issues need to be incorporated into both aspects as follows:

- When considering the **costs** of goods and services, the life-span of the product or the whole life costs, need to be considered. This takes into account running costs such as energy usage, CO2 emissions, maintenance requirements, staff training needs, reuse, recycling and disposal costs. These costs need to be taken into account in addition to the initial purchase price.
- When considering the **quality** of goods and services offered, their environmental issues and standards need to be taken into account.

2.3 Obtaining value for money when procuring goods, works and services is not just about obtaining the lowest price. Consideration of environmental factors needs to be undertaken at an early stage in the procurement process as a key element of the wider 'value' that can be obtained.

3. Benefits of Sustainable Procurement

3.1 Adopting a consistent approach to the environmental implications of procuring goods, works and services can have the following benefits:

- Long-term efficiency savings
- More efficient and effective use of natural resources

- Reduction in harmful impacts of pollution and waste
- Reduction of the impact of hazardous substances on human health and the environment
- Encourages business innovation
- Provides strong signals to the sustainable products market
- Represents a practical expression of the Council's commitment to sustainable development in the local community

4. Achieving Sustainable Procurement

4.1 As an initial step in the procurement of any goods, works or services, an assessment of environmental risk will need to be undertaken to determine the extent to which issues of sustainability need to be taken into account during the procurement process. The assessment will need to take account of the environmental considerations set out in the Annex to this policy. For example, some goods, works and services may constitute a high environmental risk where it is expected that higher levels of energy consumption and/or CO₂ may be generated by the goods or services being purchased or where there may be an adverse impact on the environment due to the need to use chemicals etc. In these cases, the procurement process to be adopted must seek to take full and proper account of these factors. Where environmental risk is assessed to be lower or, in some cases, minimal, the extent to which sustainability is taken into account may be proportionately less. Further advice on likely impacts can be obtained from the Council's Climate Change and Sustainability Officer.

4.2 For **procurement exercises of under £50,000** in value, environmental factors need to be taken into fully into account where the assessed risk is judged to be medium/high. For all other exercises, the extent to which environmental factors are taken into account should be appropriate to the nature of the goods or services being procured.

4.3 In **Non EU procurement exercises** that involve a formal tender procedure, for goods or works with a value in excess of £50,000 but below the EU threshold (currently £164,176 or for capital works, £3,927,260), it will be expected that environmental issues must be taken into account in the procurement process and that this should be informed by the risk assessment.

Note that EU thresholds are changed bi-annually (the next realignment will take place 1st January 2017) and those undertaking procurement exercises of this scale should check the latest thresholds with the Procurement Manager.

4.4 When formal contract documents are prepared as part of the formal tendering process, sustainable procurement should be encouraged by incorporating social and environmental factors into the contract specification. Any conditions must relate directly to the particular contract activity and be capable of objective assessment. The environmental requirements for contracts will vary depending upon the types of goods or services being procured. A guide as to the requirements that could, where relevant, be

included in the invitation to tender documentation is set out at Annex B to this policy.

4.5 The tender evaluation process must include some assessment of environmental impacts. The relative weight to be applied to these will depend on the environmental risk balanced with other factors such as cost and quality of the service or goods to be provided. The weights to be applied to each criterion will be set out in the invitation to tender letter.

4.6 For **EU Service Contracts**, environmental considerations can only be taken into account if they are directly relevant to the particular contract activity and are capable of objective assessment. There are strict rules on what can be taken into account in assessing contractors at the pretender stage so environmental considerations should predominantly be considered when specifying the services required and in tender evaluation when assessing how the contractor will operate the Service (where relevant) as set out in paras 4.4 and 4.5 above.

4.7 Warwick District Council's Climate Change and Sustainability Officer should be consulted on all procurement exercises where environmental issues may arise and where the risk assessment is medium/high.

4.8 The application of this policy is subject to the proper application of national and EU rules on open and fair competition in the procurement of goods, works and services and the Council's own adopted financial and contract procedure rules.

4.9 Warwick District Council is committed to working with small businesses and the voluntary sector to promote sustainable procurement, remove any barriers for them doing business with the Council and via corporate social responsibility processes, encourage these sectors to adopt an environmentally friendly approach when providing goods and services to the Council.

Annex

Environmentally Sustainable Procurement Considerations

The following points are a guide to the issues that should be considered during the contracting process:

QUANTITY

Remember - Reduce, Reuse, Recycle. Only order what you need, help save resources and don't over order beyond requirements. A moment's thought will save money for other priorities and will help the environment.

PACKAGING

Excess packaging generates large amounts of unnecessary waste, most of which goes to landfill. Encourage reduced packaging with a product and the use of recycled and recyclable packaging over less desirable alternatives such as polystyrene.

RECYCLED CONTENT

The manufacture of products using raw materials (such as sand and metal ore), causes destruction of the landscape (during excavation), air pollution (during transportation), and uses large amounts of energy and water during production. Use recycled products where possible.

ENERGY EFFICIENCY

Energy efficient products benefit the environment by using less energy and therefore reducing energy generation. The generation of energy from fossil fuel sources produces vast amounts of carbon dioxide, causing destruction of the landscape, natural habitats and visual pollution.

LONG LIFE

Consider products which are more durable and do not need to be replaced as frequently, improving cost effectiveness and reducing the amount of material going to landfill. It is worthwhile spending more on a product that will last and remain effective for appreciably longer.

IMPACT OF DISPOSAL

Consider products which can be easily recycled, repaired or reused after they have been finished with to reduce the amount of waste going to landfill. Disposal to landfill should be the option of last resort. Seek to ensure the by-products or waste from a project e.g. office refurbishment are disposed of well e.g. consider requiring the contractor

to re-use a certain percentage of the materials found on site during a refurbishment or asking for products still of usable quality to be sent to a furniture or other recycling centre for re-sale or re-use such as old office chairs, desks etc.

REDUCED TRANSPORT

So far as it is permissible under EU procurement regulations and is relevant, choose products which have not been transported over long distances. This reduces the pollution from vehicle exhausts and helps to support the local community. If locally available products cannot meet requirements, advise local suppliers why.

LOW POLLUTION

Choose products which cause lower levels of pollution, either through their manufacture, usage or disposal. This could relate to lower levels of raw materials used, lower levels of energy or water used, reduced transportation, reduction in chemical content or reduction in packaging.

SUSTAINABLE SOURCES

Ensure that products derived from natural sources, such as timber, are produced in a sustainable manner and comply with all national and international legislative requirements.

CONTRACT PACKAGING

Sometimes bulk purchasing produces savings or facilitates the level investment necessary to develop a service or deliver innovation. But sometimes smaller locally sourced contracts give better value by reflecting reduced overheads or delivery costs. Smaller contracts can sometimes provide better security of supply by spreading the risk between several providers and may give the capacity for the exercise of local choice or back-up. Collectively these factors are known as "contract packaging".



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SOCIAL VALUE POLICY STATEMENT

This policy statement summarises Warwick District Council's approach to 'social value'. It covers:

- What we mean by the term 'social value'
- Priority social value outcomes for Warwick District Council
- The scope of Warwick District Council's approach

What we mean by the term 'social value'

The term 'social value' refers to approaches which maximise the additional benefits that can be created through the delivery, procurement or commissioning of goods and services, above and beyond those directly related to those goods and services.

Social Enterprise UK in their Brief Guide to the Public Services (Social Value) Act 2012 say that focussing on social value means asking the question: "*If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community*"?

Social value is therefore about using the money we have more strategically, to produce a wider benefit than would otherwise have been achieved. However, social value also describes the values and principles which inform our behaviours and approaches, namely:

- We will seek to ensure that the Council's expenditure is utilised in ways that most benefit our local communities.
- We will use 'community sourcing' approaches as a means of regenerating local communities, both socially and economically.
- We recognise that civic enterprise solutions involving communities, the council and business offer a practical and positive alternative.
- We value and intend to grow our relationship with the voluntary and community sector and small businesses.

Priority social value outcomes for Warwick District Council

Our priority social value outcomes relate to two main themes:

- 1.** Supporting the Warwick District economy (this includes maximising the impact of the Warwick District Council £, promoting employment in Warwick District Council and supporting youth employment)
- 2.** Reducing demand (and consequently expenditure) for public services in Warwick District– maximising the impact of our actions on increasing resilience and independence.

The scope of Warwick District Council's approach:

The social value approach encompasses the full commissioning, Procurement and acquisition cycle, service planning and review, decision making and policy development; and includes procurement of goods as well as services. The outcomes we intend to deliver through this approach include:

- Increasing the proportion of services and goods provided locally.
- Greater circulation of the Warwick District Council pounds (£'s) in local supply chains, thereby maximising the 'multiplier effect'.
- Supporting the creation of jobs, skills and training opportunities
- Promotion of opportunities for small and medium-sized enterprises (SMEs), social enterprises and voluntary and community organisations.
- Value for money – through capturing longer term savings for the council as a whole.
- Better connections across services, with a greater understanding of how services interact to support outcomes and impact on the wider community.
- Savings through reductions in demand across a range of service areas
- Increased community-led activity, resilience and local problem solving

Key features of our approach are:

- Local spend and provision
- Commissioning for social value
- 'Community sourcing' (making better connections between public services and communities, focusing attention on the strengths and capacities of our communities)
- Procuring for social value

- Service diversification
- Improving cross service connections
- Embedding social value in new policy development

 Council 20 April 2016		Agenda Item No. 11(1)
Title	End of Term Report 2015/16	
For further information about this report please contact	Amy Carnall Senior Committee Services Officer 01926 456114 committee@warwickdc.gov.uk	
Wards of the District directly affected	n/a	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	n/a	
Background Papers	Minutes of all 2015/16 Finance & Audit Scrutiny Committee meetings	

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

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy		
Head of Service		
CMT		
Section 151 Officer	23/03/2016	Mike Snow
Monitoring Officer		
Finance		
Portfolio Holder(s)		
Consultation & Community Engagement		
Final Decision?		
This report is for recommendation to Council.		

1. **Summary**

- 1.1 An end of term report to the Council on the work the Committee has undertaken during the 2015/16 municipal year.

2. **Recommendation**

- 2.1 It is recommended to Council that the list of matters considered by this Committee during the municipal year 2015/16, as detailed in the Appendix to the report, be noted.

3. **Reasons for the Recommendation**

- 3.1 Under Article 6 of the Council's Constitution, Overview and Scrutiny Committees and Policy Committees are required to provide an end of term report to the Council on work they have undertaken during the year.
- 3.2 This report will be updated to include items considered at the 5 April 2016 meeting of the Committee, prior to it being presented to Council.

4. **Policy Framework**

- 4.1 The recommendations of the report do not affect the Council's policy framework.
- 4.2 Fit for the Future -

5. **Budgetary Framework**

- 5.1 The recommendations of the report do not affect the Council's budgetary framework.

6. **Risks**

- 6.1 There are no risks associated with this report.

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

- 7.1 There are no alternative options as this report complies with the requirements of Article 6 of the Council's Constitution.

8. **Background**

- 8.1 The decision to include end of term reports for scrutiny committees was taken and has been an agenda item at the last meeting of the municipal year ever since.
- 8.2 In total the Finance & Audit Scrutiny Committee have considered 19 Audit items, 10 Scrutiny items and 51 Executive items. On those Executive items, Members made four formal recommendations.
- 8.3 In addition, the Committee have scrutinised four contract registers, three risk registers and have invited over 56 officers to their meetings over the past year.

Items considered by Finance & Audit Scrutiny Committee 2015/16

AUDIT & SCRUTINY ITEMS

- Internal Audit Report 2014/15
- Review of Effectiveness of Internal Audit 2014/15
- Annual Governance Statement 2014/15
- Internal Audit Quarter 4 2014/15 Progress Report
- Treasury Management Activity Report for the period 1 October 2014 to 31 March 2015
- Anti-Fraud & Corruption Progress Report 2014/15
- External Audit Fees 2015/16
- Development Services Contract Register
- 2014/15 Annual Treasury Management Report
- Statement of Accounts and Annual Governance Statement 2014/15
- Grant Thornton Audit Committee Update
- Review of Cultural Services Risk Register
- Business Plan Performance management
- Progress Report on Enterprise Projects
- Internal Audit Quarter 1 2015/16 Progress Report
- Benefit Fraud Investigation – Performance
- Annual Governance Statement Action Plan 2015/16 – Review of Progress
- Review of Neighbourhood Services Contracts Register
- The Monitoring of Section 106 Contributions
- Audit Findings Report from External Auditor
- National Fraud Initiative
- Review of Development Services Risk Register
- Procurement Progress Update
- Warwick District Local Plan – Infrastructure Delivery Plan (IDP) Progress Report
- Risk Management Annual Report
- Finance Contracts Register
- Golf Contract Update
- Review of Building Cleaning Services
- Treasury Management Activity Report for the period 1 April 2015 to 30 September 2015
- Internal Audit Quarter 2 2015/16 Progress Report
- Annual Governance Statement Action Plan 2015/16: Review of Progress
- 2014/15 Annual Audit Letter and Grant Claims
- Health and Community Protection Risk Register
- Risk Management Feedback to Zurich
- Chief Executives Contracts Register
- Internal Audit Quarter 3 2015/16 Progress Report
- Annual Governance Statement Action Plan 2015/16: Review of Progress
- Procurement Progress Update
- Business Plan Performance Management Report
- The Monitoring of Section 106 Contributions
- Internal Audit Strategy & Plan 2016/17 – 2018/19 and Internal Audit Charter
- Finance Risk Register

(Items considered by the Committee on 5 April 2016 will be added to the list prior to the report's presentation to Council)

ROUTINE ITEMS

- Comments from the Executive
- Review of the Work Programme & Forward Plan

EXECUTIVE ITEMS CONSIDERED BY THE COMMITTEE

April 2015

IT Provision for Councillors from May 2015
Use of Delegated Powers – Social Housing Mobility Fund
Significant Business Risk Register
Payroll Review ®
Funding of Green Space Development Officer Post

June 2015

Final Accounts 2014/15
The Introduction of a Pre-Application Charging Regime for Development Proposals ®
Funding for Bishop's Tachbrook Community Centre
Request for Funding for Improvements to King George's Playing Field at Barford
Disposal of WDC Owned Land at Station Approach in Leamington Spa
Discretionary Relief Application (Council Tax)

July 2015

Budget Review to 30 June 2015
Gypsies and Travellers – update on the progress of the Development Plan Document to allocate sites
Exemption from the Code of Procurement Practice – Provision of Support and Re-settlement Service
Exemption from the Code of Procurement Practice – Cost Management Services
Significant Business Risk Register
Rural/Urban Capital Improvement Scheme Application

September 2015

St Mary's Lands
Housing Stock Condition Survey & Strategic Asset Management
Sustainable Community Strategy & Fit for the Future Updates and Service Area Plans 2015/16
Resolution of Rent Issues – Cadet's HQ Building
ICT Services – Establishment Changes
Urgent Item – Regulatory (Licensing) Team Restructure
Fees and Charges
Review of WDC/WCC Customer Service Centre & Digital Transformation Initiatives
Significant Business Risk Register
Council HQ Relocation Project – Part B

November 2015

Budget Review to 30 September 2015

December 2015

General Fund Budgets 2016/17
Code of Corporate Governance
Digital Transformation of Council Services
Racing Club Warwick, St Mary's Lands, Warwick
Land off Albion Street, Kenilworth
HR Resources Review

January 2016

Housing Revenue Account (HRA) Budgets latest 2015/16 and Base 2016/17
Fees and Charges – Lifeline Services (non HRA Customers)
Car Park Fees and Charges 2016/17
Significant Business Risk Register
Electric Vehicles and Charging Infrastructure
Housing Related Support Services
Urgent Report – Exemption to the Code of Procurement Practice

February 2016

Waste Container Charging
Budget 2016/17 and Council Tax – General Fund Revenue and Capital ®
Housing Revenue Account (HRA) Budget 2016/17 and Housing Rents
Heating, Lighting and Water Charges 2016/17 – Council Tenants
Treasury Management Strategy Plan for 2016/17
Multi-Storey Car Parks Condition Survey

March 2016

HRA Business Plan Review for 2016/17 to 2061/62
Funding for Coventry & Warwickshire Growth Hub
Corporate Property Planned Preventative Maintenance Programme 2016/17
Extension of Cultural Services Programme Manager Contract

(Items considered by the Committee on 5 April 2016 will be added prior to the report's presentation to Council)

April 2016

Significant Business Risk Register
Codes of Procurement Practice
Whitnash Community Hub Update and Next Steps
Proposed Public Consultation on a Masterplan for St Mary's Lands, Warwick
Review of Staff Terms and Conditions
Replacement of motors and lighting dimmers – Royal Spa Centre
Prosperity Agenda – Service Re-design proposals
Prosperity Agenda – Service Re-design proposals
Customer Contact Role Review

 Council – 20 April 2016		Agenda Item No. 11(2)
Title	Overview & Scrutiny Committee End of Term Report	
For further information about this report please contact	Lesley Dury, Committee Services Officer 01926 456114 committee@warwickdc.gov.uk	
Wards of the District directly affected	n/a	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	O & S 8 April 2015 Council, 22 April 2015	
Background Papers	Agendas/Minutes Municipal Year 2015/16	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	No
Not required as this report gives a synopsis of work undertaken by the O & S Committee and contains no new material.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	23.03.2016	Bill Hunt
Head of Service		
CMT	23.03.2016	Bill Hunt
Section 151 Officer		
Monitoring Officer		
Finance		
Portfolio Holder(s)		
Consultation & Community Engagement		
Chairman of Overview and Scrutiny – Councillor Boad Overview & Scrutiny Committee 5 April 2016		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 An end of term report to the Council on the work the Overview & Scrutiny Committee has undertaken during the year. The report also includes work by the Health Scrutiny Sub-Committee.

2. **Recommendation**

- 2.1 It be recommended to Council that the list of matters considered by the Overview & Scrutiny Committee and Health Scrutiny Sub-Committee during the municipal year 2015/16, as detailed in appendix A to the report, be noted.

3. **Reasons for the Recommendation**

- 3.1 Under Article 6 of the Council's constitution Overview & Scrutiny Committees and Policy Committees are required to provide an end of term report to the Council on work they have undertaken during the year.
- 3.2 The matters considered during the year are attached at appendix A to the report.

4. **Policy Framework**

4.1 **Policy Framework**

The recommendations of the report do not affect the Council's policy framework

4.2 **Fit for the Future**

This report is made annually as a matter of good practice and Council policy.

- 4.3 **Impact Assessments** – This should set out the impacts of new or significant policy changes proposed in respect of Equalities. Reference can be made to an appendix which sets out the detail of the impacts

5. **Budgetary Framework**

- 5.1 The recommendations of the report do not affect the Council's budgetary framework.

6. **Risks**

- 6.1 There are no risks associated with this report which is purely provided as a matter of good practice and Council policy concerning Scrutiny committees.

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

- 7.1 There are no alternative options because this report complies with the requirements of Article 6 of the Council's Constitution.

Work handled by Overview & Scrutiny Committee 2015/16

Chair's Introduction

This year has been a particularly interesting one for the Overview and Scrutiny Committee following the elections in May 2015 which resulted in the committee being made up of newly elected Councillors.

As chair, and the only councillor with previous experience of both Executive and Overview and Scrutiny committees, I set out to use the first year of the new committee to help members to understand the responsibilities of the committee, primarily in holding the Executive to account. Task and Finish groups and assisting portfolio holders, if asked, to develop policy would follow later.

The members have been receptive to developing their role and over the year have progressively been more effective in asking searching questions of the portfolio holders and in looking at Executive reports as evidenced by the increasing number of recommendations or questions to the Executive. Briefing papers or verbal reports have also been requested over the year to either flush out more detail, or to gain a better understanding of key issues.

Now is the right time to move on to more in depth work, and I certainly feel that the committee is now ready for the next step in developing their role, that of Task and Finish groups.

Following training towards the end of the municipal year to allow members to develop their much wider role to look in depth at issues of concern to the public and the wider community, the committee is now ready to take its first steps into Task and Finish groups, with potentially two to start in the new year.

I am hopeful that within the next 12 months the O and S committee will be really confident in its role and will be at the forefront of Overview and Scrutiny best practice in the country.

Councillor Alan Boad
23 March 2016

A synopsis of work undertaken by the Overview & Scrutiny Committee during the municipal year 2015/2016.

30 June 2015

This was the first meeting of the newly elected Council's Overview & Scrutiny Committee. The District Council elections in May 2015 had resulted in 27 previous Members of the Council being replaced with new membership; the knock-on effect of this was that for the Overview & Scrutiny Committee only one of its membership had prior experience of Overview & Scrutiny Committee work; Councillor Boad. The first act of the Committee was to vote in Councillor Boad as its Chairman.

The Chairman explained to the new Members how the Work Programme operated and the Committee set about updating its Work Programme for the municipal year. It also considered the following reports that were due to be considered by the Executive the following evening:

- housing allocations policy review; and
- the introduction of a pre-application charging regime for development proposals.

28 July 2015

The Committee updated its Work Programme and asked for a Scoping Document for a Task & Finish Group on Sales and Lettings Board to be brought up-to-date in light of current information received so that the Committee could consider it at the next meeting.

The Committee also considered the following report that was due to be considered by the Executive the following evening:

- Gypsies and Travellers – update on the progress of the Development Plan Document to allocate sites.

2 September 2015

The Committee embarked on its programme to hold Portfolio Holders to account. Councillor Cross, Portfolio Holder for Development Services was the first Portfolio Holder to attend Overview and Scrutiny Committee to explain how his Service Area was performing. Scrutiny Members were informed how the Service Area was investigating and generating additional sources of income.

The Committee considered the progress of the Council's Health Strategy, following on from which it the Chairman explained how health scrutiny issues had been handled under the previous Overview and Scrutiny Committee. It was evident that there was a lot of work to do on health scrutiny and so the Committee decided to re-instate the Health Scrutiny Sub-Committee. Its Standing Orders would be agreed at the next meeting.

At the request of the Head of Cultural Services and the Portfolio Holder, the Committee listened to a briefing in advance of a report going to the Executive in November on work being done to establish the District's leisure options needs and how these could be met.

Following on from a decision made by the Committee in July, it agreed that a lot of work had been done to alleviate the problems surrounding the proliferation of Sales

and Lettings Boards. The Committee resolved that it was no longer necessary for a Task & Finish Group to look into resolving the issue.

The Committee considered two reports that were due to be considered by the Executive the following evening. Having already received an update that evening on progress made with St Mary's Lands, Warwick, the Committee was satisfied that the report need only be noted. However, in respect of the Sustainable Community Strategy and Fit for the Future Updates and Service Area Plans 2015/16, the Committee asked for the Executive to state how it intended to assess the feasibility/business case in financial and community impact terms, and which would have priority. It also raised concerns that the programme was over ambitious. The Executive, at its meeting on the following evening, recognised the Committee's concerns but pointed out that the Council had to make tough decisions to continue to deliver its services.

29 September 2015

Councillor Gallagher, Portfolio Holder for Cultural Services attended the meeting to give account of work being done in her Service Area. She was able to deliver positive news about progress made on booking top class acts to perform at the Spa Centre and considerable achievements in driving forward efficiency savings in the area.

The Committee agreed the Terms of Reference (Standing Orders) under which the Health Scrutiny Sub Committee would operate and agreed the Sub-Committee's membership: Councillors D'Arcy, Edgington, Parkins and Mrs Redford.

The Committee discussed two reports that would be going to the Executive the following evening:

- Air Quality Action Plan; and
- Council HQ Relocation Project

Suggestions made by the Committee to the Portfolio Holder, Councillor Grainger in respect of the Air Quality Action Plan were accepted by Councillor Grainger who had attended the Overview and Scrutiny Committee meeting.

3 November 2015

Both Scrutiny Committees met ahead of their respective individual meetings and discussed the Leisure Options report before it would be considered by Executive on the following evening. Recommendations were made to the Executive to remove certain of the report recommendations; namely 2.6, 2.7, 2.8 and 2.9 which would effectively retain the Leisure Options in the Council's management control and to leave current arrangements in place. Officers were also asked to investigate the option to introduce a "Passport to Leisure" into the contract to enable members of the community to access leisure facilities. At the meeting of the Executive on the following evening, the Executive agreed to investigate the option for introducing a Passport to Leisure into the contract, but did not accept the recommendations from the Joint Scrutiny Committee about the removal of certain recommendations from the report.

At the Overview and Scrutiny Committee's meeting, Councillor Mobbs gave the Committee an update the Coventry & Warwickshire LEP. Since this was a first update for many of the Committee who had only joined the Council in May, he also explained what the LEP was and its purpose.

Councillor Whiting, Portfolio Holder for Finance attended the meeting to give account of work being done in his Service Area. Of particular concern was the issue of staffing in the Service Area, especially in the Procurement Section, with various staff leaving to pursue new challenges. The challenge was finding suitable replacement staff and work had been started to train staff.

The Committee fulfilled its annual obligation to review outside appointments and noted that Portfolio Holders represented the Council on many outside bodies. It decided to question Portfolio Holders about this when they attended Overview and Scrutiny Committee meetings to give account of their service areas.

The Committee reviewed its previous decision made at the start of September not to pursue Task & Finish Group work in respect of sales and lettings boards, following concerns being raised to the Chairman. The Committee still considered that the decision had been right but that it would request a follow-on report from Planning Enforcement to ensure the improvements continued, in early 2016.

The Leamington Creative Quarter report going to the Executive the following evening was considered and the Committee was content to note the report.

1 December 2015

Both Scrutiny Committees met ahead of their respective individual meetings and were given a briefing on the future delivery of housing aids and adaptations services which informed Members about the progress being made by the South Warwickshire Housing Assessment Team's pilot project to help people who had disabilities get the right grant funding and adaptations in their homes.

Following that, the Overview & Scrutiny Committee met and received an update from the Housing & Property Services Portfolio Holder, Councillor Phillips. He was able to assure Members that shared ownership options would be investigated to help people get on the housing ladder.

The Committee undertook its statutory duty to review the work of the South Warwickshire Community Safety Partnership which alongside the Police determined priorities in respect of crime reduction.

Following on from a decision by the Executive in November to agree the recommendations as written for Leisure Options, certain councillors had exercised their right to call-in the Leisure Development Programme report to Overview and Scrutiny Committee. Following detailed discussions, the Overview and Scrutiny Committee resolved that the decision made by the Executive should be referred back to it together with the observations made by the Overview and Scrutiny Committee and further advice by the Monitoring Officer. In January 2016, the Executive considered the observations made by Overview and Scrutiny Committee and the further advice received from the Monitoring Officer and resolved to confirm its original decision.

The Overview and Scrutiny Committee also considered the Digital Transformation of Council Services report going to the Executive for decision on the following evening. The Committee, whilst supporting the recommendations in the report, recommended that all Members were informed in advance when it was planned to stop cash and cheque payment and close generic email accounts. These recommendations were accepted by the Executive.

12 January 2016

The Committee received an update on the development of the Council's car parking strategy for the District and attention was drawn to the work required at Linen Street car park in Warwick. It also received an update on the "vision" for Royal Leamington Spa Town Centre. Councillor Mobbs gave the Committee a further progress report on the Coventry & Warwickshire LEP and told them about the Local Government Association's Councils' Network.

Two Executive reports were considered and noted:

- Review of the Sexual Entertainment Establishment Policy; and
- Electric Vehicles and Charging Infrastructure.

9 February 2016

Councillor Shilton, Portfolio Holder for Neighbourhood Services, gave an update on his service area. He informed the Committee that a group would be set up to review the car parking charges and strategy. Of particular concern was the waste recycling contract and complaints received from residents about missed collections. The Committee decided that both of these areas would require further scrutiny. Councillor Boad, Chairman of Overview and Scrutiny Committee, was asked to bring forward a scoping document to the next meeting to look at off-street parking charges. The Committee would also review the work being done to improve the waste collection service at some future date once the work already undertaken by the service area to improve the service had had a chance to take effect.

The Committee also received an update from Councillor Grainger, Portfolio Holder of Health & Community Protection on the service area.

Members also undertook a previous commitment to review the impact of measures that had been taken to halt the proliferation of sales and lettings boards. Members were content that the measures being taken were working but officers were asked to remind letting agents of the regulations prior to the intake of new students at the local universities. Officers were also requested to keep meaningful statistics so that in 12 months' time the instances of where the regulations were flouted could be analysed and any trends could be ascertained.

The Committee also scrutinised the report going to the Executive on the following evening concerning Waste Container Charging. It asked that the Service Area collect various data once the recommendations were agreed, and then Overview and Scrutiny Committee would review the scheme in 12 months' time.

The Design Guidance for the strategic urban extension, South of Leamington Spa and Warwick report going to the Executive on the following evening was also considered and Members commented that they would like to see in practice higher housing densities where this was appropriate, but the Executive highlighted that the density of housing was not a matter that could be considered in this report's case.

8 March 2016

The Committee received a further update on the vision and strategy for Leamington Town Centre.

Councillor Boad delivered a scoping document for a Task & Finish Group on a review of off-street parking charges, which was agreed. Once membership of the Group was agreed at the next meeting in April, work would commence and it was hoped that it would complete by September. The Committee also asked two councillors to draw up a scoping document for a second Task & Finish Group in respect of the regulation of licensing houses in multiple occupation for its next meeting in April.

The Committee considered three reports going to the Executive:

- Hackney Carriage & Private Hire Drivers – Policy and Scheme of Delegation Changes;
- Rural / Urban Capital Improvement Scheme (RUCIS) Criteria; and
- Pump Room Gardens Parks for People Project

A recommendation by Overview and Scrutiny Committee that a Member of the Council should be appointed to the Pump Room Gardens for People Project was accepted by the Executive on the following evening.

5 April 2016

The Leader of the Council, Councillor Mobbs, gave an update to Members on his corporate and strategic leadership. Following this, he also gave an update on the business conducted by the Coventry and Warwickshire LEP.

The Committee agreed the membership for a Task & Finish Group dealing with parking charges. The membership of the Group would be Councillors Ashford, Boad, Butler, Mrs Cain, Day, Quinney and Stevens.

A further Scoping Document for the regulation of licensing HMOs was also considered, but required a small bit of additional work before approval.

The Committee considered three reports going to the Executive on the following evening:

- Codes of Procurement Practice;
- Support for Government Syrian Vulnerable Persons Relocation Scheme; and
- Master-Planning of housing site allocations south of Coventry.

The Master Planning of housing site allocations south of Coventry report was noted by the Committee.

The Portfolio Holder for Health & Community Protection, Councillor Grainger agreed to a change in wording to one of the recommendations in the Syrian Vulnerable Persons Relocation Scheme so that the pledge made by the Council would be to assist resettling at least five families within the district within the life of the current scheme; rather than up to five families.

In respect of the Codes of Procurement Practice report, the Committee suggested that a higher loading/weighting be placed against "Social Value" when evaluating quotes and tenders. The Committee notified the Executive of its intent to review the impact

of the changes made 12 months following implementation. In response, the Executive noted the work the Scrutiny Committee would be undertaking.

A synopsis of work undertaken by the Health Scrutiny Sub-Committee during the municipal year 2015/2016.

24 November 2015

This was the first meeting of the Health Scrutiny Sub-Committee during the municipal year.

The Sub-Committee received an update on the Air Quality Action Plan and the Council's Health & Wellbeing Strategy.

19 January 2016

Councillor Parkins was voted the Sub-Committee's Chairman after Members had deferred the decision at the previous meeting.

The Sub-Committee welcomed a guest speaker from the Alzheimer's Society who explained the issues for people who lived with dementia and work being undertaken to help them. They were also informed about the work being undertaken by the Council in this respect, including the "Dementia Friends" initiative.

16 March 2016

The Sub-Committee welcomed the Director of Strategy and Engagement (NHS Warwickshire Clinical Commissioning Group) to its meeting. Ms Hargrave explained to the Members how the CCG planned for the health service requirements of the District, including when major new housing developments were proposed.

Officers from Cultural Services attended the meeting and informed Members how the Council promoted its physical activity programme to residents.

The Sub-Committee considered a report from the Chief Executive of the South Warwickshire NHS Foundation Trust on the implications of the night-time economy on the Health Service. Members agreed that a review should be undertaken in six months' time to see longer term trends if this could be provided.

	Council 20th April 2016	Agenda Item No. 12
Title	Council HQ Relocation and Replacement Covent Garden Car Park Project	
For further information about this report please contact	<p>Bill Hunt Deputy Chief Executive 01926 456014 bill.hunt@warwickdc.gov.uk</p> <p>Duncan Elliott Senior Project Coordinator 01926 456072 Duncan.elliott@warwickdc.gov.uk</p> <p>Mike Snow Head of Finance 01926 456800 Mike.snow@warwickdc.gov.uk</p> <p>Sian Stroud Senior Solicitor Warwickshire Legal Services 01926 418198 sianstroud@warwickshire.gov.uk</p>	
Wards of the District directly affected	Leamington Clarendon	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	30 September 2015, Executive Minute numbers 50 and 55	
Background Papers	Executive 10 February 2016 –Multi Storey Car Parks Condition Survey; Executive 30 September 2015 – Council HQ relocation project, Part A and Part B reports; Executive 3 December 2014 – Council HQ relocation project – update report; Executive May 2104 – Council HQ Relocation Project – Update Report. Executive Mar 2014 – Relocation of the Council’s HQ offices, Parts A and B and Addendums; Executive Dec 2012 – Proposed Regeneration LLP, Parts A and B; Executive May 2012 – Feasibility Study of Leamington Assets, Parts A and B; Executive Feb 2011 – Feasibility Study of various WDC assets in Leamington; Executive June 2010 – Customer Access in Leamington; Executive April 2010 –	

	Accommodation Review. EC Harris Asset Optimisation feasibility study report and background working papers, 2010/11; Accommodation Review background working papers 2010; One Stop Shop background working papers 2009
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Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	No
Equality and Sustainability Impact Assessment Undertaken	No
Impact assessments will be undertaken and addressed during Phase 1 of the Project	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	11.04.16	Bill Hunt - Author
Head of Service	11.04.16	n/a
CMT	11.04.16	Chris Elliott, Andrew Jones
Section 151 Officer	11.04.16	Mike Snow
Monitoring Officer	11.04.16	Andrew Jones
Finance	11.04.16	Jenny Clayton
Portfolio Holder(s)	11.04.16	Councillors Mobbs, Cross, Shilton, Whiting
Consultation & Community Engagement		
Subject to the recommendations in this report being approved there will be extensive community engagement during the Phase 1 work referred to within the report		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		
Whilst this is a final decision in respect of the recommendations within this report there will be a further report presented to members at the end of Phase 1, seeking approval for Phase 2 and the commitment of Council funding to the project budget, as described in recommendation 2.5.		

1. SUMMARY

- 1.1 Executive and full Council have received a series of reports, over a period of years, examining the principle of a relocation of the Council's HQ offices from the current Riverside House site. The current HQ building is larger than the Council needs, costly to adapt to facilitate modern ways of working, difficult to modify to generate revenue savings and in need of considerable capital investment that is currently unfunded. The previous reports, therefore, considered how relocation could assist the Council to deliver a number of complementary objectives: the realisation of revenue savings already built-in as commitments within the Council's Medium Term Financial Strategy; the avoidance of future, unfunded, capital investment in the current building; the use of a relocation to support the local economy and/or stimulate new development within Leamington; redevelopment of the Riverside House site as a brownfield housing development as included within the modified Local Plan; and to ensure the Council has an HQ asset that is fit for purpose and able to support service delivery in a rapidly changing environment.
- 1.2 Since its inception and initial approval by members, the relocation project has been progressed by officers working in conjunction with the Warwick Limited Liability Partnership (LLP). The LLP, formally the PSP Warwick LLP, was established by the Council in 2013 as a joint venture vehicle with Public Sector Partnerships (PSP) in order to assist the Council to manage and develop its asset portfolio and to unlock complex regeneration and development projects such as this one. Further information on the LLP is contained within section 8 of this report.
- 1.3 In September 2015 Executive examined a shortlist of potential relocation sites within Leamington, including an option of refurbishing the existing HQ building, and determined that its preferred option was the comprehensive redevelopment of the current site of the Council's Covent Garden car parks (surface and multi-storey) which would include the construction of the Council's new HQ offices and new car parking in lieu of the existing provision. Executive agreed that the LLP should undertake a detailed feasibility and viability assessment of the preferred option with a further report on the outcome of these studies, including an external validation of the LLP's proposals, being brought back to members. It should be noted that the relatively recent requirement to consider the replacement of the Covent Garden multi-storey car park has added another key dimension and focus to this overall project.
- 1.4 Attached is the report to Executive entitled "Council HQ Relocation and Replacement Covent Garden Car Park Project" (Part A, public report). This Report sets out the outcomes of those detailed assessments and proposes that the project should be approved and progressed to a delivery phase. It also includes a request for temporary project resource to work with the LLP on the next stages of the project, in accordance with the principles underpinning the new structure for project management, as approved by Employment Committee in March. Additionally, it is proposed to establish a members' reference group to oversee the next stages of the scheme.
- 1.5 Council is asked to note the Executive report because what is proposed is a major project for the Council and the local community, and in addition there are financial implications for the Council if it were to decide, at a later date, that it did not want to proceed with the project in the terms outlined in the Executive report.

- 1.6 There is also a private and confidential Part B report to the Executive on the same item, which explains the legal and commercial considerations in more detail.

2. RECOMMENDATIONS

- 2.1 That Council notes the Executive Report of 20 April 2016 entitled "Council HQ Relocation and Replacement Covent Garden Car Park Project" and the recommendations therein;
- 2.2 That Council agrees to accept the potential liability for the expenditure associated with Phase 1 of the Project up to a maximum sum of £1,175,000 in the circumstances where the Council unilaterally withdraws from, or varies the terms of, the project, as further described in the Executive Report.

3. REASONS FOR THE RECOMMENDATIONS

- 3.1 Please refer to Executive Agenda of 20 April 2016, Item 2 – Council HQ Relocation and replacement Covent Garden Car Park Project – Part A report.