

Alan Boad
Chairman of the Council

Council meeting: Wednesday, 21 February 2018

Notice is hereby given that an ordinary meeting of Warwick District Council will be held at the Town Hall, Royal Leamington Spa on Wednesday, 21 February 2018 at 6.00pm.

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 January 2018. **(Pages 1 to 8)**
4. **Communications and Announcements**
5. **Petitions**
6. **Notices of Motion**
7. **Public Submissions**



8. **Leader's and Portfolio Holders' Statements**
9. **Questions to the Leader of the Council & Portfolio Holders**
10. **Setting of the Council Tax 2018/19**

To consider:-

- (a) the recommendations from the meeting of the Executive held on 7 February 2018 in Minute 105, **(To follow)**; and
- (b) the report of the Responsible Financial Officer **(To follow)**

11. **Housing Rents and Housing Revenue Account Budget 2018/19**

To consider the recommendations from the meeting of the Executive held on 7 February 2018 in Minute 107 **(To follow)**

12. **Heating, Lighting and Water Charges 2018/19 – Council Tenants**

To consider the recommendations from the meeting of the Executive held on 7 February 2018 Minute 108 **(To follow)**

13. **Executive Report**

To consider the report of the Executive meetings on:

- (a) 4 January 2018 **(Page 1 - 34)**
- (b) Excerpt of 7 February 2018 Executive (Minutes 106 and 109) **(To follow)**

14. **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 13 February 2018

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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 January 2018, at the Town Hall, Royal Leamington Spa at 6.00pm.

PRESENT: Councillor Boad (Chairman); Councillors Ashford, Bromley, Mrs Bunker, Cain, Mrs Cain, Cooke, Cross, Davies, Davison, Day, Doody, Edgington, Mrs Falp, Gallagher, Gifford, Gill, Heath, Hill, Howe, Illingworth, Mrs Knight, Mobbs, Morris, Murphy, Naimo, Parkins, Phillips, Quinney, Mrs Redford, Rhead, Shilton, Mrs Stevens, Thompson, Weed and Wright.

61. **Apologies for Absence**

Apologies for absence were received from Councillors Barrott, Butler, Coker, D'Arcy, Mrs Evetts, Miss Grainger, Grainger, Margrave, Noone and Whiting.

62. **Declarations of Interest**

There were no Declarations of Interest.

63. **Minutes**

The minutes of the meeting of the Council held on 15 November 2017 were taken as read and were duly signed by the Chairman as a correct record.

64. **Communications & Announcements**

The Chairman encouraged all Councillors to attend his charity concert on 9 February at the Town Hall in aid of his charities for the year.

The Chairman informed Council that there was no business to be conducted under Item 5 Petitions; Item 6 Notices of Motion; and Item 7 Public Submissions.

65. **One World Link**

The Council received a presentation on the recent work of One World Link.

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

Councillor Mobbs, the Leader:

- congratulated Councillor Coker on his MBE;
- explained the work on redeveloping the museum layout had progressed well and exhibitions had been arranged on the mezzanine floor about WW1 and the local suffragette movement ahead of the celebration of 100 years of women being able to vote in general elections;
- explained the income on the Panto had increased and it was hoped to have more shows next year;
- highlighted the talks with MacGolf were ongoing and it was hoped a resolution could be found;
- raised concern about the ongoing misinformation being published by one party and the MP for Warwick & Leamington. There was the public comment that planning officers "leaned on the Planning Committee" to get applications approved. He explained this statement about persons who do

not have the ability to answer back was unacceptable and the Chief Executive would be raising this matter directly with the MP. The Leader expressed his complete support for the Planning Officers of the Council and reminded members that the Planning Committee was an independent body that determined each application on its merits. He therefore expressed his further disappointment that in stating they were leaned on was bad, to imply the Committee adhered to this was worse.

- expressed concern that the MP for Warwick & Leamington had stated that the Council's budget for housing stock repairs had run out before Christmas. This statement was not true, the Council believed that all homes should be fit for living in and of good quality. The Council had adopted an investment plan to achieve this and if required a reserve had been established. The Council undertook action against private sector landlords, where it was required, to ensure they provided the safe living requirements that was expected of them;
- informed Council that in the year up to April 2017 there had been 941 social housing properties completed with a further 1363 consents for development in place. The Council had also worked with its partners W2 to develop the Station Approach site that would deliver a new car park for the Council as well as 75% affordable housing from the 200 properties being developed; and
- informed Council that if there was a meaningful surplus from the sale of the Riverside House site this would be used towards the provision of affordable housing within the District.

Councillor Rhead, Portfolio Holder for Development, informed Council that:

- further to the discussions he had had with a developer, it had been confirmed the developer would develop five properties on the fabric first basis, include electric car charging points, water butts, lighting and heating automation. To support this the Council would work with the developer to promote the work; the details of the developer would be circulated to all Councillors once they could be shared;
- a new supplementary planning document for parking standards had been developed, including student accommodation parking needs, and would be considered by the Executive in the near future ahead of public consultation;
- the audit of Development Services had concluded with a substantial assurance;
- the appeal decision had been received on Radford Road and this would be circulated to all Councillors; and
- Dave Barber had been appointed as Head of Development Services.

67. Questions to the Leader of the Council & Portfolio Holders

Councillor Gifford asked the Portfolio Holder for Housing what action was being taken regarding the 112 properties within the District that had been empty for over five years; and would he ask the Overview & Scrutiny Committee to set up a Task & Finish Group to look into the issue?

In response, Councillor Phillips, Portfolio Holder for Housing explained that he was aware of the request for information which had led to this question, which was one of 150 requests under the Freedom of Information Act the Housing Team had received last year. He reminded Council that that it had an interest in returning empty homes into use to increase the available stock, which would

assist both those looking to buy or rent properties. 85 long term empty properties had been brought back into use last year within the District.

He reminded Council, that it had taken proactive measures to encourage properties to be brought back into use, for example from 1 April 2017, unoccupied and unfurnished properties would no longer receive any council tax exemption. The Council had applied the full levy of 50% on properties that had been empty in excess of two years, meaning 150% council tax was charged. In addition, officers monitored Council Tax data and made contact with the owners of long-term empty properties encouraging them to bring the properties back into use. The Council had achieved some good successes through these methods however some properties had been empty for some time, it was important to note that there was not a significant problem with empty properties in any sector of the housing market and the Council was in-line with regional trends.

The Portfolio Holder accepted that the Council should look at how more could be done and that was the reason there would be a refreshed approach to empty homes in 2018. Therefore, the suggestion of initiating a task and finish group to consider this matter could be premature at this stage and it would be prudent to allow this refresh work to be completed. Once this was completed it could be reviewed by the Housing Advisory Group and if they were minded the Overview & Scrutiny Committee.

Councillor Davison, asked the Leader, in the absence of the Portfolio Holder for Neighbourhood Services, if it was possible to have an update on the pigeon mess problem, under the Network Rail owned bridges in south Leamington?

Councillor Mobbs, as Leader, explained that he shared the concerns raised by Councillor Davison and during the last few months meetings had taken place with Network Rail representatives to explain the issues and highlight that the deterrents were not in place. Inspections were due to take place in October 2017 but these did not take place and this has been followed up with Network Rail. Network Rail had confirmed that on all existing structures they would only use netting. Officers were taking further legal advice on this matter.

Councillor Naimo, asked the Portfolio Holder for Housing, if he could provide a timescale for the Student Housing Strategy as an agreed recommendation from the HMO Task & Finish Group report?

In response, Councillor Phillips, Portfolio Holder for Housing, explained that there appeared to be some people who felt that HMOs are for students and students are bad, when in many cases HMOs were not let to students but to the younger single person/couple who could not afford to buy or even rent a self-contained house.

In August, with the support and agreement of the Executive, officers submitted a bid to the LGA Housing Advisers' Programme for consultancy support to develop the strategy. This was successful and the LGA confirmed the appointment in the second half of November. Since then the consultant had been gathering and assessing the available data to enable him to produce an in-depth analysis of the situation and build a model for option appraisal.

Using an external adviser with expertise in housing market analysis ensured that this was a rigorous, robust and independent study that could be used with confidence for strategy and policy development.

The consultant was drawing data from a range of sources and assimilating this. Inevitably, this was taking some time as not all organisations kept the data in the required form. Exact timescales were dependent upon getting data out of the universities meaning that Councillor Phillips could not commit to timing at this stage. Once the data had been provided, it would be only a small number of days to complete the modelling which would then allow analysis of the various scenarios.

Overall though, the policy was likely to have the following parameters:

- welcome and support a vibrant student community within our District. Welcome housing provision for younger single people/couples who were not students but still needed housing;
- be mindful that some parts of the District were feeling that they had reached a saturation point of too much student accommodation and so the Council would like to examine whether it needed to introduce Section 4 in other parts of the District rather than just in parts of Leamington;
- that developments such as Station House appeared to have worked well and if priced at the right level, were in high demand. Therefore, the Council would need to decide to seek to encourage more such purpose built accommodation with the eventual aim of freeing up some of the HMOs from use as student accommodation.

Therefore, it was anticipated that the student housing strategy would assist the Council with the development of policies that impacted across the wider HMO market and not just the student subset of the HMO market.

Councillor Naimo asked the Leader that following the appointment of a partner for the creative quarter development, would there be consultation on proposals, including with local residents and would there be cross party member involvement?

In response, Councillor Mobbs, as Leader, confirmed he was pleased the Council would be working with CDP and a first phase master plan could be ready before the May 2019 elections. CDP were starting a consultation phase that would be wide ranging and rigorous and there would be a cross party group including the relevant Ward Councillors, along with involvement from relevant Town and County Councillors. CDP had also proposed a regular forum to keep everyone informed. Once the master plan had been developed the Council would need to take a decision on its land. There would be a report to the Executive in February looking for approval of the purchase of some further land to enable the development of the creative quarter.

Councillor Naimo asked the Leader if there would be consultation on the parking displacement policy?

In response, Councillor Mobbs, as Leader, explained that there had been wide ranging consultation along with conversations with BID Leamington, Town Council and other bodies. In response to a supplementary question, the plan would be made public and the Council would listen to views from interested parties, including the public.

Councillor Bromley congratulated the Portfolio Holder for Business on his responses to the Friends of St Mary's Lands and in leaving the door open to them. However, had any lessons be learned on how to engage with groups and ensure their views were heard?

In the absence of the Portfolio Holder for Business the Leader, Councillor Mobbs, thanked Councillor Davison for his positive words and recognised that it had been challenging and it was disappointing when the organisations we worked with would not be as transparent as the Council.

Councillor Bromley, asked the Portfolio Holder for Housing if his team undertook quality assurance work on the repairs undertaken by contractors and were there any known issues with contractors undertaking repairs?

In response, Councillor Phillips, Portfolio Holder for Housing, explained that his teams closely monitored the work of contractors. The contractors welcomed feedback and new ideas were being trialled to improve the quality of work further.

In response to a supplementary question from Councillor Bromley, Councillor Phillips explained that the Housing Stock report was being considered by officers and this would be reported to the Overview & Scrutiny Committee in due course and the budget for the works would be detailed in the appropriate report to the Executive in February.

Councillor Weed asked the Leader, if he was aware of the increasing problem of drug taking with needles being disposed of in parks, streets and gardens and human excrement in public open spaces, which were problems associated with homelessness and drug addiction but impacted on public health, therefore could a working party be set up with the relevant agencies to find solutions for this?

In response, the Leader, Councillor Mobbs, explained that he was not aware of this issue and asked for details to be shared with him and relevant officers so they could be investigated and responded to.

Councillor Parkins, asked the Portfolio Holder for Health & Community Protection if they could provide an update on the STP action plan?

In response, Councillor Thompson as the Portfolio Holder for Health and Community Protection, explained that reports had been made to the Health & Wellbeing Board and he would share the links to these with Councillors.

Councillor Parkins asked the Portfolio Holder for Housing, what plans were being considered to deliver more social housing?

In response, Councillor Phillips, the Portfolio Holder for Housing, explained that the Council was working hard to deliver sites to meet the need within the District and for example Sayer Court, Station Approach and the Print Works in Warwick. The Council was aware of some privately owned sites coming forward with levels of affordable housing higher than 40%, for example the Soans site in Sydenham.

He highlighted that in Sayer Court the Council built the first council housing in years and work continued with a number of Registered Providers to encourage the development of new affordable housing across the District. In the last financial year, 284 new affordable homes had been completed, with a further 240 completed in the first three quarters of 2017/18. In addition, as highlighted by the Leader earlier, through the joint venture with W2 the Station Approach in Leamington would deliver 212 homes of which 160 would be affordable, a new Council owned 100 space car park and an improved cycle-path to the station via the underpass off Avenue Road. W2 was also on site at the Print Works in Warwick delivering a further 39 affordable homes. However, Councillor Phillips explained that he had asked officers to consider how more affordable housing could be delivered and for reports to be prepared on this.

Councillor Mrs Falp asked the Portfolio Holder for Housing, that if the Overview & Scrutiny Committee agreed to look at the Private Sector Housing issue, as he highlighted earlier, would he agree to attend the meeting along with relevant officers?

In response, the Portfolio Holder agreed he would.

Councillor Mrs Falp asked the Leader if the Council Chamber would have a new PA system before the Council moved to its new HQ?

In response, the Leader agreed to press the matter further.

Councillor Mrs Knight asked the Leader, that in light of the bad week that Carillion had just had, what work had the Council undertaken to ensure the Council would not get caught out in this way when outsourcing services?

In response, the Leader, Councillor Mobbs, explained that the Council did not have any contracts with Carillion or their suppliers. There were procurement champions in place to promote and improve procurement performance.

In response to a supplementary question from Councillor Mrs Knight, the Leader explained that in any multi million pound business there would be issues and the Council was continuing to look for improvements, for example the proposed procurement partnership with Warwickshire County Council.

Councillor Quinney asked the Portfolio Holder for Housing that in light of the good work by this Council to resettle five Syrian refugees with no cost to the Council, would the Council look at helping further refugees into the community?

In response, the Portfolio Holder for Housing, Councillor Phillips, agreed this was something the Council should explore further.

Councillor Quinney asked the Leader, that as the pay negotiations were likely to see a settlement in the region of 2% with those lower paid members of staff receiving a higher payment, therefore protecting the differentials, could the Council revisit its position with regard to the living wage foundation payment?

In response, the Leader, Councillor Mobbs, explained that the position had not changed because the pay settlement needed to be agreed before it would be possible to see the impact of the settlement across the differentials and therefore before any final decision could be taken.

Councillor Quinney asked the Leader that in light of the MacGolf contract would a report be brought to Members detailing the problems that had arisen, how these were reported and details of any monitoring arrangements?

In response, the Leader, Councillor Mobbs, explained that the key factor was that participation in golf was declining. He was not happy with the position the Council was now in, but monitoring had been explained in the previous report to the Executive. The Council would need to determine what was not just best for the course but for the whole of Newbold Comyn. He understood that at the time MacGolf left Newbold Comyn, the course was playable.

In response to a supplementary question, the Leader confirmed that there would be a report in due course on the way forward for the site which would include consultation.

Councillor Quinney asked the Portfolio Holder for Housing that in light of the delay for universal credit, which was now due to arrive with this Council in October 2018, was the Council making appropriate budgetary provision for this because of potential arrears from tenants and also additional staffing to support this?

In response, the Portfolio Holder, Councillor Phillips, confirmed that this was being budgeted for. In addition, the Council had a financial inclusion plan to respond to these issues along with a working group to further support this work in partnership with Citizens Advice for support in specific areas. There was a dedicated plan in place for responding when universal credit arrived and in addition, in partnership with other members of ARCH the Council was lobbying for further improvements in the operation of Universal Credit, most importantly direct payment to landlords of rents.

68. **Report of the Executive**

The reports of the Executive meetings were proposed was duly seconded and

Resolved that the Executive reports as follow, were approved:

- (1) 1 November 2017 (excluding minutes 64 to 66 that were considered by Council on 15 November 2017);
- (2) 15 November 2017;
- (3) 29 November 2017; and
- (4) excerpt of 4 January 2018 (Minutes 93 to 94)

69. **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 7.44 pm)

Chairman
21 February 2017

Executive

Excerpt of the minutes of the meeting held on Thursday 7 February 2018 at the Town Hall, Royal Leamington Spa, at 6.00 pm.

Present: Councillor Mobbs (Leader); Councillors Butler, Coker, Grainger, Phillips, Rhead, Thompson and Whiting.

Also present: Councillors; Boad (Liberal Democrat Observer); Naimo (on behalf of Overview & Scrutiny); and Councillor Quinney (on behalf of Finance & Audit Scrutiny Committee and Labour Group Observer).

103. **Declarations of Interest**

There were no declarations of interest.

104. **Minutes**

The minutes of the meetings held on 1 November 2017 and 29 November were taken as read and signed by the Chairman as a correct record.

The minutes of the meeting held on 15 November 2017 were taken as read, subject to them being amended to remove Councillor Heath from the record of those present, and signed by the Chairman as a correct record.

Part 1

(Items on which a decision by Council on 21 February 2018 was required)

105. **2018/19 General Fund Budget & Council Tax**

The Executive considered a report from Finance that informed them of Council's financial position, bringing together the latest and original Budgets for 2017/18 and 2018/19, plus the Medium Term Forecasts until 2022/23. It advised upon the net deficit from 2022/23 and the savings required to balance future years' Budgets.

The report sought approval of the Latest Budget 2017/18, Original 2018/19 Budget, this Council's Band D Council Tax charge for 2018/19, 5 Year Capital Programme, Prudential Indicators for 2018/19, the latest Reserves and Schedules, Financial Strategy, Equipment Renewal and ICT Replacement Schedules, Ear Marked Reserve Requests for slippage to 2018/19 Budgets and appropriation of New Homes Bonus and General Fund balances.

These would be recommendations to Council in February alongside a separate report recommending the overall Council Tax Charges 2018/19 for Warwick District Council.

Despite significant cuts in Government Funding, this Council had been able to set a balanced Budget for 2018/19 without having to reduce the

services it provided. This had been the case for many years as a result of the Fit for the Future Programme the Council adopted. It had not had to rely on New Homes Bonus to support core revenue spending and had been able to allocate this funding to project work and replenish reserves. Alongside this, the Council achieved a surplus on its 2017/18 Budget. However, the Council's financial projections showed that further savings needed to be secured from 2019/20 onwards.

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 2018/19. Therefore, a 5 year Financial Strategy, Capital Programme and Reserves Schedule was also provided.

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 stated 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, which was set out at Appendix 1 to the report.

In November 2017, Executive approved the Revised Base Budget with a surplus of £811,500 which was duly allocated as follows:-

• Service Transformation Reserve	£150,000
• Capital Investment Reserve	£150,000
• Investment Volatility Reserve	£100,000
• Early Retirement Reserve	£50,000
• Car Park Displacement Reserve	£100,000
• Contingency Budget 2018/19	£200,000
• Contingency Budget 2017/18	£61,500

At that point, the latest budgets totalled £14,155,300. Since then, further work on these budgets had taken place and latest budgets revised to a total of £14,855,500 yielding a further £110,300 surplus.

Interest rates rose at the end of 2017 and Officers had updated the forecast Investment Interest in light of this and the latest forecast balances available. The latest forecast for the General Fund was £313,800, an increase on the £295,000 reported in November.

The Inflation Provision and Cleaning Contingency had not been utilised and it was unlikely that they would be during 2017/18. This yielded a total ongoing saving of £72,300.

Since the Council introduced its charging schedule for the recycling receptacles, the demand for these had decreased. It was possible to

reduce the Revenue Contribution to Capital for these by £45,000. This was expected to be recurring, although this would be reviewed annually.

Some of the 2017/18 budgets for projects would not be needed until 2018/19. A schedule was provided for Ear Marked Reserve Requests at Appendix 2 detailing these. This totalled £292,000 for the General Fund and £10,700 for the HRA.

Taking into account these changes to the latest budget for the current year, 2017/18 was forecast to produce a further surplus of £110,300. The use of this surplus was considered within the report.

In the November 2017 Report, Executive approved the General Fund Base Budget for 2018/19 of £16,254,400 then showing a £38,500 surplus. Since then there had been further budget changes. The latest forecast was £18,742,000 after allocation of the £15,200 surplus.

In January, Executive received a report on the new procurement arrangements for 2018/19. The £20,000 net additional cost had been built into budgets. The ICT Serve Re-design included a recurring saving of £50,000.

Business Rates Income and the Volatility Reserve had been updated to bring a £100,000 net additional income to the General Fund in 2018/19.

The following substantive posts had been included within the 2018/19 Budget, for which Executive was asked to approve the funding. These posts were subject to the changes to the Establishment being agreed by Employment Committee:

- the Sports Programme Manager and Officer for the Leisure Options Project had been recruited on an interim basis. These posts were currently funded until September 2018. However, it was apparent that to deliver this project and then move to Stage 2 Kenilworth, these Posts needed to be made permanent. The proposed 2018/19 Budget had been increased by £48,900 (6 months), with a full year effect from 2019/20.
- Due to the extended timeframe for the Office Relocation, the Projects Officer was proposed to be made permanent. £57,300 had been included in the 2018/19 Budget on a recurring basis.
- A new Strategic Opportunities Project Manager post had been created to assess Commercial and Strategic Opportunities requiring a recurring budget of £45,400. As discussed later in the report, the Council needed to identify significant ongoing savings or increased income. Part of the post's responsibility would be to identify new opportunities for income generation. Officers were aware that feasibility work was already required around a number of ideas including:
 - § Advertising & Sponsorship
 - § Energy efficiency, renewable energy and storage options
 - § Local Lottery

§ Enterprise team delivery model

(NB: Within the next Fit For the Future update report, further detail would be provided in respect of these and other ideas.

The 2018/19 and 2019/20 Pay Offer reflected the impact of the National Living Wage on the lower Pay Scales. This increased pay budgets by £48,000 above the 2% allowed for in the 2018/19 Base Budget.

Investment Interest had been recalculated. Income for 2018/19 was now some £125,000 higher than that reported in November 2017.

The grant for Housing Benefits and Council Tax Support Admin Subsidy had been reduced by £40,000 below what was budgeted. The 2018/19 Budget had been increased accordingly. However, with the further delays in the rollout of Universal Credit, it was hoped that there would be a supplementary allocation, details of which would be reported as part of future Budget Review reports.

Some temporary staffing posts were required for 2018/19 only. There was a peak in the licensing of Houses in Multiple Occupation (HMOs) due to changes in legislation. This peak in workload needed to be managed in 2018/19. It was expected that additional fee income would cover these costs in future years. The the audited 2017/18 Accounts had to be published on the Council's website by the 31 July 2018. Previously, the deadline for this was 30 September each year. Piloting the new arrangements during the 2016/17 closedown had proved resource intensive. An additional six month fixed term post had been created for 2017/18 whilst officers reviewed its existing practices. A total of £137,000 had been built into 2018/19 Budgets to address these issues.

Taking into account the above changes, the Government Grant, Retained Business Rates and Council Tax, 2018/19 would present a surplus of £15,200.

As part of the 2016/17 Provisional Funding Settlement in December 2015, the Government proposed a four year settlement for the period 2016/17 to 2019/20. The future years' Revenue Support Grant (RSG) figures were shown below, alongside those for recent years:

	£000
2013/14	4,552
2014/15	3,515
2015/16	2,500
2016/17	1,587
2017/18	794
2018/19	307
2019/20	0

As part of the 2016/17 Settlement, the Government proposed that if authorities were to submit an Efficiency Statement and so accept the proposed figures, it would agree not to subsequently alter these figures

except in certain extreme circumstances. In common with the vast majority of local authorities, the Council submitted its efficiency statement which was subsequently accepted by the Government.

As anticipated, the RSG within the 2018/19 provisional settlement was unchanged. The figure of £307k had been incorporated within the Council's Medium Term Financial strategy (MTFS).

In presenting the RSG figures, the Government had made the following assumptions which served to mitigate the overall reduction in Core Spending Power.

- The Government projections assumed local authorities would increase council tax by the referendum limit (£5 for Warwick District Council). This continued to be a major departure from pre 2015 Government policy whereby local authorities were under pressure to freeze the council tax.
- Assumptions of growth in the council tax base to continue at current levels
- The Government made assumptions of future New Homes Bonus (NHB) payments to local authorities. Given the uncertainty over New Homes Bonus, the Council's policy had been to exclude this from core funding and this continued to be reflected in the projections within the Council's MTFS where future NHB payments were excluded.

For 2019/20, the Council would not be in receipt of any RSG, as allowed for within previous financial projections.

The provisional Settlement figures for 2019/20 continued to include "Tariff Adjustments" which would reduce the Council's element of retained Business Rates. These adjustments were widely seen as "Negative RSG". For this Council, the adjustment amounted to a further reduction in funding on 2019/20 of £237k. Nationally, the Tariff Adjustments totalled £153m. The Government was planning a consultation in Spring 2018 on how the Tariff Adjustments should be accommodated in future year's Finance Settlements. To date, the Tariff Adjustment had not been included within the Council's MTFS. However, it was believed to be prudent to allow for this adjustment, therefore, this had been factored into the MTFS as a recurring cost.

The final Grant Settlement was expected in early February. Updated figures, if changed, would be provided when available. Any change in the 2018/19 Revenue Support Grant was proposed to be compensated by changing the General Fund Balance.

A summary of the 2017/18 and 2018/19 was attached at Appendix 3 to the report.

Projecting the Council's element of Business Rate Retention continued to present difficulties.

There continued to be many appeals awaiting determination by the Valuation Office. An assessment of the success of these needed to be made and suitable provision had been allowed for within the estimated figures. Whilst it was hoped that this figure was suitably prudent, given the size and nature of some of the appeals, there was remaining risk. April 2017 saw the introduction of the new "Check, Challenge, Appeal" regime seeking to expedite appeals and deter speculative appeals. Following previous revaluations, backdated appeals continued to be lodged for several years. Accordingly, whilst the number of new appeals coming forward since April 2017 was minimal, it was expected that a significant number of appeals would come forward in subsequent years that would be backdated to 2017. It was necessary for an estimate of these future appeals to be allowed for in the 2017/18 and 2018/19 Estimates.

Tariff/Top-Up Adjustments existed in the system to redistribute business rates income between local authorities. With the 2017 Revaluation, it was necessary for each local authority's tariff or top-up to be re-based. The re-basing was intended to protect any growth that had accrued in the local business rates based since the commencement of business rates retention in April 2013. The Government had made an assessment of the adjustments necessary for the 2017/18 and 2018/19 figures. However, this would be reviewed following the closure of the 2017/18 accounts, meaning that further adjustments (positive or negative) were likely to the 2018/19 figures and beyond.

100% Business Rates Retention was originally expected to start in 2019/20. Due to limited Government time to consider this matter, it was now proposed that a scheme based around 75% retention would be brought in in 2020/21, using existing Regulations, without the need to introduce new legislation.

From 2020/21, the existing Baselines within the Business Rate Retention would be re-set. This would reflect the spending needs of individual local authorities to be determined by the Fair Funding Review which was currently on-going and consultation responses were sought by March 2018. The review would reflect the updated business rate bases of local authorities. It remained to be seen what growth in the local business rate base since 2013/14 would be allowed to be retained by local authorities.

As with all local authorities, 2020/21 represented a significant risk to the Council's finances with the intended changes to Business Rate Retention. If the Council's share of Business Rates returned to the Baseline, this would represent a potential reduction of over £1m in funding. The MTFS did allow for a reduction in funding back to the Baseline. However, this was mitigated by the use of approximately £600k from the Business Rate Retention Volatility Reserve from 2020/21; the use of the reserve at this level would only be sustainable for another two or three years based on current assumptions.

The estimates from 2020/21 were very uncertain, many local authorities would be severely impacted, potentially many far greater than Warwick due to the significant growth in their Business Rates base since 2013/14.

With the potential for substantial swings in local government funding, it was likely that some sort of safety net would be introduced that provided authorities time to manage large swings in their funding. The future information and figures from the Government would continue to be monitored, with the impact included in the Council's MTFS.

Largely due to the regulations governing the accounting arrangements for business rates retention, there would be substantial volatility between years in the amount of retained business rates credited to the General Fund. Consequently it was necessary to maintain a Volatility Reserve to "smooth" the year on year sums received.

Business Rates Estimates. For 2018/19, the net Business Rates Retention to the General Fund, had been increased by £100k to £3.9m. This was believed to be a prudent estimate. The NNDR1 form which estimated the business rates for 2018/19 was being finalised ahead of its deadline of 31 January 2018. This would produce some of the final figures that fed into the Business Rates Retention income for the Council for the year. It was not expected that there would be any great variation in the NNDR1 and what had been allowed in the proposed Budget. However, should there be any variation; this would be accommodated within the Business Rate Volatility Reserve.

Executive agreed on 1 November that the Council applied to be part of the proposed Warwickshire 100% Business Rates Retention Pooling Pilot for 2018/19. It was understood that there were many applications to be Pilot Pools, of which ten were accepted. The Warwickshire application was not successful. Therefore, the Council would continue to be a member of the Coventry and Warwickshire Pool for 2018/19 under the current 50% Business Rate Retention scheme.

The Business Rates retention within the MTFS was believed to be reasonably prudent taking into account all the above factors. These figures would continue to be reviewed and Members would be informed of changes as the MTFS was presented in future reports.

As announced within the Provisional Local Government Finance Settlement, District Councils could increase their share of the Council Tax by the greater of up to 3% and £5 without triggering a referendum. The increase to 3% from 2% would benefit many district councils, but for 88 districts, including Warwick District Council, it had no impact as £5 exceeded 3%.

The national average council tax for district councils was £179.25, and £218.41 including parish/town council precepts. This Council's council Tax charge for 2017/18 was £156.86 (excluding parish and town council precepts). This Council's charge was in the second lowest quartile and when Town and Parish Precepts were included it was within the lowest quartile.

The Council Tax Base was calculated in November of last year, with the Council's preceptors being notified accordingly. The Tax Base for 2018/19 was 53,388.87 Band D Equivalents. Whilst this was an increase of some

679.19 on 2017/18, it was short of that previously assumed in the Financial Strategy when last year's Tax Base was calculated (53,800). The reduced forecast growth in the tax base had been factored into the MTFS. This impacted upon the Council's estimated council tax income, resulting in additional savings required in future years.

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. This figure was divided by the 2018/19 tax base to derive the District Council Band D Council Tax Charge.

The recommendations within the report produced a Band D Council Tax for Warwick District (excluding parish/town council precepts) for 2018/19 of £161.86, this being a £5 increase on that of 2017/18. Based on this increase, the District's element of the Council Tax for each of the respective bands would be:

	£
Band A	107.91
Band B	125.89
Band C	143.88
Band D	161.86
Band E	197.83
Band F	233.8
Band G	269.77
Band H	323.72

Parish and town councils throughout the district were asked to submit their precepts for 2018/19 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 just over £1,400,000 based on prior years. This figure did not take into account the grants that this Council would continue to award in respect of the Council Tax Support adjustments to the Tax Base, which it had been agreed that would cease after 2018/19. In the Provisional Finance Settlement, the government announced it would defer the setting of referendum principles for town and parish councils for three years. However, this was conditional upon the sector taking all available steps to mitigate the need for council tax increased, including the use of reserves where they were not already earmarked for other uses or for "invest to save" projects which would lower ongoing costs; and the government seeing clear evidence of restraint in the increases set by the sector as a whole.

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 21 February 2018 would provide all the required details. This would be published as soon as possible following the Police and Crime Commissioner

and Warwickshire County Council meetings, which were both due to be held on the 6 February. At the time of writing this report, it was assumed that all the Town/Parish Precepts would be returned. The 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.

Council had a fiduciary duty to the Council Taxpayers of Warwick District Council. It had a duty to seek 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. It must not come to a decision that no reasonable authority could come to, balancing the nature, quality and level of services that they considered should be provided, against the costs of providing such services.

Should any Councillor wish to propose additions or reductions to the budget, on which no information was given within the report, 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. The report set out relevant considerations that enabled deliberations, including the statement at Appendix 1 to the report from the Chief Financial Officer.

Section 106 of the Local Government Finance Act 1992, stated that any member 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 New Homes Bonus (NHB) for 2018/19 was £2,482k. This was an increase from the £1,938k awarded for 2017/18.

Following the announcements of 12 months ago, the following changes continued to be factored in to the NHB calculations:-

- Funding had been reduced from the previous six year's retrospective years to five years for 2017/18, to four years for 2018/19 and beyond. Had the six years been maintained, this would have presented the Council with an additional £400,000 New Homes Bonus in 2018/19.
- The baseline of 0.4% had continued for 2018/19. New Homes Bonus was only awarded on growth above this level. There was the possibility that the baseline was to be increased, this remained a risk for the future. For Warwick District Council, for 2018/19 the 0.4% baseline represented 249 dwellings. With the total growth of 925 Band D properties, the 2018/19 allocation was based on 676

properties. The baseline was reducing the New Homes Bonus 2018/19 allocation by £300,000 and a similar amount for 2017/18 compared to the previous regime.

- The proposals to withhold payments for areas without a local plan, or for homes allowed on appeal, were not being implemented at this stage.

To date this Council had used the money to fund various schemes and initiatives and replenish some of its Reserves, and unlike many local authorities, had not used NHB to support core services. It continued to be the Council's policy to exclude new Homes Bonus in projecting future funding.

As in previous years, Waterloo Housing would receive part of this allocation from their agreement with the Council to deliver affordable Housing in the District. £170,287 was due to be paid to Waterloo in 2018/19. Section 3.13 of the report detailed how it was proposed to allocate the Residual Balance for 2018/19.

The Government had previously announced that local authorities could increase planning fees by 20% provided that it was ring-fenced to support the planning service. This Council had responded to the Government to state its intention to increase its planning charges. The 20% increase came in from 17 January 2018.

The extra 20% would generate approximately £250,000 per annum based on current estimates. The current baseline and income assumptions should be retained, with the extra income used to make improvements to support the planning function. It was proposed that the additional income was initially allocated to a new Planning Investment Reserve. The expenditure to be funded from the reserve needed to be specifically identified. In June 2017, within the Fit For the Future Executive report, it was agreed, that consequent budget apportionments of the additional income were determined by the S151 Officer in consultation with the Council's Senior Management Team.

To date, a new Green Space Officer had been agreed by the Employment Committee, funded by the 20% uplift, to support the increased work on Neighbourhood Services relating to the Local Plan. Further staffing investments were planned by Development Services and Health and Community Protection to be similarly funded. These would be subject to future reports to Employment Committee.

The funding of these posts from the 20% uplift would be funded from the apportionment of the income as determined by the Head of Finance.

The additional income would be monitored on an on-going basis so as to ensure the income was not over committed and could fund any agreed commitments. A prudent stance would be taken in projecting the funding and how it was utilised.

The Council currently paid the National Living Wage as set by the Living Wage Foundation, with this due to be reviewed annually as part of the Budget Setting process. In view of the increases to the Government National Living Wage, and the impact this would have on future grade differentials, it was agreed by the Employment Committee, and subsequently by Council, that the Council would freeze the current Living Wage Foundation rate of pay at the current level (£8.45 per hour or £16,300 pa), but that the frozen rate was increased in line with a 1% pay award on 1 April each year, subject to consideration as part of the overall budget setting process, until it was exceeded by National Living Wage, or the evaluated pay rate.

When this issue was considered by Employment Committee, it was anticipated that the national pay award for 2018/19 would be 1%. The current pay offer for 2018/19 (for which agreement was awaited) was based on a 2% increase. Consequently, subject to the acceptance of the pay offer, it was proposed to increase the current Living Wage hourly rate of £8.45 by 2%. As the numbers in receipt of the NLW were very low, this extra 1% would be able to be accommodated within existing Budgets.

The national planning fee increase had allowed the Council to review the method by which the planning regime was delivered, using additional funds received via the increase to improve the service delivery. As a result of this review, a temporary Senior Environmental Health Officer post, for two years had been identified as required in Health and Community Protection. It was proposed that 0.6FTE of the post be funded through the planning fee increase and the remaining 0.4 FTE be funded from the Service Transformation Reserve. This additional 0.4FTE would accommodate further increases in planning applications through the two year period including HS2 related work. It was important to note that any HS2 related time could be recovered from HS2 rather than funded through the Service Transformation Reserve, therefore, the total of £36,000 over the two years, grade to be determined by Hay, would be the maximum required from the Service Transformation Budget.

The Council operated a number of electric cars as a pilot scheme. The scheme pilot was due to conclude in June 2018 and therefore was being evaluated to determine if the pilot had been successful and if the Council wished to continue the scheme in its current form, with alteration or not. The review was not due to conclude until end of February 2018 and therefore a figure for the scheme was unable to be calculated at this time. Upon conclusion of the review, a further report would be brought to detail any financial implications.

On the 21 February 2017, the Council approved the 2017/18 Budgets and Council Tax. This report set out the 5 Year MTFS. At that point, it was forecast that a further £830,000 of savings were required to be found and achieved to enable the Council to maintain a Balanced Budget.

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Deficit-Savings Required(+)/Surplus(-) future years		412	201	-202	830
Change on previous year		412	-211	-403	1,032

The latest forecasts was presented to the Executive in June 2017 (Fit for the Future Report), August (Budget Review Quarter 1) and November (General Fund Base Budgets).

Since February 2017 the Strategy had been rolled forward another year to maintain a five year projection. This meant that whilst the Council benefited from an increase in Council Tax (increasing by £5 and additional growth), it incurred inflation on its service expenditure (assumed 2%). The net effect of this was a £60,000 reduction in the savings requirement.

There had been several changes to staffing budgets, including the new posts proposed and a £150,000 ongoing Budget for an Apprenticeship Scheme approved within the November 2017 Budget Report. Within the 2018/19 and 2019/20 2 year Pay Offer, the National Living Wage had lead the Local Government Employers to look at how this impacted on lower pay scales. Increases above 2% were proposed to be awarded to all spinal column points below 19. For 2019/20 there would be a complete revision to these Scales to match the proposed new Spinal Column Points. Early Indications such there would be additional costs of some £48,000 in 2018/19 and a further £150,000 in 2019/20. The total on-going costs of all of these amounting to circa £350,000

The Council was scheduled to renew many of its contracts in 2021/22. When the Budget was set in February 2017, it was assumed that the cost of this could amount to £1,182,000. However, latest intelligence suggested that the increases to the National Living Wage and a drop in recycling prices could mean the costs of renewal would be considerably more. Alongside this, some current contracts were inflated annually based upon RPI (at August the prior year) minus 0.5%. The latest forecast cost had increased to £1,700,000, an increase of £518,000.

There had been various other changes related to contract expenditure over the years. These included the transfer of the £83,000 costs for the Grounds Maintenance carried out on HRA land, and the impact of the new property development, which would generate additional recycling credit income but incurred additional costs in servicing these properties of £288,000.

The original assumption for the Council Tax Base for 2018/19 had proven to be overly optimistic. Each year, when the Tax Base was set further increases were factored into future years. This base had now reduced and

lowers future years as well, 2022/23 being £72,000 lower in Council Tax income than previously forecast.

Planning Fee income in 2017/18 had increased with a further £300,000 being factored into the 2017/18 Budget. With the Local Plan being adopted in November 2017, applications would increase further. It had been possible to factor recurrent additional income amounting to just over £0.5 million per annum into future years plus a further £50,000 when adding annual inflation uplifts. These figures excluded the 20% uplift that would be separately ring-fenced.

Investment Interest had been revised to reflect the latest investment rate forecasts provided by Asset Link Services, the Council's Treasury Management Advisors, and the Council's projected balances invested. The Council's investment income had increased by £150,000 per annum above that previously forecast.

When the Budget was presented in February 2017, the Leisure Options Contract had not been finalised. At that time the Strategy assumed £612,000 in the concession fee. The agreement was evaluated on the basis of the overall benefit to the Council over the 10 year contract period. The concession was £610,000 for 2109/20, increasing annually to £1.389m in 2025/26. This had previously been reported to members. In 2022/23 (the final year of the MTFS produced here), the Concession Fee would be £1,230,000, an increase of £618,000 above that previously forecast.

The provisional settlement indicated a tariff adjustment of £237,000 in 2019/20. This had been incorporated into the Strategy from 2019/20.

There had been many more changes to the five year forecast which had a lower impact. The table below summarised them:

Savings Required by 31/3/2021 (as at February 2017)	£'000's
	830
Roll Forward to 2022/23	-60
Staffing - net	350
Leisure Options	-618
Contracts	518
HRA Grounds Maintenance	-83
Expenditure related to property growth	288
Reduced Council Tax Base growth	72
Planning Fee Income	-550
Investment Interest	-150
Tariff Adjustment	237
Reduced Contributions to Bins & receptacles	-45
Net-various other changes	-90
Savings Required by 31/3/2022 (as at February 2018)	699

The Council faced a £699k deficit by 2022/23 unless further savings to the same magnitude could be identified and delivered. The profile of these savings was shown in the table below:-

	2017 /18 £'000	2017 /18 Latest £'000	2018 /19 £'000	2019 /20 £'000	2020 /21 £'000	2021 /22 £'000	2022 /23 £'000
Deficit-Savings Required(+)/Surpl us(-) future years	0	0	0	607	81	929	699
Change on previous year	0	0	0	607	-526	848	-230

This forecast assumed that future Fit for the Future Savings would be delivered. These included:-

- Office Relocation £300,000 2021/22
 - Alternative use of the Town Hall £85,000 2021/22
 - Senior Management review £200,000 2022/23
- (NB - Some of these savings could occur at an earlier date)

Officers would continue to look for other Fit for the Future Projects which would yield more savings, with a Fit for the Future Report to be presented to in June 2018.

The Latest Financial Strategy was shown at Appendix 4 to the report.

It had been agreed that £1.5m should be the minimum level for the core General Fund Balance. This balance 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 5 to the report. This showed the requirement for the General Fund balance of over £1.5 million against the risks identified above.

The General Fund had many specific Earmarked Reserves. These were attached at Appendix 6 to the report. They showed the actual and projected balances from April 2017, along with the purposes for which each reserve was held.

The reserves which showed a significant change in the overall balance in the period 1 April 2017 to 31 March 2022 were detailed in Appendix 6 to the report.

In accordance with the Council's Code of Financial Practice, all new and future capital schemes, must be in line with the Council's corporate priorities and a full business cases would be required as part of reports to the Executive for approval. This 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 be included in the Report and Business Plan.

The Capital Programme had been updated throughout the year as new and changes to projects had been approved. In addition to the changes throughout the year, it was proposed to add several new schemes to the Capital Programme as detailed in Appendix 9 to the report. The most notable of these were detailed below:-

Scheme	Year	Amount	Financed From
Desktop Infrastructure, Storage Area Network (SAN), Network Devices LAN & WAN, Infrastructure General, Physical Server Replacement, UPS.	2018/19 to 2021/22	£343,500	ICT Replacement Reserve
Rural & Urban Initiatives Grants – extension of current programme	2021/22	£150,000	Capital Investment Reserve
Recycling & Refuse Containers – extension of current programme	2021/22	£80,000	Capital Investment Reserve

Other reports on the Executive agenda in February considered several schemes which impacted on the Capital Programme. These had been incorporated in the Capital Programme as follows:-

Scheme	Year	Amount	Financed From
Acquisition of Stoneleigh Arms	2018/19	£710,000	RTB Receipts
Playbox Theatre loan	2018/19	£150,000	Capital Investment Reserve
Newbold Comyn Arms loan	2017/18 and 2018/19	£350,000	Capital Investment Reserve
Car Parking Displacement – capital costs	2018/19	£220,000	Parking Displacement Reserve

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

- Investment in replacement multi storey car parks

- Office relocation
- Europa Way

Slippage to 2018/19 in the General Fund Programme had been incorporated as reported during the year.

In addition, the following table showed the main changes to current schemes that were required to be reported. The full details were within Appendix 9:-

Scheme	Year	Amount	Comments
Desktop Infrastructure	2017/18	-£10,000	Saving
Voice over IP telephone system	2017/18	-£-31,700	Saving
Leisure Options	2017/18 to 2018/19	-£919,200	Slippage
Whitnash Hub	2017/18	£89,900	Increase budget for element funded from S106 payments.
St John's Flood Alleviation	2017/18 to 2018/19	-£100,000	Slippage
Pump Room Garden Restoration	2017/18 to 2018/19	-£1,000,000	Slippage
Leisure Centre Benches, Cycle racks etc	2017/18	£16.833	Funded from sale of gym equipment.
Recycling and Refuse Containers	2017/18 to 2020/21	Annual Budget reduced to £80,000	Reduced annual budget

Appendix 10 to the report, Part 5 showed the General Fund unallocated capital resources. These totalled £2.687m. The Capital Investment Reserve represented the largest share of this at £1.45m, for which the Council had agreed the minimum balance should be £1m. Whilst the Council did hold other reserves to fund capital projects, it would be noted that these were limited and had been reserved for specific purposes. In addition to the resources shown, within the Housing Investment Resources, the Right to Buy "Any Purposes Capital Receipts" projected at £9.3m (Appendix 10, to the report part 4) were available to fund non Housing schemes.

The latest Housing Investment Programme (HIP) was shown at Appendix 10 part 2.

Appendix 9 to the report detailed variations to the HIP from that previously reported in February 2017. This included changes to current schemes, and slippage from 2016/17.

Appendix 10 to the report part 4 showed the funding of the HIP and the forecast balances at year end until 31 March 2022 after the HIP had been financed.

The Capital receipts primarily related to Right to Buy (RTB) sales. The Council had freedom on how these receipts were utilised, being able to fund General Fund and Housing Capital schemes.

1-4-1 RTB receipts had to be utilised in replacing housing stock that had been purchased from the Council by existing tenants through the RTB scheme. This could be through new build properties (such as Sayer Court), the purchase of existing properties (such as Cloister Way) or buy back of existing council properties previously sold through RTB. However, they could only be used to fund up to 30% of the replacement cost as per RTB regulations. If the funding was not used within a three year period from the date of receipt, the funding would be repayable to the Government, along with interest.

The dates by which the unallocated 1-4-1 RTB balances needed to be used by were as follows:

31/03/2020	31/03/2021	31/03/2022	31/03/2023	31/03/2024
£1,109,900	£1,800,000	£1,800,000	£1,800,000	£1,864,800

. The HRA Capital Investment Reserve was funded by the surpluses generated on the Housing Revenue Account. The HRA Business Plan assumed that this funding would be used for the provision of new HRA stock, and to allow debt repayments on the £136.2m loan taken out to purchase the HRA housing stock to commence from 2052/53.

The Major Repairs Reserve was used to fund capital repairs of the HRA stock. The contributions to this reserve were based on depreciation calculations. It was noted that approval was given by Executive in July 2017 to increase expenditure for fire safety works following a review of high-rise housing stock. Further provision would be sought from Executive if required, for which it would be noted there was over £4.5m projected funding within the Major Repairs Reserve.

Section 106 (S106) payments were received from developers in lieu of them providing new on site affordable homes, enabling the Council to increase the HRA stock or assisting housing associations to provide new dwellings. These S106 payments usually had a time limit attached to them by which time they had to be utilised or they may need to be repaid to the developers.

The Right to Buy Capital Receipts were shown within the sources of Housing Investment Programme funding. As considered previously, these capital receipts were not ring-fenced and could be used for any capital projects. Consequently, as detailed in a separate report to this agenda, it was proposed to use these receipts to fund the acquisition of the Stoneleigh Arms.

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 Indicators were shown at Appendix 12 to the report. Further indicators were included within the Treasury Management Strategy Report.

The New Homes Bonus allocation for £2.482m. This was proposed to be allocated as follows:-

- Waterloo Homes were due to receive £170,287 of this under the Joint Venture with the Council.
- The Council had previously agreed to contribute £500,000 to the planned Whitnash Hub. £150,000 was awarded in 2017/18. It was proposed that the balance of £350,000 was from the 2018/19 NHB allocation. For accounting purposes, this allocation would flow through the Community Projects Reserve.
- For 2014, the Council set aside some monies to commemorate the start of World War One in 1914. It would be appropriate to do likewise to celebrate the centenary of the end of this war. A similar sum £10,500 was recommended from New Homes Bonus. This was proposed to be distributed by the Community Forums.
- In December 2017, it was officially announced that Birmingham would host the 2022 Commonwealth Games. The Council's hosting of the Bowls as part of this was previously reported to Executive in November 2017. Officers had set up a project group as such a prestigious event would need planning so that all facilities were brought up to the highest standards as well as using this opportunity to promote the District and this Council to the world. Clearly, there would be costs involved both before and during the event. Officers had yet to work up detailed plans and budgets. It was therefore proposed that a new Commonwealth Games Reserve should be created to fund this expenditure and £100,000 be set aside. A report on the Games in would be brought to Executive in March of this year which would provide more details on these and the utilisation of the Reserve. Future use of this reserve would be agreed by the Executive.
- In November 2017, the Executive allocated £100,000 to a new Car Park Displacement Plan. For the proposed displacement from Covent Garden Car Park, £423,000 was set aside within the Covent Garden Car Park Reserve in April 2016 within the HQ Replacement Report, alongside £477,000 towards the initial borrowing costs for a new multi-story car park. The likely net costs of displacement in Leamington were being re-assessed. The likely net costs, including costs of works, running costs and changes in income, were likely to exceed the original estimates. In addition, proposals were due to come forward for works on car parks in Warwick, which were likely to

be significant. Consequently, it was proposed to allocate £800,000 to the Car Park Displacement Reserve.

- The Community Projects Reserve currently had a balance of £46,000 out of the original allocation of £868,000 from the 2017/18 New Homes Bonus. It was proposed that the balance of the New Homes Bonus for 2018/19 of £1,051,324 be allocated to the Community Projects Reserve. Demands from this reserve would be subject to future reports to the Executive to agree.

The 2017/18 budget was currently forecast to produce a surplus of £110,300. It was proposed that this balance be added to the Contingency Budget, with any unallocated balance carried forward to add to the 2018/19 £200,000 contingency.

The Council did not have an alternative to setting a Budget for the forthcoming year. It could, however, decide to amend the way in which the budget was broken down or not to revise the current year's Budget. The proposed latest 2017/18 and 2018/19 budgets were based upon the most up to date information.

The Finance & Audit Scrutiny Committee recognised the challenge of depreciation of our assets within accounts and asked that opportunities to provide funds for replacing and maintaining assets should be taken.

The Committee agreed to add to their work programme a review of the budgeted reserves to ensure they were necessary and appropriate.

The Committee supported the use of new homes bonus for specific projects and not being used to support core general fund service.

The Executive thanked the Scrutiny Committee for their comments and proposed work. They highlighted that the Government Central Support Grant had been reduced by over £4.5million and, based on current estimates, this Council would be paying the Government £250,000 per year instead of receiving the grant. In that context, the performance of this Council had been exceptional and officers should be congratulated because it had enabled the Council to deliver services without cuts, allocate the new homes bonus to projects (rather than fund the day to day work of the Council) and create appropriate reserves for if work was needed.

Recommended to Council that

- (1) the proposed changes to 2017/18 Budgets detailed in Section 3.2 of the report, be approved;
- (2) the Revised 2017/18 Budget of Net Expenditure of £14,855,500 (Appendix 1) after allocating a surplus of £110,300

(paragraphs 3.2.1 and 3.2.6 of the report), be approved;

- (3) the Earmarked Reserves Requests at Appendix 2 (paragraph 3.2.5 of the report), be approved;
- (4) the proposed changes to 2018/19 Base Budgets detailed in Section 3.3 of the report, be approved;
- (5) the proposed Budget for 2018/19 with Net Expenditure of £18,742,200 taking into account the changes detailed in section 3.3 of the report and summarised in Appendix 3 to the report, be approved;
- (6) subject to the acceptance of the current Local Government Employers' pay offer, to increase the current Living Wage hourly rate of £8.45 by 2% to £8.62;
- (7) subject to approval of the Budget 2018/19, the Council Tax charges for Warwick District Council for 2018/19 before the addition of Parish/Town Councils, Warwickshire County Council and Warwickshire Police and Crime Commissioner precepts, for each band be agreed by Council as follows:-

	£
Band A	107.91
Band B	125.89
Band C	143.88
Band D	161.86
Band E	197.83
Band F	233.8
Band G	269.77
Band H	323.72

- (8) the 2018/19 proposed New Homes Bonus of £2,482,111 be allocated as follows, as detailed in paragraph 3.13.1 of the report

New Homes Bonus - 2018/19 Allocation	£ 2,482,111
Waterloo	-170,287
Whitnash Hub	-350,000
WW1 Commemorations	-10,500
Commonwealth Games - Bowls	-100,000
Car Parks Displacement Reserve	-800,000
Community Projects Reserve	-1,051,324
Total Allocated	-2,482,111

- (9) the Financial Strategy as set out paragraph 4.2 and Appendix 4 to the report, be approved;
- (10) the ICT Replacement and Equipment Renewal Schedules as set out at paragraph 3.10 of the report, be approved;
- (11) the creation of the Planning Investment, Harbury Lane, Commonwealth Games and Homeless Prevention Reserves as set out in paragraph 3.10 of the report, be approved;
- (12) the General Fund Capital and Housing Investment Programmes as detailed in Appendices 10 to the report parts 1 and 2, together with the funding of both programmes as detailed in Appendices 10 to the report parts 3 and 4 and the changes described in the tables in paragraph 3.11 of the report and Appendix 9 to the report, be approved; and

(13) the Prudential indicators as set out in paragraph 3.12 and Appendix 12 to the report, be approved.

(The Portfolio Holders for this item was Councillor Whiting)
Forward Plan reference 885

106. Treasury Management Strategy 2018/19

The Executive considered a report from Finance that detailed the strategy that the Council would follow in carrying out its treasury management activities in 2018/19.

The Council was required to have an approved Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy within which its Treasury Management operations would be carried out.

No changes had been proposed to this strategy when compared to the 2017/18 Treasury Management Strategy.

The Local Government Act 2003 required the Council to have regard to the CIPFA Treasury Management Code of Practice and to set prudential indicators to ensure the capital programme was affordable, prudent and sustainable. The prudential indicators could be found in Appendix A to the report.

CIPFA Treasury Management Code of Practice required the annual approval by Council of the Treasury Management Strategy, which should include the Investment Strategy and Minimum Revenue Provision Policy.

CIPFA had recently released Consultation on proposed changes to the Treasury Management Code of Practice and Prudential Code but the revised Codes had not been released. When the new versions were made available, officers would review them and if any significant changes were required to this strategy a revised report would be brought to Council for it to consider.

The Annual Investment Strategy and Minimum Revenue Provision Policy must have regard to Secretary of State Guidance. The Department for Communities and Local Government had issued a consultation, which would amend the existing guidance. Whilst it was intended that the changes would apply from 2018/19, changes could not be implemented until the revised guidance was formally released. If the revised guidance required a change to the Annual Investment Strategy and Minimum Revenue Provision Policy, a report would be brought to Council.

The Finance & Audit Scrutiny Committee supported the recommendations in the report and asked for the equity fund options to be shared with Councillors before this was considered by Council in February

The Executive highlighted that the Council had out-performed the benchmark for this area of work and, as a result, the Council had used its money more effectively to provide a greater return and therefore reduce the burden on the local tax payer.

The Executive were mindful that some would have concerns about the use of equity funds but with correct checks and balances and an appropriate reserve these were providing a greater return for the Council than if the money was sat in the bank.

There was work in this area that Scrutiny could contribute to and the Portfolio Holder for Finance agreed to liaise with the Chairman of the Committee to identify the approach that would bring the most benefit for the Council.

Recommended to Council that it approves the Treasury Management Strategy, Investment Strategy and the Minimum Revenue Provision Policy, as appended to the report.

(The Portfolio Holder for this item was Councillor Whiting)
Forward Plan ref 888

107. Housing Revenue Account (HRA) Budget 2018/19 and Housing Rents

The Executive considered a report from Housing that set out the latest Housing Revenue Account (HRA) budgets in respect of 2017/18 and 2018/19.

The report made the recommendations to Council in respect of setting the 2018/2019 budgets, the proposed changes to council tenant housing rents, garage rents and other charges for 2018/19.

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. 2018/19 would be the third year of this reduction.

In March 2016, a one year deferral was introduced for supported housing from the reduction of social rents in England of 1%, allowing the Council to continue to apply a CPI (at September) + 1% rent increase in 2016/17.

In 2017/18, the 1% rent reduction was applied to supported housing, with rents in these properties decreasing by 1% a year up to and including 2019/20.

Specialised supporting housing would remain exempt from this policy for mutual / co-operatives, alms houses and Community Land Trusts and refuges. However, this Council did not have any housing which met these criteria.

For new tenancies, landlords were permitted to set the base rent as the Target Social Rent (also known as Formula Rent). In Warwick District this represented a small increase over the social rent charged for tenanted properties and was projected to increase rental income by around £5,800 in 2018/19. However, these rent levels would then be subsequently reduced by 1% at the next annual rent review if the tenancy was still running, to comply with the Welfare Reform and Work Act 2016.

The only exception would be in respect of properties at Sayer Court, Leamington, where the Council had previously approved that tenancies within the new development would be let at Warwick Affordable Rent Levels. Whilst the 1% rent decrease would apply to existing tenants, new tenancies established during 2018/19 would be charged at the full Warwick Affordable Rent Value.

Details of all current rents and those proposed as a result of these recommendations were set out in Appendix 1 to the report. A comparison of the Council's social rents with affordable and market rents was set out in Appendix 2 to the report.

The recommendations ensured that the Council was operating in compliance with national policy and guidance on the setting of rents for General Needs and Supported Housing properties.

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 could 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.

Market Research showed that in the private sector, garages were being marketed in the district for on average £80 per month (valuations last reviewed January 2016). The average monthly rent for a Council garage was currently £29.50.

Taking this into consideration, an average increase of £4 per month 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.

Projected income for 2018/19 would, therefore, increase by a net £84,000 compared to 2017/18.

Alongside the rent increase, a review of garage voids had indicated that on average 15% of the total garage stock was void throughout the year, worth £125,000 in potential income.

Taking into consideration the rent increase, and review of void levels alongside existing garage income budgets, for 2018/19 income budget was to increase by £42,000 compared to the 2017/18 income budget.

For tenants, most garage rents would increase by 92p per week (£48 per month), from £7.07 to £7.99. Non-tenants paid VAT on the charge, so it would increase by £1.11 per week, from £8.48 to £9.59.

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

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

The shared ownership properties' rent increases were not governed by the national Policy.

The Council adopted the Homes and Communities Agency (HCA) template lease agreement which included a schedule on rent review. Schedule 4 of the lease agreement determined that the rent would be increased by RPI + 0.5% from April 2018.

The Council was required to set a budget for the HRA each year, approving the level of rents and other charges that were 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 dwelling rents had been adjusted to take account of the loss of rent resulting from actual and anticipated changes in property numbers for 2017/18 and 2018/19. This included additional rental income from the five new build properties purchased at Cloister Way which were due to be purchased by and subsequently let to tenants, and changes based on the number of Right-To-Buy sales in 2017/18, and those forecast for 2018/19.

Shared ownership property rents would increase by RPI + 0.5%, in accordance with the terms of the lease. As at November 2017, RPI was 3.7%, therefore, the income budget had been increased by £3,000.

The garages rental income budget had been increased by £12,000 to take into account the £4 per month average increase in charges for 2018/19 and current level of voids. This was in addition to the £30,000 budget already included as part of budget setting for a 5% increase (as per the November '17 Executive Report, in turn based on the assumptions underpinning the 2017/18 HRA Business Plan).

The Housing Investment Programme was presented as part of the separate February 2018 report 'General Fund 2018/19 Budget and Council Tax'.

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.

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

The Executive highlighted that while the reduction rent would reduce income by £750,000, the Council would still be committing £6million investment in properties of which £2.5million was into its high rise properties.

Recommended that

- (1) rents for all tenanted dwellings (excluding shared ownership) be reduced by 1% for 2018/19;
- (2) HRA dwelling rents for all new tenancies created in 2018/19 are set at Target Social (Formula) Rent, or at Warwick Affordable rent for Sayer Court properties;
- (3) garage rents for 2018/19 be increased by an average £4 per month; and
- (4) the latest 2017/18 and 2018/19 Housing Revenue Account (HRA) budgets as set out at Appendix 3 to the report, be approved.

(The Portfolio Holder for this item was Councillor Phillips)
Forward plan reference 886

108. Heating, Lighting and Water Charges 2018/19 – Council Tenants

The Executive considered a report from Housing that set out the proposed recharges to Council housing tenants for the provision of communal heating, lighting and water supply during 2018/19.

Recharges were levied to recover costs of electricity, gas and water supply usage to individual properties within one of the sheltered and the five very sheltered housing schemes, which were provided as part of communal heating and water supplies. The costs of maintaining communal laundry facilities were 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 last three years, updated for current costs and adjusted for one third of any over-recover or under-recovery in previous years. The charges for 2018/19 were calculated on the basis of average consumption from December 2014 to November 2017. The use of an average ensured that seasonal and yearly variations were reflected in the calculation.

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 to fully recover costs within a five 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 continued to move towards full recovery over future years.

From 2016/17, the Council moved towards a policy of full recovery of costs and, to achieve this, it adopted a policy whereby the charges be increased by the lower of, the full amount to achieve full cost recovery or an amount equivalent to 1% of the rent due for the property. This approach enabled full costs recovery to be phased in gradually and ensured that no excessive increases to the charges were made in one year. This was a fair approach as it facilitated the Council implementation of full costs recovery and it ensured tenants were no worse off financially.

The Gas and Electricity contracts for the authority were renegotiated in 2016/17, with savings achieved on the gas contract but an increase on the electricity contract. Any savings / increases would be passed on to tenants in future years through the process detailed above.

As the heating, lighting and water charges were intended to be cost recovery, it was proposed that from 2019/20 the charges were agreed following this methodology by the Head of Housing and Head of Finance, in consultation with the relevant portfolio holders. Any changes in the income budgets would be reflected in the HRA Rent setting report.

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 meant that the shortfall would either be funded from the rents of all tenants, the majority of whom would be paying their own electricity and gas costs directly, or recovered from charges in future years when some flats could be occupied by new tenants who had not benefited from the reduced charges.

For those Heating/Lighting and water charges which had been set below the level necessary to recover the full cost, a higher charge could be set to better reflect the costs. For instance, at Tannery Court, tenants could be charged a further £3.82 per week (£198.64 per year). However, this would be above 1% of rent, which was the agreed maximum.

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 meant they could not choose their own energy suppliers. This would not be fair.

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

Recommended that

- (1) the revised recharges for Council tenants relating to heating, lighting, water and miscellaneous charges for the rent year commencing 2nd April 2018, as set out in Appendix 1 & Appendix 2 to the minutes be approved; and
- (2) from 2019/20 the agreement of the heating lighting and water charges is delegated to the Head of Housing and Head of Finance in consultation with the relevant portfolio holders, with charges calculated in accordance with the methodology within paragraphs 3.2 and 3.4 of the report.

(The Portfolio Holder for this item was Councillor Phillips)
Forward Plan reference 887

109. Creation of additional car parking provision in Leamington

The Executive considered a report from Neighbourhood Services that sought approval for the necessary consents to allow the Section 106 (S106) agreement to be finalised and brought forward a series of proposals for new car parking provision, predominantly on Council owned land, which would be in addition to the applicant's proposals.

The Planning Committee of 9 January 2018 approved the linked planning applications for the Covent Garden and Riverside House elements of the HQ relocation project, subject to the finalisation of S106 Agreements for both sites. The conditional approval for the Covent Garden application required the applicant to submit a car park displacement strategy for the period between closure of the existing car parks and the opening of the new multi-storey car park. The applicant's proposals required the consent of the Council regarding car parks within their control.

Following the publication of the agenda for the meeting, one of the proposals for new car parking, contained within the report, was withdrawn. The Leader also ensured that the Executive had all seen and considered the submission from Royal Leamington Spa Town Council on this matter.

Two linked planning applications were submitted by PSP Warwick LLP (LLP), the joint venture vehicle that this Council had established with its private sector partner, Public Sector Plc, for the redevelopment of the site of the current Covent Garden surface and multi-storey car parks (application W/17/1700) for new HQ offices for the Council, a new multi-storey car park and 44 apartments and for the subsequent redevelopment of the Riverside House site for up to 170 new homes (application W/17/1701).

The two applications were approved by Planning Committee on 9 January 2018, subject to the agreement of s106 Agreements for both applications. The applicant's offer of a Car Park Displacement Strategy, in respect of application W/17/1700 was accepted by Planning Committee and agreement of this strategy would be a requirement of the s106 agreement for the Covent Garden site. This strategy would cover the period between closure of the existing car parks, projected to be in the last quarter of 2018/19 to avoid the 2018 Christmas shopping period and the opening of the new multi-storey car park, projected to be during the third quarter of 2020/21 in time for the 2020 Christmas period. The loss of car parking at Covent Garden was, therefore, projected to only to cover a single Christmas/New Year period; 2019/20.

In developing their proposed strategy, the LLP had approached the Council for permission to submit a planning application to allow the Riverside House car park to be used for public car parking at weekends. Having trialled public car parking at this site on a temporary basis in the lead up to Christmas 2017, officers were happy that, subject to the LLP bearing the cost of on and off-site enhancements to pedestrian access and signage within the car park and on the route to the town centre, the proposal was viable and should be supported in order to facilitate the applicant's proposed Car Park Displacement Strategy.

The applicant was likely to agree increased prioritisation of short stay car parking within the town centre as part of the s106 Agreement. It was recommended that consultation on changes to the ticketing and payment system at the St. Peter's car park to enable short stay parking to be prioritised, based on the proposals set out at Appendix One to the report. It was proposed that the consultation should be part of the annual consultation process on revised fees and charges for Council owned car parks, to provide certainty to the applicant and the Local Planning Authority that the proposed changes could form part of strategy that would be included within the s106 agreement.

The consultation for setting the 2019 Off-Street Car Parking Orders would commence in July 2018, allowing the new orders to be approved by this Council through the normal Car Parking fees and charges process and subsequently by the County Council to allow revised tariffs to be introduced from 1 January 2019. However, Members were reminded that, subject to the approval of the 2019 Off-Street Parking Orders, whilst the proposed revised charges for the St. Peter's car park would be implemented from 1 January 2019 the proposed changes to allocate the lower floors for short stay parking only, as set out In Appendix One to the

report would only be implemented at the point that the displacement strategy was required, i.e. the point at which the Covent Garden car parks actually closed.

Although the LLP's proposed Car Park Displacement Strategy was likely to be acceptable in terms of the Local Planning Authority agreeing that the s106 Agreement requirement, it was anticipated that there would still be an under provision of parking capacity during peak demand periods. The detailed analysis completed by the LLP as part of the planning application process indicated a shortfall of c.297 car parking spaces compared to current provision at the 1pm weekday demand peak and of c.152 spaces at the weekend peak, during the implementation of their proposals.

These figures would reduce to c.197 on weekdays and c.52 at weekends when the 100 space Council owned car parks at Station Approach re-open in 2019, in time for the 2019/20 Christmas/New Year period, the one peak period when the Covent Garden car parks were closed.

Despite the Station Approach car parking becoming operational during the Covent Garden closure period, it was recommended that the Council created new car parking provision to support the needs of the town centre and minimise any adverse economic impacts while the new multi-storey car park was being built.

The proposals provided for an additional c.167 off-street car parking places which, subject to approval would:

- reduce the projected weekday peak shortfall to c.130 spaces during the period between the proposed Covent Garden closure in early 2019 and the re-opening of the new Station Approach car parking in late 2019;
- reduce the projected weekday peak shortfall to c.30 spaces at the current weekday demand peak from late 2019 until the new multi-storey car park opens in late 2020; and
- create additional town centre car parking capacity of c.15 spaces at the current weekend demand peak when the Covent Garden car parks close, rising to an additional c.115 spaces when the new Station Approach car parking becomes available.

Site plans of the proposed locations of the new car parking were set out at Appendix Three to the report and details of the proposed work at each site were set out at Appendix Four to the report. Preliminary discussions with the Planning and Highway Authorities and the Cultural Services team had indicated that all the proposed locations were viable, although detailed planning applications would be required.

The detailed work required to prepare and obtain the necessary planning permissions and any other necessary consents and to undertake the necessary works would be undertaken with the aim of ensuring the new provision would be available before the Covent Garden car parks were closed.

It would be proposed that the new off-street surface car parking provision created at Archery Road and Princes Drive would be retained on a permanent basis. This additional provision of c.87 spaces, along with the new 617 space multi-storey car park at Covent Garden would therefore be available to meet future parking demand growth forecasts and be built into the Council's emerging Car Park Strategy.

It was proposed that any additional provision created at Court Street would be a temporary measure provided during the period that the Covent Garden car parks were closed, allowing the Council to review future options for these sites when the new multi-storey car park opened to ensure that opportunities to support the development of the Creative Quarter for Leamington were maximised.

As detailed plans were developed for each site, the potential to provide electric vehicle recharging points at the proposed new locations would be considered, particularly at those sites intended to be retained for permanent car parking provision at the end of the temporary displacement period.

A proposal within the General Fund budget report, elsewhere on the agenda recommended allocating a proportion of the 2018/19 New Homes Bonus allocation that the Council would receive into the Car Park Displacement Reserve.

The indicative capital cost of delivering the new car parking provision at the proposed sites was £674,000 (excluding the cost of acquiring the Stoneleigh Arms site which was a separate matter to be considered) and, subject to approval of the Budget report, it was proposed that these costs would be met from the Car Park Displacement Reserve.

It was recommended that, authority be delegated to the Heads of Finance and Neighbourhood Services to develop the proposals for each site and establish firm costings to deliver the proposals, in consultation with their respective Portfolio Holders. Resource to support this work was available through the Project Manager - Car Parks post within Neighbourhood Services. The use of delegated powers would ensure that the approved works could be delivered within the timescales required, i.e. before the closure of the Covent Garden car parks.

Any variances from the indicative cost would be reported through the normal budget reporting process or, if significant and unable to be contained within the unallocated funding within the Car Park Displacement Reserve, by a special report to Executive.

Public consultation on the closure of the Covent Garden car park had taken place as part of the Leamington car park user survey undertaken to inform the development of the draft Car Parking Strategy and additional dialogue had been held with town centre stakeholders on potential displacement options during the closure period. The proposals set out were new options and it was proposed that a Development Review Forum be arranged to

allow them to be examined further as they were developed. It was anticipated that planning applications would be required for each of the proposed sites and these would be subject to an appropriate public consultation process for each application.

Proposed charges for the new car parks were set out at Appendix Two to the report. It was proposed that consultation on these charges was included as part of the annual consultation process on revised fees and charges for Council owned car parks. However, subject to the approval of the 2019 Off-Street Parking Orders, the proposed charges for the new car parking provision would only be implemented at the point that each site became operational.

Taking into account the net income loss of £770k for the period that the Covent Garden site was unavailable for parking and the additional income of £105k that would be generated from the sites set out in recommendation 2.2, the net revenue costs amounted to £665k for the closure period. The majority of this cost could be funded from the balance on the Car Park Displacement Reserve and the sums allocated towards displacement costs within the Covent Garden Multi Storey Car Park Reserve, with any remaining shortfall considered ahead of the setting of the 2019/20 budget and these proposals factored into the Budget and Medium Term Financial Strategy.

An alternative option, was to do nothing in addition to car park displacement strategy being offered by the LLP. However, although the LLP's proposed Car Park Displacement Strategy would be acceptable in terms of the Local Planning Authority agreeing the s106 Agreement requirement, it was anticipated that there would be an under provision of parking capacity during peak demand periods. As such, this option had been discounted as it would not support the Council's objective to support thriving town centres.

A range of alternative sites had been considered but ultimately discounted due to planning constraints or viability and/or operational issues. These discounted sites were:

- Campion Hills
- Victoria Park
- Station Approach
- Chiltern Railways Leamington Station Car Park, Old Warwick Road
- Morrison's Car Park, Old Warwick Road
- Newbold Comyn
- Newbold Terrace East
- Pump Room Gardens
- Portobello site, off Rugby Road
- Edmonscote Field
- Site of the former Ford Foundry car park
- Chandos Street

The reasons why each site was, after careful consideration ultimately discounted were set out at Appendix Five to the report.

The Joint meeting of the Finance & Audit and Overview & Scrutiny Committee recognised the significant public interest in this item, there was a significant debate on this with all parties contributing to the discussion and there were concerns about the proposals for a number of reasons, however, on being put to the vote the majority supported the recommendations 2.1 to 2.6.

In addition, the Committee made two recommendations to the Executive these were

- (1) to explore if Riverside House could be used in weekdays as well as weekends; and
- (2) that any further options brought forward should be consulted on with stakeholders.

Councillor Mrs Knight addressed the Executive as Ward Councillor. In her view, there was no easy solution to the proposal and she suggested that all parties get round a table and work together with the community and businesses to find a solution.

Councillor Naimo addressed the Executive as Labour Group observer. She explained that this was not party political and there were different ways and ideas about how this problem could be resolved. She did not feel this was a strategy and overall there would be a shortfall in parking spaces. She asked that Councillors be informed of who took the decision not to consult on these proposals.

Councillor Quinney , addressed the Executive explaining that in his view he did not think the shortfall had been given enough consideration and the other options should be considered in more detail, with the reasons for them not being considered passed to Councillors.

Councillor Boad addressed the Committee as Liberal Democrat Observer. He recognised that the multi storey car park at Covent Garden was in a poor condition that meant it would need to be replaced and the decision to close it could need to be taken at any day. Therefore, any time we had needed to be used wisely to look at locations which had not been fully considered previously.

In response Councillor Thompson, thanked local residents for their articulated comments regarding Christchurch Gardens and why it should not be considered. He reminded Members that air quality had improved in recent years and, while the particulate levels were below legal limits, we should aim to keep these as low as possible. The new Covent Garden Car Park would have the infrastructure in place so that all spaces could be converted to electric charging points if needed. He took time to disagree with the proposal from Leamington Town Council because it was not fair on residents to move more parking on street and further out of town. He concluded by highlighting the need to help reduce the reliance on cars but this would need to be done in partnership with Warwickshire County Council.

Councillor Whiting highlighted that the options had been carefully considered and that the Executive had to make the best decision for the community as a whole and as a result some people would be unhappy. He also reminded the Executive that to some extent all these plans were temporary because the lifespan of them would be circa 20 years and this far into the future it would not be easy to predict what transport would look like or operate.

Councillor Butler reminded the Executive that it was important to get the plans moving to enable the demolition and rebuild to only impact on one Christmas trading period for retailers.

Councillor Coker explained that the removal and replacement of any car park would be a significant challenge. He recognised that the Riverside House car park was not used last year, but then there were spaces because Covent Garden was open. The plans for increasing parking by Victoria Park was also long term to enable more people to park near the Park and encourage more use of it. He also reminded Members that there was the long term aim of increasing shopping provision in Chandos Street on the car park site and by decking this now could limit the options longer term.

Councillor Grainger highlighted that discussion had taken place with Friends of Victoria Park and Archery Road residents. This plan along with improved lighting within the park would significantly enhance this area and encourage people into the area. She reminded Members that all other car parks within the towns were ones that the users had to pay for and this plan brought the Archery Road and Princes drive sites in line with the others. There was consultation last year with Covent Garden car park users. This established that unless there was a park and ride with free parking nobody would use it. Chandos Street would be an obvious option to put car parking decks on but the return on investment, due to the basement underneath and the need to have secure foundations, made it an unviable proposal. There would be a Development Review Forum for each of the sites and there was the opportunity for further discussion via the Towns Neighbourhood Plan.

Councillor Grainger highlighted that discussions were ongoing with Warwickshire County Council and encouraged all to lobby their respective County Councillor. In addition, she asked for options to be shared with Officers so that these could be investigated. She concluded by reminding the Executive that there was a car park in Warwick that the Council owned which along with Covent Garden may have to be closed any day. Therefore, action needed to be taken now so that the risk of these being closed without displacement available could be mitigated against.

Councillor Mobbs concluded by explaining the Council wanted to what was best for the District overall including the towns and its rural community. He believed that the health of the business community in the town centres was key to this. He reminded all that this was the start and a process and this was what Council's independent Planning Committee had asked for. He recognised the concerns of residents but decisions needed to be taken.

Councillor Mobbs pointed out that recommendation 2.1 bullet point three and recommendation 2.6 were matters for Council to determine and therefore if agreed would be considered by Council on 21 February 2018.

The recommendations in the report, along with the two additional proposals from Overview & Scrutiny Committee were proposed, duly seconded and

Resolved that

- (1) the Planning Committee of 9 January 2018 agreed that a car park displacement strategy, covering the period between the closure of the existing Covent Garden car parks, currently providing 468 car parking spaces and the opening of the new 617 space multi-storey car park, would be a required clause within the s106 agreement required for planning consent for W/17/1700 planning application for the Covent Garden site and, to allow the applicant to finalise an appropriate agreement with the Local Planning Authority, be noted;
- (2) permission for the applicant to submit a planning application for the use of the existing Riverside House car park as public car parking at weekends, throughout the closure period be approved;
- (3) the Head of Neighbourhood Services, in consultation with the Neighbourhood Portfolio Holder, be authorised to submit any necessary planning and/or other consent applications to allow additional car parking provision to be created and operated at the following locations in Leamington, as shown at Appendix Three to the report, in order to support the needs of the town centre, during the period that the Covent Garden car parks are closed:
 - c.50 permanent surface car parking spaces at Princes Drive;
 - c.37 permanent surface car parking spaces at Archery Road;
 - c.40 temporary surface car parking spaces at Court Street;

- a further c.40 temporary surface car parking spaces at Court Street, subject to agreement of private and confidential item 18 elsewhere on this agenda;
- (4) the indicative capital costs of providing the additional car parking at the locations (£674,000), be noted and that these costs be funded from the Car Park Displacement Reserve subject to agreement of the 2018/19 General Fund Budget and Council Tax;
 - (5) the Heads of Finance and Neighbourhood Services, in consultation with their respective Portfolio Holders, be authorised to draw down funding from the Car Park Displacement Reserve to deliver the development of the new car parking provision at the sites in (3) subject to the necessary consents having being obtained;
 - (6) the release of monies from the Car Park Displacement Reserve and the Covent Garden Multi Storey Car Park Reserve towards funding the estimated £665k net revenue cost of the displacement period, be approved and that these figures are updated for inclusion within the 2019/20 Budget with any funding shortfall then considered ahead of being included within the future Medium Term Financial Strategy and within the 2019/20 and 2020/21 Budgets;
 - (7) officers further explore if Riverside House Car Park can be used in weekdays as well as weekends; and
 - (8) any further options brought forward should be consulted on with stakeholders.

Recommended that Council:

- (1) undertakes consultation on changes to the current ticketing and payment system at the Council owned St. Peter's multi-storey car park, based on the proposals set out at Appendix One to the report, within the annual consultation for

car parking fees and charges to enable these to be implemented at the point, later within the financial year 2018/19 that the existing Covent Garden car parks are closed; and

- (2) consultation on the proposed charging schedules for the new car parking provision, as set out in Appendix Two to the report, is included within the annual consultation for car parking fees and charges to allow implementation for that part of the financial year 2018/19 when the new provision would become available.

(Portfolio Holder for this item was Councillor Grainger)
Forward plan Reference 844

(The meeting ended at 8.24 pm)

Heating, Lighting and Miscellaneous Charges


It is recommended that from 2nd April 2018 charges covering heating, lighting and miscellaneous charges should be varied as follows:

Heating, Lighting and Miscellaneous Charges	Current Charge per Week 2017/18 £	Charge To Fully Recover Costs 2018/19 £	Proposed Charge per Week 2018/19 £	Proposed Increase/ (Decrease) per Week 2018/19 £	Proposed Change 2018/19 %
Acorn Court, Stockton Grove, Lillington, Royal Leamington Spa					
Nos. 1 - 12, 14 - 41	£11.60	£10.25	£10.25	-£1.35	-11.6%
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	£8.35	£13.40	£9.58	+£1.23	+14.7%
No. 3	£12.25	£19.80	£13.48	+£1.23	+10.0%
Yeomanry Close, Priory Road, Warwick					
Nos. 1 - 12, 14 - 32	£9.15	£9.56	£9.56	£0.41	4.5%
James Court, Weston Close, Warwick					
Nos. 1 - 12, 14 - 26	£10.35	£8.35	£8.35	-£2.00	-19.3%
Chandos Court, Chandos Street, Royal Leamington Spa					
Nos. 1 - 12, 11a, 25a, 14 - 46	£11.20	£10.15	£10.15	- £1.05	-9.4%
Radcliffe Gardens, Brunswick Street, Royal Leamington Spa					
Bedsits and 1 bedroom flats	£7.80	£7.38	£7.38	-£0.42	-5.4%
2 bedroom flats	£11.62	£11.44	£11.44	-£0.18	-1.6%

Water Charges

It is recommended that from 2nd April 2018 water charges should be varied as follows:

Water Charges	Current Charge per Week 2017/18 £	Proposed Charge per Week 2018/19 £	Proposed Increase/ (Decrease) per Week 2018/19 £	Proposed Change 2018/19 %
Acorn Court, Stockton Grove, Lillington, Royal Leamington Spa				
Nos. 1 - 12, 14 - 41, 43 - 47	£3.95	£4.30	+£0.35	+8.8%
Tannery Court, Bertie Road, Kenilworth				
Nos. 1, 2, 3, 4 - 6, 7a, 8 - 12, 22a, 14 - 40	£4.20	£3.85	-£0.35	-8.3%
Yeomanry Close, Priory Road, Warwick				
Nos. 1 - 12, 14 - 32, 33 and 34	£2.65	£2.80	+£0.15	+5.6%
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	£3.30	£3.30	+£0.00	+0.0%

 Council 21st February 2018		Agenda Item No. 10(b)
Title	The Setting of the Council Tax for the Area of Warwick District Council 2018/19	
For further information about this report please contact	Jenny Clayton jenny.clayton@warwickdc.gov.uk 01926 456013	
Wards of the District directly affected	All	
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	Full Council 22 nd February 2017 (minute no. 78)	
Background Papers		

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)	
Equality Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive		Chris Elliott
Head of Service		Mike Snow
CMT		
Section 151 Officer		Mike Snow
Monitoring Officer		Andrew Jones
Finance		Jenny Clayton
Portfolio Holder(s)		Peter Whiting
Consultation & Community Engagement		
As detailed in the February Budget Report.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This report sets the Council Tax for the area of Warwick District, incorporating its own Budget which is borne by Council Tax, along with the precepts from the other authorities within the area

2. **Recommendation**

- 2.1 That the following, as set out in the budget reports (Executive recommendations, 7th February 2018) and 2018/19 Budget Book as (forwarded electronically), be approved:-

- (a) the Revenue Budgets for 2018/19
- (b) the Capital Programme for 2018/19

2.2 **Warwick District Tax Base**

The Council notes the following amounts for the year 2018/19 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:-

- (a) 53,388.87 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 2018/19
Baddesley Clinton	93.65
Baginton	313.72
Barford, Sherbourne & Wasperton	905.86
Beausale, Haseley, Honiley & Wroxall	330.18
Bishops Tachbrook	1,104.33
Bubbenhall	318.70
Budbrooke	752.62
Burton Green	454.46
Bushwood	15.52
Cubbington	1,495.78
Eathorpe, Hunningham, Offchurch, Wappenbury	331.93
Hatton	943.76
Kenilworth	9,719.93
Lapworth	947.50
Royal Leamington Spa	16,407.84
Leek Wootton	535.21
Norton Lindsey	221.09
Old Milverton & Blackdown	296.51
Radford Semele	847.15
Rowington	529.34
Shrewley	425.86

Parish/Town Council	Tax Base 2018/19
Stoneleigh & Ashow	535.81
Warwick	12,254.61
Weston-under-Wetherley	186.36
Whitnash	3,421.15
Total Warwick District Council Area	53,388.87

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.

2.3 ***Calculation of Warwick District Council Council Tax, including parish/town council precepts***

That the following amounts be now calculated by the Council for the year 2018/19 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended:-

(a) £91,475,561.34

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) £81,308,202.00

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) £10,167,359.34

being the amount by which the aggregate at 2.3(a) above exceeds the aggregate at 2.3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax Requirement for the year.

(d) £190.44

being the amount at 2.3(c) above divided by the amount at 2.2(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) £1,525,837.34

being the aggregate amount of all special items referred to in Section 34(1) of the Act (*Total parish/town council precepts*)

(f) £161.86

being the amount at 2.3(d) above less the result given by dividing the amount at 2.3(e) above by the amount at 2.2(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 £ 2018 /19 £
Baddesley Clinton	199.23
Baginton	206.70
Barford, Sherbourne & Wasperton	212.05
Beausale, Haseley, Honiley & Wroxall	184.35
Bishops Tachbrook	211.66
Bubbenhall	210.39
Budbrooke	197.73
Burton Green	201.99
Bushwood	161.86
Cubbington	192.61
Eathorpe, Hunningham, Offchurch, Wappenbury	201.02
Hatton	176.38
Kenilworth	180.36
Lapworth	182.15
Royal Leamington Spa	183.90
Leek Wootton	187.49
Norton Lindsey	198.04
Old Milverton & Blackdown	208.68
Radford Semele	190.21
Rowington	200.46
Shrewley	177.63
Stoneleigh & Ashow	192.40
Warwick	194.04
Weston-under-Wetherley	210.15
Whitnash	220.3

being the amounts given by adding to the amount at 2.3(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 2.2(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 2.3(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*).

2.4 **Warwickshire County Council and Warwickshire Police and Crime Commissioner Precepts**

That it be noted that for the year 2018/19 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 & Crime Commissioner £
A	909.1200	135.9865
B	1,060.6400	158.6509
C	1,212.1600	181.3154
D	1,363.6800	203.9798
E	1,666.7200	249.3086
F	1,969.7600	294.6374
G	2,272.8000	339.9663
H	2,727.3600	407.9595

2.5 **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 2.3(g) and 2.4 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 2018/19 for each of the categories of dwellings shown.

3. **Reasons for the Recommendation**

- 3.1 The Executive papers for 7th February 2018, which all members will have received, contain all the background information on the budget at Item 3, "Budget 2018/19 and Council Tax – Revenue and Capital". The recommendations in this report amalgamate the Warwick District Council element of the Council Tax, with Council Tax levels agreed by Warwickshire County Council, Warwickshire Police and Crime Commissioner, and the town/parish councils for 2018/19. With all these constituent parts, the Council should now be in a position to set the overall levels of Council Tax for the District.

4. **Policy Framework**

4.1 **Fit for the Future (FFF)**

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report seeks to continue to ensure that the Council has adequate financial resources to support its various strategies and the provision of services.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
Impacts of Proposal		
The recommendations within the report seek to help provide future funding for the above outcomes.		
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
The recommendations within this report seek to ensure the Council has adequate funding to enable it to support staff in the provision of services.	The recommendations within the report seek to help provide future funding so as to enable the Council to maintain and improve service provision.	The recommendations within this report seek to ensure the best use of made of the Council's financial resources whilst ensuring the Council's financial position is sound going into the future.

4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here. The Council has a Financial Strategy, as updated within Appendix 11 of the 7th February Budget Report. This Strategy sets out details of the Council's overall financial position, and some of the key policies for the use of the Council's resources and how these are managed. Members are recommended to approve the updated Financial Strategy.

4.3 Changes to Existing Policies

This report does not propose any recommendations to any of the Council's existing policies.

4.3 Impact Assessments – Not Applicable

5. Budgetary Framework

- 5.1 The whole of the Council's budget is concerned with the financing of its priorities. The formal setting of the tax is the arithmetic and technical process of aggregating the council tax levels set for each band by the County Council and the Police and Crime Commissioner with those required by this Council, including parish/town councils. The Chief Financial Officer reports directly to Council in order that the council tax can be set in accordance with section 30 of the Local Government Finance Act 1992.

6. Risks

- 6.1 The main risks from the proposals in respect of this Council's Risks, Controls and Mitigations are outlined in section 6 of the Executive Budget Report.

7. Alternative Option(s) considered

- 7.1 The Council does have discretion over its own element of the Council Tax, further information is contained in section 3.6 of the report in the 7th February Executive papers. However, it has to accept the precepts and associated council tax levels set by Warwickshire County Council, Warwickshire Police and Crime Commissioner and the town/parish councils..

8. Background

- 8.1 Report to Executive 7th February 2018 – Budget 2018/19 and Council Tax and Capital
Report to Executive 29th November 2017– General Fund Base Budget Report 2018/19
WCC and WPCC precepts
Parish and town council precepts.

Budget and Council Tax 2018/19
Warwick District Council Element including Special Expenses

Calculation of

WDC @ D	roundings	2						
161.86	6	7	8	9	11	13	15	18
PARISH/TOWN COUNCIL	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
Baddesley Clinton	132.82	154.96	177.10	199.23	243.50	287.78	332.05	398.46
Baginton	137.80	160.77	183.74	206.70	252.63	298.57	344.50	413.40
Barford, Sherbourne & Wasperton	141.37	164.93	188.49	212.05	259.17	306.30	353.42	424.10
Beausale, Haseley, Honiley & Wroxall	122.90	143.38	163.87	184.35	225.32	266.29	307.25	368.70
Bishops Tachbrook	141.11	164.62	188.15	211.66	258.70	305.73	352.77	423.32
Bubbenhall	140.26	163.64	187.02	210.39	257.14	303.90	350.65	420.78
Budbrooke	131.82	153.79	175.76	197.73	241.67	285.61	329.55	395.46
Burton Green	134.66	157.10	179.55	201.99	246.88	291.77	336.65	403.98
Bushwood	107.91	125.89	143.88	161.86	197.83	233.80	269.77	323.72
Cubbington	128.41	149.81	171.21	192.61	235.41	278.22	321.02	385.22
Eathorpe, Hunningham, Offchurch, Wappenbury	134.02	156.35	178.69	201.02	245.69	290.36	335.04	402.04
Hatton	117.59	137.18	156.79	176.38	215.58	254.77	293.97	352.76
Kenilworth	120.24	140.28	160.32	180.36	220.44	260.52	300.60	360.72
Lapworth	121.44	141.67	161.92	182.15	222.63	263.11	303.59	364.30
Royal Leamington Spa	122.60	143.03	163.47	183.90	224.77	265.64	306.50	367.80
Leek Wootton	125.00	145.82	166.66	187.49	229.16	270.82	312.49	374.98
Norton Lindsey	132.03	154.03	176.04	198.04	242.05	286.06	330.07	396.08
Old Milverton & Blackdown	139.12	162.31	185.50	208.68	255.05	301.43	347.80	417.36
Radford Semele	126.81	147.94	169.08	190.21	232.48	274.75	317.02	380.42
Rowington	133.64	155.91	178.19	200.46	245.01	289.56	334.10	400.92
Shrewley	118.42	138.16	157.90	177.63	217.10	256.58	296.05	355.26
Stoneleigh & Ashow	128.27	149.64	171.03	192.40	235.16	277.91	320.67	384.80
Warwick	129.36	150.92	172.48	194.04	237.16	280.28	323.40	388.08
Weston-under-Wetherley	140.10	163.45	186.80	210.15	256.85	303.55	350.25	420.30
Whitnash	146.87	171.34	195.83	220.30	269.26	318.21	367.17	440.60
Proportion of Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

Budget and Council Tax 2018/19
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	107.91	125.89	143.88	161.86	197.83	233.80	269.77	323.72
PARISH/TOWN COUNCIL								
Baddesley Clinton	24.91	29.07	33.22	37.37	45.67	53.98	62.28	74.74
Baginton	29.89	34.88	39.86	44.84	54.80	64.77	74.73	89.68
Barford, Sherbourne & Wasperton	33.46	39.04	44.61	50.19	61.34	72.50	83.65	100.38
Beausale, Haseley, Honiley & Wroxall	14.99	17.49	19.99	22.49	27.49	32.49	37.48	44.98
Bishops Tachbrook	33.20	38.73	44.27	49.80	60.87	71.93	83.00	99.60
Bubbenhall	32.35	37.75	43.14	48.53	59.31	70.10	80.88	97.06
Budbrooke	23.91	27.90	31.88	35.87	43.84	51.81	59.78	71.74
Burton Green	26.75	31.21	35.67	40.13	49.05	57.97	66.88	80.26
Bushwood								
Cubbington	20.50	23.92	27.33	30.75	37.58	44.42	51.25	61.50
Eathorpe, Hunningham, Offchurch, Wappenbury	26.11	30.46	34.81	39.16	47.86	56.56	65.27	78.32
Hatton	9.68	11.29	12.91	14.52	17.75	20.97	24.20	29.04
Kenilworth	12.33	14.39	16.44	18.50	22.61	26.72	30.83	37.00
Lapworth	13.53	15.78	18.04	20.29	24.80	29.31	33.82	40.58
Royal Leamington Spa	14.69	17.14	19.59	22.04	26.94	31.84	36.73	44.08
Leek Wootton	17.09	19.93	22.78	25.63	31.33	37.02	42.72	51.26
Norton Lindsey	24.12	28.14	32.16	36.18	44.22	52.26	60.30	72.36
Old Milverton & Blackdown	31.21	36.42	41.62	46.82	57.22	67.63	78.03	93.64
Radford Semele	18.90	22.05	25.20	28.35	34.65	40.95	47.25	56.70
Rowington	25.73	30.02	34.31	38.60	47.18	55.76	64.33	77.20
Shrewley	10.51	12.27	14.02	15.77	19.27	22.78	26.28	31.54
Stoneleigh & Ashow	20.36	23.75	27.15	30.54	37.33	44.11	50.90	61.08
Warwick	21.45	25.03	28.60	32.18	39.33	46.48	53.63	64.36
Weston-under-Wetherley	32.19	37.56	42.92	48.29	59.02	69.75	80.48	96.58
Whitnash	38.96	45.45	51.95	58.44	71.43	84.41	97.40	116.88
Proportion of Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

Appendix 2

Council Tax Calculations 2018/19 Warwick District Council Including Warwickshire County Council And Warwickshire Police and Crime Commisioner

PARISH/TOWN COUNCIL	BAND A £	BAND B £	BAND C £	BAND D £	BAND E £	BAND F £	BAND G £	BAND H £
Baddesley Clinton	1,177.93	1,374.25	1,570.58	1,766.89	2,159.53	2,552.18	2,944.82	3,533.78
Baginton	1,182.91	1,380.06	1,577.22	1,774.36	2,168.66	2,562.97	2,957.27	3,548.72
Barford, Sherbourne & Wasperton	1,186.48	1,384.22	1,581.97	1,779.71	2,175.20	2,570.70	2,966.19	3,559.42
Beausale, Haseley, Honiley & Wroxall	1,168.01	1,362.67	1,557.35	1,752.01	2,141.35	2,530.69	2,920.02	3,504.02
Bishops Tachbrook	1,186.22	1,383.91	1,581.63	1,779.32	2,174.73	2,570.13	2,965.54	3,558.64
Bubbenhall	1,185.37	1,382.93	1,580.50	1,778.05	2,173.17	2,568.30	2,963.42	3,556.10
Budbrooke	1,176.93	1,373.08	1,569.24	1,765.39	2,157.70	2,550.01	2,942.32	3,530.78
Burton Green	1,179.77	1,376.39	1,573.03	1,769.65	2,162.91	2,556.17	2,949.42	3,539.30
Bushwood	1,153.02	1,345.18	1,537.36	1,729.52	2,113.86	2,498.20	2,882.54	3,459.04
Cubbington	1,173.52	1,369.10	1,564.69	1,760.27	2,151.44	2,542.62	2,933.79	3,520.54
Eathorpe, Hunningham, Offchurch, Wappenbury	1,179.13	1,375.64	1,572.17	1,768.68	2,161.72	2,554.76	2,947.81	3,537.36
Hatton	1,162.70	1,356.47	1,550.27	1,744.04	2,131.61	2,519.17	2,906.74	3,488.08
Kenilworth	1,165.35	1,359.57	1,553.80	1,748.02	2,136.47	2,524.92	2,913.37	3,496.04
Lapworth	1,166.55	1,360.96	1,555.40	1,749.81	2,138.66	2,527.51	2,916.36	3,499.62
Royal Leamington Spa	1,167.71	1,362.32	1,556.95	1,751.56	2,140.80	2,530.04	2,919.27	3,503.12
Leek Wootton	1,170.11	1,365.11	1,560.14	1,755.15	2,145.19	2,535.22	2,925.26	3,510.30
Norton Lindsey	1,177.14	1,373.32	1,569.52	1,765.70	2,158.08	2,550.46	2,942.84	3,531.40
Old Milverton & Blackdown	1,184.23	1,381.60	1,578.98	1,776.34	2,171.08	2,565.83	2,960.57	3,552.68
Radford Semele	1,171.92	1,367.23	1,562.56	1,757.87	2,148.51	2,539.15	2,929.79	3,515.74
Rowington	1,178.75	1,375.20	1,571.67	1,768.12	2,161.04	2,553.96	2,946.87	3,536.24
Shrewley	1,163.53	1,357.45	1,551.38	1,745.29	2,133.13	2,520.98	2,908.82	3,490.58
Stoneleigh & Ashow	1,173.38	1,368.93	1,564.51	1,760.06	2,151.19	2,542.31	2,933.44	3,520.12
Warwick	1,174.47	1,370.21	1,565.96	1,761.70	2,153.19	2,544.68	2,936.17	3,523.40
Weston-under-Wetherley	1,185.21	1,382.74	1,580.28	1,777.81	2,172.88	2,567.95	2,963.02	3,555.62
Whitnash	1,191.98	1,390.63	1,589.31	1,787.96	2,185.29	2,582.61	2,979.94	3,575.92
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 Thursday 4 January 2018 at the Town Hall, Royal Leamington Spa, at 6.00 pm.

Present: Councillor Mobbs (Leader); Councillors Coker, Grainger, Phillips, Rhead and Thompson.

Also present: Councillors; Boad (Liberal Democrat Observer); Naimo (on behalf of Overview & Scrutiny); and Councillor Quinney (on behalf of Finance & Audit Scrutiny Committee and Labour Group Observer).

91. **Declarations of Interest**

There were no declarations of interest.

92. **Minutes**

The minutes of the meetings held on 1 November 2017 and 29 November were taken as read and signed by the Chairman as a correct record.

The minutes of the meeting held on 15 November 2017 were taken as read, subject to them being amended to remove Councillor Heath from the record of those present, and signed by the Chairman as a correct record.

Part 1

(Items on which a decision by Council on 24 January 2018 was required)

93. **Revisions to the Scheme of Delegation**

The Executive considered a report from Development Services and Democratic Services that sought changes to the scheme of delegation and Council procedure rules.

The proposed revisions to the delegations regarding Planning Committee were last considered by Executive at its meeting of 27 July 2016 when Members identified a lack of clarity in the delegation agreement concerning the mechanism through which Councillors could request that a planning application be considered by Planning Committee.

At that meeting, the following proposals included in the report were also withdrawn in order that they could be reviewed further by officers:

- i. the proposal for Members to provide a valid planning reason when calling a planning application to Planning Committee, and
- ii. the proposal for objections to planning applications received from Town and Parish Councils, and other interested parties to be considered as valid only where they were made on planning grounds.

In order to ensure the efficient, effective and transparent running of the planning application process, it was important that stakeholders and

interested parties were fully aware of the procedure through which they were able to either call planning applications to Committee or make a valid objection to a proposal.

It would usually be the case that controversial and complex planning applications would be expected to be considered by Planning Committee. Therefore, the triggers for applications being so considered needed to be set at an appropriate level. This was also to ensure that the system worked in a fair and equitable manner not only for those parties who were included in the consultation process, but also for applicants who paid a fee to have their applications considered.

The delegation agreement currently set out that the timescale for Members to call an application to Planning Committee was 21 days but was unclear as to when that period began.

In order to clarify the position, it was proposed that the delegation agreement be revised to set this period as beginning on the day the notification letters were distributed to both the appropriate Ward Councillors and Parish/Town Councils. This provided a clear reference date that was easy for all parties to recognise.

National planning guidance advised Local Planning Authorities of the importance of decision making in the planning application process being based on planning reasoning and the risks associated with that not being the case.

It would not be appropriate for officers to recommend to Executive that planning applications ought to be capable of being called to Planning Committee on non-planning grounds and it was therefore proposed that the delegation agreement should require that Members provide a planning reason for doing so. This would also be in line with Code of Conduct for Members which stated the following:

"ACCOUNTABILITY: *Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.*

OPENNESS: *Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands."*

Members were aware of material planning reasons and to further enhance this all Councillors were invited to the regular planning training sessions

It was proposed that comments on planning applications received from either Town or Parish Councils should be based on planning reasons.

Where that was not the case, it was proposed that the delegation agreement set out that those comments could not be taken into account

for the purposes of determining whether a proposal should be considered by Planning Committee.

In addition it was considered appropriate that the Chairman of the Planning Committee was also consulted prior to the Head of Development Services taking a decision to discount the representation by a Parish/Town Council.

It was also proposed to make a number of other minor revisions to the delegation agreement to ensure that it was operating effectively particularly in respect of the following matters.

With respect to the making of Tree Preservation Orders, the removal of the reference to the Tree Sub Committee which was no longer in operation.

For the purposes of determining whether a planning application was to be considered under delegated powers or by Planning Committee, the clarification that no more than one objection or indication of support per address would count towards the trigger.

In the circumstances when the Head of Development Services was considering whether revised proposals overcame an objection received from a Town or Parish Council, this would be undertaken in consultation with the Chair of Planning Committee.

In practical terms, in view of the low likelihood of the consideration by Planning Committee of planning applications proposing a material departure from the Development Plan not being triggered by other elements of the delegation agreement, it was proposed that this standalone trigger be deleted.

In order to ensure that they were considered and determined in a transparent manner, it was proposed that the delegation agreement should be revised to ensure that planning applications which were submitted in respect of land owned by the District Council were determined by Planning Committee.

It had been identified that there was no delegation in place to enable rent holidays for non HRA properties when they were considered appropriate, to help support business and therefore the local economy. It was considered an appropriate limit should be placed on this before Executive approval was required and this had been proposed at £20,000 or 12 months whichever was lowest. The details of any holiday provided would be detailed within the quarterly budget reports so Members were aware.

It had been noted by both Councillors and officers that the procedure for the deliberation of Notices of Motion at Council could be improved upon to enable clarity for all. Therefore the amendments as set out in Appendix 1 were proposed to provide this clarity for all.

It had been identified, during the work on the South Leamington development area and Tachbrook Country Park, that at present there was no formal delegation in place for officers to accept the transfer of Open Space or Sustainable Urban Drainage System (SUDS) land to the Council as part of an approved S106 Agreement within a determined planning consent. While there would be a legal agreement in place to see the transfer of the land or building the Council would still need to formally accept this once it was completed. A summary of the S106 provisions for this were attached for both Open Space and SUDS land. The need for this was demonstrated by the proposed development to the west of Europa Way, Warwick, which involved the creation of a substantial new park. Notice of 30 days was served on the Council to seek a decision on whether the Council wished to adopt the land once laid out to its satisfaction. In the absence of formal officer delegation to accept the land, the Chief Executive undertook consultation with Group Leaders, to which no objections were received prior to accepting the land to deal with the immediate issue at hand and a further delegation was proposed to cover any future proposals.

The option of not clarifying the delegation agreement to clearly set out the timescale for Members calling planning applications to Committee had been discounted.

Officers had considered the option of not revising the delegation agreement to require that planning reasons were provided for both calling a planning application to Committee and/or objecting to an application. However, the risks associated with doing so, particularly in respect of ensuring that the planning process operated properly had resulted in that option being discounted.

Consideration had also been given to the option of making no changes to the delegation agreement in respect of Town and Parish Councils' ability to trigger applications being considered by Planning Committee. However, in view of the nature of the impacts of not proposing any such revisions as set out above, that option had also been discounted.

The Overview & Scrutiny Committee supported the report with the following exceptions.

The Overview & Scrutiny Committee had concerns about the revision to include the need for the five objections to be from different addresses, this was because the Committee felt this was removing the rights of individuals. It was agreed the Development Manager and Democratic Services Manager would look at this with the Portfolio Holder and Chairman of Planning Committee and bring an amendment to either Executive or Council ahead of the final decision.

The Overview & Scrutiny Committee welcomed, after discussion and agreement with officers, that the proposal to delegation DS(70) (iv) should remain within the scheme of delegation and therefore the current proposal to remove this should be withdrawn.

The Overview & Scrutiny Committee had concerns about delegation DS70(iii)(b) and the potential for this to imply that a Parish/Town Council may lose the right for their objection to bring the matter to Planning Committee. The Development Manager and Democratic Services Manager would look at this with the Portfolio Holder and Chairman of Planning Committee and bring an amendment to either Executive or Council ahead of the final decision.

The Leader explained that he was aware of the significant debate at the Overview & Scrutiny Committee and the concerns of Councillors with regard to the proposed revisions to delegation DS(70). Therefore any of the proposed amendments to this delegation would not be taken forward.

The Executive therefore

Recommended to Council the amendments to the Constitution as set out at Appendix 1 to this report, be approved.

Resolved that the Executive notes the decision of the Chief Executive, under scheme of delegation CE(4), after consultation with Group Leaders to accept the land for Open Space on land west of Europa Way Warwick.

(The Portfolio Holders for this item were Councillors Coker, Mobbs & Rhead)

94. **Housing Allocations Policy review**

The Executive considered a report from Housing that sought approval for revisions to the Housing Allocations Policy.

The Housing Allocations Policy set out the rules that the Council used to decide who may apply for vacant Council and Housing Association homes and how decisions would be taken as to who would be offered the vacancies. The overarching aim of the policy was to get more people into homes appropriate to their circumstances.

In August 2015 the Council had agreed a number of changes to the policy and resolved that the working of the new policy should be reviewed after 12 months of operation. The new policy was implemented in June 2016 and was on the Council's website

Appendix One to the report set out the review for consideration. A number of issues had been identified as a result of the review and, in order to address these, a number of proposed amendments to the policy were proposed as set out in Appendix Two, to the report.

The option of not revising the policy had been considered but given the findings of the review this was not felt to be appropriate.

A number of the individual proposals in Appendix Two were discussed with the Housing Advisory Group in November when potential alternatives were considered and debated. Some of the alternatives were included in Appendix Two.

The Overview & Scrutiny Committee supported the recommendations in the report.

The Committee welcomed the agreement from the Portfolio Holder to widen the criteria to address the situation where the property allocation quotas might mean it could be better to be in a lower priority band compared to higher bands e.g. regarding the balance between band 2's and band 3's demand and available properties. The Committee supported the following revision to the section on the imbalance of the housing register to remove this potential issue within paragraph 2 on Item 4/ page 12;

"It is proposed that this should be monitored and if the situation does not improve the Head of Housing, in consultation with the Portfolio Holder, should have delegated authority to re-balance the quotas to secure that a greater proportion of the out-of-balance properties would be advertised to the higher priority band to redress the balance.

The Committee welcomed that the 4th paragraph on Item 4, page 14 of the report would be amended to read "For applicants in this situation that cannot be considered under homelessness legislation....".

The Committee was mindful of the proposed delegation to the Head of Housing in consultation with the Portfolio Holder to make minor changes to the Policy (Item 4 Page 15). It noted that the intention to this would be to accommodate any amendments by statute, Government guidance or to enable clarity on policy and its intentions. Therefore the Committee welcomed that the Portfolio Holder would incorporate details of these changes as part of his annual report to the Committee.

The Portfolio Holder welcomed the debate from the Overview & Scrutiny Committee the evening before and agreed these changes should be reflected within the Policy along with a commitment to when the Policy would come into force.

Therefore the Portfolio Holder proposed the recommendations as laid out subject to the amendments from Overview & Scrutiny Committee and an implementation date of no later than 1 August 2018.

Recommended to Council that

- (1) it notes the review of the working of the allocations policy set out in the report.
- (2) the current be amended in accordance with the proposals set out in Appendix Two of this report;

- (3) delegates authority to the Head of Housing Services in consultation with the Housing and Property Portfolio Holder to redraft the allocations policy document to reflect the agreed changes;
- (4) the revised policy is monitored with a further review after a sufficient period of operation; and
- (5) the revised Policy be implemented no later than 1 August 2018.

(The Portfolio Holder for this item was Councillor Phillips)
Forward Plan ref 858

Part 2

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

95. Procurement Partnership and Staffing

The Executive considered a report Finance that sought approval of a partnership with Warwickshire County Council (WCC) for the provision of Strategic Procurement Support from 1 April 2018 for up to two years.

The proposals within the report were intended to ensure that the Council would have a resilient Procurement function. The proposals would entail strategic procurement support being provided by WCC. Alongside this, a procurement presence would be maintained "within the office" so as to provide day to day support for most projects, and assistance for the larger projects alongside WCC. This changed approach was seen as an opportunity to review the Council's approach to procurement and continue to embed good procurement practice across the Council.

The Council had a formal Procurement function for over 10 years. Over that period Government and EU Regulations around procurement had increased substantially. Along with this, there had been increased case law which needed to be complied with by public bodies.

In that period significant strides had been made across the Council to ensure correct procurement procedures were followed whilst seeking to ensure that value for money was obtained from contracts and the Council's purchases of supplies and services. Overall, there was knowledge, recognition and acceptance by officers Council-wide of their responsibilities with regard to complying correct procurement requirements. Whilst there had been some cases which had been reported to Members when good procurement practices had not been followed, these were the exception. In total there were approaching 250 contracts within the Council's current Contract Register.

The permanent establishment of the Procurement Team comprised of one Procurement Manager and one Procurement Officer. Since 2007, the Council had had three Procurement Managers, with the current Manager due to retire in April 2018. Since 2010, there had been three appointments to the post of Procurement Officer, with this post currently filled by an officer on secondment as a temporary measure. This arrangement was due to end in March 2018. In addition, on the establishment there was a three year Procurement Office post to which it had not been possible to recruit.

Based on feedback from officers across the Council, the continued in-house procurement support, with officers readily accessible to respond to queries and progress projects was believed to be important. This was deemed to be key in the continued need to imbed good procurement practices across the Council.

In the current market, it was apparent that procurement professionals were in great demand. This had been amplified by national projects like HS2, where HS2 Ltd (and its contractors) had appointed many procurement specialists and were still appointing.

Factors such as this explained the high turnover within the Council's Procurement Team and how the Council had struggled to appoint and retain these officers. There was on-going concern as to the resilience of the Procurement function.

Earlier this year a review was undertaken by external consultants of the Council's Procurement function. The review had been launched to help officers determine a way forward on a number of issues, including but not limited to:

- addressing resilience issues on the team;
- attracting high calibre candidates to the team; and
- reviewing the corporate approach to procuring works and services.

The backdrop to the review was a procurement team that had struggled to maintain stability with its staff resource as discussed above. On top of this, WDC had spent significant sums (estimated net £20,000 per annum) on specialist procurement advice from WCC Legal Services to help with high profile projects such as Leisure Development, Europa Way and HQ relocation. In the future, there would always be cases where more specialist legal/procurement support was needed, above the support able to be provided by a small in-house team.

Based on the findings of the report, feedback from senior officers, the need to try a new approach and to address the imminent departure of the procurement manager, WDC officers had made further enquiries into a collaborative or shared service model.

The outcome of these enquiries suggested that locally the only collaborative working was taking place between Nuneaton and Rugby. There was no appetite for other Councils buying services off Warwick

District Council with concerns raised around control and political influence. However, a separate conversation with WCC was much more encouraging.

WCC has a well-established team of 11 staff (9.8 FTE), although it was currently carrying two vacancies. Given the financial demands placed upon top tier authorities it identified its role as a strategic i.e. "not buying pencils and pens". Its aim was to upskill the Service Areas so they owned their procurement processes. This was done through comprehensive training and support with the strategic planning. It provided a quality assurance role and was increasingly involved in commercial management i.e. making sure that Service Areas got the best from their contracts. WCC's approach had developed to such a degree whereby it was able to allow Service Areas to deal with their own frameworks, auctions and KPI's, with the procurement team providing an assurance role. With a larger team, they were able to offer more expert advice.

The WCC procurement team had a very close relationship with the legal team and the knowledge transfer between the two disciplines had been extremely beneficial. As WCC was one of the owners of the Eastern Shires Purchasing Organisation (one of the largest public sector buying organisations in the UK) it had influence at a Member and Senior Officer level and was therefore well placed to be able to maximise the benefits that might be available from ESPO on behalf of the Council. ESPO was jointly owned by its six member authorities: Leicestershire County Council, Lincolnshire County Council, Cambridgeshire County Council, Norfolk County Council, Warwickshire County Council, and Peterborough City Council. It also had a "sharing" arrangement in place with Coventry City Council and Solihull MBC procurement services. Its credentials in the procurement field were therefore not in doubt.

WDC needed a team that was robust, had experience in various activities, and was nimble in responding to demand and could deliver training and advice appropriate to the good, service or work being procured. WDC's team was too small to deliver this. It was vulnerable to staff turnover and had not universally devolved the responsibility to Service Areas to enable them to feel empowered and owning "procurement".

Based on discussions with senior colleagues, the findings of the Procurement Review Report and further enquiries made by WDC officers it was proposed that WDC entered into a trial arrangement for up to two years with WCC based on the following principles:

- WCC provided the strategic procurement lead for WDC including strategic planning advice, training and developing commercial management;
- WDC retained two procurement business partners at Riverside House to provide transactional support and develop the officers' skills and knowledge in strategic procurement by working with WCC;
- a review should be undertaken of the job descriptions and salaries of the procurement business partners to ensure they reflected the requirements of the proposed arrangements;

- a review should be undertaken of the amount of information provided to Councillors;
- a review should be undertaken of the documentation that supported procurement practice; and
- a Procurement Board was established consisting of SMT members to own the Council's strategic procurement direction.

Proposals were being considered with WCC Procurement whereby they would provide the strategic, project and some tactical support. The details of this currently under discussion were included within Appendix 1 to the report. It was therefore recommended that the Executive delegated authority to the Deputy Chief Executive (AJ) and Head of Finance in consultation with the Finance Portfolio Holder to agree the terms and scope of the support with WCC, and enter into an agreement on this basis.

The proposed partnership with WCC Procurement would be reviewed after one year of operation, allowing recommendations on any revised arrangements to be reported to the Executive and, subject to approval, put in place no later than April 2020.

The Council's current emphasis on the responsibility for procurement and contract management resting within individual service areas would be reviewed. This would include a review of all aspects of policy, process, skill requirements, training needs and the potential merits of alternative partnering arrangements. The outcome of this review would feed into the review of the proposed partnership with WCC and together they would allow recommendations on any revised approach to be considered by a future Executive, alongside the review of the operation of the partnership.

As discussed in Section 5 of the report, the cost of the support from WCC would initially be charged on an hourly basis. This was estimated to cost £45,000 per annum, although this was a cautious estimate, it was hoped the actual cost would be less than this. In accordance with the Council's Code of Procurement Practice, contracts of this magnitude would normally be subject to a formal tendering exercise. If the Council was to progress this arrangement, the Executive was asked to approve an exemption to the Code of Procurement Practice.

The net cost of the proposals was estimated at £20,000 per annum. This was recommended to be included as a recurring budgeted cost from 2018/19.

The creation of a Procurement Board comprising of Heads of Service, was to ensure ownership of the procurement function would sit at the highest level possible within the organisation, Senior Management Team, in recognition of its importance to the Council. Procurement performance reports would continue to be reported to Finance and Audit Scrutiny Committee.

Alternatively the Council could continue to rely entirely on in-house procurement support. As detailed in this report, this was not proposed because the Council would continue to be reliant on a small team for which

there was likely to be high turnover in the future, which could result in appointment problems with subsequent impact on services.

Alternatively if the Council continued to seek to retain the procurement function entirely in-house, it would need to seek to fill the current two procurement posts (Procurement Manager and Procurement Officer). The Council had struggled in the past to attract candidates for these posts. This could be a factor of the salaries being paid, or the robust market for procurement professionals. The problems with this approach were seen as:-

- Difficulty in attracting suitable applicants.
- If successful, potential future continued high turnover of these posts, so presenting risks in terms of resilience.
- The current approach to procurement was likely to be retained, which in the past had presented some problems with good procurement practices not being uniformly applied across the Council. This would not present the same opportunity for the function to be relaunched with a new model of provision.
- Likely short term vacancies until new officers commenced. Any gap was likely to require agency appointments, and potentially increased support from WCC Legal. Aside from the impact of this on services, there would undoubtedly be a cost.

The Council could review the structure and gradings of the procurement team, with a view to raising its status. Whilst this could in due course enable a more resilient service (with potentially reduced future staff turnover), there might be the following problems:-

- Delay in getting a new structure in place.
- Cost of new structure (this would go against the planned savings in the Senior Management Team salary bill that were within the Medium Term Financial Strategy).
- Short term cost of interim (agency/WCC Legal) arrangements until permanent appointments could be made.
- Not likely to present the opportunity for the Council's approach to procurement to be enhanced.
- Continued reliance on a small team for all procurement support, with lack of any specialism.

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

The Executive welcomed the report but felt there was a need to emphasise the importance of the proposed Procurement Board and that it needed to be operational as soon as possible. Therefore the recommendations in the report were proposed subject to an amendment to 2.5 to reflect the early as possible start for the Procurement Board..

Resolved that

- (1) an exemption to the Code of Procurement Practice to enable a partnership with Warwickshire County Council (WCC) for

Strategic Procurement Support to be established from 1 April 2018 for a period of up to two years, be approved;

- (2) authority is delegated to the Deputy Chief Executive (AJ) and Head of Finance, in consultation with the Finance Portfolio Holder, to agree the terms and scope of the support with WCC, and enter into an agreement on this basis;
- (3) the proposed procurement partnership with WCC is reviewed after the first year of operation, with the intention that any revised arrangements can be put in place by April 2020;
- (4) the Council's current approach to procurement and contract management is reviewed to inform the proposed review of the partnership arrangement set out in (3);
- (5) a Procurement Board is established, as soon as possible after the end of call in, comprising of members of the Senior Management Team, to oversee the procurement activity across the Council; and
- (6) an additional £20,000 be included in the budget from 2018/19 onwards for the estimated net additional cost of proposed partnership, subject to the agreement of proposals by Employment Committee in January 2018.

(The Portfolio Holder for this item was Councillor Whiting)

96. Homelessness Initiatives and the new legislation

The Executive considered a report from Housing that set out the range of current initiatives for homelessness prevention and relief, and set out proposals for developing this work further in the context of implementation of the Homelessness Reduction Act from 1 April 2018.

The Homelessness Reduction Act 2017 ("the 2017 Act") passed through Parliament and became law in April 2017 with implementation from 1 April 2018. This introduced the most wide-ranging changes to the structure of homelessness legislation since it was first enacted in 1977.

The Government had announced its intention to produce a new Code of Guidance on homelessness published, in draft form, in October 2017

Key measures provided by the Act included:

- The period over which an applicant was defined as “threatened with homelessness” was extended from 28 days to 56 days.
- The definition of “threatened with homelessness” was extended to include private tenants served with a valid notice that expired within 56 days where the landlord intended to apply for possession.
- The duty to provide advice and information on housing and homelessness was strengthened.
- There were new duties to all applicants regardless of priority need or intentionality, to:
 - agree a personalised plan with the applicant;
 - help to ensure that suitable accommodation did not cease to be available for the applicant (the “prevention duty”); and
 - help to secure accommodation for all applicants who the authority was satisfied were homeless and eligible for assistance (the “relief duty”).

The Act allowed councils to give notice to applicants whom they considered to have deliberately and unreasonably refused: to cooperate with the above duties; or to take any step set out in the personalised plan. People in this position were not entitled to the full homelessness duty even if they were in priority need. However, the Council was required to accommodate priority need applicants until they were made a final offer of accommodation (which must be at least a six month tenancy).

Taken together, these measures fundamentally changed the approach of local authorities to homelessness with an emphasis upon early intervention, prevention and negotiation: working with customers rather than crisis management, assessment and rigid decision-making.

This new approach was welcomed but did bring an increasing workload because the extension of the time frame potentially meant more households would approach the Council, whilst the extension of the duties meant that considerably more work would be required with each and every household that appeared to be at risk of homelessness. It also brought the potential for unintended and unexpected consequences that would require the ability to respond swiftly and flexibly when necessary and beneficial.

The Government committed to providing “New Burdens” funding for local authorities to cover the additional costs of implementing the new measures.

A three-year settlement was announced in October 2017 giving the following sums for Warwick District: £21,219 for 2017/18, £19,436 for 2018/19 and £27,653 for 2019/20. The Government expected that additional costs would be temporary and would drop out of the system when the new approach was embedded and levels of homelessness fell in response.

In April 2017 the Government announced a new funding stream for local authorities – Flexible Homelessness Support Grant. The grant was not specifically connected to the Act, but it was ring-fenced and could only be used to prevent or deal with homelessness. The allocations for Warwick District for 2017/18 and 2018/19 were £274,908.85 and £301,333.46 respectively. The statement added that funding for 2019/20 would be announced later in 2017/18 but this was not currently known.

An initial plan to use a proportion of the money for a short-term pilot of a new way of working was approved by CMT under delegated powers. This allowed new management arrangements to be introduced amongst existing staff which had achieved some improvements, including bringing properties in Willes Road into use as temporary accommodation, maintaining the downward pressure on bed and breakfast use, and greater consistency of decision making in the team. However the plan to engage a new Housing Advice Officer, on a twelve month fixed-term contract, to focus on prevention work and allow learning to be fed into our response to the Act once the Code of Guidance was published had proved problematic. As at mid-November it had not been possible to recruit to the post, even from employment agencies so the new trial for the new prevention focus had yet to start.

On the operational side of the team, based upon levels of enquiries in the District in recent years and experience from Wales, where a similar system was introduced in 2014, and analysis of work processes, it was calculated that three new members of staff doing prevention casework would be needed in the Housing Advice and Allocations Team. Discussions were underway with Human Resources about the mechanics of this. Costs had been estimated on the basis of grade G posts but formal Hay evaluation would be required. A report would be taken to Employment Committee on 31 January 2018 seeking approval for three new fixed-term posts and an additional Senior Housing Officer at an approximate cost of £212,500 to be funded from FHSG.

At this stage it was impossible to predict whether the Government's expectation of reducing levels of homelessness in the longer term would materialise. It was therefore considered prudent for the posts to be offered as fixed-term temporary two year posts with an option to extend.

The new legislation brought with it a need for new procedures, new stationery and training for staff. Short term consultancy support was proposed to assist with the work to prepare for implementation and embed this into the team.

At the same time the DCLG was introducing a new set of reporting requirements, to be required from 1 April 2018. In place of the current quarterly statistical datasets that had been required for many years (known as "P1E returns") the new requirement involved reporting on case level data and would be known as H-CLIC. The possibility of being able to report this using a spreadsheet had been trialled and found to be unworkable. Officers had also assessed whether it would be possible to

add some functionality to the existing housing management system and whilst this might be possible it was not ideal and would carry considerable risks.

Consideration was therefore being made of available third-party solutions, of which there were a limited number. Discussions were underway with ICT Services to ensure due consideration of functionality, compatibility and cost. A three quotes procurement exercise would be necessary, alongside an assessment of the ability of the systems to deliver by 1 April.

It was proposed that a modest sum was set aside to broker bespoke solutions which resolved the homelessness or prevent homelessness for individual clients. This might involve providing additional security measures to enable women fleeing domestic violence to remain in their own homes; secure a settled home in the private rented sector for those currently sleeping rough on our streets or to facilitate reconnection with other districts or counties.

There was a range of current services in the District for homeless people and those threatened with homelessness and these were set out in Appendix One, to the report.

A combination of officer research and the targeted consultation with appropriate voluntary sector organisations recommended by the Overview & Scrutiny Committee had identified the range of potential new initiatives that could complement the introduction of the new system. The outcomes of these workstrands were set out in Appendix Two to the report. Subject to approval of the recommendations in this report detailed evaluation of these potential initiatives would be undertaken and a further report brought back to Executive with recommendations on which should be implemented, using the unallocated balance of the FHSG funding.

The Homelessness Reduction Act was law and there was no option other than to implement the new obligations placed upon the Council.

The new requirements were, self-evidently labour intensive and seeking to deliver this within current or reduced levels of staffing was not considered a viable option.

There was a possibility that the long-term effect of introducing the measures would lead to reduced levels of homelessness and the recruitment of fixed-term temporary posts provided the necessary flexibility to enable this to be managed as the situation developed.

The Overview & Scrutiny Committee noted the report and welcomed the work being undertaken in homelessness initiatives and strongly encouraged the continued dialogue between Housing Associations and this Council to help tackle this problem.

The Finance & Audit Scrutiny Committee supported the recommendations with the following amendment to recommendation 2.4 so that it read:
"...the earmarking of **an initial** £10,000 from the FSHG

An addendum was circulated at the meeting that proposed a revised recommendation 2.4 *"that Executive approved the earmarking of an initial £30,000 (£10,000 per annum) from the FHSG for bespoke work to prevent or alleviate homelessness as set out in paragraph 3.16."* The addendum also included updated figures as set out within section 5 of the report.

The representative of the Finance & Audit Scrutiny Committee accepted that the revisions within the addendum removed the need for the recommendation from Finance & Audit Scrutiny Committee.

Therefore it was

Resolved that

- (1) the proposed wording from Finance & Audit Scrutiny Committee be declined but it be thanked for raising this issue which had highlighted the need to provide greater clarity in recommendation 2.4.
- (2) the measures included in the Homelessness Reduction Act 2017 and the provision of New Burdens funding and Flexible Homelessness Support Grant (FHSG) provided by central government as set out in the report, be noted;
- (3) the use of £212,500 from the FHSG to fund three new fixed-term posts and an additional Senior Housing Officer, be approved and that a report will be taken to Employment Committee on 31 January 2018 seeking approval for the posts;
- (4) the use of £92,850 from the FHSG for an IT application, consultancy support and ancillary costs as set out in revised paragraph 5.2, be approved;
- (5) the earmarking of an initial £30,000 (£10,000 per annum) from the FHSG for bespoke work to prevent or alleviate homelessness as set out in paragraph 3.16 of the report, be approved;
- (6) the range of current initiatives that are deployed in the district to tackle homelessness, as set out in Appendix One to the report, be noted; and

- (7) the results of consultation undertaken on potential additional initiatives, as set out in Appendix Two, are welcomed and that officers investigate these options in detail and bring a further report to a future meeting with proposals for spending the balance of the new funding.

(The Portfolio Holder for this item was Councillor Phillips)
Forward Plan reference 907

97. Business Improvement District (BID) Leamington – Update on Renewal Process

The Executive considered a report from Development Services that updated it on the progress of the BID Leamington Ltd (BID) renewal process and sought approval of the draft BID Business Plan.

The Board of BID had notified this Council (WDC), as the billing authority, and the Secretary of State of its intention to seek a renewal ballot.

In line with The Business Improvement Districts (England) Regulations 2004; Regulation 4, BID must submit to WDC a copy of its renewal proposal, its proposed financial business plan, a summary of the consultation taken with the BID levy payers and a summary of the financial management arrangements for the BID. This was attached as a confidential Appendix 1, to the report.

The document had been subject to due diligence by officers and there was no conflict with any of our published formal policy documents (as detailed in Regulation 4 of the 2004 Regulations); BID had sufficient funds to meet the costs of the renewal ballot in the event that WDC was in a position to recoup the ballot costs (as detailed in Regulation 10 of the 2004 Regulations); and the BID arrangements were not likely to be a significantly disproportionate or inequitable financial burden to levy payers within the BID area (as detailed in in Regulation 12 of the 2004 Regulations).

The content of the BID business plan and renewal proposal were determined by BID in consultation with its members. WDC had no right to veto the proposal based on opinions regarding the contents, although could choose to vote against the proposal if it was opposed to the content of the plan.

The Business Plan and renewal proposal was still in draft format and therefore could change. It was not anticipated that there would be material changes that would affect the outcome of our due diligence.

There were a number of Council properties within the BID area which would be subject to the levy and WDC received one vote for each of these

premises. A separate report would be brought to the February Executive considering the implications and benefits of the renewal Business Plan and would recommend as to how the Council should exercise its voting rights.

The Executive could veto the BID proposal but this had not been considered because the proposal documents did not conflict with any Council policy documents and the levy would not create a significantly disproportionate financial burden.

To vote against or abstain from voting in the BID renewal had not been considered due to the significant impact to the business community

The Executive had considered a revised report that had been circulated ahead of the meeting including confidential Appendix 1 to the report.

Resolved that

- (1) BID has served notice of its intention to seek a renewal ballot to the Secretary of State and Warwick District Council, be noted;
- (2) BID is informed that the draft BID business plan and renewal 2018 – 2023, attached as confidential Appendix 1 to the report, meets the relevant regulatory requirements as detailed in the Business Improvement Districts (England) Regulations 2004; and
- (3) a further paper be brought to the Executive in February with the final business plan and a recommendation regarding the District Council's voting rights.

(Portfolio Holder for this item was Councillor Butler)
Forward plan Reference 906

98. Development Services Re-Structure – Phase 1

The Executive considered a report from Development Services that requested funding for an increase in establishment costs following the approval by Employment Committee of a new structure for the existing Development Management team within Development Services which formed phase 1 of the re-structure process.

The new structure approved by Employment Committee, subject to Executive approval of the necessary funding, represented a re-structure for a significant part of Development Management. Development Management had been under enormous pressure over the last couple of years due to the increase in number and scale of planning applications

submitted and recruitment difficulties. This was partly related to the position with the Warwick District Local Plan and with an upsurge in the market generally. As a result of this there had been a large increase in planning fee income. The impact of the additional work had some unfortunate consequences, primarily due to the impact on existing staff as a result of having to recruit agency staff. However, this had now changed with a number of new recruitments at the beginning of 2018. Whilst Development Management had now settled down in terms of the pressures it was under, this re-structure was brought forward to improve resilience to change, and be prepared for any changes the Government may impose, such as alternative providers being introduced.

The re-structure had included a re-design of the administration team to develop staff within this area, giving them the opportunity of developing careers in planning, and to provide more variety in their work. Staff were keen to do this and had been trialling it for the last six months. As part of the changes, the proposal included the deletion of the Manager within the Administration team, and to move the officers into two teams in Development Management, which would have a Business Manager responsible for each of the two teams.

There had been a number of posts where the job title had changed, the line management responsibility had changed, or there had been some minor changes to the content of the job role. Where the responsibilities had been changed, these posts had been reviewed through HAY. This had resulted in the additional cost to the re-structure.

Two teams in Development Management would provide a better sense of ownership with the workload, and help to put in place a structure that would develop and train staff better.

To continue with the current staffing structure had been an option, however this had been discounted as there were not sufficient resources to continue to meet the demands on the Service Area. Staff were keen to implement the new structure and might feel de-motivated if it did not go ahead. Development Services provided a statutory front line service, therefore the Council needed to respond to current demands and future pressures, particularly at a time of prosperity and growth.

Resolved that

- (1) the decision of Employment Committee to approve the structure set out in Appendix B to the report, be noted; and
- (2) the funding for the new structure which amounts to a recurring annual cost of £16,000 be approved.

(The Portfolio Holder for this item was Councillor Rhead)

99. Newbold Comyn Golf Course

The Executive considered an urgent report from the Deputy Chief Executive and Monitoring Officer regarding management of Newbold Comyn Golf Course and recommended that the Council entered into negotiations with Mack Trading (Heaton Park) Ltd to end the contractual relationship with them.

The report also recommended that should those negotiations prove unsuccessful then the Council should commence legal action against Mack Trading (Heaton Park) Ltd.

There were no decisions to be made by Executive in respect of this public report as a comprehensive confidential report that detailed the reasons for the recommendations was considered as minute 100 . The recommendations were reproduced so that the public was clear about the steps the Council was being asked to take.

The recommendations within the confidential report were as follows:

- “2.1 That Executive notes that Mack Trading (Heaton Park) Ltd (hereafter referred to as Mack) has ceased the operation of the golf course at Newbold Comyn, despite written notice from this Council on 7 November 2017 that such action would be in breach of contract, Mack having made its staff redundant with effect from 31 December 2017.
- 2.2 That Executive notes that following a meeting between Deputy Chief Executive (DCX) (AJ), the Portfolio Holder for Culture (and supported by Warwickshire County Council Legal Services (WCCLS)) and a director of Mack, Mack has requested that a negotiated settlement is reached whereby the contractual arrangement between Warwick District Council (WDC) and Mack is terminated with immediate effect.
- 2.3 That having considered all the circumstances of the matter, Executive agrees to enter into negotiations to end the contractual relationship between WDC and Mack, granting delegated authority to DCX (AJ), in consultation with the Portfolio Holder for Culture and WCCLS, to agree the terms of settlement but should terms not be agreed between the parties within a period of two months, DCX (AJ) consults with the Portfolio Holder for Culture and WCCLS to commence legal proceedings against Mack for breach of contract.
- 2.4 Subject to agreeing recommendation 2.3, Executive agrees to maintain the golf course to a reasonable but non-playable standard whilst the negotiations continue and/ or until a further report can be considered by Executive advising of the outcome of the negotiations and recommended next steps and that the financing of this maintenance is drawn down from the Contingency Budget by DCX (AJ) and the Head of Finance up to a maximum of £50,000”

(The Portfolio Holder for this item was Councillor Coker)

(The Leader had agreed to take this item as an urgent report because Mack Trading (Heaton Park) Ltd had stopped providing the management of the Golf Course at Newbold Comyn and the Council needed to establish its position in response to this.)

99. **Public and Press**

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

Minute No.	Para Nos.	Reason
100, 101 & 102	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The full details of the following item would be recorded in the separate confidential minutes.

100. **Newbold Comyn Golf Course**

The Executive considered an urgent report from the Deputy Chief Executive and Monitoring Officer regarding management of Newbold Comyn Golf Course and recommended that the Council entered into negotiations with Mack Trading (Heaton Park) Ltd to end the contractual relationship with them.

The report also recommended that should those negotiations prove unsuccessful then the Council should commence legal action against Mack Trading (Heaton Park) Ltd.

The Finance & Audit Scrutiny Committee supported the recommendations in the report but raised a number of concerns about the lessons that needed to be learnt from this.

The response from the Executive to the Finance & Audit Scrutiny Committee would be included in the confidential minutes.

Resolved that

- (1) Mack Trading (Heaton Park) Ltd (hereafter referred to as Mack) has ceased the operation of the golf course at

Newbold Comyn, despite written notice from this Council on 7 November 2017 that such action would be in breach of contract, Mack having made its staff redundant with effect from 31 December 2017, be noted;

- (2) following a meeting between Deputy Chief Executive (AJ), the Portfolio Holder for Culture (supported by Warwickshire County Council Legal Services (WCCLS)) and a director of Mack, that Mack has requested that a negotiated settlement is reached whereby the contractual arrangement between Warwick District Council (WDC) and Mack is terminated with immediate effect, be noted;
- (3) negotiations to end the contractual relationship between WDC and Mack, be approved; and authority be delegated to Deputy Chief Executive (AJ), in consultation with the Portfolio Holder for Culture and WCCLS, to agree the terms of settlement but should terms not be agreed between the parties within a period of two months, Deputy Chief Executive (AJ) consults with the Portfolio Holder for Culture and WCCLS to commence legal proceedings against Mack for breach of contract; and
- (4) the Council maintains the golf course to a reasonable but non-playable standard whilst the negotiations continue and/or until a further report can be considered by Executive advising of the outcome of the negotiations including recommended next steps; and that the financing of this maintenance is drawn down from the Contingency Budget by Deputy Chief Executive (AJ) and the Head of Finance up to a maximum of £50,000.

(The Portfolio Holder for this item was Councillor Coker)

(The Leader had agreed to take this item as an urgent report because Mack Trading (Heaton Park) Ltd had stopped providing the management of the Golf Course at Newbold Comyn and the Council needed to establish its position in response to this.)

101. **Confidential Appendix 1 to minute 98 Business Improvement District (BID) Leamington**

The Executive considered the confidential draft BID business plan and renewal 2018 – 2023.

Resolved that the BID be informed that the draft BID business plan and renewal 2018 – 2023 meets the relevant regulatory requirements as detailed in the Business Improvement Districts (England) Regulations 2004.

The Portfolio Holder for this item was Councillor Butler.

102. **Minutes**

The confidential minutes of the meeting held on 1 November 2017 were taken as read and signed by the Chairman as a correct record.

(The meeting ended at 6.55 pm)

**Minute 93
Proposed Revisions to the Delegation Agreement**

- DS (45) Confirm Tree Preservation Orders to which there are objections, following the authorisation of that confirmation by ~~the Tree Preservation Order Sub-Committee or~~ the Planning Committee.
- DCE(16) The Deputy Chief Executive (BH) be authorised to approve a rental holiday for any non HRA property subject to either a maximum of 12 months or £20,000 whichever is the lowest and the holiday being reported in the quarterly budget monitoring report to Executive.
- A(12) To accept the transfer of land or buildings to the Council which is required to be transferred to the Council under the provisions of a section 106 agreement.” Head of Culture, Development, Housing and Neighbourhood individually

Amendments to Council Procedure Rule 6 – Notices of Motion

Be amended to read as follows:

~~(6) If the subject matter of a motion submitted to the Council comes within the terms of reference of the Executive or any committee, it will, upon being moved, and seconded, stand referred without discussion to the Executive or that committee for consideration and report. However, the Council may, by a simple majority, allow the motion to be dealt with at the meeting at which it is brought forward.~~

- (6) When a Motion comes to Council the procedure will be as follows:
- (i) For matters that can be determined by Council a short introductory speech will be made by the proposer followed by the proposal of the motion. Once seconded the procedure for debating motions will be followed. After any debate the Motion will be put to a vote and will either be carried or lost.
 - (ii) For matters that are the responsibility of the Executive or a Committee a short introductory speech will be made followed by the motion which will be closed with a request the matter is referred to the relevant meeting along with a report from officers. The procedure for debating motions will then be followed. After any debate the Motion will be put to a vote and will either be carried (referred to the relevant committee) or lost (no further action is taken)

Minute 94

Appendix two – Proposed changes to the housing allocations policy

1 Transfer categories - Like for like

The like-for-like band has not been well understood or set up properly and has led to a number of issues. The original intention was that this should enable tenants with no need, who didn't fall into any of the transfer band reasons for rehousing to be able to move to a property of the same size and type as they currently had where there was a benefit to WDC in allowing the move. However when the system was introduced, all applicants who didn't fit into any of the other categories were placed into this band.

It is proposed that this be rectified by:

- Dealing with the types of cases that this was originally intended to rehouse through the "Move for housing management reasons" transfer band category.
- Removing the "Like for like" category from the scheme.
- Creating a new transfer band category – "Transfer – other" for all those transfer applicants who do not have a reasonable preference and do not fit any of the other transfer categories. These applicants would be able to bid for properties of an appropriate type and size for their household that are advertised to the transfer band, including a like-for-like move, and would be shortlisted as the lowest priority transfer category.

Transfer categories would then be as follows (in order of priority):

1. Under-occupation.
2. Two-for-one moves.
3. Making best use of adapted properties.
4. People with children in above-first-floor flats.
5. Moves for good housing management reasons (existing categories in the policy plus releasing high demand properties).
6. Other.

Tenants in a reasonable preference category (usually overcrowding or medical/welfare priority) would continue to go into band two as required by law.

To better incentivise downsizing it is also proposed that under-occupying tenants who live in a property with three or more bedrooms and wish to move to a smaller property may be able to bid for a property with up to one bedroom in excess of need subject to demand levels for the property they will be vacating.

2 Transfers quota

The original policy was that all properties would be advertised to the transfer band first with the numbered bands being able to bid below the transfer band. As members will recall, at implementation a transitional arrangement was applied so that 50% of properties were advertised to the transfer band and 50% to the numbered bands.

The review has shown that this arrangement has been successful in enabling over 200 transfers while halving the numbers of applicants in band one. It is now time to consider whether to move to the original policy intention of all properties being advertised to the transfer band.

The options are to:

- move to 100% transfers;
- put all first-time adverts to the transfer band with all re-advertisements going to numbered bands;
- advertise all newly void properties to transfer band except that any void that arises as a result of a transfer is advertised to a numbered band;
- make the transitional arrangement of 50% permanent;
- move to another proportion altogether;
- have no quota for transfers and simply place them within the bidding hierarchy, awarding greater preference to those who are underoccupying or who are moving from an adapted property;
- Create a separate transfer policy and offer properties to transfer customers (with no housing need) outside of the allocations scheme.

Moving to 100% of properties advertised to the transfer band will undoubtedly lead to more such moves and more mobility for tenants within the stock. However it would have a detrimental impact upon high-need non-tenants and possibly begin to increase pressure upon temporary accommodation use again. This is because it would mean that, while applicants in numbered bands would be able to bid on properties advertised to the transfer band they would only get a chance if no transfer applicants wanted it. Over time it may also be seen as increasingly unfair in that tenants who have only very recently applied for a move will have much better prospects of rehousing than people who have been waiting in the numbered bands for considerably longer.

The move could also lead to increased complaints from applicants and tenants in need, with potential legal challenges on the grounds that "reasonable preference" is not being given in accordance with legislation. Advice from WCC Legal Services on this point is that: "If WDC wish to advertise 100% of its vacant properties to existing tenants BEFORE considering non tenants who have a reasonable preference I can see a potential argument of unlawfulness giving rise to a judicial review because it may be deemed to be circumventing the provisions as set down in legislation."

The second option on the list is a variation on the "100%" theme and therefore has similar advantages and disadvantages. In addition, as regards first-time adverts to transfers with re-advertisements to numbered bands, we only do a second advert if no-one bids the first time or if we have exhausted the bidding list. Pursuing this option would effectively mean that the only properties that would be advertised to numbered bands would be those that no-one wanted, either because no-one had bid on them at all, or because everyone who did bid had subsequently refused it. This again would be likely to lead to high levels of complaints and the potential for legal challenges.

The third option, that all "natural" voids be advertised to transfers but all voids freed up by transfer go to numbered bands, ought in theory to be equivalent to the current policy of 50% of properties going to transfers.

The other three options are fairly self-explanatory.

It is proposed that the existing transitional arrangement of advertising 50% of properties to the transfer band and 50% to numbered bands should now be adopted permanently as policy.

3 Bidding policy

At present properties are advertised 50% to the transfer band and 50% to numbered bands. The latter are then advertised in the ratio 50:30:20 to bands one, two and three respectively.

Applicants in the transfer band cannot bid for properties advertised to a numbered band.

For properties advertised to a numbered band any applicant in a lower band than that advertised is able to bid as well and can be considered if no-one from the advertised band is suitable. Applicants in a higher band cannot bid.

The intention behind this is to try to give people with lower level needs a fair share of opportunities while still advertising most properties to the higher need bands. However it can sometimes lead to a situation where a property advertised to band three may go to someone in band four (who has no need) when it would have been suitable for a band one applicant, or a transfer applicant may have been willing to take it and free up another vacancy.

Age designated properties are advertised 50% to the transfer band and 50% to numbered bands, although in the latter case they are not included in the 50/30/20 quotas and the shortlist is done based on highest priority and time on the list.

Applicants in numbered bands can bid on properties advertised to the transfer band, and will be considered if there are no suitable transfer applicants. However transfer applicants cannot bid on properties advertised for the numbered bands.

It is proposed that this policy be changed as follows:

- All applicants, regardless of band, will be able to bid for any property (including age-designated properties, subject to being of the required age).
- Shortlisting will be arranged according to the following table. (Age designated properties will be shortlisted in the same way as for band one).

Priority	Preferred band			
	Transfer	Band one	Band two	Band three
First	Transfer	Band one	Band two	Band three
Second	Band one	Band two	Band three	Band one
Third	Band two	Band three	Band one	Band two
Fourth	Band three	Transfer	Transfer	Transfer
Fifth	Band four	Band four	Band four	Band four

4 Imbalance of the housing register

As of November 3rd 2017 the housing register breakdown was as follows.

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed+	Total
Band 1	10	3	0	0	1	14
Band 2	104	75	62	24	16	281
Band 3	614	112	22	5	1	754
Band 4	465	269	68	7	1	810
Transfer	363	203	28	2	1	597
Total	1556	662	180	38	20	2456

There are 22 applicants in band three with a three-bed need but there are 62 in band two with a three-bed need. A similar situation occurs with four bedroom properties. This contrasts sharply with the situation twelve months ago when the two bands had broadly similar numbers of applicants with a need for three or more bedrooms as the following table from April 2016 shows:

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed+	TOTAL
Unbanded	6	0	2	0	0	8
1	19	6	3	0	0	28
2	134	37	85	20	5	281
3	972	287	73	16	3	1351
4	1087	571	148	15	4	1825
YP	3	0	0	0	0	3
TOTAL	2221	901	311	51	12	3496

Although the quotas direct more properties to band two than band three (30% band two, 20% band three net of transfers) this doesn't fully redress the balance and as property types are distributed at random between the bands the reality is that currently, for applicants needing three bedrooms, those in band three (lower need) have a better chance of rehousing than those in band two (higher need).

It is proposed that this should be monitored and if the situation does not improve the Head of Housing, in consultation with the Portfolio Holder, should have delegated authority to re-balance the quotas to secure that a greater proportion of the out-of-balance properties would be advertised to the higher priority band to redress the balance.

5 People housed through HomeChoice

It is proposed that anyone that takes up a tenancy allocated through HomeChoice, regardless of whether it is a fixed-term, secure, introductory or starter tenancy should normally have to wait 12 months before being able to go back onto the housing register.

Exceptions would be agreed in the limited circumstances where the applicant would come within a reasonable preference category (broadly speaking this would mean statutory overcrowding, medical or welfare need or homelessness.)

The Head of Housing would have discretion to agree to earlier access to take account of other important changes of circumstances.

6 Financial resources

Current policy states:

"If you have an income or savings or investments that will allow you to get private accommodation, we will encourage and support you to take this option and we may give you less preference in HomeChoice." In practice this has not been used and the following more stringent definition is proposed.

"An applicant and their household with assets, or equity in a property, with a net value of more than £16,000 will have this taken into account when their application is assessed and will not receive any priority.

Where the applicant is part of a couple, the income of an applicant and their partner is taken into account. Single applicants who have an income in excess of £30,000 per annum and households with a joint income in excess of £50,000 will not receive any priority. Any Disability Living Allowance (DLA), Personal Independence Payment (PIP) and War Pensions are not included as income.

This restriction may be removed for individual cases by the Head of Housing Services in exceptional circumstances where it can be shown that it would cause exceptional hardship."

7 Children above ground floor

It is proposed that this category within the transfer policy and in band 3.3 should be revised so that it only applies to children above the first floor rather than above the ground floor and only applies to flats not maisonettes.

Two further changes are proposed.

Band 3.3: This states that it applies to "private tenants" because council and housing association tenants within the district will be in the transfer band.

However there could be council and housing association tenants from outside the district with a local connection (or exempt from local connection rules) who have children above the first floor. They wouldn't be in the transfer band (because WDC wouldn't get to nominate to the resulting vacancy) so it is proposed that they should go into band 3.3.

Transfer: For clarity it is proposed that the policy should state that applicants with this transfer band priority will only be considered for a move to a lower floor: the need reflected by the banding is not alleviated by a sideways or upwards move.

8 Housing-related debt

There are various aspects to this within current policy. At present debt may be dealt with in three separate ways:

1. Unacceptable behaviour. Policy allows exclusion completely from Homechoice for two years where a member of the household has been "guilty of unacceptable behaviour" which can include "not paying rent". The test is whether a social landlord could have evicted the person had they been a tenant, not whether an actual eviction has taken place. The

wording of this section is such that it appears to only apply to behaviour of people who were not tenants of a social landlord at the time of the behaviour.

2. Housing-related debts – no offer. Policy states that for an applicant who owes a social landlord money “we might not offer you a property”.
3. Housing-related debts – demotion. Policy goes on to state “We may put you in a lower banding if you have housing-related debts”. The demotion can be lifted if the debt is brought below a set level or a payment plan is made and kept to.

The latter two points have at times been applied together, i.e. applicants have been demoted a band due to debt but then, having come up for an offer in the lower band, had it withdrawn. This seems to be double punishment and is not easily justified to applicants.

It is proposed that the following changes are made:

- The definition of housing-related debt should be broadened to include housing-related debts owed to private landlords, building societies, banks and other lenders.
- Demotion for housing-related debts should be withdrawn.
- Housing-related debts that actually resulted in an eviction should be considered unacceptable behaviour and dealt with in accordance with the “Unacceptable behaviour” policy. There should be two exceptions to this:
 - Where the applicant has kept to an arrangement with the landlord and has reduced the debt by at least 50% at the time of the application;
 - Where the applicant is assessed and found to be unintentionally homeless.
- For other housing-related debts it is proposed that an applicant with a combined housing-related debt exceeding £500 should be suspended from being able to bid until the debt is brought below that figure or the applicant has made an agreement to pay off the debt and has kept to it for at least 13 consecutive weeks. Exceptions to this will be considered on a case-by-case basis by a senior officer within the Housing Advice & Allocations Team, in conjunction with the body to whom the debt is owed. In particular exceptions will be considered for tenants being affected by the removal of the spare room subsidy who are seen to be trying to keep up with their rent payments but nevertheless falling into arrears. All decisions about exceptions will be logged so that precedent is built up to ensure consistency.

9 Split households

Current policy does not explicitly address the situation where people living separately wish to live together. (The only situation that is covered is where both parties are social housing tenants and can be banded as a transfer “two for one” move.)

This kind of situation can in certain circumstances be considered under homelessness legislation, for example where children are involved and the whole family cannot reasonably live together at one or other of the dwellings.

However on occasions applicants have sought to include other people on their application to gain a larger property than they are entitled to or to claim a higher banding.

For applicants in this situation that cannot be considered under homelessness legislation it is proposed that an application form should be completed for both parties and submitted together. A joint application will be registered to the address that would attract the lower banding were the parties to move in together.

Where an offer of accommodation is made both parties must sign up to a joint tenancy. If either party moves out or seeks to terminate the tenancy and leave the other in occupation during the first twelve months of the tenancy a fraud investigation will be initiated.

10 Definition of "child"

There is a lack of consistency in the policy in that for determining bedroom need, under 16 years of age is used. However for the property size and letting guidelines, to qualify for a house there needs to be at least one "dependant" and this is someone under 18 years of age. The "children above ground floor" bands also use dependant rather than date of birth.

It is proposed that this be rationalised so that both "child" and "dependant" are defined as someone younger than 16 across the whole policy.

11 Multiple needs

Applicants with multiple needs are placed in a band according to their greatest need. For example someone with both a band two need and a band three need will be placed in band two as this has a higher priority. Applicants within a band are prioritised purely on time on the register. However if an applicant has, for example two "band two" needs no additional consideration is given for this and priority within the band is again done according to time on the list.

It is proposed that a new category is created in each of bands two and three for multiple needs. This will have priority over applicants with only one need regardless of time on the list although within the multiple need category if there is more than one applicant they will be prioritised by time on the list.

Only needs within the band will be considered. So:

- Someone with both a band two and a band three need will go into band two under the category of their band two need;
- Someone with two or more band two needs will go into "Band two-multiple need"; and
- Someone with two or more band three needs will go into "Band three-multiple need".

12 Refusals

Applicants are allowed to bid for up to five properties on any single advert. They can only be made one offer at a time and are currently free to refuse any offers that they receive without penalty (with the exception of band one where the urgency of addressing the need requires a degree of compromise on the part of the applicant.)

This is in keeping with the ethos of a choice-based system. However there have been instances of applicants bidding for, but then refusing, a number of properties that would have been suitable for their needs. This is unfair on landlords who lose rental income while a property is void and also go to a lot of abortive work in contacting the applicant, arranging tenancy checks and sign-up appointments etc.

It is therefore proposed that an applicant should be suspended from bidding for a period of three months if they have refused three offers of suitable accommodation that they have placed bids on in any six month period.

The intention would be to provide some deterrent to frivolous bidding while recognising that, in a choice-based system, applicants should be able to bid for, but subsequently refuse, properties. A more serious sanction is not therefore considered appropriate.

13 Unacceptable behaviour

The present definition makes it sound as though this only applies to people who were not council or housing association tenants at the time of the behaviour. It is proposed that the wording should be changed to make it clear that these rules apply to any applicant.

Current policy also states that the decision will be "based on the circumstances at the time of the application" and therefore can only be applied to new applications. It is proposed that this should be extended to allow for exclusion for unacceptable behaviour of existing, as well as new, applicants where such behaviour occurs or comes to light after an applicant has been accepted onto the register.

It is further proposed that there should be a facility to extend the non-qualifying period for longer than two years if the applicant's behaviour has not changed in that time.

14 Changes to the Allocations Policy

At present all changes, however minor, need to be reported through Executive and on to Council. It is proposed that the Head of Housing Services be given delegated authority, in consultation with the Housing & Property Portfolio Holder, to make minor policy changes from time to time. The Portfolio Holder would report any changes approved in this manner as part of the annual report to the Overview and Scrutiny Committee.

More substantial changes would still be the subject of reports to Executive and Council.

15 Demolition and regeneration

Where the council is planning to demolish a tenant's home or regenerate an area resulting in one or more tenants losing their home it is proposed that affected tenants should be placed in band one.

16 Move-on applications

These applications currently go into band one. This would appear to have been introduced so if we had a homeless approach from a single vulnerable person they would be referred to supported accommodation and when they were tenancy ready we would rehouse them from band 1 'move-on' then place another vulnerable person into that vacancy.

The move-on protocol has recently been revised and is a lot less prescriptive so that the supported providers take referrals from any organization (and in some cases self- referrals) not just the council. This has a negative impact on the waiting list as the provider still expects to refer them to us for 'move-on' which in turn affects the waiting time for homeless applicants in temporary accommodation, especially with a one-bedroom need.

It is proposed that in future move-on applicants should go into band two.

17 Threat of violence and harassment

For existing social tenants these are covered under band two – welfare need. It is proposed that this should be broadened to cover all cases of threat of violence or harassment that aren't serious enough to warrant band one under a homelessness assessment.

It is also proposed that a band one category be created for serious cases to try to facilitate a move through the housing register without forcing the applicant into homelessness. This would also include requests for rehousing that are supported by the Police or a formally established organisation such as the Risk Assessment Management Panel under the countywide Multi-Agency Public Protection Arrangements (MAPPA), Multi-Agency Risk Assessment Conference (MARAC) or the National Witness Support Scheme.

18 Fostering and adopting

It is proposed that an applicant who needs more bedrooms because he/she has been approved by the relevant agencies to foster or adopt a child or children should be eligible for a number of bedrooms that will provide space for the child/children in accordance with the bedroom need rules.

If the number of bedrooms in their current property is less than the number that they are assessed as needing, the applicant will be banded as overcrowded.

The child does not have to be living with the applicant at the time of the application but the approval for fostering or adoption must be evidenced and the intention to adopt or foster the child must be apparent.

19 Ex-partners of serving or former armed forces personnel

Serving or former armed forces personnel currently may have their service recognised within the allocations policy in three ways, subject to meeting certain criteria:

- They may be exempt from the local connection rules;
- They may receive band two priority;
- They may be promoted a band due to urgent housing needs

It is proposed that an ex-partner of a serving or former armed forces member should be assessed for local connection and banding, as if their ex-partner were

still a part of the household. This is conditional upon them having been living with their then-partner while he or she was serving in the forces for a period of at least six months at the time that they separated.

21 Homelessness Reduction Act

It is proposed that the wording of the current homelessness categories in bands one, two and three should be adjusted to match the new statutory duties in the Homelessness Reduction Act 2017.

22 Overcrowding

It is proposed to create a distinction between statutory and non statutory overcrowding providing greater preference to statutory overcrowded applicants.

23 Administrative clarity

It is proposed to provide applicants with detail about matters including how their application will be processed, their rights to information held about them and how the policy will be monitored and reviewed.