

Executive

Minutes of the meeting held on Wednesday 27 July 2016 at the Town Hall, Royal Leamington Spa, at 6.00 pm.

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

Also present: **Councillor** Mrs Falp - Whitnash Residents Association (Independent) Observer, Councillor Naimo - Labour Group Observer & representing Overview & Scrutiny Committee and Councillor Quinney - Chair of Finance & Audit Scrutiny Committee.

(Apologies of absence were received from Councillors Barrott and Boad).

31. **Declarations of Interest**

Item 36 – Review of Support to Town and Parish Councils

Councillors Coker, Cross, Grainger, Mobbs and Shilton all declared a personal interest because they were Town Councillors.

Part 1

(Items on which a decision by Council is required)

32. **Leisure Development Programme**

The Executive considered a report from Cultural Services that; provided them an update on the Leisure Development Programme; confirmed the timelines for the remaining elements of both the investment projects and the management of work streams within the Leisure Development Programme; and approval for funding for preparatory works to be carried out at Newbold Comyn and St Nicholas Park Leisure Centres in advance of the main construction work, which would be subject to approval by Council.

The Executive agreed, in November 2015, that the Council should follow the Royal Institute of British Architects (RIBA) approach to the management 'Plan of Work' approach which was recognised as an effective and professional approach for projects of this scale. This decision recognised the need to ensure that, on projects of this scale, costs were confirmed prior to any commitment being made by the Council to commence construction works. The RIBA process was comprised of a series of stages, set out at Appendix 2 to the report, and as a project progressed through these stages, greater cost certainty was achieved as a result of increasingly detailed surveys being received and design solutions being proposed. The report presented to Executive in November 2015 presented the RIBA Stage 2 report produced by project managers Mace Ltd, which included the outline designs for the improvements at St Nicholas Park and Newbold Comyn leisure centres. The indicative cost at Stage 2 was £11,813,298. However, the RIBA process was designed to test initial estimates comprehensively and fully, and it was common for cost estimates to vary, normally upwards, as a project progresses beyond Stage 2.

In November 2015, the Executive authorised officers to develop the investment proposals up to RIBA Stage 4. A budget of £550,000 was approved to fund this

work in advance of a final decision being made by Council when Stage 4 detailed plans and costs would be presented. The £550,000 was contained within the estimate of £11,813,298. To date, £452,846 of the £550,000 budget had been invoiced or committed, leaving a balance of £97,154.

Progression from Stage 2 to Stage 3 required significant input from a range of parties. Further technical surveys were completed on site and solutions developed to amend designs based on the outcomes of these surveys; architects refined designs based on feedback from Sport England and Council officers in order to ensure that the designs complied with the objectives of the project and with Sport England design requirements. The Stage 2 plans were used to support the public consultation exercise that was undertaken in late January/early February 2016, and further amendments to the designs were made following the consultation. The project team were able at this stage to reduce some costs through a robust value engineering process. The team were very aware throughout this process that any savings being proposed should not fundamentally impact on the standard of the end product or reduce the experience that customers would enjoy from the new facilities.

Stage 3 designs were confirmed in April 2016, with estimated costs of £12,938,745. The Stage 3 Cost Plan included construction costs, design fees, additional surveys, an allowance for preparatory works (as explained in section 3.2 of this report), and a 4% contingency (£448,175), compared to the 5% contingency (£520,314) that had been allowed at Stage 2. Based on experience of similar projects at this stage, Mace advised that at that point that they would expect to be able to drive out a cost reduction in the region of a further £500,000 during the Stage 3 to Stage 4 work through further value engineering with the Pre Construction Services Agreement (PCSA) contractor, bringing the total project costs to under £12,500,000. This position was discussed with the Deputy Chief Executive (AJ), Head of Finance and Portfolio Holders for Cultural Services and Finance.

The Stage 3 designs were a key element of the tender documentation that was required in order for the Council to appoint a contractor under a PCSA contract. As was typical for such construction projects, procurement was an OJEU compliant "2 stage process" whereby a contractor was appointed under a PCSA to work alongside project managers, architects, and WDC officers to refine designs and technical solutions that would culminate in Stage 4 designs and costs being confirmed. At the end of Stage 4 the PCSA contractor reached a point where they were willing to take on single design point responsibility for the elements of the building that were included in the project.

Speller Metcalfe were appointed under the PCSA in June 2016 and had joined the design team to work with Mace and B3 to provide a further and significant round of value engineering, concentrating on 'buildability', phasing and specifications to ensure the building works offered the best possible value for money. During this phase Speller Metcalfe would also gain a detailed familiarity with the buildings in order to assist them in developing the Stage 4 plans and costs.

The project had evolved over the last 3 months, further costs, totalling £539,000, had emerged. These were; £106,000 (additional fees for design team as a result of amendments to the proposed designs to address construction and operational requirements, and unavoidable delays in the programme); £304,000 (revised preparatory work costs); £93,000 (costs

for Clerk of Works and Building Control); and £36,000 (other costs including planning fees, construction of temporary reception and lining of car park). In previous projects such ancillary works had often been charged to other revenue budgets and therefore not shown as project costs. A decision was taken by CMT and the Executive at the start of this project that the costs should represent the true cost of the project.

There were also a number of additional design features that were considered to be essential or desirable which totalled £391,000 and were not allowed for in the previous estimate of £12,934,745. These included; Acoustic panelling (Newbold Comyn (NC) sports hall) – required by Sport England (£50,000); Additional car park lights (NC) - desirable (£15,000); New pool hall lights (NC) – recommended by Sport England (£100,000); New sports hall lights (St Nicholas Park (SNP)) – recommended by Sport England (£50,000); New lift (SNP) – required by Sport England (max £150,000); and Electric vehicle charge points (NC) – required by WDC (£26,000).

Based on the additional costs, the revised total cost of the investment proposals was £13,863,745. Officers were of the opinion that some savings could be made by further value engineering with Speller Metcalfe and Mace. There were also further discussions to be had to agree on which of the additional design features could be excluded or reduced. However, given the current position of the project, the wider national economic situation and the Government's emerging new procurement policy for the purchase of steel, it was considered prudent to add £636,255 to the existing contingency sum, taking the overall contingency to 7.5%, and the total budget to £14,500,000.

Construction projects of this scale typically included an element of "preparatory works" and "enabling works" that were carried out in advance of the main construction contract, allowing preparation of the site to allow the main construction phase to commence as soon as possible after approval had been given. For the purpose of this report "preparatory works" were defined as utility diversions and upgrades, and "enabling works" as internal service diversions (e.g. data cabling, alarm installations); completion of any outstanding surveys, clearance of any trees or other obstacles within the affected areas, erection of hoardings and possibly the installation of bases for works compounds.

Preparatory and enabling works would need to commence on both sites prior to approval of the main construction contract. The contract to undertake these works was completely separate from the main construction contract. The decision to allocate funding for these works did not prejudice the decision to be taken by the Council in October 2016 as the bulk of these works would be required to support any future investment in the two leisure centres. Therefore, if the decision in October was to reconsider the investment proposals and not proceed with the main construction contract at this point, then preparatory works would not have been wasted as they would be required whenever the development proceeded with only a small element of the cost (c.£25,000) of the enabling works e.g. hoardings, being written-off. The details of the preparatory and enabling works for this project were set out in Appendix 1 to the report.

If the Executive chose to delay the decision to progress the preparatory and enabling works until after the October decision, the project would be delayed and costs would rise at a rate of approximately £200,000 per quarter. This rate allowed for the increases in inflation of 1% per quarter (4% per annum) and

the increase in fees for the design team that would be created by the additional timespan, calculated at their agreed rates.

The Stage 3 Cost Plan included the costs of "enabling works". It had always been assumed that these works would be required and that a report would be necessary to draw down the appropriate funding from the proposed main contract budget to allow these works to take place ahead of the final Council decision. The estimated cost of enabling works, provided by Speller Metcalfe, was £233,875 (including a "client contingency of 10% to cover unforeseen costs).

The "preparatory works" (utility works and diversions) required individual orders to be raised with the appropriate utilities companies. Due to the long lead times associated with utility diversions, it was key that orders were placed for these works as soon as possible and work needed to be paid for at the time of order. If orders were delayed until October a delay would be built into the project. It was necessary to move these services because either the existing services were located in areas that were needed for foundations for the new buildings, because the entry point for services would change during the refurbishment, or because the service requirements of the new building were different to the requirements of the existing buildings. In the case of this project, there would be works undertaken by Severn Trent, Western Power and SMS Connections.

The Stage 3 Cost Plan prepared by Mace Ltd included an allowance of £98,000 for the preparatory works, which were now estimated to be in the region of £402,000. The increase in costs (of £304,000) was largely due to two elements of the works, namely the need for the diversion of a large Severn Trent water main at Newbold Comyn (estimated cost £200,000) and the upgrade of the electricity supply to St Nicholas Park Leisure Centre at a cost of £85,000. The electricity upgrade included work to provide a very necessary upgrade to supplies for the children's amusements and café in the park, and whilst this work was not part of this project, it made sense to complete the work at the same time and reduce disruption. The level of charges for these works was not expected to be this high, and work was ongoing with Severn Trent in particular, to attempt to reduce these costs by simplifying the works carried out.

The additional costs attributed to preparatory works was being investigated by Mace Ltd to establish how and why they were so far out in the Stage 3 report. They were clearly unhappy that they had significantly underestimated these costs, when they had been much more accurate in their other cost estimates. However, the purpose of the RIBA 'Plan of Work' approach to project management was to constantly refine costs and design as more information was available, and to get estimated costs as accurate as possible before deciding whether or not to proceed with the works.

Therefore in order for the necessary preparatory and enabling works to be undertaken, a sum of £635,875 was required. This was initially to be funded from Internal Borrowing, as discussed in the report.

Officers and project managers, Mace, had continued to work closely with Sport England to develop plans that complied with their design advice and met their strategic objectives. The Council was invited to submit an application to the Sport England Strategic Facilities Fund in late 2015 and in February 2016 was informed that the project had been judged to be of sufficient quality to be

approved at Stage 1 of that process and would now progress to the final stage where a decision would be made regarding the level of funding the project might receive. This decision would be made at the Sport England Board meeting on 19 September 2016.

Public consultation on the Stage 2 designs for both leisure centres took place in January/February 2016. Officers manned displays in the leisure centres for approximately 54 hours and spoke to over 1200 members of the public. 338 people completed feedback forms and of these people 93% were in support of the plans. Officers responded to approximately 200 individual queries in writing, and held follow up meetings with groups of customers with specific queries. These included swimmers with concerns over "village changing", customers with concerns about the removal of the splash pool at St Nicholas Park Leisure Centre, the 50+ group at St Nicholas Park Leisure Centre and various clubs and hirers of the facilities.

The proposed designs had been submitted for planning approval and were approved by the Planning Committee on 19 July 2016.

A Council meeting had been scheduled for 13 October 2016 to consider a further report with Stage 4 final designs and confirmed costs and consider progression to the construction phase. At this stage the design specification and the costs for the Council would be fixed and the risk of any further costs would be borne by the construction contractor. The additional contingency within the project costs would allow for any unforeseen problems or opportunities that occurred within the building phase to be addressed. The project contingency had been increased to 7.5% which was considered appropriate in the current circumstances. The attention to detail that had been used in preparing the surveys and current designs, should ensure any unforeseen incidents requiring use of the contingency were kept to a minimum.

An OJEU notice was placed on 6 June 2016 to commence the process of identifying an operator to manage the leisure facilities currently managed by the Council. The OJEU process required all documents relating to the contract to be issued with the OJEU notice, consequently significant work was required from officers and colleagues at Warwickshire Legal Services to complete the main contract document, Pre-Qualification Questionnaire (PQQ), Invitation to Tender (ITT) document, relevant leases, service specification, evaluation matrices, Transfer of Undertakings, Protection of Employment (TUPE) lists, quality questionnaire and supporting background documents.

The contract documents had been prepared on the basis that the investment proposals took place as described above and should this not be the case, it was likely that there would need to recommence the tender process for the management contractor as the basis for the financial modelling would have been fundamentally altered.

16 companies registered on the In-tend procurement portal and at the closure of the initial PQQ phase, on 5 July, 11 companies submitted a PPQ.

The most recent feedback from the leisure industry was that the market was buoyant and a number of strong tender processes had recently been completed which had seen significant concession fees being offered to local authorities by operators for contracts to manage leisure centres. Whilst this Council would be not be able to confirm until January 2017 what financial return had been

secured for this contract, clearly the stronger the market, the more likely it was that the Council would see a good return and the business model would see the prudential borrowing repaid over a shorter period.

The key dates for the project of letting the management contract were summarised within the report.

During the last six months, managers had continued to engage with operational staff at the leisure centres and the trade unions in order to ensure they were up to date on progress and had the opportunity to raise queries and concerns as they arose. This would continue through the coming months and until the point of transfer. During the procurement process the external operators would make many site visits and therefore it was essential that staff were fully briefed. The formal process for consultation under the TUPE regulations would be followed, and improved upon where relevant and proportionate.

Work had progressed on the review of the Cultural Services Business Support Team and "management team", both of which would be affected by the change in management arrangements. It was anticipated that a report would be submitted to Employment Committee in December 2016, proposing a new structure for the support team and the "client team" within Cultural Services.

Alternatively, the "preparatory and enabling works" could be delayed until after a decision had been made on the main construction contract in October 2016. By doing this the length of the construction contract would be extended with the consequence of increasing the cost of the main contract, and extending the period of inconvenience to the customers who would be using the facilities during the works. There was also the impact on the management contract which was scheduled to commence at the point that works at St Nicholas Park were completed. If the construction programme was extended, the construction would not be completed at either site at the start of the management contract on 3 May 2017, and the financial benefits to the Council of awarding the management contract would be delayed.

An addendum was circulated at the meeting which set out a summary time line for the Leisure Development Programme, an update on the Community Consultation and a confidential list of indicative costs.

The Finance & Audit Scrutiny Committee supported the recommendations but was concerned about the substantial increase in costs. In addition, Members highlighted to the Executive that they would be expecting Mace to make a firm commitment to deliver savings through the Value Engineering Exercises.

However, Members were encouraged by the inclusion of the penultimate sentence of paragraph 3.1.3, relating to the standard of the end product and the experience that customers should encounter at the facilities

Councillor Coker took the opportunity to thank the Head of Service and her team for their work on this project and highlighted that the purpose of using the RIBA project process was to ensure that costs were identified at the appropriate stage.

Recommended to Council that budget provision of up to £635,876 is approved to complete the preparatory and enabling works at Newbold Comyn and St Nicholas Park

leisure centres as detailed in Appendix 1 of the report, which will be funded initially from Internal Borrowing.

Resolved that:

- (1) the update on progress made on the investment programme for the leisure centres since the November 2015 Executive report including the latest cost estimates for the works, be noted;
- (2) officers and the Council's project managers, Mace Ltd, continue to work closely with Sport England prior to a decision being made by Sport England on 19 September 2016 on their potential £2m funding contribution to this project; and
- (3) the progress made on the procurement of an external operator for the leisure centres, be noted.

(The Portfolio Holder for this item was Councillor Coker)
Forward Plan reference number 745

33. **Minor Amendments to the Constitution**

The Executive considered a report from Democratic Services which brought forward minor amendments to the Council's Constitution, to ensure it was up to date and fit for purpose to enable Council services to be delivered effectively and efficiently.

The amendment to delegation DS(38) proposed a small change in the terminology used to reflect that used more widely in legislation and the associated regulations, therefore ensuring the scheme of delegation was up to date.

The proposed addition of delegated powers to issue Discontinuance Notices in order to remove advertisements, was included to bring the delegation agreement up to date. Currently, this action would need to be brought before Council, thus potentially delaying action being taken.

At present, the deadline for Notices of Motions normally fell on a Sunday (as a result of Council meeting on a Wednesday). This minor revision provided Councillors more time to submit notices of motion for consideration at meetings. It also provided a defined cut off time.

The proposal to amend the Chief Executive's delegated powers in respect of changes to the establishment, was brought forward to improve efficiency but recognised the responsibilities of the Council. The Chief Executive, as Head of Paid Service, was responsible for staffing matters and should be permitted to amend the establishment of the Council, so long as the budget was in place (approved by Executive or Council). At this time, it was felt appropriate that Employment Committee retained the responsibility to reduce the size of the establishment because of the potential redundancies and the implications of such changes for the Council.

The proposal regarding property rental write off (where the Council decided it was unlikely to recover the rent for a property) was brought forward following a discussion earlier in the year between officers. It was considered that this was covered within the current delegation for write offs, overall, but this proposal ensured that any ambiguity was removed.

The request for the Head of Finance to determine discretionary Council Tax relief applications was brought forward as a result of the application made by an individual to the Council in 2015. At the time, no delegation was in place and the application had to be considered by the Executive. The proposal was brought forward so that a decision could be taken at an appropriate level and would be consistent with delegations already in place for discretionary rate relief applications.

The Council was obliged under the Micro-chipping of Dogs Regulations 2015 to have appropriate delegations in place to enforce, where necessary. These delegations provided the appropriate level to ensure the Council could enforce the regulations quickly, as required.

The proposed move of delegations from Development Services to Housing & Property Services was to reflect the restructure of these services, in particular property management, that now fell within the responsibility of the Head of Housing & Property Services.

These proposed changes amended the delegations to reflect the restructure of services some of which now fell directly within Development Services. The removal of Committee approval for events, reflected the custom and practice of the Council for at least 15 years.

The amendment to the Licensing & Regulatory Committee function was to provide clarity. Whilst it was recognised that this had been the intention of Council previously, the proposal would remove any ambiguity and potential challenge of appointment.

The amended Portfolio Holder Structure was brought to the Executive for confirmation following the inclusion of the new Business Portfolio. This was because the Portfolio Structure formed part of the Constitution which would need to be amended by Council. It was noted, however, that Portfolio Holder responsibilities were a matter for the Leader of the Executive to determine.

Proposals for the detailed determination of planning applications relating to the design of the HS2 project were currently being discussed between officers, the Chairman of Planning Committee and the Development Services Portfolio Holder, in the light of emerging information from HS2 Limited about the way in which applications were likely to come forward. The final arrangements for these were, as yet, unclear and would remain so until final delegation from Government Office was confirmed. In that respect, it was anticipated that a further report would be brought forward shortly.

It was recognised that the current arrangements for call-in were conflicting and needed to be reconsidered in detail. Work had paused on this in recent months and investigations into best practice were now under way with a view to reporting back to the Executive in September 2016.

Alternatively, for each of the proposed changes it would be possible to leave the current situation in place. However, this was not considered appropriate because the intention of the recommendations was to provide a more efficient Constitution and delegations at an appropriate level. In addition, Councillors could consider delegating these functions either to other officers, Committee or Portfolio Holders, however, these changes had been proposed in line with the current principles of delegation within the Constitution

The proposal requiring Warwick District Councillors to provide a valid planning reason for calling in a Planning Application to Planning Committee for determination, along with the proposals to clarify the requirements for interested parties/Parish/Town Councils for commenting on planning applications, were withdrawn by the Leader of the Council. It was noted though that the Portfolio Holder, Councillor Cross, would be meeting with the Chairman of Planning Committee, Councillor Cooke, and relevant officers to bring back revised proposals.

The proposed changes to the Employment Committee remit had been raised by the Executive to ensure they were clear on the proposals. They were content with these proposals because they provided appropriate delegation to officers and ensured that Employment Committee could focus on setting Policy and Executive or Council would retain control of setting budgets.

Recommended to Council that the

- (1) amendments to the Constitution as set out at Appendix 1 to the minutes be approved; and
- (2) Part 7 of the Constitution be amended to include the revised Portfolio Holder responsibilities, as approved by the Executive, and set out at Appendix 2 to the minutes.

Resolved that further proposals for revisions to the Constitution, including the handling of applications relating to HS2 and an improved call-in procedure be brought to a subsequent meeting of the Executive.

(The Portfolio Holder for this item was Councillor Mobbs)
Forward Plan reference number 800

Part 2

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

34. **Budget review to 30 June 02016**

The Executive considered a report from Finance that provided the latest financial position and sought approval for changes to the approved 2016/17 budget.

The latest variances that had been identified by managers, were detailed in the report, but provided a favourable variance of £900.

The Firmstep contract budget had been included within the savings from the Customer Service Centre review. However, this system was still needed for One

Stop Shops and the future needs for this system would be subject to the review of One Stop Shops.

Changes to salary budgets totalling £86,800 had arisen since the budgets were agreed and these changes had been factored into the current forecast out-turn position. The changes related to, Contract Services Officer £26,400 – post on establishment but not within Budget, ICT salaries vacancy adjustment £22,100, Fitness instructors re-gradings £20,000, and a Revenue officer 12 month post funded from council tax penalty income, (penalty income included in budget but not the expenditure of £18,300).

Details of the current contingency budget were included explaining that it had a remaining balance of £201,900. This was after the requests set out within this item, detailed in Appendix A to the report, but before any commitments requested in other reports to this meeting. The Prosperity Agenda item originally approved at April's Executive for £29,200 only required £25,900, a reduction of £3,300. This saving had been reflected in the balance of the budget. None of the 2016/17 Training Contingency Budget of £4,900 had currently been allocated. However, this budget was fully allocated in 2015/16 and was expected to be used by the end of this year.

There were other Contingency Budgets for Price Inflation (£24,000) and Contract Cleaning (£101,000). Any forthcoming demands for the use of these budgets would be reported upon during the year.

A member of Cultural Services had been underpaid, for a number of years, and the Council now had a one-off £30,000 liability (including employer on-costs). Although the Head of Service had made every effort to fund this from existing budgets, it had proved impossible without wider, more adverse consequences to the service and it was considered appropriate that this should be funded from the Contingency Budget.

The rent refund related to WDC receiving rent from Racing Club Warwick, a portion of which should have been sent to the W.M. Reserve Force/Cadets. They had also received a rent refund whilst they were unable to access their Clubhouse. This refund was previously agreed by the Executive in July 2015 to be funded from last year's Contingency Budget. However, owing to the length of time it took to finally resolve all the outstanding issues regarding Racing Club Warwick and the Cadets the decision could not be executed until the beginning of this current financial year.

Revenue slippage from 2015/16 had been added into the 2016/17 budget, totalling £322,600 for the General Fund, as detailed in Appendix B to the report. This would be monitored separately and reported to the Executive on a quarterly basis. As at the end of June nothing had been spent to date; and an additional £258,700 of revenue slippage was approved for the HRA at the same meeting and these could also be seen in Appendix B to the report.

Progress had been made on some of the earmarked reserves and these were also detailed in Appendix B to the report.

Due to the significant favourable income variances reported in the 2015/16 Final Accounts the Accountancy team was working with budget managers to check whether the current income budget projections were accurately reflecting current market conditions.

Appendix C to the report showed income and budget details for the last three years, for major income budgets. The appendix illustrated that over the past few years, income forecasting in those areas, apart from 2015/16, had mainly been reasonable. The two areas, which were exceptions to this, were Car Parking and Planning fee income. Planning Income had averaged, over the past 3 years, at more than £250,000 over recovery of the income budget per annum. Parking had been subject to similar variances at approximately £235,000 per annum.

Work was being undertaken to establish if there would be ongoing favourable variances for income. At this stage the only change was in respect of Planning Fees where £100,000 increase in the income budget was proposed. By the second quarter's report on the budget, later in the year (October/November), managers should be in a better position to identify if these income budgets could be increased, improving the Council's financial position as at 31 March 2017, and also review the budgets for future years to be included within the Medium Term Financial Strategy.

No variances had currently been identified for the HRA to end of June 2016.

There were no General Fund Capital variances being reported by budget managers with the exception of the Housing Investment Programme (H.I.P.). It had been reported, to June's Executive that the Renewal of the Fire Alarm Systems in Sheltered Housing Schemes needed additional funding of £207,000. It was agreed that £71,000 would come from an earmarked reserve from 2015/16, with the remainder being paid from existing reserves.

The Medium Term Financial Strategy (MTFS) was updated and presented to the Executive on 2 June 2016 as part of the Fit For the future report. The saving requirements were detailed within the report. The MTFS was based on; an annual Council Tax increase of £5 at Band D to 2019/20, and 2% thereafter; £300,000 savings from the proposed office move in 2018/19; £145,000 savings from the Terms and Conditions Review (Phases 1 & 2) from 2018/19; £500,000 from the investment in the leisure centres and new management arrangements by 2018; investment in a new multi storey car park at Covent Garden with the finance costs of borrowing met by increased parking charges from 2018/19; and Revenue Support Grant reducing to zero by 2019/20.

There were no significant changes proposed that would alter the projections, however, four key areas were being monitored closely; the significant number of business rates appeals waiting to be determined; monitoring of main income sources; variances from the budget as outlined within the report; and investment by the Council.

As part of the June Fit for the Future report the Executive agreed a programme of initiatives that should secure sufficient savings to exceed the cumulative savings requirement. These initiatives were being progressed and any additional savings potential would be closely monitored. If it was not possible to make these savings, this would be reported in future reports and that in such a scenario the Council would need to consider other savings initiatives.

The Council was currently in the Coventry and Warwickshire Business Rates Pool, along with the five districts in Warwickshire, the County Council and Coventry City Council. As part of the pool, the authorities had been able to

reduce the net amount of levy payable to Central Government, and retain more business rate income locally.

With the formation of the new West Midlands Combined Authorities, there would be a new pool formed covering that area. Consequently the current pool would no longer exist from 1 April 2017. Consideration was being given to what the alternate pool arrangements were for the Non-Constituent Members of the Combined Authority, along with authorities such as Warwick which had not agreed to join the new Combined Authority. Modelling was also due to be undertaken. This work was likely to progress into the Autumn and a future report will be brought forward outlining the pooling options along with any appropriate recommendation, in due course.

Overall the Pool arrangement had resulted in over £1.1m being retained locally from Business Rates, with WDC's share being £95,000 for 2015/16. However, due to the Council also receiving a, one-off, safety net payment for 2013/14 from the Pool which was due to be repaid from future years' retained levy, the Council would not directly benefit from this. In addition, it was noted, that subject to the performance of the pool in 2016/17, the Council could still have a liability to pay when the pool was dissolved. This was currently estimated to be £50,000, which would be financed from the Business Rate Volatility Reserve. When further information was available, it would be reported to the next meeting of the Executive. However, currently the Council would lose business rates income if it remained outside a pool.

In addition to the projected shortfall in the Medium Term Financial Strategy, the Council also has the following liabilities to fund:-

Asset Maintenance Liabilities – following the review of Corporate Assets, the future cost of maintaining all the Council's property assets and land holdings has been established, as previously reported to Executive. The cost of these works was only funded up to and including 2018/19. To fully fund the works required in subsequent years would amount to an additional cost averaging out at approximately £1m per annum.

ICT – A separate ICT Reserve had been established to provide funding for the Council's ICT infrastructure. Contributions of £250k, per annum, were being made to this reserve.

Equipment Renewals Reserve – For some years the Council had maintained an Equipment Renewals Reserve to fund service equipment replacement. Contributions of £100k per annum were being made to this reserve.

It was important that the Council's financial projections were as inclusive of all potential funding demands upon the Council as possible. It was important that Portfolio Holders and Heads of Service reviewed all items currently budgeted for in the current and future years, and any further items which were currently not budgeted for inclusion in the financial projections and future Budget reports.

Following the Referendum decision to leave the European Union, the UK's credit rating had been downgraded from its AAA rating. The implications of this and other 'Brexit' issues had not yet become clear and the country had entered a period of un-certainty. The Governor of the Bank of England had already indicated that interest rates were likely to fall. This had not been factored into the financial projections at this stage.

An exemption to the Code of Procurement Practice was approved by the Head of Finance, in accordance with paragraphs 6.2.5 and 6.3 of the Code for the use

of Stoneleigh Park as a count venue for the EU Referendum. This exemption was agreed because, following research by officers, there were no other suitable venues for the count within Warwick District. The quote received was for £10,800 for room hire with some further additional services (stage, PA, Tables, Security and parking staff), bringing the total cost to £12,523. To resolve this issue in the long term, Officers were working on securing a contract for a count venue within the District, for the medium term and a report, if necessary would be brought before Members.

The Finance & Audit Scrutiny Committee supported the recommendations and welcomed the inclusion of the detail at paragraph 6.5 relating to the mitigation measures being undertaken to effectively manage the Councils budgets.

Councillor Whiting took the opportunity to thank the Head of Service and his team for delivering the report and the continued work to balance the budget and reminded all of the continued work to ensure capital repairs could be funded.

Resolved that

- (1) the latest variances for the General Fund budget and the projected outturn on budget, be noted, and the budget changes detailed in paragraph 3.1 of the report be approved;
- (2) a one-off payment from the Contingency Budget to fund a salary underpayment for a member of staff as detailed in paragraph 3.2.2 of the report, be approved;
- (3) the payment of the rent refund to the West Midlands Reserve Force and Cadets of £16,600 from this year's Contingency budget rather than last year's as originally agreed, be noted;
- (4) currently there were no projected changes to the HRA budget;
- (5) the Medium Term Financial Strategy projections and the forecast of required recurrent savings of £696,000, be noted, which are being addressed by the Fit For the Future programme agreed by members in June 2016;
- (6) the position on Coventry and Warwickshire Business Rates Pool from 2017/18, be noted and that a future report will be forthcoming on the potential pooling options available to the Council;
- (7) Portfolio Holders and Heads of Service review all planned and potential demands for future revenue or capital funding so that the Council's financial projections are as inclusive and accurate as possible;
- (8) the position regarding Treasury Management, be noted; and

- (9) the action taken under delegated powers in accordance with the Code of Procurement Practice to approve the Count Venue for the EU Referendum, be noted.

(The Portfolio Holder for this time was Councillor Whiting)
Forward Plan reference number 764

35. **Council Tax Reduction Scheme**

The Executive considered a report from Finance that sought approval for consultation on proposed amendments to the Council Tax Reduction Scheme.

The Government had abolished the national Council Tax Benefit scheme in April 2013 and tasked Local Authorities to design their own schemes for working age customers to be implemented from April 2013. The Government continued to prescribe the scheme for pensioners and they could continue to receive up to 100% reduction in council tax.

The Warwick District scheme for working age was unchanged in April 2013, in April 2014 the maximum amount of reduction a customer could get lowered to 92.5% and to 85% from April 2015.

The current scheme remained more generous than many Council Tax Reduction Schemes, however, in light of the revised national framework, the proposed changes would ensure that the scheme remained equitable for all customers whether they were in receipt of Universal Credit or not, whilst reducing the administrative burdens of operating different means tested schemes.

National legislation governing the administration of Council Tax Benefit was abolished for claims made after 1 April 2013 and Local Authorities were expected to introduce their own local schemes which were subject to a 10% cut in funding from Central Government.

The Council Tax Reduction scheme for working age customers was still very similar to the working age and pension age Housing Benefit scheme and the Council Tax Reduction scheme for pensioners. However, whilst legislative changes had been made to these two other schemes over the past three years, the Council Tax Reduction scheme had remained untouched; the proposed changes would bring the scheme back into line, ensure that it was equitable for all customers, and make it less confusing by aligning it with the other schemes and easier to administer.

If the changes were not made to the scheme, entitlement to Council Tax Reduction would be more generous to some customers even though their household circumstances and income could be the same as others. This was due to the national legislation which governed how Universal Credit was calculated conflicting with the Council Tax Reduction scheme.

When the Warwick District Local Council Tax Reduction scheme was agreed in 2013, Universal Credit was in its infancy and therefore the calculation of Council Tax Reduction for those customers in receipt of Universal Credit was based on the default scheme published by the Government, as was the case for most Local Authorities. Customers who were working and paid rent, could receive

help towards their housing costs as part of their Universal Credit award, however, those who were working and own their property received no help towards their mortgage. The calculation of Council Tax Reduction, currently meant that some Universal Credit customers who paid rent and claimed Council Tax Reduction had less to pay towards their Council Tax than those who paid a mortgage, despite receiving the same amount of earned income. Appendix 1, to the report, showed the calculation of Council Tax Reduction for a single claimant. Calculation 1 showed the amount of Reduction the customer received if there was no rental liability, there was no entitlement to Universal Credit and entitlement to Council Tax Reduction was £7.89. Calculation 2 showed the same single customer who had a rental liability of £119.09 per week, which meant that Universal Credit of £94.73 was payable and Council Tax Reduction was £12.77 per week.

Legislation had changed the maximum period a claim could be backdated to one month for both working age and pension age customers claiming Housing Benefit and for pension age customers claiming Council Tax Reduction. The Warwick District scheme allowed three months backdating for working age customers and therefore it was recommended that the scheme be aligned and backdating reduced to one month.

Non dependant deductions were made where a customer had one or more adults in the property who were not liable to pay Council Tax. The level of deduction was based on the income of the other adults within the property. The level of deduction had changed each year for the prescribed pensioner scheme and the Housing Benefit scheme but deductions had remained the same for working age customers claiming Council Tax Reduction since 2013.

The family premium was abolished in 2016 for claimants of Housing Benefit, Universal Credit and the pension age Council Tax Reduction scheme, however, it remained within the working age scheme. This meant that customers who had children and were in receipt of Universal Credit claiming Council Tax Reduction were worse off than claimants who were not entitled to Universal Credit and similarly pensioners who had children and claimed Council Tax Reduction. However, the removal of the premium would only affect new claims made after the 1 April 2017, therefore protecting those who had a continuous award of Council Tax Reduction.

The Government intended to restrict the number of child premiums included in the calculation of Housing Benefit, Universal Credit and Council Tax Reduction for pensioners to two children. Amending the working age scheme to reflect this change would ensure it remained aligned to the other schemes. If this was not amended, individuals who were not yet able to claim Universal Credit would be treated more favourably than those who had to claim.

Universal Credit was gradually being rolled out across the country and only single customers who would previously have claimed Job Seekers Allowance were eligible within the Warwick District area. An announcement was expected soon from the Government as to when this would be extended to other customers within the District. If our Council Tax Reduction scheme was not aligned, the total Council Tax collected would reduce as the total reduction paid out increased.

The current scheme was still complex to administer, and this made it resource intensive. The administration was still largely funded from the Housing Benefit

administration subsidy, as both Housing Benefit and Council Tax Reduction could generally be administered in the same transaction. However, details of full roll out of Universal Credit were expected later in the year and at this point it would be prudent to begin planning for a more simplified scheme which was less resource intensive and could achieve savings for the Council.

The Council could decide to keep the existing scheme in its current form and made no changes or recommend only some of the changes suggested.

The Finance & Audit Scrutiny Committee supported the recommendations but was concerned about the effectiveness of the consultation scheme, whilst noting that this was a mandatory requirement.

The Executive agreed with the concerns of the Scrutiny Committee but accepted that at this time the consultation scheme was a requirement that had to be followed.

Resolved that

- (1) the proposals, set out below, be put out to consultation for changes to the Council Tax Reduction Scheme from 2017:
 - a. That the calculation of Council Tax Reduction for Universal Credit customers receiving help with their housing costs is amended;
 - b. That the maximum period of backdating for working age customers is reduced from three months to one month;
 - c. That the amount deducted from entitlement for non-dependants residing in the property are amended to reflect the changes the Government have made to the prescribed scheme and that these are updated annually so that they remain aligned;
 - d. To abolish the family premium for all new claims made from the 1st April 2017 onwards;
 - e. That a child premium is not included in the calculation for any third or subsequent child born after April 2017, to reflect the changes to the pensioner scheme, the Housing Benefit scheme and Universal Credit; and
- (2) a further report be brought to the Executive, following the consultation process, so that appropriate recommendations can be made to Council.

(The Portfolio Holder for this item was Councillor Whiting)
Forward Plan reference number 806

36. **Review of Support to Town and Parish Councils**

The Executive considered a report from Finance about the funding that the District Council provided to parish and town councils. In view of the financial constraints upon the Council, it was proposed to consult on stopping the Concurrent Services and the Council Tax Reduction grants.

The Concurrent Services scheme paid a grant to parish councils and Whitnash Town Council (not Warwick, Leamington or Kenilworth) under S136 of the Local Government Act 1972 which enabled authorities to make such payments to seek to reduce the incidence of double taxation. Double taxation potentially happened when the District Council carried out functions in the urban area (which were charged to the District Council's overall funding that is, council tax, Revenue Support Grant and Retained Business Rates), and the Parish or Town Council carried out similar services in the rural areas (which were then only charged to the parish area by way of the parish precept/council tax). The rural area was potentially paying a share of the urban area costs (via the district element of the Council tax) together with the full amount for their own village or town costs. Hence the term "double taxation".

To help reduce the incidence of double taxation, the District Council contributed towards the Parish or Town Council's net expenditure incurred upon certain services, including; Maintenance of parks, open spaces and recreation grounds; Repair and maintenance of bus shelters; Play leadership schemes; Cutting grass verges; Replacement and maintenance of seats; and Emptying dog litter bins and dog faeces bins.

Not all Parish Councils received this allocation and the total costs for 2016/17 were £50.5k, excluding Overheads (Support Services).

It was therefore proposed to reduce and then cease the Concurrent service grants for the following reasons:-

- a. The Council's expenditure on parks and open spaces was several hundred thousand pounds per annum, with most of this spent in the main parks of Jephson Gardens, Victoria Park, Saint Nicholas Park and Abbey Fields. These parks were "destination parks" that provided facilities to be used by residents from across the district and visitors and their usage and appeal was far broader than the towns of Leamington, Warwick or Kenilworth. The open spaces within the parish council and Whitnash Town Council areas had a more local client base and so differ to those directly funded by District Council and it could be argued were not subject to "Double Taxation".
- b. Many local authorities did not provide any concurrent services funding, with Warwick being the only one to provide an allocation within Warwickshire. Stratford upon Avon DC ceased funding their scheme in 2006/07.
- c. In terms of the overall parish and town council budgets, the concurrent service funding was just over £50,000. Parish/town precepts for 2016/17 totalled £1.3m. Excluding the towns of Leamington, Warwick and Kenilworth, the precepts of the parishes/town eligible for concurrent expenditure were around £410,000. The concurrent services budget was

just over 13% of this total. At an individual level, the concurrent services grant varied from 7.6% (Whitnash) to 35% (Baginton).

The Local Council Tax Reduction/Support Scheme was first introduced in April 2013 as local authorities took on the responsibility for Council Tax Reduction (CTR) schemes replacing Council Tax Benefits. Alongside this, the major local authorities (Warwickshire County and Warwick District Councils) were given funding equivalent to 90% of the cost of the previous Council Tax Benefit Scheme.

The accounting arrangements for the new CTR scheme were such that the Council Tax base reduced. For parish/town councils this reduction in the tax base meant they would generate less council tax income if they were to raise the same level of Band D council tax. To compensate for this, the Council received a specific grant that it was able to pass on to the parish/town councils. For 2013/14 the grant was £110k, reducing to £102k for 2014/15. No specific grant had been received since, with this funding being stated as part of the overall Revenue Support Grant.

It was proposed to reduce and then cease the Council Tax Reduction Scheme Grant service grants for the following reasons:-

- a) Originally Local Authorities were provided with specific funding that they were able to pass on to Parish/Town Councils. For 2013/14 and 2014/15 central government identified a specific sum within the Revenue Support Grant (RSG) Settlement for this purpose. However, since then, no such sum had been separately identified. At the same time, the RSG funding had been reducing significantly and would be non-existent by 2018/19 when the District Council's RSG income reduced to zero.
- b) Warwick District's Council Tax Reduction scheme had been amended over the last three years so as to be within the funding originally provided by the Government. Similarly the numbers of claimants had reduced. This had all served to protect the tax base which in turn meant that there was less need for the compensation payments to parish/town councils.
- c) The compensation payments (£95,000 for 2016/17) should be considered in the context of the total parish/town precepts (£1.3m). Removing the grant would increase the precepts of the individual parish/town council if the local councils were not able to make corresponding savings.

The District Council was signed up to the Warwickshire Local Councils' Charter. As part of this, the Council should consult with parish and town councils over issues affecting their community. A minimum of six weeks was proposed, with responses requested by the end of September. This would allow enough time for a further report to be presented to the Executive ahead of parish and town council having to set their 2017/18 budgets.

Alternatively, the Executive could choose not to progress the savings proposed, or to propose other levels of savings. This would mean the Council would need to seek to identify alternative savings. If the grants were maintained, albeit at a lower level, the administrative work involved (for the District and parish/town councils) would still exist.

The Finance & Audit Scrutiny Committee noted the report and was pleased that the consultation timeframe had been set taking into account the holiday period, with responses being requested by the end of September. Members looked forward to the responses coming in.

The Executive did not respond to this point but did explain that a risk assessment would be undertaken of what the cost would be if the relevant Council handed the service back to the District Council. This would be based on the outcome of the response to the consultation.

Resolved that

- (1) the Parish and Town Councils were consulted in line with the Warwickshire Local Councils' Charter on the following proposed changes in funding:-
 - the Council agrees to reduce the Concurrent service grants to parish and town councils by 50% for 2017/18, and stop the grants from 2018/19;
 - the Council agrees to reduce the Council Tax Reduction funding for parish and town councils by 50% for 2017/18, and stop the grants from 2018/19; and
- (2) a further report be brought to the Executive in November 2016 with details of the consultation responses.

(The Portfolio Holder for this item was Councillor Whiting)
Forward Plan Reference number 804

37. Review of Warwick District Members' Allowances Scheme

The Executive considered a report from Democratic Services which brought forward proposals for a review of the Warwick District Members' Allowances Scheme.

The Council was obliged, by legislation, to review its Members Allowances scheme every four years. This review was now due because the last review had been undertaken during 2011.

The terms of reference appended to the report enabled an overview of the current scheme to be undertaken but also highlighted specific issues that had been raised by Councillors within the last 18 months. The list also highlighted comments made by officers during the consultation process on revised terms and conditions for officers. These were brought forward as the basis for the review to consider the equity between the allowances for members and terms and conditions for officers and should provide clarification or proposals to ensure consistency/harmony in the approach.

The revisions to the provision of food before meetings was based upon feedback from Councillors, combined with a view to a potential saving for the Council that would contribute to the savings required within the general budget. This was

alongside an overall review of provision of subsistence allowances and refreshment provision at meetings for officers and Councillors. It needed to be considered carefully along with the potential impact for those coming straight from the office to a meeting after working all day. This could indirectly result in revised working patterns which could have a detrimental effect on the operation of the Council.

Any Independent Remuneration Panel (IRP) undertaking the review would want to hear the views of Councillors about their workload as a Councillor and the demands placed upon them. This would enable the IRP to provide informed recommendations. That said it would be imperative that Group Leaders meet with the IRP so that any specific concerns about the scheme could be raised.

At present, no budget provision had been made for the review to be undertaken. Based on experience and the quote received for the work, it was considered that an allocation of £5,000 from the contingency budget would be sufficient. This would be enough to provide for mileage costs as well as the fee for the Chairman.

The Panel, by its nature, had to be independent of the Council and would require funding in some form. The Council had approached a recognised expert (Dr Hall) in this area of work who had been recommended to the Council by colleagues at neighbouring authorities. Dr Hall had provided a quote which was within the restraints of the procurement framework for officers to approve. However, it was felt appropriate that the Executive appoint Dr Hall to lead on the review and appoint him as the Chairman of the IRP. This appointment would reduce the level of work required to be undertaken to support the panel and collate information for them. Dr Hall would also provide training for the Panel on their role and responsibilities under the relevant legislation thus negating the need to bring in a third party to undertake this work as well. In addition, appointing Dr Hall as Chairman for four years would enable the Council to consult with him on any questions/interpretations on the life time of the scheme. The use of Dr Hall to undertake the review of allowance was therefore good value for money. The quote provided for the work was under £4,999 and he could be appointed without the need of a wider procurement process and had been agreed with the Procurement Manager.

The proposed membership of the Panel was based on good practice and ensured a good understanding of the local area and challenges faced by the Council. The delegation of the appointment of individuals enabled discussions to be held informally with individuals before they were confirmed as members of the Panel.

It was anticipated that the work would be completed by October 2016 but time would be needed to compile the covering report and bring this through the report approval process.

The Council was obliged to review its Members Allowances Scheme at least every four years and this review was now due. The Executive could revise the list of specific areas to be considered including adding further question to the list.

The Executive could decide not to appoint Dr Hall, but this would mean the Council would need to seek and recruit an expert in this area to undertake the

review or find a person to Chair the Panel who would then need to be trained, most likely by Dr Hall. Therefore, this option was not progressed.

It was requested by the Executive that the proposals around refreshments at meetings and subsistence be reconsidered along with officer's terms and conditions and this review provided a proposal for consultation to take place.

The Overview & Scrutiny Committee noted the report.

Resolved that

- (1) the terms of Reference for the review of the Warwick District Members' Allowances Scheme as set out at Appendix 2 to the report, be approved;
- (2) as part of this review, officers will consult on the proposal to revise the provision of Committee teas, as set out at below:
 - a. that no refreshments are provided at meetings starting before 6.00pm;
 - b. that only drinks and biscuits are provided at all meetings starting at 6.00pm or later excluding Planning Committee and Annual Council;
 - c. the food provided before Planning Committee is reviewed with the current contractor to provide an amended specification within the current budget;
- (3) in parallel to this review, proposals will be consulted on with employees regarding (1) subsistence rates; and (2) the provision of food at training courses hosted by the Council and other events, with a view to ensuring a common approach of not claiming subsistence for Council, Executive, Committee, Sub-Committee meetings or training courses arranged by the Council;
- (4) all Councillors will be asked to set out their views on the current Members' Allowances Scheme and pass these to the Democratic Services Manager & Deputy Monitoring Officer for him to forward to the Independent Remuneration Panel (IRP);
- (5) all Group Leaders, plus the Green Party Councillor, should meet with the IRP to present the views of their Group on the current scheme and work of members;
- (6) funding of up to £5,000 from the contingency budget, be approved for this review to be undertaken;

- (7) Dr Declan Hall be appointed to undertake the review of the Members Allowances Scheme and act as Chairman of the Panel up to June 2020;
- (8) the IRP should comprise of Dr Hall, a representative of the Local Chamber of Trade, a former Councillor and the former Independent Chairman of the Standards Committee and that the appointment of the Individuals be delegated to the Deputy Chief Executive & Monitoring Officer, in consultation with the Leader;
- (9) the other members of the IRP Panel are paid expenses incurred in undertaking the review and a mileage rate of 0.45p per mile;
- (10) the IRP reports back to the Executive to their November 2016 meeting, with a view to the new arrangements coming into effect from 1 April 2017, at the latest.

(The Portfolio Holders for this item was Councillor Mobbs)
Forward Plan reference Number 799

38. **Procurement Exemption for WDC Copier Maintenance**

The Executive considered a report from the Chief Executive's Office that sought agreement for Ricoh to continue copier maintenance provision for Warwick District Council's 49 Ricoh copiers on a rolling three month basis until, at the latest, September 2017, following the expiration of the current maintenance contract in June 2016.

Warwick District Council purchased a fleet of 49 Multi-Functional Devices (MFD's) and printers from Ricoh through a copier tender process in 2011. A colour press was also purchased under a separate tendering exercise at the same time to trial an in-house digital print service with an estimated saving of £12,000 per year. These purchases were then covered by a five year finance lease, organised by Finance, while maintenance was agreed via a tender for four years with Ricoh UK. The four year maintenance contract ended in June 2015, but due to there being another year on the finance lease, Ricoh agreed to extend the maintenance contract for an additional year to expire at the end of June 2016. As of June 2016, the contract automatically started rolling as per standard industry practice.

As the finance lease ended, the Council had two options – either purchase the equipment it had been leasing for a nominal fee or pay to send them back and procure alternative equipment. Although a tender process was underway to replace the current colour press before the end of the five year finance lease, the Council was not yet in a position to completely replace its fleet of MFDs and Printers, particularly due to the uncertainty around office copier needs leading up to the relocation of the Council's offices. It had, therefore, been decided that the best option was to purchase the existing equipment when the lease arrangement ended. This would temporarily bring the annual cost down from £32,143 to around £275, until the fleet could be replaced, as well as allowing the Council more time to consider its requirements for new equipment.

As the Council would be retaining the equipment, it needed to ensure it had a maintenance contract so that it was not vulnerable to any breakdown in equipment. Ricoh had advised that it would not be economically feasible for them to commit to a new maintenance contract, however, they were willing to let the current maintenance contract continue on a three month rolling basis until the Council was able to replace the current copier fleet, subject to a maximum of 12 months.

As the current fleet was Eco-line and therefore made up of a mixture of five and seven year parts, it was unlikely that the Council would be able to obtain a new maintenance contract with a competitor that would be able to match the costs and terms of the rolling contract.

The exemption would align with the timing for the new HQ office relocation, whereby the Council could re-evaluate copier and printer requirements for the new office and look in to procuring a fleet to better suit our needs.

The Code of Procurement Practice would normally require open tenders to be obtained for work over the value of £20,000, however, the Procurement Manager had agreed that the exception was justified in this case.

The Council could investigate buying a new fleet now, but this would not be cost-effective given the planned office move within the next couple of years and there were other organisational changes which could drastically alter our print requirements e.g. impact of Leisure development.

The Council could investigate a new maintenance contract with a competitor, but given the fleet was made up of a mixture of old parts, it was unlikely there would be another provider who could match the current provider in terms of costs and terms and conditions for such a short period of time.

The Finance & Audit Scrutiny Committee supported the recommendation but was very concerned that the procurement process had yet again not been followed. Members requested further information as to whether other contractors had been approached about supplying the maintenance contract and if not, why not. In addition, Members were not content with the risks posed of a three month rolling contract and queried why the contract end date had not been flagged up on the contract register - as a result this demonstrated that the processes were not being adhered to.

The Leader of the Executive explained that, in his opinion, the title of the report had sent hares running. He fully appreciated the work of the officer in ensuring proper procedure was in place. He highlighted paragraphs 3.3, 3.4 and 3.5 of the report. That said, he had empathy with the concerns of the Scrutiny Committee but reminded all Councillors that scrutiny needed to scrutinise appropriately and therefore he would be discussing this point with fellow Group Leaders.

Resolved that the exception to the Code of Procurement Practice be approved to enable the services of Ricoh to implement a rolling three month maintenance contract until September 2017 at the latest.

(The Portfolio Holder for this item was Councillor Mobbs)

39. **Significant Business Risk Register**

The Executive considered a report from the Chief Executive's Office that set out the latest version of the Council's Significant Business Risk Register for review by the Executive. It had been drafted following a review by the Council's Senior Management Team and the Leader of the Council.

This report sought to assist the Executive fulfil their role in overseeing the organisation's risk management framework. In its management paper, "Worth the risk: improving risk management in local government", the Audit Commission set out clearly the responsibilities of members and officers with regard to risk management:

"Members need to determine within existing and new leadership structures how they will plan and monitor the council's risk management arrangements. They should:

- *decide on the structure through which risk management will be led and monitored;*
- *consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;*
- *agree an implementation strategy;*
- *approve the council's policy on risk (including the degree to which the council is willing to accept risk);*
- *agree the list of most significant risks;*
- *receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;*
- *commission and review an annual assessment of effectiveness: and*
- *approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.*

The role of senior officers was to implement the risk management policy agreed by members.

It is important that the Chief Executive is the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work. However, it is unlikely that the chief executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people throughout the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility."

The Finance & Audit Scrutiny Committee supported the recommendations.

Resolved that

- (1) the Significant Business Risk Register attached at Appendix 1 be noted; and

- (2) the emerging potential risks identified in section 6 of the report, be noted.

(The Portfolio Holder for this item was Councillor Mobbs)

40. **CSC Termination Payment**

The Executive considered a report from Finance that sought confirmation of the previously agreed 50% contribution to the redundancy costs of staff previously employed by Warwickshire County Council, following the District Council decision to withdraw from the joint Customer Service Centre.

In September 2015 it was agreed to cease the joint Warwickshire County Council (WCC)/Warwick District Council (WDC) Customer Service Centre (CSC). All calls were transferred back to the District Council from 1 April 2016.

Under the operation of the Joint CSC, the District Council had continued to directly employ some of the staff operating within the CSC. It had also contributed towards the costs of some staff employed by WCC. With the service transferring back to WDC, the County Council had to reduce its remaining staffing requirements to reflect the reduced service need and the withdrawal of WDC funding.

As part of the agreement to cease the joint CSC, it was agreed that WDC would pay 50% of any redundancy costs incurred by WCC in relation to the impact on any CSC staff employed by them, as a result of WDC's withdrawal. In the previous February 2015 report to Executive, it was stated that a further report would be forthcoming once more details were known.

The HR teams from WDC and WCC had worked in close partnership to minimise the impact on staff employed by both organisations as a result of the decision to cease the previous CSC arrangement. For example, all WCC staff impacted by the decision were given equal opportunities to apply for prospective roles within this Council in the same timeframes as their WDC colleagues, rather than have to wait until WDC jobs had been advertised externally as would happen in other cases.

WCC had now completed their service review, following their relevant processes in terms of redeployment and redundancy, in addition to the WDC process. Following on from this, three members of WCC staff were to be made redundant and a further two officers were owed a redundancy payment in respect of a reduction in hours.

The total redundancy cost to WCC was £49,224, making WDC's 50% contribution £24,612, which could be funded from the General Fund Early Retirement Reserve.

WCC had followed due process to reduce staffing numbers following the end of the joint CSC. In accordance with the agreement for WDC to pay 50% of the resultant redundancy costs, no alternative option other than to pay the sum had been considered.

It was possible that this Council's share of the redundancy costs could be met from another reserve, e.g., Service Transformation Reserve. However, as WDC

was paying WCC rather than employing staff directly, it was appropriate for this payment to be met from the Early Retirement Reserve.

Resolved that the payment of £24,612 to Warwickshire County Council, be funded from the General Fund Early Retirements Reserve, in respect of the previously agreed 50% contribution towards redundancy costs arising from the closure of the previous joint Customer Service Centre.

(The Portfolio Holder for this item was Councillor Shilton)

41. **Public and Press**

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

Minute No.	Para Nos.	Reason
42 & 43	1	Information relating to an Individual
42 & 43	2	Information which is likely to reveal the identity of an individual
43	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

(The minutes of the following two items were included within the confidential minutes of the meeting)

42. **William Wallsgrove House**

The recommendations in report from Housing & Property Services were approved.

43. **Minutes**

The confidential minutes of the meeting held on 29 June 2016, were taken as read, and signed by the Chairman as a correct record.

(The meeting ended at 6.44pm)

Part 3

Section 2 Council Functions

(Additional/replacement wording included in *italics*)

D. LICENSING & REGULATORY COMMITTEE

- c. All matters relating to elections and electoral registration *including the appointment of Councillors to a Parish or Town Council under Section 91 of the Local Government Act 1972.*

G. EMPLOYMENT COMMITTEE

- (iii) To approve *any reductions in* the staff establishment of the Council in accordance with the Council's agreed budget

Part 3

Section 4 Scheme of Delegation

(Additional/new wording included in *italics*, deleted text ~~struck through~~)

- CE(9) *Authorise changes to the Council's establishment that do not result in an increase to the cost to the Council of approved establishments or the introduction of new posts.*
- DS (38) Determine all applications for non material amendments ~~minor amendments~~ to planning permissions and other forms of consent.
- DS (48) Serve and withdraw notices in respect of the following: Town and Country Planning Act 1990 (TCPA) and Planning (Listed Buildings and Conservation Areas) Act 1990 (LBCAA) as amended:
- (xi) Section 220 1 (TCPA) and/or Section 224 1b (TCPA) – Discontinuance Notices in accordance with Regulation 8 of the Town and Country Control of Advertisement Regulations 2007.*
- ~~DS(26)~~ Grant wayleaves and easements across Council owned land to other public organisations.
HS(98)
- ~~DS(27)~~ Grant new leases on vacant properties, excluding HRA properties.
HS(99)
- ~~DS(28)~~ Following consultation with ward councillors and the relevant Head of Service of the service area owning the land, dispose of other interests in land including its sale where the consideration does not exceed £20,000 and also to accept the Surrender of leases where the value does not exceed £20,000.
HS(100)
- ~~DS(29)~~ Follow consultation with ward councillors and the relevant Head of Service of the service area owning the land to initiate, proceedings for forfeiture of Leases.
HS (101)
- ~~DS(30)~~ Agree rent reviews, for non HRA properties, where agreement on the new rent has been reached without recourse to arbitration.
HS(102)
- ~~DS(31)~~ Grant new leases, for non HRA properties, where statutory renewal rights exist.
HS(103)

- ~~DS(32)~~ Grant terminable licences, for non HRA properties, for access and other purposes.
~~HS(104)~~
- ~~DS(33)~~ Manage and control properties acquired by the Council in advance of requirements ~~(other than those held under Part V of the Housing Act 1957 where consultation with the Head of Housing and Property Services is required)~~.
~~HS(105)~~
- ~~CS(3)~~ Grant applications for organised visits to and bookings of parks, open spaces and buildings and for conference facilities. ~~where Committee approval has been given in previous years.~~
~~A(10)~~
- ~~CS(4)~~ Engage performers and artists for events in accordance with the policy and within the approved budget.
~~DS(81)~~
- F (15) Take the following action under the NNDR and Council Tax Regulations: *(xvi) to determine discretionary council tax relief applications.*
- F (7) Write off sundry debts, Finance function debts and all other debts, *including property rentals.*
- HCP(79) *The Head of Health & Community Protection, be authorised under the Microchipping of Dogs Regulations 2015, to*
- (a) serve on the keeper of a dog which is not microchipped a notice requiring the keeper to have the dog microchipped within 21 days;*
 - (b) where the keeper of a dog has failed to comply with a notice under paragraph (a), without the consent of the keeper—*
 - (i) arrange for the dog to be microchipped; and*
 - (ii) recover from the keeper the cost of doing so;*
 - (c) take possession of a dog without the consent of the keeper for the purpose of checking whether it is microchipped or for the purpose of microchipping it in accordance with sub-paragraph (b)(i).*
- ~~CS(3)~~ Grant applications for organised visits to and bookings of parks, open spaces and buildings and for conference facilities ~~where Committee approval has been given in previous years.~~
~~A(10)~~
- ~~CS(4)~~ Engage performers and artists for events in accordance with the policy and within the approved budget.
~~DS(82)~~

Part 4 Council Procedure Rules

(Additional wording included in *italics*, deleted text ~~struck through~~)

6. Notices of Motion

- (2) Notice of every motion must be by e-mail or in writing, signed by the member, or by 10 members in the case of motions submitted under Procedure Rule 16, and delivered ~~at least nine clear days by 10.00am on the sixth clear working day~~ before the next meeting of the Council, the Executive or Committee they wish it to be considered at, to the office of the Chief Executive.

Deputy Chief Executive, Monitoring Officer & Legal Client Manager Andrew Jones			Chief Executive Chris Elliott	Deputy Chief Executive Bill Hunt			
Michael Coker Portfolio Holder and Deputy Leader	Peter Whiting Portfolio Holder	Moira Ann Granger Portfolio Holder	Andrew Mobbs - Leader	Peter Phillips Portfolio Holder	Steven Cross Portfolio Holder Development	Noel Butler Portfolio Holder Business	Dave Shilton Portfolio Holder
Cultural Services Rose Winship	Finance (S151) Mike Snow	Health & Community Protection Marianne Rolfe	Human Resources Corporate HR People Management Learning & Development Corporate Payroll Media	Housing & Property Services Andrew Thompson	Development Services & Business Tracy Darke		Neighbourhood Services Robert Hoof
Sports & Leisure Stuart Winslow	Accountancy All Council Accountancy Services Jenny Clayton	Community Partnership Team Community Leadership Community Forums & Voluntary Sector Contracts Health and Wellbeing Liz Young	Legal Services	Housing Strategy and Development Homelessness and Housing Advice Tenants Participation Private Sector Housing Disabled Adaptations New Affordable Housing Developments Inc Council House Building Abigail Hay	Development Management Enforcement Land Charges Conservation Gary Fisher	Policy & Projects Dave Barber	Contract Services Refuse & Recycling Collections Parks & Open Space Maintenance Street Cleansing Off Street Parking Gary Charlton
Entertainment Royal Spa Centre/Theatre Town Hall David Guldin	Audit & Risk Corporate Insurance Richard Barr	Regulatory Food Safety Health & Safety Licensing Lorna Hudson	ICT Services Desktop Services incl Helpdesk/Infrastructure Services/Application Support/Geographical Information Systems (GIS) Digital Mapping Services/Local Land & Property Gazetteer (LLPG)/Street Naming & Numbering/Website Ty Walter (reporting direct to Andrew Jones, Deputy Chief Executive)	Asset Management Maintenance & Repair of Corporate Property Assets and Council Houses Matthew Jones	Building Control Consortium Phil Rooke	Corporate Sponsor for: Shakespeare's England DMO; Town Centre Partnerships; Leamington Town Centre Vision; Partner relationship with College and University; CWLEP Funding; Events programme; Business Support; Help for unemployed/low paid e.g. Job clubs, etc; Cultural and Digital Quarter; Chandos Street; Stratford Road employment site; St Mary's Lands; Enterprise Facilities; Growth hub; Whiteley South, Gateway; Stoneleigh; Eps End;	Bereavement Services Burials & Cremations Pam Chilvers
Business Support Admin Finance & Admin Support for Culture Stephen Falp	Exchequer Council Tax and Business Rates Rate Collection Sundry Debt Collection Corporate Invoice Payment Dave Leech	Environmental Sustainability Contaminated Land Commercial Noise Flood Alleviations Civil Contingencies Sam Collins/Mike Jenkins	Democratic Services & Corporate Support Team Elections/Electoral Registration/Committee Registration/Councillors/FOI/Data Protection/Complaints/Civic Support/Corporate Support Team Graham Leach (reporting direct to Andrew Jones, Deputy Chief Executive)	Sustaining Tenancies Landlord Services to Council Tenants Collecting Rent Estate Management Ensuring Tenancy Conditions are Complied with Jacky Oughton	Corporate Sponsor for: Local Plan; Infrastructure Development Plan; South of Warwick/Leamington Development; Single Spatial Strategy; Leper Hospital; HQ Relocation	Green Space Improvements Green Space Strategy St Marys Land Wildlife Habitats Dave Anderson	
Arts & Heritage Royal Pump Rooms Art Gallery & Museum Arts Development Jeff Watkin	Benefits & Fraud (Impact of UC) Housing Benefits & Council Tax Reduction Corporate Fraud Andrea Wyatt	Safer Communities Domestic Noise Anti-Social Behaviour Dog Warden Pest Control & Animal Licensing CCTV Pete Cutts	Corporate Sponsor for: Fit for the Future; HQ Relocation; CWLEP Board, CW Jt Committee; WMCA and Devolution; People Strategy; Digital Transformation and ICT Strategy; Media/Comms Strategy.	Asset Management Maintenance & Repair of Corporate Property Assets and Council Houses Matthew Jones		Performance & Policy One Stop Shop (UNDER REVIEW) Managed by WCC Graham Folkes-Skinner	
Programme Manager for future sport service options Padraig Herlihy	Procurement Compliance with Legislation Support & Advice on Procurement Contracts John Roberts	Corporate Sponsor for: cross cutting Champion for Children's Protection; cross cutting Champion for Vulnerable Adult Safeguarding; cross cutting Champion for Health and Well Being; Health and Well Being Board; Purple Flag; Voluntary Sector and Community projects; cross cutting Champion for Community Safety; South Works Community Safety Partnership; cross cutting Champion for Sustainability; Asylum seekers;		Corporate Sponsor for: Lillington Regeneration Scheme; Europa Way Project; Housing Futures; Council Development Company; new housing in villages; Gypsies and Travellers; Financial Inclusion		Corporate Sponsor for: new Covent Garden car park; Linen Street Car Park; Car Park Strategy; Tachbrook Country Park; Pump Rooms Gardens; Play Area Improvements; Contract Renewal; Abbey Fields;	
Corporate Sponsor for: National Bowls Championships; Womens Cycle Tour; Leisure Programme phase 1; Masterplanning of South of Coventry; Masterplanning at Kenilworth; Leisure Programme phase 2;	Corporate Sponsor for: Annual Governance Statement; Medium Term Finance Strategy; Asset Management Strategy; Financial Inclusion						