Executive

Minutes of the meeting held on Wednesday 28 September 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: Councillors; Boad - Chair of Overview & Scrutiny Committee & Liberal Democrat Observer; Mrs Falp - Whitnash Residents Association (Independent) Observer; and Quinney - Chair of Finance & Audit Scrutiny Committee.

(Apologies of absence were received from Councillor Barrott).

43. **Declarations of Interest**

Minute Number 49 - HEART Shared Service to deliver Home Adaptations (including Disabled Facilities Grants)

Councillor Shilton declared a personal interest because he was a Warwickshire County Councillor who would form part of the proposed shared service.

Part 1
(Items upon which a decision by Council is required)

44. **Warwick District Council Flag Flying Policy**

The Executive considered a report from Cultural Services that, at the request of the Leader, brought forward a flag flying policy to replace the current unwritten protocol.

The draft Warwick District Council Flag Flying Policy sought to provide context and establish precedents, outline the Council's usual arrangements for the displaying of flags, clarify the protocol and procedure for flying flags, and clarify the appropriate procedure should a request for the flying of a specific guest flag or flags be received.

In preparing the draft policy, a comprehensive review of flag flying had been undertaken by officers which had established the current and past protocols for flying flags at the Town Hall and the practicalities involved in doing so, the legal obligations and current responsibilities of the Council with regards to flag flying (including planning regulations), the appropriate guidance to be followed from Central Government, what was commonly considered to be best practice through the comparison of a number of flag flying policies from other Local Authorities, and which procedures and processes were most appropriate for Warwick District Council, based on its priorities and values.

The matter of flag flying on local government buildings was not bound by any specific directive. It was down to individual Local Authorities to establish their own flag flying protocols. Advice was issued by the Department for Culture, Media and Sport (DCMS) on the flying of national flags on government buildings. This was attached as Appendix 2 to the report. This advice related to government buildings only, but many councils followed the advice on a voluntary basis and it was widely considered to be best practice to do so.

The flag flying protocols of the other Local Authorities in England varied in their content, formality and the number of flagpoles available on each Council building. However, a growing number of Local Authorities were formalising their policies and relaxing the traditional stance in order to allow additional flags to be flown.

The protocol and tradition surrounding flags was detailed and complex. The Flag and Heraldry Committee and the Flag Institute produced flag flying guidance in 2010. The guidance covered the protocol which applied to flying flags in a variety of situations and aimed to ensure flags in the UK were flown correctly and treated with dignity and respect. This guidance was attached as Appendix 3 to the report.

In November 2012, the Department for Communities and Local Government published 'Plain English Guide to Flying Flags', which sought to explain the planning restrictions around flags. This was attached as Appendix 4 to the report.

In March 2013, the House of Commons Library published a briefing note setting out a brief history of the Flags of the United Kingdom and clarifying the guidance issued by the Department of Culture Media and Sport. This was attached as Appendix 5 to the report.

Previously, the flying of flags at the Town Hall in Royal Leamington Spa had been restricted to national flags displayed on certain days as designated by the DCMS. The Leader of Warwick District Council had the authority to decide which flags could be flown in addition to this, often after consultation with the Chairman of the Council.

Warwick District Council had additional flag poles installed on its properties (at the entrance to Jephson Gardens and on its bowling greens in Royal Leamington Spa, for instance) but these primarily flew flags relating specifically to that service area. These flags were normally static, were not changed regularly or were the responsibility of external organisations to manage on a day-to-day basis. The draft Policy made a distinction between the flying of flags from flag poles located in Council parks and properties and those national flags flown at the Town Hall, which continued to be perceived by the majority of the public as the District's civic centre. However, the protocol and planning restrictions detailed within the Policy applied to all flags that were the responsibility of the Council.

Taking these points into account, the draft Policy, as set out at Appendix 1 to the report, reflected the priorities and values of Warwick District Council, clearly established the protocol and procedures to be followed when flying flags and clarified the rationale informing the Council's choices as to which flags should be flown.

Alternatively, a 'No Flags' Policy was considered. In some circumstances Local Authorities had restricted the flags they could fly from their properties to the Union Flag only, or had ceased the flying of flags altogether. It was believed that this option would have a negative effect upon the District and such extreme action was not deemed to be necessary. While this option was considered in some respects to be a 'neutral' option, it was believed that it would have an adverse impact upon the Council's relationship with the community and was therefore not taken forward.

A further option that was considered was to keep the existing protocol. The Town Hall had had an informal protocol for the flying of flags for a number of years which had become established through custom and practice and was based upon guidance from DCMS. However, it had never been formally adopted by the Council as an official policy. This had led to the potential for misunderstanding and varied interpretation. Such uncertainty should be avoided and it was believed that a formal policy would add necessary clarity and guidance.

Consideration was also given to installing further flag poles at alternative locations. If the flying of flags at the Town Hall was restricted to national flags only, additional flag poles could be installed in other areas of the District in order to display alternative flags. However, there were practical and budgetary connotations relating to this which made it undesirable.

Recommended that Council approves the Warwick District Council Flag Flying Policy, as set out at Appendix 1 to the minutes.

(The Portfolio Holder for this item was Councillor Coker)

45. Fees and Charges 2017/18

The Executive considered a report from Finance that set out the proposed Fees and Charges in respect of the 2017 calendar year. The report also detailed the latest Fees and Charges income for the 2016/17 budgets, initial 2017/18 budgets and the actual out-turn for 2015/16.

The Council was required to update its Fees and Charges in order that the impact of any changes could be fed into the setting of the budget for 2017/18, and Discretionary Fees and Charges for the forthcoming calendar year had to be approved by Council.

In the current financial climate, it was important that the Council carefully monitored its income, eliminated deficits on service specific provisions where possible and therefore minimised the forecast future budget deficit.

It was anticipated that the new Leisure contract would commence in May 2017, at which point the charges introduced at the six Leisure Centres would be determined by the new operator under the terms of the contract. Certain key charges would still need to be agreed by the Council, details of which were set out at Appendix B to the report. In view of this, and the significant disruption that would be experienced by customers of St Nicholas Park and Newbold Comyn leisure centres during the build phase (November 2016 to summer 2017), subject to Council approval of the proposed investment projects later in the year, it was proposed not to implement any price changes in January 2017. The key charges proposed by the new contractor would need to be agreed by Members, alongside the appointment of the contractor in spring 2017. These controlled charges for the new contractor had been included within the tender documents based on the charges currently in force. By not increasing prices now for 2017, it would cost the Council approximately £20,000 for a full year. However, with a new contractor planned to run the leisure centres from May 2017, and new charges in place from then, any income variance would be more than offset by the concession fee payable by the contractor.

Parking Services' income and costs (including potential refurbishment, rebuild or renewal of car parks) were being reviewed by a Task and Finish Group. Until the outcome of this review was known, the Head of Neighbourhood Services believed it was sensible to keep charges at 2016 levels. Increased usage of the car parks meant that parking income targets for 2017/18 should be met, as well as making a contribution to the Car Park Reserve towards future car park maintenance.

Building Control and Land Charges were ring fenced accounts. Income levels for land charges were still high and it was felt that fees should not increase to avoid creating a large surplus on the Building Control Account, which should break even. Subject to Government confirmation, the Local Land Charge1 fee was due to transfer to the Land Registry service in late 2017/early 2018. This would then present the ideal time to scrutinise the costs and income of the service. Building Control was subject to competition from the private sector and had to set charges that were competitive, otherwise they would lose customers.

The Regulatory Manager had to ensure that licensing fees reflected the current legislation. The fees charged should only reflect the amount of officer time and associated costs needed to administer them. A recent exercise had indicated that some fees were not recovering the full cost of providing that service and therefore needed to be increased substantially, as set out in section 10 of the report.

New cremation fees were proposed to meet potential new or differing customer requirements. A combination of the desirability of our district's cemeteries, and some cemeteries in neighbouring districts/boroughs and cities not being so desirable, had seen a disproportionate increase in the numbers of non-residents wishing to use these facilities, leading to cemeteries filling up at a faster rate than previously anticipated. A future

business case would consider the need for future cemetery land and how an extra surcharge could assist the funding of this requirement.

The Business Support and Events Team, in Development Services, had taken responsibility for several fees and charges that were previously managed by Cultural Services. The team wanted to maximise usage and income from these areas and were currently reviewing how best to do so. Therefore, it was considered appropriate not to change these fees for 2017 until the outcome of this review (including customer feedback) was known in early 2017.

Some additional fees had been created to generate additional income for the service areas concerned, and others in response to new legislation. These were highlighted in Appendix A to the report. Other charges had been deleted due to legislation changes or changes in the way the service was provided.

The various options affecting individual charges were outlined in the main body of the report, within sections 8 to 16.

The Council could have decided that the Fees and Charges for 2017/18 would remain static, i.e. remain at the same level as for 2016/17. However, this would have increased the savings to be found over the next five years, unless additional activity could be generated to offset this.

The Finance & Audit Scrutiny Committee had some particular concerns about the retrospective recovery of costs on Hackney Carriage Licences and its possible impact on the trade overall, especially with respect to new applicants. Members asked how recovery of cost was being smoothed over time and asked whether it would be acceptable to phase it in. Officers were asked to circulate to Councillors the process used to calculate the costs of these applications. One Councillor was not in favour of the fees and charges proposal because of these concerns.

The Finance & Audit Scrutiny Committee noted that the detail of Paragraph 15.4.1 had been omitted from Appendix A, and an addendum containing this would be circulated at the Executive.

At the meeting of the Executive, an Addendum was circulated that provided a revised Appendix A52 to show figures that corresponded with the text of Paragraph 15.4.1 in the report.

In response to these questions, the Executive requested that the following information be circulated to all Councillors prior to the Council meeting on 16 November 2016:

- The process used to calculate the fees associated with Hackney Carriage and Private Hire Drivers' Licences.
- Clarification on the charging structure for burials and cremations for individuals from outside the District, to ensure that there was a surcharge for burials and not cremations.

- An explanation on the difference in cost and service between the cremation fee for foetal remains and still-borns up to 1 month and the communal cremation of foetal remains.

With the addition of the following requests, it was proposed by Councillor Whiting, duly seconded and

Resolved that:

(1) the Fees and Charges for Leisure Centres are not to be increased for 2017, for the reasons set out in paragraph 12.1 of the report;

(2) Parking Fees are not recommended to be increased for 2017/18 and noted that, due to growth, the Parking service still expects to meet its income target for 2017/18, as discussed in section 15 of the report;

(3) fees for Land Charges and Building Control are not recommended to be increased; both services have ring-fenced budgets, as detailed in section 13 of the report.

(4) changes to some licensing fees, as discussed in Section 10 of the report, are supported, due to the need to recover the costs of those services that have made a shortfall over the past year.

(5) new charges for Bereavement Services as well as the premium for non-WDC resident burials, be supported and that a future business case be developed and brought to the Executive to consider the funding of new cemetery land as discussed in paragraph 15.4.2 of the report;

(6) some fees and charges, previously managed by Cultural Services are now the responsibility of the Business Support and Events team in Development Services, are being reviewed and consequently, no increases are proposed for for 2017/18 but a further report be brought to a the Executive on any recommendations for future charging revisions;

(7) the operation of the proposed fees and charges set out in this report from 2 January 2017, will result in the 2017/18 income target set out in the MTFS being exceeded by **£89,500,** after exclusions for ring-fenced accounts and income that will be transferred to specific reserves e.g. Parking, as discussed in Section 5 of the report.

As a result of the above it was proposed by Councillor Whiting, duly seconded and

Recommended to Council that the Fees and Charges proposals set out in Appendix A to the report, be approved to operate from 2 January 2017 unless stated otherwise.

(The Portfolio Holder for this item was Councillor Whiting)
Forward Plan Reference number 770

46. **Risk Management Annual Report 2015/16**

The Executive considered a report from Finance that updated the Risk Management Strategy for implementing and embedding risk management throughout the organisation. The report also contained details of an external review that was performed during the year.

The external review had provided an independent assessment of the Council's risk management arrangements and lead to the identification of areas for improvement that provided the basis of an action plan. Members of the Council had the responsibility for overseeing the organisation's risk management arrangements, as set out in Section 8 of the report.

The external Review of Risk Management was reported to Finance and Audit Scrutiny Committee in June 2016. The action plan that came out of this review was proposed to form the basis of the updated Risk Management Action Plan.

A number of planned actions, as set out in Appendix C to the report, had been rescheduled due to the re-prioritisation of the Audit & Risk Manager's work, principally the undertaking of the investigation into the procurement of the Electrical Maintenance & Repair contract.

Recommended that Council

(1) notes the Risk Management Annual Report for 2015/16, along with Members' responsibility for risk management;

(2) confirms its support for the Council's Risk Management Strategy, as set out at Appendix 2 to the minutes?;

(3) confirms its satisfaction with the progress being made in embedding risk management within the Council, noting the activities undertaken during the year that help this process (Appendix B to the report) and the progress made to date in completing the current Risk

Management Strategic Action Plan (Appendix C to the report).

(The Portfolio Holder for this item was Councillor Whiting)

Part 2

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

47. **Review of Street Trading Policy**

The Executive considered a report from Health & Community Protection that summarised the responses received during the six week consultation on the Council's Street Trading Policy, and sought approval of the revised Policy.

Over the last two years officers had been undertaking a review of the policy associated with the licensing of Street Trading. Officers had considered local and national examples of best practice in establishing where improvements in the policy could be made.

Consultation on the proposed Policy had taken place, with representatives of the general public, licence holders, Police, County Council, Town Council and WDC Councillors.

The review had addressed the concerns of officers, the general public and Councillors and the comments received had been supportive of the proposed policy. Only one official response to the consultation was received, and this had been positive.

A summary of the changes was attached as Appendix 2 to the report.

The current policy could have remained in place without amendment or alteration. However, it was considered that the proposed policy reflected best practice and would increase competitive trade at short events, increase income and raise the standards required of street traders by Warwick District Council.

The Licensing & Regulatory Committee had discussed the draft Policy at their meeting on 21 September 2016.The committee supported the revised policy and welcomed the revisions which would solve the challenges caused by the current street trading conditions.

A revised version of the draft Policy was circulated at the meeting for consideration by the Executive. This included minor changes to clarify aspects of the policy without altering its emphasis. The Executive were assured that the revised version of the Policy had also been provided to the Licensing & Regulatory Committee, and it was this version that they had supported.

Councillor Mrs Grainger took the opportunity to thank the officers involved in revising this policy and bringing it forward for consideration.

Resolved that the Revised Street Trading Policy, as set out at Appendix 3 to the minutes, be approved.

(The Portfolio Holder for this item was Councillor Mrs Grainger)
Forward plan reference 811

48. **Coventry & Warwickshire Employment Land Memorandum of Understanding**

The Executive considered a report from Development services that sought endorsement for the Coventry and Warwickshire Employment Land Memorandum of Understanding which was supported by all Councils at the Coventry and Warwickshire Joint Committee on 21 July 2016.

At its meeting on the 21 July 2016, the Coventry & Warwickshire Joint Committee for Economic Growth and Prosperity (CWJCEGP) considered an Employment Land Memorandum of Understanding (ELMOU) to ensure that the employment land needs of Coventry and Warwickshire were met in full.

The ELMOU would sit alongside the Housing MoU agreed by the CWJCEGP in September 2015 and endorsed by the Council on 13 October 2015, and was supported by the Leaders of all the Councils in Coventry and Warwickshire. The ELMOU was based on evidence regarding the overall employment land need for Coventry and Warwickshire, and the requirements for each individual authority to specifically address the shortfall of employment land in Coventry and set out the agreed approach to redistribute this to the Warwickshire Authorities. It did this by taking into account the implications of the Housing MoU and commuting patterns in order to identify a theoretical quantum of redistribution to each of the Warwickshire Authorities. It then applied a pragmatic adjustment to this to take account of existing commitments and proposals within each District, including the proposals for the sub-regional employment site in Warwick District. For Warwick District, the ELMOU suggested that 117 hectares of Coventry's shortfall was redistributed to Warwick District. This was consistent with the Local Plan employment proposals for a sub-regional employment site in the vicinity of Coventry Airport, and supported the overall quantum of employment land set out in the Local Plan.

A further key point in the ELMOU was a commitment for the authorities to work together to develop their evidence base and monitoring of market signals and intelligence, to help manage and maintain appropriate employment land provisions across the sub-region on an ongoing basis. The ELMOU recognised the importance of market intelligence in understanding employment land requirements on an ongoing basis, as set out in the Planning Practice Guidance. Whilst this work was currently being coordinated by the Coventry and Warwickshire Local Enterprise Partnership, it would be necessary for our officers to provide regular monitoring information on employment land supply and information on market demands.

The ELMOU would form a key part of the evidence to support the Local Plan's housing proposals. However, it was important that not only Warwick District Council endorsed the ELMOU, but that all the other six authorities also formally endorsed it. This was necessary to support progress for all the Local Plans/Core Strategies under preparation in the sub-region. The timetable for each was set out in paragraph 3.4 of the report.

The Council could decide not to endorse the ELMOU. Although the ELMOU resulted in a substantial additional housing requirement for the District, rejection of the ELMOU was not recommended for the following reasons:

- Duty to Cooperate was both a legal requirement and an important element in developing a sound plan. If the Council chose not to endorse the ELMOU, it would be harder to demonstrate that this duty had been complied with and had been effective in delivering appropriate outcomes. This would make it more difficult to progress towards a sound plan;
- failure to endorse the ELMOU would have consequences for the progression of all the Local Plans within the HMA, which in turn would undermine the potential for the sub-region to grow and prosper; and
- failure to endorse the ELMOU would increase the risk of the sub-regional employment site not being released from the Green Belt through the Local Plan. This would undermine the potential for development in this location, with consequential knock-on effects for the local and sub-regional economy.

Alternatively, the Council could decide to accept a different level of redistribution of employment land from Coventry. However, this was not recommended as the evidence did not support this and changes to Warwick's agreed level of employment would have knock-on effects for the whole ELMOU, and would therefore require a new agreement to be developed.

Resolved that the Coventry and Warwickshire Joint Committee for Economic Growth and Prosperity (CWJCEGP) Land Memorandum of Understanding relating to the planned distribution of Employment (ELMOU), detailed at Appendix 1 to the report, be endorsed.

The Portfolio Holder for this item was Councillor Cross
Forward Plan Reference number 820

49. **HEART Shared Service to deliver Housing Adaptations (including Disabled Facilities Grants)**

The Executive considered a report from Housing & Property Services which recommended that the Council entered into a partnership agreement with the five Warwickshire District and Borough Councils and the County Council, to participate in a county wide shared service Home Environment Assessment and Response Team (HEART), for the delivery of home adaptations and related services.

Since 2010, the Council had been working in partnership with Stratford-on-Avon District Council (SDC) and Warwickshire County Council (WCC) to pilot a new way of delivering home adaptations and improvements. A pilot service, South Warwickshire Housing Assessment Team (HAT), was launched in January 2014. The pilot was part of a county wide collaborative project, initiated by WCC and led by the Warwickshire Heads of Housing Group, to create a more efficient and effective way of delivering housing aids and adaptations and home improvements for disabled and older people across Warwickshire.

A Project Board, which included the members of the County's Heads of Housing Group, had overseen the programme. In light of the positive experiences of operating a shared service in the north of the county and a pilot project in the south, it had developed a proposal for the delivery of aids and adaptations by a shared service serving the whole of Warwickshire. The delivery model, called HEART, had been designed to maximise resilience across the county by sharing the skills, expertise and experience needed to speed up and improve the quality of services offered to people who required home adaptations in order to stay living at home.

Council officers at Warwick District Council (WDC) and SDC had carried out a joint evaluation of the available options, including HEART, for delivering home adaptations and improvements. The three options considered were: Option One: County Wide Shared Service: HEART; Option Two: South Warwickshire HAT Shared Service; and Option Three: Pre-HAT service (WDC returning to pre pilot Disabled Facilities Grants service).

A fourth option of a WDC and SDC Shared Service had been considered. This option had been discounted due to SDC indicating that this was not a model it would participate in. As a result, the report did not consider this option.

Each of the options was evaluated against several criteria: Performance of service; customer satisfaction level with the quality of work; cost, including capital and revenue impacts; resilience of the service, and influence and control for each authority.

The result of the evaluation, attached to the report as Appendix Two, illustrated that Option One, participation in HEART, offered the most potential to improve the quality of service offered to the Council's clients, and maintained sufficient resilience in order to reduce the risk of this statutory service failing to meet the Council's obligations.

A full Business Case, attached as Appendix One to the report, had been developed for HEART. It set out the way forward for the project and demonstrated the objectives, benefits and viability of the project as a delivery model for home aids and adaptations.

The performance of the pilot in the south of Warwickshire was a significant factor taken into account as part of the evaluation. The pilot had delivered

demonstrable improvements and the business case demonstrated HEART's ability to sustain this level of service, and importantly the potential to deliver further improvements to the service for residents of Warwick District. Section 9 of the report set out the improvement in the service that had been achieved during the pilot.

As well as improved end to end times for customers, there were a host of additional benefits to this Council in joining the HEART shared service, as well as risks associated with not joining. Appendix Two to the report documented the evaluation of each of the options against the agreed criteria.

By joining HEART, the Council would be better placed to access Government funding. In 2013, the Government introduced a single pooled budget for health and social care services, known as the Better Care Fund (BCF), which included DFG funding. The BCF required the NHS and local authorities to agree a joint plan to demonstrate how the funding would be best used within social care to achieve the best outcomes for local people. The funding included financial incentives to deliver services which prevented the need for residential care, emergency admissions to hospital, or for acute services. Of the options considered, the option of a county wide agreement offered a comprehensive range of holistic services which were most closely aligned with this preventative agenda. It was felt that this model was the most likely to secure future funding for DFGs and other related services.

HEART provided a more resilient and enhanced quality of service/customer experience compared to the other options considered. The HEART service delivered a range of interventions, in addition to DFGs, to enable customers to remain independent in their homes. The scope of the new caseworker role included in the HEART model meant that each customer would have a single point of contact from the start to finish of adaptation work. The HEART service was well staffed, meaning that the performance of the service was protected against staff absence.

In addition, there were a number of customer and organisational benefits of the HEART service. The benefits to Warwickshire residents included: Improved quality of life, reduced pressure on carers, maintained independence, self-respect and dignity for the individual, enjoyment of living in their own familiar home environment for much longer, choice and social inclusion and family life.

The organisations involved in the shared service would benefit in many different ways given the unique delivery of services across the two tiers of local government.

For the Council to ensure that HEART achieved the desired outcomes and benefits that the report set out, a Management Board would be established. This would be made up of senior managers for each respective partner. The Management Board would receive regular reports on performance and budgets. This would enable the HEART Management

Board to understand how the service was performing and take any necessary action to ensure that performance was sustained and improved.

The performance of the service would be monitored by the review of 29 key performance indicators (KPIs) which had been agreed by the project board. The measures would be linked directly to the desired outcomes of the HEART service and would include: Number of enquiries, number and type of adaptations and interventions completed, customer complaints and satisfaction, and end to end times. Prior to the start of HEART, the board would consider if any targets would be set for the KPIs and, if so, what level they would be set at.

The KPIs would be reported to the Management Board both quarterly and annually on a county wide basis, and reported on a district-wide basis bi-annually. Warwick District Council would report the performance of HEART to the Housing Advisory Group quarterly, and the performance would be included in the bi-annual Portfolio Holder Updates to Overview and Scrutiny Committee.

The relevant legislation for the provision of Disabled Facilities Grants was set out in the Housing Grants, Construction and Regeneration Act 1996, and the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002.

The housing authorities in the north of Warwickshire and the County Council had formally agreed to develop and enter into the partnership agreement necessary for them to formally become part of HEART, and to use it to deliver services on their behalf.

Section 101 of the Local Government Act 1972 and the Local Government (Arrangements for the Discharge of Functions) (England) Regulations 2012, gave authority to local authorities to delegate one or more of their functions to another local authority. The shared service provisions set out in the business case were in accordance with these.

WDC and SDC were now seeking approval from their respective Executives to develop and enter into the same partnership agreement. The agreement was substantially drafted and Warwickshire Legal Services had provided advice to Warwick District Council. Once the agreement was finalised and Legal Services were satisfied with its form, the Deputy Chief Executive would sign the agreement.

The HEART business case set out the financial contribution required from each Council to participate in HEART. Whilst this required an additional contribution above the base budget, the benefits of joining and risks associated with not joining were considered to far outweigh the additional contribution required. Section five of the report set out in detail the additional budget requirements for this Council to join HEART.

In 2014, the Council introduced fees for DFGs which meant that applicants were charged 15% of the cost of the adaptation. This fee was fully funded within the DFG grant, but was only for use to fund the cost of delivery of

the adaptation. The fee income could not be used to fund the administration of DFGs and local authorities would be required to contribute towards the cost of the administration and delivery of this statutory service.

All of the District and Borough Councils participating in the pilot charged fees at varying rates ranging from 9% to 15%. To ensure consistency in setting budgets and contributions from each local authority, therefore making the administration of service by HEART cost effective and efficient, it was considered necessary to establish a common fee rate. This had been agreed at 12.5% for all participating authorities. As a result, from 1 April 2017, Warwick District Council would need to adjust its fees charges from 15% to 12.5%.

Appendix Two to the report set out the alternative options the Council considered and the evaluation against the agreed objectives.

The Scrutiny Committee welcomed the high quality report and the recommendations contained within it. Members were pleased that service/turnaround targets for the District and regular performance monitoring would continue. One Member queried whether the planned gains in efficiency and productivity of the new service would reduce its cost to the Council over time.

The Executive thanked the Scrutiny Committee for their comments. The Executive recognised that this was the start of a new service and that, in time, there could be savings for the Council. However, the priority for now was establishing the new team and then further improving the service provided.

Councillor Phillips took the opportunity to specifically thank the Project Manager of the Housing Assessment Team and the Private Sector Housing Manager for their work on the project and for bringing forward a detailed and comprehensive report.

Resolved that

(1) the HEART Business Case, attached at Appendix One to the report, be approved;

(2) from the 1 April 2017, this Council participates in HEART for the future delivery of its home adaptation responsibilities, for a period of 5 years;

(3) authority be delegated to the Deputy Chief Executive (BH)to enter into a shared services agreement, in accordance with Section 101 of the Local Government Act 1972 and of the Local Government (Arrangements for the Discharge of Functions) (England Regulations 2000) , on terms agreed, in consultation with

the Housing Portfolio Holder, with the following partner authorities:

- Stratford-on-Avon District Council (SDC)
- Warwickshire County Council (WCC)
- North Warwickshire Borough Council (NWBC)
- Nuneaton and Bedworth Borough Council (N&BBC)
- Rugby Borough Council (RBC);

to discharge those functions related to Disabled Facilities Grants (DFGs), housing renewal and the Care Act 2014 and other relevant functions;

(4) an additional budget of £48,500 be allocated to enable the Council to join HEART, and that this be included in the Medium Term Financial Strategy from 2017/18 onwards; and

(5) as part of the fees and charges process, the Executive will recommend to Council that a DFG fee be set at 12.5% from 1 April 2017.

(The Portfolio Holder for this item was Councillor Phillips)
Forward Plan Reference Number 776

50. **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.

The report sought to assist the Executive in fulfilling 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. as follows:

"*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 is 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 Significant Business Risk Register (SBRR) recorded all significant risks to the Council's operations, key priorities, and major projects. Individual services also had their own service risk registers.

The SBRR was reviewed quarterly by the Council's Senior Management Team and the Council Leader and then, in keeping with Members' overall responsibilities for managing risk, brought to the Executive. The latest version of the SBRR was set out as Appendix 1 to the report.

More than six months ago there were three risks in the "red zone" (Risks 4, 6 & 16). Since then, following the introduction of additional controls and mitigations, Risks 4 and 6 had come out of the red zone.

This quarter, however, Risk 2, 'Risk of Sustained Quality Service Reduction', had moved into the red zone by virtue of the likelihood of it occurring increasing. The reasoning and response to this was detailed in paragraph 5.3 of the report.

The other remaining risk in the red zone was Risk 16: 'Risk of Local Plan being unsound'. An update on this risk was provided in paragraph 5.4 of the report.

As part of the process of assessing the significant business risks for the Council, some issues had been identified which at this stage did not necessarily represent a significant risk, or even a risk at all, but as more detail emerged could become one. These included staff recruitment and

retention; and the impact of national housing policy proposals on the Council's ability to remain a viable landlord.

A piece of research had been asked of the Council's HR team to look into the data around staff recruitment and retention issues, to determine if it was the issue that it was believed to be. The outcome of this had been incorporated into the People Strategy (agreed by Employment Committee in June 2016). However, in the meantime, risk had been realised on the issue of staff vacancies.

The updated HRA Business Plan was presented to Executive in March 2016, with a further update due later in the year when there was more certainty as to the impact of the Planning and Housing Act.

The SBRR would be updated as necessary in the light of this additional work, and officers would continue to scan to identify other potentially emerging risks. Officers undertook a PEST and SWOT analysis in the light of a huge number of changes in the Council's operating environment, which was reported as part of the Fit for the Future report to Executive in June 2016. Since that had been completed, however, the EU referendum result had led to overall national economic and political uncertainty and was therefore recognised as an additional potential trigger to movement in some of the Council's existing recognised risks in this register. Officers would keep this issue under review so that as details emerged of exactly what "Brexit" could mean, generally and more specifically for Local Government and this Council, the implications, risk and mitigations could be considered.

In addition, the Council's ICT Manager was asked to review (the current) risks 12 and 14 in the light of increasing cyber-attacks on systems in general, and specifically those of the Council. This review had had a resulted in a modest change to some as triggers, mitigations/controls and risk assessment.

The Finance & Audit Scrutiny Committee supported the report and welcomed the recognition of the challenges in "staff recruitment and retention", and the work of the People Strategy Steering Group (PSSG) in responding to that specific matter. Due to this, it was noted that in some areas of the Council the risk of "sustained quality service reduction" was now an emerging issue rather than a risk.

The Finance & Scrutiny Committee welcomed the information that the PSSG and Employment Committee would see the results of this work and recommended actions to mitigate the risk at their next meetings.

The Leader thanked the Scrutiny Committee for their discussion on the Significant Business Risk Register and agreed that all were looking forward to seeing the results of officers' work on staff recruitment and retention.

Resolved that

(1) the Significant Business Risk Register, attached at Appendix 1 to the report, be noted; and

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

(The Portfolio Holder for this item was Councillor Mobbs)

51. **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 two 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
52	1	Information relating to an Individual
52	2	Information which is likely to reveal the identity of an individual
52 & 53	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

(The minutes of the following urgent item will be included within the confidential minutes of the meeting)

52. **Premises in Spencer Street**

The recommendations in report from the Chief Executive's Office were approved.

53. **Minutes**

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

(The meeting ended at 6.29pm)