

# Executive

Minutes of the meeting held remotely on Monday 13 July 2020, which was broadcast live via the Council's YouTube Channel.

**Present:** Councillors Day (Leader), Cooke, Falp, Grainger, Hales, Matecki and Rhead

**Also present:** Councillors: Boad (Liberal Democrat Group Observer), Nicholls (Chair of Finance & Audit Scrutiny Committee); Milton (Chair of Overview & Scrutiny Committee); and Davison (Green Group Observer)

## 8. **Declarations of Interest**

There were no declarations of interest.

## 9. **Minutes**

The minutes of the meeting held on 29 June 2020 were taken as read and signed by the Chairman as a correct record.

### **Part 1**

(Items upon which a decision by Council was required)

## 10. **Review of Local Government Structure in Warwickshire**

The Executive considered a report from the Chief Executive seeking formal endorsement to provide the necessary decisions in relation to the joint statement that was issued by the present Leader of the Council and the Leader of Stratford District Council on 24 June 2020.

It was clear that the Government was committed to a white paper that considered the development of devolution across England. This white paper was expected to have significant implications for local government structures, especially in two-tier areas, and was expected to be released in the autumn of 2020. In order for the Councils to influence this debate, it was considered that a jointly commissioned review of the existing and potential options for local government structures within Warwickshire should be undertaken urgently.

In addition to this review and ahead of its findings, it was identified that there were a number of opportunities for closer working with Stratford-on-Avon District Council (SDC) that could be explored in order to assist with the financial pressures that both authorities were facing as a result of the COVID-19 pandemic.

On 24 June 2020, a joint statement entitled "Taking a fresh look at local government in South Warwickshire" was issued by the Leader of the Council and the Leader of SDC. This followed an informal meeting of the Cabinet from Stratford-on-Avon District Council and Executive from Warwick District Council. A copy of the statement was attached at Appendix 1 to the report.

The main purpose of these discussions was to consider the impact of the anticipated white paper in relation to devolution that was announced within the Queen's speech before Christmas. It was widely reported that in considering the devolution and "levelling-up" agenda, there would need to be reform of local government, especially in two-tier areas. It was expected that the white paper would be issued in the Autumn of 2020.

The collective view from the Leaders was that in order to ensure that Warwick District Council was prepared and able to influence the debate on this issue within Warwickshire, that work needed to commence on undertaking a review of the local government structures within the County. It was proposed that this review should be jointly commissioned by all of the Districts and Boroughs, the County Council and the Warwickshire & West Midlands Association of Councils (WALC), (representing parish and town Councils) and that the results should then be used for submissions to central government in proposing any changes necessary. This needed to be supported by regular communications with all Councils and with the community.

In addition to the opportunities surrounding future devolution, there were also a number of other reasons why this was an appropriate time to undertake such a review, including:

- the tremendous pressures on services faced by all tiers of local government from communities wanting improvements in public services and in the management of place;
- the tremendous financial pressures faced by all tiers of local government over the previous 10 years and exacerbated by the COVID-19 emergency, potentially compromising the delivery of public services;
- the erosion of the connection between people's association with a sense of place and the span of democratic arrangements in place governing them;
- the continued lack of clarity, transparency and democratic accountability for local community leadership between the tiers of local government to the detriment of local communities; and
- the barriers between local government and other public agencies that prevented effective action to address important local issues.

It was expected that in undertaking the review, each of the potential options for local government reorganisation needed to be assessed against jointly agreed criteria, which was expected to include areas such as the need to:

- reflect and deliver a clearly understood sense of place;
- provide clarity of local community political leadership to local people, to government and to other public agencies for a clearly understood sense of local place;
- offer clarity of vision reflecting community ambitions for a clearly understood sense of place;
- deliver effective and efficient arrangements for the provision of quality services whether directly, indirectly or shared, to achieve the set vision for community ambitions for a clearly understood sense of place; and

- deliver wider improvement changes to public sector service delivery arrangements for the local community for a clearly understood sense of place.

Whilst it was up to the review to identify what options needed to be considered for such a review, it was likely that there were at least four that would need to be fully evaluated including:

1. Status Quo – no changes from the present political/administrative arrangements;
2. Creation of a South Warwickshire “Super-District” – this option would have seen the full merger of Stratford-on-Avon DC and Warwick DC, but would still operate in a two-tier environment;
3. Single Council Unitary Warwickshire - the creation of a Warwickshire wide unitary authority; and
4. Two Council Unitary Warwickshire – in relation to this option government had already stated “*any new unitary Council’s population would be expected to be in excess of 300,000*”. The current population of Warwickshire was estimated to be 571,000 (mid 2018) and by 2030 would be in excess of 600,000, and therefore would lend itself to a maximum of two authority areas.

In relation to all of the above options, the potential for changing role of town and parish councils needed to feature. Likewise, Members also needed to be aware that changes in the local government sector could have and should have presaged changes in linked public sector areas such as health and social care; community safety; and in supporting the local economy/training.

Attached at Appendix 2 to the report was a Briefing Paper in relation to “*Local government in England; structures*” which was prepared for the House of Commons library. This was a useful analysis of the options and issues that needed to be considered under such a review.

At the time of writing the report, the cost of undertaking the review of options and the research with the local community had not been determined but an update would be given by the time of the meeting. In addition, it was unclear how many of the other local authorities would wish to participate in the review. However, authority was requested to proceed with the wider dialogue on this issue and if successful, then to delegate authority to the Leader of the Council to participate in the review with the Leaders of the other Borough/District Councils, the County Council and representatives of WALC. Within Warwick District Council, it was suggested that the Leadership Co-ordinating Group which brought the Executive and the Leaders of all the political groups of the Council together, should act as the Council’s internal steering group for the review and the work with SDC. This governance activity would be enabled by informal senior officer meetings and Leader/Deputy Leader meetings.

The brief for the review needed to be agreed and procured as soon as was possible, and it was suggested that the brief for the review should be delegated to the Chief Executive in consultation with the Leader of the

Council and the Leadership Co-ordinating Group, on behalf of Warwick District Council.

The joint statement also identified that there were a number of joint working arrangements already in place between Stratford on Avon District Council and Warwick District Council, namely:

- the South Warwickshire Health Improvement Partnership;
- the South Warwickshire Crime Reduction Partnership; and
- Shakespeare's England, our destination management organisation which was jointly founded to promote our local tourism.

In addition to these joint partnerships, there was also a shared Business Rates team and the Councils also shared an Information Governance Officer post. Given the financial pressures that both authorities faced as a result of the ongoing COVID-19 pandemic, the discussions between the Cabinet/Executives also considered potential areas where joint working could be extended including:

- i) Senior Management Team – across the two authorities, there were four vacancies at Senior Management Team level. It was suggested that proposals should be developed to take advantage of these vacancies across the two authorities and share a number of specific posts. Whilst at least at this stage, two discrete Senior Management Teams could be maintained, the financial benefits could be shared across the two authorities. The sharing of posts in this way could be achieved through s113 of the Local Government Act 1972. These would be interim arrangements until the review of local government structures was completed/implemented. A further report would be presented on the detail of this if agreed.
- ii) Joint Contracts – both Councils had contracts of significant value which were approaching retendering. It was suggested that through joint working, single tenders could be placed to ensure that the greatest economies of scale and good service across South Warwickshire could be achieved. This would have both preserved service provision and would also have helped to reduce costs during the current challenging financial environment. It was also expected that further efficiencies could be achieved through the joint management of contractors by each authority. A further report would be presented on the detail of this, if agreed.
- iii) Joint Spatial Planning – Within the Coventry and Warwickshire sub region, there had been extensive ongoing discussions about developing a sub-regional spatial framework. Both Councils were part of that discussion. Whilst there seemed to be general agreement, there was no agreed proposal to consider and implement. Meanwhile, both SDC and WDC were committed to reviewing their respective Local Plans/Core Strategies in 2021, though in reality, preparatory work needed to start immediately. Given the close relationship between the plans, as demonstrated by the extensive joint work undertaken in the development of the existing agreed Local Plan/Core Strategy proposals; it made sense to undertake the planned reviews at the same time as one co-ordinated effort.

It was suggested therefore that agreement should be given in principle for the reviews to be undertaken jointly and that a detailed report should be brought forward to Cabinet/Executive as soon as was possible, setting out the proposed programme and the governance of the work, both from a Members and an officer perspective. Of necessity, this may have also covered other work that each Council's respective policy terms may also have undertaken. Such statutory work could have been dovetailed with a sub-regional framework, should that have proceeded. Given the strong shared economic geography between Stratford-On-Avon and Warwick DC, the proposal for a joint plan would not only have delivered significant savings in relation to the commissioning of the evidence base, there would have also been savings through the examination stage by the Planning inspector.

Whilst the areas above needed to be developed further, it was proposed that given the need to provide capacity at Senior Management Team, the principle of sharing posts with SDC should be adopted and that a business case should be developed as a matter of urgency which, if positive, would be subject to Employment Committee approval. It would be necessary for Council to approve the principle of extending the use of s113 agreements to SDC.

In terms of alternative options, the Executive could have decided not to endorse the statement or follow through on the proposed actions. However, such a response would have left the Council and its citizens exposed, pending the White Paper in the autumn.

The Finance and Audit Scrutiny Committee and Overview and Scrutiny Committee supported the recommendations in the report at their joint meeting.

They highlighted the Council needed to keep focused on the overall strategic advantages of working with Stratford and from possible local government reorganisation. Therefore, it needed to be mindful, on this twin track approach, that the project on working with Stratford did not pre-determine the possible shape of local government reorganisation or preclude possible working with other boroughs and districts where that would be beneficial for residents and provide value for money.

During the meeting, the Chief Executive informed Members of two additional recommendations to read:

*"That £35,000 is provided from the Service Transformation Reserve to fund the Council's contribution to the joint study and for additional support in respect of communications"; and*

*"That the Cabinet of the County Council is asked to reconsider its informal decision to commission a separate business case for a single unitary Council and instead to participate in the joint study with the other Borough and District Councils to look at all options and to listen to the public's views".*

This was because the estimated cost of the joint study was circa £100,000 and it was expected that all the other five Districts would participate,

meaning that Warwick District Council's cost would be circa £25,000. It was also proposed that some additional external resource should be sought to help to deal with communications on this matter and £10,000 was sought to achieve that assistance.

In relation to the second additional recommendation, the County Council had been invited to participate in the joint study. However, whilst initially accepting, the Cabinet made an informal decision to commission a business case for a single unitary Council. This appeared to have been made without any reference to local residents' views or a proper examination of all options for the future governance of the Warwickshire area. This was a regrettable step and so it was proposed that the County Cabinet should be asked to reconsider its decision and to commit to working with the Borough and District Councils and the Parish and Town Councils on a full examination of all options and to listen to resident's views before arriving at a decision. Other Councils were understood to be seeking the same decision.

Councillor Day proposed the report as laid out, subject to the addition of the two recommendations above.

**Resolved** that

- (1) the joint statement issued by the Leader of the Council and the Leader of Stratford on Avon District Council (SDC) be endorsed, and in doing so:
  - i. a jointly commissioned review of local government across South Warwickshire and the wider Warwickshire County area, be agreed;
  - ii. the Leaders of this Council and of SDC invite all of the other Borough/District Councils in the County, Warwickshire County Council and the Warwickshire Association of Local Councils (WALC) on behalf of the town and parish councils, to participate in the review as equal partners;
  - iii. the Leader of the Council be the Council's nominee on a multi Council working party to steer the review;
  - iv. the Leadership Co-ordinating Group (i.e. all the Political Group Leaders and the Executive) act as Warwick District Council's internal steering group of the review and the joint work with SDC;
  - v. the brief for the review be delegated to the Chief Executive in consultation with the Leader and the Leadership Co-ordinating Group and the report be procured as a matter of urgency; and

- vi. provision of cost for the review be made from a source to be determined by the S151 Officer (at the time of writing the cost has not been determined and will be affected by the number of Councils participating).
- (2) in the context of the joint statement, exploring with SDC in relation to the following, be agreed:
- i. sharing of Senior Management Team posts across the two authorities;
  - ii. exploration of shared contracts across the two authorities; and
  - iii. agreement be given in principle to conducting a Joint Core Strategy/Local Plan Review, and a further paper be presented setting out details of a proposed programme, a member and officer governance.

Further reports be presented to Employment and/or Executive on all of the items above as soon as possible;

- (3) £35,000 be provided from the Service Transformation Reserve to fund the Council's contribution to the joint study and for additional support in respect of communications; and
- (4) the cabinet of the County Council be asked to reconsider its informal decision to commission a separate business case for a single unitary Council and instead, to participate in the joint study with the other Borough and District Councils to look at all options and to listen to the public's views.

**Recommended** to Council that:

- (1) the principle of joint working with SDC be included as part of the Council's Business Strategy; and
- (2) agreement(s) be entered into with SDC pursuant to section 113 of the Local Government Act 1972 and all other enabling powers so that employees can be placed at the disposal of the other Council's as may be required.

(The Portfolio Holder for this item was Councillor Day)

## **Part 2**

(Items upon which a decision by the Council was not required)

### **11. Adoption of the Affordable Housing and Developer Contributions SPDs**

The Executive considered a report from Development Services. The Warwick District Local Plan 2011-2029, adopted in September 2017, contained commitments to bring forward Supplementary Planning Documents (SPDs) on a number of matters. The draft versions of the Affordable Housing SPD and Developer Contributions SPD were subject to a period of public consultation between 2 December 2019 and 24 February 2020. The report set out the outcome of the consultations and recommended adoption of the final drafts of the SPDs.

The previous Affordable Housing SPD was adopted in 2008, since when Warwick District Council had adopted the Local Plan and the Government had introduced and updated the National Planning Policy Framework.

The Affordable Housing SPD was developed in conjunction with Housing Services, and therefore gave the Council the most up-to-date and sound basis to require and deliver the affordable housing the District required.

The Affordable Housing SPD was taken out to public consultation for 12 weeks, an extended period to ensure there was ample opportunity to respond to the consultation, given the Christmas period and the general election.

The representations were summarised in Appendix 1 to the report, along with the officer response and details of any actions that needed to be taken as a result. These were made and Appendix 2 to the report was the final draft of the document.

Once adopted, the SPD would become a material factor in the determination of planning applications, and would aid applicants by clearly articulating the affordable housing requirements in the District.

This was the Council's first Developer Contributions SPD. The requirement for its production was identified in the Local Plan in order to support the Plan's delivery.

The Developer Contributions SPD had been developed to set out how the Council would secure developer contributions from eligible development. The SPD included a Template Section 106 framework to regularise and expedite the efficient production of consistent legal agreements.

The Developer Contributions SPD was taken out to public consultation for 12 weeks, an extended period to ensure there was ample opportunity to respond to the consultation, given the Christmas period and the general election.



The representations were summarised in Appendix 3 to the report, along with the officer response, and details of any actions that needed to be taken as a result. These had been made, and Appendix 4 to the report was the final draft of the document.

Once adopted, the Developer Contributions SPD would become a material factor in the determination of planning applications, and would aid applicants by clearly articulating planning obligations that may have been necessary to support development in the District.

In terms of alternative options, the Executive could decide not to adopt the Affordable Housing SPD. However, this would hinder the provision of the right mix and quantum of affordable housing in the District.

The Executive could decide not to adopt the Developer Contributions SPD, however this might hinder the efficient delivery of development and any associated physical and social infrastructure needed to make it acceptable in planning terms.

The Finance and Audit Scrutiny Committee and Overview and Scrutiny Committee at their joint meeting were satisfied that the questions posed ahead of the meeting had been satisfactorily answered.

Councillor Day thanked officers for their hard work and expressed his delight at seeing the SPDs coming forward.

Councillor Cooke proposed the report as laid out.

**Resolved** that

- (1) the statement of community consultation attached as Appendix 1 to the report be noted, and the adoption of the Affordable Housing SPD attached as Appendix 2 to the report be approved; and
- (2) the statement of community consultation attached as Appendix 3 to the report be noted, and the adoption of the Developer Contributions SPD attached as Appendix 4 to the report be approved.

(The Portfolio Holder for this item was Councillor Cooke)  
Forward Plan Reference 1,083

**12. Review of Significant Business Risk Register**

The Executive considered a report from Finance setting out the latest version of the Council's Significant Business Risk Register for review by the Executive. It was drafted following a review by the Council's Senior Management Team and the Leader of the Council.

The report sought to assist Members fulfil their role in overseeing the organisation's risk management framework. A very useful source of guidance on the responsibilities of Members and officers with regard to risk

management came from the Audit Commission in its management paper, "Worth the risk: improving risk management in local government", and further details were included in Section 3.1 in the report.

The Senior Management Team undertook a major review of the SBRR in light of the ongoing pandemic. Nearly all of the risks identified in the register had been impacted by the consequences of the virus. Whilst there was still a great deal of uncertainty about the outcome, it was clear that the Council would need to review the way it had responded to events and develop an action plan to enhance its response, should there be a similar scenario in the future.

As part of the process of assessing the significant business risks for the Council, some issues had been identified which did not necessarily represent a significant risk, or even a risk at all, but as more detail emerged, they might become one. These had been mentioned in previous reports but as their status had not changed, they were included again for completeness.

- Funding - at the time of writing, the Government was considering what further financial support it could offer to Councils following the imposition of lockdown. The outcome of these deliberations would largely govern the Council's approach to service delivery and community support and development going forward; and
- Brexit – already recognised as a potential trigger to some of the Council's existing risks, this issue would be kept under review so that as details emerged of exactly what the Country's new trade and political relationships might mean, generally for local government and specifically for this Council, the implications for the Council's risk environment could be considered further.

In terms of alternative options, none were considered as the report was not concerned with recommending a particular option in preference to others.

Councillor Day proposed the report as laid out.

**Resolved** that

- (1) the Significant Business Risk Register attached at Appendix 1 to the report, be noted; and
- (2) the emerging risks identified in section 10 of the report, be noted.

(The Portfolio Holder for this item was Councillor Day)

13. **Final Accounts 2019/20**

The Executive considered a report from Finance. The 2019/20 Accounts had been closed, and the draft Statement of Accounts was being audited by external Audit following publication on the Council's website for a period of public review. Subject to the outcome of the Audit, it was intended that the Finance and Audit Scrutiny Committee would formally approve the Audited Statement of Accounts on the 19 August 2020.

The report provided a summary on the draft 2019/20 outturn with the draft Statement of Accounts (available on the website) providing a detailed analysis.

The final outturn positions upon closure of the Accounts were as follows:

	<b>Latest Budget £'000's</b>	<b>Actual £'000's</b>	<b>Variation £'000's</b>
General Fund	9,274	8,492	-782
HRA	-4,013	-4,061	-48
Capital Programme	54,322	28,381	-25,941

In terms of the General Fund Revenue Services for 2019/20, the outturn presented a favourable variation of £782,400. Should there be any change to the variation as a result of the ongoing External Audit, Members would be updated accordingly.

All of the significant variations were presented in the table below:

<b>Description</b>	<b>Variation £'000's</b>	<b>Favourable / Adverse</b>
Corporate R&M	-490,700	F
Staffing	-175,100	F
Christmas illuminations	17,000	A
Kenilworth public Service Centre Income	-64,100	F
Interactive Futures Event Income	-£20,000	F
Benefits	81,900	A
Events at Arts Facilities (excluding staffing)	-347,000	F
Car Parking Income	49,300	A
General Fund Utilities (Electricity, Gas, Water)	78,900	A
Housing services recharges to HRA	-164,000	F
Investment interest income	-67,800	F
Planning Fee income down on the Revised (increased) Budget	240,400	A
Bereavement Services	240,000	A
Legal Fees	-169,400	F

An analysis by Portfolio was shown at Appendix A to the report. IAS19 adjustments and capital charging were excluded from this analysis as these were reversed out.

Net Business Rates Retained Income to the General Fund was £373,700 above the revised Budget. Under the accounting arrangements for Business Rates Retention, the Council's share of the increased business rates for 2018/19 was reflected in the retained business rate income for 2019/20. The £373,700 had increased the contribution the Council made to the Business Rate Volatility Reserve, and so presented a neutral position on the General Fund for 2019/20. Business rates retained by the Council in 2019/20 were lower than for the prior year, down £2.4m, largely reflecting the accounting requirements as opposed a variance in the rates collectable.

Investment Interest was higher than that budgeted. Delays in various programmed expenditure as discussed within the report, meant that there were more balances to invest which led to this favourable variation rather than being due to higher interest rates. The Annual Treasury Management Report was due to be presented to Finance and Audit Committee on 19 August, to provide more information on the 2019/20 performance. The Table below summarised the HRA and GF position.

	<b>Revised Budget £'000's</b>	<b>Actual £'000's</b>	<b>Variation £'000's</b>
HRA	-277	-490	-213
General Fund	-670	-738	-68
<b>Total Interest</b>	<b>-947</b>	<b>-1228</b>	<b>-281</b>

Vacancies across a number of teams had resulted in staffing costs being underspent by £175,100 in 2019/20. Key drivers of the underspend included vacancies within Neighbourhood Services for waste management and green space development, Finance for Revenues and Customer contact services, and within Health and Community Protection for a Community Safety Officer. Vacancies had been offset with additional staffing costs for Arts Events at the Spa Centre and Pump Rooms.

General Fund utilities budgets were overspent overall by £78,900 with electricity £31,400, gas £34,600 and water £12,900 respectively.

The Planned, Preventative Maintenance (PPM) corporate repairs programme was typically funded through a combination of revenue and reserve funding from the Corporate Assets Reserve, in that order. In 2019/20, the PPM programme was funded solely from the Corporate Assets Reserve, resulting in a revenue variation of £490,700. In order to support the PPM programme in future years, it was necessary in 2020/21, to use this element of the General Fund surplus to replenish the Corporate Assets reserve. This left a balance of the General Fund surplus of £291,700, the appropriation of which needed to be considered by a future Executive meeting.

Increased income relating to Kenilworth Public Service Centre, including backdated utility bill service charges for WCC Library and NHS Clinic which had now been settled £48,100 and increased rental charges and lease of first floor offices £16,000. Income was received from exhibitors at the Interactive Futures Event, which when offset against costs relating to the event,

generated a surplus of £20,000. New income was received in year for the Arch 4 Co-working space in the Creative Quarter £16,200. A budget was included for this in 2020/21.

There was an adverse variation of £17,000 on the cost of the Illuminations in Kenilworth and Leamington. The contract was recently tendered, and so the budget would be reviewed in accordance with this award.

There had been an increased number of events throughout the Arts facilities during 2019/20, in particular at the Royal Spa Centre and the Royal Pump Rooms. Income from non WDC admissions, including room bookings, concessions and events had increased by £523,000. Much of this was offset by the additional costs directly relating to the hosting of these events, including staffing costs of £156,000. The sites had generated a net favourable position of £191,000, the majority of which could be attributable to the Pump Rooms. Income from other activities at the Spa Centre, such as the cinema and main shows, had been in line with budget.

Planning Fee Income budgets were reduced during the year as part of the Revised Budget Setting Process. However, even with the reduction of £320,000 the forecast proved to be too optimistic, with income being a further £240,400 under budget. A reduction in the number of large planning applications being received during the year had been attributed to the level of fees generated during the year.

Housing benefits presented an adverse net variance of £81,900, driven by a reduction in the subsidy on benefit overpayments.

Following the Housing Restructure in December 2019, the split of job roles between HRA and GF services was realigned. Recharges of staffing costs from the General Fund to the HRA had increased by £164,000. The recharge budgets would be reviewed as part of a wider piece of work looking at improving the accuracy of forecasting and efficiency of completing as part of the final accounts closedown review process later in the summer.

There had been fewer cremations than forecast in 2019/20, resulting in an adverse variation of £123,100. Demand to purchase plots for future use had reduced due to the Leamington graveyard being close to capacity, following increased demand in previous years as plots were reserved while they were still available, resulting in an adverse variation of £75,900 in Cemetery income. Going forward, there would be a review of the fees for Exclusive Rights for non-residents in order to prolong availability for our own residents at Kenilworth cemetery. The effect of this was meant to delay the need for a capital project to build a new Cemetery.

Car parking income had seen an adverse variance of £49,300, driven by the decline of use during March as a result of the Coronavirus pandemic and subsequent lockdown.

There had been a significantly reduced requirement for legal services in 2019/20, resulting in a favourable variation of £169,400 on legal fees across the Council.

The Revised Budget for the HRA allocated £4.013m to be appropriated to the HRA Capital Investment Reserve. The actual outturn for 2019/20 resulted in £4.061m being transferred, an increase of £48k. This was summarised in Appendix B to the report.

The favourable variance on Investment Interest was discussed and shown in the General Fund above with delays to Housing purchases and construction projects resulting in higher retained reserve balances which were invested to generate interest.

Vacancies across a number of teams resulted in employee costs being overspent by £92,100 in 2019/20. This was driven by IAS19 Pension adjustments and employee related insurance costs. These costs were offset by continued staffing vacancies across a number of services including Housing void and repairs, Lifeline services and Service Improvement. Agency staffing and overtime had been used in some instances where absolutely necessary for service delivery.

Repairs and maintenance had resulted in an adverse variation of £915,900. Following on from the outcome of the stock condition survey, and ongoing works as part of the fire safety in high rise properties projects, major repairs expenditure was £186,000 above budget. Responsive and void repairs resulted in an adverse variation of £672,700. There had been an increased drive to make best use of the time that a property was void to ensure that when it was re-let it was to the minimum agreed standard. Across the repairs, maintenance and improvement programmes, both revenue and capital through the Housing Investment Programme, there had been increased delivery of works to ensure that none of the housing stock could have been categorised as having poor or very poor components.

The main driver of the major repairs overspend was linked to the increased levels of co-dependent asbestos works completed, both removal and containment, as part of other component works.

There had been a significant amount of change in the Assets Team during the year, following the redesign that took place in November 2018, with posts being filled during the financial year. Monitoring and budget processes were reviewed in conjunction with control processes, supported and agreed by the asset manager, to ensure up to date information was shared between key service stakeholders. This would enable greater financial control going forward, and would prevent works being agreed with contractors without the necessary budget and authorisation.

Members noted the depreciation charged on HRA properties, in particular housing stock, was roughly in line with forecast expectations for the year. However, depreciation on other HRA properties including shops, and equipment, had increased by £80,900 from 2018/19. This was charged as an expense to the HRA as per statutory guidelines, being transferred to the Major Repairs Reserve (MRR). The MRR was ring-fenced to be used to fund capital improvements through the Housing Investment Programme, or could have been used to repay debt.

There was an adverse variation on the Bad Debt Provision of £88,500. Tenant Arrears had increased in line with the national phased implementation of Universal Credit in place of Housing Benefit to applicable HRA Tenants. There had also been an increased level of former tenant arrears.

The HRA utilities budgets were overspent by £78,400, with overspends on electricity totalling £109,900 and gas £33,500, with an underspend of £7,600 on water supplies. The electricity variation had been driven by a number of disputed bills following the change in electricity supplier in the previous financial year. These were being contested with updated meter readings, and a review of all bills paid in 2019/20 being carried out. Any costs related to individual properties within one of our sheltered and the five very sheltered properties provided as part of communal supply, were fully recovered through recharges to the tenants. However, the amount recovered was dependent on the outcome of the above meter reconciliation work.

Officers would monitor these budgets in 2020/21, and review the budgets where necessary to ensure appropriate resource allocation going forward.

Capital Expenditure showed a favourable variance against the latest budget of £25.941m. This was comprised of the Housing Investment Programme and Other Services. The table below summarised Budget and Expenditure by Fund, with further details within Appendix D to the report.

	<b>Latest 2019/20 £'000</b>	<b>Actual 2019/20 £'000</b>	<b>Variance 2019/20 £'000</b>
Housing Investment Programme	40,860	20,181	-20,679
Other Services	13,462	8,200	-5,262
<b>Total Capital</b>	<b>54,322</b>	<b>28,381</b>	<b>-25,941</b>

The main reasons for these variations were:

- Slippage due to delays in delivering agreed programmed works and projects commencing late. Budget to be carried forward to 2020/21 for these specific planned works totalled £24.716m on the Housing Investment Programme, and £5.693m for Other Services. Whilst this showed as a variation in the table above and in the appendices, it was not an underspend or saving. The slippage for Other Services was greater than the variation due to the Capital works funded by the Community Infrastructure Levy (CIL) in year £475,800, hence the Other Services slippage would be fully funded. While the Housing Investment Programme Slippage exceeded the underspend by £4.037m, the other works were due to be funded by either Right to buy reserves, HRA Capital investment Reserve or PWLB Borrowing, as agreed within the specific Executive approvals; and

- The increased cost of delivering Housing Investment Programme improvements identified alongside the ongoing works for fire safety in high rise properties had resulted in an adverse spend of £2.213m above the agreed original budgeted programme. The main driver of the variation was continued fire safety improvement works, with the scope of the project growing to ensure all medium to high rise properties were to a high standard. This included a number of rewiring projects, and the replacement of windows, doors and door entry systems, with many of the works being well above the minimum safety standard. Work on dwelling roofs also incurred additional expenditure, as following routine inspection, many were deemed to be in worse condition than was expected as per the last revision of the stock condition survey.

A number of major construction and acquisition opportunities for the delivery of council housing had arisen during the year, resulting in an adverse variance of £1.887m. This included the repurchase of an ex-council house originally sold through Right to Buy using delegated authority. It also included a number of land and property purchases which remained confidential due to their commercial nature and had previously been presented to the Executive.

Controls over how works were agreed had been reviewed to ensure projects had the necessary budget provision.

Appendix D to the report provided a comprehensive breakdown of the variations and their drivers, and the level of budget to either be returned to reserves or slipped to 2020/21.

In November 2016 (Budget Review Report) Members approved that any surplus or deficit on the General Fund balance was to be appropriated to or from the General Fund Balance. Under this agreed delegation, £782,400 was allocated.

Similarly, it was agreed for the Housing Revenue Account, that the balance would be automatically appropriated to/from the HRA Capital Investment Reserve. £47,700 had been transferred in 2019/20.

It was also agreed that the Head of Finance, in consultation with the Finance Portfolio Holder, would amend these arrangements for appropriating the surpluses or deficits as necessary and would agree any further items of revenue and capital slippage.

£490,700 was drawn down from the Corporate Asset Reserve to fund the Pre-Planned Maintenance programme rather than using the existing revenue budget. Consequently, to help support future PPM, it was recommended that this sum was returned to the reserve in 2020/21. This left a net adjusted revenue surplus of £291,700 on the General Fund for 2019/20.

As part of the Final Accounts process, requests had been approved under delegated authority by the Head of Finance for Revenue Ear Marked Reserves. These were for previously agreed projects where it had not been



possible to complete as budgeted within 2019/20, and would therefore need to carry forward budget to 2020/21.

These totalled £732,200 for the General Fund and £39,600 for the HRA, and were outlined in detail in Appendix C to the report. Requests were considered against budget outturn within the specific projects and services, with requests approved only where there was sufficient budget available.

Members noted that this was a considerable sum. Key Earmarked approvals included ongoing work relating to Europa Way, The Commonwealth Games and the car park displacement strategy pending the decision on the future of Covent Garden car park.

It was recommended that Members noted the position on Revenue slippage. As in previous years, expenditure against these Budgets would be regularly monitored and reported to the Executive as part of the Budget Review Process.

In terms of alternative options, the report was a statement of fact. However, how the outcomes might be treated could be dealt with in a variety of ways, mainly the alternatives were to not allow any, or only allow some of the earmarked reserve requests to be approved.

Another alternative was to allow the General Fund balance to vary from the core level of £1.5m level, along with how the 2019/20 surplus was allocated. Any changes to the allocations would be implemented during 2020/21.

The Joint Finance and Audit Scrutiny Committee and Overview and Scrutiny Committee thanked the Head of Finance and his Team for the work on producing the draft financial statements for 2019/20 so promptly.

Councillors Nicholls, Boad, Davison, Grainger and Hales complimented the Finance team on the progress made, especially during the difficult circumstances due to Covid-19. Councillor Hales proposed the report as laid out.

**Resolved** that

- (1) the final revenue outturn positions of the General Fund (GF) and the Housing Revenue Account (HRA), being £782.4k and £47.7k favourable respectively, be noted;
- (2) the Capital Programme showing a variation of £25.9m under budget and the level of slippage carried forward to 2020/21 as set out in Appendix D to the report, be noted;
- (3) the allocations of the revenue surpluses appropriated to the General Fund Balance Reserve and HRA Capital Investment Reserve under delegated authority, and for £490.7k of the

General Fund surplus to be appropriated to the Corporate Asset Reserve in 2020/21, be noted; and

- (4) the final position for Revenue Slippage be noted, and the Earmarked Reserve requests of £732.2k General Fund and £39.6k HRA as supported by Appendix C to the report, with the requests having been approved under delegated authority by the Head of Finance in conjunction with the Finance Portfolio Holder, be approved.

(The Portfolio Holder for this item was Councillor Hales)  
Forward Plan Reference 1,136

#### 14. **Warwick District Leisure Development Programme – Kenilworth Facilities**

The Executive considered a report from Cultural Services. The focus of the Warwick District Leisure Development Programme was the two leisure facilities that the Council owned in Kenilworth, Castle Farm Recreation Centre and Abbey Fields Swimming Pool.

In August 2019, the Executive gave permission to officers to instruct the Design Team (provided and led by Mace Group) to begin the RIBA Stage 3 design process for these two sites, based on the designs approved by the Project Board during the summer of 2019, and then to proceed to the end of RIBA Stage 4.

The project experienced an increase in costs for the Design Team due to prolongation of the programme and an increase in the predicted cost of the construction. In order to continue to the end of the RIBA Stage 4 design for both sites, it was necessary to provide a further amount of funding to the project, which was requested in the report. The report did not propose achieving the end of the entirety of RIBA Stage 4 on the RIBA Plan of Work, as this also included the procurement of a preferred contractor at an agreed price.

If approval was given, the Design Team would then proceed with the RIBA Stage 4 design for both buildings and a further report would be provided to Executive and Council at the end of the RIBA Stage 4 (design only), in the autumn of 2020.

The Executive had already given permission for the two projects in Kenilworth to proceed to the end of RIBA Stage 4. Sufficient funding was provided previously to employ the Design Team to the end of this Stage of the RIBA Plan of Work, based on the tendered cost of the Design Team valid at that time.

However, since that time, the cost of employing the Design Team to the end of RIBA Stage 4 had risen for two reasons. Firstly, the programme had been delayed, for reasons given below, and this had led to prolongation costs.

Under the contract with the Design Team, if the programme was extended then their fees would increase as they were working on the project for a longer period of time. Secondly, the overall predicted cost of the construction had risen. This also increased the cost of the Design Team, as their fees were based on a given percentage of the predicted cost of construction.

The table below gave a simplified picture of the delays to the project that had led to prolongation costs. In fact, a number of these delays overlapped or otherwise interacted with each other.

RIBA Stage	Tendered Programme Duration (weeks)	Actual Programme Duration (weeks)	Prolongation Duration (weeks)	Reason for prolongation
1	10	15	5	Appraising numerous options
1 Consultation	0	15	15	Consultation period not in tender
2	16	17	1	Minor delays
Member briefing	0	11	11	Presentations to all parties and feedback
3 – Castle Farm	15	25	10	Options with Scouts and Guides
3 – Abbey Fields	0	20	20	Re-design of pool hall and levels
4 – Design only	28	16	14	Change in project strategy due to Covid 19
4 - Procurement		<u>26</u>		
Total to end RIBA 4	69	145	76	Including 26 weeks of procurement after any project freeze

The following points explained the delays in more detail:

- the RIBA Stage 1 process at both facilities was extended by the appraising of numerous options for the two facilities. 16 options were produced in total, including such suggestions as placing both swimming and indoor sport facilities on the Castle Farm site;
- the Council required a public consultation during RIBA Stage 1 to consider the facility mix at both facilities. This had not been allowed for in the tendered programme, nor included in the tendered scope of works;

- following the elections in May of 2019, it was agreed to pause the design process whilst presentations were given to all parties in the new Council in order to receive their feedback on the proposals at the two sites. This was a new request and so it had also not been included in the tendered programme;
- RIBA Stage 3 at Castle Farm was delayed in order to fully appraise and evaluate a number of options with the Scout and Guide Headquarters on the site. Options included locating the facility on the Rouncil Lane site which was in the process of being purchased by the Council, and a stand-alone facility on the Castle Farm site;
- RIBA Stage 3 at Abbey Fields was scheduled to run concurrently with RIBA Stage 3 at Castle Farm, which is why it was shown as zero weeks on the above table. It was delayed by the decision of the Project Board to replace the existing indoor 25 metre swimming pool tank, rather than retaining the existing one. This decision was made when the detailed survey of the potential for flooding revealed that the existing tank was positioned low enough to be a flooding risk. This decision would provide a range of benefits to the overall design of the completed building, but it did necessitate a significant re-design of the details of some parts of the building. This delay occurred after the delay referred to in the paragraph above, and so did not run concurrently with that delay; and
- RIBA Stage 4 at both facilities was predicted to take longer than originally forecast. This was partly because both buildings had increased in size and complexity during the design process, and so it would take longer to complete the Full Technical Design. It was also because the procurement of the contractor would take place after the end of the RIBA Stage 4 design process, rather than running concurrently with this process. The RIBA Stage 4 design process would therefore be completed sooner but the total time for RIBA Stage 4, including the procurement of a preferred contractor, would take longer. It should be noted that if the project was frozen at the end of the RIBA Stage 4 design process, the procurement of a contractor would not commence until the project was unfrozen at a later date.

In addition to the prolongation costs, there had been an increase in costs for the Design Team due to the increase in the predicted cost of construction. The contract with Mace, as co-ordinators of the Design Team, and other members of the Design Team, was based on a percentage of the total predicted cost of the construction, as was usual with contracts of this sort. Therefore, if the predicted cost of the construction rose then the fees were subject to "uplift" rise too.

The calculation of the sums for prolongation and uplift that were due to the Design Team led by Mace were private and confidential as they demonstrated in considerable detail the prices agreed with Mace, and were therefore commercially sensitive.

The implications of the additional sums required for prolongation and uplift were that, at the time report, the project had insufficient allocated funds to

complete the design process to the end of RIBA Stage 4, although it had authority from the Executive to progress to that stage. The table below showed that the project required an additional £390,597 to fund the design process to the end of RIBA Stage 4 (design only).

<b>Date of Executive meeting</b>	<b>Description – RIBA Stage</b>	<b>Amount (£)</b>
7 February 2018	RIBA Stage 1	100,000
26 September 2018	n/a	None
9 January 2019	To end RIBA Stage 3	200,000
Feb 2019 (Finance Report)	To end RIBA 3 (2019/20)	550,000
21 August 2019	RIBA Stage 3 to end RIBA 4	445,000
<b>Total project funding</b>	To the end of RIBA 4	<b>1,295,000</b>
<b>Costs to the end of RIBA 4 (design only)</b>	<b>Subject</b>	<b>Amount (£)</b>
	Tendered fee for Design Team	543,075
	Additional fees	659,257
	Further fees for Abbey Fields re-design	159,655
	Surveys and other services	375,169
<b>Total project costs</b>	To the end of RIBA 4 (design only)	<b>1,737,156</b>
<b>Additional project costs</b>	To the end of RIBA 4 (design only)	<b>442,156</b>
<b>Sums remaining in budget</b>		<b>51,559</b>
<b>Shortfall required to the end of RIBA 4 (design only)</b>		<b>390,597</b>

The design process for the Castle Farm Recreation Centre was complete to the end of RIBA Stage 3, and the relevant report had been signed off by the Project Board. The decision to replace the pool tank at Abbey Fields had led to some significant improvements in a number of parts of the building, but this had also led to elements of re-design, and so the RIBA Stage 3 process was not yet complete for this building.

The Design Team would therefore be instructed to complete the RIBA Stage 3 design process for Abbey Fields Swimming Pool and to present a RIBA Stage 3 report to the Project Board for approval. Once this approval had been received, it would then be possible for the Design Team to commence the RIBA Stage 4 (design only) process for both buildings.

Following discussions with the Executive and due to the uncertainty surrounding the availability of funding during and after the pandemic, it was

decided to complete the RIBA Stage 4 design process without procuring a preferred contractor. This would enable the RIBA Stage 4 design process to be completed in a shorter timescale. The end of the RIBA Stage 4 design process would provide the Council with a final design, with its planning application decided, and a more accurate estimate of likely costs. This would enable the Council to take a decision as to whether or not to proceed with the project.

However, it was important to note that this point in the programme would not actually have constituted the end of the entire RIBA Stage 4 process, as RIBA Stage 4 usually included the appointment of a preferred contractor at an agreed price. If it was decided to proceed beyond the end of the RIBA Stage 4 (design only) process the first step would be to procure a contractor and agree a contract price. This would complete RIBA Stage 4 and prepare the project for RIBA Stage 5, which was the construction phase.

A draft programme for the project was in place, but the situation with the pandemic meant that there were many unknowns. It was not therefore presented here for consideration. It would be developed with the Leisure Development Programme Project Board and the Leisure Development Programme Members' Working Group as the project progressed.

The Council had declared the Climate Emergency whilst the design process was underway for these two buildings. However, the Executive had already decided, at their meeting on 9 January 2019, to "instruct the design team to fully explore how the building and running of the two facilities can be as close to carbon neutrality as reasonably possible and to request that this matter is carefully addressed in subsequent reports to Executive".

As well as all of the carbon reduction measures that were required by Building Regulations, many options that could have served to reduce carbon during the use of the building had been appraised for their suitability for these two buildings. The table shown in Appendix A to the report showed each of the technologies considered and the final decision of the Board as to which technologies to include in the designs of each of the two buildings. The Leisure Development Programme Members' Working Group also considered each of these technologies and their suitability to these projects.

The approved technologies would subsequently be incorporated into the design of the two new buildings. The issue of carbon neutrality would also be relevant in other design and operational issues such as travel to the sites. The work to optimise performance in these related areas continued and would be reported on in subsequent reports to Executive and Council, and highlighted as part of the Planning Application for the facilities.

In terms of alternative options, it would be possible to not undertake any improvements to the facilities at Castle Farm and Abbey Fields. If this decision was to be made, then these two buildings would not have the same sort of aspirational, successful and modern facilities as the Council had provided at Newbold Comyn and St Nicholas Park. These two facilities would not contribute to encouraging the District's residents to adopt an increasingly healthy lifestyle in the same way as the two refurbished facilities. Income

from the contract with Everyone Active would not be maximised because attendance and income would not be enhanced by newer facilities. The opportunity would be lost to bring the buildings up to modern design standards, particularly with regard to sustainability. The buildings would not be prepared for use for another 30 years.

At their joint meeting, the Finance and Audit Scrutiny Committee and Overview and Scrutiny Committee noted the recommendations in the report and requested that additional work be undertaken on: vehicle and active transport access to the leisure centres; and on their carbon neutrality. Councillors Redford and Grey requested that their support for the recommendations in the report should be noted and Councillor Milton requested his objection to the recommendations in the report should be noted.

Councillor Grainger proposed the report as laid out.

**Resolved that**

- (1) a sum of up to £391,000 be allocated from the Service Transformation Reserve for the financial year 2020/2021 in order to fund the new designs for the Abbey Fields Swimming Pool and the Castle Farm Recreation Centre up to the end of the RIBA Stage 4 process (design only), be approved;
- (2) the Design Team be instructed by officers to complete the RIBA Stage 3 design of Abbey Fields Swimming Pool and, following approval from the Project Board, to continue the design process to the end of the RIBA Stage 4 process (design only) for both Castle Farm Recreation Centre and Abbey Fields Swimming Pool; and
- (3) the work already undertaken by the Design Team on improving the sustainability and carbon neutrality of the design of the Castle Farm Recreation Centre and the Abbey Fields Swimming Pool as shown in Appendix A to the report, be noted and the Design Team be instructed to develop this work further in preparing the RIBA Stage 3 and Stage 4 reports on these projects.

(The Portfolio Holder for this item was Councillor Grainger)  
Forward Plan Reference 1,133

15. **Use of Delegated Powers – Additional Recurring Budget for the Financial Management Solution**

The Executive considered a report from Finance informing Members of an urgent decision taken by the Chief Executive under delegated authority

CE(4), following consultation with Group Leaders. The Executive approved the Financial Management System Replacement Project and authorised a project budget at its meeting on 18 December 2019. Procurement activity had been completed and a preferred supplier identified. The procurement had highlighted a recurring £15k shortfall for the replacement IT system. The Chief Executive approved the additional £15k budget under his delegated authority CE(4) after consultation with Group Leaders to avoid delaying the award of contract. The additional budget would be included in the Council's Medium Term Financial Strategy from 2021/22. The report provided background and context to the approval of funding.

The procurement of a replacement Financial Management System had concluded and a preferred supplier was identified. The procurement activity had identified the difference between actual costs advised by the supplier and the estimate of costs that were advised and approved by the Executive in December 2019.

The analysis identified that the one off cost of implementation would be comfortably within the approved capital budget whilst the recurring annual costs would exceed the available revenue budget by £15k from 2021/22.

Timelines for the award of contract and implementation were critical if the Council was to avoid a further years support costs with the current Financial Management System provider. A contract award after 30 June 2020 would have been a significant risk to this ambition.

The Financial Management System Replacement Project Board were made aware of the updated budgetary position at a meeting on 9 June 2020. The Board noted that the recurring savings to be generated by the project would exceed the additional £15k recurring budget. The Board also noted that the award of contract could not have been made with a budget shortfall, potentially delaying a go live of the new IT system to a point after the support contract for the current system would have expired.

The Project Board gave approval to seek the additional recurring £15k budget under the Chief Executive's emergency delegated powers CE(4) to avoid delaying the award of contract.

The Chief Executive gave approval to the additional budget at a meeting with Group Leaders and CMT on 15 June 2020.

The additional budget would be included in the Medium Term Financial Strategy from 2021.

In terms of alternative options, none were considered as the decision was already made and the report was for information only.

Councillor Hales, the Portfolio Holder for Finance, expressed his thanks to Councillor Syson and the Project Board for their meaningful contributions and proposed the report as laid out.



**Resolved** that the approval of additional recurring budget of £15k from 2021/22 for the new Financial Management System, approved under the Chief Executives delegated authority, be noted.

(The Portfolio Holder for this item was Councillor Hales)

### **Part 1**

(Items upon which a decision by Council was required)

#### **16. Community Stadium and Associated Developments**

The Executive considered a report from Cultural Services seeking funding so that the next steps in the development of a new Community Stadium to complete the RIBA Stage 1 design for the stadium and to commence RIBA Stage 2 could be undertaken and alongside that, an assessment of the sources of finance. A further report would then come forward which would enable a conclusion to be reached on the feasibility of the project in Spring 2021.

The Community Stadium Scheme was part of a wider, multi-faceted project. In outline form if implemented, the Stadium could deliver:

- 5,000 capacity stadium and facilitate the relocation of Leamington FC from its current ground on Harbury Lane;
- all weather artificial grass pitch to allow for wider community use;
- provision for Adult Community Mental Health Services and Children and Young People's Mental Health Services;
- gym and studio space; and
- bar/catering/coffee shop provision.

All of this would be subject to confirmation of demand.

The relocation of the football club would enable it to expand its community sports development activities and the Council to then re-use its site as a gypsy and traveller site, thus enabling positive provision to be made, but also to reinforce protection against other sites being used in an unauthorised fashion.

The Council acquired land from the County Council in December 2018 in order to secure the site for the stadium and land that it could sell in order to help fund the stadium. That land, five acres fronting Gallows Hill, was the subject of a negotiation which, by the time the report was considered, would have been exchanged with completion on four of the five acres by December. That scheme for a relocated car showroom and a hotel would both protect and generate jobs, as well as generate a £5.585m capital receipt for the Council.

The potential inclusion of accommodation for the Coventry and Warwickshire Partnership Trust (Mental Health) also gave the project a clear health and well-being outcome, as well as the opportunity to consider some of its sites in Warwick and Leamington for alternative use as housing.

The Council also envisaged that it would seek to relocate the athletics track at Edmondscote alongside the stadium, and widen its operation to the adjoining schools and create a more accessible athletics facility for the District. This, in turn, would enable part of the athletics track site to be developed for housing, but that in conjunction with other land to the east and to the west, it would create a new riverside park (the Commonwealth Park) connecting Warwick and Leamington with a contiguous green space along the rivers Leam and Avon.

To enable that to happen, the seven hectares reserved for a secondary school, part of which would be used for the relocated athletics track, had to be freed from having to be used for that purpose. This depended upon an alternative site for the secondary school provision for the new development in the Europa Way corridor. This was secured when the planning application for a secondary school, primary school, 150 houses and country park provision was granted planning permission and a S106 was signed. The secondary school was expected to be open for September 2023. The discussion had started on how the seven hectares could be used for a new primary school, new/additional SEN provision and the athletics track.

That discussion also raised the opportunity to acquire the site which had been identified for the primary school use, and to bring it together with the Farmhouse which the Council was to purchase (for circa £1m) by the time the report came to be considered, and land that the Council already owned to the north, most of which would be used for the stadium. This land could be used as the neighbourhood centre and for housing, but should generate a margin on the purchase price to help fund the stadium scheme.

Alongside all of this were the ambitions of Myton School, and by linking that in to create a second access point to Myton School, as well as an enhancement to the sports provision at the school, some of which was run as part of a dual facility with Warwick District Council by Everyone Active. This opportunity would help to relieve some traffic from Myton Road as well as further improve the sports provision in the immediate vicinity.

The Council's and its partners' ambition was articulated in the masterplan illustrated at Appendix A to the report. Members were reminded that the spine road and cycleway serving the scheme was well advanced and would be largely completed by September 2020 with the new junction onto Gallows Hill expected to have completion by June 2021.

The site opposite the proposed stadium was being developed by Vistry who had a pre-agreement to deliver 40% of the 375 homes as affordable homes and so felt confident to progress construction. The Council had entered into an agreement for an adjoining portion of land with Vistry for 54 affordable homes to be developed at a high energy efficiency standard. Subject to planning permission, construction was expected in this site in the Autumn 2020.

In November 2019, the Executive gave approval for expenditure in order to progress to RIBA Stage 1 for the design of the Community Football Stadium.

Members also agreed in principle to relocating the athletics track and ancillary facilities to a new site adjacent to the proposed new stadium.

The funding sought would have allowed for completion of RIBA Stage 1 and for the project to then progress to RIBA Stage 2 and thereby obtain a more detailed picture of the scheme along with an updated cost estimate.

The Design Team had been working with officers and key stakeholders to develop initial designs and costings for the new stadium in line with the RIBA Stage 1 process. Now the Phase 1 desktop ground investigations had been completed as part of this work, the Phase 2 ground investigations were ongoing on site to enable completion of RIBA Stage 1.

RIBA Stage 2 involved the preparation of Concept Design including outline proposals for structural design, building services systems, outline specifications and preliminary cost information along with relevant project strategies in accordance with design programme. Any alterations to the brief needed to be agreed and the Final Project Brief issued prior to start of RIBA Stage 3 Developed Design. The following site investigations were required to complete RIBA Stage 2:

- Complete Phase 2 Ground Investigation;
- Drainage Strategy;
- Utilities Survey;
- Ecological Surveys; and
- Initial Archaeological and Heritage Surveys.

The funding would also mean that the Council was able to manage and maintain the Grade 2 Heathcote Hill Farmhouse (sale due to complete mid July 2020) in a safe, secure and sympathetic manner until such a point that it became a focal point of the wider neighbourhood centre development.

The Council also required legal and property advice in respect of the wide range of developments proposed on and around the Community Stadium site, the fees for which were included in the request.

At this stage of proceedings, the estimated construction cost of the new stadium and with fees and on costs was £17,298,352. It was anticipated that the relocation of the athletics track from its current home to the site adjacent to the new stadium would cost in the region of £2.5 million. This would allow the current track site to be utilised for housing and a destination (Commonwealth Games Legacy) park which had an estimated cost in the region of £1 million which took the total cost to circa £21m. This, however, did not include the original land purchase cost of £3.3m, making the overall cost in excess of £24m.

Potentially, the various land opportunities could generate up to £19.5m but these needed to have more work undertaken to assess their rigour. It was also the case that the opportunity for other funding contributions from S106, CIL, etc. needed to be explored and conclusions reached.

At the completion of RIBA Stage 2 and of the assessment of sources of finance, a further report needed to be considered by Executive and Council in order to decide whether or not to proceed with the project. The Council would have a clear idea at that point on the deliverability of the Stadium and associated elements or otherwise.

In terms of alternative options, it would be possible to freeze the design process for the stadium until the financial impact of the Covid 19 pandemic on the Council was known in more detail, and the priorities of the Council for major projects were more clearly known. However, to delay the project in this way would lead to increased costs for prolongation and for inflation. If the freeze was for more than a few weeks, the Design Team would probably be re-deployed onto other projects, leading to a lack of continuity and additional re-start costs. In reality, the next report was the better time to decide to halt or progress the project, given that the capital receipts could be used to fund this proposal.

Prior to the meeting, Members were informed that Agenda Item 9 – Community Stadium and Associated Developments – was, in fact, a Part 1 item because the additional funding would increase the Capital Budget by greater than the £300k (cumulative total) permitted by the Executive. As a result, this meant that recommendation 2.2 was amended accordingly, to replace “The Executive approves” with “The Executive recommends to Council”. This recommendation would be considered by Council on 5 August 2020.

The Finance and Audit Scrutiny Committee and Overview and Scrutiny Committee supported the recommendations in the report at their joint meeting.

Councillor Matecki proposed the report as laid out.

**Recommended** to Council that a sum of up to £345,460 be allocated from the receipt of the sale of land fronting Gallows Hill for the financial year 2020/2021 in order to fund the design work on the Community Stadium to the end of RIBA Stage 2 and to manage and maintain Heathcote Hill Farmhouse and associated land for the remainder of the financial year.

**Resolved** that

- (1) the progress on delivering the overall proposals and the masterplan at Appendix A to the report, be noted;
- (2) officers are asked to instruct the Design Team to complete the RIBA Stage 1 work and commence RIBA Stage 2;
- (3) work alongside the RIBA Stage 1 and 2 to assess the sources of finance to enable the scheme to be

completed, be undertaken; and

- (4) a report on the work at the end of RIBA stage 2 and of the assessment of finance be presented to the Executive in early spring 2021 in order to determine financial feasibility of the Stadium project.

(The Portfolio Holder for this item was Councillor Matecki)  
Forward Plan Reference 1,014

## Part 2

(Items upon which a decision by the Council was not required)

### 17. Public and Press

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

Minute Nos.	Para Nos.	Reason
18, 19	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The items below were considered in confidential session and the full details of these were included in the confidential minutes of this meeting.

### 18. Business Loans

The Executive considered a confidential report from the Chief Executive.

The recommendations in the report were approved.

(The Portfolio Holder for this item was Councillor Hales)

### 19. Minutes

The confidential minutes of 29 June 2020 were approved and signed by the Chairman as a correct record.

(The meeting ended at 6.50pm)

CHAIRMAN  
24 August 2020