Executive

Minutes of the meeting held on Thursday 30 September 2015 at the Town Hall, Royal Leamington Spa at 6.00 pm.

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

Also present: Councillor Boad, Chair of Overview & Scrutiny Committee and Councillor Quinney (Labour Group Observer and representing Finance & Audit Scrutiny Committee).

Apologies for absence were received from Councillor Quinney.

45. **Declarations of interest**

There were no declarations of interest.

46. **Minutes**

The minutes of the meeting held on 3 September 2015 were agreed as written and signed by the Chairman as a correct record.

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

47. **Fees and Charges 2016/17**

The Executive considered a report from Finance that detailed the proposed Fees and Charges in respect of the 2016 calendar year. It also showed the latest Fees and Charges income budgets for 2015/16 and the actual out-turn for 2014/15.

The Council was required to update its Fees and Charges in order that the impact of any changes can be fed into the setting of the budget for 2016/17. Discretionary Fees and Charges for the forthcoming calendar year had to be approved by Members.

In the current financial climate, it was important that the Council maximised income and therefore minimises the forecast future deficit.

The Contract Services Manager was in the process of formally consulting local Chambers' of Trade as part of reviewing the current parking charges. The proposed changes for 2016/17 reflected early customer feedback.

The fees charged under the new Building Control Shared Service arrangement that commenced on 1 April 2015 had been amended to ensure consistency of charging amongst the partners, these current charges were proposed to remain unchanged. To ensure consistency with previous years, only the Warwick District Building control fees had been shown in this report. Next year's report, which would have the benefit of more than one year’s operating of the service, would provide the full picture of income and expenditure for all the areas involved.

There had been further work carried out by the Regulatory Manager on licensing fees due to reflect the current legislation. The fees charged should only reflect the amount of officer time and associated costs needed to generate them. There would now be a two stage process of getting certain licences from this Council. The first stage was paying for an application fee (non refundable), the second was paying for the actual licence itself, which if refused, was refunded. Details of these changes were shown in Appendix A, to the report

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.

Members agreed in July 2015 to the introduction of Pre-Application Advice charging for Development Control. The report detailed the proposed charges. It was likely that this would happen later this year as it was dependent on the fees being approved by Council, which should happen as part of Council approving this report. Initially it was projected that the income generated would cover the additional post agreed to assist with the operation of the scheme. No additional income for this had been included in the report.

CCTV and the Police were working together to prevent crime and increase community safety throughout the district. The police had agreed to pay for certain services.

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

Alternatively the Fees and Charges for 2016/17 could remain static i.e. remain at the same level as for 2015/16, which would substantially increase the savings that needed to be found over the next five years unless additional activity could be generated to offset this.

In addition to the report a table was circulated, at the meeting setting out the correct all day charging rate for Covent Garden Car Park £3.50, and not £4.50 which had been incorrectly stated out in the report.

The Finance & Audit Scrutiny Committee endorsed the report. However, concerns were raised by them about the car parking charges in Kenilworth not being comparable to the other towns and whether there was scope for overall charges to be raised but Members were satisfied that a balanced approach was preferable and the priority was attracting shoppers to the District.

The Overview & Scrutiny Committee noted the report.

The Portfolio Holder for Neighbourhood Services explained that there was a need to recognise the individual towns circumstances and competition but at the same time there was a need to bring income from these sites. Therefore charges were increasing and there was variation in charges but at the same time Kenilworth was coming into line with Old Town Leamington and charges in Warwick were now cheaper.

The Executive therefore

Resolved that

(1) the detailed exercises undertaken by Service Areas when determining the Council's income levels and fees for next year, be noted

(2) proposed changes to Parking Fees for 2016/17, the first change for a while, due to the need to fund car park repairs, as well as a result of customer feedback, be noted;

(3) the significant changes to some licensing fees due to changes in legislation, as well as the new charges created for Pre-Application planning advice and for CCTV services, be noted; and

(4) Executive notes that the income generated by the proposed fees and charges operating from 2 January 2016 will generate income of £67,000 above the target set in the Medium Term Financial Strategy.

Recommended that the Fees and Charges identified in Appendix 'A', to the report operate from 2nd January 2016 unless stated.

(The Portfolio Holder for this item was Councillor Whiting)
(Forward Plan reference number 697)

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

48. **Review of WDC/WCC Customer Service Centre & Digital Transformation Initiatives**

The Executive considered a report from the Deputy Chief Executive (AJ) that sought approval to end the joint Customer Service Centre arrangement with Warwickshire County Council (WCC) and return the handling of customer telephone enquiries to Riverside House.

The report also sought approval for officers to complete the business case for further investment in the digitisation of Council services, thereby improving the customer experience and reducing costs, so that a further report can be submitted to the Executive for its consideration

In 2009, Warwick District Council (WDC) moved its Customer Service Centre (CSC) operation (handling the vast majority of this Council's phone calls) to WCC's headquarters at Shire Hall, Warwick where a joint team of relocated WDC, and WCC staff had been set-up to handle the phone calls of customers making enquiries in respect of either or both of the Council's services. This initiative was on the back of a customer service programme of improvement taking place across all of the Council's in Warwickshire and underpinned by joint Customer Relationship Management and phone ICT systems overseen by the Warwickshire Direct Partnership (a Councillor/ Officer Forum made up of all the Councils in Warwickshire).

At the vanguard of this customer service programme was the "partnership" between WDC and WCC which by the time joint CSC was established had delivered four joint one stop shops enabling customers to make Council enquiries (of both District and County tier-level) in a single visit. Therefore the decision to move WDC's phone operation to WCC premises was a natural progression in the programme of work.

For a four-year period the joined-up phone service operated reasonably successfully, although not to the levels that had originally been anticipated, but over the course of the last two years, service could at best be described as poor with complaints from both customers and elected Members. Details of the performance was detailed at Appendix A.

Throughout the period of co-location both Councils had worked very hard to make the arrangement a success. Many initiatives had been tried including investment in training, workforce planning, resource planning and ICT development. Many of the staff at the CSC had been there since the operation's inception and their dedication and efforts must be recognised.

With both WDC and WCC being dissatisfied with the levels of CSC performance, officers at WCC undertook work to establish what investment in the CSC would be necessary to significantly improve customer service response times. In tandem with this, officers at WDC undertook an options appraisal of different phone service delivery models so that they could be compared against the findings of the WCC study.

Details of the options appraisal was detailed at Appendix B, to the report, and it was officers' recommendation that WDC repatriates its phone service to Riverside House but rather than re-establishing a WDC-only CSC, it created phone services that were managed by the individual service areas. Officers anticipated that by handling calls in this fashion they would be able to redesign the Council's services so that the work of customer service, business support and administration staff was looked at in a joined-up fashion, thereby cutting out inefficiencies and providing an improved customer experience.

Should Members agree with the recommended approach then Deputy Chief Executive (AJ) would write to WCC giving the required 12 months' notice under the licence agreement to vacate the Shire Hall premises. However, it was anticipated that this would be the maximum period of time to relocate WDC's phone service and it was hoped that the necessary changes could commence soon after the necessary staffing approvals had been received from Employment Committee.

WDC has 11 staff employed at the joint CSC or in its supporting infrastructure team (Members should be aware that ICT arrangements enabled three of these staff to operate out of a WCC-run CSC in Bedworth but for the purposes of this report, they were treated as part of the Shire Hall operation) and so if Members agreed officers would work with the affected staff and recognised Trade Unions in accordance with agreed consultation and redeployment agreements. At this point it was not possible to say what the individual outcomes would be for the staff affected but a future report to Employment Committee would make the position clearer.

Members should be aware that successful redeployment might not be possible in every case and if necessary a future report would be submitted to Executive to seek the funding for any redundancy payment.

The approach recommended by officers would mean that the current annual staffing budget for the CSC arrangements of £526k could reduce by £170k. Members would recall that a review of the CSC was an element of the *Sustainable Community Strategy & Fit For the Future Update* report agreed by the Executive at its meeting of 3 September 2015. That report explained how the Council would realise the necessary savings/ increased income to set a balanced budget whilst protecting services to the customer.

Members should note that in contrast to the recommendation in this report, the option proposed by WCC would have required extra investment of £162.5k this year and a further £100-150k in 2016/2017. The impact on the Council's Medium Term Financial Strategy would be an extra £200-250k to find each year.

In order to implement the project it was estimated that a budget of £50k would be required. It was recommended that this budget was made available from the Service Transformation Reserve.

Officers did not consider that simply re-establishing a CSC at Riverside House was the way forward for WDC. The CSC was originally established at Riverside House over ten years ago for good reasons: the default channel for contacting the Council was via the phone service but increasingly customers would prefer to transact with the Council via the website (whether this be through a pc or smart phone). This change could be demonstrated by the tremendous growth in WDC website visits over the last 10 years from approx. 15,000 visits per month in 2005 to over 150,000 visits per month in 2015.

As WDC has invested further in its website then usage has continued to grow. In 2013, the Council improved and upgraded its Content Management System. Whilst this was primarily a necessary upgrade to back office software it allowed WDC to significantly improve how the site appeared and works on mobile phones for our customers. As a consequence usage on mobiles has increased by 41% between 2014 and 2015 and overall usage by 10%. In addition the WDC website was ranked in the top 10 council websites for customer success rates (i.e. customers can find/do what they want to) and in the top 3 councils for customer satisfaction and success rates on mobile devices (SOCITM Better Connected 2015).

Therefore, as well as redesigning processes to reduce the number of staff a customer needs to interact with, officers were undertaking work to determine what further investment could be made in the website to improve the customer experience and reduce costs whilst at the same time recognising that some of our customers would always need to speak with or visit a member of staff. Consequently, officers propose to bring a report to the 2 December 2015 Executive setting out a full business case for what is being described as the *Digital Transformation* agenda.

Should Members agree to the submission of a full business case for further investment in a *Digital Transformation* agenda then officers believed that there were some key areas that should be covered by the business case which required Members' explicit approval for consideration. These areas were:

a. in conjunction with WCC, officers review the joint One Stop Shop Service;
b. a review of the Council's cash handling service and customer payment options is undertaken; and
c. a review of the Council's approach to e-mail is undertaken.

WDC and WCC currently provided five joint one stop shops throughout the District based in Kenilworth, Leamington Spa, Lillington, Warwick and Whitnash respectively. The customer numbers and demand for types of service varies significantly by location and officers consider it appropriate that each of these operations was reviewed to ensure that they were meeting customer expectations and providing value for money.

Customers were able to make payments to the Council in a variety of ways, for example by direct debit, phone, on-line or via Allpay. However, the Council still receives a significant number of cheque and cash payments which were resource intensive to process. With the number of alternative payment options available to the customer, it was considered appropriate that officers review the full suite of payment facilities to determine whether they were all still appropriate.

WDC has an approach to e-mail that was very inefficient when it comes to dealing with customer enquiries. The system did not enable work to be managed in a structured fashion and it provided the customer with a number of e-mail addresses to register a query. Officers consider that WDC's whole approach to e-mail should be examined to ensure it was fit for purpose.

Officers have started to develop a Customer Access Strategy based on the recommendations in this report and the following set of principles:

- Digitisation of services would be prioritised based on transaction data and customer feedback. The Council should not seek to deliver 100% of services electronically. Digital services would only be implemented where the benefits outweigh the development, support and maintenance costs. Resources should be focused on services with high transaction volumes, high delivery costs and/or customer demand.
- The 80/20 rule would be applied to all digital services to reduce delivery times and improve benefits realisation. If the solution is appropriate for 80% of the target audience and/or would deal with 80% of the anticipated transactions, the service would be considered fit for initial deployment.
- The entire transaction would form part of the service scope from the digital interaction to service fulfilment. For transactions with lengthy fulfilment periods, notifications and self-service status checking will be included by default. Where possible, market leading best practice would be used to benchmark our approach to keeping the customer informed.
- All designs must be user tested prior to launch. This means testing real tasks with real citizens. Customers would not use solutions that are not usable/user-friendly - leading to more complaints and failure demand.
- With all solutions we would adopt an approach of continuous improvement, not launch and leave. We would use data, testing and feedback to fine-tune solutions.
- Off-the-shelf solutions which meet the 80/20 rule will be utilised where possible, providing a suitable business case could be provided.
- All solutions must be responsive so that they detect the user's screen size and orientation, changing the solution's layout accordingly.
- Services must be designed to reduce paper handling at inception, processing and fulfilment.
- Further work would be carried out to understand the impact and opportunities afforded by social media to inform, transact and comment on council services.
- All digital services must maintain the confidentiality and integrity of the data, with design decisions based on data classification. Risk and security controls should be balanced according to business objectives – security controls should be proportionate to risk. In addition, security should be user transparent and not cause users undue extra effort.

Subject to Members agreeing the principles and recommendations contained in this report it was proposed that a Customer Access Strategy is submitted to 2 December 2015 Executive in tandem with the business case for investment in a *Digital Transformation* agenda.
A number of phone service delivery options were considered and can be seen at Appendix B.

A further recommendation to the report was circulated at the meeting that addressed concerns raised regarding the redeployment process of staff and any redundancies that could arise from that.

The additional recommendation stated:

“That Executive agrees that following a comprehensive redeployment process at both WDC and WCC, should there be any WCC staff, funded by WDC, who were in a redundancy situation, this Council agrees to meet 50% of the redundancy costs noting that the maximum liability at this point is c£68k.”

Paragraph 5.3 of the report explains the position with regard to the 11.3 Full Time Equivalent staff that are employed by WCC but funded by WDC. Whilst it was hoped that these staff would secure alternative employment with WDC or WCC, there could be a situation whereby staff were made redundant. If this proves to be the case, then it was reasonable that this Council should meet 50% of any redundancy costs. At the time of writing the maximum liability for this Council would be c£68k but this would only be the case if none of the staff were able to find alternative employment.

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

Resolved that

(1) the service delivery performance over the last two years of the Customer Service Centre (CSC) (based at Warwickshire County Council, Shire Hall), be noted;

(2) the options appraisal of different phone service delivery models, be noted and in accordance with the licence agreement between Warwick District Council and Warwickshire County Council dated 6 January 2010, 12 months’ notice of WDC’s intention to vacate Shire Hall and establish a headquarters phone service based at Riverside House, be approved;

(3) officers work with staff and the recognised Trade Unions to ensure that Warwick District Council staff affected by the change to service delivery are managed in accordance with the Fit For the Future Employment Procedures with a report being submitted to Employment Committee at the appropriate time;

(4) potential ongoing revenue savings of c£170k (as opposed to a potential c£250k increase under the current model) by financial year 2018/19 through the phone service changes, be noted; and agrees to release £50k from the Service Transformation Reserve to implement the project;

(5) a further report is submitted to 2 December 2015 Executive Committee which will provide a full business case for investment in *Digital*

Transformation technology to deliver further substantial ongoing revenue savings both as a consequence of the proposed phone service changes but also due to other business design and process changes;

(6) in conjunction with WCC, officers review the joint One Stop Shop Service; a review of the Council's cash handling service and customer payment options; and a review of the Council's approach to e-mail is undertake with any recommendations for service changes being submitted to a future Executive;

(7) a Customer Access Strategy for Warwick District Council be submitted be brought to the Executive on 2 December 2015 based upon the principles described in paragraph, of the report;

(8) that following a comprehensive redeployment process at both WDC and WCC, should there be any WCC staff funded by WDC who are in a redundancy situation, this Council agrees to meet 50% of the redundancy costs noting that the maximum liability at this point is c£68k

(The Portfolio Holders for this item were Councillors Coker, Mobbs and Shilton)

49. **Air Quality Action Plan**

The Executive considered a report from Health & Community Protection that invites the Executive to adopt an updated Air Quality Action Plan which will replace the original document published in 2008

An Air Quality Action Plan was required to be prepared as part of every local authority's statutory duties as defined within Part IV of the Environment Act 1995. Whilst there did not appear to be any obligation to update a plan, it was considered that locally this was an appropriate time to produce a new plan to reflect current policies and strategies.

As local air quality was chiefly influenced by vehicle emissions, the 2008 Plan was written with reference to the first Warwickshire Local Transport Plan (LTP). The third LTP (LTP3) came into effect in 2011 covering the period 2011-2026. Since then, the County had also produced the Warwick and Leamington Spa Transport Strategy and this Council had undertaken a Low Emission Zone Feasibility Study. The draft Local Plan made reference to air quality and the Arden Health Protection Strategy for Coventry & Warwickshire has identified air quality as a priority.

The Air Quality Action Plan 2015 reflects the current priorities of partner agencies and therefore no alternative was proposed

The Overview & Scrutiny Committee noted the report and thanked the Portfolio Holder for agreeing to some changes.

The Portfolio Holder for Health & Community Protection, thanked the Scrutiny Committee for their advice and suggestions on this matter, the previous evening particularly Councillor Davison.

It was recognised that the Council was reliant on partners with delivering improvements but we needed to make every efforts that we could which for example included modal shift for encouraging people to cycle/walk to work.

The Portfolio Holder for Health & Community Protection explained that as a result of the feedback from the Scrutiny Committee the table on page 46 of the agenda would included an additional column to show who the lead authority was for delivering the action.

The Executive recognised that this was an important plan and looked forward to regular work on this between the Portfolio Holder and the Health Overview & Scrutiny Sub-Committee

Resolved that Air Quality Action Plan 2015 as contained in Annex 2, be approved.

(The Portfolio Holder for this item was Councillor Mrs Grainger)
(Forward Plan reference 716)

50. **Council HQ Relocation Project – Part A**

The Executive considered a report from the Deputy Chief Executive (BH) recommended that the Council commits to a detailed feasibility study of the preferred option, a comprehensive development of the current site of the Council's Covent Garden car parks (surface and multi-storey), which would include the Council's new HQ offices and new car parking in lieu of the existing provision.

There was a separate Part B report on the agenda that contained further information that was commercially confidential, although all the recommendations were within this Part A report, the two reports should be read in conjunction to enable members to form a balanced view of the recommendations.

The Executive meeting of 3 December 2014 approved a shortlist of potential sites for new or refurbished Council HQ offices for further assessment: Court Street; Spa Centre site; Riverside House (refurbishment); and Covent Garden.

Officers had continued discussions with the previously selected developer partner, Wilson Bowden, in respect of the option to bring forward retail-led development on the site of the Chandos Street car park site. These discussions had considered the potential for an office component to any future scheme. Consequently, and for completeness, this fifth potential site option had also been assessed.

Details of the outcomes of the assessment of these five options were set out at Appendix One, to the report, with further commercially sensitive cost analysis information appearing in the confidential Part B report.

The Council had been considering site options since December 2012 and has had differing 'preferred options' at different points in the intervening period. An exhaustive search for potential sites led to the production of the 'longlist' considered in December 2014 and a further iterative assessment had now concluded that of the 'shortlist' options it was Covent Garden should be investigated in detail. It was, therefore, recommended that the Council made a final decision on a preferred site option and discontinues any further assessment work on alternatives, freeing up the resources that had been devoted to the task. Alternative site options would, therefore, only be considered in the future if the detailed feasibility and viability appraisals that would now be undertaken conclude that the Covent Garden option should be discounted rather than the project moving from its current feasibility phase to a future delivery phase.

A Limited Liability Partnership (LLP) was created in 2012 as a vehicle to specifically advance and unlock complex development projects such as this one and to identify innovative ways to create added value to ensure their delivery. Integral to its establishment was the core principle that any project that was to be delivered through the LLP vehicle had to demonstrate, through independent validation, that it was better than any other potential delivery options open to the Council. The LLP had undertaken, and funded, all the site option feasibility work undertaken to date at its own risk. As risk funder it now required clarity on our preferred site before it invested further time and energy in taking forward the next stages of the project feasibility and evaluation processes.

Subject to approval of recommendation 2.2, in the report, the LLP would now undertake detailed feasibility and viability assessments of the Covent Garden site, currently occupied by a surface car park and a multi-storey car park (MSCP). Officers had full confidence that the LLP's credentials to undertake this work had been previously proven. This view had been further endorsed by the Executive's decisions in November 2014 and September 2015 that they be authorised to look at the Council's non-operational property assets and assess how these could potentially be used to drive and capture added value to support future revenue expenditure and service provision.

The LLP had already undertaken site feasibility appraisal work for previous preferred options, including a range of financial feasibility and development modelling work, and some of these detailed assessments could be used, with appropriate updating, to ensure the proposed assessments for the Covent Garden site were completed as quickly as possible. Ensuring that this process was undertaken speedily was important given that the previously agreed £300,000 per annum revenue savings attributable to this project had already been included within the Medium Term Financial Strategy (MTFS) as being deliverable from April 2018 onwards.

The viability appraisals would include the development of a funding strategy for the project, critical to achievement of the principle, integral to all previous decisions made on this project, that it should be broadly capital cost neutral. Delivery of this principle was increasingly important to the overall finances of the Council given the potential future calls on capital expenditure and/or borrowing and consequent revenue saving pressures that were explored in more detail in Section 5 of the report.

It was clear that the sale of the Riverside House site would not generate sufficient capital to cover the costs of construction of a new HQ office building and the re-provision of sufficient new car parking on the Covent Garden site to ensure that the overall car parking capacity needs of the town centre were met, now and in the future. Further information was provided within the Part B report.

Consequently, the Council either had to abandon the principle of the project being broadly capital cost neutral and accept that borrowing would be required, (the costs of which would eat into the planned £300,000 per annum revenue savings that the new HQ would generate) or it had to develop a wider funding strategy to close the gap between the Riverside House site receipt and the cost of the project. Officers would continue to work closely with the LLP on this issue and the outcomes of this work would be reported back as part of the overall feasibility and viability studies.

The emerging funding strategy had a number of components that were set out within the detail of the report.

Recommendation 2.5 sought approval for the LLP to be instructed to consider the potential disposal or alternative use of other WDC assets within this overall funding strategy. No firm decisions would need to be made on any proposals for such alternative uses or disposals at this stage, as it would not be known until the next stage feasibility and viability options were completed what the size of any potential funding gap would be and therefore whether or not this option needed to be exercised. Consequently, the January 2016 report would address whether the funding gap could be addressed or if consideration of other approaches was required.

At this stage it was envisaged that the LLP consideration of other assets would only extend to other WDC owned car parks in Leamington town centre. Such an examination would explore the potential contribution their alternative use could contribute to this project and/or the overall financial position of the Council. This work would be informed by a separate examination of the car parking capacity needs of the town centre. This work would not impact on the decision making as to whether or not they could be decommissioned as car parks but also inform the decision as to what level of car parking re-provision is required on a redeveloped Covent Garden site.

Subject to approval of the recommendations in this report the next stage would be the completion of detailed feasibility and viability appraisals. This work would comprise of:; An evaluation of a comprehensive development scheme on the Covent Garden site that included, the Council's new HQ offices; including a new Council Chamber and CCTV control room, relocated from the Town Hall, Sufficient car parking re-provision in lieu of the current surface car park and MSCP, and further appropriate commercial and/or residential elements to 'add value' to the project.; A review of the anticipated revenue savings; Scheme deliverability and risk assessments; and an updated programme timetable.

As with all LLP projects there would need to be a formal 'sign-off' of a viable scheme from both Executive and the LLP Members' Board, on which Warwick District Council had 50% representation. There would, therefore, also be a need to prepare; a provisional Heads of Terms agreement (between the Council and the LLP) for a scheme and its delivery; the formal independent evaluation of the project, necessary to demonstrate that the LLP's proposition was better than any other option open to the Council; and these elements of the project would require the approval of the LLP's Operations and Member Boards prior to their formal sign-off by Executive. However, the final decision on moving from this current evaluation stage to a delivery project would be made by the January 2016 Executive.

The current outline timetable for the project was set out below. This was designed to enable the Council to take up occupation of the new HQ offices by March 2018, assuring delivery of the planned revenue savings on the timetable already built into the Medium Term Financial Strategy.

This was clearly an ambitious timetable. Its deliverability would be carefully reviewed as part of the proposed feasibility and viability appraisals and the conclusions reported back in the January report. If, for any reason, it was felt that this timetable might not be deliverable any ensuing consequences for the Medium Term Financial Strategy will be considered within that report

The Executive could choose not to progress the recommended approach and select an alternative site. This option had been discounted because the summary of the site appraisal work, set out in Appendix One, showed that the Covent Garden site was the best option available to the Council. Selection of a sub-optimal site would require further work, worsen the potential viability of the scheme and compromise the Council's ability to deliver the required revenue savings on schedule.

The Executive could decide not to progress the project and remain in occupation of Riverside House. This option had been discounted as this would add c£1.5m to the currently unfunded assets maintenance liability and could compromise the delivery of the required revenue savings.

The Executive could decide to undertake the next-stage feasibility work in-house rather than through the LLP. This option had been discounted as it would place all the risk onto the Council, have a significant cost and resourcing impact and would be likely to delay the completion of the next stage, compromising the ability to deliver the required savings on schedule. The LLP was established for exactly this purpose and has the necessary expertise and resource to undertake the required work on the timescale envisaged. Not utilising the LLP would also fundamentally undermine the proposed funding strategy as it would effectively rule out the ability to capture 'value added' capital receipts from other assets

The Overview & Scrutiny Committee noted the report.

The Leader explained that he recognised concerns about ensuring the future viability and protection of the Town Hall as a prominent feature of town centre and these would be addressed.

Resolved that

(1) the outcome of the site option feasibility work as set out at Appendix One, be noted;

(2) the Covent Garden site is the preferred location of its new HQ offices and agrees that no further work will be undertaken on any other site options at this stage;

(3) the LLP is instructed to undertake a full feasibility and viability assessment of a comprehensive redevelopment of the Covent Garden site, to include new HQ offices and new car parking in lieu of the current provision;

(4) officers work with the LLP to develop a funding strategy for the relocation project, based on the principle of the development scheme being broadly capital cost neutral;

(5) the LLP is instructed to investigate the potential for disposal/alternative use of other WDC owned assets to generate value added capital receipts to support the funding strategy; and

(6) a further report be presented to the January 2016 meeting allowing a decision to be made on whether the project should progress to the delivery phase.

(The Portfolio Holder for this item were Councillor Cross, Mobbs and Whiting)
(Forward Plan reference 719)

51. Additional Temporary Staffing Resource - Housing and Property Services

The Executive considered a report from the Deputy Chief Executive (BH) that set out proposals to address capacity issues within the Assets Team of Housing & Property Services that were currently impacting on service delivery and workforce development

On 27 January 2015 the previous Employment Committee approved a significant redesign of the Asset Management Team within Housing & Property Services.

On 11 March 2015 the Executive considered the budgetary issues arising from the redesign proposals and the outcome of the internal matching process which required further provision to be made for redundancy costs. Their approval of the proposals in this report enabled an external recruitment process to commence. The staffing structure approved as a result of these two reports was attached at Appendix One, to the report.

Overall, the recruitment process, both internal and external had proved to be more protracted than anticipated, with the final vacant post due to be filled this month, subject to satisfactory interviews. Whilst the process had been underway there had been significant internal staff movement which has proved disruptive, particularly in respect of the Energy and Plant Management Team, where the two staff previously undertaking the Contract Administrator roles secured new positions within the Housing and Void Repairs Team.

The internal staff movements and the successful completion of the external recruitment process had meant that the objectives of the redesign had been met and staff appointed to the new structure with the appropriate skills to deliver an enhanced service. However, there were now a large number of new starters within each of the three teams.

The protracted and disruptive recruitment process and the relatively high proportion of new starters within the teams had had several consequences, including; planned work has needed to be rescheduled; managers had been unable to delegate work until staff have been appointed and settled into their (new) role; managers had been unable to progress staff training and development as quickly as desirable as they have lacked the resources to do so.

Each of these issues impacted adversely on the other issues and all had been compounded by long term sickness issues within the Building Surveying Team affecting 4 staff, 1 of whom remains on long term sick leave and another had returned to work but awaited surgery and a three week recovery period.

The net result had been the build-up of a backlog of work, delays to the commencement of projects and an inability for the teams to effectively support colleagues working on key corporate and strategic initiatives. The latter issue, in particular, had been aired at recent Asset Strategy Group and Senior Management Team meetings and the Corporate Management Team (CMT) was consequently bringing forward these proposals to address the current capacity issues.

These capacity issued had resulted in key initiatives to review the effectiveness of the current Open Book contracting arrangements for housing and void repairs, update HRA stock condition information, introduce a new strategic approach to planning Housing Investment Programme expenditure and introduce a comprehensive corporate asset management strategy all being delayed, in addition to the procurement and mobilisation of specific contracts and/or framework agreements for both Housing Revenue Account and corporate properties. Resource had been redirected to other key corporate projects, for example the Leisure Options Review and St. Marys Lands at short notice and the lack of capacity has meant that these contributions have been less efficient and effective than if they had been planned.

It was therefore proposed to recruit a Project Manager for 24 months, working direct to the Asset Manager, to concentrate on the Open Book contracts review, process changes to the existing contract in advance of the review's completion and to assist with the co-ordination of a new approach to corporate asset management. This would free up the Asset Manager to focus on strategic issues and team leadership and development and free up the Housing and Void Repairs Manager to concentrate on operational issues and the effective integration and personal development of the new starters within their team.

An additional Property Maintenance Officer (PMO) was also proposed for the period ending 31 March 2017. This post would enable additional operational capacity to be deployed to increase the level of pre and post-inspections on existing contracts while the strategic review is underway. The capacity would also enable the Housing Repairs and Voids Manager to focus on revised operational arrangements for repair reporting. The fixed timescale was proposed to tie in with the likely timescales relating to the proposed review of the Customer Service Centre which was the subject of a report being presented to Executive on 30 September 2015.

The proposed posts would slot into the current structure shown at Appendix One. The Project Manager post would report direct to the Asset Manager and the Property Maintenance Officer would report to the Housing and Void Repairs Manager.

Members would recall that the Executive of 3 September 2015 note approved the recruitment of a temporary Building Surveyor for a period of up to two years. This post was separate to the proposals set out in this report and was needed to provide the necessary capacity to ensure that the full stock condition survey of the HRA stock and subsequent transition to a strategic asset management process designed to ensure that the survey data is used effectively. There was no duplication between the capacity released by this post and the proposals in this report as it was for an entirely discrete new initiative.

Despite this planned new post the existing resources within the Building Surveying team would continue to be stretched in the short to medium term. Some project work, e.g. the Oakley Wood improvement scheme, would come to a natural end in the next few weeks which would release capacity and the Building Surveying Manager had also undertaken a thorough review of current and future work allocations to ensure that existing capacity was being utilised in the most effective way. This would, in turn, free up the Building Surveying Manager and allow the Asset Manager to delegate additional operational issues to them.

The additional resource now available within the Procurement Team would also assist the backlog issues within the Building Surveying Team allowing tender specifications to be agreed so that contracts for work such as door entry system maintenance, engineering works and fire risk assessments can be procured and the necessary contractor mobilisation subsequently put in place. However, there were still likely to be resource bottlenecks within this team, partly as a result of work backlogs, partly as a result of the need to develop the new starters and to address this it would be recommended to Executive that budget was made available to allow specific tasks to be undertaken by deploying resources secured through a 'call-off' mechanism with contractor(s) selected through a procurement compliant framework agreement(s). After careful consideration it had been assessed that this arrangement would provide the team with optimum flexibility, allowing resources to be drawn down on a 'as and when needed' basis, a more cost effective solution that tying up cost in temporary staff resource which was likely to be under-utilised as a result of the 'lumpy' profile of the work programme in the coming months.

One option would be not to put additional temporary resource into the Housing & Property Services area. This 'do nothing' option had been discounted as it would not address the current backlogs and capacity issues compromising the service area's ability to deliver an effective service on all corporate priorities.

Another option would be to recruit two additional temporary staff into the Building Surveying Team rather than use the recommended funding allocation to establish the proposed 'call-off' arrangements. This had been discounted as the additional management responsibilities falling on the team manager would not result in any additional capacity being released, compromising both the ability of the Asset Manager to delegate work and free up their capacity and the Building Surveying Manager's ability to develop the existing new starters within their team.

Resolved that

(1) funding of a maximum of £33,999, is approved, from the Service Transformation Reserve and a reallocation of the existing Housing Revenue Account (HRA) budget that will reduce the current contribution to the HRA Capital Investment Reserve by a maximum of £71,129, to cover the costs of

(i) 1 temporary Project Manager post at salary grade E1 for 24 months
(ii) 1 temporary Property Maintenance Officer at salary grade F for the period ending March 31st 2017; and

(2) a maximum budget allocation of £100,000, is approved, to cover the costs of deploying

resource procured via a 'call-off' arrangement through a procurement compliant framework agreement, to be funded by a £70,000 allocation from the Service Transformation Reserve and a reallocation of the existing Housing Revenue Account (HRA) budget, that will reduce the current contribution to the HRA Capital Investment Reserve by a maximum of £30,000.

(The Portfolio Holder for this item were Councillor Phillips)

52. **Significant Business Risk Register**

The Executive considered a report from Finance 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 then the Leader of the Council in consultation with the Corporate Management Team, the Section 151 Officer, and the Audit & Risk Manager.

This report was not concerned with recommending a particular option in preference to others but was submitted to assist members in fulfilling their role in overseeing the organisation's risk management framework .

The Finance & Audit Scrutiny Committee noted the report but queried why the risk relating to the Local Plan had been placed in a different position from that in its own Development Services risk register and whether an additional significant medium-term risk was emerging of funding for major projects being identified.

The Leader of the Executive explained that the importance was not the scoring but ensuring we were recording and mitigating the risks, which the Executive would continue to manage.

Councillor Mobbs endorsed the report and the Executive therefore

Resolved that the Significant Business Risk Register, attached at Appendix 1 to the report, be noted.

(The Portfolio Holder for this item was Councillor Mobbs)

53. **Public and Press**

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

Minute No.	Para Nos.	Reason
54 & 56	1	Information relating to an Individual
54 & 56	2	Information which is likely to reveal the identity of an individual
55 & 56	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The full minutes for the following items would be set out in the confidential minutes of the meeting.

54. **Extension of Sustainability Officer's Contract Period**

The Executive approved the recommendations in the report.

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

55. **Council HQ Relocation Project - Part B**

The Executive approved the recommendations in the report.

(The Portfolio Holder for this item were Councillor Cross, Mobbs, Shilton and Whiting)
(Forward Plan reference 719)

56. **Minutes**

The confidential minutes of the meetings held on 3 September 2015 were agreed as written and signed by the Chairman as a correct record.

(The meeting ended at 6.35 pm)