

Executive

Wednesday 30 July 2014

A meeting of the Executive will be held in the Town Hall, Royal Leamington Spa on Wednesday 30 July 2014, at 6.00pm.

Membership:

Councillor A Mobbs (Chair)	
Councillor L Caborn	Councillor J Hammon
Councillor M Coker	Councillor D Shilton
Councillor S Cross	Councillor N Vincett
Councillor Mrs S Gallagher	

Also attending (but not members of the Executive):

Independent Group Observer	Councillor MacKay
Labour Group Observer	Councillor Edwards
Liberal Democrat Group Observer	Councillor Boad
Chair of the Overview & Scrutiny Committee	Councillor Mrs Falp
Chair of the Finance & Audit Scrutiny Committee	Councillor Barrott

Emergency Procedure

At the commencement of the meeting, the Chairman will announce the emergency procedure for the Town Hall.

Agenda

1. **Declarations of Interest**

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be entered on the form to be circulated with the attendance sheet and declared during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

2. **Minutes**

To confirm the minutes of the meetings held on 11 June and 2 July 2014.

(Item 2/Page 1)

Part 1

(Items upon which a decision by Council is required)

3. Budget Review to 30 June 2014

To consider a report from Finance

(Item 3/Page 1)

Part 2

(Items upon which the approval of the Council is not required)

4. Significant Business Risk Register

To consider a report from Finance

(Item 4/Page 1)

5. Response to Overview & Scrutiny Task & Finish Group's review of the Dog Control Order service in the District

To consider a report from Health and Community Protection

(Item 5/Page 1)

6. Proposed Consultation on Release of land off Stratford Road, Warwick for Employment Purposes

To consider a report from the Chief Executive

(Item 6/Page 1)

7. Public and Press

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

Item Nos.	Para Nos.	Reason
8	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

8. Minutes

To confirm the confidential minutes of the meeting held on 11 June 2014.

(Item 8/Page 1)

Agenda published Monday 21 July 2014

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You can e-mail the members of the Executive at executive@warwickdc.gov.uk

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The agenda is also available in large print, on request, prior to the meeting by calling 01926 353362.

Executive

Minutes of the meeting held on Wednesday 11 June 2014 at the Town Hall, Royal Leamington Spa at 6.00 pm.

Present: Councillor Mobbs (Chairman); Councillors Caborn, Coker, Mrs Gallagher, Hammon, Shilton and Vincett.

Also present: Councillor Barrott (Chair of Finance & Audit Scrutiny Committee), Councillor Mrs Falp (Chair of Overview and Scrutiny Committee), Councillor Boad (Liberal Democrat Group Observer) and Councillor MacKay (Independent Group Observer).

An apology for absence was received from Councillor Cross.

The Chairman asked that the Executive's thanks be expressed to Councillor Mrs Blacklock for her services as Chair of the Overview and Scrutiny Committee over the past 12 months.

1. **Declarations of interest**

There were no declarations of interest.

2. **Minutes**

The minutes of the meeting held on 8 May 2014 were agreed and signed by the Chairman as a correct record.

Part 1

(Items on which a decision by Council is required)

3. **Final Accounts 2013/14**

The Executive considered a report from Finance which provided details of the Council's final account position for the year ended 31 March 2014.

The report provided details of the Council's final account position for the year ended 31st March 2014 and highlighted that: the Capital Programme was underspent by £2.24m, of which £2.07m was due to slippage to 2014/15; the General Fund revenue account had shown a surplus of £661,000 when reviewing the budgets in February 2014 and the final accounts detailed an additional surplus of £476,800 after allowing for a further £0.43m of planned expenditure to be carried forward to 2014/15. In addition there was a further £393,300 in respect of Business Rates Retention which had been appropriated to the Business Rates Volatility Reserve as previously agreed by Council; the Housing Revenue Account (HRA) balance was as budgeted, with the HRA Capital Investment Reserve balance having increased by £4.8m, £0.4m more than the budgeted £4.4m; and the Council Tax collection rate was 98.5% and 98.7% for Business Rates, both of which were excellent.

In addition, the report requested agreement that the 2014/15 Capital Programme be amended by £2,066,800 to comprise a number of elements

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detailed in 2.1 (b) of the report and to agree the request to carry £429,100 earmarked balances forward in respect of revenue slippage to 2014/15 and increase 2014/15 HRA budgets by £8,000 in respect of HRA revenue slippage.

The report explained that the recommendations would allow the accounts for the financial year 2013/14 to be closed on time and had been used as the basis for drafting the Statement of Accounts. The resultant decisions would be fed into the Financial Strategy. The Accounts and Audit Regulations 2011 required that the responsible financial officer must, no later than 30 June immediately following the end of a year, sign and date the Statement of Accounts.

The report was a statement of fact. However, the alternative options were that the outcomes of the report could be dealt with in a variety of ways. These alternatives were mainly not to allow any, or only some, of the earmarked reserve requests and to allow the General Fund balance to vary from the £1.5m level, along with how the 2013/14 surplus was allocated.

The Finance & Audit Scrutiny Committee supported the recommendations following a robust discussion and thanked the Head of Finance for attending and answering their questions. Members asked for clarity on the level of slippage each year and the Council's current deficit position.

Members enquired about the pension deficit, the impact of the Council Tax freeze and were satisfied that any potential increase in interest rates had been factored into the forecasting.

Finally, the Finance & Audit Committee highlighted the excellent Council Tax collection rate of 98.5%.

Councillor Barrott expanded upon the Finance & Audit Scrutiny Committee's comments and stated that the Committee was very happy with the answers provided by the Head of Finance. One Member had asked Councillor Barrott to "ram home" to the Executive the excellent Council Tax rate, although he did point out that this had not found unanimous favour amongst members of the Committee.

The Chairman, Councillor Mobbs, thanked Councillor Barrott and the Finance & Audit Scrutiny Committee for their comments and responded that the Executive would look at the pension deficit. He drew attention to recommendation 2.1(e) which stated that the details of the use of the new Local Plan Delivery Reserve and the decision making arrangements would be detailed in the July Budget Review Executive report. The Chairman was pleased to note that this was the seventh year that Warwick District Council had achieved a surplus, for which he congratulated both officers and Councillors.

Having read the report and considered the comments made by the Scrutiny Committee, the Executive agreed the recommendations as written.

Recommend that:

- (1) the outturn positions summarised below, are noted:
 - The Capital Programme was underspent by £2.24m, of which £2.07m is due to slippage to

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- 2014/15;
- The General Fund revenue account shows a surplus of £476,800 which is after allowing for a further £429,100 of planned expenditure to be carried forward to 2014/15;
 - The Housing Revenue Account balance is as budgeted; the HRA Capital Investment reserve available for major developments has increased by £4.8m to £17.7m, £0.4m more than projected;
 - The Council Tax collection rate was 98.5% and 98.7% for Business Rates;
- (2) the 2014/15 Capital Programme be amended by £2,066,800 comprising the following elements;
- +£1,226,700 for Housing Investment Programme slippage;
 - +£846,200 for Other Services Capital Programme slippage;
 - -£6,100 in respect of resources brought forward from the Other Services Capital Programme for 2014/15 to 2013/14 to cover expenditure on Broadband UK and street lighting;
- (3) the requests to carry £429,100 earmarked balances forward in respect of General Fund revenue slippage to 2014/15 are agreed, and the 2014/15 HRA budgets are increased by £8,000 in respect of HRA revenue slippage;
- (4) the resulting change of the above decisions, amounting to a surplus of £476,800 above the latest Estimates for 2013/14, is noted;
- (5) £250,000 of the £476,800 surplus be appropriated to a new Local Plan Delivery Reserve, with the details of the use of this reserve and the decision making arrangements to be detailed in the July Budget Review Executive report;
- (6) the balance of the surplus, £226,800 be appropriated to the Service Transformation Reserve at this point. The position will be reviewed as part of the Budget Review report due to be presented to the Executive in late July;
- (7) rent payments for the Newbold Comyn Golf Course be waived between June 2013 to May 2015 in order to support Mack Golf and retain the quality golf provision at Newbold Comyn;
- (8) a Deed of Variation has been signed in respect of the Aviary in Jephson Gardens; and

(9) the increase in rent for market stalls from 1 July 2014 is agreed as follows:

- Warwick General Market: from £31.00 to £32.00
- Kenilworth General Market: from £27.50 to £28.50
- Warwick Farmers Market: from £31.00 to £32.00
- Leamington Farmers Market: from £31.00 to £32.00.

4. HRA Rent Setting for Void Properties

The Executive considered a report from Housing and Property Services which set out the options available to the Council in relation to the setting of HRA dwelling rents when a property becomes void.

For the Council meeting of 26 February 2014, Members were due to be presented with a report setting out the recommendations for the 2014/15 rent increase including the proposal that void properties were moved to capped formula ('target') social rent when re-let.

On 11 February 2014 the Finance and Audit Scrutiny Committee put forward an alternative to the recommendation so that if an existing Warwick District Council tenant transferred to a void property, the tenant should still be eligible for the current level of rent and not the capped formula (target) social rent. This was suggested so as not to discourage a Council tenant from downsizing.

The Executive discussed the matter on 12 February 2014 and recommended that the original proposal should be put forward to Council.

Council debated the matter on 26 February 2014 and resolved that neither the original or amended proposal would be adopted but that further legal advice would first be obtained in relation to the recommendation.

The recommendation to move void properties to the capped formula (target) rent was in accordance with the Government's proposed rent policy. The current Rent Restructuring Policy enabled the gradual movement towards the capped formula (target) rent through annual rent increases. The Government was now proposing to abolish rent restructuring and strongly encouraged Local Authorities to reach convergence through the movement of rent to the capped formula (target) social rent at void stage, rather than through annual rent increases.

Although the recommendation that was being put forward to move void properties to the capped formula (target) social rent when re-let was in line with the proposed Government Policy due to take effect from April 2015, there was no legal reason why the Council could not adopt the policy in advance of this date.

If the policy were to be adopted but not applied equally to all void properties, as in the recommendation proposed by the Finance & Audit Committee, then the Council would need to be satisfied that it was for a proper purpose and not thereby inadvertently breaching the Public Sector Equality Duty (PSED).

In order to establish whether such a policy might potentially be in breach of the Duty in respect of those with "protected characteristics" of gender, age or race, research had been carried out into the demographics of the Council's existing tenants and applicants on the waiting list. This research established that those who would be likely to benefit from the proposed amended policy were predominantly white and more elderly. The legal advice that had been received stated: "there is therefore a real risk that if the council adopted the policy and were challenged, it would be found to have breached the PSED, unless it can show that the policy was adopted for a proper purpose and the fact that this results in a breach of the Duty is proportionate as a means of achieving that purpose".

The purpose of the proposed amendment was in order to mitigate the potential consequence that this policy could have on existing Warwick District Council tenants. It was considered that some tenants who were under occupying may not be encouraged to downsize if the rent levels of the smaller property would be similar to, or indeed more than, the larger property that they were "under-occupying".

Analysis of a sample of transfers that were carried out in 2013/14 was conducted which showed that none of the tenants who transferred would have been disadvantaged under the proposed policy. Therefore, the legal advice was that there were not sufficient grounds to demonstrate that adopting the proposed amendment, which could potentially breach the PSED, was a proportionate act to achieve its purpose.

The report before the Executive detailed the policy framework, the budgetary framework and risks associated with the various options and the recommendations.

Three alternative options were considered. The first was not to attempt to reach convergence (do nothing). The Council could choose not to increase the rent when a property became void, and effectively keep rents below formula rent. This would mean rents always remained below the normal level of social rents. This would significantly reduce Business Plan resources, by approximately £180m over 50 years, decreasing the projected number of new homes that could be built by 620. In addition, this would also result in the Council acting against the Government Guidance for social rent setting which strongly encouraged Local Authorities to reach convergence through the movement of rent to the capped formula (target) rent at void stage.

The second alternative option was to attempt to reach convergence but exclude existing tenants from the policy. This option had been considered but, as set out in paragraphs 3.7 to 3.12 of the report, it was likely that such a policy may result in the Council inadvertently breaching the PSED.

The third alternative option would be to attempt to reach convergence through the application of higher rent increases in future. The Council currently had the legal power to set its rents at any level it may determine, subject to a requirement to act reasonably, and could therefore choose to apply rent increases higher than CPI + 1% in future years to move all rents towards formula rent through annual rent increases. This could be achieved by using the previous rent restructuring formula (RPI + 0.5% + up to £2), or any other

formula which the Council deemed reasonable. However setting rent increases higher than the proposed national policy was likely to be challenged by tenants and other interested parties. Additionally, the Council may have to repay a proportion of rental income under Rent Rebate Subsidy Limitation, or be otherwise penalised by any mechanism Central Government may introduce in future to discourage non-compliance with central rent policy.

The Finance & Audit Scrutiny Committee supported the recommendations but had concerns that this could dis-incentivise people to downsize. Members noted the access to a Tenants Incentive Grant Scheme and welcomed the forthcoming review.

Members noted the impact of the previous decision on the Business Plan and appreciated the loss of revenue if these recommendations were not agreed. However, some Members felt that a more flexible, case by case approach was needed.

Councillor Barrott thanked officers for working on this. He was not personally happy with dis-incentivising people but had listened to reasoning and advice and recognised the need for a flexible approach.

Councillor Vincett thanked the Finance & Audit Scrutiny Committee for its comments, recognised Members concerns and accepted the comment about flexibility. He agreed to keep a watching brief and would identify any reticence to downsize if possible. Councillor Vincett also agreed to discuss with officers concerns which Councillor Boad had raised in respect of the second point under paragraph 3.11 of the report, part of which he felt was irrelevant.

Having read the report and considered the comments made by the Scrutiny Committee, the Executive agreed the recommendations as written.

Recommend that:

- (1) all void properties (including where a Warwick District Council (WDC) tenant transfers to such), are moved to capped formula ('target') social rent when re-let with immediate effect or as soon as practicably possible; and
- (2) it is noted that adoption of this policy will increase income to the Housing Business Plan by approximately £180m over 50 years, equivalent to approximately 620 new homes compared to making no attempt to reach convergence.

Part 2

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

5. Procurement of Services from the Voluntary and Community Sector 2015 - 2018

The Executive considered a report from the Deputy Chief Executive (AJ) and Corporate and Community Services which summarised the progress made by the cross party Member Grant Review Panel in developing a revised framework

and set of commissioning priorities for procuring voluntary and community sector services for the period 2015 – 2018.

The report provided some background and context in respect to the change from allocation of grants on an annual basis to the commissioning of services over a 3 year period and outlined the learning and outcomes two years into the current contract arrangements.

The report explained the rationale behind the development of the proposed priorities and outlined the consultation that had taken place to inform the process.

It also explained the requirement for a policy for dealing with emergency one-off funding requests from the voluntary and community sector.

In 2010/11 the Member Grant Review Panel, supported by officers in the Community Partnership Team, went through a detailed options appraisal process to consider how the Council would allocate future funding to the voluntary and community sector.

The decision was made to move away from the allocation of annual grants to voluntary and community sector organisations and to put in place a three year contract agreement whereby the sector would be invited to tender for delivery of a range services based on an agreed set of priorities.

The Panel agreed that the priorities would be based on and around the cross cutting themes of the Districts' Sustainable Community Strategy: engaging and strengthening communities; narrowing the gaps/families at risk; and targeting resources to the areas of greatest need.

The voluntary and community sector organisations were required to demonstrate how they would deliver against a range of priorities and agreed outcomes.

The Panel chose to include the 'super output' areas of Brunswick, Crown and West Warwick wards for specific service interventions to tackle the complex problems in the most socially deprived parts of these communities. In addition to these geographic specific elements of the contract specifications were district-wide service requirements to address financial inclusion, community cohesion and engagement and third sector support and volunteering. This resulted in a comprehensive package of funding to which the VCS could apply for via clear and transparent processes against a specific set of priorities.

Having had these recommendations approved by Executive, the Grants Review Panel then embarked on developing detailed arrangements for commissioning of services and the formulation of robust monitoring and review processes. The contracts were awarded in December 2011 and delivery commenced on 1 April 2012. A summary of the existing contracts was detailed in Appendix 1 of the report.

Two years into the delivery of the current contracts the Grants Review Panel started planning for the next round of commissioning for 2015 – 2018. This process involved assessing community needs and key issues, reviewing existing service provision i.e. learning from the current contracts and considering

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requirements of the Council's relevant service areas and then deciding on priorities. The Panel took a number of information strands into consideration and these were set out in paragraphs 3.7 and 3.8 of the report.

The Panel wished to continue to target resources to Crown, Brunswick and West Warwick, to factor in pockets identified by the Warwick Social Inclusion Index and to fund district wide services where appropriate.

Rather than continuing to use the Sustainable Community Strategy (SCS) in isolation as a framework, the Panel suggested adopting three of the seven Social Inclusion Index themes which supported the themes of the SCS and underpinned the Council's outward looking element of the Fit for the Future programme of work.

The three themes were Children and Young people; Income and the Labour Market; and Health and Wellbeing. Health and Wellbeing was an important theme due to its wider impact on individuals and communities as a whole. The link between health outcomes and measures of deprivation was widely recognised. Children & Young People and Income & the Labour Market were strongly interrelated and figured highly in terms of social exclusion in Lillington, Brunswick, Kingsway, Sydenham West and Packmores.

The continuation of Third Sector Support as the fourth commissioning priority theme was considered critical to develop volunteering, support smaller community groups and the higher functioning community hubs e.g. Sydni, The Gap, Healthy Living Centre, building capacity, helping with governance/constitutions, up-skilling people, and supporting the development of larger funding bids.

It was being requested by the Grant Review Panel that the Executive approved amendments to the Scheme of Delegation to enable faster decision making relating to:

- Operational management of existing agreements with the voluntary and community sector
- Agreement on the new service specifications for the tendering of the new contracts
- Awarding of the new service level agreements for 2015 – 2018
- Awarding of any emergency funding as referred to in paragraph 3.15 of the report.

Delegating authority to the Deputy Chief Executive (AJ), in consultation with the Head of Finance and the Deputy Leader to draw down funds from the Council's contingency budget, would ensure that the strict procurement deadlines were met and allow voluntary and community organisations enough time to work with the Council to start new services or de-commission existing ones.

With cuts being made to some grant pots held by public bodies, it was getting harder for voluntary and community sector groups to secure funding to cover their running costs. In light of this and following a number of requests during 2013/14, the Grant Review Panel felt that WDC should have a formal process in place to deal with any future applications for grants allocated from the Council's contingency budget.

The Council's Procurement team had drafted a policy (Appendix 3) for the Executive's consideration and approval. The policy for managing emergency funding applications from groups included a checklist of funding avenues explored by applicants, details of the group's reserves, evidence of alignment to the Council's priorities, requirements to feed back on progress and impact, and acknowledgement that awards would only be considered as the last port of call when all other possible funding options had been exhausted by the applicant.

The Grant Review Panel would consider any applications under this agreed process and make recommendations to the Deputy Chief Executive who, if agreed, would have the decision making authority following amendments to the Scheme of Delegation as referred to in point 3.14 of the report.

The Equality Impact Assessment (EIA) on the development of commissioning priorities was set out in Appendix 4 of the report. The EIA stipulated that 'the commissioning process is open and transparent to ensure that all groups are treated fairly'.

Current contracts, in accordance with the terms and conditions of the service level agreements, would terminate on 31st March 2015. The organisations and consortiums who were delivering services currently would, most likely, apply in the next round. However, the priority for the Council would be to commission organisations who could demonstrate that they could effectively and efficiently deliver the services that were designed to support the new priorities.

Members noted that the Council was delivering a programme of training and support in the lead up to the tendering window for all voluntary and community organisations who expressed an interest in bidding.

There were no alternative options to be considered.

The Overview and Scrutiny Committee recommend that the wording near the end of recommendation 2.2 be amended to say: "...geographical areas of Crown, Brunswick and West Warwick and to support more district wide activity factoring in some of the issues highlighted by the new Social Inclusion Index."

Councillor Mrs Falp explained that there had been quite a bit of discussion at the Scrutiny Committee, partly as a result of the report's complexity and an element of confusion over the different indicators it referred to. The Committee had ultimately agreed that the recommendations needed more clarity and had therefore put forward two recommendations.

Councillor Boad added that the report lacked details of timings, when the voluntary sector would receive documentation and made no reference to a training event taking place in July. He expressed a desire to see a paper setting out a more visionary approach targeted at areas such as young people and incubator businesses, in order to add value to the Council's work. Councillor Boad also suggested that money should be ring fenced for jobs clubs activities.

Councillor Hammon responded that it would be wrong to ring fence money exclusively for job clubs but that a report needed to identify what else the budget could be spent on.

Councillor Caborn explained that he was presenting the report on behalf of Councillor Mrs Grainger and he thanked her for her work. He pointed out the Council's framework for procuring services from the Voluntary and Community Sector was a success story for the Members who had worked on it, the officers who had delivered it and the people who had received funding. The Executive agreed and felt it was important to recognise that this Council was making funding available to organisations in need when other local authorities would be withdrawing such funding.

The Executive agreed the recommendations in the report, with the following amendment to wording as recommended by the Overview & Scrutiny Committee: the end of recommendation 2.2 be amended to read "...geographical areas of Crown, Brunswick and West Warwick and to support more district wide activity factoring in some of the issues highlighted by the new Social Inclusion Index."

In respect of recommendation 2.3, the Executive accepted the spirit of the Scrutiny Committee's recommendation that the words "and this would total £989,100" be added to the end of the sentence, but felt that for clarity the sentence should instead end with the annual figure and the three year figure.

Resolved that:

- (1) Executive approves the revised framework and commissioning priorities for procuring voluntary and community sector services for 2015 – 2018 as depicted in Appendix 2;
- (2) Executive agrees that the funding allocated to the delivery of services by the VCS on behalf of WDC goes to the targeted geographical areas of Crown, Brunswick and West Warwick and to support more district wide activity factoring in some of the issues highlighted by the new Social Inclusion Index;
- (3) Executive agrees to maintain the same level of funding for the three year duration of the contracts;
- (4) Executive agrees to give delegated authority to the Deputy Chief Executive (AJ) in consultation with the Deputy Leader for all future decisions relating to the operational management of existing contract agreements with the VCS, the approval of service specifications for the new contracts for 2015 - 2018 and the awarding of contracts in subsequent rounds of the procurement process;
- (5) Executive approves the process for dealing with emergency funding requests from the voluntary and community sector as set out in Section 3.14 & 3.15

(Delegation to the DCEX (AJ) and Head of Finance, in consultation with the Deputy Leader) and the application form at Appendix 3; and

- (6) Executive notes the Equality Impact Assessment undertaken in relation to developing the proposed commissioning priorities as set out in Appendix 4.

(The Portfolio Holder for this item was Councillor Mrs Grainger)
(Forward Plan reference number 585)

6. Service Area Plans for 2014/15 & Fit For the Future update

The Executive considered a report from the Deputy Chief Executive (AJ) which brought forward the Service Area Plans (SAPs) for 2014/15. It also provided an update of progress made over the last 12 months on the FFF change programme.

On 8 June 2011 the Executive agreed to use the annual SAPs to describe the work programme for each Service Area over the financial year. Within the SAPs, key projects were detailed along with respective timelines and milestones. The SAPs for each Service Area were contained within appendices A to G of the report, although subject to subsequent Employment Committee approval, the Service Area for Corporate & Community Services would be abolished with the work programme being picked up by other Service Areas. It was anticipated that a new SAP for the Chief Executive's Office would be presented to Members at the next SAP/FFF update.

The SAPs had been cross-checked against the refreshed Sustainable Community Strategy (SCS) by the Senior Management Team and Portfolio Holders to ensure that the Council's work programme was helping to deliver the Strategy's strategic aims and that there were no contradictions or inconsistencies. SCS was a strategy for a number of years and therefore there was no expectation that all the aims could or would be delivered in one year. Specifically, some of the aims were linked to the delivery of the Local Plan, which had yet to be adopted. However, Appendix I detailed new key projects which had been added to highlight the work that would need to take place to ensure successful delivery of the Local Plan following its adoption.

Through monthly briefings, Shadow Portfolio Holders were apprised as to SAP progress and queries and concerns could be addressed on an ongoing basis. However, this report enabled a much broader scope of Council Members to understand the Council's ambitions. The need to ensure that the Council understood its performance was raised through the Peer Challenge and Officers welcomed ideas from Members on what else needed to be put in place – if anything – to respond to this issue. Members noted that the Overview & Scrutiny Committee had invited each of the Portfolio Holders (on a rolling basis) to attend its meeting so that a detailed examination of Service Area progress could take place.

Members had also agreed to receive a twice yearly update on the FFF programme to enable effective scrutiny of the programme's progress. At the time of writing, 83% of the programme had been completed. A summary of programme delivery was set out in Appendix J of the report.

The Executive was asked to approve the projects described in the table at paragraph 3.51 becoming part of the FFF programme, thereby providing further opportunities to address the circa £1m deficit (period 2014-2018). Members were reminded that this was an ever-fluctuating figure due to changes in Service, local and national circumstances.

When adopting the refreshed SCS, Members agreed that the prosperity theme should be "first among equals". Officers recognised that further work was needed to ensure that activities were more acutely focused on this agenda. Therefore four of the six proposed projects were related to increasing the Council's income or ensuring that investment was being attracted to the District. Whilst it was understood that the District could not operate as an island and that its part in the Local Enterprise Partnership and City Deal should encourage inward investment, there were still opportunities to influence decision-making at a local level and the Council needed to get better at doing this.

Over the past three years the Council had experienced a large number of service interventions that had fundamentally changed the shape of the Council. These interventions, based on the principles of systems thinking, had touched every part of the Council's service structure to the point where following the Employment Committee meeting in June, there would only be one functional area (Asset Management) that had not completed its intervention, although it was anticipated that this would be concluded by the end of the financial year. Whilst the series of interventions had been very difficult for staff, they had realised significant savings with very limited impact on service delivery.

The Executive noted that at its July meeting it would receive a review of SAP performance for 2013/14 along with further learning points from the FFF programme.

The option to not continue with the FFF programme in this format was the alternative option. However, as the Council had agreed on its preferred approach to achieving benefits then this was not an option that had been considered.

The major risk to the Council was that the delivery of the FFF change programme was unsuccessful. Successful delivery of the three strands – Money, Service and People – was essential to ensure that the organisation was able to deal with its ongoing challenges. The evidence thus far was that the Council was successfully delivering the programme.

Having considered the report, the Executive agreed the recommendations as written.

Resolved that:

- (1) the Service Area Plans (SAP's) for 2014/15 as detailed at Appendices A to G are agreed and the progress against the key corporate projects and locality improvement plans at appendices H & I is noted; and

- (2) progress on the Fit For the Future (FFF) change programme at Appendix J is noted and the new projects highlighted at 3.51 will become part of that programme to assist with the Council's need to reduce cost/increase income.

(The Portfolio Holder for this item was Councillor Mobbs)
(Forward Plan reference number 618)

7. Rural/Urban Capital Improvement Scheme (RUCIS) Application

The Executive considered a report from Finance which provided details of a Rural/Urban Capital Improvement Scheme grant application by Kenilworth Town Football Club to install a new purpose built security fence, complete repairs to the shower block and outside walls of the brick clubhouse and to build a patio area in front of the brick clubhouse to provide disabled and pushchair access and an area for social activities / events.

The Rural and Urban Capital Improvement Scheme supported the Sustainable Community Strategy and the cross cutting themes which formed the priorities for funding areas as follows:-

Community Engagement & Cohesion (including Families at Risk)

Targeting disadvantaged rural locations

Narrowing the Gaps

The Council had only a specific capital budget to provide grants of this nature and therefore there were no alternative sources of funding if the Council was to provide funding for Rural/Urban Capital Improvement Schemes.

Members could choose not to approve the grant funding, or to vary the amount awarded.

The Finance & Audit Scrutiny Committee supported the recommendations and advised that, following discussion with the report author, future reports would include details of the latest bank statement from clubs, to avoid confusing old accounts with available funds.

Members were disappointed that Kenilworth Town Council felt unable to support the club financially and noted that Appendix 2 on page 7 should read a maximum contribution of £13,250 not -£31,450.

Having read the report and considered the comments made by the Scrutiny Committee, the Executive agreed the recommendations as written, subject to the correct figure being instated in Appendix 2.

Resolved that a Rural/Urban Capital Improvement Grant from the Urban cost centre budget for Kenilworth Town FC of 50% of the total project costs to install a new purpose built security fence, complete repairs to the shower block and outside walls of the brick clubhouse and to build a patio area in front of the brick clubhouse to provide disabled and pushchair access and an area for social activities / events, is agreed up to a maximum of £13,250, subject to receipt of the following:

- written confirmation of funding decision from Kenilworth Town Council; if approved, the contribution from Kenilworth Town FC's cash reserves will be reduced accordingly; and
- recent bank account statement(s) confirming end of year balance / cash reserves and 2010/2011 accounts for the Senior Section.

8. Microsoft Support Contract

The Executive considered a report from Corporate and Community Services which advised Members that in February this year ICT tendered for a supplier of helpdesk support services for the Council's critical Microsoft products and associated consultancy services. The report stated that the tender response had been poor with only three suppliers responding. In addition, it had been difficult to obtain references from two suppliers and the third bidder's costs were considered to be too high.

The Council had followed the appropriate procurement procedures but the process had not resulted in a suitable supplier being engaged due to reasons beyond officers' normal control and defined responsibility.

In consultation and agreement with the Procurement Manager, it was proposed that the existing supplier was retained in the interim to ensure continuity of service while the procurement process was reviewed.

The Code of Procurement Practice permitted the above exception provided authority was sought from the Executive in advance.

In the event that a Senior Manager decided that paragraphs 5.1 and 5.2 applied, in the first instance the agreement of the Procurement Manager had to be sought. If the Procurement Manager was still in agreement with the decision then a report had to be submitted to the Executive, in advance of the decision, explaining the circumstances and seeking approval on the course of action.

It was proposed that during the six months that the interim supplier was in place, ICT Services would work with the Procurement Manager to:

- carry out some soft market testing to establish whether there were any frameworks in existence that could be utilised by WDC or any potential new providers in the market.
- see if this requirement could be consolidated with any other service requirements that might make the opportunity more attractive to the market.
- revisit the tender documentation and specification to ensure the requirement was clear, in line with business needs and what the market could offer, and re-advertise with a view to obtaining a better response.

The alternative option was to accept the outcome from the original tendering exercise, but this was unlikely to deliver best value for the Council in terms of cost and quality of support.

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

Having read the report and considered the comments made by the Scrutiny Committee, the Executive agreed the recommendations as written.

Resolved that in accordance with the Code of Procurement Practice section 5.2.2, the ICT Helpdesk Support Service continues with the existing provider BTiNet for a further period of six months to 31 November 2014 so as to ensure continuity of service whilst alternative options for a suitable tender are explored.

9. Public and Press

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

Minute No.	Para Nos.	Reason
10 & 13	1	Information relating to an individual
10 & 13	2	Information which is likely to reveal the identity of an individual
11, 12, 14	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

10. Introduction of revised housing management arrangement for tenants of Sheltered Schemes

The recommendations of the report were agreed.

The full minute for this item would be set out in the confidential minutes of the meeting.

(The Portfolio Holder for this item was Councillor Vincett)
(Forward Plan reference number 616)

(Councillor Mrs Falp left the meeting at the conclusion of this item.)

11. Land off Wise Street, Royal Leamington Spa

The recommendations of the report were agreed.

The full minute for this item would be set out in the confidential minutes of the meeting.

(The Portfolio Holder for this item was Councillor Hammon)

12. **Council Chamber AV System – Exemption to Code of Procurement Practice**

A decision on the recommendation of the report was delegated to the Chief Executive and Leader of the Council, pending clarification of details.

The full minute for this item would be set out in the confidential minutes of the meeting.

(The Portfolio Holders for this item were Councillors Cross, Mrs Gallagher & Mobbs)

13. **Use of Chief Executive's delegated powers**

The recommendations of the report were agreed.


The full minute for this item would be set out in the confidential minutes of the meeting.

(The Portfolio Holder for this item was Councillor Mobbs)

14. **Minutes**

The confidential minutes of the meeting held on 8 May 2014 were agreed and signed by the Chairman as a correct record.

(The meeting ended at 18.55 pm)

 Executive – 30th July 2014		Agenda Item No. 3
Title	Budget Review to 30 th June 2014	
For further information about this report please contact	Mike Snow Tel 01926 456800 Jenny Clayton Tel 01926 456013 Andy Crump Tel 01926 456810	
Wards of the District directly affected	None	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	February 2014 Executive – Budget Setting	
Background Papers	No	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes
Equality & Sustainability Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	14/7/14	Chris Elliott
Head of Service	14/7/14	Mike Snow
CMT	14/7/14	
Section 151 Officer	14/7/14	Mike Snow
Monitoring Officer	14/7/14	Andrew Jones
Finance	14/7/14	Mike Snow
Portfolio Holder(s)	14/7/14	Stephen Cross
Consultation & Community Engagement		
Final Decision?		No
Suggested next steps (if not final decision please set out below)		
Budgets are reviewed quarterly by the Executive, further amendments will be presented to the Executive during the rest of the financial year		

1. SUMMARY

This report updates Members on the latest financial position. The Council's Medium Term Financial Strategy has been updated since the 2014/15 Budget was agreed in February of this year in light of later Government announcements and other known changes. Various changes to 2014/15 budgets have been identified and are now presented to Members for approval.

2. It is RECOMMENDED that:-

- 2.1 The Executive acknowledges the budget position for the current year for the General Fund, currently £190,500 surplus.
- 2.2 The Executive retrospectively approve the Budget Changes in paragraphs 8.1(General Fund) and 8.9 (Housing Revenue Account), the most significant of which are discussed in this report.
- 2.3 The Executive note the updated Financial Strategy and the forecast required recurrent savings of £1.01 million to be achieved by 2019/20, as shown in Appendix C.
- 2.4 The Executive agree that work should be progressed on all the projects listed in paragraph 9.16.
- 2.5 The Executive approve the capital slippage of £433,000 discussed in paragraph 3.5 and note the latest General Fund Capital Budget for 2014/15 of £3,597,900. Members also approve a net increase in HRA-related Housing Investment Programme Capital budgets of £54,000 as per paragraph 10.4. Details of both Capital programmes are shown in Appendices A1 and A2.
- 2.6 The Executive note the use of the Chief Executive's emergency powers using £13,000 Contingency Budget to assist funding cycle route improvement works at Radford Road, Leamington Spa.
- 2.7 The Executive note the use of the Chief Executive's emergency powers to provide 1/3rd match funding (£15,000) towards a grant from the Department of Energy & Climate Change (DECC).
- 2.8 The Executive agree £10,000 Contingency Budget funding to undertake feasibility work on a community hub/local centre for Whitnash.
- 2.9 The Executive confirm the Council's membership of the Coventry and Warwickshire Pool for Business Rates.
- 2.10 The Executive agree that any variance from the assumed Business Rate Retained income in 2014/15 for the Council should be credited or debited to the Business Rate Volatility Reserve.
- 2.11 The Executive agree that the use of the Local Plan Delivery Reserve is delegated to the Chief Executive, Head of Finance, Head of Development Services in consultation with the Deputy Leader (responsible for the Local Plan) and all Group Leaders.
- 2.12 The Executive agree to allocate £200,000 from the Housing Revenue Account to the HRA Early Retirement Reserve.

3. REASONS FOR THE RECOMMENDATION

- 3.1 This report brings to Members attention the latest budget position for the current financial year. Members receive quarterly budget reports and this is the first of these reports in the current financial year. The current General Fund service expenditure position is a projected £190,500 surplus compared to the original 2014/15 budget. Paragraph 8.1 lists the changes identified and Member's retrospective approval is sought for these Budgets which have been actioned under delegated powers. Section 8 below discusses the main reasons for the surplus in more depth. As it is still relatively early in the financial year, the overall position will continue to be monitored so that there can be more surety before agreeing later in the year how the projected surplus may be utilised.
- 3.2 For the Housing Revenue Account there are some budget changes that need approval and these too are listed in the report and also discussed in Section 8.9.
- 3.3 It is important for Members to be updated on the financial projections, as many factors which affect the medium term financial strategy have changed since it was last presented in February when the Council Tax was set. Full details of the changes and implications are discussed below (sections 8 and 9). Members need to be aware of the £1.010 million projected deficit, meaning that further savings and efficiencies of this amount need to be achieved by 2019/20, in addition to those already identified and included within the projections. Members also need to be alerted to the consequences of any future Council Tax Freezes (as discussed in paragraph 9.11). The Strategy is shown within Appendices C1-4.

There are several significant factors which will impact upon the Council's Budget for 2014/15 and the medium term financial projections, including:-

- Future Government Support
- Business Rates and Business Rates Retention
- Council Tax levels and Council Tax Freeze Grant
- New Homes Bonus
- Fees and charges
- Collection Fund balance
- Staff pay awards

- 3.4 Various projects have been agreed to be considered to be worked upon. Many of these should generate savings that should help the Council's financial position. These are all listed within paragraph 9.16. Members are asked to confirm that work should continue to progress on these projects.
- 3.5 Appendix A1 updates Members on the Capital Programme Budgets and changes to the programme since it was approved in February of this year. Members have already approved the slippage from 2013/14 as part of the Final Accounts report in June, as well as other amendments since the original Budgets were set, i.e. new schemes as highlighted within Appendix A1.
- 3.6 Appendix A2 updates Members on the HRA Capital Programme and requests a net increase of £54,000, largely balanced out by savings on revenue repairs. More detail on both the General Fund and HRA Capital Programme is included within Section 10.

- 3.7 Members expressed concerns upon the closure of the 2013/14 Accounts at the level of slippage on the Capital Projects. In light of this, Members will now receive regular detailed updates on these slipped projects.
- 3.8 The Council's Reserves include many which are "Ring Fenced" or "Ear-Marked" for specific projects. In the current financial climate, opportunities to replenish these from revenue are much confined. It is imperative that these are regularly monitored. Members are asked to note the forecast reserves positions outlined in Appendix E and discussed in Section 11.
- 3.9 The Chief Executive has used his emergency powers to spend £13,000 from the Contingency Budget to assist funding cycle route improvement works at Radford Road, Leamington Spa. The Chief Executive also used his emergency powers agreeing £15,000, also from the Contingency Budget, to lever in Grant Funding from the Department of Energy & Climate Change (DECC). Details of both schemes are shown in paragraph 8.6. The Contingency Budget has been altered accordingly, leaving an unspent balance of £96,000.
- 3.10 In July 2012, the Executive agreed to £10,000 Contingency funding to support the development of Whitnash Neighbourhood Plan. Within the report to Executive, it referred to the Town Council's ideas for a Community Centre, and how bringing forward design plans would cost more than the Town Council would be able to afford alone. Of the original funding, £5,800 still remains. The feasibility work on the Community Hub is likely to cost £17,000, to which Whitnash Town Council are able to contribute £5,000. This leaves a funding gap of £10,000, which is recommended to be approved from the Contingency Budget.
- 3.11 Since Business Rates Retention was introduced from 1 April 2013, the Council has been part of the Coventry and Warwickshire Pool. By being part of the pool, the Council will have benefited from an additional £75,000 in respect of 2013/14. It is proposed that the Council should continue to be part of the Pool. With there still being uncertainty over Business Rates Retention, and the level of appeals, any variance from the assumed Business Rate Retained income in 2014/15 for the Council should be credited or debited to the Business Rate Volatility Reserve.
- 3.12 Within the June Final Accounts report, £250,000 of the surplus for 2013/14 was appropriated to a new Local Plan Delivery Reserve. This reserve is to be used for items of work required to help the implementation of the Local Plan. This would include detailed work on a specific proposal to help turn it from a proposal to reality, e.g. working up the proposals relating to the Secondary Schooling provision at Myton or how the form for a new ground for Leamington Football Club if it is to be relocated. It is proposed that authority to use this reserve is delegated to the Chief Executive, Head of Finance and the Head of Development in consultation with the Deputy Leader who holds responsibility for the Local Plan and all Group Leaders. This allows for operational effectiveness and democratic accountability. Updates will be given as part of the regular budget monitoring reports.
- 3.13 The HRA Early Retirement Reserve has a balance of £58,000. It is recommended that this is increased by £200,000 to enable it to fund potential redundancies coming out of the recent Housing & Property Services restructures.

4. POLICY FRAMEWORK

4.1 Policy Framework

This report is in accordance with the Council's Financial Strategy as last approved by the Executive in February. This provides the Council with the resources to deliver its other policies and strategies.

4.2 Fit for the Future

One of the key elements of Fit For the Future is ensuring that the Council achieves the required savings to enable it to set a balanced budget whilst maintaining service provision. This report updates Members on the financial projections for future years, savings required to be found and some of the key issues affecting the Council's Medium Term Financial Strategy up to 2019/20.

5. BUDGETARY FRAMEWORK

- 5.1 The Council needs to find financial savings of £1.01 million over the next five years on a net General Fund Budget currently £16m, reducing to £14m by 2019/20. Officers review current year Budgets on a monthly basis at the same time considering implications for the medium term. Members are updated on a quarterly basis.
- 5.2 The Budget Review Process provides a planning tool to ensure resources are directed to the Council's priorities. Alongside the Council's own activities, external factors influencing its finances are also taken into consideration, for example Central Government Financing, the Business Rates Retention scheme, changes in legislation and the economy.
- 5.3 The Council maintains its Reserves to deliver Capital and other projects, alongside ensuring that there are sufficient resources available to manage unforeseen demands and continue to deliver its services. Close monitoring of these balances with plans to replenish them will preserve the financial stability of the organisation for future years.

6. RISKS

- 6.1 The Council's Significant Business Risk Register contains several risks which are finance related. Shortage of finance will impact upon the Council's plans for the provision of services. Reduced income or increased expenditure will reduce the funding available.
- 6.2 The main sources of income which may be subject to reductions include:-
 - Government grant (e.g. Revenue Support Grant, Benefits Administration Grant)
 - Business Rates Retention
 - Fees and charges from the provision of services
 - Rent income
 - Investment Interest

The latest projections for 2014/15 onwards allow for additional income from Fees and Charges (£200,000 income contingency newly created, as discussed in paragraph 9.5), and also assumed increases in investment interest (paragraphs 8.8 and 9.7.4). There is a risk if this income is not generated that further savings will need to be found.

- 6.3 Increased expenditure in service provision may be due to:-
- Inflation and price increases for supplies and services.
 - Increased demand for services increasing costs
 - Changes to taxation regime
 - Unplanned expenditure
 - Assumed savings in budgets not materialising
- 6.4 Triggers for increased costs or reduced income include:-
- Economic cycle – impacting upon inflation, interest rates, unemployment, demand for services, Government funding available
 - Unplanned expenditure, e.g. Costs from uninsured events, Costs of planning appeals or other legal process
 - Project costs – whereby there are unforeseen costs, or the project is not properly costed, or the risks related to them are not properly managed.
 - Changes to assumptions underpinning the medium term financial strategy – these assumptions are closely monitored.
- 6.5 Many controls and mitigations are in place to help manage these risks. These include:-
- The comprehensive Budget Review process. This entails all budget managers reviewing their budgets on at least a monthly basis, considering previous, current and future years, along with any possible issues that may impact upon their budgets. As part of this process, Budget Review reports are issued to the Executive and Senior Management Team.
 - Financial Planning with the Medium Term Financial Strategy/financial projections, bringing together all issues that will impact on the Council's finances in medium term.
 - Financial controls, including the Codes of Financial and Procurement Practice, system controls, reconciliations, audit (internal and external).
 - Project Management and associated controls
 - Trained staff and access to appropriate professional advice (eg WCC Legal, Local Government Futures for advice on local government funding).
 - Risk Management process across the Council, including the on-going review and maintenance of risk registers.
 - Scrutiny by members of the Council's finances, including Budget Reports, and the financial implications of all proposals.
 - Within the 2014/15 there is a Contingency Budget with an uncommitted balance of £96,000 for any unplanned unavoidable expenditure.
 - Reserves – The Council holds reserves as discussed within section 11. Whilst much of these reserves have already been earmarked for specific projects, it is important that reserves are held for any unforeseen demands.

- In addition to the reserves, the Council holds the General Fund Balance is £1.5m. This is available to accommodate any unplanned expenditure, or to make up any shortfall in income. However, the Council should seek to maintain the balance at this level.
- The specific causes of reductions to income or increased expenditure should continue to be managed by the relevant Service Area as part of managing the risks within each Service Risk Register.

6.6 The financial projections include the following assumptions of note:-

- Office Relocation
The proposed office relocation and associated “different ways of working” are expected to save £300,000 and £100,000 respectively on a recurring basis from April 2017. If these projects do not materialise, or are delayed substantially, the overall amount needed to be saved by the Council will increase.
- On-Street Parking
With the Council ceasing to provide support for Warwickshire County Council for on-street parking, some costs previously shared with the County will all fall upon the District. This is discussed in paragraphs 8.2 to 8.4. The financial projections assume that the change in on-street parking will be cost neutral. The position still being evaluated. The worst case position if there are no savings in the shared costs is that the council would need to accommodate an estimated £200,000 net expenditure, so increasing the savings requirement within recommendation 2.3.
- Universal Credit
With the changes to Universal Credit, the Council will see a reduction in the Housing Benefit Admin Subsidy. The full implications of Universal Credit are still subject to the Government confirming how it will be rolled out. There is a risk that this funding may reduce by more than the Council is able to reduce its expenditure on housing benefits. The financial projections assume that the council is able to make savings in the cost of the residual service provision to make any reduction in subsidy cost neutral. However, at worst case, it is estimated that the Council’s net costs may increase by £200,000.

6.7 In addition to the future savings requirement, the Council does have various other demands upon its finances which have not been allowed for. Specifically these include:-

- Asset Review
In December 2013 and February 2014 the Executive received reports highlighting the funding required on how funding is required to be spent on the Council’s Properties (both operational and non-operational) maintenance liabilities, and how this may be funded. Whilst funding was agreed for 2014/15, as part of agreeing the Council’s 2015/16 Budget, consideration needs to be given to how future years work shall be funded.
- Play and Open Space Strategies
The Council’s agreed Play and Open Space Strategies covering future years will require additional funding if they are to be fully implemented.

Again, potential funding towards these will be considered as part of 2015/16 Budget Setting.

- 6.8 Officers are closely monitoring these and will be reporting back to Members by way of the Quarterly Budget Reviews and other specific reports.

7. ALTERNATIVE OPTION(S) CONSIDERED

- 7.1 Not reporting to Executive on a regular basis, however, in the current financial climate, it continues to be imperative that budgets are reviewed, monitored and reported upon on a regular basis.
- 7.2 Not slipping capital to the correct year, in which it is intended to be spent, makes monitoring of projects difficult. Members would not have relevant, up to date information from which they can make decisions about capital projects and funding. It is imperative to allocate the correct amount of expenditure according to the financial year in which that part of the project will be delivered. Thus underspendings, overspendings and delays are identified and appropriate action can be taken.
- 7.3 Not monitoring the Business Rates and Council Tax Collection Fund. However, due to new changes to these from 2013/14 and the significant sums involved, it would not be good practice to wait until the end of the Financial Year to see how actual income collected compares to that forecast.

8. BACKGROUND

2014/15 General Fund Budget

- 8.1 The first three months' revenue variations are as follows :

Non-Pay	A – Adverse F – Favourable
Golf Course Lease Income	£20,000 (A)
Payment Card Industry data Security costing less	£45,000 (F)
Jubilee House – Lease (recurring)	£8,200 (F)
Jubilee House – Lease (one off)	£5,600 (A)
New Homes Bonus "topslice" returned	£10,400 (F)
Orbit lease expired 30/6/14	£45,100 (A)
Orbit lease dilapidations	£15,000 (F)
Overbilling of library for service charges at Pump rooms	£26,900 (A)
NNDR Refund Town Hall	£13,100 (F)
Small Business rates grant received 13/14 not 14/15	£50,000 (A)
Minor changes	£4,200 (A)
Warwick University Concierge Charges Town Hall	£5,700 (A)
Total Non Pay amendments	£65,800 (A)
Salary Amendments discussed in paragraph 8.2	£22,100 (A)
Total Variations	£87,900 (A)
Investment Interest	£78,400 (F)
Income Contingency (seasonal over-recovery) to be approved, as discussed in section 8.5	£200,000(F)
Net Position	£190,500 (F)

8.2 Salaries

There are two additional costs in Health and Community Protection, one relating to the extension of the Sustainability Officer post which was agreed by members (£18,000) and another due to a regrading (£4,100). These total **£22,100 adverse**, and are included in the table above. Other reported variances relate to Neighbourhood £52,800 favourable, Culture sickness cover £9,100 adverse but it is perceived too early in the year whether these are certain. These salary variances total **£43,700 favourable**, however they have not yet been actioned as there is some uncertainty about the figures this early in the financial year. When they are, they will be included in the table above.

8.3 WCC's decision to end the enforcement of 'on street' parking regulations by WDC and to put the service out to tender will mean that some staff currently employed by WDC will 'TUPE' to the new contractor. This may result in lost income or expenditure not being fully recovered and could offset the Neighbourhood Services favourable salary variance mentioned in paragraph 8.2.

8.4 The financial projections assume savings will be made to offset any additional residual costs relating to the District Council no longer operating on street parking enforcement. This position is being reviewed, with it being likely that these costs will not be able to be accommodated. When the overall costs are clear it will be reported immediately to Executive.

8.5 Revenue Slippage- Earmarked Reserves

Revenue slippage has been added into the 2014/15 budget, totalling £429,100 for the General Fund. These will be monitored separately and reported to Executive on a quarterly basis. As at the end of June only £25,600 has been spent to date. In addition £8,000 of revenue slippage was approved for the HRA.

8.6 Contingency Budget

8.6.1 Details are shown in Appendix B, with a balance remaining of £96,000. This balance reflects the two uses of the Chief Executive's Emergency Powers to access the Contingency Budget:-

- £13,000 to assist funding cycle route improvement works at Radford Road, Leamington Spa. These works were time critical to tie in with the remediation works following sewer improvements, with Severn Trent contributing £2,000 towards the works.
- £15,000 use of Contingency Budget to lever in Grant Funding from the Department of Energy & Climate Change (DECC)., which is providing funding to encourage the development of Heat Networks. The first stage in the process is to undertake a Heat Network mapping study which identifies the potential for such schemes before more detailed feasibility work is carried out. A brief application needed to be submitted by 27th June hence the need for the Chief Executive to use his powers. The study would also provide useful evidence for the Local Plan and Planning Policy generally.

8.6.2 In addition, the Head of Finance has approved the following uses of the Contingency Budget using delegated powers, these all being below £10,000:-

- Consultation on Sex Ent Venues £5,000

- Defibrillator St Nicholas Park LC £1,300
- Defibrillator Newbold Comyn LC £1,200
- Post National Bowls 2014 Review £6,000
- Art Gallery Valuations £2,500

8.6.3 The £10,000 recommended to undertake feasibility work on a community hub/local centre for Whitnash has not been reflected within the £96,000 balance and within Appendix B.

8.6.4 The Contingency Income Budget (£200,000), as discussed in paragraph 9.5 below, will be monitored in the same ways as the Contingency Expenditure Budget and reported at the same time. Should this amount not be reached, it will reduce any surplus that the Council is currently reporting or increase any deficit. On past experience and performance, this is felt to be unlikely.

8.6.5 None of the 2014/15 Training Contingency Budget of £4,900 has currently been allocated.

8.7 Fit For the Future

As reported in the 2 July Executive Fit For the Future report, the required savings for 2013/14 were under-achieved by £44,000, and a further £84,000 was only achieved on a one-off basis. This means that savings of £128,000 are still to be achieved in 2014/15. Should these savings not be achieved, it will reduce the current year's surplus and affect WDC's Medium Term Financial Strategy.

8.8 Investment Interest – This has been recalculated in the light of the Council's balances being higher than originally forecast, as well as a projected earlier increase in investment rates. This is expected to generate an extra £78,400 income for the General Fund in 2014/15 and has been shown in the table in paragraph 8.1 above. The HRA is expected to benefit too, but not to the same extent as the General Fund, and once this amount has been confirmed, it will be reported to Members too.

8.9 **HRA Revenue 2014/15**

8.9.1 There are a number of HRA variances identified for which budget adjustments have been made and Members need to be made aware of:

Ref	HRA Budget Changes Requested	£	
A	Court Costs: Major increase in Fee rate payable	39,800	Adv
	Court Costs Awarded: Increased in line with Fees	(39,800)	Fav
B	Accounting Change: Equivalent of Depreciation on Non-Housing HRA Assets retained in Major Repairs Reserve (MRR)	431,600	Adv
C	Reduced cost of repairing boilers; will part fund increased Capital cost of replacing irreparable boilers.	(50,000)	Fav
D	Revised HRA Supporting People Grant income	(1,900)	Fav
	Cost of increased take-up of Tenant Contents Insurance	4,800	Adv
	Income from increased take-up of Tenant Contents Insurance	(6,700)	Fav
	Increase Legal shared service costs for estimated inflation	3,800	Adv

Ref	HRA Budget Changes Requested	£	
	Increased HRA revenue cost	381,600	Adv
B	Accounting Change: Contribution retained in MRR	(431,600)	Fav
-	HIP capital changes (See Section 10 / App'x A2)	54,000	Adv
	Overall reduction in HRA balances	4,000	Adv

- a) Court Fees for arrears cases have increased significantly, from £100 to £250. However these costs are recharged when costs are awarded to the Council. Where costs are not ultimately repaid to WDC there would be a cost to the bad debt provision, but the current provision is sufficient to cover any likely effect. It is requested to transfer the related budgets from Housing S&M General to Housing Services, to be consistent with other arrears-related budgets.
- b) There is a statutory accounting change that means the HRA will contribute the equivalent of the depreciation on non-Housing HRA assets to the Major Repairs Reserve (MRR) to fund future HRA Capital repairs. This changes which reserve this amount is retained in, but overall HRA resources are unaffected.
- c) There are increased capital costs replacing more irreparable boilers, reported in paragraph 10.4 and Appendix A2. This reduces the revenue cost of repairing boilers, effectively covering part of the capital cost.
- d) There are a number of minor budgetary changes, which overall net to zero.

8.9.2 The financial effects of recent restructures in within Housing & Property Services have not been allowed for within the above figures. As discussed in paragraph 12.3, the two recent re-structures will increase the net HRA salary cost by £36,000 per annum. However, the impact for 2014/15 is more complex due to:-

- Several temporary posts have been extended during the year due to the delays with the re-structures, so resulting in additional costs.
- There have been some vacancies in the year to date.
- Some appointments will be subjected to protected salaries.

8.9.3 Following on from the job-matching currently on-going, it is likely that there will be some staff that are not able to be matched, and if appropriate positions are not available, they will be facing redundancy. The HRA Early Retirement Reserve currently has a balance of £58,000. This is likely to be insufficient. It is therefore suggested that £200,000 is allocated to this reserve from the HRA. This will entail reducing the amount due to be appropriated to the HRA Capital Investment Reserve in the year. The overall position for 2014/15 is being assessed as staff are job-matched. The financial implications on the 2014/15 HRA, and funding thereof, will be included in a future report to the Executive, when any redundancy funding would need to be agreed.

9 MEDIUM TERM FINANCIAL STRATEGY

- 9.1 In February 2014, when Members approved the 2014/15 Budget and were last updated on the Financial Projections, it was forecast that this Council would need to identify a further £1.043 million in savings above those already built into the Strategy by 2018/19. Changes to the 2014/15 budgets which are recurrent have now been built into the Medium Term Financial Strategy,

alongside other future developments impacting on the Council. In addition, the projections have now been rolled further a year to include 2019/20 and this has reduced the savings needed by £33,000.

9.2 The main changes being-

- Government Support
- The impact of adding an additional year to the 5 year Financial Forecasts
- Individual Electoral Registration
- Inflation

These changes are discussed in more detail below.

9.3 The Strategy now indicates that there will be an on-going deficit of £1.01 million by 2019/20 unless further on-going savings of the same magnitude can be delivered, as shown in Appendix C.

9.4 The Table below explains the changes since the February Budget Report.

Description of Changes	£'000's (-) favourable, (+) adverse
Impact of additional year 2019/20:-	
Inflation	270
Contracts/Committed Spend	54
Simalto – Resident Consultation	-26
Council Tax	-241
Business Rates Retained	-96
Bowls (Car parking)	9
Inflation provision not provided for in 2018/19	51
Individual Elector Registration (additional Costs unfunded)	55
Salary Bases	-24
Government Grant Settlements projections revised and re-profiled	418
Net changes in minor Rental Income	-11
Orbit vacating Riverside House 30/6/14 - lease expires	60
Other minor	-2
Revised Investment Interest Forecast	-350
Income Contingency for seasonal over-recovery	-200
Total changes	-33

Reported to Members	£'000's
February 2014 Executive	1,043
July 2014 Executive	1,010
Change	33

9.5 Following the closure of the 2013/14 Accounts, an analysis has shown that in recent years several of the Council's main income streams have substantially

exceeded the original budget. These include fees and charges which can vary due to seasonal trends (for instance, hot summers will increase swimming attendances and car park usage, whilst a harsh winter would have the converse effect). In additional Development Control fees have shown significant favourable variances in the last two years as the country has come out of recession. Some of the notable variances are shown below:-

Variations against Original Budget	2012/13	2013/14
("-" shows additional income)	£'000	£'000
Development Control income	-510	-426
Car Parks	-91	-336
Culture - Fees & Charges (exc RSC)	-87	-94

Managers have traditionally set budgets on the latest intelligence with some degree of prudence and will not assume that "one-off" over-recovery against budget would continue on an on-going basis. This cautious approach has again been followed in setting the 2014/15 Budgets. However, as members are aware, these are calculated some 6 months prior to the beginning of the new financial year. Based on the latest analysis, there is confidence that overall income will exceed original expectations, a £200,000 "Income Contingency" Budget has therefore been introduced on a re-current basis. This will only be used as additional favourable income variations are identified, these will be off-set against this Budget. This has been built into the Strategy on an ongoing basis. Officers will monitor this budget and update Members accordingly on the outstanding target. Whilst there will always be uncertainty over future income levels, a Contingency of £200,000 is believed to be realistic, whilst not being overly optimistic which would otherwise impact upon the Council's future financial stability.

9.6 Future Government Funding

LG Futures, the Council's Future Government Financial advisors, have revised their projections to take into account the Chancellors March 2014 Budget speech and Office for Budget Responsibility forecasts on economic growth. The level of Government funding reductions beyond 2015/16 still remains uncertain. Officers have again modelled these years on previous percentage reductions. This has reduced the forecast grant in 2015/16 further since the Budgets were set in February this year. Earlier profiling assumptions are now believed to be overly-optimistic and a more prudent approach has now been taken. Overall, Government Support is likely to reduce by £418,000 more than previously forecast.

9.7 Economic Forecasts

- 9.7.1 Since February 2014 a number of indicators suggest that the economic revival in the UK retained its drive as the economy continued to show positive growth in Quarter 1 2014. Although growth was slower than expected, the first reading of Quarter 1 GDP growth registered at 0.8%. This figure was then re-affirmed by the second reading. The May Inflation Report highlighted that the recent strong performance the UK economy has shown is likely to continue into the foreseeable future. Strengthening in areas such as productivity and real incomes, alongside growing confidence, should underpin the durability of the expansion. However, as the sustained output growth has not yet been accompanied by a pickup in labour productivity, there remains scope to make greater inroads before raising Bank Rates.

9.7.2 Going forward, markets expect that the UK will remain the fastest growing major European economy in 2014. UK GDP growth is expected to be in the range of 2-3% in 2014. The level of UK GDP is projected to rise back above pre-recession levels for the first time in Quarter 4 2014. Inflation is expected to remain slightly below the Bank of England's 2% target level for the next 3 years. Real average earnings are expected to decline for the sixth consecutive year in 2014, although the gap between prices and earnings is expected to be the smallest since 2009, so the real wage squeeze will start to ease. Continued real wage constraint will, however, support employment growth, pushing unemployment down to close to the Monetary Policy Committee's 7% threshold by the end of 2014.

9.7.3 This is likely to restart the debate on monetary tightening with a minority of Monetary Policy Committee members expected to be voting for interest rate rises soon.

9.7.4 Accordingly, officers have updated investment interest income estimates and projections included within this report. They have also taken into account, changes to balances available for investment, which were identified during the 2013/14 Final Accounts Process. Over the last 6 months, with the recent growth in the economy, the Base Rate projections over the period of the Council's Medium Term financial Strategy have doubled from 1% to 2%. This, along with increases in balances, have presented additional investment interest of £350,000 per annum within the projections.

9.8 Business Rates Retention

9.8.1 2013/14 was the first year of the Business Rates Retention Scheme whereby local authorities get to retain locally a proportion of business rates collected. Previously all this income was paid to Central Government for redistribution to local authorities. By enabling local authorities to retain a proportion of locally collected business rates income, it is intended to incentivise local authorities to grow their business rates base and encourage local prosperity.

9.8.2 In setting the 2013/14 Budget, it had been agreed that any retained Business Rates above the "Baseline" position (£3.011m for 2013/14) would be credited to the Business Rates Volatility Reserve. In closing the 2013/14 accounts £842,000 was allocated to this reserve. It is anticipated that much of this reserve will be needed in 2014/15 and 2015/16 to finance the substantial level business rates appeals, many backdated to 2010, that had to be allowed for in the 2013/14 accounts. Accordingly, it is proposed that any variance from the assumed Business Rate Retained income in 2014/15 for the Council should be credited or debited to the Business Rate Volatility Reserve.

9.8.3 The Council agreed to enter into a "Pool" with the Warwickshire district councils, Warwickshire County Council and Coventry City Council (the Warwickshire and Coventry Pool). By entering into a pool, assuming there is some growth in the business rates base, local authorities should be able to retain more income locally. In addition, should business rates decrease, the safety net provisions within the pool are more favourable by operating at a 5% reduction rather than the 7.5% outside the pool. However, pools are not without risk however and should business rates income decline, the risk is that safety net payments to pool members will need to be made from the resources within the pool.

9.8.4 Appendix D is a briefing note considering how the pool performed in 2013/14. It will be noted that Warwick and North Warwickshire did not perform as well as the rest of the pool. The reasons for this are:-

- Warwick – Substantial appeals outstanding. WDC has more large individual rating assessments than the other district, notably in the retail sector. With many of these large assessments having lodged appeals, the potential reduction in the rating base will be more significant. In assessing the level of appeals to be allowed for within the accounts, all the districts have been advised by “Analyse Local”, a company specialising in rating valuations.
- North Warwickshire – Backdated appeal in respect of the Belfry and the closure of the colliery.

Despite this, all authorities within the pool benefited from pooling, with Warwick District benefitting from £75,000 more than had it not been in a pool.

9.8.5 The accounting arrangements for business rates retention are extremely complex. This notably impacts upon when any income from an increase or decrease in the business rate base will impact upon the Council’s revenue accounts. Accordingly, with substantial appeals still outstanding, it is necessary to continue to be prudent in forecasting increased business rates income to the Council. The position is being closely monitored and members will be updated in future Budget reports. The position reflected in the projections is believed to be a prudent one, it is hoped that with greater clarity over the figures, it will be possible to include higher projected levels of retained business rates in the projections for future years.

9.8.6 The Local Plan and the Council’s Prosperity Agenda should both help to stimulate the local economy. This in turn should lead to higher levels of business rates which should provide additional funding to the Council from the Business Rate Retention scheme.

9.9 Individual Electoral Registration

Recent electoral reform means that eligible voters will have to register individually, instead of completing one return per household. Whilst the Government have indicated they will provide initial start-up funding to Local Authorities, this will not be re-current. This is likely to cost the Council some £55,000 in 2015/16.

9.10 Office Relocation

In June of this year, Members considered a report on the proposed Office Relocation. It was resolved that prior to deciding on the proposed site, Officers should investigate whether this is the most suitable site and if Royal Leamington Spa is the most viable option for the HQ Offices to be based. Their findings will then be reported back to Members. The Financial Projections had previously assumed that savings and efficiencies deriving from the new office would be realised in April 2016, the benefits from the re-location is now assumed for April 2017. Whilst not changing the overall savings required by 2019/20, it means that £400,000 of these will now have to be achieved a year earlier.

9.11 Council Tax and Council Tax Freeze Grant

The Budget and Council Tax set in February of this year, assumed that there would be a 7.5% reduction in the levels of Council Tax Support given to working age claimants, net of an allowance for non-recovery. The actual costs

of the scheme will vary according to recovery rates, number of claimants and the amount they are eligible for. Clearly the local economy will also affect these figures. For 2015/16, the Council has agreed that as part of the local Council Tax Reduction Scheme, all households will need to contribute a minimum of 15% towards their council tax charge.

The District's element of the council tax was last increased in 2010/11. Since then the Council has been able to freeze it, and so take advantage of Government Council Tax Freeze Grant. The Government has indicated that funding will also be available for 2015/16. A freeze has been allowed for within the council's projections for 2015/16. By freezing the council tax, authorities are eroding their council tax base in real terms, and are exposed to the risk of the Government freeze funding not continuing into future years. Also, the recent freeze grants have only covered 1% of council tax, whereas councils are able to increase council tax by 2% (without resorting to a referendum, based 2014/15 criteria).

Officers monitor the forecast council tax income for the year on a monthly basis and its impact on the Collection Fund. Any shortfall (or surplus) forecast on the 15th January each year will be built into next year's budget, with the difference between this and the final outcome being carried forward in the Collection Fund Balance to be recovered in future years.

9.12 New Homes Bonus

New Homes Bonus is dependent on the increase in the number of Properties and additional social housing on the previous year. The council has always seen an increase in its Tax Base year on year and when the local plan is approved, it expects to see a higher level of Growth in future years. The Council has a Joint Venture with a Social Housing Provider stimulate the growth in affordable housing across the District. Members are reminded that each year's allocation is for a time limited period (6 Years).

The projections in the Council's Financial Strategy are based on a prudent approach, with the funded growth dropping out after the 6th year and no further growth. On this basis, by 2019/20, this funding will have reduced to £212,000 compared to over £1 million in this financial year. However, if there is a continued upturn in development, there will be increased levels of NHB in future years. At present the Council has been able to set balanced budgets without utilising these monies, allocating them to appropriate reserves as required. This also ensures that a prudent approach is being taken. Not only is the money time limited, but also the Government could decide to no longer fund the scheme.

9.13 Impact of 2013/14 Final Accounts

In depth discussions have yet to take place with managers to establish if any of the underspends identified when the 2013/14 Accounts were closed (as presented to Members in June) are re-current. Those that are proven to be such will be subsequently built into future year's budgets. As discussed in paragraph 9.5, the financial projections have been updated in the light of increased income sources. The 2nd Budget review (position as at 30th September 2014) to Members in November will update on what progress has been made reviewing these underspends.

9.14 Fees and Charges

The Financial Projections currently assume a 2% increase per annum in discretionary fees and charges income. Heads of Service have been asked to seek increases of 2% (broadly in line with current inflation levels) in overall income levels. Alongside this, consideration is being given to the fees and charges benchmarking exercise recently undertaken with other district councils to ascertain whether there may be scope to amend the Council's charges. Detailed proposed level of fees and charges to be implemented from 1 January 2015 will be presented to the members in October. The effect of any proposed income changes will be incorporated into the current year's Budget Review Process as well as the Medium Term Financial Strategy.

9.15 Savings Requirement

The profile of the latest projected savings requirement is set out below:-

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Cumulative Savings £'000's	-63	433	830	989	1,010
Additional Savings £'000's	-63	496	397	159	21

9.16 Various projects have been agreed by the Executive, these are listed below:-

Projects agreed by Executive before 2014

Project	Project Timeline
Shared Building Control Service	2013-2015
Options appraisal for Leisure Services	2013-2016
Responding to Universal Credit implications	2013>
Responding to Warwickshire County Council's parking proposals	2013-2014
Relocation of Warwick District Council HQ	2012-2017
Review of energy consumption at Council buildings	2014-2015
Review of Historic Building Grants/Heritage Open Days	2015-2016
Review of the approach to Sports, Arts and Small grants	2015-2016
Review of Concurrent Services	2015-2016
Review of Assisted Travel	2015-2016
Role of the Council's Chairman	2014-2015
Review of Council's Assets	2012>
Leisure Centre Programme Review	2012-2014

Projects agreed by Executive 2014

Project	Project Timeline
Review of Service Area business administration support and opportunities for cross-council working e.g. complaints, orders, invoices, general administration	2014-2015
Examination of West Midlands Improvement and Efficiency Partnership fees and charges work	2014-2015
Review of Disabled Facilities Grant funding	2015-2016
Review of Economic Development & Town Centre Development (ensuring that it is contributing to the	2014-2015

Project	Project Timeline
Prosperity Agenda)	
Marketing of Council's commercial operations	2014-2016
Marketing of the District	2015-2016

Projects siting in Service Area Plans

Project	Project Timeline
Review of One Stop Shops	2014-2016
Review of Payroll Service	2014-2015
Relocation project T&C's	2012-2017
Review and consider potential for pre-app charging scheme	2014-2015
H&CP further service changes	2014-2015

It will be noted that these projects are all at different stages, some having been actively worked upon for a while, whilst others are still at initial evaluation stage. Financial savings have been assumed from some projects, with these being incorporated into the Medium Term Financial Strategy.

Members are asked to note these projects and confirm that work should continue on them.

10. CAPITAL

- 10.1 Appendix A1 updates Members on the Capital Programme Budgets and changes to the programme since it was approved at £3,123,600 in February of this year. Members have already approved the slippage from 2013/14 (£846,200) as part of the Final Accounts process in June, as well as other amendments since the original Budgets were set, i.e. new schemes as highlighted within the Appendix. Managers have also identified a further reduction to the Capital Programme, totalling £433,000, which is slippage for the Castle Farm Sports Pitch Drainage Budget (£73,000), Warwick Sea Scouts, (£50,000), Jubilee House (£310,000) to 2015/16. The Programme balance, should the changes be approved, would stand at £3,597,900.
- 10.2 Members expressed concerns upon the closure of the 2013/14 Accounts at the level of slippage on the Capital Projects. In light of this, Members will now receive regular updates on these slipped projects. Below is a list of all current major General Fund Capital Schemes that slipped from 2013/14 with progress on each:-
- **Victoria Park Bowls (£77,300)** - Completing of the pavilion works had been delayed due to issues surrounding the upgrade utility works. The works have now been finished, final invoices (and retention) are due to be paid soon.
 - **Cublington Flood Alleviation (£222,400)** - Scheme continuing into 2014/15 due to delays in design, tunnelling and management of badger setts
 - **Play Area Improvement Programme (£128,200)**. Completion of 2013/14 programme has been delayed due to poor weather. However, now weather is improving, completion should not be delayed much further.

- **The Rural/Urban Capital Improvement Scheme Grants budget (£186,400)** should be spent in 2014/15 as grant recipients are now bringing schemes forward.
- **Oakley Wood** Members will receive a full update on this project with updated forecast costings in September.

10.3 Appendix A2 updates Members on the latest position of the Capital Housing Investment Programme (HIP). It sets out the latest HIP budgets including slippage already approved by members in June 2014 (£1,226,700) as part of the final accounts process, and the budget changes requested below.

10.4 The HIP Budget changes requested are:

	HRA-Related HIP Budget Changes Requested	£	
a	Increased cost of replacing irreparable boilers.	125,000	Adv
	Reduction in necessary capital Electrical works	(75,000)	Fav
b	Completion of Stamford Gardens play area project	4,000	Adv
	Overall increase in HIP budgets	54,000	Adv
a	HRA revenue saving on boiler repairs (Section 8.8)	(50,000)	Fav
	Overall reduction in HRA balances	4,000	Adv

- a) Early projections of the number of boilers that are likely to prove irreparable over the year indicate that the Capital HRA Central Heating replacement programme will require at least an additional £125,000 in 2014/15. £50,000 is effectively offset by related savings on the Revenue HRA Heating Repair budget, identified in section 8.9. The remaining £75,000 can be funded due to a reduction in the amount of Capital HRA Electrical works necessary. Therefore it is requested that budgets are transferred on this basis. The cost of heating repairs will continue to be monitored throughout the year, and any further changes reported.
- b) There was a small element of the Stamford Gardens play area project not completed in 2013/14 but not requested as slippage in the June Final Accounts report. Therefore a budget of £4,000 is requested for the remaining works.

11 RESERVES

11.1 General Fund

Appendix E shows the projected uncommitted General Fund Reserves. The Council is fortunate in that it has a history of maintaining a good level of reserves. However, the level of these reserves is forecast to reduce substantially over the next few years. Given the uncertain financial and economic future of all of the public sector, it is important that the Council continues to maintain an adequate level of reserves. This position has helped cushion the Council from the reductions in funding whilst savings are being sought without having to make reductions in service provision.

11.2 Capital Investment Reserve

Normal practice is to keep the level at around £2,000,000 to allow for any unforeseen capital demands. This reserve is shown to have an uncommitted balance of £2.049m.

11.3 Equipment Renewal Reserve

The spend projections on this reserve are based on the schedule in Appendix 6 to the 2014/15 Budget report presented to Executive and the Council in February 2014 subsequently adjusted for those items purchased since then.

11.4 Service Transformation Reserve

This reserve is providing funding for various schemes related to Fit to the Future. The current unallocated balance is £1,797,000.

11.5 Corporate Assets Reserve

This reserve was created towards financing the works identified as part of the Asset Review, with £1.34m being allocated for 2014/15 works. The total works required over the next five years total £4.29m and a further £18.5m in the subsequent 25 years. The Executive agreed that detailed feasibility studies are undertaken on the potential merits of selective land and non-operational property disposals with further reports to be presented over the course of the financial year 2014/15 as these studies are completed. This will allow informed decisions made on potential disposals, retentions, alternative uses and investment opportunities, to facilitate the development of a long term funding strategy for subsequent years which will form a part of the 2015/16 budget setting process.

11.6 Local Plan Delivery Reserve

Within the June Final Accounts report, £250,000 of the surplus for 2013/14 was appropriated to a new Local Plan Delivery Reserve. This reserve is to be used for items of work required to help the implementation of the Local Plan. This would include detailed work on a specific proposal to help turn it from a proposal to reality, e.g. working up the proposals relating to the Secondary Schooling provision at Myton or how the form for a new ground for Leamington Football Club if it is to be relocated. It is proposed that authority to use this reserve is delegated to the Chief Executive, Head of Finance and the Head of Development in consultation with the Deputy Leader who holds responsibility for the Local Plan and all Group Leaders. This allows for operational effectiveness and democratic accountability. Updates will be given as part of the regular budget monitoring reports.

12 HRA BUSINESS PLAN

12.1 The HRA Business Plan Financial Framework (BPFF) presented at the end of 2013/14 to June's Finance & Audit Scrutiny Committee projected an adverse variance of £34m over the 50 year Business Plan period, compared to the Business Plan presented in December 2013.

12.2 The year-end projected variance is predominantly due to the effect of agreeing a lower rent increase than the national formula, and also reassessing the likely speed of convergence by moving void homes to formula social rent.

12.3 Since then 'Phase 2' of the Housing & Property service redesign has been approved. Overall this increases current annual HRA costs by approximately £36,000 (net of the increased rent income from renting out the former sheltered scheme manager accommodation) over the 2014/15 Estimates.

12.4 The Business Plan presented to members in December, and more recently in to Finance and Audit Scrutiny Committee, assumed that the service re-designs would make savings of £220,000 per annum in future years, rather than the additional £36,000 now estimated. The latest estimated costs from the service

re-designs mean that over 50 years there is an additional adverse variance of £38m. Added to the year-end variances of £34m discussed above, this gives an overall adverse variance of £72m over 50 years compared to the Business Plan presented in December 2013. Unless compensating favourable variances are identified, this reduces the resources available for investment in the service, such as providing new social homes. It should be noted that this variance is on a total turnover within the Business Plan over the same 50 year period of around £3,900m (based on projected income). Over that period there will be many other changes. The HRA Business Plan continues to be in a very strong position with resources currently existing, and planned to exist, that will enable future investment in additional housing stock over the period of the plan.

CAPITAL PROGRAMME 2014-15

	Proposed Expend. 2014/15 £	July 2014 Exec £	Total Expenditure 2014/15 £	Variation reason
STRATEGIC LEADERSHIP PORTFOLIO				
Fen End - City Deal	559,000	0	559,000	
Broadband UK (spend profiled per 8/8/12 Executive report)	72,442	0	72,442	
TOTAL STRATEGIC LEADERSHIP	631,442	0	631,442	
CORPORATE & COMMUNITY SERVICES PORTFOLIO				
Replacement PCs and Printers	61,744	0	61,744	
Website CMS replacement	43,642	0	43,642	
Public Services Network Changes	12,634	0	12,634	
PSN - Councillors Ipads	6,215	0	6,215	
TOTAL COMMUNITY & CORPORATE SERVICES PORTFOLIO	124,235	0	124,235	
CULTURE PORTFOLIO				
St Mary's Lands				
Castle Farm Sports Pitch Drainage	73,000	-73,000	0	Slippage to 2015-16
New Gym Equipment	90,000	0	90,000	
Victoria Park Bowling Green & Ancillaries Improvements	227,328	0	227,328	
Town Hall Refurbishments	24,657	0	24,657	
TOTAL CULTURE PORTFOLIO	414,985	-73,000	341,985	
FINANCE PORTFOLIO				
Rural Initiatives	261,388	0	261,388	
Urban Initiatives	75,000	0	75,000	
TOTAL FINANCE PORTFOLIO	336,388	0	336,388	
NEIGHBOURHOOD PORTFOLIO				
Enhancement of Other Car Parks	62,700	0	62,700	
St Nicholas Park Warwick Improvements	19,310	0	19,310	
Recycling & Refuse Containers	120,000	0	120,000	
Millbank Open Space Improvements Phase 1	3,177	0	3,177	
Green Farm Play Equipment	26,800	0	26,800	
Play Area Improvement Programme	308,689	0	308,689	
Abbey Fields Ruins- Gatehouse	18,121	0	18,121	
TOTAL NEIGHBOURHOOD PORTFOLIO	558,797	0	558,797	
ENVIRONMENT AND COMMUNITY PROTECTION PORTFOLIO				
Cublington Flood Alleviation Partnership	518,544	0	518,544	
Replacement of concrete columns and luminaires	5,000	0	5,000	Extra expenditure and underprovision of outstanding liabilities at year end, matched by
Leamington Cemetery Extension	28,473	0	28,473	
Crematorium Improvements	914,860	0	914,860	
TOTAL COMMUNITY PROTECTION	1,466,877	0	1,466,877	
DEVELOPMENT PORTFOLIO				
Conservation Action Programme	83,014	0	83,014	
Chase Meadow Community Centre	11,514	0	11,514	
Jubilee House Phase 2	353,626	-310,000	43,626	Slippage to 2015-16
Warwick Tourism Signs	0	0	0	
2nd Warwick Sea Scouts' Headquarters	50,000	-50,000	0	Slippage to 2015-16
TOTAL DEVELOPMENT PORTFOLIO	498,154	-360,000	138,154	
GRAND TOTAL	4,030,878	-433,000	3,597,878	

Capital Housing Investment Programme (HIP) 2013/14

Appendix A2

	Budget Book Initial HIP 2014/15 £	Slippage Approved Executive 11-Jun-2014 £	2014/15 Budget including Slippage £	RP Schemes Approved £	For Approval Executive 30-Jul-2014 £	Revised 2013/14 HIP £	Reason for Approval
HOUSING REVENUE ACCOUNT RELATED HIP EXPENDITURE							
NEW BUILD:							
Redevelopment of Fetherston Court site	4,051,300	1,097,300	5,148,600			5,148,600	
TOTAL NEW BUILD	4,051,300	1,097,300	5,148,600	0	0	5,148,600	
IMPROVEMENT / RENEWAL WORKS:							
Aids and Adaptations	686,900		686,900			686,900	
Roof Coverings	156,800	65,000	221,800			221,800	
Defective Flooring	60,100		60,100			60,100	
Door Entry Systems	150,100		150,100			150,100	
Window/Door Replacement	396,300		396,300			396,300	
Kitchen Fittings / Sanitaryware Replacement	889,500		889,500			889,500	
Electrical Fittings / Rewiring	650,000		650,000		(75,000)	575,000	Reduced programme
Central Heating Replacement	923,500		923,500		125,000	1,048,500	Irreparable boilers
Tannery Court Biomass	126,000	50,000	176,000			176,000	
Water Services	5,000		5,000			5,000	
Structural Improvements	20,900		20,900			20,900	
Improved Ventilation	5,000		5,000			5,000	
Fire Prevention Works	350,000		350,000			350,000	
Thermal Improvement Works	150,000		150,000			150,000	
Garage Refurbishment	26,100		26,100			26,100	
Stamford Gardens Play Equipment	0		0		4,000	4,000	To complete project
TOTAL IMPROVEMENT / RENEWAL WORKS	4,596,200	115,000	4,711,200	0	54,000	4,765,200	
ENVIRONMENTAL IMPROVEMENTS:							
Environmental Works	100,000		100,000			100,000	
Environmental Works: Tenant Participation Projects	40,000	14,400	54,400			54,400	
TOTAL ENVIRONMENTAL IMPROVEMENTS	140,000	14,400	154,400	0	0	154,400	
LETTINGS INCENTIVE SCHEMES:							
Lettings Incentive Schemes	100,000		100,000			100,000	
TOTAL LETTINGS INCENTIVE SCHEME	100,000	0	100,000	0	0	100,000	
TOTAL HRA RELATED HIP	8,887,500	1,226,700	10,114,200	0	54,000	10,168,200	

Capital Housing Investment Programme (HIP) 2013/14

Appendix A2

	Budget Book Initial HIP 2014/15 £	Slippage Approved Executive 11-Jun-2014 £	2014/15 Budget including Slippage £	RP Schemes Approved £	For Approval Executive 30-Jul-2014 £	Revised 2013/14 HIP £	Reason for Approval
GENERAL FUND HOUSING RELATED HIP EXPENDITURE							
REGISTERED PROVIDERS:							
Contributions to Registered Providers	1,389,800		1,389,800	(450,000)		939,800	
WRCC Rural Enabling Service	10,000		10,000			10,000	
Queens Square, Warwick housing development	0		0	200,000		200,000	
Bowling Green St/Theatre St housing development	0		0	250,000		250,000	
TOTAL REGISTERED PROVIDERS	1,399,800	0	1,399,800	0	0	1,399,800	
PRIVATE SECTOR HOUSING:							
Renovation Grants:							
Discretionary Grants	22,400		22,400			22,400	
Discretionary Loans	5,700		5,700			5,700	
Minor Works:							
Home Repairs Assistance	34,100		34,100			34,100	
Care and Repair	10,000		10,000			10,000	
Decent Homes Grant (Private Sector Stock)	98,700		98,700			98,700	
Disabled Facilities Grants:							
Mandatory Grants	516,900		516,900			516,900	
Discretionary Loans	11,400		11,400			11,400	
Discretionary Grants	11,200		11,200			11,200	
TOTAL PRIVATE SECTOR HOUSING	710,400	0	710,400	0	0	710,400	
HEALTH AND COMMUNITY PROTECTION:							
Energy Efficiency Grants	5,000		5,000			5,000	
TOTAL HEALTH AND COMMUNITY PROTECTION	5,000	0	5,000	0	0	5,000	
TOTAL GENERAL FUND RELATED HIP	2,115,200	0	2,115,200	0	0	2,115,200	
GRAND TOTAL HIP	11,002,700	1,226,700	12,229,400	0	54,000	12,283,400	

1440-4980 Contingency**2014/15****APPENDIX B****£**

Contingency December Estimates
Final Accounts 2013/14

200,000

General Contingency**200,000**

Further allocations:

Lillington Action Plan	1607-5770	-50,000	March Executive
Hire of PA System for 3 months	2220-4025	-9,000	Delegated authority per HoF
Consultation on Sexual Entertainment Venues	2360-5770	-5,000	Council December 2012 - not picked up
Defibrillator St Nicholas Park LC	1370-4001	-1,300	Delegated authority per HoF
Defibrillator Newbold Comyn LC	1380-4001	-1,200	Delegated authority per HoF
Bowls Car Parking	1278-2070	-10,000	February Executive
Hire of PA System for 3 months	2220-4025	9,000	Coming from Equipment Renewal Reserve per June Exec
Post National Bowls 2014 Review	1278-5770	-6,000	Delegated authority per HoF
Art Gallery Valuations	1405-5755	-2,500	Delegated authority per HoF
Cycle Routes	4211-4700	-13,000	Chief Exec delegated authority
Heat Network Mapping	4213-5770	-15,000	Chief Exec delegated authority

General available**96,000**

Warwick District Council Medium Term Financial Strategy

Appendix Ca

	2014/15 Original £'000	2014/15 Latest £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Net Cost Of General Fund Services	18,983	19,591	18,164	17,887	18,041	18,207	18,653
Investment Interest	-181	-259	-354	-522	-620	-564	-564
Other Financing Adjusments	-2,758	-2,229	-2,514	-2,242	-2,681	-3,170	-3,472
Net Expenditure after adjustments	16,044	17,103	15,296	15,123	14,740	14,473	14,617
Revenue Support Grant	-3,280	-4,580	-2,437	-1,796	-1,200	-971	-949
NNDR (Business Rate Retention, including SBR grant)	-3,554	-3,504	-3,618	-3,708	-3,800	-3,893	-3,989
Collection Fund Balance	-142	-142					
Other Grants and Government Funding	-1,749	-1,748	-1,931	-1,591	-1,086	-561	-369
Amount to be funded from Council Tax	-7,319	-7,319	-7,373	-7,596	-7,824	-8,058	-8,299
Band D Equivalent	£146.86	£146.86	£146.87	£149.82	£152.82	£155.87	£158.99
% increase on previous year		0.00%		2.00%	2.00%	2.00%	2.00%
Net Expenditure after adjustments	16,044	17,103	15,296	15,123	14,740	14,473	14,617
Total Grant and Council Tax Income	-16,044	-17,294	-15,359	-14,690	-13,910	-13,484	-13,607
Cumulative Deficit-Savings Required(+)/Surplus(-) future years		-191	-63	433	830	989	1,010
In year Additional Savings(+)/Surplus(-)			-63	496	397	159	21
Current Year Surplus(-) Deficit (+)		-191					

Description	Narrative	2014/15	2014/15	2015/16	2016/17	2017/18	£ 2018/19	£ 2019/20	£
		£ Original	£ Latest	£	£				
Major Contract Renewals & Inflation at -1% RPI	GM and Waste Management	0		58,959	58,959	58,959	58,959	-13,606	
Grounds Maintenance	profiling of additional/expired funding	-28,826		3,965	12,730	22,798	0		
Above inflation growth	to allow for staff increments	87,000		60,000	50,000	50,000	50,000	50,000	
Fees and Charges		-139,458		-139,458	-139,458	-139,458	-139,458	0	
Fees and Charges	Increase above those already built into Strategy	-73,542							
Car Parking	Savings on Repairs and Maintenance Budget	5,000			5,000		10,000	5,000	
Waste Management	New Properties	0		0	13,000	13,000	13,000	13,000	
Street Cleaning	New Adopted roads to be cleansed	10,000		10,000	10,000	10,000	10,000	10,000	
Hill Close Gardens funding	April 2004 Executive	-5,000		-5,000	-2,500				
inflation provision	reflection of volatility of the economy	50,000		50,000	50,000	50,000	50,000		
Deflation on Non contractual Spend	-2.50%	-188,003	800	-216,802	-211,061	-205,431	0	0	
Catering Contract	July/August Executive	-12,800		-15,500	-17,700	-13,100			
Salaries	Pay Award	148,000		135,700	137,000	276,800	282,300		
Election Management System	New system savings in future years			-4,800					
Pension fund Increases		55,383		56,490	57,620				
National Employment Savings Trust (NEST)		0				63,750	63,750		
St Marys Land-Race Course Rent review	future settlement (provisional)	-5,000							
World Bowls recharge for Facilities	Ceased to Womens Bowls for 10 year pe	26,000							
CCTV Revenue Savings from new tender	lower annual maintenance, no inflation	0		0	0	0	0	-1,160	
Crematorium- Reduced Income	when New Facilities open at Rugby	150,000							
HMRS system	County may charge for future service	25,000							
Localising Council Tax Support	recurrent grant paid to local preceptors	-2,284							
Community Forums	Reserve Funding 4 years from 2014-15	-40,000					40,000		
Rural Footway Lighting	February 2013 Executive	-23,200							
Reduction in Maintenance Costs-Kenilworth School	New Equipment (WDC part funded)	-2,500							
Additional costs of one state pension (NI contributions)					200,000				
Events Management Officer made substantive	June 2013 Executive	31,000							
Developer Commuted Sums Reserve reducing				3,965	12,730	22,798	0		
Development Services Restructure	3 Year Protection				-2,100				
Restructure of Environment and Community Protection	June 2013 Employment Committee	-72,500							
Success Fund	Reductions on Discretionary Budgets	-4,000							
Consultants Fees	Reductions on Discretionary Budgets	-3,600							
Contingency Budget Training	Reductions on Discretionary Budgets	-5,000							
HR Equalities	Reductions on Discretionary Budgets	-5,300							
Community Engagement	Reductions on Discretionary Budgets	-9,800							
Local Strategic Partnership	Reductions on Discretionary Budgets	-12,000							
Place Survey	Reductions on Discretionary Budgets	-10,200							
Customer Insight	Reductions on Discretionary Budgets	-4,600							
Transport Plans	Reductions on Discretionary Budgets	-4,100							
Other Expenses	Reductions on Discretionary Budgets	-1,400							
Special Repairs and Improvements (Culture)	Reductions on Discretionary Budgets	-56,900							
Civic Awards	Reductions on Discretionary Budgets	-1,000							
Health Education	Reductions on Discretionary Budgets	-2,700							
Publicity (Waste)	Reductions on Discretionary Budgets	-10,600							
Reductions on Discretionary Budgets	Finance Department Overachieved	-4,700							

Description	Narrative	2014/15	2014/15	2015/16	2016/17	2017/18	£ 2018/19	£ 2019/20	£
		£ Original	£ Latest	£	£				
Revenue saving on Lighting at Linen Street Car Park/increased	August Executive					-1,200	-3,600		
The Lancscape Group - Princes Close depot Rent Income		15,000							
Terms and Conditions changes					0	-100,000			
Riverside House Relocation					0	-300,000			
Enironment and Community Phase 2 Out of Hours Savings		-10,000							
Finance Salary Budgets Revised Workings		8,100							
2014/15 Salary Workings	head of Development Services	32,600							
New Irrigation system at Bowls Pavillion				600					
Licensing & Registration - Introduction of the new Scrap		-5,000							
Insurances		1,400							
10% Discretionary Budgets offered up- Corporate and Community	7.5% additional income in 2014-15	-488		163	163	163			
John Atkinson Dual Use	50% surplus paid to school	1,000							
NNDR (adjustment + Inflation)		28,200							
Additional Rent Cafeteria Station Approach		-2,300							
Increase in Housing Benefits Transfer Payments		118,500							
Increase in Housing Benefit Subsidy		-39,100							
Reduction in HB Admin Subsidy and LCTS Subsidy		47,500							
No Additional Specific Admin Subsidy 2014/15		30,800							
Enterprise Scheme Income		-5,700							
Development of The Destination Management		-5,000							
Corporate Utility Bills (across all GF services),		35,100							
Misc changes in salary ests, mainly fixed term posts ending	Housing and Property General Fund	-32,300							
Increase WCC shared legal services (includes Disbursements0		8,700							
Pensions-settlement of lump re. Deficit with lower %age, further	Revaluation December 2013	1,410		28,300	40,360	92,965	94,508		
New Living Wage	From October 2016	30,000		30,000					
DFG (& other Home improvements)charging Fees		-74,500							
Corrected Jubilee House electricity,	To correct part year effect	8,300							
Mobile Home Inspections, Immigration Inspections, Serving Statute	New Private Sector Housing Fees:	-5,700							
Recurrent cost (2015/16) of Bowls Car Parking-	Executive February 2014			8,500					
Individual Electoral Registration additional costs £55k unfunded from 2015-16				55,000					
Post Regarade to E2 from 1st October 2013 (Reassessed - Hay	Civil Contingencies		4,070						
CCTV - Regent Court income	reduced £4k Exec Report 11th Jan 2012		-4,000						
Netvisibility Lease of Jubilee House			-8,200	-2,200	-2,300				
South Lodge Jephson Gdns no longer leased out (Kudos)			2,000						
Orbit vacating Riverside House 30/6/14 - lease expires			45,100	15,000					
Concierge & Cleaning recharges Warwick Uni at Town Hall -	not chargeable July-September		5,700						
Income Contingency	provision for seasonal over-recovery of Fees and Cha	-200,000							
4 and 6 Jury Street premises merged	July 2014 Executive			-16,300					
Savings required	As at February 2014	0	0	514,124	-710,650	-1,014,970	168,785	0	
Savings required	After 2014/15 Budget Set (February)			-696,073	459,843	617,731	-328,138	-20,635	
Total Recurring Developments		44,893	-154,530	-65,366	21,637	-495,194	370,106	42,599	

Warwick District Council Medium Term Financial Strategy - Non Recurring Developments

Appendix Cc

Development Description		2014/15 £ Original	2014/15 £ Latest	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Private Sector Stock Condition Survey	from Equipment Renewal Schedule (Sept 2011 Executive)			75,000				
Housing Market Assessment	from Equipment Renewal Schedule (Sept 2011 Executive)			60,000				
Budget Consultation Process	Simalto/Residents Suveys to replace Citizens Panel	11,700		-15,800	-5,800	-15,800	11,700	-15,800
RCCO (DCLG Disabled Facilities Grant towards Private Sector Housing (rec'd in year only)		-308,600		-308,600	-308,600	-308,600	-308,600	-308,600
In Year Election Costs								30,000
Community and Voluntary Contracts	Variations over 3 year period	1,600						
Corporate and Community Services	salary protection HR	3,400						
Oakley Wood Crematorium	lost income during Capital Improvements	135,000						
Book of Remembrance-lasts 30 to 40 years,	Service always been offered at Crematorium			4,000				
Democratic Services Assistant -	redeployment 3 yrs salary protection	3,400		2,500				
Various small budget adjustments		28,000						
Minor Roundings		20,000						
Waterloo NHB Payment		59,000						
Contingency Budget		200,000						
payroll staff not on top of increment budget virement top of scp		-1,300		-500				
£62,720 new Burdens Monies- Council Tax Support off set by additional spend		79,625						
Project Officer Contract extended	currently unfunded	38,000						
Clarendon Arcade development	Lost income from Chandos Str Car Park					350,000		
Hill close gardens addional funding		2,500						
Sustainability Officer, extended		18,000		36,000				
Simalto contract 2014/15	shirtfall (net)	700						
Organisational Development Post Extensions	2 years net of Savings			0	20,686			
Senior Project Co-Ordinator Posts extended to march	(Deputy Chief Execs office)	79,100		103,400				
City Deal	Funded from NHB	24,000						
Payment Card Industry Data Security Standards (PCI	Less than originally envisaged	75,000	-45,000					
Employment Initiatives		50,000						
LEP Contribution		15,000						
Community Forums World War One Contribution		10,500						
AED defibrillators at Abbey Fields and Castle Farm in					2,000			
Golf Course Lease	Finance and Audit Scrutiny March 2014		20,000	3,330				
£2,780 Parish Council Precept Shortfall			2,780					
Election Costs in year	net of those built into Reserve Funding			30,000				30,000
Netvisibility Lease of Jubilee House	Refurbishment costs		5,600					
Sustainability Officer missed off Budget	on Strategy but missed off detailed papers		18,000					
Overbilling WCC Library 13/14 re Service			26,900					
NNDR refund Town Hall			-13,100					
Dilapidation payment re Riverside House - Orbit			-15,000					
Consultancy Fees & Medical fees (non recurrent)			2,600					
South West Warwick community Centre	March 2012 Executive 4 years only	1,500		1,500	1,500			
Total Non-Recurrent Developments		546,125	2,780	-9,170	-290,214	25,600	-296,900	-264,400

Development Description		2014/15 £ Original	2014/15 £ Latest	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Election costs	Elections Reserve			80,000				80,000
Grounds Maintenance	Commuted Sums Reserve	49,781		45,816	33,086	10,288	10,288	10,288
Earmarked Reserve	Items slipped from previous year		429,100					
OD officers transformation reserve slippage	Transformation Reserve	10,000						
OD officers transformation reserve slippage, further slippage (December 2013)	Transformation Reserve	-23,930		23,930				
OD officers transformation EMR slippage	net of salary savings	7,900		11,100				
OD officers Extensions reserve slippage	Transformation Reserve			70,900				
Finance Restructure	Service Transformation Reserve-Sept Executive	20,305						
Housing Benefits - Staff Changes (Funded by Additional Specific Admin Grant)	Revenue Grants and Contributions in Advance	42,500						
Sports & Arts Tender - Forbes Estate	-St Mary's Lands Reserve	44,300						
Community Forums	4 years Reserve Fined	40,000		40,000	40,000	40,000		
Linen Street MSCP Improvements (1st phase) from CIR		30,000						
Local and Town Centre Plan slippage from 12/13 to 13/14		134,900						
Major Sites Monitoring Officers funded from Planning Reserve	September Executive 2013	41,200		41,200	41,300			
Additional Benefits Staff Funded from Revenue Contributions in Advance Reserve		8,500						
Car Park Repairs and Maintenance		37,778						
Government Grant Re Homelessness Packs	GF Revenue Grants/Contributions In Advance Reserve	100						
Crematorium Bequest	GF Revenue Grants/Contributions In Advance Reserve	3,458						
RSL Contributions to Advertisements	GF Revenue Grants/Contributions In Advance Reserve	6,100						
Funding for Portas Pilot	GF Revenue Grants/Contributions In Advance Reserve	96,000						
HS2 2 year post funded from Planning Reserve	December 2013 Executive	20,500		20,500				
Warwick Fire Station - Open Spaces project delayed	EMR from 2012-13	40,000						
STR £100k for incidental Riverside House Moves incidental (revenue) costs	March 2014 Executive		100,000					
Warwick Sea Scouts £50k STR funding . 2015-16	Executive February 2014			50,000				
Interim HR/Payroll Project manager and Interim Senior HR Officer for 12 months funded from Service Transformation Reserve			64,900					
Compromise Agreement (part offset by Salary Budget Saving) June 2014 Executive			22,600					
Financing of AV Equipment (Town Hall) from Equipment Renewal Reserve			42,700					
Portas Pilot - Reduce Budget 14/15 as 13/14 spend greater than budgeted for.	Revenue Grants Contributions in Advance		-23,600					
Culture and Health a Community Protection	Revenue Grants Contributions in Advance		124,400					
Total for Year		609,392	760,100	383,446	114,386	50,288	10,288	90,288

Coventry & Warwickshire Business Rates Pool

2013/14 Year End Briefing Note

- 1 As outlined in the Memorandum of Understanding the fundamental objective of the pool is to generate increased resources for the region, and individual pool members.
- 1.1 The benefit of a pool is produced by reducing the levy on any growth that would otherwise be paid to central government.
- 1.2 A pool is not without risk however and should business rates income decline, the risk is that safety net payments to pool members will need to be made from the resources within the pool.
- 1.3 The pool is showing that the retained income from business rates has declined by £1.482m across the pool. Although this has meant two pool members receiving a safety net payment, the benefit of the pooling is the £0.279m that would otherwise have been payable in levy to central government.
- 1.4 This is shown in the table below.

	Growth / (Decline) before Levy £m	Levy £m	Growth / (Decline) after Levy £m
Pool	(1.482)	(0.244)	(1.238)
Warwickshire	(0.052)	0.000	(0.052)
North Warwickshire	(0.436)	0.000	(0.436)
Nuneaton and Bedworth	0.286	0.143	0.143
Rugby	0.268	0.134	0.134
Stratford-on-Avon	0.004	0.002	0.002
Warwick	(0.332)	0.000	(0.332)
Coventry	(1.220)	0.000	(1.220)
Without Pool	(1.482)	0.279	(1.761)
Gain from Pooling (Levy Saved)			0.279

- 1.5 The £0.279 million retained levy is notionally allocated as follows:
 - £0.030m Pool Administration Fee.
 - £0.062m Local Safety Net
 - £0.062m Allocated according to Performance across Pool Members
 - £0.124m Allocated by Spending Baseline across Pool Members
- 1.6 Appendix A included with this note provides the breakdown in more detail and includes the pool T Accounts and journals needed.
- 1.7 Due to the extent of the decline in business rates in North Warwickshire and Warwick District a local safety net payment is due to both, £0.350 million is payable to North Warwickshire and £0.179 million to Warwick District.

- 1.8 As a result of these payments, the balance on the pool account will be £0.467 million overdrawn.
- 1.9 We propose to hold this within the WCC accounts as an overdrawn reserve, as outlined in the memorandum of understanding.
- 1.10 However, we need to recognise in our statement of accounts that this funding is due to WCC should any member decided to leave the pool. We will therefore include the £467,000 as a net contingent asset.
- 1.11 This is in line with the code of Practice on local authority accounting in the UK (p332) as it is dependent on either the pool dissolving or a member leaving and will only be confirmed by an increase in business rates (the uncertain future event !).
- 1.12 This will be held as a contingent asset on the WCC balance sheet and will be repayable by / payable to pool members according to the memo safety net column in appendix A should the pool dissolve or a member leave.
- 1.13 Therefore, although due to the appeals provisions 2013/14 has been much worse than forecast it is still in the pool members' best interests to continue to work together as a pool as the table below shows the benefit from belonging to the pool, through the retained levy and safety net payments received.

Pool Member	Additional Spending Power with Pool
Warwickshire	£0.050m
North Warwickshire	£0.042m
Nuneaton and Bedworth	£0.035m
Rugby	£0.032m
Stratford-on-Avon	£0.002m
Warwick	£0.075m
Coventry	£0.063m
Pool Total	£0.300m

- 1.14 A report providing additional analysis into the figures will be issued shortly.

Martin Smith


Principal Accountant - Financial Planning
Warwickshire County Council – Lead Authority

**General Fund Reserves
At July 2014**

APPENDIX E

RESERVES

	<u>Balance 1/4/2014</u>	<u>Balance 1/4/2015</u>	<u>Balance 1/4/2016</u>	<u>Balance 1/4/2017</u>	<u>Balance 1/4/2018</u>	<u>Balance 1/4/2019</u>	<u>Less new commitments not yet included</u>	<u>Uncommitted Balance</u>	Notes
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Other Commuted Sums Reserve	333	284	238	205	194	190	0	190	Balance represents \$106 sums to be credited to revenue in future years for grounds maintenance
Insurance Reserve	322	322	322	322	322	322	0	322	
Election Expenses Reserve	65	95	15	45	75	105	0	105	
Art Fund Reserve	58	59	60	61	62	63	0	63	
Capital Investment Reserve	4,297	2,055	1,412	1,165	974	1,029	0	1,029	
Energy Management Reserve	93	98	103	109	112	112	0	112	
Gym Equipment Reserve	123	63	93	123	153	183	0	183	
Art Gallery Gift Reserve	57	57	57	57	57	57	0	57	Use restricted by terms of bequest
Building Control Reserve	274	274	274	274	274	274	0	274	Used to control year on year
Planning Appeal Reserve	505	306	244	217	217	217	0	217	
Early Retirements Reserve	210	187	187	187	187	187	0	187	
Equipment Renewal Reserve	1,432	1,093	631	169	-31	-656	0	-656	Overcommitted
Enterprise Projects Reserve	0	0	0	0	0	0	0	0	
Car Parking Repairs & Maintenance Reserve	214	177	177	177	177	177	0	177	
Tourism Reserve	61	36	36	36	36	36	0	36	
Services Transformation Reserve	2,316	2,090	1,819	1,797	1,797	1,797	0	1,797	
Public Open Spaces Planning Gain Reserve	195	201	201	201	201	201	0	201	Balance represents \$106 sums to be credited to revenue in future years for open space improvements
St Marys Lands/Forbes Estate Community Fund	44	0	0	0	0	0	0	0	
Right to Challenge Reserve	17	26	26	26	26	26	0	26	
Right to Bid Reserve	12	20	20	20	20	20	0	20	
Public Amenity Reserve	678	797	532	486	486	486	0	486	
Corporate Assets Reserve	561	1,338	1,338	1,338	1,338	1,338	0	1,338	
Community Forums Reserve	160	120	80	40	0	0	0	0	
Business Rate Retention Volatility Reserve	842	842	842	842	842	842	0	842	
Rent Bond Scheme Reserve	22	22	22	22	22	22	0	22	
Biodiversity Reserve	2	2	2	2	2	2	0	2	
Local Plan Delivery Reserve	250	250	250	250	250	250	0	250	
TOTAL GENERAL FUND RESERVES	13,143	10,814	8,981	8,171	7,793	7,280	0	7,280	
GENERAL FUND BALANCE	1,503	1,503	1,503	1,503	1,503	1,503	0	1,503	

 EXECUTIVE 30 JULY 2014		Agenda Item No. 4
Title	Significant Business Risk Register	
For further information about this report please contact	Richard Barr Tel: (01926) 456815 E Mail: richard.barr@warwickdc.gov.uk	
Wards of the District directly affected	Not applicable	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	15 th April 2014 Executive	
Background Papers	Minutes of Senior Management Team	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	No (N/A: no direct service implications)

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	27/06/2014	Chris Elliott / Andrew Jones
Head of Service	07/05/2014	SMT
CMT	27/06/2014	CMT
Section 151 Officer	27/06/2014	Mike Snow
Monitoring Officer	27/06/2014	Andrew Jones
Finance	27/06/2014	As S151 Officer
Portfolio Holder(s)	27/06/2014	Councillor Mobbs
Consultation & Community Engagement		
Senior Management Team review of Significant Business Risk Register.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1 **SUMMARY**

- 1.1 This report sets out the latest version of the Council's Significant Business Risk Register for review by the Executive.

2 **RECOMMENDATIONS**

- 2.1 That Executive should review the Significant Business Risk Register attached at Appendix 1 and consider if any further actions should be taken to manage the risks facing the organisation.

3 **REASON FOR THE RECOMMENDATIONS**

- 3.1 To assist members fulfil their role in overseeing the organisation's risk management framework (see section 7, below).

4 **POLICY FRAMEWORK**

- 4.1 The Significant Business Risk Register is based on the Council's corporate priorities and key strategic projects that are reflected in Fit for the Future.

5 **BUDGETARY FRAMEWORK**

- 5.1 Although there are no direct budgetary implications arising from this report, risk management performs a key role in corporate governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.
- 5.2 The risk register sets out when the realisation of risks might have financial consequences. One of the criteria for severity is based on the financial impact.

6 **RISKS**

- 6.1 The whole report is about risks and the risk environment. Clearly there are governance-related risks associated with a weak risk management process.

7 **ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

8 **RESPONSIBILITY FOR RISK MANAGEMENT**

- 8.1 In its management paper "Worth the risk: improving risk management in local government", the Audit Commission sets out clearly the responsibilities of members and officers with regard to risk management:

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

- decide on the structure through which risk management will be led and monitored;

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

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

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

9 **SIGNIFICANT BUSINESS RISK REGISTER**

- 9.1 The Significant Business Risk Register (SBRR) records all significant risks to the Council's operations, key priorities, and major projects. Individual services also have their own service risk registers.
- 9.2 The SBRR is reviewed quarterly by the Council's Senior Management Team and then, in keeping with members' overall responsibilities for managing risk, by the Executive.
- 9.3 The latest version of the SBRR is set out as Appendix 1 to this report.
- 9.4 A summary of all the risks and their position on the risk matrix, as currently assessed, is set out as Appendix 2.
- 9.5 The scoring criteria for the risk register are judgemental and are based on an assessment of the likelihood of something occurring, and the impact that might have. Appendix 3 sets out the guidelines that are applied.
- 9.6 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse is true for those risks plotted towards the bottom left corner of the matrix. If the matrix were in colour, the former set of risks would be within the area shaded red, whilst the latter would be within the area shaded green; the mid-range would be seen as yellow.

- 9.7 Any movements in the risk scores over the last six months are shown on the risk matrices in Appendix 1.
- 9.8 Within the SBRR, five risks are currently in the “red zone”, as discussed below:

1. Fit for the Future Change Programme not managed appropriately/effectively

The score here reflects the problems experienced with some recent projects such as the Bowls England Project where a significant overspend against the original budget is anticipated.

To help ensure that projects in the future are managed better, specifically that projects are managed realistically and Members given confidence in the estimated costs associated with those projects, Executive at its meeting on 11 September resolved that, in the future, all projects will be drawn up within an adopted standard framework. The input of staff within the Housing and Property Services team was integral to this work but the subsequent disruption to this service area arising from the unanticipated personnel changes meant the development of this framework was significantly delayed. CMT are now prioritising the completion of this work.

The risk control mechanism referred to, needs to be actioned but this now seems likely to require a temporary resource to work up in detail which CMT anticipate being able to achieve by the end of the calendar year.

The next three red zone risks (2, 6 and 8) are intrinsically linked as they are driven by consideration of the Council’s current and future financial position:-

2. Risk of service quality reducing

The score here reflects the current financial pressures facing the Council, and the need to make further significant savings, there is increased likelihood of the savings impacting upon services. Whilst the impact may not be great, the worst case scenario may be for a significant impact upon a service or services. The work underway as part of Fit For the Future is seeking to make the savings whilst protecting and improving services should reduce the potential impact on service quality should changes in service be necessary. However, until all of the FFF projects are complete the Council will remain in the red zone on this risk.

6. Risk of insufficient finance to enable the Council to meet its objectives (including insufficient reduction in operational costs)

This risk links with Risk 2, above. The risk rating is high here due to the anticipation of a poor Revenue Support Grant Settlement and the possibility that FFF Projects do not achieve sufficient savings. As reported in the Budget Review Report, various projects are being investigated which should enable savings to be made. Once there are more details of these projects and they are confirmed, it should be possible to reduce the likelihood of this risk occurring. However, until all of the FFF projects are complete the Council will remain in the red zone on this risk.

8. Risk of significantly reduced income

Again, this risk links with the two risks highlighted above in that there is a risk of reduced income, for example, by way of government grant, or from income from services, impacting upon services. In addition to the risk controls stated in the risk register, the Fit for the Future programme is seeking to ensure that services are maintained. However, until all of the FFF projects are complete the Council will remain in the red zone on this risk.

16. Risk of Local Plan being unsound or delayed

Until the new local plan is agreed the authority is exposed to the possible consequences detailed in the risk register. Accordingly, it is imperative that officers ***and members*** work to ensure the local plan is agreed in accordance with the agreed timetable. Unlike many of the other risks this one cannot be mitigated by management measures alone. It requires Members to understand and act accordingly in their decision making capacity through the judgements they make or do not make on the Local Plan. However, it is also the case that until the whole of the Local Plan process is complete this risk will be likely to remain in the red zone.

Summary of Significant Business Risks

APPENDIX 2

Consequences	Probability of Occurrence				
	Low	Low-Medium	Medium	Medium-High	High
High		Risks 4, 9 & 11	Risks 1 & 16	Risks 2 & 8	Risk 6
Medium-High		Risks 3 & 7	Risks 5 & 14		
Medium	Risk 12	Risk 10	Risks 9 & 13		
Low/Medium			Risk 15		
Low					

Methodology for assessing risk: Criteria for scoring residual risk rating

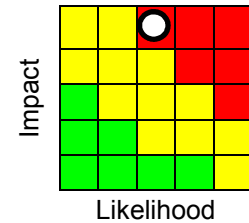
Probability of Occurrence

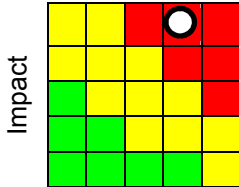
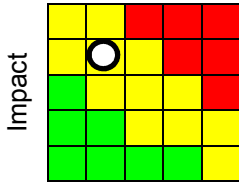
Estimation	Description	Indicators
5: High (Probable)	Likely to occur each year (defined as more than 25% chance of occurrence in any one of the years covered by the assessment).	<ul style="list-style-type: none"> Potential of it occurring several times within the specified period (for example - ten years). Has occurred recently.
4: Medium to High	Apply judgement	Apply judgement
3: Medium (Possible)	Likely to occur during a 10 year period (defined as between 2% and 25% chance of occurrence in any one of the years covered by the assessment).	<ul style="list-style-type: none"> Could occur more than once within the specified period (for example - ten years). Could be difficult to control due to some external influences. Is there a history of occurrence?
2: Low to Medium	Apply judgement	Apply judgement
1: Low (Remote)	Not likely to occur in a 10 year period (defined as less than 2% chance of occurrence in any one of the years covered by the assessment).	<ul style="list-style-type: none"> Has not occurred. Unlikely to occur.

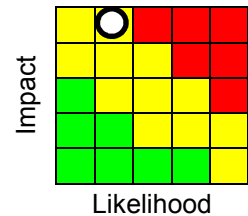
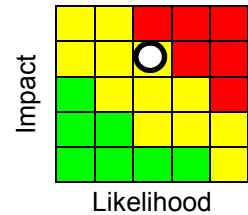
Consequences

Estimation	Description
5: High	<ul style="list-style-type: none"> Financial impact on the organisation is likely to exceed £500K Significant impact on the organisation's strategy or operational activities Significant stakeholder concern
4: Medium to High	Apply judgement
3: Medium	<ul style="list-style-type: none"> Financial impact on the organisation likely to be between £100K and £250K Moderate impact on the organisation's strategy or operational activities Moderate stakeholder concern
2: Low to Medium	Apply judgement
1: Low	<ul style="list-style-type: none"> Financial impact on the organisation likely to be less than £10K Low impact on the organisation's strategy or operational activities Low stakeholder concern

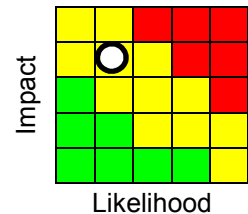
Significant Business Risk Register

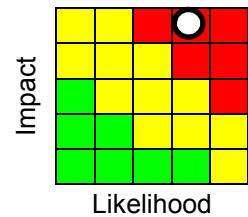
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Performance Management Risks				
<p>1. Risk of corporate projects and organisational change not managed effectively.</p> <p>Fit for the Future Change Programme not managed appropriately/effectively</p>	<p>Poor organisational communication.</p> <p>Conflicting priorities and priorities increasing in number.</p> <p>Unable to dedicate appropriate resources due to the impact on existing services.</p> <p>Poor management.</p> <p>Ineffective use of project management or systems thinking.</p> <p>Lack of funding.</p>	<p>Reduced service levels.</p> <p>Non or reduced achievement of objectives.</p> <p>Adverse financial impacts.</p> <p>Reputational damage.</p> <p>Demoralised and de-motivated staff.</p>	<p>New OD team in place. (HoC&CS)</p> <p>Project prioritisation. (SMT)</p> <p>SMT are Programme Board. (SMT)</p> <p>Fit for the Future change programme and associated governance arrangements. (SMT)</p> <p>Budget monitoring process. (HoF)</p> <p>Clear communications, staff focus group. (SAMS)</p> <p>People Strategy Action plan. (SMT)</p> <p>Additional training for staff involved with project management. (HoC&CS)</p> <p>Strong leadership to ensure priorities are managed to a deliverable level. (SAMS)</p> <p>Securing additional resources to support existing service provision. (CMT)</p> <p>All projects to be drawn up within an adopted standard framework. (CMT)</p>	

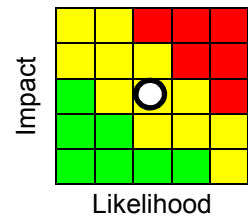
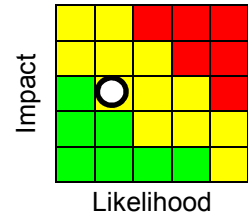
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
2. Risk of service quality reducing.	<p>Shortage of staff skills and knowledge.</p> <p>Staff skills and resources diverted to service redesign proposals as part of delivering Fit For the Future and other emerging corporate priorities.</p> <p>Cannot afford cost of maintaining service quality.</p> <p>Partners such as WCC make service cuts.</p> <p>Pandemic.</p> <p>Contractor failure.</p>	<p>Poor customer service and reductions in income.</p> <p>Lack of direction with critical projects and services being compromised</p> <p>Public lose confidence in Council's ability to deliver.</p> <p>Demoralised and de-motivated staff.</p>	<p>Effective Management of Change Programme. (CMT)</p> <p>Agreeing additional resources where service quality is reduced. (CMT)</p> <p>Strong leadership to manage priorities to a deliverable level. (SAMS)</p> <p>Effective vacancy control. (SAMS)</p> <p>Service Reviews. (SAMS)</p> <p>Workforce Planning. (SAMS)</p> <p>Enhanced Performance Management System (SMT)</p> <p>Use of Measures/KPIs (SMT)</p>	<p>Impact</p>  <p>Likelihood</p>
3. Risk of major contractor going into administration.	<p>Poor procurement of contractor.</p> <p>Poor contract management.</p> <p>Poor management of company.</p> <p>External factors.</p> <p>State of economy.</p>	<p>Reduced service levels.</p> <p>Non or reduced achievement of objectives.</p> <p>Adverse financial impacts.</p> <p>Reputational damage.</p>	<p>Properly procured contracts. (SAMS)</p> <p>Active contract management. (SAMS)</p>	<p>Impact</p>  <p>Likelihood</p>

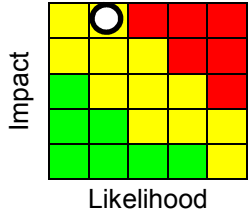
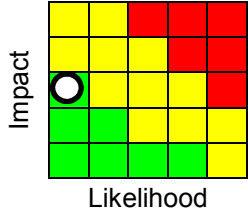
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Corporate Governance Risks				
4. Risk of corporate governance arrangements not maintained effectively.	Ineffective management and leadership. Complacent attitudes. Delays in making, or failure to make, key decisions by Council Members. Changes to political leadership.	Breakdown in internal controls leading to: non-achievement of objectives; high volumes of staff, customer, and contractor fraud; and loss of reputation.	Council's constitution. (DCE(AJ)) Council's strategies and policies, including Code of Financial Practice. (SMT) Strong scrutiny arrangements. (SMT) Effective internal audit function. (HoF) Annual Governance Statement. (DCE(AJ))	
Human Resources Risks				
5. Risk of staff not developed effectively.	Ineffective workforce strategies. Not managing staffing resources efficiently and effectively.	Disruption to Council services – staff cannot undertake level or volume of work to meet all priorities. Poor customer service. 'Industrial' action.	People Strategy. (SMT) Management development programme. (HoC&CS) Succession planning. (SAMS) Prioritisation of work. (SAMS) Appropriate use of external resources. (SAMS)	

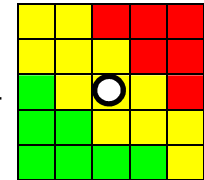
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Financial Management Risks				
6. Risk of insufficient finance to enable the council to meet its objectives (including insufficient reduction in operational costs).	<p>Poor financial planning.</p> <p>Unexpected loss of income and/ or increase in expenditure.</p> <p>FFF Projects do not achieve sufficient savings.</p> <p>Risk of poor Revenue Support Grant Settlement.</p> <p>Business Rate Retention.</p> <p>Council Tax income base reducing.</p>	<p>Forced to make large scale redundancies.</p> <p>Forced to make urgent decisions without appropriate planning.</p> <p>Forced to make service cuts.</p> <p>Increased costs.</p> <p>Fines/penalties imposed.</p>	<p>Codes of Financial Practice and Procurement Practice. (HoF)</p> <p>Effective internal audit function. (HoF)</p> <p>External audit of financial accounts. (HoF)</p> <p>Effective management of FFF Projects. (SAMS)</p> <p>All projects accompanied with robust financial appraisals and programme forecasts that allow the Council to understand projected funding requirements. (HoF)</p> <p>Council's constitution. (DCE(AJ))</p> <p>Financial training. (HoF)</p> <p>Robust financial planning and a Medium Term Financial Plan that can accurately forecast income and expenditure. (HoF)</p> <p>Regular review of Financial Strategy. (HoF/SMT)</p> <p>To develop plan to fill the anticipated budget shortfall. (HoF/SMT)</p> <p>Provide Code of Financial Practice Training. (HoF/SMT)</p> <p>Develop Prosperity Agenda. (DCE BH)</p> <p>Complete Deloitte's Fees & charges Review (HoF/SMT)</p> <p>Complete Leisure Options Review (HoCS/CMT)</p>	<p>Impact</p> <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
7. Risk of additional financial liabilities.	<p>Risk of revenue implications of capital schemes not being fully identified.</p> <p>Risk of loss or delay of capital receipts.</p> <p>Risk of increase in superannuation fund contributions.</p> <p>Uninsured loss.</p> <p>Risk of Medium Term Financial underestimating future revenue income and expenditure (including capital)</p> <p>Legal challenge e.g. relating to a planning development.</p>	<p>Greater level of savings to be sought.</p> <p>Forced to make sub-optimum and short term decision without proper planning.</p> <p>Reduced levels of service.</p> <p>Payment of compensation.</p> <p>Failure to deliver service.</p>	<p>Fit for the Future change programme. (CMT)</p> <p>Project Risk Registers. (SAMS)</p> <p>Project Management. (SAMS)</p> <p>Asset Management. (HoH&PS)</p> <p>More effective financial planning and scenario analysis. (HoF)</p> <p>Regular monitoring of Fit for the Future. (SMT)</p> <p>Legal advice on projects. (SAMS)</p>	

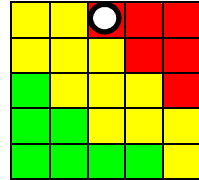
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
<p>8. <u>Risk of significantly reduced income.</u></p> <p>Risk of not investigating potential income sources.</p>	<p>National Economy declines.</p> <p>Local economy declines</p> <p>Tightening of Government fiscal policy.</p> <p>Changes to Government Policy.</p> <p>Reduced Government grants.</p> <p>Demographic changes.</p> <p>Focus on FFF priorities which compromise existing service delivery.</p> <p>Weak financial planning and forecasts.</p> <p>External competition.</p> <p>Member decision making.</p> <p>Council policy framework not conducive to enterprise development.</p>	<p>More loss making services.</p> <p>Reduced income for the Housing Revenue Account that could compromise banking covenants.</p>	<p>FFF Programme. (SMT)</p> <p>Effective fees and charges schemes. (HoF)</p> <p>Communications &Marketing Strategy. (SAMS)</p> <p>Regular review of financial forecasts to ensure income projections are up to date. (HoF)</p> <p>Secure additional resources to ensure existing services are not impacted as a result of a focus on FFF/corporate priorities. (HoF)</p> <p>Develop Prosperity Agenda. (DCE BH)</p> <p>Introduce effective Local Plan. (Members)</p>	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Procurement Risks				
9. Risk of improper procurement practices and legislative requirements not being complied with.	Weak governance arrangements. Ineffective procurement. Poor procurement function.	Reduced levels of service provision. Increased costs. Fines/penalties imposed.	Codes of Financial Practice and Procurement Practice. (HoF) Training of staff. (HoF/SAMS) Monitoring of departmental procurement function. (SMT) Procurement Strategy (incl. action plan). (HoF) Updating of Code of Procurement Practice and related documents. (SMT)	
Partnership Risks				
10. Risk of partnerships not delivering stated objectives.	Poor management. Failure to apply a robust process for entering into partnerships. Lack of framework governing partnerships.	Required outcomes not achieved. Increased costs. Reduced level of service or failure to deliver service.	Ongoing scrutiny of partnerships. (DCE(AJ)) Normal management arrangements. (SAMS) Partnership checklists. (DCE(AJ))/SAMS Annual healthcheck completed by senior officers. (DCE(AJ))/SAMS Scrutiny committee regular review. (DCE(AJ)) Audit of partnership arrangements. (DCE(AJ)) Project Groups for significant services. (SAMS)	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Legal Risks				
11. Risk of not complying with key legislation or legal requirements, including failure to protect data.	Breakdown in governance.	External censure. Financial loss. Litigation. Financial sanctions/penalties Damage to reputation.	Constitution. (DCE(AJ)) External legal advice. (DCE(AJ)) Monitoring officer review of all Executive recommendations. (DCE(AJ)) Ongoing professional training. (SMT)	 <p>Impact</p> <p>Likelihood</p>
Information Management Risks				
12. Risk of ineffective utilisation of information and communications technology.	Poor management of IT function. Lack of specialist staffing. Lack of finance. Lack of trained staff.	Costly services. Inefficient services. Poor customer service. Data disclosures.	ICT Strategy. (HOC&CS) Fully-resourced, effective and secure IT function. (HOC&CS) Training for staff. (HOC&CS)	 <p>Impact</p> <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Asset Management Risks				
13. Risk of failing to provide, protect and maintain Council-owned property.	<p>Poor management.</p> <p>Lack of finance.</p> <p>Ineffective asset management.</p> <p>Incomplete data on asset conditions.</p> <p>Lack of effective asset management planning.</p> <p>Insufficient resources to maintain assets.</p>	<p>Lack of a suitable and safe living or working environment for residents, staff and visitors.</p> <p>Sub optimum asset decisions that are poor value for money.</p> <p>Building closure.</p>	<p>Complete end to end systems intervention of the Property Service. Develop new Asset Management Strategy for Council approval linked to Asset Database. (HoH&PS)</p> <p>Overall strategic decisions regarding Council's corporate assets managed by multi-disciplinary Strategic Asset Management Group (SAG) – chaired by Deputy Chief Executive. (HoH&PS)</p> <p>The operational management of the corporate repairs budget is overseen by the Corporate Property Investment Board (CPIB) – chaired by Property Manager. (HoH&PS)</p> <p>Improvements made to end to end systems to manage electrical testing, asbestos and gas servicing. (HoH&PS)</p> <p>Condition survey currently being undertaken. (HoH&PS)</p>	<p>Impact</p>  <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Emergency Response and Business Continuity Risks				
14. Risk of a major incident not responded to effectively.	Numerous causes including terrorism, natural disaster and pandemic such as bird flu.	Partial or total loss of resources such as staff, equipment, systems. Major media engagement. Major disruption to all Council services. Possible legal action for damages.	Emergency plan reviewed every 6 months. (HoH&CP) Business continuity plan reviewed every 6 months. (HoH&CP) Training for SMT –exercises and reviews. (HoH&CP)	
Environmental Risks				
15. Risk of climate change challenges not responded to effectively.	Lack of expertise. Lack of finance. Failure to reduce carbon footprint.	Budgetary impacts. Service changes required if long recovery phase. Loss of reputation and external censure. Disruption to services. Public health issues.	Climate Change Strategy. (HoH&CP)	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Planning Risks				
16. Risk of Local Plan being unsound or delayed. Failure to identify suitable sites for Gypsies and Travellers.	Developer challenge before local plan complete. Political procrastination. Lack of involvement of external key players. Local Plan not evidenced properly.	Non or reduced achievement of objectives. Adverse financial impacts such as failure to set the Community Infrastructure Levy. Reputational damage. Possible legal action for damages. Development not where required. Increased costs. Additional work. Local Plan found unsound.	Published timetable. (HoDS) Plan based on robust evidence. (HoDS) Project management. (HoDS) Local Plan Programme Board. (HoDS) Local Plan Risk Register. (HoDS) Agree Gypsy and Traveller sites. (SMT)	 <p>Impact</p> <p>Likelihood</p>

Key:

New narrative

Narrative being transferred

Deleted narrative

☞ = Current risk score

etc = Previous risk scores

Æ etc = trail (direction) of changes

CMT : CorporateManagement Team

SMT : Senior Management Team


DCE(AJ) : Deputy Chief Executive – Andrew Jones

HoC&CS : Head of Corporate & Community Services

HoF : Head of Finance

HoDS : Head of Development Services

HoH&CP : Head of Health & Community Protection

 EXECUTIVE COMMITTEE 30 th July, 2014		Agenda Item No. <h1>5</h1>
Title: Response to Overview & Scrutiny Task & Finish Group's review of the Dog Control service in the district.		
For further information about this report please contact	Pete Cutts Safer Communities Manager pete.cutts@warwickdc.gov.uk 456021 Robert Hoof Head of Neighbourhood Services robert.hoof@warwickdc.gov.uk 456302 Mike Snow Head of Finance mike.snow@warwickdc.gov.uk 456800	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	n/a	
Background	The Impact of Dog Control Orders. A task and Finish Group Report for the Overview and Scrutiny Committee October 2013 Minutes of Executive October 2013	
Contrary to the policy framework:		No
Contrary to the budgetary framework:		No
Key Decision?		No
Included within the Forward Plan? (If yes include reference number)		No
Equality & Sustainability Impact Assessment Undertaken		No
None		
Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	30/7/14	Andrew Jones
Head of Service	2/7/14	Richard Hall/Rob Hoof/Mike Snow
CMT		
Section 151 Officer	2/7/14	Mike Snow
Monitoring Officer		
Finance	2/7/14	Mike Snow
Portfolio Holder(s)	2/7/14	Cllr Michael Coker/ Cllr David Shilton/Cllr Stephen Cross
Consultation & Community Engagement		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1 This report is produced in response to a Task and Finish Group Report for the Overview and Scrutiny Committee. The summary of their recommendations is attached at Appendix 1. Executive on 23rd October 2013 agreed recommendations 6, 7, 11, 12, 13, 14, and 18. The responses to the 20 recommendations fall into two categories and are provided in Appendices 2 and 3.

2. RECOMMENDATIONS

- 2.1 That the recommendations, as set out in Appendices 2 & 3 are approved.

3. REASONS FOR THE RECOMMENDATIONS

- 3.1 These are detailed individually in Appendix 2, 3 and 4.

4. POLICY FRAMEWORK

- 4.1 The Clean Neighbourhoods and Environment Act 2005 provides a power to local authorities to make dog control orders. These orders replace the previous system of byelaws for the control of dogs, and also the Dogs (Fouling of Land) Act 1996 which has been repealed.
- 4.2 Fit for the Future – The Council's purpose is to improve the quality of life for everyone who lives in, works in or visits Warwick District. With our partners, we aspire to build sustainable, safer, stronger and healthier communities. Ensuring that effective steps are taken to promote responsible dog ownership will contribute to these aims.

5. BUDGETARY FRAMEWORK

- 5.1 Costs, where known, are set out against individual recommendations. Where recommendations for approval are made they are covered within existing budgets.
- 5.2 The Council is still facing a substantial future financial shortfall, as discussed within the Budget Review report to this meeting of the Executive. Any proposal to increase the Council's revenue expenditure on an on-going basis will increase the level of savings to be found. If savings are not found, this could impact upon existing service provision.

6. ALTERNATIVE OPTIONS CONSIDERED

- 6.1 These are detailed individually in the Appendices.

7. BACKGROUND

- 7.1 The Dog Control Orders (Prescribed Offences and Penalties, etc) Regulations 2006 provide for five offences which may be prescribed in a dog control order:
- Failing to remove dog faeces
 - Not keeping a dog on a lead

- Not putting, and keeping, a dog on a lead when directed to do so by an authorised officer
 - Permitting a dog to enter land from which dogs are excluded
 - Taking more than a specified number of dogs onto land.
- 7.2 Orders can be made in respect of any land which is open to the air and to which the public are entitled or permitted to have access (with or without payment). The penalty for committing an offence contained in a dog control order is a maximum fine of level 3 on the standard scale (currently £1000) or the issue of a fixed penalty notice.
- 7.3 The Dog Control Orders (Procedures) Regulations 2006 prescribe the procedure which must be followed in making an order. This includes consulting with the County Council and relevant Parish Councils, and publishing a notice describing the proposed order in a local newspaper giving at least 28 days for representations. At the end of the consultation period, the Council must consider any representations received and if it decides to proceed with the order, allow a further 14 days before it comes into force. A further notice must be published in the local newspaper confirming the date on which it comes into force. There is also a legal requirement to place signs, where practicable, on land to which the order applies. This process must also be followed if any significant changes are made to the orders.
- 7.4 The Council introduced four dog control orders in November 2011, namely –
 The Fouling of Land by Dogs (Warwick District Council) Order 2011
 The Dogs on Leads (Warwick District Council) Order 2011
 The Dogs on Leads by Direction (Warwick District Council) Order 2011
 The Dogs Exclusion (Warwick District Council) Order 2011
- 7.5 Enforcement of the orders has been primarily by Council's Dog Warden but police community support officers can take evidence of an offence. The Council may also authorise other Council staff as well as officers of other local authorities (county or parish) to act on its behalf.
- 7.6 Overview and Scrutiny Committee's work programme for 2012 included establishing a task & finish group to review the impact of the four dog control orders after the first year of their implementation and make recommendations for greater effectiveness. This was partly in response to representations from Members and the general public to extend the orders, notably to
- closed churchyards
 - other church graveyards
 - all children's play areas
 - Pageant Garden, Warwick
 - green area around Buckden Close, Woodloes Park, Warwick
 - park area in the corner of Highcroft Crescent, Leamington Spa
- 7.7 The O & S final report was considered by the Executive in October 2013 together with initial comments from the Environmental Services portfolio holder who was of the opinion that it had been a very valuable piece of work. The Executive agreed to accept the proposal from the Portfolio Holder on the way forward and resolved that
- (1) recommendations 6, 7, 11, 12, 13, 14, and 18 of the O&S report be approved, and

- (2) the other recommendations (1-5, 8-10, 15-17, 19 and 20) be subject to a further report from the three relevant portfolio holders (Finance, Neighbourhood Services, and Health & Community Protection) about the practicalities and financial arrangements for them.

7.8 This report therefore addresses the second resolution above and those T&F Group recommendations which asked for more information. It should also be noted that recommendation 7 has a number of parts for consideration and further information is provided within the appendices, with varying recommendations.

Task & Finish Groups Recommendations

The Group recommends that:

Recommendation 1

The existing four dog control orders implemented in November 2011 remain in force, subject to a few amendments made in the recommendations of this report.

Recommendation 2

The Council considers amending The Dogs on Leads (Warwick District Council) Order 2011 and adding enforcement of dogs on leads on highways / pavements.

Recommendation 3

The wording on the Fouling of Land by Dogs Order 2011 is reviewed as the inclusion of farmland, especially where livestock graze, and similar within this order is unreasonable and unenforceable

Recommendation 4

It is urgent that far more refuse bins should be located around the District and some of the existing ones need to be moved to a more appropriate place, subject to the bin audit. The refuse bin emptying rota should be reviewed, especially for areas of high use.

Recommendation 5

The type of “open basket bin” used at cemeteries is inappropriate for dog waste and bins that are more appropriate should be provided.

Recommendation 6

The Council should undertake on-going publicity to inform the public that refuse bins can be used for dog waste.

Recommendation 7

Warwick District Council should continue to review where dog control orders are implemented, for example, at Pageant Gardens. A Request for the Dogs On Leads order to be implemented has been made by a resident who uses Canalside at Woodloes. Requests for a Dogs Exclusion Zone Order have been made by residents who use Acre Close and Highcroft Crescent – Milverton.

Recommendation 8

Money should be set aside to provide fencing around children's play areas. The Play Working Party could undertake a review of where fencing is appropriate.

Recommendation 9

Enforcement signs should be in the form of a request, rather than an instruction.

Recommendation 10

The Dog Warden's job title should be changed to better reflect the role. For example, the job title “Dog Welfare Officer” encompasses the advisory and educational part of the role, as well as the enforcement aspect.

Recommendation 11

The Council should consider whether it wishes to introduce dog behaviour contracts in line with the “Eastleigh model”, as operated by Eastleigh Borough Council. Please see Appendix 4.

Recommendation 12

The Council should hold talks with the Golf Club management at Newbold Comyn to facilitate a better relationship between golfers and dog walkers, for example, the possibility to adopt the “Fairway Code” which has been suggested to members of the Task and Finish Group.

Recommendation 13

The Council should liaise with local Police to clarify the role of PCSOs and how they work with the Council's own dog warden as dog control forms part of their duties.

Recommendation 14

The Council should liaise with local Neighbourhood Watch groups to involve them in gathering information about persistent fouling in residential areas.

Recommendation 15

The Council should consider extending the successful Action 21 initiative, currently operating in Jephson Gardens, to the other destination parks (St Nicholas, Abbey Fields and Victoria Park).

Recommendation 16

The wording of The Dogs on Leads by Direction order should be reviewed so that it is only used when there is evidence that a dog is likely to cause a serious annoyance. In particular, the wording of paragraph 4.2 (b) is too vague.

Recommendation 17

To review the concession regarding dogs in cemeteries in light of experience and if we continue to allow dogs in cemeteries, they should be on short leads at all times in cemeteries. It is recommended that closed churchyards be added to the list of cemeteries where it applies.

Recommendation 18

The Council should review whether it is appropriate that other council officers should have a role in dog control given that special training and aptitude is undoubtedly required for this.

Recommendation 19

In respect of Warwick Racecourse and St Mary's Lands, more resources are required to tackle the specific problems there.

Recommendation 20

In order to make all these and other recommendations achievable, a new post for a second dog welfare officer should be created to the staffing complement. The District is too wide and area for one officer and the additional member of staff is required if the Council wishes to achieve the level of control it wanted when the dog control orders were introduced.

APPENDIX 2

Overview and Scrutiny Task & Finish Group's recommendations –

Recommended for Executive approval -

(NB – Numbering refers to T&F Group's recommendations. The wording of the recommendation is in italics)

- 1** *The existing four dog control orders implemented in November 2011 remain in force, subject to some amendments made in the recommendations of this report.*

Response - Agreed.

- 6** *The Council should undertake on-going publicity to inform the public that ordinary refuse bins can be used for dog waste.*

Response -

Stickers are already in place on all our waste bins. Additional publicity will be secured through key partners and will include promotion at dog-owner education events throughout the summer.

- 7** *Warwick District Council should continue to review where dog control orders are implemented, for example, at Pageant Gardens. A Request for the Dogs On Leads order to be implemented has been made by a resident who uses Canalside at Woodloes. Requests for a Dogs Exclusion Zone Order have been made by residents who use Acre Close and Highcroft Crescent – Milverton.*

Response -

Previous Executive decisions allow for the application of Dog Control Orders to play areas, without further public consultation, where they are or can be clearly demarcated.

It is therefore recommended that Acre Close, Highcroft Crescent, Abbey Fields and The Dell will be designated as Dog Exclusion zones, as requested.

(See Appendix 3 – section 7 with respect to Pageant Gardens and Canalside)

- 12** *The Council should hold talks with the Golf Club management at Newbold Comyn to facilitate a better relationship between golfers and dog walkers, for example, the possibility to adopt the "Fairway Code" which has been suggested to members of the Task and Finish Group.*

Response -

Talks are ongoing with Mac Golf re their offer to provide staff to educate dog owners re keeping dogs on leads on the footpaths. We will also consider the merits of introducing the Fairway Code. 8 posts have already been installed to enable the fixing of signs.

- 13** *The Council should liaise with local Police to clarify the role of PCSOs and how they work with the Council's own dog warden as dog control forms part of their duties.*

Response –

This has been done and a guidance note produced. See Appendix 5

- 15** *The Council should consider extending the successful Action 21 initiative, currently operating in Jephson Gardens, to the other destination parks (St Nicholas, Abbey Fields and Victoria Park).*

Response –

A Ranger Service similar to that provided in Jephson Gardens could be expanded to cover parks and open spaces across the district. Due to the Council's decision to retain its off-street parking service, there is the opportunity to create a generic Ranger role. This would enable the Council to provide a range of operational services, a sign posting and assurance role, car parking management and a broader enforcement role. This work could be tied in with the changes to anti-social behaviour legislation which comes into force in the Autumn of 2014, with the potential to remove all bye-laws and replace as conditions under the new Public Spaces Protection Orders.

It is recommended that a further report be brought back to Executive for a decision when specific proposals have been prepared, towards the end of the year before the 2014/15 Budget is considered by members.

- 18** *The Council should review whether it is appropriate that other council officers should have a role in dog control given that special training and aptitude is undoubtedly required for this.*

Response –

We support this and 10 members of staff are already delegated to enforce dog control duties. See also recommendation 15.

Task & Finish Group Recommendations –

Not recommended for approval by Executive

(NB – Numbering refers to T&F Group’s recommendations. The wording of the recommendation is in italics)

- 2** *The Council considers amending The Dogs on Leads (Warwick District Council) Order 2011 and adding enforcement of dogs on leads on highways/pavements.*

Response –

There is insufficient evidence to bring this forward at the current time and there has been no expressed demand from our residents to introduce this. However, this will be kept under review.

- 3** *The wording on the Fouling of Land by Dogs Order 2011 is reviewed as the inclusion of farmland, especially where livestock graze, and similar within this order is unreasonable and unenforceable.*

Response –

This is not supported and would go against our general ethos. Further there is the exemption should the landowner give permission. There are also concerns about dog waste being left on grazing land. This may lead to parasites which can cause diseases in livestock which can result in death of sheep, and abortion in cattle.

- 4** *It is urgent that far more refuse bins should be located around the District and some of the existing ones need to be moved to a more appropriate place, subject to the bin audit. The refuse bin emptying rota should be reviewed, especially for areas of high use.*

Response –

An audit of the frequency of emptying bins was carried out as part of the tendering process for the current contract. We believe we have the frequencies about right and there are very few complaints. We always keep the frequencies under review and are happy to continue to do so, on a case by case basis. An increase in the frequency of collection could increase our costs.

There is a limited budget of £14,000 used almost exclusively to cover the supply and installation of replacing existing litter bins with an average cost of £350. Installation of more bins would incur additional costs. Additional contract costs could be incurred if emptying several bins or where the siting of a bin requires specific operational arrangements.

It is not recommended that additional bins be provided at the current time but the positioning and frequency of emptying bins will be kept under review.

- 5** *The type of "open basket bin" used at cemeteries is inappropriate for dog waste and bins that are more appropriate should be provided.*

Response –

The wire baskets are popular as they are good for the disposal of flowers, which require a large receptacle. The proposal to put an additional bin next to the wire baskets would be excessive due to the number of wire baskets in each cemetery.

As above in 4, the siting and emptying of additional bins would incur extra cost which is not supported at the current time. The situation will be kept under review.

7 *A request for a 'Dogs on Leads' Order at Pageant Gardens and Canalside at Woodloes.*

Response –

These would require public consultation and time will be required to schedule this work into the service plan.

It is therefore recommended that the Pageant Gardens proposal is not brought forward at the current time but is planned within the next year's work programme. In the meantime officers will discuss with Warwick Town Council how dog control can be best managed at Pageant Gardens.

With regard to Canalside it would be against agreed principles, i.e. it is not a clearly demarcated play area. Therefore this area is not recommended for implementation of a Dog Control Order.

8 *Money should be set aside to provide fencing around children's play areas. The Play Working Party could undertake a review of where fencing is appropriate.*

Response –

The fencing around play areas designed for younger children is provided in certain areas for protection. Recommendations for fencing are made with respect to the Green Space Strategy and within the budget allocated for this. The cost of fencing every play area in the district has not been determined because of the resource needed to survey and assess each individual site. However, it is estimated to amount to several hundred thousand pounds.

It is therefore recommended that the Play Area Working Party remain the body which reviews the fencing on play areas, within the policy and budgetary framework of the Green Space Strategy.

9 *Enforcement signs should be in the form of a request, rather than an instruction.*

Response –

An enforcement sign is not a request and it doesn't make sense to change that, nor would it assist with enforcement, when this is required.

10 *The Dog Warden's job title should be changed to better reflect the role. For example, the job title "Dog Welfare Officer" encompasses the advisory and educational part of the role, as well as the enforcement aspect.*

Response –

Whilst the reasoning behind the name change is understood the role has an enforcement element. This is important to demonstrate that we will support responsible dog owners, through enforcement as well as the dog welfare aspect. It is therefore not considered that the name change would be appropriate.

11 *The Council should consider whether it wishes to introduce dog behaviour contracts in line with the "Eastleigh model", as operated by Eastleigh Borough Council.*

Response –

We have liaised with Eastleigh Borough Council, and based on their evidence, we see no benefit in introducing this in Warwick District. See Appendix 4

- 14** *The Council should liaise with local Neighbourhood Watch groups to involve them in gathering information about persistent fouling in residential areas.*

Response –

Whilst this is supported by officers and members, Mid Warwickshire Neighbourhood Watch have been approached but they believe there is no appetite from members in participating. There are therefore no proposals to progress this further at this time.

- 16** *The wording of The Dogs on Leads by Direction order should be reviewed so that it is only used when there is evidence that a dog is likely to cause a serious annoyance. In particular, the wording of paragraph 4.2 (b) is too vague.*

Response –

We believe the wording is in line with the purpose of the order and sufficient to secure prosecution if necessary.

- 17** *To review the concession regarding dogs in cemeteries in light of experience and if we continue to allow dogs in cemeteries, they should be on short leads at all times in cemeteries. It is recommended that closed churchyards should be added to the list of cemeteries where it applies.*

Response –

We have consulted with Legal and their advice is as follows:

The existing Dogs on Leads Control Order would need to be amended to specify short leads (no more than 2m seems to be usual) in cemeteries. To amend a dog control order you need to go through the same procedure as you do when you make one. There is a provision to make minor amendments without having to do this but I do not think adding a short lead requirement would qualify as a minor amendment.

You would therefore need to

1. Consult with any other primary or secondary authorities in the area
2. Publish a notice in the newspaper and have a period in which representations can be made
3. Consider the representations before deciding whether or not to amend the order.

As in 7 above the work to manage a public consultation on the application of new Dog Controls Orders requires scheduling into the work programme. It is not intended to bring this forward at the current time, but to plan for it within next years' service plan.

- 19** *In respect of Warwick Racecourse and St Mary's Lands, more resources are required to tackle the specific problems there.*

Response –

We have committed resources in trying to educate users of this area and we will continue to do so, but we believe that the participation of racecourse staff in educating the public is also a key factor in improving the situation. We will continue to work with Warwick Racecourse to achieve the best outcome.

- 20** *Whilst recognising the current revenue position and economic climate, in order to make all these and other recommendations achievable, a new post for a second dog welfare officer should be created to the staffing complement at an*

estimated maximum cost of £25,400 which would cover salary and running costs such as vehicle costs, clothing, equipment, and public liability insurance. The District is too wide an area for one officer and the additional member of staff is required if the Council wishes to achieve the level of control it wanted when the dog control orders were introduced

Response –

Having considered the recommendation we believe that a broader look at the service provision is needed. Officers are therefore currently reviewing the Ranger service in parks to see how changes to this can provide a comprehensive approach which could address this and other services, on a more cost effective basis. See Appendix 2 section 15.

Task & Finish Group Recommendation 11

Feedback on Eastleigh Borough Council's approach.

In addition to noise nuisance from dogs and those out of control in public places, Eastleigh use the contracts to deal with dog bite incidents – these are usually dealt with by police.

When asked how many prosecutions they had dealt with before the scheme began, their answer was "We as a local authority have not done any prosecutions for dog on dog or dog bite incidents because we use the contract instead and have not had to go any further than this"

Eastleigh don't mention that they deal with dog fouling with their contracts which is one of the main problems in this district in relation to dogs– no one would sign up to a "no fouling" contract – so they are not appropriate for this problem (Eastleigh's problem seems to be with dog behaviour, attacks, noise and out of control dogs– WDC seems to have fewer problems with these areas(in the last 12 months 173 reports of fouling were received by WDC, just over 100 for noise relating to dogs and just over 100 relating to dog behavioural issues) .

Eastleigh say that by having the contracts it saves officer time and money by not having to prosecute, but as it seems they never have prosecuted, therefore, they may be spending more officer time by administering the contracts.

Contracts are voluntary and have to be agreed to by the dog owner – they are not enforceable.

Matters dealt with by the contracts would only be necessary for repeat offenders or where the aggrieved does not want formal action to be taken – current action taken by WDC is usually effective in most cases.

The process requires input from Police and Housing – not sure if they would have the regular resources available to work with us - we have had ad-hoc support when requested from police in certain difficult cases and details are logged onto Flare.

There is law in place to deal with ID – collar & tags and micro-chipping legislation will be in place from April 2016- By pointing this out to a dog owner and charging a fee for a stray usually makes the owner ensure their dog does not stray again and obtains ID for it.

Eastleigh do not hold any formal dog training or dog events following issue of a contract – WDC will be having 3 in August to educate the public on responsible dog ownership and offer free chipping – I think time and resources are better spent in this area as it would reach to a wider audience.

PCSO role in relation to Dog Control Orders

PCSO POWERS DESIGNATION

I, ANDY PARKER, Chief Constable of Warwickshire Police hereby designate all those members of staff whose job title is that of Police Community Support Officer as community support officers, as defined in Section 38 of the Police Reform Act 2002.


All community support officers have, throughout the area of the Warwickshire Police Force the following designated powers provided for in Schedule 4 Part 1 to the Police Reform Act 2002:-

The Power to:

- Require name and address from someone the PCSO believes has committed a relevant offence. (Para 1A)
- Require name and address for persons acting or believed to be acting in an anti-social manner. (Para 3)
- Require name and address for certain road traffic offences. (Para 3A)
- Require a person to stop drinking in a designated public area and to surrender containers of intoxicating liquor. (Para 5)
- Require persons aged under 18 to surrender alcohol. (Para 6)
- Seize tobacco from a person aged under 16. (Para 7)
- Seize non-concealed drugs and require name and address for possession. (Para 7B)
- Enter property to save life or limb or prevent serious damage. (Para 8)
- Seize vehicles used to cause alarm and distress. (Para 9)
- Remove abandoned vehicles. (Para 10)
- Stop Pedal Cycles. (Para 11A)
- Control traffic for the purposes other than escorting loads of exceptional dimensions. (Para 11B)
- Carry out Road Checks. (Para 13)
- Place Traffic signs. (Para 13A)
- Enforce cordoned areas Under Sec. 36 of the Terrorism Act 2000. (Para 14)
- Stop and search vehicles & items carried by persons in authorised areas in the company of a constable. (Para 15)
- Photograph persons away from a police station. (Para 15ZA)
- Power to detain (verbal only). (Para 2(3))
- Deal with begging. (Para 2(6))
- Enforce certain licensing offences. (Para 2(6A))
- Disperse groups and remove children (under 16) to their place of residence. (Para 4A)
- Remove truants to designated premises. (Para 4C)
- Search for alcohol and tobacco. (Para 7A)
- Seize drugs and require name and address for possession of drugs and to detain a person on failure to comply. (Para 7C)
- Limited power to enter licensed premises to investigate relevant offences. (Para 8A)
- Deal with Unnecessary Obstruction. (The Functions of Traffic Wardens Order 1970)

Power to issue Fixed Penalty Notices for:

- Cycling on a footpath
- Littering
- Dog control orders
- Sale of alcohol to a person under 18
- Purchase of alcohol for a person under 18
- Delivery of alcohol to a person under 18 or allowing such delivery
- Allowing consumption of alcohol by a person under 18
- Sells or attempts to sell alcohol to a person who is drunk
- Drunk in the highway
- Drinking in a designated public area

 Executive – 30th July 2014		Agenda Item No. 6
Title	Proposed Consultation on Release of Land off Stratford Road, Warwick, for Employment Purposes	
For further information about this report please contact	Chris Elliott (01926 – 456000) chris.elliott@warwickdc.gov.uk	
Wards of the District directly affected	Warwick South	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Not Applicable	
Background Papers	None	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality and Sustainability Impact Assessment Undertaken	No
A sustainability appraisal will be undertaken as part of the consultation process.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	10.07.14	Chris Elliott
Head of Service	10.07.14	Tracy Darke, Rob Hoof, Richard Hall
CMT	10.07.14	Bill Hunt, Andy Jones
Section 151 Officer	10.07.14	Mike Snow
Monitoring Officer	10.07.14	Andy Jones
Finance	10.07.14	Mike Snow
Portfolio Holder(s)	10.07.14	Les Caborn, John Hammon
Consultation & Community Engagement		
Consultation with the wider community and statutory agencies would be undertaken as the next stage.		
Final Decision?		No
Suggested next steps (if not final decision please set out below)		
If agreed, the consultation response would be fed back for Council to then make a decision.		

1. **SUMMARY**

- 1.1 To seek approval for the Council to undertake a consultation on the release of land off Stratford Road, Warwick and for that consultation response to be fed back for a decision in the context of the next stage of the Local Plan; and for officers to report back on the financial and other implications of provision/re-provision of the current depot on part of the site.

2. **RECOMMENDATION**

- 2.1 That land shown on Plan A be subject to a public consultation with the community and statutory agencies in relation to its release in the new Local Plan for the purposes stated in paragraph 3.7 of this report.
- 2.2 That, subject to 2.1 being agreed, the response to the consultation be reported back as part of the next stage of deliberations regarding the Local Plan.
- 2.3 In parallel but separately with recommendations 2.1 and 2.2, officers conduct discussions about the provision/re-provision of a depot for two of the Council's contractors and report back separately on the financial and other implications.

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The Council has been approached both as Local Planning Authority and as an adjoining landowner by Severn Trent Water (STW) to consider the release of land it owns off Stratford Road, Warwick for employment purposes. STW have proposed that the employment land release should include their land and immediately adjoining owned by other parties. The whole of the land proposed to be released is shown on Plan A attached. The STW land is marked by a black border, with the third party land shown as a shaded area to the left and the land that this Council owns, currently used as a depot by two of its contractors, shown as the shaded area closest to the sewage works.
- 3.2 The land in question is partly within the cordon sanitaire of the sewage works that lies immediately to the north. The vertical line on Plan A shows the existing boundary of the cordon sanitaire, with all land to the right of this line included within it, which currently includes the majority of the Council's land. The cordon sanitaire rules out the use of land within it for housing use and constrains its potential for use as employment land. However, steps are now planned by STW that would reduce the cordon sanitaire in size and so free up the land within the proposed allocation, including the Council's land, for development. This proposal has not been raised previously in the Local Plan process and so is new information and a new opportunity for a development.
- 3.3 The land in question already has the normal services and vehicular access to Stratford Road by means of a roundabout and is already partly developed land, used as a depot for the Council or for ancillary offices for Severn Trent Water. The current level of uses though is quite low and could, without the cordon sanitaire, be easily increased.
- 3.4 The local economy is showing significant signs of uplift with both companies and agents reporting difficulties of finding suitable land and buildings for local expansion or relocation with a possible consequent impact on employment opportunities. To give some indication of immediate unmet demand the Council is aware of outstanding space demands for 2 employers seeking circa 20,000

square feet (sq. ft.) each, one seeking 50,000 sq. ft. and another seeking 250,000 sq. ft.

- 3.5 Currently the Local Plan has made an employment land allocation off Europa Way of 8 hectares (19.2 acres) but this will require significant new infrastructure provision before it is ready for development, so will not be available in the short term to meet the evident and increasing demand. The landowner of this site is also currently objecting to the proposal as they believe it would compromise a wider housing development. Whilst, there is still some undeveloped employment land currently available within Tachbrook Park and on Tournament Fields this is unlikely to meet all the current market demand and, even if were capable of doing so, would leave the district with a gap before the current new Local Plan allocations are ready for development.
- 3.6 Consequently, a new employment site of a similar or greater size that does not require major infrastructure provision to make it developable would be very attractive to the needs of the market in the short to mid-term and could potentially resolve an objection to the Local Plan on a current employment land allocation. The proposed site is c15 hectares (35 acres), has good access to Junction 15 of the M40 and the A46, is on a bus route, has cycleway access, and is within walking distance of a significant housing area. It has existing service provision which can be upgraded and has few other environmental constraints, making it a potentially viable employment site that could be brought forward relatively speedily.
- 3.7 It is recommended therefore that a public consultation be undertaken in relation to the release of this land for employment purposes, i.e. Use Class B1, B2 and B8. However, STW suggest that the site could also be considered for C2 and car showroom activities. The District Council may also have another use for part of its land which is to be considered in another separate report by the Full Council on 13th August. All of these potential uses should be explored as part of the proposed consultation. The consultation response would then be fed back and the matter decided as part of the deliberations of the next stage of the Local Plan.
- 3.8 As landowner the Council had intended to lease the land it owns to two of its main contractors, although no formal leases have yet been agreed. However, it may be possible to relocate the depot (which is largely open land) within a scheme for the whole of the land shown at Plan A. This would have financial consequences for the Council which are set out in a subsequent section of this report as would disposal of the site. However, these would need to be explored more fully as a separate but parallel discussion for the Council to consider as a landowner and so it is suggested officers are authorised to do conduct discussions in order that they can then report back on the financial and other implications.
- 3.9 The proposed consultation would be with the full range of statutory and local community organisations and individual members of the public and would include use of the Council's web site, press releases and direct notifications.

4. **POLICY FRAMEWORK**

- 4.1 **Policy Framework** – This report does not bring forward any changes to the policy framework at this time although depending on the response it may lead to a change to the Council's Development Plan framework.

- 4.2 **Fit for the Future** – The Council’s purpose is to improve the quality of life for everyone who lives in, works in or visits Warwick District. With our partners, we aspire to build prosperous, sustainable, safer, stronger and healthier communities. As this proposal could help increase employment locally it will contribute to these aims.
- 4.3 **Sustainable Community Strategy** – The proposal could contribute significantly to the Prosperity theme by bringing forward a site in the short term to help meet the accommodation needs of local and relocating companies.

5. **BUDGETARY FRAMEWORK**

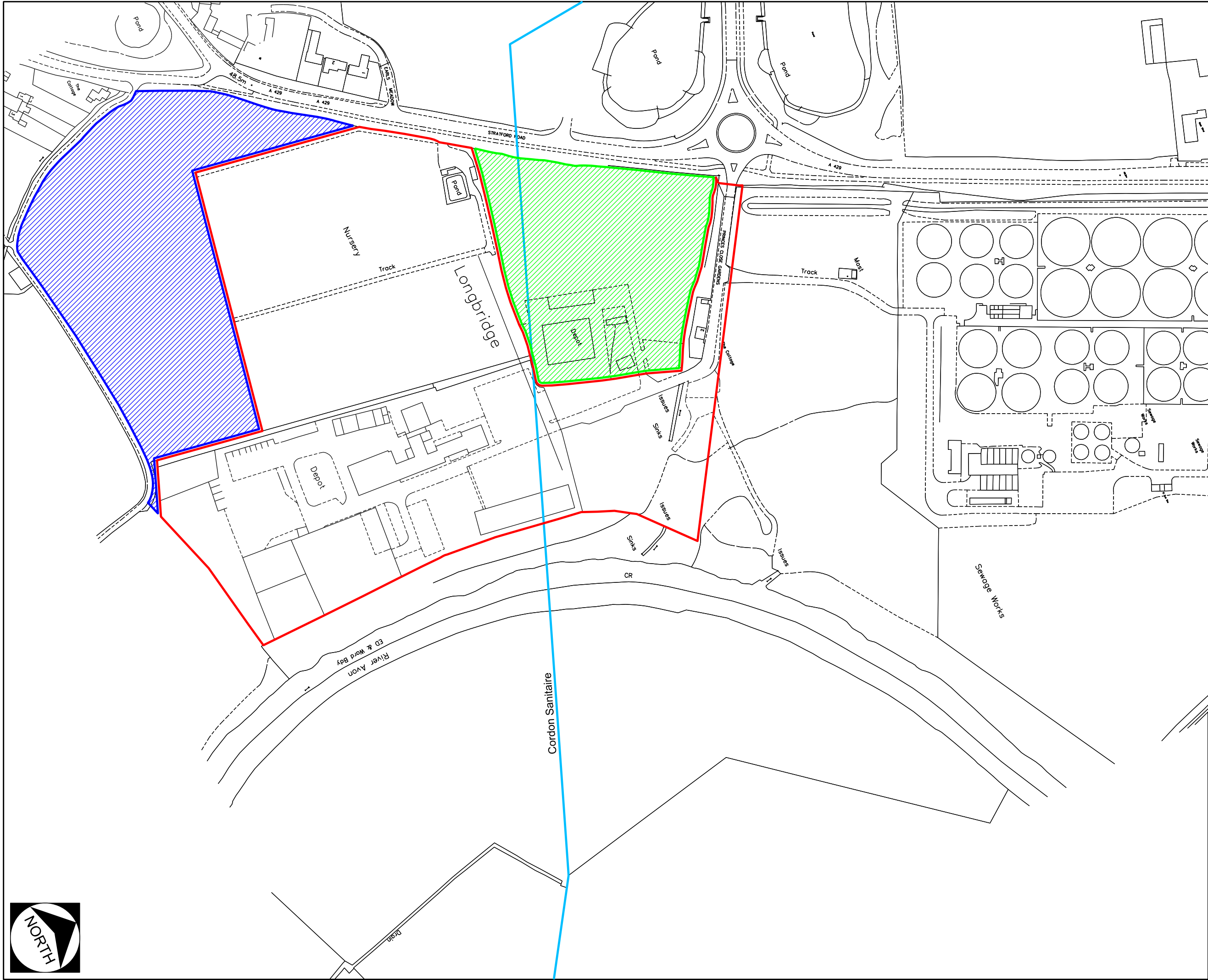
- 5.1 The public consultation costs can be provided for within the existing budget for the Local Plan.
- 5.2 The depot site has earned the Council £20k Per annum in rent. Disposal of land for employment use could be within the range of £200k to £500k per acre which for a site of just over 5 acres could yield the Council a receipt of between £1 million to £2.5 Million. However, the cost of re-provision of a depot is as yet unknown and would have to be considered as part of a decision by the Council as landowner about its own participation.

6. **RISKS**

- 6.1 The main risks as a landowner are in respect of the implications for the depot and the impact on the services which two of the Council’s contractors deliver using that depot but this can only be properly assessed after further discussions.
- 6.2 As Local Planning Authority the risks of this proposal relate to the possibility of further delay to the Local Plan process but this is regarded as minimal. On the other hand a successful consultation and alteration to the Local Plan would greatly assist as it would resolve a significant objection.

7. **ALTERNATIVE OPTION(S) CONSIDERED**

- 7.1 The Council could decide not to progress this opportunity with consequent potential adverse impacts on the possibility of resolving a current objection to the Local Plan, enabling the local economy to grow and gaining a capital receipt.
- 7.2 The Council could decide not to include its own land. This is possible and the impact is only on the Council financially in terms of a possible significant capital receipt foregone.
- 7.3 It is felt that since at this stage the proposal is only to go out to consultation there is little merit in closing down its options at this stage. The Council can consider these options once it has the benefit of a full consultation response.



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NOTES:

21.3acres

7.6 acres

5.3 acres

TOTAL 34.2 acres

REVISION				
Client				
STW				
Project				
Longbridge				
Drawing Title				
SITE OS PLAN				
Drawn	Checked	Size	Scale	Date
IP	PT	A3	1:2500	JAN 2014
Project No.		Drawing No.		Rev
131133		0002		C

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