



THE RUGBY BOROUGH COUNCIL

You are hereby summoned to attend an ORDINARY MEETING of the Rugby Borough Council, which will be held at the TOWN HALL, RUGBY, on Thursday 27 September 2018 at 7pm.

A G E N D A

PART 1 – PUBLIC BUSINESS

1. Apologies for absence.
2. To approve the minutes of the meeting of Council held on 19th July 2018.
3. Declaration of Interests.

To receive declarations of -

(a) non-pecuniary interests as defined by the Council's Code of Conduct for Councillors;

(b) pecuniary interests as defined by the Council's Code of Conduct for Councillors; and

(c) notice under Section 106 Local Government Finance Act 1992 – non-payment of Community Charge or Council Tax.
4. To receive the Mayor's Announcements.
5. Questions pursuant to Standing Order 10.

6. To receive the report of Cabinet which has met since the last meeting of the Council and to pass such resolutions and to make such orders thereon as may be necessary:

(a) Cabinet – 3 September 2018

(1) Finance and Performance Monitoring 2018/19 – Quarter 1 – Corporate Resources Portfolio Holder.

(2) Brownsover Community Room – management arrangements – Communities and Homes Portfolio Holder.

7. To receive and consider the Reports of Officers.

(a) Biart Place and Rounds Gardens – potential refurbishment and regeneration – report of the Executive Director.

8. Change to membership of Cabinet – Growth and Investment Portfolio Holder - report of the Leader of the Council.

9. Overview and Scrutiny Report 2016-18 – Report of the Chair of Brooke Overview and Scrutiny Committee and the Chair of Whittle Overview and Scrutiny Committee.

10. Notices of Motion pursuant to Standing Order 11.

To consider the following Motions of which notice has been duly given under Standing Order 11.

(i) Note: this Notice of Motion was deferred from the last meeting of Council on 19 July 2018.

“Following the recent announcement about the unsuccessful bid to secure funding for the Rugby parkway station and comments made by the national planning inspectorate in relation to the local plan in Rugby, I would ask the Leader of the Council to make urgent representations to DPT to secure national funding for the Rugby Parkway scheme. It is crucial that we secure this funding as quickly as possible to ensure the local plan is both viable and environmentally sustainable.”

Proposer: Councillor Mrs O’Rourke

Secunder: Councillor Ms Edwards

(ii) “The LGA has recently re-launched the national shared services map for 2018 which evidences how shared services have contributed to taxpayers saving more than £971m cumulative efficiency savings from over 559 shared service arrangements.

In light of this and to ensure that as a council we can demonstrate to the people of Rugby Borough that we have explored all opportunities to maximise savings through shared services initiatives for all of our back office services to avoid cutting vital front line services, I would like to recommend to Full Council:

- That senior officers and a cross party working group lead a local review to scope out which current back office and corporate services could be potentially delivered more efficiently through a shared service approach.
- For the results of that review to be brought back to a Full Council meeting within the current financial year outlining any opportunities to make savings.”

Proposer: Councillor Mrs O'Rourke
 Seconder: Councillor Ms Edwards

(iii) “Next year is the Coventry and Warwickshire year of Health and WellBeing and many public sector organisations are already working in partnership with their local communities to promote and encourage their communities to adopt healthy lifestyles. They are doing this by identifying and working with existing and new community networks and organisations, particularly those reaching vulnerable groups

Clearly Rugby Borough Council has a vested interest in supporting this wonderful initiative. Therefore I'm asking this Council to pledge its support for the year of health and wellbeing through:

- Working in partnership with our communities and stakeholders to identify one or two initiatives that we could all get behind.
- That we fund this with the unspent Warwickshire Public Health fund allocated to us last year.
- That we ask Scrutiny to establish a member task and finish group to monitor the delivery of those priorities.”

Proposer: Councillor Mrs O'Rourke
 Seconder: Councillor Brader

11. Correspondence.

12. Common Seal

To order the affixing of the Common Seal to the various orders, deeds and documents to be made or entered into for carrying into effect the several decisions, matters and things approved by the Council and more particularly set out in the Committees' Reports adopted at this meeting.

13. Motion to Exclude the Public under Section 100(A)(\$ of the Local Government Act 1972

To consider the following resolution:-

“under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item on the grounds that it involves the likely disclosure of information defined in paragraph 3 of Schedule 12A of the Act.”

PART 2 – EXEMPT INFORMATION

1. Market Quarter Sale.

DATED THIS 19th day of September 2018.

A handwritten signature in black ink, appearing to read 'Adam Nathan', is centered on the page.

Executive Director

To: The Mayor and Members of Rugby Borough Council

QUESTIONS AT COUNCIL

A Councillor may ask a Question at the meeting by giving notice in writing of the Question to the Chief Executive no later than midday on Friday 21 September 2018. The rules relating to Questions are set out in Standing Order 10 of Part 3a of the Constitution.

REPORT OF CABINET

3 September 2018

PRESENT:

Councillors Stokes (Chairman), Mrs Crane, Lowe, Mrs Parker and Ms Robbins.

Councillors Bearne, Ms Edwards, Miss Lawrence, Lewis, Picker, Roodhouse and Sandison were also in attendance.

1. FINANCE AND PERFORMANCE MONITORING 2018/19 – QUARTER 1

Cabinet considered a report concerning the Council's position to the end of quarter 1 for 2017/18 with regard to finance and performance. The report was circulated as part of the Cabinet agenda and all Members are requested to bring their copies to the meeting. A copy of the report will be attached as part of the electronic version of this agenda on the Council's website.

Recommendation of Cabinet

Cabinet decided that -

- (1) the Council's anticipated financial position for 2018/19 be noted;
- (2) a supplementary General Fund capital budget of £15,000 for 2018/19 be approved for the enhancement of lighting at Caldecott Park, to be funded from s.106 developer contributions;
- (3) a Supplementary General Fund capital budget of £46,440 be approved for the provision of Disabled Facilities Grants, to be funded from additional external grant awarded in 2018/19;
- (4) a net nil Supplementary General Fund revenue budget of £30,340 be approved for the cost of services provided by external organisations to deliver Universal Credit support in 2018/19, wholly funded from external funding received from DWP in support of Universal Credit roll out; and
- (5) IT BE RECOMMENDED TO COUNCIL THAT -
 - (a) a Supplementary General Fund revenue budget of £108,750 in 2018/19 and £36,250 in 2019/20 be approved for the Family Weight Management Scheme, to be fully financed through external funding; and
 - (b) performance summary and performance data included in Appendix 4 be considered and noted.

Recommended that -

(1) a Supplementary General Fund revenue budget of £108,750 in 2018/19 and £36,250 in 2019/20 be approved for the Family Weight Management Scheme, to be fully financed through external funding; and

(2) performance summary and performance data included in Appendix 4 be considered and noted.

2. BROWNSOVER COMMUNITY ROOM – MANAGEMENT ARRANGEMENTS

Cabinet considered a report concerning the management arrangements of the Brownsover Community Room to be located in the new medical centre. The report was circulated as part of the Cabinet agenda and all Members are requested to bring their copies to the meeting. A copy of the report will be attached as part of the electronic version of this agenda on the Council's website.

Recommendation of Cabinet

Cabinet decided to recommend to Council that -

(1) a formal lease arrangement be agreed with the Brownsover Community Association for them to manage and maintain the Brownsover community room;

(2) the lease period does not exceed 20 years; and

(3) regular 6-monthly monitoring meetings be held with the Brownsover Community Association to monitor and evaluate the services being offered from the facility.

Recommended that – the recommendation of Cabinet be approved.

**COUNCILLOR M STOKES
CHAIRMAN**

AGENDA MANAGEMENT SHEET

Report Title: Finance & Performance Monitoring 2018/19 – Quarter 1

Name of Committee: Cabinet

Date of Meeting: 3 September 2018

Report Director: Head of Corporate Resources

Portfolio: Corporate Resources

Ward Relevance: All Wards

Prior Consultation: None

Contact Officer: Mannie Ketley- Head of Corporate Resources & Chief Financial Officer

Public or Private: Public

Report Subject to Call-In: Yes

Report En-Bloc: No

Forward Plan: Yes

Corporate Priorities: This report relates to the following priority(ies):

(CR) Corporate Resources To provide excellent, value for money services and sustainable growth

(CH) Communities and Homes Achieve financial self-sufficiency by 2020

(EPR) Environment and Public Realm Enable our residents to live healthy, independent lives

(GI) Growth and Investment Optimise income and identify new revenue opportunities (CR)

Prioritise use of resources to meet changing customer needs and demands (CR)

Ensure that the council works efficiently and effectively (CR)

Ensure residents have a home that works for them and is affordable (CH)

Deliver digitally-enabled services that residents can access (CH)

Understand our communities and enable people to take an active part in them (CH)

Enhance our local, open spaces to make them places where people want to be (EPR)

Continue to improve the efficiency of our waste and recycling services (EPR)

- Protect the public (EPR)
- Promote sustainable growth and economic prosperity (GI)
- Promote and grow Rugby's visitor economy with our partners (GI)
- Encourage healthy and active lifestyles to improve wellbeing within the borough (GI)

Statutory/Policy Background: Section 6.1 of the Council's Financial Standing Orders states that the Head of Corporate Resources:

Be responsible, in conjunction with the Executive Director and Heads for submitting periodic reports to Cabinet and Council during the year, indicating the anticipated financial position compared to original revenue and capital budgets indicating where expenditure is anticipated to exceed or income fall short of the budgeted amount by the margins agreed corporately for the purpose of budget monitoring.

Summary: This report sets out the 2018/19 Quarter 1 (Q1) financial and performance position for the Council based on Q1 actual expenditure and income, plus any known risks or opportunities that have developed subsequently.

The report also presents proposed budget adjustments as required by Financial Standing Orders

Financial Implications: As detailed in the main report.

Risk Management Implications: This report is intended to give Cabinet an overview of the Council's spending and performance position for 2018/19 to inform future decision-making.

Environmental Implications: There are no environmental implications arising from this report.

Legal Implications: There are no legal implications arising from this report.

Equality and Diversity: No new or existing policy or procedure has been recommended.

Options:

Members can elect to approve, amend or reject the supplementary budget requests listed at recommendations 2 to 5.

Recommendation:

- 1) The Council's anticipated financial position for 2018/19 be considered;
- 2) A supplementary General Fund capital budget of £15,000 for 2018/19 be approved for the enhancement of lighting at Caldecott Park, to be funded from s.106 developer contributions;
- 3) A supplementary General Fund capital budget of £46,440 be approved for the provision of Disabled Facilities Grants to be funded from additional external grant awarded in 2018/19.
- 4) A net nil Supplementary General Fund revenue budget of £30,340 be approved for the cost of services provided by external organisations to deliver Universal Credit support in 2018/19, wholly funded from external funding received from DWP in support of Universal Credit roll out.

IT BE RECOMMENDED TO COUNCIL THAT:

- 5) A net nil supplementary General Fund revenue budget of £108,750 in 2018/19 and £36,250 in 2019/20 be approved for the Family Weight Management Scheme, to be met from external funding; and
- 6) Performance summary and performance data included in Appendix 4 be considered and noted.

Reasons for Recommendation:

A strong financial and performance management framework, including oversight by Members and senior management, is an essential part of delivering the Council's priorities and statutory duties

Cabinet - 3 September 2018

Finance & Performance Monitoring 2018/19 – Quarter 1

Public Report of the Chief Financial Officer

RECOMMENDATION

- 1) The Council's anticipated financial position for 2018/19 be considered;
- 2) A supplementary General Fund capital budget of £15,000 for 2018/19 be approved for the enhancement of lighting at Caldecott Park, to be funded from s.106 developer contributions:
- 3) A Supplementary General Fund capital budget of £46,440 be approved for the provision of Disabled Facilities Grants, to be funded from additional external grant awarded in 2018/19.
- 4) A net nil Supplementary General Fund revenue budget of £30,340 be approved for the cost of services provided by external organisations to deliver Universal Credit support in 2018/19, wholly funded from external funding received from DWP in support of Universal Credit roll out.

IT BE RECOMMENDED TO COUNCIL THAT:

- 5) A Supplementary General Fund revenue budget of £108,750 in 2018/19 and £36,250 in 2019/20 be approved for the Family Weight Management Scheme, to be fully financed through external funding; and
- 6) Performance summary and performance data included in Appendix 4 be considered and noted.

1. INTRODUCTION

This is the first of the quarterly finance and performance monitoring reports for 2018/19, which combines both finance (revenue and capital) and performance monitoring. This is based on actual expenditure and budgets to Quarter 1, plus any other known changes or risks that have developed subsequently. The purpose of the report is to inform Cabinet of the Council's overall financial and performance position for the year-to-date and the year-end projections as supplied by officers. A final report will be presented to Cabinet in June 2019 for year-end.

The key sections of the report are laid out as follows:

- General Fund (GF) Revenue Budgets - Section 3 and Appendix 1;
- Housing Revenue Account (HRA) Revenue Budgets - Section 4 and Appendix 2;
- Capital Budgets - Section 5 and Appendix 3;
- Performance – Section 6 and Appendix 4

Throughout the report, from a financial perspective, adverse variances to budget, expenditure overspends, and income shortfalls are shown as positive values. Favourable variances, such as expenditure underspends and additional income, are shown as negative values.

2. BACKGROUND

The 2018/19 General Fund revenue budget was balanced with net expenditure reduced by almost £850,000 or 7%. To achieve this, the budget approved in February 2018 included increased savings and income through Council Tax and Business rates. These together addressed the shortfall in government funding and anticipated growth requirements to meet on-going inflation and service demand pressures over the coming year.

In summary;

The impact of Government Funding changes has resulted in reduced income of £915,000 which was successfully mitigated through excess Business Rates income in addition to the Council approving a £5 in the Band D equivalent council tax.

There is an increased income budget for Garden Waste, following a higher than anticipated take up of the service in 2017/18, in addition to savings achieved from reconfiguration of the waste collection rounds which provided a net budget reduction of £443,000.

The Fees and Charges Review also provided an overall benefit in setting the budget, more specifically a 20% increase was applied to planning fees following a change in legislation totalling £150,000.

The budget includes savings of £160,000 from the implementation of digitalisation programme, which is underway.

Existing and future service pressures have also been incorporated and these were mainly due to reduced income surrounding the Hall of Fame, anticipated further demand from homelessness and ongoing inflationary commitments.

Whilst the Council continues to make efficiencies and drive forward the key Corporate priority of self-sufficiency, this does not take away from the significant challenges that are faced in future years as reported in the Medium Term Financial Strategy in April.

3. GENERAL FUND (GF) REVENUE BUDGETS

3.1 Overview and key messages

- There is an adverse variance to date of **£129,000** based on actual spend to the end of the Quarter 1 against profiled budgets.
- GF portfolios show an anticipated adverse forecast variance of **£294,000** expected by 31st March 2019.
- After offsetting for the portfolio overspend against the MRP and the Net Cost of Borrowing underspend, total General Fund Revenue is forecast to come in largely on budget for 2018/19 with a slight adverse variance of **£4,000**.

Hall of Fame

There is an adverse variance of **£192,100** due to anticipated reduction in income. As reported in the 2017/18 Year-end report to Cabinet, the Service continues to implement a range of marketing activities to promote the attraction and encourage visitor attendance. These include a community partnership with Wasps RFC, train station signage, national distribution of leaflets, attendance at travel trade shows, social media, radio advertising and the production of a video with Rugby FM involving local rugby clubs. However, the Service is continuing to face challenges in meeting the anticipated income target for 2018/19, as reported in section 3.2 with the Q1 adverse variance of £29,900. As such, the current forecast reflects the impact of current and previous trends and will continue to be monitored closely to ensure any financial benefit of the actions taken during the year are reflected in future forecasts.

Community Advice and Support Team

The current forecast anticipates an adverse variance of **£294,200** relating to Bed and Breakfast (B&B) and Temporary Accommodation use for homelessness. Since February demand has increased from 15 households to a peak of 36 households in June. The on-going decant of existing tenants from Biart Place has further reduced the number of available properties for temporary accommodation within the Council's Housing Revenue Account (HRA) stock, meaning that existing homeless people have remained in B&B/Temporary Accommodation for longer periods before finding settled accommodation. To mitigate this:

- the number of properties sourced through the Council's Private Sector Leasing Scheme (PSLS) has increased from 31 units in February to a current stock of 51 units;
- 10 units at Rounds Gardens will be released back into use for temporary accommodation licenses from September 2018, following the completion of survey work; and
- Over the coming months, officers will prioritise suitable open market acquisitions for either temporary accommodation or as additions to the Council's HRA stock base.

In addition to the above, the introduction of the Homelessness Reduction Act in April 2018 means that the Council has a duty to provide temporary accommodation for a

longer period than was previously the case. Demand upon the service is therefore anticipated to remain high. As well as the measures noted above, HRA stock will increase during 2018/19 and 2019/20 by 37 homes, as properties at Cawston Meadows and Rugby Gateway become operational.

Vacancies

These pressures have been offset against underspends created from vacancies across several Council services.

Minimum Revenue Provision

There is a **£214,000** underspend against the Minimum Revenue Provision (MRP) for the repayment of debt. The Council is required to make revenue provision for the repayment of all capital expenditure financed from borrowing in the year following the related capital expenditure. The repayment period is linked to the useful economic life of the asset.

Significant slippage on capital schemes in financial year 2017/18, notably vehicle purchases (£1,264,000) means that £214,000 set aside for 2018/19 is not currently required. The majority of the underspent 2017/18 budgets were slipped forwards into 2018/19 and are currently forecast to be spent in this financial year. Therefore, the underspend on MRP is expected to be a one-off saving for 2018/19 only.

Corporate Savings Target

The Corporate Savings Target has been set at **£200,000** for 2018/19, to include all savings achieved through more efficient working and savings realised through vacant posts.

A further **£160,000** target has been set to find on-going efficiency savings through digitalisation. An initial review has identified **£47,300** of the **£360,000** target which represents 13% delivered at Q1 with progress updates to be reported in later reports.

3.2 Major Variances

A summary of the key variances is included within the table below:

Portfolio/Service	Variance at Q1	Variance at Year-End
Growth & Investment	£	£
Art Gallery & Museum- The overspend is mainly due to backdated pay following the regrading of posts. The on-going commitment will be considered as part of the budget setting process for 2019/20.	+13,700	+25,600
Hall of Fame- The is an anticipated underachievement of income against budget. The total projected income is £135,000, which is at a similar level to income collected in 2017/18 outturn position. The Service continues to implement a range of activities and initiatives to promote the attraction and encourage visitor attendance	+29,900	+192,100
Other variances	+68,500	+14,300
Subtotal	+112,100	+232,000
Environment & Public Realm		
Cemeteries- Anticipated overachievement of burial and licence income. This mirrors the trend seen in 2017/18 and it will be considered to increase the income budgets for 2019/20.	-29,700	-32,200
Parks & Open Spaces- The variance relates to vacancies within Parks and Grounds Maintenance. Whilst, previous vacancies would have required immediate agency cover, the current weather has resulted in the Service being delivered within existing resources. The Service is currently reviewing future resource requirements and any residual underspends will be considered for transfer to the Corporate Savings Target.	-29,800	-35,700
Domestic Waste & Recycling- There is a projected overspend on agency costs, based on spend at Quarter 1, which is due to covering long-term sickness and vacant posts. There is currently a service review taking place to introduce a new route optimisation process. The outcome of this work will determine future permanent resource requirements with the necessary appointments made to fill vacancies. In the interim agency use will be required and monitored.	+40,600	+37,500
Regulatory Services- There is a review and service redesign currently taking place within the Licensing team. As such, several posts have been vacant throughout Quarter 1 but are in the process of being recruited to. Consequently, salary underspends of £14,000 are expected, which will be considered for transfer to the Corporate Savings Target after the review has been completed.	-22,000	-34,200

The Council is also now generating approximately £15,000 annually from the provision of services provided to other local authorities. This income was not factored into the 2018/19 budget but will be considered for inclusion as part of 2019/20 budget setting.		
Works Services Unit Garage- The underspend relates to a vacant post. Whilst it is anticipated that the post will be filled by Quarter 2 the forecast reflects the recent recruitment difficulties in this service area. Consequently, the Service is also reviewing existing resource requirements and looking at apprenticeship options.	-12,300	-23,800
Other variances	-47,200	-24,900
Subtotal	-100,400	-113,300
Communities & Homes		
Community Advice & Support- An increase in demand (from 15 households in February to 36 households in June) coupled with the decanting of Biart Place reducing the number of available properties for homeless provision. This has meant that existing homeless people have remained in Bed and Breakfast accommodation for longer periods.	+190,000	+294,200
Customer & Information Services- The projected underspend at year-end relates to vacancies within the Service. The vacant ICT manager's post is forecast to be filled by mid-September, with two further trainee positions to be filled by December. Any residual one-off underspends will be considered for transfer to the Corporate Savings Target later in the year.	+5,300	-25,600
Customer Support Services- There are existing vacancies within the service that are forecast to be filled over coming weeks and months.	-16,400	-35,600
Other variances	+16,100	+11,700
Subtotal	+195,000	+244,700
Corporate Resources		
Legal Services- The reported variance is mainly due to vacancies. The newly appointed Legal, Democratic and Electoral Services Manager will join the Council in October and will review the Legal Service resourcing requirements moving forward.	-33,300	-24,600
Other variances	+17,100	0
Subtotal	-16,200	-24,600
Executive Directors Office		
Electoral Services - The variance mainly relates to an unanticipated one-off contribution of income of £44,000 in relation to 2017/18 parliamentary elections.	-55,700	-53,800
Other variances	-5,800	+8,900
Subtotal	-61,500	-44,900
Total	+129,000	+293,900

Other Corporate Items	
<p>Minimum Revenue Provision (MRP) – The variance is a result of underspends on several capital schemes in 2017/18, mainly on vehicle procurement.</p> <p>The majority of the underspent 2017/18 capital budgets were slipped forwards into 2018/19 and are forecast to be spent in this financial year. Therefore, this underspend on MRP is expected to be a one-off saving for 2018/19 only.</p>	-214,300
<p>Net Cost of Borrowing – The slippage mentioned above has resulted in a lower borrowing requirement. In addition, there are higher yields on investments as market expectations changed ahead of the Bank Rate rise in August 2018</p>	-75,600
	+129,000
	+4,000

Positive Figures (+): Overspend/Underachievement of income
Negative Figures (-): Underspend/Additional income

3.3 Anticipated General Fund Balances

	£	£
GF Balance at 31st March 2018		-3,069,000
Contribution from balances 2018/19	+13,240	
Supplementary budget approvals/pending	+19,600	
Anticipated variance to the end of 2018/19	+4,000	
Amount to be taken from balances		+36,840
Anticipated GF Balance at 31st March 2019		-3,032,160

Positive Figures (+): Contribution from Balances
Negative Figures (-): Contribution to Balances

The table above shows that GF balances are forecast to be just over £3.032 million at the end of 2018/19, after considering the projected variance and other budget adjustments.

3.4 Corporate Savings Target

As part of the Budget Setting process for 2018/19, a Corporate and Salary Savings Target of £200,000 was set. A further £160,000 was also budgeted to reflect the on-going efficiencies that it is anticipated will be realised through digitalisation of services.

	End of Q1 £	To Year-End £
Corporate Savings	-20,000	-100,000
Salary Savings	-27,300	-100,000
Digitalisation Savings	0	-160,000
Total	-47,300	-360,000

3.5 General Fund Risks

The main financial risks to the delivery of the forecast year-end position for 2018/19 are:

- **Community Advice and Support** – As reported there are significant financial and operational pressures with regards to costly temporary accommodation and the impact of decanting residents from Biart Place. In addition, this is exaggerated by the impact of Universal Credit and the amount of income that can be recovered from temporary accommodation, however, the Council is currently working through options to mitigate this risk.
- **Recycling Gate Fee** – The current charges for recycling are higher than the average costs received in 2017/18 by 55% (annual average for 2017/18 was £26.53 per tonne compared to £41.21 per tonne for Q1 2018/19). For Quarter 1, costs of £105,000 have been incurred against a profiled budget of £103,000. The level of fee paid is heavily influenced by the prevailing market conditions for the sale of recycled materials. The actual fee paid at year-end could vary significantly depending on the market conditions for the remainder of the year.
- **Digitalisation**- £160,000 was budgeted to be saved recurrently from base budgets during 2018/19. The digitalisation programme is on-going from 2017/18 with the focus this year including further implementation of the route optimisation for all areas of waste collection, the replacement of housing management system and introduction of a new planning system. However, full impact of any financial benefit is not currently known. This will be monitored and reviewed alongside the budget setting process.
- **Economic Development** – The service is currently scoping the resources required to deliver the Local Plan. There is a risk that the service will overspend as the full cost of Inspection are not known at this point. The final forecast amount of attributable costs will be reported when they have been confirmed.

3.6 Supplementary Budget Requests

Family Weight Management Scheme – Recommendation 4

The Council has been successful in its bid to extend the contract of the Family Weight Management scheme, which will see the project continue for a further a year until June 2019. The extension of the scheme will be wholly funded from contracted income from Warwickshire County Council.

4 HOUSING REVENUE ACCOUNT (HRA) REVENUE BUDGETS:

4.1 Context

Housing Rents were set by Council on 7th February 2017, in the context of rent policy changes from government, most notably the imposition of 1% rent reductions for the period 2016/17 until 2019/20. The impact upon income generation as a consequence of this change is estimated at £5.107m over the 4-year period.

Biart Place

On 24th April 2018, Council considered a report concerning the need to repair or regenerate two of our high-rise sites in the borough

- Biart Place (comprising two blocks with a total of 124 flats)
- Rounds Gardens (comprising three blocks with a total of 189 flats).

The focus of the report was on Biart Place because intrusive structural surveys were commenced at an earlier date for this site meaning more is understood about the blocks. The surveys identified a potential risk to the structure of the buildings in a shock event (fire or explosion), as well as potential issues of fire resistance between individual flats.

In respect of Biart Place, the total estimated cost of a new development scheme is in the region of £25m, which includes costs over and above construction, for example decant and design costs. No refurbishment or redevelopment costs for Rounds Gardens are included in the £25m estimate.

The report recommended supplementary HRA revenue budgets totalling £1.512m for increased security costs/risk measures and establishing a guarantor/indemnity reserve to mitigate potential losses arising from the increase in private sector allocations that are included within the monitoring information that follows.

A further report updating the structural surveys and indicative costs of redevelopment and/or refurbishment at Biart Place and Rounds Gardens will be presented to Council in the Autumn.

4.2 Overview and key messages

- There is an overspend to date of **£62,380**, based on actual spend to the end of the Quarter 1 and monitored against profiled budgets.
- HRA services show an anticipated underspend of **£25,690** at year-end.

4.3 Major Variances

A summary of the key variances follows:

HRA Income and Expenditure	Variance at Quarter 1 £	Variance Forecast to Year-End £
Rent income from dwellings – Void levels have increased from an estimated 1% to 3.2% as a result of the decanting of properties at Biart Place.	+11,190	+71,910
Staffing costs Forecast variance arising from: <ul style="list-style-type: none"> • Salary and employment costs relating to 4 vacant posts (-£181,700, predominantly within the Property Maintenance and Housing Management-Tenancy Sustainment teams); offset by: • Use of agency staff within Property Maintenance and Estate Management teams (+£41,740) 	-34,990	-139,960
Biart Place/Rounds Gardens - Additional security costs and risk measures at Biart Place and Rounds Gardens (24/7 floor walking, inspection of void properties, structural surveys, etc.) to minimise potential of a shock event. The forecast is based on the current timing of the decant process at Biart Place and ongoing risk measures at Rounds Gardens, but may be subject to revision based on actual moves during Quarter 2 and Quarter 3.	+37,860	+56,150
Rent, rates, taxes, and other charges – Council tax charges payable by the Housing Revenue Account in its landlord function as the owner of empty premises at Biart Place.	+28,870	+72,320
Interest & Investment income – Slippage within the HRA capital programme in 2017/18 has resulted in higher HRA cash balances within the year for investment, coupled with higher investment rates available as markets anticipated the rise in Bank of England base rate in August 2018.	-	-109,970
Other minor variances	+19,450	+23,860
Net Variance	+62,380	-25,690

Positive Figures (+): Overspend/Underachievement of income

Negative Figures (-): Underspend/Additional income

4.4 Anticipated HRA Balances

	£	£
HRA Balance at 31st March 2018		-6,692,550
Supplementary Budget Approvals (Council 24 th April 2018: increased security costs/risk measures for Biart Place and establishing a guarantor/indemnity reserve – see 4.1)	+1,511,500	
Anticipated underspend to the end of 2018/19	-25,690	
Amount to be taken from balances		+1,485,810
Anticipated HRA Balance at 31st March 2019		-5,206,740

Positive Figures (+): Contribution from Balances
 Negative Figures (-): Contribution to Balances

Major Repairs Reserve

The Major Repairs Reserve is an earmarked reserve for the capital financing of the planned element of replacement expenditure on council houses. The reserve earns interest on all balances which must also be used for this purpose. Significant expenditure to be charged to the reserve in 2018/19 includes:

- Disabled Adaptations (£200,000);
- Electrical rewiring (£237,000); and
- Bathroom replacements (£350,000)

	£	£
Balance at 31st March 2018		-1,579,450
Depreciation on non-current assets	-2,287,000	
Interest Received	-18,910	
Capital Financing	+1,114,400	
Amount to be added to balances		-1,191,510
Balance at 31st March 2019		-2,770,960

Housing Repairs Account

The Housing Repairs Account is an earmarked reserve for the financing of reactive and planned maintenance on council houses.

	£	£
Balance at 31st March 2018		-1,089,080
Contributions during the year	-3,675,610	
Repairs and maintenance charged	+3,675,610	
Amount to be added to balances		0
Balance at 31st March 2019		-1,089,080

HRA Balances (Capital)

HRA Balances (Capital) are utilised to fund acquisitions (in tandem with a proportion of retained Right to Buy receipts) and other capital expenditure not financed via the Major Repairs Reserve, for example Housing Management System software, CCTV and Lifeline replacement equipment.

Further to Council approval (24 April 2018) £1.040m of decanting costs, surveys, and structural modelling expenditure will be charged against balances in 2018/19 in respect of Biart Place. Subject to further approvals, capital costs for this project will be charged against HRA Balances (Capital) and RTB Capital Receipts where applicable.

	£	£
Balance at 31st March 2018		-14,024,700
Contributions during the year	0	
Expenditure charged	+2,720,000	
Amount to be taken from balances		+2,720,000
Balance at 31st March 2019		-11,304,700

Right-to-Buy (RTB) Capital Receipts

The Council entered a 1-4-1 retention agreement with Ministry of Housing Communities and Local Government (MHCLG) in 2012 allowing it to retain a greater proportion of receipts upon the condition that they are utilised in provision of replacement housing within 3 years. Receipts under the 1-4-1 retention agreement that are not utilised must be returned to Her Majesty's Treasury (HMT) and incur an interest charge of Bank of England Base Rate plus 4%. Only 30% of the expenditure incurred on replacement housing may be financed from RTB receipts.

25 homes were sold under RTB in 2017/18 producing an average receipt of £85,000 (prior to pooling). 8 homes were purchased in 2017/18, including 3 at the Cawston Meadows site. A further 31 homes will be added to the portfolio from this development in 2018/19 in addition to an estimated 12 open market purchases.

	£	£
Balance at 31st March 2018		-6,606,320
Net contributions (after pooling)	-1,286,120	
Expenditure charged	+1,577,000	
(Increase) / decrease in RTB Receipts		+290,880
Balance at 31st March 2019		-6,315,440

5 CAPITAL:

5.1 General Fund Capital – Overview

- The General Fund capital programme is currently budgeted at £5.819 million for 2018/19 (including £3.657m carry forwards from 2017/18.)
- At the end of Quarter 1, the General Fund capital programme shows an overspend of **£136,800** against profiled budgets.
- There is currently a projected overspend to year-end of **£215,010**, of which £199,830 is expected to be wholly funded by contributions from reserves or other external sources.

5.2 General Fund Capital – Major Variances

A summary of the variances by portfolio is included within the table below:

Portfolio / Service Area	Variance at Quarter 1 £	Variance Forecast to Year-End £
Growth and Investment	0	0
Communities and Homes		
Capital Digitalisation Work – a supplementary capital budget will be requested at year end to be met from the Digitalisation and Trading reserve. Expenditure to date relates to the ‘My Account’ interface for Council Tax and Housing Benefits.	+30,820	+30,820
Disabled Facilities Grant – a supplementary capital budget is requested for approval to be met from additional grant funding awarded in 2018/19.	0	+46,440
Other minor variances	+5,300	0
Subtotal	+36,120	+77,260
Environment and Public Realm		
s.106 capital expenditure – a supplementary capital budget will be requested at year end against Section106 funding. This is mainly for Cawston Community Hall.	+107,570	+107,570
Other minor variances	-9,260	+15,000
Subtotal	+98,310	+122,570
Corporate Resources	+2,370	+15,180
Net Variance	+136,800	+215,010

Positive Figures (+): Overspend
Negative Figures (-): Slippage / Underspend

5.3 HRA Capital – Overview

- The HRA capital programme is currently budgeted at £13.253 million for 2018/19 (including £7.258m carry forwards from 2017/18).
- The following scheme is held under review pending further information regarding the high-rise sites (see section 4.1 of this report)
- Roof Refurbishments – Rounds Gardens (£283,930)
- At the end of Quarter 1, the HRA capital programme shows an underspend of **£28,110** against the profiled budget.
- There is currently a projected underspend to year-end of **£8,680**.

6. PERFORMANCE SUMMARY

This is the monitoring report for the first quarter of 2018/19 and the reported data can be seen in Appendix 4.

The Councillor's section of the Rugby Performance Management System (RPMS) is currently being updated to show performance against the priorities of the Corporate Strategy. The project plans agreed upon in the Action Planning Workshops at the beginning of this year are now visible.

PERFORMANCE HEADLINES

Unemployment levels are below both the regional and national averages and the Borough's business growth rates are above the regional and national averages.

The provision of affordable homes is improving quarter on quarter.

Last year saw more preventions of homelessness in the Borough than the year previous.

Benefits Claims are being processed faster in this first quarter.

There has been an increased uptake of the Green Waste service this year having made around £18K more already than in 2017/18.

When logging into the RPMS you should be using the link on the SharePoint home page. You should not need a username or password due to the single-sign-on process. If you are not able to access the RPMS it means you have not attended a training session and you will need to attend a training session which you can request by contacting RPMSsupport@rugby.gov.uk

Name of Meeting: Cabinet
Date of Meeting: 3 September 2018
Subject Matter: Finance & Performance Monitoring 2018/19- Quarter 1
Originating Department: Corporate Resources

DO ANY BACKGROUND PAPERS APPLY YES NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

General Fund**Revenue Budget Monitoring 2018/19 April 2018 to June 2018****Key:**

+ = over spend / income shortfall

- = under spend / additional income

	Profiled Budget to Qtr 1	Actual Spend to Qtr 1	Variance to Profile Qtr 1	Current Budget	Projection to Year-End	Variance to Year-End
	£'000	£'000	£'000	£'000	£'000	£'000
Portfolio Expenditure :-						
Growth & Investment	1,950	2,062	112	3,051	3,283	232
Corporate Resources	-1,222	-1,238	-16	1,036	1,011	-25
Environment & Public Realm	2,504	2,404	-100	7,125	7,012	-113
Communities & Homes	2324	2519	195	1,981	2,226	245
Portfolio Expenditure	5,556	5,747	191	13,193	13,532	339
Executive Director's Office	1,109	1047	-62	1,961	1,916	-45
	6,665	6,794	129	15,154	15,448	294
Less Corporate Savings and Digitalisation Target				-313	-313	0
Less IAS 19 Pension Adjustment				-317	-317	0
Less Capital Charge Adjustment				-2,591	-2,591	0
Net Expenditure				11,933	12,227	294
Net Cost of Borrowing				465	389	-76
MRP Adjustment				1,929	1,715	-214
Revenue Contribution to Capital Outlay				88	88	0
Contribution to Business Rate Equalisation Reserve				553	553	0
Total Expenditure (before Parish Precepts)				14,968	14,972	4
Parish Council Precepts & Council Tax Support				761	761	0
Total Expenditure				15,729	15,733	4

Housing Revenue Account (HRA)

Revenue Budget Monitoring 2018/19 April 2018 to June 2018

Appendix 2

Key:
+ = over spend / income shortfall
- = under spend / additional income

Description	Profiled Budget to Qtr 1 £'000	Actual Spend to Qtr 1 £'000	Variance to Profile Qtr 1 £'000	Current Budget £'000	Projection to Year-End £'000	Variance to Year-End £'000
Income						
Rent income from dwellings	-3,618	-3,607	+11	-15,808	-15,736	72
Rent income from land and buildings	-37	-33	+4	-150	-145	5
Charges for services	-295	-293	+2	-1,286	-1,261	25
Contributions towards expenditure	-40	-46	-6	-215	-213	2
Total Income	-3,990	-3,979	+11	-17,459	-17,355	+104
Expenditure						
Transfer to Housing Repairs account	0	0	0	3,676	3,676	0
Supervision and Management	2,888	2,910	22	5,629	5,537	-92
Rents, Rates, Taxes and other charges	3	32	29	3	75	72
Depreciation & Impairment	0	0	0	2,287	2,287	0
Debt Management Cost	0	0	0	15	15	0
Provision for Bad or Doubtful Debt	0	0	0	193	193	0
Amounts set aside for the repayment of debt	0	0	0	5,839	5,839	0
Total Expenditure	2,891	2,942	+51	17,642	17,622	-20
Net Cost of Services	-1,099	-1,037	62	183	267	84
HRA Share of Corporate & Democratic Core Costs	0	0	0	214	214	0
Interest Payable & Similar Charges	0	0	0	1,171	1,171	0
Interest & Investment Income	0	0	0	-112	-222	-110
Net Operating Expenditure	-1,099	-1,037	62	1,456	1,430	-26
Contributions to (+) / from (-) Reserves	0	0	0	56	56	0
Surplus(-)/Deficit(+) for year	-1,099	-1,037	62	1,512	1,486	-26

Capital Budget Monitoring 2018/19
April 2018 to June 2018

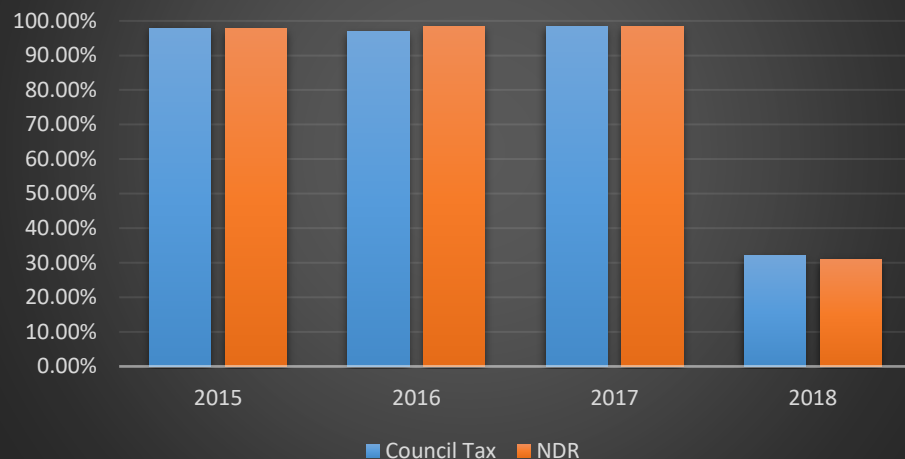
Appendix 3

Key:
+ = over spend / income shortfall
- = under spend / additional income

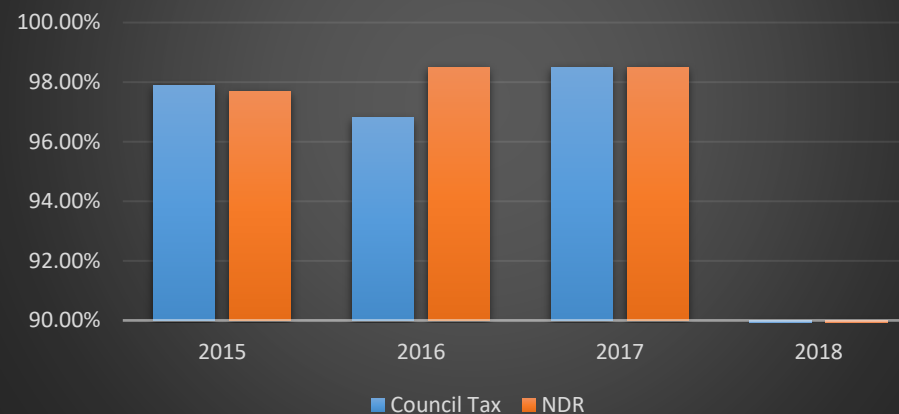
Portfolio	Profiled Budget to Qtr 1 £'000	Actual Spend to Qtr 1 £'000	Variance to Profile to Qtr 1 £'000	Current Budget £'000	Projection to Year-End £'000	Variance to Year-End £'000
Growth & Investment	0	0	0	0	0	0
Corporate Resources	15	17	+2	883	899	+16
Environment & Public Realm	134	232	+98	3,625	3,747	+122
Communities & Homes	73	109	+36	1,311	1,388	+77
Sub Total General Fund	222	358	+136	5,819	6,034	+215
Housing Revenue Account	1,163	1,135	-28	13,253	13,244	-9
Overall Total	1,385	1,493	+108	19,072	19,278	+206

Value for Money & Sustainable Growth

Comparing the collection rates of Council Tax and Non-Domestic Rates over a 4 year period.



Displaying the variance in total collection rates of Council Tax and Non-Domestic Rates for 2015/16 to 2017/18.

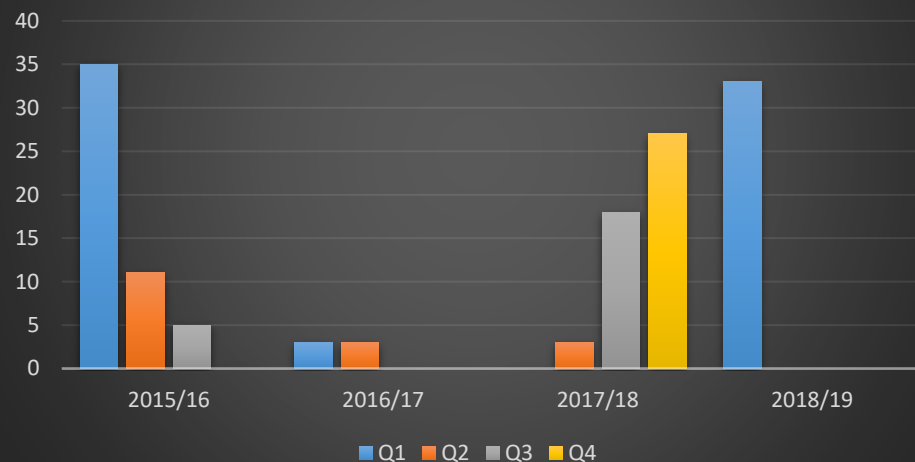


The 2018/19 column is showing data for Q1 and shows that around a third of the previous years collections have already been attained.

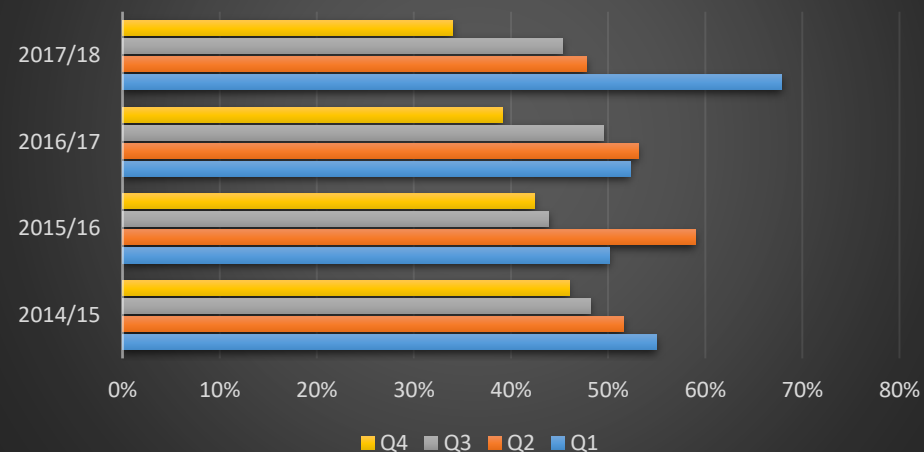
The total collection rates haven't dipped below 96% in the last three years.

Value for Money & Sustainable Growth

Number of affordable homes delivered per quarter over a 4 year period.



% of household waste sent to recycling, reuse and composting per quarter over a 4 year period.

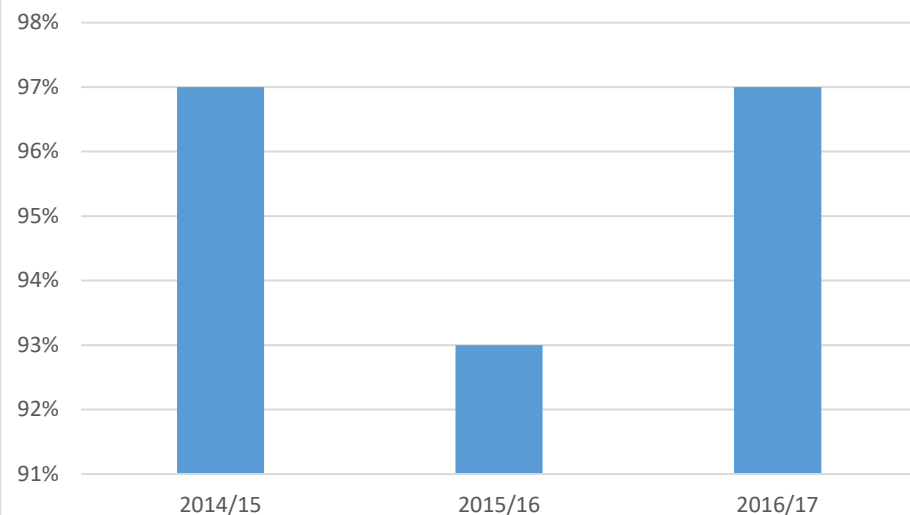


2018/19 data is showing an increased provision of affordable housing.

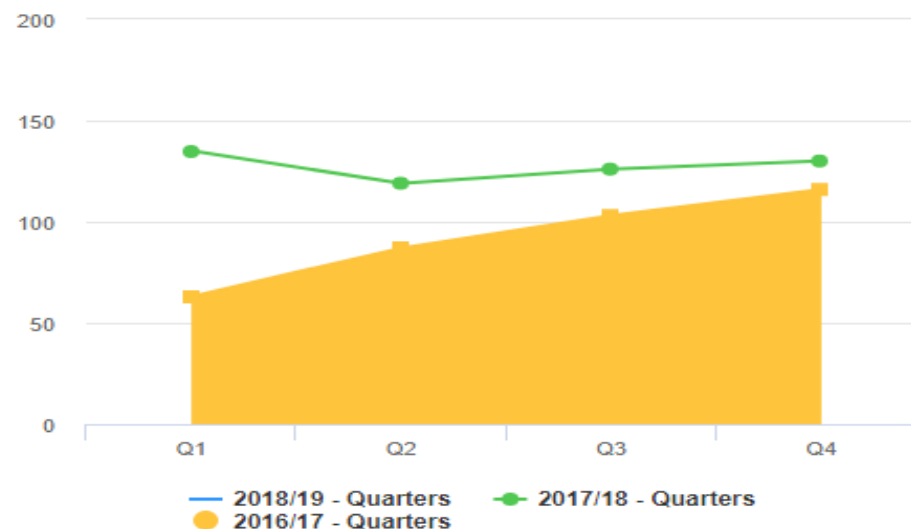
Q1 data for 2018/19 currently unavailable. The 2017/18 data shows an increase in household waste sent to recycling, although not as high as in 2014/15 it is an improvement on the previous 2 financial years.

Enabling our Residents to Live Healthy and Independent lives

Electoral registrations within the borough of Rugby as a percentage of eligible population



Total number of homeless preventions made in the Borough of Rugby

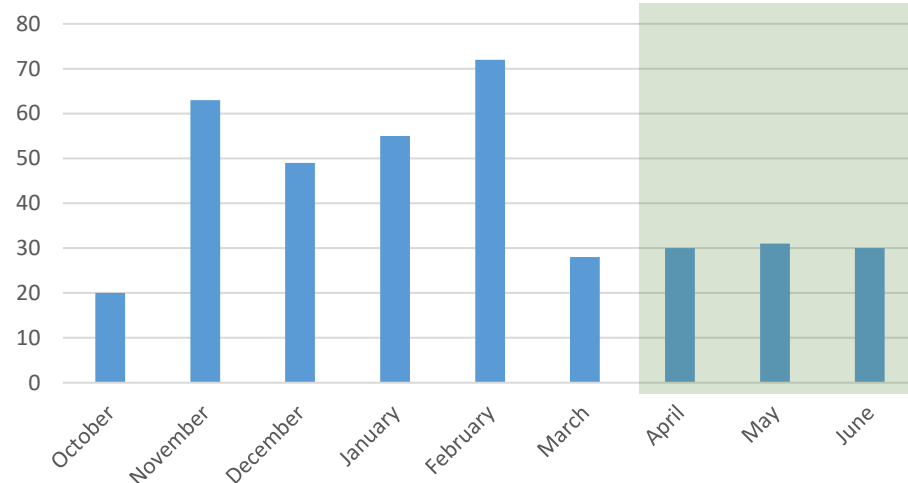


2017/18 data is currently unavailable. The chart above is focused on the 90% range in order to better show the variance. All three years come in at over 90% of eligible voters having registered.

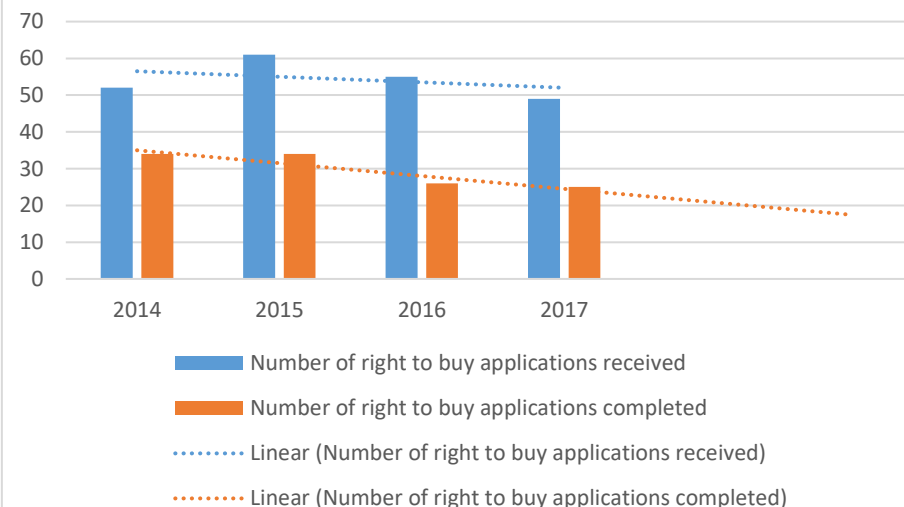
The need for financial advice remains ever present in the Borough with the data suggesting that households in some sectors are struggling to meet financial obligations.

Enabling our Residents to Live Healthy and Independent lives

Average time to process Benefit Claims (in days)



The number of right to buy applications received against applications completed

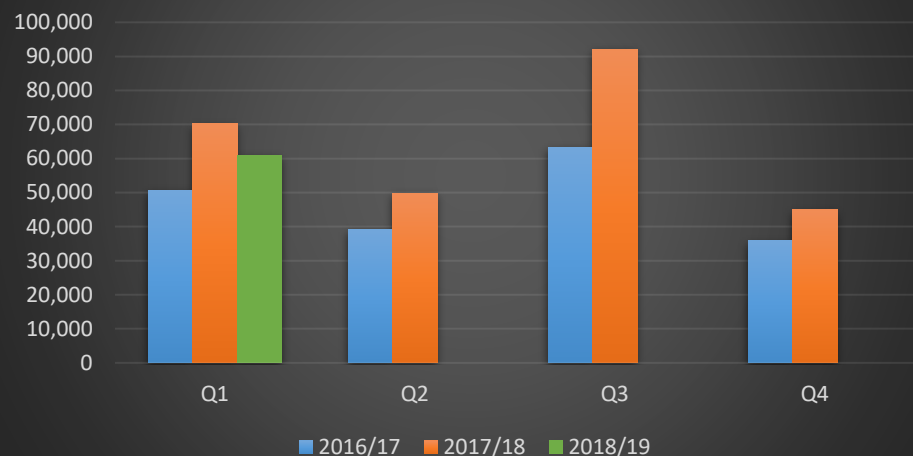


A lower value is positive and for Q1 2018/19 shows the days taken to process benefits claims has reduced considerably from the time taken in the previous 2 quarters.

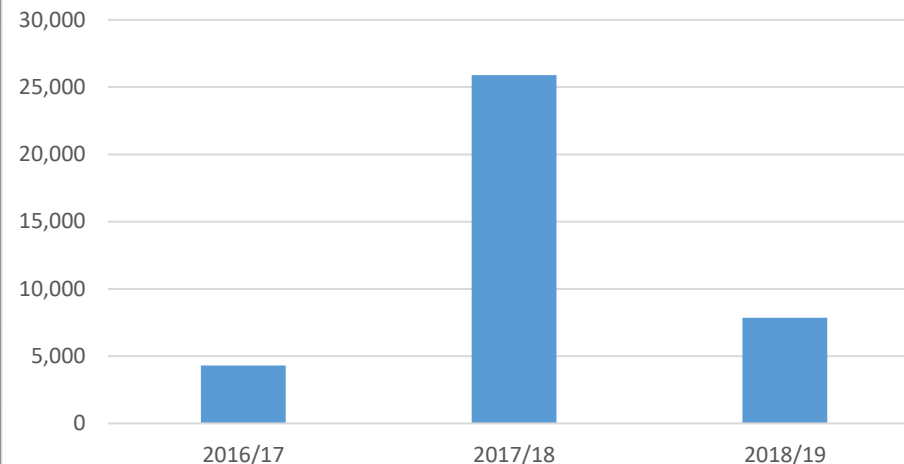
The current linear trend based on data from four complete years shows that although the number of right to buy applications will gradually reduce, the number of completed applications will drop more drastically.

Achieve Financial Self Sufficiency By 2020

Benn Hall total income generated over a 3 year period (in £s)



Hall of Fame Income on World Rugby merchandise and ticket sales (in £s)

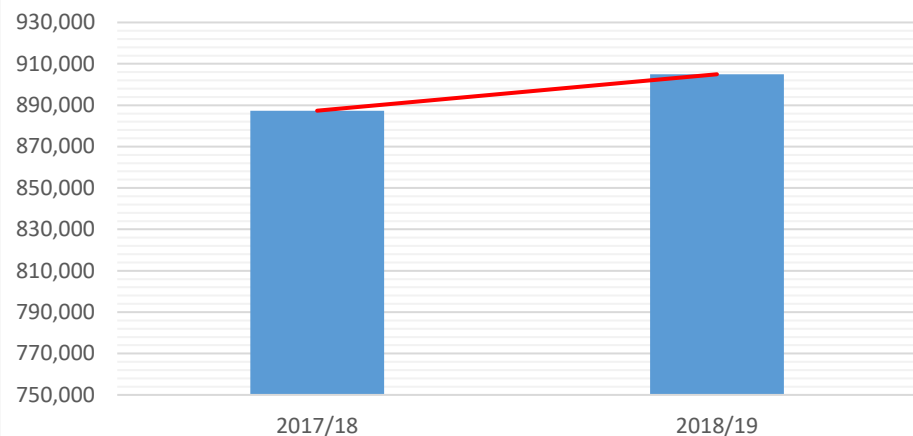


The Benn Hall generated a total income £16K higher than the previous quarter.

The 2017/18 and 2018/19 data is inclusive of ticket sales. The 2018/19 data is showing for Q1 and July and has already surpassed 2016/17's merchandise only sales. The 18/19 sales to date comes in at just under a third of the previous financial year's total.

Achieve Financial Self Sufficiency By 2020

Annual Green Waste Income
(in £s)



There has been an increased uptake for the green waste service in 2018/19 to date.

AGENDA MANAGEMENT SHEET

Name of Meeting	Cabinet
Date of Meeting	3 September 2018
Report Title	Brownsover community room - management arrangements
Portfolio	Communities and Homes
Prior Consultation	<p>Prior to the specification for the internal layout and fit out of the community room being agreed, feedback and aspirations were identified via a discussion with the local community and Ward Members as part of the consultation process for the development of the wider site, including the medical provision.</p> <p>Warwickshire CAVA was asked to assist by advertising the expression of interest (EOI) opportunity and to evaluate the only EOI received, which was from the Brownsover Community Association.</p>
Contact Officer	Michelle Dickson – Communities & Projects Manager tel: (01788) 533843 email: michelle.dickson@rugby.gov.uk
Report Subject to Call-in	Yes
Report En-Bloc	No
Forward Plan	Yes
Corporate Priorities	Enable our residents to live healthy, independent lives
Summary	In lieu of a cash receipt for Council owned land needed to facilitate the development of the new medical centre at Brownsover, the Council agreed to the development of a community room, the freehold

of which will be assigned to Council upon completion of the development. The intention is to subsequently lease the management and maintenance of the room to a community or voluntary organisation, as was done for the Oasis facility at the Market Quarter.

In March 2018 officers invited EOI's from community organisations to manage the new Brownsover community room. This piece of work was done in conjunction with Warwickshire CAVA.

The Council received one submission, which was from the Brownsover Community Association (BCA). The submission was subsequently evaluated by Council officers and Warwickshire CAVA.

Risk Management Implications

The EOI process has been promoted and managed in a transparent way, to permit early engagement of would be providers. It has also been undertaken well ahead of the completion of the redevelopment to ensure that the managing organisation is able to take on management responsibilities as close to the handover date as possible.

Failure to engage an organisation to manage and maintain the facility will result in the room sitting vacant and therefore failing to fulfill its potential to benefit the wider community. There would also be financial implications for the Council in respect of rates and utilities charges.

Financial Implications

The running and maintenance of the new room should be cost neutral to the Council, as the appointed community organisation will be responsible for these.

Legal Implications

Should the appointment of BCA be agreed then there would be a formal lease agreement between the BCA and the Council.

Equality and Diversity

The expression of interest includes how the BCA will make the room widely accessible to communities, and a copy of their adopted Equality Policy Statement.

Recommendation

IT BE RECOMMENDED TO COUNCIL THAT:

1. a formal lease arrangement be agreed with the Brownsover Community Association for them to manage and maintain the Brownsover

- community room;
2. the lease period does not exceed 20 years;
and
3. regular 6-monthly monitoring meetings be held with the Brownsover Community Association to monitor and evaluate the services being offered from the facility.

***Reasons for
Recommendation***

The bid received from the Brownsover Community Association was a robust one which demonstrates a commitment to:

- making best use of the facility
- ensuring that it is accessible to residents

Cabinet – 3rd September 2018

Brownsover community room - management arrangements

Report of the Communities and Homes Portfolio Holder

IT BE RECOMMENDED TO COUNCIL THAT -

1. a formal lease arrangement be agreed with the Brownsover Community Association for them to manage and maintain the Brownsover community room;
2. the lease period does not exceed 20 years; and
3. regular 6-monthly monitoring meetings be held with the Brownsover Community Association to monitor and evaluate the services being offered from the facility.

1. INTRODUCTION

In October 2010, Council agreed to facilitate the delivery of the proposed Brownsover Medical Practice by transferring some Council-owned land to the National Health Service. In lieu of a capital receipt for the land, it was agreed that a purpose-built community room would be delivered, the freehold of which will be transferred to the ownership of the Council.

The room is a self-contained 100m² community room which includes kitchen, toilet facilities and storage areas, with a capacity for 60 people. The target date for the completion of the development is Autumn 2018.

2. EXPRESSION OF INTEREST PROCESS

In March 2018, officers worked with Warwickshire CAVA to invite expressions of interest from community organisations to manage and maintain the community room. The opportunity was promoted via Warwickshire CAVA's Grapevine newsletter.

It was a requirement that EOI's must:

- Be from a community / voluntary / not for profit organisation (this includes faith organisations where there is wider community benefit to their activity and the project is not looking to promote religious belief / activity)
- Be led by a constituted organisation with its own bank account

The following were required as part of the submission:

- A copy of the constitution of the organisation.
- A copy of the balance sheet / profit and loss from at least one year's recent audited accounts, where available, together with any later financial

information including unaudited accounts and details of any accumulated balances and their intended use.

- Copies of the organisation's health and safety policy, equalities policy and safeguarding policy.
- Details of any important items/events likely to affect the current financial position of the organisation.
- Details of funding from any other local authority or other sources

There was one resulting submission, which was from the Brownsover Community Association (BCA). Their submission forms were evaluated by officers of Warwickshire CAVA and the Council.

This process is the same as the one that was put in place for the engagement of a community organisation to manage the Oasis facility on the Market Quarter, back in 2014.

It should be noted that for the Brownsover Community Association currently receives £7,500 from the Council in the form of a service level agreement, which runs to the end of the 2018/19 financial year.

3. EOI SUBMISSION FROM THE BROWNSOVER COMMUNITY ASSOCIATION

The Brownsover Community Association (BCA) was established in 2002 with a key aim to improve the quality of life for all Brownsover residents. The BCA's objectives include:

- improving the perception of Brownsover
- establish a secure and confident neighbourhood
- establishing a range of effective networks and partnerships,
- working in a variety of ways to identify local needs
- make information and opportunities accessible to Brownsover residents

Current activities include delivering a:

- range of community projects, including, a patient's forum and a community café
- a job club at the Boughton Liegh Children's Centre, which has been running since 2013

The BCA has developed an in-depth understanding of the needs of the Brownsover Community through the delivery of these activities and by carrying out a community survey in March 2018. This knowledge has been reflected in the EOI submission.

Detailed in the expression of interest the BCA have identified the following key areas of service delivery planned for the new community room:

- internet café, so that the local community can access on-line services and a homework club

- hosting / provision of services that tackle a range of social exclusion issues, for example skills gaps, access to work, financial capability and housing support
- improved access to health and wellbeing services in partnership with the new medical centre
- a flexible space that can be hired/used by the local community, for example for children's parties

Noted strengths of the EOI from the BCA:

- it was comprehensive and covered what was requested, including proof of required policies being in place
- it included a detailed budget projection covered by considerable BCA reserves and future hire income
- there was a proven knowledge and understanding of the needs of the local community.
- There was a plan for bringing in new services that will encourage community participation and integration
- Clear links to how the planned management of the facility will contribute to the delivery of the Council's priorities

4. THE LEASE ARRANGEMENT

Should the Council agree to a lease agreement with the BCA (the lessee), this would be on a formal basis and would not exceed 20 years.

The ongoing costs of running the community room should cost the council nothing. In lieu of rent, which will be one of peppercorn, the lease will be on a full repairing basis, which will mean that the lessee is responsible for:

- all internal and external maintenance and repairs
- utilities
- security of the building
- insurance
- rates
- any other fees and charges

In the case of insurances, the lessee will be required to provide a copy of the required buildings insurance cover to the council on an annual basis.

If the lessee intends to provide hot or cold beverages, sell snacks (even from a vending machine), use external caterers or offer use of the kitchen facility then they must register with the council's Commercial Regulation Team as a new food operator, at least 28 days in advance of becoming fully operational.

5.0 RETAINING AN OVERSIGHT OF WHAT IS BEING DELIVERED

Should the Council agree to the appointment of the BCA as lessee for the facility, it is proposed that Council officer led 6-monthly monitoring meetings are held with

them to monitor and evaluate the impact of the services being offered from the facility.

5. CONCLUSIONS

The Council has run and managed an open and transparent EOI process. The engagement of Warwickshire CAVA was helpful as they provided additional expertise in the evaluation. The EOI received from the BCA has many strengths and they would appear well-placed to deliver what they have outlined in their EOI.

Council – 27 September 2018

Report of the Executive Director

Biart Place and Rounds Gardens – potential refurbishment or regeneration

1.0 Introduction

On 24 April 2018, Council considered a report in respect of the condition and potential options for both Rounds Gardens and Biart Place. A copy of the report forms appendix 1 to this report.

This follow-up report considers the issues at each site:

Biart Place:

- summary of the structural issues identified at Biart Place;
- progress of decanting of tenants from Biart Place;
- consultation with the tenants of the Clifton Road flats;
- negotiations with the leaseholder, licensees (telecoms) and adjacent landholders;
- option 1 Regeneration option;
- option 2 Refurbishment option

Rounds Gardens

- summary of the structural issues identified at Rounds Gardens;
- impact of structural findings;
- additional surveying and structural modelling work;
- option 1 Regeneration option;
- option 2 Refurbishment option;
- option 3 Do minimum option;
- fire safety
- tenant consultation

2.0 Biart Place

2.1 Summary of the structural issues identified at Biart Place

The Building Research Establishment (BRE) has concluded its assessment of the condition of both blocks at Biart Place. Further Intrusive structural surveys have taken place which included:

- Further core sampling of the concrete to validate testing depths of carbonisation and the presence of chlorides.
- Additional work undertaken to validate the presence and location of structural ties to the walls and floors and dividing walls.

- Structural assessment modelling based on their extensive work and known failure patterns for this type of building given actual data taken from live testing other similar blocks (same bison large panel construction) under explosion conditions.

The results confirmed that the main issue relating to the blocks are:

1. Lack of structural ties in dividing walls and the poor condition of the dry concrete packing at the base of these walls.
2. The condition of the concrete is poor with the floors slabs exhibiting high levels of chlorides and carbonation to the structural components. The outcome is that the future life of the buildings is likely to be limited and below the desired thirty years life. There are potential remedial strategies that could slow down this process of degradation but they in themselves are unreliable, disruptive, and expensive.
3. Wall and floor units structural connections - whilst more properly formed structural loop and dowel connections and floor connections were found they were not found in all locations.

The BRE supported previous findings that it is possible to repair the blocks structurally. However, it was not possible or reasonable to do this without decanting all tenants.

2.2 Progress of decanting of tenants from Biart Place

At the meeting of Council on 24 April 2018, formal approval was given for the implementation of a decant programme to move residents out of Biart Place. This was supported by a compensation package for qualifying tenants, totalling £870,000, assuming all qualifying households would seek the enhanced available package of £10,000.

As at 30th August 2018, the progress of the decant programme can be summarised as:

- 91 void properties (out of 124)
- an additional 13 households have signed up to move to new properties and the return of their keys is imminent
- the majority of the remaining households are at various stages of being offered / matched to suitable alternative properties
- our Registered Provider partners have played a valuable role in this process with their directly housing 21 affected households, with nominations for a further 3 households under consideration
- the households currently remaining in residence of the blocks are split almost 50/50 families and single persons / couples
- To date, home-loss payments and disturbance payments totalling £351,000 (net) has been paid to affected tenants
- Tenants have used the compensation as an opportunity to:
 - repay debts owing to the council of almost £24,000 (£22,000 in rent arrears and court costs and £1,700 in sundry debts and council tax
 - pay rent in advance on their new homes totalling £13,000

So far, the decant programme has run smoothly. The main issues that have arisen have been:

- aggrieved former tenants and non-secure tenants (people living there in a temporary basis but under a licence agreement rather than a tenancy) who are ineligible for compensation
- some tenants trying to restrict their choice of future accommodation to very small areas and potential property types that do not suit their needs. However, this has been managed by applying the homelessness definition as to what is prescribed as being a reasonable offer of suitable alternative accommodation
- issues of supply of the required homes to meet the identified need.

It does look like the long-stop date of 31 March 2019, for completion of the decant does remain achievable, subject to the co-operation of the remaining tenants and the availability of alternative homes to move them to.

The void properties have their letter boxes sealed and are drained down at the point that keys are returned. Individual floors are still accessible, which is a decision made in consultation with Warwickshire Fire and Rescue as access would be required to floors above and below in the event of an emergency or live fire event. The void properties are inspected at least weekly by the on-site security presence currently provided by Stonewall, who also provide fire marshalling and alarm services in the event of an emergency.

2.3 Consultation with the tenants of the Clifton Road flats

Following the April 2018, report to Council, officers consulted with the tenants of the adjacent low-level flats (8 units in total) at Clifton Road, to clarify their perception of the potential for either refurbishment or regeneration of the high-rise blocks. They were also made aware that should a regeneration of the site be the preferred option then the resulting scheme would likely include their current homes.

The consultation responses can be summarised as follows:

- 2 households failed to respond to the consultation
- 5 of the 6 households that responded felt that to regenerate the high-rise flats would be appropriate
- the remaining household stated that they had no views one way or the other in respect of the site
- 3 households did express that their main concern would be their housing requirements / needs being met elsewhere (1 of these households has since moved)

Since the consultation took place, 2 of the households that participated have already moved home, as standard transfers which are unrelated to the Biart Place project. The resulting vacant properties are currently being used as temporary accommodation whilst the future of the wider site is considered.

The properties at Clifton Road are all 1-bedroom and if qualifying households were to be awarded a package in line with what was received by the tenants of the high-rise blocks then this would be as illustrated in table 1 below:

Breakdown of package	1-bedroom flats £'s	Option to secure own accommodation £'s
Statutory home-loss payment	6,100	6,100
Discretionary disturbance payment (inc. removals)	1,500	3,900
Total per household	7,600	10,000

It is acknowledged that some tenants, through vulnerability, and age, may require more support from the Council in assisting them with moving home.

2.4 Negotiations with the leaseholder, licensees (telecoms) and adjacent landholders

There is one leasehold property on the site and negotiations are ongoing in respect of potential purchase. It is hoped that a negotiated settlement can be made with the leaseholder rather than the Council having to seek a Compulsory Purchase Order.

There are a number of telephone masts on the blocks and mobile mast providers have considerable statutory protection, so their removal is complicated and lengthy. A specialist telecoms lawyer has been appointed and all relevant statutory lease termination notices have been served. A specialist telecom surveyor has been appointed to negotiate with the telecom operators and identify potential alternative sites. The removal of telecom masts and particularly the potential time needed to facilitate their removal remains a high risk in this project.

Negotiations are proceeding with neighbouring owners to investigate the potential for extending the potential developable area of the site. Negotiations with Network Rail are now at an advanced and positive stage.

2.5 Option 1 Regeneration

Architects have undertaken a review of the site and produced indicative massing schemes which illustrate the potential for around 130 new housing units being built on the cleared site (including the garages, some existing Network Rail land site but excluding any other potential land acquisitions).

A cost plan has been completed for these massing options and the cost of the completed redevelopment of the site is estimated to be in the order of £23m (excluding current ongoing management costs, costs of decanting tenants, and fire wardens costs). However, it must be emphasised that the potential costs are illustrative ones and it will not be possible to provide more accurate costings until:

- detailed designs have been agreed
- statutory approvals for the proposed scheme have been secured
- the resulting final scheme has been taken to market

An illustrative development programme has been prepared which demonstrates the potential for completion of the units by May 2022. Again, until the above issues have been addressed this is only a guide.

2.6 Option 2 Refurbishment

Given the specific findings from the BRE, cost modelling of the refurbishment option has taken place. Assuming a very comprehensive strengthening and refurbishment scheme the cost of this option is in the order of £20m (excluding current ongoing management costs, costs of decanting tenants, and fire wardens costs). However, it must be emphasised that the potential costs are illustrative, and it will not be possible to provide more accurate costings until the final refurbishment scheme has been fully designed in detail and taken to the market under a competitive tender

An illustrative development programme has been prepared which demonstrates completion of the units by May 2021. Again, until the above issues have been addressed this is only a guide.

3.0 Rounds Gardens

3.1 Summary of the structural issues identified at Rounds Gardens

Following the April 2018 meeting of Council, the BRE has undertaken additional intrusive structural survey work at Rounds Gardens. The survey results differed considerably from those at Biart Place.

At Rounds Gardens the compressive strength of the concrete and its degradation (carbonisation and presence of chlorides) is within acceptable limits to reasonably allow a projected life of the building of at least 30 years, in a refurbishment option.

The dry packing under dividing walls is reasonable with no visible areas of friable concrete or voids present that would impact on structural stability or fire compartmentation, as far as could be determined. In addition, all external wall joints (bars and loops) were found, when investigated, and are generally in reasonable order.

However, out of a sample of four flats, one structural floor connection was found not to be present and one sample out of four of core samples taken from both the floor and wall thicknesses were found to be thinner than expected. The varying thickness of floors and walls was also evident in all other blocks and in other locations during the survey work.

Overall, the blocks were found to be in better structural condition than the blocks at Biart Place but the anomalies found require further investigation to determine the true extent of any strengthening work that may be required. If excessive variations are found in various locations the blocks may not be economically repairable.

The BRE have advised that varying thickness floors and walls are not uncommon in blocks which were built at a time when quality control both on site and in factory environments was not as strict as today. Some precast concrete panels, such as these at Rounds Gardens, were cast on site and some in a factory. Concrete casts/formers were designed to be level and filled to a certain depth of concrete. Unfortunately, in practice this was not always implemented correctly. Therefore, the thickness of these components can vary across their length to differing degrees and extents. This makes structural analysis of their performance very difficult. This appears to be the case in all the blocks at Rounds Gardens. Where a wall, or floor, is found to have a varying thickness below a certain tolerance a computer model will need to be run to identify its true

strength and design suitable strengthening works. Unfortunately, such computer models are not yet written for this type of construction. The BRE are currently looking to progress a central government initiative in association with other local authorities and housing associations that have these legacy blocks in their portfolio so that full analysis and re-assurance can be put in place. Currently there is no agreed timescale for this work.

Surveying to identify the thickness of floors and walls is not a simple process. The tried and tested method is to core drill holes through components after first removing finishes including screed and any asbestos materials. This process is clearly very disruptive.

Alternative non-destructive methods have been trialled at Rounds Gardens by both the BRE directly and via specialist contractors. These trials have proved unsuccessful in obtaining sufficiently accurate data.

Before final conclusions can be made, and to assess the priority order of the blocks for repair, there is a need for extensive additional surveying works at Rounds Gardens to identify the thickness of wall and floor components across all three blocks. The BRE have given advice that a reasonable sample for the surveying work is 10% of flank wall panels and every other floor slab in each block. The BRE have also given a specification for this surveying work so that the council is able to implement this independently of the BRE (but with their guidance and support). The BRE are currently very busy on this work throughout the country and therefore this arrangement would help speed up the process.

Current indications are that this surveying work can be completed within a two-month time period. The results from this survey will then be used to make an assessment on the best option for these blocks, both as a whole, and individually.

3.2 Impact of structural findings

Given the continuing structural investigations, and the potential expense, impact and disruption to tenants of the additional surveying work, officers have instructed architects and cost consultants to prepare illustrative massing schemes and cost plans for both regeneration and refurbishment options at Rounds Gardens, in a similar way to those at Biart Place.

The purpose of this is to begin to compare the relative merits of each option and to inform decanting and finance decisions around what would have to be a phased redevelopment or refurbishment of the blocks (should that be council's final decision). Phased development is planned to allow for the necessary decanting and rehousing of tenants given the numbers involved and lack of alternative housing in the borough. Whilst this is inevitably less efficient than comprehensive regeneration/refurbishment of all three blocks simultaneously it is deemed the only practical way to undertake the works. Inevitably, whether phased or not, the project will require considerable management to ensure disturbance to tenants and the area is kept to an absolute minimum.

3.3 Option 1 Regeneration

Architects have undertaken a review of the site and produced indicative massing schemes which illustrate that between 130 and 230 new housing units can be built on the cleared site. The higher density assumes four storey blocks and the lower density three storey blocks. The final scheme will probably be around the middle of these figures at circa 180 units.

A cost plan has been completed for these massing options and the cost of the completed redevelopment of the site is in the order of £28m for the higher density and £22m for the lower density. (excluding current ongoing management costs, costs of decanting tenants, and fire wardens costs). These costs include asbestos removal and demolition. However, further allowance will potentially be required to facilitate the transport and disposal of some asbestos containing materials in compliance with legislative requirements, usually under license and to specialist disposal sites.

3.4 Option 2 Refurbishment

Cost modelling of this option has taken place based on the strengthening of all flank walls and all floors adjacent flank walls and includes pinning walls through to floors. These works are similar in extent and scale to those envisaged at Biart Place and therefore of a similar overall cost (pro-rata)

This option is for the full refurbishment of the blocks including:

- Fire sprinklers and alarms
- New external staircase (for additional means of escape)
- Taking down and rebuilding outer brick skin to flank walls (to allow for strengthening)
- New external windows/cladding
- Replaced roof coverings
- New Lifts
- New plumbing and drainage systems
- Complete internal refurbishment including new finishes kitchens and bathrooms throughout.

Due to the extent of the works all tenants would need to be decanted from the block for the duration of the works.

Given these assumptions the cost of this option is in the order of £28m (excluding current ongoing management costs, costs of decanting tenants, and fire wardens costs).

3.5 Do minimum option

This option includes the full package of strengthening work fire precaution works and certain other essential works as follows:

- Making good works
- Roof recovering
- Lift renewal

The initial cost plan for these minimum works has identified a cost of around £18m. It should be noted that further works of around £10m would be deferred and planned over the remaining life of the building.

3.6 Fire safety issues

Officers continue to work closely with the Warwickshire Fire and Rescue Service (WFRS) in respect of the options for the two sites.

WFRS have expressed concern that the guidance that they work to (and which was reviewed in May 2018) sees waking watch arrangements, of the type that the Council currently has in place across both sites, as only a short-term solution. In the case of Biart Place, as substantial progress has been made to decant the blocks, and there is a potentially achievable long-stop date to effect full decant, there is no current requirement to install a fire alarm system. However, in the case of Rounds Gardens, as:

- the baseline position has yet to be established, in terms of the condition of the blocks,
- no decision can yet be made on the potential for remedial works or regeneration
- there are no current live plans for the implementation of the preferred option

the WFRS have recommended that a full alarm system, compliant with British Standards is installed as soon as possible. They have also advised that when this has been installed then the Council should consider reverting to a *stay put* policy for the flats. However, it is acknowledged that any changes to fire escape policies would require careful consideration by the council and in particular consultation and guidance from the council's fire risk assessor, insurance company the BRE and further consultation with tenants. The BRE have also identified risk mitigation measures which are applicable in these building types, which are in this condition. These measures, such as fire wardens and CCTV are already in place.

Officers are proceeding to obtain tenders for the installation of fire alarm systems for further consideration for the middle/end of October 2018.

It is likely that installation costs for the alarm system will be in the region of £150,000 per block. This is a higher cost than would normally be expected because of access and asbestos management considerations.

The WFRS can serve enforcement notices under the Regulatory Reform (Fire Safety) Order 2005 Act should they feel it necessary to do so.

3.7 Tenant consultation

There are 189 properties in the high-rise blocks at Rounds Gardens. However, 50 units in total were either void or being used as temporary accommodation. Officers have only contacted the remaining 139 households to get an understanding of their views of Rounds Gardens, along with an understanding of their housing requirements, should they be required to move out on either on a temporary or permanent basis.

Table2, below, outlines the known household composition of the households living in the blocks.

Household type	Total number	Ashwood Court	Beechwood Court	Royal Court
Single-person / couple	55	8	16	31
1-child family	14	6	7	1
2-child family	10	7	3	0
3 adults	2	1	1	0
Failed to respond	58	16	15	27

Total	139	38	42	59
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The consultation has proven difficult in terms of being able to engage tenants. Despite being carded and written to, on more than one occasion, 58 of the 139 households have still failed to provide the required information. This varies significantly from the experience of officers conducting a similar exercise at Biart Place where almost 100% feedback was received from households without significant follow up action needed in respect of non-responses.

Table 2, below provides a summary of positive and negative household perceptions about Rounds Gardens, from the respondees to date:

View expressed	Total households	Ashwood Court	Beechwood Court	Royal Court	Most frequent reasons cited for response
Positive	23	5	6	12	location, size, new kitchen
Negative	45	15	17	13	heating costs windows, damp/ mould and fire safety
No view	13	2	4	7	N/a

Due to its incomplete nature, this data has to be treated with caution as it may not provide a representative view of current tenants.

4.0 Differences between the condition of Biart Place and Rounds Gardens

The structural differences have been highlighted earlier in this report. The condition of the reinforced concrete structural components at Rounds Gardens is better than at Biart Place. Currently this provides more opportunity to refurbish the blocks at Rounds Gardens because they can sustain a 30-year future life. However, if the structural components as a whole are not sufficiently strong due to the reduced depth and width to withstand a shock event such as an explosion or serious fire then this fact is irrelevant.

5.0 Financial implications

5.1 Council Tax and New Homes Bonus

The Housing Revenue Account (HRA) will be obliged to pay Council Tax on the voids properties at Biart Place until a decision has been made to regenerate the site. There can then be a justifiable exemption for 12 months. It is recommended that one exemption is applied for, covering all of the units when they have been vacated. In 2018/19 the additional cost to the HRA is estimated at £72,320.

The New Homes Bonus (NHB) allocation to the Council is calculated by subtracting the total stock (less long term empty property and demolitions) as recorded on the Council Tax Base (CTB) return, in one year from the previous year.

Based on the tax base report as at 31st July 2018, the number of empty properties has increased by 113 units. All units at Biart Place are in Band A. The income lost from the 113 empty units

will be £125,065. This NHB is lost until the replacement properties are in place and has been factored into the Council's Medium Term Financial Plan (MTFP.)

5.2 HRA capital programme

The HRA Capital Programme for 2018/19 was approved by Council on 5th February 2018. The programme is approximately £2.9m and consists of the following major schemes outlined in table 3, below:

Scheme	£'000	Comment
Stock Improvements & Capitalised Repairs	915	Including; bathrooms, heating upgrades, kitchen improvements and rewiring
Purchase of Council Homes	1,685	To increase supply to meet need and ensure retention of 1-4-1 RTB receipts
Other	290	Including lifeline renewal programme and Disabled Adaptations
Total	2,890	

The Stock Improvements and Capitalised Repairs will be financed from the Major Repairs Reserve, with the other schemes being funded from a mix of right to buy receipts and revenue contributions.

In addition to the above, £7.4m of budgets from 2017/18 programme were approved to be carried forward into 2018/19. This slippage largely relates to the following schemes, outlined in table 4, below:

Slippage schemes	£'000	Comments
Cawston Meadows Houses	4,000	As approved by Council in September 2017
Energy Efficiency Phase 2	900	Assessing phase 1 before progressing
Purchase of Council Homes	585	Slippage from 2017/18
Property Repairs Vehicles	350	Awaiting review of procurement of vehicles
Other	1,565	Including kitchen improvements, heating upgrades, communal door security upgrades
Total	7,400	

Again, all the above schemes are to be funded from a mix of Major Repairs Reserve, right to buy receipts and revenue contributions.

Finally, approval has been given for the redevelopment of Bell House and the procurement of a new Housing Management System adding a further £2.3m to the HRA capital programme, of which £1.7m will need to be financed from internal resources.

The funding of the required decants from the low-level flats at Clifton Road can be met from the existing £870,000 decant budget (which assumed a maximum take-up of the £10,000 per eligible household in the high-rise blocks) which is being met from HRA capital resources.

As noted earlier, Option(s) 1 Regeneration, a completed redevelopment scheme of the sites, is estimated at £46m-£51m and Option(s) 2 Refurbishment, a comprehensive strengthening and

refurbishment scheme, is estimated at £48m. These estimates exclude provision already made of £1.040m for costs of decanting tenants and additional surveys, structural modelling and design.

Taking account of all the above schemes, the HRA capital programme including Option(s) 1 Regeneration (Biert Place/Rounds Gardens) will total £59m - £65m, and the HRA capital programme including Option(s) 2 Redevelopment (Biert Place/Rounds Gardens) will total £51m - £61m.

Continued safety mitigation, as recommended by both BRE and WFRS, for a walking watch service at Rounds Gardens, will be included within the HRA revenue estimates for 2019/20 as further survey information on this site becomes available. Current full year provision for the service is estimated at £592,000.

5.3 Financing Sources

The structural findings in respect of the blocks at both sites, which account for almost 10% in total of the Council's HRA stock, were unanticipated. The measures required to respond to these findings will have an extraordinary impact on the HRA's financial resources, which will impact on its ability to meet to both current and emerging housing needs. This will, in turn, have a potential impact on the General Fund, as unmet housing need has to be increasingly met via temporary accommodation. It will therefore be necessary for the Council to approach central Government to establish what financial support they are able to provide to respond to these issues.

The report to Council in April 2018 recognised this pressure on the HRA's finances and approved a request to divert £4.992m that was budgeted for in 2017/18 for the voluntary repayment of debt towards HRA revenue balances. Nonetheless, after considering contributions from the Major Repairs Reserve account, potential grant funding and utilising Right to Buy Receipts, it is anticipated that approximately up to £59m of internal resources would be required to fund the expanded capital programme to provide for Option 1 Regeneration and up to £55m to provide for Option 2 Redevelopment.

In terms of resources available, as at 1st April 2018, and considering contractual commitments for acquisitions and other schemes noted in 4.1, then £14m will be available in HRA balances for utilisation towards these projects. In addition, the Council has £21m of borrowing capacity available, which is represented as the headroom between current debt levels and the Council's £83m debt cap. Total resources within the constraint of the current debt cap therefore equals £35m in financial year 2018/19. A potential £20m of further resource can be released by diverting funds set aside for the repayment of debt during the period 2019/20 – 2022/23.

The HRA 30-year financial plan has been updated to model the cost and financing implications arising from the options presented within the report, the impact on balances and the HRA Capital Financing Requirement (CFR, or "underlying need to borrow".) For regeneration options, income streams have assumed full target rent on new properties that will equal or exceed existing stock. As noted in section 3, extensive additional surveying work is required at Rounds Gardens to assess the priority order of blocks for repair before a phased development plan of either regeneration or refurbishment can be considered. This may impact upon the timelines of any refurbishment or regeneration programme.

Using a mix of borrowing and capital balances to fund the schemes, and assuming a staggered phasing of financing over a period of between 2 and 5 years, would potentially see the Council near or breach its "limit on indebtedness" (debt cap) in 2022/23. However, this constrains the Council's ability to acquire new homes to increase its housing stock particularly at a time when

there is increased pressure on temporary accommodation and demands from the waiting list continue to grow. In addition, there would be an increased risk that the Council would be required to return Right to Buy receipts to government as it would be unable to utilise them as 30% maximum funding to project costs without other resources.

Considering this modelling and, as noted earlier, the extraordinary impact on the HRA's financial resources and the potential impact on General Fund resources, it will be necessary for the Council to approach central Government to establish what financial support they are able to provide to respond to these issues. If direct financial support is not available, the Council can seek to increase its HRA debt cap for a temporary period via the MHCLG HRA Additional Borrowing Programme 2019/20 – 2021/22 which is seeking bids for up to £500m from local authorities outside London, or an individual Secretary of State approval to revise the debt cap.

6.0 Conclusion

6.1 Biart Place

The survey results lead to the clear conclusion that the Council have no option but to strengthen the blocks or demolish and rebuild new homes in their place. Whilst strengthening the blocks it is also clear that tenants needed to be decanted to allow the works to be undertaken. As noted in the report extremely good progress has already been made in this regard with 91 out of 124 households have already been rehomed.

It is also clear that due to the general condition and lack of recent investment in the blocks that whilst strengthening them it would be necessary and efficient to undertake a full refurbishment including recommended fire precautions work. The consultation with tenants also confirmed that these homes are not well liked which is further justification that a full refurbishment or complete regeneration is required

There is therefore a straightforward and clear-cut choice to refurbish the blocks at an estimated cost of £20m or regenerate them at an estimated cost of £23m.

6.2 Rounds Gardens

The structural survey works have illustrated that the important structural connections between wall and floor components are generally well formed and in place. Furthermore, reinforced concrete is in better condition than that at Biart Place and has an anticipated life in excess of 30 years. However potentially important variations in the thickness of both wall and floor components and missing floor connections have been identified which has led to a conclusion that very detailed further surveying work is necessary to determine the true impact of these variations on the structures ability to withstand a serious fire or explosion. Once this surveying work is completed in around 2 months further analysis and risk assessments can be prepared.

In the meantime, some initial architectural massing schemes have been produced alongside early cost estimates. These are based on a phased regeneration or similar (but phased) refurbishment to that at Biart Place. This will allow the council to approach central government with view to understanding what financial support may be available to help inform potential later and necessary decisions.

7.0 Recommendations

It be recommended to Council that in respect of:

Biart Place:

1. A decision be made to regenerate the site for the provision of new homes;
2. Proceed with Biart Place redevelopment design and procurement;
3. The Head of Communities and Homes be given delegated authority to administer a compensation package to eligible tenants of the low-level flats at Clifton Road, not exceeding £10,000 per eligible household; and
4. Supplementary budgets be approved in respect of design fees to tender stage (50%) of £1,400,000 to be met from HRA capital resources

Rounds Gardens:

1. Proceed with surveying work to all three blocks to identify extent of works and priority order for the strengthening work;
2. Supplementary budgets be approved in respect of further surveying work of £100,000 to be met from HRA capital resources;
3. Supplementary budgets be approved in respect of £450,000 be met from HRA capital resources to install additional fire alarms at Rounds Gardens based on recommendations by the fire risk assessor and WFRS. (based on the assumption tenants remain in the block for the duration of these works); and
4. Report back to Council in December 2018 with an update on report.

Council – 24 April 2018

Report of the Executive Director

The high-rise blocks in Rugby – potential repair or regeneration

Executive Summary

There are two Council-owned high-rise sites in the borough

- Biart Place (comprising two blocks with a total of 124 flats)
- Rounds Gardens (comprising three blocks with a total of 189 flats).

These blocks were built approximately 50-years ago, and each block comprises of 11 floors with a mix of 1-bedroom and 2-bedroom flats. There are 3 leasehold properties in total, across the two sites.

The construction type is Bison Large Panel System (LPS), with the blocks at Rounds Gardens having had some additional structural strengthening works, approximately 25 years ago. There is no gas supply to either site.

The bulk of the report focuses on Biart Place because intrusive structural surveys started earlier for this site meaning more is understood about the blocks. The survey work commenced so that officers could clarify the condition of the blocks, increase their knowledge of the construction type, and to inform future investment decisions. The surveys identified a potential risk to the structure of the buildings in a shock event (fire or explosion), as well as potential issues of fire resistance between individual flats.

In recent years, the high-rise blocks at Biart Place have been affected by issues of declining popularity, decreasing affordability and becoming increasingly expensive to heat, due to their concrete construction. Officers commissioned intrusive-structural surveys of the blocks to better understand their condition which would inform future investment plans for Biart Place (over and above the already known investment of £2.1m required in the near future, to adhere to the Decent Homes Standard).

At the same time as the structural surveys were carried out, tenants were visited so that officers could increase their understanding of who is living in the blocks, vulnerabilities, current and future housing needs as well as their perception of Biart Place as a place to live.

A significant part of the report focuses on the findings of Michael Dyson Associates (MDA), who carried out the initial structural surveys, as well as the validation of their findings which were conducted by both Arup and the Building Research Establishment (BRE). There is also a narrative on the subsequent refreshed fire risk assessment carried out by Lawrence Webster Forrest, and resulting discussions with both the Warwickshire Fire and Rescue Service and the council's insurers.

There have been significant measures put in place to minimise the potential of a shock event occurring, and an overview of these are provided within the report. In March 2018, a new policy for both sites was introduced to *evacuate in the event of a confirmed fire event*, which replaced the previous *stay put* policy. This was in response to the recommendations of the Fire Risk

Assessment and in consultation with Warwickshire Fire and Rescue Service (WFRS). Commentary is provided on how this change has been implemented and resourced.

Work has been progressing to secure additional properties in preparation for a potential decant of the Biart Place blocks, in the event of either regeneration or repair. A summary of these works is provided within the report, along with a suggested long-stop date of 31 March 2019 for the decant to be completed subject to the final findings of the Building Research Establishment (BRE) who have been instructed to validate survey data.

During September 2017, officers managed to speak to 122 households living at Biart Place to clarify their tenant profiling data and to clarify their perception of Biart Place as a place to live. The least satisfied households were families, whereas the most satisfied were single-persons. Common issues of dissatisfaction raised were those as such as noisy neighbours, inadequate heating and perceptions of drug use.

The report details why a regeneration scheme would be a more sustainable long-term solution for Biart Place, not just from a structural / buildings perspective, but that of customer satisfaction as well as demand for vacancies, plus it provides the opportunity to deliver housing which is both of a higher quality and increased affordability.

There is a proposed compensation package outlined in the report, for qualifying tenants, that are required to decant from their homes. This is accompanied by a summary of the potential impact of decanting tenants from their existing homes, both in terms of the requirement to secure them suitable alternative accommodation that meets their needs and the financial resources required. Proposals are also contained for a 'points system' to assist with the requirement to prioritise tenant decants according to housing need and in a transparent way.

In respect of Biart Place, the total estimated cost of a new development scheme is in the region of £25m, which includes costs over and above construction, for example decant and design costs. The financial impact of these costs on the HRA's financial resources, including capital balances, is considered, with it being anticipated that approximately £31m of internal resources would be required to fund the expanded capital programme. Commentary is given on the Council's capacity to borrow, now and in the medium term, given its current £87m debt cap. Should redevelopment of Rounds Garden be required it would be extremely challenging to undertake and finance such a scheme within the envelope of available internal resources. Financial support will need to be sought from Central Government. However, the magnitude and likelihood of any support is uncertain. After consideration of all available resources, should there be insufficient borrowing capacity to fund any residual capital financing requirement, then the Council would need to seek Secretary of State approval for the borrowing cap to be lifted.

There is substantially less detail available, at this time, in respect of Rounds Gardens structural issues. Perhaps as a virtue of its proximity to the amenities and facilities of the town-centre, the site is more popular than Biart Place, and when vacancies do arise, they are easily filled.

Work is in progress to clarify the condition of these blocks, using the same processes as for Biart Place (structural surveys to a configuration of 4 empty flats). The initial report has only just been received from MDA and will need to go through the same peer review process, by both Arup and the BRE, as the Biart Place report did. In addition, a new fire risk assessment will also be required. This will ensure that a consistent approach has been taken to understanding the issues of both sites.

Although the early indications are that the issues are not as serious as those at Biart Place, there is the potential for substantial remediation and mitigation works to be needed on site, the cost of which is unknown. The full implications for this site cannot be understood at this stage, as the full data, to inform a strategy moving forward is still being gathered.

To conclude, events in respect of Biart Place have unfolded very quickly and were obviously unplanned. As a consequence, the information gathered and due diligence performed has been on a reactive basis. In the absence of alternative and viable solutions, there is a strong case to be made for the demolition and regeneration of the site, particularly when overlaid with issues of low tenant satisfaction and even lower housing waiting list demand.

The structure at Rounds Gardens is still being investigated but it is clear that the structural issues, along with potential remediation measures are not the same, as at Biart Place.

1.0 Introduction

The Council has a responsibility to:

- manage its housing assets
- ensure that the housing stock is fit for purpose and sustainable in terms of meeting both current and future housing needs
- ensure the on-going safety of its tenants

There are two Council -owned high-rise sites in the borough:

- Biart Place, in the Eastlands Ward, comprising two blocks with a total of 124 flats (62 per block)
- Rounds Gardens, in the New Bilton Ward, comprising three blocks with a total of 189 flats (63 per block)

Both sites:

- were built approximately 50-years ago
- comprise 11 floors with a mix of 1-bedroom and two-bedroom flats
- contain leasehold properties – former Council flats that have been purchased (one at Biart Place and two at Rounds Gardens)
- are of Bison Large Panel System (LPS) construction. However, it should be noted that the blocks at Rounds Gardens benefitted some additional structural strengthening works, approximately 25 years ago
- have no gas supply
- are equipped with fire alarm and detection systems (mains operated rather than battery operated) to each flat
- have additional blocks of low-level sheltered flats within the site footprint of the site. There are 8 such flats at Biart Place (fronting on to Clifton Road) and 32 flats at Round Gardens.

At Biart Place there are 30 Council -owned garages adjacent to the blocks, whilst at Rounds Gardens, there are no garages, but the Council -owned and managed Control Centre, operates from a stand-alone building on the site.

The bulk of this report will focus on the facts in relation to Biart Place. This is because the intrusive structural surveys started earlier for this site, and therefore there is a more detailed understanding of both the structural performance of the blocks and likely investment requirements. In addition, data is presented in respect of tenants' perceptions of Biart Place alongside the demand for vacancies.

The main issues that the structural surveys for Biart Place have identified are:

- a possible risk to the structure of the building in a shock event – for example, a fire or explosion
- small voids in dry-packed concrete at the base of the dividing walls which has the potential to compromise fire compartmentalisation / fire resistance between individual flats

2.0 Rationale for commissioning recent structural survey works at Biart Place

In recent years, the high-rise blocks at Biart Place have been affected by issues of declining popularity, decreasing affordability and have become increasingly expensive to heat, due to their concrete construction.

As a result, officers commissioned intrusive-structural surveys of the blocks to:

- clarify the condition of the blocks
- increase their understanding of the construction type: and
- inform future investment plans for the blocks

At the same time as the structural surveys were carried out, tenants were visited so that officers could increase their understanding of:

- who is living in the blocks – family composition
- any vulnerabilities
- current and future housing needs
- perceptions of Biart Place as a place to live

Tenant profiling is something that the service is increasingly doing across its tenant-base to inform and, subsequently update, the emerging Housing Revenue Account business plan, due for consideration by Members later in 2018. It is also a priority piece of work in the recently adopted Housing Strategy 2018-20 action plan.

It should be noted that the tenant profiling exercise did not extend to the tenants of the low-level sheltered-housing block on Clifton Road (8 households).

3.0 Overview of the findings for Biart Place

Michael Dyson Associates (MDA) carried out surveys in December 2016, August 2017, and a significant intrusive survey in September 2017 to a configuration of four grouped flats.

The blocks at Biart Place were found to be of Bison Large Panel reinforced concrete construction built in or around 1968. This construction is similar to that of Ronan Point which was subject to partial collapse in 1968 following a piped gas explosion. Ronan Point was built with a similar (but not identical) reinforced concrete component system - the Taylor Woodrow system.

In the August 2017 report, MDA noted that the blocks had been standing for 50 years and there were no specific signs of structural movement either internally or externally within the flats inspected.

However, they did find several issues and concerns as follows:

- Fairway Court has suffered from a result of poor workmanship when originally constructed.
- The in-situ concrete connections between the pre-cast concrete floor and wall panels were not well constructed when the blocks were first built. In several locations steel linking dowels and loops between large panel structural components were not properly integrated into the structure. The construction of these joints is important to the overall integrity of the building and is therefore of concern. However, it should be noted that the compressive strength of the panels at Biart Place all exceed the minimum requirement.

- Similarly, upward projecting dowel bars between floor and wall panels and levelling bolts were not properly formed potentially impacting on the integrity of the structure.
- Most of the chloride results within precast reinforced concrete components were moderate to high. Steel reinforcement within concrete naturally forms an oxide film when first cast. This layer of oxide protects the steel from rusting. Chloride is known to break down this protective layer of oxide. High levels of chloride are therefore known to signify the early degradation of reinforced concrete and a shortened component lifespan. Whilst there is no current sign of severe rusting or spalling of concrete away from reinforcement this finding is important when considering the future life of the building. At Biart Place the BRE have advised the floor units are the most vulnerable to this, given the minimal level of thickness of concrete cover, and therefore will have a shortened lifespan.
- Carbonation of the concrete has already reached or is approaching the depth of steel reinforcement. Carbonation is a further factor determining that the reinforced concrete in the building has a limited life. Carbonation of concrete is caused when carbon dioxide / water in the air penetrates reinforced concrete changing its alkaline nature to a neutral one. This again leads to the potential of steel to rust and is a sign of shortened component lifespan.
- Poorly compacted, friable dry pack mortar with large void areas were found beneath wall panels and can impact on the compressive strength structural integrity and fire compartmentation of the building.
- No retro-fitted steel angles had been installed within the 4 flats inspected (although these were found in prior surveys in other flats). Just after the Ronan Point disaster, in 1968, the government recommended strengthening angles to be retro fitted to similar blocks. Although these cannot be proven to conform to modern structural standards they are a sign of structural enhancement and considered of benefit.
- Where the steel reinforcement locating dowels and bolts were located, these were noted to be in satisfactory condition with only minor surface rust.

MDA concluded that “all of the above issues are of great concern for the structural integrity of the block, particularly in the event of explosion of fire”.

4.0 Michael Dyson Associates (MDA) recommendations in respect of Biart Place

MDA advised that they could not recommend any remedial solutions that would completely eliminate structural failure.

MDA went onto recommend that the risks be managed in accordance with the Building Research Establishment (BRE) Digest to reduce risks to *as low as reasonably possible* (the ALARP principle). They suggested that this would require an exoskeleton frame or steel members constructed to the outside of the block. This would help to secure the external panels in place, in the event of an explosion and would reduce the likelihood (rather than eliminate the risk) of the external walls blowing out in a shock event. Such a solution would not address issues of the internal crosswalls, where levelling bolts have been observed to be missing and concrete packing, poorly constructed.

5.0 Actions taken in response to the findings for Biart Place

Upon receipt of the initial findings from MDA, and ahead of the return of the laboratory test results in relation to the concrete (which were received in November 2017), there were two immediate sets of actions put into place, which can be split as:

- Actions to validate / qualify the data received to date - see section 6.0 of this report
- Additional measures put in place to reduce the potential for a shock event occurring within the blocks – covered in section 7.0 of this report

6.0 Validation of the data received from MDA in respect of Biart Place

Officers acted in a swift, professional and diligent manner and ensured that Cabinet was briefed on the findings in September 2017, with a further update in November 2017.

At its September update, Cabinet requested the appointment of another specialist structural engineer to peer review the findings and conclusions of MDA. This resulted in the appointment of Arup, an industry leader in high-rise construction expertise, in September 2017.

Arup subsequently recommended additional surveys be carried out to the blocks by MDA to inform both short-term and long-term decision-making by the Council in respect of the future of the blocks. The required surveys were in respect of:

- Inherent fire-resistance of the structure
- Resistance to wind loading
- Structural calculations to quantify the building strength when exposed to accidental loading

Due to the differing methodologies, and approaches by each engineer and the need for additional survey data it was not practicable for MDA to submit a response immediately.

1. Fire resistance of the structure: the survey data was received in December 2017 and confirmed that the fire resistance of structural elements was assessed at generally 1 hour, which is in accordance with the British Standard. However, Arup confirmed that the walls are up to 90 minutes in accordance with the more modern Euro code.
2. In February 2018, MDA confirmed the structural wind assessment concluded that the building was acceptable within the limits of the survey information obtained. Arup are reviewing this currently and their final conclusions will be presented in a report at the end of April at which time the BRE will also review.
3. Engineers agreed that given the varying, but known, building defects, structural calculations for accidental loading would not prove that the building could conform to new building standards and therefore were not performed.

Both Warwickshire Fire and Rescue Service (WFRS) and the Council's insurers were notified of the additional risks in December 2017, and new fire risk assessments for the blocks were commissioned. It should be noted that in light of the additional mitigation measures put in place the Council's insurers have made no material amendments to the terms and conditions of cover. There is ongoing and regular dialogue with the WFRS to ensure that they are fully briefed as to current events and are in receipt of data to help them plan how to respond should there be a fire event at Biart Place.

The renewed fire risk assessment was carried out in February 2018 by Lawrence Webster Forrest (LWF), who are fire engineers as well as having expertise in structural surveying. Their assessment summary was:

- The Fire Risks are deemed tolerable / acceptable as defined under the Fire Reform Act 2005 as amended.
- RBC had already undertaken general fire precaution works – minor additional work / precautions noted
- Their main recommendations were:
 - The current stay-put in the event of a fire advice be changed and an evacuation on a confirmed alarm basis be introduced; and
 - A new building-wide fire alarm system be installed

It is worth noting that in the last 10-years there has been one fire at Biart Place, and this was successfully contained within the flat.

In February 2018, officers engaged the services of the Building Research Establishment (BRE), to offer expert opinion on the data collected to date. The BRE advises government on building policy and was the author of the latest *handbook for the structural assessment of large panel system (LPS) dwelling blocks for accidental loading* (BR 511 published in 2012). This is the latest official guidance on structural analysis and risk management of this type of structure. Given the potential significance of the findings to date it was felt that this level of expertise would be welcomed. The WFRS also welcomed the engagement of the BRE's advisory services.

After a desk top review of the MDA reports the BRE have reported that:

1. Further structural calculations/proof is required to substantiate MDA's conclusions that the safety of the buildings is compromised in the event of a fire or explosion and to determine that the buildings cannot be strengthened.
2. Evidence of poor workmanship is apparent but determination of the possibility and detail of strengthening work requires further intrusive investigation, fire/explosion modelling and structural calculations.
3. Evidence of high chloride and carbonization levels needs further validation to predict the remaining life of the building.

The BRE have also been instructed to undertake the further work as noted in 1 to 3 above and they will report back in early summer 2018.

7.0 Additional action taken to minimise the potential of a shock event at Biart Place

1. Neither of the Council's high-rise sites, Biart Place and Rounds Gardens, have a mains gas supply connected to them and beneficially both sites have a 24/7 concierge service and closed-circuit television monitoring.

2. In September 2017, a local security company was commissioned to provide security guards on a 24/7 basis to patrol the blocks. Their brief was originally to walk the blocks at regular intervals, ensure that the communal areas are free from items, and to look out for anyone potentially carrying combustible items, for example, portable gas appliances into the blocks.

Latterly, their brief has extended to inspecting void properties and performing the role of fire marshalls, for which they are trained. In February 2018, this presence was increased from 1 guard per block to 2.

3. The whole of the Council's tenant base received updated fire prevention advice in the Winter 2017 edition of *The Tenant Times*.
4. An electrical safety-audit was undertaken in Biart Place to identify any potentially hazardous white goods or bad practices that tenants may be undertaking within their homes.
5. All letterboxes to void properties are now sealed
6. Existing external railings fences and barriers protect the buildings from vehicle impact

Since the blocks were built, there has been a 'stay put' policy in the event of fire. On 13 March 2018, tenants were advised that this policy has now been replaced by one of 'stay put until advised to evacuate policy'. This change was made in response to the recommendations of the Fire Risk Assessment and consultation with Warwickshire Fire and Rescue Service (WFRS).

Immediately following this change to policy, tenants (and their families), where this is a known physical or sensory impairment, were prioritised for visits to establish what support they may potentially need to evacuate in a confirmed fire event. Arrangements are in place to share this information, which is updated weekly, with both the WFRS and the security company, to assist their response to any fire event.

The Security guards are all fire-marshal trained and have been issued with air-horns to activate to sound the alarm, should this be needed. It should be noted that there is no current requirement for residential tower blocks to have a common fire alarm and detection system.

Additional fire advice signage has been installed as per the recommendations of the Fire Risk Assessment, including a copy of the new evacuation procedure displayed next to the lifts on each floor, and refuge point signage is being put in place by the stairwells. Fire assembly point signage has been installed in the car park to the rear of the low-level blocks on Clifton Road so that tenants are aware of where to congregate upon evacuation.

8.0 Management of Biart Place

Biart Place tenants receive several housing management services, which are payable through their weekly service charge (which does qualify for housing benefit / Universal Credit). These services are:

- 24/7 concierge and CCTV
- Communal cleaning
- Communal lighting
- Estate officer / control centre

Grounds maintenance, grass-cutting, caretaking and housing officer costs are met via the rents.

The rent for a:

- 1-bedroom flat is currently £95.62 (which includes a weekly service charge of £21.68)
- 2-bedroom flat is currently £104.71 (which includes a weekly service charge of £22.51)

The current services provided by Stonewall do not form part of the service charge and a supplementary budget has been requested as part of the recommendations to this report.

Currently occupancy of Biart Place is 90 households, plus the leaseholder property. There are currently 35 void units, which have arisen due to:

- 8 empty flats being needed (one cluster of 4 in each block which had to be above, below and next door to one another) to permit the intrusive structural survey work
- People moving out, who were already on the housing waiting list, having received a suitable alternative offer of accommodation
- Households that were occupying a property on a non-secure tenancy moving to suitable alternative temporary accommodation
- Void flats not being re-let whilst plans for the site are being considered. Any potential remediation work would be potentially very intrusive and require households to move out on a temporary basis.

9.0 Securing additional properties for a potential decant

Additional works have been progressing to secure additional properties in preparation for a potential decant of the blocks. This is because the evidence suggests that a decant for Biart Place will be required not just in the event of regeneration, but also should the Council wish to pursue remedial works to repair. Officers have been advised that these works will be intrusive both externally and internally and would require the properties to be empty. The key additional works are :

- On-going efforts to secure additional properties through the existing private-sector leasing scheme, to provide people living in the blocks a potential means of temporary accommodation to move into
- High-level and non-specific conversations with our housing association partners in respect of potential opportunities within their own stock – within and outside of Rugby
- On-going acquisition of properties to increase the Council's portfolio of housing stock. However, this is a slow process and inevitably supply lags behind demand.
- Non-specific discussions with local lettings agents in an attempt to broker a deal whereby the Council rents homes direct and then sub-lets them, whilst underwriting the difference in rents through a guarantor reserve.

- A mailshot to local empty property owners, inviting them to contact the Council should they wish to consider selling or renting their home to us
- Direct discussions with corporate landowners and developers with a view to leasing properties.

10.0 Tenant perceptions of Biart Place

During September 2017, officers managed to speak to 122 households to clarify their tenant profiling data and to clarify their perception of Biart Place as a place to live. Table 1, below provides a summary of positive and negative household perceptions:

No. of households	View	Most frequent reasons cited for response
57	Negative	<ul style="list-style-type: none"> • noisy neighbours • inadequate heating • perception of drug use
37	Positive	<ul style="list-style-type: none"> • security • CCTV
28	no comment	

Table 1 – Tenant perceptions of Biart Place

There was a clear split in perceptions of the blocks as a place to live by household composition. The least satisfied households were families whereas the most satisfied were single-person households.

11.0 Known investment requirements for the blocks

There is an estimated investment requirement of £2,108,000, for the high-rise blocks, over the next 10-years, to meet the Decent Homes requirement. The breakdown of the investment required is summarised in table 2, below:

Item	£ Cost per unit	No. of units	Total £'s
Kitchens	3,000	124	372,000
Bathrooms	2,375	124	294,500
Lifts	60,000	4	240,000
Windows	3,000	124	372,000
Heating	2,850	124	353,400
Roof	100,000	2	200,000
New Sprinklers (Flats)	1,300	124	161,200
New hardstanding for Warks Fire and Rescue Service fire appliances	50,000	2	100,000
Secure car park	15,000	1	15,000
Total			2,108,100

Table 2 – Known investment requirements

The Table 3 below provides a summary of total day-to-day cost of repairs and maintenance for the site for the period 1 April 2014 – 31 March 2017:

Repairs / maintenance issue	Cost £'s
Responsive repairs	86,000
Works to prepare empty properties for new tenants	73,000
Asbestos works	10,000
Fire risk	21,000
Planned maintenance	32,000
<i>Total</i>	222,000
Average annual cost	75,000

Table 3 Repairs cost

Quotes have been obtained for the installation of the recommended alarm system for the site, which would be a baseline figure of £75,000 per block. This is based on the assumption that there are no issues of:

- impeded access to carry out the works – which are invasive in nature and will require access to individual flats
- asbestos which would need to be managed. We know that there is asbestos in the blocks and any drilling to permit the installation of a hard wire system would require the engagement of specialist contractors to both drill and manage the resulting dust

Given the expense and specialism associated with asbestos management it is likely that installation costs for the alarm system are more likely to be in the region of £150,000 per block.

Given the practical issues associated with the commissioning and installation, it is unlikely that such a system would be fully functional much before 4-6 months. Should a decision be taken to regenerate the site, it would be hoped to have decanted all tenants by the end of September 2018 (with a long-stop date of the end of March 2019).

12.0 Why a regeneration scheme would be a more sustainable long-term solution

The proposed exoskeleton frame / steel members to the outside of the block, would help to secure the external panels in place, in the event of an explosion and would reduce the likelihood (rather than eliminate the risk) of the external walls blowing out in a shock event. However, this solution would not address issues of the internal crosswalls, where levelling bolts have been observed to be missing. The high levels of chloride and high penetration levels of carbonation of the concrete are also factors reducing the potential future life of the buildings and these are defects that cannot be easily rectified.

Such a solution would also mean that tenants would have to be decanted from the blocks for the duration of the works.

There are further issues impacting on the future sustainability of Biart Place, which need to be considered in parallel with the construction issues:

- The scheme attracts amongst the lowest demand from housing applicants in the borough and is potentially seen as housing of last resort for those that have no other housing options available to them
- Low-levels of tenant satisfaction
- Poor local reputation of the blocks
- Issues of affordable warmth - the blocks are solid concrete-wall constructed, with electric heating (as there is no gas supply to the blocks) and are therefore expensive and hard to heat, which leads to complaints of condensation and damp.
- The level of additional investment required just to carry on as they are

When considered in totality, these factors present a strong evidence-base to inform a business case for the regeneration of the site. Such a scheme would:

- provide a sustainable supply of new homes, to meet a range of housing needs
- make better use of the footprint of the site, especially if additional land assembly opportunities can be secured from adjacent land owners
- bring benefits of low maintenance of the new housing units
- bring benefits of better energy efficiency and thermal performance within new housing units
- be an opportunity to potentially increase affordability, through quality design which could potentially help to reduce service charges
- have the strong potential to attract inward investment from Homes England, who administer government grant for new affordable housing. The Council is already registered with them as a delivery partner, allowing us the potential ability to draw down substantial grant to assist in the regeneration of the site. It should be noted that senior officers within Homes England are aware of the potential for the Council to engage in a major regeneration project as a reactive response to poor quality workmanship when Biart Place was constructed. The dialogue with them is ongoing.
- be in keeping with the priorities of the recently adopted Housing Strategy 2018-20 (*helping people to access a suitable high-quality home, that meets their needs, at a price they can afford as well as making best use of the borough's current and planned housing supply*)

As at 1 March 2018, there were 1,084 applicants on the Council's housing waiting list. However, this is a fluid situation with new applicants coming onto and off the list on a daily basis, and the circumstances of other applicants changing. The Council operates a banding system from 1+ being the most urgent housing need. The banding of the 1,084 applicants on the waiting list is summarised in table 4 below:

Band	No. of applicants
1+	Nil
1	182
2	382
3	346
4	131
Other*	43

Table 4 Housing Need

*reserve listing for harder to let properties and mutual exchanges.

13.0 What the regeneration of Biart Place would mean for tenants

There are currently 90 households, plus the leasehold property, resident in the high-rise blocks at Biart Place, the composition of which is outlined in table 5, below:

Household type	Number
Single-person / couple	46*
1-child family	26
2-child family	10
3-adults and 1-child	1
4-adults	2
3-adults	1
Temp accommodation	4
Sub tenant of leaseholder	1
Total	91

Table 5 Housing Composition Biart Place

*includes 2 x households that did not respond to recent tenant profiling. As they are occupying a 1-bedroom flat, it is reasonable to assume that the household composition is that of a couple / single person.

The Council has a decant policy which was adopted in 2014. This was refreshed in December 2017, and was subsequently scrutinised by the Council's Legal Services team who were satisfied that the refreshed document contained no material amendments from the 2014 version.

In line with legislation, the following people will be eligible for assistance and possible re-housing:

- Tenants
- Leaseholders
- Their family members, limited to partners and spouses and dependents living in the affected property, 12 months prior to the date of the decant.

There is no duty for the Council to rehouse unauthorised occupants, sub-tenants, lodgers, licensees and other non-secure occupants under the decant requirements. However, there may be duties owed by the Council under Homelessness legislation.

The sourcing of suitable alternative accommodation for qualifying households will present a significant challenge. This is because:

1. The Council is obliged to offer secure tenants a secure tenancy, or if they move to a registered provider's property then this will be an assured tenancy
2. The supply of Council homes is severely limited and this is further compounded by the Council choosing to make provision for statutory homelessness within its housing stock.
3. 103 of the Council's own Housing Revenue Account properties, are currently being used to accommodate homeless households
4. The private-sector (including the private-sector leasing scheme) is not a route whereby we can legally discharge our duty to permanently re-house, those with secure tenancies. However, the exception to this is in the case of households occupying properties as interim / temporary accommodation, to whom we owe a statutory homeless duty
5. Any offer of alternative accommodation must be both suitable and reasonable. Examples of issues that impact on this are the proximity to school, work and support networks. Consideration is to be given to issues in respect of both the Children Act 2004 and the Care Act 2014.
6. The Council still has a statutory duty to provide accommodation for those in priority need, on a permanent or temporary basis. Recently, the Council has discharged its duty to provide temporary bed and breakfast accommodation as far away as Northamptonshire
7. The Housing Register is in a state of inertia as properties are not coming forward. In real terms, we have managed to achieve 37 lets in the period between 1 September 2017 and 28 February 2018, including nominations to housing associations.

Tenants can potentially be offered an alternative property with a Registered Provider (RP). This will be dependent on the availability of properties, their affordability and any other local letting criteria that the RP may apply (for example they may have a policy of no children under the age of 8 in a flat).

Early, and non-specific discussions with RP's, who hold stock in the borough, indicate a general willingness to assist the Council with accommodation, if called upon to do so.

There has been a recent increase in void units within the Council's housing stock that can be potentially used to decant tenants from Biart Place.

Officers are currently consulting with tenants to clarify their perception of potential ways forward for the site and to gain a better understanding of their housing requirements. It may be that:

- Tenants may wish to give up their tenancy and make their own arrangements for housing, including the potential to use their compensation for home purchase
- Some may wish to move to alternative accommodation outside of the borough
- Given the unpopularity of the site, tenants are not overly restrictive in their requirements for suitable alternative accommodation

- With the tenants' agreement, we temporarily place people into suitable privately-rented or leased accommodation until a suitable vacancy arises that better meets their needs, with the Council underwriting any additional rent

It is proposed that any household that is moved from the scheme does so on a permanent basis, with no guarantee to return to the new scheme. The rationale for this is that:

- The housing associations have already advised that they would only want to house people on a permanent basis. This is because if people view their home as being temporary then they are less likely to look after it, or feel they have a stake in their local community. This also applies to tenants of our own stock.
- The final mix of housing for a new regeneration scheme is a way off yet so the Council is unable to commit that tenants can return to the new development. Doing so would potentially limit the options open to the Council for the redevelopment and could undermine the commercial opportunities available to make the best use of the site.
- The expectations of tenants wanting to move back to the current site would have to be resourced and managed.
- Tenants will still have the opportunity to apply to join the Council's housing waiting list for a vacancy at the new scheme, if they meet the criteria set out in the Council's allocations policy. They will also have the right to seek a mutual-exchange.
- This is in keeping with the approach used when Pettiver Crescent was redeveloped a few years ago.

It will be necessary for all households that are owed a duty to be offered suitable alternative accommodation, to be registered in Band 1+ of the housing waiting list, as this is a proportionate means of securing the legitimate aim of emptying the blocks.

It is likely that several households would potentially be eligible for the same property, so it is necessary to distinguish how they will be prioritised when a suitable vacancy arises. This helps to ensure transparency in the lettings process. Table 6, below, sets out the proposed prioritisation of applicants:

Issue	points
Physical or sensory impairment living on floors 10-8	10
Physical or sensory impairment living on floors 7-5	8
Physical or sensory impairment and living on floor 4-0	5
Families with children aged 5 years and under (points per child)	10
Families with children aged 6-10 years (points per child)	8
Families with children aged 11-17 years (points per child)	5
Living on floors 10–8	10
Living on floors 7-5	8
Living on floors 4-0	5

Table 6 Applicants Points Priorities

If an applicant has an equal number of points with another household, then the applicant living on the highest floor will take priority. If there is still a tie then priority will be given to the applicant with the youngest child in full-time residence.

There are a lot of variables in terms of moving tenants to alternative homes, which could impact on when vacant possession of the blocks is achieved. However, it is useful to set a target date for this to ensure that the project keeps momentum. On this basis, a target of 30 September 2018 is proposed, with a long-stop date of the end of March 2019. The Building Research Establishment (BRE) has advised that they see this as reasonable, given the rest of the survey data which they have reviewed, as well as conducting a visit to site on 6 March 2018. However, this position has the potential to change as the results of additional structural surveys, undertaken by the BRE in early April 2018, become known. What does remain unpredictable in this process is how tenants will choose to respond to the need to leave their homes and accept suitable alternative accommodation.

14. Compensation package for qualifying households in the event of site regeneration

Should the decision be taken to regenerate the site then the majority of the 91 households, still in residence will be eligible for Home Loss Payments. These payments are statutory (Land Compensation Act 1973). The current amount, set by the Secretary of State through the statutory instrument *the Home Loss Payments (Prescribed Amounts) (England) Regulations 2017* is £6,100 per qualifying household. Rent arrears, inclusive of court costs, can be offset against any Home Loss payment. The trigger for payment to qualifying households would be them returning their key and giving the Council vacant possession of their former home.

It should be noted that this payment is solely to compensate tenants for the loss of their home. In addition, there is a discretionary disturbance payment that each qualifying household is entitled to, in recognition of the reasonable costs associated with their having to move to an alternative home, for example:

- Removal costs
- Redirection of mail
- Disconnection / re-siting of TV and satellite equipment
- Disconnection / reconnection of a cooker by a suitably qualified person (the National Inspection Council for Electrical Installation Contracting (NICEIC) or Gas Safe registered)
- Disconnection and reconnection of telephone and/or internet
- Replacement carpets and curtains – whereby the carpets and curtains in the original home cannot be re-used
- New school uniforms – if the move to a new home triggers a requirement for a child to attend a different school
- Removing and disposing of all rubbish and unwanted items prior to vacating the property

The trigger for this payment would be when a tenant has accepted an alternative offer of suitable accommodation.

When the decant of Pettiver Crescent was approved in 2011 the flat-rate for the discretionary disturbance payment was set at £1,000 per property, all of which were 1-bedroom flats. If the Consumer Price Index (CPI) was applied to this figure, to reflect inflation, back to 2011 then this would currently amount to £1,118. If there had been 2-bed flats at Pettiver Crescent these would have potentially attracted £1,300 in 2011. Applying CPI to 2011 this would amount to £1,453 in today's terms.

As the tenants at Pettiver Crescent were elderly, the Council facilitated their removals. However, at Biart Place, the majority of tenants will be required to arrange their own removals. On this basis, it would be reasonable to allocate an extra £200 for the cost of doing so for 1-bedroom flats and £300 for 2-bedroom flats. It is acknowledged that some tenants, through vulnerability, and age, may require more support from the Council in assisting them with moving home.

It has already been mentioned that some tenants may wish to secure their own alternative housing solution rather than rely on the Council or a housing association. If tenants choose to take on this additional inconvenience and potential additional costs then it would seem fair to increase their overall compensation package to £10,000 (including statutory home-loss payment and enhanced discretionary disturbance payment). The proposed financial compensation package for qualifying households is summarised in table 7 on the following page:

Breakdown of package	1-bedroom flats £'s	2 bedroom-flats £'s	8 sheltered flats £'s	Option to secure own accommodation
Statutory home-loss payment	6,100	6,100	6,100	6,100
Discretionary disturbance payment (inc. removals)	1,500	1,750	1,500	3,900
Total per household	7,600	7,850	7,600	10,000

Table 7 Compensation Package

It should be noted that according to the Housing Benefit Regulations 2006, the discretionary disturbance payment is specifically excluded from entitlement calculations. However, the Statutory Home-loss Payment is counted as capital. The capital limits for working age customers is £6,000 (above which a reduction of £1 in benefit entitlement applies for each £250 in capital above that limit) and for pensionable age customers is £10,000 (above which a reduction of £1 in benefit entitlement applies for each £500 in capital above that limit). If the total capital held by the customer and partner is over £16,000, then no Housing Benefit will be payable.

If the customer uses the capital to pay off debts, or for furniture for the new home then this will not be considered as deprivation of capital for the purposes of benefits eligibility. If it is used for holidays and similar luxury uses, then a different view will be taken.

In addition to the tenants, there is a leaseholder, who would also be eligible for compensation, fixed at the market-value of their property and the statutory home-loss payment. It should be noted that any sub-tenant would not be eligible for compensation.

15.0 Compensation package for qualifying households in the event of repair

The indications are that if the blocks were to be repaired then the works required would be so invasive and substantial as to require tenants to move out for several months. The advice from the Legal Services team is that this level of disruption to tenants is sufficient justification for a permanent decant, and would trigger the Home-loss Payment and disturbance payments that go with this.

16.0 Rounds Gardens issues

Rounds Gardens comprises three blocks of high-rise flats (11 storeys), each containing 63 flats, which are a mix of 1 and 2-bedroom. Perhaps due to its proximity to the amenities and facilities of the town-centre, the site is more popular than Biart Place, and when vacancies do arise, they are easily filled.

Work is in progress to clarify the condition of these blocks, using the same processes as for Biart Place (structural surveys to a configuration of 4 empty flats). The initial report has only just been received from MDA and will need to go through the same peer review process, by both Arup and the BRE, as the Biart Place report did. In addition, a new fire risk assessment will also be required. This will ensure that a consistent approach has been taken to understanding the issues of both sites.

Although the early indications are that the issues are not as serious as those at Biart Place, there is the potential for substantial remediation and mitigation works to be needed on site, the cost of which is unknown. The full implications for this site cannot be understood at this stage, as the full data, to inform a strategy moving forward, is currently being gathered.

17.0 Financial implications

17.1 Cost Estimates

The total estimated cost of a new development scheme at Biart Place is in the region of £25 m. This cost estimate is informed by an assessment undertaken by independent building and project consultants. This initial assessment has reported that the construction cost of the development ranges between £20.35 m to £22.75 m, depending on scheme design. This estimate is based on the following assumptions and provisions:

- An allowance for preliminaries, overheads and profit have been included based on BCIS Costs Data checked against recent tender submissions
- The £/sqft is deemed inclusive of the following works:
 - A similar number of housing units on the site as existing
 - Moderate specification of finish to apartments and housing
 - Lift Installations within apartments
 - Fit out to core areas
 - Low Pressure Hot Water heating system, no cooling, small power, Hot & Cold Water Service, fire alarm
 - Naturally ventilated building
 - Nominal allowance for external works
 - Main Contractor Preliminaries
 - Main Contractor overheads and profit
- Initial inflation assumptions
- Contingency has been included at 10%
- A reasonable allowance has been made for the purchase of additional land from Network Rail and build costs on that land
- No other land purchase

Other costs built into the overall £25m cost estimate include approximately £300,000 incurred to date on survey works, fire precaution works and security at Biart Place and Rounds Gardens. Plus, approximately £2.2m on further surveys and structural modelling, decanting, land acquisition and security costs (the latter for both sites).

In accordance with Contract Standing Orders an exemption was approved by the Head of Corporate Resources, Monitoring Officer and Legal & Procurement Services Manager and at the time of writing, approval had been requested from the Communities and Homes Portfolio Holder, to enable the provision of site security. This cost is subject to a limit of £615,278, as per schedule 3 of the Public Contracts Regulations and therefore it will be necessary to undertake a procurement exercise in the near future, to ensure the provision of a security service until such time as its no longer required.

No refurbishment or redevelopment costs for Rounds Gardens are included in the £25m estimate.

17.2 HRA Capital Programme

The HRA Capital Programme for 2018/19 was approved by Council on 5th February 2018. The programme is approximately £2.9m and consists of the following major schemes:

Scheme	£'000	Comment
Stock Improvements & Capitalised Repairs	915	Including; bathrooms, heating upgrades, kitchen improvements and rewiring
Purchase of Council Homes	1,685	to increase supply to meet need
Other	290	Including lifeline renewal programme and Disabled Adaptations
Total	2,890	

The Stock Improvements and Capitalised Repairs will be financed from the Major Repairs Reserve, with the other schemes being funded from a mix of right-to-buy receipts and revenue contributions.

In addition, it is anticipated that approximately £6.5m of budgets from the 2017/18 will be underspent at the year-end and requested to be slipped forward to the new year. This slippage largely relates to the following schemes:

Anticipated Slippage	£'000	Comments
Cawston Meadows Houses	4,000	As approved by Council in September 2017
Energy Efficiency Phase 2	900	Assessing phase 1 before progressing
Purchase of Council Homes	585	Expected slippage from 2017/18
Property Repairs Vehicles	350	Awaiting review of procurement of vehicles
Other	665	
Total	6,500	

Again, all the above schemes are to be funded from a mix of right to buy receipts and revenue contributions.

Finally, approval has been requested for the redevelopment of Bell House and the procurement of a new Housing Management System. Subject to these approvals, a further £2.3m will be added to the HRA capital programme, of which £1.7m will need to be financed from internal resources.

Taking account of all the above schemes, should a redevelopment of Biart Place be required at an estimated cost in the region of £25m, the HRA capital programme is likely to exceed £37m.

17.3 Financing Sources

A capital programme of this scale will place pressure on the HRA's financial resources. After considering contributions from the Major Repairs Reserve Account, likely available grant funding and Right to Buy Receipts, it is anticipated that approximately £31m of internal resources would be required to fund the expanded capital programme.

In terms of resources available, at the start of 2018/19 it is anticipated that £13m will be available in Capital Balances, some of which are already allocated to recent commitments for acquisitions. However, the remainder, in excess of £10m, can be used towards this project. It is also expected that at the beginning of 2018/19 the Council will have £21m of borrowing capacity available, which is represented as the headroom between current debt levels and the Council's £87m debt cap. These funding estimates will be confirmed after the closure of the 2017/18 accounts.

Using a mix of borrowing and capital balances to fund the scheme, and assuming a staggered phasing of the financing over a couple of years, would likely see headroom shrink to approximately £10m at its lowest point. Therefore, based on current estimates and assumptions, there should be sufficient resources available to fund a development of Biart Place.

However, this constrains the Council's ability to acquire new homes to increase its housing stock and does not leave much resources available for refurbishment works/redevelopment at Rounds Garden should these be required.

Once the costing estimates for a potential development have been advanced and refined it will be necessary for consideration to be given to a detailed financing strategy for the scheme, alongside further anticipated demands on HRA financial resources, such as from Rounds Gardens. It should be noted that work is in progress in respect of seeking financial support from Central Government. However, the magnitude and likelihood of any support is uncertain. After consideration of all available resources, should there be insufficient borrowing capacity to fund any residual capital financing requirement then the Council would need to seek Secretary of State approval for the borrowing cap to be lifted.

Included within the recommendations of this report is a request to divert £4.992m that was budgeted for in 2017/18 for the voluntary repayment of debt, towards HRA revenue balances. This enables a necessary increase in revenue resources, as currently HRA revenue balances are at the minimum assessed level of approximately £1.4m. However, it will have an associated impact on interest payments across the medium term, which is anticipated to be in the region of £50,000 per annum, but will be reported to Members in future financial budget and monitoring reports.

18.0 Communications with tenants

Tenants of Biart Place have already been advised of the report being submitted for the consideration of Council. They have also been directed to access the publicly available copy on the Council's web site.

An information pack has been prepared for distribution to tenants, in anticipation of a regeneration scheme being approved. This is in a question and answer format, and if Council agree to go down the route of regeneration/major repairs for the site, these will be delivered to tenants tomorrow, along with letters advising them of the Council's decision.

Since the letters, outlining the new fire evacuation procedure and the potential for regeneration of the site were hand delivered to tenants on 13 March 2018, tenants have been consulted individually to clarify their thoughts on both the potential for redevelopment and their individual housing needs. This has been achieved through home visits. The consultation period will continue to the end of May 2018.

In the case of Rounds Gardens tenants, they too have been notified as to this meeting of Council and have been signposted to the availability of documents on the Council's website. They have been advised that the situation with Rounds Gardens is different to that of Biart Place and that the picture is so far incomplete. Tenants will be kept informed of issues at appropriate intervals.

19.0 Conclusion

Events in respect of Biart Place have unfolded very quickly and were obviously unplanned. As a consequence, the information gathered and due diligence performed has been on a reactive basis. In the absence of alternative and viable solutions, there is a strong case to be made for the demolition and regeneration of the site, particularly when overlaid with issues of low tenant satisfaction and even lower housing waiting list demand.

The issues with Rounds Gardens are still being established but the issues, along with potential remediation measures, are not the same.

20.0 Recommendation

1. The decanting of tenants from Biart Place commence with immediate effect, in order to facilitate either redevelopment or repairs to the site;
2. the Head of Communities and Homes be given delegated authority to administer a compensation package to tenants, not exceeding £10,000 per eligible household in respect of the development of the Biart Place high-rise blocks;
3. the implementation of a points scoring system, to prioritise decant moves from Biart Place, as outlined in section 13 of this report be approved;
4. negotiations progress with adjacent land-owners to assist with additional land assembly to permit a wider developable footprint;
5. negotiations progress with the leaseholder at Biart Place, with a view to purchasing their property, primarily through negotiation, and if needs be, the Compulsory Purchase Order route;
6. negotiations progress with the licensees of telecoms equipment on the roofs of the blocks to terminate their lease;
7. works progress to inform either a new development scheme or a repairs scheme for the consideration of Council in Summer 2018;
8. work progress to inform options for Rounds Gardens, once the base position is established, with a further report be submitted for the consideration of Council in Summer 2018;
9. supplementary budgets be approved in respect of:
 - I. Decanting of £870,000 (this assumes maximum take-up of the £10,000 per eligible household as outlined in section 14 of this report), in respect of Biart Place, to be met from HRA capital resources;

- II. Additional surveys, structural modelling and design, of £170,000, to be met from HRA capital resources;
 - III. Security guard presence at Biart Place and Rounds Gardens, until March 2019, leasing of private sector properties for use as temporary accommodation and associated staffing costs, totalling £1,351,500, to be met from HRA revenue resources;
 - IV. Establishing a guarantor / indemnity reserve of £160,000 to mitigate potential losses arising from the increase in private sector allocations, to be met from HRA revenue resources; and
10. a reallocation of the 2017/18 budgeted HRA voluntary debt repayment of £4.992m to HRA revenue balances and subsequent impact on revenue (interest) costs be built into forthcoming budgets.

Council – 27 September 2018

**Change to membership of Cabinet – Growth and Investment
Portfolio Holder**

Report of the Leader of the Council

Under the Council's Constitution, I am required to report any changes to the membership of Cabinet and its portfolio holders to full Council.

In June 2018, Councillor Mrs Timms offered her resignation as the Growth and Investment Portfolio Holder, which I accepted.

In accordance with Part 2A of the Council's Constitution and following due consideration, I appointed Councillor Lowe to the position of Growth and Investment Portfolio Holder to replace Councillor Mrs Timms.

Recommendation

The report be noted.

**COUNCILLOR M STOKES
LEADER OF THE COUNCIL**

Council – 27 September 2018

**Report of the Chair of Brooke Overview and Scrutiny Committee
and the Chair of Whittle Overview and Scrutiny Committee**

Overview and Scrutiny Report 2016 – 2018

1. Introduction

The Council's Constitution requires scrutiny committees to report annually to full Council on their work.

The report is attached at Appendix 1 for consideration.

2. Recommendation

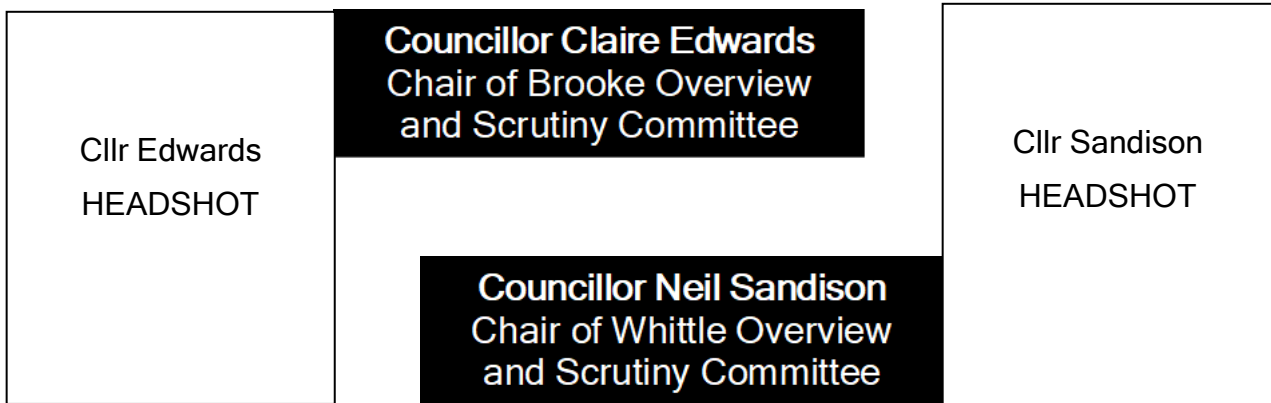
The Overview and Scrutiny Report 2016 – 2018 be approved for publication.

**DRAFT COVER
OVERVIEW AND SCRUTINY
REPORT
2016 – 2018**

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CELEBRATING OVERVIEW AND SCRUTINY SUCCESS



Welcome to a new style Annual Report of Overview and Scrutiny at Rugby Borough Council.

In the past, our reports were very much process driven but in this report, we highlight the key issues and achievements of scrutiny and some key areas for further work.

In particular, we would like to thank everyone who has supported Overview and Scrutiny in the last two years. Officers at every level, our partners, members and particularly our Democratic Services Officers, Linn Ashmore and Veronika Beckova, for their hard work above and beyond their day jobs.

We would also like to thank all the members who supported Overview and Scrutiny over the years. They spend time looking at the evidence, checking what happens elsewhere and bringing a great deal of enthusiasm and diligence to their work on behalf of the Borough. We have had the support of some very able vice chairs and our thanks go to Councillors David Cranham, Anthony Gillias, Dale Keeling, Sebastian Lowe and Howard Roberts.

There are greater pressures on local government to deliver ever more services but with ever less resources. Overview and Scrutiny has a role to play to ensure that the Council does the best job it can, delivering fair, accessible and efficient services and allowing residents a greater insight into how those decisions are made and prioritised.

SOVEREIGNTY

Overview and Scrutiny gains its legitimacy and sovereignty from the model that the Council adopted for its governance which is Cabinet-led by the largest party or coalition of parties which form the Cabinet as decision makers on spending and policy direction.

Overview and Scrutiny is accountable to all 42 members of the Council regardless of party. It does not make decisions but does recommend courses of action and holds both the Leader of the Council and portfolio holders to account.

Overview and Scrutiny reports are in the public domain. Any member of the public can attend the meetings and see the committees in action. It is at the discretion of the chair if they take public questions on the agenda items under discussion.

OVERVIEW AND SCRUTINY MISSION STATEMENT

Overview and scrutiny aims to enhance the quality of life of all who live and work in the Borough of Rugby by ensuring services are delivered effectively and supporting improvement in the Council's services, policies and performance.

Scrutiny aims to be objective, evidence-based, transparent and constructive, and to reflect the interests and concerns of local communities.

TRANSFORMATION

Since 2016, we have seen a transformation of our Overview and Scrutiny committees.

Gone is the top down Overview and Scrutiny Management Board which many members thought micro managed our processes and absorbed considerable additional councillor and officer time overseeing the committees. Sadly, it coincided with the loss of two dedicated scrutiny officers but they have been replaced by our very able democratic services team who on top of their normal duties of supporting elected members now support the overview and scrutiny committees.

These two committees are led by the chairs and vice chairs in consultation with the Senior Management Team. The Senior Management Team consists of the Executive Director and Heads of Service.

The two committees are member-led and have a full programme of activities for the municipal year. They are named Brooke and Whittle, two famous Rugby names.

ADAPTABLE AND FLEXIBLE

The chairs in discussion with the Senior Management Team set the work programme for the ensuing year and engage with partner organisations and communities of interest regarding subjects to be reviewed or tasks groups to be set up.

What is a task group?

In-depth overview and scrutiny reviews are carried out by a smaller group of non-executive councillors who operate more informally, undertaking more detailed evidence gathering using a variety of methods.

What is a sub-group?

The aim of a sub-group is the same as of the task group. A sub-group is set up when more immediate scrutiny is required. A sub-group is a subset of members drawn from a larger parent group (usually a committee).

Reviews are not time limited but we have improved the process by setting up sub-groups of members who can look at priority tasks when legislation has changed or a financial challenge has moved an issue forward so that it requires more immediate scrutiny and recommendation.

The recent **group leaders' questionnaire** about scrutiny was a useful tool. What it demonstrated from those that responded was that the majority of members rated scrutiny as either very effective or effective at holding the executive to account but could improve on contribution to policy/strategy, was achieving positive outcomes for local residents subject to recommendations being implemented and most members felt they had the skills and expertise to carry out scrutiny reviews but some felt they needed some refreshment in training.

What is a light touch review?

A light touch review enables a suitable topic to be scrutinised quickly and efficiently.

What is a one-page strategy?

A one-page strategy sets out the terms of reference for an in-depth review.

Why do we use a one-page strategy?

A one-page strategy addresses the ambitions and anticipated outcomes, timescale for the review, what help is needed and what consultation will be undertaken.

PUBLIC ENGAGEMENT

More and more of our scrutiny work is generated by public engagement and comes forward as part of the scrutiny workshop, listening post events, community forum, the Council's own website or public notices that we place with voluntary and community online publications such as WCAVA's Grapevine.

Less and less is done solely by councillors. However, this does not stop individual councillors by motion to council asking us to investigate a service area or look at a service improvement/enhancement. This has led to the refreshing of service areas such as Homelessness, the Benn Hall, the World

Rugby Hall of Fame, Rugby's unique heritage, Public Space Protection Orders and Support Services for older residents which have led to very positive outcomes.

PARTNERSHIP WORKING

As local councils like Rugby Borough Council have been more financially squeezed and central government grants have diminished, partnership working and shared services have become the order of the day. Services are almost under constant review. This has meant we as a Council have had to adapt quickly to change whilst retaining the core services the Council has a statutory duty to provide. Overview and Scrutiny has played its part well in this process with keen member task groups volunteering to pick up the gauntlet and objectively face up to the challenges local government and local democracy face.

Partnership working is key in scrutiny:

Rugby Youth Council
work to represent young
people in the Rugby area.

Rugby Youth Council has a standing invitation to attend all scrutiny meetings. Since this relationship was formed, the Rugby Youth Council has attended meetings on a regular basis to share their successes, concerns and thoughts.

As part of the Homelessness review, a workshop with partners and organisations (**Citizens' Advice Bureau, Hope4, St Basils and P3**) took place to discuss what solutions and support can be provided and how partnerships can be developed. All participants agreed that it was a valuable exercise. As a result, an annual workshop was introduced to promote joined up thinking and minimise gaps in services. **Coventry and Warwickshire MIND** also took part in the review.

In May 2016, the Council agreed to the procurement of a four-year licence from World Rugby to host the World Rugby Hall of Fame visitor attraction on the 1st floor of the Rugby Art Gallery and Museum building in the town centre. The attraction officially opened in November 2016. The Council agreed that scrutiny should keep an overview of the service. During the review, the task group consulted with a number of organisations including **Visit England, Wasps Rugby Football Club and local rugby clubs**.

In July 2016, the Council referred a motion on the topic of a Green Plaque Scheme to scrutiny where a decision was made to look at town centre heritage as a whole. A task group was established and during a number of meetings involved representatives from **Rugby First Limited, Unlimited Communications, Zappar and St Andrew's Parish Church**.

In 2016 - 2018, the lack of access to primary care through GP surgeries was highlighted particularly in Brownsover and Houlton. Brownsover Medical Centre is due to open at the end of 2018 and plans for a centre at the new Houlton development are gathering apace.

Public consultation is a useful tool to engage with residents and is utilised as and when appropriate. It is a valuable way to communicate, reach out to our communities and put their views across.

The following organisations have also been involved in scrutiny during 2016 - 2018:

- Coventry and Rugby Clinical Commissioning Group
- Coventry and Warwickshire NHS Partnership Trust
- NHS England
- Public Health Warwickshire
- Rugby Borough Neighbourhood Watch
- Rugby Community Safety Partnership
- Warwickshire County Council Highways
- Warwickshire Police
- West Midlands Ambulance Service

HOLDING TO ACCOUNT

We have had to deal with considerable change over the last two years and learned many lessons. The Leader and Portfolio Holder's annual question times at Overview and Scrutiny have now become more sharply focused and less random with members asked to submit questions in advance within that portfolio with follow ups during the debate. The responses from the portfolio holders are used as evidence base and used with additional questions to hold the Leader of the Council to account.

The new system now needs to be embedded into our processes certainly over the next year but that does not mean we cannot continue to learn from for example the recently established Communications and Engagement task group. We are already looking to build on our online workshop model we used this year realising less people want to spend a whole evening at a workshop but mainly want to prioritise identified concerns.

STANDING ITEMS

There are a number of standing items that return to scrutiny every year. They include **Air Quality Monitoring** where members receive the annual report, discuss its results, make recommendations to monitor air quality 'hotspots' and engage with Warwickshire County Council.

In addition, an overview of **Crime and Disorder** is undertaken. In this period we undertook a detailed review of hate crime incidents in the Borough as it was clear from the police's work that there had been a rise in the Rugby area of reported incidents.

HIGHLIGHTS

Task and Sub Groups have investigated a number of in-depth areas including:



THE BENN HALL had been facing considerable operating losses and it was a key area where action needed to be taken by Rugby Borough Council (its owners) to resolve the financial losses and loss of reputation. Many councillors were sceptical that it could continue to remain open and in that situation, a subgroup was established to look at its marketing and operation in more detail. After the in-depth work of councillors and the very

hardworking staff, it was agreed to monitor the new marketing and business plan, support a new pricing structure, ensure more private hire events and invest in a feasibility plan to improve the building's attractiveness. Today the Benn Hall is thriving in a very competitive market.

HOMELESSNESS

Scrutiny established a Homelessness Sub Group to look at this issue in much more detail after reports from partners that the levels of homelessness in the Borough had increased dramatically. It worked closely with officers involved in the bid for the Trailblazer Project to work with partners to understand the complex, multiple issues of early intervention. It recommended an annual workshop with partners and organisations to promote joined up thinking and minimise gaps in services and for the Council to work with local landlords via the Private Sector Leasing Scheme to lessen the need for Bed and Breakfast Accommodation.

UNIVERSAL CREDIT

A key concern by members of the public and voluntary organisations at our 'Listening Posts' has been Universal Credit. We continue to keep a close watch on this as Rugby was one of the first areas to have complete rollout of this welfare system and will continue to do so.



TOWN CENTRE HERITAGE

Another key theme in all our 'Listening Post' activities is the town centre and how best to work with partners to ensure it thrives. A number of different groups across the Council are working actively on this area from supporting new town centre events, to supporting the development of 'The Rugby Town' branding. Rugby Borough councillors continue to do all they

can to support the town centre and that work will continue to be monitored by scrutiny members where appropriate.

THE WAY FORWARD

Overview and Scrutiny at Rugby Borough Council has been regularly reviewed and changed as appropriate. We have had a myriad of different committees and structures but the current two committee structure still needs to be responsive to public concerns, be as effective and efficient as possible, add value to the decision making structure of the Council and continue to be member-led and publicly accountable.

We hope over 2018 and beyond to continue to ensure that Overview and Scrutiny makes a difference whatever structure the Council decides is appropriate.

In 2018/19, our work programme has been strongly influenced by partners and wider residents and we aim to complete reviews on communications and engagement, trees, recycling and reducing plastic waste, better disability access amongst others.

The 2019 workshop with residents, parish councils and members will be held in the Rokeby Room in Benn Hall in March 2019 and our next 'Listening Post' will be in attendance at the 'Our Rugby Our Future' event on 17 October 2018.

APPENDIX A: SCRUTINY CHAMPIONS 2016 - 2018

**HEADSHOTS
PAGE 1**

**HEADSHOTS
PAGE 2**

APPENDIX B: BROOKE OSC WORK PROGRAMME 2016 – 2018

Meeting Date	Meeting Date
14 July 2016	13 July 2017
Scrutiny Items <ul style="list-style-type: none"> • Communities and Homes Portfolio Holder • Finance and Performance Monitoring 2015/16 Quarter 4 • Benn Hall - Two Year Marketing and Business Plan (report on the work of the sub-group) • Review of Welfare Reform (current position on matters within the remit of the task group) • Review of Homelessness (draft one-page strategy) 	Scrutiny Items <ul style="list-style-type: none"> • Improving Stroke Services in Coventry and Warwickshire (engagement document) • Finance and Performance Monitoring 2016/17 Year-End • Fire Safety in Our Properties • Review of Homelessness (draft review report) • Review of The World Rugby Hall of Fame (revised one-page strategy)
13 October 2016	12 October 2017
Scrutiny Items <ul style="list-style-type: none"> • GP Surgeries 	Scrutiny Items <ul style="list-style-type: none"> • Scoping of reviews of Recycling and Waste, Fly Tipping and Street Cleaning
8 December 2016	7 December 2017
Scrutiny Items <ul style="list-style-type: none"> • Finance and Performance Monitoring 2016/17 Quarter 2 • Benn Hall (six-month review of the marketing and business plan) 	Scrutiny Items <ul style="list-style-type: none"> • Finance and Performance Monitoring 2017/18 Quarter 2 • Benn Hall (18-month review of the marketing and business plan) • Review of The World Rugby Hall of Fame (review report)
16 February 2017	15 February 2018
Scrutiny Items <ul style="list-style-type: none"> • Draft Corporate Strategy • Crime and Disorder 	Scrutiny Items <ul style="list-style-type: none"> • Finance and Performance Monitoring 2017/18 Quarter 3 • Homelessness (12-month update)
6 April 2017	12 April 2018
Scrutiny Items <ul style="list-style-type: none"> • Rugby Safer Neighbourhood's Team • West Midlands Ambulance Service • Review of The World Rugby Hall of Fame (one-page strategy) 	Scrutiny Items <ul style="list-style-type: none"> • Rugby Youth Council (update on the work of the Rugby Youth Council, Members of Youth Parliament and VOX Youth Council) • Universal Credit (current position)

APPENDIX C: WHITTLE OSC WORK PROGRAMME 2016 – 2018

Meeting Date	Meeting Date
13 June 2016	12 June 2017
Scrutiny Items <ul style="list-style-type: none"> • Future Strategy in relation to Executive Director's area of focus • Finance and Performance Monitoring 2015/16 Quarter 3 • Dog Control Orders and Public Space Protection Orders (one-page strategy) • Mental Health Service for Young People (focus for the review) 	Scrutiny Items <ul style="list-style-type: none"> • Review of Public Spaces Protection Order (review of the one-page strategy with the view to recommence the review with a new membership)
12 September 2016	11 September 2017
Scrutiny Items <ul style="list-style-type: none"> • Mental Health Services for Young People (light touch review) • Finance and Performance Monitoring 2016/17 Quarter 1 • Air Quality Monitoring • Notice of Motion – Green Plaque Scheme 	Scrutiny Items <ul style="list-style-type: none"> • Finance and Performance Monitoring 2017/18 Quarter 1 • Air Quality Monitoring • Review of Public Spaces Protection Orders (revised one-page strategy)
7 November 2016	17 October 2017
Scrutiny Items <ul style="list-style-type: none"> • Civil Parking Enforcement Review • BID Review Follow-up • Town Centre Strategy • Promoting Independent Living (progress) 	Scrutiny Items <ul style="list-style-type: none"> • Review of Informing and Engaging Our Communities (one-page strategy)
16 January 2017	15 January 2018
	Scrutiny Items <ul style="list-style-type: none"> • Review of Public Spaces Protection Orders (progress report) • Review of Town Centre Heritage (review report)
13 March 2017	12 March 2018
Scrutiny Items <ul style="list-style-type: none"> • Finance and Performance Monitoring 2016/17 Quarter 3 • Welfare Reform Update • Notice of Motion – Green Plaque Scheme (one-page strategy) • Communication (discussion following changes to the green waste collection service) 	Scrutiny Items <ul style="list-style-type: none"> • Air Quality Monitoring (progress report) • Crime and Disorder • Update on Voluntary and Community Sector Contracts

APPENDIX D: JOINT OSC WORK PROGRAMME 2016 – 2018

Meeting Date
17 October 2016
Scrutiny Items <ul style="list-style-type: none">• Portfolio Holders
31 January 2017
Scrutiny Items <ul style="list-style-type: none">• Leader of the Council and Executive Director
6 November 2017
Scrutiny Items <ul style="list-style-type: none">• Portfolio Holders
29 January 2018
Scrutiny Items <ul style="list-style-type: none">• Leader of the Council and Executive Director
19 March 2018 SPECIAL
Scrutiny Items <ul style="list-style-type: none">• Member Training• Introduction to the Draft Asset Management Strategy

APPENDIX E: ANNUAL SCRUTINY WORKSHOP – WAYS OF ENGAGEMENT

