



# WARRINGTON

## Borough Council

To: **Executive Board**

Professor Steven Broomhead  
Chief Executive  
Town Hall  
Sankey Street  
Warrington  
WA1 1UH

**Councillors:**

**T O'Neill (Chair), R Bowden (Deputy Chair)  
J Carter, J Guthrie, T Higgins, M McLaughlin,  
H Mundry, H Patel, D Price, P Wright**

**Executive Board**

Date: Monday, 12 November 2018

Time: 18:30

Venue: Council Chamber, Town Hall, Sankey Street, Warrington WA1 1UH

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Contact - Christine Oliver, Democratic & Member Services, Tel: 01925 442104,  
Email: [coliver@warrington.gov.uk](mailto:coliver@warrington.gov.uk)

Note – In line with The Openness of Local Government Bodies Regulations 2014 this meeting may be recorded. A guide to recording meetings has been produced by the Council and can be found at [https://www.warrington.gov.uk/info/201104/council\\_committees\\_and\\_meetings/1003/access\\_to\\_council\\_meetings](https://www.warrington.gov.uk/info/201104/council_committees_and_meetings/1003/access_to_council_meetings)

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## AGENDA

### Part 1

Items during the consideration of which the meeting is expected to be open to members of the public (including the press) subject to any statutory right of exclusion.

- Code of Conduct – Declarations of Interest**  
**Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.**

Members are reminded of their responsibility to declare any disclosable pecuniary or non-pecuniary interest which they have in any item of business on the agenda no later than when the item is reached.

- Minutes**

5 - 14

Minutes of the meeting of the Executive Board held on 8 October 2018.

- |    |   |         |
|----|---|---------|
| 3. | <b><u>Executive Decisions - Forward Plan</u></b>  | 15 - 24 |
|    | Report of Head of Legal and Democratic Services and Monitoring Officer to the Council.  |         |
| 4. | <b><u>2019-23 pre-budget report</u></b>   | 25 - 32 |
|    | Report of Councillor R Bowden, Deputy Leader and Executive Board Member, Corporate Finance.   |         |
| 5. | <b><u>Housing Investment –Citystyle Living Ltd (CSL) (Forward Plan No 027/18)</u></b>   | 33 - 36 |
|    | Report of Councillor R Bowden, Deputy Leader and Executive Board Member, Corporate Finance.   |         |
| 6. | <b><u>Strategic Property Investment (Forward Plan No 028/18)</u></b>  | 37 - 40 |
|    | Report of Councillor R Bowden, Deputy Leader and Executive Board Member, Corporate Finance.   |         |
| 7. | <b><u>Award of Contract for the provision of a Waste Collection and Disposal Service for Municipal Buildings including schools in Warrington (Forward Plan No 016/18)</u></b> | 41 - 44 |
|    | Report of Councillor J Guthrie, Executive Board Member, Environment and Public Protection (including Climate Change)  |         |
| 8. | <b><u>Catalyst Contract and Procurement Plans 2019-2020 (Forward Plan No 029/18)</u></b>  | 45 - 50 |
|    | Report of Councillor P Wright, Executive Board Member, Statutory Health and Adult Social Care.  |         |

## Part 2

Items of a “confidential or other special nature” during which it is likely that the meeting will not be open to the public and press as there would be a disclosure of exempt information as defined in Section 100I of the Local Government Act 1972.

The following information comprises the formal notice under Paragraph 5(4) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that a decision has been taken to hold this part of the meeting in private. Information is also provided against each item heading about the reasons for holding this

part of the meeting in private, any representations received and the response to those representations.

**9. Housing Investment –Citystyle Living Ltd (CSL) (Forward Plan No 027/18)**

Report of Councillor R Bowden, Deputy Leader and Executive Board Member, Corporate Finance.

Reasons for Considering in Private:

Exempt Information – Category 3, Schedule 12A, Local Government Act 1972.

Representations Received:

Nil.

Response to Representations:

Nil.

**10. Strategic Property Investment (Forward Plan No 028/18)**

Report of Councillor R Bowden, Deputy Leader and Executive Board Member, Corporate Finance.

Reasons for Considering in Private:

Exempt Information – Category 3, Schedule 12A, Local Government Act 1972.

Representations Received:

Nil.

Response to Representations:

Nil.

**11. Award of Contract for the provision of a Waste Collection and Disposal Service for Municipal Buildings including schools in Warrington (Forward Plan No 016/18)**

Report of Councillor J Guthrie, Executive Board Member, Environment and Public Protection (including Climate Change)

Reasons for Considering in Private:

Exempt Information – Category 3, Schedule 12A, Local Government Act 1972.

Representations Received:

Nil.

Response to Representations:

Nil.

**12. Catalyst Contract and Procurement Plans 2019-2020 (Forward Plan No 029/18)**

Report of Councillor P Wright, Executive Board Member, Statutory Health and Adult Social Care.

Reasons for Considering in Private:

Exempt Information – Category 3, Schedule 12A, Local Government Act 1972.

Representations Received:

Nil.

Response to Representations:

Nil.

**Minutes of the Meeting of the Executive Board – 8 October 2018**

**Present:**

Executive Board Members:

Councillor:

Leader  
 Deputy Leader/Corporate Finance  
 Children’s Services  
 Environment and Public Protection (including climate change)  
 Leisure and Community  
 Public Health and Well-being  
 Highways, Transportation and Public Realm  
 Personnel and Communications  
 Culture and Partnerships  
 Statutory Health and Adult Social Care

T O’Neill  
 R Bowden  
 J Carter  
 J Guthrie  
 T Higgins  
 M McLaughlin  
 H Mundry  
 H Patel  
 D Price  
 P Wright

**EB 60 Apologies**

Nil.

**EB 61 Code of Conduct – Declaration of Interest**

No Code of Conduct declarations of interest were made at this meeting.

**EB 62 Minutes**

Decision - That the minutes of the meeting of the Executive Board held on Monday, 10 September 2018 were approved and signed as correct record.

**EB 63 Executive Decisions – Forward Plan**

The Executive Board considered a report of the Head of Legal and Democratic Services and Monitoring Officer to the Council which detailed the Executive Board’s current forward plan covering the period 1 November – 28 February 2019.

The following updates were tabled and received at the meeting:

	<b>NEW ITEMS –12 NOVEMBER 2018 MEETING</b>
029/18	Catalyst 2019/20 Contract Decision.
	<b>UPDATE – 12 NOVEMBER 2018 MEETING</b>
021/18	Future use of Drill Hall and East Annexe – item moved from 12 November Executive Board meeting to 10 December 2018 Executive Board meeting.

	<b>REASON:</b> item deferred to enable the finalisation of the Business Plan and cost profile.
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Decision: The Executive Board received and noted the report.

Reason for Decision – The report was submitted for information and comment.

**EB 64 Omega to Burtonwood Accessibility Improvements – Compulsory Purchase Order (Forward Plan No 008/18)**

The Executive Board considered a report of Councillor H Mundry, Executive Board Member, Highways, Transportation, and Public Realm.

The report sought:

1. Approval to the Statement of Reasons (“SoR”) and the Order Map (“the Map”) attached to the report for the purposes of the Compulsory Purchase Order referred to in (2) in the report.
2. Authorisation to make The Warrington Borough Council (Omega to Burtonwood Accessibility Improvements) Compulsory Purchase Order 201[x] (“the Order”) in respect of the land identified on the Map (“the Order Land”).

Decision – That the Executive Board -

- (1) Confirmed that the acquisition of the land identified on the map attached to the report (“the Order Map”) was necessary for highway purposes;
- (2) Approved the draft Statement of Reasons and the draft Order Map both substantially in the form annexed to the report for the purposes of the Compulsory Purchase Order referred to in (iii) below but delegated to the Executive Director, Economic Regeneration, Growth and Environment, following consultation with the Monitoring Officer to the Council, authority to modify them as necessary;
- (3) Authorised the Monitoring Officer to the Council to determine the form and contents of the Schedules (“the Schedules”) necessary as part of the Order to identify the land contained within the Map;
- (4) Authorised the Monitoring Officer to the Council to make The Warrington Borough Council (Burtonwood to Omega Shared Use Path) Compulsory Purchase Order 201[x] (“the Order”) pursuant to Sections 239, 240, 246, 250 and 260 of the Highways Act 1980 (as amended) and Schedule 3 to the Acquisition of Land Act 1981 for the

## Agenda Item 2

- purpose of acquiring the land and interests shown on the Order Map and described in the Schedules (or such lesser area of land should this in his opinion be appropriate) to facilitate the construction of new highway on such land, and that the Common Seal of the Council be affixed to the Order and to the Order Map;
- (5) Authorised the Monitoring Officer to the Council to advertise the making of the Order, to comply with all associated requirements in respect of personal, press and site notices, and to take all other relevant action thereon to promote the confirmation of the Order;
  - (6) Agreed that in the event that no objections are received to the Order, or if all objections are subsequently withdrawn, or the Monitoring Officer to the Council certifies that they may be legally disregarded, to authorise the Monitoring Officer to the Council to obtain the appropriate Certificate under Section 14A of the Acquisition of Land Act 1981 enabling the Council to confirm the Order as made;
  - (7) Agreed that in the event that relevant objections are received to the Order and which are not withdrawn, or that modifications are made to the Order, to authorise the Monitoring Officer to the Council to submit the Order to the Secretary of State with a request that it be confirmed in the required form;
  - (8) Agreed that in the event that any Public Inquiry is convened to consider objections to the Order, authorised the Monitoring Officer to the Council, following consultation with the Executive Director, Economic Regeneration, Growth and Environment, to prepare and submit such evidence as is necessary in support of the Order including enlisting the assistance of outside consultants and Counsel to assist in the preparation and presentation of such evidence;
  - (9) Agreed that as soon as the Order had been confirmed and become operative, authorised the Monitoring Officer to the Council to comply with all associated requirements in respect of personal and press notices and to make and give notice of a General Vesting Declaration under the Compulsory Purchase Vesting Declarations) Act 1981 and/or Notices to Treat and Notices of Entry in respect of those properties to be acquired compulsorily;
  - (10) Authorised the Executive Director, Economic Regeneration, Growth and Environment, following consultation with the Head of Legal and Democratic Services and Monitoring Officer to the Council to negotiate terms with interested parties for

the purchase by agreement or payment of compensation in respect of any interests or rights in or over any land included in the Order and, where appropriate, to agree terms for relocation.

- (11) Authorised the Monitoring Officer to the Council to complete the acquisition of such interests or rights and their transfer to the Council;
- (12) Agreed in the event that any question of compensation in respect of such interests or rights is referred to the Upper Tribunal (Lands Chamber) for determination, to authorise the Monitoring Officer to the Council to take all necessary steps in relation thereto including advising on the appropriate uses and compensation payable and issuing the appropriate certificates.

Reason for Decision:

- (1) The construction of the Scheme cannot be achieved without the acquisition of the land and/or new rights identified on the Order Map.
- (2) The Council made every effort to acquire by negotiation all necessary interests that are needed to deliver the Scheme (and will continue to do so in parallel to the compulsory purchase process), but it recognised that it may not be possible to agree terms for the acquisition of all interests. Without the acquisition of all interests, the delivery of the scheme will be impinged and/or unable to proceed.

**EB 65 Highway Safety Inspection Policy (Forward Plan No 019/18)**

The Executive Board considered a report of Councillor H Mundry Executive Board Member, Highways Transportation and Public Realm. The purpose of the report was to:

1. Update Executive Board Members on the proposed revised Highways Safety Inspection Policy due to the introduction of the Well Managed Highway Infrastructure Code of Practice (CoP).
2. Request Executive Board to approve and adopt the revised Highway Safety Inspection Policy.

Decision – That the Executive Board –

- (1) Adopted and approved the revised Highway Safety Inspection Policy.
- (2) Delegated approval for future amendments to the policy, that would assist with the effective and timely implementation of any lessons learnt or amendments to



relevant Code of Practice to the Assistant Director, Transport and Operations, following consultation with the Executive Board Member, Highways Transportation and Public Realm.

Reason for Decision:

- (1) The recommendation ensured that the authority's revised inspection policy follows national guidance, is based on risk and provides a safe environment for highway users.
- (2) It additionally provided a defence for claims made against the authority assisting to mitigate financial risk to the authority.

**EB 66 Business Case: Meeting Short-term needs for supported Housing for Service Users with Learning Difficulties (LD) (Forward Plan No 023/18)**

The Executive Board considered a report of Councillor P Wright, Executive Board Member, Statutory Health and Adult Social Care. The report sought capital funding over the next two years to meet immediate and emerging short term needs for appropriate supported housing for service users with learning disabilities. The report proposed four projects, involving the acquisition of five properties. Each acquisition would be subject to detailed individual business cases presented for approval by the Director of Corporate Services and Executive Director, Families and Wellbeing, following consultation with the Executive Board Members, Statutory Health and Social Care and Public Health and Wellbeing.

The projects proposed delivered significant financial benefits, in addition to providing suitable solutions to emerging and immediate needs, supporting individuals to live within their local community.

A wider piece of work was being undertaken to consider the most appropriate longer term housing needs for vulnerable adults, and the report also provided the opportunity to update the Executive Board on work in this area to ensure sustainable, long term solutions to the challenges that are faced.

Decision - That the Executive Board -

- (1) Approved a programme approach to the proposed projects outlined in the report for delivery during 2018 and 2019 and approve capital expenditure, subject to a tolerance of 10%, of £1.8m.
- (2) Delegated authority to the Director of Corporate Services and Executive Director Families and Wellbeing, following consultation with the Executive Board Members for Statutory Health and Social Care and Public Health and Wellbeing, to sign off the individual projects, authorising the purchase of individual properties based on the proposed priorities as set out in this report.

- (3) Delegated authority to the Executive Director Families and Wellbeing, in conjunction with the Head of Legal and Democratic Services to enter into any associated legal, lease and contracting arrangements.
- (4) Noted ongoing discussions with other Directorates to explore further potential options and opportunities to meet longer term needs, including potential land sites for delivery of new build supported housing to support medium to long term needs.

Reason for Decision:

- (1) In order to meet the challenging financial targets in relation to actual savings and cost avoidance, it is essential that arrangements are made to meet the needs identified in this proposal. Furthermore there is a critical need to provide suitable accommodation for the clients with changing needs, either age related or through developing dementia.
- (2) Due to the timescales and immediate needs, a short term solution was required, hence the proposal to purchase and adapt five properties over the next 12-18 months to meet the immediate needs identified. There is limited risk to the Council as the proposal involves the acquisition of assets that are likely to increase in value over the long term.
- (3) Previous business cases have been presented on an individual project level for approval, however due to the buoyancy of the local housing market and the time taken for such approvals, there was a significant risk that suitable properties identified will be sold whilst awaiting approval and there is also potential for additional costs to be incurred. A programme approach with delegated authority mitigates this risk.
- (4) It is proposed that a detailed business case to support each individual project be presented for approval to the Director of Corporate Services and Executive Director, Families and Wellbeing, in conjunction with the Executive Board Members for Statutory Health and Social Care and Public Health and Wellbeing to ensure the benefits of each project are commensurate with the level of investment proposed. Progress will be reported through the quarterly Capital Budget Monitoring process. The scale of the proposal and the level of investment were based on the capacity of officers to undertake the projects over the next 12-18 months whilst longer term arrangements are progressed.

**EB 67 Solar Photovoltaic (PV) Installation to Commercial Building (Outside the Borough) (Forward Plan 018/18)**

EB 71 refers.

**EB 68 Housing Investment – Your Housing Group (Forward Plan No 020/18)**

EB 72 refers.

**EB 69 Solar Farm Investment (Forward Plan No 026/18)**

EB 73 refers.

**EB 70 Exclusion of the Public (including the press)**

Decision: That members of the public (including the press) be excluded from the meeting by reason of the confidential nature of the following items of business to be transacted being within category 3 of Schedule 12A Local Government Act 1972 (Rule 10 of the Access to Information Procedure Rules) and the public interest in disclosing the information is outweighed by the need to keep the information confidential.

**EB 71 Solar Photovoltaic (PV) Installation to Commercial Building (Outside the Borough) (Forward Plan 018/18)**

The Executive Board considered a report of Councillor R Bowden, Deputy Leader and Executive Board Member, Corporate Finance. The report:

1. updated the Executive Board on the ongoing successful working relationship between the Council and Hermes Parcelnet as a major employer in Warrington.
2. sought approval from Executive Board to further develop the working relationship by enabling commercial investment in solar photovoltaics on the portfolio of distribution centres operated by Hermes; specifically to seek approval for the installation of a solar photovoltaic array on Hermes' Rugby distribution centre, similar to the imminent installation at their Warrington facility.
3. advised the Executive Board on the outcome of the detailed business case produced for this investment opportunity, in the context of the Council's Invest to Save Strategy that includes a £27.8m Corporate Green Energy Programme.
4. sought approval from Executive Board to enter into a lease with the building occupier, Hermes Parcelnet Ltd, to enable the investment and solar PV installation to be made on a property owned by a third party, and an energy supply contract with Hermes, based on the indicative Heads of Terms outlined in Annex A to the report.
5. advised on the outcome of a tendered procurement exercise and to recommend appointment of the highest scoring tenderer as preferred contractor, subject to the terms of the lease being agreed in line with the detailed business case.

Decision – That the Executive Board -

- (1) Noted the outcome of the feasibility study and detailed business case for installation of a solar PV array on a recently constructed distribution centre occupied by Hermes Parcelnet Ltd, at its distribution centre in Rugby, Northampton.
- (2) Approved the installation of the solar photovoltaic array based on the business case as a commercial invest to save opportunity.

- (3) Approved legal documentation based on Heads of Terms set out in Annex A to the report and authorised the Head of Legal and Democratic Services and Monitoring Officer to the Council to execute the finalised documentation.
- (4) Awarded the contract for installation of the solar photovoltaic array to Tenderer A (as detailed in Part Two of the report), pending legal agreement between all parties.

Reason for Decision - To work towards the long term sustainability of the Council by installing renewable energy to provide a sustained revenue stream and further develop strong partnership working with major Warrington employers.

**EB 72 Housing Investment – Your Housing Group (Forward Plan No 020/18)**

The Executive Board considered a report of Councillor R Bowden, Deputy Leader and Executive Board Member, Corporate Finance which sought approval for the Council to enter into a secured development loan facility with Nuvu Living (Liverpool Waters) LLP (owned by Your Housing Group (YHG)) of £42.5m for a seven year period. The report also sought approval to extend Your Housing Group's previous £10m loan facility with the Council.

Decision – that the Executive Board -

- (1) approved the Council entering into a £42.5m, seven year loan facility with Your Housing Group (YHG).
- (2) delegated to the Deputy Chief Executive and Director of Corporate Services and the Head of Legal and Democratic Services, following consultation with the Deputy Leader and Executive Board Member, Corporate Finance the preparation and completion of the legal agreement between the Council and YHG in respect of the loan.
- (3) delegated to the Deputy Chief Executive and Director of Corporate Services and the Head of Legal and Democratic Services the completion of all ancillary legal documents required to give effect to the loan.
- (4) delegated to the Deputy Chief Executive and Director of Corporate Services and the Head of Legal and Democratic Services the granting or refusal of approvals or consents requested or required under the terms of the loan facility for the duration of the loan agreement.
- (5) approved the extension of the Council's previous £10m loan facility with YHG for a further five years (as outlined in paragraph 11 to the report).

Reason for Decision – To provide funding to facilitate house building in the Northwest of England.

**EB 73 Solar Farm Investment (Forward Plan No 026/18)**

The Executive Board received a report of Councillor R Bowden, Deputy Leader and Executive Board Member, Corporate Finance which sought approval for the business case for a solar farm to supply the Council with all its electricity needs.

Decision – that the Executive Board –

- (1) approved the Business Case for the purchase of the solar farms as contained within Appendix 1 of the Part 2 report.
- (2) delegated responsibility for approval of the final acquisition method, the options being set out at section 8.5.2 of the Part 2 report, for each solar farm to the Director of Corporate Services and the Head of Legal and Democratic Services, following consultation with the Deputy Leader and Executive Board Member, Corporate Finance;
- (3) delegated responsibility for approval of the final holding structure for each solar farm to the Director of Corporate Services and the Head of Legal and Democratic Services, following consultation with the Deputy Leader and Executive Board Member, Corporate Finance;
- (4) delegated responsibility for the appointment of directors to any relevant Companies in the final holding structure for each solar farm to the Head of Legal and Democratic Services and the Director of Corporate Services;
- (5) approved establishing insurance for the provision of indemnity cover for any decisions made by Members or officers when acting as Board Directors for the relevant Companies, and that the Council indemnifies Members and officers working for the two Companies;
- (6) authorised the Director of Corporate Services and the Head of Legal and Democratic Services to enter into all necessary contracts and finalise any related documents to complete the transaction in accordance with the above delegations and the proposals contained in the Part 2 report and Business Case.
- (7) approved the delegation of authority to the Director of Corporate Services and Head of Legal and Democratic Services, following consultation with the Deputy Leader and Executive Board Member, Corporate Finance to undertake the necessary tasks to finalise the deal as set out in the business plan.

- (8) approved the schemes to be added to the council's capital programme, with a total value £59m to be funded by Prudential Borrowing.

Reasons for Decision – approval of the Business Case would enable the Council to progress the generation of an investment return that can be used to fund front line services, as well as the opportunity to reduce the Council's existing energy costs. It would also fulfil the green energy objectives of the Council which were:

1. Affordability
2. Regeneration
3. Revenue generation
4. CO2 emissions reduction
5. Security of supply
6. Sustainability

Signed.....

Dated.....

# WARRINGTON BOROUGH COUNCIL

## EXECUTIVE BOARD – 12 November 2018

**Report of:** Head of Legal and Democratic Services and Monitoring Officer to the Council

**Executive Director:** Steven Broomhead, Chief Executive

**Senior Responsible Officer:** Bryan Magan, Head of Democratic and Member Services

**Contact Details:**                      **Email Address:**                      **Telephone:**  
[bmagan@warrington.gov.uk](mailto:bmagan@warrington.gov.uk)                      01925 442120

**Key Decision No.**                      N/A

**Ward Members:**                      All

### TITLE OF REPORT: EXECUTIVE DECISIONS - FORWARD PLAN

#### 1. PURPOSE

1.1 To consider the current Executive Decisions Forward Plan covering the period 1 December 2018 – 31 March 2019.

#### 2. CONFIDENTIAL OR EXEMPT

2.1 The report is not confidential or exempt.

#### 3. INTRODUCTION AND BACKGROUND

3.1 Key Decisions are Executive decisions of the authority which are decisions of the Executive Board or an Officer under delegated powers which are likely to –

- Result in Warrington Borough Council incurring expenditure, making savings or vireing £250,000 or more having regard to the Local Authority budget for the service or functions to which the decision relates, or
- Be significant in terms of its effects on communities living or working within Warrington Borough Council's area comprising two or more Wards.

3.2 To comply with the legislation 'Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012', the Council is required –

- (1) to give 28 days' notice of key decisions.
- (2) to publish a notice of its intention to discuss confidential or exempt items at least 28 days in advance of the meeting; and
- (3) to publish a further notice at least five clear days' before a private meeting which must include a statement of the reasons for the meeting to be held in private, details of any representations received and a statement of its response to any such representations.

#### 4. THE REPORT

4.1 The current Executive Decisions - Forward Plan is attached at Appendix A.

4.2 The following amendments/changes to the Forward Plan are reported for information:

	<b>NEW ITEMS – 12 NOVEMBER 2018</b>
Information Item	2019-23 Pre Budget Report
	<b>UPDATES – 12 NOVEMBER 2018</b>
024/18	Warrington 20:20 – Service Transformation Programme – progress update – item moved from 12 November 2018 to 14 January 2019 Executive Board meeting. <b>REASON:</b> report deferred to align with budget reporting.
	<b>NEW ITEMS –10 DECEMBER 2018</b>
030/18	Nursing Care and Accommodation for individuals with a Learning Disability at Radcliffe Meadows Nursing Home.
031/18	The future provision of Community Recycling Centres within Warrington.
NKD-032/18	Local Transport Plan 4 (Draft).
035/18	Academy Street Proposal.
	<b>UPDATES – 10 DECEMBER 2018</b>
017/18	Bewsey and Dallam Hub – item moved from 10 December 2018 to 14 January 2019 Executive Board meeting. <b>REASON:</b> report deferred to allow time for a more detailed tenderer response.
022/18	Procurement of new Integrated Sexual Health Service for Warrington (collaborative with Halton) – item removed from the forward plan for the 10 December 2018 meeting. <b>REASON:</b> the item for the award of the Sexual Health Contract will now not be required. The tender process conducted was for a joint service to be provided on behalf of Warrington Borough Council and Halton Borough Council. The tender process did not result in any acceptable tenders being received. The current contracts allow for extensions to the contracts and these will be used while another tender process is conducted. It is



	anticipated that the report to award a contract from the new tender process will be submitted to Executive Board in April 2019.
	<b>NEW ITEMS – 14 JANUARY 2019</b>
033/18	Public Sector Plc – bringing Council property into social and economic use.
034/18	M62 Junction 9 Improvements – Construction Contract Award
	<b>NEW ITEMS – 11 FEBRUARY 2019</b>
For Information	2019/20 MTFP, Draft Revenue Budget and Capital Programme.

**5. FINANCIAL CONSIDERATIONS**

5.1 None.

**6. RISK ASSESSMENT**

6.1 N/A.

**7. EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT**

7.1 There are no specific equalities issues in relation to the content of this report.

**8. CONSULTATION**

8.1 N/A.

**9. REASONS FOR RECOMMENDATION**

9.1 The report is submitted for information and comment.

**10. RECOMMENDATION**

10.1 That the Executive Board receives the contents of the Executive Decisions - Forward Plan and make comments as appropriate.

**11. BACKGROUND PAPERS**

Papers held within Democratic and Member Services about items for inclusion and changes to the Forward Plan.

**Contact for Background Papers:**

Name	E-mail	Telephone
Christine Oliver	<a href="mailto:coliver@warrington.gov.uk">coliver@warrington.gov.uk</a>	01925 442104





**WARRINGTON**  
Borough Council

Updated: 2 November 2018

## **EXECUTIVE DECISIONS – FORWARD PLAN**

**1 December 2018 – 31 March 2019**

### **Report of the Head of Legal & Democratic Services and Monitoring Officer to the Council**

This is formal notice under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of Key Decisions due to be taken by the Authority and that those parts of the Executive Board meeting identified in this Forward Plan will be held in private because the agenda and reports for the meeting will contain confidential or exempt information as defined in the Regulations.

Contact Information:  
Democratic & Member Services  
Town Hall  
Warrington  
WA1 1UH  
Email: [coliver@warrington.gov.uk](mailto:coliver@warrington.gov.uk)  
Tel: 01925 01925 442104

### What is the Forward Plan?

The Forward Plan contains all the key decisions the Council expects to take over the next four months. It will be refreshed regularly and will give at least 28 days' notice of any Key Decisions and, if applicable, the Executive Board's intention to discuss an item in private and the reason for this.

### What is a Key Decision?

Key Decisions are Executive decisions of the authority which are decisions of the Executive Board or an Officer under delegated powers which are likely to –

- Result in Warrington Borough Council incurring expenditure or the making of savings of £250,000 or more, having regard to the Local Authority budget for the service or function to which the decision relates, or
- Be significant in terms of its effects on communities living or working within Warrington Borough Council's area comprising two or more Wards.

For information, the Forward Plan also includes some other matters expected to come before the Executive Board or that the Executive Board is likely to recommend to full Council whether or not they may give rise to Key Decisions.

### What does the Forward Plan tell me?

The Plan gives information about:

- what key decisions are to be made in the next four months;
- the matter in respect of which the decision is to be made;
- who will make the key decisions;
- when those key decisions are likely to be made;
- what documents will be considered;
- who you can contact for further information.

### Who takes Key Decisions?

Under the Authority's Constitution, Key Decisions are taken by the Executive Board or individual officers acting under delegated powers.

Most Key Decisions are taken at public meetings of the Executive Board. Executive Board meets once a month on a Monday at 6.30 pm (except August) at the Town Hall, Warrington.

### Further Information and Representations about items proposed to be heard in Private

Names of contact officers are included in the Plan and can be reached via (01925) 442104. If you are unsure, please contact Democratic & Member Services on the same number and staff there will be able to assist you. If you wish to make representations about an item proposed to be heard in private, you should contact Democratic and Member Services by no later than six clear working days before the meeting.

The areas of responsibility of the ten members of the Executive Board are:

Councillor T O'Neill	Leader
Councillor R Bowden	Deputy Leader/Corporate Finance
Councillor J Carter	Children's Services
Councillor J Guthrie	Environment and Public Protection (including Climate Change)
Councillor T Higgins	Leisure and Community
Councillor M McLaughlin	Public Health and Well-being
Councillor H Mundry	Highways, Transportation and Public Realm
Councillor H Patel	Personnel and Communications
Councillor D Price	Culture and Partnerships
Councillor P Wright	Statutory Health and Adult Social Care

Last forward plan entry No. 034/18									
If you have any questions about any of the items listed please contact Christine Oliver on 01925 442104.									
Decision Reference Number	Date added to the Forward Plan	Item	£s to be spent/saved /vired	Statement of Reason why the item of business is private	Wards Affected	Lead Executive Board Member	List of Policy/Reference Documents	Directorate and Contact for Further Information	Key Decision (Y/N)
<b>Key Decisions –10 December 2018</b>									
012/18	29/06/18	Budget Monitoring 2018/19 – Quarter 2		N/A	All	<b>*Executive Board (see above)</b> Councillor R Bowden Deputy Leader/Corporate Finance		Corporate Services Lynton Green Tel: 01925 443925 <a href="mailto:lgreen@warrington.gov.uk">lgreen@warrington.gov.uk</a>	Yes
013/18	29/06/18	Capital Programme Monitoring 2018/19 - Quarter 2 Report		N/A	All	<b>*Executive Board (see above)</b> Councillor R Bowden Deputy Leader/Corporate Finance		Corporate Services Danny Mather Tel 01925 442344 <a href="mailto:dzmather@warrington.gov.uk">dzmather@warrington.gov.uk</a>	Yes
021/18	13/08/18	Future use of Drill Hall and East Annexe		N/A	Bewsey and Whitecross	<b>*Executive Board (see above)</b> Councillor D Price Culture and Partnerships		Economic Regeneration, Growth and Environment Eleanor Blackburn Tel: 01925 443874 <a href="mailto:eblackburn@warrington.gov.uk">eblackburn@warrington.gov.uk</a>	Yes
025/18	31/08/18	Warrington Local Plan – Proposed Submission Version		N/A	All	<b>*Executive Board (see above)</b> Councillor J Guthrie Environment and Public Protection (including Climate Change)		Economic Regeneration, Growth & Environment Michael Bell Tel: 01925 442795 <a href="mailto:michael.bell@warrington.gov.uk">michael.bell@warrington.gov.uk</a>	Yes
030/18	10/10/18	Nursing Care and Accommodation for individuals with a Learning Disability at Radcliffe Meadows Nursing Home	£2,969,460 Over 5 years £593,892 pa	<b>*Part 2 confidential (see note below)</b>	All	<b>*Executive Board (see above)</b> Councillor P Wright Statutory Health and Adult Social Care		Families and Wellbeing Sally McGrail Tel: 01925 443946 <a href="mailto:smcgrail@warrington.gov.uk">smcgrail@warrington.gov.uk</a>	Yes
031/18	12/10/18	The future provision of Community Recycling Centres within Warrington		N/A	All	<b>*Executive Board (see above)</b> Councillor J Guthrie		Economic Regeneration, Growth and Environment	Yes

### Agenda Item 3

						Environment and Public Protection (including Climate Change)		Ian Brackenbury Tel: 01925 442775 <a href="mailto:ibrackenbury@warrington.gov.uk">ibrackenbury@warrington.gov.uk</a>	
035/18	31/10/18	Academy Street Proposal	£250k	<b>*Part 2 confidential (see note below)</b>	All	<b>*Executive Board (see above)</b> Councillor M McLaughlin Public Health and Wellbeing		Growth Directorate Jonathan Smith Tel: 01925 442628 <a href="mailto:Jonathan.smith@warringtonandco.com">Jonathan.smith@warringtonandco.com</a>	Yes
<b>Non Key Decisions –10 December 2018</b>									
NKD-032/18	19/10/18	Local Transport Plan 4 (Draft).		N/A	All	<b>*Executive Board (see above)</b> Councillor H Mundry Highways, Transportation and Public Realm		Economic Regeneration, Growth and Environment Adam Graham Tel: 01925 442205 <a href="mailto:Adam.graham@warrington.gov.uk">Adam.graham@warrington.gov.uk</a>	No
<b>Information Items – 10 December 2018</b>									
	29/06/18	Performance Report 2018/19 Quarter 2		N/A	All	<b>*Executive Board (see above)</b> Councillor H Patel, Personnel and Communications		Corporate Services Gareth Hopkins Tel: 01925 443932 <a href="mailto:Ghopkins1@warrington.gov.uk">Ghopkins1@warrington.gov.uk</a>	No
	29/06/18	Strategic Risk Environment at Quarter2 2018/19		N/A	All	<b>*Executive Board (see above)</b> Councillor H Patel, Personnel and Communications		Corporate Services Jean Gleave Tel: 01925 442354 <a href="mailto:Jean.gleave@warrington.gov.uk">Jean.gleave@warrington.gov.uk</a>	No
<b>Key Decisions –14 January 2019</b>									
017/18	10/07/18	Bewsey & Dallam Hub	>£500k	N/A	Bewsey & Whitecross	<b>*Executive Board (see above)</b> Councillor R Bowden Deputy Leader/Corporate Finance		Economic Regeneration, Growth & Environment Geoff Woods 01925 443878 X- <a href="mailto:geoff.woods@warringtonandco.com">geoff.woods@warringtonandco.com</a>	Yes
024/18	31/08/18	Warrington 20:20 – Service Transformation Programme – progress update		N/A	All	<b>*Executive Board (see above)</b> Councillor H Patel, Personnel and Communications		Corporate Services Gareth Hopkins Tel: 01925 443932 <a href="mailto:Ghopkins1@warrington.gov.uk">Ghopkins1@warrington.gov.uk</a>	Yes

**Agenda Item 3**

033/18	23/10/18	Public Sector Plc – bringing Council property into social and economic use	>£250k	N/A	All	*Executive Board (see above) Councillor R Bowden Deputy Leader/Corporate Finance		Economic Regeneration, Growth and Environment Stewart Brown Tel: 01925 442850 <a href="mailto:S_brown@warrington.gov.uk">S_brown@warrington.gov.uk</a>	Yes
034/18	26/10/18	M62 Junction 9 Improvements – Construction Contract Award	>£250k	*Part 2 confidential (see note below)	Burtonwood & Winwick Poplars & Hulme	*Executive Board (see above) Councillor H Mundry Highways, Transportation and Public Realm		Economic Regeneration, Growth and Environment Tom Shuttleworth Tel: 01925 442353 <a href="mailto:tshuttleworth@warrington.gov.uk">tshuttleworth@warrington.gov.uk</a>	Yes
<b>Non Key Decisions –14 January 2019</b>									
Nil.									
<b>Information Items – 14 January 2019</b>									
Nil.									
<b>Key Decisions –11 February 2019</b>									
Nil.									
<b>Non Key Decisions –11 February 2019</b>									
Nil.									
<b>Information Items – 11 February 2019</b>									
	29/10/18	2019/20 MTFP, Draft Revenue Budget and Capital Programme		N/A	All	*Executive Board (see above) Councillor R Bowden Deputy Leader/Corporate Finance		Corporate Services Stephen Owen Tel: 01925 443852 <a href="mailto:Stephen.owen@warrington.gov.uk">Stephen.owen@warrington.gov.uk</a>	No
<b>Key Decisions –11 March 2019</b>									
Nil.									
<b>Non Key Decisions –11 March 2019</b>									

Nil.									
<b>Information Items – 11 March 2019</b>									
Nil									

**\*Note: Part 2 confidential**

**Exempt Information – Schedule 12A, Local Government Act 1972: It is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item, confidential information would be disclosed to them in breach of the obligation of confidence**



# WARRINGTON BOROUGH COUNCIL

## EXECUTIVE BOARD – 12 November 2018

**Report of Executive Board Member:** Councillor R Bowden, Deputy Leader and Executive Board Member, Corporate Finance

**Senior Responsible Officer:** Lynton Green, Deputy Chief Executive and Director of Corporate Services

**Contact Details:**      **Email Address:**      **Telephone:**  
[lgreen@warrington.gov.uk](mailto:lgreen@warrington.gov.uk)      01925 443925

**Forward Plan No:**      N/A.

**Ward Members:**      All

**TITLE OF REPORT:**      **2019-2023 PRE-BUDGET REPORT**

### 1.      **PURPOSE**

- 1.1 To present the Members of the Executive Board with the assumptions used in estimating Warrington Borough Council’s financial position for 2019/20 to 2022/23 and to show the estimated level of budget savings needed over this period to balance the budget.
- 1.2 To highlight Warrington’s funding position in relation to other authorities, particularly in relation to the level of Council Tax income received, and the low levels of government funding.
- 1.3 To note additional in year pressure on the 2018/19 budget position.

### 2.      **CONFIDENTIAL OR EXEMPT**

- 2.1 The report is not confidential or exempt.

### 3.      **WARRINGTON’S FUNDING POSITION**

- 3.1 Using the Spending Power per dwelling figures released by the Ministry of Housing, Communities and Local Government as part of the 2018/19 Finance Settlement, Warrington is the 3rd lowest funded of the 92 Unitary and Met authorities (excluding London Boroughs) and the lowest in the North-West.

- 3.2 The Spending Power figure is made up of the income raised locally from Council Tax and the funding received from Government through non-ringfenced grants and through the Council's retained share of Business Rates Income, known as the Settlement Funding Assessment.

Council Tax

- 3.3 Warrington has one of the lower Council Tax levels of the 92 Unitary and Met Authorities, and the 5<sup>th</sup> lowest in the North West.
- 3.4 Table 1 in Appendix A shows Warrington's Band D Council Tax (excluding the adult social care precept) in comparison with the North West Unitary and Met Authorities and the additional funding we would receive if our Council Tax was changed to their level.
- 3.5 This table shows that if Warrington increased its Council Tax to the same level as Stockport we would raise an additional £14.3m every year and that if we increased it to the average of North West Authorities we would raise an additional £4.1m a year.
- 3.6 This highlights the issue surrounding the different levels of Council Tax raised by authorities, and the effect of the referendum limit (set at 3% for financial year 2019/20). This means that Stockport is able to increase its Band D rate by £47.02, whereas Warrington is only able to increase its rate by £40.65 therefore increasing the gap between authorities.

Government Funding

- 3.7 Warrington has the 13<sup>th</sup> lowest Settlement Funding of all 92 Unitary and Met Authorities and the lowest in the North West. The Settlement Funding comprises non-ringfenced government funding and the income we receive from the Business Rates Retention Scheme.
- 3.8 Table 2 Appendix A shows how we compare with other North West Authorities, and how much additional funding we would receive if Warrington received the amount of funding per dwelling received by other authorities. Based on the average amount of funding per dwelling for the North West Authorities we would receive an additional £41m.

**4. OUTCOME BASED BUDGETING**

- 4.1 The Council operates an outcomes based approach to budgeting; the purpose being to provide a long term strategic and sustainable financial plan.

- 4.2 Outcomes Based Budgeting (OBB) is a process which is designed to create a public sector that works better, costs less, focuses on delivering outcomes, puts citizens and their priority needs first and emphasises accountability and innovation. The process requires the Council to work across organisational boundaries, is proactive rather than reactive and encourages longer term planning and sustainability.
- 4.3 The OBB approach is to identify and select areas to focus on and review the associated budgets to understand what is being spent, what services/functions are provided by this budget, how the services/functions are structured and how the spend relates to commissioning themes and priorities to ensure value for money can be demonstrated and a tangible benefit derived from outcomes. By use of this approach budget pressures and saving proposals will be identified.
- 4.4 As part of the OBB process, Council budgets have been considered under the commissioning themes of:
- Enterprise
  - Digital, Technology and Efficiency
  - Demand Management and Behaviour Change
- 4.5 The overall ambition is that the Council will develop a sustainable budget. To achieve this, the commissioning, budget and change processes will become ongoing systematic programmes of activity that run throughout the year(s). There will always be the need to set an annual budget and medium term financial plan at certain points in the year, however, this will not be the driver of the activity.
- 4.6 As the OBB process reflects a longer term scenario, it is recognised that many proposals will come to fruition later and therefore not generate savings or income until future years. Change and transformation projects may also require initial investment to allow the project to take shape with the benefit of an increased payback once the project is complete. In these circumstances, bids can be made to draw down funds from the MTFP 'smoothing' reserve to pump prime proposals. It is, however, important that committed savings are delivered as the MTFP reserve is finite and should be directed at delivering sustainability and not to cover failure to deliver.
- 4.7 Budget proposals will be subject to a robust challenge and scrutiny process by Members and Senior Management through the operation of a Spotlight Challenge Panel for each commissioning theme and a subsequent Spotlight Challenge Forum by the Executive Board and other relevant Members.
- 4.8 Reports will be presented to Executive Board and full Council as usual and formal budget consultation will take place with the statutory business community sector and beyond the statutory minimum to cover other groups.

- 4.9 As budget proposals arise it is intended that these will go out for public consultation there and then, rather than waiting for the usual six week period over the winter. The consultation will be open and transparent to allow the public to gain a more focussed understanding of what the proposal is and the impact it will have. If the public are averse to the proposal, they will be actively encouraged to submit alternatives for consideration.

**5. ENTERPRISING COUNCIL**

- 5.1 Against a background of perennial low levels of funding the Council has been very proactive in looking for and acting upon opportunities to generate our own income both as a means to plug the funding gap and as a move towards self-sufficiency. Examples include Bonds (Council and Solar), the Warrington Bank lending to small and medium business enterprises, investment in property (Birchwood Park and others) to generate rental income and the development of trading services. The benefits of this entrepreneurial action become increasingly important as we move towards 2019/20 when this revenue will become the third highest source of funding to the Council after Council Tax and Retained Business Rates. Additionally, it provides another and alternate funding source when faced with real cuts/reductions in services as the Council is stretched further by demand for statutory services with little left for anything discretionary.

**6. THE 2019-23 FINANCIAL OVERVIEW**

- 6.1 It was confirmed in the final Local Government Finance Settlement 2016-17 that the Government will offer any Council that wishes to take it up a four-year funding settlement to 2019-20. Warrington accepted the Government's offer with a view that a multi-year settlement can provide a better degree of funding certainty and stability to allow more proactive planning of service delivery and support strategic collaboration with local partners. For the period beyond 2019/20, forecasts have been made on the best currently available information.
- 6.2 The table below shows how our funding is predicted to change over the next four years. Further detail on each funding stream is given below:

2018/19 £000	Funding	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
1,395	Band D Council Tax	1,436	1,465	1,494	1,523
67,492	Tax Base	67,892	68,292	68,692	69,092
<b>94,124</b>	<b>Council Tax Income</b>	<b>97,503</b>	<b>100,020</b>	<b>102,597</b>	<b>105,238</b>
5,814	Revenue Support Grant	1,343	-	-	-
30,137	Business Rate Income	30,806	31,422	32,050	32,691
<b>35,951</b>	<b>Total Baseline Funding</b>	<b>32,149</b>	<b>31,422</b>	<b>32,050</b>	<b>32,691</b>
2,691	New Homes Bonus	2,485	1,860	1,537	1,200
628	Other Non-ringfenced Government Grants	113	-	-	-
1,016	Council Tax Surplus / Deficit	-	-	-	-
(5,196)	Business Rate Surplus / Deficit	-	-	-	-
<b>-861</b>	<b>Total Non-ringfenced Income</b>	<b>2,598</b>	<b>1,860</b>	<b>1,537</b>	<b>1,200</b>
<b>7,622</b>	<b>Funding from Reserves</b>	<b>(3,058)</b>	-	-	-
<b>136,836</b>	<b>Total Funding</b>	<b>129,192</b>	<b>133,302</b>	<b>136,184</b>	<b>139,129</b>

### Council Tax

- 6.3 The Council Tax income is based on a 2.98% Council precept increase in 2019/20 and a 1.98% Council precept increase in 2020/21, 2021/22 and 2022/23 in the Band D Council Tax figure. For 2018/19 the tax base is 67,492 - an assumption of an additional tax base increase of 400 has been built in for future years.
- 6.4 As part of the Council Tax Base setting process an estimate is made of the council tax surplus or deficit for the current year as at 15 January. This is paid over to the precepting bodies in the following financial year. Warrington Borough Council's share of the estimated surplus on the Collection Fund for 2017/18 for Council Tax was £1,016k, which will be distributed as additional funding in 2018/19. Estimates for the 2018/19 position to be distributed in the 2019/20 financial year will be available later in the year.

### Baseline Funding

- 6.5 Illustrative Settlement Funding Assessment figures have been announced by Government for the period to 2019/20. However, in practice, the final determination of the local government finance settlement for any given year cannot be made until calculations are completed taking account of the business rates multiplier, which is based on the Consumer Price Index in September each year.
- 6.6 Additionally, Government have announced their intention to move to a system of 75% business rate retention from financial year 2020-21. Limited detail has been made available so far on how the new system of 75% rate retention will work. However, it will consist of a 'reset' of the rate retention system based on a needs assessment with

resulting alterations to all local authorities' tariffs and top-ups. The needs assessment itself is also the subject of a back to basics 'Fair Funding Review' with the outcomes of the review to be implemented alongside the introduction of the 75% business rate retention. In order for the reforms to remain fiscally neutral the funding of existing Government grants such as Revenue Support Grant and Public Health Grant (currently £12.3m for Warrington) are to be incorporated into the revised business rates retention system.

- 6.7 Against this background it is difficult to make any informed estimate of baseline funding beyond 2019/20 – for forecasting purposes it has been estimated that Business Rate Income will increase by 2% per year and Revenue Support Grant funding will reduce to zero.

#### Business Rate Deficit & Funding estimates

- 6.8 Under the Business Rate Retention scheme that came into operation on 1 April 2013, Business Rates now functions in the same way as Council Tax whereby an estimate of the current year's surplus or deficit is calculated at the end of January which is then distributed as funding in the following financial year. For financial year 2018/19, Warrington's share of the surplus or deficit on business rates was estimated as a deficit of 5,196k. An estimate of the business rates surplus or deficit to be distributed in the 2019/20 financial year will be available later in the year.
- 6.9 As part of the introduction of the Business Rates Retention scheme each Council became liable for any successful business rate appeals outstanding with the Valuation Office Agency (VOA). Warrington Borough Council's share of the current provision for successful business rate appeals is £5.9m.

#### Business Rate Pool

- 6.10 In 2013/14 Warrington joined a Business Rate Pool with St Helens and Halton to create the Mid Mersey Business Rate Pool. The advantage of the pool is that any levy generated on business rate growth is retained by the pool. To date, however, business rate growth has been significantly impacted by the increase in business rate reliefs allowed by Government and increased appeals by businesses with a subsequent increase in contributions to the business rates appeals provision.

#### Income Sources

- 6.11 The graphics below show the sources of gross income received and how the relative proportions are expected to change over the period 2017/18 to 2021/22.

2017/18 Gross Income

<h1>Council Tax</h1> <h2>£89.0m</h2>	<h1>Fees &amp; Charges</h1> <h2>£60.2m</h2>	<b>Other Grants &amp; Contributions</b> <b>£30.3m</b>
		<b>Business Rates</b> <b>£25.3m</b>
		<b>Revenue Support Grant</b> <b>£10.3m</b>
		<b>Interest &amp; Investment Income</b> <b>£8.5m</b>
		<b>Other Unringfenced Grants</b> £6.7m
		<b>Other Government Grants</b> £6.1m

2021/22 Gross Income

<h1>Council Tax</h1> <h2>£100.7m</h2>	<h1>Fees &amp; Charges</h1> <h2>£67.8m</h2>	
	<b>Business Rates</b> <b>£32.5m</b>	<b>Other Grants &amp; Contributions</b> <b>£25.2m</b>
	<b>Interest &amp; Investment Income</b> £8.5m	<b>Other Government Grants</b> £6.1m
		<b>Other Unringfenced Grants</b> £1.8m

**7. INFLATION AND BUDGET PRESSURES**

7.1 There are a number of pressures relating to increased demand and changes in legislation that require funding over the 2019/23 period. Budget pressure is being felt particularly in Families and Wellbeing Services where there are new burdens in the extended eligibility for children with special educational needs and disabilities (from 0-

25 years), for children in care (aftercare to 25 and ability to 'stay put' in foster care) as well as the extra burdens of demography (numbers of people over 85 rising and people with higher complexity living longer), Deprivation of Liberty Safeguards, funding increases for providers through the National Minimum Wage and pension auto-enrolment, the huge rise in homeless families and other impacts of the early roll out of Universal Credit in Warrington. Senior Officers have worked to review and challenge the pressures put forward and any remaining pressures will be presented to the Spotlight Panel as part of the OBB process for further scrutiny. Any new pressures arising will have to be funded from additional savings or income generation, unless any one-off funding can be identified as a temporary measure.

- 7.2 Table 3 Appendix A summarises the budget shortfall for the 2019/23 MTFP period. The table shows, for each year of the MTFP four year forecast, how brought forward revenue budget increases with the addition of identified budgetary pressures and the consequent level of overall savings required to reduce in-year budget requirement down to match in-year funding available. Overall savings required in 2019/20 are currently estimated at £30.9m. Savings currently identified amount to £7.7m leaving £23.2m of savings still to be identified to balance the budget. Proposals for savings are being put forward for consideration and will be subject to formal consultation. The National Living Wage and its impact on the cost of care packages is a significant pressure in the 2019/23 MTFP period. It is forecast that pressure from this source will be on average £1.9m in each year of the four year plan.
- 7.3 The Ministry of Housing, Communities and Local Government (MHCLG) have issued the annual revenue expenditure statistics which show that Councils funded 2.1% of 2017/18 revenue expenditure with reserves and collection fund surpluses (Warrington 4.8%) – the same figure of 2.1% in 2016/17. However, finance experts point out that at times of financial stress it is prudent to build up reserves and that reserves can only be used once to plug financial gaps. The Chartered Institute of Public Finance and Accountancy (CIPFA), Chief Executive has previously commented that “If you have difficult decisions to make, it is better to make them now than in a year or two when your reserves are depleted”. It was further commented that Councils ‘do very well’ if they are able to deliver two thirds of their planned savings.
- 7.4 The Budget Monitoring 2018/19 – Quarter 1 report taken to the Executive Board meeting on the 10<sup>th</sup> September forecast a financial position for the year ending March 2019 as an overspend of £6.1m. The forecast overspend arises largely from additional in-year demographic and demand pressures. Generally, the forecast at Quarter 1 represents a prudent position as a result of uncertainties that may occur during the year. Action is being taken by the Directorates to address the situation and the financial position will be subject to change and mitigation of the overspend as the year progresses. However, it must be noted that if Directorates are unable to mitigate the extent of the in-year overspend, this may result in service cuts.



## **8. CAPITAL PROGRAMME**

8.1 The 2019/20 – 2021/22 Capital Programme will be formulated later in the year. The current cost of funding the 2019 – 2022 Capital Programme is £4.3m and this is included in the figures above. It should be noted that any additional Council funded capital schemes, including match funded schemes, will need to be financed by prudential borrowing and this will be an added pressure that will need to be funded by additional savings or income generation.

## **9. NEXT STEPS**

9.1 The next steps in the outcome based budget process are:

- September to November 2018 - Outcome Based Budgeting theme workshops and assessment of the proposals submitted to meet the budget gap. Spotlight Panels and Spotlight Forum to challenge and scrutinise budget proposals, pressures and investment bids put forward.
- Following Autumn Budget – Draft Finance Settlement.
- 11 February 2019 – Executive Board recommend 2019/20 budget for approval by Full Council in February 2019.
- 25 February 2019 – Council agree 2019/20 budget and the 2019 to 2023 sustainable financial plan.

## **10. FINANCIAL CONSIDERATIONS**

10.1 The financial considerations are dealt with in the main body of the report.

## **11. RISK ASSESSMENT**

11.1 All the figures used above are still estimates and are liable to change. The draft finance settlement is announced after the Autumn Budget and is due in December 2018 and the Council Tax base and Business Rate estimates need to be agreed by Audit & Corporate Governance Committee in January 2019.

11.2 All the proposals put forward for the OBB process will have a completed risk assessment before being presented to the Spotlight Panel to enable them to assess the impact of the proposals being recommended.

## **12. EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT**

12.1 The budget proposals to be submitted as part of the OBB process will be subject to individual Equality Impact Assessments.

**13. CONSULTATION**

13.1 Relevant consultation will be undertaken with internal and external bodies as part of the 2019/20 budget setting process.

**14. REASONS FOR RECOMMENDATION**

14.1 To enable Members to play a full part in the decision making process to ensure a balanced budget can be established for financial year 2019/20.

**15. RECOMMENDATION**

15.1 The Executive Board is recommended to note the content of the report and the indicative revenue financial position for the Council 2019 – 2023.

**16. BACKGROUND PAPERS**

N/A.

## Appendix A

Authority	Local Services Band D £	Funding £m
Trafford	1,218.97	-9.189
Wigan	1,252.46	-6.929
Manchester	1,305.34	-3.360
Halton	1,338.51	-1.121
Warrington	1,355.12	0.000
St Helens	1,364.33	0.622
Cheshire East	1,364.53	0.635
Tameside	1,386.02	2.086
Knowsley	1,401.14	3.106
Cheshire West and Chester	1,420.25	4.396
Bolton	1,426.06	4.788
Wirral	1,437.32	5.548
Bury	1,463.98	7.347
Blackpool	1,468.37	7.643
Sefton	1,481.56	8.534
Salford	1,487.91	8.962
Rochdale	1,492.45	9.269
Oldham	1,532.00	11.938
Liverpool	1,556.82	13.613
Stockport	1,567.27	14.318
<b>Average</b>	<b>1,416.02</b>	<b>4.110</b>

Table 1 – North West Authorities Band D Council Tax

## Appendix A

Authority	Settlement Funding per Dwelling (£)	Funding (£m)
Cheshire East	268	-11.105
Warrington	388	0.000
Cheshire West and Chester	400	1.110
Stockport	562	16.102
Trafford	584	18.138
Bury	684	27.392
Sefton	730	31.648
Wirral	808	38.866
St Helens	818	39.792
Wigan	818	39.792
Tameside	868	44.419
Bolton	888	46.270
Blackpool	927	49.879
Halton	929	50.064
Salford	1,029	59.317
Rochdale	1,062	62.371
Oldham	1,071	63.204
Liverpool	1,171	72.458
Manchester	1,312	85.506
Knowsley	1,433	96.703
<b>Average</b>	<b>838</b>	<b>41.596</b>

Table 2 – Settlement Funding per Dwelling

## Appendix A

<b>MTFP 2019/23</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
<b>Budget bfwd (assumes budget balanced to funding available)</b>	<b>136,836</b>	<b>129,192</b>	<b>133,302</b>	<b>136,184</b>
<b>Corporate Pressures</b>				
Corporate Services	268	268	268	268
Families & Wellbeing	12,042	7,319	7,394	7,569
Economic Regeneration, Growth & Environment	69	1,969	169	69
Corporate Finance & Cross Cutting Pressures	7,724	(419)	(186)	(186)
Capital Financing	3,187	1,100	-	-
<b>Total Budget required in year</b>	<b>160,126</b>	<b>139,429</b>	<b>140,947</b>	<b>143,904</b>
<b>Funding available in year</b>	<b>129,192</b>	<b>133,302</b>	<b>136,184</b>	<b>139,129</b>
<b>Overall Savings Required in year</b>	<b>30,934</b>	<b>6,127</b>	<b>4,763</b>	<b>4,775</b>
<b>Savings Currently Identified in year</b>	<b>(7,671)</b>	<b>(5,529)</b>	<b>-</b>	<b>-</b>
<b>Additional Savings Required in year</b>	<b>23,263</b>	<b>598</b>	<b>4,763</b>	<b>4,775</b>
<b>Cumulative Overall Savings Required</b>	<b>30,934</b>	<b>37,061</b>	<b>41,824</b>	<b>46,599</b>

Table 3 – Budget Shortfall MTFP 2019/23 period



# WARRINGTON BOROUGH COUNCIL

## EXECUTIVE BOARD – 12 November 2018

**Report of Executive Board Member:** Councillor R Bowden, Deputy Leader and Executive Board Member, Corporate Finance

**Director:** Lynton Green, Deputy Chief Executive and Director of Corporate Services

**Senior Responsible Officer:** Danny Mather, Head of Corporate Finance

**Contact Details:** **Email Address:** [lgreen@warrington.gov.uk](mailto:lgreen@warrington.gov.uk) **Telephone:** 01925 443935

**Key Decision No.** 027/18

**Ward Members:** All

**TITLE OF REPORT:** HOUSING INVESTMENT – CITYSTYLE LIVING LIMITED (CSL)

### 1. PURPOSE

1.1 To seek Executive Board approval for the Council to enter into a fully secured loan facility with Citystyle Living Limited (“CSL”), a subsidiary of One Housing Group (OHG) for a maximum amount of £85m over a seven year loan term.

### 2. CONFIDENTIAL OR EXEMPT

2.1 Part 2 of the report (agenda item 9) is confidential and not for publication, by virtue of the fact that it may result in the likely disclosure of exempt information as defined in Category 3 of Schedule 12A to the Local Government Act 1972 and the public interest in not disclosing the information outweighs the public interest in disclosing it.

### 3. INTRODUCTION AND BACKGROUND

3.1 The Council has been providing loan facilities to Housing Associations (HAs) to stimulate housing development in Warrington and the surrounding area since 2009.

3.2 This loan request can be funded from the current three year capital programme which was agreed by Full Council in February 2018.

### 4. DETAILS OF ONE HOUSING GROUP LIMITED

- 4.1 One Housing Group (OHG) is a London-based Housing provider, with around 15,000 properties over 27 London boroughs and the surrounding area.
- 4.2 They are London's largest provider of housing to residents with complex needs and specialise in high quality homes and a high level of care.
- 4.3 Citystyle Living Limited ("CSL"), a subsidiary of One Housing Group.

## **5. DUE DILIGENCE**

- 5.1 The Council has commissioned Traderisks (City Corporate Finance Advisor) to carry out an independent due diligence exercise on OHG. Details are provided in Part 2 of this report.

## **6. TERMS OF THE LOAN**

- 6.1 The loan has been negotiated on a full commercial loan basis.

## **7. LEGAL POWERS**

- 7.1 A full legal evaluation including QC advice has been undertaken in developing the loans programme.

## **8. RISK ASSESSMENT**

- 8.1 A risk assessment of the proposed loan has taken place and full details can be found in the Part 2 report.

## **9. FINANCIAL IMPLICATIONS**

- 9.1 The loan is in line with the Council's 2018/19 Capital Programme 2018/19 MTFP and 2018/19 Treasury Management Strategy agreed by Full Council in February 2018.

## **10. GOVERNANCE ARRANGEMENTS**

- 10.1 This section provides a summary of the governance arrangements for the loan to CSL. It sets out how these arrangements support and promote good corporate governance, thereby safeguarding the interests of the Council and local Council Tax payers.
- 10.2 A senior officer project group has been established consisting of representatives from finance, legal, estates, housing, procurement and communications to oversee the provisions of loans, with the Section 151 Officer being the project sponsor. The group have regularly updated the Audit and Corporate Governance Committee, the Treasury Management Board and the Capital and Investment Planning Group (CIPG). In developing the loan, leading external legal and financial advice has been obtained. The risk analysis for the loan has been developed following a risk management workshop attended by members, senior officers and expert external legal and financial advisors. These risks are also updated on an ongoing basis.



- 10.3 If the loan is approved by the Executive Board, it will be subject to stringent Corporate Governance procedures. It will be regularly monitored by the treasury management team working closely with Legal and Estates in line with the covenants of the contract. These resources will be reviewed on an ongoing basis in order to continue to provide a professional service that our borrowers require and to maintain the Council's good reputation in the area of corporate finance. Loan updates will be given quarterly to the Audit & Corporate Governance Committee as part of their quarterly treasury management monitoring reports. Quarterly updates will be given to the Treasury Management Board and Full Council will be updated twice a year via the Treasury Management Strategy report and the Treasury Management Mid-Year Update report. Monthly loan update reports will be given to the RASC Departmental Management Team and Senior Management Team. The loan will also be incorporated into the Council's risk registers.
- 10.4 Additional Officer support provided to monitor these loan contracts on an ongoing basis. A contract monitoring system has been established following banking industry and leading legal advice. This system is subject to regular Internal and External Audit review.
- 10.5 The loan proposal has followed the financial procedure rules for capital governance (FR 23 - 35) of the Council agreed by the Audit & Corporate Governance Committee in February 2017.

**11. EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT**

- 11.1 Applicants for the facility have policies on race relations, sex discrimination, equal pay, disabilities discrimination and equalities that are consistent with the Council's own policies.

**12. CONSULTATION**

- 12.1 No external consultation has taken place in connection with this report for reasons of commercial sensitivity. Internal consultation with Portfolio holders, the Leader, Corporate Loans Group, Treasury Management Board, Corporate Services Management Team, Strategic Management Team, Capital Investment Planning Group has taken place.

**13. ACCOUNTING TREATMENT**

- 13.1 The Council will apply the same accounting treatment to the loans as it has done with all its previous Housing Association loans. This treatment has previously been agreed by the external auditor.

**14. REASONS FOR RECOMMENDATION**

- 14.1 To provide a surplus to the Council to directly fund the specific project as set out in the Part 2 report.
- 14.2 To provide a prudent social investment opportunity to the Council and the potential for partnership working that will increase house building nationally.

**15. RECOMMENDATION**

15.1 The Executive Board is recommended to:

- (i) approve the Council entering into a maximum £85 million, seven year loan facility with Citystyle Living Limited (“CSL”), a subsidiary of One Housing Group in order to provide a surplus to the Council to directly fund the specific project as set out in the Part 2 report.
- (ii) delegate to the Deputy Chief Executive and Director of Corporate Services and the Head of Legal and Democratic Services, following consultation with the Deputy Leader and Executive Board Member, Corporate Finance, the preparation and completion of the legal agreement between the Council and CSL in respect of the loan.
- (iii) delegate to the Deputy Chief Executive and Director of Corporate Services and the Head of Legal and Democratic Services the completion of all ancillary legal documents required to give effect to the loan.
- (iv) delegate to the Deputy Chief Executive and Director of Corporate Services and the Head of Legal and Democratic Services the granting or refusal of approvals or consents requested or required under the terms of the loan facility for the duration of the loan agreement.

**16. BACKGROUND PAPERS**

2018/19 Capital Programme  
 2018/19 Treasury Management Strategy  
 CIPFA Prudential Code  
 MHCLG Investment & MRP Guidance  
 Trade Risks DD Report  
 Legal Contact papers  
 James Gaudie QC Legal Opinion

**Contacts for Background Papers:**

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# WARRINGTON BOROUGH COUNCIL

## EXECUTIVE BOARD – 12 November 2018

**Report of Executive Board Member:** Councillor R Bowden, Deputy Leader and Executive Board Member, Corporate Finance

**Executive Director:** Andy Farrall, Executive Director, Economic Regeneration, Growth and Environment

**Senior Responsible Officer:** Steve Park, Managing Director Warrington & Co

**Contact Details:**                      **Email Address:**    **Telephone:**  
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**Key Decision No.**                      028/18

**Ward Members:**                      All

**TITLE OF REPORT:**                      **STRATEGIC PROPERTY INVESTMENT**

### 1.        **PURPOSE**

1.1        To inform Executive Board of the opportunity to acquire two buildings in Warrington and seek approval to acquire the property in accordance with the Council's Property Investment Strategy as agreed by the Executive Board in July 2017.

### 2.        **CONFIDENTIAL OR EXEMPT**

2.1        This report is not confidential and exempt but the report on part 2 of this agenda (agenda item 10) setting out the proposal and financial details is.

### 3.        **INTRODUCTION AND BACKGROUND**

3.1        The proposal is in line with the Council's policy framework. This includes documents such as the Enterprising Warrington Commercial Strategy 2017-2020, Property Investment Strategy, Treasury Management Strategy and Capital Strategy.

3.2        In December 2012 the Executive Board approved a capital funded strategic property acquisition fund. The main purpose of this fund and aims and objectives are:

- The Council is seen to be acting proactively and taking leadership, investing in the town to promote economic development
- To enhance the Council's position as a major land owner with the ability to influence the growth of the future development of the town
- To enable the Council to practice strategic regeneration for the benefit of the town rather than be restricted to policy and theory
- To invest in commercial market opportunities generating a commercial internal rate of return to the Council. To bring key town centre assets into Council ownership
- To take advantage of current property values and seek long term (20 years) capital growth

3.3 The principles of this fund include individual business cases for each acquisition, appropriate due diligence and a clear purpose for acting.

#### **4. PROPERTY MARKET OPPORTUNITY**

4.1 The Council maintains a very close watch on economic and property market activity in the town. Using existing staff, professional teams, external agents and partner organisations we are aware of many property transactions coming to the market.

4.2 A property investment and regeneration opportunity is outlined in the part 2 report on this agenda.

#### **5. LEGAL IMPLICATIONS**

5.1 The Council is able to rely on specific land acquisition powers pursuant to s.120 Local Government Act 1972. This confirms that the Council has the power to acquire property for:-

- The purposes of our functions – this covers all the duties and powers; or
- The benefit, improvement or development of our area – this is broadly construed and can take into account the wider questions of public benefit.

5.2 Furthermore the Council may also rely on the powers contained under the Town and Country Planning Act 1990 of which s.227 contains a further, although more limited power to acquire land in circumstances where:-

- The acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land; or
- The land is required for a purpose necessary to achieve the interests of proper planning of the area in which the land is situated.

5.3 In summary, the Council has the power to purchase the property.

**6. FINANCIAL IMPLICATIONS**

- 6.1 The proposed property acquisition would be an invest-to-save scheme. The scheme generates a commercial return to the Council.
- 6.2 The Council has had regard to the CIPFA Prudential Code, Ministry of Housing Communities and Local Government (MHCLG) Investment and Minimum Revenue Provision (MRP) Guidance in its assessment of purchasing the asset.

**7. RISK ASSESSMENT**

- 7.1 The risk of this investment is in the quality of a tenant and the ability to pay the rent and property outgoings.
- 7.2 The risks and mitigation factors are set out in the part 2 report on this agenda addressing the quality of the tenant covenant, alternative investment options and exit strategy for the Council.

**8. EQUALITY AND DIVERSITY/EQUALITY IMPACT ASSESSMENT**

- 8.1 There are no equality and diversity issues associated with this report.

**9. CONSULTATION**

- 9.1 There has been no external consultation beyond professional advisors associated with the contents of this report due to the commercial nature of the proposal.

**10. REASON FOR RECOMMENDATIONS**

- 10.1 It is recommended to proceed with an acquisition of the property for the following reasons:
- The Council is seen to be acting proactively and taking leadership, investing in the town to promote economic development
  - Economic Regeneration
  - To bring another Warrington property asset into Council ownership and open opportunity for future regeneration
  - To enhance the Council's position as a major land owner with the ability to influence the growth of the future development of the town
  - This will provide a secure, net income stream for the Council
  - To enable the Council's ambition to become financially sustainable through longer term planning
  - To assist in delivering the raised target for property income

**11. RECOMMENDATION**

11.1 The Executive Board is recommended to:

- (i) Approve the principle of acquisition of the property.
- (ii) Approve the purchase be funded from prudential borrowing
- (iii) Delegate to the Executive Director, Economic Regeneration, Growth and Environment, following consultation with the Monitoring Officer, Deputy Chief Executive & Director of Corporate Services and the Executive Board Member, Corporate Finance, responsibility for the final acquisition terms, based on the principles and costs set out the part 2 report to this agenda.
- (iv) Authorise the Monitoring Officer to enter into the contract and finalise any related documents to complete the transaction in accordance with the above.

**12. BACKGROUND PAPERS**

Property Investment Strategy

**Contacts for Background Papers:**

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# WARRINGTON BOROUGH COUNCIL

## EXECUTIVE BOARD – 12 November 2018

**Report of Executive Board Member:** Councillor J Guthrie, Executive Board Member, Environment and Public Protection (including Climate Change)

**Executive Director:** Andy Farrall, Executive Director, Economic Regeneration, Growth and Environment

**Senior Responsible Officer:** David Boyer, Assistant Director, Transport and Operations

**Contact Details:**                      **Email Address:**                      **Telephone:**  
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**Key Decision No.**                      016/18

**Ward Members:**                      All

**TITLE OF REPORT:**                      **AWARD OF CONTRACT FOR THE PROVISION OF A WASTE COLLECTION AND DISPOSAL SERVICE FOR MUNICIPAL BUILDINGS INCLUDING SCHOOLS IN WARRINGTON**

### **1. PURPOSE**

1.1 To advise of the outcome of the tender evaluation exercise for the award of the contract for the provision of a waste collection and disposal service for municipal buildings including schools in Warrington.

1.2 To recommend acceptance of the tender which is believed to offer best value.

### **2. CONFIDENTIAL OR EXEMPT**

2.1 Part 2 of the report (agenda item 11) is to be considered as a Part 2 item being exempt by virtue of category 3 Local Government Act 1972, schedule 12A.

### **3. INTRODUCTION AND BACKGROUND**

3.1 The Council is seeking to appoint a contractor for two years, with an option to extend by 12 months, for the collection and disposal of residual waste at schools and LiveWire facilities including libraries, leisure and community centres. The contract covers a total of 86 sites across Warrington.

- 3.2 The waste service acts on behalf of schools and LiveWire to procure a contract for the collection and disposal of their residual waste.
- 3.3 The current contract is held with WSR Ltd, Widnes, and expires in January 2019. In order to maintain the service provision a full tender process began in July 2018 for the collection and disposal of residual waste from schools and LiveWire facilities in compliance with the Council’s Contract Procedure Rules and the Public Contracts Regulations 2015.

**4. TENDER EVALUATION**

- 4.1 An OJEU contract notice and the invitation to tender was issued on the Chest on 11 July 2018.
- 4.2 The Council received 14 expressions of interest on the Chest.
- 4.3 The Council received six submissions and eight no responses on the closure date of 20 August 2018. The submission was evaluated in terms of price and quality; details of the submitted tender are detailed in the Part 2 report. The Price and Quality criteria weightings are shown in the table below:

<b>Contract Price</b>	<b>60%</b>
<b>Quality – broken down as follows:</b>	<b>40%</b>
<b>The quality score was evaluated using the following weighted criteria</b>	
- Service Provision	45%
- Health & safety	20%
- Mobilisation & Expiry Plan	20%
- Valid Authorisations and Certificates	5%
- Environmental Performance	10%

- 4.4 The results of the tender evaluation for the organisations submitting a bid are provided in the Part 2 report.
- 4.5 Each Method Statement was scored individually the Evaluation Team and an average score was calculated in accordance with the following table:

<b>Marking Scheme for Quality Criteria to be used by the Evaluation Panel</b>	<b>Marking range</b>
<i>Excellent response that adds extensive additional value to the stated requirement and / or provides an innovative and very attractive offering</i>	5
<i>High Standard response that fully meets the stated requirement with good added value</i>	4
<i>Good standard that meets the stated requirement</i>	3
<i>Acceptable, with some reservations about the bid submission against the requirement</i>	2
<i>Partially meets the requirement, but with major reservations about the response</i>	1
<i>Does not address or meet the requirement</i>	0



4.6 The Evaluation Panel scored tendered submissions in relation to quality. Details of the scores are highlighted in the Part 2 report.

4.7 The submitted prices were entered into the prepared tender evaluation model and the lowest price submitted was awarded the full 60% of marks available. Details of the priced submissions are available in the Part 2 report.

**5. FINANCIAL CONSIDERATIONS**

5.1 The projected annual cost will be £176,014 based on current collections and bins. There is an overall annual increase of £26,022.36 compared to the previous contract. The previous annual cost is £149,992.44. The budget for this contract is held by the individual sites serviced.

5.2 Cost Overview: (Previous Contract)

	Annual Cost
Schools (73 sites)	£132,918.24
LiveWire (13 sites)	£17,074.20
	Total: £149,992.44

5.3 Cost Overview: (New Contract)

	Annual Cost
Schools (73 sites)	£155,802.40
LiveWire (13 sites)	£20,212.40
	Total: £176,014.80

**6. RISK ASSESSMENT**

6.1 There is minimal risk of contract failure. However, the procurement process and contract documentation provide measures to protect the interests of the Council.

**7. EQUALITY AND DIVERSITY**

7.1 The contract requires the successful tenderer to comply with its statutory obligations in terms of equality and diversity legislation.

7.2 Evidence of appropriate equality and diversity policies and relevant staff training was assessed during the tender evaluation process.

7.3 The application of appropriate equality and diversity policies will be assessed via regular contract monitoring meetings once the contract commences.

**8. CONSULTATION**

8.1 The Council completed a borough-wide public consultation on its waste strategy including recycling provision during 2008, a further consultation regarding recycling in 2013 and more recently in July 2018.

**9. REASONS FOR RECOMMENDATION**

9.1 To ensure continued provision of waste collection and disposal services to schools and LiveWire facilities in Warrington.

**10. RECOMMENDATION**

10.1 The Executive Board is recommended to award the contract for provision of waste collection and disposal services to municipal buildings including schools in Warrington to Tenderer C (as detailed in Part 2 of this report) for a period of 24 months from 1 February 2019, with an option to extend for a further 12 months.

**11. BACKGROUND PAPERS**

Procurement documentation and submitted tenders.

**Contacts for Background Papers:**

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# WARRINGTON BOROUGH COUNCIL

## EXECUTIVE BOARD - 12 November 2018

**Report of Executive Board Member:** Councillor P Wright, Executive Board Member, Statutory Health and Adult Social Care

**Executive Director:** Steve Peddie, Executive Director Families and Wellbeing

**Senior Responsible Officers:** Catherine Jones, Operational Director, Social Care (and Deputy DASS)

**Contact Details:** **Email Address:** [catherine.jones@warrington.gov.uk](mailto:catherine.jones@warrington.gov.uk) **Telephone:** 01925 444251

**Key Decision No.** 029/18

**Ward Members:** All

**TITLE OF REPORT:** **CATALYST CONTRACT AND PROCUREMENT PLANS 2019 - 2020**

### 1. PURPOSE

1.1 To seek approval for contract and procurement proposals for Catalyst Choices Management Services Limited services summarised in table 1 below. The total contract value is £7m (cost is variable dependent on the volume services delivered).

#### 1.2 Table 1 Catalyst Choices Services

No	Services	2018/2019 Cost
1	Woodleigh: Residential Care Home and Older People Respite Service	£1.7m
2	Learning Disability Specialist Day Service	£1.4m
3	Older Peoples Day Service	£195K
4	Extracare Service	£1.2m
5	Learning Disability Respite Service (delivered at Woodleigh)	£400k
6	Supported Accommodation Service	£2.0m
7	Shared Lives Service	£103k

1.3 On 15 January 2018 Executive Board agreed to the first optional extension year until 31 January 2019 of the 3+1+1 contract. The Council has the choice to extend for a final optional year, ending 31 January 2020 and no further extensions are allowable under this contract.

1.4 Executive Board asked for a full review of the current services and contract arrangements to take place to advise on future strategic options prior to a decision

on the optional final 1 year extension permitted under the current contract. This report presents outline options and recommendations regarding the contract and procurement position for Catalyst Choices Management Services Limited.

- 1.5 The recommendations are that from 31 January 2019 there will be a change to contract arrangements. The changes will include a move from a single contract covering all services to individual contracts covering each service area individually and with varied terms. This approach is intended to enable further flexibility in terms of tendering plans and also ensure that the contract and business terms for Catalyst are aligned with other services contracted by the Council. Services have to date and are already for example priced individually. The proposed terms for each service contract are set out in the Part 2 report and covers extensions, moving to different business/pricing terms for some services and direct awards for two services extending the contract beyond 31 January 2020.
- 1.6 Due to the value and impact of the contract arrangements, Executive Board approval is required. The Part 1 report sets out the rationale for the proposed approach and the Part 2 report sets out issues and matters considered commercially sensitive for Catalyst Choices Management Services Limited and the Council.

## **2. CONFIDENTIAL OR EXEMPT**

- 2.1 Part 2 of the report is confidential and not for publication, by virtue of the fact that it may result in the likely disclosure of exempt information as defined in Category 3 of Schedule 12A to the Local Government Act 1972 and the public interest in not disclosing the information outweighs the public interest in disclosing it.

## **3. INTRODUCTION AND BACKGROUND TO CATALYST CHOICES MANAGEMENT SERVICES LIMITED AND SERVICES**

- 3.1 The original contract for Adult Social Care and Support Services was awarded to Catalyst CIC to the value of £8,228,298 per annum, commencing February 1st 2015. Catalyst Choices CIC was a newly formed, staff led, social enterprise. All existing staff were transferred under TUPE from the Council.
- 3.2 The existing contract with Catalyst Services CIC was varied when Catalyst Choices changed their management structure to 'Catalyst Choices Management Services Limited', a company wholly owned by Catalyst Choices CIC. Catalyst Choices Management Services Limited in turn sub-contract the services within the company to Catalyst Choices CIC.
- 3.3 The services are predominantly operated from buildings owned and leased by either Warrington Council or local housing providers.
- 3.4 Over the last four years services have been monitored regularly through contract and quality management meetings and the Council has sought to ensure the services meet current and expected needs, whilst continuing to be mindful of the terms and

implications on meeting the conditions set out through the TUPE process. Warrington Council has, throughout the contract period, been the sole commissioner of Catalyst Choices Management Services Limited.

3.5 Incremental adjustments and variations have been made to the contract since its start and are anticipated to deliver by February 2019 an overall reduction of £1.2m on the annual spend. This has been achieved through:

- Pricing reductions and adjustments across services.
- Reductions in the block purchase arrangements.
- Efficiencies and changes to service delivery.
- Reduction in the buy back of Council services.
- Decommissioning of the Supported Employment service.

3.6 The context for the recommendations within this report is that, for all currently contracted services:

- a) There is a continuing demand for such services,
- b) There may be risks to vulnerable and frail people in changing provider and location, and
- c) Achievement of any changes should be done in a planned and managed way but also meet contract, procurement and financial regulations.

3.7 The assessment of currently contracted services (summarised in Table 1) and recommendations to Executive Board in the Part 2 report notes the interdependence between certain services given the delivery arrangements, the relevance of pending or current tendering processes for other services and also the need to ensure services offer value for money.

## **4. FINANCIAL CONSIDERATIONS**

4.1 The proposals do not place any additional increased financial responsibilities on the Council as the budget is already allocated to fund these services.

4.2 The annual value of the contract as a whole is circa £7m (cost is variable dependent on the volume services delivered).

4.3 The proposed contract terms are expected to achieve efficiencies and return savings by way of negotiated reductions in unit cost and changes to some contracting terms.

4.4 The proposals for service continuation and subsequent changes to contract terms are intended to manage and mitigate financial and service risks. The recommendations also reflect the need to contribute to the Council's programme of cost reductions in order to deliver essential services within a challenging budgetary environment.

## **5. EQUALITY IMPACT ASSESSMENT**

- 5.1 By ensuring current services are maintained through the contract terms and arrangements as recommended in the Part 2 report, the Council can meet its equality responsibilities. No adverse impact has been identified or is anticipated through the approach from 31 January 2019.
- 5.2 This equality impact position will, subject to Executive Board approval, be kept under review during the final contract negotiation arrangements and throughout 2019.

**6. LEGAL AND PROCUREMENT IMPLICATIONS**

- 6.1 The contract with Catalyst Choices Management Services Limited allows for an extension of the contract for a further one year period. The Executive Board could therefore lawfully extend the contract for the proposed period without any further procurement exercise being carried out, however due to the exact proposed contractual arrangements as set out in the Part 2 report, the actual recommendation is that the current Catalyst contract expires on 31 January 2019 and is replaced by seven new standalone contracts for each of the services listed at 1.2 above.
- 6.2 The Executive Board is requested to approve the direct award of all seven new contract for terms ranging from 12 to a maximum of 18 months, this will enable the Council to fully procure each of the contracts with a view to making contract awards in 2020.

**7. CONSULTATION**

- 7.1 General service user feedback for Catalyst Choices CIC's services has been positive regarding care and support.
- 7.2 Consultation with the provider has also indicated a willingness to continue its work with the Council and consider the revised contract terms.

**8. REASON FOR RECOMMENDATION**

- 8.1 The current circumstances concerning the contract extension are in line with the Council's service requirements and financial regulations and:
  - a) Ensure Catalyst Choices services continue to provide care and support to vulnerable adults.
  - b) Ensure the development and implementation of services in line with expectations and changing needs and service gaps.
  - c) Ensure that progress is made in delivering financial efficiencies reducing unit costs in line with the agreed business plan.
  - d) Ensure appropriate Catalyst services are included in relevant procurement and tender processes.

**9. RECOMMENDATION**

9.1 The Executive Board is recommended to:

- (i) Authorise the Executive Director, Families and Wellbeing, following consultation with the Executive Board Member, Statutory Health and Adult Social Care, Head of Legal and Democratic Services and the Deputy Chief Executive and Director of Corporate Services, to direct award the seven proposed contracts to Catalyst Choices Management Services Limited and to negotiate and agree the terms of the contract, consistent with the service/cost and contract requirements and principles set out in the report subject to a tolerance on 10%.
- (ii) Authorise the Executive Director, Families and Wellbeing and Head of Legal and Democratic Services to complete all necessary documents in order to give effect to (i).
- (iii) Authorise a waiver, subject to CR6 and CR9, of the Council’s Constitutional requirements set out at CR27 requiring the invitation of competitive tenders for the services set out at 1.2 above.

**10. BACKGROUND PAPERS**

- (i) Executive Board Report (15 January 2018): Contract Award For The Provision Of Social Care And Support For Adults To Catalyst Choices Management Services Limited (Extension For An Optional Additional Year).

**Contacts for Background Papers:**

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