

**To: Leader and Members of the Executive Board
(Councillors M Stanley, Hayfield, May, Moore, Morson, Phillips, Simpson, Smith and Sweet)**

For the information of other Members of the Council

For general enquiries please contact David Harris, Democratic Services Manager, on 01827 719222 or via e-mail - davidharris@northwarks.gov.uk.

For enquiries about specific reports please contact the officer named in the reports.

The agenda and reports are available in large print and electronic accessible formats if requested.

EXECUTIVE BOARD AGENDA

4 JANUARY 2012

The Executive Board will meet in the Committee Room at The Council House, South Street, Atherstone, Warwickshire on Wednesday 4 January 2012 at 6.30pm or upon conclusion of the Special Sub-Group which ever is the later.

AGENDA

- 1 Evacuation Procedure.**
- 2 Apologies for Absence / Members away on official Council business.**
- 3 Declarations of Personal or Prejudicial Interests**

(Any personal interests arising from the membership of Warwickshire County Council of Councillors Hayfield, May, and Sweet and membership of the various Town/Parish Councils of Councillors Moore

(Baddesley Ensor), Morson (Dordon), Phillips (Kingsbury) and M Stanley (Polesworth) are deemed to be declared at this meeting).

- 4 **Minutes of the Meeting of the Board held on 28 November 2011** - copy herewith to be agreed as a correct record and signed by the Chairman.

PART A – ITEMS FOR DISCUSSION AND DECISION (WHITE PAPERS)

- 5 **2010/11 Annual Audit Letter** – Report of the Deputy Chief Executive

Summary

This report presents the 2010/11 Annual Audit Letter received from the Council's external auditors, PricewaterhouseCoopers LLP.

The Contact Officer for this report is Sue Garner (719374).

- 6 **Nominated Governor – George Eliot Hospital** – Report of the Chief Executive

Summary

The purpose this report is to nominate a representative to sit on the Board of Governors for the George Eliot Hospital.

The Contact Officer for this report is David Harris (719222)

- 7 **Recent Issues Affecting the Budget** - Report of the Deputy Chief Executive

Summary

This report details a number of recent announcements impacting on the Council's budget.

The Contact Officer for this report is Chris Brewer (719259).

- 8 **Kingsbury Link** – Report of the Assistant Director (Streetscape)

Summary

This report informs the Board of action taken using the Chief Executive's urgent business powers to resolve serious flooding issues at Kingsbury Link.

The Contact Officer for this report is Richard Dobbs (719259).

**PART C - EXEMPT INFORMATION
(GOLD PAPERS)**

9 **Exclusion of the Public and Press**

Recommendation:

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

10 **Staff Travel – Report of the Deputy Chief Executive**

The Contact Officer for this report is Chris Brewer (719259).

JERRY HUTCHINSON
Chief Executive

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE EXECUTIVE BOARD

28 November 2011

Present: Councillor M Stanley in the Chair

Councillors Hayfield, May, Moore, Phillips, Smith and Winter.

Apologies for absence were received from Councillors Simpson and Sweet (Councillor Winter as substitute).

Councillor Pickard was also in attendance.

48 **Declarations of Personal or Prejudicial Interest.**

Any personal interests arising from the membership of Warwickshire County Council of Councillors Hayfield and May and membership of the various Town/Parish Councils of Councillors Moore (Baddesley Ensor), Phillips (Kingsbury), M Stanley (Polesworth) and Winter (Dordon) were deemed to be declared at this meeting.

49 **Minutes of the meeting of the Board held on 13 September 2011.**

The minutes of the meeting of the Board held on 13 September 2011, copies having been circulated, were approved as a correct record and signed by the Chairman.

50 **Constitutional Amendments**

The Assistant Chief Executive and Solicitor to the Council reported on a number of amendments to the Council's Constitution and the Board was asked to agree a suggested course of action.

Recommended:

- a **That the changes to the Portfolio Holder arrangements and formal abolition of the Portfolio Groups detailed in the report of the Assistant Chief Executive and Solicitor to the Council be agreed;**
- b **That a meeting of the Council's Independent Remuneration Panel be called to review Members' allowances generally, and in particular those for Chairmen, Vice-Chairman, Chairmen of Sub-Committees, Portfolio Holders and Area Forum Chairmen. This review would include the mileage and subsistence allowances;**

- c That the amendment to the substitution scheme for Members detailed in the report be agreed;**
- d That the changes to the Constitution proposed by the Licensing Committee be agreed; and**
- e That the additional delegation regarding the Council's licensing powers be agreed.**

51 Calendar of Meetings

The Board was invited to approve the calendar of meetings for 2012/13

Recommended:

That the calendar of meetings for 2012/13 as submitted at Appendix A to the Chief Executive's report be approved.

52 Supplementary Estimate Request from the Planning and Development Board

The Board was invited to consider a request for a supplementary estimate to cover the shortfall in planning fee income and the additional costs of the Building Control Partnership.

Recommended:

That the request for a supplementary estimate for £124,000 to cover the reduction in Planning Fee income and additional costs on Building Control be approved.

53 Reduction of Council Tax Discounts for Second Homes and Long Term Empty Dwellings

The Board was asked to consider using its discretion to reduce Council Tax discounts awarded in respect of "second homes" and "long term empty" properties. The Resources Board had considered the matter at its recent meeting and recommended that the reductions be introduced.

Recommended:

That the Council authorises

- a The reduction of council tax discounts on second homes from 50% to 10% from 1 April 2012; and**

- b The reduction of council tax discounts on long-term empty dwellings from 50% to zero from 1 April 2012.**

54 Nominated Governor – George Eliot Hospital

The Chief Executive reported that the Council had been invited to nominate a replacement for former Councillor Wendy Smitten on the Board of Governors for the George Eliot Hospital.

Recommended:

That Councillor Pickard be nominated to serve on the Board of Governors for the George Eliot Hospital.

55 Budgetary Control Report 2011/12 Period Ending 31 October 2011

The Assistant Director (Finance and Human Resources) reported on the revenue expenditure and income for the period from 1 April 2011 to 31 October 2011. The 2011/2012 budget and the actual position for the period, compared with the estimate at that date, was given, together with an estimate of the out-turn position for services reporting to this Board.

Resolved:

That the report be noted.

56 Whistleblowing Policy

The Board was invited to agree changes to the Council's Confidential Reporting Policy (also known as the Whistleblowing Policy).

Recommended:

That the revised Policy set out in the Appendix to the report of the Assistant Chief Executive and Solicitor to the Council be adopted.

57 Employee Code of Conduct

The Board was asked to agree changes to the Council's Employee Code of Conduct.

Recommended:

That the revised Code set out in the Appendix to the report of the Assistant Chief Executive and Solicitor to the Council be adopted.

58 **Equality Act 2010 (Specific Duties) Regulations 2011**

The Assistant Chief Executive and Solicitor to the Council reported on the details of the requirements of the Equality Act 2010 (Specific Duties) Regulations 2011 and suggested an approach for discharging those duties.

Recommended:

- a **That the Regulations and the duties contained therein be noted; and**
- b **That the Assistant Chief Executive and Solicitor to the Council be given delegated powers to finalise the information to be published, as required by the Regulations.**

59 **The Bribery Act 2010**

The Assistant Chief Executive and Solicitor to the Council and the Audit Manager reported on the key issues arising from the Bribery Act 2010.

Recommended:

- a **That the report be noted; and**
- b **That the Policy attached as an Appendix to the report of the Assistant Chief Executive and Solicitor to the Council and the Audit Manager be adopted.**

60 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets – April 2011 to September 2011**

A revised report from the Chief Executive was circulated at the meeting. Members were informed of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April to September 2011.

Resolved:

That the report be noted.

61 **Minutes of the Meeting of the Safer Communities Sub-Committee**

The minutes of the meeting of the Safer Communities Sub-Committee held on 17 November 2011 were received and noted.

62 Minutes of the meetings of the Special Sub-Group held on 24 October, 7 November and 23 November 2011

It was proposed by the Chairman and agreed that the minutes of the meetings of the Special Sub-Group held on 24 October, 7 November and 23 November 2011 be considered in the public session. The minutes of the meetings of the Special Sub-Group held on 24 October, 7 November and 23 November 2011 were then received and noted.

63 Exclusion of the Public and Press

Resolved:

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

64 Payment Management Replacement System

The Assistant Director (Corporate Services) reported on the need for the Council to purchase a new Payments Management system or upgrade the existing system to ensure it maintained compliance with Payment Card Industry data security standards. The report had been considered and approved by the Resources Board at its recent meeting.

Recommended:

- a That Capital growth of up to £70,000 and Revenue growth of up to £10,000 as identified in section 3 of the report the Assistant Director (Corporate Services) be approved; and**
- b That a further report be brought to the Board once the final costs are known and the preferred supplier selected.**

M Stanley
Chairman

Agenda Item No 5

Executive Board

4 January 2012

**Report of the
Deputy Chief Executive**

2010/11 Annual Audit Letter

1 Summary

- 1.1 This report presents the 2010/11 Annual Audit Letter received from the Council's external auditors, PricewaterhouseCoopers LLP.

Recommendation to the Board

That the report presented as Appendix A be noted.

2 Report

- 2.1 The Council's external auditors, PricewaterhouseCoopers LLP, have summarised the work they undertook relating to the 2010/11 financial year in an annual audit letter. This is attached as Appendix A.

...

3 Report Implications

3.1 Finance and Value for Money Implications

- 3.1.1 Budget provision for external audit costs has been made in both years. The auditors review the financial arrangements of the Council, including an assessment of the council's use of resources in terms of economy, efficiency and effectiveness.

3.2 Risk Management Implications

- 3.2.1 An external audit process provides some assurance over the Council's internal control system, and highlights any areas where improvements could be made.

The Contact Officer for this report is Sue Garner (719374)

Government and Public Sector
***North Warwickshire
Borough Council***
Annual Audit Letter

2010/11 Audit

November 2011



The Members
North Warwickshire Borough Council
Council Offices
South Street
Atherstone
Warwickshire
CV9 1DE

15 November 2011

Ladies and Gentleman

We are pleased to present our Annual Audit Letter summarising the results of our 2010/11 audit.

Yours faithfully

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies

In March 2010 the Audit Commission issued a revised version of the 'Statement of Responsibilities of Auditors and of Audited Bodies'. It is available from the Chief Executive of each audited body. The purpose of the Statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any member or officer in their individual capacity or to any third party.

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Introduction

The purpose of this letter

The purpose of this letter is to provide a high level summary of the results of the 2010/11 audit work we have undertaken at North Warwickshire Borough Council that is accessible for the Council and other interested stakeholders.

We have already reported the detailed findings from our audit work to those charged with governance in the following reports:

- Audit report for the 2010/11 Statement of Accounts, incorporating the value for money conclusion; and
- Report to those charged with Governance (ISA (UK&I) 260).

The matters reported here are those that we consider are most significant for the Council.

Scope of work

Our audit work is conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

The Council is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- forming an opinion on the financial statements;
- reviewing the Annual Governance Statement;
- forming a conclusion on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources; and
- undertaking any other work specified by the Audit Commission.

Our 2010/11 audit work has been undertaken in accordance with the Audit Plan that we issued in April 2011.

Audit Findings

Accounts

We audited the Council's Statement of Accounts in line with approved Auditing Standards and issued an unqualified audit report on 30 September 2011.

We identified the following key issues from our audit of accounts:

Accounts preparation

All local authorities were required to prepare annual accounts under International Financial Reporting Standards (IFRS) for the first time in 2010/11. Preparing draft accounts by 30 June in the first year of IFRS has been challenging for all local authorities. A significant amount of work was completed by the Council to review historic records and to consider the impact of IFRS. We agreed in advance what we would need for our audit and this was ready for us when we arrived.

The Finance Team worked hard to meet the timescales and were helpful in resolving our queries. Compared to other authorities, the Finance Team performed well in preparing for, and restating the financial statements on an IFRS basis.

We would like to thank the Finance Team for their support and assistance during the audit.

Accounting issues

Our audit identified no significant issues with respect to the quality of the draft accounts presented for audit, though some minor adjustments to the accounts were requested. All misstatements identified were amended. The net impact of the adjustments made to the accounts was to increase General Fund balances by £8,000 and increase net assets by £8,000.

A number of disclosure amendments were also identified which were amended appropriately. The volume of disclosure amendments required was higher than previous years. However, this is considered to relate largely to work required to account under International Financial Reporting Standards (IFRS) for the first time in 2010/11.

Whole of Government Accounts

We undertook our work on the Whole of Government Accounts consolidation pack as prescribed by the Audit Commission. The work was completed and the audited pack was submitted on 30 September 2011 in line with the national deadline for submission. Our work on the Whole of Government Accounts consolidation pack concluded that it was consistent with the financial statements for the year ended 31 March 2011.

Use of resources

Our Use of Resources Code responsibility required us to carry out sufficient and relevant work in order to conclude on whether you have put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources.

In accordance with guidance issued by the Audit Commission, in 2010/11 our conclusion was based on two criteria:

- the organisation has proper arrangements in place for securing financial resilience; and
- the organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

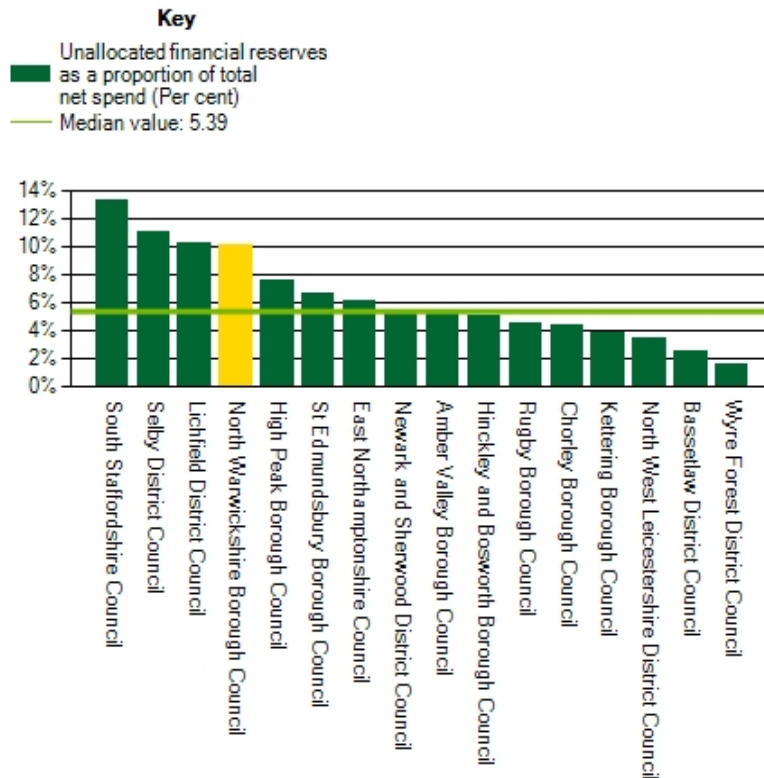
Unlike in previous years, we were not required to reach a scored judgment in relation to these criteria and the Audit Commission has not developed ‘key lines of enquiry’ for each criteria. Instead, we determined a local programme of audit work based on our audit risk assessment, informed by these criteria and our statutory responsibilities.

Summary of findings

Financial resilience

All local government organisations are faced with increased challenges in their medium term financial outlook. North Warwickshire Borough Council had planned for a scenario of reduced formula grants and budgets ahead of other similar organisations. The Council has continued to monitor the impact of changes in assumptions on factors affecting the financial strategy, such as council tax, central government funding, inflation and pay awards and the impact of wider policy changes. The Council redrafted its Medium Term Financial Plan in September 2011 to update assumptions. Our overall conclusion is that in general the assumptions used in the Strategy are reasonable.

The Council has delivered on savings plans in recent years to help secure financial resilience. As a result of careful financial planning and delivery of in year savings plans, the Council was able to make a significant contribution to reserves in 2010/11. The Council has maintained a strong reserves balance, although these will be reduced over the coming period. Compared to its nearest neighbours, the Council’s reserves are comparatively high.



The Council anticipates the achievement of savings of more than £1 million by 2014/15. Savings initiatives have been identified in excess of this value and will be provided to the Council’s members to appraise and make decisions.

Our work has identified no significant issues regarding the Council’s arrangements in relation to its financial resilience over the next 12 months.

Economy, efficiency and effectiveness

The Council's net expenditure per head of population is in line with neighbouring authorities. In addition, the Council has continued to investigate ways of delivering efficient services and has commenced a number of systems reviews.

The Council has a good understanding of its cost base and this has helped in decision making around service delivery and the opportunity to enter into shared service arrangements. When appropriate the Council has continued to investigate service design by benchmarking activities against other providers.

Overall, the information and evidence that we reviewed demonstrated that the Council continues to challenge the value it is able to deliver to customers. Our work has identified no issues regarding the Council's arrangements to securing economy, efficiency and effectiveness in its use of resources.

Capital Programme

The Council spent £4.55 million in 2010/11 against a capital programme of £5.75 million. A small number of projects had not been completed at the year end. These related primarily to new build housing stock. At the year end the amount of capital resource available to spend in future periods was £5.55 million.

In 2011/12 the Council plans to spend £4.12 million. The focus continues to be on maintenance of the Council's existing housing stock.

The Council has reported that it will look to use its land bank for either new affordable housing for local needs, or to generate additional receipts for spending on its own stock or other capital priorities. During 2009, there was a major downturn in the economy, which has had a significant impact on both the ability of the Council to dispose of assets and on the value of the assets themselves. As a result the Council has taken the general view to await market recovery before actively disposing of assets.

In overall terms the Council has a small shortfall in capital resources over a 10 year period. In addition, due to the loss / delay in achieving the previously assumed capital receipts, there are funding pressures within the programme. However, comprehensive papers have been produced for the Executive Board outlining options to deal with the gap in funding. These options include partnerships with local organisations, as well as borrowing.

Use of resources conclusion

Taking into account all work undertaken in 2010/11 on the Council's use of resources, we were satisfied that, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Internal Controls

Accounting systems and systems of internal control

It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. We review these arrangements for the purposes of our audit of the financial statements and our review of the Annual Governance Statement.

We did not identify any material weaknesses in the accounting and internal control systems during our audit. A small number of minor control weaknesses were noted and these will be reported separately to the Deputy Chief Executive.

Annual Governance Statement

Local authorities are required to produce an Annual Governance Statement (AGS) that is consistent with guidance issued by CIPFA/SOLACE. The AGS accompanies the Statement of Accounts.

We reviewed the AGS to consider whether it complied with the CIPFA/SOLACE guidance and whether it might be misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context.

National Fraud Initiative (NFI) assessment

Fraud is a significant problem for all organisations. In 2011, the National Fraud Authority estimated that:

- each year, public, private and third sector organizations, as well as individuals lose over £38 billion to fraud;
- fraud costs every adult in the country £765 a year;
- fraud against the public sector costs £21.2 billion a year with frauds against councils accounting for £2 billion of this.

The Audit Commission required us to assess the Council's performance in responding to risk indicators identified by NFI. The Council's approach to NFI is co-ordinated by Internal Audit. Good progress has been made in responding to data provided and outcomes have started to be recorded where the Council has been able to recover financial sums. Using the Audit Commission's traffic light system we graded the Council as 'green'.

As part of our audit work on the 2010/11 accounts, in line with Auditing Standards, we carried out specific procedures to consider scope for material fraud or misrepresentation of the accounts. This included:

- testing of a sample of manual journal transactions;
- unpredictable procedures such as physical verification of fixed assets; and
- reviewing accounting for revenue streams.

There were no significant matters identified through the work we performed.

In the event that, pursuant to a request which you have received under the Freedom of Information Act 2000 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the "Legislation"), you are required to disclose any information contained in this report, we ask that you notify us promptly and consult with us prior to disclosing such information. You agree to pay due regard to any representations which we may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such information. If, following consultation with us, you disclose any such information, please ensure that any disclaimer which we have included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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Agenda Item No 6

Executive Board

4 January 2012

Report of the Chief Executive

Nominated Governor – George Eliot Hospital

1 Summary

- 1.1 The purpose this report is to nominate a representative to sit on the Board of Governors for the George Eliot Hospital.

Recommendation to the Council

That the Council nominates its representative to serve on the Board of Governors for the George Eliot Hospital.

2 Background

- 2.1 Members will be aware that Councillor Pickard was recently appointed as the Council's representative to sit on the Board of Governors for the George Eliot Hospital.
- 2.2 However, Councillor Pickard has recently informed the Chief Executive that he is unable to take up the appointment as he has a conflict of interest. In his role as Chairman of the Scrutiny Board, Councillor Pickard is heavily involved in scrutiny work at both District and County level in respect of the George Eliot Hospital. This would preclude him from any realistic engagement with the organisation and as such it would not be appropriate for him to take up the appointment.
- 2.3 The Council is therefore looking for a further nomination to sit on the Board of Governors.

3 Report Implications

3.1 Financial Implications

- 3.1.1 Members attendance at these meetings is included in their budgeted special allowance. Additional costs relating to travel can also be met from existing budgets within the 'cost of democratic process budget'.

The Contact Officer for this report is David Harris (719222).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
None			

Agenda Item No 7

Executive Board

4 January 2012

Report of the Deputy Chief Executive

Recent Issues Affecting the Budget

1 Summary

- 1.1 This report details a number of recent announcements impacting on the Council's budget.

Recommendation to the Board

That the report be noted.

2 Consultation

- 2.1 A copy of the report has been forwarded to Councillors Morson and Smith.

3 Introduction

3.1 Council Tax Freeze

- 3.1.1 The Government intends to make funding available to help councils freeze their Council Tax in 2012-13. The scheme will be voluntary. Unlike the arrangements for 2011-12, the grant for 2012-13 will be for one year only and will not continue thereafter. Authorities freezing their Council Tax at 2011-12 levels will receive a grant equivalent to 2.5% increase in Council Tax, which in our case amounts to £111,000.

- 3.1.2 Given that the grant is payable for one year only, authorities that take up the offer will in future years either have to find additional savings to offset the loss of Council Tax income or increase Council Tax levels above the usual annual increase subject to any maximum levels set by Government.

4 Chancellor's Autumn Statement

- 4.1 The Chancellor in his Autumn statement announced that public sector pay awards will be set at an average of 1% for each of the two years after the current pay freeze comes to an end. Local Government pay is negotiated independently of Government, however, the Government will reduce formula grant to reflect this policy.

- 4.1.1 The Government's intention to re-invigorate the Right to Buy for Council housing by raising discounts was announced, this will support social tenants who aspire to own their own home. A consultation paper on this is due shortly. No account of increased sales has been included in the Council's

self-financing housing valuation. Clearly, a significant increase in sales could impact adversely on the business plan and may also impact on any new build plans the Council may have.

4.1.2 The Government announced the 3p per litre fuel duty increase that was due to take effect on 1 January 2012, will be deferred to 1 August 2012 and the inflation increase planned for 1 August 2012, expected to be 1.9p per litre, will be cancelled.

4.1.3 The extension of the small business rate relief holiday for a further six months from 1 October 2012 was announced. In addition, the Government intends to give businesses the opportunity to defer 60% of the increase in their 2012-13 business rate bills as a result of the Retail Price Index updating, to be repaid equally across the following two years.

5 Provisional Local Government Finance Settlement 2012-13

5.1 The Government announce the provisional settlement for 2012-13 on 8 December 2011. The formula grant for this council is £3,846,781, which includes £111,746 of Council Tax freeze compensation. This is the sum announced in February this year and has been allowed for in the Council's medium term financial strategy.

5.1.1 In addition, the settlement announced the following grants for 2012-13 for the Council:

	£
Housing Benefit Admin Grant	389,749
New Homes Bonus	117,430
Preventing Homelessness	57,000

5.1.2 The Localism Act includes powers to abolish capping of council tax increases and instead allow local residents to veto excessive Council Tax rises. As part of the settlement, the Government has confirmed they are moving ahead with introducing arrangement for referendums if an authority set a Council Tax which exceeds the level set by Parliament. For 2012-13 the Secretary of State proposes to set that level at 3.5% for district councils. Limits will not apply for Town and Parish Councils for 2012-13, although they may in future years.

6 Report Implications

6.1 Finance and Value for Money Implications

6.1.1 Are set out in the body of the report.

6.2 Environment and Sustainability Implications

6.2.1 The report identifies a number of emerging issues following announcements by the Government which will need to be considered in preparing the Council's budget. The considerations should include assessing the sustainability implications for how the Council provides services in future years.

The Contact Officer for this report is Chris Brewer (719259).

Agenda Item No 8

Executive Board

4 January 2012

**Report of the
Assistant Director (Streetscape)**

Kingsbury Link

1 Summary

- 1.1 This report informs the Board of action taken using the Chief Executive's urgent business powers to resolve serious flooding issues at Kingsbury Link.

Recommendation to the Board

That Members note the contents of this report and endorse the action taken

2 Consultation

2.1 Portfolio Holder, Shadow Portfolio Holder and Ward Members

- 2.1.1 The Leader of the Council and the Chairs and Vice-Chairs of the Resources and Community & Environment Boards have endorsed the action taken following consultation.

3 Background

- 3.1 The Council was approached towards the end of last year by Farebrothers, a civil engineering consultancy working on behalf of IM Properties. The approach was regarding drainage issues and incidents of flooding in the area of the Kingsbury Link business park on the railway line which services the Birch Coppice site, owned by IM properties.
- 3.2 When the railway line was originally constructed, a deep cutting was excavated beneath two highway structures at Whateley Villas and the Kingsbury Link access road. The railway line runs along land owned by the Merevale Estate. Excavated waste and soil from the cutting works was piled up on a stretch of land (now under the ownership of NWBC) adjacent to the railway line to form a large mound. It seems likely that a local watercourse was also diverted and culverted temporarily by the contractors undertaking the works. A temporary drain was installed at the foot of the mound that runs parallel to the railway track. It would appear that the construction and drainage works associated with the site were unsatisfactory and, in fact, led to a contractual dispute between Merevale Estates and the contractors. It has since come to light that, although damages were awarded due to the unsatisfactory nature of the work, the construction company went into

receivership and the necessary remedial or stabilisation works were never completed.

- 3.3 Following incidents of major flooding of the railway line at this location in late 2010 inspections of the site have revealed a degree of instability in the mound which, although not significant, may have further exacerbated the drainage problems adjacent to the railway line. Although the mound now appears stable, the temporary drain which was installed at the time of its construction is clearly inadequate. The drainage pipe at the foot of the mound has a diameter of only 450mm - less than half the size required. The inadequacy of the drainage arrangements mean that the railway line is now prone to flooding during periods of heavy and even moderate rainfall.
- 3.4 The mound, the temporary drainage pipe and the stream into which it discharges are located on land owned by North Warwickshire Council and the Council is therefore liable for the impact which the inadequate drainage may cause on the neighbouring railway track. It is clear that the works were not completed to a satisfactory standard, but the company responsible for the works no longer exists. Furthermore, enquiries have revealed that it is unlikely that damages will be able to be recovered either through our insurance or from a third party. Should the line flood again, the cost to the Council could be as much as £12,000 for each day the line is unusable. Urgent action was therefore required.
- 3.5 The civil engineering consultants, Farebrothers, have undertaken a great deal of work in the area to try and address the problems which have arisen, including significant drainage improvement work in the area of Whateley Villas as well as arranging for the upstream watercourse to be cleared of debris and cleaned out. It was Farebrothers who recognised the cause of many of the problems and identified the inadequate drainage arrangements at the foot of the mound. In order to ensure that a solution could be found as quickly as possible, Farebrothers carried out survey work and drew up a specification of the works required to install adequate drainage based on their existing knowledge of the site, the construction of the mound and the surrounding area.
- 3.6 Farebrothers recommended that the 450mm pipe be replaced with a 1200mm drain, complete with headwalls and galvanised steel grilles. Improved access to the site was also deemed necessary to allow the works to be carried out and for future maintenance.

4 **Cost**

- 4.1 Following discussions between Farebrothers and the Council's Engineering Manager it was agreed that Farebrothers would use the knowledge and information they already had about the site and the drainage requirements to tender for the required works on the Council's behalf. Farebrothers offered to undertake this work at no cost to the Council. Tenders were sought from four companies who specialise in this type of work and their quoted costs are listed below:

Contractor 1	£75,760.57
McPhillips (Wellington) Limited	£69, 792.00
Contractor 3	£190,388.00
Contractor 4	£76, 858.14

- 4.2 In addition to the costs set out above, Farebrothers agreed to commission McPhillips (Wellington) Limited and supervise the works at a further cost of £4,000.00. In addition, two galvanised steel grilles were commissioned and will be supplied and installed at a cost in the range of £1,395 to £1,720 each.
- 4.3 The total cost of the works is therefore around £80,000 plus a further amount for contingency and risk of around 15% of the total sum. The Council has existing capital provision of £21,000 which had previously been set aside for Kingsbury Link, but the remaining costs would have to be funded from reserves or elsewhere within the capital programme.
- 4.4 Warwickshire County Council were approached by officers and asked to inspect the site and look at the specification drawn up by Farebrothers, the quotes tendered for completing the works and the proposal for supervising and administering the project submitted by Farebrothers. They concluded that the specified works were necessary and reasonable and the tendered quotes fair. They also consider Farebrothers' costs to represent very good value for money.

5 Action Taken

- 5.1 Given the nature of the problem and the potential liability faced by the Council it was critical that the works were completed as quickly as possible. Normally, officers would refer this matter to Board for approval, but, for the reasons stated above, it was decided that the Chief Executive should use his Urgent Business powers to ensure the works were commissioned as soon as possible. It is also agreed (in consultation with leading Members) that Farebrothers would be engaged to commission and oversee the works on the Council's behalf due to their experience and knowledge of the site and its issues. They were also instructed to liaise directly with Warwickshire County Council Highways who wished to carry out their own infrastructure works to the nearby access road drainage and possibly integrate them with our works, which was hoped would result in a cost saving to the Council. However, the emphasis was on ensuring that the railway drainage issues were resolved as quickly as possible.
- 5.2 The requirement for at least three tenders in writing for works of this nature has been met, albeit through an external agency and the County Council have also confirmed that the tendered quotations represented good value for money. However, given the urgent nature of the works and the specialist knowledge held by Farebrothers, it was agreed that these works be exempted from the normal process and instead were commissioned using the Chief Executive's urgent business powers.

6 Report Implications

6.1 Finance and Value for Money Implications

6.1.1 It is anticipated that the shortfall in the capital cost can be met from existing capital reserves, following the review of available capital resources. If that is not possible, however, the remaining sum may have to be borrowed or diverted from an existing provision within the Council's capital programme.

6.2 Environment and Sustainability Implications

6.2.1 The proposed works to improve the inadequate drainage associated with the excavations on the site will help stabilise the environmental conditions on the site and will help reduce the risk of significant flooding.

6.3 Safer Communities Implications

6.3.1 By carrying out the works the Council will be minimising civil contingency associated risks with significant flooding which could result in emergency incidents involving the railway line.

The Contact Officer for this report is Richard Dobbs (719440).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

Agenda Item No 9

Executive Board

4 January 2012

**Report of the
Chief Executive**

Exclusion of the Public and Press

Recommendation to the Board

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

Agenda Item No 10

Staff Travel - Report of the Deputy Chief Executive.

Paragraph 1 – by reason of the need to consider staff pay and conditions of service

The Contact Officer for this report is David Harris (719222).