



THE TOWN COUNCIL
OF
ROYAL LEAMINGTON SPA
TOWN HALL, THE PARADE,
ROYAL LEAMINGTON SPA
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ROBERT NASH ACIS DMS
Clerk to the Town Council

Our Ref: RN/

Date: 2nd January, 2019

Dear Councillor,

A meeting of the **POLICY AND RESOURCES COMMITTEE** will be held in Meeting Room 5A, Town Hall, Parade, Royal Leamington Spa on **TUESDAY 8TH JANUARY, 2019 at 6.00 pm.**

The business will be as set out below.

Yours faithfully,

CLERK TO THE TOWN COUNCIL

To Councillors: Janet Alty, Sarah Boad, Judith Clarke, Hayley Grainger, David Greenwood, Daniel Howe, John Knight and Ann Morrison.

(All other Members of the Town Council – Agenda for information only)

AGENDA

1. **APOLOGIES FOR ABSENCE**

2. **DECLARATIONS OF INTEREST**

Members of the Committee are invited to declare any interest they may have in items identified for discussion at the Meeting.

3. **PUBLIC FORUM**

To receive representations from members of the public in accordance with the Council's Standing Orders.

4. **MINUTES**

To consider and approve as a correct record the Minutes of the Meeting held on 10TH December, 2018 (Report No. 4)

5. MATTERS ARISING FROM THE MINUTES

(I) STAGECOACH PROPOSED SERVICE CHANGES -
KENILWORTH/LEAMINGTON/STRATFORD AREA

To note that a further invitation has been extended to Stagecoach to meet with the Council to discuss future service provision. This meeting is now likely to take place after the elections in May, 2019.

6. CREATIVE QUARTER

To consider the Minutes of the meeting of the Working Group held on 18th December (Report No. 6) and agree a response in respect of the proposals currently subject to public consultation in relation to the regeneration of assets comprising the creative quarter. Representatives of CDP have agreed to attend the Council meeting on the 14th January.

7. CHRISTMAS LIGHTING

Town Clerk to report on progress in relation to the preparation of tender documents for the letting of a new contract for the provision of illuminations and associated works.

8. WARWICKSHIRE PENSION FUND – ANNUAL GENERAL MEETING

To consider the attached Report. (Report No. 8)

9. COMMUNITY INFRASTRUCTURE LEVY

The District Council is arranging information sharing sessions with Parish and Town Councils in relation to the Community Infrastructure Levy and how it is to be charged and distributed. These will be held on the following occasions:-

20th Feb 2019 from 6pm to 8pm Jubilee House, Kenilworth
27th Feb 2019 from 6pm to 8pm The Court House, Warwick
6th March 2019 from 6pm to 8pm Leamington Town Hall

The attendance of members is invited.

10. DISTRICT OF WARWICK (CIVIL ENFORCEMENT AREA)
(WAITING RESTRICTIONS, ON-STREET PARKING PLACES
AND RESIDENTS' PARKING) (VARIATION C & D) (CONSOLIDATION
ORDER 2019

The property located at Nos. 4-6 Victoria Terrace is due to be converted into a House of Multiple Occupancy. A unilateral undertaking has been agreed with the developer of Nos. 4-6 Victoria Terrace to remove the property from eligibility for the residents permit scheme in the area.

The views of the Committee are invited.

11. LOAN OF FREEDOM OF BOROUGH SCROLL – HENRY TANDEY

To consider a request from the Art Gallery and Museum to extend the loan of the Tandy Freedom Scroll to December 2021.

12. ACCOUNTS

To approve a schedule of accounts arising for payment since the last meeting.

MINUTES OF A MEETING OF THE POLICY AND RESOURCES COMMITTEE HELD ON 10th DECEMBER, 2018 AT THE TOWN HALL, PARADE, ROYAL LEAMINGTON SPA

Present: Councillors Ann Morrison (Chair), Janet Alty, Jill Barker (substituting for Cllr Clarke), Sarah Boad, Hayley Grainger, David Greenwood and John Knight.

44. **APOLOGIES**

Apologies for absence were received from Councillors Judith Clarke and Daniel Howe.

45. **DECLARATIONS OF INTEREST**

Councillor Grainger declared a non-pecuniary interest in the Creative Quarter (Agenda item 7) as a member of Warwick District Council.

46. **PUBLIC FORUM**

There were no representations from the public.

47. **MINUTES**

RESOLVED that the Minutes of the Meeting of the Policy and Resources Committee held on 13th November, 2018 are confirmed and signed as a correct record, subject to The following amendments:-

Matters arising (Minute 38)

The Committee recorded its thanks to the Town Clerk for the successful outcome of the Beacon lighting ceremony on 11th November.

Town Hall Accommodation Working Group (Minute 42)

Brackley Town Hall was not strictly comparable with Leamington Town Hall as it was a considerably smaller building that provided for limited civic activities and no permanent office accommodation.

48. **MATTERS ARISING FROM THE MINUTES**

STAGECOACH PROPOSED SERVICE CHANGES

The Town Clerk reported that following the last meeting Stagecoach and Warwickshire County Council had been advised of the Committee's concern regarding the proposed changes to certain bus services serving both Leamington and surrounding villages. The County Council had confirmed its desire to operate a comprehensive and efficient public transport network and whilst it regretted the loss of some direct services, many of the locations served by the current services would continue to be served albeit with a change of service at some point in the journey.

The response of Stagecoach was read indicating that the changes to services were influenced by passenger trends and reliability in the face of traffic congestion. An invitation to representatives of the Company to attend the next meeting of the Council on 14th January had been declined due to other commitments though alternative dates had been suggested. The Company was attending the meeting of the County Council Communities and Overview Scrutiny Committee in January.

The Committee reiterated its wish to discuss these matters in greater depth in view of the implications for users of the services across the Town and it was

RESOLVED

(i) that representatives of Stagecoach are invited to attend a meeting of the Policy and Resources Committee during January or February or the Town Council Meeting on 11th March, 2019.

(ii) that representations are made to the County Council's Overview and Scrutiny Committee prior to its meeting on 16th January with regard to the impact of the proposed changes to bus services in Leamington Spa.

49. **BUDGET 2019/20**

Consideration was given to a Report (Report 6) proposing a draft budget for 2019/20

The Town Clerk advised that the budget had been prepared on the basis of nil growth with the exception of items where an allowance for inflation had been calculated and anticipated increases in spending such as the 2019/20 salary award office rental charges and business rates. The impact of the cessation of the Council Tax support grant had been off-set by an increase in the tax base and a small anticipated underspend due mainly to the predicted balance arising from no take up to date of the youth initiative budget.

The Committee welcomed the Report noting that the Council's reserves remained in healthy balance even after allowance for the anticipated costs of contested elections. It was suggested that in view of the increasing costs associated with the provision of Christmas Lighting and the need for new investment in some areas of the Town, particularly Old Town, the budget should be increased by £5,000 to £20,000. It was proposed that further investigation is made regarding the options for acquiring a speed gun for use by community volunteers to assess traffic speed near residential areas. Following further discussion it was

RESOLVED that the Council is recommended that the draft budget as set out in Report 6, is approved subject to the following additional items of expenditure:-

Christmas lighting	+ £5000	
Community Grants	+£3,000	(to provide for youth initiatives)
Speed Monitoring Equipment	+£2,000	(subject to confirmation of existing community availability)

50. **CREATIVE QUARTER**

The Committee was advised that Warwick District Council had recently announced the commencement of public consultation in relation to the adoption of a Masterplan for redevelopment of certain key assets in the Town including Spencer Yard, Court Street Car Park, the Royal Pump Rooms and the Town Hall. The masterplan had been drawn up by the Council's partners- Complex Development Projects (CDP) - and there was now an opportunity to participate in the public consultation which ends on 21st January, 2019.

The Committee was advised of correspondence that had taken place between the Town Clerk and Officers of the District Council concerning the Town Council's policy

statement concerning its current occupancy of the Town Hall as a sitting tenant and its wish to be consulted on proposed alternative uses for the Town Hall, including the opportunity to make a case for continued public access to the building for a variety of community uses. The Committee regretted that despite several invitations to CDP to discuss these matters before completion of the Masterplan, opportunities to meet with the Town Council had been declined. Several Members expressed their disappointment at the proposed outcomes contained within the Masterplan which had been composed without any recent discussion or collaboration with the Town Council. It was felt that the Masterplan had been written from a developer perspective to the exclusion of residents and local stakeholders. Concern was also raised at the relatively short time frame for the consultation in view of the disruption to business over Christmas and the New Year.

The need to respond to the Masterplan both in terms of the development proposals across the Town and the Town Council's position as a tenant of the Town Hall was now paramount and it was agreed that this should be initially undertaken by a Working Group to agree recommendations for approval by the Council at the meeting on 14th January.

RESOLVED

(i) that a Working Group comprising Councillors, Morrison, Grainger, Greenwood and Alty is convened to meet on 18th December to agree a draft response to the Creative Quarter Masterplan;

(ii) that a further invitation is made to representatives of CDP to meet with the Committee before the conclusion of the consultation period.

51. **LEAMINGTON GATEWAY PROJECT**

The Committee received an oral report from the Town Clerk in relation to the Town Council's support for a feasibility Study to develop options for the upgrading and improvement of the pedestrian underpass leading from Leamington Railway Station.

The Committee was reminded that at the meeting in June 2018 it had received a presentation from RBL seeking a contribution to the cost of the feasibility study estimated at £4,400, Warwick District having already pledged a contribution of £2,200. The Committee had resolved to support the proposed study with a grant of £2,200 and requested that the Town Council be represented on any subsequent Project Board.

The Town Clerk reported that whilst the Feasibility study had been completed in August the Town Council had not received a copy until the 14th November. In the interim, the proposal had been combined with a larger project to improve the Railway Station forecourt and was made part of a bid by Warwickshire County Council to the Coventry and Warwickshire Local Enterprise Partnership for Growth Funding. Unfortunately this bid was unsuccessful and the project placed on a list of potential future bids with the funding body for consideration in the future.

The Committee was particularly disappointed with the outcome of the process and the fact that the Town Council had not been kept abreast of developments which had resulted in the original proposal being amalgamated with a much larger bid for funding that had ultimately been unsuccessful. It was also not evident as to the timescale for the possible reconsideration of a bid for alternative funding and whether the project in its original form could now be delivered.

RESOLVED that the Town Clerk seeks further information from Warwickshire County Council and Warwick District Council in relation to the options for funding the proposed improvement of the pedestrian underpass at Leamington Railway Station.

52. **TOWN HALL ACCOMMODATION REVIEW**

Discussion of this item had taken place under Minute 50.

53. **CHRISTMAS LIGHTING PROJECT**

The Town Clerk confirmed that he had attended several with Officers of Warwick District Council and the Manager of BID Leamington, regarding the preparation of tender documents for the award of a new contract for the supply and maintenance of Christmas lighting in Leamington Spa. The contract would be offered for a period of 5 years from 2019 would provide for all matters connected with the provision of the lighting in including installation, storage, annual testing, response maintenance and the capacity to provide new lighting. The option for the lease of new lighting would also be contained within the tender document. It was intended that the invitations to tender would be invited from early January 2019.

There would be opportunity in due course for the Town Council to be represented on the panel evaluation the tenders for this contract.

RESOLVED that the Report is noted.

54. **ALLOTMENT SUB-COMMITTEE**

Consideration was given to the recommendation of the meeting of the Allotment Sub Committee held on 19th November, 2018.

RESOLVED that the following grant applications are approved:

Cliffe Allotments	Purchase of new sheds	£523.50
	Hedge cutting	£400
Old Milverton Allotments	Boundary hedge cutting	£700
	Water course erosion repairs	£1,000
Campion Hills Allotments	Plot clearance work (skip hire)	£1496
Binswood Allotment Society	Boundary treatment works	£600
	New Security Gate	£900
	Total	£5619.50

55. **ACCOUNTS**

Consideration was given to a schedule of accounts arising for payment since the last meeting.

RESOLVED that the schedule of accounts in the sum of £27,002.84, including Section 137 expenditure of £2143.79, is approved.

The meeting commenced at 6.00 pm and ended at 7.50 pm.

REPORT TO A MEETING OF THE POLICY AND RESOURCES COMMITTEE TO BE HELD ON 8TH JANUARY 2019.

MEETING OF A WORKING GROUP – 18TH DECEMBER, 2018 HELD AT TOWN HALL, LEAMINGTON SPA

ROYAL LEAMINGTON SPA CREATIVE QUARTER – DRAFT MASTERPLAN CONSULTATION

Present: Councillors Hayley Grainger and David Greenwood. Robert Nash (Town Clerk)

Apologies for absence: Councillors Ann Morrison and Janet Alty

The draft masterplan produced by Complex Development Projects (CDP) had now been launched for public consultation which expires on 21st January, 2019. This Working Group had been tasked by the Policy and Resources Committee with considering the draft masterplan and preparing an initial response for the Committee meeting on 8th January.

Warwick District Council has appointed CDP to help develop solutions to deliver a creative industries led regeneration programme of the Old Town area of Leamington to address local challenges and support economic growth. The draft masterplan had been considered prior to the meeting by members of the Working Group. Councillor Morrison who was unable to attend the meeting had circulated a copy of her observations in writing and these were considered.

1. **GENERAL PRINCIPLES**

The Masterplan is an aspirational document which sets out a series of proposals that can be assessed both collectively and individually. The intent of the masterplan to help to regenerate the area of Old Town and make better use of several redundant assets is supported and welcomed.

The process of engagement set out in the introduction to the Masterplan rightly reinforces the importance of early consultation with key stakeholders. It is disappointing therefore that as the masterplan has evolved the Town Council has been excluded from further opportunities to contribute to these proposals.

One of the key priorities of the masterplan is to provide the right opportunities for gaming and digital businesses as a means of nurturing creative talent and supporting new and existing pathways into creative careers. This is translated into a number of the proposals for re-use of existing buildings. It is therefore important to establish the extent to which this provision meets both current and anticipated demand so that the right balance is achieved with other potential uses.

Many of the areas which are subject to proposals are in private ownership which could mean lengthy delays and significant costs. The Masterplan does not identify a programme of

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actions which may be delivered in the immediate future in order to “kick start” the development that the Old Town requires.

The desirability of attracting new investment into Old Town needs to be balanced with the aspirations of the local community. A mix of uses may therefore be preferable to a single use focus.

Some of the proposals, though of merit in their own right, threaten other established uses and the consequences for these uses are not clearly specified.

2. SPECIFIC SITE PROPOSALS

(A) SPENCER YARD/UNITED REFORM CHURCH

This site is pivotal to opening up access to the Town Centre from South Leamington and creating a vibrant centre for performing arts and the creative industries.

However, the recent grant of planning permission for residential use of the privately owned buildings comprising Victoria Colonnade brings into question the viability of the proposal to develop the frontage along the river bank to promote the creative quarter and digital businesses and create a new gateway to Spencer Yard. The central position of the Loft Theatre is also a potential stumbling block to the wider development of this area.

The indicative plans for a contemporary film production and studio complex or an indoor food market/event space at the redundant Church represent an imaginative alternative use for this long neglected building. The commercial viability of the indoor market concept does however need further careful analysis as market initiatives in Leamington have struggled in the past.

(B) ROYAL PUMP ROOMS

The proposals to open up access to this building, including the provision of a route along the southern elevation giving access along the River, are very worthy. In view of the potential restrictions in relation to Victoria Colonnade, the possibility of linking Spencer Yard directly to the Pump Room Gardens via a new footbridge across the River Leam could be explored. There is concern that the longer term proposals for the repurposing of the interior of the Pump Rooms, including the relocation of the current Library is not accompanied by suggestions as to where this important community facility will be accommodated in the future. The Library is a pivotal community asset and whilst it could function in an alternative venue, this needs to be a central consideration to any proposal for re-purposing the ground floor accommodation at the Pump Rooms.

(C) TOWN HALL

The objective of ensuring the financial viability of the Town Hall is supported but the proposals for this key civic building appear to be poorly developed and justified. It is not clear to what extent there is demand for additional Restaurants or a Members Club and both these concepts sit uneasily with the stated re-purposing of the building

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to a creative enterprise and educational facility. It is not clear to what extent these proposals have been explored with the University of Warwick. Some of the proposed competing uses for this building could reduce its attractiveness as a lettable venue for external events.

The Town Council has indicated as a policy decision that it wishes to remain a tenant of the Town Hall and to play a role in determining the future use of this important civic building. Warwick District Council will need to consider the Town Council's status as a sitting tenant independently of the proposals now being brought forward.

The Town Council wishes to be consulted at each stage of the process in relation to this building.

(D) BATH STREET CAR PARK

The creation of an "artists" yard utilising the railway arches represents an imaginative use of this asset. There is concern however that the longer term proposal to develop into the existing Car Park will be detrimental to the objective of driving increased footfall to Spencer Yard and other uses in this area.

(E) COURT STREET CAR PARK

It is recognised that this is a key site and fundamental to the wider regeneration of the Old Town Area. The opportunity to encourage new workshop space and an artist trail is welcome but the impact of a multi-storey car park needs careful consideration in view of the existing problems in this area associated with peak traffic congestion and poor levels of air quality.

(F) BATH STREET CREATIVE QUARTER WAYFINDING

The proposals to improve linkages around Leamington and waymark key attractions are supported. However there is no mention of High Street which would benefit equally from the sorts of improvements set out specifically for Bath Street.

(G) ALTHORPE STREET AREA

This is a sensitive area and it will require careful planning to maximise both opportunities for alternative uses, including access to the Canal frontage, whilst recognising the industrial nature of the area and the current uses that exist here. The District Local Plan designates this as a protected employment area where the introduction of wider uses must positively contribute to the wider regeneration of the area. It is not clear how the obstacle of private ownership of much of this area will be overcome and what alternatives could be pursued if the ownership issues are unresolved.

REPORT TO A MEETING OF THE POLICY AND RESOURCES COMMITTEE TO BE HELD ON 8th JANUARY 2019

WARWICKSHIRE LOCAL GOVERNMENT PENSION FUND - ANNUAL GENERAL MEETING

1. PURPOSE OF THE REPORT

- 1.1 To provide the Committee with a report on progress on matters arising from the Annual General Meeting of the Warwickshire Pension Fund held in 22nd November at Stoneleigh Park.

2. INTRODUCTION

- 2.1 Warwickshire is one of many individual Pension Funds which comprise the Local Government Pension Scheme (LGPS). Unlike other public sector pension schemes, the LGPS is a funded scheme. This means that it draws its revenue to meet future liabilities from employee and employer contributions and investment income. Any deficit that arises between the revenue generated from these sources and the liabilities in the form of pensions and future pension liabilities must be met from increases in contributions to the fund.
- 2.2 Royal Leamington Spa Town Council continues to offer its employee's admittance to the LGPS. The LGPS is a statutory scheme and its provisions are enshrined in law and can only be changed by Act of Parliament. It is therefore a defined benefit scheme.
- 2.3 The Annual General meeting is an opportunity for participating members of the scheme to be advised of both the performance of the scheme in terms of its investment strategy and the implications of legislative changes that may be of relevance to the scheme. This report outlines for the Committee the key points arising in these areas in the year since the last Report.

3 PENSION FUND PERFORMANCE

- 3.1 The Warwickshire Fund presently comprises assets of £2.2 Billion which is invested in a spread of products. The investments are determined locally by the Investment Sub-Committee of the Warwickshire Fund and are managed by the Fund Actuary - Hyman Robertson. The Warwickshire Fund is also now part of the "Border to Coast" pooling arrangement which ensures that individual funds are able to benefit from economies of scale and better investment rates (see para.4. below).
- 3.2 In terms of growth since 2017, the fund has benefited from a steady increase in the economic performance of nations such as the United States which has off-set the sluggish growth in the UK economy. The Committee will be aware that the Investment Sub-Committee seeks to achieve a balance in its investment strategy between security on the one –hand and growth on the other. This means that

exposure of funds to high yield investments such as equities is undertaken alongside the purchase of secure but lower yielding products such as Government bonds.

- 3.3 In the 12 month period to September 2018, the fund experienced a 6.5% return on its investments which yielded an additional £150 million in investment income. All three fund managers engaged in the management of the Fund portfolio outperformed their benchmark. During the period investment in private debt through hedge funds has been discontinued.
- 3.4 The Warwickshire fund remains strong with 88% of liabilities funded. The Fund has performed well in comparison with other pension schemes in this regard and now stands 22nd out of 89 Local Government Pension Schemes nationally.

4. POOLING OF PENSION SCHEMES

4.1 As mentioned above, a major focus of the Scheme over the last 12 months has been the introduction of “pooling”. This is an initiative introduced following consultation with the Government and is aimed at ensuring that pension funds are better placed to meet the challenges faced in the future in terms of closing the funding gap and maintaining contribution rates that are affordable to both employers and employees.

4.2 Pooling resources across a wider area offers particular advantages, including:-

- Improved returns secured through the scaling up of investment
- Shared governance arrangements and expertise
- Reduced costs
- Improved capacity to invest in infrastructural projects

4.3 Warwickshire has joined the “Border to Coast” Pension partnership.

<https://www.bordertocoast.org.uk/>

This Partnership is one of the largest pension pools in the UK. It is one of eight national Local Government pools and oversees the investment of pension assets, bringing together £43 billion investments of 12 like-minded Local Government Pension Scheme funds. Whilst Warwickshire is one of the smaller constituent pension funds, it benefits from a 1/12th stake in the Partnership Board. It is important to recognise that whilst the Partnership undertakes joint investments on behalf of its members, individual investment decisions still rest locally with the Investment Board of the Warwickshire Fund. The Partnership is the means by which appropriate investment vehicles are selected to enable Members to achieve their investment goals.

4.4 Participation in the scheme requires payment of a management fee by all members. The objective is to ensure that the Partnership moves to a position where it will eventually become self –funded. The arrangement is presently in its infancy; any tensions that may emerge between the local investment board and the Partnership

will need to be resolved through the Governance arrangements established for each Partnership.

5. SCHEME CONTRIBUTION RATES

5.1 In the last report to the Committee in June, 2017, I advised of the employer contribution rates that would apply for the period to 31st March 2020:-

Year ending	% contribution	Employer's Yearly Contribution (based on 1% salary increase)
31 March 2018	22.8	£21,943
31 March 2019	23.4	£23,078
31 March 2020	24.0	£24,119

5.2 These rates are based on the valuation of the Pension scheme which usually takes place every three years. As can be seen from the above table, the scheme is to be revalued during 2019 so that the employer rates can be fixed for the three year period beginning April 2020. There are no changes anticipated in the rate of employee contribution for the time being.

5.3 At this stage it is not possible to assess whether there will be a further increase in the rate of employer contributions as this is the result of many different factors which influence the liabilities of the Pension fund over many years. It is clear however that the employer rate will increase by 0.6% of salary costs from April 2019 and this planned increase will need to be factored into the Council budget.

5.4 The future of revaluation exercises is presently uncertain with a possible move to four yearly valuations being considered.

6. RECOMMENDATION

6.1 The Committee is asked to note the report and the financial implications which will be taken into account in the Budget Report to the Council.

