

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Policy & Finance Committee** held in the Civic Suite, Castle House, Great North Road, Newark, Notts NG24 1BY on Thursday, 4 April 2019 at 6.00 pm.

PRESENT: Councillor D Lloyd (Chairman)
Councillor K Girling (Vice-Chairman)

Councillor R Jackson, Councillor B Laughton, Councillor P Peacock,
Councillor D Staples and Councillor T Wendels

IN ATTENDANCE: Councillor Mrs B Brooks, Councillor Mrs C Brooks, Councillor Mrs M Dobson, Councillor J Lee, Councillor Mrs S Michael and Councillor Mrs L Tift

91 DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS AND AS TO THE PARTY WHIP

There were no declarations of interest.

92 DECLARATIONS OF INTENTION TO RECORD THE MEETING

The Chairman advised that the proceedings were being audio recorded by the Council.

Councillor J Lee also declared his intention to record the meeting.

93 MINUTES OF THE PREVIOUS MEETING

The minutes from the meeting held on 21 February 2019 were agreed as a correct record and signed by the Chairman.

94 FORWARD PLAN OF POLICY & FINANCE ITEMS

The Committee noted the Forward Plan items to be considered by the Committee over the next 12 months.

95 ANNUAL REVIEW OF EXEMPT REPORTS CONSIDERED BY THE POLICY & FINANCE COMMITTEE

The Committee considered a report which detailed the exempt business considered by the Committee from 15 May 2018 to date. The report identified which reports, in the opinion of report authors, could now be released into the public domain.

AGREED (unanimously) that the report be noted with those items which are no longer considered as exempt being released into the public domain.

Reason for Decision

To advise Members of the exempt business considered by the Policy & Finance Committee for the period 15 May 2018 to date and those items which could now be released into the public domain.

The Director – Growth & Regeneration presented a report which sought to extend the current contract for the provision of the Council’s building control functions by the East Midlands Building Consultancy (EMBC) for a further 12 month period. The partnership ran for three years and was due to end in April 2019 but could be extended by agreement.

It was reported that following three years of operation EMBC had successfully arrested the previous financial decline of the service. The report demonstrated the reduction in the net costs of the service however the Director – Growth & Regeneration agreed to provide Members with a fuller explanation of the figures provided. EMBC had demonstrated success since its inception by increasing market share, fee income, staff resiliency, and reducing the level of deficit for all three partners. The forecast was that two of the partners would be in a position to clear any deficit within the 2018/19 financial year.

The report advised that the EMBC were turning their attention to future opportunities and on that basis a one year extension was recommended at this time. EMBC were to commission specialist advice for growth options which would be appraised in order to ensure they continued to meet the requirements of high quality, efficient service, reduce general fund contributions and generate profit. It was noted that the commission would broadly focus on two options (continue with the three way partnership and ‘as is’ and servicing other Councils or a company model as a wholly owned trading company) accepting that there was a third option to bring the service back in-house.

AGREED (unanimously) that:

- (a) the existing contract with East Midlands Building Consultancy to continue to deliver Building Control Services in partnership with Rushcliffe Borough Council and South Kesteven District Council be extended until April 2020; and
- (b) the commission to explore growth opportunities as detailed in paragraphs 3.3 – 3.5 of the report, and the intention to bring such options back to the Committee when complete, be noted.

Reason for Decision

To provide a sustainable Building Control service in partnership with neighbouring authorities.

The Director – Governance & Organisational Development presented a report following the completion of the Strategic Housing Liaison Panel’s (SHLP) review of the options for managing the Council’s housing stock. At their meeting held on 29 November 2018, the Committee agreed to initiate a review of the housing management arrangements for the Council’s housing stock and it tasked the Strategic Housing Liaison Panel to undertake the review looking at options to either retain the

current arrangements whereby Newark & Sherwood Homes (NSH) manage and maintain the stock; or reintegrate the housing landlord service into the Council. To assist SHLP in its work the Council engaged specialist housing consultancy support (Savills) to assess and advise on the optimal way forward taking into account the Council's objectives for the review. The two options had been assessed against objectives which were grouped into four headings around tenants, operational, financial and reputational.

The report detailed the work undertaken by the SHLP and summarised the overall conclusions of the Savills report. It was noted that Savills had estimated that a minimum of £0.95m annually could be realised through the discontinuation of NSH and through the reintegration of landlord and the associated support services into the Council and further opportunities arose from the potential release of feed in tariff income up to £0.5m per annum from the HRA, which was currently 'pass ported' through to NSH.

The Committee considered the conclusions and recommendations which were set out in the report. The fundamental question was whether there was good reason to retain NSH given the scale of the efficiencies that could be released to the Housing Revenue Account through integrating the service within the Council, particularly given that the initial reason for setting up the Company, to access funding for the Decent Homes Programme, had now ended.

In respect of tenant consultation it was considered that tenants were key to the review process and one of the overriding factors on the future of the housing service must be the benefits provided to tenants. There was also a statutory requirement for tenants and leaseholders to be consulted on any proposal to re-integrate the housing service back into the Council and dissolve the Company as a consequence. The proposals for the wide ranging consultation exercise were detailed in the report. A letter addressed to the Leader of the Council from members of the Tenant Scrutiny Panel expressing concerns over a possible diluted housing service and the desire to be consulted in the process was circulated to the Committee.

During the debate Councillor D Staples proposed and Councillor P Peacock seconded slight amendments to remove the word 'independent' in recommendation (b) and add the wording 'if needed' at the beginning of recommendation (d). Both of these amendments were lost with 2 votes for and 5 against.

AGREED (unanimously) that:

- (a) the Committee agree in principle to the decision to bring the housing management services in-house for direct service provision by the Council, such decision to involve the consequential winding up of Newark and Sherwood Homes Ltd (NSH);
- (b) the Council undertake an independent consultation exercise with its tenants and leaseholders, (the cost of which is to be met from the Housing Revenue Account (HRA)), and a staff programme to take into account their views on the future of the housing service;

- (c) the Chief Executive consider and design a revised management and staffing structure for the Council to incorporate the housing landlord service, and associated support services;
- (d) temporary housing/project management resource and support be engaged to manage the period between now and the formal end of the contract with NSH to ensure the smoothest service transfer, the cost of which was to be met from the HRA;
- (e) the temporary transition arrangements referred to in paragraph 8.4 of the report be put in place from the date of approval of this report;
- (f) temporary HR resource be approved to provide the capacity to support the proposal as indicated in paragraph 8.3 of the report, the cost of which would be met from the HRA;
- (g) new tenant arrangements be drawn up for their future input into the housing service; and
- (h) a further report on the outcome of the consultations with tenants and staff be submitted to the Policy & Finance Committee for final consideration and determination.

Reason for Decision

To enable the Council to progress the optimum means of delivery of the Housing Management Services for its Council housing stock.

98 ESTATE REGENERATION - YORKE DRIVE ESTATE AND LINCOLN ROAD PLAYING FIELDS PROPOSAL

The Business Manager – Housing Strategy & Development presented a report which provided a progress update on the masterplan proposals developed for the Yorke Drive Estate and the Lincoln Road Playing Fields in Bridge Ward, Newark using funding secured from the Ministry of Housing, Communities & Local Government's (MHCLG) Estate Regeneration Programme.

The Business Manager – Housing Strategy & Development reported that outline planning application submitted for the masterplan proposal had been granted by the Planning Committee at their meeting held on 2 April 2019. The outline planning application had been submitted on the basis of delivering up to 320 homes, both market and affordable units.

In December 2018, all residents on the Yorke Drive Estate received a letter inviting comments on the regeneration proposals and formal planning application. The letter also contained details of the 'residents offer' for council tenants and homeowners whose homes were affected by the demolition and redevelopment. In addition, as part of the statutory process, all Council tenants affected by the proposed demolition had now been served with an 'Initial Demolition Notice' as prescribed under the Housing Act 1985. Consultation was undertaken with the Yorke Drive Resident Panel prior to this being hand delivered to each affected tenant.

It was reported to the Committee in November 2018 that Homes England had made a provisional funding offer to the Council of £2m under the Accelerated Construction Programme and subsequently further development appraisals had been submitted to Homes England as part of their technical due diligence process. Discussions continued with Homes England to gain further clarity on the detail of the programme so that all the necessary due diligence work was undertaken, which would then determine whether the funding conditions were acceptable to the Council. The report advised of the ongoing funding gap and set out proposed measures as to how the Council were to mitigate that risk.

AGREED (unanimously) that:

- (a) the progress made with the masterplan proposals for the regeneration and development of the Yorke Drive Estate and the Lincoln Road Playing Fields in Bridge Ward, using funding from the Ministry of Housing, Communities & Local Government's Estate Regeneration Programme, be noted; and
- (b) delegated authority be given to the Director - Governance & Organisational Development, in consultation with the Director - Resources, to enter into the Accelerated Construction Programme funding agreement with Homes England, subject to the satisfactory conclusion of all due diligence work.

Reason for Decision

To progress the 'transformational project, focussing on the regeneration of the Yorke Drive estate and Lincoln Road playing fields.

99 CCTV CAPITAL REPLACEMENT PROGRAMME

The Business Manager – Community Safety presented a report which sought approval for the establishment of a capital replacement programme for the Council's existing public space CCTV cameras. The Council's existing network of public space cameras dated back to 1999 with many cameras, situated in key locations, unable to be repaired give their age. In addition many cameras were approaching seven years old and these required upgrading to digital technology.

Currently cameras were replaced on an ad-hoc basis from funding within the CCTV budget and some repairs being covered by the maintenance contract held within the CCTV partnership. In addition to ongoing camera repairs, it was noted that the expansion to a wireless network when the control room was relocated had meant that the Council now had greater reliability on wireless transmission equipment such as dishes and routers which also required repair and replacement which had an impact on budget. There were also four redeployable cameras, used in areas where ASB emerges as a problem, which also required replacement.

The Committee noted that each time a camera was due to be replaced it was subject to a Camera Needs Assessment to determine if it was still needed in that location. In respect of the location of fixed cameras across the District it was considered that

these were allocated dependent upon an evidence base and directions by the police. It was proposed that a capital replacement programme be set up for the cameras based on a seven year life span per unit. The full programme was set out in Appendix One to the report.

AGREED (unanimously) that the CCTV replacement programme budget be added to the Capital Programme as set out in the report and at Appendix One.

Reason for Decision

To allow for a capital replacement programme of the Councils CCTV cameras to be established thereby creating a planned and predictable expenditure budget for this area of work.

100 THE FORMER ROBIN HOOD HOTEL - JOINT VENTURE SCHEME WITH MF STRAWSON LIMITED

The Director - Resources / Deputy Chief Executive presented a report which informed Members of the joint venture agreement with MF Strawson Ltd for the redevelopment of the Robin Hood Hotel. Further to the decision of the Committee at their meeting held on 29 November 2019 and the delegation given to the Director – Resources / Deputy Chief Executive the Council had now: formed the joint venture company, RHH Newark Limited, with Newark & Sherwood District Council and MF Strawson Limited being equal shareholders, with each holding 500 Ordinary Shares of £1 each; agreed the Articles of Association; received the Letter of Commitment from MF Strawson; and agreed the Shareholders Agreement. The terms agreed in respect of the maximum capital contribution, onward sale and the retail / leisure units were summarised in the report.

AGREED (with 5 votes for and 2 against) that:

- (a) the Articles of Association (Appendix A) be noted;
- (b) the Shareholders Agreement (Exempt Appendix C) be noted; and
- (c) the inclusion of £3.3m to the Council's Capital Programme, profiled over 2019/20 and 2020/21 be approved.

Reason for Decision

To keep Members informed of the progress of the redevelopment of the former Robin Hood Hotel and to establish the budget of £3.3m in the Council's Capital Programme.

101 EXCLUSION OF THE PRESS AND PUBLIC

That, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 1 and 3 of Part 1 of Schedule 12A of the Act.

102 CASTLE GATEHOUSE - DECISION ON WHETHER TO PROCEED TO HERITAGE LOTTERY FUND STAGE 2 SUBMISSION

The Committee considered the exempt report presented by the Director – Communities & Environment regarding the Castle Gatehouse.

(Summary provided in accordance with Section 100C(2) of the Local Government Act 1972).

103 LAND ON THE SOUTH SIDE OF MOOR LANE, SOUTH CLIFTON

The Committee considered the exempt report presented by the Director – Growth & Regeneration regarding land on the south side of Moor Lane, South Clifton.

(Summary provided in accordance with Section 100C(2) of the Local Government Act 1972).

Meeting closed at 8.12 pm.

Chairman