



*Castle House
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Wednesday, 25 March 2020

**Chairman: Councillor D Lloyd
Vice-Chairman: Councillor K Girling**

Members of the Committee:

**Councillor B Clarke-Smith
Councillor R Jackson
Councillor P Peacock
Councillor T Wendels
Councillor R White**

Substitute Members:

**Councillor R Blaney
Councillor N Mison
Councillor N Mitchell**

MEETING: Policy & Finance Committee

DATE: Thursday, 2 April 2020 at 2.00 pm

**VENUE: Civic Suite, Castle House, Great North Road,
Newark, Notts NG24 1BY**

**You are hereby requested to attend the above Meeting to be held at the time/place
and on the date mentioned above for the purpose of transacting the
business on the Agenda as overleaf.**

If you have any queries please contact Nigel Hill on nigel.hill@newark-sherwooddc.gov.uk.

AGENDA

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None	
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12. Exclusion of the Press and Public To consider resolving 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 involve the likely disclosure of exempt information as defined in Paragraph 3 Part 1 of Schedule 12A of the Act.	
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Agenda Item 4

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, 20 February 2020 at 6.00 pm.

PRESENT: Councillor D Lloyd (Chairman)

Councillor B Clarke-Smith, Councillor R Jackson, Councillor T Wendels, Councillor R White, Councillor N Mison (Substitute for Councillor K. Girling) and Councillor N Mitchell (Substitute for Councillor P. Peacock)

APOLOGIES FOR ABSENCE: Councillor K Girling and Councillor P Peacock

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

There were no declarations of interest.

80 DECLARATIONS OF INTENTION TO RECORD THE MEETING

The Chairman advised that the proceedings were being audio recorded and live streamed on social media by the Council.

81 MINUTES OF THE MEETING HELD ON 23 JANUARY 2020

The minutes from the meeting held on 23 January 2020 were agreed as a correct record and signed by the Chairman.

82 CHAIRMAN'S REPORT

The Chairman presented his first 'Chairman's Report', explaining that the new initiative would be replicated across the Council's operational committees and would give the Chairmen the opportunity to provide an update on progress made since the previous meeting of a Committee and introduce items included on the agenda.

He advised the Committee that since their previous meeting, the Council had completed the successful transfer of the housing management service back in house with no impact on tenants, and positive feedback from staff and that the recommended increase to rents of 2.7% had been approved by Full Council on 11 February 2020. Items to be included on the Forward Plan were also noted, including and update report on the former Robin Hood site, Forest Corner Edwinstowe, and Section 106 balances held by the Council.

The Chairman then introduced the financial reports on this agenda which took forward the financial planning framework of the Committee and sat alongside the Council's Community Plan which had been developed after consultation with residents of the District.

The Chairman also took the opportunity to thank those officers who had worked in

response to the recent flooding events and expressed best wishes to all those residents who had been affected.

83 FORWARD PLAN OF POLICY & FINANCE ITEMS

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

84 PAY POLICY STATEMENT 2020/21

The Director – Governance & Organisational Development presented a report which sought to review the content of the Pay Policy Statement for 2020/21 and subject to any necessary revisions to recommend the Statement to the Council for approval.

In accordance with Section 38 (1) of the Localism Act 2011, Newark and Sherwood District Council were required to produce a Pay Policy Statement for 2012/13 and for each financial year thereafter.

The Pay Policy Statement must set out the authority's policies for the financial year relating to:

- the remuneration of the authority's lowest-paid employees (together with a definition of "lowest-paid employees") and the reasons for adopting that definition;
- the relationship between remuneration of Chief Officers and that of other officers (pay multiples); and
- the remuneration of Chief Officers.

The report detailed the changes that had been made to the 2020/21 Statement which included payment of the living wage supplement, the transfer of housing management services back in-house and deputising Director duties.

AGREED (unanimously) that the content of the Pay Policy Statement for 2020/21 be recommend to the Full Council for approval.

Reason for Decision

To ensure compliance with Section 38 (1) of the Localism Act 2011.

85 FERNWOOD VILLAGE HALL ASSET TRANSFER REQUEST

The Chief Executive presented a report which sought approval to transfer Fernwood Village Hall to Fernwood Parish Council under asset transfer powers, as detailed in the Council's Asset Transfer - Corporate Principles Policy.

It was reported that Fernwood Parish Council was granted a 40 year lease by the District Council in 2008 and had managed the village hall as per the terms of the lease exceptionally well throughout its tenure. In the last 12 months the Parish Council had improved the sustainability of the hall by improving the heating system and introducing photo-voltaic cells to the roof to reduce energy consumption and improve

the buildings green credentials. The hall was an important part of the Fernwood community and served as a focal point and hub facility for a wide range of community-focussed activities. Fernwood Parish Council had now formally approached the District Council to request the transfer of the freehold interest in the building following resolution at its Full Council meeting on 16th September 2019.

AGREED (unanimously) that

(a) Fernwood Village Hall be transferred to Fernwood Parish Council under asset transfer powers as detailed in the Council's Asset Transfer - Corporate Principles Policy; and

(b) the Director – Communities & Environment be given delegated authority to progress the transfer.

Reason for Decision

To ensure that corporate principles are followed to guide the consideration of the transfer of community assets.

86 CASTLE HOUSE CONCESSIONS POLICY

The Business Manager – Financial Services Committee presented a report which set out a proposed Castle House Concessions Policy. The Council had developed a Castle House Concessions Policy, appended to the report, in order to ensure a transparent process of approving concessions for partners within the building.

The Policy sought applicants where they were non-public sector bodies for renewal on an annual basis. Applicants would be assessed against three levels of criteria:

- Did the aims of the organisation and its approach generally fit with the Council's Community Plan?
- Did the organisation have a sufficient financial challenge that it is unlikely that they could pay the full price of a desk licence?
- Did the organisation have a track record of effective delivery of services?

Where all of these criteria were met the S151 Officer would have discretion to award a maximum of 50% concession, with awards at 25% or 10% respectively also based on their assessment of the financial information. The Council's Senior Leadership Team would then determine the final concession award.

AGREED (unanimously) that the Policy, as attached at Appendix A to the report, be recommended to Full Council for approval, and delegated authority to agree concessions for partners at Council House within the scope of the policy be granted to Chief Officers in accordance with the general delegation to Chief Officers under the Councils' Constitution.

Reason for Decision

In order to support our partners and ensure that their co-location at Castle House

does not compromise their sustainability.

87 GENERAL FUND, HRA AND CAPITAL PROJECTED OUTTURN REPORT TO 31 MARCH 2020 AS AT 31 DECEMBER 2019

The Business Manager – Financial Services presented a report which compared the revised budgets for the General Fund Revenue, Housing Revenue Account and Capital Programme, for the period ending 31 March 2020, with the Projected Outturn forecast for the period based on three quarters performance information.

The accounts showed a projected favourable variance against the revised budget of £0.514m on service budgets, with an overall favourable variance of £0.363m. The main variations from the revised budgets were detailed in the report. The report also summarised the position for the Capital Programme up to the end of December 2019 and was split between the General Fund and Housing Revenue Account.

AGREED (unanimously) that:

- (a) the General Fund projected favourable outturn variance of £0.514m be noted;
- (b) the Housing Revenue Account projected favourable outturn variance of £0.052m be noted;
- (c) the variations to the Capital Programme at Appendix B be approved; and
- (d) the Capital Programme projected outturn and financing of £30.953m be noted.

Reason for Decision

To update Members with the forecast position for the 2019/20 financial year.

88 2020/21 PROPOSED GENERAL FUND REVENUE BUDGET

The Business Manager – Financial Services presented a report which enabled Members to consider spending proposals and recommendations to the Council for the budget in 2020/2021. The budget proposals had been formulated in accordance with the framework set out in the Council's Constitution with the initial report having been presented to the Policy Committee on 27 June 2019. The proposed budget sought to allocate resources in order to ensure the delivery of the refreshed Community Plan.

The Local Government Finance Settlement provided key figures for Government Grant that formed part of the Council's budget. The provisional settlement was announced on 20 December 2019 and was confirmed on 6 February 2020 as £3.762m. This was an increase of 1.6% compared to 2019/20.

The report had been prepared by the Resources Directorate in conjunction with the appropriate Committees and relevant budget holders. In accordance with the

Constitution, all Members, Directors and Business Unit Managers had been involved with the preparation of the budget.

AGREED (with 6 votes for and 1 abstention) that:

a) the Committee notes the Community Plan in Appendix B and Employee Plan in Appendix C; and

b) the Committee recommends to the Full Council at its meeting on 9 March 2020 that:

i. the following amounts be now calculated by the council for the 2020/21 financial year, in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011:

1. £48,168,720 being the aggregate of the amounts which the council estimates for items set out in Section 31A(2)(a) to (f) of the Act (the District Council's gross expenditure for 2020/21);

2. £34,664,330 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(3)(a) to (d) of the Act (the District Council's gross income for 2020/21); and

3. £13,504,380 being the amount by which the aggregate at (b)(i) above exceeds the aggregate at (b)(ii) above, calculated by the council, in accordance with Section 31A(4) of the Act, as its Net Budget Requirement for the year;

ii. the figures shown as i.1. and i.3. above to be increased only by the amount of Parish Precepts for 2020/21;

iii. the budget amounts included in the report be the council's budget for 2020/21; and

iv. the fees and charges shown in Appendices E to Y be implemented with effect from 1 April 2020.

Reason for Decision

To enable Policy & Finance Committee to make recommendations to Full Council of the amounts to be calculated in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011 for the purposes of setting Council Tax levels for the year 2020/21.

The Business Manager – Financial Services presented a report concerning the Medium Term Financial Plan (MTFP) for 2020/21-2023/24. A copy of the MTFP was attached as an appendix to the report.

The MTFP provided members and officers with a clear financial framework for delivering the Council's Community Plan objectives over the next four financial years and maintaining the Council's MTFP was an essential pre-requisite to the annual budget setting process for future years. The MTFP demonstrated that the Council was able to set a balanced budget for 2020/21, though would need to raise additional income to pay for service delivery in future years. Members' attention was drawn to the financial projections contained within the appendix to the report.

AGREED (with 6 votes for and 1 abstention) that the Committee recommends the 2020/21 to 2023/24 Medium Term Financial Plan (MTFP) for approval by the Full Council at their meeting to be held on 9 March 2020.

Reason for Decision

To provide a framework to support the Council's future spending plans.

90 CAPITAL PROGRAMME BUDGET 2020/21 TO 2023/24

The Business Manager – Financial Services presented a report which detailed the available capital resources, the Council's existing committed Programme and the priority schemes identified. In accordance with Financial Regulations the Policy & Finance Committee was required to consider the Capital Programme and recommend to Council the final Programme on 9 March 2020.

In respect of the general fund capital expenditure the Council intended to spend £39.727m from 2020/21 to 2023/24 on the schemes as set out in Appendix A to the report. In respect of the Housing Revenue Account expenditure the Council intended to spend £56.471m from 2020/21 to 2023/24. This was made up of £21.398m on existing property investment and £35.073m on Affordable Housing. The HRA property investment and development programme were set out in Appendix B to the report.

AGREED (unanimously) that the General Fund schemes set out at Appendix A to the report and the Housing Services schemes set out at Appendix B to the report are recommended to Full Council on 9 March 2020 as committed expenditure in the Capital Programme for 2020/21 – 2023/24.

Reason for Decision

To enable the Capital Programme to be considered by the Policy & Finance Committee in accordance with Financial Regulation 6.2.3 prior to its submission to Council.

91 32 STODMAN STREET, NEWARK

The Committee considered the report of the Director - Growth & Regeneration regarding the decision to purchase the former Marks & Spencer's unit at 32 Stodman Street, Newark.

AGREED (unanimously) that the urgency decision taken to purchase 32 Stodman Street, as detailed at the Appendix to the report, be noted.

Reason for Decision

To formally capture the decision to purchase of 32 Stodman Street.

92 LEGIONELLA COMPLIANCE WORKS

In accordance with Section 100(B)(4)(b) of the Local Government Act 1972, the Chairman agreed to take this item as a late item of business in order to put in place the funding to ensure the Council could proceed with the required legionella compliance.

The Committee considered the report of the Deputy Chief Executive, Director – Resources and S151 Officer which sought approval for additional budget to undertake capital works to the Council’s estate in response to Health and Safety Executive (HSE) changes regarding legionella compliance.

Following changes to the HSE Approved Code of Practice there was now a requirement for the Council to undertake Legionella Risk Assessments in significantly more detail and to a greater risk mitigation level than was previously the case. The Council’s Asset Management Team had completed an audit of all Council owned sites and had identified a range of additional compliance works required. Some works, including Active4Today sites, had been completed, and others were required to be done as soon as practically possible.

AGREED (unanimously) that:

- (a) an increase to the Council’s Capital Programme for 2019/2020 by £135,060 in order to allow compliance works to be implemented without delay be approved;
- (b) the General Fund Revenue Budget for 2020/21 be increased by £19,000 and include this within the base budget for years thereafter.

Reason for Decision

The works identified were necessary to ensure that the Council remains compliant with the HSE Approved Code of Practice.

Meeting closed at 6.36 pm.

Chairman

POLICY & FINANCE COMMITTEE

2 APRIL 2020

ARKWOOD DEVELOPMENTS – BOWBRIDGE ROAD DEVELOPMENT, NEWARK

1.0 Purpose of Report

1.1 To update Members on progress in relation to the proposed Bowbridge Road development, and to consider the recommendations from the Shareholder Committee on 10 March 2020. This report is to be read in conjunction with the exempt report attached to this agenda.

2.0 Background Information

2.1 In June 2019, the Policy & Finance Committee approved the sale of the land at Bowbridge Road from the Council to Arkwood Developments, the Council's wholly owned development company. The purpose of this sale, and associated funding arrangements, is to facilitate Arkwood's first housing development.

2.2 A sale price of £2,350,000 was agreed, based on an independent valuation. Release of equity funding of £3,321,276 was also confirmed, (equity funding of up to £4million had been approved when the Arkwood was established) and Committee was advised that further loan funding would be calculated once the final design had been determined.

2.3 On 23 January 2020, the Policy & Finance Committee approved the release of additional equity funding of £482,007 to bring the release close to the total £4million figure previously agreed. The revised estimate of gross development costs are set out in paragraph 2.1 of the exempt report. It was also agreed for the balance remaining of the capital allocation of £196,717 to be released.

2.4 As Committee will be aware, the proposal is for a residential development of 87 dwellings. While planning matters fall outside the scope of this report and the remit of Policy & Finance Committee, a link to the planning application is included in Background Papers at the end of this report. Planning permission was refused in January 2020. A revised application is due to be considered by the Council's Planning Committee on 31 March 2020.

3.0 Update – Land Transfer

3.1 The legal work on the land transfer is progressing well and the parties are likely to be in a position to proceed straight away if planning permission is granted in March.

3.2 Arkwood has obtained a ground investigation report indicating limited areas that will require remediation attention. Further details are set out in paragraph 3.1 of the exempt report.

3.3 It is anticipated that Arkwood will require related planning and highways matters to be agreed before finalising the land transfer. Work has commenced on agreeing commuted sums that will be secured through a Section 106 agreement, setting out Arkwood's obligations regarding green space and children's provision.

3.4 In order to facilitate development, Lord Hawke Way will also need to be adopted as highway maintainable at public expense. The terms of the highways agreement have been agreed in principle with Nottingham County Council as the Highway Authority; further details are contained in paragraph 3.2 of the exempt report.

3.5 The Shareholder Committee recommended that this Committee be asked to delegate authority to the Director of Governance and Organisational Development, in consultation with the Business Manager Finance, to finalise the terms of the highways agreement up to the maximum amounts set out in the exempt report.

4.0 Update – Loan Agreement

4.1 In addition to the confirmed equity funding, the Bowbridge Road development is to be financed by a loan from the Council. Once established, the loan model can also be used for future developments. Further financial details are set out in paragraph 4.1 of the exempt report.

4.3 The Council is seeking specialist advice to ensure the arrangement complies with State Aid rules; i.e. to ensure that the loan arrangement does not distort competition by giving Arkwood an unfair advantage over competitors. It is also seeking specialist legal advice on the structure of the loan model arrangement to ensure that the Council has adequate security for the loan and to consider the most appropriate mechanisms for both interest and capital repayments.

4.4 The Director of Governance and Organisational Development and the Business Manager Financial Services have already been given delegated authority by Policy and Finance Committee to finalise and enter into the loan agreement on behalf of the Council.

5.0 Equalities Implications

5.1 There are no adverse equalities implications in report. The proposed development scheme as detailed in the Company's business case specifically includes provision of residential units for older persons, who are persons with protected characteristics within equalities legislation.

6.0 Financial Implications (FIN19-20/282)

6.1 In accordance with the Policy and Finance Committee's approval on 23 June 2019 the additional equity has been paid to Arkwood Developments, taking the amount up to £4,000,000.

6.2 The cost of the work detailed at paragraph 4.3 is estimated at £24,000. A budget has been identified within the Change Management reserve to fund this. This work safeguards the Council's interests regarding the loan agreement, but also will then act as a template for future loan agreements with Arkwood regarding future schemes.

7.0 Community Plan – Alignment to Objectives

7.1 Arkwood Developments is referenced in the Community Plan under the objective of accelerating the supply of new homes by delivering 300 new homes by 2020/27.

8.0 RECOMMENDATION

That the progress made with the development and associated loan agreement and land transfer be noted.

Reason for Recommendation

To ensure Policy & Finance Committee is kept up to date regarding Arkwood's first housing development at Bowbridge Road and to progress the land transfer and associated matters.

Background Papers

Planning Application <https://publicaccess.newark-sherwooddc.gov.uk/online-applications/applicationDetails.do?keyVal=Q5PBIQLBFYF00&activeTab=summary>

For further information, please contact Sue Bearman, Business Manager – Legal Services on 01636 655935.

Karen White
Director of Governance & Organisational Development

POLICY & FINANCE COMMITTEE

2 APRIL 2020

POSSIBLE PURCHASE OF LAND – BOWBRIDGE ROAD, NEWARK

1.0 Purpose of the Report

- 1.1 To update Members following the 28th November 2019 Committee on the opportunity to purchase land adjacent to Newark Hospital, on land off Bowbridge Road. This report is to be read in conjunction with the exempt report attached to this agenda.

2.0 Update

- 2.1 Members will recall authorising delegated authority for the Director – Growth & Regeneration to make a bid for the freehold purchase (capped at a maximum level) of two parcels of land (see Appendix A, Parcels 1 and 2) for a site adjacent to Newark Hospital for the purposes of the Council then leasing the land Sherwood Forest Hospitals NHS Foundation Trust (Trust). The Trust have advised that whilst the feedback from patients in terms of care and services at the hospital is often positive, the lack of car parking is consistently raised as a criticism. A lack of car parking is also a key restriction to being able to increase the range of clinical services which can take place from the site.
- 2.2 Following a period of negotiation with the sole land agent representing the owners of both land parcels the Council presented the ‘Maximum Offer’ permitted by Members in an attempt to secure the freehold purchase of the sites. That offer was declined

The land agent representing the landowners has subsequently asked that the Council consider a lease arrangement for the land, with a sub-lease being offered to the Trust in return. This option is not one officers would advocate, with the freehold purchase being preferred.

Officers, on behalf of the Council have confirmed that the Maximum Offer previously presented (and advocated by Members at the November 2019 Committee) is the Council’s final offer. The land agent has requested that the Council considers buying solely Parcel 1 (for a value which exceed the officer valuation). Both Parcels remain available for significantly higher than the previously agreed Maximum Offer.

3.0 The Proposal

- 3.1 Officers remain of the option that the Maximum Offer made for both land Parcels is reasonable. The asking price via the land agent for Land Parcel 1 alone, or both Parcel together remain beyond those officers would support. On this basis it is recommended that the Council re-affirms its Maximum Offer for the freehold purchase of both land parcels (subject also to terms being executed with the Trust). It is recommended that it be made clear to the land agent that this Maximum Offer expires shortly, after which time it is formally withdrawn.

4.0 Equalities Implications

4.1 The purchase of the land at Bowbridge Road would provide the opportunity to provide more car parking (including disabled) for the hospital, increasing its reputation and future ability to increase its range of clinical services.

5.0 Financial Implications (FIN19-20/1959)

5.1 The financial implications of the proposal are set out in the exempt report for Member's consideration.

6.0 RECOMMENDATION

That the Director - Growth & Regeneration be given delegated authority to:

- a) confirm to the land agent representing both landowners that the Maximum Offer is the full and final offer from this Council to purchase of the two freehold interests detailed at Appendix A, subject also to the agreement of the Trust to lease the land; and**
- b) confirm to the land agent representing both landowners that the Maximum Offer will be withdrawn at 5pm on the 18th April 2020.**

Reason for Recommendation

To secure additional car parking in order to support the function and reputation of Newark Hospital.

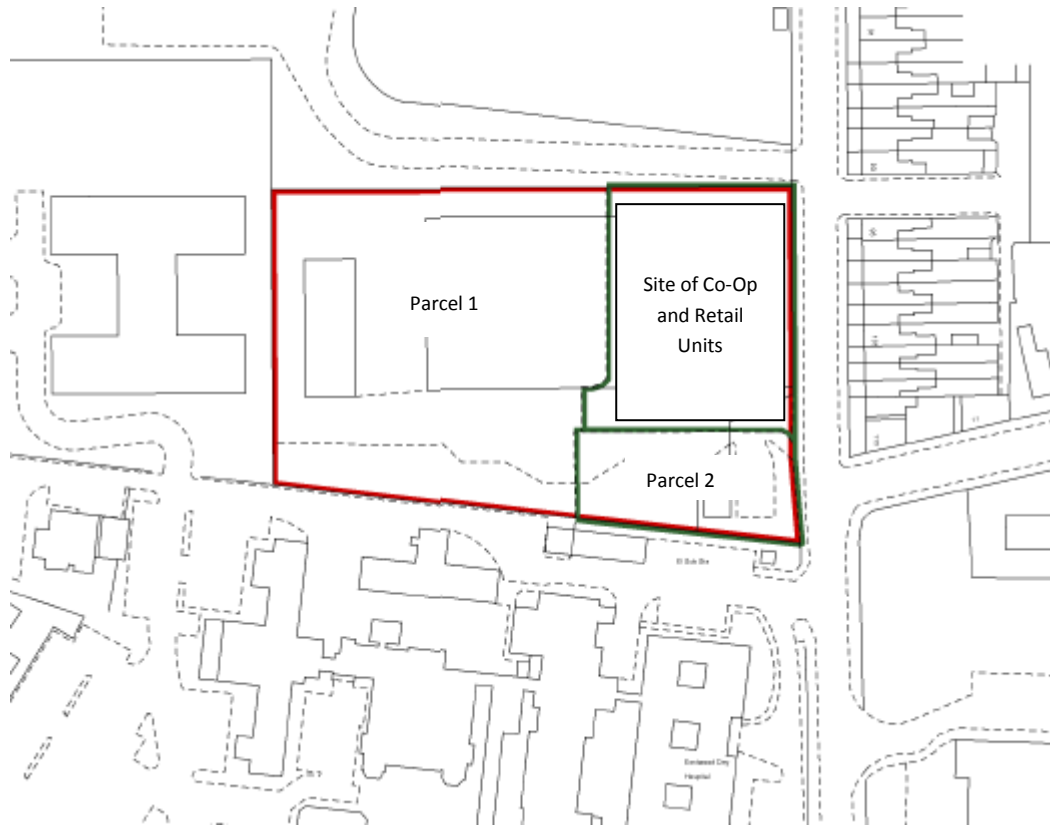
Background Papers

Appendix 1 – Land available for purchase.

For further information please contact Matt Lamb on Ext. 5842

**Matthew Lamb
Director - Growth & Regeneration**

APPENDIX 1 – POSSIBLE PURCHASE OF LAND AT BOWBRIDGE ROAD, NEWARK



POLICY & FINANCE COMMITTEE

2 APRIL 2020

YORKE DRIVE REGENERATION

1.0 Purpose of Report

- 1.1 To update the Committee on progress within the Yorke Drive Regeneration Project including: procurement of a development partner; resident engagement; and preparation for start on site/next steps. This report is to be read in conjunction with the exempt report included later in the agenda.
- 1.2 To secure the necessary approvals to move to the next phase of the project: selection of a preferred bidder and onsite enabling works.

2.0 Background Information

- 2.1 The Committee has overseen the evolution of the Yorke Drive Regeneration project, emanating originally from the Bridge Ward Neighbourhood Study, 2012, through regular updates in September 2017, June and November 2018, April, September and November 2019.
- 2.2 The Yorke Drive Regeneration Project is intended to deliver extensive transformational change and investment to the area by:
 - Building 320 new mixed tenure homes for rent and sale
 - Raising money for new rented homes and improvements to the whole estate
 - Providing improved sports and leisure facilities for all (including a new sports pavilion)
 - Improving road access and the road network in the area
 - Making the whole area a better and safer place to live.
- 2.3 The project has been supported by a grant of almost £1m from the Ministry of Housing, Communities and Local Government's Estate Regeneration Fund, which has enabled the project to reach its current position with a viable Masterplan, developed through extensive consultation with residents and stakeholders and outline planning permission secured on 6th November 2019.
- 2.4 The Committee approved the use of Homes England's procurement framework: Delivery Partner Panel 3 (DPP3) at its meeting on 26th September 2019, as the procurement route for choosing a development partner to assist the Council in taking the project forward. An OJEU compliant process has now been undertaken.
- 2.5 At its meeting in November 2019, the Committee agreed the maximum financial contribution the Council could make to the project, following a review of capacity within the Housing Revenue Account Business Plan and General Fund and considering competing objectives within the Community Plan.
- 2.6 With a clear understanding of the Council's financial commitment, four developers were invited to tender for the works. All four responded to the invitation by the closing date of 21st February 2020. The deadline for responses was extended beyond that originally

reported to Committee of the 24th January due to feedback from developers on the complexity of the project and to ensure that comprehensive and viable bids were received.

2.7 An exempt report within this agenda supplements this report with further detail on the commercial aspects of the tenders received.

3.0 Procuring a Development Partner

3.1 Early soft market testing conducted in May 2019 indicated an appetite amongst developers to deliver the project. A comprehensive Invitation to Tender was issued in November 2019 and four responses were received through DPP3 from:

- Countryside Properties PLC
- Keepmoat Homes Ltd
- Lovell Partnerships Ltd
- Vistry Partnership Ltd

3.2 Residents from the established Yorke Drive Resident Panel have been actively involved in the procurement process. This has included attending site visits with each of the developers at previous regeneration schemes and putting forward questions for clarification by the developers at interview.

3.3 All four developers attended a clarification interview in March 2020 and the interview process was supported by consultants WT Partnership in their capacity as Cost Consultants and Employers Agent for the project.

3.4 Evaluation and analysis of tender submissions has been made across both quality and cost elements, with the anonymised scoring presented below.

3.4.1 Quality Element

		Maximum score available	Tender A	Tender B	Tender C	Tender D
Criteria 1	Vision, design and development proposals	20%	15.29%	15.00%	12.90%	7.10%
Criteria 2	Standards and sustainability					
Criteria 3	Project delivery and resourcing					
Criteria 4	Partnership Agreements	15%	10.88%	9.94%	8.81%	4.69%
Criteria 5	Property management	5%	3.94%	3.94%	3.28%	1.47%
Criteria 6	Regeneration, community and added value					
	Total Quality Element out of 40%	40%	30.10%	28.88%	25.00%	13.25%

3.4.2 Price Element

		Maximum score available	Tender A	Tender B	Tender C	Tender D
Criteria 7	Financial Offer, Construction costs and Sales Income Assumptions	60%	57%	53.47%	42.96%	Non-complaint

3.4.3 Total

		Maximum score available	Tender A	Tender B	Tender C	Tender D
	Total Quality Element out of 40%	40%	30.10%	28.88%	25.00%	13.25%
Criteria 7	Financial Offer, Construction costs and Sales Income Assumptions	60%	57%	53.47%	42.96%	Non-compliant
Total score		100	87.10%	82.35%	67.97%	Unviable

3.5 On the basis of this analysis, Tender A is recommended as the preferred developer for the regeneration project with further detail on the commercial aspects of each tender presented in an exempt report on this agenda.

3.6 The approval sought at section 8.1 will allow the council to move forward with a preferred developer and enter into further detailed contract negotiations with them.

4.0 Enabling Activity to Prepare for Onsite Delivery

4.1 Contract negotiations

4.1.1 Following the approval of a preferred developer by Committee, all of the bidders will be notified of the decision and a 10 day stand still period will be observed providing an opportunity for any of the unsuccessful bidders to challenge the decision.

4.1.2 Following the stand still period (assuming no challenge received) the Council will begin detailed contract negotiations with the preferred developer. Each bidder included a number of provisional sums within their tender and over the coming months the preferred bidder will work to firm up their provisional sums through a transparent process with three quotes sought for each piece of work to ensure the council continues to receive best value.

4.1.2 Running parallel to the contract negotiations, the Council and developer will progress with detailed design work and the obtaining reserved matters permission through the planning system. This will include additional ground investigations and preparatory works.

4.2 Resident Engagement

4.2.1 The Council is currently undertaking a Housing Needs Assessment for those households impacted by the regeneration proposals through the demolition of their existing home. Use of phone interviews is now being utilised due to the COVID-19 situation. The information gathered will inform the final design and property mix on the development e.g. identifying whether any residents have specific requirements for accessible or adapted properties.

4.2.2 The Council has committed to increasing the frequency of the Yorke Drive Focus News Letter from quarterly to every two months to ensure that residents are kept up to date as the project continues. It is hoped that a 'Meet the Developer' event can be held for residents during the summer (providing social distancing requirements have been relaxed.)

4.3 Decant and Demolition

4.3.1 The Committee previously approved a 'Decant Policy' at its November 2019 meeting, setting out how the Council intends to manage the process of moving residents from their homes in order to facilitate the regeneration proposals. A copy of the 'Compensation Guide' is attached at Appendix 1. The Compensation Guide also sets out the Council's approach to the management of Disturbance Payments. Disturbance Payments cover the 'reasonable costs' associated with moving and follow the principle of equivalence i.e. residents should be no worse in financial terms after the decant or acquisition of their property than they were before. The compensation guide allows for a 'lump sum' payment or individualised payments through receipting of expenditure incurred. A lump sum payment will streamline the payment process for the majority of residents affected whilst providing an administrative saving for the Council. The finance required for Disturbance Payments has been included within the parameters of the approved budget and have been benchmarked with a range of local authorities and housing providers.

4.3.2 The offer of a lump sum will be made on the following basis:

- 1 bedroom - £800
- 2 bedroom - £900
- 3 bedroom - £1000
- 4 bedroom - £1100

4.3.3 Decanting has begun on Phase 1 properties. Phase 1 includes the decanting and demolition of six properties. Demolition of these six properties will open a new access route between the existing estate and playing fields so that existing and new residents can access the new housing, pavilion and play area.

4.4 Funding

In September 2019, the Committee approved the maximum financial contribution from the Council to the Yorke Drive Project. The tenders received mean that the project is

deliverable within the previously agreed cost envelope, noting the ongoing requirement for Homes England Grant funding at an assumed rate. Delegated authority is therefore sought to enter into contract with the preferred developer, after consultation with the Chairman, Vice Chairman and the Opposition Spokesperson of the Committee, and where costs remain within the pre-approved cost envelope and there is no material change to the projects risk profile.

4.5 Developing for the future

As the Council and preferred developer work together on detailed design, it will be done with conscious consideration of future regeneration options on the estate. There is significant appetite amongst a number of residents to increase the scope of the regeneration to take in a larger area of the estate and whilst there is no current plan or funding to expand the masterplan, design should ensure that future expansion is not constrained by anything that is delivered now.

5.0 Risk Management

5.1 A comprehensive risk register is in place and attached at Appendix 2 with key risks highlighted below:

5.1.1 Market conditions – the sales values achieved on the market properties within the development are critical to the overall financial viability of the project i.e. surplus on the market sale properties represents the land value to the Council and a cross subsidy towards the build costs of the affordable homes. The risk to market values has increased in the last few weeks as the impact of coronavirus on the market begins to take effect.

5.1.2` Construction costs – unforeseen cost increases also represents a key risk to the project. This risk has been mitigated as much as possible with early desktop surveys and investigations to minimise the risk of abnormal ground conditions being identified, however until more detailed and intrusive works are undertaken this risk remains present. In addition, Coronavirus may similarly impact upon the availability of on-site labour and the ability to undertake enabling works e.g. property valuations, ground investigations etc.

5.1.3 The Committee is being asked to make its approvals, aware of the presenting risks and emerging impacts from Covid-19 on the basis of the following:

- Maintaining Local Government decision making and bringing forward a project that can bring significant positive social and economic impacts on the community – maintaining a flow of business for the construction sector through challenging times
- That the project costs will not exceed the pre- approved maximum financial contribution from the Council

6.0 Equalities Implications

6.1 Equality implications for this regeneration scheme have been considered and an Equality Impact Assessment approved by this Committee in November 2018. This will be reviewed once a development partner has been secured and an updated Assessment will be submitted to the Committee for consideration.

6.2 The community consultation and master planning programme is aimed at ensuring that the needs and priorities of the existing community on Yorke Drive are addressed in developing and then delivering the proposals including for example, adequate provision for those requiring an adapted property, support for those who need it during the decant process and provision of communications to meet resident accessibility needs.

7.0 Financial Implications (FIN19-20/2021)

7.1 Based on the tender returns, if Developer A is selected the estimated costs will be in line with the original approvals made in September 2019 by this Committee.

8.0 Community Plan – Alignment to Objectives

8.1 The rationale for the project has been clearly articulated in this and previous reports, its strategic importance is reflected through its inclusion in the Council’s Community Plan. Following extensive and continued consultation with residents on the estate, the project also continues to be supported by the overwhelming majority of residents.

8.2 The proposals directly relate to the following objectives within the Community Plan:

- *Improve the cleanliness and appearance of the local environment*
- *Reduce crime and antisocial behaviour, and increase feelings of safety in our communities*
- *Reduce levels of deprivation in target areas and remove barriers to social mobility across the district*
- *Improve the health and wellbeing of local residents, with a particular focus on narrowing the gap in healthy life expectancy and other health outcomes*
- *Increase participation with the Council and within local communities*

With the objective to

- *Accelerate the supply of new homes including associated facilities;*

having the supporting action of

Direct delivery of homes:

- Progressing implementation of Yorke Drive regeneration scheme.

9.0 Comments of Director

9.1 The comments of the Director – Governance & Organisational Development have been built into the main body of the report.

10.0 RECOMMENDATIONS that:

- (a) **the selection of developer A as preferred development partner be approved with delegated authority being given to officers to progress negotiations and discussion on the terms of the contract;**

- (b) delegated authority be given to the Director of Governance & Organisational Development to enter into contract with the preferred developer, after consultation with the Chairman, Vice Chairman and Opposition Spokesperson of the Committee, where costs remain within the pre-approved cost envelope and there is no material change to the project's risk profile; and
- (c) the option of a lump sum payment for disturbance payment for those residents being decanted from their homes be approved, as set out in paragraphs 4.3.1/4.3.2 and Appendix 1 to the report.

Reason for Recommendations

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

Background Papers

Nil

For further information please contact Cara Clarkson on Ext. 5923

Karen White
Director – Governance & Organisational Development

Appendix 1 – Compensation Guide



Yorke Drive resident - compensation guide

This guide has been put together to provide more detailed information on **financial compensation** available to residents and homeowners affected by the demolition of their homes as part of the Yorke Drive regeneration plan.

For further information on the re-housing options available or additional assistance available for vulnerable residents, please refer to the Councils Decant Policy available at <https://www.newark-sherwooddc.gov.uk/housing/housingstrategyanddevelopment/yorkedrivefocus/>

Payments and compensation summary

Tenure	Market value of the home	Statutory home loss payment*	Disturbance payments
Council tenant including residents transferred to the Council from PA Housing.	Not applicable	£6,400 home loss payment	Yes – see below
Private tenant	Not applicable	May be eligible – see below**	Yes – see below
Home owner occupier	Full market value	10% of property market value home loss payment.	Yes – see below
Non-resident owner	Full market value	7.5% of property market value home loss payment.	Yes – for legal costs of selling the affected property only.

*Statutory home loss payments are set by the Government and may be reviewed at any time.

** Private tenants who have been living in their home for at least 12 months and with a qualifying interest in the property (including but not limited to assured or short hold-assured tenancy agreement) may be eligible for the statutory home loss payment of £6,400.



Disturbance payments

All those households impacted by the proposed regeneration scheme (i.e. whose property is located within the demolition area) will be eligible for disturbance payments.

Disturbance payments are made to cover **reasonable** expenses relating to the disturbance of moving from your property to your new home. Examples of reasonable expenses include:

- Disconnection and reconnection of utility supplies
- Disconnection and reconnection costs for existing fixtures and fittings (e.g. telephone, cooker, washing machine or other plumbed goods)
- Redirection of post for up to 3 months
- Cost of altering soft furnishings (e.g. carpets, curtains and blinds) or providing replacements where current ones cannot be used
- Purchase of cooker if the fuel type required has changed
- Purchase of new school uniform (if the move requires your child to change schools)
- Removal costs (however the Council intends to offer a full removal service to each resident to support this process).

How will payments be made?

Payment of Compensation

Home Loss payments will be made when you vacate your current property, either by handing back your keys to the Council/ your landlord, or when the Council completes on the purchase of your property.

You must ensure that your property and garden are left free from any rubbish, furniture or unwanted belongings. If it is necessary to send a team to clear the property the Council will charge an additional clearance fee and this charge will be eligible to be deducted from your home loss compensation.

Home Loss compensation will be paid directly into your bank account and make take up to 10 working days from the date you leave your home.

Payment of Disturbance

Disturbance payments can be made through one of two ways:

1) A lump sum

The Council will make a lump sum available to all residents affected by the demolition. The lump sum should cover **all reasonable costs** associated with the move with the exception of removals which the Council intends to provide directly.

Following feedback from the Yorke Drive Resident Panel, the Council will make provision to pay the lump sum up to a fortnight in advance of the move to your new home to support those moving with upfront costs.



The offer of a lump sum will be made on the following basis:

- 1 bedroom - £800
- 2 bedroom - £900
- 3 bedroom - £1000
- 4 bedroom - £1100

2) Through full receipting of costs incurred

In some cases, the reasonable costs associated with the move may exceed those on offer through the lump sum e.g. where an owner is selling their property to the Council and incurring legal fees. In these circumstances, a resident can choose to claim disturbance payments through the provision of receipts for each item of expenditure incurred. It is advised to agree expenditure in advance to ensure the Council is in agreement with the 'reasonableness' of any expenditure. Receipts or invoices must be on company headed paper with information about the service providers VAT number, company registration and VAT details.

In some circumstances, it may be necessary for the Council to directly pay for a service required by a resident e.g. paying a homeowners solicitor directly. Each circumstance will be considered on a case by case basis with expenditure to be incurred **only with prior agreement from the Council.**

Outstanding debts and rent arrears

If you have outstanding debts or rent arrears owned to the Council, the Council reserves the right to seek to use part or all of the home loss payment to settle outstanding debts owed to the Council. Debts that can be recovered in these circumstances include current or former tenant arrears including former temporary accommodation arrears, recharges e.g. for repairs or property clearance, housing benefit overpayments and council tax owed. In these circumstances the Council will write to you detailing the debt types, amounts and setting out the deductions to be made from the payment.

If arrears action has been started and a court date for outright possession or the execution of a warrant has been applied for, the Council will continue with possession and enforcement proceedings where appropriate, with each situation considered on a case by case basis.

Appeals

If you do not agree with a decision made by the Council about how your payment has been calculated you may choose to appeal a decision. Appeals must be made within outlined timescales so if you are considering making an appeal please contact us on the details below so information about the appeals process and timescales for when appeals must be made can be provided.

If you have any questions about the information provided or need the information provided in a different format, please contact Harriet Partington on 01636 655462 or email yorkedrive@nsdc.info

Appendix 2 – Risk Register

Project Title:		Yorke Drive/Lincoln Road Playing Field + other sites						
Project Stage:		Outline Planning						
Organisation		Newark and Sherwood DC						
Version & date amended:		23.03.20						
Completed by:		Cara Clarkson						
Item Number	Risk Factors	Probability. Score 1 to 5.	Impact. Score 1 to 5.	Net Risk Score Score 0 to 10.	Controls in place	Monitoring	Review	Risk
1.00	<u>Secton 1 : Strategic Risk</u>	-	-	-	-	-	-	-
1.01	Residents of Yorke Drive oppose demolition and redevelopment proposals, resulting in lack of public support for the project and negative publicity for NSDC	2	5	7	- Effective communication and engagement plan - Customer contact structures established - Resident involvement in development of masterplan Significant local consultation & engagement with affected residents and stakeholders - Positive Rehousing offer to be made to residents - Resources invested in capacity building & local community initiatives	Project Team, NSDC	Monthly	Reducing
1.03	Failure to agree development route/private sector partnership to deliver scheme	1	4	5	-Agreement in place to use DPP3 '-Tender returned four interested development partners 14.02.20	Project Team, NSDC, Legal Advisers	As required	Reducing

1.04	Loss of political support for the project	2	3	5	<ul style="list-style-type: none"> - Regular briefings on project for CMT, councillors & political parties - Reports to Committee at key stages -Fortnightly meetings established with ward members 	Project Team, NSDC,	As required	Staying the same
2.00	Section 2: Financial Risk	-	-	-	-	-	-	-
2.01	Regeneration is financially unviable - failure to secure funding for regeneration	5	5	10	<ul style="list-style-type: none"> - Financial impact of proposals to be modelled and reviewed at key stages - Bid Affordable Homes Grant being pursued - Dialogue with Homes England re funding gap 	Project Team, NSDC	As required	Staying the same
2.02	Negative impact on HRA	3	3	6	<ul style="list-style-type: none"> - Impact on HRA of proposals to be modelled - Cost to HRA to be included in funding bid 	Project Team, NSDC	As required	Staying the same
2.03	Construction costs - unforeseen cost increases	4	4	8	<ul style="list-style-type: none"> - Cost consultant procured to produce independent Cost Plan - Cost consultant will update cost plan at key stages of design development. - Seek cost effective design solution (including Modern Methods of Construction) - Construction cost approach and cost certainty to be built into partner selection process - Employers Agent and Cost Consultant in place to support tender analysis and development programme 	Project Team, NSDC	As required	Increasing
2.04	Market sale - values reduce, sales rates reduce, open market recession	3	4	7	<ul style="list-style-type: none"> - Independent advice obtained on market conditions - Financial sensitivity analysis of differing values and rates of sale - Regularly review and update market advice 	Project Team,	As required	Increasing

2.05	Failure to spend grant funding	2	5	7	- Early spend identified but with risks - acquisition - Legal advise on the acquisition of properties commissioned - Proprety valuations underway	Project Team,	As required	Reducing
3.00	<u>Section 3: Project Delivery Risk</u>	-	-	-	-	-	-	-
3.01	Failure to procure effective consultant team	2	5	7	- Consultant team to support council in place including legal, cost consultancy and financial modelling, employers agent.' - Tender clarifies council to be involved in commissioning of architects.	Project Team,	As required	Reducing
3.02	Site abnormal costs - unforeseen requirements leading to increased costs/ time	2	4	6	- Full site surveys to be undertaken and professional reports obtained - Initial surveys obtained	Project Team, NSDC officers	As required	Staying the same
3.03	Unexpected environmental or ecological issues increase costs, delay the scheme or impact on required density	1	2	3	- Full site surveys to be undertaken and professional reports obtained - initial surveys obtained	Project Team, NSDC officers	As required	Staying the same
3.04	Planning - planning delays and/or failure to secure planning	1	4	5	- Sites allocated in Local Plan; - Planning involvement in masterplanning - Planning strategy agreed - Pre-planning dialogue; - Planning Submissions comply with local planning policies - Effective communication with members,	Project Team, NSDC Housing and Planning officers	As required	Staying the same

					stakeholders, officers and residents			
3.05	Site Assembly - failure to acquire land and properties required to deliver scheme effectively	1	4	5	<ul style="list-style-type: none"> - Negotiations for PA Housing continuing - Privately owned properties required for demolition to be identified as part of masterplan and acquisition being - Demolition Notices to be served to prevent further RTB - CPO - approval to proceed and legal commissioned 	Project Team, NSDC officers,	As required	Staying the same
3.06	Rehousing - failure to agree and implement effective rehousing programme	1	4	5	<ul style="list-style-type: none"> - Rehousing and compensation policies agreed through Decant Policy - Individual contact to identify housing needs of affected residents - Rehousing offer to be agreed and implemented - Housing needs assessment underway 	Project Team, NSDC officers	Quarterly	Staying the same
3.07	Lack of Council in-house skills and resources to manage and deliver the project effectively	2	4	6	<ul style="list-style-type: none"> - Internal project team established; - Campbell Tickell appointed to manage project up to planning - Establish internal structures to deliver project post planning 	Project Team, NSDC officer	Monthly	Reducing
3.08	Failure to obtain support of key stakeholders to proposals	2	3	5	- Consultation and dialogue with adjoining residents and key stakeholders eg County Council, STW, Town Council, etc	Project Team, NSDC officers	As required	Staying the same
3.09	Opposition to development on playing fields	2	3	5	<ul style="list-style-type: none"> - Sport England support has been obtained - risk remains from residents - Positive support from estate residents - Positive publicity 	Project Team, NSDC officers	As required	Staying the same

POLICY & FINANCE COMMITTEE

2 APRIL 2020

FOOTPATH AND ACCESS REALIGNMENT AND LEVELLING AT EPPERSTONE MANOR

1.0 Purpose of Report

- 1.1 To update Members on progress in securing the transfer of 'Recreational' land and a footpath from a developer to the Council (and in turn to Epperstone Parish Council) following a previous breach of a legal planning obligation under S106 of the Town and Country Planning Act 1990.
- 1.2 To seek approval of additional funds to relocate fencing erected by the developer erroneously on land outside of their control.

2.0 Background Information

- 2.1 In December 2008, planning permission (application no 08/01841/FULM) was approved for the construction of twelve new dwellings with access road on land South West of Epperstone Manor. This development is complete and known as West Manor Park. The site was subject of a S106 Agreement dated 23 December 2008 and included the following obligations:
 - an obligation to transfer an area of Recreational Land of 1.913 hectares to the Council (including a post and rail fence along the north boundary of the field);
 - an obligation to the construct a footpath in a location and to a specification agreed by the Council (including a maintenance strip), and to transfer the footpath to the Council.
 - an obligation to maintain a right of access adjacent to the footpath
- 2.2 The transfer (as amended through a Deed of Partial Release under Sections 106 and 106A of the Town and Country Planning Act 1990) of the Recreational Land and footpath to the District Council was completed and registered on 3 August 2018. The only matter which appeared to be outstanding at this time related to the provision of the post and rail fence along the northern boundary of the Recreational Land. The area of Recreational Land including location of the post and rail fence and footpath route (including maintenance strip) are illustrated in Figure 1 below.

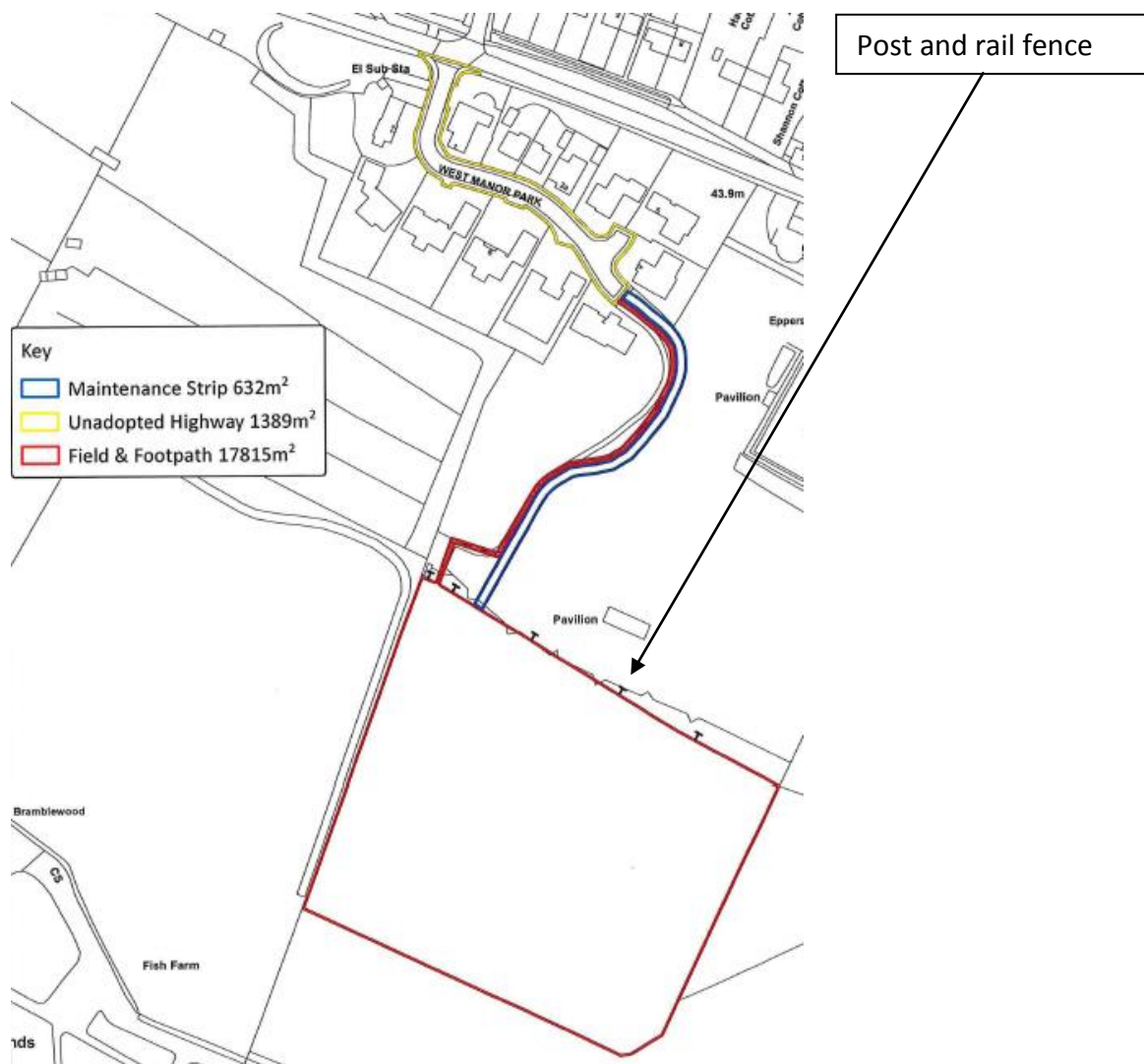


Figure 1: Extract of plan in transfer Deed which shows existing route of path on the OS Base, the proposed route in red and the maintenance strip in blue.

- 2.3 It was soon realised that the metal estate fencing erected to demarcate the footpath (shown red above) was 1) on land which did not match the land registry ownership boundary for the developer and 2) did not match exactly the approved line of the footpath. The correct route was pegged out in May 2019 by the Council. The ownership position is demonstrated below:

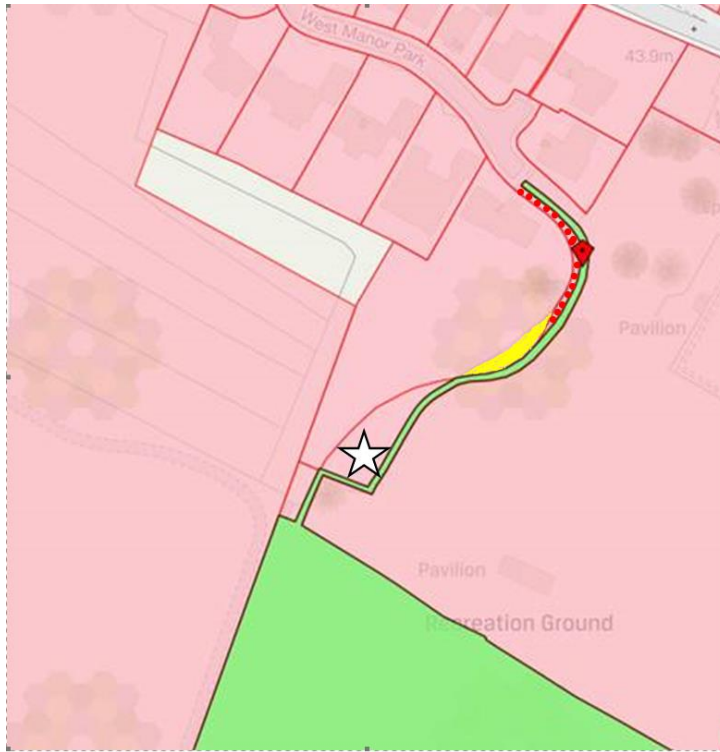


Figure 2: Extract from Land Registry Plan showing current Council ownership in green, land in neighbours ownership in yellow and EDL land subject of land swap in red hatched area.

- 2.4 The red hatched area above has very recently been registered as within the ownership of the developer (EDL). The developer will be advised that it is in their interests for this land to be transferred to the Council under the terms of the S106 and land transfer agreements previously signed. This will be requested on the basis that there are no physical works for the developer to do. The footpath and fencing is already installed and this is simply a matter of a land transfer.
- 2.5 There remains an issue with respect to the yellow land in that this is technically within the registered ownership of a neighbouring dwelling. The owner has made clear that they wish the fence and footpath to be relocated.
- 2.6 The Council has sought to pursue the developer to relocate the footpath in order to match 1) the approved position and 2) the ownership. This has included an offer by the Council to instruct contractors to do the works, with the developer then covering the costs. Despite attempts there remains no progress.
- 2.7 The Council have been informed of an unresolved legal ownership dispute between the neighbouring owner and EDL in relation to a triangular section of land marked by a star in Figure 3. Despite this, legal advice on this matter states that the Council is entitled to erect a fence on the land within its ownership, and could do that at any time.

3.0 Proposals

- 3.1 It has always been the intention for the District Council to transfer the 'recreational land' and footpath to the Parish Council as soon as this matter is resolved. The Parish Council reasonably wishes to have the land transferred to them when the legal titles are correct and formalised, for both the footpath and maintenance access strip. This includes their provision on site in their correct alignment.

- 3.2 The maintenance strip follows the same route as the footpath, albeit this involves access rights only over the developers land. The site of this strip was not transferred to the Council but the Council does have a legally binding right of way granted by the 2018 Transfer. The topography of the land slopes in a north to south direction and the land adjacent to the existing route of the footpath is currently uneven and unsafe for vehicles. As such, this land also needs levelling so that it is fit for purpose in advance of the Parish Council accepting the transfer.
- 3.3 Quotes for the cost of the works have been sought from three separate contractors. One out of the three responded and has provided the 3 alternative quotes as set out in Figure 3 below:

Quote 1	Quote 2	Quote 3
Land releveling	Land releveling	Land releveling
200 metres of metal estate fencing in black	200 metres of wooden post and rail fencing	Remove all existing metal estate fencing. 320m post and rail fencing part on existing and part on new alignment.
£12,212 + VAT	£5,681.25 +VAT	£9,050 + VAT

Figure 3: Quotes received from contractor

- 3.4 The cost of approximately 200 metres of metal estate fencing in black (measured by the contractor on site) on an alignment which takes the footpath outside of the adjoining neighbour's ownership and to level out the maintenance access track route would be £12,212 + VAT. The contractor has confirmed that the supplier for the fencing would be the fencing company that originally erected the metal estate fencing on site. They have also been contacted directly albeit they stated that they are unable to quote for works which involve any land releveling.
- 3.5 It should be noted that the transfer states that the fencing should be in accordance with the specification prescribed in the transfer i.e. timber post and rail rather than the metal estate fencing. It should be noted that Quote 2 is not desirable due to the visual jarring that would be created by a part metal estate and part post and rail fence. Quote 3 to replace the existing metal fencing in its entirety with post and rail fencing whilst a greater operation in terms of the scale of the works required, would be marginally cheaper. However, the Parish Council have confirmed that they would like the fencing to remain as metal estate fencing as opposed to wooden post and rail fencing. It is agreed that this form of fencing is appropriate to the site's historic setting. It is therefore recommended that appropriate budget be made available for Quote 1 works.
- 3.6 The quote assumes that all existing fencing in the neighbouring resident's ownership (indicated by Figure 2 above) would be left in situ albeit some of this fencing could be feasibly relocated (by agreement with the affected neighbour). This could reduce the overall cost of the works. It is also envisaged that existing fencing located on EPL land on entry into the site from West Manor Park (shown by the red marker in Figure 3) would also be left in situ as this land is likely to be subject of a land swap detailed at 2.4 above.

3.7 The land levelling works also poses an issue in relation to whether excess earth would be removed from site (which could generate additional costs). Earth can be spread onto the path and maintenance strip provided the contractor doesn't cause an obstruction. The contractor will need to be advised on this issue accordingly.

3.8 Should Members agree to the proposal that the Council undertakes the works to relocate the fence line it is intended that we will pursue recover of costs from the developer. The developer will be able to reasonably argue costs for a 'post and rail fence' as opposed to 'metal estate railings' or indeed may decide to dissolve the company on the basis that the development is complete. This should not deter legal attempts for full cost recovery.

4.0 Equalities Implications

4.1 There are no direct equalities implications arising from this report.

5.0 Financial Implications (FIN19-20/4947)

5.1 The budget will be required in the Financial Year of 2020-21. The Financial Year of 2019-20 realised 'Planning Application Income' significantly exceed its estimated budget in excess of £350k, therefore; we can move this one off cost of £12,220 of this additional income to the Management Carry Forwards at year end and we can draw this down in the new financial year of 2020-21 when required. This has been added to the Management Carry Forward Requests in anticipation of approval.

6.0 Community Plan – Alignment to Objectives

6.1 The completion of the works would contribute to the achievement of Objective 9 'Improve the health and wellbeing of local residents, with a particular focus on developing the best use of community recreation and leisure facilities in order to narrow the gap in healthy life expectancy and other health outcomes'.

7.0 Comments of Director

7.1 Securing the Recreational Land and footpath for transfer to the Parish Council, alongside, securing a right of maintenance access which sits adjacent to the footpath has been a long held aspiration. The land swap described at paragraph 2.4 above and relocation of the fence from the yellow land at figure 2 above represents the last barrier to being able to have the Recreational Land and footpath transfer to the Parish Council. I therefore welcome the proposals, notwithstanding my regret that this will require additional financing from this Council to achieve. I welcome the very clear intention to recover all costs from the developer.

8.0 RECOMMENDATIONS that:

(a) the Business Manager - Legal Services ask Epperstone Developments Limited's solicitor to enter into a land swap in respect of the land detailed at paragraph 2.4 of the report [shown with red marker/ red hatched area in Figure 2] and that completion is concluded as soon as is practicable;

(b) delegated authority be given to Director – Planning & Growth to commission contractors to install a fence along an appropriate route, having regard to ownership issues above

(paragraphs 2.4 to 2.7 of the report) and confirmation from the Business Manager - Legal Services that such issues have been legally resolved to mitigate risk to the Council;

(c) a budget of up to £12,212 + VAT be set up in 2020/21 to cover the cost of the works to implement (b) above; and

(d) authorisation be granted to the Business Manager - Legal Services to recover all such reasonable costs from the developer.

Reason for Recommendations

To enable the future transfer of the land and footpath to Epperstone Parish Council and to ensure that the community can continue to use the footpath and recreational land.

Background Papers

Nil.

For further information please contact Helen Marriott on Ext 5793.

Matt Lamb
Director – Planning & Growth

POLICY & FINANCE COMMITTEE

2 APRIL 2020

WARM HOMES FUND BID OUTCOME

1.0 Purpose of Report

1.1 To inform members that our recent bid to the Warm Homes Fund (WHF) for £97,488 to enable mains gas connections and fully fund the conversion of existing solid fuel/Liquid Propane Gas (LPG) heating systems and cooking appliances in up to 43 park homes in Ollerton has been successful. Therefore, it is recommended that a budget be set up in the Capital Programme in 2020/21 to enable delivery.

2.0 Background Information

2.1 The Energy Company Obligation (ECO) is a Government energy efficiency scheme in Great Britain that aims to help tackle fuel poverty and reduce carbon emissions and is delivered through energy suppliers and their agents. The current phase (ECO 3) runs from 2018-2022.

2.2 The ECO3 Amendment Order allows local authorities (LA's) to help households living in fuel poverty, or living on a low income and vulnerable to the effects of living in a cold home, by matching them with energy suppliers using the new 'flexible eligibility' mechanism.

2.3 There are two main categories of private tenure household intended to be eligible through flexible eligibility:

- Fuel poor households, especially those that are not in receipt of eligible benefits and the estimated 20% of fuel poor households that are not in receipt of any benefits; and
- Low income households that are vulnerable to the effects of living in a cold home.

2.4 Local authorities, through their social, housing and health responsibilities, are well placed to identify households in fuel poverty, or vulnerable, including householders who are elderly and those with a health condition that can be exacerbated by living in a cold home.

2.5 Under flexible eligibility, LAs are able to make declarations determining these households to be eligible for a measure under Affordable Warmth.

2.6 Energy suppliers are able to achieve up to 25% of their Affordable Warmth obligation in premises identified by local authorities in their declarations.

2.7 Affordable Warmth Solutions (AWS) is an independent Community Interest Company that works in partnership with Cadent (Gas Network Operator) to meet the challenges of fuel poverty and energy efficient homes. Working with Local Authorities and Energy Companies they are committed to funding new gas connections to some of the most deprived communities in England.

2.8 In February 2018, Newark & Sherwood District Council (NSDC) published a SOI aimed at attracting ECO funding to part fund external wall insulation for owner occupied park homes and to also fully fund the replacement of inefficient boilers. The scheme was a small-scale pilot as the funding was time-bound and residents were required to make a significant contribution (circa £2K) toward the cost of the specialist insulation system. As a result,

only 1 park home received external wall insulation and 7 inefficient boilers were replaced free of charge under this scheme.

- 2.9 Since then, ECO funding rates for park home energy efficiency improvements have reduced significantly, making such a scheme cost prohibitive. (Valuable lessons have been learned from the pilot and these are being incorporated into the proposals below.

3.0 Warm Homes Fund

- 3.1 The Warm Homes Fund (WHF) is a £150 million fund provided by National Grid and administered by Affordable Warmth Solutions (AWS) across England, Scotland and Wales. It is primarily designed to incentivise the installation of affordable heating solutions in fuel poor households who do not use mains gas currently as their primary heating fuel.
- 3.2 Members will be aware from previous reports that the Council submitted a successful WHF bid in February 2019 which is currently funding the delivery of 89 new gas connections and first time gas central heating systems for fuel poor residents living on Bevan Close/Vera Crescent in Rainworth. (This project should be completed by March 2020). Effective collaborative partnerships have been established through this scheme and we plan to utilise and build on these mutually beneficial business relationships going forward.
- 3.3 Approximately £133m has already been allocated from the WHF and as part of its 5th and final bidding round (which closed on 24 January 2020) the WHF has been actively seeking bids to fund gas connections and heating system conversions in park homes that are not currently connected to the gas grid. The Council's Senior Leadership Team (SLT) approved a refresh of the Council's ECO LA Flexible Eligibility Statement of Intent for Park Homes on 17 December 2019. The aim was to attract a WHF grant to fully fund a scheme that will help residents at Fairholme Park Home, Ollerton (16 private renters and 27 owner occupiers) to significantly reduce their home heating and water heating running costs. (Mains gas is typically around 25% cheaper than LPG).
- 3.4 Under these proposals the Council will have responsibility for determining a household to be ECO Flex eligible, and suppliers are not required to undertake a supplementary assessment to determine eligibility. However, it is the responsibility of the suppliers to provide evidence supporting the notification (i.e. the LA declarations and the Statement of Intent) to Ofgem on request. If information is missing or incomplete, Ofgem will approach the supplier to obtain this, not the LA.
- 3.5 A grant agreement will need to be signed with Affordable Warm Solutions (a Community Interest Company). There are no financial penalties imposed for non-delivery funding is paid 3 months in arrears and this will simply be passed on, via NSDC, to our nominated delivery partner (Agility Eco) who has agreed to make direct payments to their chosen subcontractor selected to fit all of the heating and cooking improvement measures on site. However, 5% of the total grant award is retained by AWS until the project closure report has been submitted. (This is required within 3 months of the final measure being installed and will be provided by Agility Eco as part of its project management function). Agility Eco has agreed to bridge the 5% funding gap at no additional cost to the project.

3.6 It is anticipated that contracts will be signed in March and, if so, the heating improvement survey works should commence in April 2020. The scheme is anticipated to be completed by the end of summer 2020.

3.7 A data processing/sharing agreement will be put in place with project partners, taking due regard of the Government's published data sharing guidance for ECO Flex schemes and utilising support and advice provided by Information Governance. Written consent will be obtained from residents before their personal data is shared with project partners/their delivery agents.

4.0 Risks

4.1 Agility Eco has agreed to bridge the 5% funding gap which AWS plan to retain against each payment claim until the project closure report (to be provided by Agility Eco as part of its project management function) has been submitted and accepted by AWS.

4.2 There is a risk that the project will not deliver the anticipated benefits to residents. For example, if a park home resident does not currently use their central heating, they will not achieve the anticipated running cost reductions typically associated with converting an LPG central heating system to mains gas.

4.3 A communication plan will be implemented to ensure that all 43 Fairholme Park residents fully understand the offer and relevant caveats. Individual home surveys will be undertaken to determine the resident's particular circumstances and the specific work required within each property in order to successfully convert their heating system and cooking appliances to mains gas. If the LPG appliances are old or deemed to be unsuitable for conversion, new equipment (e.g. boiler, hob, oven, fire, as appropriate) will be supplied and fitted at no cost to the resident or park home owner as part of this scheme.

4.4 The Council's Energy and Home Support Team will lead this project and will liaise with the Coal Concessionary Board to support any of the 5 residents with solid fuel back boilers who currently receive coal allowances. (Generally, it is possible to agree financial buy-outs that typical cover the cost of an average annual gas bill).

4.5 It is our intention to organise a residents' meeting to fully explain the offer and to give residents the opportunity to meet/talk with the scheme delivery partners and to have their specific questions/queries answered. The park home site owner is fully supportive of this approach and has already offered to fund the venue and refreshments.

4.6 The Council's Environmental Health Team (who license all park home sites within the district) are fully supportive of this proposal and have expressed the view that this project could provide a template for other park home sites to follow.

5.0 Equalities Implications

5.1 The scheme outlined in this report will be offered to all Fairholme Park Home residents. Plans are already in place to engage residents, regardless of their protected characteristics and an EIA is being carried out as part of this work.

6.0 Financial Implications (FIN19-20/5451)

6.1 The budget requirement of £97,488 will be fully financed by the Warm Homes Fund.

6.2 The payment will not be due to Agility until the claims have been made to the Warm Homes Fund and the money has been received.

7.0 Community Plan – Alignment to Objectives

7.1 This project directly supports delivery of Objective 9 as it is anticipated it will improve the health and wellbeing of local residents, with a particular focus on helping to reduce fuel poverty and narrowing the gap in healthy life expectancy and other health related outcomes.

8.0 Comments from Homes & Communities Committee

8.1 This report was due to be considered by the Homes & Communities Committee at their meeting scheduled to be held on 16 March 2020, however, as Members will be aware this meeting was cancelled.

9.0 RECOMMENDATIONS that:

- a) **Members note the outcome of the Warm Homes Bid; and**
- b) **approve a budget be set up in the Capital Programme in 2020/21 for £97,488, financed by the grant from the Warm Homes Fund.**

Reason for Recommendations

To enable the Park Homes project to proceed.

Background Papers

Nil

For further information, please contact or Helen Richmond – Energy and Home Support Officer on Ext 5418 or Leanne Monger – Business Manager – Housing, Health and Community Relations on Ext 5545

Julian Paine
Interim Director – Housing, Health and Wellbeing

POLICY & FINANCE COMMITTEE

2 APRIL 2020

ALLOCATION AND APPROVAL OF SAVINGS ACCRUED AS PART OF THE HOUSING MANAGEMENT IMPLEMENTATION PROJECT

1.0 Purpose of Report

- 1.1 To request delegated authority be given to the Homes & Communities Committee to approve the allocation of savings which have been accrued as part of the Housing Management Implementation project.

2.0 Background Information

- 2.1 On 26 September 2019, the Policy & Finance Committee made the decision, following an extensive tenant consultation, to bring the housing management service in-house for direct service provision by the Council. This included the decision to dissolve the Council's the housing management company, Newark and Sherwood Homes Ltd.
- 2.2 The transfer of the housing management service to the Council successfully took place on 1 February 2020, two months ahead of schedule. Company activities, contracts, employees, assets and liabilities were all included in the transfer agreement and are now under direct service provision by the Council.
- 2.3 The Company will continue in existence to enable the finalising of any existing arrangements for contracts and suppliers and whilst the wind-up process is implemented. It is anticipated that after approximately three months, the process will begin to wind-up and dissolve the company. The company will be required to file final accounts and submit the relevant paperwork to Companies House in order to formalise the dissolution.

3.0 Proposals

- 3.1 The re-integration of the housing service was undertaken to deliver significant efficiencies identified for the Housing Revenue Account of £0.950m. The savings were identified as part of a report by Savills which was presented to committee on 4 April 2019. These savings will directly accrue to the HRA and the Council made a commitment that they would be reinvested back into housing services for tenants.
- 3.2 A detailed framework approach for how the savings and efficiencies will be utilised to meet tenant priorities and to improve the housing service is set out in the Homes and Communities Report. The Homes and Communities Committee, due to take place on 16 March, was cancelled due to the coronavirus situation. However, it is noted that the Chairman and Vice-Chairman of the Committee support the proposals and recommendations detailed in the report. The report and detailed framework prepared for the Homes and Communities Committee is attached as an **Appendix A** to this report.
- 3.3 It is proposed that this Committee delegate authority to the Homes & Communities Committee to consider and approve the specific areas of allocation of savings in line with the framework as identified in Appendix A.

4.0 Equalities Implications

4.1 There are no equalities implications arising from this report.

5.0 Financial Implications (FIN19-20/8765)

5.1 As mentioned in the above text, the detailed financial implications can be found in the Homes & Communities Committee report, which is attached as Appendix A.

6.0 Community Plan – Alignment to Objectives

6.1 The proposals align with the Council's community plan objective 'build more homes and provide an excellent housing management service'. There are commitments within this objective to ensure tenants and other customers live in safe, well maintained, affordable homes and receive quality, value for money services. It is considered that the second tranche of work and the reinvestment in housing services from the savings identified will contribute to this.

7.0 RECOMMENDATION

That delegated authority be given to the Homes & Communities Committee to approve the allocation of savings to the Housing Revenue Account that have accrued as part of the Housing Management Implementation project, in line with the framework approach as set out in Appendix A to the report.

Reason for Recommendation

To give delegated authority to the Homes and Communities Committee to approve the allocation of HRA savings as part of the housing management transfer to the Council.

Background Papers

None.

For further information please contact Deborah Johnson, Business Manager, Organisational Improvement & Development on ext 5800 or Natalie Cook, Projects Officer, Organisational Improvement & Development on ext 5275.

Karen White

Director – Governance & Organisational Development

HOMES & COMMUNITIES COMMITTEE
16 MARCH 2020

HOUSING MANAGEMENT IMPLEMENTATION – PROJECT UPDATE

1.0 Purpose of Report

1.1 This report provides Members with an update on:-

- a) the successful integration of the housing management service and;
- b) the forthcoming workstreams in the second tranche of work and;
- c) a request to consider a framework for the allocation of the efficiencies accrued as part of this project.

2.0 Background Information

2.1 On 26 September 2019, the Policy & Finance Committee made the decision, following an extensive tenant consultation, to bring the housing management service in-house for direct service provision by the Council. This included the decision to dissolve the Council's housing management company, Newark and Sherwood Homes Ltd.

2.2 A project team, consisting of Council officers and officers from Newark and Sherwood Homes, was established and the team successfully transferred the service and all of the staff back to the Council on 1 February 2020.

3.0 Project Update

3.1 Successful Transfer

The transfer of the housing management service to the Council successfully took place on 1 February 2020, two months ahead of schedule. Company activities, contracts, employees, assets and liabilities were all included in the transfer agreement and are now under direct service provision by the Council.

3.2 Staff Engagement

In the weeks leading up to the transfer, a number of staff engagement activities took place. All staff were issued with a personalised welcome pack, which included a welcome letter from the Chief Executive, key HR documents and their new ID Badge and Council lanyard. Feedback received from staff on the transfer has been positive.

During the welcome week (the first week of transfer), there were two staff welcome talks led by the Chief Executive and Director – Governance and Organisational Development as well as two welcome walks, encouraging staff to meet new colleagues over their lunch break whilst participating in something active. The welcome walks were well received with over 30 people participating across both walks.

Housing staff now have access to all of the Council activities and will continue to be included in Council opportunities and initiatives including wellbeing activities such as Body MOT's; and opportunities to be mental health and wellbeing champions.

3.3 Operational Matters

3.3.1 Branding

The process to revert the Company branded assets to the Council's branding is progressing well. Vehicles, the housing website, social media accounts, staff uniforms and myaccount were rebranded during the first week of transfer. Signage across the district is in the process of being updated to include the Council logo where appropriate.

3.3.2 Contracts

A number of contracts between the company and a supplier have now novated to the Council. There are a few outstanding contracts which have not novated over and we are working with suppliers to expedite the process.

3.3.3 Customer services

The housing services customer services number (0800 561 0010) is still in operation and tenants have the option to call either the housing services number or phone the Council's customer services directly. Work is underway to amalgamate the customer comments and complaints procedure to ensure that housing comments are captured in the same way as the Council. This will be reported to the Homes and Communities Committee when the work is complete.

3.3.4 Tenants

The transfer, from the tenants' perspective, has been seamless and feedback from tenants have been positive following the transfer. Tenants are receiving the same quality service under the council's direct management. Involved tenants will be receiving new involved tenant lanyards which will more clearly identify them in their role.

3.3.5 A review of tenant engagement is now taking place; it is a regulatory requirement of housing providers to deliver effective opportunities for tenants to influence the design and delivery of housing services and their homes and to hold their landlord to account. This review will establish the preferred approach to ensure customers (future, present and past) views are used to scrutinise and shape services. Further detail of the establishment of the housing advisory group, which is overseeing the review, is explained in 3.5.2.

3.4 Recruitment of Director of Housing, Health and Wellbeing

A successful appointment has been made to the Director of Housing, Health and Wellbeing post following an extensive recruitment process, which included a Member led panel. Suzanne Shead will start as Director of Housing, Health and Wellbeing in April. The Director will lead on the integration of housing management service back within the Council as well as having oversight of the health and wellbeing, housing strategy, housing options and community relations functions. In the interim period, Julian Paine will continue as Interim Director of Housing, Health and Wellbeing.

3.5 Governance

- 3.5.1 Whilst it is recognised that the Company is a wholly owned Council company, there needed to be a series of formal decisions made by the Company's Board and legal agreements signed by both parties to ensure that Company activities, contracts, employees, assets and liabilities transferred to the Council. The transfer agreement was signed by Newark and Sherwood Homes Board and the Council on 30 January 2020.

The Company will continue in existence for a period in order to finalise any existing arrangements for contracts, suppliers whilst the wind up process is implemented. The company will be required to file final accounts and submit the relevant paperwork to Companies House in order to formalise its dissolution.

- 3.5.2 Following the approval by this committee to establish the housing advisory group, the first meeting was held on 25 February 2020. The role of the Housing Advisory Group is to create an informal forum through which the comments/views of the tenant representatives can be heard on a range of tenant-related matters and then be incorporated into the consideration of these items by the Homes & Communities Committee. The Housing Advisory Group, is effectively a working party of the Committee, and does not have any delegated authority or decision-making powers. It will cease following the implementation of its work and conclusions around the review of tenant involvement and engagement.

3.6 Second Tranche Work

A second tranche of work has been designed to ensure that the synergies and alignments with council services are fully explored. Work to be included in the second tranche has been identified and these works are currently being scoped including:- achieving synergies with ASB and Safety in the Community; use of the Farrar Close and Brunel Drive Depot sites; and performance measures and assurance. A range of operational synergies including admin, customer services and ICT have also been identified. Updates on these workstreams will be reported to future meetings of the relevant Committees.

4.0 Efficiencies Identified

4.1 Background

The re-integration of the housing service is expected to deliver significant efficiencies for the Housing Revenue Account, estimated at £0.950m. The efficiencies were identified as part of an independently commissioned report by Savills and were considered by the Policy and Finance Committee on 4 April 2019. The Council, when taking the decision to bring the service back in house made a commitment to reinvest these efficiencies back into housing services for tenants.

4.2 Efficiencies realised to date

The housing service was successfully transferred back into the council on 1st February. As indicated earlier in this report, there is now a tranche of work designed to ensure that the synergies and alignments with council services are fully explored.

At the point of transfer a number of efficiencies have already been realised and will accrue from the new financial year. These efficiencies total £0.694m.

The second tranche of work will accrue further efficiencies and it is anticipated that these will bring the total efficiencies to at least the level predicted of £0.950m. This work is likely to take approximately six months with all work being complete and all efficiencies accrued for the financial year 2021/22.

5.0 Utilising Efficiencies To Best Achieve Outcomes

5.1 Context

In approving the return of the housing management service to the council there was a commitment that all efficiencies to the HRA would be reinvested to improve services for tenants. As part of the tenant consultation on the decision to bring the housing management services back in-house, tenants were asked to identify the top three areas that were important to them. These 3 areas were; repairs and maintenance, anti-social behaviour and value for money. There is an expectation by tenants that their 3 priorities will be taken into account when reallocating the efficiency savings.

5.1.1 In considering the context of utilising the efficiencies, it is important to ensure that the very best value for money is achieved and maximum impact on service improvement is attained. This requires a balance between undertaking improvements in the short term and taking time to consider and frame the direction of ongoing performance improvement.

5.1.2 There is also a need to consider the ongoing budget position and that there is a differentiated approach to demonstrating that efficiencies achieved are spent in a way which supplements the budgeted spend. In real terms this means that the identified efficiencies should not be used to provide 'business as usual' activities but to enable spend that would not have otherwise been possible. Within section 5.4 of this report are some details on how this will be recorded and provide a transparent account of how the efficiencies are being spent.

5.2 Framework Approach

5.2.1 There is a range of complex and competing areas where the efficiencies could be utilised. It is important to understand these and create a framework in which decisions on spending can be made. This will ensure that the efficiencies provide high quality impact for tenants balanced with sustained improvements to services.

5.3 Considerations

5.3.1 Any approach needs to consider the outcome of the tenant consultation and the 3 areas the

tenants have highlighted as most important to them. There should be a balanced approach to spending, this includes balance across place and service type, ensuring that not all spending is one geographical or service specific area. There needs to be consideration of immediate, ongoing and emerging opportunities, such that not all efficiencies accrued should be spent immediately. There should be time taken to understand and look at the strategic opportunities through research and comparison to best practice.

5.3.2 This should be balanced with the need for some quick and demonstrable actions which

tenants can see as being an immediate input of resource following the transfer of the housing management service back in house.

5.3.3 There is also a need to understand and create a balance between recurring investment and one off / time limited actions and initiatives. This is best demonstrated by the difference, (for example) between:-

- employing an additional member of staff to deliver a service, which is a recurring spend and would be committed on an ongoing basis; and
- a commitment to undertake a one off upgrade within a certain locale, which would be a fixed spend and the saving identified would then be available to spend again in the following financial year for another initiative.

5.3.4 The information above considers recurring and one off/time limited spend and the need for

spend to reflect the identified 3 priorities of tenants. In addition to this the work of the project team has identified a natural grouping of 4 types of spend which will be required.

I. Quick wins

These would be highly visible, relatively low cost one off/time limited spends that demonstrate to tenants an immediate action following the transfer in of the service. It is suggested a sum is set aside each year for these from the identified efficiencies

II. Maintain focus on housing

There has been an acknowledgement and commitment to ensure that there is a continued focus on housing and this has been provided for through the establishment of a Housing, Health and Wellbeing Directorate. This has included 3 key posts, the Director and two Business Managers. This was approved by committee as recurring spend. Additionally it is recognised that there needs to be enhancement/improvement in tenant engagement and involvement as previously referred to in the report.

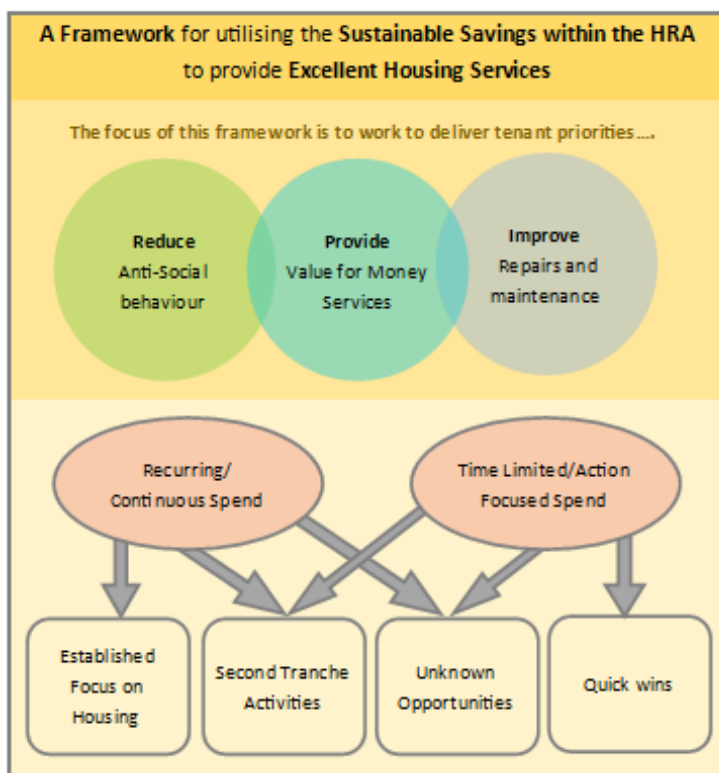
III. Second tranche developments

The first tranche of work enabled the housing service to be transferred 2 months early, the 1st of February rather than the 1st of April. The principal was to 'lift and drop' where possible, mitigating the understandable uncertainty for staff by reducing the time frame. There are now a number of strands of work to align services to council services ensuring maximum synergies and overall improvement to be services. Work is required to understand what the options are for each strand and the best way to achieve them. Some of the efficiencies may need to be allocated to enact some improvements in these areas.

IV. Unknown Opportunities

Returning the housing service for direct provision by the Council brings a significant responsibility and the efficiencies present an opportunity for the newly formed directorate to consider best practice, undertake research and pilots to innovatively change and improve the way services are delivered. These are longer term strategic changes and it will be necessary to ensure that some of the efficiencies are available to undertake this research/feasibility work.

5.3.5 To present this complex set of needs for the efficiencies the following model/framework is suggested.



5.3.6 Proposal

That the above framework above is approved and that from this the following actions are undertaken.

- A budget of £20,000 is set aside for quick wins from the identified efficiencies and this is reviewed each year
- That specific areas of allocation of efficiencies are brought back to committee who will consider them in line with the framework identified in paragraph 5.3.5 above
- That working groups are set up, at the appropriate time, to look at specific areas of service improvement or areas of risk. Having considered the evidence available and where they believe efficiencies could be allocated to facilitate that service improvement or mitigate risk, the working group makes the recommendation to the Homes and Communities Committee who can examine this as part of the framework.

5.4 Accounting For The Spend

5.4.1 It is important that there should be transparency on how the efficiencies are allocated. The Business Manager - Financial Services has undertaken to allocate all spend from efficiencies on an identifiable budget line so that they are easily identifiable.

5.4.2 As detailed in section 4 of this report a significant proportion of the originally estimated efficiencies have already been achieved. However there are further efficiencies which will be accrued over the next financial year. Only efficiencies actually accrued will be available to spend. As further efficiencies are accrued they will be monitored by the Business Manager - Financial services and be made available for spend with the committee.

5.5 Communication

- 5.5.1 It is important that both tenants and staff are aware of how the efficiencies are being allocated and a communications plan is being developed which will ensure that this is presented in an effective and multi-channel way appropriate to the audience.
- 5.5.2 This communications plan will also cover all of the relevant actions achieved and included as part of the second tranche of work.

6.0 Equalities Implications

- 6.1 There are no direct equalities implications arising from this report. Any proposed changes to operations and any consequential impact upon tenants and staff will need to be considered in terms of any possible negative impacts upon persons with protected characteristics, but none are envisaged at present.

7.0 Financial Implications (FIN19-20/8765)

- 7.1 The report presented to Policy and Finance Committee on 4th April 2019 approved a budget of £150,000 in order to fund the independent tenant consultation exercise and other transitional arrangements. To date £129,730 has been incurred in relation to the consultation exercise, HR and legal advice and obtaining a closure valuation report from Local Government Pension Scheme. It is anticipated that this budget will be fully expended.
- 7.2 The original Savills report presented to Policy and Finance 4th April 2019 detailed £0.950m in efficiencies that could be made based on the re-integration of the Housing Management Service. This included the deletion of senior management roles, but did not incorporate the creation of any management structure to replace the deleted roles.
- 7.3 Members have clearly stated their requirement for a focus to be retained on housing within the Council, and this has been secured by creating a new Directorate specifically relating to Housing, Health and Wellbeing. This Directorate (previously approved by Policy and Finance) will be headed by the new Director and includes four Business Managers, the cost of which will be borne by the General Fund and Housing Revenue Account in appropriate proportions. Without the creation of these posts, there would be a risk that the housing service would lack strategic direction and would be diluted by other priorities for the Council.
- 7.4 The current efficiencies generated amounts to £0.694m (as per paragraph 4.2).
- 7.5 The cost of the Director and the two Business Manager roles is £0.263m. It is proposed that 80% of the Director's costs are directed to the HRA and 20% to the General Fund, due to their management responsibilities.

7.6 Based on this, currently £0.431m would be available for re-allocation into other priority areas. As further efficiencies are identified, this will be brought back to the Committee for a decision on re-allocation.

7.7 By way of update, when the council considered the potential efficiencies that could be realised by bringing the housing management service back in-house during its review, reference was made to the annual revenue received from the Photo Voltaic Panel tariff (PVT) in the region of £500k per annum. Previously this was paid direct to the Company in addition to the agreed annual management fee each year. It had been anticipated that significant capital expenditure would be required to facilitate ongoing meter readings required by the relevant energy provider for them to release tariff payments. However, efforts by council officers have secured a resolution to this issue that avoids the need for the capital expenditure.

8.0 Community Plan – Alignment to Objectives

8.1 The proposals align with the Council’s community plan objective ‘build more homes and provide an excellent housing management service’. There are commitments within this objective to ensure tenants and other customers live in safe, well maintained, affordable homes and receive quality, value for money services. It is considered that the second tranche of work and the reinvestment in housing services from the efficiencies identified will contribute to this.

9.0 RECOMMENDATIONS that:

a.) the project update be noted;

b.) the second tranche of work be noted;

c.) the framework approach as detailed in paragraph 5.3.5 of the report, as to the allocation of the achieved efficiencies be approved;

d.) £20,000 be set aside from the efficiencies to form a ‘quick wins’ pot and this be reviewed annually and rolled over as appropriate; and

e.) areas of allocated spend from the efficiencies be brought back to the Homes & Communities Committee for approval.

Reason for Recommendations

To provide an update to Committee on project progress and to inform Committee on the framework approach of the allocation of achieved efficiencies from bringing the housing management service back in house.

Background Papers

26 September 2019 - Policy & Finance Committee - Housing Management Review

4 April 2019 – Policy & Finance Committee – Housing Management Review

For further information please contact Deborah Johnson, Business Manager – Organisational Improvement and Development on ext 5800/Natalie Cook, Projects Officer, Organisational Improvement and Development on ext 5275.

Karen White
Director – Governance & Organisational Development

POLICY & FINANCE COMMITTEE

2 APRIL 2020

URGENCY ITEMS - MINUTE OF DECISION

Delegation arrangements for dealing with matters of urgency

Paragraph 7.2.1 of the Council's Constitution provides that Chief Officers may take urgent decisions if they are of the opinion that circumstances exist which make it necessary for action to be taken by the Council prior to the time when such action could be approved through normal Council Procedures. They shall, where practicable, first consult with the Leader and Chairman (or in their absence the Vice-Chairman) and the Opposition Spokesperson of the appropriate committee.

Subject:

To approve the deferral of the use of the Castle House Concessions Policy, as approved at Council 9th March 2020, for the period of one financial year.

Appropriate Committee:

Policy & Finance Committee

Details of Item and Decision Taken:

The decision was taken by Council on 9th March 2020 to approve the Castle House Concessions Policy.

This policy was developed in order to ensure a transparent process of approving concessions for partners within Castle House. The policy stated that the maximum concession would be 50% of the total charge of £4,420.

Due to the circumstances that have arisen post the Council meeting regarding the Coronavirus outbreak, it is proposed to defer the use of this policy for one financial year, to ensure that partners within Castle House are not impacted by any increase in their charge based on this policy for the 2020/21 financial year.

As the policy states, the move to Castle House provided a unique opportunity to co-locate with partners which has enabled public services to be joined-up around the needs of customers. In the current climate, the needs of our customers is of paramount importance to ensure that they get a co-ordinated response across public services.

Due to the exceptional and unprecedented circumstances that have arisen since the approval of the Policy, and the urgent need to give the Council's partners some certainty and relief in respect of their budgets which are under extreme pressure at the current time, it is felt that the application of the policy should be deferred.

Financial Implications (FIN19-20/8702)

The Council's budget as approved on 9th March 2020, included the current concession values within the income for Castle House and as such, this will not affect the level of income to be generated from Castle House licences.

Decision

That the Council defer the application of the newly adopted Concessions policy for one financial year and apply the current concession values for partners occupying Castle House for the 2020/21 financial year.

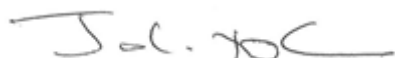
Members Consulted:

Councillor David Lloyd
Leader of the Council – 19/03/20

Councillor Paul Peacock
Leader of the Labour Group – 19/03/20

Councillor Peter Harris
Leader of the Liberal Democrats Group – 19/03/20

Councillor Gill Dawn
Leader of the Independent Group – 19/03/20



Signed
John Robinson - Chief Executive

Date: 19/03/20

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