

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, 24 January 2019 at 6.00 pm.

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

Councillor B Laughton, Councillor P Peacock, Councillor D Staples,
Councillor T Wendels and Councillor R Blaney (substitute for Councillor
R Jackson)

IN ATTENDANCE: Councillor Mrs P Rainbow

APOLOGIES FOR ABSENCE: Councillor R Jackson

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

Councillor T Wendels declared an interest in the exempt Agenda Item No. 15 – Southwell Leisure Centre Trust – given he was a Trustee.

Councillor Mrs P Rainbow declared an interest in the exempt Agenda Item No. 14 – Land at Quibell’s Lane, Newark.

65 DECLARATIONS OF INTENTION TO RECORD THE MEETING

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

66 MINUTES OF THE PREVIOUS MEETING

The minutes from the meeting held on 29 November 2018 were agreed as a correct record and signed by the Chairman.

67 FORWARD PLAN OF POLICY & FINANCE ITEMS

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

68 GARDEN WASTE BUSINESS CASE

The Business Managers for Commercialisation & Major Projects and Transport & Waste Services presented a report which provided a business case for bringing the garden waste service back to an in-house provision. The current collection arrangement was delivered in partnership with Rushcliffe Borough Council and Mansfield District Council and had been operating since 2014. The garden waste service currently had 11,500 customers and operated a mixed delivery approach within the District.

In June 2018 the Leisure & Environment Committee resolved to transfer the

administration for the garden waste scheme from Rushcliffe Borough Council to an in-house provision and that officers should develop a business case detailing the option of bringing the garden waste service back to an in-house provision. This subsequent business case considering the option of bringing all garden waste services back to an in-house provision was attached as Appendix A to the report. It was noted that any transfer to an in-house provision would generate a surplus for the Council; improve the customer experience; establish some of the infrastructure required if a national mandated garden waste service for all households with gardens was legislated following government consultation as part of the National Waste Strategy; and give the Council greater autonomy over the service.

When considering the business case, the Committee sought clarification that leasing the additional required collection vehicles would not be more cost effective than purchasing outright a had been proposed.

The Leisure & Environment Committee considered the garden waste business case at their meeting held on 22 January 2019 and recommended approval of it being brought back in-house.

AGREED (unanimously) that:

- (a) the preferred option as set out in the business case (bringing the garden waste service back in-house) be approved and added into the revenue budget in 2019/20 and built into the base budget for future budgets; and
- (b) the capital costs of £450,000 be added to the Capital Programme in 2019/20 for the purchase of the new collection vehicles and the additional bins all to be financed by borrowing, subject to the alternative of leasing the two collection vehicles not being cheaper than outright purchase.

Reason for Decision

To approve the preferred option for bringing the garden waste service back in-house.

69 NOTTINGHAM COMMUNITY HOUSING ASSOCIATION - TRANSFER OF TITLE PROPERTIES

The Business Manager – Housing Strategy & Development presented a report which sought approval to transfer the title of properties registered in the name of the District Council to Nottingham Community Housing Association (NCHA).

The Council, in the 1980's, provided loans to NCHA combined with Housing Corporation funding to develop new build social housing in the District. Until the loans were re-paid by NCHA the Council retained a charge on the properties. The Council provided such a loan to develop 19 properties at Bellmond Close, Lilac Close, Sycamore Close and Bailey Road, Newark and the loan was paid back in full in early 2004. A schedule of these properties was set out at Appendix A. On repayment of the loan it was standard practice to return the Title Deeds for the properties to NCHA in order for them to transfer title with the Land Registry. The Council sent the Title Deeds to NCHA for all 19 properties in April 2005. However, it had recently been

established that NCHA could not trace receipt of the Title Deeds and so the properties were still registered in the District Council's name.

AGREED (unanimously) that the Council enter into a transfer of the 19 listed properties (identified at Appendix A to the report) for the nominal sum of £1.

Reason for Decision

To transfer the legal title of properties (detailed in Appendix A) currently registered to the District Council to Nottingham Community Housing Association.

70 POLICY & FINANCE COMMITTEE REVENUE BUDGET 2019/20

The Business Manager – Financial Services presented a report which informed Members of the budget and scale of fees and charges for the areas falling under the remit of the Policy & Finance Committee for 2019/20. A summary of the Committee by Service Team was provided at Appendix A, together with a summary at subjective level for the whole Committee at Appendix B. A schedule of proposed levels of fees and charges pertaining to the Committee were given at Appendix C.

The current draft budget showed an increase in 2019/20. Direct service expenditure and income excluding deferred and capital charges, and all central services recharges currently showed an overall increase of £171,430 against the 2018/19 budget. This was an increase of 4.43%. The report showed the major variances between 2018/19 and 2019/20.

The Committee questioned whether more information in respect of the budget process was required in the form of the in-year outturn figures but it was noted that this would require specific changes to the agreed Budget Strategy which was presented to the Committee on an annual basis in September.

AGREED (unanimously) that:

- (a) the final Committee budget as shown at Appendix A to the report be recommended to Policy & Finance Committee at its meeting on 21 February 2019 for inclusion in the overall Council budget; and
- (b) the scales of fees and charges as shown at Appendix C to the report be recommended to Policy & Finance Committee at its meeting on 21 February 2019 and Council on 7 March 2019.

Reason for Decision

To ensure that the final budget proposals and the level of fees and charges for 2019/20 are recommended to Policy & Finance Committee on 21 February 2019.

71 HOUSING REVENUE ACCOUNT BUDGET AND RENT SETTING 2019/20

The Business Manager - Financial Services presented a report in relation to the Housing Revenue Account Budget and rent setting for 2019/20. The report showed the actual outturn of the Housing Revenue Account for the year 2017/18; examined the proposed income and expenditure on the Housing Revenue Account for 2019/20; and in accordance with Section 76 of the Local Government and Housing Act 1989, made recommendations to avoid a deficit on the Housing Revenue Account. The report also set out indicative figures of income and expenditure for the financial years 2020/21 to 2022/23.

The report also made recommendations to set rent levels and service charges with effect from April 2019 and sought to determine charges for garage rents, plots and garage ports and housing support service charges.

In respect of the annual management fee payable to Newark and Sherwood Homes in accordance with the Management Agreement it was reported that this was still to be formally agreed with Newark & Sherwood Homes.

The setting of the Housing Revenue Account budget and the approval of rent levels would be presented to the Full Council Meeting in February 2019 which would allow the required time to notify tenants of proposed changes to rents in accordance with the legislation.

Since April 2012, following the housing finance reforms, the Housing Revenue Account had been operating within a 30 year self-financing HRA Business Plan. Officers had been working with colleagues from Newark and Sherwood Homes to monitor and review the Business Plan, which informed the 2019/20 budget process and medium term financial plan 2020/21 to 2022/23. The HRA budget proposed in the report was based on the Government announcement made on 8 July 2015, stating that local authorities must secure that the amount of rent in the relevant year by a tenant of social housing is 1% less than the amount that was payable by the tenant in the previous 12 months. This 1% per year rent reduction commenced in 2016/17 and would continue for 2019/20. The cumulative impact of the 1% rent reduction had been factored onto the HRA Business Plan and was reflected in the proposed budget.

It was also noted that in 2019/20, 53 Mondays fall in the financial year which had created further issues which required consideration. In light of this the budget had been prepared with rent for 52 weeks which had also been factored into the HRA Business Plan.

AGREED (unanimously) that the following recommendations be made to Council at its meeting on 12 February 2019:

- i. the Housing Revenue Account budget for 2019/2020 be approved;
- ii. delegated authority be given to the Director of Governance and Organisational Development to agree the Management and Maintenance Fee with Newark and Sherwood Homes which was to be included within the Housing Revenue Account budget for 2019/20;

- iii. additional payments for the management of Gladstone House be made to Newark and Sherwood Homes;
- iv. the rent of all properties in the Housing Revenue Account, as at 31 March 2019, be decreased by 1% in accordance with Welfare Reform and Works Act;
- v. the rent on temporary accommodation be increased by CPI plus 1% (3.4% from 1 April 2019);
- vi. that all services charges and support charges should be increased by CPI plus 1% (3.4%) with effect from April 2019; and
- vii. that garage, garage plot and garage port rents are increased by 3.4% in line with CPI + 1% with effect from 1st April 2019.

Reason for Decision

To advise Members of the proposed HRA budget for 2019/2020, the rent levels, garage rent, garage plots, garage ports and Housing Support Service Charge levels and for all to be recommended to Full Council.

72 BUSINESS RATES - NEW RETAIL DISCRETIONARY RATES RELIEF

The Business Manager – Revenues & Benefits presented a report which sought adoption of a proposed new Business Retail Rates Relief Scheme for the 2019/20 and 2020/21. The Government announced on 29 October 2018 that it would provide business rates relief of up to one third to all occupied retail properties with a rateable value of £51,000 or less in each of the years 2019/20 and 2020/21. As this measure was for two years only the government would reimburse local authorities that use their discretionary relief powers to grant relief. It was for individual local billing authorities to adopt a local scheme and decide in each individual case when to grant relief.

Properties that were occupied with a rateable value of £51,000 or less, which were wholly or mainly being used as shops, restaurants, cafes and drinking establishments would qualify for relief. The report set out a broad but not inclusive list of those businesses which would qualify. Equally the report identified the types of properties that would not qualify as they were being used for the provision of services such as banking and medical.

AGREED (unanimously) that the proposed new Business Retail Rates Relief Scheme for the 2019/20 and 2020/21 financial years be adopted.

Reason for Decision

To establish a local business rates retail relief scheme for the financial years 2019/20 and 2020/21.

73 URGENCY ITEM - HOUSING MANAGEMENT SERVICE REVIEW - APPOINTMENT OF FINANCIAL CONSULTANT

The Committee noted the decision to approve the appointment of Savills to undertake an analysis of relevant financial and other information to support the delivery of the review project.

AGREED (unanimously) that the urgency item be noted.

Reason for Decision

To deliver the review work within the proposed timeframe.

74 URGENCY ITEM - APPOINTMENT OF DIRECTOR OF GROWTH AND REGENERATION

The Committee noted the decision to constitute a Chief Officers Appointment's Panel to appoint the Director – Growth & Regeneration.

AGREED (unanimously) that the urgency item be noted.

Reason for Decision

To enable the implementation of the revised management structure.

75 EXCLUSION OF THE PRESS AND PUBLIC

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

76 LAND AT QUIBELL'S LANE, NEWARK

The Committee considered the exempt report presented by the Director – Governance & Organisational Development regarding land at Quibell's Lane, Newark.

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

77 SOUTHWELL LEISURE CENTRE TRUST

The Committee considered the exempt report of the Director – Communities & Environment regarding the Southwell Leisure Centre Trust.

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

78 THE BUTTERMARKET, NEWARK - UPDATE

The Committee considered the exempt report presented by the Business Manager – Planning Development regarding the Buttermarket, Newark.

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

Meeting closed at 7.35 pm.

Chairman