

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, 23 January 2020 at 6.00 pm.

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

Councillor R Jackson, Councillor P Peacock, Councillor T Wendels,
Councillor R White and Councillor R Blaney (substitute for Councillor B
Clarke-Smith)

ALSO IN ATTENDANCE: Councillor L Goff

APOLOGIES FOR ABSENCE: Councillor B Clarke-Smith

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

Councillor D Lloyd declared a conflict of interest in respect of Agenda Item No. 12 – Blidworth Leisure Centre – Steam and Sauna Project – Minute Amendment - as a Director of Active4oday.

Councillor T Wendels and Sanjiv Kohli declared conflicts of interest in respect of exempt Agenda Item No, 15 – Arkwood Developments Limited – Bowbridge Road Development, Newark – as Directors of Arkwood Developments Limited.

66 DECLARATIONS OF INTENTION TO RECORD THE MEETING

The Chairman advised that the proceedings were being audio recorded by the Council and the meeting was being streamed live.

67 MINUTES OF THE MEETING HELD ON 28 NOVEMBER 2019

The minutes from the meeting held on 28 November 2019 were agreed as a correct record and signed by the Chairman.

68 FORWARD PLAN OF POLICY & FINANCE ITEMS

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

The Chairman advised that the Newark & Sherwood Place Plan report was now due to be presented to the meeting on 2 April 2020.

69 NEWARK AND SHERWOOD HOMES ASSET TRANSFER

The Capital Projects Manager presented a report concerning the disposal of Newark and Sherwood Homes' wholly owned assets. It was reported that between 2014 and

2018 Newark and Sherwood Homes had acquired 25 properties through development and a number of acquisitions. A determination was required to be made, as to the future of these properties, ahead of winding up the company.

The Committee were presented with three available options in respect of the properties: to maintain Newark and Sherwood Homes as a shell company; to effect a sale of the assets to a third party; or to transfer the assets to the Council's Housing Revenue Account. The implications for each option were detailed in the report.

AGREED (unanimously) that:

- (a) the Council approve the transfer of the 25 Newark & Sherwood Homes' owned properties into the ownership of Newark & Sherwood District Council's Housing Revenue Account, in accordance with the Transfer Agreement to be entered into between Newark and Sherwood Homes and the Council; and
- (b) in the event that the company owned properties are not transferred into the ownership of the Council on the date of the transfer of the housing management service on 1 February 2020, that the Director - Governance & Organisational Development be given delegated authority to require their transfer from the Company on a later date.

Reason for Decision

Retention of these assets will give security to the tenants living within them and the transfer will support the viability of the Council's Housing Revenue Account Business Plan.

70 HOUSING MANAGEMENT SERVICE - TRANSFER FROM NEWARK AND SHERWOOD HOMES LTD

The Director – Governance & Organisational Development presented a report which sought to approve the necessary legal agreements to facilitate the transfer of the housing management service from Newark and Sherwood Homes Ltd back to the Council.

To facilitate the transfer it was necessary for the parties to enter into a Transfer Agreement incorporating the terms by which the parties agree what is to happen all existing company contracts, assets and liabilities. The Transfer Agreement was in the process of being drafted on the basis of heads of terms as detailed in the report.

AGREED (unanimously) that:

- (a) approval be given for the Transfer Agreement to be entered into on the basis of the Heads of Terms as detailed in paragraph 3 of the report, and delegated authority be given to the Director - Governance & Organisational Development to approve the final agreement terms on the behalf of the Council in order to best facilitate the transfer of the housing management service and the Company's assets and liabilities by the 1 February 2020; and

- (b) the proposed amendment to Newark and Sherwood Homes Ltd.'s Articles of Association as set out in paragraph 4 of the report be supported, and delegated authority be given to the Director - Governance & Organisational Development to implement any Shareholder resolutions/decisions required on the part of the Council to facilitate this.

Reason for Decision

To facilitate the transfer of the Housing Management Service from the Company to the Council.

71 GARDEN WASTE UPDATE

The Business Manager – Environmental Services presented a report which updated Members on progress for bringing the garden waste service back to Newark & Sherwood District Council for properties currently served by Rushcliffe Borough Council and Mansfield District Council.

Following a decision by the Leisure & Environment Committee in 2019, the garden waste service was to be brought back in house with the Council commencing service delivery for the whole District as from 1 April 2020. It was reported that the customer service system was in testing ready for rollout on 1 April with customer communications expected to be issued as from 3 February informing of the change in service provision and requesting sign up for 2020/21.

The Business Manager – Environmental Services advised that the decision to bring the service back in house was based on customer numbers and financial information provided in the business case. Updated customer numbers and updated costings were set out in the report and the Business Manager – Environmental Services was able to report latest figures, which he advised had improved the financial position further.

The Members noted that the £370,000 was no longer required for the purchase of two 32 tonne trucks. Therefore, £89,410 could be allocated to the three new vehicles required following the waste management review, leaving £280,590 no longer required in the Capital Programme.

AGREED (unanimously) that:

- (a) Members note the updates within the report;
- (b) the £280,590 no longer required for the refuse collection vehicles be removed from the Capital Programme in order to reallocate the capital receipts to other projects; and
- (c) the Garden Waste Service charge for 2020/21 be set at £35.

Reason for Decision

To enable the Council to provide a garden waste service that delivers a quality customer experience and contributes to the Council's 'green' aspirations.

72 2020/21 HOUSING REVENUE ACCOUNT (HRA) BUDGET AND RENT SETTING

The Business Manager - Financial Services presented a report in relation to the Housing Revenue Account Budget and rent setting for 2020/21. The report showed the actual outturn of the Housing Revenue Account for the year 2018/19; examined the proposed income and expenditure on the Housing Revenue Account for 2020/21 in accordance with Section 76 of the Local Government and Housing Act 1989; and provided indicative figures of income and expenditure for the financial years 2021/22 to 2023/24.

The report also made recommendations to set rent levels and service charges for 2020/21 with effect from April 2020 and detailed the 2020/21 allocation for housing management services. It was noted that in previous years this would have been the management fee payable by the Council to Newark and 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 2020, which would allow the required time to notify tenants of proposed changes to rents in accordance with the legislation.

AGREED (with 6 votes for and 1 against) that the following recommendations be made to the Full Council at its meeting on 11 February 2020:

- (a) the HRA budget for 2020/2021 as set out in Appendix A1 to this report;
- (b) an increase of 2.7% (CPI + 1%) in the 2020/21 rents of all properties in the HRA as at 31 March 2020;
- (c) an increase of 2.7% (CPI + 1%) in all 2020/21 service charges, except for the television (TV) licence costs payable by tenants of Gladstone House; and
- (d) that the TV licence costs payable by tenants of Gladstone House in 2020/21 remain at £0.21 per week.

Reason for Decision

To advise members of the proposed Housing Revenue Account budget and changes in rent and service charge levels for 2020/21 and for these to be recommended to Full Council at its meeting on 11 February 2020.

73 POLICY & FINANCE COMMITTEE REVENUE BUDGET 2020/21

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 2020/21. Appendices A and B to the report summarised the budget proposed for the Committee for 2020/21 by service team and subjective level respectively. Appendix C to the report listed the reasons for increases or decreases of over £5,000 between the 2019/20 initial budget and

proposed 2020/21 budget for services in Policy & Finance Committee. A schedule of proposed levels of fees and charges pertaining to the Committee were given at Appendix D.

The current draft budget showed an increase in 2020/21 of £206,000 which was a 5% increase against the 2019/20 budget. The budget had been developed to reflect the corporate priorities of the Council.

The Committee questioned the proposed fees and charges for booking of the Civic Suite at Castle House and asked for these to be reviewed.

AGREED (unanimously) that:

- (a) the base budget as shown at Appendix A to the report be recommended to the Policy & Finance Committee at its meeting on 20 February 2020 for inclusion in the overall Council budget; and
- (b) the scale of fees and charges as shown at Appendix D to the report be recommended to the Policy & Finance Committee on 20 February 2020 and Full Council on 9 March 2020.

Reason for Decision

To ensure that the budgets and fees and charges finally proposed for 2020/21 are recommended to Policy & Finance Committee on 20 February 2020.

74 PROPOSED REFURBISHMENT OF THE ATP HOCKEY PITCH AT MAGNUS ACADEMY - LOAN OFFER

The Health Improvement & Community Relations Manager presented a report which sought approval for the Council to loan the Magnus Academy £240,000 to replace the existing Artificial Turf Pitch (ATP) in order to ensure that Newark Hockey Club can continue to play competitive matches and train in Newark.

The current ATP was constructed in 2001 as part of a larger Sport England grant funded project to improve sports provision at Magnus School, with Newark Hockey Club being a key partner and primary user of the facility for the last 19 years. This was a sand-filled ATP which was the preferred surface for competitive hockey and had now reached the end of its usable life.

In order to progress proposals a project team had been created with representatives from Magnus Academy, Newark Hockey Club, England Hockey and the District Council with support from Sport England. An indicative cost for the project was estimated to be in the region of £300,000 and it was hoped that grant support of circa £60,000 could be achieved.

It was proposed that the Council help fund the gap by way of loan over a 15 year period in line with the estimated life of any new pitch. Based on initial calculations, the loan repayments would be consistent with the hire charges currently paid to the Magnus Academy by the Hockey Club for use of the pitch. The Committee supported

the proposal but wished to ensure that the Magnus Academy made appropriate financial arrangements, through a repairs and renewals scheme for example, in order they can cover replacement costs when the ATP again reached the end of its usable life.

AGREED (unanimously) that:

- (a) delegated authority be given to the Director - Resources to negotiate a loan with the Magnus Academy of up to £240,000 to enable the refurbishment of the existing ATP, with the detail of these negotiations following consultation with the Chairman, Vice-Chairman and Opposition Spokesperson of the Committee;
- (b) the loan agreement outlining the terms and conditions of the repayment schedule is negotiated with the Magnus Academy to ensure that financial regulations and probity are ensured;
- (c) the creation of a capital budget, within the 2019/20 Capital Programme, for the £240,000 to be financed by borrowing be approved; and
- (d) the Magnus Academy project team works collaboratively and uses its best endeavours to secure a reasonable level of grant funding towards the proposals in order to reduce the loan amount and corresponding repayments.

Reason for Decision

To ensure that Newark Hockey Club can continue to play competitive matches and train in Newark in addition to providing an ongoing community facility.

75 BLIDWORTH LEISURE CENTRE - STEAM & SAUNA PROJECT - MINUTE AMENDMENT

The Health Improvement & Community Relations Manager presented a report which sought to adopt the correct recommendations which had been made by the Leisure & Environment Committee. The original report, seeking approval to progress with the building of a steam and sauna facility at Blidworth Leisure Centre was submitted to both Leisure & Environment Committee (25 June 2019) and Policy & Finance Committee (27 June 2019). Unfortunately, the resolution of the Leisure & Environment Committee, which specified the amount to be put into the Capital programme, was not referred to the Policy & Finance Committee.

It was noted that since the June meetings, the advice has been that due to the lease agreement the Council should carry out this work. Therefore, the full budget required to carry out the work should be added to the Capital Programme financed by the available Section 106 monies and available Capital Receipts.

AGREED (unanimously) that:

- (a) the Committee note the recommendations from the Leisure & Environment Committee with these being endorsed; and

- (b) the creation of £75,000 capital budget within the 2019/20 Capital Programme, to be financed by £30,980 from S106 monies and £44,020 from the Council's general fund capital resources, subject to the conclusion of the legal discussion being finalised, be approved.

Reason for Decision

To ensure that the recorded decision reflects the proposal for the purposes of transparency and the avoidance of doubt.

76 URGENCY ITEM - PENSION LIABILITY - NEWARK AND SHERWOOD HOMES

The Committee noted the decision that the Council took the options of the on-going cessation in respect of the transfer of Newark and Sherwood Homes' pension liability, and to pre-pay its secondary contributions in respect of the triennial valuation.

AGREED (unanimously) that the Urgency Item be noted.

Reason for Decision

To reduce the indicative primary rate contributions and the secondary rate contributions.

77 EXCLUSION OF THE PRESS AND PUBLIC

AGREED (unanimously) 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.

78 ARKWOOD DEVELOPMENTS LTD - BOWBRIDGE ROAD DEVELOPMENT, NEWARK

The Committee considered the exempt report of the Director – Governance & Organisational Development and Business Manager – Financial Services concerning the development of Bowbridge Road, Newark by Arkwood Developments.

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

Meeting closed at 7.00 pm.

Chairman