

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Policy & Finance Committee** held in the Broadcast from the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Thursday, 25 June 2020 at 2.00 pm.

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

Councillor R Jackson, Councillor P Peacock, Councillor T Wendels and
Councillor R White

APOLOGIES FOR Councillor B Clarke-Smith
ABSENCE:

108 REMOTE MEETING LEGISLATION

The meeting was held remotely, in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

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

Councillor Keith Girling declared a Personal Interest in Agenda Item No. 8 - Newark and Sherwood Homes Voluntary Winding Up and Dissolution as a Director of Newark and Sherwood Homes and also in Agenda Item No 15 (i) Payment of Management Fees to Active For Today, as a Director of Active4Today.

110 DECLARATIONS OF INTENTION TO RECORD THE MEETING

The Chairman advised that the proceedings were being audio recorded by the Council and that the meeting was being broadcast from the Civic Suite.

111 MINUTES OF THE MEETING HELD ON 2 APRIL 2020

The minutes from the meeting held on 2 April 2020 were agreed as a correct record and signed by the Chairman.

112 URGENCY ITEM - REPORT OF DECISIONS TAKEN ON 2 APRIL 2020

The Committee noted the urgency item which reported the decisions taken following their meeting on 2 April 2020. The Government passed legislation enabling Regulations to be made for Councils to undertake committee meetings remotely. However, the Regulations setting out the detailed provisions and the procedures to be followed were not published by the date of the 2 April 2020 meeting. Therefore, the Committee was asked to make recommendations to the Council's Chief Executive to determine each item of business under the urgency provisions set out in paragraph 7.2.1 of the Council's Constitution, taking into account the Committee's recommendations.

AGREED (unanimously) that the urgency item be noted.

Reason for Decision

To effect the decisions of the 2 April Policy & Finance Committee.

113 FORWARD PLAN OF POLICY & FINANCE ITEMS

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

114 ANNUAL REVIEW OF EXEMPT ITEMS

The Committee considered the report of the Chief Executive regarding the exempt items considered by the Committee during the period 21 May 2019 to date. The report listed the exempt items considered and it was reported that it was the view of the report authors that all items remained confidential.

AGREED (unanimously) that the report be noted with no items being released into the public domain.

Reason for Decision

To advise Members of the exempt business considered by the Policy & Finance Committee for the period 21 May 2019 to date and those items which can now be released into the public domain.

115 NEWARK AND SHERWOOD HOMES LTD - VOLUNTARY WINDING-UP AND DISSOLUTION

The Director – Governance & Organisational Development presented a report which sought to give delegated authority to the Chief Executive and/or the Director - Governance and Organisational Development to act on behalf of the Council as sole shareholder to authorise all documentation necessary to effect the voluntary winding-up and dissolution of Newark and Sherwood Homes Limited (the Company).

At its meeting of 26 September 2019, the Policy & Finance Committee agreed to transfer the Council's housing management service back in-house for direct service provision, and to commence the necessary processes for the subsequent wind-up and dissolution of the Company. The housing management service, including all its assets and liabilities, transferred to the Council on 1 February 2020.

The Newark and Sherwood Homes' Board was due to meet shortly to agree to commence the process to voluntarily wind-up and dissolve the Company. As the Council was sole shareholder of the Company, it was necessary for the Council to approve the voluntary dissolution of the Company before an application was made to Companies House as part of the dissolution process. Delegated authority to act on behalf of the Council would enable officers to attend the Newark and Sherwood Homes Board/Shareholder meeting and give the necessary approvals.

AGREED (unanimously) that delegated authority be given to the Chief Executive and/or the Director - Governance & Organisational Development to attend the necessary Newark and Sherwood Homes Board/Shareholder meetings on behalf of the Council in its capacity as sole shareholder, and authorise all documentation necessary to effect the voluntary winding-up and dissolution of Newark and Sherwood Homes Limited.

Reason for Decision

To progress the decision of the Council to dissolve Newark and Sherwood Homes Ltd, given that assets and liabilities transferred to the Council on 1 February 2020.

116 NEWARK SOUTHERN LINK ROAD UPDATE

The Director – Planning & Growth presented a report which updated Members on the importance of completing the currently part constructed (phase 1) Newark Southern Link Road (SLR) and progress on securing a funding package for delivery. It was noted that Phase 1 of the SLR was complete, save for the A1 roundabout, which would allow for the construction of up to 599 dwellings.

The ‘master’ developers Urban&Civic, secured a conditional £11.2million loan agreement from the Homes & Communities Agency (now Homes England) to fund delivery of Phase 1 of the SLR. Whilst the costs involved outstripped this loan, work on the SLR commenced in 2017, allowing the current house builders to start delivering new homes. Funding for the remainder of the SLR remained a significant obstacle to its delivery, with overall costs going beyond what was reasonably manageable by a developer.

Current calculations for the cost of delivering the SLR stood at £62.1 million. Homes England and Urban&Civic were working on an intervention package which would likely comprise loan and grant to significantly close this funding gap. It was expected that a final agreement would be reached between Homes England and Urban&Civic before the end of the calendar year. Working closely with the County Council and the Highways Authority, ongoing dialogue had led to an agreement in principle to provide additional grant with District Council and County Council capital funds. It was recommended that the District Council contribution be increased by £2.5m to £5m in total.

The report to Members outlined the economic benefits of completion of the SRL, and implications should the project fail.

AGREED (unanimously) that:

- a) the Council commits an overall capital contribution of £5,019,215 (funded by existing resources) towards the delivery of the SLR, subject to the following:
 - i. Agreement from NCC to match the Council’s contribution towards the SLR of up to £5m;

- ii. Confirmation from Homes England and Urban&Civic that an intervention package has been agreed between them that will allow for full delivery of the SLR, subject to the funding already committed by NSDC and the LEP, and to the maximum collective contributions from NCC and NSDC of £10m (split 50%/50%); and
- b) the Director – Planning & Growth, in consultation with the Business Manager - Legal Services, be given delegated authority to enter into an agreement with Urban&Civic, subject to satisfaction of a) above to agree appropriate milestones for the release of monies to deliver the full SLR.

Reason for Decision

To secure the full delivery of the Newark Southern Link Road and unlock significant benefits of reduce congestion, accelerated housing delivery, employment, recreation, and education provision. In doing so, delivery of the SLR will prevent service consequences in terms of financial, community, and highway impacts.

117 FUNDING NEW INFRASTRUCTURE

The Director – Planning & Growth presented a report detailing a proposed approach for the implementation of government directed changes to the reporting of the Council's developer contributions (both Section 106 contributions and Community Infrastructure Levy receipts) collection, allocation and spending on new infrastructure associated with new development.

The report set out the proposed figures for expected population growth and anticipated infrastructure needs associated with this level of growth which were set out in the Infrastructure Delivery Plan. The proposed Infrastructure Finance Statement would set out the legislative context, planned growth, CIL collected, S106 and expected developer contributions and a review of the Councils spending priorities.

The report set out the current position in respect of Section 106 contributions as at the end of March 2020, a summary of CIL receipts and a proposed hierarchical approach to spending priorities. In addition, the report detailed the governance arrangements, considerations for developing the infrastructure funding statement and the scheduling of spending and emerging requests.

AGREED (unanimously) that:

- a) the proposed approach to defining spending priorities for developer contributions set out at paragraph 4.4 of the report be agreed;
- b) the Infrastructure Funding Statement be developed in line with paragraphs 4.5 and 4.6 of the report; and
- c) subject to confirmation of the appropriate request from Nottinghamshire County Council being received, a £620,000 Capital Budget be approved,

financed by CIL receipts as set out in paragraph 4.11 of the report.

Reason for Decision

So that a proposed approach for defining spending priorities for development contributions can be agreed; to enable officers to prepare an Infrastructure Funding Statement to be prepared to meet the requirements of Community Infrastructure Regulations; and to enable officers to investigate consideration of funding additional facilities through CIL at Joseph Whitaker School.

118 NATIONAL CIVIL WAR CENTRE ADMISSION POLICY POST COVID-19 LOCKDOWN

The Business Manager - Heritage, Culture and Visitors presented a report which proposed an amendment to the Admission Policy for the National Civil War Centre (NCWC) as part of the recovery plan following the COVID-19 lockdown.

In preparing to re-open, it had become clear that COVID-secure measures would have an impact on the NCWC offer. Entry would need to be limited to a fixed number at periods throughout the day, and visitors would be expected to follow a pre-determined route through the NCWC to avoid cross-over which would not comply with social distancing. Aspects of the NCWC would need alteration – from closure of the cinema and top floor galleries and removal of the dressing up area, to removal of interactives. Therefore, to support and encourage as wide a range of residents as possible to visit the NCWC and engage with a positive, cultural experience in a safe, controlled environment, whilst acknowledging the limitations of this revised offer, it was proposed to remove the admission fee for Newark and Sherwood residents and introduce a reduced admission fee for external (tourism) visitors until the end of August. It was noted that the proposed two month period of free entry would mean a loss of income equating to £5,833.

AGREED (unanimously) that:

- (a) the NCWC offers free admission to residents for a maximum two month period (covering July and August 2020) to support the rebuilding of our local community, increase footfall to the town in a controlled manner to support the local economy and to offer cultural services which are proven to be of benefit in supporting residents' mental health and well-being;
- (b) the NCWC offers a reduced admission price to external (tourism) visitors which reflects the reduced and altered offer whilst still providing a valuable visit and supports the longer term rebuilding of the visitor economy; and
- (c) a further report be brought to the Economic Development Committee in due course relating to the findings from the Audience Research report and the measured outcomes of this policy change through the summer, to support strategic future planning for the sustainable delivery of Heritage and Cultural services.

Reason for Decision

To support the recovery of the Heritage and Culture business unit by encouraging footfall and new audiences and to support recovery of the Town Centre economy and tourism.

119 NEWARK & SHERWOOD DISTRICT COUNCIL'S COVID-19 RESPONSE TO DATE

The Assistant Director - Transformation & Communications presented a report which set out an overview of the impact of Covid-19 on Newark & Sherwood District Council's services to date including a summary of how the Council had responded to the challenge of Covid-19 by working differently to continue to deliver for its residents, businesses and communities; and an outline of how the Council may adapt as a result of Covid-19.

The comprehensive report detailed an overview of the Council's emergency planning, impact on existing services, the additional work that the Council had undertaken during the period, support available for staff and a high level summary of the plan for transitioning out of Covid-19.

The Committee thanked Council officers for their efforts to date in respect of the Covid-19 response and the Chief Executive referred to the important community leadership now being carried out by Members.

AGREED (unanimously) that the report be noted as a summary of the pandemic response, and that the context be considered for future working.

Reason for Decision

To provide context for future working and decision making.

120 COMMUNITY PLAN - ANNUAL YEAR END PERFORMANCE REPORT

The Assistant Director - Transformation & Communications presented a report which provided a summary of the position against actions and Key Performance Indicators (KPIs) in the Council's Community Plan 2019/23 at the end of the financial year 2019/20 including information on customer contact, complaints and requests for information.

It was noted that the performance for key performance indicators at the end of 2019/20 showed that of the 85 indicators, 17 were green, 3 were amber and 4 were red. One completed indicator was the implementation of the preferred option for management of the Council's housing stock which was completed two months ahead of schedule.

AGREED (unanimously) that the report be noted.

Reason for Decision

To enable Members to proactively monitor and manage achievement of the Council's objectives as set out in the Community Plan.

121 URGENCY ITEMS TAKEN DURING COVID-19 PANDEMIC

The Committee noted the urgency item decisions which had been taken to date during the Covid 19 Pandemic. It was noted that the urgency decision provision under paragraph 7.2.1 of the Council's Constitution had been widened to extend the consultation to include the Leaders of all the political groups of the Council.

The urgency items reported were as follows:

Payment of Management Fees to Active4Today for 2019/20 and 2020/21
Reinstatement of Garden Recycling Services
Local Discretionary Business Grants Fund
Car Parking Charges Review – Covid-19

AGREED (unanimously) that the urgency items be noted.

122 ENVIRONMENTAL SERVICES PROJECT UPDATE

The Projects Officer - Transformation and Communications presented a report which updated the Committee on the project to realign and invest in Environmental Services to facilitate effective delivery of the Community Plan.

As part of the report, it was noted that the Environment Strategy was due to be presented to this Committee alongside the project update report, however, due to the dramatic impact of the pandemic the strategy needed to be reviewed and realigned. This Strategy would cover the period 2020-2023 and summarise the strategic direction for refuse, recycling and green spaces and would be presented later in the year. The project itself was expected to close in May 2020 however Environmental Services had to redirect their primary focus to keeping essential services running through the Covid-19 crisis, meaning that some project work streams had been scaled back and others, paused in recognition of the changing local and national picture. The report summarised the work done and planned, and highlighted where Covid-19 had impacted project outputs.

AGREED (unanimously) that the progress made in the development of Environmental Services be noted.

Reason for Decision

To ensure Members are informed on the progress made to deliver the improvement required to ensure delivery of the Community Plans' objectives.

123 COUNCIL'S ANNUAL BUDGET 2021/22 - OVERALL CORPORATE BUDGET STRATEGY

The Business Manager – Financial Services presented a report which set out the Budget Strategy for 2021/2022 prior to detailed work commencing on preparation of the budget. The Council's Constitution required that the Council's Section 151 Officer present a report on the overall Budget Strategy to the Policy & Finance Committee for approval. The budget process would result in the setting of the budget and the Council Tax for 2021/22.

The Strategy took into consideration agreed financial policies on Budgeting and Council Tax, Reserves and Provisions, Value for Money and also a set of budget principles which set out the approach to be taken to the budget process. These policies had been reviewed and updated as appropriate and were attached as appendices to the report.

The current Medium Term Financial Plan (MTFP) was approved on 9 March 2020. The report set out a summary of the financial forecast identified within the current MTFP assuming that Council Tax at average Band D would increase by the same rate as the previous three financial years, namely 1.94%. The gap in the Council's budget in future years meant that as well as further efficiencies the Council would need to generate new revenue streams which was the task of the Organisational Improvement and Development Business Unit.

The report also set out a number of underlying assumptions which would be applied in compiling the draft budget for 2021/22 including staff costs, provision for inflation and fees and charges.

It was noted that at the time of writing the budget strategy, the Council was still in the midst of the Covid-19 Pandemic. Therefore, anticipated levels of income remained uncertain.

AGREED (unanimously) that:

- (a) the overall budget strategy be approved;
- (b) the consultation process with elected Members be noted;
- (c) budget officers continue work on the assessment of various budget proposals affecting services for consideration in setting the Council's budget; and
- (d) budget managers work with finance officers in identifying further efficiency savings, increasing income from fees and charges and in identifying new income.

Reason for Decision

To enable the Council's budget process to proceed encompassing agreed assumptions.

The Business Manager – Financial Services presented a report which set out the 2019/20 financial outturn position on the Council’s revenue and capital budgets including: General Fund Revenue; Housing Revenue Account; Capital Programme; Provisions and Impaired Estimates on Debtors; Usable Reserves; Collection Fund; Balance Sheet; and Treasury Management. The accounts showed a favourable variance of £0.399m on service budgets with a total favourable variance of £1.254m.

AGREED (unanimously) that:

- (a) the final outturn of revenue and capital spending for 2019/20 be approved;
- (b) the capital financing proposals as set out in Appendix C to the report, that will be passed to the external auditors as part of the 2019/20 Statement of Accounts, be approved;
- (c) the net variations of £7.698m not spent in 2019/20 on the Capital Programme, be re-profiled and carried forward into 2020/21;
- (d) the movement in Provisions and Impaired Estimates on Debtors be approved;
- (e) the creations of the new reserves, as outlined in paragraph 2.21 to the report, be approved;
- (f) the individual contributions to, and withdrawals from, the revenue and capital Usable Reserves be approved;
- (g) the contents of the Pension Fund Actuary report and the proposed assumptions to be used in the IAS19 pensions report for inclusion in the 2019/20 Statement of Accounts be approved;
- (h) the Policy & Finance Committee receives the Annual Report on Treasury Management Activity and comments as appropriate for referral onto the Council for information, as required by the Chartered Institute of Public Finance and Accountancy’s Code of Practice on Treasury Management; and
- (i) the Committee note that the Treasury Management activities are consistent with the objectives identified in the Treasury Management Strategy for 2019/20.

Reason for Decision

To approve the Financial Outturn for the Council for the 2019/20 financial year.

125 HR AND PAYROLL SYSTEM UPDATE

The Business Manager - Financial Services presented a report regarding a proposed

extension to an existing contract with Access UK Limited who supported and maintained the Council's HR & Payroll system. This proposed extension would be for a 2 year period from 1 July 2020 to 30 June 2022 with the total value equating to £70,682. Extending in this way would give the Council sufficient time to procure and implement a new system. It was proposed that the fresh procurement exercise would begin in December 2020 in order to ensure that there was sufficient time to complete the implementation.

AGREED (unanimously) that:

- (a) an exemption to the Contract Procedure Rules be approved in order to enable the Council to enter into a contract extension with Access UK Limited from 1 July 2020 for a period of 2 years at a total cost of £70,682; and
- (b) the Council commence a procurement exercise for the provision of its HR and Payroll system by December 2020.

Reason for Decision

To ensure continuity of the Council's HR and Payroll system and a smooth transition to a new system and/or provider.

126 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 Part 1 of Schedule 12A of the Act.

127 URGENCY ITEM - REPORT OF EXEMPT DECISIONS TAKEN ON 2 APRIL 2020

The Committee considered the exempt report regarding the exempt decisions taken by the Committee on 2 April 2020.

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

128 EXEMPT URGENCY ITEM TAKEN DURING COVID-19 PANDEMIC

The Committee considered the exempt urgency item decision taken during the Covid 19 Pandemic.

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

129 DUKERIES LEISURE CENTRE - NEW SWIMMING POOL

The Committee considered the exempt report regarding the Dukeries Leisure Centre new swimming pool.

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

Meeting closed at 4.35 pm.

Chairman