

CABINET**MINUTES OF MEETING HELD ON 10 FEBRUARY 2016****I N D E X**

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CABINET

MINUTES OF MEETING HELD ON 10 FEBRUARY 2016

Present:

Councillor G Baxter MBE Leader (in the Chair)

Councillor J Austen

" N Barker

" M Gordon

Councillor Mrs E A Hill

" P R Kerry

" Mrs L Robinson

590 Apologies for Absence

All members of Cabinet were present at the meeting.

591 Declarations of Interests

Members were requested to declare the existence and nature of any disclosable pecuniary interests and/or other interests, not already on their register of interests, in any item on the agenda and withdraw from the meeting at the appropriate time.

Councillors N Barker and Mrs E A Hill declared non-significant interests in relation to item 9 – Medium Term Financial Plan – arising from their membership of the Rykneld Homes Board. It was noted that as these interests were non-significant Councillors N Barker and Mrs E A Hill could remain in the meeting for this item.

592 Minutes of Last Meeting

RESOLVED – That the Minutes of the meeting of the Cabinet held on 13 January 2016 approved as a correct record and signed by the Leader.

593 Minutes of the Member Development Working Group – 7 January 2016

RESOLVED – That the Minutes of the Member Development Working Group held on 7 January 2016 be noted.

594 Asset Management Strategy & Plan 2015-2018: Non Housing Property and Land

Cabinet considered Report No JA/02/15-16/GG of Councillor J Austen which recommended for approval an Asset Management Strategy and Plan.

The purpose of the Asset Management Strategy and Plan was to make the Council's guidance and procedures in relation to dealing with corporate assets, land and property more transparent and open to the public.

The Strategy had five key objectives which were:-

- To ensure the Council's service requirements are linked to an effective asset management solution;
- To raise awareness of the Council's assets, provide a clear decision making structure for their management and further develop a flexible portfolio of assets that meet changing service needs and delivery;
- To manage asset management delivery to demonstrate continuous performance improvement;
- To rationalise the asset portfolio and to target investment into buildings that have been identified as essential for long term service delivery and to release value from assets by minimising running costs, structured investment or disposal;
- To adopt a sustainable approach to energy efficiency.

The Asset Management Plan set out how these objectives would be implemented.

RESOLVED – That Cabinet approves the Asset Management Strategy and Plan as attached to the report.

Reason for Decision

In order to comply with Government guidance and best practice and to ensure a consistent and transparent approach was adopted for the upkeep and development of corporate assets.

Other Options Considered and Rejected

Not applicable.

(Assistant Director – Property & Estates)

595 RIPA Corporate Policies & Procedures

Cabinet considered Report No NB/03/15-16/MK which recommended for approval a new joint policy and procedures document covering the Council's activities under the Regulation of Investigatory Powers Act 2000 (RIPA).

The RIPA powers enabled the Council to use covert surveillance, covert human intelligence sources and the acquisition of service use or subscriber information in relation to communications data.

The report set out the thresholds that needed to be met before these powers could be used and that approval by a Magistrate was also required. The Council had not used RIPA during the past three years, however, the Benefits

section had assisted the Department for Work and Pensions with their investigations.

In November 2015 the Council had undergone an inspection of its use of the RIPA Powers. The inspection report was generally positive and made a small number of recommendations to strengthen the joint policy.

The amended RIPA Policy and Procedures document addressed the issues raised by the inspection and responded to a new Code of Practice.

Cabinet were advised that the Standards Committee had considered the amended Policy and Procedures document at its meeting in December 2015 however the final inspector's report, which recommended only minor changes, had been received subsequent to that meeting.

RESOLVED That Cabinet:-

- (1) Approves the Regulation of Investigatory Powers Act 2000 (RIPA) Corporate Policy and Procedures document.
- (2) Notes the recent report of the RIPA Inspection of Bolsover and North East Derbyshire.

Reason for Decision

To ensure that the Council had in place a fit for purpose Policy and Procedures document that complies with legislation.

Other Options Considered and Rejected

Not applicable.

(Assistant Director – Governance & Monitoring Officer)

596 Corporate Plan Targets Performance Update – Quarter 3 2015-16 Update

Cabinet considered Report No GBXR/21/15-16/KD of Councillor G Baxter MBE which reported on the outturns for the third quarter of the year for the Corporate Plan 2015-2019 targets.

The report detailed progress on all key tasks and performance indicators that contributed directly to the priorities within the Council's Corporate Plan.

For the period reviewed 44 out of the 55 targets were on track, two of which had been achieved. There were two targets which were overdue, two which had not started and five had an 'alert' status which meant that the target may not achieve its intended outcome by the target date. There were requests to extend the target dates for three of the targets which were overdue or had an 'alert' status. Details of the progress achieved on all of the targets were appended to the report, as well as the actions taken to address the performance on the targets that were not yet on track.

The Corporate Plan was still in the initial phase of delivery and the reported progress on the targets was indicative at this early stage. Progress was to be reported on a regular basis to Members and an annual report would be provided to Council.

RESOLVED – That Cabinet notes the early progress against the Corporate Plan 2015-2019 targets and approves the request for extension to three targets as outlined in the report.

Reason for Decision

To inform Cabinet of the progress against the Corporate Plan targets and to note the achievements and any areas of concern.

Other Options Considered and Rejected

None.

(Assistant Director – Customer Service and Improvement)

597 Choice Based Lettings and Allocations Policy Review

Cabinet considered Report No EAH/11/15-16/DP of Councillor Mrs E A Hill which recommended for approval:-

- The draft revised Choice Based Lettings (CBL) and Allocations Policy;
- The adoption of a proposed pilot Flexible Fixed Term Tenancy Scheme to be included as part of the Choice Based Lettings and Allocations Policy and agree the Flexible Fixed Term Tenancy Policy;
- That the Tenancy Strategy be amended in line with the Choice Based Lettings and Allocations Policy, but to otherwise remain in place until a more comprehensive review would be carried out in light of impending Government amendments and legislation.

The CBL and Allocations Policy was reviewed periodically to ensure that the Policy continued to meet the needs of residents and that the system operates in a fair and efficient manner compliant with legislation.

The comprehensive review had been carried out over the previous six months and a number of key amendments had been identified. These were outlined in the report and were incorporated into the draft CBL and Allocations Policy, also attached to the report.

It was also proposed that a pilot scheme be implemented to offer flexible fixed term tenancies to a small number of applicants which may prevent homelessness, financial hardship and/or help with their health and well being at a time when they are most in need. The pilot scheme would be closely monitored to address the viability of the scheme and to identify any

discrepancies upon which a review would be carried out. The pilot scheme would also be reviewed annually.

It was proposed that the Tenancy Strategy, which was approved in January 2012, remain in place until a further review be carried out in the near future to reflect changes from proposed Government legislation. In the interim the Tenancy Strategy would be amended to reflect the changes approved to the CBL and Allocations Policy and the Flexible Fixed Term Tenancy Policy.

Consultation had been carried out on these changes with elected Members, applicants on the waiting list, other focus groups and with the public via the online consultation website.

RESOLVED That Cabinet:-

- (1) Approves the draft Choice Based Lettings and Allocations Policy.
- (2) Approves the pilot Flexible Fixed Term Tenancy Scheme as part of the Choice Based Lettings and Allocations Policy and agrees the Flexible Fixed Term Tenancy Policy and that a review be completed on an ad-hoc basis in light of Government legislation and the monitoring information with quarterly updates being brought to Cabinet during the 12 month pilot.
- (3) Agrees that the Tenancy Strategy be amended, where necessary, in line with the Choice Based Lettings and Allocations Policy and to continue to be applicable without further amendment until a more comprehensive review be carried out in light of the proposed Government legislation on housing.

Reason for Decision

To ensure that the Council adopts and operates a robust and transparent Allocations and Lettings Policy, which enables Rykneld Homes to allocate the Council's housing stock to those in greatest need in the most effective and transparent way.

Other Options Considered and Rejected

Alternative amendments or retaining the status quo were considered during the review process. The rationale for each amendment to the Policy was set out in the report.

(Housing Strategy Officer)

598 Medium Term Financial Plan 2016-2019

Cabinet considered Report No PRK/23/15-16/BM of Councillor P R Kerry. The purpose of the report was to:-

- Seek Cabinet's support for the proposed budget for 2016/17 as part of the consideration of the Council's Medium Term Financial Plan for the years 2016/17 to 2018/19;
- Provide Members with an overview of the Council's financial position in order to inform the decision making process.

The Medium Term Financial Plan covered the following three areas:-

- General Fund Revenue Account;
- Housing Revenue Account (HRA);
- Capital Programme.

Cabinet's recommendations would be reported to Council at its meeting on 15 February 2016 to secure approval of the Council's budget for the financial year 2016/17. The report had been considered by the Audit and Corporate Governance Scrutiny Committee at its meeting on 4 February 2016.

The Council's Section 151 Officer was satisfied that the methodology adopted to calculate the estimates was robust and provided Members with reliable information on which to base their decisions. Likewise the Section 151 Officer was satisfied that the proposed level of reserves were adequate to cover the issues and potential risks which faced the Council.

General Fund Revenue Account

The Council had set its original budget for 2015/16 on the basis that it was necessary to secure savings of £0.500m. On the basis of the current estimates the Council would achieve these savings and secure a surplus of £0.414m. This provided a firm basis to address the Council's full financial position of the period of the Medium Term Financial Plan.

In terms of the 2016/17 budget this included a shortfall of £0.395m. Given the Council's previous performance in achieving savings targets, whilst challenging, this should be achievable. The Council needed to maintain its work on the growth and transformation agenda to secure the projected financial savings of £1.945m anticipated to be required by 2018/19.

Housing Revenue Account (HRA)

With regard to the HRA, the estimated outturn figures showed an overall surplus of £19,000 for 2015/16.

The key issues for the Housing Revenue Account was the Government's announcement that rent levels would be reduced by 1% per annum for a period of four years starting April 2016. This represented an estimated loss of rental income for North East Derbyshire District Council of £0.6m in 2016/17. Cumulatively, this would amount to a loss of income of £6m by April 2020.

In order to maintain the level of services and to maintain stock at the Decent Homes Standard, significant efficiency savings would need to be secured and the HRA Capital Programme would have to be carefully managed.

The impact of the 1% rent reduction would reduce the average rent for a council house from £85.62 per week on a four week basis to £84.76 per week.

Capital Programme

With regard to the Capital Programme the majority of the expenditure would continue to be in respect of the Housing Revenue Account Programme which was funded by Capital Resources ring fenced to the Council's Housing Revenue Account. The financial position to fund the ongoing programme of housing refurbishment work was planned to continue at a level of £9m to £10m per annum over the period 2016/17 to 2018/19. It was also proposed that funding for a scheme to build new homes in North Wingfield be included in the Capital Programme for future years.

In terms of the General Fund Capital Programme, the main item of expenditure would continue to be on vehicle replacement funded by Prudential Borrowing. The Programme required investment of £1.014m to secure replacement of the Council's Streetscene vehicles.

There was also the ongoing requirement for work in respect of private sector housing, together with asset refurbishment across the range of the Council's assets.

RESOLVED – That Cabinet recommends to Council:-

- (1) That the view of the Chief Financial Officer that the estimates included in the Medium Term Financial Plan 2015/16 to 2018/19 are robust and that the level of financial reserves, whilst at minimum levels are adequate, be accepted.
- (2) That officers be required to report back to Cabinet and to the Audit and Corporate Governance Scrutiny Committee on a quarterly basis regarding the overall position in respect of the Council's budgets. These reports to include updates on progress in achieving the agreed range of savings and efficiencies necessary to secure a balanced budget for the 2016/17 financial year, together with the progress on actions to ensure the longer term financial sustainability of the Council.

In relation to the General Fund

- (3) That a Council Tax increase of 1.95% be levied as part of a range of measures necessary to offset the continued reduction in the level of Central Government funding.
- (4) That in light of the Government's financial settlement, the grant subsidy given to Town and Parish Councils in respect of the Local Council Tax Scheme be phased out by March 2020.

- (5) That the Medium Term Financial Plan in respect of the General Fund as set out in Appendix 1 Table 1 to the report be approved as the Estimated Outturn Budget in respect of 2015/16, as the Original Budget in respect of 2016/17, and the financial projection in respect of 2017/18 and 2018/19.
- (6) That officers be requested to continue to progress the implementation of measures designed to secure the forecast surplus in respect of 2015/16 and the agreed savings targets in respect of 2016/17 with progress to be reported back to Cabinet and the Audit and Corporate Governance Scrutiny Committee on a quarterly basis.
- (7) That any underspend in 2015/16 – above that necessary to increase General Fund balances to £2m – be transferred to the Invest to Save/Planning Reserve, with capital receipts being used at the year end to minimise the use of Invest to Save balances to fund capital expenditure.
- (8) That delegated powers be granted to the Assistant Director – Planning and Environmental Health in consultation with the Leader of the Council to agree the Council's response to the Government Consultation Paper "New Homes Bonus – Sharpening the Incentives".
- (9) That delegated powers be granted to the Executive Director – Operations, in consultation with the Portfolio Member, to agree whether or not the Council should accept the offer of a four year financial settlement from Central Government.

In relation to the Housing Revenue Account

- (10) That Council sets its rent levels in line with Government regulations, including a general reduction in rent levels by an amount of 1% to apply from 1 April 2016.
- (11) That the rent in respect of Homeless Units be reduced by 1% in line with Government regulations, while charges for garages and related services are increased by 5% from 1 April 2016.
- (12) That the Medium Term Financial Plan in respect of the Housing Revenue Account as set out in Appendix 2 Table 1 to the report be approved as the Estimated Outturn Budget in respect of 2015/16, as the Original Budget in respect of 2016/17, and the financial projection in respect of 2017/18 and 2018/19.

In relation to the Capital Programme

- (13) That the Medium Term Financial Plan in respect of the Capital Programme as set out in Appendix 3 Table 1 to the report be approved as the Estimated Outturn in respect of 2015/16, and as the Original Programme in respect of 2016/17 to 2018/19.

- (14) That Council approve the financial provision for the proposed regeneration scheme at North Wingfield including the associated prudential borrowing of £3.173m, on the basis that a further report setting out the final details of the proposals be agreed by Cabinet.
- (15) That the Asset Management Group be requested to continue with its work of identifying suitable assets for disposal or redevelopment in order to fund the Council's Capital Programme, reduce revenue costs and support the wider regeneration of the District.
- (16) That Council reaffirms its previous decision to utilise the £1.1m of capital receipts arising from the sale of Saltergate to repay a corresponding amount of the £m of Prudential Borrowing raised to fund the asset rationalisation scheme, with a further £0.4m of receipts used to fund work on Mill Lane reclamation rather than utilising Invest to Save funding.

Reason for Decision

To set the budget in respect of the General Fund, Housing Revenue Account and Capital Programme and to meet the Council's legal obligation to agree a balanced budget.

Other Options Considered and Rejected

Alternative options were considered throughout the process of the preparation of the budget and were outlined in the report.

(Executive Director - Operations)

599 Urgent Business (Public Session)

There was no urgent business to be considered in the public session at this meeting of Cabinet.

600 Exclusion of Public

RESOLVED - That the public be excluded from the meeting during the discussion of the following items of business to avoid the disclosure to them of exempt information as defined in Paragraphs 1 and 3 Part I of Schedule 12A to the Local Government Act 1972 (as amended by the Local Government (Access to Information)(Variation) Order 2006). [The category of exempt information is stated after each Minute].

601 Sale of Freehold Interest in Ridgeway Craft and Garden Centre

Cabinet considered Report No JA/03/15-16/BM of Councillor J Austen which updated Members concerning the position in respect of Ridgeway Craft Centre and recommended the sale of the site subject to the Executive Director – Operations being able to conclude satisfactory contractual terms.

The report provided Members with the background to negotiations regarding Ridgeway Craft Centre, including details of the Council's decisions in June 2015 to dispose of its interest in the site. The current negotiating position was also detailed, including the financial and risk implications of the current offer which was recommended for approval. The payment would be required to be made by 31 March 2016 rather than postponed to the completion and sale of new properties following the redevelopment of the site.

The terms of the current proposal also met one of the Council's key objectives to protect its interests in the Council's obtained land incorporating some of the rough grazing land to the south east of the site. It was agreed that this land would require some landscaping work followed by a maintenance regime and Cabinet reaffirmed its previous decision that the funding for this be allocated on the Invest to Save Reserve.

RESOLVED That:-

- (1) Cabinet approves the sale of the Ridgeway Craft Centre to Ridgeway Courtyard Limited at a price of £650,000 and grants delegated powers to the Executive Director – Operations, in consultation with the Portfolio Member, to conclude the disposal including the agreement of final contractual terms.
- (2) Cabinet reaffirms its previous decision to allocate up to £25,000 of the Invest to Save Reserve in order to fund the reinstatement of the retained land to the south east of the site.
- (3) Should payment not be received by 31 March 2016, delegated powers be given to the Executive Director – Operations, in consultation with the Chief Executive, the Leader of the Council and the Portfolio Member, to agree any actions which are necessary to protect the Council's interest in this matter.

Reason for Decision

The Council had been advised throughout the process by a specialist agent and had commissioned an independent valuation by a district valuer. The outcome of this supported the view that while the Council had not marketed the site it had secured best value.

Other Options Considered and Rejected

As set out in the report.

(Executive Director - Operations)
(Paragraph 3)

602 Derbyshire Wide Building Control Consortium

Cabinet considered Report No GBXR/22/15-16/GG of Councillor G Baxter MBE which sought approval to move to a Building Control Service operating across six Derbyshire authorities in order to secure a more robust and cost effective service.

A consortium, Building Control Network (BCN), had been in place between Chesterfield Borough Council, Bolsover District Council and North East Derbyshire District Council to provide a building control service across these areas since 2007, with Chesterfield Borough Council as the host authority.

Although BCN had been successful in maintaining a reasonable market share, it still had significant running costs and faced various challenges as a result of competitor activity and staff demographics. To continue to be competitive it was considered that a larger organisation may be needed.

A study had been undertaken by the consortium authorities, together with Amber Valley District Council, Derby City Council and Derbyshire Dales District Council to explore the options for the delivery of a long term strategic building control service.

A business case had been prepared which proposed a solution by pooling the building control capabilities across the six authorities to create a single organisation that would be stronger, more sustainable and better able to create a positive economic contribution.

It was considered that the new organisation would deliver the Council's regulatory obligations, secure and improve a sustainable financial position and support skills and employment growth.

The report set out the financial implications underpinning these proposals.

Further work was still needed to finalise the proposals and it was agreed that the formal decision to sign up to the new organisation be delegated to the Chief Executive, in consultation with the Leader, however should any significant issues be raised during this process a further report would be brought to Cabinet.

RESOLVED That:-

- (1) Cabinet delegates to the Chief Executive, in consultation with the Leader of the Council, authority to formally commit the Council to membership of the proposed Derbyshire wide Building Control Company, subject to further work supporting the view that the proposed company:-
 - Will have robust governance arrangements in place;
 - Will be supported by a robust business plan that demonstrates it is reasonable to assume a reduction cost to this Council;
 - Demonstrates that service quality and sustainability will be protected.

- (2) Cabinet agrees that should the further work identify significant issues that have not already been addressed, then a further report would be brought to a future meeting of Cabinet.

Reason for Decision

To support the current and future needs of the Building Control Service with the potential to reduce costs, generate a surplus and provide more sustainability.

Other Options Considered and Rejected

Alternative options were considered in the study when a business case was prepared. Before entering into a formal agreement the Chief Executive will consider the alternative options in agreeing the final arrangements.

(Assistant Director – Property & Estates)
(Paragraph 3)

603 Management of Corporate Debt – Write Off of Outstanding Amounts

Cabinet considered Report No PRK/24/15-16/BM of Councillor P R Kerry which advised Members of a proposed write-off of debts in respect of the Housing Revenue Account former tenants as detailed in Appendix 1 to the report.

It was proposed to write-off a number of individual debts which were above the £2,500 threshold which could be written-off by officers following consultation with the appropriate Portfolio Member. Appendix 1 detailed a number of individual debts which exceeded the amount of £2,500 which required Cabinet's approval for them to be written-off.

Adequate provision for write-off had been made within the Council's accounts, accordingly these write-offs would not impact on the projected revenue outturn position for the financial year 2015/16.

All appropriate recovery actions had been exhausted with regards to each of these debts therefore it was important that the Council recognised the position and approved the write-off of debt given that there was no longer a realistic prospect of recovery.

RESOLVED – That Cabinet agrees to write-off the outstanding debts in respect of Housing Revenue Account former tenants totalling £30,457.38 as detailed in Appendix 1 to the report.

Reason for Decision

It was recognised that all appropriate recovery actions had been exhausted and as there was no realistic prospect of the recovery of these debts the write-off formed part of the process for ensuring cost effective arrangements for the management of debt.

Other Options Considered and Rejected

All appropriate recovery actions had been exhausted.

(Executive Director - Operations)

(Paragraphs 1 & 3)

604 Urgent Business (Private Session)

There was no urgent business to be considered in the private session at this meeting of Cabinet.

CAB MINS (0210) 2016/AJD