

**CABINET****MINUTES OF MEETING HELD ON 11 JANUARY 2017****I N D E X**

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## **CABINET**

### **MINUTES OF MEETING HELD ON 11 JANUARY 2017**

#### **Present:**

Councillor G Baxter MBE ..... Leader (in the Chair)

Councillor J Austen

" N Barker

" M Gordon

Councillor P R Kerry

" J Lilley

#### **Also Present:**

D Swaine - Chief Executive

N Clark - Director of Property Services & Development

S Brunt - Assistant Director – Streetscene (for Minute No 415)

P Hackett - Executive Director – Transformation

S Lee - Strategic Partnership Co-ordinator

B Mason - Executive Director - Operations

S Sternberg - Assistant Director of Governance and Solicitor to the Council & Monitoring Officer

S Cottam - Governance Officer

#### **411 Apologies for Absence**

An apology for absence had been received from Councillor Mrs E A Hill.

#### **412 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.

Councillor N Barker declared a non-significant interest in relation to Item 13 – Regeneration Update. It was noted that as this interest was non-significant Councillor Barker could remain in this meeting for this item.

#### **413 Minutes of Last Meeting**

**RESOLVED** – That the Minutes of the meeting of the Cabinet held on 14 December 2016 be approved as a correct record and signed by the Leader.

**Non Key Decisions****414 Interim Evaluation of NED Business Growth Fund**

Cabinet considered a report of Councillor P R Kerry, Portfolio Holder with Responsibility for Economy, Finance and Regeneration, which presented the Interim Evaluation of the North East Derbyshire Business Growth Fund and recommended an extension of the current programme until 31 March 2019.

In March 2015 Cabinet approved the establishment of the North East Derbyshire Business Growth Fund (BGF), a £40,000 grant scheme funded by the Invest to Save Budget piloted over 24 months in areas not eligible for the BNED LEADER support (Clay Cross, Dronfield and Tupton). This would complement the delivery of the Growth Strategy for Bolsover and North East Derbyshire, particularly the priority of supporting enterprise and maintaining and growing the business base.

It was originally envisaged the BGF would be evaluated at the end of the 24 month pilot period. However, following reflection of the outcomes achieved to date it was determined at the Cabinet meeting held on 28 September 2016 that the piloted evaluation should be brought forward to a suitable time to be able to inform 2017/18 budget setting considerations, should there be a will to extend the programme. As such, the report had been produced for consideration at the January 2017 Cabinet meeting to inform the budgeting timescales.

The BGF has to date experienced very good value for money in terms of job creation with approved applicants collectively contracted to deliver 7.4 full time equivalent (FTE) jobs for the total of £15,858 grant expenditure, a unit cost of £2,143 per job. This was significantly higher value for money than the £25,000 per job rate used by the LEPs and showed the value of lower limit business funding schemes.

Additionally the contracted match funding rate was at 49.82% of overall costs, significantly higher than the 10% maximum expected in the funding guidelines. This showed the business commitment to invest in to the operation and grow within the District should a level of seed-corn funding be available.

There were already some pleasing outcomes with regard to job creation and high match funding investment from the businesses supported. The BGF clearly filled the niche of providing lower level funding for business support, particularly in non LEADER areas, which was not currently provided by LEP funding.

Extending the scheme to the end of March 2019 would align it with the financial year end and the expected revised closure dates of the BNED LEADER Programme (which was likely to be affected by Brexit). This ensured that the Council offered equitable grant support accessible to small business across the District and was seen as a champion business growth across all North East Derbyshire communities.

Although demand was reasonably high, it was felt that the same level of funding at £20,000 per annum/pro rata would be an appropriate budget to deliver the BGF (this would be £26,500 if extended to March 2019).

**RESOLVED** – That Cabinet approves the allocation of an additional £26,500 from the Invest to Save Reserve to extend the North East Derbyshire Business Growth Fund by 16 months to March 2019.

**Reason for Decision**

After 13 months of operation the Business Growth Fund had now either contracted or endorsed applications to 79.6% of the £40,000 budget, based upon the current rate of applications it was likely that the BGF would have allocated all funds with significant time still to officially run because of the ongoing interest from local business an extension would allow the leveraging of further benefits into the District.

**Other Options Considered and Rejected**

Closing the Business Growth Fund in line with the original time scale, or sooner if funds were spent, would still mean that the scheme produced some good output. However, this reduced the District wide provision of business grants which were more accessible to smaller businesses in the District. Matching the BGF end date with the expected for the BNED LEADER approach ensured that the Council offered equitable grant support and was seen as a champion for business growth across all communities.

(Strategic Partnership Co-ordinator)

**415 Procurement of Kerbside Recycling Service**

Cabinet considered a report of Councillor M Gordon, Portfolio Holder with Responsibility for Environment, which updated Cabinet concerning progress in joint procurement arrangements for the Council's kerbside recyclable waste collection service in anticipation of it reaching the end of its extended contract duration.

Cabinet at its meeting on 26 October 2016 considered a report setting out the procurement timetable for the joint market testing of North East Derbyshire and Bolsover kerbside recycling service in anticipation of it reaching the end of its extended seven year contract period at 31 October 2017.

The Council's Shared Procurement Partnership had since advised of changes to the public procurement regulations and pre-qualification process further to which a revised timetable was set out in the report. The earlier timetable allowed the pre-qualification questionnaire stage in the procurement process to appoint tenderers to a select list.

However, arising from recent changes to public procurement regulations the pre-qualification questionnaire process was now replaced by a selection questionnaire, which limits the Council's opportunity to request technical and financial information by using a self certification process. Therefore to ensure the main tendering element of the timetable is maintained open tenders would be sought from the market place.

The tender process has also been revised to provide an “opt in” for Chesterfield Borough Council in anticipation of the current contract arrangements reaching its anniversary at 31 October 2018.

**RESOLVED** – That:-

- (1) Cabinet notes the revised timetable for undertaking joint procurement arrangements of NEDDC and BDC kerbside collection recycling services, with an “opt in” provision for CBC.
- (2) A further report will be submitted to Cabinet at the decision stage in awarding contracts.

**Reason for Decision**

To ensure the main tendering element of the timetable was maintained and open tenders would be sought from the market place.

**Other Options Considered and Rejected**

The Council’s contract would include disposal and conveying of collected recyclables to appropriate material pre-processes, in particular as private sector recycling waste service providers had established processing facilities and end markets securing sustainable and economic outlets which the Council(s) were not best placed to secure, hence the service being procured by way of external providers.

(Assistant Director - Streetscene)

<b>Key Decisions</b>
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**416 Flexible Fixed Term Tenancy Agreement**

Cabinet considered a report of Councillor Mrs E A Hill, Portfolio Holder with Responsibility for Housing Strategy and Social Inclusion, which sought to gain approval to use the new Flexible Fixed Term Tenancy Agreement as attached to the report.

The Localism Act 2011 made provision for local authorities to voluntarily offer flexible tenancies for a minimum of two years. At this time North East Derbyshire decided not to offer this as a tenancy option. The review of the Allocations Policy in 2015 considered all the tenancy options to deliver against existing housing and regeneration priorities. Within this review a pilot to offer flexible tenancies in particular circumstances was granted by North East Derbyshire to owner occupiers who had equity/savings/assets of £30,000 or more which they could not access to secure alternative accommodation. The revised Allocations Policy was implemented from April 2016, together with a Flexible Tenancy Policy. For Rykneld Homes to facilitate this kind of tenancy the correct tenancy agreement was required.

The Housing and Planning Act 2016 changed the voluntary nature of flexible fixed term tenancies to mandatory for local authorities for terms of between two and 10 years. It included the ability for local authorities to grant households with a child less than nine years of age a longer tenancy, lasting until the child was 19. Only in some circumstances would the Secretary of State allow local authorities to grant secure tenancies. This would see a change from secure tenancies becoming the rule to becoming the exception. However, once a tenancy was coming to an end of its fixed term Rykneld Homes had the authority to grant another fixed term tenancy. Only in certain circumstances would another tenancy be refused. The Act also stated that when a secure tenancy was succeeded to, a fixed term tenancy should be granted. Implementation of this element of the Act's requirement was expected by April 2017. Therefore the criteria set by North East Derbyshire for the pilot use of a Flexible Tenancy would be superseded come April 2017 by the legislative requirement to offer this tenancy type using the criteria stated in the Act. The use of the Fixed Term Tenancy remains voluntary for housing associations.

**RESOLVED** – That Cabinet approve the Flexible Fixed Term Tenancy Agreement for North East Derbyshire District Council (NEDDC) Properties.

**Reason for Decision**

Tenancy agreement was based on the current Tenancy Agreement so there was consistency with all tenancy expectations. This ensures the management of tenancies could continue to be a high quality without the requirement to implement further practices for flexible fixed tenancies only.

**Other Options Considered and Rejected**

An alternative option to the recommended flexible fixed term tenancy agreement was to conduct a full revision of the existing Tenancy Agreement (secured) to include the option for a flexible tenancy to be identified within the same agreement. This however would leave to an increased risk of error. Consultation would also take us past the April 2017 deadline.

(Head of Neighbourhoods – Rykneld Homes Ltd)

**417 Urgent Business (Public Session)**

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

**418 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 1 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].

**Non Key Decisions****419 Regeneration Update – Rykneld Homes Limited**

Cabinet considered a report of Councillor Mrs E A Hill, Portfolio Holder with Responsibility for Housing Strategy and Social Inclusion, which updated Cabinet of the current Regeneration Schemes that were being progressed by Rykneld Homes Ltd (RHL) in partnership with the Council.

RESOLVED – That Cabinet:-

- (1) Approves recommendations 9.1, 9.2, 9.3 and 9.4
- (2) Delegate the responsibility to approve the financial purchase prices and terms of the legal contracts associated with all the proposals detailed in this report to the Executive Director – Transformation in consultation with the appropriate Portfolio Holder.
- (3) That a further report be brought to Cabinet in February 2017 outlining the detailed financial implications, property types and demand and further details on shared ownership. Cabinet would consider whether the proposals should be referred to Council for approval as part of the 2017/18 budget process.
- (4) Receive a further Regeneration Update in February 2017.

Reason for Decision

The schemes identified in the report were already contributing to resolving the Council's liability associated with non traditional housing as well as directly supporting the Council's growth agenda.

Other Options Considered and Rejected

The alternative option was not to purchase new affordable homes, however, this would result in the one for one (RTB) receipts not being used by the Council.

(Director of Property Services & Development – Rykneld Homes Ltd)

**Key Decisions****420 Management of Corporate Debt – Write Off of Outstanding Amounts**

Cabinet considered a report of Councillor P R Kerry, Portfolio Holder with Responsibility for Economy, Finance and Regeneration, which sought approval to the proposed write off of debts in respect of former HRA tenants as detailed in the report.

RESOLVED – That Cabinet agrees to write off the amounts in respect of former HRA tenant arrears as detailed in the report.

Reason for Decision

Given that all appropriate recovery actions had all been exhausted in case of these debts it is important that the Council recognise the position and approves the write off of debt given there was no realistic prospect of recovery.

Other Options Considered and Rejected

None.

(Executive Director - Operations)

**421 Urgent Business (Private Session)**

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

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