

CABINET

MINUTES OF MEETING HELD ON 22 NOVEMBER 2017

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CABINET

MINUTES OF MEETING HELD ON 22 NOVEMBER 2017

Present:

Councillor G Baxter MBE Leader (in the Chair)

Councillor M Gordon

Councillor P R Kerry

“ Mrs E A Hill

Also Present:

D Swaine - Chief Executive
L Hickin - Strategic Director
K Hanson - Strategic Director
D Clarke - Assistant Director – Finance & Revenues and Benefits
S Sternberg - Assistant Director – Governance and Solicitor to the Council and
Monitoring Officer
S Cottam - Senior Governance Officer (Acting)

The Leader welcomed Karen Hanson, newly appointed Strategic Director, to her first Cabinet meeting.

388 Apologies for Absence

Apologies for absence had been received from Councillors N Barker and J Lilley.

389 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.

There were no interests declared at this meeting of Cabinet.

390 Minutes of Last Meeting

RESOLVED – That the Minutes of the meeting of the Cabinet held on 25 October 2017 be approved as a correct record and signed by the Leader.

Non Key Decisions

391 Corporate Plan Targets Performance Update – July to September 2017 (Quarter 2 2017/2018)

Cabinet considered a report of Councillor G Baxter MBE, Leader of the Council which contained the performance outturn as of 30 September. Out of the 56 targets

44 (78%) were on track, including one previously extended, 9 (16%) had been achieved (previously), 2 (4%) had been flagged as an 'alert' and 1 (2%) was withdrawn previously.

The information in the report was to keep Members informed of progress against Corporate Plan targets noting achievements and any areas for concern.

Two targets had been flagged as an 'alert' and it was reported that they may not achieve their intended outcome this year. The targets were G12 through a programme of targeted refurbishment to bring 20 properties per year back in to use by March 2019 and G14 through the Private Rented Sector Leasing Scheme deliver five additional units of affordable housing each year.

An Empty Property Officer has recently been appointed and it was confident that these targets would be brought back on track in the near future.

RESOLVED –

- (1) That progress against the Corporate Plan 2015-2019 targets be noted.
- (2) That target CO8 be withdrawn.

REASON FOR DECISION – To keep Members informed of progress against the Corporate Plan targets, noting achievements and areas of concern.

ALTERNATIVE OPTIONS CONSIDERED & REJECTED - The options for Cabinet's consideration were detailed in paragraph 4.1 of the report. There were no alternative options considered and rejected.

(Information, Engagement and Performance Manager)

392 Severn Trent Water Severance of Agreement with NEDDC - Implications

Cabinet considered a report of Councillor Mrs E A Hill, Portfolio Holder with Responsibility for Housing Strategy and Social Inclusion, which sought approval to amend Tenancy Agreements as a result of the withdrawal of Severn Trent Water (STW) from the agreement with North East Derbyshire District Council (NEDDC).

Severn Trent Water had ended an agreement for NEDDC to collect water rates for its tenants. This would come to an end as of 31 March 2018. From this day tenants of NEDDC and Rykneld Homes would have individual agreements in place with Severn Trent Water directly.

Water charges were included in the current NEDDC and Rykneld Homes Tenancy Agreements. In order for these agreements to accurately reflect what NEDDC and Rykneld Homes were responsible for, in terms of rent and other charges, the Tenancy Agreement for both NEDDC properties and Rykneld Homes properties needed to be amended.

As a social housing landlord the terms of the Tenancy Agreement for securing assured tenancies could be changed by issuing a Preliminary Notice of Variation followed by Notice of Variation. Landlords were obliged from a legal perspective to

allow sufficient time, at least four weeks between the Preliminary Notice of Variation and the Notice of Variation for tenants to provide their comments on the proposed changes. It was also required to leave at least four weeks between the Notice of Variation being served for the changes taking effect.

As a result of the withdrawal of Severn Trent from the agreement with NEDDC on the collection of water charges, the Council were required to remove water charges from the NEDDC Tenancy Agreement.

Cabinet were advised that Severn Trent had a team who could visit tenants to talk to them about the changes to the collection of water rates.

Cabinet felt it may be beneficial for the Council to formulate a communication strategy which would ensure that tenants were aware of the changes to their tenancies.

RESOLVED – That Cabinet:-

- (1) Agree to change tenancy agreements as a result of the withdrawal of Severn Trent from the agreement with NEDDC. This arrangement to commence from 1 April 2018.
- (2) Note the requirements to serve notices of variations.

REASON FOR DECISION – The Council are required to remove water charges from NEDDC tenancy agreements as a result of the withdrawal by Severn Trent Water from the agreement with NEDDC of the collection of water charges.

ALTERNATIVE OPTIONS CONSIDERED & REJECTED - The options for Cabinet's consideration were detailed in paragraph 4.1 of the report. There were no alternative options considered and rejected.

(Managing Director – Rykneld Homes Ltd)

393 Risk Management Update, Partnership Working and Strategic Risk Register

Cabinet considered a report of Councillor P R Kerry, Portfolio Holder with Responsibility for Economy, Finance and Regeneration, which updated Members concerning the current position regarding Risk Management and Partnerships Arrangements and to seek approval for the revised Strategic Risk Register as at 30 September 2017 as part of the suite of Finance, Performance and Risk reports.

The Council's Strategic Risk Register had been developed in light of a consideration of the strategic and operational risks which had been identified by elected Members and officers as part of the Council's risk, service management and quarterly performance arrangements.

Cabinet were advised that there was nothing new to add to the Register and there were no changes to the current items.

RESOLVED – That Cabinet notes the report and approves the Strategic Risk Register as at 30 September 2017 as set out in Appendix 1 to the report.

REASON FOR DECISION – To enable Cabinet to consider the risks identified with the Strategic Risk Register/Partnership arrangements in order to assist in maintaining effective governance arrangements, service and financial performance.

ALTERNATIVE OPTIONS CONSIDERED & REJECTED – The options for Cabinet's consideration were detailed in paragraph 4.1 of the report.

(Assistant Director – Finance and Revenues & Benefits)

394 Utilisation of One for One Housing Revenue Account Capital Receipts

Cabinet considered a report of Councillor P R Kerry, Portfolio Holder with Responsibility for Economy, Finance and Regeneration, which updated Cabinet on the current position regarding 1-4-1 receipts and sought approval to grant the Housing Strategy Team the authority to work with registered providers who may be able to utilise 1-4-1 receipts.

North East Derbyshire District Council has £2m in unutilised 1-4-1 receipts which requires £4.6m in match funding with the current headroom in the HRA of £2.6m. If current trends continued the Council would generate an additional £1m in 1-4-1 receipts each year. In summary, around £10m would need to be set aside over the next five years just to match 1-4-1 receipts retained.

Within the rules of spending the 1-4-1 Right to Buy Receipts could be used as grant funding on newly built/acquired social housing owned by a registered provider and the Council had relationships with the registered providers who would operate in the District.

There was a large number of empty properties in North East Derbyshire and the use of 1-4-1 Right to Buy Receipts would complement the Empty Property Strategy 2015-2020.

The use of the 1-4-1 Right to Buy Receipts would support the work of the Housing Options Team in discharging its homelessness duty.

Cabinet were advised that the situation may change due to the current budget announcements.

RESOLVED – That Cabinet:-

- (1) Notes the content of the report.
- (2) Agrees the principle of using the use of the retained 1-4-1 Right To Buy Receipts to act as a Social Housing Grant for new build/acquire new homes in the District.
- (3) Will agree to receive future Cabinet reports on individual schemes to use the 1-4-1 Right To Buy Receipts as a Social Housing Grant.

REASON FOR DECISION – The use of 1-4-1 Right to Buy receipts will support the work of the Housing Options Team in discharging its homeless duty. The 1-4-1 Right to Buy receipts will also complement the Empty Property Strategy 2015-2020.

ALTERNATIVE OPTIONS CONSIDERED & REJECTED – The options for Cabinet's consideration were detailed in paragraph 4.1 of the report.

(Assistant Director – Finance and Revenues & Benefits/
Housing Strategy and Growth Manager)

395 Medium Term Financial Plan – Revised Budgets 2017/18

Cabinet considered a report of Councillor P R Kerry, Portfolio Holder with Responsibility for Economy, Finance and Regeneration, which sought approval of the 2017/18 revised budget for the General Fund, Housing Revenue Account and Capital Programme which would assist in improving the Council's financial position in both 2017/18 and future financial years.

The revised budget process was now complete and the proposed 2017/18 revised budget for the General Fund was attached as an appendix to the report. The appendix showed the original budget for 2017/18, which was agreed in February 2017, the current budget which reflects budget transfers and approved changes during the financial year, and the proposed revised budget for 2017/18. The revised budget showed that net cost of services had increased to £11.081m which was £0.277m above the original budget figures. This increase reflected approval during the year to fund additional expenditure predominantly from either earmarked reserves or grants.

The original savings target of £0.36m was now forecast to be delivered, together with further savings of £0.057m.

In all cases the budget managers had been consulted and were in agreement with the budget changes proposed. It had been a clear objective in the exercise not to make any budget changes that had a significant adverse impact on the service provision being delivered. Appendix 2 to the report detailed the net costs of each cost centre by directorate.

The revised budget for 2017/18 Housing Revenue Account was attached to the report as an appendix.

Rental income was shown as £0.132m lower than the current budget which was mainly due to the level of void properties being slightly higher than anticipated. Charges for services income was lower than the current budget by £0.011m. The Council had seen a reduction in contributions towards expenditure of a further £0.067m as a result of a new contractual service payment agreed with Derbyshire County Council for supporting people. This had been an ongoing reduction since 2015 and would also be reflected in future budgets with a review of the impact on the HRA being undertaken.

Rykneld Homes Ltd who undertook the management of the Council's housing stock was funded through the HRA by payment of a management fee which in 2017/18

was £9.902m. The 2018/19 fee was being negotiated and would be reported to Cabinet once complete.

The remainder of the HRA expenditure was managed by the Council (retained expenditure). This revised budget showed a reduction of £0.077m generated by a number of small savings across the supervision and management budgets. Taking in to account other proposed budget changes detailed in the report the HRA was anticipated to deliver a surplus in the current financial year of £0.669m which was £0.002m higher than the current budget of £0.667m. This surplus would be utilised to fund improved services to Council tenants' in future financial years, and as such it was proposed that it would be retained in the development reserve.

In terms of the Capital Programme, this was attached to the report as an appendix. It had been updated from the original budgets to reflect approvals within the year and the profiling of the individual schemes following approved changes by Members and from detailed discussions with budget officers.

The decreases in Vehicle Replacement Programme and ICT Programme from the current budgets reflected the expected profiling of purchasers in the current year rather than a change to the overall programme. The main change reflected in the programme was £0.252m increased from Disabled Facilities Grant due to an increase in the level of funding awarded this year.

The appendix also showed changes to the Asset Refurbishment budgets in the current financial year. General asset refurbishment allocation has been reduced to £0.131m with £0.019m being allocated to specific asset refurbishment projects as detailed in the appendix. The £0.131m had in the main been committed and was therefore likely to be spent in full by the year end. The changes that were shown in the revised Capital Programme budgets meant that the financing was adjusted accordingly to meet the anticipated spend. There were no issues to report with regards to the financing of the 2017/18 Capital Programme.

RESOLVED – That Cabinet:-

- (1) Approves the revised General Fund Operational Budget for 2017/18 as set out in Appendices 1 and 2 to the report.
- (2) Approves the revised HRA Budgets for 2017/18 as set out in Appendix 3 to the report.
- (3) Approves the revised Capital Programme for 2017/18 as set out with Appendix 4 to the report.

REASON FOR DECISION – To set out the revised budget for the HRA and General Fund and the revised Capital Programme for 2017/2018 as early as possible within the financial year.

ALTERNATIVE OPTIONS CONSIDERED & REJECTED - The options for Cabinet's consideration were detailed in paragraphs 4.1 and 4.2 of the report.

(Assistant Director – Finance and Revenues & Benefits)

396 Urgent Business (Public Session)

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

CAB MINS (1122) 2017/AJD