

CABINET

Meeting held in the Council Chamber, Council Offices, Urban Road, Kirkby-in-Ashfield,

on Thursday, 13th July, 2017 at 6.30 pm

Present: Councillor Cheryl Butler in the Chair;

Councillors Amanda Brown, Tim Brown,
Don Davis, Jackie James and Keir Morrison.

Apologies for Absence: Councillors Nicolle Ndiweni.

Officers Present: Craig Bonar, Edd deCoverly, Ruth Dennis,
Katherine Green, Sharon Lynch, Alan Maher,
Robert Mitchell and Paul Parkinson.

In Attendance: Councillor Paul Roberts.

CA.10 Declarations of Disclosable Pecuniary or Personal Interests and Non-Disclosable Pecuniary / Other Interests

No Declarations of Interest were received.

CA.11 Minutes

The Minutes of the Cabinet meeting held on Thursday 22 June 2017 were approved as a true record.

CA.12 General Fund and Housing Revenue Account (HRA) 2016/17 and Budget 2017/18 Update

Members considered the revenue outturn for 2016/17. They were reminded that these were the unaudited figures and that the final statement of accounts would be submitted to the Audit Committee in September.

The report made it clear that the revenue outturn had been significantly better than expected, both for the General Fund and the Housing Revenue Account. The reasons for this were explained. They included lower than projected expenditure on 'Transfer Payments', such as Housing Benefits, the return of substantial balances from the former Ashfield Homes, including management fees payments and earmarked reserves, as well as greater than expected levels of income and external funding.

In this context, Cabinet was informed that the Council had received £181k from the Nottinghamshire Business Rate Pooling arrangement. Members welcomed this and the benefits of the rate pooling arrangement as a whole.

The report recommended that various budgets be reallocated to meet the cost of additional expenditure, already incurred during the current financial year.

Cabinet was also asked to establish several earmarked reserves. These would fund key projects in 2017/18, linked to the Council's corporate goals and objectives as well as to meet specific financial pressures, such as redundancy costs.

Cabinet discussed the report. Members were pleased that through effective political leadership and officer management the Council had been able to successfully build up its reserves. This meant that it was in a far better position to meet the financial challenges which it faced as a result of continued budget reductions and to achieve its goals for the community.

RESOLVED:

- a) That Cabinet notes the revenue outturn for the General Fund;
- b) That Cabinet notes the revenue outturn for the Housing Revenue Account;
- c) That Cabinet approves the reallocation of budgets for 2017/18 as identified in Section 2 of the report;
- d) That Cabinet approves the increase in the General Fund budget funded from the Earmarked Reserves.

Reasons

To report to those charged with Governance the financial position for the end of 2016/17 and comply with the Council's Financial Regulations.

CA.13 Capital Outturn 2016-17

The report to Cabinet gave details of the lower than expected Capital Expenditure, both for the General Fund and the Housing Revenue Account. Capital Expenditure had been nearly £2M less than originally expected. This was primarily due to slippage or delays in implementing a range of projects during the last financial year.

Members heard the reasons for the slippage. They learned that less money had been spent on replacement vehicles because the existing ones had been kept in service for longer. They were told that the Better Care Fund Schemes had been under spent because there had been long delays in the Council receiving the funding for them. Cabinet also heard that there had been slippage on the Housing Revenue Account. One of the reasons for this was because the Council had been asked by tenants not to carry out optional improvement work on their homes, such as the installation of new kitchens.

Cabinet discussed the delays in carrying out improvement works to the housing stock. Members were told that any necessary improvements to the housing stock, such as repairs to roofs, were carried out as and when required. Cabinet was assured by this. Cabinet was also told that the funding for any optional improvements which existing tenants had declined to take up was ring fenced, so that they could be carried out at a later date, for instance

when the tenants surrendered their tenancies. Members welcomed this.

RESOLVED

- a) That Cabinet notes the outturn position of the 2016/17 Capital Programme;
- b) That Cabinet notes the slippage on the Capital Programme and allows this to be carried forward to the 2017/18 Capital Programme;
- c) That this change be recommended to Council for approval.

Reasons

To report to those charged with Governance the financial position for the end of 2016/17 and comply with the Council's Financial Regulations.

CA.14 Council's Treasury Management and Borrowing Activities 2016-17

The report explained how the Council performed during the 2016/17 financial year against the prudential indicators for borrowing and investing money. This made it clear that the Council had performed well and had secured higher than projected investment income.

Cabinet discussed the report. Members welcomed the contribution which effective Treasury Management and Borrowing Activities had made to building up the Council's financial reserves. During the discussion Members queried whether loans taken out when interest rates had been higher could be paid off early in order to make a saving. It was explained that the repayment date for loans had to be assessed on a case by case basis and especially whether any penalty charges imposed for ending agreements early would offset the benefits of no longer having to make the planned repayments.

RESOLVED

That Cabinet notes the Council's performance with regards to its Treasury Management and Borrowing activities as set out in the report.

Reasons

To meet the requirements of the council's Financial Regulations.

CA.15 Council's Insurance Requirements

The report to Cabinet set out the Council's Insurance Requirements for 2016/17. It stated that there were balances of £122k on the Liability Fund, £206k on the Property Fund and £85k on the Housing Revenue Account (HRA) Insurance Reserve at the end of March 2017.

The report explained the changes which had been made to the insurance reserves. These reserves are held in order to meet the cost of any successful claims brought against the Council. It was made clear that a further £100k had been transferred into these reserves to cover any liabilities during 2017/18.

Members were told that the Council's overall insurance premiums had increased. The reasons for this were discussed. Members were told that the Council was now responsible for the insurance cover previously purchased by Ashfield Homes, which had increased the cost of its premiums. However, the combined cost was still lower than if the insurance cover had continued to be procured separately. Cabinet welcomed this.

Finally, Cabinet was asked to ring fence £10,000 from the Insurance Reserve. The fund would be used to reimburse the cost of personal tools used by employees for Council work that are stolen. In this context, Members heard about an employee who had recently had his tools stolen from a Council vehicle.

Cabinet discussed the proposal and in particular the security measures which employees would be expected to take in order to make their tools as safe as possible, such as keeping them in a special locked area when leaving them in vans overnight. These measures were seen as appropriate.

Cabinet also discussed the case of the employee whose tools had recently been stolen. Members felt that it would be appropriate for this employee to receive compensation for the loss as a gesture of good will.

RESOLVED

- a) That Cabinet notes the contents of the Annual Report on Insurance;
- b) That Cabinet approves the creation of a scheme allowing employee personal tools to be insured by the Council;
- c) That Cabinet notes that £10,000 will be ring fenced from the Insurance Reserve to fund claims as outlined in the policy;
- d) That Cabinet approves the partial retrospective reimbursement for the Housing Service employee who had his tools stolen from a Council vehicle on 12 June 2017.

Reasons

To meet the requirements of the Council's Financial Regulations.

CA.16 Selective Licensing Update

The report updated Cabinet on the Selective Licensing Scheme. The scheme which covers the Stanton Hill and New Cross areas of the District, was intended to promote better private sector rented housing. Landlords in the two areas now have to apply for a licence. This licence requires them to manage appropriately their rented properties and to keep them in a good state of repair.

Members were told that since the scheme was launched in February 2017, the scope of the scheme had grown. An estimated 950 residential properties would now have to be covered by a licence. As a consequence, both the task of administering the scheme and the income obtained from the licences would be greater than expected.

The report suggested that the additional licence income should be reinvested into the scheme, by increasing the number of officers and creating an online application process. This would make it easier for potential landlords to apply for licences.

Cabinet discussed the report. There was a consensus that the scheme had improved the quality of private rented housing in the two areas. This had benefited both the tenants and the community as a whole. Members felt strongly that the approach should be extended across the District. However, they recognised that this would need to be linked to the Council's capacity to manage it and so an incremental approach would have to be adopted. Cabinet asked for a further report on how Selective Licensing could be implemented elsewhere in the District.

RESOLVED

- a) That Cabinet notes the report;
- b) That Cabinet agrees to extend the current 15 month secondment Enforcement Officer (Private Sector Enforcement) to a full two-years, from the commencement date of the post in November 2016;
- c) That Cabinet agrees to the creation of an additional full-time Environmental Health Officer (EHO) in the Private Sector Enforcement Team for a period of 18 months, in order to increase further the level of resources to the end of Year 2 of the scheme;
- d) That Cabinet agrees to allocate £30,000 to develop an on-line application process for selective licensing;
- e) That a further report be submitted to Cabinet in early 2018, providing a further update and to include proposals for adopting similar designations in other parts of the District, subject to both a needs assessment and further evaluation of effectiveness.

Reasons

To provide up to date information on the scheme and to address its needs for additional capacity.

CA.17 Exclusion of Public and Press

RESOLVED

That in accordance with the provisions of Section 100A of the Local Government Act 1972, the press and public be now excluded from the meeting during the following items of business on the grounds that they are likely to involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act in respect of which the Proper Office considers the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

CA.18 Potential Land Acquisition

The report set out a proposal for the potential purchase of land in the District. The proposals were discussed and agreed by Cabinet.

RESOLVED

- a) That Cabinet authorises officers to enter into negotiations for the purchase of the proposed sites as set out in the report;
- b) That the officers be instructed to make an offer for the purchase of the proposed sites, in line with an independent valuation, market value and the potential for financial and social return on the investment;
- c) That an increase in Capital Programme as set out in the report be recommended to Council for approval;
- d) That in the event of the Council's offer being accepted, Cabinet authorises the Director of Housing and Assets to finalise negotiations and for the Director of Legal and Governance to complete the legal transaction;
- e) That Cabinet receives a further report assessing the viability and options for the overall site.

Reasons

To evaluate options for the potential purchase of the land

CA.19 Housing Revenue Account (HRA) Property Investment

Members were asked to support a proposal that, if successful, would enable it to purchase residential properties in the District. Cabinet discussed and agreed to support the proposal.

RESOLVED

- a) That Cabinet notes the bid submitted to purchase residential properties in the District along the lines set out in the report;
- b) That subject to the bid being successful, Cabinet delegates authority to the Director of Housing and Assets to finalise negotiations and the Director of Legal and Governance to complete the legal process for the transfer of the properties;
- c) That Cabinet recommends to Council that the Capital Budget be increased by the bid amount to fund the potential purchase, subject to a successful bid.

Reasons

To increase the Council's stock of social housing.

The meeting closed at 7.30 pm

Chairman.