

ASHFIELD DISTRICT COUNCIL



Council Offices,
Urban Road,
Kirkby in Ashfield
Nottingham
NG17 8DA

Agenda

Scrutiny Panel A

Date: **Thursday, 12th September, 2019**

Time: **10.00 am**

Venue: **Committee Room, Council Offices, Urban Road,
Kirkby-in-Ashfield**

For any further information please contact:

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SCRUTINY PANEL A

Membership

Chairman: Vacancy
Vice-Chairman: Councillor Ciaran Brown

Councillors:
Trevor Locke Rachel Madden
Lauren Mitchell Warren Nuttall
Caroline Wilkinson

FILMING/AUDIO RECORDING NOTICE

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SUMMONS

You are hereby requested to attend a meeting of the Scrutiny Panel A to be held at the time/place and on the date mentioned above for the purpose of transacting the business set out below.



R. Mitchell
Chief Executive

AGENDA

Page

1. To receive apologies for absence, if any.
2. **Declarations of Disclosable Pecuniary or Personal Interests and Non Disclosable Pecuniary/Other Interests.**
3. To receive the minutes of the meeting held on 4th July, 2019. 5 - 8
4. **Scrutiny Review: Community Engagement** 9 - 16
5. **Scrutiny Review: Commercialisation and Income Generation** 17 - 26

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SCRUTINY PANEL A

**Meeting held in the Committee Room, Council Offices, Urban Road, Kirkby-in-Ashfield,
on Thursday, 4th July, 2019 at 10.00 am**

Present: Councillor Melanie Darrington in the Chair;

Councillors Ciaran Brown, Trevor Locke,
Warren Nuttall and Caroline Wilkinson.

Apologies for Absence: Councillors Rachel Madden and Lauren Mitchell.

Officers Present: Lynn Cain, Theresa Hodgkinson, Mike Joy,
Rachel Newton, Andrea Stone and
Shane Wright.

In Attendance: Councillor John Wilmott.

SA.1 Declarations of Disclosable Pecuniary or Personal Interests and Non Disclosable Pecuniary/Other Interests

No declarations of interest were made.

SA.2 Minutes

The Minutes of the meeting held on 7th March, 2019 were approved as a correct record and signed by the Chair.

SA.3 Scrutiny Review of Community Engagement

The Chair introduced the item and invited The Service Manager, Scrutiny and Democratic Services to present the report to the Panel. The Panel were advised that the primary purpose of investigating community engagement was to ensure that an effective mechanism for members of the public to help influence and shape Ashfield in a proactive and meaningful way was provided.

Members outlined that it is important the correct people are consulted with via the most appropriate channels. This ensures that engagement and consultation is representative of the communities we have and demonstrates that views have been considered appropriately in the decision making process. If participants believe that consultation and engagement is nothing more than a tick box exercise, it can disengage residents

In discussing how the Council could actively improve engagement, the Chair outlined a number of suggestions such as, changing the venues in which meetings were held and promoting the use of social media in an attempt to encourage younger members of the community to become involved.

The Health and Wellbeing Team Leader addressed the Panel advising them that a Community Engagement Strategy was in the early stages of development. In producing the document there were a number of key objectives that should be considered:-

- the importance of avoiding a tokenistic approach to consultation;
- creative ways of engagement with appropriate groups;
- targeted liaison to support the inclusion of under represented and hard to reach groups;

The Assistant Director, Place and Wellbeing advised Members that as the development of the strategy was in its infancy, it was a good opportunity for Members to be involved in contributing and steering the project in line with agreed corporate aims and objectives, supported by Lead Officers being actively involved in the development and consideration of this project.

The Chair thanked officers for the information they had provided and asked all Members present to put forward any suggestions they felt would contribute towards strengthening community engagement.

Members discussed that previously adopted practises of holding formal meetings to disseminate information created an arena in which only a limited number of people were comfortable interacting, this in turn could result in a low attendance rate from community groups and residents. Consideration was given to the ways in which community engagement should be undertaken. Particular regard was given to encouraging younger people to actively involve themselves and the Panel felt that they would respond positively with topics involving their immediate area and those which impacted upon their social time.

It had previously been discussed that the one of the most effective methods of engaging with younger people would be digitally, as many of them use social media on a daily basis and this could be used as a platform.

In contrast to this Members were keen to ensure that a diverse range of people were involved in the consultation process and would like other avenues to be investigated in order to ensure the inclusion of older generations who may not be digitally confident.

The Health and Well Being Team Leader advised the Panel of some Place Based Working Schemes that had been piloted in the New Cross, Coxmoor and Broomhill areas of the District.

The ethos behind the schemes was to collaborate with a number of different organisations representing a diverse range of people within the area to highlight the positive amenities available and to build upon them through community involvement. In doing so, promoting pride for local areas and creating a firm network of consultees.

Concerns were raised around the channels of communication between residents, Members and Officers. It was felt that issues raised could be sometimes overlooked during the signposting, referral and response process resulting in loss of confidence for some residents.

This issue often arose when the problem that had been reported fell outside of the remit of the Authority, if this was not followed up once handed over to a third party organisation it could damage the reputation of the Council and reduce confidence in Elected Members dealing with the issue.

The Service Manager, Democratic and Scrutiny Services advised the Panel that Democratic Services involvement in the process was limited to signposting Members to the relevant Officer, subsequently he was unaware of the lack of response that some Members were experiencing beyond initial contact with Officers. The Assistant Director, Place and Wellbeing felt that it would be prudent to include a protocol to address this issue within the engagement strategy framework.

The Chair invited the Portfolio Holder for Regulatory Services, who was in attendance, to address the Panel. In so doing he referred to the previously constituted Area Committees.

A debate took place around this and Members recognised that the former Area Committees did not provide a solid foundation for meaningful consultation due to the lack of diversity and limited number of attendees. However, Members were reminded that they could arrange their own community group meetings outside of those formally constituted by the Authority for their respective areas to feedback on issues which residents felt should be addressed.

RESOLVED that

- a) the information contained within the report be noted;
- b) the Terms of Reference as appended to the report be agreed with the inclusion of an additional indicator of success 'to better involve and inform Members and to include feedback on experiences in order to provide a platform from which to improve' as part of the review methodology;
- c) informal working groups be arranged to progress the review in between formal Scrutiny Panel A meetings;
- d) the Community Engagement Strategy be placed on the forward plan and presented to Cabinet in October for consideration.

The meeting closed at 11.04 am

Chair.

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Report To:	SCRUTINY PANEL A	Date:	12 SEPTEMBER 2019
Heading:	SCRUTINY REVIEW: COMMUNITY ENGAGEMENT		
Portfolio Holder:			
Ward/s:	ALL		
Key Decision:	NO		
Subject to Call-In:	NO		

Purpose of Report

At the last meeting of the Panel held on the 4 July 2019, Members approved the Terms of Reference for its review of community engagement, following its inclusion onto the Scrutiny Workplan.

This report provides Members of the Panel with further information requested and an update on the progress of the developing Community Engagement Strategy.

Recommendation(s)

Panel Members are requested to;

- Note and discuss the information provided in this report;
- Discuss and agree next step actions;
- Consider potential recommendation areas for further exploration.

Reasons for Recommendation(s)

Community engagement was added as a topic for review to the Scrutiny Workplan 2019/20 on the 6 June 2019.

Alternative Options Considered

(with reasons why not adopted)

No alternative options have been considered at this stage of the review.

Detailed Information

In considering this topic, Panel Members have discussed the issues of Community Engagement with the Assistant Director, Place and Wellbeing and the Health and Wellbeing Team Leader. The Panel was informed that a Community Engagement Strategy was in the early stages of development and that the review would assist the process.

Scrutiny Members agreed that effective community engagement is essential to the provision of services which meet the needs of local communities, as well as to addressing issues of social cohesion and revitalising local democratic processes. Other key drivers for engaging with the community include public demand, community empowerment and the strengthening of local communities.

For the purpose of the review Members expressed their understanding of the definition of the term 'engagement', this included;

- Informing;
- Listening;
- Consulting;
- Involving;
- Collaborating;
- Empowering;

At the last meeting of the Panel, Members also discussed the different ways the Council and Councillors engage with the community, the reasons for that engagement and different mechanisms to ensure that engagement continues to shape Ashfield in a meaningful and proactive way.

Different Types of Engagement Currently Undertaken by the Council

The Council currently has many different methods that it uses to undertake community engagement. This includes surveys, consultation, open public meetings, Place Based Working Schemes, Petitions, Citizens Panel, Youth Forum.

Surveys

Surveys are a quick and effective way to gain views on particular issues. This can be anything from setting the budget priorities, wider place surveys on Ashfield as an area or satisfaction with services received. An example of surveys undertaken with the community include;

- **Star Survey** - a survey to gain Tenants views on Housing Services. Tenants were asked to participate in this short survey when ringing to report a repair;
- **King and Miller to Kingfisher Survey** - Ashfield District Council and partners received £121,000 funding from the National Lottery to develop a project to conserve and improve King's Mill Reservoir, Sutton Lawn and Hermitage Ponds. The reason for the survey was to ask local residents and groups to help the Council decide on the activities that should be provides and ask how they wanted to be involved in the project;
- **Customer Experience - Payments Survey** - a brief customer experience survey to understand the effectiveness of the current payment system, with a particular interest in

responses from those who make payments online using Ashfield District Council's website and over the phone.

Consultation

A consultation is a formal process whereby the community are asked for their views to help inform decisions on a specific topic. Comments are then considered along with other information to help inform that decision. Examples of consultation include;

- **Kirkby Leisure Consultation** – consultation on the facilities and seeking ideas on the mix of activities and programming the community would like to see;
- **Boundary Commission Consultation** - The Boundary Commission for England consultation into constituency boundaries. This was the public's opportunity to put forward representations and comment on those already submitted;
- **HS2 Consultation** - At the events, you will be able to find out how the design for the route will be developed and the environmental impacts assessed;
- **Public Space Protection Orders** - Public Space Protection Orders are designed to stop individuals or groups of individuals committing anti-social behaviour in a public place. The Council has to consult the public when proposing Public Space Protection Order.
- **New Planning Design Guide** - Public feedback on a proposed new planning design guide for converting vacant shops to homes.

Public Meetings

Another means to engage with local democracy is by attending meetings of the Council. Most meetings of the Council, the Cabinet and Committees are open to the public, except where confidential or exempt information is likely to be disclosed, and the meeting is therefore held in private.

The meetings with the most attendance are Planning and Council. Members of the public may ask questions of Members of the Cabinet, the Leader of the Council and a Chairman of any Committee or Sub-Committee at ordinary meetings of the Council. Members of the public are also invited to participate in the discussion with comments and questions at meetings of the Overview and Scrutiny Committee and its Panels.

Specific examples of this at Scrutiny have been the Crime and Disorder Scrutiny Meetings, that have utilised social media to engage the community in real time. The meetings were live streamed and real time questions put forward to the Committee and its speakers. The Committee also actively engaged with the Youth Forum through the Chairman and Manager attending the Youth Forum meeting and encouraging participation and questions from its Members, many of which were asked at the meeting.

Place Based Working Schemes

A number of pilot schemes have been introduced in the New Cross, Coxmoor and Broomhill areas of the District to collaborate with different organisations representing a diverse range of people within the area to highlight the positive amenities available and to build upon them through

community involvement. In doing so, promoting pride for local areas and creating a firm network of consultees.

Petitions

A further form of engagement is petitions. The Council recognises that petitions are one way in which people can let it know their concerns. All petitions sent or presented to the Council will receive an acknowledgement from the Council within 5 working days of receipt. This acknowledgement will set out what the Council plans to do with the petition.

If a petition contains more than 1,000 signatures it will be debated by the Full Council. The petition organiser will be given 5 minutes to present the petition at the meeting and the petition will then be discussed by Councillors for a maximum of 15 minutes. If the petition contains at least 500 signatures, the relevant Senior Council Officer will give evidence at a public meeting of the Council's Overview and Scrutiny Committee.

Citizens Panel, Youth Forum and Community Groups

Ashfield District Council regularly works with a number of different groups from independent community groups, the Youth Forum or the Councils own Citizens Panel. Engagement with these groups is varied and can be seeking views through face to face forums, working with them on specific projects or consulting with them on specific issues.

Views of the Panel

In considering this topic, Members of the Panel have discussed and highlighted a number of areas for further consideration. This includes the following;

Hard to Reach Groups -

The Panel recognised that consultation and engagement outcomes should be reflective of the community, including trying to engage hard to reach groups. Such groups may be younger people, older people, BME communities, people with disabilities, LGBTQ community, or a more representative gender balance, amongst others.

Members acknowledged that ensuring all sections of the community are able to have their say through consultation is important. Equally, it is vital that people do not feel 'stigmatised' or 'singled out' but that attempts to ensure inclusion are genuine and respectful.

In discussing the issue, Members agreed that we should consider the methods we use for engagement and ensure that staff involved in carrying out consultation work are adequately trained in equalities issues and avoid the use of stereotypes, assumptions on behaviour or any approach which may appear patronising or discriminatory.

Local Councillor Role

During consideration of this topic, Members discussed the role they play in engaging communities. As a large number of Members are new to their positions some felt that they did not feel that they were aware of what was happening in their communities or wards.

The Local Government Association Guide to Engagement, published in 2017, recognises that Local politicians generally have a close relationship with stakeholders and often lead local opinion. They can broker a compromise and bring together a coalition of the willing.

The guide argues that to make the most of this, good engagement needs to be rewarded, recognised and plugged into the council's corporate mission. Informed and involved frontline councillors can play a key role by listening and talking to voters. The more they reach into their communities, talking to people beyond the usual suspects or the people that voted for them – the better they can do this.

Community Engagement in the Scrutiny Process

The Good Scrutiny Guide, Published by the Centre for Public Scrutiny in 2019 advocates the public as vital partners in scrutiny work. This highlights that traditional consultation or engagement in particular scrutiny reviews is often framed in a way that meets Members' needs or the Council's needs, and may not provide the kind of insight and perspective that comes of giving local people a more meaningful role in the scrutiny process.

Furthermore it states that public input into scrutiny should be awkward and challenging for professionals and councillors alike – it should challenge our assumptions about how services are delivered on the ground, and about how people experience their lives in the communities served.

Ashfield District Council's Scrutiny process has actively engaged the community in some of its reviews but there is recognition that this could be improved. The Panel suggested a number of options that could improved engagement in the Scrutiny process. This includes;

Alternate Meeting Venues

Currently, all constituted meetings are held in the Council's Council Chamber or Committee Room. Consideration could be given to the effectiveness of holding meetings in different locations across the District. Attending meetings in the Council's Committee Room or Council Chamber can often be a daunting prospect for would-be attendees and can lead to potential engagers being dissuaded from doing so. Holding meetings at locations that are more convenient and comfortable for local communities could increase willingness to engage in Council meetings.

The Panel discussed whether considering alternative venues or areas based on the topic could encourage greater attendance and engagement.

Communication, Membership and Collaborative Working

Members agreed that increased working with the Councils Communications Team could help to promote, encourage and inform the community or partners on topics or events to get involved in. Early planning and consideration of co-opting partners, members of the community with an interest in a particular topic can also add value to a review.

Furthermore, utilising and working with Parish Councils, the Youth Forum, Citizens Panel and other Community Groups can bring expertise and innovation to the work that Scrutiny is undertaking.

Community Engagement Strategy

At the last meeting of the Panel, Members were informed that a Community Engagement Strategy was in the early stages of development. In producing the document there were a number of key objectives that were being considered:-

- the importance of avoiding a tokenistic approach to consultation;
- creative ways of engagement with appropriate groups;

- targeted liaison to support the inclusion of under represented and hard to reach groups;

The Panel agreed that the developing Community Engagement Strategy should consider including the following principles;

Inclusion - Promoting community engagement to people and organisations to make sure that everyone has an opportunity to participate. In particular not just involve the people and organisations that are easiest, or most convenient, to reach.

Support – Actively seeking to identify and overcome any barriers to participation in community engagement through ensuring that the way we engage with people is accessible to everyone who wants to get involved.

Planning - Engagement activities should be well planned and have a clear purpose with a clear and realistic plan.

Methods - We should use methods of engagement that are fit for purpose. Members acknowledged the benefits to efficiency and effectiveness in using digital engagement but reiterated that other more traditional methods should also be used in order to ensure that we do not exclude people

Communication – Members agreed that effective communication, delivered clearly and regularly with the people, organisations and communities who want to take part will result in greater participation and engagement.

Impact / You Said, We Did – Panel Members are keen that engagement activities do not just pay lip service or tick a box. To ensure that communities continue to engage, the Council needs to demonstrate what has been done with engagement, consultation or surveys.

Next Steps

To progress this review, the Panel should consider;

- Methods both existing and new to improve engagement activities with Schools, colleges and other groups
- Tools we use to advertise and engage communities i.e Social Media / face to face / locations of meetings / webcasting meetings
- Ensuring Councillors are informed about engagement exercises and events happening within their ward.
- Engaging the Citizens Panel, Youth Forum, Councillors not sitting on the Panel and other community Groups in this review. Questions are already in development for discussion at the meeting.

Implications

Corporate Plan:

The Corporate Plan identifies “Community and Customer Focused, Putting People First” as a key value. This includes placing residents at the heart of our services and treat everyone fairly, involving people in decisions and asking them to shape their own futures. Listening and learning, whilst recognising individual needs and designing services around those rather than simply standardising, particularly targeting resources at areas of most need

Legal:

Any legal implications relating to community engagement will be considered and addressed as part of the scrutiny review process.

Finance:

Budget Area	Implication
General Fund – Revenue Budget	None at this stage.
General Fund – Capital Programme	None at this stage.
Housing Revenue Account – Revenue Budget	None.
Housing Revenue Account – Capital Programme	None.

Risk:

Risk	Mitigation
There are no risks identified at this stage of the review.	Any risks identified will be fully considered during the course of this review.

Human Resources:

There are no HR implications identified in this report.

Equalities:

There are no equality implications identified in this report.

Other Implications:

There are no other implications identified in this report.

Reason(s) for Urgency

None.

Reason(s) for Exemption

None.

Background Papers

Good Scrutiny Guide 2019, Centre for Public Scrutiny
Local Government Association, *New Conversations: LGA Guide to Engagement, 2017*

Report Author and Contact Officer

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Report To:	SCRUTINY PANEL A	Date:	12 SEPTEMBER 2019
Heading:	SCRUTINY REVIEW: COMMERCIALISATION AND INCOME GENERATION		
Portfolio Holder:	NOT APPLICABLE		
Ward/s:	ALL		
Key Decision:	NO		
Subject to Call-In:	NO		

Purpose of Report

The purpose of this report is to commence and introduce the Scrutiny Review: Commercialisation and Income Generation to Scrutiny Panel A. This report sets out the key sources of income generation for Ashfield District Council, a draft Terms of Reference to be approved by the Panel, and next steps to consider to progress the review.

Recommendation(s)

Scrutiny Panel A Members are recommended to:

- a. Note the information contained in this report
- b. Finalise Terms of Reference for the review
- c. Consider further information and evidence required to progress the review

Reasons for Recommendation(s)

Commercialisation and Income Generation was added as a topic for review to the Scrutiny Workplan 2019/20 in June 2019.

Alternative Options Considered

No alternative options have been considered at this stage of the review.

Detailed Information

Scrutiny Review: Commercialisation and Income Generation

Commercialisation and Income Generation was added to the Scrutiny Workplan 2019/20 by the Overview and Scrutiny Committee. In adding the item to the Scrutiny Workplan, Committee Members indicated the following as key areas of interest in the review process:

- Ashfield District Council's main sources of income generation
- Gaining a greater understanding of the Council's commercial property investments
- How Ashfield District Council will help to reduce its budget funding gap, partially through income generation

For the consideration and approval of Scrutiny Panel A Members, draft Terms of Reference for the review are attached to this report as Appendix A.

Core Funding Sources

Council Tax

Council Tax is a tax on domestic property that funds local services.¹

Without including investment property income, Council Tax equates to 46.5% of the Council's Core Funding. Including investment property income, Council Tax equates to 41.1% of the Council's Core Funding for 2019/20.

Ashfield District Council is responsible for collecting its own share of Council Tax, as well as; Nottinghamshire County Council's precept, Fire and Rescue precept, Police and Crime Commissioner precept, and the precepts for Annesley & Felley and Selston Parish Councils.

Council Tax is measured in what is known as the 'standard band' which is Band D 'equivalent' properties. A 2019/20 Band Council Tax charges for D property in an unparished area breaks down to the following:

Ashfield District Council	£185.46
Nottinghamshire County Council	£1,476.06
Nottinghamshire Fire and Rescue	£79.80
Police and Crime Commissioner	£219.33
Total	£1,960.65

The Council offers a 25% Single Persons Discount, and discounts Council Tax payments from Pensioners and Working Age Claimants by up to 100%, through its own local Council Tax Reduction Scheme (CTRS).

Business Rates

Business rates are a tax on property used for business purposes. Business rates are typically charged on properties such as offices, shops, pubs, and warehouses. Properties can also be charged where only part of a building is used for non-domestic purposes.

¹ Ministry of Housing, Communities & Local Government, *Paying the Right Level of Council Tax: A Plain English Guide to Council Tax in England*, May 2019.

Business rates are calculated based on a property's 'rateable value'. The Rateable value is determined by the Valuation Office Agency. (VOA).

Business rates in Ashfield are billed and collected by Ashfield District Council. They are then distributed by the Council:

- 50% to Central Government
- 40% to Ashfield District Council
- 9% to Nottinghamshire County Council
- 1% to Nottinghamshire Fire and Rescue

Including investment property income, Business Rates equates to 35.4% of the Council's Core Funding Sources 2019/20, at around £5.368m.

Revenue Support Grant (RSG)

Historically, Revenue Support Grant has been a main source of local government funding, however, that is no longer the case. Including investment property income, Revenue Support Grant is only 1.3% of the Council's Core Funding for 2019/20 at approximately £194,000. Revenue Support Grant reductions were introduced to help address the Austerity Programme while recognising the growth in business rates. 2019/20 is the final year Ashfield will receive RSG.

New Homes Bonus

New Homes Bonus is a grant paid by central government to local councils who achieve housing growth levels currently above 0.4% each year to reflect and incentivise housing growth in their areas. It is based on the amount of new-build homes, conversions, and long-term empty homes brought back into use. There is also an additional incentive for providing affordable homes.

Of the Council's overall level of resources (income) including investment property income, New Homes Bonus equates to 10.6% of the Council's Core Funding for 2019/20. This amounts to approximately £1.607m.

Investment Properties

Public services are under significant financial pressure after years of austerity and a decline in government grants. In response to this, most local councils are seeking new forms of income. Investing in commercial property has in recent years become a more prominent feature in local government finance, and Ashfield is no exception to this.²

Local authorities are advised to consider the long-term sustainability and risk in becoming too dependent on commercial income, or in taking out too much debt relative to net service expenditure.

When Ashfield is looking at the potential to acquire an Investment Property there are distinct steps within the investment property acquisition process, with each step having distinct criteria that must be satisfied before the process moves to the next phase. These steps are set out within the Council's Investment Property Acquisition Process 2019 – 2023:

- Identification

² Don Peebles CIPFA Head of Policy & Technical, *Investing in Commercial Property and the Need for New Guidance*, November 2018.

- Due diligence
- Business case
- Approval and bid
- Further due diligence
- Surveys
- Completion

In researching a property prior to investment, Officers evaluate the following:

- The tenant's financial history and stability
- The state of the building, the level of maintenance exercised, its physical location, and potential alternative use
- The lease particulars, the title, and all other legal documentation
- The ability of the investment to deliver a surplus to the Council
- Identification and understanding of risks that Ashfield might face if something were to go wrong

Officers work in collaboration with Legal and Property professionals during this evaluation process.

In all of the Council's investment properties, the Tenant is responsible for all maintenance and repairs to the building. The Tenant must also pay the Council to insure the property. The Tenant cannot leave the property unless the lease has ended, or they choose to at a specific point of the lease, known as a 'break'.

Investment property income currently amounts to 11.6% of Ashfield District Council's Core Funding 2019/20, which is approximately £1.762m (2019/20 Original Budget).

Currently, the Council has invested in the following commercial properties:

- Wilkos (in the District)
- B&M (in the District)
- 3 Co-ops
- DWP Offices
- Sandwich Factory
- Hotel
- NHS Laundry
- Manufacturing & Engineering business (Mining & Construction industries)

So far, approximately £25m has been invested into commercial property, with a budgeted rental income of £1.76m for 2019/20, with an average net yield of 3.5%.

Other Income Generation

Fees & Charges

Using discretionary fees and charges is one of the key income-generating options available to local authorities. The Local Government Act 2003 allows local councils to charge for services they have a power (but not a duty) to provide.³

³ N Burrell Marketing, Research, and Analytics CIPFA, *Fees and Charges – a Significant Income for Councils*, November 2018.

Discretionary fees and charges include services such as:

- Garden waste
- Pest control
- Bulky waste
- Sports pitch income
- Allotments income

The Local Government Association has identified three areas that should be considered to inform decisions around fees and charges:⁴

- Decide why/when to charge

Charges should be in line with strategy and authorities should ask fundamental questions around whether the service should be delivered and if they are themselves best placed to deliver it.

- Identify the costs and risks

Local authorities should understand the true cost of service delivery and whether more efficiencies are needed for the service to be competitive. The risks of charging for services can also be reputational, with some charges being unpopular and leading to backlash. Regarding fees and charges, the LGA's *Enterprising Councils* ultimately sets out that transparency and communication is vital and it must be demonstrated that services offer good value for money.

- Benchmarking

Benchmarking is a useful tool to support decisions around fees and charges, and should be periodically monitored in relation to other local authorities. It is important for local authorities to know how charges compare with other providers to assess competitiveness and to change scope and/or strategy.

Next Steps

To progress the review, Scrutiny Panel A Members could consider:

- Inviting the Council's Corporate Finance Manager and Service Manager – Commercial Development to the next meeting of the Panel in November
- Gaining a clearer understanding of the Fees and Charges Policy
- Exploring innovative ways to maximise income from existing discretionary services through reviewing efficiency and promotion
- Which services the Council is able to charge for and how this compares with other Councils

⁴ Local Government Association, *Enterprising Councils: Support Councils' Income Generation Activity*, June 2017.

Implications

Corporate Plan:

The Scrutiny Review: Commercialisation and Income Generation is in line with the following Corporate Plan Priorities:

- Enterprising, Ambitious, and Innovative
- Positive, Proactive, and Successful

Legal:

There are no legal implications resulting directly from this report.

Finance:

There are no financial implications resulting from the recommendations in this report.

Budget Area	Implication
General Fund – Revenue Budget	None.
General Fund – Capital Programme	None.
Housing Revenue Account – Revenue Budget	None.
Housing Revenue Account – Capital Programme	None.

Risk:

Risk	Mitigation
There are no risks identified at this stage of the review.	None.

Human Resources:

There are no Human Resources implications resulting from this report.

Equalities:

There are no equalities implications resulting from this report.

Other Implications:

None.

Reason(s) for Urgency

None.

Reason(s) for Exemption

None.

Background Papers

- Don Peebles CIPFA Head of Policy & Technical, *Investing in Commercial Property and the Need for New Guidance*, November 2018.
- Introduction to Local Government Finance presentation – in house presentation delivered to Members and Officers in July and August 2019.
- Local Government Association, *Enterprising Councils: Support Councils' Income Generation Activity*, June 2017.
- Ministry of Housing, Communities & Local Government, *Paying the Right Level of Council Tax: A Plain English Guide to Council Tax in England*, May 2019.
- N Burrell Marketing, Research, and Analytics CIPFA, *Fees and Charges – a Significant Income for Councils*, November 2018.

Report Author and Contact Officer

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SCRUTINY REVIEW TOPIC TERMS OF REFERENCE

REVIEW TOPIC

Scrutiny Review: Commercialisation and Income Generation

RATIONALE FOR REVIEW

Members of the Overview and Scrutiny Committee identified income generation as a key area of focus for the Council as it looks to reduce the budget funding gap. Members also recognise that commercialisation has become an increasing feature of local government in response to reduced funding from Central Government.

PURPOSE OF REVIEW/OBJECTIVES

- Gain a greater understanding of the Council's Core Funding Sources and other income generation sources
- Explore the efficiency and value for money offered by current discretionary services
- Consider potential income generation opportunities

INDICATORS OF SUCCESS

- A clearer understanding of the Council's Core Funding sources for 2019/20, other income generation, and the budget funding gap
- To put forward any additional income generation methods for consideration
- To assess Ashfield District Council's position against other local authorities regarding commercialisation and income generation

REVIEW METHODOLOGY

- Benchmarking against other local authorities regarding commercialisation and income generation
- Working with stakeholders such as local businesses and Officers to explore new opportunities
- Online research and analysis of guidance regarding local authority commercialisation and income generation

KEY WITNESSES

In the preliminary stages of the review, the following key witnesses have been identified:

- Corporate Finance Manager (and S151 Officer)
- Service Manager – Commercial Development

SPECIFIC EVIDENCE AND INFORMATION REQUIRED

- Benchmarking information
- National guidance research
- Case studies
- ADC Policies such as Capital Strategy/Capital Programme/Commercial Property Investment Strategy/Commercialisation Strategy