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**Our reference:**  
**Your reference:**  
**Date:** 25 November 2013

To all Members of the Council

Dear Councillor

A meeting of the CABINET will be held on Tuesday 3 December 2013 at 7.00 pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford to consider the following items of business.

Yours sincerely

Executive Manager Operations and Corporate Governance

### **AGENDA**

1. Apologies for absence.
2. Declarations of Interest.
3. Minutes of the Meeting held on Tuesday 12 November 2013 (previously circulated).
4. Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012

It is recommended that the public be excluded from the meeting for consideration of the following item of business pursuant to the above Regulations on the grounds that it is likely that exempt information be disclosed as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

#### **Key Decisions**

5. Recommendations of the EWM Member Group - Transforming Streetwise into a Social Enterprise

The report of the Executive Manager - Transformation is attached (pages 1 - 7).

#### **Non Key Decisions**

6. Rushcliffe Core Strategy Proposed Modifications

The report of the Executive Manager - Communities will follow.

7. Rushcliffe Local Development Scheme

The report of the Executive Manager - Communities will follow.

8. Collaboration Agreement

The report of the Chief Executive is attached (pages 8 - 10)

9. Expansion of Rushcliffe's Garden Waste Collection Scheme into Newark and Sherwood

The report of the Executive Manager - Neighbourhoods is attached (pages 11 - 14).

10. HS2 - Consultation on the Route To Manchester, Leeds and Beyond

The report of the Executive Manager - Communities is attached (pages 15 - 16)

**Budget and Policy Framework Items**

11. Council Tax Reduction Scheme

The report of the Executive Manager – Finance and Commercial is attached (pages 17 - 20).

12. Revenue and Capital Budget Monitoring

The report of the Executive Manager – Finance and Commercial is attached (pages 21 - 30).

**Matters referred from Scrutiny**

None

Membership

Chairman: Councillor J N Clarke

Vice-Chairman: Councillor J A Cranswick

Councillors: D G Bell, J E Fearon, N C Lawrence, D J Mason

<b>Meeting Room Guidance</b>
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**MINUTES  
OF THE MEETING OF THE  
CABINET  
TUESDAY 12 NOVEMBER 2013**

Held At 7.00pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford

**PRESENT:**

Councillors J N Clarke (Chairman), D G Bell, J A Cranswick, J E Fearon, N C Lawrence and D J Mason

**ALSO IN ATTENDANCE:**

Councillors A MacInnes and G R Mallender

**OFFICERS PRESENT:**

D Banks	Executive Manager – Neighbourhoods
J Buxton	Housing Options Advisor
A Graham	Chief Executive
K Marriott	Executive Manager - Transformation
V Nightingale	Senior Member Support Officer
P Steed	Executive Manager – Finance and Commercial
D Swaine	Executive Manager - Operations and Corporate Governance

**APOLOGIES FOR ABSENCE:**

There were no apologies for absence

**23. Declarations of Interest**

There were none declared.

**24. Minutes**

The minutes of the meeting held on Tuesday 15 October 2013 were approved as a correct record and signed by the Chairman.

**25. Occupancy of Vacant Space in Rushcliffe Borough Council Civic Centre**

Councillor Cranswick presented the report of the Executive Manager - Transformation regarding office accommodation at the Civic Centre. He stated that Metropolitan Housing Trust had served notice and would be vacating levels 3b and 4 by the end of December 2013 and that the Council needed to consider its options to maximise income from that space. He pointed out that as the Council was considering options to relocate to the Arena site it might be difficult to offer future tenants a traditional lease of between 5 and 10 years. Therefore it was felt that in the current economic climate it would be difficult to let a large space for a short period of time to one tenant.

He reminded Members that, in line with the Corporate Strategy, the Council had a policy of supporting businesses and encouraging economic growth in the Borough. Consequently, Councillor Cranswick stated that officers had undertaken research into how the space could be used to help businesses

whilst allowing flexibility and returning a good income for the Council. Following consideration it was agreed that the most beneficial option was to provide furnished accommodation for small companies that wanted to develop and move into their own business premises. This type of let would allow the company to rent an area without having to commit to a long lease; another benefit would be that the size of the accommodation could be tailored to the business assisting with their development and growth. Commenting further, Councillor Cranswick stated that it was intended that the Council would receive a rental whilst retaining the ability to give a month's notice to the tenant. To facilitate these lettings it was proposed to use the services of a management company, which would market the units and manage the tenancies. The Council would enter into a three year agreement with the management company with opportunities to extend.

Councillor Cranswick stated that this item had been referred to Cabinet as there could be expenditure of up to £120,000 to furnish the units and to keep them maintained. Metropolitan Housing Trust paid approximately £91,000 per annum for its accommodation at the Civic Centre as well as covering business rates, service charges and utilities equating to around another £88,000 per annum. It was recognised that achieving a similar rent would be difficult in the present economic climate. It was envisaged that a net income of between £50,000 and £80,000 (after costs) could be achieved from the proposed option. He said that officers had considered the option of 'moth-balling' the space, however this would incur expenditure whilst not attracting any income. Therefore, this option was considered not to be viable.

Following a question regarding the possibility of short lets of up to three months the Executive Manager - Transformation explained that it was envisaged that tenancies would be for longer periods of time. This gave companies the option to enter into a tenancy that could be terminated with only a month's notice; thus removing the risk of having to take on a long term agreement. Another benefit for the tenant would be that there would be no hidden costs, ie business rates, utilities, etc would be included in the rent. She explained that accommodation could be rented by one person, two people, or more, and they would have access to shared facilities, such as a kitchen, meeting rooms, etc. The Executive Manager – Finance & Commercial informed Members that it was anticipated that this model would reduce the risk of the space being unoccupied.

Councillor Clarke stated that the main priority was to offer support for growing businesses, which would be expected to lease the area for a medium length before moving on to a more traditional let.

In respect of the management company's commission Councillor Cranswick stated that this had been set at a level that offered an incentive to ensure that the space was fully let. Other premises that were being let on a similar model were either fully or 85% occupied.

Members believed that this was a good use of the space given the Council's present circumstances. This would help small businesses and would give people a good opportunity to have decent accommodation. It could also alleviate the issue of business people working from home and the associated

difficulties with this. Councillor Lawrence was pleased to note that officers had identified a need for this type of accommodation in West Bridgford.

**RESOLVED** that Cabinet:

- a) Endorsed the provision of serviced offices in the Civic Centre building and supports officers in implementing this offer; and
- b) Authorised the allocation of up to £120,000 from the Capital Contingency towards the costs of implementing such a solution.

26. **Final Report of the Community Shaping Member Group – Review of Strategic Housing**

Councillor Fearon presented a report detailing the recommendations of the Community Shaping Member Group. He acknowledged the hard work of the members of the Group and the support and assistance from the relevant officers. He explained that the Strategic Housing service had a budget of £458,460 and savings of £52,000 had been identified within the Council's 4 year plan. The Group actually considered savings and/or income generation of £63,990. He said that the service worked closely with Gedling and Broxtowe Borough Councils and that officers had an open mind on future co-operative working. He informed Members that at the Group's last meeting they had looked at several options for Rushcliffe Lodge and that these had been considered from a commercial viewpoint, especially how the Council could get the best return on its investment.

Councillor Lawrence supported these comments and stated that it appeared the Council did not need to retain Rushcliffe Lodge any longer. He reminded Members that when the Council had purchased the building about ten years ago there had been a large number of homeless people requiring accommodation. Since then the service had changed its focus and now there was excellent work carried out to prevent people from becoming homeless. He asked that Members' thanks be passed on to the staff regarding this area of work.

Councillor Mason welcomed the review of the Home Alarm charges, especially as these had remained static for a number of years. She said that the increase was not large and the service still remained competitive.

Councillor Bell supported the Member Group's comments regarding the work undertaken by the service area. It was acknowledged that the work was of vital importance to the vulnerable and disadvantaged people of the Borough. He stated that the outcomes of the work, especially in relation to homelessness prevention, had already saved the Authority money.

In conclusion, Councillor Cranswick requested that the future Cabinet Report on the sale of Rushcliffe Lodge should include information on the building's current value and its potential value following some remedial work in order for Members to decide the best way forward.

**RESOLVED** that Cabinet:

- a) Agreed an increase in the home alarm rental charge to £3.50 per week from 1 April 2014;
- b) Agreed a Home Alarm installation charge of £25.00 be introduced from 1 April 2014 with the option to spread the cost over the first two quarters of the contract;
- c) Agreed the home alarm rental and installation charge be included in the fees and charges list and reviewed annually as part of the Budget Process;
- d) Requested that a further report be prepared on Rushcliffe Lodge in accordance with the Council's Disposal and Acquisition Policy for Land and Buildings; and
- e) Supported the principle of exploring 'shared service' opportunities with other public sector partners as part of the Council's emerging Transformation Plan.

The meeting closed at 7.25 pm.

Chairman

## Report of the Chief Executive

### Cabinet Portfolio Holder – Councillor J N Clarke

#### Summary

Following recent discussions between the Leaders and Deputy Leaders, this report presents a proposed Collaboration Agreement between Rushcliffe Borough Council, Gedling Borough Council and Newark and Sherwood District Council. This Agreement aims to formalise their discussions with the intention of the three authorities to work together further to maximise future partnership opportunities.

#### Recommendation

It is RECOMMENDED that Cabinet:

- a) Adopt the Collaboration Agreement presented at **Appendix A**,
- b) Work towards developing a deliverable work programme which supports the Authority's own efficiency, capacity and resilience agenda, and
- c) Reaffirms their current commitment to work with existing partners to maximise efficiencies, outcomes and capacity.

#### Details

1. On 6 November 2013, Rushcliffe Borough Council, Gedling Borough Council and Newark and Sherwood District Council announced their intention to strengthen their joint working opportunities through the development of a 'preferred-partner' approach detailed in **Appendix A**.
2. Building upon successful working relationships formed over a number of years and the shared desire to protect services, the Collaboration Agreement aims to save money, protect service standards and take advantage of future sharing opportunities. At a time when all three councils have already significantly reduced budgets, the Agreement is designed to strengthen the individual councils' resilience as they come under increasing pressure to further reduce budgets.
3. It is proposed that the three councils will actively pursue new opportunities across organisational boundaries to improve services to residents, minimise the impact of reducing budgets and capitalise on a shared vision of partnership working. The Collaboration Agreement formalises a commitment to sustained collaboration over the coming years by:

- Sharing capacity
  - Merging services where it makes sense
  - Changing the way we work to manage demand effectively
  - Working together to join up back office services and procurement.
4. The Agreement builds upon Rushcliffe's partnership ethos which has been pursued for a number of years, and which has seen the successful introduction of localised integrated services such as the Community Contact Centre, successful governance partnerships such as the South Nottinghamshire Community Safety Partnership and partnerships of scale and efficiency such as the ICT Partnership between Broxtowe, Newark and Rushcliffe. However, following the recent discussions between Leaders, it is becoming increasingly clear that there is a growing view within the political arena that the future viability of the Authority will depend upon an increasing reliance upon partnering to take advantage of the increasing number of shared service opportunities which are likely to continue to emerge within all three of the sharing arenas.
5. The Collaboration Agreement is not intended to be exclusive and each of individual authorities will continue to partner with other partner authorities, agencies and private sector companies outside of the Agreement where this makes best business sense. However, as opportunities arise, the preferred approach will be to explore opportunities with partners named within the Agreement.

#### **Financial Comments**

Whilst the adoption of the collaboration agreement will have no direct financial implications, it is a clear commitment to the continuing pursuit of minimising cost, maximising income and transforming services to deliver the level of savings required between 2013 and 2018 to deliver a balanced budget.

#### **Section 17 Crime and Disorder Act**

It is envisaged that the collaboration agreement will assist in identifying areas where further partnership working will support and assist the Council in delivery of its section 17 responsibilities particularly in relation to efficiency, capacity and resilience.

#### **Diversity**

Any potential diversity and equality implications arising from service changes considered as part of the collaboration agreement would be assessed and evaluated in line delivery of the Councils Equality Scheme.

**Background Papers Available for Inspection: Nil**



### GNSR Collaboration Agreement

1. Gedling Borough Council, Newark and Sherwood District Council and Rushcliffe Borough Council (the GNSR councils) are committed to the principle of ensuring that their communities have efficient and resilient public services. The GNSR councils have therefore entered into this agreement which sets out ways in which they will collaborate to achieve financial savings, avoid cost escalation and ensure that they work together to improve and innovate in public services.
2. In recent years, the GNSR councils, like all councils across the UK, have entered into a number of arrangements to share costs and services. This agreement takes such activity a step further by building on the concept of 'preferred partners'. Under this agreement, the GNSR councils will actively seek out opportunities between themselves to innovate, save money and build resilience. Our approach is not exclusive and we will continue to work with other partners where this makes sense. But when an opportunity arises, our preferred partnership will be where we look first.
3. Our three councils serve communities that are a balanced mix of urban and rural communities. We have common boundaries. The River Trent has an impact on many parts of our communities. We share ambitions, an ethos of good service and a willingness to work at pace to innovate and improve what we do.
4. In exploring these opportunities we recognise that:
  - local government has experienced unprecedented reductions in funding and will continue to do so for at least another three years,
  - protecting frontline services which underpin our communities is a priority.
5. We are committed to sustained collaboration over the coming years by:
  - sharing capacity,
  - merging services where it makes sense,
  - changing the way we work to manage demand effectively,
  - working together to join-up back office services and procurement.
6. Our collaboration is based on:
  - elected councillors of each of the councils retaining decision-making sovereignty over the policies and services for their area including setting levels of council tax, spending priorities and the ability of councillors to question and scrutinise performance,
  - a commitment to share learning, innovation and financial benefits.
7. To make the most of this collaboration agreement we recognise:
  - the need for strong relationships between political and managerial leaders across the GNSR councils,
  - that effective governance arrangements for shared activities needs to be complemented by an entrepreneurial and 'can do' approach within our organisations,
  - that the potential for greater integration and collaboration will develop through a sustained relationship over time.

## Report of the Executive Manager - Neighbourhoods

### Cabinet Portfolio Holder – Councillor N C Lawrence

#### Summary

Following discussions between Newark and Sherwood District Council and Rushcliffe Borough Council this report outlines the work that has taken place to explore the viability of expanding Rushcliffe's current garden waste collection scheme into a specific area within Newark and Sherwood. Following a successful public consultation response and a positive financial assessment the report concludes that the new expanded scheme could be launched from 1 April 2014.

#### Recommendation

It is RECOMMENDED that Cabinet

- a) Agree to offer a garden waste collection service into target areas in the south west of Newark and Sherwood starting on 1 April 2014, and that
- b) Any such scheme will be operated on at least a cost recovery basis
- c) Invitations should be extended to the Newark and Sherwood District Council Leader, Portfolio holder and senior officers to an event showcasing the Borough Council's approach to customer service and administrative arrangements for green waste club members.

#### Background

1. The Council started charging for the collection of garden waste in April 2011 and the scheme has proved to be extremely successful with a take up rate of 71% and over 28,000 residents taking part with satisfaction levels of 81 %. However, whilst the service brings in income of £752,000 it does not cover the costs of delivery which are around £900,000 therefore it is important that the Council continues to seek ways of maximising its income for the delivery of this discretionary service.
2. Following a request by Newark and Sherwood District Council, the Council was tasked with exploring the viability of expanding its own garden waste collection scheme into certain areas of Newark and Sherwood which currently do not benefit from a garden waste collection service.
3. At present only Southwell and surrounding areas (2,400 properties in total) have a garden waste collection service in Newark and Sherwood and this is delivered on their behalf by Mansfield District Council. Mansfield charge £30

per year for each bin and to ensure parity across their district Newark and Sherwood have requested that the same charge should be applied to any new scheme offered by Rushcliffe.

4. Clearly all of the income derived from any expansion will be retained by Rushcliffe but this must cover any costs accrued by the Council in the operation and management of the service. In addition to offering a new and potentially desirable service to some of its residents the other key benefit for Newark and Sherwood will be the inclusion of any data on the weight of green waste collected as this will support their overall recycling and composting rate.

## Details

5. Taking into account the geographical boundary between Rushcliffe and Newark and Sherwood and the tipping locations for compostable waste, Rushcliffe identified a target zone of around 3000 homes in the south west quarter of the Newark and Sherwood area. Promotional leaflets were distributed to a number of villages in October 2013 including Averham, Bleasby, Bulcote, Caythorpe, Epperstone, Fiskerton, Gonalston, Gunthorpe, Halloughton, Hoveringham, Lowdham, Oxtun, Rolleston, and Staythorpe
6. Residents were asked to register their interest in joining a new garden waste collection scheme by 8 November and the table below shows the numbers of residents indicating that they would be willing to pay for the collection of one or more bins.

Number of Bins at £30 per bin	Number of residents expressing an interest	Potential Income
1 bin	344	£10,320
2 bins	43	£2,580
3 bins	5	£450
<b>Total</b>	<b>392</b>	<b>£13,350</b>

7. Based on the number of Newark and Sherwood residents who have expressed an interest this would generate an annual income of £13,350 (£30 x 445 bins). However in order to deliver the service there would be a capital cost for the purchase and delivery of new wheeled bins to customers which would be £8,900. This is an area which needs closely monitoring and will be the subject of further discussions with Newark and Sherwood.
8. So overall, taking into account the location of these properties, the annual cost of delivering an alternate weekly garden waste collection service is £7,534. Therefore the delivery of this expanded service would result in an operating surplus for Rushcliffe of £5,816 assuming existing capacity can be utilised.
9. It is anticipated that the above demand for garden waste collections from Newark and Sherwood residents could be contained within the existing waste and recycling staffing and vehicle resources. This would come from redirecting a small amount of spare capacity created as part of the change to an 'on demand' bottle bank emptying service which took place as part of the Council's current four year review plan.
10. Notwithstanding the use of this resource and the inclusion of new collection areas in Newark and Sherwood into Rushcliffe's existing garden waste

collection rounds it is possible that during peak periods these rounds will reach full capacity. Therefore an additional vehicle and staff resource may be required which based on a worst case scenario is estimated at £3,600. Clearly if this scenario did occur the operating surplus would reduce to £2,216.00 however importantly the Council would still be covering its costs.

11. Aside from the charge the operational delivery arrangements for any potential expansion would mirror the existing service and support delivered to current Rushcliffe customers, e.g. provision of a 240 litre wheeled bin, alternate weekly collections, assisted collections for customers with an identified need etc. The key elements of the service would also be detailed in a simple operational service level agreement between both authorities.

## **Looking Ahead**

12. If the recommendations in this report are agreed it is anticipated that Rushcliffe will see a further increase in Newark and Sherwood customers joining the scheme, in the target zone, as word spreads of the benefits of a convenient, reliable and cost effective green waste collection scheme. Experience from Mansfield DC shows that initially they had 1800 questionnaires returned in their targeted area (20,000 properties) and eventual take up rose to 2,400 once the service actually started.
13. Clearly if further interest is generated this may lead to the possibility of exploring an even wider expansion into other areas of Newark and Sherwood or using Rushcliffe's existing expertise to offer a scheme administration service if Newark and Sherwood decided to launch a green waste collection service themselves for residents living in the east of their district.
14. The recent budget proposals from Nottinghamshire County Council which suggest providing financial support to authorities like Newark and Sherwood to help launch green waste collection schemes may also provide an additional opportunity for the partnership between Rushcliffe and Newark and Sherwood to maximise any income from Nottinghamshire County Council. In addition the proposed closure of the household waste and recycling centre at Fiskerton which is also part of the County Council's budget proposals may see an uptake in demand for Rushcliffe's expanded garden waste collection service
15. Across Nottinghamshire, all Councils are currently considering how best to work better and closer together with regard to waste and recycling services and more joined up working between all Nottinghamshire districts is discussed regularly at the Joint Nottinghamshire Waste Member board. Therefore the expansion of Rushcliffe's current garden waste collection service into Newark and Sherwood provides an excellent basis to explore further partnership working on waste and recycling in the future.

## **Financial Comments**

In order to calculate costs, the expansion of the garden waste service into Newark and Sherwood is based on the existing known demand of 445 bins with an annual income of £13,350.00. Costs of delivering the service are as follows:

### **Based on 392 properties (445 bins) 1 Days collection (24 collections per year)**

Fuel - £4,068 per year

Wear and tear £2,576.00 per year

Capital charges for wheeled bins £890.00 per year

**Total - £7,534.00**

**Total income - £13,350.00**

It is planned that ideally labour costs are covered from within the existing service wherever possible and this shows that the service will make a potential operating surplus of £5,816.00 per annum. Should it be necessary to hire in additional labour then the maximum cost per annum has been calculated at £3,600 per annum, giving a total cost of running the service of £11,134.00. This will reduce the level of surplus to £2,216.00.

In summary:

Utilising existing resources will see a surplus of £5,816.00

Hiring in additional resources to cover the expansion will see a surplus of £2,216.00

## **Section 17 Crime and Disorder Act**

There are no direct Section 17 implications

## **Diversity**

This is a discretionary service that is being considered for delivery at the request of a neighbouring local authority and as such there are no concessionary arrangements.

As part of its existing service delivery arrangements the Council will be offering its assisted collection service for Newark and Sherwood residents that join the scheme and who are unable to put the wheeled bin out for collection due to disability or some other assessed need.

**Background Papers Available for Inspection: Nil**

## Report of the Executive Manager - Communities

### Cabinet Portfolio Holder – Councillor D G Bell

1. On 17 July 2013 the Secretary of State for Transport announced the public consultation on phase two of the proposed route which extends the HS2 network from Birmingham to Manchester and Leeds. The consultation closes at 5pm on 31 January 2014.
2. The proposal that is of particular relevance to Rushcliffe is the proposed siting of the East Midlands Station at Toton just north of the River Trent within the Broxtowe district.
3. HS2 has been the subject of debate at full Council on 3 occasions in June and September 2011 and March 2013. The motion passed at Council on 7 March 2013 was as follows:

*'As the Government has decided to continue promoting HS2, this Council wishes to ensure that the case for a station near East Midlands Parkway is fully made and considered, should HS2 go ahead, and asks the Leader to represent those advantages to the relevant Minister'*

4. The Community Development Group considered the consultation at their meeting on 29 October 2013 and agreed a summary statement for consideration by Cabinet as follows:

Rushcliffe Borough Council agrees with the proposed route for HS2 but considers that the option for a station at or near the existing East Midlands Parkway Station should be chosen in preference to the proposed station option at Toton. It is considered that the Toton Station option should be the second preference for an East Midlands Hub. The following comments are presented to support the case for a HS2 station at East Midlands Parkway:

- There has been significant investment in dualling the A453 which will provide a high speed link to both Nottingham City Centre, M1 and other East Midlands cities for car and bus travellers
- There are already rail links from the East Midlands Parkway Station to Nottingham, Derby and Leicester City centres and surrounding smaller towns
- East Midlands Parkway is between all three main East Midlands Cities (Nottingham, Derby and Leicester)
- East Midlands Parkway is close to the expanding East Midlands Airport which also supports the three main East Midlands cities (Nottingham,

Derby and Leicester) and would provide a good link for airport passengers

- It is considered that the benefits of having a HS2 Station directly connected to the existing wider rail network would outweigh the initial construction issues associated with development at east Midlands Parkway
- The green belt within Rushcliffe is currently under review and the opportunity could be taken to enable development of an HS2 station at Parkway
- Under the Rushcliffe Draft Core Strategy housing numbers South of the River Trent could increase by 13,500 by 2028. A significant proportion of these houses would be at Clifton and around Nottingham's principal urban area. There would be a quick link from the Nottingham ringroad along the newly dualled A453 to a HS2 station
- The Ratcliffe on Soar coal powered power station which, is immediately adjacent to the East Midlands Parkway station, is reaching the end of its life and could potentially present a brown field site opportunity for development supporting a high speed station
- As with any major development the associated infrastructure issues to support the new development would need further consideration but could include for example an extension to the Nottingham Express Transit from its current proposed terminus in Clifton to link to a HS2 Parkway Station

## **Recommendation**

It is RECOMMENDED that Cabinet considers the feedback from the Community Development Group detailed in paragraph 4 above and agrees a response to the Government's HS2 consultation.

### **Financial Comments**

As part of the national rail infrastructure non domestic rates relating to East Midlands Parkway are paid direct to Central Government and, as such, a development would not have an immediate financial benefit to Rushcliffe through the retained business rates model. Any benefits would therefore only accrue through any resultant housing or business developments within the Borough as the result of the development of a new station.

### **Section 17 Crime and Disorder Act**

None directly arising from this report

### **Diversity**

None directly arising from this report

### **Background Papers Available for Inspection:**

Community Development Group – HS2 - Consultation on the Route to Manchester, Leeds and Beyond – 29 October 2012

## Report of the Executive Manager – Finance and Commercial

### Cabinet Portfolio Holder – Councillor J A Cranswick

#### Summary

At its meeting on the 24 January 2013 Council adopted its Council Tax Reduction Scheme for 2013/14. This report outlines proposals for future arrangements which must be adopted by Council by the 31 January 2014.

The proposed scheme, if approved, will run to the same parameters as the scheme for 2013/14. These parameters limit the maximum support to 91.5% of the Council Tax bill for those of working age without dependent children. Current arrangements that do not limit the levels of support provided to pensioners and those with dependent children will continue.

#### Recommendation

It is RECOMMENDED that Cabinet commends to Council that the Council Tax Reduction Scheme 2013/14, as agreed by Council on the 24 January 2013, is adopted as the Council Tax Reduction Scheme for Rushcliffe Borough Council from 1 April 2014; subject to the inclusion of a clause enabling the scheme to be automatically updated to reflect the uprating of national benefits.

#### The 2013/14 Scheme

1. The Local Government Finance Act 2012 required all Billing Authorities to create their own local Council Tax Reduction Scheme to replace the national Council Tax Benefit scheme.
2. The former Council Tax Benefit scheme was a means-tested demand-led scheme fully funded by Central Government through the Benefits Subsidy arrangements. In contrast the 2013/14 Local Council Tax Reduction scheme is funded by a fixed grant with a 10% reduction on funding received for the former Council Tax Benefit scheme.
3. Councils were required by the Government to design their own local scheme which had to be formally adopted by 31 January 2013 enabling implementation on 1 April 2013. Rushcliffe adopted the current scheme on 24 January 2014, however this was for one year only and, as a result, this report makes recommendations for arrangements from 1 April 2014.
4. The Act required that any local scheme must ensure that entitlements for pensioners were not reduced and that these funding reductions had to be met through the allocation of additional council funding or through reductions in entitlements for working age claimants. As pensioners represented



approximately half of Rushcliffe's caseload this meant that funding for support for working age claimants was reduced by approximately 20%.

5. To mitigate this, for the first year of the new arrangements, the Government made available a Transitional Grant for those Authorities who limited the impact on working age claimants to a maximum of 8.5% of their Council Tax liability. The 2013/14 scheme not only complied with this requirement but also provided additional protection to those claimants with dependent children ensuring that they continued to receive the same level of support as they had under the former Council Tax Benefit scheme. Other adjustments included in the 2013/14 scheme were a reduction in claim backdating from six to three months, and specific adjustments to disregard a number of military compensation payments (meaning that these would be ignored when considering Council Tax Reduction Scheme entitlement).
6. As a result Rushcliffe received Transitional Grant of £13,000 with a further £113,000 being distributed to the three major precepting authorities. Additional support was also provided to assist parish councils with the impact of the new arrangements on their budgets. Future arrangements for such support are not included in this report but will instead be considered by Cabinet when it meets on 14 January 2014.
7. In addition to receiving this Transitional Grant, Rushcliffe also adjusted a number of exemptions available to the owners / occupiers of empty properties. As a result the scheme had a total shortfall of £42,000 of which Rushcliffe had to meet £3,500.

### **The 2014/15 Scheme**

8. It is proposed that the current scheme be readopted for 2014/15. This means that the maximum support for those of working age without dependent children will be limited to 91.5% of the Council Tax bill. Pensioners and those with dependent children would continue to be protected. Since the implementation of the scheme in April 2013 the Council has seen a slight decrease from the original forecast demand and as a result retaining scheme will, after allowing for the withdrawal of the Transitional Grant, cost the Council a further £8,000 in 2014/15.
9. Each year state benefits for working age people are increased by the Government which, unless adjusted for in the scheme, could result in a reduction in the amount of support provided by the Council Tax Reduction Scheme. Therefore in order to maintain the current levels of entitlement the scheme will need to be adjusted to reflect changes in state benefit levels (commonly referred to as uprating). Similarly, non-dependent deductions need to be increased each year to reflect changes in the expected contribution to the cost of Council Tax by other adults living with the claimant.
10. As these changes are technical in nature and occur every year, it is proposed that the scheme from April 2014 onwards will include a paragraph enabling it to be automatically uprated in line with national changes in 2014/15 and any future years. Due to the size of the document (163 pages) the 2013/14 scheme has not been appended to this report but is available as part of the Council papers from the 24 January 2013. However the new Council Tax Report Scheme for 2014/15, amended to reflect Cabinet's recommendations,

will be provided to Council when they consider future arrangements on the 12 December 2013.

11. The Council is required to formally adopt a new scheme or approve changes to any existing scheme by the 31 January 2014. Failure to adopt a scheme will result in the Council reverting to a prescribed default scheme. Such a scheme would result in the amendments identified at paragraphs 3.5 and 4.2 being removed and no maximum limit on the level of support for those of working age without dependent children. The total costs of implementing the default scheme are estimated at £216,000 of which Rushcliffe would need to fund £16,000.

## **Consultation**

12. The Council is required to agree its arrangements for 2014/15 by 31 January 2014. Should it fail to do so then the national default scheme, which mirrors entitlements under the old Council Tax Benefit arrangements would automatically be implemented.
13. The Act requires Billing Authorities to consult with major precepting authorities and such other persons as it considers likely to have an interest in the scheme. Any significant changes to schemes must also be consulted upon.
14. Consultation on the above proposals commenced on 6 November and will conclude on 4 December 2013. The following mechanisms were used to highlight the changes:
  - Press release.
  - Emails / letter to all current Working Age Council Tax Reduction claimants.
  - An online Survey on the Rushcliffe website.
  - Paper surveys available on request.
  - Letters to the three major precepting authorities (County Council, Police Commissioner and Fire Service).
  - Letters to major partners, such as advice and voluntary networks and major landlords (including Housing Associations).
15. An update on the current position with regards to the consultation will be provided at the meeting.

## **Financial Comments**

Collection rates indicate that the new arrangements have had little, if any, impact on income. At the end of October 2013 overall Council Tax collection rates stood at 68.9% compared to 69.2% in 2012, half of which (0.15%) is due to the introduction of an additional payment plan enabling individuals to pay over 12 instalments rather than the traditional 10. In comparison collection rates for Council Tax Benefit / Council Tax Reduction Scheme claimants have increased from 57.3% at 31 October 2012 to 57.9% in 2013.

It was originally forecast that the 2013/14 scheme (including the impact on other preceptors) would cost a total of £5.22m to deliver. However between 1 April 2013 and 31 October 2013 the Council Tax Reduction scheme caseload has reduced by 3.6% from 5,854 to 5,643, resulting in a reduction in the projected expenditure for 2013/14 from £5.22m to £5.10m.

This lower caseload will enable the Council to mitigate the loss of the transitional funding awarded for 2013/14 which is no longer available. As a result it is estimated that the cost to Rushcliffe Borough Council of keeping the current scheme would be £8,000. Should the Council revert to the default scheme it is estimated that these costs would double to £16,000.

## **Section 17 Crime and Disorder Act**

There are no direct section 17 implications

## **Diversity**

As the proposal does not vary the current arrangements there are no diversity implications arising from this report.

## **Background Papers Available for Inspection:**

Statutory Instrument 2012 No 2886 – The Council Tax Reduction Schemes (Default Scheme) England Regulations 2012

## Report of the Executive Manager - Finance and Commercial

### Cabinet Portfolio Holder – Councillor J A Cranswick

#### Background

The purpose of this report is to present the budget position for revenue and capital as at 30 September 2013. The report also considers any other financial governance issues, including Treasury Management, and details a change to one of the Council's Treasury Prudential Indicators. The details were considered by the Corporate Governance Group on 7 November 2013.

#### Recommendations

It is RECOMMENDED that Cabinet:

- a) note the current projections for revenue and capital; and
- b) refer the proposed change to the Treasury Management Prudential Indicator "*Upper Limits for Fixed Interest Rate Exposure*" to 60% (from 35%), to be approved by full Council.

#### Revenue Monitoring

1. The revenue monitoring statement by service area is attached at **Appendix A** with detailed variance analysis for September 2013 attached at **Appendix B**. This shows an underspend against profiled budget to date of £493,682 and a projected underspend for the year of £316,880. It is anticipated that the financial position will continue to improve throughout the remainder of the year as managers continue to drive cost savings, and raise income, against existing budgets.
2. As documented at **Appendix B** the underspend to date reflects a number of positive variances including income from planning fees arising from a number of major applications and green waste income, reduced staffing costs within the Garage and Streetwise operations as well as savings on the latter's supplies and services.
3. The main adverse variance relates to severance payments which, in line with the Council's budget, have been met from funds transferred from earmarked reserves for this purpose.

## Capital Monitoring

4. The updated Capital Programme monitoring statement for September 2013 is attached at **Appendix C**. A summary of the projected outturn and funding position is shown in the table below: -

<b>CAPITAL PROGRAMME MONITORING – SEPTEMBER 2013</b>			
<b>EXPENDITURE SUMMARY</b>	<b>Current Budget £000</b>	<b>Projected Actual £000</b>	<b>Projected Variance £000</b>
Transformation & Innovation	2,006	1,258	(748)
Neighbourhoods	2,530	2,252	(278)
Communities	802	767	(35)
Corporate Governance	365	342	(23)
Finance & Commercial	2,465	2,373	(92)
Contingency	134	0	(134)
	<b>8,302</b>	<b>6,992</b>	<b>(1,310)</b>
<b>FINANCING ANALYSIS</b>			
Capital Receipts	(6,066)	(4,798)	1,268
Government Grants	(950)	(946)	4
Other Grants/Contributions	(1,146)	(1,108)	38
Use of Reserves	(140)	(140)	0
	<b>(8,302)</b>	<b>(6,992)</b>	<b>1,310</b>

5. The projected outturn on the capital programme remains lower than the budget with a £1.31 million underspend predicted. Summary details of schemes and variances are provided below.

### Transformation

6. The projected underspend of £748,000 comprises of £598,000 on Cotgrave Masterplan and £150,000 on Community Contact Centres. The projected actual spend on the Cotgrave project includes the acquisition of two further properties at Scotland Bank. Expenditure on Community Contact Centres is currently under review.

### Neighbourhoods

7. The projected underspend of £278,000 primarily relates to the re-modelling of the vehicle replacement programme due to the on-going service reviews and Streetwise franchise project which has resulted in a projected underspend of £248,000. There is a further £38,000 underspend in relation to the repayment of Decent Homes Grants which are waiting re-allocation once applications have been received and approved. Any expenditure plans will be in line with the current Private Sector Housing Renewal Policy. The total underspend is temporarily offset by £12,000 being required to fund additional green wheeled bins.

## Corporate Governance

8. The projected underspend relates to the unallocated balance of the Information System Strategy Provision.

## Communities

9. The projected underspend primarily relates to the actual expenditure on Partnership Grants being less than originally estimated as works are commissioned and carried out by third parties.

## Finance & Commercial

10. The projected underspend of £92,000 largely relates to deferred leisure projects as a result of the Leisure Strategy review. These include projects regarding infrastructure at Rushcliffe Leisure Centre, the Arena (eg Warm Air Unit and the Bowls Rink Cloth) and the Keyworth Leisure Centre Pitch Upgrade which will now take place during 2014/15.

## Treasury Management

11. The table below, which was considered by the Corporate Governance Group on 7 November, highlights the level of investment activity and the rates obtained by the Council at 30 September 2013. In line with the Council's Treasury Management Strategy investments are limited to any one institution up to the maximum duration advised by the Council's Treasury Advisors, Arlingclose, with no more than £10 million invested per institution.

Financial Institution	Amount £'m	Length of Investment	Interest Rate
Barclays Bank	5.00	12 months	0.84%
Royal Bank of Scotland	8.05	Call	0.75%
Santander	7.47	Call	0.75%
Lloyds TSB	2.00	Fixed to 16.10.2013	0.70%
Lloyds TSB	1.50	Fixed to 16.10.2013	0.50%
Barclays Bank	1.00	Fixed to 16.10.2013	0.46%
Nationwide	1.50	Fixed to 20.11.2013	0.44%
Bank of Scotland	0.60	Call	0.40%
Nationwide	1.00	1 Month	0.38%
BlackRock	2.85	Call	0.37%
Goldman Sachs	3.04	Call	0.37%
Invesco	0.18	Call	0.33%
CCLA	0.77	Call	0.32%
Royal Bank of Scotland	0.04	Call	0.32%
Aviva	0.02	Call	0.27%
<b>Total Investments/Average Interest Rate</b>	<b>35.02</b>		<b>0.63%</b>

12. This information demonstrates that the Council is facing increasing difficulty in securing higher interest rates on its call accounts (a call account is an investment which the Council can recall at any time). However at present the Council's Prudential Indicator "*Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure*" only permits the placement of up to 35% of investments on a fixed rate basis and, as a result, significant funds continue

to be placed in investments which are currently yielding interest rates between 0.27% and 0.4%. As a result call investments are currently focussed on the Royal Bank of Scotland and Santander and should either of these counterparties become unavailable to the Council, or significantly reduce their rates, then this would have an immediate impact on returns. For example a reduction in the interest rate payable from 0.75% to 0.4% per annum (ie the yield currently received from the Bank of Scotland) on an £8m investment would cost the Council £28,000 per annum.

13. The returns also compare unfavourably to those being secured on the six fixed term investments where yields vary between 0.38% and 0.84%. However, due to the restriction established by the Prudential Indicator, the Executive Manager (Finance and Commercial) has limited flexibility remaining available to him on the placement of additional funds on a fixed interest basis.
14. At its meeting on the 7 November Corporate Governance Group considered this information and the advice of the Executive Manager (Finance and Commercial) and recommended that the limit on fixed interest investments should be raised to 60%. In reaching this decision Corporate Governance Group observed that the proposed change:
  - (a) gives greater flexibility to invest over a longer term and gain better rates of interest (protecting capital and earning a reasonable yield); and
  - (b) is consistent with other aspects of the Councils Treasury Management Strategy which states *“giving due consideration to the Authority’s spending commitments and diminishing level of balances over the next three years, the need for liquidity and provisioning for contingencies, a limit of 60% of overall investments will apply for investments whose maturity exceed one year in 2013/14.”*
15. In line with the current Treasury Management Strategy any decision to reset a prudential indicator would require approval by full Council.

## **Summary**

16. This report continues previous trends of the authority’s managers maintaining expenditure within the funding envelope agreed by the council and identifies that savings will continue to be delivered on capital and revenue budgets throughout the remainder of the current financial year. There remain external financial pressures from developing issues such as changes in national funding associated with the localisation of Business Rates, welfare reform and continued financial pressures on individuals, businesses and partners. Against such a background it is imperative that the council continues to keep a tight control of its expenditure and maintains positive progress against its four year plan.
17. The proposed change to the limit on fixed term investments included in the Council’s prudential indicators enables the Executive Manager (Finance and Commercial) additional flexibility in maintaining a balanced portfolio of investments whilst securing appropriate financial returns for the Council.

**Financial Comments**

Financial comments are included within the body of the report

**Section 17 Crime and Disorder Act**

There are no section 17 implications

**Diversity**

There are no diversity implications

**Background Papers Available for Inspection:**

Corporate Governance Group Agenda 7 November 2013



## Appendix A

### Revenue Variance Analysis by Service Area April 2013 - September 2013 (6 Months)

	Actual vs Budget to Date			Projected Outturn vs Budget		
	Budget YTD	Actual YTD	Variance (Under)/Over	Current Budget	Projected Outturn	Variance (Under)/Over
Communities	625,898	432,199	(193,699)	1,323,350	1,244,150	(79,200)
Corporate Governance	1,625,633	1,611,233	(14,400)	3,071,300	3,061,300	(10,000)
Finance & Commercial	1,912,371	1,971,441	59,070	3,426,530	3,393,620	(32,910)
Neighbourhoods	1,242,462	972,001	(270,461)	3,195,510	3,102,160	(93,350)
Transformation	244,219	170,027	(74,192)	662,420	654,790	(7,630)
Additional Grants						(93,790)
<b>Total</b>	<b>5,650,583</b>	<b>5,156,901</b>	<b>(493,682)</b>	<b>11,679,110</b>	<b>11,456,020</b>	<b>(316,880)</b>
Potential (Call on)/ Contribution to Earmarked Reserves						<b>316,880</b>
Reserves/Contingency						<b>0</b>
Budgeted Use of Balances						<b>0</b>
Net Use of Balances Available						<b>0</b>

## Appendix B

<b>ADVERSE VARIANCES</b>	<b>Variance YTD £'000</b>	<b>Projected Outturn £'000</b>
<b>Communities</b>		
- Building Control fee earning work less than anticipated.	12	20
<b>Corporate Governance</b>		
- IT Rechargeables. Additional costs due to new or replacement contracts. In previous years this was facilitated by use of the IT Reserve.	47	46
<b>Finance &amp; Commercial</b>		
- Finance/Council Tax/Council Tax Benefits/Housing Benefits. Severance/Payments in lieu of notice and agency costs. To be funded from contingency.	148	222
- Leisure Centres. Settlement of gas invoicing for prior years.	12	30
- Leisure Centres. Accrued Income from joint use contributions not yet received.	182	(19)
<b>Neighbourhoods</b>		
- Homelessness. Under-occupancy.	9	26
<b>Total Adverse Variances</b>	<b>410</b>	<b>325</b>

<b>FAVOURABLE VARIANCES</b>	<b>Variance YTD £'000</b>	<b>Projected Outturn £'000</b>
<b>Communities</b>		
- Development Control - Savings from vacant posts.	(21)	(30)
- Development Control - Income from Planning Fees up due to a number of major applications.	(126)	(16)
- Local Development Framework - Planning Inspectorate costs accrued for but not invoiced until the end of the scheme and slippage	4	(50)
<b>Corporate Governance</b>		
- Democratic Representation. Savings on mayor's transport, civic receptions and members' basic allowances.	(30)	(13)
<b>Finance &amp; Commercial</b>		
- Corporate Management. Accrual for Municipal Mutual Insurers	(51)	0
- Contingencies. Funding of planned additional expenditure regarding of payments in lieu of notice to be met from this reserve. Virements to be carried out.	0	(118)
- Leisure Centres. Management fees.	(133)	0
- Leisure Centres. Underspends on electricity and repairs.	(33)	0
- Car Parks. Charge to NCC during library refurbishment greater than anticipated.	(23)	(23)
- Car Leasing. Savings from cessation.	(23)	(70)
- Investment Interest. Investments higher than anticipated.	(13)	(30)
- Non Distributed Costs. Savings on superannuation backfunding and pensions increase act payments	(12)	(29)
<b>Neighbourhoods</b>		
- Housing Standards. HIMO Licence Income prepaid for 5 years and accrued via the Balance Sheet.	(25)	0
- Waste Collection. Savings on parts and stable fuel price	(21)	(30)
- Waste Collection. Green Waste invoices.	(84)	(6)
- Waste Collection. Employee costs.	(15)	(20)
- Depot. New. More efficient boiler.	(18)	(13)
- Fleet & Garage. Vacancy	(20)	(30)
- Streetwise. 2 vacant posts to be filled from September 2013.	(20)	(20)
- Streetwise. Low levels of activity, expect to spend at greater rate by year end due to winter months.	(21)	(10)
<b>Transformation</b>		
- Industrial Sites. High occupancy rates to date but future vacancies anticipated.	(17)	6
<b>Total Favourable Variances</b>	<b>(702)</b>	<b>(502)</b>
<b>Sum of Minor Variances</b>	<b>(202)</b>	<b>(140)</b>
<b>TOTAL VARIANCE</b>	<b>(494)</b>	<b>(317)</b>

**2013/14 Capital Programme**  
**April 2013 - September 2013 (6 Months)**

<b>CAPITAL PROGRAMME MONITORING - SEPTMBER 2013</b>			
	<b>Current Budget</b>	<b>Projected Actual</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£'000</b>
<b>TRANSFORMATION &amp; INNOVATION</b>			
Cotgrave Masterplan	858	260	(598)
Rushcliffe Community Contact Centre - Spokes	150	0	(150)
Carbon Management Plan - Lighting	72	72	0
Civic Centre Enhancements - General Provision	61	61	0
Civic Centre Enhancements - External Works	430	430	0
Civic Centre Boiler Replacement	140	140	0
Nottinghamshire Broadband	245	245	0
Footpath Enhancements	50	50	0
	<b>2,006</b>	<b>1,258</b>	<b>(748)</b>
<b>NEIGHBOURHOODS</b>			
Disabled Facilities Grants	600	600	0
Decent Homes Grants	49	11	(38)
Support for Registered Housing Providers	958	954	(4)
Wheeled Bins Acquisition	60	72	12
Vehicle Replacement	863	615	(248)
	<b>2,530</b>	<b>2,252</b>	<b>(278)</b>
<b>COMMUNITIES</b>			
Gresham Pavilion Legionella	3	3	0
Gresham Security Works	0	12	12
Community Partnership Reward Grants	54	54	0
Nottinghamshire County Cricket Club – Grant	90	90	0
Rushcliffe Country Park - Play Area	120	120	0
Partnership Grants	92	45	(47)
Alford Road Pavilion Redevelopment	350	350	0
Boiler Replacement	53	53	0
The Hook Multi Use Games Area	40	40	0
	<b>802</b>	<b>767</b>	<b>(35)</b>
<b>CORPORATE GOVERNANCE</b>			
IS Strategy	365	342	(23)
	<b>365</b>	<b>342</b>	<b>(23)</b>

## CAPITAL PROGRAMME MONITORING - SEPTEMBER 2013

	Current Budget	Projected Actual	Variance
<b>FINANCE &amp; COMMERCIAL</b>			
Rushcliffe Leisure Centre - Changing Room Supply & Extraction Unit	14	0	(14)
Keyworth Leisure Centre – Pitch Upgrade	25	0	(25)
Rushcliffe Leisure Centre – Warm Air Unit	17	0	(17)
Cotgrave Leisure Centre Car Park Resurfacing	3	3	0
Rushcliffe Arena - Bowls Rink Cloth	36	0	(36)
Bingham Leisure Centre - Roof Replacement	104	104	0
Leisure Strategy Review	16	16	0
Nottinghamshire County Cricket Club - Loan	2,000	2,000	0
Dualling of A453 - Contribution	250	250	0
	<b>2,465</b>	<b>2,373</b>	<b>(92)</b>
<b>CONTINGENCY</b>			
Contingency	134	0	(134)
	<b>134</b>	<b>0</b>	<b>(134)</b>
<b>TOTAL</b>	<b>8,302</b>	<b>6,992</b>	<b>(1,310)</b>