

MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 6 JANUARY 2016

Present: Councillor M Specht (Chairman)

Councillors N Clarke, J Cotterill, J G Coxon, T Eynon, J Geary, D Harrison and A C Saffell

In Attendance: Councillors R Adams, R D Bayliss, J Clarke, D Everitt, F Fenning, J Hoult, R Johnson, G Jones, J Legrys, S McKendrick and T J Pendleton

Officers: Mr S Bambrick, Mr R Bowmer, Ms C E Fisher, Mr D Gill, Mr G Jones, Mr J Newton and Mrs R Wallace

## **18. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor N Smith.

## **19. DECLARATION OF INTERESTS**

In accordance with the code of conduct, Members declared the following interests:

Councillor T Eynon declared a non pecuniary interest in item 5 – Section 106 Contributions for Health as a General Practitioner in the Hinckley and Bosworth area.

Councillor J Coxon declared a non pecuniary interest in item 8 – Draft Revenue Budget Proposals and Capital Programmes 2016/17 as a Member of Ashby Town Council.

## **20. PUBLIC QUESTION AND ANSWER SESSION**

The following question was asked by Dr B Kneale on behalf of the Ashby Civic Society:

Members will be aware that the Ashby Civic Society has campaigned for the last eighteen months, in line with the overwhelming views of the residents of Ashby, for the retention of Ashby Hospital. You will also know that the NHS bodies have now decided to proceed with disposal of the site which has left Ashby with no local inpatient beds, a lacking palliative care service, a fragmented community service not the “one stop, state of the art facility” as promised.

A major part of the NHS argument for this closure was the disputed condition of the building and the lack of funds for the NHS estimate for required maintenance costs. At this meeting tonight you are due to discuss the appalling situation of the imminent failure to use £246,901.28 of Section 106 monies designated for health service projects which have been available for use for several years!

In all our communications with the NWLDC and the NHS about Ashby Hospital no one has ever mentioned the availability of these funds!

We see from NHS England Health and Wellbeing Board papers of July 2014 that £221,457.59 was allocated for “a new GP surgery in Ashby or to support the CCG in the reconfiguration of services following the community hospital review”. We also see that almost that amount is listed in your papers as being available from developments in Ashby alone.

We also understand that the West Leicestershire CCG asked for and, earlier in 2015, received delegated authority to manage their share of S.106 health monies; yet more than £200k is in danger of being returned, with interest, to developers, and presumably the

Chairman's initials

total of more than £1.3 held by the Council could also potentially be at risk of the same fate unless better management of these funds is implemented straightaway.

As a matter of urgency will the Council please therefore explain:

Why it has taken so long to establish the failure to spend these much needed monies, what are the communication difficulties with the NHS bodies referred to in the papers now before you and how the council will address these difficulties in order to facilitate a process which will ensure the retention and proper utilisation of the monies now highlighted to be at risk ( and remaining s106 monies) thus reassuring the public , in these times of austerity, that any repayments to developers, with interest, will not come from increases in Council taxes or further reduction in services funded directly or indirectly by the Council?

The Director of Services gave the following response:

In relation to the closure of Ashby Hospital, it will be a matter for the NHS to set out their financial position and the decision making they have followed in relation to the hospital. However it is understood that the financial shortfall that existed in relation to the running costs of Ashby Hospital were ongoing revenue shortfalls. The money that is available to the NHS through section 106 funding is capital or one-off funding that could not be used for revenue purposes even if, under the terms of the existing 106 agreements, it was legitimate to use them for the purposes of supporting Ashby Hospital.

The District Council is therefore not in a position to comment on the individual projects the NHS intend to use the section 106 funding for. That is entirely a matter for the NHS. Turning to the question before the Policy and Development Group; the District Council has been in regular contact with NHS representatives for a number of years to remind them of the availability of the section 106 funding. Unfortunately the reminders of the availability of this funding have either not been replied to, or where a reply has been given it has been to say that they are considering their options. In 2013 it is understood the Primary Care Panel were considering how best to allocate funds and which individual parts of the health service may be able to bid for monies that would be available. This did not lead to any firm proposals despite continued reminders.

It was therefore partly in response to these difficulties that the Council escalated the issue in July 2015 when the Director of Services personally wrote to the NHS representative to ask for an urgent update on the intentions to spend the money allocated to them. No reply was received to this correspondence.

Therefore following a meeting with District Councillor Cllr Eynon on 19<sup>th</sup> October 2015, the Director arranged for a meeting to take place between the Council and health representatives to discuss the use of 106 funding. That meeting took place on 17<sup>th</sup> November 2015 but unfortunately due to other urgent commitments some key people were unable to attend. A further meeting was therefore held on 6<sup>th</sup> January 2015 and a verbal update can be given as to the outcome of that meeting.

What can also be reported is that on 30<sup>th</sup> December 2015 the District Council received a request from the NHS to release £257,000 of section 106 funding which would be used towards the expansion of the Long Lane surgery in Coalville. This request for release of funding is currently being assessed by the District Council officers.

Having now established appropriate contact with health representatives, it is proposed to continue with this arrangement to ensure that appropriate use of 106 funds for healthcare is being made.

Chairman's initials

On the final point within the question regarding repayments, to date, the District Council has not had to make any repayments of 106 funding and the processes now being established with NHS colleagues are being developed so that every opportunity is taken to ensure that no monies are required to be repaid in the future. However should a repayment become necessary, most agreements require that any interest accrued on the capital sums received by the district council are repaid with the capital. It is therefore expected that any interest payable will be covered by the interest earned. Some agreements require no interest to be paid at all.

Dr Kneale called upon the Committee to reject the recommendations set out in the report at item 5 on the agenda. She believed that a more proactive response was required to make sure the money was used for the correct purpose.

The Director of Resources suggested that Members consider Dr Kneale's comments as part of the main item regarding the subject on the agenda.

## **21. MINUTES**

Councillor J Geary asked for the following to be inserted into minute number 12:

'Councillor J Geary felt that the public had little confidence in the Planning Service and suggested that a survey be circulated with the Council Tax letters to ask people's opinions so people consider Council Tax value for money. He believed that the responses would be surprising.'

Councillor J Coxon raised concerns that minutes were being amended by Members regularly at various Committees and he felt it was unnecessary. The Deputy Monitoring Officer advised that minutes of the meeting were not a verbatim record and therefore did not include full discussion but Members could make amendments if the majority were in agreement.

It was moved by Councillor M Specht, seconded by Councillor D Harrison and

RESOLVED THAT:

Subject to the above amendment, the minutes of the meeting held on 30 September 2015 be approved and signed by the Chairman as a correct record.

## **22. SECTION 106 CONTRIBUTIONS FOR HEALTH**

The Director of Services presented the report to Members.

He explained that since the report had been written the responsibility for spending the Section 106 money had been formally handed over from the Primary Care Trust (PCT) to the Clinical Commissioning Groups (CCG). At a meeting that afternoon with the CCG representative for the area, discussions had been had regarding the intention to spend the money and a request had been submitted on 30 December to release £250,000 for Long Lane. The Director of Services assured Members that he would continue monthly communications with the CCG representative to encourage the funds to be spent. He concluded that a strategic asset plan was being drafted by the CCG which would be submitted to National Government.

Councillor T Eynon commented that it was really important for people to understand that the Council had no powers over spending the funds and congratulated the officers for their efforts in getting to this point. She also thanked Dr B Kneale for the question she submitted earlier in the meeting on the same subject.

Chairman's initials

In response to a number of questions from Councillor T Eynon, the Director of Services stated the following:

- It was confirmed that no money had been paid back to the developers to date and it was the intent to extend the expired agreements subject to the agreement of developers.
- The representative for the CCG was Ruth Waddington and her email address would be circulated to members outside of the meeting.
- As the meeting with the CCG representative was only that afternoon it was difficult to say how the arrangement would work in the future. He believed it would be more appropriate to report back to a future meeting on the process and progress; this would also keep Members involved in the monitoring of the spending as requested.
- The Director of Services agreed to provide information on the amount of funds spent prior to the dates within the report. He explained that the NHS incurred the expenditure and then needed to provide evidence of this first before funds were released.
- The Director of Services could not say exactly how the CCG were planning on operating but he was aware that it would be strategic and the plan they were currently drafting would assist with this. He added that he was sure the Health and Wellbeing Board would fit in well but it was the decision of the CCG as to whether they were involved. He was sure this would be identified within the plan.

Councillor N Clarke reinforced the importance in keeping Members involved with the monitoring of this and asked which officers were involved in the meeting held that afternoon with the CCG. He also enquired whether minutes would be available. The Director of Services stated that he would let Members know which officers were involved and when the minutes would be available.

Councillor J Coxon commented that as an Ashby Member he felt that Section 106 money put aside for Ashby should be spent in Ashby as it was very much needed. He believed that the involvement of local Members was important and the Town Council should also have a level of involvement. The Director of Services agreed that money for Ashby should be spent in that area but unfortunately older agreements did not specify this. It was a detail that was being addressed with future agreements.

The Chairman felt confident that the involvement of the CCG representative would move things forward and he was looking forward to seeing more detail regarding progress and time frames at a future meeting.

The Chief Executive commented that unfortunately this was a problem for many authorities and was pleased that steps were being made to move things forward. She suggested that as the Committee had powers to do so, the CCG representative could be invited to a future meeting to answer Members' questions on the future progress in the area. Members expressed their wish to do so.

Councillor V Richichi asked if there were any financial benefits to the Council for holding the funds until they were spent. The Deputy Monitoring Officer advised that it was a statutory scheme and as the Council was responsible for negotiating the contributions, it had to hold the funds. He assured Members that there was no cost to the Council.

It was moved by Councillor D Harrison, seconded by Councillor J Geary and

Chairman's initials

RESOLVED THAT:

- a) The amount of Section 106 money currently being held for health contributions be noted.
- b) The efforts being made by officers to facilitate Section 106 health contributions to be spent within the terms of the applicable legal agreements be noted.

**23. PROPOSED LEICESTER AND LEICESTERSHIRE COMBINED AUTHORITY**

The Chief Executive presented the report to Members and highlighted the next steps as detailed on page 41 of the report. Further to the report, the Chief Executive informed Members that the consultation document within the report that was agreed at Full Council had now been agreed by all authorities involved.

Councillor N Clarke regarding the cost of running the authority, commented that it was a higher cost for North West Leicestershire because we were co-ordinating the project and that meant the cost of the Chief Executive's time. The Chief Executive responded that she believed the costs as set out were fair and that all officers involved across the various authorities were putting a large amount of time to the project. She added that there were benefits from co-ordinating as she was fully aware of all that was happening and it was advantageous to have a voice. Councillor N Clarke understood the advantages but continued to raise concerns regarding the time spent by the Chief Executive. Councillor R Blunt commented that he had agreed that the Chief Executive should be involved in her current capacity and believed that the benefits from the arrangement were worth her time spent.

In response to a question from Councillor N Clarke regarding the membership of the proposed Scrutiny Committee of the combined authority and how it would operate, the Chief Executive explained that a template from another combined authority was being used as a starting point and discussions were currently being had regarding the changes that were required, so unfortunately she could not answer specific questions on the operation of the Scrutiny Committee at this point.

Councillor J Coxon congratulated the Chief Executive on the progression made and he believed that working together as a combined authority was the way forward. His only concern was how it would impact on Parish Council's in the future with regards to the dissolving of services.

Councillor V Richichi raised concerns regarding a possible reduction in staffing levels at North West Leicestershire District Council because of the arrangement. Councillor R Blunt stated that each Council would still have its own work to carry out and nothing had been decided on individual jobs. He added that there were still a lot of discussions to be had. The Chief Executive explained that as local authorities were receiving less money each year from National Government it was crucial to work together and rely on other income streams. Some authorities were also sharing services due to an inability to recruit to vacant posts.

In response to a request from Councillor J Geary, the Chief Executive assured Members that the planning service would stay within the District Council and Section 106 money would be ring fenced for the area. In response to a further question from Councillor J Geary, the Chief Executive explained that the Planning Sub Committee referred to within the report was already in existence as the Members Advisory Group. It would ultimately work towards the growth plan and is made up of Cabinet Members from the involved authorities; it was chaired by Councillor T J Pendleton.

Chairman's initials

Regarding the invitation from Nottinghamshire County Council to join their bid as referred to in an email from Andrew Bridgen MP as detailed with the report, Councillor J Geary asked for an update on the situation. Councillor R Blunt reported that this arrangement was not currently an option as Nottinghamshire and Derbyshire sit much better together. Councillor A C Saffell expressed concerns that as an authority we would not have a strong enough voice and would be left behind if we did not become involved with the other cities. He believed that we should be cautious. Councillor R Blunt believed that an agreement would only work if all parties were in agreement and willing to work together. He commented that the District had already seen growth and therefore believed that the proposed arrangements would work well.

In response to questions from Councillor D Harrison, the Chief Executive stated that discussions were still being had regarding whether a separate team of officers would be running the combined authority and this was something that would need to be progressed. She believed that the combined authority could not raise revenue through an element of Council Tax but would report this back to Members.

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

## **24. HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS FOR 2016/17 (WITH UPDATE)**

The Director of Housing presented the report to Members.

In response to concerns from Councillors D Harrison and J Geary regarding the number of void properties in the District resulting in a loss of income, the Director of Housing admitted that the void properties were not turned around as quickly as they should be and there was definitely room for improvement. He added that in comparison to other authorities, North West Leicestershire did have a higher turnover of properties.

In response to a question from Councillor J Geary, the Director of Housing explained that there were currently six business rental properties and as there had been no increase in rent for the last 12 to 15 years, an agreement had been made with the business owners for an incremental increase as detailed within the report.

Councillor T Eynon expressed her concerns regarding the reduction in budget for aids and adaptations, and asked if this would result in delays for people in getting the adaptations they need. The Director of Housing responded that substantial investment had been made in that area already and there were no requests outstanding currently. Even though funds had been reduced, The Director of Services was confident that matching people to properties more efficiently would save money.

In response to a question from Councillor J Coxon, the Director of Housing believed that the tenant's contents insurance did include appropriate coverage for flooding but he would check the policy and report back to Members.

In response to questions from Councillor N Clarke, the Director of Housing stated the following:

- It was proposed to target empty three bedroom houses across the district to sell as there was a disproportionately high number compared to one and two bedroom houses. The plan was to sell five to six properties per year.

Chairman's initials

- Although the report stated that a number of properties may fail to meet the Decent Homes Standards for a short period of time it would be due to factors such as older boilers which were still in good working order but had not yet been replaced. The Council held the 100 per cent of homes at a Decent Homes Standard dearly and it would only be for a short period of time.
- The Director of Housing believed the reduction in debt provision was acceptable and was a prudent figure.

It was moved by Councillor J Coxon, seconded by Councillor J Cotterill and

RESOLVED THAT:

The comments provided by the Committee be considered by Cabinet when it meets on 9 February 2016 to recommend its proposals to Council on 23 February 2016.

## **25. DRAFT REVENUE BUDGET PROPOSALS AND CAPITAL PROGRAMMES 2016/17**

The Head of Finance presented the report to Members.

Councillor J Coxon asked if the Local Council Tax Support grant for town and parish council's would continue to be paid in the 2017/18 financial year. The Head of Finance reported that the decision to pay the grant was made on a year by year basis and would ultimately be a decision for cabinet.

Councillor T Eynon was struck by the extent that the New Homes Bonus grant was relied on and was concerned about the effect it would have on the authority if it was withdrawn. She also drew Members attention to the planned slippage of the disabled facilities grants as mentioned on page 136 of the report and asked officers for clarification. The Head of Finance explained that there was generally a delay between funds being granted and being spent over each financial year, this was the slippage. He assured Members that the funds carried over would still be spent on disabled facilities.

Councillor N Clarke expressed surprise that the level of revenue from recycling was forecasted to be 25 per cent lower in the 2016/17 financial year as he thought that area was booming. The Head of Finance explained that the market had changed as there was currently less demand and therefore the price had fallen.

Councillor N Clarke noted the significant cost for the Local Plan and asked officers if the figure was likely to increase. The Director of Services explained that the figure within the budget was for the cost of the examination of the Local Plan which all authorities legally had to undertake. He could not guarantee the exact cost but he was confident that the amount budgeted would be enough to cover it.

Councillor N Rushton, Corporate Portfolio Holder, addressed the Committee. He reported that the Council was in a good financial position and this was why once again proposals were for a zero per cent rise in Council Tax. He recognised that there was a reliance on the New Homes Bonus grant and that there would be a significant impact if it was withdrawn, this was the reason for prudent spending and setting funds aside as a contingency. Regarding the Local Council Tax Support grant for town and parish council's; Councillor N Rushton stated that the authority would like to continue to provide these grants but unfortunately under the current economic climate, it may not be possible in the future.

It was moved by Councillor J Coxon, seconded by Councillor D Harrison and

Chairman's initials

RESOLVED THAT:

The comments provided by the Committee be considered by Cabinet when it meets on 9 February 2016 to recommend its proposals to Council on 23 February 2016.

**26. ITEMS FOR INCLUSION IN THE FUTURE WORK PROGRAMME**

Consideration was given to the future work programme for the Policy Development Group.

The Deputy Monitoring Officer advised the Committee that an update of the Council's Constitution would be on the agenda for the next meeting of the Committee.

As discussed earlier in the meeting, the Director of Services would invite the CCG representative to the next convenient meeting of the Committee and provide an update report on the Section 106 money contributions for health. As requested by Councillor A C Saffell, the Director of Services agreed to invite the neighbouring area CCG representative that covered Castle Donington.

RESOLVED THAT:

The following items be put on the future work programme:

- 1) Update to the Council's Constitution
- 2) Update on the Section 106 Contributions for Health

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 8.25 pm

Chairman's signature