

SUMMONS TO ATTEND A MEETING OF THE  
NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

Time/Date 6.30 pm on TUESDAY, 16 SEPTEMBER 2014  
Location Council Chamber, Council Offices, Coalville  
Officer to contact Democratic Services (01530 454512)

*Christine E. Fisher*

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Chief Executive

All persons present are reminded that the meeting may be recorded and by attending this meeting you are giving your consent to being filmed and your image being used. You are kindly requested to make it known to the Chairman if you intend to film or record this meeting.

The Monitoring Officer would like to remind members that when they are considering whether the following items are exempt information under the relevant paragraph under part 1 of Schedule 12A of the Local Government Act 1972 they must have regard to the public interest test. This means that members must consider, for each item, whether the public interest in maintaining the exemption from disclosure outweighs the public interest in making the item available to the public.

**AGENDA**

<b>Item</b>	<b>Pages</b>
<b>PRAYERS</b>	
<b>1. APOLOGIES FOR ABSENCE</b>	
<b>2. DECLARATION OF INTERESTS</b>	
Members are reminded that any declaration of interest should be made having regard to the code of conduct. In particular, members must make clear the nature of the interest and whether it is 'pecuniary' or 'non pecuniary'.	
<b>3. CHAIRMAN'S ANNOUNCEMENTS</b>	
<b>4. LEADER'S AND PORTFOLIO HOLDERS' ANNOUNCEMENTS</b>	
Members are reminded that under paragraph 11.1 of part 4 of the Constitution, questions can be asked of the Leader and Cabinet Members without notice about any matter contained in any address. Questions shall be limited to five minutes in total for each announcement.	



<b>Item</b>	<b>Pages</b>
<b>5. QUESTION AND ANSWER SESSION</b>	
To receive questions from members of the public under procedure rule no.10. The procedure rule provides that members of the public may ask members of the Cabinet any question on any matter in relation to which the Council has powers or duties which affect the District, provided that three clear days' notice in writing has been given to the Head of Legal and Support Services.	
<b>6. QUESTIONS FROM COUNCILLORS</b>	
To receive members' questions under procedure rule no.11. The procedure rule provides that any member may ask the chairman of a board or group any question on any matter in relation to which the Council has powers or duties which affect the District, provided that three clear days' notice in writing has been given to the Head of Legal and Support Services.	
<b>7. PETITIONS</b>	
To receive petitions in accordance with the Council's Petition Scheme.	
<b>8. MINUTES</b>	
To confirm the minutes of the meeting of the Council held on 1 July 2014	<b>3 - 20</b>
<b>9. ADDITIONAL COSTS OF THE DECENT HOMES IMPROVEMENT PROGRAMME 2014/15 AND UPDATED HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN</b>	
Report of the Director of Services Presented by the Housing Portfolio Holder and the Corporate Portfolio Holder	<b>21 - 76</b>
<b>10. MINUTES OF LOCAL PLAN ADVISORY COMMITTEE</b>	
Report of the Director of Services Presented by the Regeneration and Planning Portfolio Holder	<b>77 - 96</b>
<b>11. PREPARING FOR THE FUTURE OF THE HOUSING SERVICE - DELEGATION ARRANGEMENTS</b>	
Report of the Head of Legal and Support Services Presented by the Corporate Portfolio Holder	<b>97 - 106</b>
<b>12. TRANSFER OF TRUSTEESHIPS TO WHITWICK PARISH COUNCIL AND ELLISTOWN AND BATTLEFLAT PARISH COUNCIL</b>	
Report of the Head of Finance Presented by the Corporate Portfolio Holder	<b>107 - 110</b>

MINUTES of a meeting of the COUNCIL held in the Council Chamber, Council Offices, Coalville on TUESDAY, 1 JULY 2014

Present: Councillor G A Allman (Chairman)

Councillors R Adams, R D Bayliss, R Blunt, N Clarke, P Clayfield, J Cotterill, J G Coxon, D De Lacy, D Everitt, J Geary, T Gillard, R Holland, J Houlton, D Howe, P Hyde, R Johnson, G Jones, C Large, J Legrys, L Massey, C Meynell, T Neilson, T J Pendleton, V Richichi, N J Rushton, A C Saffell, S Sheahan, N Smith, A V Smith MBE, M Specht, L Spence, D J Stevenson, R Woodward and M B Wyatt

Officers: Mr S Bambrick, Mr R Bowmer, Mr L Brewster, Ms C E Fisher, Mrs M Meredith and Miss E Warhurst

#### **17. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors A Bridges, J Bridges and J Ruff, who was having difficulties being released by her employer.

#### **18. DECLARATION OF INTERESTS**

Councillor J Legrys declared a Disclosable Non-Pecuniary interest in item 7 – Motions (2), due to his association with Friends of Snibston.

Councillors S Sheahan and M B Wyatt declared a Disclosable Non-Pecuniary interest in item 7 – Motions (2), as Members of Leicestershire County Council.

#### **19. CHAIRMAN'S ANNOUNCEMENTS**

The Chairman announced that the Deputy Chairman had attended several events, as had he and his Consort. He reported that he had a busy diary of events over the summer.

#### **20. LEADER'S AND PORTFOLIO HOLDERS' ANNOUNCEMENTS**

Councillor R Blunt spoke in recognition of the end of an era for Moira fire station. He noted that a number of Members had campaigned in support of the fire station, however it would sadly close on 31 July. He wished to place on record his thanks to the on-call crew who had shown such commitment and dedication in serving the people of the District.

Councillor S Sheahan echoed Councillor R Blunt's comments, adding that it was a great shame to see the fire station close. He stated that it was only through the efforts of David Taylor and others that the date of closure had been extended until the premises were available at Castle Donington. He added that premises had now been leased. He expressed great sadness at the closure and reported that a service was being held at a local church on 29 July to commemorate the fire station.

On behalf of himself and Councillor A V Smith, Councillor T J Pendleton commented on the District Council's contribution towards the Download Festival which was the largest event in the District and attracted 80,000 – 100,000 people each year. He acknowledged that as with every event of this size and scale, there were impacts upon local communities, both positive and negative. He stated that the District Council had invested a significant amount of resource into the planning of the event and he thanked all staff across the environmental health, community safety, stronger safer and waste teams for their contribution to the best ever Download Festival in terms of community impact. He reported that this year had seen a huge 70% reduction in crime and disorder, which was in no small part due to the hard work of the community safety team led by Sarah Favell. He reported that for the first time in his recollection, there had been no complaints

received by the District or Parish Council in respect of noise, which was a testament to our officers' work on pre-event planning and on-site noise management. He stated that the aim was to repeat this next year, adding that work would continue with partners as there was always room for improvement. He expressed thanks to all staff involved, commenting that their hard work had paid off.

Councillor T J Pendleton stated that since 2007, the Council had been investing in the quality of new developments and had employed an Urban Designer to help fulfil the Council's vision that North West Leicestershire would be a place where people and businesses felt they belong and were proud to call home. He added that this had led to much more well-considered developments being built. He reminded Members that the Council had won the Urban Design Group's first ever Urban Design Awards and were a leading authority on Built for Life. He added that the standard of what was being built was improving all the time and was heading in the right direction. He announced that in April the Council were awarded 2 design awards for developments in the District and had been personally commended by Nick Boles MP who had also visited the developments.

The Chairman advised Councillor T J Pendleton that he had spoken for 5 minutes in total.

Councillor N Clarke echoed the thanks to officers involved with the Download Festival. He commented on the success of the event as there had been no complaints and a reduction in crime. He added that this was a very important event for the District and he hoped this would continue.

Councillor J Legrys thanked the staff involved for their work and effort on the Download Festival and Picnic in the Park. In respect of Built for Life he commented that no one could criticise the effort of the team on this project, however he felt it could be said that the standards did not go far enough in terms of the living space people were now receiving, and he felt it was a pity that this could not be put into the equation. He concluded that the work had to be praised, however he would like to see far more rigorous investment in raising standards for future developments up to 2031.

Councillor A C Saffell echoed the congratulations to officers on the manner in which noise had been handled at the Download Festival. He commented that the main stage never caused a problem, and the main issues usually arose with the fairground after officers had gone home. He was particularly pleased that this had not occurred this year. He added a note of caution for future years in that the wind direction would have carried any noise away from Castle Donington and the level of attendance was significantly reduced at approximately 50,000 people. He referred to the upcoming Festivals in the District which usually caused more noise complaints. He also reported that the Music in the Park event was taking place in Castle Donington on 3 July and was a free event.

The Chairman reminded Councillor A C Saffell to confine his comments to the subject of the announcement.

Councillor D De Lacy congratulated staff on the success of the Download Festival, and added that he looked forward to the same results at Strawberry Fields. He also congratulated staff on the design awards for De Lacy Court in Castle Donington which was obviously well deserved.

## **21. QUESTION AND ANSWER SESSION**

There were no questions received.

## 22. QUESTIONS FROM COUNCILLORS

The Chairman reported that nine questions from Members had been received for the meeting this evening, and in view of the number received, each question would be limited to 3 minutes in total, including the response and any supplementary question. He explained that this would ensure fairness to all members, given that the overall time limit for dealing with questions was 30 minutes. He reminded Members that should the 3 minutes elapse before the relevant Portfolio Holder was able to respond to a supplementary question, a written response would be provided after the meeting.

Councillor J Legrys put the following question to Councillor A V Smith:

### **“Memorial Square Coalville**

Most of the land surrounding the Clock Tower at Memorial Square Coalville is owned by the County Council as ‘Highway’.

Can the Lead Member please:

- Tell me what powers NWLDC has to close the square to enable events to take place on County Council land?
- The formal process of closing the square to traffic – including a list of Consultees?
- Are event organisers required to keep a vehicular corridor free to enable Emergency Service vehicles to be driven through the square in the event of an emergency elsewhere?”

Councillor A V Smith gave the following response:

“The District Council does not own any land in Memorial Square, it is all owned by the County Council.

The District Council has powers under The Town Police Clauses Act 1847 (Section 21) (TPCA) to close roads i.e. highway land to enable certain events such as public processions, rejoicings and illuminations to take place. These powers have limited application for Memorial Square in that they can be used to close the square but they cannot be used to impose or suspend waiting restrictions or any other Traffic Regulation Order which is a function of the County Highway Authority. The District Council currently only uses the TPCA in Coalville for the annual Remembrance Day parade.

In the main, when the District Council receives any requests to temporarily close or restrict access to a highway (such as Memorial Square) or to amend an existing Traffic Regulation Order applicants are directed to the County Council ([roadclosures@leics.gov.uk](mailto:roadclosures@leics.gov.uk)).

As part of the County Council’s procedure the Emergency Services, Public Transport, District and Parish Councils and the respective County Council Member(s) are advised of the application on initial submission and again two weeks in advance of the event/restrictions taking place.

When the traffic movements around the clock tower were consolidated to one side of the Square, Leicestershire Fire & Rescue requested that provision be incorporated into the design allowing a fire engine to travel through the square in the event of the roads being congested. Therefore a route through the Square is required to be maintained when events are held and organisers are made aware of this requirement”.

Councillor J Legrys acknowledged the time spent by staff and stated that he was pleased to receive an answer. As a supplementary question, he expressed concern that the land the memorial was standing on was not in the ownership of the District Council and asked whether this needed to be rectified.

Councillor A V Smith responded that this was more of a statement than a question and she felt sure that this could be looked into in due course.

Councillor R Woodward put the following question to Councillor T Gillard:

“There is a lot of confusion, and some rumours circulating about the charter of Coalville Market and some members have been contacted by the public about this. There is a strong belief by some, that this medieval charter belongs either to an individual, or is allocated to a non council owned property.

As Coalville, as a settlement, did not exist when market (and fairs) charters were being distributed could the lead member please clarify the situation”.

Councillor T Gillard gave the following response:

“To clarify the situation regarding the market charter:

- Charters were gifts in the discretion of the crown awarded to individuals. As such the charters could be bought, sold or transferred by the individual.
- A charter for a Tuesday market in Whitwick Manor was granted in 1290 and transferred to Sir Henry Hastings and Henry Cutler in 1612. Market rights at Whitwick appear to have been transferred in 1860 to the Whitwick Local Board and then in the 1890's to a successor local board which at that time included Coalville. Such rights would have devolved to the Coalville Urban District Council and then to NWLDC as the successor to the Urban District Council. The rights therefore currently rest with NWLDC”.

As a supplementary question, Councillor R Woodward asked the Portfolio Holder to describe what he meant when he said that the rights ‘appear’ to have been transferred, and to explain exactly what the Charter meant.

Councillor T Gillard stated that he could not answer at present and agreed to provide a response after the meeting. He added that the Council had recently consulted on a rival market policy and these issues would be considered in due course.

Councillor R Woodward attempted to ask a further question. In accordance with Council Procedure Rule 11.8, the Chairman reminded Councillor R Woodward that his contribution should be confined to a supplementary question only.

Councillor R Johnson put the following question to Councillor N J Rushton:

“Recently Derbyshire County Council has set a policy that all councillors should declare that they are members of the Society of Freemasons. Would you agree that this Council should also have a similar policy, in declaring that all councillors declare if they belong to the Freemasons, so that residents of North West Leicestershire will have confidence in their representatives being honest, transparent and above board?”

Councillor N J Rushton gave the following response:

“In replying to the question from Cllr Johnson I have taken advice from the Council’s Monitoring Officer and I have been advised of the following:

The reference above is in relation to a decision taken by Derbyshire County Council to amend and extend the locally agreed Disclosable Non Pecuniary Interests in their members Code of Conduct. The full wording of that amendment being as follows:

*“Any trade union of which you are a member and membership of pressure groups, the Freemasons or other influential bodies of which you are a member.”* (With the amendments being in Italics).

I am advised by the Monitoring Officer that Member’s have been given advice during previous training sessions that the Freemasons is a body directed to charitable purposes and that membership of the Freemasons (or other similar organisations) is a registrable interest under the Code of Conduct under Section 11 of the Register. The Monitoring Officer or her Deputy are always available to give advice to individual Members should they have concerns about registering interests.

In preparing the new Code of Conduct as a result of the changes brought about by the Localism Act 2011 Members will recall a cross party working group was established to make recommendations to Council which were subsequently adopted. If Members feel that it would be appropriate to review and /or amend the locally agreed Disclosable Non Pecuniary Interests then Council can request that be done”.

Councillor R Johnson thanked Councillor N J Rushton for the comprehensive reply. He stated however that he could not recall attending any training sessions that had referred to what action Members take if they were a member of the Freemasons. He commented that clearly it was not felt that a policy was needed. As a supplementary question, he asked what disciplinary action would be taken if a Member did not make a declaration as appropriate.

Councillor N J Rushton responded that under the Code of Conduct, Members were obliged to declare membership of such organisations and it was a matter for them if they decided not to do so. He advised that he would ask the Monitoring Officer to respond in writing setting out the possible recourse; however he felt this would not be significant.

Councillor D De Lacy put the following question to Councillor A V Smith:

“The County Council have taken a decision to reduce or remove some recycling credits to District and Borough Councils with effect from April 2015. If this decision is implemented it will have a substantial detrimental impact on the finances of North West Leics District Council. I understand this could mean a loss in income of between £200,000 and £250,000.

Could the Portfolio Holder confirm this is the case and what is this Council doing to oppose the implementation of this measure?”

Councillor A V Smith gave the following response:

“The District Council is aware through the County Council’s budget report (19 February 2014) and through Leicestershire Waste Partnership meetings that the County Council are seeking efficiency savings through a revised payment mechanism on Recycling Credits. The savings are profiled as £1,480,000 in 2015/16, £1,665,000 in 2016/17 and £1,850,000 in 2017/18.

The District Council received £625,000 in recycling credits from the County Council in 2013/14 this comprised £269,000 from the collection of garden waste tonnage and £356,000 from the collection of (paper, card, plastics, glass and cans).

The District Council has not yet received any formal notification from the County Council on its proposals for achieving their targeted savings through a revised payment mechanism.

However, the District Council is working with other District and Borough Councils and is seeking legal advice in order to consider its position in advance of any formal notification of changes to current arrangements”.

Councillor D De Lacy thanked Councillor A V Smith for her reply, however he commented that he was not certain that this covered his estimated cost to the District Council of £200,000-£250,000 and he sought clarification on this point. He welcomed the last paragraph which indicated that the Council was taking legal advice on the bad decision made by the County Council. He stated that he perceived a problem in that the Corporate Portfolio Holder was also the Leader of Leicestershire County Council. As a supplementary question, he sought assurances that there would be no input on this matter from the Members who held senior positions at Leicestershire County Council to ensure that there was no conflict of interests. He also sought assurances that the matter would be referred back to full Council before the decision was implemented.

Councillor A V Smith responded that it was clear from the response that work was ongoing with others in respect of the legal advice. She added that once the advice was received it would be acted upon and discussed with the Shadow Portfolio Holder before a decision was made on what steps would be taken. She stated that she was unable to provide an answer until the requisite legal advice was forthcoming.

Councillor S Sheahan put the following question to Councillor A V Smith:

“Can the Portfolio Holder place on record a full report of meetings held with AB Produce to deal with the many complaints of offensive odours reported by Measham residents, identifying key actions and detailing the discussions involving the Environment Agency and Natural England.”

Councillor A V Smith gave the following response:

“The District Council has received a number of complaints from residents regarding odours from a variety of sources in Measham including AB Produce.

The District Council is investigating all complaints that are made but as this remains an open investigation detailed case information will not be released (as is standard practice) in order not to jeopardise any future action which may or may not be considered.

However, whilst investigations continue the District Council is seeking to improve outcomes for residents and has facilitated three meetings in 2014 (13 January, 8 May, 24 June) with AB Produce, Parish, District and County Council elected members, a campaign group and the Environment Agency to discuss the odour related issues.

The records of these meetings are confidential to the attendees (of which Cllr Sheahan is party to) in order to facilitate open discussion. The latest meeting held on 24 June identified a number of key actions that are either in progress or are being considered by AB Produce.

A provisional date (19 August) has been agreed for the next meeting where feedback and progress updates are expected from all partners including Natural England and the Environment Agency”.

Councillor S Sheahan commented that he hoped the Portfolio Holder shared his disappointment that such a limited answer could be given. As a supplementary question,



and given that there were calls for a public meeting on this matter, he urged her to reconsider that decision and to reflect on how she intended to persuade the public that the Council was acting in their best interests.

Councillor A V Smith responded that this matter was subject to an ongoing investigation as Councillor S Sheahan was aware, and as such this could not be discussed in an open meeting. She added that she was happy to discuss this matter with him outside of the meeting.

Councillor N Smith put the following question to Councillor N J Rushton:

“Chairman, I accept that the Constitution allows meetings such as this to take place, however I would suggest that as one of the Council’s priorities is value for money, could the Chairman please explain to this Council how a meeting consisting primarily of questions and motions that could have waited until the next full Council meeting is value for money and could he please confirm the cost involved in holding tonight’s meeting.”

As a similar question had been received from Councillor M Specht, the Chairman invited him to put his question to enable Councillor N J Rushton to respond to both questions concurrently.

Councillor M Specht put the following question to Councillor N J Rushton:

“I would like to put forward a question for next week’s meeting. This relates to the cost of rescheduling this meeting which The Chairman had previously decided would not take place in July, due to there being no business to bring to Council”.

Councillor N J Rushton gave the following response:

“The purpose of Council is twofold:

- a) To consider and make decisions on reports presented by officers through the relevant port folio holders; and
- b) To consider other matters which arise through the democratic process such as deputations, questions and motions.

The Constitution sets out the basis on which a motion can be refused which is that it is illegal, scurrilous, improper or out of order. Whether or not a motion can or should wait until the next meeting is not relevant to determining whether the motion is accepted for inclusion on an agenda.

The cost of the Council meeting includes time spent on agenda preparation, printing and dispatch, administration of the meeting and all officer time including time spent on legal advice, meeting attendance and motions and questions received. The estimated cost of tonight’s meeting is £2462.32”.

Councillor N Smith declined to ask a supplementary question.

Councillor M Specht sought to ask a supplementary question of the Chairman, and sought assurances that when the decision was taken to cancel the meeting, there was no essential business that could not wait until the next meeting of the Council.

The Chairman advised that the supplementary question should be addressed to the same member as the original question.

Councillor R Woodward sought to raise a point of order in that the question from Councillor M Specht referred to next week's meeting and the Council had agreed a schedule of meetings.

Councillor N J Rushton responded that calling a meeting was at the Chairman's discretion and it was not for Members to question his integrity.

Councillor D Everitt put the following question to Councillor R Blunt:

"NWLDC website provides emergency phone numbers to be used when the council offices are closed, for emergency repairs and when public safety is at risk. How often has this service been used in the last twelve months and how often have calls resulted in action being taken?"

Councillor R Blunt gave the following response:

"The emergency phone number receives a variety of calls, including emergency repairs, lifeline/pullcord alarms, reporting stray animals, reporting dangerous buildings and day to day calls from officers and contractors. Calls to the service are voice recorded and are logged as an 'incident' on the Piper Network Communication (PNC) system.

As the service is operational 24 hours a day, 7 days a week, the out of hours calls are not logged separately to those received during working hours. However, I can confirm that a total of 2290 incidents were logged in 2013/14. 982 of these incidents resulted in immediate action being taken.

Examples of actions taken by the operative includes:

- Notifying Councils in-house repairs operatives to attend and make safe
- Contacting the relevant contractors to attend and address the issue
- Notifying the relevant on call duty officer of issues
- Contacting key holders to make them aware of the issues
- Contacting emergency services

Scenarios that do not require immediate action include;

- Calls for action that are not classed as an emergency and do not require an immediate response (e.g. non urgent repairs, pest control etc.)

Residents that call to leave messages for services that do not have a dedicated out of hours service (e.g. planning advice)".

Councillor D Everitt thanked Councillor R Blunt for his reply and stated however that his experience was somewhat different. He reported that on 17 May he was contacted by a member of the public to inform him that two bags of asbestos waste had been left outside on the Woodside estate. He stated that he had called the number on the Council's website to contact the housing maintenance team and received a recorded message to say that someone should get back to him. That evening he had visited the estate to satisfy himself that it was still safe. On the Sunday he had found the out of hours number on the website, however he reported that the response he had received was even more disheartening, in that the operator seemed intent on persuading him that a response on Monday would be sufficient. He stated that therefore he had decided to deal with the matter himself.

The Chairman reminded Councillor D Everitt to confine his contribution to a supplementary question only.

As a supplementary question, Councillor D Everitt asked if Councillor R Blunt was aware that this does happen to people. He advised that he had resolved the issue himself by finding the firm responsible and receiving a response from them which he should have received from the Council, and the waste had subsequently been removed within two hours. He stated vehemently that the response was not an accurate reflection of the situation and to date he had received no reply from the Council. He commented that if such poor service was being received by Councillors, what were the public experiencing?

Councillor R Blunt made reference to the number of people who contacted the Council and highlighted the ICE programme which sought to create a system that dealt with every contact made in the best possible way. He acknowledged that things would occasionally go wrong but he believed that the service was moving in the right direction. He agreed to provide a detailed response in writing after the meeting.

Councillor N Clarke put the following question to Councillor A V Smith:

“Meadow Lane crossroads in Coalville has been identified by this Council as a "Hotspot" for parking offences, and Officers have attempted to improve the appalling situation for residents and businesses in and around that location.

However, there appears to be no reduction in the amount of parking offences committed and the situation seems to be going from bad to worse.

Can the Portfolio Holder please advise me what this Council intend to do to help address this matter? ”

Councillor A V Smith gave the following response:

“The District Council receives regular requests to increase on-street enforcement patrols in various areas of the District and this has included the Meadow Lane crossroads in Coalville.

As members will be aware the District Council is contracted by the County Council to undertake on-street enforcement services on its behalf.

All requests by residents and members for increased enforcement are therefore forwarded to the County Council for their consideration. The County Council do not offer an "on demand" service but all requests are considered to assess the appropriateness of any enforcement.

As such this request, with the District Councils support, will be forwarded to the County Council for their consideration and response”.

As a supplementary question, Councillor N Clarke asked the Leader of Leicestershire County Council to use his influence to ensure a response was received as a matter of urgency.

Councillor A V Smith responded that the question was addressed to her, not Councillor N J Rushton. She reiterated that the request had been forwarded to the County Council and would be chased up if a response was not forthcoming. She added that this was all she was prepared to say on the matter at present.

## **23. MOTIONS**

The Chairman encouraged all Members to make their submissions on the motions received in a timely manner.

## Motion (1)

Councillor T Neilson moved the following motion:

“Our tenants should not be made prisoners in their own homes. When they need extra work to be done on their house so that they can more easily look after themselves then we should be make that as easy as possible. This council believes that 14 months to get an adaptation to a council house is too long. We therefore will introduce a service level agreement with our tenants to ensure that the vast majority (say 90%) of adaptations are done within a maximum of 10 months for routine adaptations and 6 months for more urgent adaptations.

This will of course be subject to the same budgetary restrictions and caveats relating to planning applications as the current policy”.

Councillor T Neilson stated that the motion originated from some of the experiences Members had been hearing about when knocking on doors. He added that more and more casework related to adaptations, and the issues to be discussed were dignity and quality of life. He stated that to ask people to wait more than a year to have their needs addressed was poor in the 21<sup>st</sup> century, and completion timescales varied. He believed that through implementing challenging targets, the Council could start to show disabled tenants it was working for them.

The motion was seconded by Councillor J Legrys who reserved his comments.

Councillor R D Bayliss urged Members to reject the motion as he believed it was badly drafted, would be difficult to implement, was not costed in terms of the consequences and was ill-informed as to the present policy. He acknowledged that there were occasional regrettable failures in performance but felt that this did not detract from the policy itself. He reminded Members that the starting point had been a no star, poor performance service with uncertain prospects, and therefore Members would understand why he was not prepared to listen to lectures on the quality of the policy or the service. He also reminded Members that the present policy had been adopted by the Council in May 2008 and had succeeded in the audit. He explained that minor adaptations were implemented within 28 days, fast track adaptations within 5 months or less, and other adaptations were completed within 8 months if they were relatively urgent. Routine adaptations could take upto 14 months and some could take longer. He outlined some of the factors that could impact upon timescales, such as reports from occupational therapy, planning permissions, procurement issues and contracting for works, which demonstrated that the process could not simply be sped up. That said, he advised that the policy was currently under review and would be reported to Cabinet before the end of the calendar year. He reminded Members that they could call the issue in or refer it to Policy Development Group if they were so minded.

The Chairman advised Councillor R D Bayliss that he had spoken for almost 5 minutes in total and asked him to conclude.

Councillor R D Bayliss stated that improvements had been made upon what had been inherited, however he urged Members to reject the motion and await the outcome of the review.

Councillor J Legrys stated that he was obviously disappointed with the response from Councillor R D Bayliss. He stated that the Conservative Group had been in control of the Council for 8 years and it was about time this titanic was turned around. He expressed disappointment for the council tenants who were having to wait so long for the adaptations they required. He accepted that there was a fast track process and he welcomed this. However he expressed disappointment that officers were working in silos and there was

no agreement from the planning department to overcome these issues. He concluded that there were a lot of elderly tenants who were waiting too long to be able to have a bath, a wash or a shower independently, and this was appalling in 2014. He stated that the situation must be avoided where someone in later life waits so long for an adaptation that they never receive it.

Councillor T Neilson exercised his right of reply and stated that he was not sure why he was being accused of not understanding the policy given that his allegation regarding the timescales was correct. He added that he was very happy to hear that a review was ongoing and he imagined that the Labour Group would want to provide some input. He stated that he believed the Council should be demonstrating to tenants that it was listening and understood that what might be considered a minor adaptation could have a huge impact upon their quality of life. He commented that he had included a caveat in respect of costs in the motion and so he did not accept the argument that the motion could not be supported as it had not been costed. He also felt that the planning issues could be overcome. He urged Members to support the motion.

Having been moved and seconded, the motion was then put to the vote and was declared LOST.

Councillor D J Stevenson attempted to speak.

Councillor J Legrys raised a point of order that Councillor D J Stevenson was speaking out of turn.

The Chairman called for order at this point.

Motion (2)

Councillor J Legrys moved the following motion:

**“Motion of Economic Impact of the Closure of Snibston Exhibition Hall**

This Council’s Constitution requires the Cabinet/Executive to:

*“To carry out the Authority’s responsibilities for improving the economic, social and environmental well-being of the District and increasing the availability and equality of access to employment”. (Article 16 page 41)”.*

**Motion:**

In light of Leicestershire County Council’s consideration to close the Exhibition Hall at Snibston Discovery Museum this Council will undertake an Economic Impact Assessment to examine the affect of such a closure on Coalville and the wider District.

The Economic Impact Assessment(EIA) will be an assessment of different options for the future of Snibston including an appraisal of the economic impact of:-

1. Maintaining the Exhibition Hall and current collections intact at the current location at Snibston Discovery Museum and continuing towards increased commercialisation as described in the Business Plan detailed in the Black Radley Ltd report dated 15<sup>th</sup> March 2011.
2. Closing & demolishing the Exhibition Hall, redistributing collections away from Coalville with a view to building new housing or employment on the vacant site.

3. Transferring control of Snibston Discovery Museum, including the Scheduled Ancient Monument, Gallery, Park and Century Theatre and all associated land and artifacts into a charitable trust with a view to increasing footfall and private sector investment as referred to in the Black Radley Ltd report on pages 23 and 24.
4. A 'low key' weekend/holiday only opening of the Scheduled Monument with no Main Gallery attraction".

Councillor J Legrys stated that the Council had a duty to assess the economic impact of large-scale significant employers, which was a possibility given Leicestershire County Council's proposals. He added that the motion was focussing on the economic impact of the current consultation, and not the rights and wrongs of the decision. He highlighted the Black Radley report which had been circulated to Members in the additional papers and which he had specifically referred to in the motion. He emphasised the economic impact of the current offer on Coalville alone. He felt that it was necessary to provide a professionally prepared economic impact assessment before the next meeting in September. He stated that he was pleased that the Cabinet at its meeting last week had agreed to undertake various assessments regarding Roxhill and urged Members to support the motion.

The motion was seconded by Councillor L Spence who reserved his comments.

Councillor A V Smith stated that unfortunately she could not support the motion for very good reasons. She reiterated the Council's dedication to the regeneration of Coalville and appreciated that Leicestershire County Council's proposed plans for Snibston had been thought through and had the potential to be very positive for Coalville. She pointed out that the plans included demolishing the existing museum, which required significant investment to make it sound, however they also included the introduction of a smaller museum, focussed on Coalville's rich coal mining heritage. She added that a local museum for Coalville had been championed for some time by the Coalville Heritage Society. She would support the development of such a facility on the Snibston site if this was possible. She believed that with the correct focus and continued investment, a museum like this would be an excellent community facility for local people, as well as an opportunity to showcase our heritage. She highlighted that the proposals also included investment in the country park and continued support for the Century Theatre, both of which were much loved community assets.

Councillor T Neilson sought to raise a point of order as Councillor A V Smith's speech did not relate to the motion.

Councillor A V Smith stated that an economic impact assessment would incur a significant cost to the Council and the results would not be available prior to the decision being made by Leicestershire County Council, and as such she encouraged Members to work closely with Leicestershire County Council to enhance what was offered in Coalville for local residents, schools and visitors. She added that an economic impact assessment was too little, too late. She also requested that the minutes of this meeting and the decision on this motion be made available to Leicestershire County Council.

Councillor J Legrys sought to raise a point of order in that Councillor A V Smith's speech had determined the outcome of Leicestershire County Council's decision.

Councillor N Clarke stated that if Snibston was to close, it would have a significant impact and the public had the right to know what effect this would have on the economy.

Councillor T Neilson stated that he wished to propose an amendment to the motion. As his proposal was a significant amendment to the motion, the meeting was adjourned to enable officers to give advice and to circulate the amendment.

The meeting was adjourned at 7.30pm and reconvened at 7.40pm.

Councillor T Neilson moved the following amendment:

**“Motion of Economic Impact of the Closure of Snibston Exhibition Hall**

This Council’s Constitution requires the Cabinet/Executive to:

*“To carry out the Authority’s responsibilities for improving the economic, social and environmental well-being of the District and increasing the availability and equality of access to employment”. (Article 16 page 41)”*.

**Motion:**

In light of the Black Radley Ltd report and Leicestershire County Council’s consideration to close the Exhibition Hall at Snibston Discovery Museum this Council will undertake an Economic Impact Assessment to examine the affect of such a closure on Coalville and the wider District.

The Economic Impact Assessment(EIA) will be an assessment of different options for the future of Snibston including an appraisal of the economic impact to the area of closing & demolishing the Exhibition Hall, redistributing collections away from Coalville with a view to building new housing or employment on the vacant site”.

The motion was seconded by Councillor J Geary who reserved his comments.

Councillor D De Lacy spoke in support of the amendment. He stated that thousands of people had signed a petition about the closure of Snibston and for that reason alone, tonight’s meeting needed to take place. He added that Coalville was the most populated area in North West Leicestershire and if the Council’s plans took place there would be a lot more people living here in future. He commented that Snibston was the jewel in the crown.

The Chairman reminded Councillor D De Lacy to confine his contributions to the subject of the amendment.

Councillor D De Lacy commented that he hoped the Chairman would allow him as much license as he had allowed the Portfolio Holder.

The Chairman asked Councillor D De Lacy if he was suggesting that he was not being allowed the requisite amount of time to speak. Councillor D De Lacy confirmed that this was not what he was suggesting.

Councillor D De Lacy stated that he felt it would be a massive mistake to close the biggest attraction in Coalville, which was why he supported the motion. He commented that he had not received an answer to his earlier question, however there was a growing perception outside the Chamber that the District Council was becoming the ‘poodle’ of the County Council and he questioned the morality of senior Councillors at Leicestershire County Council taking this decision without the benefit of the economic impact assessment. He stated that he felt these Councillors were conflicted on the subject of this motion. He called for District Councillors to start representing the District. He added that many people felt that any decision to close Snibston would be a detriment to the area, and for that reason the economic impact assessment should be completed as soon as

possible. He stated that he felt County Councillors should not be voting on this amendment.

Councillor A V Smith stated that she still could not support the amendment. She added that she could not say what Leicestershire County Council was going to decide, and the District Council needed to work on its own agenda. She reiterated that supporting the mining museum could make a huge difference to Coalville.

Councillor J Legrys sought clarification that, as the mover of the original motion, he was entitled to speak to the amendment. The Chairman confirmed that he was able to speak again to the amendment.

Councillor J Legrys spoke in support of the amendment and felt that it simplified the proposed action on the economic impact assessment. He accepted that no decision had been made on the outcome of the consultation, however he felt the Council should act to meet the needs of the District, and he expressed bitter disappointment at the statements made by Members of the Conservative Group on a much-loved feature. He urged Members to agree that the Council should conduct an economic impact assessment in the same way it had on the closure of other significant employers.

Councillor J Geary made reference to the fact that Leicestershire County Council needed to make cuts and the museum service was not statutory and would therefore be in the firing line. He stated that without an economic impact assessment it could not be known what Coalville would lose if Snibston closed. He added that there would be job losses and it was unknown whether town centre footfall would be affected. He stated that if Members were committed to the regeneration of Coalville, they should be looking at the damage the closure of Snibston would cause to the regeneration. He added that information was wanted to ensure the right decision could be made.

Councillor D De Lacy commented that if this issue was considered by so many to be such an important matter, there should have been an item of business on this agenda.

Councillor T Neilson requested a recorded vote. The motion was then put to the vote and the voting was as follows:

For the motion:

Councillors R Adams, N Clarke, P Clayfield, D De Lacy, D Everitt, J Geary, D Howe, P Hyde, R Johnson, J Legrys, L Massey, T Neilson, S Sheahan, L Spence, R Woodward and M B Wyatt (16).

Against the motion:

Councillors G A Allman, R D Bayliss, R Blunt, J Cotterill, J G Coxon, T Gillard, R Holland, J Hault, G Jones, C Large, C Meynell, T J Pendleton, V Richichi, N J Rushton, A C Saffell, A Smith, N Smith, M Specht and D J Stevenson (19).

Abstentions:

None (0).

The motion was declared LOST.

The motion having failed, the Chairman referred Members to the substantive motion.

As Councillor L Spence had reserved his comments, the Chairman invited him to speak. He declined to make any further comments.

Councillor J Legrys exercised his right of reply and stated that he was disappointed with the response from the Members opposite and commented that with the press in



attendance at the meeting, the comments would be reported outside of the Chamber. He expressed sadness that Coalville Councillors were voting against conducting a professional study on the impact of Leicestershire County Council's proposals. He concluded that an external body would be needed to undertake this work and added that he was aware of the cost of doing this, however he felt this would be well supported by the people of Coalville.

Councillor J Legrys requested a recorded vote. The motion was then put to the vote and the voting was as follows:

For the motion:

Councillors R Adams, N Clarke, P Clayfield, D De Lacy, D Everitt, J Geary, D Howe, P Hyde, R Johnson, J Legrys, L Massey, T Neilson, S Sheahan, L Spence, R Woodward and M B Wyatt (16).

Against the motion:

Councillors G A Allman, R D Bayliss, R Blunt, J Cotterill, J G Coxon, T Gillard, R Holland, J Hault, G Jones, C Large, C Meynell, T J Pendleton, V Richichi, N J Rushton, A C Saffell, A Smith, N Smith, M Specht and D J Stevenson (19).

Abstentions:

None (0).

The motion was declared LOST.

Motion (3)

Councillor J Legrys moved the following motion:

**“Minimum Size of Vehicular Garages on New Developments**

Elected Members are receiving complaints from residents that many garages on new developments are so small that it is impossible to be used for vehicular parking. The re-visit of the Local Plan will provide an opportunity to examine current policy and practice.

**Motion**

This Council will deliver a new policy to insist that developers provide minimum internal garage dimensions that will:

Provide Garage door width that will enable most cars to enter/leave the garage and allow most drivers of an average (model) sized vehicle to open the vehicle door(s) and to enter/exit the vehicle freely without effort.

Consider the implications of the Disability Discrimination Act on the internal design of all new garages.

Garage parking space should be considered as supplementary to the required Parking Provision calculation for any development”.

Councillor J Legrys commented that it was ironic that a meeting with no business had lasted longer than a meeting with business. He expressed disappointment that he felt it necessary to bring this motion to Council, however he reported that the Members Planning Forum was cancelled more often than not, and as such there was no other vehicle for him to raise this matter. He reported that he and Councillor P Clayfield were receiving complaints from residents of an estate which had an allocation of 1.5 parking spaces per dwelling, and unfortunately the garages doors were 2m in width. He pointed

out that these garages were so narrow that residents simply could not physically access them. He accepted that many people chose to use their garages for junk rather than cars, however with developments becoming more compact, parking space was becoming a premium. He called upon the Council to deliver a policy that insisted upon developers providing a minimum sized garage space. He stated that the Authority could not continue giving planning permission for parking spaces that could not be used. He added that people should have the ability to park in a space that they are able to get out of. He stated that the Council's planning policy and the Disability Discrimination Act were not being taken into account.

Councillor T Gillard interjected that people should buy a house with a bigger garage.

The Chairman called for order at this point in the meeting.

Councillor J Legrys raised a point of order that Councillor T Gillard had spoken out of turn.

Councillor J Legrys stated that he was disappointed with the attitude to this issue.

The Chairman advised Councillor J Legrys that he had spoken for almost 5 minutes in total and asked him to conclude.

Councillor J Legrys stated that as a Planning Authority, the Council had done some good work to improve the standard of homes. He requested a policy renewal that would benefit those people who wanted to park their car in their garage.

The motion was seconded by Councillor P Clayfield who reserved her comments.

Councillor M Specht stated that he took on board the comments about disabled people accessing garages. He added that the majority of people did not use their garage to park their car and referred to the amount applications received for planning permission to convert the garage to ancillary accommodation. He commented that most average sized vehicles should fit through a garage door that was 2m wide and he suggested that people who could not manoeuvre a car through a garage door should not have a driving licence.

The Chairman called for order at this point in the meeting.

Councillor L Spence stated that many homes had garages which were far too small to be useful. He added that it was not for the Council to dictate how people should use their garages, however the Council should ensure that people could use them for the purpose for which they were intended. He referred to a particular case which was recently reported in the Daily Mail. He commented that it was becoming more commonplace that adult children could not afford to move out of their parents' homes and there were more 3 or 4 car families. He concluded that the Council needed to ensure garages were practical for their intended purpose. He added however that there was a fine balance to be struck as a reduction in living space or an increase in costs should be avoided. He urged all Members to support the motion.

Councillor J Geary concurred that anyone with a full driving licence should be able to aim a car into a 2m wide entrance. He added that the problem was opening the car door once the vehicle was inside the garage, which was why he supported this motion. He stated that the Members Planning Forum was surely the appropriate place to debate this issue. He asked officers to relax their attitude to the Members Planning Forum meetings as it currently consisted mainly of presentations from developers.

Councillor D J Stevenson stated that he would welcome the chance to visit these properties with the Ward Members. He added that with the exception of disabled people, 6' 6" was sufficient space to get in and out of a car and referred to the size of the parking

spaces on the car park. He stated that he had previously fitted garage doors and he had only ever received requests to increase the height of the door. He added that people should not buy a house if the garage was not going to be big enough. He commented that women often chose a house and men often paid for it, and the last thing taken into consideration was the garage door.

The Chairman called for order at this point in the meeting.

Councillor D J Stevenson requested the names and addresses pertaining to the complaints received.

The Chairman reminded Members that it was not appropriate to give names and addresses in a public meeting and called for order.

Councillor T J Pendleton stated that this was the wrong forum to discuss this matter and suggested that Councillor J Legrys raise it at the Members Planning Forum. He added that this was a complicated issue and needed due consideration. He advised Members that 19 September was the final date for including items of consideration for the supplementary planning document. He added that he was not prepared to deal with planning 'on the hoof'. He commented that it was the Labour government who had passed the current policy. He referred to the superb improvements made by the Council's Urban Designer. He concluded that this was simply not the place to debate this fully and once again urged Councillor J Legrys to raise the matter at the Members Planning Forum.

Councillor J Legrys interjected that the Leader was calling for Councillor T J Pendleton to conclude.

The Chairman called for order at this point in the meeting.

Councillor T J Pendleton urged Members to vote against the motion and stated he would bring the matter forward for consideration in the supplementary planning document.

Councillor T Neilson expressed disbelief that a motion on garage doors had become a political foray. He commented that the motion was not seeking to accommodate the 'dinosaurs' driven by some Members opposite.

The Chairman called for order at this point in the meeting.

Councillor T Neilson concluded that the Portfolio Holder had indicated he would bring this forward for consideration in the supplementary planning document and therefore he could not understand why Members would vote against the motion. He reiterated the importance of this issue for some residents and added that it was a shame the subject had become a political football.

Councillor A C Saffell commented that this issue had become very political but it simply needed to be sensibly sorted out. He added that this was not the right forum to discuss it. He stated that he had just looked up the dimensions of his car, which was considered to be a medium-sized car, and it was 6' 9" wide and would not go through a door which was 2m wide. He concurred that garages were too small. He added that if 1.5 parking spaces per dwelling was specified, and the garage was one of those spaces, it should accommodate a car. He concluded that this was wrong and a common sense approach needed to be adopted.

Councillor N Smith commented that John Prescott had introduced the policy which specified 1.5 parking spaces per dwelling. He recalled a previous planning application which had provided 1 garage for 7 flats, and Members were advised that they could not

object on this basis. He disagreed with Councillor M Specht's comments as both his Bentleys were more than 2m wide.

Councillor J Legrys called for the Chairman to move to the vote.

The Chairman then put the motion to the vote and it was declared LOST.

The Chairman called for order at this point.

#### **24. PETITIONS**

No petitions were received.

#### **25. MINUTES**

Consideration was given to the minutes of the meeting held on 13 May 2014.

It was moved by Councillor G A Allman, seconded by Councillor T Gillard and

RESOLVED THAT:

The minutes of the meeting held on 13 May 2014 be approved and signed by the Chairman as a correct record.

Councillor C Large left the meeting at 7.04pm during the discussion on item 6 – Questions from Councillors, and returned to the meeting at 7.09pm.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 8.24 pm

## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COUNCIL – 16 SEPTEMBER 2014

Title of report	<b>ADDITIONAL COSTS OF THE DECENT HOMES IMPROVEMENT PROGRAMME 2014/15 AND UPDATED HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN</b>
Contacts	<p>Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a></p> <p>Councillor Roger Bayliss 01530 411055 <a href="mailto:roger.bayliss@nwleicestershire.gov.uk">roger.bayliss@nwleicestershire.gov.uk</a></p> <p>Chief Executive 01530 454500 <a href="mailto:christine.fisher@nwleicestershire.gov.uk">christine.fisher@nwleicestershire.gov.uk</a></p> <p>Director of Services 01530 454555 <a href="mailto:steve.bambrick@nwleicestershire.gov.uk">steve.bambrick@nwleicestershire.gov.uk</a></p> <p>Head of Finance 01530454520 <a href="mailto:ray.bowmer@nwleicestershire.gov.uk">ray.bowmer@nwleicestershire.gov.uk</a></p>
Purpose of report	To consider Cabinets recommendation to Council for the approval of an amended HRA Budget, Housing Capital Programme, and Treasury Management Strategy Statement for 2014/15, in response to changes in the number of non decent properties eligible for Homes and Communities Agency (HCA) grant funding, and the identification of additional non decent properties requiring improvement works.
Reason for Decision	To ensure that Council has adequate financial resources to deliver the required programme of improvement works to Council tenants homes.
Council Priorities	Value for Money Homes and Communities
<p>Implications:</p> <p>Financial/Staff</p> <p>Link to relevant CAT</p> <p>Risk Management</p>	<p>Financial implications detailed in the report.</p> <p>Not applicable</p> <p>Making adequate budget provision to complete this work will allow the Council to achieve the objectives for the improvement programme as set out in the Housing Business Plan.</p>

Equalities Impact Screening	No impact identified
Human Rights	None identified
Transformational Government	Not applicable
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Deputy Monitoring Officer	On the advice of external solicitors, the report is satisfactory
Consultees	Housing Revenue Account Business Plan Project Board
Background papers	None
Recommendations	<p><b>THAT COUNCIL -</b></p> <ol style="list-style-type: none"> <li><b>1. NOTES THE REDUCTION IN GRANT ELIGIBLE PROPERTIES AND THE ADDITIONAL NON DECENT HOMES IDENTIFIED AS PART OF THE 2014/15 DECENT HOMES PROGRAMME OF IMPROVEMENTS, AS DETAILED IN THE REPORT TO CABINET ATTACHED AS APPENDIX 1, AND THE IMPACT ON THE HRA BUSINESS PLAN AS EXPLAINED IN THE REPORT AT APPENDIX 2.</b></li> <li><b>2. CONSIDERS THE REPORTS TO CABINET AND THE ASSOCIATED RECOMMENDATION FROM CABINET (INCLUDED IN SECTION 1.5 OF THIS REPORT) IN RELATION TO FUNDING THE REQUIRED WORKS AND APPROVES THE REVISED 2014/15 HOUSING CAPITAL PROGRAMME AND HRA BUDGET AS DETAILED IN APPENDIX 4 AND 5 OF THIS REPORT TO FUND THIS INCREASE IN COSTS, AND THE AMENDED PRUDENTIAL INDICATORS DETAILED IN APPENDIX 6.</b></li> </ol>

## **1.0 REPORT**

- 1.1 Council considered and approved the recommendations of a report on 4 March 2014 entitled “Additional Costs of the Decent Homes Improvement Programme 2014/15”, and adopted a revised Housing Revenue Account (HRA) and Capital Programme budget for 2014/15 as well as revised prudential indicators. As part of this report

reference was made to the need to consider funding a number of additional non decent homes which had been identified as a result of stock condition surveys completed in preparation for the 2014/15 improvement programme.

- 1.2 In addition, the analysis of stock condition surveys has also identified that a number of non decent properties would not qualify for HCA decent homes backlog funding grant, when our initial assessment had indicated they would, requiring a further amendment to the budget if the works were to be completed.
- 1.3 These issues were considered by the Policy Development Group (PDG) on 16 July 2014 and the draft minutes of the meeting are incorporated into the report at Appendix 1.
- 1.4 The reports attached as Appendix 1 and 2 were considered by Cabinet on 29 July 2014 and the decision of Cabinet was to recommend the amended HRA and Capital budgets and revised prudential indicators to Full Council as detailed in the draft minutes of the meeting, attached as Appendix 3. The draft decision of Cabinet was as follows –

1.5 **RESOLVED THAT:**

**Cabinet –**

- 1. Notes the reduction in the number of grant eligible properties and the consequent reduction in backlog funding grant as detailed in section 4.0 of this report, and the projected additional cost of making all identified non decent homes meet the decent homes standard by March 2015.**
- 2. Considers the outcome of the Policy Development Group's consideration of this matter at their meeting on 16 July 2014.**
- 3. Recommends to Council the revised 2014/15 Housing Capital Programme and HRA budget as detailed in appendix a and b of this report to fund the completion of all the required work, and the amended prudential indicators detailed in appendix c as a departure from the current budget.**

- 1.6 Council is invited to consider the recommendation from Cabinet on 29 July 2014 as detailed in Appendix 3, with the revised HRA Budget, and Housing Capital Programme 2014/15, and revised prudential indicators attached as Appendix 4, 5, and 6 respectively for ease of reference. Members will note this duplicates the information incorporated at Appendix 1, and this is deliberate for ease of reference.

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## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

## CABINET – 29 JULY 2014

Title of report	<b>ADDITIONAL COSTS OF THE DECENT HOMES PROGRAMME 2014/2015</b>
Contacts	<p>Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a></p> <p>Councillor Roger Bayliss 01530 411055 <a href="mailto:roger.bayliss@nwleicestershire.gov.uk">roger.bayliss@nwleicestershire.gov.uk</a></p> <p>Director of Services 01530 454555 <a href="mailto:steve.bambrick@nwleicestershire.gov.uk">steve.bambrick@nwleicestershire.gov.uk</a></p> <p>Head of Finance 01530 454520 <a href="mailto:ray.bowmer@nwleicestershire.gov.uk">ray.bowmer@nwleicestershire.gov.uk</a></p> <p>Head of Housing 01530 454780 <a href="mailto:chris.lambert@nwleicestershire.gov.uk">chris.lambert@nwleicestershire.gov.uk</a></p>
Purpose of report	To outline the additional costs of the Decent Homes Programme 2014/15, to consider the Policy Development Group's comments and to consider a recommendation to Council as a departure from the budget
Council Priorities	Value for Money Homes and Communities
Implications:	
Financial/Staff	The implications of the decision are covered in the report
Link to relevant CAT	Not applicable
Risk Management	The risks associated with the decision are covered in the report
Equalities Impact Assessment	The implications of the decision are covered in the report
Human Rights	Not applicable

Transformational Government	Not applicable
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	On the advice of Bevan Brittan this report is satisfactory
Consultees	Housing Revenue Account Business Plan Project Board
Background papers	<p><b>Additional Costs of the Decent Homes Improvement Programme 2014/15 (Cabinet - 4 March 2014)</b></p> <p><b>Call-in of Cabinet decision of 4 March 2014 entitled 'Additional Costs of the Decent Homes Programme 2014/15' (Policy Development Group - 12 March 2014)</b></p>
Recommendations	<p><b>THAT CABINET -</b></p> <ol style="list-style-type: none"> <li><b>1. NOTES THE REDUCTION IN THE NUMBER OF GRANT ELIGIBLE PROPERTIES AND THE CONSEQUENT REDUCTION IN BACKLOG FUNDING GRANT AS DETAILED IN SECTION 4.0 OF THIS REPORT, AND THE PROJECTED ADDITIONAL COST OF MAKING ALL IDENTIFIED NON DECENT HOMES MEET THE DECENT HOMES STANDARD BY MARCH 2015.</b></li> <li><b>2. CONSIDERS THE OUTCOME OF THE POLICY DEVELOPMENT GROUP'S CONSIDERATION OF THIS MATTER AT THEIR MEETING ON 16 JULY 2014.</b></li> <li><b>3. RECOMMENDS TO COUNCIL THE REVISED 2014/15 HOUSING CAPITAL PROGRAMME AND HRA BUDGET AS DETAILED IN APPENDIX A AND B OF THIS REPORT TO FUND THE COMPLETION ALL THE REQUIRED WORK, AND THE AMENDED PRUDENTIAL INDICATORS DETAILED IN APPENDIX C AS A DEPARTURE FROM THE CURRENT BUDGET</b></li> </ol>

## 1.0 BACKGROUND

- 1.1 This report will advise Cabinet of the outcome of the detailed evaluation of the number of newly identified non decent properties, the projected cost of completing works to them, and the funding sources for completing this work This includes the draft revised Housing

Revenue Account (HRA) Budget (as Appendix A), draft revised Capital Programme (as Appendix B) and draft revised prudential indicators (as Appendix C).

- 1.2 In addition it will also explain the implications of the data analysis completed as part of the end of year process following the successful completion of the 2013/14 Decent Homes Improvement Programme, and the effect of this on our Decent Homes Backlog Funding Grant allocation for 2014/15.
- 1.3 The impact of the funding implications of these matters on the Housing Revenue Account Business Plan is addressed in a separate paper on the agenda for this meeting of Cabinet.

## **2.0 DELIVERY OF THE DECENT HOMES PROGRAMME TO DATE**

- 2.1 The Decent Homes Improvement Programme (DHIP) for 2013/14 has recently been completed, with a total of 2,118 Council tenants homes having now been made decent over two years using a combination of Homes and Communities Agency (HCA) backlog funding grant (£12.2m) and North West Leicestershire District Council funding sources during 2012/13 and 2013/14. Customer satisfaction with the completed works is 97.5% for Q4 of 2014/15 against a target of 95%.
- 2.2 The Homes and Communities Agency undertake an annual Value For Money benchmarking comparison exercise, to allow all Council's in receipt of Decent Homes Backlog Funding to compare their costs for specific items of work. An analysis of this cost information is attached as Appendix D and demonstrates strong performance in terms of low costs for 2012/13 and 2013/14. 2014/15 costs are also included in the appendix for illustrative purposes although these will not be able to be compared with others until the end of the 2014/15 programme when all final costs are declared.

## **3.0 ADDITIONAL NON DECENT HOMES**

- 3.1 Further extensive work has been undertaken since the completion of the 2013/14 improvement programme at the end of March 2014 to reconcile details of the works completed to tenants' homes with both our new stock condition information, the original backlog funding bid, and the level of funding available.
- 3.2 The stock condition surveys we have been completing each year have now given us a comprehensive data base of both all the work completed, and that still required to all tenants' homes. This process has resulted in us refining our understanding of the decency position of each property, and as a result of this there have been a number of changes in the decency status of many homes. This has included both homes that were believed to be non decent that were actually found to be decent, and homes believed to be decent that were actually non decent. In addition the surveys have clarified the scope of work required at each property, which has minimised the number of variations identified between the work we order and the work actually required at each address when the contractors commence. This makes expenditure more predictable, and reducing the opportunity for contractors to charge extra for unplanned works.
- 3.3 At the time of preparing the previous reports, a projected 296 newly identified non Decent Homes had been identified, which at a projected average cost per unit of £8,014 (the average cost per property of the 2014/15 programme) would have required

additional funding of £2,372,144. The detailed property reconciliation previously referred to has resulted in an additional nine properties being identified, which therefore increases the total number to 305, requiring a revised projected funding amount of £2,444,270 (£8,014 multiplied by 305 properties).

- 3.4 There is no formal requirement for the work to these homes to be completed by March 2015. This means we could simply defer works until the 2015/16 improvement programme, and make an appropriate provision within the 2015/16 capital programme to fund this.
- 3.5 Alternatively, Cabinet may wish to recommend to Council that these properties are added to the decent homes improvement programme for 2014/15 and if this is the preferred option, additional funding of up to £2,444,270 will be required. The potential sources of this funding will be examined in a subsequent section of this report.

#### **4.0 2014/15 DECENT HOMES BACKLOG FUNDING GRANT**

- 4.1 The original bid for backlog funding was produced in 2010, and was based on a projected number of non decent homes from our housing stock condition information held at the time. This included an assessment of the number of properties that would fail the decent homes standard before April 2012 (which were eligible for backlog funding grant) and a number that would fail after April 2012 (which were not eligible for backlog funding grant).
- 4.2 As part of the property details reconciliation completed at the end of the 2013/14 improvement programme, we have identified that a net figure of 91 homes that we believed would qualify for backlog funding grant from information available at the time of the bid, but actually failed the standard after April 2012, and are therefore not eligible for grant.
- 4.3 As a result of this, following negotiations with the HCA our grant allocation for 2014/15 will be adjusted to reflect the reduction in grant eligible property numbers. This will result in our total grant for 2014/15 being reduced by £618,895 (average grant level of £6,801 per property, multiplied by 91 homes). The impact of this on the three year grant funding is shown in the table below.

#### **Original and Revised Decent Homes Backlog Funding Grant**

<b>Year</b>	<b>Original grant funding</b>	<b>Revised grant funding</b>
<b>2012/13</b>	£3.69m	£3.69m
<b>2013/14</b>	£8.5m	£8.5m
<b>2014/15</b>	£8.56m	£7.94m
<b>Total</b>	<b>£20.75m</b>	<b>£20.13m (3% reduction)</b>

- 4.4 As these 91 properties failed the decent homes standard after April 2012, there is no requirement for them to be improved by March 2015, when the decent homes improvement programme ends. However, if Cabinet was minded to recommend to Council that the work was completed, an additional £618,895 would be required.

## 5.0 FUNDING OPTIONS AVAILABLE

- 5.1 The total funding available from the current approved/revised capital programme to complete the 2014/15 Decent Homes Improvement Programme is detailed in the table below.

### Approved and Revised Budget for Decent Homes Improvements 2014/15

Funding Source	Approved Budget	Available Budget	Required budget
Decent Homes Backlog Funding	£8,560,000	£7,941,105*	£7,941,105*
NWLDC funding provision (inc Asbestos and Enabling works)	£2,291,667	£2,291,667	£2,291,667
Approved additional funding for cost increases in the 2014/15 programme	£1,650,058	£1,650,058	£1,650,058
Additional funding - 305 newly identified non decent homes (305 @ £8,014)			£2,444,270
Additional funding - 91 non decent homes that do not qualify for grant (91 @ £6,801)			£618,895
<b>Total</b>	<b>£12,501,725</b>	<b>£11,882,830</b>	<b>£14,945,995</b>

\*reduced to reflect reduction in the number of grant eligible properties.

- 5.2 If it is decided to make sufficient financial provision to complete improvement works to all non decent homes by March 2015, additional funding will be required as detailed in the table below.

### Available / Required Funding for Completion of Non Decent Homes in 2014/15

	Available budget (revised)	Required Funding (to complete all properties)	Difference
<b>2014/15 Decent Homes Improvement Programme</b>	<b>£11,882,830</b>	<b>£14,945,995</b>	<b>-£3,063,165</b>

- 5.3 In the event of the decision being taken to complete works to all the non decent homes not eligible for grant funding and the newly identified non decent homes, a total of £3,063,165 will therefore be required
- 5.4 It is important to note that this amount will provide sufficient funding to complete all the required works to all the properties in the programme, however it is not anticipated that we will be able to complete the required works to all of the properties due to tenants refusing works or property sales through the right to buy scheme. Where property numbers reduce, we will either have a reduction in our grant funding for grant eligible properties (pre April 2012 decent homes failures) or there will be a corresponding

underspend at the end of the 2014/15 financial year on the approved budget for properties we are funding from our own budget. As we cannot accurately predict the number of refusals or sales, and whether these will be grant eligible or funded by ourselves, it is felt the most prudent approach is to make financial provision to complete the entire programme, although noting that the whole budget may not be required.

- 5.5 Any properties where work is not completed will require improvement at some subsequent point, and this will require an appropriate financial provision to be included in subsequent years' capital programmes. In order to maximise the amount of grant funding we can access, every effort is being made to work with tenants to secure access to complete the required work during 2014/15.
- 5.6 If grant eligible properties are sold, or the tenants refuse work, no expenditure is incurred, so any reduction in grant income has no net effect on the programme budget.
- 5.7 There are a number of potential sources for the required funding of £3,063,165. In determining the most appropriate source of funding (should it be required) we have taken advice from our retained treasury management advisors Arling Close, and having evaluated the options available, it is currently recommended that the funding is obtained from the following sources
- £613,451 2014/15 Capital Programme, unallocated contingency.
  - £1,206,359 - Capital Programme, underspend from 2013/14 (subject to confirmation as part of the final accounts process)\*.
  - £1,243,355 - HRA Balances, through An additional Revenue Contribution to Capital Outlay (in addition to the £1,679,058 already included in the approved HRA and Capital Programme budgets for 2014/15).
  - £3,063,165 – Total required funding.

\*In the event that the 2014/15 Decent Homes expenditure is less than projected less will be needed to be taken from HRA balances.

This approach will ensure we have available the financial capacity to complete all the required works to tenants homes.

- 5.8 It is important to note the use of additional HRA Balances will affect the HRA Business Plan in the medium to longer term, and a revised debt management approach may be required. This is being evaluated and will be considered as part of the 2015/16 budget setting process.
- 5.9 If the proposed funding of the required work is approved, it will require an amendment to the approved HRA budget, Capital programme and prudential indicators. Details of the amended budgets and indicators are attached as Appendix A, B, and C.

## **6.0 POLICY DEVELOPMENT GROUP**

- 6.1 Following the call in of the previous Cabinet decision relating to the additional costs of the Decent Homes programme, this matter was considered by the Policy Development Group on the 16 July 2014. A draft of the minutes is attached as Appendix E.

Cabinet will be updated with any officer views and advice on issues raised by the Policy Development Group.

## **7.0 CONCLUSION**

- 7.1 Additional costs have been identified in relation to both newly identified non decent homes, and homes found not to be eligible for decent homes backlog funding grant following the reconciliation of stock condition information and works completed in the 2013/14 improvement programme.

- 7.2 As a result of these changes up to £3,063,165 will be required to provide the budget capacity to make all tenants' homes decent by March 2015. This report identifies the recommended source of this funding, and Cabinet will need to recommend the amended budgets attached as appendices to this report to Council on the 16 September 2014 if they wish the work to be completed as a departure from the current budget.

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## HOUSING REVENUE ACCOUNT SUMMARY

LINE NO.	DETAIL	2013/2014		2014/2015
		Budget £	Provisional Out-turn £	Estimate £
<b>HOUSING REVENUE ACCOUNT</b>				
1.	TOTAL REPAIRS & MAINTENANCE	4,849,230	4,832,788	4,933,190
SUPERVISION & MANAGEMENT				
2.	General	2,114,740	1,952,754	2,117,130
3.	Special / Supporting People	229,830	152,408	387,720
4.		2,344,570	2,105,162	2,504,850
5.	PROVISION -DOUBTFUL DEBTS	96,760	224,154	170,790
6.	CAPITAL FINANCING:-			
7.	Depreciation - MRA & other	4,008,170	3,985,825	3,995,170
8.	Debt Management Expenses	1,380	1,424	1,390
9.		4,009,550	3,987,249	3,996,560
10.	TOTAL EXPENDITURE	11,300,110	11,149,353	11,605,390
11.	RENT INCOME			
12.	Dwellings	16,051,250	15,756,907	16,741,400
13.	Service Charges	316,550	308,630	304,550
14.	Garages & Sites	89,020	85,212	80,920
15.	Other	26,100	13,877	26,100
16.		16,482,920	16,164,626	17,152,970
17.	GOVERNMENT GRANTS			
18.	Decent Homes Backlog Grant	0	8,500,000	7,941,105
		0	8,500,000	7,941,105
19.	TOTAL INCOME	16,482,920	24,664,626	25,094,075
20.	NET COST OF SERVICES	-5,182,810	-13,515,273	-13,488,685
21.	CAPITAL FINANCING - HISTORICAL DEBT	175,000	144,406	175,000
22.	CAPITAL FINANCING - SELF FINANCING DEBT	3,257,170	3,257,167	3,257,170
23.	INVESTMENT & OTHER INCOME	-25,200	-37,721	-25,200
24.	PREMATURE LOAN REDEMPTION PREMIUMS	19,270	19,273	14,470
25.		3,426,240	3,383,125	3,421,440
26.	NET OPERATING EXPENDITURE	-1,756,570	-10,132,148	-10,067,245
27.	REVENUE CONTRIBUTION TO CAPITAL	250,000	250,000	2,922,413
28.	DEPRECIATION CREDIT - VEHICLES	0	0	-50,730
29.	DECENT HOMES BACKLOG GRANT FINANCING	0	8,500,000	7,941,105
30.	CONTINGENCY	33,000	0	0
31.	TRANSFER FROM RESERVES	0	-126,853	0
32.		283,000	8,623,147	10,812,788
33.	NET (SURPLUS) / DEFICIT	-1,473,570	-1,509,001	745,543
<b><u>HRA BALANCES</u></b>				
35.	Balance Brought Forward	-3,759,156	-3,759,156	-5,268,157
36.	(Surplus)/Deficit for Year	-1,473,570	-1,509,001	745,543
37.	Balance as at year end	-5,232,726	-5,268,157	-4,522,614

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	Notes	2013/14 Outturn	2014/15 Original Budget (Cabinet 11/02/2014)	2014/15 Revised (Council 25/03/2014)	2014/15 Revised June 2014	2015/16	2016/17	2017/18	2018/19	
<b>2010/12 Programme</b>										
Miscellaneous		1,000								
<b>2012-17 DHIP Programme</b>										
Year 1 programme slippage (including Major Aids & Adaptations completed under DHIP)										
Year 2 Programme Slippage	Works completed in Year 2 (2013/14) that will be paid from year 3.				245,000					
HCA Funded Properties (90% of pre 2012 failures)			8,560,000	8,560,000	7,941,105	-	-	-	-	
NWLDC Funded Properties (10% + post 2012 failures)	Includes funding for Decent Home works to an additional 305 properties at an additional cost of £2,444,270. Post 2015/16 as per PIMSS	12,320,000	1,426,667	3,076,725	6,139,890	4,500,000	4,500,000	4,500,000	4,500,000	
Enabling Works Provision	Works in addition to core DHIP spec which are essential to complete jobs.		415,000	415,000	415,000	132,000	132,000	132,000	132,000	
Enabling Works for Decants	Including decs/soft furnishing and decant allowance					-	-	-	-	
Asbestos Handling	Disposal of asbestos, following R&D asbestos surveys	49,000	450,000	450,000	450,000	50,000	50,000	50,000	50,000	
Year 3 and 4 Scoping Surveys	Final year of scoping surveys	267,000								
<b>2012-17 HPIP Programme</b>										
2013/14 Slippage					378,000					
Fire Risk Assessment Remedial Works	Includes provision for fire risk assessment work, including doors, signage, external openings.	7,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
Lift Replacement	6 lift replacements at Sheltered Schemes	14,000	300,000	300,000	300,000					
Fire Alarm / Emergency Lighting	Sheltered scheme & communal flats emergency lighting and fire alarm upgrades	15,000	194,000	194,000	194,000					
Communal Boilers	4 schemes + Woulds/Cherry Tree	50,000								
Defective floor slabs (red ash floors)/Damp proofing (Loughborough rd and other identified in year)	Assumption of average of 25 properties p.a. @ £6k each. Loughborough rd - 17 properties, other - 15 properties pa £2.5k each. Budget originally intended for chemical injection, likely that other remedial works will be completed instead within same budget provision	190,000	310,000	310,000	310,000	187,500	187,500	187,500	187,500	
Fuel swaps (solid fuel to gas supply)	Energy company rebate on fuel swaps income = £12k estimate	6,000	78,000	78,000	78,000	25,000	25,000	25,000	25,000	
In Year Priorities	No current provision held			-	-	-	-	-	-	
Garage Modernisation	One off £100k provision for demolitions, resurfacing & lighting works		100,000	100,000	100,000	-	-	-	-	
Carbon Monoxide Detectors	Potential delivery through solid fuel servicing contractor as will not exceed CV by more than 50%	13,000		-	-	-	-	-	-	
DH Works in Voids and Tenanted Properties	Additional provision added 13/14 to reflect historic expenditure trends	528,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	Anticipate higher void costs in 2014/15, however provision not increased since 2013/14
Major Aids & Adaptations	Expenditure on flat floor shower on DHIP needs a virement of additional costs over standard bathroom to be transferred out of this budget where there is not an active A&A referral @ an approx cost of £1200 pp	29,000	380,000	380,000	380,000	350,000	350,000	350,000	350,000	Underspend from 2013/14 (£111k) not added to 2014/15 as contract let on £1.43m to 2017/18
Development Site Preparations	Related to decommissioned sheltered schemes.		40,000	40,000	40,000	-	-	-	-	
Insulation Works	Principally external wall works. External grant income anticipated.		660,000	660,000	660,000	-	-	-	-	
Green & Decent Installations	Pilot costs for 2013/14, recurring budget requirement from 2015/16 for ongoing programme. External grant awarded (see funding below).		125,000	125,000	125,000	250,000	250,000	250,000	250,000	
IBS Upgrade (Contract Module)	Provision for repairs data requirements required to support implementation of repairs diagnostics and mobile working. Moved from 2012/13 to 2013/14.	33,000								
Speech Module	Replacement of speech module equipment in hard wired older persons accommodation.		50,000	50,000	50,000	50,000	50,000	50,000	50,000	

	Notes	2013/14 Outturn	2014/15 Original Budget (Cabinet 11/02/2014)	2014/15 Revised (Council 25/03/2014)	2014/15 Revised June 2014	2015/16	2016/17	2017/18	2018/19	
Capital Programme Delivery Costs	Includes Decent Homes Improvement Programme contingency	701,000	698,000	698,000	698,000	623,000	623,000	623,000	623,000	£126k forecast capacity within this budget (£80k provision + £46k 'Contract Manager')
Unallocated/Contingency	Contingency prior to 2015/16 incorporated into individual budget lines. For 2015/16 onwards separate provision held to ensure adequate capacity available to meet in years needs as and when identified.					500,000	500,000	500,000	500,000	
One for One replacement programme	RTB receipts that must be made available for one for one replacement					122,178				
One for One replacement programme	NWLDC Contribution					285,083				
<b>Capital Allowances</b> Programme to be defined	Review of income from asset disposals will determine capacity within this budget. Potential option of funding works within Other Investment category from this source									
<b>Total Programme Costs</b>		<b>14,223,000</b>	<b>14,676,667</b>	<b>16,326,725</b>	<b>19,393,995</b>	<b>7,964,761</b>	<b>7,557,500</b>	<b>7,557,500</b>	<b>7,557,500</b>	
<b>Funding</b>										
Usable balances held		4,008,000	1,720,500	1,720,500	3,235,000	-	10,034	9,907	10,227	
Retained Right to Buy Receipts (RTB)	Based on assumed income projections in accordance with the the Right to Buy and One for One replacement policy	143,000	203,618	203,618	203,618	190,293	185,686	177,463	170,051	
RCCO	Balancing transfer from HRA to be verified through HRA Business Plan Model. For 2014/15 the provision based on gaining access to all properties within the programme. Any properties for which access is not gained and the works are not carried out will result in a reduced value (see comments below)	250,000	490,000	1,679,058	2,922,413	3,462,000	3,110,000	3,172,000	3,240,000	
Decent Homes Backlog Funding		9,026,000	8,560,000	8,560,000	7,941,105	-	-	-	-	
Major Repairs Allowance	More detailed work to be undertaken as part of HRA Business Planning and in reference to HRA component depreciation.	3,991,000	3,991,000	3,991,000	3,978,000	3,991,000	3,991,000	3,991,000	3,991,000	
Asset Disposals (Capital Allowance)	Income from sale of HRA (non RTB) assets. Target/estimate to be used one year in arrears. (Includes Broughton Street District Heating building).	40,000	325,000	325,000	325,000	100,000	100,000	100,000	100,000	
Windfall RTB receipts	Based on attributable debt income projections in accordance with the the Right to Buy and One for One replacement policy			461,000	770,859	231,503	170,687	117,358	56,680	
Green & Decent Funding					18,000					
<b>Total Funding</b>		<b>17,458,000</b>	<b>15,290,118</b>	<b>16,940,176</b>	<b>19,393,995</b>	<b>7,974,796</b>	<b>7,567,407</b>	<b>7,567,727</b>	<b>7,567,959</b>	
<b>Cumulative Over / (Under Resource)</b>		<b>3,235,000</b>	<b>613,451</b>	<b>613,451</b>	<b>-</b>	<b>10,034</b>	<b>9,907</b>	<b>10,227</b>	<b>10,459</b>	

The RCCO provision required for 2014/15 and subsequent years is dependent upon the number of properties within Year 3 of the Decent Homes Improvement Programme that we're able to gain access to in order to complete works.

For every pre 2012 failing property that we're unable to complete works in there will be a reduction in average expenditure of £8,014 per property and a reduction in decent homes backlog funding of £6,802 per property, the net affect being a reduction in expenditure of £1,212 per property. The value of RCCO will therefore fall for every pre 2012 failing property where work is not completed by £1,212 per property.

For every post 2012 failing property within the program that we are unable to gain access to there will be a reduction in expenditure of £8,014 per property. The value of RCCO will therefore fall for every post 2012 failing property where work is not completed by £8,014 per property.

## PRUDENTIAL INDICATORS

### 1 Background

The Local Government Act 2003 requires the Authority to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

### 2. Gross Debt and the Capital Financing Requirement

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that the debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

The Section 151 Officer reports that the Authority has had no difficulty meeting this requirement in 2012/13, nor is there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

### 3. Estimates of Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

<b>Capital Expenditure</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Non-HRA	1.779	2.031	2.496	1.122	1.281
HRA	15.865	15.738	19.394	7.965	7.558
<b>Total</b>	<b>17.644</b>	<b>17.769</b>	<b>21.890</b>	<b>9.087</b>	<b>8.839</b>

Capital expenditure will be financed or funded as follows:

<b>Capital Financing</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Capital receipts	0.239	0.183	1.299	0.522	0.456
Government Grants	8.873	9.255	8.183	0.224	0.224
Major Repairs Allowance	0.000	3.991	3.978	3.991	3.991
Reserves	3.048	2.635	3.980	0.000	0.000
Other Contribution-s106	0.000	0.055	0.115	0.000	0.000
Grants - Other	0.000	0.000	0.013	0.000	0.000
Revenue contributions	4.213	0.448	3.082	3.601	3.260
<b>Total Financing</b>	<b>16.373</b>	<b>16.567</b>	<b>20.650</b>	<b>8.338</b>	<b>7.931</b>
Supported borrowing	0.000	0.000	0.000	0.000	0.000
Unsupported borrowing	1.271	1.202	1.240	0.749	0.908
<b>Total Funding</b>	<b>1.271</b>	<b>1.202</b>	<b>1.240</b>	<b>0.749</b>	<b>0.908</b>
<b>Total Financing and Funding</b>	<b>17.644</b>	<b>17.769</b>	<b>21.890</b>	<b>9.087</b>	<b>8.839</b>

#### 4. Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

The ratio is based on costs net of investment income.

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2013/14 Approved %</b>	<b>2013/14 Revised %</b>	<b>2014/15 Estimate %</b>	<b>2015/16 Estimate %</b>	<b>2016/17 Estimate %</b>
Non-HRA	10.22	10.08	10.14	9.83	10.18
HRA	14.68	15.87	14.91	14.78	14.65
<b>Total (Average)</b>	<b>12.95</b>	<b>13.59</b>	<b>13.31</b>	<b>13.21</b>	<b>13.25</b>

#### 5. Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

<b>Capital Financing Requirement</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Non-HRA	13.619	13.591	14.248	14.421	14.740
HRA	79.155	78.168	77.159	76.128	75.072
<b>Total CFR</b>	<b>92.774</b>	<b>91.759</b>	<b>91.407</b>	<b>90.549</b>	<b>89.812</b>

#### 6. Actual External Debt

This indicator is obtained directly from the Authority's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

<b>Actual External Debt as at 31/03/2013</b>	<b>£m</b>
Borrowing	88.510
Other Long-term Liabilities	0.055
<b>Total</b>	<b>88.565</b>

## 7. Incremental Impact of Capital Investment Decisions

This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2013/14 Approved £</b>	<b>2013/14 Revised £</b>	<b>2014/15 Estimate £</b>	<b>2015/16 Estimate £</b>	<b>2016/17 Estimate £</b>
Increase in Band D Council Tax	2.55	2.59	2.99	2.32	2.63
Increase in Average Weekly Housing Rents	3.76	3.76	4.30	3.40 *	3.29 *

\*The Government is proposing to change the basis of the calculation of rents from 2015/16 and has recently consulted on this but the outcome is as yet undetermined. The estimates for 2015/16 and 2016/17 are based on one of four potential options and are therefore subject to change, when a new method has been agreed.

## 8. Authorised Limit and Operational Boundary for External Debt

The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.

The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

<b>Authorised Limit for External Debt</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Borrowing	97.100	97.100	99.914	97.579	97.025
Other Long-term Liabilities	1.000	1.000	0.700	0.700	0.700
<b>Total</b>	<b>98.100</b>	<b>98.100</b>	<b>100.614</b>	<b>98.279</b>	<b>97.725</b>

The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

The Section 151 Officer has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Council.

<b>Operational Boundary for External Debt</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Borrowing	95.100	95.100	97.914	95.579	95.025
Other Long-term Liabilities	0.500	0.500	0.500	0.500	0.500
<b>Total</b>	<b>95.600</b>	<b>95.600</b>	<b>98.414</b>	<b>96.079</b>	<b>95.525</b>

## 9. Adoption of the CIPFA Treasury Management Code

This indicator demonstrates that the Authority has adopted the principles of best practice.

<b>Adoption of the CIPFA Code of Practice in Treasury Management</b>
The Authority has re-affirmed adoption of the CIPFA Treasury Management Code within this strategy, 11 February 2014.

The Authority has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

## 10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. The Authority calculates these limits on net principal outstanding sums (i.e. fixed rate debt net of fixed rate investments).

The upper limit for variable rate exposure has been set to ensure that the Authority is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

	<b>Existing (Benchmark) level 31/03/13 %</b>	<b>2013/14 Approved %</b>	<b>2013/14 Revised %</b>	<b>2014/15 Estimate %</b>	<b>2015/16 Estimate %</b>	<b>2016/17 Estimate %</b>
<b>Upper Limit for Fixed Interest Rate Exposure</b>	100	100	100	100	100	100
<b>Upper Limit for Variable Interest Rate Exposure</b>	50	50	50	50	50	50



The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Authority's treasury management strategy.

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

#### 11. Maturity Structure of Fixed Rate borrowing

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

<b>Maturity structure of fixed rate borrowing</b>	<b>Lower Limit for 2014/15 %</b>	<b>Upper Limit for 2014/15 %</b>
under 12 months	0	20
12 months and within 24 months	0	20
24 months and within 5 years	0	20
5 years and within 10 years	0	50
10 years and within 20 years	0	50
20 years and within 30 years	0	60
30 years and within 40 years	0	50
40 years and within 50 years	0	50
50 years and above	0	0

#### 12. Upper Limit for total principal sums invested over 364 days

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
<b>Upper Limit</b>	5	5	5	5	5

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## Decent Homes Backlog Programme Component Cost Analysis

The HCA annually benchmark cost information provided by each Local Authority delivering decent homes works with Decent Homes Backlog funding.

Costs are presented in graphical format that show the average price a Local Authority paid and the average costs paid by the other Local Authorities in respect of:

- Bathrooms
- Central Heating
- Doors
- Kitchens
- Rewiring
- Roofs
- Windows

Costs are comparable against all Authorities included in the Decent Homes Backlog programme for 2013/14:

North West	North East & Yorkshire and the Humber	Midlands	East & South East	South South west
(NW)	(NE & YH)	(Midlands)	(ESE)	(SSW)
Manchester	South Tyneside	Wolverhampton	Stevenage	Sedgemoor
Blackpool	NE Derbyshire	Nottingham	Brighton and Hove	Mid Devon
Salford	Bassetlaw	NW Leicestershire	Basildon	Wokingham
Cheshire West & Chester	Doncaster	Shropshire	Waverley	
	Durham	Northampton	Harlow	
	Chesterfield	Corby		
		Melton		

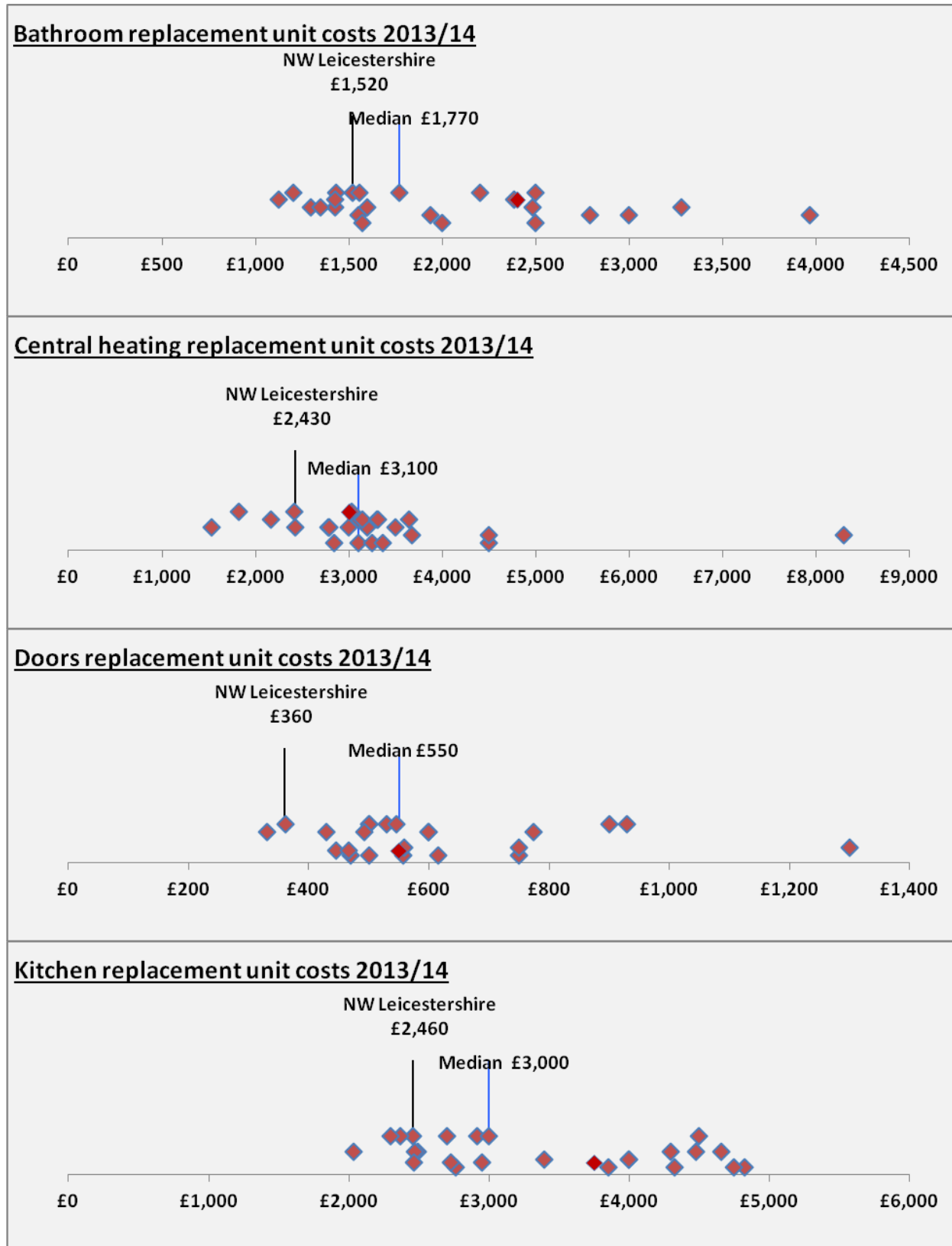
The information supplied by the HCA allows for comparison against all Authorities or regional only.

Nationally, North West Leicestershire District Council achieves upper quartile for all component costs. Regionally, lower quartile and median costs are achieved. The full set of graphs for 2013/14 can be found in Appendix A.

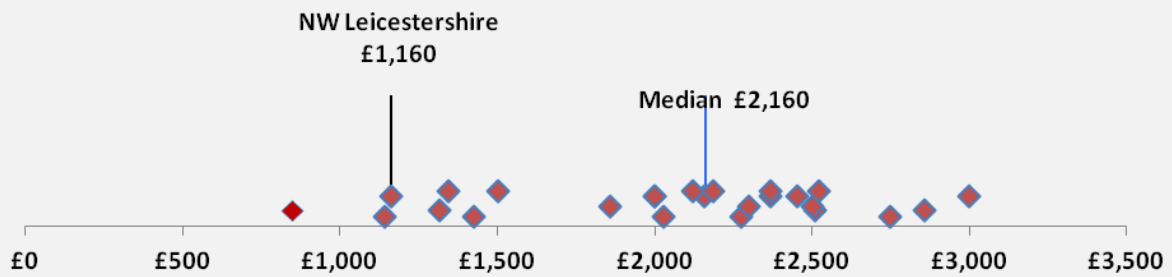
Comparison of other Local Authority (LA) 2013/14 costs against provisional 2014/15 DHIP costs has been assessed, the results of which are contained in Appendix B. It is important to note that the comparison is not a true reflection of 2014/15 unit costs since other LA 2014/15 costs will remain unknown until the end of 2014/15.

Appendix A

National Results



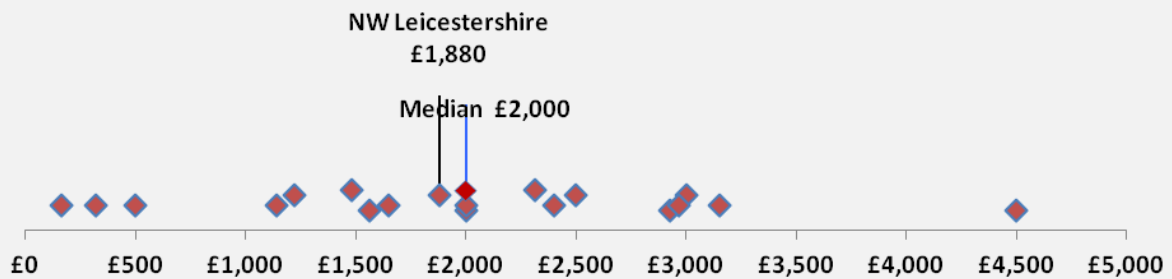
### Rewiring replacement unit costs 2013/14



### Roofing replacement unit costs 2013/14

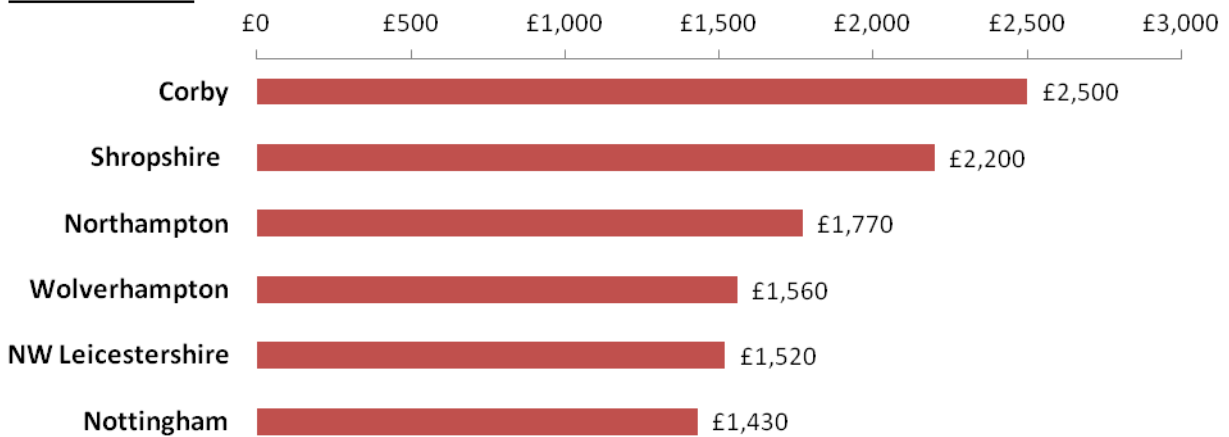


### Windows replacement unit costs 2013/14



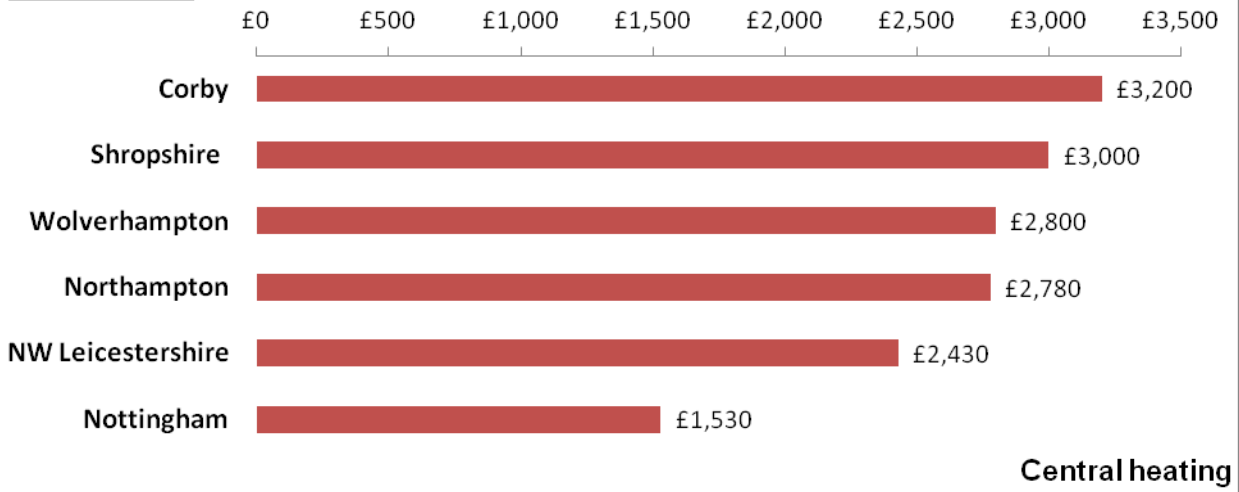
## Regional Results

### Midlands

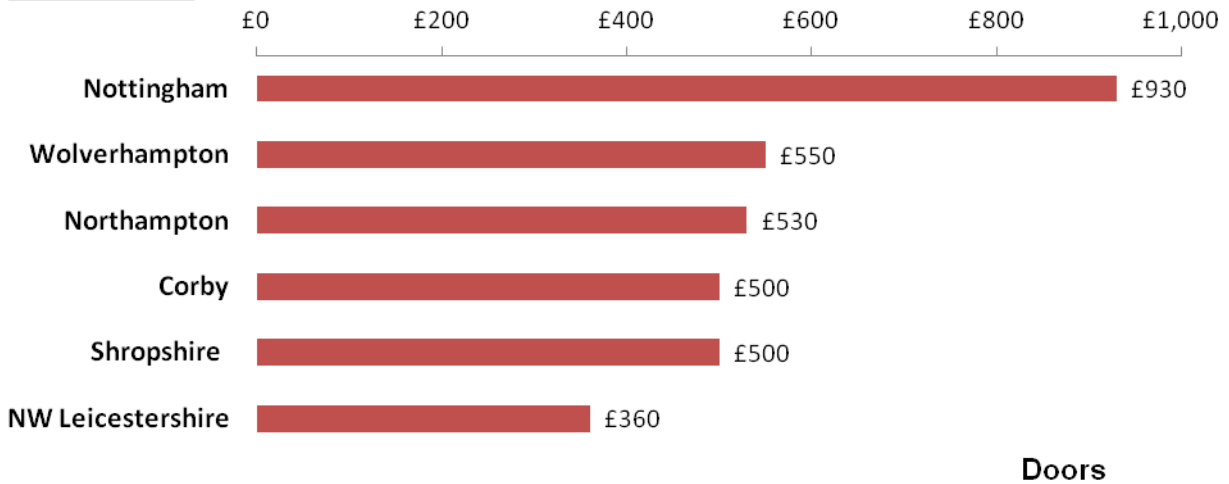


Bathroom

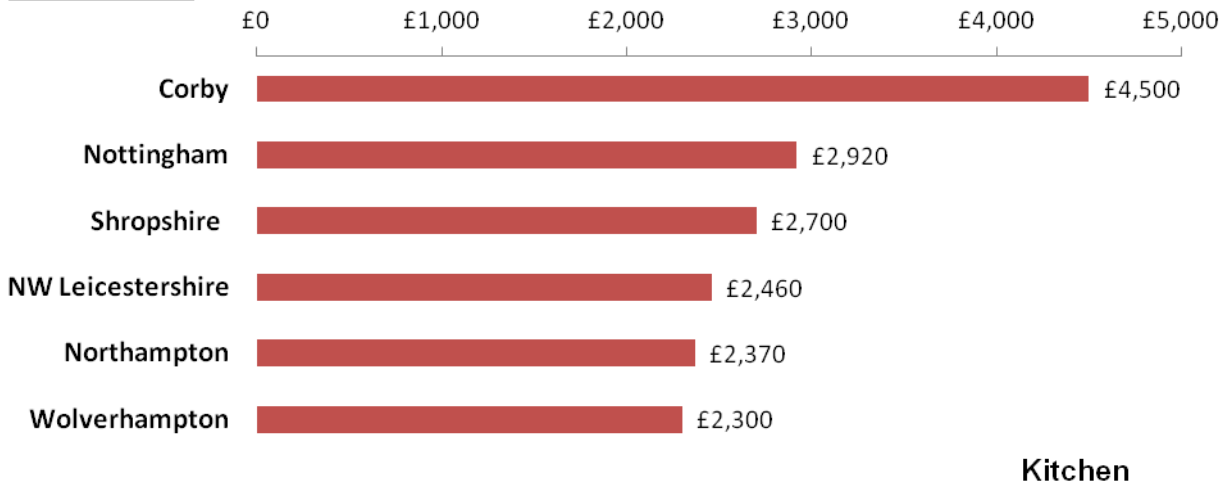
## Midlands



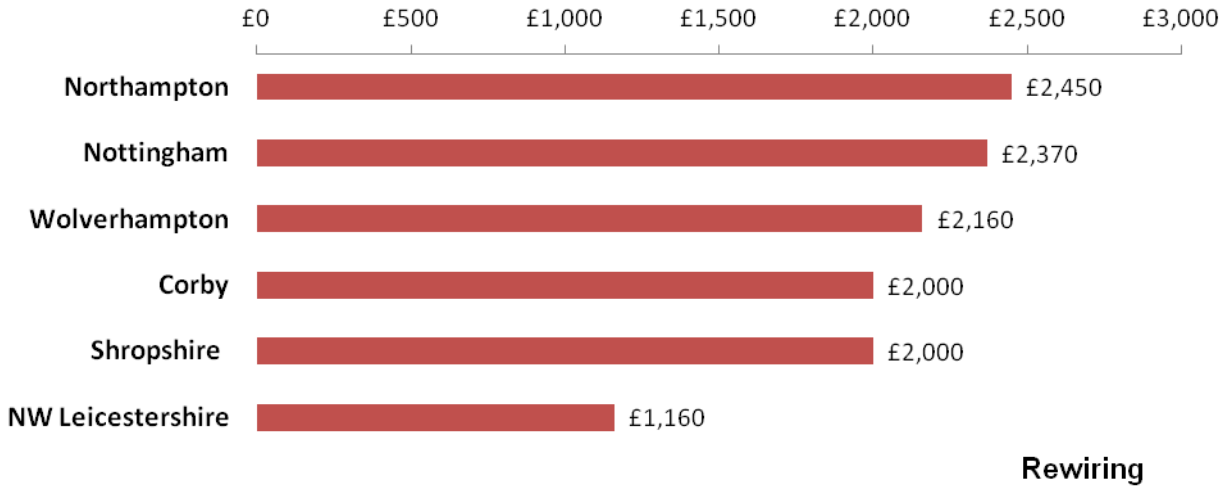
## Midlands



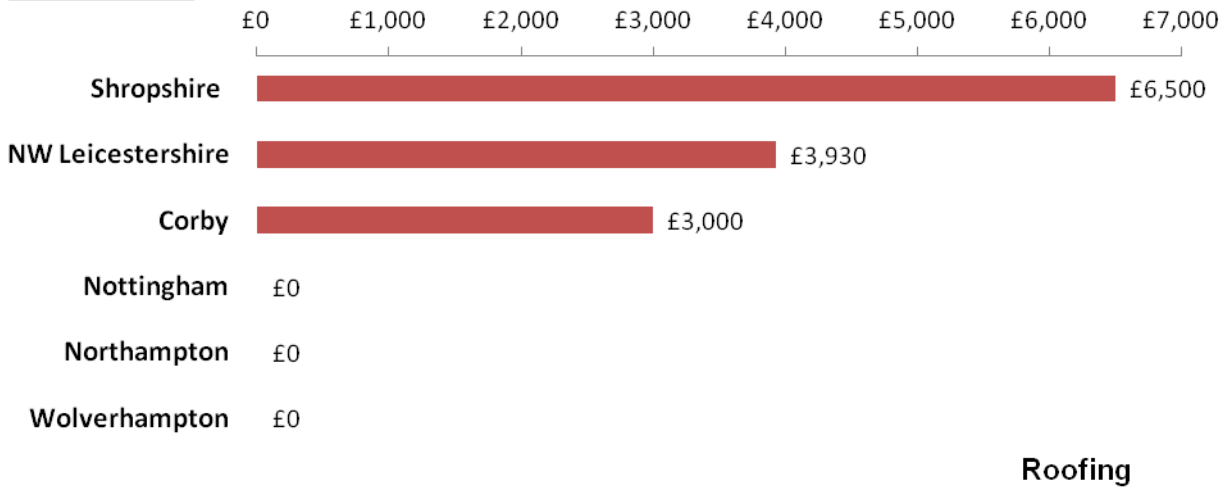
## Midlands



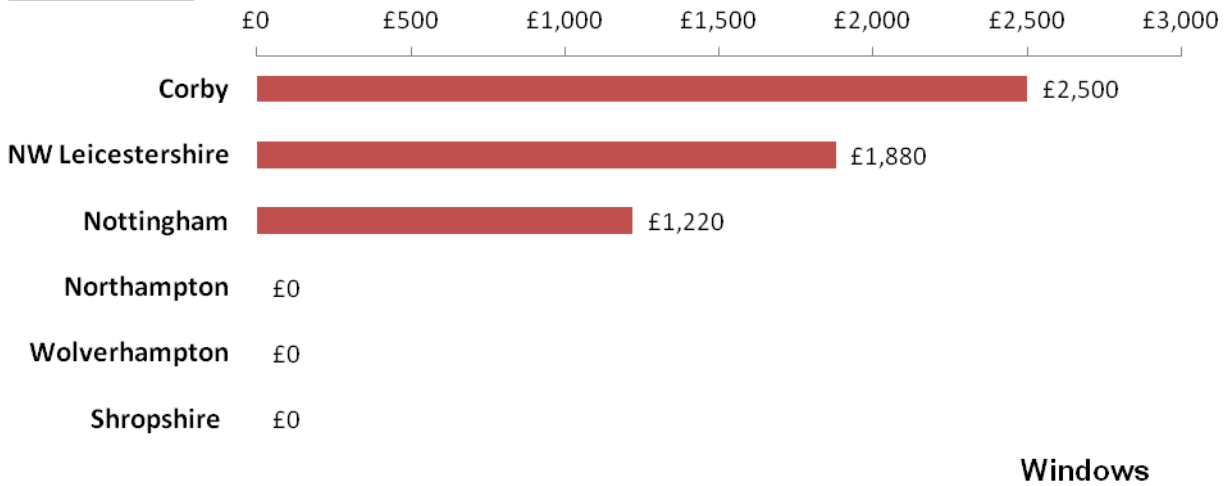
## Midlands



## Midlands



## Midlands



## Appendix B

### NWLDC 2014/15 unit costs against DHB LA costs 2013/14

Bathroom replacement unit costs 2013/14		NWLDC 2014/15
Basildon	£3,970	
Bassetlaw	£3,280	
Harlow	£3,000	
Stevenage	£2,790	
Corby	£2,500	
Wokingham	£2,500	
NE Derbyshire	£2,480	
Blackpool	£2,400	
Manchester	£2,390	
Shropshire	£2,200	
Mid Devon	£2,000	
Waverley	£1,940	£1,931
Northampton	£1,770	
Chesterfield	£1,600	
Sedgemoor	£1,570	
Wolverhampton	£1,560	
Brighton and Hove	£1,550	
NW Leicestershire	£1,520	
Nottingham	£1,430	
Doncaster	£1,430	
Cheshire West & Chester	£1,430	
Durham	£1,350	
South Tyneside	£1,300	
Melton	£1,200	
Salford	£1,130	

Central heating replacement unit costs 2013/14		NWLDC 2014/15
Mid Devon	£8,300	
Harlow	£4,500	
Wokingham	£4,500	£4,278
Sedgemoor	£3,680	
NE Derbyshire	£3,640	
Melton	£3,500	
Basildon	£3,360	
Durham	£3,310	
Chesterfield	£3,300	
Waverley	£3,250	
Corby	£3,200	
Bassetlaw	£3,140	
Brighton and Hove	£3,100	
South Tyneside	£3,100	
Salford	£3,030	
Shropshire	£3,000	
Blackpool	£3,000	
Stevenage	£2,840	
Wolverhampton	£2,800	
Northampton	£2,780	
NW Leicestershire	£2,430	
Cheshire West & Chester	£2,420	
Doncaster	£2,160	
Manchester	£1,820	
Nottingham	£1,530	

Doors replacement unit costs 2013/14		NWLDC 2014/15
Mid Devon	£1,300	
Nottingham	£930	
Melton	£900	
Doncaster	£770	
Harlow	£750	
Wokingham	£750	
Stevenage	£620	
South Tyneside	£600	
Chesterfield	£600	
Sedgemoor	£560	
Brighton and Hove	£560	
Blackpool	£550	
Wolverhampton	£550	
Northampton	£530	
Corby	£500	
Waverley	£500	£499
Shropshire	£500	
Bassetlaw	£490	
Basildon	£470	
Salford	£470	
Manchester	£450	
NE Derbyshire	£430	
NW Leicestershire	£360	
Durham	£330	
Cheshire West & Chester	n/a	



Kitchen replacement unit costs 2013/14		NWLDC 2014/15
Basildon	£4,820	
Harlow	£4,750	
Bassetlaw	£4,660	
Corby	£4,500	
Chesterfield	£4,480	
Stevenage	£4,320	
NE Derbyshire	£4,300	
Mid Devon	£4,000	
Wokingham	£4,000	
Waverley	£3,850	
Blackpool	£3,750	
Sedgemoor	£3,390	£3,405
Melton	£3,000	
Manchester	£2,950	
Nottingham	£2,920	
Brighton and Hove	£2,760	
Cheshire West & Chester	£2,730	
Shropshire	£2,700	
Doncaster	£2,500	
South Tyneside	£2,470	
Salford	£2,460	
NW Leicestershire	£2,460	
Northampton	£2,370	
Wolverhampton	£2,300	
Durham	£2,030	

Rewiring replacement unit costs 2013/14		NWLDC 2014/15
Melton	£3,000	
Salford	£2,860	
Harlow	£2,750	
Bassetlaw	£2,520	
Cheshire West & Chester	£2,510	
Wokingham	£2,500	
Northampton	£2,450	
Nottingham	£2,370	
NE Derbyshire	£2,370	
Mid Devon	£2,300	
Stevenage	£2,280	
Durham	£2,190	
Wolverhampton	£2,160	
South Tyneside	£2,120	£2,061
Brighton and Hove	£2,030	
Corby	£2,000	
Shropshire	£2,000	
Sedgemoor	£1,860	
Chesterfield	£1,500	
Basildon	£1,430	
Doncaster	£1,350	
Manchester	£1,310	
NW Leicestershire	£1,160	
Waverley	£1,140	
Blackpool	£850	

Roofing replacement unit costs 2013/14		NWLDC 2014/15
Basildon	£14,130	
Waverley	£8,580	£8,882
Harlow	£6,500	
Shropshire	£6,500	
Brighton and Hove	£6,000	
Bassetlaw	£5,980	
Durham	£5,740	
Salford	£5,250	
Mid Devon	£5,200	
Melton	£5,000	
South Tyneside	£5,000	
Chesterfield	£5,000	
NW Leicestershire	£3,930	
NE Derbyshire	£3,830	
Wokingham	£3,800	
Manchester	£3,750	
Blackpool	£3,300	
Corby	£3,000	
Cheshire West & Chester	£2,850	
Doncaster	£1,720	
Stevenage	n/a	
Nottingham	n/a	
Northampton	n/a	
Wolverhampton	n/a	
Sedgemoor	n/a	

Windows replacement unit costs 2013/14		NWLDC 2014/15
Brighton and Hove	£4,500	
Mid Devon	£3,150	
Melton	£3,000	
Sedgemoor	£2,970	
Basildon	£2,930	
Corby	£2,500	
South Tyneside	£2,400	
Salford	£2,320	
Harlow	£2,000	
Chesterfield	£2,000	
Blackpool	£2,000	£1,998
NW Leicestershire	£1,880	
NE Derbyshire	£1,650	
Waverley	£1,560	
Manchester	£1,480	
Nottingham	£1,220	
Doncaster	£1,140	
Wokingham	£500	
Bassetlaw	£320	
Durham	£160	
Stevenage	n/a	
Northampton	n/a	
Wolverhampton	n/a	
Shropshire	n/a	
Cheshire West & Chester	n/a	

EXTRACT of the MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 16 JULY 2014

Present: Councillor M Specht (in the Chair)

Councillors G A Allman (Substitute for Councillor V Richichi), N Clarke, J Cotterill, J Geary, D Howe (Substitute for Councillor D Everitt), A C Saffell and S Sheahan

In Attendance: Councillors R D Bayliss and T Neilson

Officers: Mr S Bambrick, Mr R Bowmer, Mr D Gill and Mrs M Meredith

## **6. ADDITIONAL COSTS OF THE DECENT HOMES PROGRAMME 2014/2015**

The Director of Services introduced the item and sought agreement of the meeting to present the subsequent item, entitled "Updating the Housing Revenue Account Business Plan", concurrently as the two reports were inextricably linked.

The Director of Services presented the reports, drawing Members' attention to the final number of additional non-decent homes identified. He added that in addition to these 305 properties, there were a further 91 properties which, at the time of the original bid, were believed to have qualified for backlog funding. However, as part of the survey work undertaken, it had transpired that these 91 properties had become non-decent after April 2012 and therefore did not qualify. As a result of this, there would be a reduction in the Homes and Communities Agency (HCA) grant of £618,895. He added that these properties would still require improvement works as they were non-decent, however there would be no funding available for these works. Therefore, in addition to the shortfall identified in respect of the 305 properties which were never included in the original programme, the total shortfall was £3,063,165. He advised that the report to Cabinet sought their view and agreement to fund that shortfall to enable all Decent Homes works to be completed by the target date of April 2015. He referred Members to paragraph 5.7 of the first report which set out what was believed to be the most prudent options for funding the shortfall. He pointed out that if Members decided to fund the shortfall, the amount currently identified would be the absolute maximum amount required, as it was likely that some properties had been sold through the right to buy process, and some tenants could refuse improvement works. He advised that if a tenant refused improvement works, they were required to sign a form to evidence the refusal, and the property would then become decent for the purposes of the HCA. He added that works would subsequently be completed when the tenant vacated the property.

The Director of Services referred Members to the financial impact of funding the shortfall as set out in the second report and the potential implications which were indicated. He advised that the principal focus at present was to accrue enough funds by 2021/22 to repay the initial loans against the housing stock. At present, the Housing Revenue Account (HRA) Business Plan indicated a small shortfall of £112,000 due to changes in the housing market. He commented that the housing market was very fluid and there were likely to be further changes that would need to be taken into account. He advised that to date, an increased assumption in respect of properties sold under the right to buy scheme had been built in due to a substantial increase over the last 3 years, which had had an impact upon income. He advised that an increased vacancy rate had also been built in to reflect the current position. He added that the 2013/14 budget setting process had also been reflected in terms of the provisions for bad debt. He advised that the significant emerging issue in respect of rents and the national convergence policy had yet to be considered. He stated that taking into account the shortfall and the additional funding required for the Decent Homes works, the Council would clearly not be in a position to repay the original loans against the housing stock. He added that no decision

was being sought at this stage to address the shortfall, as there were other issues which needed to be built into the business plan. He referred Members to the options set out at paragraph 4.2 of the report and suggested that the most prudent and pragmatic way forward was a combination of reducing ongoing expenditure and refinancing the loans rather than repaying them. He advised that both of the reports would be considered by Cabinet on 29 July.

Councillor S Sheahan sought clarification on how much was spent on asbestos removal and stressed the importance of ensuring value for money. He asked if the Council was monitoring relationships between contactors and sub-contractors and whether officers were aware of any disputes or late payment issues. In respect of bad debt provision he asked whether the cause of the increase was due to the bedroom tax or rent levels generally.

The Director of Services agreed to provide a further breakdown of the costs of asbestos removal after the meeting. He advised that regular monitoring meetings took place with contractors and they were contractually required to make us aware of any disputes with sub-contractors. In respect of bad debt, he advised that it was difficult to indicate a specific cause as there were a number of issues which had had an impact. He added that in terms of rent arrears and the ability to pay, the welfare reform could be seen to have had a clear impact. He commented that there was also an increase in empty homes as people were moving into family homes or into shared accommodation.

Councillor S Sheahan commented that it would be helpful to have the extra 0.6% broken down and attributed to various causes to clarify where the problems were arising. He added that his question in respect of disputes with contractors had not been fully answered and acknowledged that it may not be possible to disclose this in a public meeting.

The Director of Services responded that if there were any disputes, he would be unable to discuss these in a public meeting, however he was not aware of any at present.

Councillor S Sheahan referred to paragraph 3.7 of the HRA Business Plan report and sought clarification on the replacement ratio of affordable housing.

The Director of Services responded that there was no specific ratio for replacement, and the income received from right to buy sales was reinvested in delivering affordable housing once an agreed financial threshold was crossed.

Councillor S Sheahan asked whether the replacement ratio was genuinely one for one.

The Director of Services responded that it was not one for one, and the income available was invested in providing new affordable housing. He advised that the route chosen for the provision of affordable housing would determine the replacement ratio.

Councillor S Sheahan asked if the Director of Services was suggesting that a replacement ratio of one for one was unrealistic.

The Director of Services responded that a ratio of one to one was not required in any case and depending upon the route chosen and the value for money received, the ratio could be more or less than one for one.

Councillor S Sheahan requested an update on the current position regarding the review of sheltered housing schemes and the improvement priorities post 2014/15.

The Director of Services advised that options were currently being considered in respect of the review of sheltered housing schemes, and would be brought forward as part of the budget setting process for 2015/16. He added that he was unable to provide any further detail at this point. In respect of the improvement priorities, he advised that this would

include issues such as how Members wished to utilise any headroom in the HRA budget, and clearly the options for dealing with the additional costs would need to be considered. He advised that this would also be part of the budget setting process.

Councillor S Sheahan asked if officers were recommending a particular approach following the completion of the consultation on the sheltered housing schemes.

The Director of Services responded that he was not in a position to share this information as the due processes had not yet been completed. He agreed to write to Councillor S Sheahan separately.

Councillor N Clarke asked if bringing 396 homes up to standard by March 2015 was achievable. He sought clarification on what the impact and cost implications would be of delaying works to some properties. He referred to the refusal rates outlined in the first report and asked whether this was genuinely a problem.

The Director of Services responded that if Members decided not to fund the shortfall, the Decent Homes Improvement Programme would not be met by 2015. He advised that the consequences of this were that the Council would not have achieved what it had set out to, and the properties would still require these works which would need to be funded in subsequent years. He added that the cost of any delayed improvement works could not be guaranteed and there was a risk that this may increase. In respect of refusals, he advised that there were a number of different reasons for this, such as the elderly or infirm not wanting the disruption, or people not wanting works completed at a certain time of year. He explained that refusals from years 1 and 2 of the programme had been treated as deferrals. He added that ultimately the Council could not force the tenant to receive works to the property, with the exception of issues causing a risk to health and safety.

The Head of Finance added that the tenants who had refused works in years 1 and 2 were being revisited and offered partial works to try and ensure that homes were being made as decent as possible and the use of the funding available was maximised.

Councillor N Clarke asked if the work was achievable.

The Director of Services responded that the works could be completed by the target date of March 2015.

Councillor N Clarke referred to the financial implications as outlined in the second report. He asked what the impact of the additional costs would be on the revenue budget, and what the total budget was per year.

The Director of Services responded that the total HRA budget was just over £16,000,000.

The Head of Finance added that Appendix A to the first report set out the HRA budget and pointed out that savings could only be made on a limited number of budget heads as some of the funding was fixed. He added that there would need to be an assessment of where the least impact would be. He stated that the more palatable option would be to simply replace the loans which would have no impact upon the business plan, however there was a risk that the interest rate could be higher than at present.

Councillor D Howe stated that he remembered the last time right to buy agents were employed in this area. He commented that they had been very successful, however no new affordable housing had been provided.

Councillor A C Saffell commented that he was pleased to see value for money was being achieved and the Council was below the median for all costs. He congratulated the work that had been done to achieve this. He stated that he was equally disappointed that 91 homes were missed that now needed to be dealt with. He sought an explanation as to

how they had been missed. He also requested an update on the previous report which had been provided regarding staff.

The Director of Services agreed to provide an updated report. He advised that the initial bid made to the HCA was not based on a survey of 100% of the housing stock. He advised that a 70% survey had been undertaken, which was comparatively quite high. He explained that the remaining properties had had an assumed rate of decency, and some of the assumptions made were wrong. He added that the decision had been taken to move to a 100% survey of the housing stock, which had come at a cost. He explained that in year 3, the final update of the survey had been completed, which included not only those properties which were due to be made decent, but also those where assumptions had been made about the levels of decency, and it was due to this process that the additional properties had come to light. He added that when the initial bid had been made, the Council was not in a position to undertake a 100% survey of the housing stock.

Councillor R D Bayliss added that at the time the initial survey was completed, this kind of opportunity had not been anticipated and staff had had to work with the information they had to submit the bid. He commented that under the circumstances, he was surprised that more properties had not been identified.

Councillor J Geary referred to the decision in 2007 to retain a housing stock which was in poor condition and not fit for purpose, which had required spending money. He added that there had been problems from day one as things had been done in a rush. He commented that 7 years later the Council was newly identifying non-decent properties, which indicated that the goalposts were always moving. He expressed concerns that more problems would arise in future and more money would be required to address them despite the assurances to the contrary. He added that he was not satisfied that the properties had been properly surveyed in the first instance. He asked if a contingency plan had been put in place. He also asked how the works were clerked and whether this was done in house. He asked how the Council was ensuring that value for money was being achieved and suggested that the statistics in the matrix could have been manipulated to the Council's advantage. He stated that he was very unhappy and requested a presentation to full Council on both reports going back to day 1 to enable members to chart how the current position had been arrived at as he believed more issues would arise. He expressed alarm regarding the refusal rates and felt that as a landlord, the Council had the right to maintain its properties as it saw fit. He sought clarification that a tenant would have no say if a property needed rewiring or work to the roof.

The Director of Services responded that tenants would have no say on any works required to address health and safety issues, such as rewiring.

Councillor J Geary stated that he would like a presentation at Council so that all Councillors who were interested could see how the current position had been arrived at, and to consider how this could be managed in future.

The Director of Services responded that it was a matter for Members if they wished to make a recommendation to Cabinet. In respect of any further issues arising, he stated that as a 100% condition survey had now been undertaken, this was the first time that officers were certain of the levels of decency. In respect of the quality of the survey, he reminded Members that 30% of the stock had initially not been surveyed at all. In respect of clerking the works, he advised that 3 contract supervisors were employed by the Council and their role was to ensure that works were completed to a satisfactory standard. In respect of the matrix, he advised that the figures were provided by the HCA and showed a comparison of all authorities who were receiving backlog funding.

Councillor J Geary stated that he would like to fully comprehend the bigger picture as he did not understand how this position had been reached. He commented that there was

every possibility of a change of leadership next May and added that someone could be inheriting a complex mess.

Councillor S Sheahan seconded the motion for a presentation to Council. He expressed concern that this could happen again. He felt that this would allow a full debate on how this could be managed in future.

Councillor D Howe asked if the 91 houses identified were in one area.

The Director of Services advised that the 91 houses were spread across the district and no particular concentration was discernible in terms of location. He added that he was happy to provide this information if required.

The Chairman referred Members to the recommendations in the report and sought a proposition.

It was moved by Councillor N Clarke, seconded by Councillor J Geary and

RESOLVED THAT:

Cabinet be asked to consider the comments from Policy Development Group prior to making decisions relating to the matters covered by this report.

Councillor S Sheahan referred to the request for a presentation at Council which had been moved and seconded.

The Director of Services responded that the intention was to attach the minutes of this meeting to the report to Cabinet, and the request for a presentation would be made clear. He added that this would then be a matter for Cabinet to consider.

Councillor S Sheahan sought clarification on whether it was necessary to refer this point to Cabinet.

The Deputy Monitoring Officer referred Members to section 7(b) of the Scrutiny Procedure Rules which indicated that Policy Development Group may make recommendations to Cabinet.

Councillor A C Saffell stated that he had asked a question a number of years ago as to how a Member could submit an item for a Council agenda. He stated that he was advised that such a request could be submitted to the Proper Officer via Democratic Services and the agreement of the Chairman could then be sought.

Councillor J Geary clarified that he was not particularly interested in having a debate at full Council, but wanted a presentation to enable all Members who were interested to attend to gain a full understanding of the issues.

The Director of Services responded that a request for a Member briefing in advance of Council could be accommodated far more easily. He added that the report received by Members at this meeting would eventually come before full Council and be debated.

Councillor S Sheahan added that as the seconder of the motion he felt the intention was to inform any subsequent debate.

The Chairman then put the motion to the vote and it was

RESOLVED THAT:

A briefing and presentation be arranged prior to full Council for all Members on the Housing Revenue Account Business Plan<sup>55</sup> from its introduction to the present day.

**7. UPDATING THE HOUSING REVENUE ACCOUNT BUSINESS PLAN**

It was moved by Councillor S Sheahan, seconded by Councillor A C Saffell and

RESOLVED THAT:

Cabinet receives the comments of Policy Development Group at its meeting on 29 July.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 8.05 pm



## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET– 29 JULY 2014

Title of report	<b>UPDATING THE HOUSING REVENUE ACCOUNT BUSINESS PLAN</b>
Contacts	<p>Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a></p> <p>Councillor Roger Bayliss 01530 411055 <a href="mailto:roger.bayliss@nwleicestershire.gov.uk">roger.bayliss@nwleicestershire.gov.uk</a></p> <p>Director of Services 01530 454555 <a href="mailto:steve.bambrick@nwleicestershire.gov.uk">steve.bambrick@nwleicestershire.gov.uk</a></p> <p>Head of Finance 01530 454520 <a href="mailto:ray.bowmer@nwleicestershire.gov.uk">ray.bowmer@nwleicestershire.gov.uk</a></p> <p>Head of Housing 01530 454780 <a href="mailto:chris.lambert@nwleicestershire.gov.uk">chris.lambert@nwleicestershire.gov.uk</a></p>
Purpose of report	To provide information for the Cabinet to take into account when considering the report on the agenda on funding for the Decent Homes Programme
Council Priorities	Value for Money Homes and Communities
Implications:	
Financial/Staff	The implications of the decision are covered in the report
Link to relevant CAT	Not applicable
Risk Management	The risks associated with the decision are covered in the report
Equalities Impact Assessment	The implications of the decision are covered in the report
Human Rights	Not applicable
Transformational Government	Not applicable
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory

Comments of Monitoring Officer	On the advice of Bevan Brittan this report is satisfactory
Consultees	Housing Revenue Account Business Plan Project Board
Background papers	<b>Additional Costs of the Decent Homes Improvement Programme 2014/15 (Cabinet - 4 March 2014)</b> <b>Call-in of Cabinet decision of 4 March 2014 entitled 'Additional Costs of the Decent Homes Programme 2014/15' (Policy Development Group - 12 March 2014)</b>
Recommendations	<b>THAT CABINET NOTE THE CONTENTS OF THIS REPORT IN THE CONTEXT OF CONSIDERING THE REQUEST FOR ADDITIONAL FUNDING FOR THE 2014/15 DECENT HOMES PROGRAMME AS DETAILED ON THIS MEETING AGENDA</b>

## 1.0 BACKGROUND

- 1.1 This report is linked to the item on the agenda for this meeting entitled "Additional Costs for the Decent Homes Improvement Programme 2014/15".
- 1.2 The Housing Revenue Account Business Plan was originally approved by Cabinet on 27 March 2012, and provides the service and financial planning framework for the delivery of the Council's landlord services over a 30 year period. The Business Plan has two key elements, the narrative text section, and a financial spreadsheet model, which forecasts income and expenditure levels over the full 30 year plan period.
- 1.3 When the Business Plan was originally established it was proposed that it would be updated annually to reflect actual expenditure in the previous year and any budget adjustments, and fully reviewed every 5 years. However, in response to the additional funding required to deliver the Decent Homes Improvement Programme (DHIP) in 2014/15 and a range of other changes that have affected the Plan's base assumptions, it is being reviewed earlier than originally planned, as part of the preparations for the 2015/16 budget setting process. Cabinet will be asked to approve the revised HRA Business Plan, as part of the 2015/16 budget setting process.
- 1.4 This report provides Cabinet with an introduction to the key issues being addressed in the reviewed business plan, and illustrates how they interlink with the additional funding required to complete the 2014/15 improvement programme.

## 2.0 THE BUSINESS PLAN FINANCIAL MODEL

- 2.1 The HRA Business Plan financial model covers a 30 year period and illustrates income and expenditure projections over the plan period. As part of the review being completed the plan is being rebased, with 2014/15 as year 1 of the 30 year cash flow model. In addition to this, we have also introduced a revised and updated spreadsheet model from our business planning professional advisors the Chartered Institute of Housing (CIH), which incorporates all current housing finance legislation. The new baseline plan uses information from the provisional outturn figures for the HRA and the Capital programme for 2013/14. Both of these are subject to confirmation by members as part of the outturn approval process over the coming months, and any amendments made as part of this process will require the business plan model to be adjusted accordingly. It also incorporates the revised HRA and Capital Programme budgets approved by Council on 25 March 2014.

2.2 Part of the process of reviewing and updating the plan includes the following mandatory updates to reflect current position:

- Updated balances for the Housing Revenue Account (HRA) and Major Repairs Reserve (MRR).
- Revised 'Year 1' income and expenditure to reflect 2014/15 budget.
- Revised housing stock numbers to reflect the number of properties within the rental system available for let following deduction of previous years' right to buy sales and decommissioned sheltered schemes.
- Updated the opening debt to reflect the partial repayment of annuity loans.

2.3 In addition, the following revisions have been made to enable more accurate forecasting of future cash flows:

- The number of assumed Right to Buy (RTB) sales in the future has been increased to reflect the more recent trends since the Government increased the discounts available to tenants.
- The vacant property percentage rate used in the model has been increased from 0.75% to 1.09% (£184k) for 2014/15 and 1.8% from 2015/16 (£319k) to reflect current position. This will be kept under review and adjusted back down as vacant property numbers reduce once the improvement programme is completed. The original level of vacant properties is still considered to be the typical level we will experience over the medium to long term. Completing the decent homes improvement programme has resulted in a number of properties remaining empty for longer than normal as a result of the need to coordinate different contractors completing different works in them. This situation has been compounded by an increase in the number of properties coming vacant, which we believe to be only a short term situation.
- The provision for bad debt been has increased from 0.4% to 1% (to £169k). This reflects the increase in bad debt provision approved as part of the 2013/14 budget setting process in preparation for anticipated higher levels of debt following the introduction of Welfare Reform.
- The Rent Convergence date for converging property rents has been amended from 2015/16 National Government Policy target date to 2016/17 which is the date that the majority of properties will meet convergence (although this will require further amendment in the light of the recent Government announcement on future rent policy also referred to in this report).
- Revenue Contribution to Capital Outlay (RCCO) provision has been amended in the model to be input at a pre-determined level for 2014/15 rather than calculated amount.

2.4 The rebased 2014/15 model shows a healthy long term future for the Council's landlord activities based on current assumptions and current social rent policy. A previously known projected funding shortfall issue presents itself in year 8 of the plan (2021/22), with a need to source additional resources of £112k. This is because we have to repay two of the maturity loans of £10 million and £3 million fall due for repayment. Options to fund this shortfall will be considered once the final amount is confirmed as part of the ongoing budget setting process, and could include reductions in revenue expenditure, or simply refinancing the loans. The amount required is a significant reduction from the previously forecast sum which was in excess of £1m. The reduction is as a result of the incorporation of projected under spending from the 2013/14 capital programme into the model, and other changes as a result of amendments to the assumptions the model is based on, as detailed in this report.

- 2.5 The baseline 2014/15 model excludes the additional estimated £3.063m required to fund additional non decent properties. Financial modelling of the options available to fund the improvements has been undertaken and is detailed under Section 4.
- 2.6 The revised baseline model future capital funding projections remain based on information derived from our previous housing stock condition information. The new stock condition surveys of all homes, completed over the last three years as part of the decent homes programme are currently being analysed to allow us to revise our future funding projections, and this information will be built into the business planning process for consideration as part of the 2015/16 budget setting process.

### **3.0 THE BASELINE BUSINESS PLAN FINANCIAL ASSUMPTIONS**

- 3.1 As part of the process of reviewing the business plan, there are a number of areas that require updating and revision to reflect the current position. This section of the report explains the proposed areas we will be reviewing.
- 3.2 The general inflation rate contained in the financial model has not been revised and remains at 2.5%, and therefore all classes of income and expenditure increase by this amount (unless singularly varied and referenced below):
- 3.3 Depreciation has been amended in the model to actual 2014/15 figure. In addition the model has been amended so that the value is not increased by the general inflation rate as this represents the advice we have received from Charter Institute of Housing.
- 3.4 The forecast level of Retail Price Index (RPI) which currently drives the annual rent increase also remains at 2.5%, with the formula rent increase percentage remaining at 0.5% to reflect current national rent policy. Details regarding the potential impact of proposed changes to rent policy are detailed in section 3.6 of this report.
- 3.5 Decent Homes Improvement Programme - additional costs have been identified relating to the delivery of the 2014/15 improvement programme, as previously reported, and falling into three categories -
- A. Additional improvement works costs - £1,650,058
  - B. Funding for newly identified non decent homes - £2,444,270
  - C. Funding for non grant eligible non decent homes - £618,895

The funding required to address item A has been identified and approved by Cabinet/Council with consequent amendments being made to the approved budget for 2014/15.

The proposed source of funding for items B and C has also been identified as explained in a separate report on this agenda.

As part of the evaluation of the options to provide this additional funding, an assessment of the impact of additional borrowing on different terms was completed. Following this review, it was decided not to recommend additional borrowing as a source of funding for the additional costs, as the required funding could be obtained from existing sources within the capital programme and HRA balances, thus avoiding any interest charges which would be associated with any loan funding.

- 3.6 Future Government Rent Policy – as part of the introduction of the HRA self financing regime, the Government retained control of national social rent policy. This was to allow control of Housing Benefit expenditure and to seek to retain the alignment between Housing Association and Council rent levels which was being achieved through the rent restructuring process.

In October 2013 the Department for Communities and Local Government (DCLG) consulted all social housing providers on proposed amendments to social housing rent policy. The proposed changes include an amendment to the formula used for increasing rents, replacing the Retail Price Index (RPI) + 0.5% with Consumer Price Index (CPI) + 1%. Over time it is anticipated that this will produce lower rent increases for tenants, however it also reduces the level of income from rents within the business plan. If rental income increases at a slower rate than costs increase, this will create pressures within the business plan, which will need to be managed carefully.

Also included in the proposed changes is the removal of 'rent convergence', a system by which rents that are at a lower level are increased by a further up to £2 per year until they reach what is called limit rent or target rent. The current proposal is that all rents will be increased by the new formula only from their position at April 2015 and there will be no additional increases for those whose rent is not already at the 'limit rent' level.

DCLG announced the outcome of their consultation and confirmed the new Social Rent policy in June 2014.

Initial assessment of the impact of both of these changes has been modelled in a version of the HRA Business Plan 30 year cash flow model. When compared to the current Baseline version of the plan, the resultant loss in income over the 10 year period from 2014/15 to 2023/24 could be up to approximately £15m. Detailed work on the changes and flexibility granted by DCLG and resulting impact to the HRA is currently being undertaken and Members will be advised of any changes to the business plan we consider are necessary during the 2015/16 budget setting process.

- 3.7 Right to Buy - the level of council house sales has increased in recent years as shown in the table below, and it is assumed that the recent announcement that the Government will be appointing "Right to Buy Agents" to promote the scheme nationally will further stimulate interest from tenants in purchasing their homes.

Year	2011/12	2012/13	2013/14
<b>Number of Sales</b>	2	15	36

The increased level of sales has been factored into the revised business plan, and both income (due to reduced rent paid) and expenditure (due to fewer properties to repair and improve) are being adjusted accordingly.

In June 2012 we signed an agreement to retain all of the receipts we received from right to buy sales over and above an agreed level as part of the Governments one for one replacement initiative. Under the present arrangements the income from right to buy sales is split between the Council (25%) and the Government (75%). The new arrangements mean that we can retain all of the surplus receipts above an agreed level, on condition that we add to them from our own resources, and reinvest them in providing additional affordable housing within a given timeframe.

The formula through which we assess whether we have qualified to retain receipts is complex and can only be implemented each quarter after property sale numbers and values are confirmed.

Right to buy sales in Quarter 4 of 2013/14 represented a level where we qualified to retain receipts under the one for one replacement provisions, with £122,178.35 retained. Under the agreement we are required to supplement this to raise the available resources to a total £407,261.17 which is to be spent on providing additional rented homes by 31 August 2017. The funding for this will be incorporated into the 2015/16 capital programme.

There are a number of options available for the Council to fulfil its one for one replacement obligations, these include:

- Partnership working with a Registered Provider (RP) by providing grant funding to develop affordable homes.
- Partnership working with a RP by using them as developing agent.
- The Council directly deliver the replacement affordable home programme.
- Special Purchase Vehicle
- Buy Back (repurchase of former Council properties sold under the Right to Buy).
- Purchasing existing or new properties from developers of private owners.

These options are currently being evaluated and recommendations regarding the proposed approach to delivering the required additional properties will form part of the 2015/16 budget setting process.

- 3.8 Garages and Hard Standings - the Council has 383 garages and 240 sites (hard standings) which are available to let to local residents. The potential annual income from rental charges is £158,968, however only 51% (£80,686) is being achieved due to the location and/or condition of many of the sites and garages.

Following a review of the garages and hard standings it is proposed that a Garages policy be adopted, which is due to be considered by Cabinet in the summer of 2014. This will provide the policy position from which we intend to develop a 10 year garage site improvement programme, and consider some sites for redevelopment where appropriate.

- 3.9 Review of Sheltered Housing Schemes - Cabinet approved the decommissioning of three sheltered housing schemes in September 2011 with two further schemes identified as not having a long term viable future. One scheme has been disposed of on the open market achieving a capital receipt of £325k. The options for the future use of the buildings other buildings is currently being finalised and will be addressed as part of the 2015/16 budget setting process.

- 3.10 Empty Properties - As at 7 April 2014, there were 250 empty properties of which 64 are in the sheltered schemes referred to above. These, and a further 65 properties are 'out of debit' which means they are effectively removed from our stock numbers along with the associated rental income. Decisions to undertake intrusive asbestos surveys and Decent Homes improvements whilst the properties are empty together with the level of empty properties being higher than anticipated has resulted in reduced rental income of £333,811 which equates to 2.04% of the gross rental income for 2013/14, and this has been factored into our revised business plan.

- 3.11 Post 2014/15 improvement programme priorities – as part of the detailed preparations for the 2015/16 budget setting process, the level of funding required to sustain all tenants homes at the decent homes standard after 2014/15 is being re-evaluated. The outcome of this work could revise the level of funding required from 2015/16 onwards from the level currently projected in the business plan, which was based on 2006 stock condition information. The outcomes of this work will also impact upon the level of capital funding available for new initiatives, such as an accelerated improvement programme or new build, and is due to be completed in time to inform the 2015/16 budget setting process.

- 3.12 All of these factors are currently being incorporated into the revised HRA Business Plan, and the revised document will be considered for approval as part of the 2015/16 budget setting process.

#### **4 FINANCIAL IMPLICATIONS OF ADDITIONAL COSTS OF THE DECENT HOMES IMPROVEMENT PROGRAMME ON THE HRA BUSINESS PLAN.**

4.1 The detailed implications of the medium to long term impact of the proposed approach to funding the additional costs of the 2014/15 decent homes improvement programme have been evaluated. Financial modelling has been undertaken on financing the required funds through the use of HRA reserves and unallocated balances within the capital programme, to fund the estimated additional costs of £3.06m. This approach to securing the required funding is considered to represent better value for money to the Council than borrowing the funds, as interest charges are avoided, and investment income from balances held is currently very low.

4.2 The proposed approach to funding the additional £3.06m required to complete the decent homes programme in 2014/15 is detailed in the separate report to Cabinet and involves the use of the following sources of funding –

- **£613,451** 2014/15 Capital Programme, unallocated contingency.
- **£1,206,359** - Capital Programme, underspend from 2013/14 (subject to confirmation as part of the final accounts process)\*.
- **£1,243,355** - HRA Balances, through an additional Revenue Contribution to Capital Outlay ("RCCO") (in addition to the £1,679,058 already included in the approved HRA and Capital Programme budgets for 2014/15).

\*In the event that the 2014/15 Decent Homes expenditure is less than projected less will be needed to be taken from HRA balances.

The impact of this funding on the Business Plan will be to increase the size of the projected shortfall in year 8 of the plan (2021/22) from £112k to circa £3.3m.

The principle options to address this funding requirement are -

- Reducing ongoing revenue expenditure to create budget capacity. This option would require revenue savings of £471k per year for 7 years to generate the required £3.3m by 2021/22. Savings would not have to be made equally each year.
- Refinancing the loans rather than repaying them. There is an option to re-borrow the required funds, but this would be subject to future revenue costs for repayment and the interest rate for the loans cannot be projected with absolute accuracy.
- A combination of revenue reductions and refinancing.

Using reserves/balances would utilise existing HRA resources and as a result the Council would not incur any additional interest costs in borrowing additional funds. There would be a reduction in interest income on balances though, although given the low level of interest rates this is not projected to be more than £10k per annum.

The currently approved RCCO budget of £1.679m would increase by £1.243m to £2.922m.

Additionally it is important to note that the impact of changes in Government social rent policy recently announced have not yet been modelled, and we will also be updating our future investment requirements in response to the updated housing stock condition survey analysis currently being completed. Both of these factors will be addressed as part of the process of revising the business for the 2015/16 budget setting process.

## **5.0 CONCLUSION**

- 5.1 This report is designed to advise the Cabinet of a range of issues relating to the HRA Business Plan which are currently being updated. This also reflects the current position following the identification of additional funding requirements to deliver the 2014/15 improvement programme.
- 5.2 The revised HRA Business Plan will be the subject of a report to a future Cabinet meeting as part of the preparations for the 2015/16 budget setting process.



**Extract from draft minutes of Cabinet held 29 July 2014**

MINUTES of a meeting of the CABINET held in the Board Room, Council Offices, Coalville on TUESDAY, 29 JULY 2014

Present: Councillor R Blunt (Chairman)

Councillors R D Bayliss, T Gillard, T J Pendleton and A V Smith MBE

In Attendance: Councillors N Clarke, C Large, T Neilson, S Sheahan and M B Wyatt

Officers: Mr R Bowmer, Ms C E Fisher, Mrs C Hammond, Mr C Lambert and Miss E Warhurst

**23. ADDITIONAL COSTS OF THE DECENT HOMES PROGRAMME 2014/2015**

The Chairman advised Members that it would be more appropriate to consider items 8 and 9 together and then agree the recommendations in each report.

The Housing Portfolio Holder presented the report to Members.

He reminded Members of the background to the report. He advised Members that there were three options to consider, these were to either ignore the 305 properties, the authority could borrow the money or use its own resources to fund the work. He stated that this was the preferred option. He advised Members that this resource would be detailed in the outturn report later on the agenda. He went on to draw Members' attention to the minutes of the Policy Development Group and stated that Members of the Group had requested a presentation to all Councillors on the impact of the Decent Homes Improvement Programme on the HRA Business Plan.

The Chairman invited Councillor M B Wyatt to speak to the item.

Councillor M B Wyatt stated that on the whole the feedback that he had received from tenants in his ward had been very positive in relation to the work that had been carried out through the programme, however there were a few tenants that were not receiving the level of work that should be expected. He added that tenants were being left with minor problems, that when reported to the contractors, the tenants were feeling extremely frustrated by the lack of communication from the contractors. Councillor M B Wyatt felt that communication and final inspections on the properties could be improved. He concluded by stating that once issues had been reported to officers they were rectified straight away and that his concerns were with the contractors.

The Head of Housing thanked Councillor M B Wyatt for the positive comments and advised Members that he was in ongoing conversations with Councillor M B Wyatt and any new issues raised by him would be investigated and rectified.

Councillor T J Pendleton stated that all the houses in his ward that had required work had been completed with only one snag, that had been dealt with and he was very pleased with how the work had been done.

Councillor R Blunt stated that he was pleased the work was on target and congratulated the Portfolio Holder, the Head of Housing and the team for their hard work.

It was moved by Councillor R D Bayliss, seconded by Councillor T J Pendleton and

RESOLVED THAT:

## Cabinet

1. Notes the reduction in the number of grant eligible properties and the consequent reduction in backlog funding grant as detailed in section 4.0 of this report, and the projected additional cost of making all identified non decent homes meet the decent homes standard by March 2015.
2. Considers the outcome of the Policy Development Group's consideration of this matter at their meeting on 16 July 2014.
3. Recommends to Council the revised 2014/15 Housing Capital Programme and HRA budget as detailed in appendix a and b of this report to fund the completion of all the required work, and the amended prudential indicators detailed in appendix c as a departure from the current budget.

**Reason for decision:** To make recommendations to Council for funding to complete the Decent Homes Programme.

## 24. UPDATING THE HOUSING REVENUE ACCOUNT BUSINESS PLAN

The Housing Portfolio Holder presented the report to Members.

It was moved by Councillor R D Bayliss, seconded by Councillor T J Pendleton and

RESOLVED THAT:

Cabinet notes the contents of this report in the context of considering the request for additional funding for the 2014/15 Decent Homes Programme as detailed on this meeting agenda.

**Reason for decision:** The information provided in this report will influence the Cabinet's recommendations to Council for funding to complete the Decent Homes Programme.

## HOUSING REVENUE ACCOUNT SUMMARY

LINE NO.	DETAIL	2013/2014		2014/2015
		Budget £	Provisional Out-turn £	Estimate £
<b>HOUSING REVENUE ACCOUNT</b>				
1.	TOTAL REPAIRS & MAINTENANCE	4,849,230	4,832,788	4,933,190
SUPERVISION & MANAGEMENT				
2.	General	2,114,740	1,952,754	2,117,130
3.	Special / Supporting People	229,830	152,408	387,720
4.		2,344,570	2,105,162	2,504,850
5.	PROVISION -DOUBTFUL DEBTS	96,760	224,154	170,790
6. CAPITAL FINANCING:-				
7.	Depreciation - MRA & other	4,008,170	3,985,825	3,995,170
8.	Debt Management Expenses	1,380	1,424	1,390
9.		4,009,550	3,987,249	3,996,560
10.	TOTAL EXPENDITURE	11,300,110	11,149,353	11,605,390
11. RENT INCOME				
12.	Dwellings	16,051,250	15,756,907	16,741,400
13.	Service Charges	316,550	308,630	304,550
14.	Garages & Sites	89,020	85,212	80,920
15.	Other	26,100	13,877	26,100
16.		16,482,920	16,164,626	17,152,970
17. GOVERNMENT GRANTS				
18.	Decent Homes Backlog Grant	0	8,500,000	7,941,105
		0	8,500,000	7,941,105
19.	TOTAL INCOME	16,482,920	24,664,626	25,094,075
20.	NET COST OF SERVICES	-5,182,810	-13,515,273	-13,488,685
21.	CAPITAL FINANCING - HISTORICAL DEBT	175,000	144,406	175,000
22.	CAPITAL FINANCING - SELF FINANCING DEBT	3,257,170	3,257,167	3,257,170
23.	INVESTMENT & OTHER INCOME	-25,200	-37,721	-25,200
24.	PREMATURE LOAN REDEMPTION PREMIUMS	19,270	19,273	14,470
25.		3,426,240	3,383,125	3,421,440
26.	NET OPERATING EXPENDITURE	-1,756,570	-10,132,148	-10,067,245
27.	REVENUE CONTRIBUTION TO CAPITAL	250,000	250,000	2,922,413
28.	DEPRECIATION CREDIT - VEHICLES	0	0	-50,730
29.	DECENT HOMES BACKLOG GRANT FINANCING	0	8,500,000	7,941,105
30.	CONTINGENCY	33,000	0	0
31.	TRANSFER FROM RESERVES	0	-126,853	0
32.		283,000	8,623,147	10,812,788
33.	NET (SURPLUS) / DEFICIT	-1,473,570	-1,509,001	745,543
<b><u>HRA BALANCES</u></b>				
35.	Balance Brought Forward	-3,759,156	-3,759,156	-5,268,157
36.	(Surplus)/Deficit for Year	-1,473,570	-1,509,001	745,543
37.	Balance as at year end	-5,232,726	-5,268,157	-4,522,614

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	Notes	2013/14 Outturn	2014/15 Original Budget (Cabinet 11/02/2014)	2014/15 Revised (Council 25/03/2014)	2014/15 Revised June 2014	2015/16	2016/17	2017/18	2018/19	
<b>2010/12 Programme</b>										
Miscellaneous		1,000								
<b>2012-17 DHIP Programme</b>										
Year 1 programme slippage (including Major Aids & Adaptations completed under DHIP)										
Year 2 Programme Slippage	Works completed in Year 2 (2013/14) that will be paid from year 3.				245,000					
HCA Funded Properties (90% of pre 2012 failures)			8,560,000	8,560,000	7,941,105	-	-	-	-	
NWLDC Funded Properties (10% + post 2012 failures)	Includes funding for Decent Home works to an additional 305 properties at an additional cost of £2,444,270. Post 2015/16 as per PIMSS	12,320,000	1,426,667	3,076,725	6,139,890	4,500,000	4,500,000	4,500,000	4,500,000	
Enabling Works Provision	Works in addition to core DHIP spec which are essential to complete jobs.		415,000	415,000	415,000	132,000	132,000	132,000	132,000	
Enabling Works for Decants	Including decs/soft furnishing and decant allowance					-	-	-	-	
Asbestos Handling	Disposal of asbestos, following R&D asbestos surveys	49,000	450,000	450,000	450,000	50,000	50,000	50,000	50,000	
Year 3 and 4 Scoping Surveys	Final year of scoping surveys	267,000								
<b>2012-17 HPIP Programme</b>										
2013/14 Slippage					378,000					
Fire Risk Assessment Remedial Works	Includes provision for fire risk assessment work, including doors, signage, external openings.	7,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
Lift Replacement	6 lift replacements at Sheltered Schemes	14,000	300,000	300,000	300,000					
Fire Alarm / Emergency Lighting	Sheltered scheme & communal flats emergency lighting and fire alarm upgrades	15,000	194,000	194,000	194,000					
Communal Boilers	4 schemes + Woulds/Cherry Tree	50,000								
Defective floor slabs (red ash floors)/Damp proofing (Loughborough rd and other identified in year)	Assumption of average of 25 properties p.a. @ £6k each. Loughborough rd - 17 properties, other - 15 properties pa £2.5k each. Budget originally intended for chemical injection, likely that other remedial works will be completed instead within same budget provision	190,000	310,000	310,000	310,000	187,500	187,500	187,500	187,500	
Fuel swaps (solid fuel to gas supply)	Energy company rebate on fuel swaps income = £12k estimate	6,000	78,000	78,000	78,000	25,000	25,000	25,000	25,000	
In Year Priorities	No current provision held			-	-	-	-	-	-	
Garage Modernisation	One off £100k provision for demolitions, resurfacing & lighting works		100,000	100,000	100,000	-	-	-	-	
Carbon Monoxide Detectors	Potential delivery through solid fuel servicing contractor as will not exceed CV by more than 50%	13,000		-	-	-	-	-	-	
DH Works in Voids and Tenanted Properties	Additional provision added 13/14 to reflect historic expenditure trends	528,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	Anticipate higher void costs in 2014/15, however provision not increased since 2013/14
Major Aids & Adaptations	Expenditure on flat floor shower on DHIP needs a virement of additional costs over standard bathroom to be transferred out of this budget where there is not an active A&A referral @ an approx cost of £1200 pp	29,000	380,000	380,000	380,000	350,000	350,000	350,000	350,000	Underspend from 2013/14 (£111k) not added to 2014/15 as contract let on £1.43m to 2017/18
Development Site Preparations	Related to decommissioned sheltered schemes.		40,000	40,000	40,000	-	-	-	-	
Insulation Works	Principally external wall works. External grant income anticipated.		660,000	660,000	660,000	-	-	-	-	
Green & Decent Installations	Pilot costs for 2013/14, recurring budget requirement from 2015/16 for ongoing programme. External grant awarded (see funding below).		125,000	125,000	125,000	250,000	250,000	250,000	250,000	
IBS Upgrade (Contract Module)	Provision for repairs data requirements required to support implementation of repairs diagnostics and mobile working. Moved from 2012/13 to 2013/14.	33,000								
Speech Module	Replacement of speech module equipment in hard wired older persons accommodation.		50,000	50,000	50,000	50,000	50,000	50,000	50,000	

	Notes	2013/14 Outturn	2014/15 Original Budget (Cabinet 11/02/2014)	2014/15 Revised (Council 25/03/2014)	2014/15 Revised June 2014	2015/16	2016/17	2017/18	2018/19	
Capital Programme Delivery Costs	Includes Decent Homes Improvement Programme contingency	701,000	698,000	698,000	698,000	623,000	623,000	623,000	623,000	£126k forecast capacity within this budget (£80k provision + £46k 'Contract Manager')
Unallocated/Contingency	Contingency prior to 2015/16 incorporated into individual budget lines. For 2015/16 onwards separate provision held to ensure adequate capacity available to meet in years needs as and when identified.					500,000	500,000	500,000	500,000	
One for One replacement programme	RTB receipts that must be made available for one for one replacement					122,178				
One for One replacement programme	NWLDC Contribution					285,083				
<b>Capital Allowances</b> Programme to be defined	Review of income from asset disposals will determine capacity within this budget. Potential option of funding works within Other Investment category from this source									
<b>Total Programme Costs</b>		<b>14,223,000</b>	<b>14,676,667</b>	<b>16,326,725</b>	<b>19,393,995</b>	<b>7,964,761</b>	<b>7,557,500</b>	<b>7,557,500</b>	<b>7,557,500</b>	
<b>Funding</b>										
Usable balances held		4,008,000	1,720,500	1,720,500	3,235,000	-	10,034	9,907	10,227	
Retained Right to Buy Receipts (RTB)	Based on assumed income projections in accordance with the the Right to Buy and One for One replacement policy	143,000	203,618	203,618	203,618	190,293	185,686	177,463	170,051	
RCCO	Balancing transfer from HRA to be verified through HRA Business Plan Model. For 2014/15 the provision based on gaining access to all properties within the programme. Any properties for which access is not gained and the works are not carried out will result in a reduced value (see comments below)	250,000	490,000	1,679,058	2,922,413	3,462,000	3,110,000	3,172,000	3,240,000	
Decent Homes Backlog Funding		9,026,000	8,560,000	8,560,000	7,941,105	-	-	-	-	
Major Repairs Allowance	More detailed work to be undertaken as part of HRA Business Planning and in reference to HRA component depreciation.	3,991,000	3,991,000	3,991,000	3,978,000	3,991,000	3,991,000	3,991,000	3,991,000	
Asset Disposals (Capital Allowance)	Income from sale of HRA (non RTB) assets. Target/estimate to be used one year in arrears. (Includes Broughton Street District Heating building).	40,000	325,000	325,000	325,000	100,000	100,000	100,000	100,000	
Windfall RTB receipts	Based on attributable debt income projections in accordance with the the Right to Buy and One for One replacement policy			461,000	770,859	231,503	170,687	117,358	56,680	
Green & Decent Funding					18,000					
<b>Total Funding</b>		<b>17,458,000</b>	<b>15,290,118</b>	<b>16,940,176</b>	<b>19,393,995</b>	<b>7,974,796</b>	<b>7,567,407</b>	<b>7,567,727</b>	<b>7,567,959</b>	
<b>Cumulative Over / (Under Resource)</b>		<b>3,235,000</b>	<b>613,451</b>	<b>613,451</b>	<b>-</b>	<b>10,034</b>	<b>9,907</b>	<b>10,227</b>	<b>10,459</b>	

The RCCO provision required for 2014/15 and subsequent years is dependent upon the number of properties within Year 3 of the Decent Homes Improvement Programme that we're able to gain access to in order to complete works.

For every pre 2012 failing property that we're unable to complete works in there will be a reduction in average expenditure of £8,014 per property and a reduction in decent homes backlog funding of £6,802 per property, the net affect being a reduction in expenditure of £1,212 per property. The value of RCCO will therefore fall for every pre 2012 failing property where work is not completed by £1,212 per property.

For every post 2012 failing property within the program that we are unable to gain access to there will be a reduction in expenditure of £8,014 per property. The value of RCCO will therefore fall for every post 2012 failing property where work is not completed by £8,014 per property.

## PRUDENTIAL INDICATORS

### 1 Background

The Local Government Act 2003 requires the Authority to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

### 2. Gross Debt and the Capital Financing Requirement

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that the debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

The Section 151 Officer reports that the Authority has had no difficulty meeting this requirement in 2012/13, nor is there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

### 3. Estimates of Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

<b>Capital Expenditure</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Non-HRA	1.779	2.031	2.496	1.122	1.281
HRA	15.865	15.738	19.394	7.965	7.558
<b>Total</b>	<b>17.644</b>	<b>17.769</b>	<b>21.890</b>	<b>9.087</b>	<b>8.839</b>

Capital expenditure will be financed or funded as follows:

<b>Capital Financing</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Capital receipts	0.239	0.183	1.299	0.522	0.456
Government Grants	8.873	9.255	8.183	0.224	0.224
Major Repairs Allowance	0.000	3.991	3.978	3.991	3.991
Reserves	3.048	2.635	3.980	0.000	0.000
Other Contribution-s106	0.000	0.055	0.115	0.000	0.000
Grants - Other	0.000	0.000	0.013	0.000	0.000
Revenue contributions	4.213	0.448	3.082	3.601	3.260
<b>Total Financing</b>	<b>16.373</b>	<b>16.567</b>	<b>20.650</b>	<b>8.338</b>	<b>7.931</b>
Supported borrowing	0.000	0.000	0.000	0.000	0.000
Unsupported borrowing	1.271	1.202	1.240	0.749	0.908
<b>Total Funding</b>	<b>1.271</b>	<b>1.202</b>	<b>1.240</b>	<b>0.749</b>	<b>0.908</b>
<b>Total Financing and Funding</b>	<b>17.644</b>	<b>17.769</b>	<b>21.890</b>	<b>9.087</b>	<b>8.839</b>

#### 4. Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

The ratio is based on costs net of investment income.

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2013/14 Approved %</b>	<b>2013/14 Revised %</b>	<b>2014/15 Estimate %</b>	<b>2015/16 Estimate %</b>	<b>2016/17 Estimate %</b>
Non-HRA	10.22	10.08	10.14	9.83	10.18
HRA	14.68	15.87	14.91	14.78	14.65
<b>Total (Average)</b>	<b>12.95</b>	<b>13.59</b>	<b>13.31</b>	<b>13.21</b>	<b>13.25</b>

#### 5. Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

<b>Capital Financing Requirement</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Non-HRA	13.619	13.591	14.248	14.421	14.740
HRA	79.155	78.168	77.159	76.128	75.072
<b>Total CFR</b>	<b>92.774</b>	<b>91.759</b>	<b>91.407</b>	<b>90.549</b>	<b>89.812</b>

#### 6. Actual External Debt

This indicator is obtained directly from the Authority's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.



<b>Actual External Debt as at 31/03/2013</b>	<b>£m</b>
Borrowing	88.510
Other Long-term Liabilities	0.055
<b>Total</b>	<b>88.565</b>

## 7. Incremental Impact of Capital Investment Decisions

This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2013/14 Approved £</b>	<b>2013/14 Revised £</b>	<b>2014/15 Estimate £</b>	<b>2015/16 Estimate £</b>	<b>2016/17 Estimate £</b>
Increase in Band D Council Tax	2.55	2.59	2.99	2.32	2.63
Increase in Average Weekly Housing Rents	3.76	3.76	4.30	3.40 *	3.29 *

\*The Government is proposing to change the basis of the calculation of rents from 2015/16 and has recently consulted on this but the outcome is as yet undetermined. The estimates for 2015/16 and 2016/17 are based on one of four potential options and are therefore subject to change, when a new method has been agreed.

## 8. Authorised Limit and Operational Boundary for External Debt

The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.

The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

<b>Authorised Limit for External Debt</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Borrowing	97.100	97.100	99.914	97.579	97.025
Other Long-term Liabilities	1.000	1.000	0.700	0.700	0.700
<b>Total</b>	<b>98.100</b>	<b>98.100</b>	<b>100.614</b>	<b>98.279</b>	<b>97.725</b>

The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

The Section 151 Officer has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Council.

<b>Operational Boundary for External Debt</b>	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
Borrowing	95.100	95.100	97.914	95.579	95.025
Other Long-term Liabilities	0.500	0.500	0.500	0.500	0.500
<b>Total</b>	<b>95.600</b>	<b>95.600</b>	<b>98.414</b>	<b>96.079</b>	<b>95.525</b>

## 9. Adoption of the CIPFA Treasury Management Code

This indicator demonstrates that the Authority has adopted the principles of best practice.

<b>Adoption of the CIPFA Code of Practice in Treasury Management</b>
The Authority has re-affirmed adoption of the CIPFA Treasury Management Code within this strategy, 11 February 2014.

The Authority has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

## 10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. The Authority calculates these limits on net principal outstanding sums (i.e. fixed rate debt net of fixed rate investments).

The upper limit for variable rate exposure has been set to ensure that the Authority is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

	<b>Existing (Benchmark) level 31/03/13 %</b>	<b>2013/14 Approved %</b>	<b>2013/14 Revised %</b>	<b>2014/15 Estimate %</b>	<b>2015/16 Estimate %</b>	<b>2016/17 Estimate %</b>
<b>Upper Limit for Fixed Interest Rate Exposure</b>	100	100	100	100	100	100
<b>Upper Limit for Variable Interest Rate Exposure</b>	50	50	50	50	50	50

The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Authority's treasury management strategy.

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

#### 11. Maturity Structure of Fixed Rate borrowing

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

<b>Maturity structure of fixed rate borrowing</b>	<b>Lower Limit for 2014/15 %</b>	<b>Upper Limit for 2014/15 %</b>
under 12 months	0	20
12 months and within 24 months	0	20
24 months and within 5 years	0	20
5 years and within 10 years	0	50
10 years and within 20 years	0	50
20 years and within 30 years	0	60
30 years and within 40 years	0	50
40 years and within 50 years	0	50
50 years and above	0	0

#### 12. Upper Limit for total principal sums invested over 364 days

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

	<b>2013/14 Approved £m</b>	<b>2013/14 Revised £m</b>	<b>2014/15 Estimate £m</b>	<b>2015/16 Estimate £m</b>	<b>2016/17 Estimate £m</b>
<b>Upper Limit</b>	5	5	5	5	5

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**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL****COUNCIL – 16 SEPTEMBER 2014**

Title of report	<b>MINUTES OF LOCAL PLAN ADVISORY COMMITTEE</b>
Contacts	<p>Councillor Trevor Pendleton 01509 569746 <a href="mailto:trevor.pendleton@nwleicestershire.gov.uk">trevor.pendleton@nwleicestershire.gov.uk</a></p> <p>Director of Services 01530 454555 <a href="mailto:steve.bambrick@nwleicestershire.gov.uk">steve.bambrick@nwleicestershire.gov.uk</a></p>
Purpose of report	For Council to receive the minutes of the meeting of the Local Plan Advisory Committee and to consider their recommendations
Council Priorities	<p>Value for Money Business and Jobs Homes and Communities Green Footprints Challenge</p>
Implications:	
Financial/Staff	The Local Plan will require the gathering of additional evidence which will have financial implications. The exact requirements are not clear at this stage and will need to be kept under review. The Council makes budget provision each year in anticipation of these costs.
Link to relevant CAT	None
Risk Management	A risk assessment of the project has been undertaken. As far as possible control measures have been put in place to minimise these risks, including monthly Project Board meetings where risk is reviewed.
Equalities Impact Assessment	As part of the process of preparing the Local Plan an assessment of the potential impact of the policies and proposals of the Local Plan from an equalities perspective will need to be undertaken.
Human Rights	None
Transformational Government	Not applicable
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory

Comments of Deputy Monitoring Officer	The report is satisfactory
Consultees	None
Background papers	Minutes of meetings of Local Plan Advisory Committee dated 18 March 2014 and 29 April 2014 as set out in Appendix A and Appendix B of this report.  Reports to 3 June 2014 meeting of LPAC which can be viewed <a href="#">here</a>
Recommendations	<b>THAT COUNCIL:</b>  <b>(I) RECEIVES THE MINUTES OF THE LOCAL PLAN ADVISORY COMMITTEE OF 18 MARCH 2014 AND 29 APRIL 2014;</b> <b>(II) NOTES THE RECOMMENDATIONS OF THE LOCAL PLAN ADVISORY COMMITTEE OF 3 JUNE 2014 AS SET OUT IN PARAGRAPHS 4.2 AND 4.3 OF THIS REPORT; AND</b> <b>(III) AGREES THE RECOMMENDATIONS OF THE LOCAL PLAN ADVISORY COMMITTEE TO PREPARE A NEW LOCAL PLAN AND THAT THE PLAN PERIOD BE 2011-2031 AND;</b> <b>(IV) THAT THE TERMS OF REFERENCE FOR THE LOCAL PLAN ADVISORY COMMITTEE NOT BE CHANGED.</b>

## 1.0 BACKGROUND

- 1.1 Members will recall that at the meeting of Council on 25 February 2014 it was agreed to establish a Local Plan Advisory Committee (LPAC) to work with officers on the new Local Plan.
- 1.2 Council have set up the LPAC to facilitate greater member involvement in the preparation of the Local Plan. However, as members will be aware Cabinet are responsible for drafting the Local Plan and making recommendations to Council.
- 1.3 To date the LPAC has met on three occasions; on 18 March 2014, 29 April 2014 and 3 June 2014. As the LPAC was set up by Council it is necessary for the minutes from LPAC meetings to be reported to Council.
- 1.4 The purpose of this report is to consider the outcome from those meetings on 18 March and 29 April. Minutes for the meeting of 3 June have yet to be agreed by the LPAC and so will be need to be received at a subsequent Council meeting, but the outcome of the meeting is summarised here for completeness. The outcome of all the LPAC meetings to date were considered by Cabinet at its meeting on 29 July 2014 in order that Cabinet were aware of the views of the LPAC in their role of drafting the Local Plan as outlined at paragraph 1.2

## **2.0 MEETING OF 18 MARCH 2014**

- 2.1 The meeting was provided with an update of both the National and Local Plan process and a report outlining the possible scope to be covered by the new Local Plan. A copy of the minutes is attached at Appendix A of this report.
- 2.2 It will be noted that in terms of the Local Plan the LPAC had been advised that:
- the Council should prepare a Local Plan rather than revising and resubmitting the Core Strategy; and
  - that the plan period should be 2011-36
- 2.3 The LPAC resolved that this advice be recommended to Council.
- 2.4 The LPAC was also presented with an initial draft structure for the Local Plan and invited to comment on the structure, although it was stressed that the structure could change in due course.
- 2.5 Cabinet at its meeting of 29 July 2014 agreed to note the minutes of the meeting.

## **3.0 MEETING OF 29 APRIL 2014**

- 3.1 The meeting considered a report in respect of a new Statement of Community Involvement (SCI) and the Council's Strategic Housing Land Availability Assessment (SHLAA). A copy of the minutes is attached at Appendix B of this report.
- 3.2 In respect of the SCI the LPAC was advised that it would be appropriate to prepare a new SCI to take account of changes in legislation. This was agreed by the LPAC.
- 3.3 In respect of the SHLAA it was noted that this was a vital part of the Council's evidence base to support the new Local Plan but that importantly inclusion of any site in the SHLAA did not mean it would definitely be included in the Local Plan or granted planning permission if an application was submitted. The LPAC agreed to note the SHLAA and its role in the Local Plan process.
- 3.4 Cabinet at its meeting of 29 July 2014 agreed to note the minutes of the meeting.

## **4.0 MEETING OF 3 JUNE 2014**

- 4.1 The meeting considered reports in respect of the new Strategic Housing Market Assessment (SHMA) and the proposed timetable for the Local Plan.
- 4.2 In terms of the SHMA the LPAC:
- noted that the findings identified that the housing need in North West Leicestershire was estimated to be between 285 and 350 per annum for 2011-31 and 270-330 per annum for 2011-36;
  - noted the next steps to reach agreement across the Housing Market Area (HMA) in respect of the amount and distribution of new housing; and

- resolved that it was essential that in the event that there was a need to re-distribute any housing across the HMA that any process for agreement should be open and transparent.

4.3 In respect of the timetable the LPAC noted the proposed timetable for the preparation of the Local Plan and expressed some concerns that an initial consultation was planned over July and August 2014 when many people would be on holiday. Officers agreed therefore to extend the consultation period accordingly. It was noted that adoption was not considered likely until the end of 2016 and the LPAC expressed the need to ensure that progress was made as quickly as possible.

4.4 This consultation is now underway (including a consultation in respect of the Statement of Community Involvement) until 19 September 2014.

4.5 Some concern was raised regarding the terms of reference for the LPAC. These concerns were:

- a) The need for non members of the LPAC to give notice of the wish to participate at LPAC meetings;
- b) The need to seek “permission” of the chairman to participate; and
- c) That the terms of reference do not exclude a meeting being quorate with just one political party in attendance.

4.6 Cabinet at its meeting of 29 July 2014 agreed to recommend that the Local Plan Advisory Committee reconsider the local plan, plan period on the basis of new evidence available in the report by Cabinet.

## **5.0 ISSUES ARISING FROM THE ADVISORY COMMITTEE**

### Plan Period

5.1 As noted above Cabinet at its meeting on 29 July 2014 asked that in terms of the issue of plan period that LPAC reconsider the end date.

5.2 The reason for making this request is that since this issue was first considered by the LPAC, the Member Advisory Group (MAG), which is a member group representing each of the planning authorities in the Leicester and Leicestershire Housing Market Area, has met and has indicated that in terms of reaching an agreement on the amount and distribution of new housing this should cover the period to 2031.

5.3 The basis for the MAG reaching this conclusion is due to the fact that the current transport modelling work for the Housing Market Area currently only looks at the period to 2028 and therefore having plan periods to 2031 minimises the additional modelling work required to have a comprehensive set of plans in place. More importantly however the recommendation to run plans to 2031 is based on the fact that all planning authorities in the Housing Market Area have confirmed that they are able to accommodate their housing needs within their respective areas up to that date thereby avoiding the need for any re-distribution.

5.4 Therefore, whilst the LPAC had recommended at its meeting that the Local Plan should cover the period 2011-2036, it was not aware of the MAG’s deliberations on this matter at



the time and as a result of this, officer advice is that it would now be appropriate to cover the period 2011-2031 to be consistent with other authorities in the Housing Market Area.

- 5.5 In considering the plan end date to 2031, Council should be aware that the National Planning Policy Framework (NPPF) states at para 159 that local plans should:  
"be drawn up over an appropriate time scale, *preferably* a 15-year time horizon, take account of longer term requirements, and be kept up to date"

However the NPPF also states at para 47 that the local plan should:  
"identify a supply of specific, developable sites or broad locations for growth, for years 6-10 and, *where possible*, for years 11-15"

- 5.6 Given the Local Plan will not be adopted at the earliest until the end of 2016 an end date of 2031 would of course be just short of 15 years. The longer date (2036) would, as the LPAC have already been advised be preferable and fits better with NPPF in this regard. However if the Council is to continue with a plan end date of 2036, this poses a considerable risk of not being able to secure co-operation based on a robust evidence base, which is also a requirement of the NPPF.
- 5.7 Given that there is consensus that up until 2031 all the authorities can meet their objectively assessed housing need without the need for any redistribution subject to some modelling by LCC around transport. It is advised that it would likely have to be something of real significance for any constraint including transport to persuade an Inspector that any plan meeting housing would otherwise be found unsound on the '15 year rule'. This seems to be supported by the Inspector for the Charnwood Hearing being content that the submitted plan has an end date of 2028 (14 year time horizon).
- 5.8 Therefore due to changed circumstances following publication of the SHMA and emerging information concerning SHLAAs, both Cabinet and the LPAC have been advised that a credible argument could be advanced to support an end date of 2031 with a commitment that the authorities will be working together on a longer time horizon as the evidence base is rolled forward.
- 5.9 A report on this matter was to be considered by the LPAC at its meeting on 9 September 2014. In view of the print deadlines the outcome of LPAC was not known at the time of drafting this report. A verbal update will be provided at the meeting of Council in order that members are fully aware of the views of the LPAC.

#### Terms of Reference

- 5.10 The Terms of Reference for the LPAC were agreed by Council at its meeting on 25 February 2014. It is open to Council to amend the Terms of Reference if it wishes. However, amending them to address the concerns outlined at paragraph 4.5 above would not be consistent with how other council meetings are organised. Therefore, it is suggested that no change be made to the Terms of Reference.

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MINUTES of a meeting of the LOCAL PLAN ADVISORY COMMITTEE held in the Council Chamber, Council Offices, Coalville on TUESDAY, 18 MARCH 2014

Present: Councillors J Bridges, C Large, J Legrys, V Richichi, S Sheahan, A V Smith MBE (In place of R D Bayliss) and R Woodward (In place of D De Lacy)

In Attendance: Councillors R Adams, R Adams, R Blunt, R Johnson and T Neilson

Officers: Mr S Bambrick, Mr D Gill, Mr D Hughes, Mrs M Meredith, Mr I Nelson and Mr M Sharp

## **1. ELECTION OF CHAIRMAN**

The Director of Services opened the meeting and sought nominations to elect a Chairman for the remainder of the municipal year.

It was moved by Councillor A V Smith, seconded by Councillor C Large and

RESOLVED THAT:

Councillor J Bridges be elected Chairman for the remainder of the municipal year.

Councillor J Bridges took the chair and advised everyone present that this was a cross-party Committee and Members would work together to deliver a sound Core Strategy for the area.

## **2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors R D Bayliss and D De Lacy.

## **3. DECLARATION OF INTERESTS**

Councillor J Legrys sought clarification on declaring interests as the Committee would be looking at the whole of the District. In particular he requested advice as most Members owned their own properties.

The Legal Advisor clarified that when matters were considered in broader terms, and Members were equally as affected as everyone else in the area, there was no requirement to declare a pecuniary interest on that basis. He referred to the setting of the Council Tax as an example.

Councillor J Bridges encouraged Members to seek advice on interests in advance of the meeting.

There were no interests declared.

## **4. COMMITTEE TERMS OF REFERENCE**

The Director of Services referred Members to the Terms of Reference of the Committee which were attached for information. He stated that he intended to attach the Terms of Reference to the agenda for each meeting to ensure Members remained focussed on the role of the Committee.

Councillor J Bridges encouraged Members to seek advice if there was anything they felt should be incorporated into the Terms of Reference.

Councillor J Legrys stated that as the process evolved, the Terms of Reference would need to be reviewed. He welcomed the idea that the Terms of Reference would be included in each agenda.

## **5. UPDATE ON NATIONAL PLANNING AND LOCAL PLAN PROCESS**

Mr M Sharp introduced himself to the Committee and explained that his role as a consultant was to advise the Council on the Local Plan process. He added that he was delighted to be able to assist the Council.

Mr M Sharp gave a presentation to Members outlining the changes to the planning framework, the current position locally and the progress of the review to date.

Councillor S Sheahan asked how the duty to co-operate would work in practice.

The Director of Services advised that a Housing Planning and Infrastructure Group had been established for Leicestershire at officer level. He explained that this would feed into the Members Advisory Group, where it was intended that discussions around strategy and housing requirements would take place. He added that this structure was intended to demonstrate that the duty to co-operate had been fulfilled.

Councillor S Sheahan requested that the minutes of the Housing Planning and Infrastructure Group and the Members Advisory Group be made available to the Committee.

Councillor J Legrys welcomed the recommendation in respect of viability work. He sought clarification on the mechanism for this and expressed concerns regarding the availability of resources to undertake this work as he recognised the amount of detail required.

Mr M Sharp advised that the expertise required was not necessarily something the Council would already have in-house. He explained that there was established methodology and experts who could be called upon to undertake the work. He added that Councils across the country were taking this approach so he was confident that the work could be undertaken within a reasonable budget.

Councillor J Legrys referred to the duty to co-operate with all neighbouring authorities, including those in Staffordshire and Nottinghamshire.

Mr M Sharp confirmed that conversations with all neighbouring authorities would need to take place. He explained that the Housing Planning and Infrastructure Group was based on the Strategic Housing Market Assessment (SHMA) area, which was accepted as being the Leicestershire area.

Mr M Sharp advised that the guidance made reference to Local Plan preparation and suggested that Members read this section.

## **6. POSSIBLE SCOPE OF THE LOCAL PLAN**

The Director of Services presented the report to Members, drawing their attention to the recommendations as set out in the report, which sought a decision from the Committee on whether a new Local Plan should be produced and what the plan period should be. He advised that a decision from the Committee would take the form of a recommendation to Council. He also referred Members to the appendix to the report which set out some initial thoughts on the structure of the Local Plan and the policies that would be unique to North West Leicestershire and not contained elsewhere.

The Director of Services referred to the previous item and the presentation Members had received which had outlined the direction of travel nationally and what the good practice guidance was suggesting. He explained that assumptions had been made about how long it would take to produce a new Local Plan. He advised that these assumptions had now been reviewed, and taking into consideration the fact that work was still being undertaken on the SHMA, the updated advice to Members was that it would take no longer to produce a single Local Plan than it would to produce a revised Core Strategy.

In respect of the plan period, the Director of Services advised that the preferred time horizon set out in the National Planning Policy Framework (NPPF) was 15 years from the adoption of the plan. If the plan period remained as at present and the plan was adopted in 2016, this would only just meet the 15 year horizon, which could place the soundness of the plan at risk. Therefore it was recommended that Members consider extending the plan period to 2036, which would have the added benefit of coinciding with the SHMA.

Councillor C Large welcomed the idea of moving forward with a single Local Plan as this would fit in very well with the NPPF. She also felt that the plan period should be extended to 2036, especially as it coincided with the SHMA. She stated that some Local Authorities were looking at limits to development as well as local allocations, and asked if this Council would be considering this also.

The Director of Services stated that it would be a matter for Members to decide what types of policies were included in the Local Plan. He explained that considering the limits to development would add another layer of detail to the Local Plan and there would be a lot of detail to consider, which could potentially add time to the process. He added that there were other ways to address the limits to development, however this was not a decision that needed to be made today. He advised that he would want to present the Committee with more detailed information which Members would need to consider before a decision could be reached.

Councillor J Legrys added that this was an issue at Planning Committee and when meeting residents. He stated that as an alternative method was being proposed, this would be considered in due course, however it was essential to define communities. He welcomed the change from Core Strategy to Local Plan as it made it easier for people to understand that the Council was going through a different process. He added that it was a matter of debate as to how much detail should be included. He recalled that one of the criticisms of the Core Strategy was that it was too vague from the point of view of members of the public. He stated that he accepted the recommendation in respect of the plan period due to the risk of the plan failing again.

Councillor S Sheahan sought advice in respect of his position regarding recommendation B and his interest in HS2.

The Legal Advisor clarified that at present Members were making a general recommendation that this policy should be included. However if sites were being considered in detail at future meetings, further consideration would need to be given in respect of interests.

The Director of Services emphasised that the appendix was a very initial list of potential policies and was by no means the end of the process. At this point it was intended that Members discuss the direction of travel and whether the policies listed were appropriate. He highlighted that under the Local Plan structure there would be significantly fewer policies. He invited Members to consider whether individual policies were unique to North West Leicestershire and were not covered nationally. He also advised Members to consider whether the Local Plan should be divided into chapters. He highlighted that it was recommended to include a policy on Gypsies and Travellers, however the allocation of sites would be dealt with elsewhere. He added that it was not proposed to include a

traditional policy for town centres, as the retail policies were covered in the NPPF and were therefore not needed. He also advised that much of the detail in respect of conservation areas and listed buildings would be included elsewhere. He suggested that there was a need for place based policies, principally around the main areas in the District.

Councillor C Large stated that she had given careful consideration to specific policies. She felt that the NPPF was very vague on the Rural Workers Dwellings policy and stated that this needed careful consideration. She added that the Local Needs Housing policy seemed to have been lost from the Core Strategy and she felt this was a good policy. She stated that there would be a lot of debate on the development strategy and asked how long Members would have to consider the list of policies.

The Director of Services advised that there would be as much time as needed to consider the policies. He also encouraged Members to feed back directly with their views.

Councillor J Legrys stated that he would welcome a discussion around alternative methods of infrastructure delivery to Section 106 and Community Infrastructure Levy (CIL) as there were other ways of breaking the logjam. He added that developers were saying that they want to develop, but the infrastructure needed to be in place first. He stated that in respect of the development strategy it was necessary to be flexible enough to make changes if a major development came forward during the development of the Local Plan. He added that he preferred sites to be mapped with clear defined boundaries rather than a list of sites. He expressed concerns regarding the town centre policy and felt that discussions were necessary in respect of defining retail sites. In respect of potential transport routes he referred to the railway line running through Castle Donington and added that he would like to see the line protected for potential passenger transport. He reiterated the need to secure a rail link into East Midlands Airport. He added that the racetrack should also be included in the list of policies. He welcomed the idea of breaking the Local Plan up into chapters as he felt this would make it clearer. He felt that there were some bigger issues that needed to be resolved and the bigger picture needed to be considered. He sought confirmation that there was a separate working group looking at the issue of Gypsies and Travellers.

Councillor J Bridges confirmed that this was the case, however this also needed to be considered as part of the overall strategy.

Councillor J Legrys stated that there was no mention in the appendix regarding consultation with the public, parties, action groups and developers in the early stages of the process. He felt it should be made clear that consultation would have to be undertaken and it would need to be considered how this would be done.

The Director of Services wholeheartedly agreed that consultation was absolutely fundamental. He added that allocations would not be made without showing the sites on a map and the intention was that this would be available for all to see. He stated that discussions had taken place in respect of the racetrack, which was unique to North West Leicestershire, however consideration would need to be given to what would be included in the policy as there was no proposed development at the site. He added that if there was something particular to say about the racetrack, it would be appropriate to have a policy.

Mr M Sharp added that the racetrack could be referenced in the Local Plan without having a specific policy.

Councillor R Woodward referred to the lack of consultation which had taken place at the beginning of the Core Strategy Process. He stated that he would be keeping an eye on

how much consultation was taking place, with whom and how much notice this Committee was taking of the feedback.

Councillor S Sheahan stated that if viability and deliverability was being considered, Members needed to look long and hard at affordable housing as whatever the Council was doing at the moment was not working well.

Councillor C Large stated that she completely agreed with Councillor S Sheahan and this related well to the Rural Exception policy also. She felt that this was definitely worth looking at.

Councillor J Bridges reiterated that the list of policies in the appendix was for the Committee to review and Members of the Committee had a duty to seek the views of their colleagues. He encouraged Members to discuss any issues with the officers.

It was moved by Councillor J Legrys, seconded by Councillor C Large and

RESOLVED THAT:

a) It be recommended to Council that:

(I) A new Local Plan be produced incorporating strategic policies, allocations and some detailed policies; and

(II) The plan period cover the period 2011-2036.

b) The Advisory Committee's comments on the suggested initial draft structure for the local plan as set out in Appendix A be noted.

## **7. DATE OF NEXT MEETING**

It was agreed that the next meeting of the Local Plan Advisory Committee take place on Tuesday, 29 April 2014.

Councillor R Blunt left the meeting at 5.53pm during the discussion on item 5 – Update on National Planning and Local Plan Process.

Councillor T Neilson entered the meeting at 6.20pm during the discussion on item 6 – Possible Scope of the Local Plan.

The meeting commenced at 5.30 pm

The Chairman closed the meeting at 6.39 pm

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MINUTES of a meeting of the LOCAL PLAN ADVISORY COMMITTEE held in the Council Chamber, Council Offices, Coalville on TUESDAY, 29 APRIL 2014

Present: Councillor J Bridges (Chairman)

Councillors R D Bayliss, D De Lacy, C Large, J Legrys, V Richichi and S Sheahan

In Attendance: Councillors R Adams, J Geary, D Howe, R Johnson, T Neilson, L Spence, R Woodward and M B Wyatt

Officers: Mr M Sharp (Consultant), Mr S Bambrick, Mrs M Meredith, Mr I Nelson and Mr S Stanion

Councillor J Bridges noted that a number of members of the public were in attendance. He stated however that it would not be practical to invite everyone in attendance to speak at the meeting. He encouraged all interested parties to speak to their Ward Members with any concerns and these could then be fed into the Committee and on to Council. He advised that members of the public would have an opportunity to ask questions at any full Council meeting.

Councillor J Bridges announced that he had invited Councillor M B Wyatt to participate in future meetings of the Local Plan Advisory Committee in a non-voting capacity. He stated that he had used his discretion as Chairman to make this decision in the interests of fairness as this was a cross-party Committee.

Councillor J Legrys stated that the Chairman was entitled to make this decision, however it had not been discussed with the Labour Group at all. He added that if this were truly to be a cross-party Committee, Councillor A C Saffell should also be invited to participate. He wished to formally nominate Councillor A C Saffell.

Councillor D De Lacy stated that it had been difficult to persuade the Labour Group to participate in this process and the decision had been finely balanced. He added that the constitution of the Committee had been negotiated and agreed and it appeared that the Chairman had now unilaterally varied this without any engagement with the Labour Group. He stated that this would be reported back to the Labour Group and there may be consequences.

The Director of Services referred Members to the Terms of Reference of the Committee which had been agreed by full Council, in particular the provision within the Terms of Reference which allowed the Chairman to invite other Members to attend and participate in the meeting in a non-voting capacity at his discretion.

Councillor D De Lacy stated that he had envisaged that Members would be invited to participate at certain points in the process, rather than permanently.

Councillor J Bridges stated that he had made it clear at the previous meeting that this was to be an open, cross-party Committee and he could not see any issue with other Members participating in the same way that Members were being allowed to speak at this meeting. He advised that it would not be practical to accept a nomination for Councillor A C Saffell to sit on the Committee without a request from him to participate.

Councillor J Legrys acknowledged that this was a matter of interpretation and it was unfortunate that this had not been discussed prior to the meeting.

## **8. APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

## **9. DECLARATION OF INTERESTS**

Councillor S Sheahan sought clarification from the Legal Advisor that if a particular site in the SHLAA was under discussion which a Member had an interest in, at that point it would be appropriate to declare a pecuniary disclosable interest and leave the room.

The Legal Advisor clarified that as the Committee was not a decision-making body, Members should feel able to make any comments they wished to.

Councillor J Legrys declared a non-pecuniary interest as a volunteer at Hermitage FM, should there be any discussion on Coalville Town Centre.

## **10. MINUTES OF PREVIOUS MEETING**

Councillor S Sheahan referred to minute number 4 and his request that the minutes of the Housing Planning and Infrastructure Group be made available to this Committee. He clarified that this should include the minutes of the Members Advisory Group. He also asked if the minutes were likely to be available soon.

Councillor J Bridges advised that they should be available in the coming week.

Councillor D De Lacy referred to the discussion about the limits to development at the previous meeting and asked at what stage the Committee would consider this matter. He also asked if officers were in a position to produce a road map of the tasks that needed to be completed.

The Director of Services advised that he anticipated that a programme would be brought to the next meeting of the Committee.

## **11. COMMITTEE TERMS OF REFERENCE**

The Director of Services referred Members to the Terms of Reference of the Committee which were attached for information.

## **12. STATEMENT OF COMMUNITY INVOLVEMENT**

The Director of Services presented the report to Members, drawing their attention to the purpose of the Statement of Community Involvement (SCI) and that it was considered appropriate to prepare a new SCI as there had been changes in legislation since the current SCI had been adopted in 2006. He sought comments from the Committee on what a revised SCI should include.

Councillor J Legrys welcomed the opportunity to have this issue discussed by the Committee. He commented that he had discussed this issue in a briefing with the Director of Services. He stated that it was essential to revise the consultation process as early as possible, as there were deep concerns about the length of time that the consultation would take. He added that the Labour Group would want to put forward proposals for consultation and he sought clarification on the timescales and how this would be undertaken. He felt that if the Committee was meeting again in 1 month this may be too early, however it was important not to drag the process out. He stated that he wanted to see Councillors much more involved in the consultation, engagement with Town and Parish Councils and involvement in the Neighbourhood Plan process.

Councillor J Bridges stated that risk management was an issue. He added that the consultation process needed to be done effectively, consistently and it was imperative to get the SCI right. He appreciated the concerns expressed by Councillor J Legrys.

The Director of Services advised that it was intended to bring a report to the next meeting of the Committee which would clarify the content of the SCI and report any comments received.

There was a discussion around the timescales for providing comments for the next meeting. The Director of Services advised that in order to produce a meaningful report for the meeting, he would need to receive comments 2 weeks beforehand. He added that a final decision would not be sought at this meeting, however Members would be asked to agree a document which would then be consulted upon.

It was moved by Councillor R D Bayliss, seconded by Councillor J Legrys and

RESOLVED THAT:

- a) The Council prepare a new Statement of Community Involvement;
- b) A further report on the possible content of the new Statement of Community Involvement be brought to a meeting of this Advisory Committee and;
- c) The Advisory Committee comment on any issues and approaches to consultation which they would wish to see reflected in a new Statement of Community Involvement.

### **13. STRATEGIC HOUSING LAND AVAILABILITY ASSESSMENT**

The Director of Services presented the report to Members, drawing their attention to the revised recommendation circulated at the meeting which reflected the fact that the Advisory Committee was not a decision-making body. He advised that the SHLAA was a delegated decision and outlined its role in the preparation of a Local Plan. He referred to correspondence which had been received from representatives of Friends of Snibston relating to 3 sites in the SHLAA. He explained that the SHLAA itself was a technical document and the process was set out in national guidance, which all Local Authorities were required to follow. He emphasised that the SHLAA sets out a list of sites that had the potential to be included in the Local Plan and had the potential to be developed, and at this stage there was no commitment that any of the sites would be developed. He added that as the process was followed, the list of sites would get shorter until the Council decided which of the sites to include in the Local Plan. He emphasised that it was not appropriate at this stage to make decisions about which sites should be included in the Local Plan or the SHLAA as this was a future debate.

Councillor R D Bayliss agreed that it would be most unwise to start eliminating sites at this point.

Councillor S Sheahan stated that the Director of Services had reassured Members about the status of sites in the SHLAA, however he asked how the current position had been arrived at as the previous SHLAA was very detailed. He sought clarification on the reasons why sites had not been included, and what had changed.

The Planning Policy and Business Focus Team Manager gave a presentation to Members outlining the purpose of the SHLAA and the findings of the assessment. In response to Councillor S Sheahan's question he explained that the starting point had been the previous SHLAA in 2011. He added that the same reference numbers had been retained from the previous version where possible for consistency and for ease of reference. He explained that because of this, there were gaps in the numbering due to sites having been developed or no longer being considered suitable for other reasons.

The Consultant added that from his broader experience, it would be very unwise to start excluding sites at this stage. He explained that doing so could put the Council at risk considering that the work on the evidence base was yet to be completed and the policies which would set out why sites should be excluded from the SHLAA were not yet in place.

The Legal Advisor endorsed the Consultant's comments and added that a clear understanding of the purpose of the SHLAA was essential at the outset. He added that a proportionate evidence base was required to inform Members in respect of the strategy for determining the sites to be included in the Local Plan. He explained that the SHLAA would form part of the evidence base and the number of sites would naturally reduce as they were assessed. He stated that excluding sites now would deprive Members of the widest possible number of sites to choose from and that would be unwise at this stage.

Councillor C Large stated that she completely agreed with the officers' standpoint. She explained that she was professionally involved with planning and had herself put forward sites for inclusion in the SHLAA that had subsequently been refused planning permission, which demonstrated that inclusion in the SHLAA was not a 'rubber stamp' for development of the site. She asked if the guidance on rural housing was being taken into account and hoped that smaller settlements would not be dismissed. She added that she would much rather see developments spread out and development in rural villages would make them more sustainable.

The Planning Policy and Business Focus Team Manager explained that sites of less than 10 dwellings had previously been excluded from the SHLAA but it had been decided not to employ that threshold in the revised SHLAA. He added that the excluded sites would be reviewed to see which ones may have been excluded on the grounds of sustainability and to see whether this remained a valid reason. He explained that this guidance had very recently been published and as such it may be necessary to report back to the Advisory Committee.

Councillor S Sheahan sought clarification on the role of the Advisory Committee, as Members were being asked to accept the list of sites. He added that Members had not had an opportunity to consider maps and had not been provided with the full detail of which sites had been excluded. He stated that he was disappointed and felt that the SHLAA was just a 'landowner shopping list' that Members were being asked to rubberstamp.

The Director of Services clarified that the role of the Advisory Committee was to advise on the preparation of a new Local Plan. He explained that the foundations were being set for the Advisory Committee to make recommendations to Council. He added that the Advisory Committee were not at the stage of making recommendations to Council, as the groundwork would need to be done first. It was his view that it was imperative for the Advisory Committee to build upon their understanding of the purpose of the SHLAA, the associated processes and the evidence base to ensure that Members were in a better position to make recommendations to Council.

Councillor S Sheahan referred to the original recommendation which asked Members to approve the SHLAA for publication and highlighted that Members were now being asked only to note the report. He felt that this was not an issue if a further report was to be brought back to the Advisory Committee with the full detail prior to publication.

The Director of Services clarified that the SHLAA would be published following this meeting, however there would be an opportunity to refer back to the published SHLAA and scrutinise individual sites.

Councillor S Sheahan sought clarification on which body was responsible for making decisions on the SHLAA. The Director of Services advised that this decision was delegated to officers as it had been previously.

Councillor M B Wyatt stated that he had also put forward sites for inclusion in the SHLAA and referred to in particular to the site off Waterworks Road that did not appear in this list and the site owned by Leicestershire County Council. He asked if the Council had identified the sites owned by the Council that could potentially be developed.

The Planning Policy and Business Focus Team Manager advised that he was aware of the site referred to by Councillor M B Wyatt, however he was unsure of its status and whether it had been notified to him.

Councillor M B Wyatt clarified that this issue had been discussed at Cabinet and the local community had been consulted. He added that if the land owned by Leicestershire County Council was sold, the site would become landlocked and the opportunity would be lost. He referred to the smaller sites in Greenhill owned by the Housing department and asked if these had been considered.

The Director of Services advised that any sites with the potential to be developed would have been put forward, however this would be checked and reported back to Councillor M B Wyatt.

Councillor J Bridges stated that departments needed to work together and expressed the importance of checking all sites.

Councillor J Legrys felt it could be argued that the SHLAA had already been published by including it in the agenda documents for this meeting. He accepted the legality of the action being taken and the requirement to publish the SHLAA, however he expressed deep concern and felt that trust needed to be built up. He added that Members were not aware of the sites that had already been rejected from this process and he shared the concerns raised by Councillor C Large in respect of the smaller sites being omitted from the document. He expressed the importance of Members being in receipt of the full information available. He expressed concerns regarding building trust with the public and referred to the fact that the details of the SHMA had not yet been published. He felt that it was necessary to clearly explain the process to the members of the public who were present. He referred to the fact that more land had been identified than was required to accommodate the number of houses to be built and added that he would welcome a clear understanding of all the sites put forward before any decisions were made. He also requested clarity on who had been active in making applications to put sites forward. He added that Members would want to see the applications made by landowners and the justification for its inclusion in the SHLAA. He felt this information was necessary if rural areas were to be developed.

Councillor J Bridges stated that this information would be made available if it was reasonable to do so. He emphasised that the Advisory Committee needed to take care not to get tied down in the detail as it was critical to deliver on the Local Plan.

Councillor R D Bayliss referred to the comments made earlier regarding small parcels of land. He reported that the Housing department were currently undertaking a piece of work in respect of affordable housing provision and were reviewing all parcels of land as part of this.

Councillor D De Lacy stated that if the SHLAA had been compiled and insufficient land had been identified to meet the housing requirement, then presumably there would have been a duty to co-operate with neighbouring local authorities. He added that he had listened to the warnings about reducing the number of available sites, however this had

already been done as a third of sites had already been removed. He stated that he did not wish to note the report as Members were being told to accept the list. He added that he did not understand why these sites had been excluded but the green wedge was still included. He stated that if Members did not have a full understanding of the process and method there would always be mistrust. He added that he considered that the green wedge was not achievable and under this criteria it should have been excluded from the SHLAA. He stated that the Labour Group members did not wish to see the SHLAA published.

The Consultant stated that the green wedge was a good example. He clarified that Members should not be excluding sites on a policy basis at this stage as it was not yet known what the policies were. He added that the Local Plan may well include a policy on the green wedge, but until that was known, it could not be excluded on that basis. He referred to the appeal in respect of the green wedge which had succeeded even without a housing land supply. He added that the green wedge may well survive, however he advised that it could not be excluded at this stage.

Councillor D De Lacy sought clarification that all the other sites had not been excluded on a policy basis and felt that this needed to be demonstrated.

Councillor C Large referred to the list of excluded sites available on the Council's website. She felt that publishing the SHLAA would put the Council back in control as everything was being approved at the Planning Committee at present.

Councillor S Sheahan stated that the list of excluded sites on the website related to the previously adopted SHLAA.

The Planning Policy and Business Focus Team Manager confirmed that this was the case. He advised that when the SHLAA was published, a list of the excluded sites and the reasons for exclusion would be included.

Councillor R Woodward was invited to speak to this item. He stated that he had listened to the reasons why officers did not want to take the green wedge out of the SHLAA, however residents and Members had fought long and hard to protect it. He added that the green wedge was unique and it had to come out of the list, as developers had free rein to submit applications while the Core Strategy was withdrawn. He referred to the previous Judicial Review and stated that it would murder Whitwick if the green wedge was included in the SHLAA after everything that had been done to protect the green wedge. He added that developers could not be stopped and urged Members to remove the site from the SHLAA now.

The Director of Services advised that taking a site out of the SHLAA at this point would not guarantee that Members would never have to consider it for development; it would simply exclude the site from considerations in respect of the Local Plan. He added that this would make a very premature decision about the policy constraints. He reiterated that including the green wedge in the SHLAA did not indicate any commitment to develop the site and would make no difference to its status. He emphasised that whether or not the site was included in the SHLAA would be irrelevant when planning applications were considered but it would be very relevant in terms of making robust decisions about the Local Plan. He reiterated that not following the correct process would lead to a risk of the Local Plan being challenged.

Councillor R Woodward asked what guarantee Members would have that the green wedge would not be developed if it remained in the SHLAA.

Councillor J Bridges stated that there was no guarantee, however the risk to the soundness of the Local Plan was guaranteed. He referred to the implications of this in

that there would be no control and the green wedge would certainly be lost. He stated that all Members felt the same about the green wedge and would defend it as rigorously as possible, however the position was weak at present.

Councillor R Johnson was invited to speak to this item. He referred to 3 specific sites which he had requested be removed from the SHLAA, namely C8 which was part of Snibston Discovery Museum, C56 which was currently subject to consultation, the results of which were not yet known, and C52 which was a landfill site and therefore unfit for development.

Councillor J Bridges clarified that landfill sites could potentially be developed. He took on board the comments made.

Councillor J Legrys spoke on behalf of Ravenstone residents in respect of site C30 which was in Ravenstone parish but had been included with the Coalville urban area within Snibston ward. He felt that the list needed to be much clearer in respect of whether it was based on wards or parishes. He also made reference to the issues around defining the limits to development and expressed concern that the villages of Hugglescote, Ravenstone, Ibstock and Heather would eventually join up. He added that residents wanted to retain a genuine village identity and with the planning permissions already granted, the villages were already at their limit.

Councillor J Bridges stated that this would be much clearer on the maps and he would be experiencing the same issue in his ward across the County boundary.

Councillor J Legrys sought clarification once more on whether the list was ward or parish based as the green wedge was located within 3 separate parishes.

The Planning Policy and Business Focus Team Manager clarified that the list was settlement based and was therefore not constrained by administrative boundaries. He advised that he would look into the issues with the Ravenstone site referred to by Councillor Legrys.

Councillor V Richichi asked how pending and future applications that were not currently listed in the SHLAA, and that the Council was not aware of, would affect the document.

Councillor J Bridges advised that all pending and future development sites that the Council was aware of were included in the document. Any future applications that the Council was not currently aware of would be considered on their own merits and would ultimately affect the SHLAA.

Councillor J Legrys referred to the document issued by the LLEP in which the Secretary of State referred to a number of sites in Leicestershire. He expressed deep concerns that the application by the LLEP had pre-empted the actions of the Council in developing the Local Plan.

The Director of Services advised that the Council had already applied a policy in the Ashby – Coalville corridor of increased contributions to infrastructure and the application was simply another contribution that the LLEP was seeking towards the costs of delivering growth that was currently planned for. He emphasised that the future Local Plan was still a decision of the Council and the LLEP was not pre-empting and development that had not already been planned for.

Councillor S Sheahan stated that the Woodville Woodlands site was administratively located in Albert Village and requested that these be grouped together. He took the opportunity to refer to the works that needed to be completed on the roundabout. He stated that he would have to vote against the recommendation due to the quality of the

report and the manner in which it had been presented. He requested that his objections be noted.

It was moved by Councillor R D Bayliss, seconded by Councillor C Large and

RESOLVED THAT:

The Strategic Housing Land Availability Assessment and its future role in preparing the new Local Plan be noted.

**14. DATE OF NEXT MEETING AND FUTURE WORK PROGRAMME ITEMS**

It was agreed that the next meeting of the Local Plan Advisory Committee take place on 3 June 2014 at 6.30pm.

Councillor T Neilson entered the meeting at 7.15pm during the debate on item 6 – Strategic Housing Land Availability Assessment.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 8.07 pm



## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COUNCIL – 16 SEPTEMBER 2014

Title of report	<b>PREPARING FOR THE FUTURE OF THE HOUSING SERVICE – DELEGATION ARRANGEMENTS</b>
Contacts	<p>Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a></p> <p>Chief Executive 01530 454500 <a href="mailto:christine.fisher@nwleicestershire.gov.uk">christine.fisher@nwleicestershire.gov.uk</a></p> <p>Head of Legal and Support Services 01530 454762 <a href="mailto:elizabeth.warhurst@nwleicestershire.gov.uk">elizabeth.warhurst@nwleicestershire.gov.uk</a></p>
Purpose of report	To seek Council's approval of the proposed amendments to delegated powers in relation to the Housing Authority functions.
Council Priorities	Value for Money
Implications:	
Financial/Staff	None.
Link to relevant CAT	None.
Risk Management	A clear and up to date scheme of delegation will minimise the risk of the Authority failing to comply with statutory requirements and assist in delivering its priorities and objectives.
Equalities Impact Assessment	Not applicable.
Human Rights	Not applicable.
Transformational Government	Clear and robust governance arrangements and procedures assist with the effective and efficient delivery of services and proper decision making.
Comments of Head of Paid Service	The report is satisfactory

Comments of Section 151 Officer	The report is satisfactory
Comments of Deputy Monitoring Officer	The report is satisfactory
Consultees	Chief Executive Head of Legal and Support Services Group Leaders
Background papers	None
Recommendations	<p><b>1. THAT COUNCIL NOTES THE DECISION TO APPOINT AN INTERIM DIRECTOR OF HOUSING</b></p> <p><b>2. THAT COUNCIL AGREES THE PROPOSED CHANGES TO THE SCHEME OF DELEGATION TO BE IMPLEMENTED ON THE APPOINTMENT OF THE INTERIM DIRECTOR OF HOUSING.</b></p> <p><b>3. THAT COUNCIL AUTHORISES THE HEAD OF LEGAL AND SUPPORT SERVICES TO MAKE THE AGREED AMENDMENTS TO THE SCHEME OF DELEGATION IN THE CONSTITUTION AND THE CONSEQUENTIAL AMENDMENTS ARISING AND RE-ISSUE THE DOCUMENT.</b></p>

## **1.0 INTRODUCTION**

- 1.1 The Local Government and Housing Act 1989 require a relevant Local Authority to designate one of their officers as the Head of Paid Service.
- 1.2 Under the Council's adopted Constitution the Chief Executive is designated as Head of Paid Service.
- 1.3 The Head of Paid Service is responsible determining amongst other things:
- (a) the manner in which the discharge by the authority of their different functions is co-ordinated;
  - (b) the number and grades of staff required by the authority for the discharge of their functions;
  - (c) the organisation of the authority's staff; and
  - (d) the appointment and proper management of the authority's staff.
- 1.4 Following discussion and agreement with the Leaders of both groups it has been agreed that an Interim Director of Housing should be appointed for a period of 18 months to provide more capacity at a strategic level to further develop the service in the long term.

## **2.0 CURRENT SCHEME OF DELEGATION**

- 2.1 Under the current scheme of delegation the Council's functions as Local Housing Authority currently lie with the Director of Services. An extract of the constitution is attached at Appendix A.

## **3.0 PROPOSED CHANGES TO THE CONSTITUTION**

- 3.1 It is proposed that the current delegation of Housing functions to the Director of Services contained within Section 7 (Scheme of Delegation) – Part 5 are deleted and that a new section is inserted as follows: ' Part 6 - Director of Housing'. Copies of the proposed amendments are attached at Appendix B and Appendix C.
- 3.2 In addition to the service specific delegations granted to the Director of Services the Constitution contains a number of general delegations to the Chief Executive and the Director of Services which mainly deal with administration and procedure. In those delegations the reference is made either to the 'Director' in the singular or the 'Director of Services'. As those general provisions in the Constitution will also apply to the Director of Housing it is recommended that Council grants delegated authority to the Head of Legal and Support Services to make the following consequential amendments to the general delegations where necessary;
- a) References to Director in the singular are amended to Directors in the plural; and
  - b) References to the Director of Services are amended to Director of Services/Director of Housing

## **4.0 ANNUAL REVIEW OF THE CONSTITUTION**

- 4.1 On 16 July 2014 the Head of Legal and Support Services reported to members on the annual review of the constitution and recommended that the review be postponed pending the enactment of new legislation, in particular The Openness of Local Government Bodies Regulations 2014 which were to introduce a number of new requirements, including the reporting (filming) of council meetings.
- 4.2 Those regulations were enacted with immediate effect on 6 August 2014. The accompanying guidance recommends that Council's should adopt a protocol to manage the recording of meetings and officers have put interim arrangements into place to ensure compliance with the regulations.
- 4.3 Officers considered that it would be appropriate for members to have an in-put into the content of the protocol and a report will be presented to members of Policy and Development Group for comment on 1 October before consideration by Council on 11 November.

## 5. DIRECTOR OF SERVICES

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The officer is authorised by the Council to discharge the following functions and determine directly or in consultation with the Chief Executive all matters except those reserved by or referred to Council, the Cabinet or Committees.

### SERVICE FUNCTIONS

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- (i) All activities in relation to the discharge of the Council's function as Local Planning Authority, including planning policy, development control, land reclamation and drainage.
- (ii) All activities in relation to the discharge of the Council's functions as the Local Building Regulation Authority and "Building Control Body" (excluding street naming and numbering and replacement of street nameplates).
- (iii) All functions in relation to waste, recycling and street cleansing and street scene.
- (iv) Economic development and regeneration.
- (v) Engineering design.
- (vi) Enforcement of byelaws and orders of the Council including car parking.
- (vii) Cemeteries, burials and closed church yards.
- (viii) Public conveniences.
- (ix) Town centre management including markets/fairs (including farmers' markets).
- (x) Fleet management.
- (xi) Green space including allotments.
- (xii) Sanitation including cesspools, septic tanks, etc.
- (xiii) Land charges.
- (xiv) All activities in relation to the discharge of the Council's function as Local Housing Authority.
- (xv) Awarding schedule of rates contracts.
- (xvi) Social inclusion.
- (xvii) Community safety and CCTV.
- (xviii) Community health, development and social regeneration.
- (xix) Leisure facilities - management and operation including sports and recreation facilities.
- (xx) Cultural services.
- (xxi) Arts, entertainment, heritage and tourism and tourist information.

- (xxii) Sports and leisure development.
- (xxiii) Gypsies and travellers.
- (xxiv) Community enterprise.
- (xxv) External resources, grants and bids support.

## **SPECIFIC FUNCTIONS**

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## **COUNCIL FUNCTIONS**

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- (i) Subject to those matters reserved for decision by the Planning Committee, to exercise all those functions for which the Council is responsible concerning town and country planning and development control set out in Regulation 2 and Schedule 1 of the Regulations and in particular:
  - to agree non-material variations to conditions of permissions and consents where no objections have been received and no demonstrable harm would be caused to an interest of acknowledged importance;
  - to decide details submitted in compliance with conditions on planning permissions;
  - to negotiate obligations under Section 106 of the Town and Country Planning Act 1990, including any obligations that may be required in connection with any appeal proceedings;
  - to serve building preservation notices or listed building notices in an emergency.
- (ii) Subject to those matters reserved for decision by the Planning Committee, to exercise all those functions for which the Council is responsible concerning the protection and treatment of hedgerows and the preservation of trees set out in Regulation 2 and Schedule 1 of the Regulations and in particular:
  - to give permission to cut down or lop trees protected by a tree preservation order or by virtue of their location in a conservation area;
  - to determine complaints received under the provisions of the High Hedges Regulations 2005 and specify remedial action to resolve the complaint in accordance with the national guidance and initiate enforcement action as necessary.
- (iii) Subject to those matters reserved for decision by the Planning Committee, to exercise all those functions for which the Council is responsible concerning public rights of way set out in Regulation 2 and Schedule 1 of the Regulations.
- (iv) To exercise all those functions for which the Council is responsible concerning health and safety at work (other than in the Authority's capacity as an employer) set out in Regulation 2 and Schedule 1 of the Regulations.
- (v) To issue a closing order on a takeaway food shop.

## **EXECUTIVE FUNCTIONS**

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- (i) To make or revoke a direction under Article 4 of the General Development Order 1995.
- (ii) To recommend to Cabinet the designation or extension of an area as a conservation area.
- (iii) To exercise any function related to contaminated land.
- (iv) To inspect for a statutory nuisance and to investigate any complaint about the existence of a statutory nuisance.
- (v) To serve an abatement notice for a statutory nuisance.
- (vi) To administer the Building Regulations.
- (vii) To operate the housing allocations scheme, allocate properties and make nominations to registered social landlords or other approved providers.
- (viii) To determine whether people are homeless and whether they are in priority need.
- (ix) To allocate temporary accommodation.
- (x) To collect rent, arrears of rent, charges and sundry debts.
- (xi) In addition to the Head of Legal and Support Services, to institute, defend or participate in any legal proceedings in the county court insofar as they relate to:
  - (a) former tenant rent arrears, and
  - (b) rent possession hearings

and in conjunction with this to designate nominated officers to carry out this function on his or her behalf, including the signing of any related document necessary to any legal procedure or proceedings.
- (xii) To represent the Authority and appear as an advocate on the Authority's behalf in any related legal proceedings.
- (xiii) To serve notice of seeking possession, notice to quit and applying for possession orders.
- (xiv) To determine applications by tenants to alter their homes.
- (xv) To reimburse tenants for tenants' improvements.
- (xvi) To transfer tenancies into joint names and vice-versa.
- (xvii) To agree mutual exchange.
- (xviii) To take immediate action to secure the removal of trespassers from housing land and property.
- (xix) To determine the eligibility of applicants to right to buy.
- (xx) To determine the future use of properties, including the redesignation, disposal or demolition of properties and to take such properties out of debit, subject to the approval by Cabinet of such proposals.

## SPECIFIC FUNCTIONS

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### COUNCIL FUNCTIONS

---

- (i) Subject to those matters reserved for decision by the Planning Committee, to exercise all those functions for which the Council is responsible concerning town and country planning and development control set out in Regulation 2 and Schedule 1 of the Regulations and in particular:
- to agree non-material variations to conditions of permissions and consents where no objections have been received and no demonstrable harm would be caused to an interest of acknowledged importance;
  - to decide details submitted in compliance with conditions on planning permissions;
  - to negotiate obligations under Section 106 of the Town and Country Planning Act 1990, including any obligations that may be required in connection with any appeal proceedings;
  - to serve building preservation notices or listed building notices in an emergency.
- (ii) Subject to those matters reserved for decision by the Planning Committee, to exercise all those functions for which the Council is responsible concerning the protection and treatment of hedgerows and the preservation of trees set out in Regulation 2 and Schedule 1 of the Regulations and in particular:
- to give permission to cut down or lop trees protected by a tree preservation order or by virtue of their location in a conservation area;
  - to determine complaints received under the provisions of the High Hedges Regulations 2005 and specify remedial action to resolve the complaint in accordance with the national guidance and initiate enforcement action as necessary.
- (iii) Subject to those matters reserved for decision by the Planning Committee, to exercise all those functions for which the Council is responsible concerning public rights of way set out in Regulation 2 and Schedule 1 of the Regulations.
- (iv) To exercise all those functions for which the Council is responsible concerning health and safety at work (other than in the Authority's capacity as an employer) set out in Regulation 2 and Schedule 1 of the Regulations.
- (v) To issue a closing order on a takeaway food shop.

### EXECUTIVE FUNCTIONS

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- (i) To make or revoke a direction under Article 4 of the General Development Order 1995.
- (ii) To recommend to Cabinet the designation or extension of an area as a conservation area.
- (iii) To exercise any function related to contaminated land.

- (iv) To inspect for a statutory nuisance and to investigate any complaint about the existence of a statutory nuisance.
- (v) To serve an abatement notice for a statutory nuisance.
- (vi) To administer the Building Regulations.
- (vii) ~~To operate the housing allocations scheme, allocate properties and make nominations to registered social landlords or other approved providers.~~
- ~~(viii) To determine whether people are homeless and whether they are in priority need.~~
- ~~(ix) To allocate temporary accommodation.~~
- ~~(x) To collect rent, arrears of rent, charges and sundry debts.~~
- ~~(xi) In addition to the Head of Legal and Support Services, to institute, defend or participate in any legal proceedings in the county court insofar as they relate to:
 
  - ~~(a) former tenant rent arrears, and~~
  - ~~(b) rent possession hearings~~~~and in conjunction with this to designate nominated officers to carry out this function on his or her behalf, including the signing of any related document necessary to any legal procedure or proceedings.~~~~
- ~~(xii) To represent the Authority and appear as an advocate on the Authority's behalf in any related legal proceedings.~~
- ~~(xiii) To serve notice of seeking possession, notice to quit and applying for possession orders.~~
- ~~(xiv) To determine applications by tenants to alter their homes.~~
- ~~(xv) To reimburse tenants for tenants' improvements.~~
- ~~(xvi) To transfer tenancies into joint names and vice-versa.~~
- ~~(xvii) To agree mutual exchange.~~
- ~~(xviii) To take immediate action to secure the removal of trespassers from housing land and property.~~
- ~~(xix) To determine the eligibility of applicants to right to buy.~~
- ~~(xx) To determine the future use of properties, including the redesignation, disposal or demolition of properties and to take such properties out of debit, subject to the approval by Cabinet of such proposals.~~



## 6. DIRECTOR OF HOUSING

The officer is authorised by the Council to discharge the following functions and determine directly or in consultation with the Chief Executive all matters except those reserved by or referred to Council, the Cabinet or Committees.

- i. To operate the housing allocations scheme, allocate properties and make nominations to registered social landlords or other approved providers.
- ii. To determine whether people are homeless and whether they are in priority need.
- iii. To allocate temporary accommodation.
- iv. To collect rent, arrears of rent, charges and sundry debts.
- v. In addition to the Head of Legal and Support Services, to institute, defend or participate in any legal proceedings in the county court insofar as they relate to:
  - a. former tenant rent arrears, and
  - b. rent possession hearings
  - c. and in conjunction with this to designate nominated officers to carry out this function on his or her behalf, including the signing of any related document necessary to any legal procedure or proceedings.
- vi. To represent the Authority and appear as an advocate on the Authority's behalf in any related legal proceedings.
- vii. To serve notice of seeking possession, notice to quit and applying for possession orders.
- viii. To determine applications by tenants to alter their homes.
- ix. To reimburse tenants for tenants' improvements.
- x. To transfer tenancies into joint names and vice-versa.
- xi. To agree mutual exchange.
- xii. To take immediate action to secure the removal of trespassers from housing land and property.
- xiii. To determine the eligibility of applicants to right to buy.
- xiv. To determine the future use of properties, including the redesignation, disposal or demolition of properties and to take such properties out of debit, subject to the approval by Cabinet of such proposals.

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**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL****COUNCIL – 16 SEPTEMBER 2014**

Title of report	<b>TRANSFER OF TRUSTEESHIPS TO WHITWICK PARISH COUNCIL AND ELLISTOWN AND BATTLEFLAT PARISH COUNCIL</b>
Contacts	<p>Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a></p> <p>Chief Executive 01530 454500 <a href="mailto:christine.fisher@nwleicestershire.gov.uk">christine.fisher@nwleicestershire.gov.uk</a></p> <p>Head of Finance 01530 454520 <a href="mailto:ray.bowmer@nwleicestershire.gov.uk">ray.bowmer@nwleicestershire.gov.uk</a></p>
Purpose of report	To complete the administrative matters following on from the transfer of land to Whitwick Parish Council and Ellistown and Battleflat Parish Council
Council Priorities	Homes and Communities
Implications:	
Financial/Staff	The administrative responsibility for the charitable trusts will be transferred to the Parish Councils resulting in a small reduction in administrative work.
Link to relevant CAT	None
Risk Management	No significant risks have been identified
Equalities Impact Screening	Not applicable
Human Rights	None applicable
Transformational Government	Not applicable
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory

Comments of Deputy Monitoring Officer	The report is satisfactory
Consultees	Whitwick Parish Council Charity Commission Ellistown & Battleflat Parish Council
Background papers	<a href="#">Cabinet minutes – 7 February 2012</a>
Recommendations	<p><b>1. THAT THE COUNCIL AGREES TO TRANSFER THE TRUSTEESHIP OF THE WHITWICK PARK (KING GEORGES FIELD) TO WHITWICK PARISH COUNCIL</b></p> <p><b>2. THAT THE COUNCIL AGREES TO TRANSFER THE TRUSTEESHIP OF THE HUGGLESCOTE RECREATION GROUND TO ELLISTOWN AND BATTLEFLAT PARISH COUNCIL</b></p>

## 1. BACKGROUND

- 1.1 On 7 February 2012, Cabinet resolved to transfer various parcels of land to the newly created Whitwick Parish Council.
- 1.2 These transfers were effected on 19 May 2014.
- 1.3 On 19 September 2006 the Executive Board agreed to transfer various parcels of land to the Ellistown and Battleflat Parish Council, together with the trusteeship of the land at South Street, Ellistown to the Ellistown and Battleflat Parish Council.
- 1.4 The land transfers were effected on 29 July 2014.

## 2. WHITWICK PARK (KING GEORGES FIELD)

- 2.1 The land at Whitwick Park, and part of the land at Parsonwood Hill Recreation Ground are the subject of a charitable trust known as Whitwick Park (King Georges Field) registered at the Charity Commission under number 521402. NWLDC is the sole trustee of this charity. It was the intention of NWLDC that the trusteeship of the charity be transferred to the Whitwick Parish Council.
- 2.2 Both Councils have taken advice from the Charity Commission who has stated that in order to transfer the trusteeship, they require NWLDC to provide to the Whitwick Parish Council a signed and dated resolution of its agreement to the transfer.
- 2.3 The signed minute of this meeting, should Council approve, will be sufficient evidence for the Charity Commission to transfer the trusteeship to the Parish Council.

### **3. HUGGLESCOTE RECREATION GROUND**

- 3.1 The Recreation Ground at South Street, Ellistown is owned by a charity known as Hugglescote Recreation Ground, registered at the Charity Commission under number 521434.
- 3.2 In order for the transfer of the trusteeship to Ellistown and Battleflat Parish Council to take effect, a signed and dated resolution of the Council is required to satisfy the Charity Commission. The solicitors for the Parish Council have been advised of this approach.
- 3.3 The signed minute of this meeting, should Council approve, will be sufficient evidence for the Charity Commission to transfer the trusteeship to the Parish Council.

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