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Chairman: Councillor R.V. Blaney
Vice-Chairman: Councillor D.J. Lloyd

Members of the Committee:

Councillor R.J. Jackson
Councillor R.B. Laughton
Councillor A.C. Roberts
Councillor D. Staples
Councillor Mrs A.A. Truswell (Opposition Spokesperson)

Substitute Members

Councillor Mrs C. Brooks
Councillor P.C. Duncan
Councillor T. Wendels
Councillor Mrs Y. Woodhead

MEETING: Policy and Finance Committee

DATE: Thursday, 3rd December 2015 at 6.00pm

VENUE: Room G21, Kelham Hall

**You are hereby requested to attend the above Meeting to be held at the time/place
and on the date mentioned above for the purpose of transacting the
business on the Agenda as overleaf.**

If you have any queries please contact Nigel Hill on 01636 655243.

AGENDA

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NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of the **POLICY & FINANCE COMMITTEE** held in Room G21, Kelham Hall, Newark on Thursday 5 November 2015 at 6.00pm.

PRESENT: Councillor R.V. Blaney (Chairman)
Councillor D.J. Lloyd (Vice- Chairman)

Councillors: R.J. Jackson, R.B. Laughton, A.C. Roberts, D. Staples and Mrs A.A. Truswell.

ALSO IN ATTENDANCE: Councillors: P.C. Duncan and T. Wendels.

47. APOLOGIES FOR ABSENCE

There were no apologies for absence.

48. DECLARATIONS OF INTERESTS BY MEMBERS AND OFFICERS AND AS TO THE PARTY WHIP

Councillor R.J. Jackson declared a personal interest in respect of Agenda Item No. 14 – Newark Livestock Market. Councillor A.C. Roberts declared a disclosable pecuniary interest in respect of Agenda Item No. 7a – Car Park Fees.

49. DECLARATIONS OF INTENTIONS TO RECORD THE MEETING

The Chairman advised that the proceedings were being audio recorded by the Council.

50. MINUTES FROM THE MEETING HELD ON 10 SEPTEMBER 2015

The minutes from the meeting held on 10 September 2015 were agreed as a correct record and signed by the Chairman.

51. MEMBER TRAINING AND DEVELOPMENT

The Committee considered the report of the Deputy Chief Executive which provided an overview of the arrangements for Member training and development and sought to agree a mechanism for approving funding requests to attend training and events.

The Member Training and Development Task & Finish Group, at its meeting held on 9 September 2015, made recommendations as to the arrangements for approving funding for future training and development. The Task & Finish Group strongly endorsed the East Midlands Councils Regional Training Programme and also considered that the LGA Conference should be the only approved conference/course for 2015/16. In addition they considered a mechanism in respect of the approval of one-off requests by Members to attend training and events. A proposed procedure for this was set out in the report.

AGREED (unanimously) that:

- (a) the only approved conference/course for 2015/16 be the LGA Conference (one Member only);
- (b) the mechanism set out in the body of the report for considering Member training requests be formally adopted;
- (c) Members be proactively encouraged to attend the East Midlands Councils Regional Training events under their Knowledge Based Programme;
- (d) if more than two Members wish to attend a particular event under the Knowledge Based Programme, the same approval mechanism be adopted as that for approval of one-off requests to attend training events; and
- (e) if Members wish to attend training hosted by East Midlands Councils which does not form part of the Knowledge Based Programme, the request would be considered using the same mechanism as for approval of one-off events.

Reason for Decision

To agree an approval mechanism for Members who wish to attend training and events and to determine any approved conferences to support 2015/16.

52. PROPOSALS TO EXTEND THE CURRENT GARDEN WASTE SCHEME

The Director - Communities presented a report concerning proposals to expand the garden waste collection service. Over the last 2 years the Council had introduced a garden waste collection service throughout much of the District. This had been introduced using existing resources and working in partnership with Rushcliffe and Mansfield District Councils to provide a service to the south and west of the District whilst using efficiency savings to grow the Council's own service in Balderton, Fernwood and parts of Newark.

It was considered that there was little capacity left within existing services for expansion and pressure on the existing refuse services was growing as more houses were built. Therefore the only realistic method of expanding the garden waste scheme was to provide an additional vehicle and crew. It was estimated that this would cost £114,250 per annum. However this figure would reduce as a result of new customers joining the scheme as had been the experience of Mansfield and Rushcliffe. Based on the experience of the Mansfield and Rushcliffe schemes operating in our District it was reported that the service should become cost neutral in the medium to long term but predicting when this would occur was dependent upon the pace of uptake of the service.

A budget commitment of £142,250, including marketing, would be required in the first year of the service but this may be partially offset by an income of around £78,000 from service users around £55,000 of which would be new income. In addition Nottinghamshire County Council had confirmed that they were prepared to make a revenue contribution of £30,000 as part of their partnership/incentivisation policy to assist the Council in the introduction of the proposed expansion of the garden waste scheme. This was to be welcomed and it would help offset some of the revenue cost of introducing the scheme particularly in the purchase of additional brown wheeled bins.

If an expanded service was to launch in April 2016 a decision was required at this meeting. The proposal to expand the service was recommended for approval by the Leisure & Environment Committee following their decision at their meeting held on 27 October 2015.

AGREED (unanimously) that the proposal for the expansion of the District Council's Garden Waste Service be approved.

Reason for Decision

To provide a consistent service to all residents across the District.

53. PAY TO STAY - FAIRER RENTS IN SOCIAL HOUSING

The Business Manager – Strategic Housing presented a report concerning the Department for Communities & Local Government (DCLG) consultation document - 'Pay to Stay: Fairer Rents in Social Housing'. The report summarised the contents of the consultation document and set out a proposed Council response. It was noted that the proposed regulations to implement this Policy featured in the Housing and Planning Bill which was published on 13 October 2015.

In presenting the report the Business Manager – Strategic Housing highlighted the issues around tapering, administering the scheme and the impact upon the Housing Revenue Account Business Plan.

Additional comments made by the Committee related to the proposals having no relationship to universal credit; that there was no attempt to look at the definition of social housing in planning policy; and the definition of household income was too low.

AGREED (unanimously) that:

- (a) the report be noted; and
- (b) the proposed responses to the 'Pay to Stay' consultation, set out in section four of the report, be approved together with the additional comments made by the Committee.

Reason for Decision

For the Council to consider the impact of the Housing and Planning Bill (October 2015) and in this instance the implementation of the 'Pay to Stay' Policy.

54. CAR PARK FEES

In accordance with Section 100(B)(4)(b) of the Local Government Act 1972, the Chairman agreed to take this item as a late item of business in order to enable the concessionary Christmas parking in Newark and amended car parking fees and charges in 2016/17 to be implemented.

The Director - Communities presented a report which sought to approve changes in car parking tariffs and Christmas car parking concessions in Newark for 2015. At their meeting held on 21 October 2015 the Economic Development Committee considered a report in relation to car parking. A copy of this report was attached as an Appendix. The report provided information in respect of the outcome of a six month revised tariff trial in Newark car parks and sought a determination of changes to the car, motor cycle and lorry tariffs and potential Christmas car parking concessions for Newark and Southwell. Appendix A to the Economic Development Committee report set out the proposed fees for 2016/17.

The Council's budget process required that only the Policy & Finance Committee could vary the levels of fees and charges during the financial year and also that the fees and charges should not normally be varied during the financial year. It was necessary to seek approval at this time as the Council was required to carry out a revision of the Car Parking Order and statutory notification process and amend ticket machine software and signage, which could take upwards of 3 months before any changes to the car and lorry parking charges may be implemented.

AGREED (unanimously) that:

- (a) the car parking tariffs as set out in Appendix A (to the report to the Economic Development Committee) for 2016/17 be approved; and
- (b) the Christmas car parking concessions in Newark be approved – these being the four Sundays prior to Christmas commencing from the 29 November 2015.

Reason for Decision

To agree suitable car and lorry parking tariffs for Council car parks for 2016/17 and to determine car parking concessions for December 2015.

(Having declared a disclosable pecuniary interest in this item Councillor A.C. Roberts left the meeting during its consideration.)

55. MINUTES FROM THE MEETING OF THE STRATEGIC HOUSING LIAISON PANEL HELD ON 2-SEPTEMBER 2015

The Committee considered the minutes from the meeting of the Strategic Housing Liaison Panel held on 2 September 2015.

AGREED (unanimously) that the minutes be noted.

Reason for Decision

To ensure Members of the Policy & Finance Committee remain up to date and aware of issues considered by the Strategic Housing Liaison Panel.

56. MOVING AHEAD PROGRAMME UPDATE

The Programme Manager – Moving Ahead presented a report which provided an update in respect of the Moving Ahead Programme, specifically in the approach taken in relation to staff engagement. One element of the Programme was to ensure that all staff were fully engaged and prepared for the move to the new office. To facilitate this level of engagement a suite of ‘My’ themes had been designed. These comprised of ‘My’ Travel; ‘My’ Work; ‘My’ Customers; ‘My’ Office; and ‘My’ Colleagues. Further details about these themes were given in the report. Staff would be given an opportunity to join a small working group for each of these themes to look at the challenges the new ways of working and environment will bring and help to design the solutions to those challenges.

It was also understood that further engagement was required with Members. Whilst regular update reports would be brought to the Policy & Finance Committee, a wider engagement was needed to ensure all Members had the opportunity to engage with the project. It was therefore suggested that a ‘My’ Council theme was developed for Members.

AGREED (unanimously) that the report be noted and further progress reports on the Moving Ahead Programme be brought to all future meetings of the Committee.

Reason for Decision

To ensure that the Policy & Finance Committee are kept fully informed of the Moving Ahead Programme and all work undertaken towards delivering the new Council offices.

57. GENERAL FUND BUDGET PERFORMANCE REPORT TO 31 AUGUST 2015

The Assistant Business Manager – Financial Services presented a report which compared the General Fund Policy & Finance Committee net expenditure for the period ending 31 August 2015 with the profiled budget for the period. The appendices to the report detailed performance against budget for the period to 31 August 2015 for those budgets within the remit of the Policy & Finance Committee.

The total for direct service net expenditure showed an under spend of £1,200,442 against the profiled budget for the period to 31 August 2015. £962,000 of the apparent underspend relates to demand led budgets for rent allowances and rent rebates and will be offset by reduced government grant at the end of the financial year, therefore the underspend can be reduced to £238,521. The detailed performance figures were given in Appendix A to the report and the variations from the profiled budget to 31 August 2015 were detailed.

AGREED (unanimously) that the overall position of the Policy & Finance Committee net expenditure compared to budget at 31 August 2015 be approved and officers continue to look for additional savings throughout the financial year.

Reason for Decision

To advise Members of the draft outturn monitored against service budgets for the period ending 31 August 2015.

58. OVERALL GENERAL FUND BUDGET PERFORMANCE REPORT 31 AUGUST 2015

The Assistant Business Manager – Financial Services presented a report which compared the overall General Fund net expenditure for the period ending 31 August 2015 with the profiled budget for the period. The appendices to the report detailed performance against budget for the period to 31 August 2015 for all General Fund service budgets.

The total for direct service net expenditure showed an under spend of £1,856,738 against the profiled budget for the period to 31 August 2015 (£898,418 excluding the underspend on housing benefit payments which will be matched by reduced grant). Officers from Financial Services were working with service managers to ascertain where any further sustainable underspends could be achieved and ensure that these were built into the base budget for future years. The detailed performance figures were given in Appendix A to the report and the variations from the profiled budget to 31 August 2015 were detailed.

The Council's Financial Regulations required the approval of virements between Committee areas by the Council's Section 151 Officer and the Policy & Finance Committee. The report highlighted budgets where significant savings were predicted for the year and it was proposed that these should be vired into a central reserve. Details of the proposed virements were set out in paragraph 4.2.9 of the report. If the budgets later became necessary it was felt appropriate to enable these to be returned to the relevant Business Unit.

The Committee suggested that action needed to be taken in respect of the capacity of the existing lorry park. The Director – Communities advised that contingency arrangements were in place when the lorry park was full with vehicles being diverted to the Riverside. The Committee considered that another alternative could be the County Council owned land opposite the lorry park.

The Chairman of the Economic Development Committee further requested a report to his Committee about the capacity within Development Control to deliver a conservation area appraisal programme.

The Chief Executive advised that both of these matters would be subject of reports to the next Economic Development Committee.

AGREED (unanimously) that:

- (a) the overall position of the General Fund net service expenditure compared to budget at 31 August 2015 be noted;
- (b) the virements set out in paragraph 4.2.9 of the report be approved;
- (c) delegated authority be given to the Section 151 Officer to return the vired budgets to the appropriate Business Unit if this was considered necessary; and
- (d) officers continue to look for additional savings throughout the financial year.

Reason for Decision

To advise Members of the current net expenditure compared to service budgets for the period ending 31 August 2015.

59. EXCLUSION OF THE PRESS AND PUBLIC

AGREED (unanimously) that under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting during discussion of the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

60. NATIONAL CIVIL WAR CENTRE - FUTURE DEVELOPMENT

The Committee considered the exempt report presented by the Director – Customers in relation to the future development of the National Civil War Centre. The report contained budget estimates of the costs of future developments.

(Summary provided in accordance with 100C(2) of the Local Government Act 1972).

61. THE ATRIUM, LOMBARD STREET, NEWARK- RESTRICTIVE COVENANT

The Committee considered the exempt report presented by the Director – Resources in relation to the Atrium. The report contained commercially sensitive information.

(Summary provided in accordance with 100C(2) of the Local Government Act 1972).

62. NEWARK LIVESTOCK MARKET

The Committee considered the exempt report presented by the Chief Executive in relation to the Newark Livestock Market. The report contained commercially sensitive information.

(Summary provided in accordance with 100C(2) of the Local Government Act 1972).

Meeting closed at 7.52pm.

Chairman

REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) - POLICY

1.0 Purpose of Report

1.1 To consider updates to the Council's RIPA Policy, made as a result of the inspection undertaken by the Office of Surveillance Commissioners (OSC); the most recent guidance issued by the OSC; and the need to reflect the current staffing structure. The report also updates Members on the usage of the RIPA powers by the Council during 2014/15.

2.0 Background Information

2.1 The Council's RIPA Policy has been reviewed and updated to take into account the good practice procedures and guidance set out by the OSC and to comply with recommendations made by an Inspector from the Office of Surveillance Commissioners, following the most recent inspection of the Council.

2.2 A copy of the proposed amended Policy is attached to this report as Appendix A. In brief, apart from some "tidying up" to reflect best practice and guidance, the majority of the amendments are to give effect to the recommendations made by the OSC inspector, which are set out in detail in paragraph 3 of the report below.

3.0 The Office of Surveillance Commissioners Inspection

3.1 The Inspection recognised that the Council is a low user of RIPA. During the period between May 2010 and March 2013 the Council conducted only nine authorisations. All were for directed surveillance and none involved the acquisition of confidential information, the use of the urgency provisions or self - authorisation. Two related to licensing issues, four community safety, two to benefit fraud and one to environmental health. Since April 2013 to the current date there have been nil authorisations.

3.2 The Inspection concluded that the overall RIPA performance of the Council is good, but highlighted that there are some areas which should be addressed. The OSC report stated that *"The officers responsible for RIPA impressed with their dedication to ensuring that the Council is fully compliant with the legislation."*

3.3 The Inspector met with several members of staff including the Chief Executive and Director – Safety as well as staff who were involved in requesting or authorising covert surveillance. These meetings were followed by an examination of the Council's Central Record of Authorisations and a sample of the retained applications/authorisations, reviews, renewals and cancellations. There was also a visit to the CCTV control room when the Inspector was provided with an outline of the systems adopted for the use of the Council's CCTV systems.

3.4 The Inspector made 4 recommendations for implementation by the Council as follows:

1. To amend the Council's Central Record of Authorisations and Policy and Guidance on RIPA document to:
 - a. remove the references to the urgency provisions of RIPA which are no longer available to local authorities;

- b. include a section in the Policy outlining the roles of the Senior Responsible Officer and the RIPA Co-ordinating officer, identifying those officers by designation in Schedule 1;
- c. make it clear that only the Chief Executive, or in his absence whoever deputises for him, may authorise the employment of juvenile or vulnerable CHIS (covert human intelligence source) or the acquisition of confidential information;
- d. direct that the advice of the Legal Services Business Unit must be sought before contemplating any form of covert surveillance which may intrude upon legal privilege; and
- e. include confidential information, self - authorisation and reviews as requirements for the contents of the Central Record of Authorisations.

These matters are all reflected in the proposed amended Policy attached at Appendix A.

- 2. To address issues relating to the need to articulate the requirements of necessity and proportionality within applications for authorisation, the management of CHIS, and the risk of “status drift” within future training of staff. *It was recognised within the Inspection report that the Council does not employ CHIS and avoids doing so, however there is a risk that persons who report matters to the Council inadvertently becoming CHIS and staff need to be aware of this risk in order to avoid it.*
- 3. To designate the roles of the Senior Responsible Officer and RIPA Co-ordinating Officer and raise their profiles within the Council. Take further steps to raise RIPA awareness within the Council – *the Policy has been amended accordingly and the recommendations in this report at section 6 reflect this matter;* and
- 4. To concentrate the authorisation process into fewer hands – *the Policy reduces the number of Authorising Officers to three, see Schedule 1 of the Policy.*

4.0 Equalities Implications

4.1 The review of the RIPA Policy of itself has no equality implications.

5.0 Impact on Budget/Policy Framework

5.1 Within the contents of the main report all the budgetary and policy framework requirements have been considered.

6.0 RECOMMENDATIONS that:

- a) the Council’s Policy on RIPA, as set out at Appendix A to the report, be approved and adopted;**
- b) the Director – Safety be designated the Council’s Senior Responsible Officer;**
- c) the Senior Legal Officer (Lisa Ingram) be designated the Council’s RIPA Co-ordinating Officer; and**
- d) the Chief Executive, the Deputy Chief Executive and the Director – Resources be the Council’s Authorising Officers.**

Reason for Recommendations

To ensure that the Council's RIPA Policy and procedures are fit for purpose and fully compliant with legislation and best practice.

Background Papers

Inspection report from the OSC.

For further information please contact Karen White (5240).

Karen White
Director – Safety

NEWARK & SHERWOOD DISTRICT COUNCIL

**Policy on Regulation of Investigatory Powers Act
2000 (RIPA)**

DRAFT

Revised: November 2015

NEWARK & SHERWOOD DISTRICT COUNCIL

REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

POLICY

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SCHEDULE 1

List of the Council's Designated Persons/Authorising Officers,
Senior Responsible Officer and RIPA Co-ordinating Officer

DRAFT

NEWARK & SHERWOOD DISTRICT COUNCIL

POLICY ON REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

COVERT SURVEILLANCE

1.0 Purpose

The purpose of this Policy and accompanying guidance is to explain:

- the scope of RIPA – Chapter 2 of Part 1
- the circumstances where it applies, and
- the authorisations procedures to be followed.

2.0 Introduction

2.1 This policy sets out Newark & Sherwood District Council's ("the Council") position in relation to RIPA. It sets out the practice to be followed before any covert surveillance is undertaken. The Council only carries out covert surveillance where such action is necessary, proportionate and justified and endeavours to keep such surveillance to a minimum. It recognises its obligation to comply with RIPA when such an investigation is for the purpose of preventing or detecting crime or preventing disorder and has produced this document as guidance to assist officers. The procedures and guidance set out in this Policy are based on the provisions of RIPA, the Home Office Codes of Practice on Covert Surveillance and CHIS, the Home Office guidance to Local Authorities in England and Wales on the judicial approval process for RIPA and the crime threshold for directed surveillance and guidance issued by the Office of Surveillance Commissioners. See <http://www.homeoffice.gov.uk/counter-terrorism/regulation-investigatory-powers/ripa-codes-of-practice/> and <http://www.homeoffice.gov.uk/publications/counter-terrorism/ripa-forms/local-authority-ripa-guidance/> and <http://surveillancecommissioners.independent.gov.uk/>.

2.2. Officers should be aware of the scope and extent of activities covered by the provisions of RIPA. In many cases, investigations carried out by Council officers will not be subject to RIPA, as they involve overt rather than covert surveillance (see below).

2.3. RIPA does:

- require prior authorisation and judicial approval of directed covert surveillance.
- prohibit the Council from carrying out intrusive surveillance.
- require prior authorisation and judicial approval of the conduct and use of a CHIS.
- require safeguards for the conduct and use of a CHIS.

2.4 RIPA does not:

- prejudice any existing powers available to the Council to obtain information by any means not involving conduct requiring authorisation under RIPA. For example, it does not affect the Council's current powers to obtain information via the DVLA or from the Land Registry as to the ownership of a property.
- Authorise the use of directed covert surveillance unless the crime threshold is met

3.0 Applications for Authorisations

3.1 The Council's designated Authorising Officers will consider all applications for authorisation in accordance with RIPA. Schedule 1 of this policy identifies each of the officers authorised to act as the Council's designated persons. Any incomplete or inadequate application forms will be returned to the Applicant Officer for amendment. The Authorising Officer shall in particular ensure that:-

- They are investigating a criminal offence;
- There is a satisfactory reason for carrying out the surveillance;
- The crime threshold is met or the offences relate to the underage sale of alcohol or tobacco;
- The covert nature of the investigation is necessary;
- Proper consideration has been given to collateral intrusion;
- The proposed length and extent of the surveillance is proportionate to the information being sought;
- The authorisations are reviewed and cancelled;
- Records of all authorisations are sent to Legal Services for entry on the Central Register;
- An analysis of alternative methods, other than directed covert surveillance has been considered as a way of obtaining the necessary information together with reasons why those alternatives are inappropriate. This is to ensure that RIPA powers are used as a last resort;
- Once authorisation has been obtained from the Authorising Officer the Applicant Officer will attend the Magistrates' Court in order to obtain Judicial approval for the authorisation.

3.2 The Act, which came into force in 2000, regulates the use of investigatory powers exercised by various bodies including Local Authorities, and ensures that they are used in accordance with human rights. This is achieved by requiring certain investigations to be authorised by an appropriate officer and that, judicial approval is obtained before they are carried out.

3.3 The investigatory powers, which are relevant to a Local Authority, are **directed covert surveillance** in respect of specific operations involving criminal offences that are either punishable, whether on summary conviction or indictment by a maximum term of at least six months imprisonment, or are related to the underage sale of alcohol and tobacco and the use of **covert human intelligence sources (CHIS)**. The Act makes it clear for which purposes they may be used, to what extent, and who may authorise their use. There are also Codes of Practice in relation to the use of these powers and these can be viewed at <http://www.homeoffice.gov.uk/counter-terrorism/regulation-investigatory-powers/ripa-codes-of-practice/>.

3.4 Consideration must be given, prior to authorisation as to whether or not the acquisition of private information is necessary and proportionate, i.e. whether a potential breach of human right is justified in the interests of the community as a whole, or whether the information could be obtained in other ways.

4.0 Scrutiny and Tribunal

- 4.1 The Council has to obtain an order from a Justice of the Peace approving the grant or renewal of any authorisation for the use of directed surveillance or CHIS before the authorisation can take effect and the activity be carried out. The Council can only challenge a decision of the Justice of the Peace on a point of law by way of judicial review
- 4.1 The Office of Surveillance Commissioners (OSC) was set up to oversee and monitor compliance with RIPA operations carried out by public authorities. The OSC has *“a duty to keep under review the exercise and performance by the relevant persons of the powers and duties under Part II of RIPA”*, and the Surveillance Commissioner will from time to time inspect and examine the Council’s policies, records, operations and procedures for this purpose.
- 4.2 In order to ensure that investigating authorities are using the powers properly, the Act also establishes a Tribunal to hear complaints from persons aggrieved by conduct, e.g., directed surveillance. Applications will be heard on a judicial review basis. Such claims must be brought no later than one year after the taking place of the conduct to which it relates, unless it is just and equitable to extend this period.
- 4.3 The Tribunal can order:
- Quashing or cancellation of any warrant or authorisation;
 - Destruction of any records or information obtained by using a warrant or authorisation;
 - Destruction of records or information held by a public authority in relation to any person.
- 4.4 The Council has a duty to disclose to the tribunal all documents they require if any Council officer has:
- Granted any authorisation under RIPA;
 - Engaged in any conduct as a result of such authorisation.

5.0 Benefits of RIPA Authorisations

- 5.1 The Act states that if authorisation is given to engage in a certain conduct and the conduct undertaken is in accordance with the authorisation (including judicial approval), then it will be lawful for all purposes. Consequently, RIPA provides a defence to an accusation of an infringement of a human right.
- 5.2 Material obtained through properly authorised covert surveillance is admissible evidence in criminal proceedings.

6.0 Statutory Definitions

- 6.1 'Surveillance' includes:-
- monitoring, observing, listening to people, watching or following their movements, listening to their conversations and other such activities or communications.
 - recording anything mentioned above in the course of surveillance.
 - surveillance by, or with the assistance of, appropriate surveillance device(s).

Surveillance can be overt or covert.

- 6.2 **Overt surveillance** will include most of the surveillance carried out by the Council - there will be nothing secretive, clandestine or hidden about it. For example, signposted CCTV cameras normally amount to overt surveillance (but see 7.3 below). In many cases, officers will be behaving in the same way as a normal member of the public (e.g. in the case of most test purchases carried out by Environmental Health for food hygiene or other purposes), and/or will be going about Council business openly (e.g. a parking attendant walking through a Council car park).
- 6.2.1 Similarly, surveillance will be overt if the subject has been told it will happen. This will be the case where a noisemaker is warned that noise will be recorded if the noise continues; or where an entertainment licence is issued subject to conditions, and the licensee is told that officers may visit without notice or without identifying themselves to the owner/proprietor to check that the conditions are being met. Such warnings should be given to the person concerned in writing.
- 6.2.2 Overt surveillance does not require any authorisation under RIPA. Neither does **low-level surveillance** consisting of general observations in the course of law enforcement (for example, where a planning officer drives past a site to check whether planning conditions are being complied with). Repeated visits may amount to systematic surveillance, however, and require authorisation: if in doubt, legal advice should be sought. Home Office guidance also suggests that the use of equipment such as binoculars or cameras, to reinforce normal sensory perception by enforcement officers as part of *general* observation does not need to be regulated by RIPA, as long as the *systematic* surveillance of an individual is not involved.
- 6.3 **Covert surveillance** is surveillance carried out in a manner calculated to ensure that the person subject to the surveillance is unaware that it is, or may be taking place. RIPA requires the authorisation of two types of covert surveillance (**directed surveillance** and **intrusive surveillance**) plus the use of CHIS.
- 6.4 **Directed surveillance** is surveillance which:
- is covert; and
 - is not intrusive surveillance (see definition below - the Council is prohibited by law from carrying out any intrusive surveillance);
 - is not carried out in an immediate response to events where it would not be practicable to obtain authorisation under the Act;
 - is undertaken for the purpose of a specific investigation or operation in a manner likely to obtain private information about an individual (whether or not that person is specifically targeted for purposes of an investigation).
- 6.5 **Private information** in relation to a person includes any information relating to his private and family life, his home and his correspondence. The fact that covert surveillance occurs in a public place or on business premises does not mean that it cannot result in the obtaining of private information about a person. The way a person runs their business may also reveal information about their private life and the private lives of others. Prolonged surveillance targeted on a single person will undoubtedly result in the obtaining of private information about them and others that s/he comes into contact or associates with.

6.6 Similarly, although signposted town centre CCTV cameras do not normally require authorisation, this will be required if the camera is tasked for a specific purpose which involves prolonged surveillance on a particular person or place.

6.7 Other examples of directed surveillance include:

- officers following an individual over a period to establish whether they are working whilst claiming benefit
- test purchases where a hidden camera or other recording device is used.

6.8 Surveillance that is unforeseen and undertaken as **an immediate response** to a situation normally falls outside the definition of directed surveillance and, therefore, authorisation is not required. However, if a specific investigation or operation is subsequently to follow, authorisation must be obtained in the usual way before it can commence. In no circumstance will any covert surveillance operation be given backdated authorisation after it has commenced.

6.9 **Intrusive Surveillance** occurs when surveillance:

- is covert;
- relates to residential premises and private vehicles; and
- involves the presence of a person in the premises or in the vehicle or is carried out by a surveillance device in the premises/vehicle. Surveillance equipment mounted outside the premises will not be intrusive, unless the device consistently provides information of the same quality and detail as might be expected if they were in the premises/vehicle.

Residential premises does not include common areas to which a person has access in connection with their use of occupation for example hotel reception area or communal stairways.

6.9.1 Directed surveillance carried out at the following locations for the purpose of legal consultation shall be treated as intrusive surveillance:

- any place in which persons who are serving sentences of imprisonment or detention, remanded in custody or committed in custody for trial or sentence may be detained;
- police stations;
- hospitals where psychiatric services are provided;
- the place of business of any professional legal adviser;
- any place used for the sittings and business of any court, tribunal, inquest or enquiry;
- any place which persons may be detained under certain circumstances provided by the Immigration Act 1971 or UK Border Act 2007.

Intrusive surveillance can be carried out only by police and other law enforcement agencies. **Council officers must not carry out intrusive surveillance.**

6.10 **'Covert human intelligence source' (CHIS)** is defined as a person who establishes or maintains a personal or other relationship with a person for the covert purpose of obtaining information or

providing access to information to another person or covertly discloses information obtained through the use of such a relationship or as a consequence of the relationship.

- 6.11 **'Authorising Officer'** in the case of Local Authorities these are specified as Assistant Chief Officers (and more senior officers), Assistant Heads of Service, Service Managers or equivalent, responsible for the management of an investigation (see Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 (SI 2010/521). The Council's Authorising Officers are set out in Schedule 1 to this Policy.
- 6.12 **'Applicant Officer'** are those Council officers who apply for RIPA authorisation.
- 6.13 **'Crime Threshold'** applies to an authorisation for directed surveillance to prevent and detect conduct which constitutes one or more criminal offences. The criminal offences must be punishable, whether on summary conviction or indictment by a maximum term of at least 6 months imprisonment, or be an offence under:-
- a) s.146 of the Licensing Act 2003 (sale of alcohol to children);
 - b) s.147 of the Licensing Act 2003 (allowing the sale of alcohol to children);
 - c) s.147A of the Licensing Act 2003 (persistently selling alcohol to children);
 - d) s.7 of the Children and Young Persons Act 1933 (sale of tobacco, etc, to persons under eighteen).

7.0 When does RIPA apply?

- 7.1 Where the directed covert surveillance of an individual or group of individuals, or the use of a CHIS is necessary for the purpose of preventing or detecting crime or of preventing disorder.
- 7.2 The Council can only authorise directed covert surveillance to prevent and detect conduct which constitutes one or more criminal offences. The criminal offences must be punishable, whether on summary conviction or indictment by a maximum term of at least 6 months imprisonment, or be an offence under:-
- a) s.146 of the Licensing Act 2003 (sale of alcohol to children);
 - b) s.147 of the Licensing Act 2003 (allowing the sale of alcohol to children);
 - c) s.147A of the Licensing Act 2003 (persistently selling alcohol to children);
 - d) s.7 of the Children and Young Persons Act 1933 (sale of tobacco, etc, to persons under eighteen).
- 7.3 CCTV – the normal use of CCTV is not usually covert because members of the public are informed by signs that such equipment is in operation. However, authorisation should be sought where it is intended to use CCTV to target a specific individual or group of individuals via CCTV recordings may require authorisation (from the police).
- 7.4 The use of RIPA powers must be in relation to the performance of a core function of the Council and not 'ordinary functions' such as employment issues or contractual arrangements. It will include criminal misconduct investigations.

8.0 Training

- 8.1 Each Business Manager shall be responsible for ensuring that relevant members of staff, involved with any aspect of covert surveillance, are aware of the Act's requirements.

8.2 The Director of Safety shall ensure that refresher training is offered once a year to all services of the Council and also give advice and training on request. Applicant Officers must have received training or refresher guidance on RIPA within 2 years of the date of a request for RIPA authorisation.

9.0 Central Register and Records

9.1 A Central Register of all authorisations including the application for judicial approval, and Order form shall be retained within the Legal Services Business Unit. The content of the application forms and authorisations will be monitored to ensure that they comply with the Act. The Director of Safety will report any breaches of this Policy or the Act's provisions to the Corporate Management Team of the Council.

10.0 Overview and Scrutiny

10.1 The Director of Safety shall be the Senior Responsible Officer who will:

- ensure compliance with the Council's policy, relevant RIPA legislation and guidance;
- engage with Commissioners and inspectors when the Council's inspection is due (usually every three years);
- oversee any post-inspection action plans recommended or approved by a Commissioner.

10.2 This policy shall be reviewed, and where necessary amended, at least once a year. If requiring amendment, the revised policy shall be presented to and considered by the following:

- the Corporate Management Team
- the relevant Council Committee

10.3 The Senior Responsible Officer will report to the relevant Council committee, detailing the Council's use of RIPA powers, annually.

10.4 The Council's elected members will not be involved in any decisions made on specific authorisations granted.

GUIDANCE – PART I

DIRECTED SURVEILLANCE AND COVERT HUMAN INTELLIGENCE SOURCE

1.0 Covert Human Intelligence Source

- 1.1 Put simply, this means the use of, undercover officers or professional witnesses to establish or maintain a relationship with a person which is used to obtain information and evidence that you might not otherwise acquire.
- 1.2 The RIPA definition (section 26) is anyone who:-
- a) establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraphs b) or c);
 - b) covertly uses such a relationship to obtain information or provide access to any information to another person; or
 - c) covertly discloses information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.
- 1.3 Any reference to the conduct of a CHIS includes the conduct of a source which falls within a) to c) or is incidental to it. References to the use of CHIS are references to inducing, asking or assisting a person to engage in such conduct.
- 1.4 Section 26(9) of RIPA goes on to define:-
- b) a purpose is covert, in relation to the establishment or maintenance of a personal or other relationship if, and only if, the relationship is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of that purpose; and
 - c) a relationship is used covertly, and information obtained as mentioned in SS (8)(c) above and is disclosed covertly if, and only if, it is used or as the case may be disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the use or disclosure in question.
- 1.5 The Council is only likely to use a CHIS in **very exceptional circumstances**, and advice should be sought from the Director of Safety or the Deputy Chief Executive before any authorisation is sought.
- 1.6 If the Director of Safety (or Deputy Chief Executive) deems that the use of a CHIS is appropriate the application must be authorised and judicial approval obtained.
- 1.7 The provisions of RIPA relating to CHIS do **not** apply:
- a) where members of the public volunteer information to the Council as part of their normal civic duties;
 - b) where the public contact telephone numbers set up by the Council to specifically receive information;
 - c) where test purchases are carried out in the normal course of business;
 - d) where members of the public are asked to keep diaries of incidents in relation to planning enforcement or anti social behaviour.

as none of these situations normally require a relationship to be established for the covert purpose of obtaining information.

- 1.8 If a CHIS is used, both the use of the CHIS and his or her conduct require prior authorisation and judicial approval:
- a) Conduct – establishing or maintaining a personal or other relationship with a person for the covert purpose of (or incidental to the covert purpose of) obtaining and passing on information
 - b) Use – inducing, asking or assisting a person to engage in the conduct of a source or to obtain information by means of the conduct of such a source.
- 1.9 One person within the Council should be responsible for tasking the source, dealing with them, directing their day-to-day activities and recording information supplied by them and monitoring their welfare and security. A risk assessment MUST be carried out at the start, during and after the investigation.
- 1.10 Special safeguards exist for the use of juvenile individuals who are under the age of 18 years old as a CHIS. The Regulation of Investigatory Powers (Juveniles) Order 2000 details the special provisions that should be satisfied.
- 1.11 Only the Chief Executive, or in his absence the Deputy Chief Executive, may grant an authorisation for the use of a juvenile as a CHIS. Under no circumstances may a juvenile under the age of 16 be authorised to act as a CHIS against the wishes of his parents or person who has parental responsibility for him. The duration of an authorisation for the use of a juvenile as a CHIS is one month.
- 1.12 A vulnerable individual is a person who is or may be in need of community care services for reason of mental or other disability, age or illness or is unable to take care of himself or protect himself from significant harm or exploitation. Only in the most exceptional circumstances may the Chief Executive, or in his absence the Deputy chief Executive, grant an authorisation for the use of a vulnerable individual as a CHIS.
- 1.13 There is a risk that an informant who is providing information to the Council voluntarily may in reality be a CHIS even if not tasked to obtain information covertly. It is the activity of the CHIS in exploiting a relationship which is authorised in the 2000 Act, not whether the CHIS is asked to do so by the Council. Where an informant gives repeat information about a suspect or about a family and it becomes apparent that the informant may be obtaining the information in the course of a neighbourhood or family relationship it may mean that the informant is in fact a CHIS. Legal advice should always be sought in such instances before acting on the information from any such informant.

2.0 Directed Surveillance

- 2.1 All application forms see <http://www.homeoffice.gov.uk/counter-terrorism/regulation-investigatory-powers/ripa-forms/> must be fully completed by the Applicant Officer with the required details and sufficient information to enable the Authorising Officer to make an informed decision that he/she is satisfied and believes that RIPA is necessary and proportionate. The application form must also provide all the information required for approval by the Judiciary. No authorisation shall be granted unless the Authorising officer is satisfied that the RIPA authorisation is:

- Necessary for either the purpose of preventing or detecting crime or the prevention of disorder that involves a criminal offence or offences that are either punishable, whether on summary conviction or indictment, by a maximum term of at least six months imprisonment or are related to the underage sale of alcohol and tobacco (see paragraph 7.2 above);
- Proportionate this means that:
 - the method of surveillance proposed is not excessive to the seriousness of the matter under investigation;
 - it must be the method that is least invasive of the individual or individuals being observed;
 - the privacy of innocent members of the public must be respected and collateral intrusion minimised (see 2.2 below); and
 - that no other form of investigation would be appropriate.

The authorisation completed by the Authorising Officer should indicate that full consideration has been given to the above points and a record should be made on the appropriate forms.

Both the Applicant and Authorising Officers should refer themselves to their training notes regarding the completion of the RIPA forms, with particular attention to necessity and proportionality.

- 2.2 The Authorising Officer must also take into account the risk of 'collateral intrusion' i.e. intrusion on, or interference with, the privacy of persons other than the subject of the investigation, particularly where there are special sensitivities e.g. premises used by lawyers, doctors or priests for any form of medical or professional counselling or therapy. The application form must include a detailed assessment of any risk of collateral intrusion for this purpose.
- 2.3 Steps must be taken to avoid unnecessary collateral intrusion and minimise any necessary intrusion. The applicant officer must inform the authorising officer of any unexpected interference with the privacy of individuals who are not covered by the authorisation, as soon as these become apparent.
- 2.4 A single authorisation may refer to a number of individuals but relate to a single investigation and are "same fact". However, necessity, proportionality and collateral intrusion should be considered individually. If particular subjects are subsequently ruled out of the investigation, those individuals could be removed at the next review. Such circumstances could prompt an early review.
- 2.5 Special consideration should be given in respect of confidential information. Particular attention is drawn to areas where the subject of surveillance may reasonably expect a high degree of privacy e.g. where confidential information is involved. Confidential information consists of matters subject to legal privilege, confidential personal information or confidential journalistic material (ss 98-100 Police Act 1997). The Chief Executive, or in his absence the Deputy Chief Executive, must sign any authorisation before judicial authority is sought.

2.5.1 Legal Privilege

This applies to Legal Consultation and includes communications or consultation between an individual and his/her legal adviser or a person representing their Client in connection with the giving of legal advice in connection with or in contemplation of legal proceedings. This also includes consultations with medical practitioners. Such information is unlikely ever to be admissible as evidence in criminal proceedings.

The advice of the Director of Safety must be sought in respect of any issues in this area.

2.5.2 Confidential Personal Information

This is oral or written information held in (express or implied) confidence, relating to the physical or mental health or spiritual counselling concerning an individual (alive or dead) who can be identified from it. Specific examples provided in the codes of practice are consultations between a health professional and a patient, discussions between a minister of religion and an individual relating to the latter's **spiritual welfare** or matters of **medical or journalistic confidentiality**.

2.5.3 Confidential Journalistic Material

This is material acquired or created for the purposes of journalism and held subject to an undertaking to hold it in confidence.

It should be noted that matters considered under RIPA may not necessarily be properly regarded as confidential under Section 41 Freedom of Information Act.

Where such information is likely to be acquired, the surveillance may only be authorised by the Chief Executive, or in his absence, the Deputy Chief Executive.

3.0 Judicial Approval of Authorisations

- 3.1 Once the Authorising Officer has authorised the Directed Surveillance of CHIS the Applicant Officer (who completed the application form) should contact the Magistrates' Court to arrange a hearing for the authorisation to be approved by a Justice of the Peace (JP).
- 3.2 The Applicant Officer will provide the JP with a copy of the original authorisation and the supporting documents setting out the case. This forms the basis of the application to the JP and should contain all the information that is relied upon.
- 3.3 In addition the Applicant Officer will provide the JP with a partially completed judicial application/order form.
- 3.4 The hearing will be in the Magistrates' Court and the Applicant Officer will be sworn in and present the evidence as required by the JP. Any such evidence should be limited to the information in the authorisation.
- 3.5 The JP will consider whether they are satisfied that at the time the authorisation was given there were reasonable grounds for believing that the authorisation or notice was necessary and proportionate and whether that continues to be so. They will also consider whether the authorisation was given by the appropriately designated person at the correct level within the Council and whether (in the case of directed surveillance) the crime threshold has been met.
- 3.6 Urgent authorisations should not normally be necessary. However, in exceptional circumstances, if the authorisation cannot be handled on the next working day the Court's out-of-hours service can be contacted. Legal Advice should be sought from the Director of Safety about whether it is appropriate to utilise this facility.
- 3.7 It will not be an urgent or exceptional circumstance where the need for authorisation has been neglected, or the situation is of the Applicant officer's own making.
- 3.8 The Justice of the Peace can:

- a) Approve the grant of the authorisation which means that the authorisation will then take effect; or
- b) Refuse to approve the grant of the authorisation which means the authorisation will not take effect but the Council may look at the reasons for the refusal, make amendments and re-apply for judicial approval; or
- c) Refuse to approve the grant of the authorisation and quash the original authorisation. The Court cannot exercise its power to quash the authorisation unless the applicant has at least two business days from the date of the refusal in which to make representations.

4.0 Notifications to Inspector/Commissioner

4.1 The following situations must be brought to the Inspector/Commissioner's attention at the next inspection:

- Where an officer has had to authorise surveillance in respect of an investigation in which he/she is directly involved;
- Where a lawyer is the subject of an investigation or operation;
- Where confidential personal information or confidential journalistic information has been acquired and retained.

5.0 Applications for CHIS

5.1 The process is the same as for directed surveillance except that the authorisation must specify the activities and identity of the CHIS and that the authorised conduct is carried out for the purposes of, or in connection with, the investigation or operation so specified.

All application forms <http://www.homeoffice.gov.uk/counter-terrorism/regulation-investigatory-powers/ripa-forms/> must be fully completed with the required details to enable the Authorising Officer to make an informed decision and to be approved by the Judiciary.

6.0 Duration and Cancellation

6.1 Every authorisation and every renewal (except in the cases of oral authorisations or where the use of juvenile CHIS is being authorised) must be for the designated statutory period. If the operation is to only last for a short time, this is information which should be considered in the review and/or cancellation.

6.2 An authorisation for directed surveillance shall cease to have effect (if not renewed) 3 months less one day from the date of judicial approval but still requires to be cancelled using the appropriate form even if the surveillance is required for less than 3 months.

6.3 An authorisation for CHIS shall cease to have effect (unless renewed) 12 months from the date of judicial approval but it is still necessary to cancel the authorisation using the appropriate form.

NOTE:

The Applicant Officer authorised to carry out surveillance, in accordance with s.45 of the Act, must cancel each authorisation as soon as they decide that the surveillance should be discontinued. Authorisations should continue for the minimum period reasonable for the purpose they are given and then cancelled promptly.

7.0 Reviews

- 7.1 The Authorising Officer should review all authorisations prior to the expiry date and at intervals determined by him/herself. This should be as often as necessary and practicable. Particular attention should be paid to the possibility of obtaining confidential information. The Applicant Officer can do the necessary research and prepare the papers for the review but the actual review is the responsibility of the original Authorising Officer and should be conducted by him. Necessity and proportionality should be reconsidered if the surveillance is to continue.
- 7.2 The Authorising Officer should be made aware of any proposed or unforeseen changes to the nature or extent of the surveillance operation which may result in further or greater intrusion into the private life of any person by means of a review. The Authorising Officer should consider whether the proposed changes are proportionate before approving or rejecting them.
- 7.3 Where authorisation is given for surveillance of unidentified individuals whose identity is later established, the review should include reference to their identity. A fresh authorisation won't be necessary if the investigation remains the same.
- 7.4 Evidence of the review should be recorded.

8.0 Renewals

- 8.1 Any Authorising Officer may renew an existing authorisation on the same terms as the original at any time before the original ceases to have effect. This renewal must then be approved by a Justice of the Peace in the same way the original authorisation was approved. The process set out in 3 above should be followed.
- 8.2 A CHIS authorisation must be thoroughly reviewed before any application for renewal is sought. Once the Authorising Officer has approved an application to renew, that application must then be approved by a Justice of the Peace in the same way that the original authorisation was approved. The process set out in 3 above should be followed.

9.0 Central Register of Authorisations

- 9.1 The Council must maintain the following documents:
- Copy of the application and a copy of the authorisation together with any supplementary documentation and notification of the approval given by the authorised officer;
 - Copy of the order made by the judiciary;
 - A record of the period over which the surveillance has taken place;
 - The frequency of reviews prescribed by the authorising officer;
 - A record of the result of each review of the authorisation;
 - A copy of any renewal of an authorisation and order made by the judiciary and supporting documentation submitted when the renewal was requested;
 - The date and time when any instruction was given by the Authorising Officer.
- 9.2 To comply with 9.1 above, the Council's RIPA Co-ordinating Officer within the Legal Services Business Unit will hold the central register of all authorisations issued by Authorising Officers of the Council. The original copy of every authorisation, judicial order, review, renewal and cancellation issued should be lodged immediately with Legal Services in an envelope marked 'Private and Confidential'.

9.3 The Council must also maintain a centrally retrievable record of the following information:

- Type of authorisation
- Date the authorisation was given
- Date the Order was made by the Justice of the Peace
- Name and rank/grade of the Authorising Officer
- Unique reference number of the investigation/operation
- Title (including brief description and names of the subjects) of the investigation/operation;
- Whether urgency provisions were used, and if so why
- Details of renewal
- Whether the investigation/operation is likely to result in obtaining confidential information
- Date of cancellation
- Confidential Information
- Self - Authorisation
- Reviews

These records will be retained for at least 3 years and will be available for inspection by the Office of Surveillance Commissioners.

10.0 Retention of Records

- 10.1 All documents must be treated as strictly confidential and the Authorising Officer must make appropriate arrangements for their retention, security and destruction, in accordance with the Council's Data Protection Policy and the RIPA codes of practice. The retention period for the purposes of this guidance is three years from the ending of the period authorised.
- 10.2 The Council's Records Retention and Disposal Policy should be referred to which sets out how different types of records are created as part of any investigation, their storage, retrieval, maintenance, protection and final disposal. The Council also has a separate Code of Practice which covers these issues specifically for CCTV tapes.

11.0 Complaints Procedure

- 11.1 The Council will maintain the standards set out in this guidance and the relevant Codes of Practice. The Chief Surveillance Commissioner has responsibility for monitoring and reviewing the way the Council exercises the powers and duties conferred by RIPA.
- 11.2 Contravention of the Data Protection Act 1998 may be reported to the Information Commissioner. Before making such a reference, a complaint concerning a breach of this guidance should be made using the Council's own internal complaints procedure. To request a complaint form, please contact Customer Services, Newark & Sherwood District Council, Kelham Hall, Kelham, Newark, Notts NG23 5QX or telephone 01636 650000.

GUIDANCE – PART II

ACQUISITION AND DISCLOSURE OF COMMUNICATIONS DATA

1.0 Acquisition and Disclosure of Communications Data

- 1.1 With effect from 5 January 2004, and in accordance with Chapter II of Part I of Regulation of Investigatory Powers Act (“the Act”), Local Authorities can authorise the acquisition and disclosure of ‘communications data’ provided that the acquisition of such data is necessary for the purpose of preventing or detecting crime or preventing disorder; and proportionate to what is sought to be achieved by acquiring such data.

Important: The Council is not Permitted to Intercept any Communications

- 1.2 The procedure is similar to that of authorisation for directed surveillance and CHIS but has extra provisions and processes. The purpose and effect of the procedure is the same i.e. to ensure proper consideration is given to permitting such investigations and to provide protection against a human rights challenge. The Authorising Officer is called a ‘Designated Person’. Judicial approval for the acquisition and disclosure of communications data is required.

2.0 What is ‘Communications Data’?

- 2.1 Communications Data is information relating to the use of a communications service e.g. postal service or telecommunications system. It is defined by Section 21(4) of the Act and falls into three main categories:-

Traffic Data

Where a communication was made from, to whom and when.

Service Data

Use made of service e.g. itemised telephone records.

Subscriber Data

Information held or obtained by operator on person they provide a service to.

Local Authorities are restricted to subscriber and service use data and only for the purpose of preventing or detecting crime or preventing disorder.

3.0 Designated Person

- 3.1 A Designated Person must be at least the level of Director or equivalent. Details of the Council’s Designated Persons are included in Schedule 1.

4.0 Application Forms

- 4.1 All applications must be made on a standard form (see <http://www.homeoffice.gov.uk/counter-terrorism/regulation-investigatory-powers/ripa-forms/>).

5.0 Authorisations

5.1 Authorisations can only authorise conduct to which Chapter II of Part I of the Act applies. In order to comply with the code, a Designated Person can only authorise the obtaining and disclosure of communications data if:

- i) It is **necessary** for any of the purposes set out in Section 22(2) of the Act. (NB The Council can only authorise for the purpose set out in Section 22(2)(b) which is the purpose of preventing or detecting crime or preventing disorder); and
- ii) It is **proportionate** to what is sought to be achieved by the acquisition of such data (in accordance with Section 22(5) the Act).

Consideration must also be given to the possibility of collateral intrusion and whether any urgent timescale is justified.

5.2 Once a Designated Person has decided to grant an authorisation or a notice and judicial approval has been granted there are two methods:-

- i) By authorisation of some person in the same relevant public authority as the Designated Person, whereby the relevant public authority collects the data itself (Section 22(3) the Act). This may be appropriate in the following circumstances:
 - The postal or telecommunications operator is not capable of collecting or retrieving the communications data;
 - It is believed the investigation may be prejudiced if the postal or telecommunications operator is asked to collect the data itself;
 - There is a prior agreement in place between the relevant public authority and the postal or telecommunications operator as to the appropriate mechanisms for the disclosure of communications data.
- ii) By notice to the holder of the data to be acquired (Section 22(4)) which requires the operator to collect or retrieve the data. Disclosure may only be required to either the designated person or the single point of contact.

5.3 The Service provider must comply with the notice if it is reasonably practicable to do so (S.22 (6)-(8) and can be enforced to do so by civil proceedings. The postal or telecommunications service can charge for providing this information. There are standard forms see <http://www.homeoffice.gov.uk/counter-terrorism/regulation-investigatory-powers/ripa-forms/> for authorisations and notice.

6.0 Oral Authority

6.1 The Council is not permitted to apply or approve orally.

7.0 Single Point of Contact (SPOC)

7.1 Notices and authorisations should be passed through a single point of contact within the Council. This should make the system operate more efficiently as the SPOC will deal with the postal or telecommunications operator on a regular basis and also be in a position to advise a Designated Person on the appropriateness of an authorisation or notice.

7.2 SPOCs should be in a position to:

- Where appropriate, assess whether access to communication data is reasonably practical for the postal or telecommunications operator;
- Advise applicants and designated person on whether communications data falls under Section 21(4)(a), (b) or (c) of the Act;
- Provide safeguards for authentication;
- Assess any cost and resource implications to both the public authority and the postal or telecommunications operator.

7.3 A SPOC must be accredited which involves undertaking appropriate training. The Council currently has no SPOC and does not currently envisage circumstances where it would be necessary for the Council to authorise the acquisition and disclosure of communications data. However, this aspect of the Policy will be regularly reviewed.

8.0 Duration

8.1 Authorisations and notices are only valid for one month beginning with the date on which the judicial approval is granted or the notice given. A shorter period should be specified if possible.

9.0 Renewal and Cancellation

9.1 An authorisation or notice may be renewed at any time during the month it is valid using the same procedure as used in the original application (including seeking judicial approval). A renewal takes effect on the date which the authorisation or notice it is renewing expires.

9.2 The code requires that all authorisations and notices should be cancelled by the Designated Person who issued it as soon as it is no longer necessary, or the conduct is no longer proportionate to what is sought to be achieved. The relevant postal or telecommunications operator should be informed of the cancellation of a notice.

10.0 Retention of Records

10.1 Applications, authorisations and notices must be retained until the Council has been audited by the Commissioner (see paragraph 9). Applications must also be retained to allow the Tribunal (see paragraph 9) to carry out its functions.

10.2 A record must be kept of:-

- The dates of which the authorisation or notice is started or cancelled;
- Any errors that have occurred in the granting of authorisations or giving of notices.

A report and explanation of any errors must also be sent to the Commissioner as soon as is practicable. Communications data, and all copies, extracts and summaries of it, must be handled and stored securely and the requirements of the Data Protection Act 1998 must be observed. The Director Safety will maintain a centrally retrievable register.

11.0 Oversight and Complaints

- 11.1 The Act provides for an Interception of Communications Commissioner whose remit is to provide independent oversight of the use of the powers contained in Part I and the code requires any person who uses the powers conferred by Chapter II to comply with any request made by the Commissioner to provide any information he requires to enable him to discharge his functions.
- 11.2 The Act also establishes an independent Tribunal to investigate and decide any case within its jurisdiction. Details of the relevant complaints procedure should be available for reference at The Council's public offices.

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SCHEDULE 1

Designated Persons/Authorising Officers

Chief Executive
Deputy Chief Executive
Director - Resources

Note: When the above are the Applicant Officer in a matter they may NOT authorise the same application for surveillance.

Senior Responsible Officer

Director – Safety

RIPA Co-ordinating Officer

Senior Legal Officer – Lisa Ingram

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WESTBROOK DRIVE, RAINWORTH - DISPOSAL OF PUBLIC OPEN SPACE

1.0 Purpose of Report

- 1.1 To consider objections to the proposed sale of an area of public open space for the erection of a disabled standard bungalow.

2.0 Background Information

- 2.1 The Council considers any request to sell Public Open Space on a case by case basis with any proposed disposal being advertised in accordance with S123 Local Government Act 1972. Under the Act the Council is required to consider any objections to such a sale.
- 2.2 In April 2015 a request was received to dispose of an area public open space adjacent to 76 Westbrook Drive for the erection of a two bedroomed bungalow specifically designed for a disabled person.
- 2.3 Having consulted Planning Officers several alternative sites were looked at and it was considered that the most suitable site for such a dwelling would be adjacent to 74 Westbrook Drive, Rainworth as indicated on the attached plan.

3.0 Proposals

- 3.1 The land forms part of a green space which to the east is boarded by a substation and access track. To the west of the proposed site there is a tarmac footpath and large established tree neither of which would be affected by the proposal. While the area of grass would be slightly reduced overall it is considered that the provision of Public Open Space would not be significantly affected.
- 3.2 Terms were provisionally agreed with the applicant and the proposed disposal advertised. Five objections to the proposed sale were received none of which were from residents on Westbrook Drive.
- 3.3 The objections are outlined in the second attachment (Appendix B) to the report. The applicant has also submitted a letter detailing why the site is appropriate for a disabled standard dwelling. This is also attached.
- 3.4 It should be noted that if members approve the principle of the sale of this area of Public Open Space then the applicant would still have to submit a detailed Planning Application for consideration.
- 3.5 The proposed Heads of Terms for any sale are attached as Appendix D to the report.

4.0 Equalities Implications

- 4.1 As the proposed disposal is to a disabled person the equality implications have been considered. The DCA Housing Market and Needs Assessment 2014 indicated that 32 disabled housing units were required in Rainworth.
- 4.2 The applicant is on the Council House waiting list but Council properties suitable for adaptation are limited and the Council has no plans to erect any properties specifically designed to accommodate disabled persons.
- 4.3 A purpose built dwelling would provide a better housing solution for this particular disabled applicant.

5.0 Impact on Budget/Policy Framework

- 5.1 The Council would receive a small capital receipt for the sale of the land.

6.0 Comments from the Chief Legal Officer

- 6.1 There is an agreement and declaration in the 1983 Conveyance to Barratts that the former owner was to receive compensation if Barratts obtained permission such that the overall area allocated for public open space (POS) was reduced below an area shown on plan. Even if (which is not at all clear) this agreement binds the Council as Barratts' successor to the open space, there is land to the West of the footpath which did not form part of the minimum area and while this remains as POS, it cannot be said that the overall amount of POS is reduced below the specified minimum.

7.0 Comments from the Director - Resources

- 7.1 The sale of this piece of land will have no impact on the revenue budget. The capital receipt could be used towards financing existing or future capital projects.

8.0 RECOMMENDATION

That the Committee consider whether the area of public open space may be sold.

Reason for Recommendation

To determine in this specific case if the benefits to the individual of selling the land outweigh the loss of green space to the public.

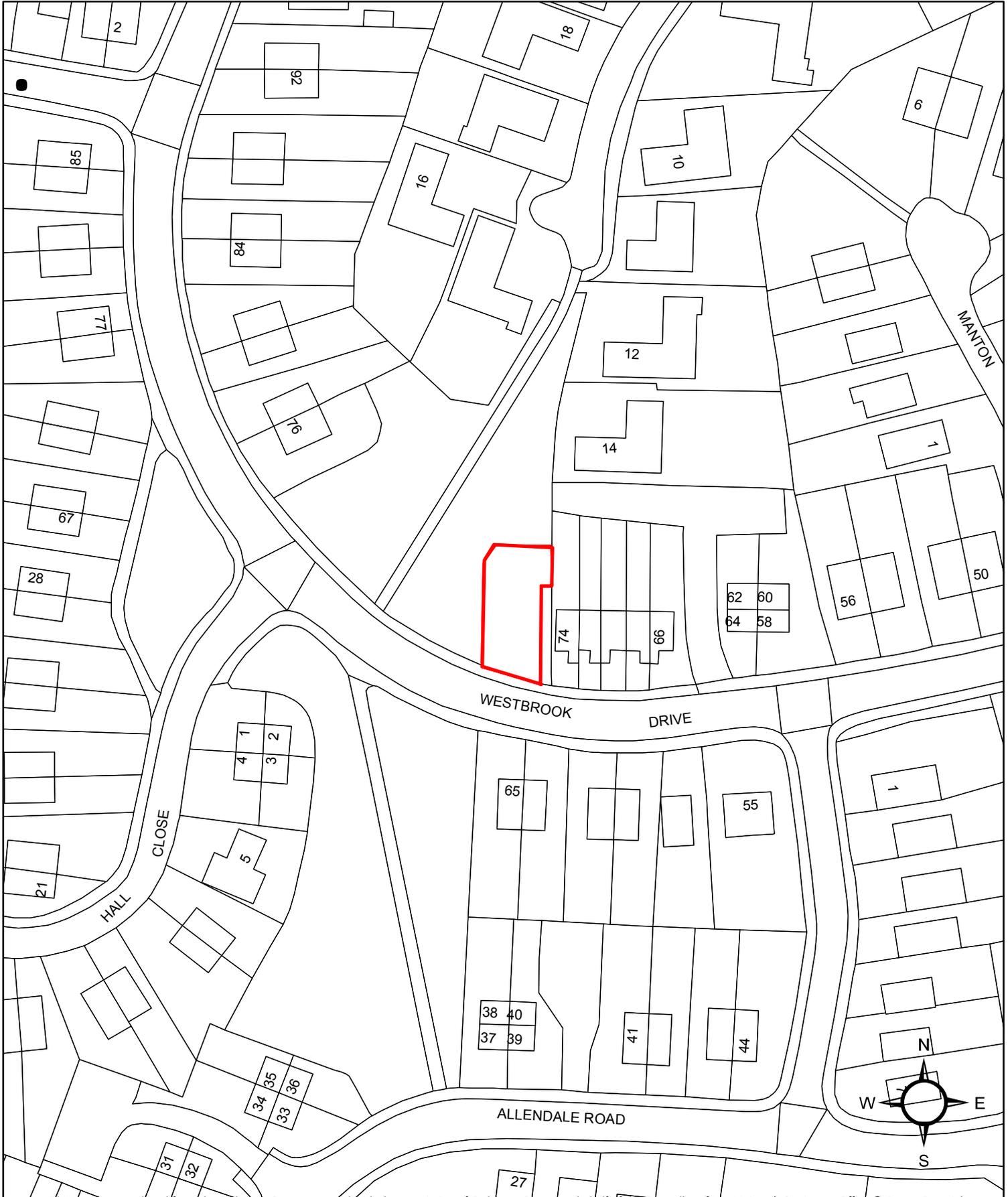
Background Papers

Nil.

For further information please contact David G. Best on Ext 5890.

David J Dickinson
Director - Resources

Corporate Property



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Land at
Westbrook Drive
Rainworth
Nottinghamshire
For Identification Purposes Only
43



Date:<Double click to insert>
Grid Ref: SK<Double click to insert>
Scale: 1:850

S123 – Disposal of land at Westbrook Drive, Rainworth

Objections:

The objections have received from 5 residents which been amalgamated and summarised as follows with Officer comments/clarification in italics where thought appropriate:

- Open space was the reason that he bought his property.
- Kings Tree on the open space and wildlife will be affected
There are no trees on the land in question
- removal of footpath would impact upon residents
The footpath does not cross the land in question and will remain as is
- Access into development might impact upon remainder of properties
This will be considered as part of the planning process
- Not been contacted by planning department
No Planning application has yet been made
- Would like to see detailed plans
No Planning application has yet been made
- Development would adversely affect the general health and wellbeing of the residents. Trees and open spaces make less stressful environment
This is a single dwelling located immediately next to other residential properties
- Increased flood risk
This will be considered as part of the Planning process
- Is there any trust covenant or agreement from the former land owner?
This is referred to in the report under the comments of the Chief Legal Officer.
- No anti-social behaviour etc. What considerations re the need for POS in the locality have been made when deciding to appropriate the land?
This will be considered as part of the Planning process
- One bungalow won't contribute to [solving] housing shortage
The bungalow would be specifically for a disabled person not as part of the general housing stock
- Impact on Westbrook Drive and surrounding area outweighs reasons for disposal
No objections were received from residents on Westbrook Drive
- Open space at Hollies has been lost and additional cars and congestion from 4 homes there
The area referred to was not designated as Public Open Space and was privately owned. The amenity of residents was considered when planning consent for the bungalows at Hollies Close was granted.

- Open space was originally considered necessary but it is now considered that residents in large housing developments don't need/appreciate these open space
This will be considered as part of the planning process
- Our property will lose value
It is unlikely that a single bungalow at this location will have an impact on the value of any property in the vicinity.
- Building works on the Hollies have been inconvenient for residents
This is an entirely separate matter. Building work at Westbrook Drive should not impact on the Hollies.
- Our rateable value on the Hollies is one of the highest in Rainworth
The development would not affect this.
- Exit/entrance to site is on bend on the road
This will be considered as part of the planning process
- No need for disposal of open space at this site
Other locations were considered. This site has been chosen as it offers a suitable location for a single bungalow built specifically for a disabled person
- Will impact negatively on the green space on Westbrook Drive
There will be a small reduction in green space
- Green open space valued and used by residents
- Would set a precedent for disposal of green land on left hand of this site and elsewhere nearby
The Council considers each application for the sale of public open space on its merits therefore agreement to sell this area would not set a precedent in respect of other areas

Supporting letter from Applicant with personal details redacted

Dear Sirs,

I am writing to outline my requirement for a disabled dwelling & to give you the reasons why the location proposed is suitable for my particular needs.

I have a condition known as Charcot Marie Tooth otherwise called Motor Neurone Sensory Disorder, which in effect is muscular atrophy. I am a permanent wheelchair user without the ability to weight bear. I am reliant on the use of tracking hoists for all transfers into and out of my electric wheelchair. Finding suitable single storey accommodation has been extremely problematic. All properties viewed required extensive alteration.

I have been on the Newark & Sherwood housing waiting list for a number of years. I appreciate and have a clear understanding of the extreme pressure local authorities' face in the provision of social housing, particularly accommodation suitable for wheelchair users.

Having lived away for 3 years at Lincoln University I am desperate to live independently. I have been viewing single storey properties with a view to adapt, however the building costs in addition to the high purchase price afforded to bungalows in that area are proving to be out of my reach.

The ideal solution would be to purchase a plot of land with a view to build a modest, purpose built property, to include wide access doors, sufficient floor space in the living/kitchen areas, wet room and bedrooms. In addition all rooms would suitably equipped for my needs. First installation of equipment is substantially more affordable than the removal & replacement of services. Therefore the self-build option is more viable than the adaption of other properties.

The area on Westbrook Drive already has a mix of properties, which include detached houses & bungalows, terraced houses, semi-detached houses. The area highlighted for the proposed bungalow would not greatly affect the area of green space between 74 & 76.

The location of the potential plot adjacent to 74 would be ideal for my needs for a number of reasons.

- I have lived in Rainworth throughout my life & have an extensive support network of family and friends in that area.
- Living close to family & friends would provide care and support whilst maintaining my independence.
- Family could respond quickly to any incident/emergency therefore increasing my personal health and wellbeing.
- I am registered with the local surgery where the Doctors have extensive knowledge & understanding for my condition.
- I can easily access hospital appointments from that location.
- I am a volunteer for the local youth centre where I work at weekends & during school holidays for free.
- I am involved with the local Brownie pack where I attend every Friday evening.
- Living close to my parents' home would reduce risks and uncertainties within my chosen living environment and help me to meet my short and long term goals.

I feel I make a positive contribution to the local community, my local community. Please see attached article highlighting my recent award.

I appreciate that this land is currently open green space, indeed it is an area I rode my bike as a child. However I feel the property I propose to build would have very little impact on that space once completed, leaving sufficient open space as I require less than 1/3 of the land adjacent to 74 Westbrook Drive.

I would hope you would consider my proposition favourably.

Kind Regards

Heads of Terms - Land at Westbrook Drive Rainworth - Redacted Version

1. Vendor: Newark & Sherwood District Council
2. Purchaser(s):
3. Area: approximately 222 square meters
4. Purchase price: £35,000
5. Legal & Surveyors fees: purchaser to bear the Council's reasonable Legal & surveyors fees of £400
6. Planning: the sale to be conditional upon the grant of planning consent for a single detached bungalow & garage designed for a disabled person.
7. Local Government Act: The purchaser to bear the Council's costs (approximately £250) of advertising the proposed sale in accordance with the Local Government act 1972 S123(1)(2A)
8. Boundaries: The purchaser to be responsible for erecting & thereafter maintaining all the boundaries.
9. Construction period: The bungalow to be completed & occupied within 2 years of the grant of planning consent
10. Use: property to be used for a minimum of 15 years primarily for a person with disabilities.
11. Suitability: The purchaser should make all necessary enquiries to ensure the land is suitable for their purposes prior to purchasing the land.
12. Other terms: To be incorporated as considered necessary by the Council's Solicitor.

POLICY & FINANCE DRAFT REVENUE BUDGET 2016/17 - 2020/21

1.0 Purpose of Report

- 1.1 To inform the Committee of the progress to date on the budget for 2016/17 and future years.

2.0 Background Information

- 2.1 At the meeting of Policy & Finance Committee on 10th September 2015, Members considered the preliminary report on the 2016/17 Budget and agreed the overall strategy including the appropriate basis on which the budget should be developed, including salaries, wages, general inflation, debt charges etc.

- 2.2 Also at this meeting, Policy & Finance Committee agreed the timetable for consideration of the 2016/17 budget provisions. The budget timetable is dictated by the corporate timetable for Policy and operational Committees. The essential deadline is that the Council is able to set the level of Council Tax for 2016/2017 at its meeting on 10th March 2016. Working back from this date a timetable has been drawn up and is attached at **Appendix C**. This timetable enables sufficient time for the budget proposals to be considered by operational Committees and Policy & Finance Committee and also sufficient time for the work to be completed within the Financial Services section and Business Units.

- 2.3 The Council has agreed policies on Budgeting and Council Tax, Reserves and Provisions, Budget Principles, a Charging Policy and Value for Money Strategy which set out the approach to be taken to the budget process. These policies and principles were reviewed and updated by Policy & Finance Committee in September 2015. The Charging Policy is included at **Appendix D**.

3.0 Introduction

3.1 Financial Environment

- 3.1.1 Following the General Election in May 2015, the Government announced an emergency budget in July. This will be followed by a Comprehensive Spending Review, the results of which will be announced at the end of November. It is anticipated that the draft Local Government Finance Settlement will be announced in late December 2015. Although figures have not been announced for Government Grant for future years, the Chancellor has stated that local authorities can expect the same trajectory of cuts to Government Grants to be continued and this has been assumed in the Council's Medium Term Financial Plan (MTFP).

- 3.1.2 The content of the Comprehensive Spending Review will be known on 25th November and anything of relevance will be reported to the Policy & Finance Committee verbally.

- 3.1.3 Until the draft Local Government Finance Settlement is announced in December, all figures for Government Grant are based on internal estimates. Reductions in Government grant are expected to continue. The current estimates remain unchanged from the approved Medium Term Financial Plan and are:

	2015/16	2016/17	2017/18	2018/19	2019/20
	£	£	£	£	£
Formula Grant	2,623,630	1,641,110	1,229,100	808,870	381,720

It can be seen that a reduction in grant of approximately £1m is anticipated for the next financial year. Furthermore, by the end of the life of this Council, it is anticipated that Government Grant will have substantially disappeared. However, it must be stressed that the level of Government Grant for 2016/17 will not be known until December 2015 at the earliest. At that point, it is hoped that indicative figures for future years will also be announced. The system of local government finance is likely to be changed in the future as outline in paragraph 4.9.3.

- 3.1.4 Members will be aware that the business rates retention scheme was introduced in April 2013. Councils are able to keep a proportion of the business rates revenue as well as a proportion of the growth that is generated in their area. The estimated amounts for retained business rates, excluding growth in the area, are shown in the table below:

	2015/16	2016/17	2017/18	2018/19	2019/20
	£				
Retained Business Rates	3,337,990	3,433,320	3,502,000	3,572,030	3,641,980

It can be seen that the retained business rates increases each year due to inflation and this will benefit the District Council by £95,330 in 2016/17.

- 3.1.5 Retained Business Rates Growth is now a key component of the Council's annual revenue budget. In the budget for 2015/16, income of £620,000 has been included for Business Rates Growth, and it is anticipated that this will increase to £900,000 for each subsequent year. In addition, the Council will receive approximately £400,000 per year from central Government to compensate for changes to the business rates regime announced in the Chancellor's Autumn Statement in December 2014.
- 3.1.6 Members will be aware that the level of Council Tax has now been frozen for a number of years. At this stage, it is not known whether or not the Government will continue to allocate a Council Tax freeze grant to those Councils that freeze their Council Tax in 2016/17. Furthermore, the rules on Council Tax increases and the referendum limit are unlikely to be announced until early 2016.
- 3.1.7 The position with regard to general inflation remains complex. The latest (September 2015) CPI figure for inflation shows an annual decrease of 0.1%. The Bank of England forecast is for CPI inflation to remain below 2% by the end of 2016/17.
- 3.1.8 One of the major areas of the budget affected by inflation is the cost of salaries and wages. In the Chancellor's summer budget in July 2015, it was announced that public sector pay increases would be restricted to 1% per annum for the next 4 years. The medium term financial plan already included a 1% increase for pay, increments and other salary costs for each financial year. It should be noted, however, that the budget also announced an intention to introduce a National Living Wage. This will impact on the Council's budget and it will be necessary to assess the position on this as further details are announced.

4.0 **Budget Pressures**

- 4.1 There will undoubtedly be budget pressures in certain areas of the budget that will lead to unavoidable increases in the budget in specific areas. The Council's budget has become more reliant on income and so may on occasions be vulnerable to reductions in the level of income, and would also potentially be vulnerable to a rise in inflation or interest rates.
- 4.2 The Council will also have to consider demand management in areas such as homelessness, community safety and supporting people and potentially in the following areas where budget pressures are likely to arise:
- Welfare reform
 - Increased planning applications, which potentially provide increased income but also an increased workload
 - Increased house building in the District gives pressure on services such as refuse collection
 - Family Intervention Project and Anti-Social Behaviour as funding streams decline
- 4.3 Although there has been a clear focus on the need to deliver savings, the Council has also set priorities to develop services in certain areas. This has been through a combination of the development of facilities and assets, and identifying funds for the delivery of specific policies.
- 4.4 With respect to assets, the Council has developed a National Civil War Centre, is in the process of building a new Leisure Centre in Newark and is progressing the decision to move its headquarters from Kelham Hall. These are included in the Medium Term Financial Plan and all will be provided at no additional cost to council tax payers. Efficiencies in the running costs of these assets against the current asset base have been identified that will support budgets in future years.
- 4.5 In the March 2013 Budget, the government announced that a flat rate state pension will be introduced from April 2016. This will mean an end to employees in local government pension schemes being able to "opt out" of the state second pension and an end to the 3.4% rebate in National Insurance contributions that public sector employers currently benefit from for those employees that have opted out. This will cost the Council approximately £230,000 per year from 2016/17. This has already been included in the Medium Term Financial Plan.

5.0 **Budget Strategy**

- 5.1 Whilst there is always a need to improve efficiency and review existing budgets, the Council's budget gap is significant and should principally be addressed through strategic measures. A number of strategies were considered and approved for the 2015/16 budget and the current estimate for savings in these areas is shown in the table here.

	2015/16 BASE BUDGET £	2016/17 BASE BUDGET £	2017/18 BASE BUDGET £	2018/19 BASE BUDGET £	2019/20 BASE BUDGET £
Leisure Commissioning	(250,000)	(380,000)	(400,000)	(400,000)	(400,000)
Devolution & Service redesign	(260,000)	(260,000)	(260,000)	(260,000)	(260,000)

Accommodation move	0	0	(395,000)	(500,000)	(510,000)
Collaboration	(50,000)	(100,000)	(100,000)	(100,000)	(100,000)
Total	(560,000)	(740,000)	(1,155,000)	(1,260,000)	(1,270,000)

- 5.2 Each of these areas will make a significant contribution to the savings required. It is considered that these will remain central planks of the development of the budget for 2016/17 and future years. It can be seen that the savings from these strategic areas will increase over the period of the Medium Term Financial Plan.
- 5.3 With regard to collaboration with other authorities, at this stage a general savings provision has been included. This is supported by work currently being undertaken on Building Control, Sports and Arts Development, Environmental Health and Planning Administration.
- 5.4 Each year an efficiency review is undertaken to consider the potential for budget savings and for additional income to be incorporated into the budget. This review identifies sustainable savings that can continue to be delivered in future years. For 2015/16 savings of £360,000 were identified and are in the process of being delivered for 2016/17 further savings of £641,000 have been identified. These include an increased vacancy provision based on recent experience, deletion of vacant posts, such as that achieved through the merger of the Policy and Performance Business Units, savings on contracts and increased income.
- 5.5 Capital financing is regularly reviewed to ensure that borrowing is not undertaken unless it is necessary. The latest review has shown that no borrowing is necessary for the current approved capital programme. This includes the new Leisure Centre, the relocation of the Council's headquarters and the vehicle replacement programme. This reduces the capital financing budget (which shows the revenue impact of borrowing) by approximately £500k in 2016/17 and by a similar amount in future years.
- 5.6 The additional savings since the Medium Term Financial Plan was approved in March 2015 are summarised in the table below. The improvements in the Council Tax Base would also provide an effective increase in resources for the Council in addition to these savings.

Savings additional to the approved MTFP

	2016/17	2017/18	2018/19	2019/20
	Base Budget	Base Budget	Base Budget	Base Budget
	£	£	£	£
Business Rates Growth	100,000	100,000	100,000	100,000
Grant in lieu of Business Rates Growth	400,000	400,000	400,000	400,000
Efficiency Review	641,000	641,000	641,000	641,000
Capital Financing	497,140	538,920	630,470	1,044,610
Total	1,638,140	1,679,920	1,771,470	2,185,610

Savings per MTFP	1,521,740	1,377,120	1,758,720	2,650,600
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- 5.7 It can be seen from this that the additional savings, together with the approved budget strategy, will deliver sufficient savings to develop a balanced budget, provided that individual budgets are prepared on the basis that they do not exceed the levels approved in the Medium Term Financial Plan as adjusted by the savings detailed in this report. Budget Officers have been instructed to prepare their budgets on this basis.

6.0 Draft Revenue Budget Proposals

- 6.1 Business Managers and service budget officers have been working with officers from Financial Services to determine a first draft general fund budget and medium term financial plan. The budgets have been prepared in line with the strategy agreed by Policy & Finance Committee on 10th September 2015.
- 6.2 A summary of the figures to date for the Policy & Finance Committee is shown at **Appendix A** to this report. It should, however, be clearly understood that the figures shown are first draft only and that a substantial amount of work has yet to be completed before any conclusions can be drawn. The figures also exclude all capital charges and recharges for central services. The subjective summary is shown in **Appendix B**.
- 6.3 It should be noted that this shows only the budget for services falling within the remit of the Policy & Finance Committee, but overall, across all services and taking account of 'below the line' costs and income the necessary savings for 2016/17 are almost achieved, however when the overall budget is considered by the Policy & Finance Committee on 3rd December it may refer budgets back where it feels that additional savings need to be made.
- 6.4 The current draft budget shows a reduction in 2016/17 with budgets remaining fairly constant throughout the remainder of the medium term financial plan. This is at a time when the Council is facing reducing government grants and other financial pressures. It is important that the Committee continues to scrutinise and review its budget in order to achieve additional savings in future years. The budget has been prepared on existing arrangements, i.e. the Council being based at Kelham Hall. It does not currently include any long term implications of the Moving Ahead Project. The Moving Ahead Project itself is financed from the Change Management reserve and the funding is shown 'below the line'.
- 6.5 Direct service expenditure net of capital charges and internal central services recharges currently shows an overall decrease of £49,050 (£228,610 if we include the transfer from reserves for the Moving Ahead Project) against 2015/16 budget. This figure assumes a 1% increase in salary and wages costs overall in 2016/17 and future years. An average of 2% inflation on expenditure and income, as approved by the Policy & Finance Committee at its meeting on 10th September 2015 is included; however budget officers and business managers have been instructed to look for additional savings so that the new budget comes in at or below the 2015/16 budget.
- 6.6 Staffing costs account for approximately 56% of the overall gross service budget (excluding housing benefits) (63% on the Policy & Finance Committee budget) and significant budget savings cannot be achieved without affecting staffing levels.
- 6.7 Major variances between 2015/16 and 2016/17 are shown below:
- 6.7.1 The revenue costs of the Moving Ahead Project are met from the Change Management reserve and this is show 'below the line' in the overall revenue budget.
- 6.7.2 Where central services are provided to Active4Today under service level agreements (finance, HR, ICT etc) the revenue budget is shown net of income. In the 2015/16 base budget this did not appear as real income but as internal recharges. A number of budgets appear to have reduced between years, but this is a result of increased income not reduced expenditure.

6.7.3 No allowance for vacant posts is built into the business unit budgets, however the allowance held centrally in the Policy & Finance Committee budget has been increased by £90,000 to £100,000. This appears as a saving in A11911 – Other Financial Transactions.

6.7.4 Although the net budget for Rent Allowances and Rent Rebates show a minor net increase this results from a large reduction in benefits paid out offset by a similar reduction in Government Grant income, as identified in the subjective summary shown in **Appendix D**.

7.0 Revenue Budget Bids 2016/17

7.1 As stated above, Members will be aware that the Council is likely to face severe budgetary challenges over the next four years. As other pressures impact on Local Government spending it is anticipated that further cuts may be forced on to Local Government. Consequently, it is not possible for revenue growth bids to be incorporated into the budget for 2016/17 or following years without making savings elsewhere.

8.0 Increases in Fees & Charges

8.1 Members will be aware that a review of charges is considered as part of the budget process each year. With this in mind it is proposed that a **guideline** figure for increases to fees and charges should be set at a minimum of 2% for each year of the medium term financial plan. In preparing income budgets officers should have regard to this guidance and the level of RPI at the time the charges are set. Each type of income should be considered on its own merits and there should be comparative assessment with other local authorities and service providers in the area before final approval of fees and charges by Council. It is important for income levels to be considered **net** of VAT where appropriate, ie to consider the level of income ultimately received by the Council. A comparison of proposed fees and charges for 2016/17 with those charged during 2015/16 is included at **Appendix E**.

8.2 It should be noted that the level of court costs for non-payment of Council Tax and Business Rates was reduced at the Policy & Finance Committee on 4th June 2015. This followed a hearing where the London Borough of Haringey were challenged to demonstrate that costs were at a reasonable level. Subsequently the Nottingham Magistrates Court advised that there should be justification of costs requested at liability order hearings. Certain elements of the costs can no longer be taken into account therefore the level of costs were reduced.

8.3 It is important that fees and charges are considered within the framework set out in the Corporate Charging Policy that is included at **Appendix D**.

8.4 Proposals for increases in fees and charges will be brought to the next meeting of the Policy & Finance Committee on 28th January 2015 for consideration and recommendation to Policy & Finance Committee on 25th February 2016 and Council on 10th March 2016.

9.0 Conclusions

9.1 The figures at this stage in the budget process require a considerable amount of work before they are recommended to Policy & Finance Committee on 25th February 2016.

9.2 It is important that the Committee continues to scrutinise and review its budget in order to achieve additional savings in future years at a time when the Council is facing reducing government grants and other financial pressures.

10.0 RECOMMENDATIONS that:

- (a) the Committee undertakes a review of fees and charges (excepting services which are subject to commissioning and devolution);**
- (b) the current draft Committee budget be incorporated into the overall service budget to be considered by Policy & Finance Committee later in this agenda; and**
- (c) the Director - Resources, continues to formulate budget proposals for formal consideration at the Policy & Finance Committee meeting on 28th January 2016 for recommendation to Policy & Finance Committee on 25th February 2016.**

Reason for Recommendations

To ensure that the preliminary figures for the budget are considered by Policy & Finance Committee and that final budget proposals for 2016/17 to 2020/21 are submitted to the Policy & Finance Committee on 28th January 2016 for recommendation to Policy & Finance Committee on 25th February 2016.

Background Papers

Nil

For further information please contact D. Dickinson on Extension 5300 or A. Wasilewski on Extension 5738.

David Dickinson
Director - Resources

BUDGET SUMMARY

APPENDIX A

POLICY & FINANCE

CODE	DESCRIPTION	2015/16 Initial Budget	2016/17 DRAFT BUDGET	MORE/ (LESS)	2017/18 BASE BUDGET	2018/19 BASE BUDGET	2019/20 BASE BUDGET	2020/21 BASE BUDGET
A10601	ELECTORAL REGISTRATION	101,140	93,080	(8,060)	93,080	93,080	93,080	93,080
A10803	INTERNAL AUDIT	84,920	73,210	(11,710)	73,210	73,210	73,210	73,210
A10805	INCOME SECTION	24,170	26,140	1,970	26,580	27,000	27,440	27,880
A10806	BANK CHARGES	69,400	93,100	23,700	93,100	93,100	93,100	93,100
A10807	MORTGAGE ADMINISTRATION	(1,870)	(1,910)	(40)	(2,010)	(2,110)	(2,410)	(2,610)
A10812	HUMAN RESOURCES	199,470	170,070	(29,400)	174,760	177,740	180,780	183,820
A10815	POLICY & COMMISSIONING	181,690	145,700	(35,990)	147,180	148,620	150,080	151,560
A10818	COMMITTEE SECTION	191,690	195,920	4,230	198,020	200,050	202,140	204,220
A10819	LEGAL SECTION	168,770	180,920	12,150	185,680	188,620	190,800	192,980
A10821	KELHAM HALL	181,830	159,100	(22,730)	164,180	168,740	173,600	178,400
A10822	THE LODGE	3,060	0	(3,060)	0	0	0	0
A10827	BUILDING SERVICES	152,570	151,350	(1,220)	153,350	155,300	157,280	159,300
A10831	CENTRAL REPROGRAPHICS	0	0	0	0	0	0	0
A10832	CENTRAL TELEPHONES	53,380	50,220	(3,160)	51,220	52,250	53,300	54,370
A10833	CENTRAL POSTAGES	59,660	44,230	(15,430)	45,550	46,900	48,270	49,670
A10841	CENTRAL PERSONNEL EXPENSES	121,410	111,140	(10,270)	111,140	111,140	111,140	111,140
A10842	OTHER EMPLOYEE EXPENSES	17,340	14,690	(2,650)	14,690	14,690	14,690	14,690
A10845	INFORMATION GOVERNANCE	60,500	61,470	970	62,100	62,740	63,360	63,980
A10864	CORPORATE MANAGEMENT TEAM	648,020	664,830	16,810	673,800	681,190	688,690	696,240
A10895	FINANCIAL SERVICES	437,030	425,830	(11,200)	433,220	424,630	431,110	437,580
A10896	PERFORMANCE	128,510	79,830	(48,680)	81,640	82,600	83,560	84,520
A10897	PROCUREMENT	39,290	40,030	740	40,490	40,950	41,430	41,890
A10898	ADMINISTRATION SERVICES	321,450	326,660	5,210	330,200	333,620	337,110	340,610
A10904	COUNCIL TAX	59,250	31,470	(27,780)	38,210	43,600	49,120	54,660
A10905	RENT ALLOWANCES	(28,000)	(18,090)	9,910	(18,090)	(18,090)	(18,090)	(18,090)
A10906	COUNCIL TAX BENEFITS	0	0	0	0	0	0	0
A10907	RENT REBATES	20,000	20,010	10	20,010	20,010	20,010	20,010
A10908	HOUSING BENEFIT ADMIN	50,660	89,500	38,840	96,510	102,600	108,860	115,130
A10910	DISCRETIONARY HOUSING PAYMENTS	0	0	0	0	0	0	0
A11122	RISK MANAGEMENT	72,780	65,760	(7,020)	66,620	67,440	68,300	69,160
A11332	KELHAM HALL GROUNDS	(2,050)	1,840	3,890	1,880	1,910	1,940	1,980
A11841	CORPORATE PROPERTY	240,050	213,070	(26,980)	223,840	228,060	235,500	243,020
A11901	MEMBERS EXPENSES	253,700	249,620	(4,080)	252,270	254,860	257,520	260,180
A11902	CIVIC EXPENSES	27,060	27,060	0	27,060	27,060	27,060	27,060
A11911	OTHER FINANCIAL TRANSACTIONS	(10,000)	(100,000)	(90,000)	(100,000)	(100,000)	(100,000)	(100,000)
A11912	MISCELLANEOUS LOANS	(1,760)	(1,670)	90	(1,560)	(1,440)	(1,310)	(1,170)
A12301	ELECTION EXPENSES	40,010	40,810	800	41,620	42,460	43,310	44,170
A12505	TRANSFERRED ASSETS	0	0	0	0	0	0	0
A12507	MOVING AHEAD	0	179,560	179,560	91,820	0	0	0
A12510	DEMOCRATIC REPRESENTATION	20,810	13,870	(6,940)	9,250	4,620	4,620	4,620
A12512	ETHICAL GOVERNANCE & STANDARDS	500	500	0	500	500	500	500
A12520	CORPORATE MANAGEMENT	205,690	236,520	30,830	227,790	219,940	221,510	223,100
A12530	NON DISTRIBUTED COSTS	0	0	0	0	0	0	0
A15028	COMBINED SERVICE COSTS	113,020	146,440	33,420	148,840	151,280	153,770	156,310
A15029	CORPORATE PRINTERS	63,430	50,620	(12,810)	50,610	50,610	50,620	50,660
A15030	KELHAM HALL EVENTS	(12,820)	(45,790)	(32,970)	(44,800)	(44,110)	(43,310)	(42,580)
A15031	SUPPORT SERVICE HOLDING ACCT	0	0	0	0	0	0	0
TOTAL		4,355,760	4,306,710	(49,050)	4,283,560	4,225,370	4,291,690	4,358,350

**BUDGET SUMMARY
POLICY & FINANCE SUBJECTIVE SUMMARY**

APPENDIX B

CODE	DESCRIPTION	2015/16 INITIAL BUDGET	2016/17 DRAFT BUDGET	More/ (Less)	2017/18 BASE BUDGET	2018/19 BASE BUDGET	2019/20 BASE BUDGET	2020/21 BASE BUDGET
111	SALARIES AND WAGES	3,239,300	3,301,940	62,640	3,244,060	3,165,600	3,199,080	3,231,810
112	OTHER SALARIES/WAGES PAYMENTS	31,390	31,390	0	31,390	31,390	31,390	31,390
113	NATIONAL INSURANCE	239,730	253,440	13,710	249,410	243,900	246,440	248,920
114	SUPERANNUATION	399,740	406,530	6,790	399,020	388,980	393,010	396,910
115	OTHER EMPLOYERS CONTRIBUTIONS	22,840	23,190	350	23,190	23,190	23,190	23,190
	EMPLOYEE SUB TOTAL	3,933,000	4,016,490	83,490	3,947,070	3,853,060	3,893,110	3,932,220
211	REPAIRS AND MAINTENANCE	60,880	58,440	(2,440)	58,720	59,010	59,300	59,600
212	ENERGY COSTS	125,710	133,680	7,970	136,350	139,080	141,850	144,690
214	RATES	124,240	125,590	1,350	128,100	130,660	133,280	135,940
215	WATER SERVICES	7,660	9,820	2,160	10,020	10,220	10,430	10,640
217	CLEANING AND DOMESTIC	3,630	4,000	370	4,040	4,040	4,040	4,040
219	CONTRIBUTION TO FUNDS	177,550	147,250	(30,300)	147,250	147,250	147,250	147,250
315	CAR ALLOWANCES	37,090	35,310	(1,780)	35,780	36,230	36,720	37,210
411	EQUIPMENT AND FURNITURE	12,450	11,860	(590)	12,040	12,230	12,420	12,610
412	MATERIALS	240	200	(40)	200	200	200	200
421	INTERNAL	0	290	290	290	290	290	290
431	CLOTHING AND UNIFORMS	1,040	1,050	10	1,060	1,070	1,080	1,090
441	GENERAL OFFICE EXPENSES	86,170	89,370	3,200	89,390	89,410	89,430	89,450
451	CONTRACTUAL	301,920	406,220	104,300	371,670	337,200	341,300	345,490
452	OTHER SERVICES	272,810	217,310	(55,500)	214,100	210,910	211,470	212,140
461	COMMUNICATIONS AND COMPUTING	484,640	526,680	42,040	535,410	544,310	554,110	564,090
471	STAFF	15,610	15,830	220	15,870	15,910	15,950	15,990
472	MEMBERS	220,440	221,600	1,160	223,820	226,060	228,320	230,600
473	CHAIRMAN	10,180	10,180	0	10,180	10,180	10,180	10,180
482	SUBSCRIPTIONS	38,750	39,570	820	40,250	40,940	41,640	42,360
491	INSURANCE	96,120	89,440	(6,680)	93,490	94,800	97,330	99,310
493	OTHER	243,400	195,890	(47,510)	196,530	197,190	197,860	198,540
496	CAPITAL	500	500	0	500	500	500	500
611	HOUSING BENEFIT PAYMENTS	27,919,440	25,131,390	(2,788,050)	25,131,390	25,131,390	25,131,390	25,131,390
811	LOANS POOL	1,040	980	(60)	980	980	980	980
817	DEBT MANAGEMENT EXPENSES	10	10	0	10	10	10	10
	RUNNING EXPENSES SUB TOTAL	30,241,520	27,472,460	(2,769,060)	27,457,440	27,440,070	27,467,330	27,494,590
911	Government Grants	(28,234,490)	(25,311,370)	2,923,120	(25,311,370)	(25,311,370)	(25,311,370)	(25,311,370)
922	Contributions From Other Las	(165,660)	(204,410)	(38,750)	(183,870)	(165,140)	(165,140)	(165,140)
928	Recharge Non Gf Accounts	(685,560)	(901,260)	(215,700)	(859,420)	(823,840)	(823,690)	(822,230)
931	Sales	(1,500)	(1,500)	0	(1,500)	(1,500)	(1,500)	(1,500)
932	Fees And Charges	(364,500)	(377,000)	(12,500)	(377,000)	(377,000)	(377,000)	(377,000)
933	Rents	(132,740)	(134,870)	(2,130)	(135,960)	(137,080)	(138,220)	(139,390)
939	Other Receipts	(234,310)	(251,830)	(17,520)	(251,830)	(251,830)	(251,830)	(251,830)
	INCOME SUB TOTAL	(29,818,760)	(27,182,240)	2,636,520	(27,120,950)	(27,067,760)	(27,068,750)	(27,068,460)
	COMMITTEE	4,355,760	4,306,710	(49,050)	4,283,560	4,225,370	4,291,690	4,358,350

2016/17 REVENUE BUDGET TIMETABLE				APPENDIX C
Action	Base Budget & General Principles of Budget	Draft Budget	Draft Final Budget	Final Budget Approval & Council Tax Setting
Base budget & general principles of budget				
Budget workshop for Members and/or presentations to Groups				
Business Manager presentation				
Support Services – agree basis for recharging		11 th September 2015		
Working Papers Issued to Budget Officers		Last date 20 th July 2015		
		Budget developed with Heads of Service, Business Managers, Committee Chairs & Opposition Spokespersons		
First draft of treasury estimates based on capital programme reported to September Policy & Finance Ctte.		First week of October		
Draft budgets complete – no support services allocated	30 th September 2015	30 th September 2015		
Budgets uploaded to eFinancials	6 th to 8 th October			
Co-ordination and review of first draft budget and reports prepared.	12 th – 16 th October			
First draft of budget		Economic Development Committee 25 th November 2015 (papers 04/11/15) Leisure & Environment Committee 24 th November 2015 (papers 5/11/15) Homes & Communities Committee 30 th November 2015 (papers 05/11/15) Policy & Finance Committee	Policy & Finance Committee 3 rd December	

		3 rd December 2015 (papers 11/11/15)	2015 (papers 11/11/15) 1/15)	
Final treasury estimates completed based on capital performance reported to December Policy & Finance			By end of December	
Support services allocated and uploaded to eFinancials	There may be late changes if Policy & Finance refer budgets back to Committees or change their own budget	23 rd to 27 th November		
Final Committee budgets approved for consideration by Policy Committee 25 th February 2016			<p>Economic Development Committee 6th January 2016 (papers 09/12/15)</p> <p>Homes & Communities Committee 18th January 2016 (papers 22/12/16)</p> <p>Leisure & Environment Committee 26th January 2016 (papers 07/01/16)</p> <p>Policy & Finance Committee 28th January 2016 (papers 06/01/16)</p>	
Housing Revenue Account Budget and rent setting report				Policy & Finance Committee 28 th January 2016 to make comments to Council on 9 th February 2016 for approval. (Papers complete by 06/01/16)
Council Tax Discounts Scheme determined				Council 16 th December
Council Tax Base				Officer Decision determined between 1 st December and 31 st January

Revenue Budget Setting				Policy & Finance 25 th February 2016(papers 03/02/16)
Parish Council Precept information received			(up to) 29 th February 2016	
Council Tax setting				Council 10 th March 2016 (papers 02/03/16)

NEWARK AND SHERWOOD DISTRICT COUNCIL

CORPORATE CHARGING POLICY

Revised: July 2015

Date of next revision: July 2016

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- 6. Calculation of Charges**
- 7. Concessionary Charges**
- 8. Discounts**
- 9. Use of Market Intelligence**
- 10. Further Guidance**

1. Introduction

This Policy applies to external fees and charges other than those prescribed by the government. It provides a guide to internal charging arrangements but is subject to CIPFA's 'Best Value Accounting Code of Practice' and has regard to the Audit Commission's publication "*Positively Charged*".

It is not intended to apply to the disposal of Council assets, rents, internal charges or rechargeable works, nor will it apply where charges are governed by statutory regulation or guidance.

The Policy does apply if we have discretion, but not if there is a prescribed fixed charge.

Over the period of the Medium Term Financial Plan services will align their charges and processes with this policy.

This policy must be read in conjunction with the other related Council policies and strategies, including Financial Regulations, Equalities Policy, VFM Strategy, Corporate Plan.

If after reading this Code you require further guidance or clarification, or you are not sure how best to comply with the Policy then please contact your Business Manager or the Director of Resources.

2. Purpose of the Policy

To establish a policy within which fee and charge levels will support the Medium Term Financial Strategy and Corporate Plan; and,

To encourage a consistent approach to the setting and reviewing of charges for services provided by Newark and Sherwood District Council by:

- specifying the processes and frequencies for reviewing existing charging levels or introducing new charges for areas of the council's work for which charges could in principle be set;
- providing guidance on the factors that need to be taken into consideration when charges are reviewed on an annual basis;
- establishing parameters for calculating different levels of charges;
- recommending the criteria for applying concessions or discounted charges on a consistent council wide basis;
- requiring more active use of market intelligence relating to different services.

3. Processes and Frequencies for Reviewing Charges

The following arrangements for reviewing charges will be applied throughout all areas of the Council where charges for services already exist or could in principle be set:

- all discretionary charges will be considered and approved by Council as part of the Budget and Council Tax setting process in March of each year.

- a major review of each business unit's charging strategy will take place at least once every three years to ensure consistency with the council's priorities, policy framework, service aims, market sensitivity, customer preferences, and income generation needs, and the justification for any subsidy that the council as a whole makes to the service.
- annual reviews will be carried out for all of these services as part of the budget process, and shall have regard for the budget strategy approved in September each year.
- where fees are not to be increased or are proposed to be increased below inflation, this must be reported to CMT by the budget officer clearly stating the financial implications and budget shortfall before the deadline for completion of the revenue budget.
- these formal reviews will be overseen by the appropriate Director.
- where decisions on fees and charges, including any concessions or discounts, are taken outside the budget process approved by CMT and Policy and Finance Committee, any proposals must have due regard to the Medium Term Financial Plan.

4. Factors Relevant to the Annual Review of Charges

Annual reviews of charges will consider the following factors:

- a. inflationary pressures generally and input costs specific to the service;
- b. any statutory framework relating to the service
- c. the actual or potential impact of any competition in terms of price or quality;
- d. trends in user demand and the forecast effect of price changes;
- e. equality and access to services;
- f. customer survey results;
- g. benchmarking results;
- h. council wide and service budget targets;
- i. cost structure implications arising from developments such as investments made in the service;
- j. consistency with other charges;
- k. alternative charging structures that could be more effective;
- l. validity of continuing any concessions;
- m. proposals for targeted promotions during the year, and evaluation of any that took place in the previous year;
- n. where less than the full cost is being recovered (including nil charges), the justification for the decision is reviewed and documented to ensure that this decision remains valid and that significant income is not being lost.

5. Processes for Setting Charges for New Sources of Income

All Business Managers should explore new business opportunities with a view to generating additional income.

All guidance in this Policy must be considered when setting new fees and charges.

A business plan must be prepared.

Any potential new income streams will need to be approved by CMT and Policy and Finance Committee.

The setting of the fees and charges must be made in accordance with the current VAT regulations.

The proposed billing and recovery administrative process must be agreed with the S151 officer prior to the charges being implemented.

A central record will be maintained by the relevant Business Manager of any decisions made not to charge for a service where a charge could be made.

6. Calculation of Charges

Charges will apply to all users, and will be set at a level to maximise take-up and income targets and wherever possible covering or exceeding the full cost of providing the service in question.

It is the responsibility of the Business Manager to ensure that the proposals comply with the appropriate legal framework and any legal restrictions. Advice should be taken from the Council's Legal section before any proposal is finalised.

This calculation of full cost should be based on the direct cost of service provision including staff, supplies and services, equipment, premise costs. Overheads and capital asset depreciation charges should be included but consideration may be given to a less than full cost recovery of these elements where inclusion would distort competition.

Where less than the full cost is being recovered, the justification for the decision must be documented and retained by the appropriate Business Manager and clearly state the financial implications and budget shortfall.

All fees and charges must be calculated in accordance with the current V.A.T. regulations.

7. Concessionary Charges

In some circumstances the Council will offer subsidies to all users or concessions to specific user groups where this is consistent with achieving its priorities.

Entitlement to concessionary charges must have regard to equalities legislation and is designed to reduce barriers to participation arising from:

- Age;
- Level of income;
- Family circumstances;
- Health
- Educational circumstances.

Concessions will not apply to retail sales from shops or cafes.

Concessionary charges may also be made available to organisations whose purpose is to assist the Council in meeting specific objectives in its priorities and policy framework, or which contribute to the aims of key local partnerships in which the Council has a leading role.

Concessionary charges should not normally apply to peak times or in situations that would result in the loss of income from customers paying standard charges. Neither would they normally be available to organisations that are based outside of the Council's area other than on a reciprocal basis.

Only one concession can be applied to the standard charge at any given time.

Services wishing to adopt a concessionary charging scheme must demonstrate the scheme is practicable in terms of assessment, collection and evidencing for audit purposes.

8. Discounts

For certain services it will be normal practice to set promotional discounts, Frequent User discounts or group Discounts.

Promotional discounts are defined as short-term charges that are targeted to increase take-up or awareness of the services that are available.

Frequent User discounts are to be used only for commercial reasons such as generating customer loyalty where alternative provision from competitors exists, and where market analysis shows a real risk of reduced income if they are not offered.

Group discounts are to be used to encourage take up by organisations able to block book and Family discounts to encourage parents and children's take up.

Discounts can be applied to both the standard charge and the concessionary charge.

Discounts can only be applied where the Service has received prior approval of the principle to apply a discount to the charge for this service.

9. The Use of Market Intelligence

All managers of discretionary services for which a charge is made should take steps to identify competitors offering similar or related services, and make use of comprehensive and dynamic market intelligence in evaluating:

- their charging strategy;
- the range of services provided;
- the quality of services provided;
- their cost structure.

All managers of services for which a charge is made should consult with customers, relevant partners and stakeholders on the range, quality and cost of services provided prior to the triennial review.

Consultation should also take place with potential customers and target groups to determine improvements needed to encourage participation at least every five years.

Comprehensive and accurate usage statistics will be maintained for all services and at all facilities where charges are made, to enable analysis of usage, justification of any subsidy given by the Council, and accurate forecasting of the effect of price changes on usage.

Benchmarking should be undertaken at least annually regularly with other Councils in the local area and with relevant national groupings of authorities, to ensure that charges are at comparable levels and that significant differences are understood and justified.

10. Further Guidance

Charges should be payable in advance wherever possible or collected by direct debit or through the corporate income system.

All fees/charges must be reported annually to the Financial Services Business Unit as part of the budget process for publishing in the annual budget book.

All fees/charges must be published on the Councils website.

NON PAYMENT OF COUNCIL TAX/NNDR- POLICY & FINANCE COMMITTEE

Council Tax	2015/2016 £	2016/17 £
Summons	£100.00	£80
Liability Order	With summons	With summons

NNDR	2015/2016 £	2016/2017 £
Summons	£125.00	£100
Liability Order	With summons	With summons

COUNCIL'S DRAFT OVERALL REVENUE BUDGET 2016/17 - 2020/21

1.0 Purpose of Report

1.1 To inform the Policy & Finance Committee of the progress to date on the budget for 2016/17 and future years.

2.0 Background Information

2.1 Members will be aware that it is this Council's statutory duty to consider its budget position and the legal precepts made upon it by other precepting bodies (i.e. County, Police and Fire Authorities and Parish Councils) and to set a Council Tax to realise sufficient funds to meet these demands. The Council Tax setting meeting for the Authority is scheduled for 10th March 2016.

2.2 It should be remembered that the part of the overall bill relating directly to Newark and Sherwood District Council is a relatively small proportion of the overall tax payable i.e. in 2015/2016 less than 10%. A typical Band D property being broken down as follows: -

Tax Payable at Band D

	<u>2015/16</u>	
Nottinghamshire County Council	£1,241.14	72.2%
Police Authority	£176.40	10.3%
Fire Authority	£72.44	4.2%
Newark and Sherwood District Council	£160.73	9.4%
Average Parish Council	<u>£67.65</u>	<u>3.9%</u>
	<u>£1,718.36</u>	<u>100%</u>

2.3 This report considers only that part of the overall Tax bill attributable to Newark & Sherwood District Council i.e. the 9.4%.

2.4 At the meeting of Policy & Finance Committee on 10th September 2015, Members considered the preliminary report on the 2016/17 Budget and agreed the overall strategy including the appropriate basis on which the budget should be developed, including salaries, wages, general inflation, debt charges etc.

3.0 Introduction

3.1 Financial Environment

3.1.1 Following the General Election in May 2015, the Government announced an emergency budget in July. This will be followed by a Comprehensive Spending Review, the results of which will be announced at the end of November. It is anticipated that the draft Local Government Finance Settlement will be announced in late December 2015. Although figures have not been announced for Government Grant for future years, the Chancellor has stated that local authorities can expect the same trajectory of cuts to Government Grants to be continued and this has been assumed in the Council's Medium Term Financial Plan (MTFP).

3.1.2 The content of the Comprehensive Spending Review will be known on 25th November and anything of relevance will be reported to the Policy & Finance Committee verbally.

3.2 Savings Already Identified

3.2.1 The 2014/15 outturn position identified sustainable under-spends in service expenditure which will be built into future budgets. These amount to approximately £260,000 per year and have been built into the draft budget figures at **Appendix A**.

3.2.2 Members will be aware that the anticipated savings from Active4Today have not been realised in full for a number of reasons, however, excluding the payment for management of the Southwell Leisure Trust annual savings for 2016/17 are in the region of £234,000 with slight increases in the level of savings in future years.

3.2.3 The savings accrued from devolving services to town and parish councils are in the region of £210,000 which is slightly below amount estimated in the medium term financial plan approved in March 2015. A number of initiatives have taken longer to progress than originally anticipated but discussions continue around further devolution of services.

4.0 Budget Proposals

4.1 A summary of the figures to date is shown at **Appendix A** to this report. It should, however, be clearly understood that the figures shown are first draft only and that a substantial amount of work has yet to be completed before any conclusions can be drawn. The Council continues to consider the current level of service provision and there will be little or no room for service development. It is important that savings that can be identified in the current financial year are realised to ensure maximum flexibility in future years. It is also essential not only to consider the budget for 2016/17 but to give some consideration to the need for further savings in the following years as well.

4.2 Committee Expenditure (Line 8)

4.2.1 Committee expenditure (excluding recharges for central and service management support services and Deferred and Capital Charges) currently shows an overall decrease of £298,740. This figure assumes a 1% increase in salary and wages costs overall in 2015/16 and 2016/17. An average of 2% inflation on expenditure and income, as approved by the Policy & Finance Committee at its meeting on 10th September 2015 is included.

4.3 The Impact of Staffing Costs

Staffing costs account for approximately 56% of the gross service budget (excluding housing benefits) and significant budget savings cannot be achieved without affecting staffing levels.

4.4 Capital Financing and Interest Receivable (Line 9)

Capital Financing is considered together with Interest Receivable. The net cost shows an increase in expenditure for the Council over 2015/16 of around £9,000.

4.5 Contributions from Provisions (Line 13)

The level of provisions and balances is now considered annually to ensure that adequate, but not excessive “reserves” are maintained by the Council.

The £309,910 contribution from reserves in line 13 of the budget summary is made up of a number of reserves which have been set up with a specific purpose – for example the Change Management reserve which includes funding for the Moving Ahead Project. It also includes a £50,000 contribution to the Localism Reserve.

Contributions from balances to support the revenue budget are not sustainable in the long term. Members will need to bear in mind that, unless the necessary savings can be found in 2016/17 it will be necessary either to use balances or to increase the level of Council Tax. Use of balances is a risky strategy as it does not resolve the underlying position.

4.6 Forecast Additional Costs (Lines 17 to 20)

4.6.1 A number of known pressures were identified as part of the long term budget strategy presented to Policy & Finance Committee on 10th September 2015.

4.6.2 The benefit support grant paid to Parishes is in line with the policy determined at Policy & Finance Committee on 19th September 2013. Parish and town councils that received less than £500 grant in 2013/14 ceased to receive grant in further years. For all other parish and town councils, the grant paid in 2013/14 has been reduced to zero over the three financial years 2014/15, 2015/16 and 2016/17.

4.6.3 Pensions auto enrolment is new legislation which means that every employer must automatically enroll workers into a workplace pension scheme. The costs included here assume that 60% of those employees automatically enrolled will remain in the scheme.

4.6.4 Changes to the State Pension will come into force from April 2016. One of these changes is that the rebate to employers for staff who “contract out” of the state second pension will no longer be paid by central government. This is shown in Line 19.

4.6.5 The Actuary has reviewed the position of the Nottinghamshire pension fund as at 31st March 2013. In order to ensure that deficit contributions continue to be made where payrolls may be reducing, the employers’ contributions have been certified differently from previous valuations. The certified rate has always included an element for current service and a deficit contribution (where this has been assessed as required) although these two elements have not previously been separately identifiable. At this valuation, the actuary has certified a percentage rate for current service at 12.5% (to be applied to the payroll of active members in the scheme) plus an annual cash amount to recover deficits. The annual amount shown at line 20 excludes a payment of £260,000 from the Housing Revenue Account in respect of the deficit contribution for those employees formerly charged to the HRA prior to the transfer to Newark and Sherwood Homes. That element of the deficit remains in the NSDC pension fund. The next actuarial review is due in March 2016 and will come into effect in April 2017, therefore the amounts included in the Medium Term Financial Plan for 2017/18 to 2020/21 will be liable to change.

4.6.6 Members are discussing Nottinghamshire County Council's proposals to significantly reduce their former supporting people budgets for prevention of homelessness, It is considered that this Council may work in collaboration with others to allow some of the preventative services to continue. Any expenditure on this can be met from the existing Homelessness Reserve held by the District Council in the short term.

4.7 Projected Savings (Lines 22 - 27)

4.7.1 Savings achieved through setting up Active4Today to manage the Council's leisure facilities have been built into the service budgets in lines 1 – 8. The first phase of devolution (mainly Newark Town Council and public conveniences across the District) has already taken place and is built into the service budgets, however the devolution process is ongoing and it is anticipated that future savings will be achieved, although as yet these cannot be quantified. (See 3.2.2 and 3.2.3)

4.7.3 Work is continuing on the project to integrate the Palace Theatre, National Civil War Centre – Newark Museum and Newark Tourist Information Centre. The revenue savings continue to be worked up, however currently it is estimated that the integration could save something in the region of £115,000 annually (Line 26)

4.7.3 Accommodation Move (Line 27) – this line reflects the current best estimate of reduced running costs and increased income from partners that will be realised when the Council move from Kelham Hall to new efficient premises in Newark.

4.8 Additional Retained Business Rates (Line 30)

4.8.1 The localisation of business rates has led to the Council keeping extra business rates income, over and above what the government deem to be necessary to provide services. The extra amount is forecast to be approximately £900,000 in 2016/17 and future years. However, this amount could be subject to change due to businesses failing, to successful appeals and to the amount of rate relief awarded.

4.8.2 The Council is a member of the Nottinghamshire Business Rates Pool, which benefits the local area by retaining all of the growth in business rates achieved by the members. If the individual councils were not members of the pool, they would each have to pay half of the growth over to central government. The Pool Memorandum of Understanding sets out how the extra income is to be used for the benefit of the local area.

4.8.3 The Government have announced that in future local authorities will be able to retain 100% of business rates, however the detail behind the announcement is not yet clear. The collection of business rates across the country is very uneven and any new system will need to include some element of equalisation and safety net. It is not possible to quantify the impact of the proposed changes for the life of the medium term financial plan.

4.9 Section 31 Grants (Line 31)

4.9.1 Section 31 grants are paid to local authorities to compensate them for lost Non Domestic Rate income where central government changes (e.g. Small Business Rate Relief) impact adversely on the amount of income retained by Councils.

4.10 Savings Required

The Policy & Finance Committee on 10th September 2015 agreed that officers should continue to develop the budget and deliver strategic savings.

A significant number of potential savings have already been identified and built into the budget shown in **Appendix A**. Discussions continue in a number of areas which may impact on the final budget as well as future years.

It cannot be assumed that central government will continue the policy of providing freeze grant.

The level of savings required will change if the draft announcement of the Local Government Settlement for 2016/17 does not reflect the estimates in the budget. It is important to have savings proposals developed should the settlement figure be significantly lower than estimated and these can also be fed into future years plans to mitigate any further cuts in funding.

If Members decide to increase or decrease the level of Council Tax, a 1% change equates to approximately £60,580.

5.0 Revenue Budget Bids 2016/17

5.1 As stated above, Members will be aware that the Council is likely to face severe budgetary challenges over the next four years. As changes to Government funding come into effect and other pressures impact on Local Government spending it is anticipated that further cuts may be applied to Local Government. Consequently, it is not possible for revenue growth bids to be incorporated into the budget for 2016/17 or following years without identifying further savings and/or increasing the level of Council Tax. The budget presented today includes the expansion of the green waste collection services and an increase in the Development business unit establishment to cope with increased volume and complexity of planning applications.

6.0 Capital Programme

6.1 It will also be necessary for the Council to determine the Capital Programme at its meeting in March.

6.2 The second quarter capital monitoring report showing the latest position on approved schemes is considered elsewhere on this agenda.

6.3 The Capital Programme for 2016/17 to 2020/21 will be considered by Policy & Finance Committee on 25th February 2016 for recommendation to Council on 10th March 2016.

7.0 Conclusions

7.1 The figures at this stage in the Budget process require a considerable amount of work before the final budget and levels of Council Tax can be determined. Savings continue to be required in 2016/17 and future years to balance the Council's budget. To enable the work to be carried out in a structured way and to increase the consultative process on the budget the following recommendations are put to the Policy & Finance Committee.

8.0 RECOMMENDATIONS that:

- (a) the overall position on the 2016/17 budget be noted and Members should consider the strategy for achieving a balanced budget in 2017/18 onwards;**
- (b) the Director - Resources make payments to town and parish councils in line with the policy agreed on 26th September 2013 to protect them against the net effect of adverse statutory changes in their Council Tax Base; and**
- (c) the Director - Resources continues to formulate budget proposals for formal consideration at the Policy & Finance Committee Meeting on 25th February 2016.**

Reason for Recommendations

To ensure that the Council's Budget is prepared in accordance with the necessary timescale.

Background Papers

Nil.

For further information please contact D. Dickinson on Extension 5300 or A. Wasilewski on Extension 5738.

David Dickinson
Director - Resources

SUMMARY OF DISTRICT COUNCIL BUDGET REQUIREMENT

A	B	C	D	E	F	G	H
Committee	Estimate 2015/16 £	Estimate 2016/17 £	C-B More (Less) £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £
*NB the figures below exclude support service recharges and capital charges							
1 Economic Development Committee	(12,380)	(148,240)	(135,860)	(193,030)	(161,000)	(82,420)	(80,350)
2 Homes & Communities Committee	1,815,840	2,027,490	211,650	2,029,210	2,041,190	2,037,400	2,059,190
3 Leisure & Environment Committee	4,687,890	4,362,410	(325,480)	4,325,260	4,493,100	4,523,550	4,587,310
4 Policy & Finance Committee	4,355,760	4,306,710	(49,050)	4,283,560	4,225,370	4,291,690	4,358,350
5 Total Service Budgets	10,847,110	10,548,370	(298,740)	10,445,000	10,598,660	10,770,220	10,924,500
LESS							
Central Reversals							
6 Capital Charges Reversal	0	0	0	0	0	0	0
7 Deferred Charges Reversal	0	0	0	0	0	0	0
8 Sub-Total Service Expenditure	10,847,110	10,548,370	(298,740)	10,445,000	10,598,660	10,770,220	10,924,500
ADD							
Centrally Funded Expenditure							
9 Capital Financing (Net of Res Cap Rec Int)	307,000	316,000	9,000	319,400	268,510	233,530	336,510
10 FRS 17 Pensions Adjustment	198,360	200,340	1,980	202,340	204,360	206,400	208,460
11 Drainage Levy	491,020	499,920	8,900	508,760	517,750	526,900	537,440
12 Sub-Total All Expenditure	11,843,490	11,564,630	(278,860)	11,475,500	11,589,280	11,737,050	12,006,910
LESS							
Centrally Funded Income							
13 Contributions from/(to) Reserves	(170,150)	309,910	480,060	190,790	89,820	90,050	90,280
14 Council Tax Freeze Grant re 15/16	65,350	0	(65,350)	0	0	0	0
15 Council Tax Freeze Grant re 16/17	0	0	0	0	0	0	0
16 Sub-Total Expenditure Less Income	11,948,290	11,254,720	(693,570)	11,284,710	11,499,460	11,647,000	11,916,630
ADD							
Forecast additional costs							
17 Benefit support grant paid to Parishes	128,520	64,310	(64,210)	0	0	0	0
18 Pensions Auto Enrolment	170,000	170,000	0	170,000	170,000	170,000	170,000
19 National Insurance changes	0	230,000	230,000	230,000	230,000	230,000	230,000
20 Pensions backfunded element	805,000	929,000	124,000	929,000	929,000	929,000	929,000
21 NSDC BUDGET REQUIREMENT	13,051,810	12,648,030	(403,780)	12,613,710	12,828,460	12,976,000	13,245,630
LESS							
Projected Savings							
22 Leisure Commissioning	250,000	0	(250,000)	0	0	0	0
23 Devolution	260,000	0	(260,000)	0	0	0	0
24 Collaboration	50,000	0	(50,000)	0	0	0	0
25 Accommodation Move	0	0	0	395,000	500,000	510,000	510,000
26 Integration of the Palace Theatre & NCWC	0	115,000	115,000	115,000	115,000	115,000	115,000
27 NSDC ADJUSTED BUDGET REQUIREMENT	12,491,810	12,533,030	41,220	12,103,710	12,213,460	12,351,000	12,620,630
28 Formula Grant	2,623,636	1,641,110	(982,526)	1,229,100	808,870	381,720	0
29 Retained Business Rates	3,337,986	3,433,320	95,334	3,502,000	3,572,030	3,641,980	3,714,820
30 Business Rate growth	620,000	900,000	280,000	900,000	900,000	900,000	900,000
31 Section 31 Grants	0	400,000	400,000	400,000	400,000	400,000	400,000
32 NET CALL ON THE COLLECTION FUND	5,910,188	6,158,600	248,412	6,072,610	6,532,560	7,027,300	7,605,810

CAPITAL PROGRAMME MONITORING TO 31ST OCTOBER 2015

1.0 Purpose of Report

- 1.1 To enable Members to monitor the progress of the overall capital programme since the last progress report on 10th September 2015. The current five year programme was approved by Council on 10th March 2015 and regular reports on progress and variations are required.

2.0 Issues for Consideration

- 2.1 **Appendix A** lists all the current schemes with expenditure to date against the latest budget approved by Policy & Finance Committee on 10th September 2015. Variations to the programme since the last report are summarised in **Appendix B** and the consequent overall financing position is shown at **Appendix C**.

3.0 Performance Commentary

3.1 Housing Services

- The spending on the Council's housing stock is in line with the original budget put forward by Newark & Sherwood Homes and approved by the Council as part of the HRA Business Plan.
- Funding has been reallocated from generic budget headings to specific schemes as needs have been identified. Some of which are not yet reflected in the expenditure figures and NSH officers are confident that the current objectives for the property investment programme will be achieved.
- All schemes within the Affordable Housing 2015 – 18 Programme have commenced on site and a grant claim has been submitted to the HCA to start the drawdown of funds.

3.2 General Fund

- The New Leisure Centre is currently progressing as per the timetable, with an estimated handover date of April 2016.
- The National Civil War Centre original project is nearing completion. A sum of £155k has been approved for improvements to the museum with updates to be brought to future meetings.
- The Palace Theatre has opened for shows, and work continues on the Box Office area in preparation for the integration with the National Civil War Centre.
- Planning Committee recently approved the plans for the new offices. Tenders are due early in December.
- A new scheme has been added in 2016/17 for frontage improvements to the Council's Workshops. The replacement frontages will enhance the quality of the Council's workshops and ensure that they continue to provide good quality facilities to our customers and their visitors.
- Commitments for replacement vehicles and plant exist as vehicles are initially bought outright prior to a case by case evaluation of the most advantageous method of financing.

4.0 RECOMMENDATION

That the variations listed in Appendix B are approved and the Programme shown in Appendix C be accepted as the latest approved Capital Programme.

Reason for Recommendation

To enable the Capital Programme to be amended to reflect changes to resources available and better clarity of the cost and phasing of projects.

Background Papers

Nil

For further information please contact Jenna Norton (Accountant) on extension 5327.

David Dickinson
Director – Resources

SCHEME	Approved Budget @ Sept 15	Latest Estimate	Committed to Date	Difference
HOUSING REVENUE ACCOUNT				
PROPERTY INVESTMENT PROGRAMME				
S91100	670	670	0	-670
S91107	7,970	7,970	7,375	-595
S91108	302,400	302,400	280,000	-22,400
S91109	81,000	81,000	75,000	-6,000
S91110	147,960	147,960	137,000	-10,960
S711	540,000	540,000	499,375	-40,625
S91200	0	0	0	0
S91213	1,296,000	1,296,000	1,000,000	-296,000
S91214	324,000	324,000	300,079	-23,921
S712	1,620,000	1,620,000	1,300,079	-319,921
S91300	95,290	-1,910	0	1,910
S91314	0	0	0	0
S91327	140,400	189,000	131,280	-57,720
S91328	140,400	189,000	133,852	-55,148
S91329	270,000	270,000	211,763	-58,237
S713	646,090	646,090	476,895	-169,195
S91400	0	0	0	0
S91410	183,600	183,600	156,228	-27,372
S714	183,600	183,600	156,228	-27,372
S91500	45,040	6,190	0	-6,190
S91510	5,400	5,400	4,453	-947
S91511	54,000	54,000	2,780	-51,220
S91512	3,560	4,100	3,792	-308
S91513	0	22,680	20,889	-1,791
S91514	0	4,210	2,400	-1,810
S91515	0	1,930	0	-1,930
S91516	0	8,530	7,880	-650
S91517	0	960	855	-105
S715	108,000	108,000	43,049	-64,951
S93100	0	0	0	0
S93109	594,000	594,000	537,281	-56,719
S93110	86,400	86,400	0	-86,400
S731	680,400	680,400	537,281	-143,119
S93500	0	0	0	0
S93507	594,000	594,000	563,569	-30,431
S735	594,000	594,000	563,569	-30,431
S93600	502,200	145,800	0	-145,800
S93610	0	162,000	0	-162,000
S93611	0	32,400	0	-32,400
S93612	0	162,000	0	-162,000
S736	502,200	502,200	0	-502,200
S95100	108,000	108,000	0	-108,000
S95109	27,540	27,540	27,526	-14
S751	135,540	135,540	27,526	-108,014
S95200	103,550	59,270	0	-59,270
S95233	1,910	1,910	1,897	-13
S95250	21,600	21,600	19,909	-1,691
S95252	10,800	10,800	0	-10,800
S95253	27,000	27,000	4,687	-22,313
S95254	162,000	162,000	80,000	-82,000
S95268	37,800	37,800	34,982	-2,818
S95269	6,070	6,070	5,548	-522
S95270	115,560	115,560	106,551	-9,009
S95271	11,880	11,880	11,000	-880
S95272	37,800	37,800	35,000	-2,800
S95273	0	38,880	35,823	-3,057
S752	535,970	530,570	335,397	-195,173
S97100	0	0	0	0
S97109	32,400	32,400	30,182	-2,218
S97110	75,600	75,600	70,123	-5,477
S771	108,000	108,000	100,305	-7,695
S97200	54,000	15,280	0	-15,280
S97212	0	37,800	35,000	-2,800
S97213	0	920	0	-920
S772	54,000	54,000	35,000	-19,000

S97300	DDA IMPROVEMENTS	0	0	0	0
S97306	DDA 15/16 Rookwood,Eastfield,Wm Bailey	21,600	27,000	14,490	-12,510
S773	DDA IMPROVEMENTS	21,600	27,000	14,490	-12,510
S97400	DISABLED ADAPTATIONS	0	0	0	0
S97409	Care Plans 15/16	399,600	399,600	333,803	-65,797
S97410	OT's 15/16	32,400	32,400	30,612	-1,788
S774	DISABLED ADAPTATIONS	432,000	432,000	364,415	-67,585
S97500	LEGIONELLA	0	0	0	0
S97501	Legionella 2015/16	16,200	16,200	15,000	-1,200
S791	UNALLOCATED FUNDING	16,200	16,200	15,000	-1,200
S99100	UNALLOCATED FUNDING	54,000	54,000	0	-54,000
S99101	Grant Income	-25,278	-25,278	-26,939	-1,661
S791	UNALLOCATED FUNDING	28,722	28,722	-26,939	-55,661
	SUB TOTAL PROPERTY INVESTMENT	6,206,322	6,206,322	4,441,670	-1,764,652
AFFORDABLE HOUSING					
SA1013	25 supported dwellings - Bilsthorpe	45,150	45,150	-11,186	-56,336
SA1015	Affordable Rural Housing Grant	260,000	260,000	0	-260,000
SA1016	Site A - Wolfit Avenue, Balderton	273,777	273,777	250,838	-22,939
SA1017	Site B - Wolfit Avenue, Balderton	313,619	313,619	291,012	-22,607
SA1018	Coronation Street/Grove View Rd, Balderton	645,999	645,999	598,213	-47,786
SA1019	Lilac Close	658,585	658,585	623,272	-35,313
SA1020	Second Avenue, Edwinstowe	427,969	427,969	393,844	-34,125
SA1030	HRA Site Development	150,000	150,000	2,000	-148,000
		2,775,099	2,775,099	2,147,993	-627,106
	SUB TOTAL HOUSING REVENUE ACCOUNT	8,981,421	8,981,421	6,589,663	-2,391,758
HOUSING GENERAL FUND					
TF6011	Private Sector Disabled Facilities Grants	469,695	469,695	128,323	-341,372
		469,695	469,695	128,323	-341,372
	TOTAL HOUSING REVENUE ACCOUNT	9,451,116	9,451,116	6,717,986	-2,733,130
GENERAL FUND					
TA1211	Newark, New Leisure Centre	7,251,659	7,251,659	6,427,453	-824,206
TA1214	Leisure Centre Access Road Enhancement	197,025	197,025	0	-197,025
TA3050	National Civil War Centre	1,254,880	1,254,880	1,144,532	-110,348
TA3051	Newark Civil War Town Trail	64,893	64,893	64,828	-65
TA3052	Palace Theatre/Museum Integration	1,555,238	1,555,238	1,151,048	-404,190
TA3053	Museum Improvements	750,000	155,000	5,500	-149,500
TA3286	Information Technology Investment	54,946	54,946	54,946	0
TA	CUSTOMERS	11,128,641	10,533,641	8,848,307	-1,685,334
TB2250	Vehicles & Plant (NSH)	17,000	0	0	0
TB2253	Vehicles & Plant (NSDC)	1,266,749	1,266,484	1,256,298	-10,186
TB3057	Maun Valley Phase II	2,774	2,774	0	-2,774
TB3154	Castle Gatehouse Project	60,000	60,000	0	-60,000
TB3158	Hawtonville School Playing Field	23,123	23,123	0	-23,123
TB3159	Humberstone Road Open Space, Southwell	575	575	0	-575
TB3252	Newark Castle Essential Works Ph I	9,132	9,132	8,532	-600
TB3263	Sconce & Devon Park Restoration Ph II	29,967	29,967	10,988	-18,979
TB6145	Grant to Farndon Sports Pavilion	14,650	14,650	0	-14,650
TB6147	Contribution to Cycle Route Improvements	7,634	7,634	0	-7,634
TB	COMMUNITY	1,431,604	1,414,339	1,275,818	-138,521
TC1000	New Council Offices	2,221,925	2,221,925	406,569	-1,815,356
TC2280	Ollerton Hall acquisition and works	288,081	288,081	1,305	-286,776
TC3017	Workshop Frontage Improvements	0	0	0	0
TC3132	20 Baldertongate Repairs	11,500	14,800	14,090	-710
TC3282	Energy Saving Proposals	0	0	0	0
TC	RESOURCES	2,521,506	2,524,806	421,964	-2,102,842
TE3110	Newark Signage Strategy	108,624	108,624	108,624	0
TE3266	Growth Point (Grant Funded)			0	0
	Growth Point (Internally Funded)	449,121	449,121	0	-449,121
TE3267	Rural Broadband Provision	165,000	165,000	165,000	0
TE3268	Southern Link Road Contribution	2,500,000	2,500,000	0	-2,500,000
TE	GROWTH	3,222,745	3,222,745	273,624	-2,949,121
TF3161	Balderton land drainage	9,105	9,105	0	-9,105
TF3220	Major Flood Alleviation	150,000	150,000	0	-150,000
TF3222	Works to Wellow Green Hostel	68,056	68,056	26,273	-41,783
TF	SAFETY	227,161	227,161	26,273	-200,888
	TOTAL GENERAL FUND	18,531,657	17,922,692	10,845,986	-7,076,706
	TOTAL PROGRAMME	27,982,773	27,373,808	17,563,972	-9,809,836

CAPITAL PROGRAMME VARIATIONS 2015/16 TO 2019/20

Journal 1 HOUSING SERVICES

Scheme No.	Scheme and Reason for Adjustment	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
S91300	EXTERNAL FABRIC	-97,200				
S91327	Ext Fab & Paint 15/16 Area 1	+48,600				
S91328	Ext Fab & Paint 15/16 Area 2	+48,600				
S91500	OTHER STRUCTURAL	-38,850				
S91512	14/16 Churchill Drive major structural works	+540				
S91513	Pump Station Fencing	+22,680				
S91514	Pump Station Blower Renewals	+4,210				
S91515	Delacy Court Door Panel Renewals	+1,930				
S91516	Finlock Gutters Devon Rd	+8,530				
S91517	Potwell Close Cill Repairs	+960				
S93600	ENERGY EFFICIENCY	-356,400				
S93610	EE Boiler Replacements 2015/16	+162,000				
S93611	Voltage Optimisation	+32,400				
S93612	Energy Efficient Doors 2015/16	+162,000				
S95200	ENVIRONMENTAL WORKS	-44,280				
S95273	H517 The Circle, Clipstone	+38,880				
S97200	FIRE SAFETY	-38,720				
S97212	Fire Doors Kings Court	+37,800				
S97213	Fire Alarm Replacement	+920				
S97306	DDA 15/16 Rookwood, Eastfield, Wm Bailey	+5,400				
S95109	Garages		-27,000	-27,000	-27,000	-27,000
S95200	ENVIRONMENTAL WORKS		+27,000	+27,000	+27,000	+27,000
	<i>Reallocation of funding within existing budgets</i>					
	NET ADJUSTMENT TO OVERALL PROGRAMME EXPENDITURE	0	0	0	0	0

Journal 2 GENERAL FUND

Scheme No.	Scheme and Reason for Adjustment	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
TA3052	Museum Improvements <i>Following P&F on 5th Nov 15, reduce £750k to £155k with further updates to follow</i>	-595,000				
TB2250	Vehicles & Plant (NSH)	-17,000				
TB2253	Vehicles & Plant (NSDC)	-265				-1,019,000
TA3286	Information Technology Investment <i>Re-phasing of asset replacement programme</i>		-270			
TC3017	Workshop Frontage Improvements <i>Capital bid approved by CMT (update due to next ED Cttee)</i>		+111,100			
TC3032	20 Baldertongate Repairs <i>Additional allocation to cover unforeseen expenses</i>	+3,300				
	NET ADJUSTMENT TO OVERALL PROGRAMME EXPENDITURE	-608,965	+110,830	0	0	-1,019,000

Journal 3 FINANCING

Scheme No.	Scheme and Reason for Adjustment	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
	Net Internal and External Borrowing Approval	-17,265	-270			-1,019,000
	Government Grants					
	Contributions from Third Parties	+3,300				
	Capital Receipts					
	Capital Reserve	-595,000	+111,100			
	Revenue Support					
	NET VARIATION TO CAPITAL FINANCING	-608,965	+110,830	0	0	-1,019,000

OVERALL CAPITAL PROGRAMME 2015/16 TO 2019/20

	TOTAL	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
COMMITTED SCHEMES EXPENDITURE						
Housing Services	36,203	9,451	7,115	6,859	6,389	6,389
Other Services	27,671	17,923	6,658	736	1,240	1,114
TOTAL GROSS COMMITTED CAPITAL PROGRAMME EXPENDITURE	63,874	27,374	13,773	7,595	7,629	7,503
CAPITAL EXPENDITURE FINANCING						
Net Internal/External Borrowing Approval	9,093	2,470	5,056	458	0	1,109
Government Grants	6,946	5,086	465	465	465	465
Contributions from Third Parties	3,177	3,177	0	0	0	0
Community Infrastructure Levy	0	0	0	0	0	0
Usable Capital Receipts Brought Forward from previous Year	23,102	2,699	2,316	2,210	8,483	7,394
Usable Capital Receipts in Year	12,544	5,559	147	6,546	146	146
Usable Capital Receipts Carried Forward to next Year	-27,943	-2,316	-2,210	-8,483	-7,394	-7,540
Capital Reserve	5,802	4,170	1,605	9	9	9
Housing Services Revenue Support	31,153	6,529	6,394	6,390	5,920	5,920
TOTAL RESOURCES AVAILABLE IN YEAR	63,874	27,374	13,773	7,595	7,629	7,503
NET RESOURCES BEFORE ALLOWING FOR EARMARKED FUNDS	0	0	0	0	0	0

HOUSING GROWTH

1.0 Purpose of Report

- 1.1 To appraise Members of the Committee with the progress being made on taking forward priorities of the housing growth plan for the Council within the context of the Housing Revenue Account Business Plan (HRA BP) and on the proposal to deliver market housing through the General Fund (GF) by way of a development company or similar vehicle.

2.0 Background Information

HRA

- 2.1 The Council's Policy Committee at its meeting on 3rd July 2014 resolved to approve the report (*Agenda Item No.15*) that outlined the development of a housing growth strategy for the Council against the background of maintaining a viable HRA BP. The report set out the key strategic context and financial considerations that needed to be taken into account in determining the Council's strategy.
- 2.2 The report also detailed the financing options available and delivery mechanisms that could secure housing growth opportunities over a short, medium and long term development programme, set against an assessment criteria, that would deliver both new affordable and open market homes across the district.

General Fund

- 2.3 As well as the traditional HRA direct delivery opportunities, mechanisms also exist for the development of new homes (including market housing) through different vehicles. This is particularly relevant when considering some of the constraints that continue to operate for the HRA – constraints which include the type of housing that can be delivered as dictated by the 1988 Housing Act and borrowing restrictions. In considering a GF development vehicle further factors include:
- a) The opportunity to develop the GF and HRA allocated sites for housing, identified in the Council's 'Allocation & Development Management – Development Plan Document' to meet delivery of the overall housing target number. (*Such sites could deliver in excess of 500 units, being both market and affordable.*)
 - b) Council intervention where the 'market' does not deliver, e.g. smaller market homes and market rented units.
 - c) Income generation through the creation of a Council Development Company or similar vehicle, which could yield a medium to long term investment return for the GF.
 - d) Potential to consider commercial development opportunities.

Housing Growth to date

- 2.4 Over the last 5 years the Council and Newark and Sherwood Homes have developed effective working arrangements which minimise the duplication of resource and gained significant development experience that has yielded considerable success in delivering housing growth, as identified at **Appendix A**.

3.0 National Policy

3.1 Further to the publication of the Housing & Planning Bill and Welfare Reform & Work Bill officers are continuing to assess the impact of the following Policy areas:

- 4 year 1% rent reduction – Implementation April 2016
- Pay to Stay – expected implementation April 2017
- High Value Council houses - expected implementation April 2017
- Ending of life time tenancies - expected implementation April 2017
- Introduction of Right to Buy to Housing Association properties.

3.2 Consideration will also need to be given to the impact of the spending review and autumn statement, due to be announced on 25th November 2015.

3.3 Due to the status of the above policies, that currently lack specific detail around implementation frameworks, initial scenarios are being assessed but based on a range of financial assumptions. This is set against the requirement to maintain a viable HRA BP.

3.4 Currently, this presents key challenges for the Council in being able to appropriately assess the ability of the HRA BP to deliver both its strategic housing priorities, including a programme of Council HRA housing growth, and in maintaining the current management and maintenance standards.

3.5 The Housing & Planning Bill also introduces the concept of 'Starter Homes', (*new homes available for first time buyers under 40 at 20 per cent less than the market value, with an initial price cap at £450,000 in London and £250,000 outside*).

3.6 Here Councils will have a duty to promote Starter Homes, with an option for the Government to introduce regulations to determine that Councils can only grant planning permission if a specific Starter Home requirement is met. Such a matter will need further consideration should the Council progress the opportunity to create a development company or similar vehicle.

Proposal

3.7 At present detailed appraisal work based on sound financial assumptions cannot be progressed to assess the vehicles that could be used by the Council to deliver housing growth through both the GF and HRA, along with understanding the scale of growth that could be achieved.

3.8 Such work can only be undertaken once clarity is given by Government on the policies set out at paragraph 3.1 and an assessment is made of any 'housing' related announcements that may come from the spending review and autumn statement.

3.9 In this respect a further report will be submitted to the Committee once financial and risk appraisals have been undertaken that fully consider the impact of national policy on delivering housing growth through both the GF and HRA.

4.0 Equalities Implications

4.1 In taking forward Housing Growth initiated by the Council equality implications will be considered and assessed against the delivery of additional housing to ensure the evidenced housing need across all tenures and communities is addressed.

5.0 Impact on Budget/Policy Framework

5.1 Within the contents of the main report all the budgetary and policy framework requirements have been considered.

6.0 RECOMMENDATION

That the report be noted.

Reason for Recommendation

To formulate a housing growth strategy that will contribute to the wider strategic priorities of the Council, meet the evidenced housing need across the district for all tenures and maintain a viable Housing Revenue Account Business Plan.

Background Papers

None

For further information please contact Rob Main (5930).

Karen White
Director – Safety
Newark & Sherwood District Council

HRA Housing Growth Delivery & Opportunities @ November 2015	No. of units	Progress	Comments
Delivered			
25 2 bed HRA bungalows at Scarborough Road, Bilsthorpe supported by grant funding through the 1 st phase of the HCA's Care and Support Specialised Housing Fund. 9 units have been designated as 'extra care' for direct nomination by the County Council.	25	✓ Delivered	Completed March 2015
In Progression			
32 1 and 2 bed HRA apartments are being developed on a total of 5 HRA sites in Balderton, Newark & Edwinstowe, supported by grant funding through the HCA's Affordable Homes Programme 2015-18.	32	✓ In development	Anticipated completion Qtr1 2016/17
The Council approved a proportion of capital funding to Nottingham Community Housing Association (NHCA), in addition to HCA grant funding, to deliver 15 affordable housing units in Walesby. <i>(These units will be owned and managed by NCHA).</i>	15	✓ In development	Anticipated completion Qtr1 2016/17
Bid submitted to the HCA's 2 nd phase Care and Support Specialised Housing Fund to develop a 60 unit supported housing/extra care scheme in partnership with Nottinghamshire County Council at Bowbridge Road, Newark.	60	✓ At HCA bid stage.	Outcome of bid now expected to be announced November 2015. Committee approval required to commence scheme.
Barratt Homes development of 88 units at Ash Farm, Farnsfield. 26 affordable homes are being delivered on the site, 10 for shared ownership & 16 for rent. Through the S106 agreement the Council is assessing the feasibility of purchasing the 16 units for rent comprising – 8 x 2 bed houses, 4 x 3 bed houses & 4 x 2 bed bungalows.	16	✓ In process of purchasing	Committee approval given to purchase the 16 rented units. (Price to be paid equates to 40% of open market value.) Target for completion of purchase Dec 2015.

Ongoing appraisal			
The Council is assessing the feasibility of acquiring units from St. Leonards Hospital Trust.	<i>In negotiation</i>	In negotiation	Report presented to this Committee.
The Council is assessing the feasibility of taking an off-site S106 contribution in the form of land (Newark location) and a monetary sum. The land would then be developed for affordable housing.	12 <i>indicative</i>	In negotiation	Committee approval required to commence scheme. Outcome of this activity expected Qtr 4 2015/16.
The Council is assessing the proposal to take 8 S106 affordable housing units in Ollerton for £1. <i>(This is a reduction from the original S106 requirement of 22 on site affordable homes)</i>	8	In negotiation	Outcome of this activity expected Qtr 4 2015/16.
Rural housing programme in partnership with NCHA with sites being looked at in Caunton, North Muskham, Farndon & Lowdham. <i>(All sites/schemes are subject to Parish Council consultation and planning, with the units being owned and managed by NCHA).</i>	<i>TBC</i>	Ongoing programme	Capital contribution may be necessary from the Council to enable the delivery of these rural developments, subject to Committee approval.
Development opportunities on remaining HRA garage sites/redundant land/infill sites.	<i>TBC</i>	Site appraisal assessment completed, work being undertaken to priorities sites for development. Outcome of this activity expected Qtr 3 2015/16.	Capital fund of £500k approved by Committee to enable the identified sites to undergo site investigations, obtain planning permission, etc to enable a development programme to be established over the short to medium term.
Stock acquisition (including Section 106 new build units, Right to Buy buybacks and miscellaneous properties)		Ongoing	Opportunities will be assessed/ reported as and when opportunities arise.
Development of Other facilities (e.g. shops/Community Centre conversions)		Yet to be identified	

Strategic Site Opportunities			
ADM DPD Allocated Site – GF land at Bowbridge Road, Newark	115 <i>indicative: Market & Affordable</i>	HCA bid submitted for 60 units supported housing/extra care scheme on proportion of site adjacent to the new leisure centre.	Development brief prepared for residue of land at Bowbridge Road to deliver market housing. Outcome of this activity expected Qtr 3 2015/16.
ADM DPD Allocated Site – HRA Land Boughton (120 units)	120 <i>indicative: Market & Affordable</i>		Neighbourhood Study to be undertaken
ADM DPD Allocated Site – HRA Land Boughton (25 units)	25 <i>indicative: Market & Affordable</i>		Neighbourhood Study to be undertaken
ADM DPD Allocated Site – Yorke Drive Policy Area (HRA and GF land 230 units)	230 <i>indicative: Market & Affordable</i>		Bridge Ward Neighbourhood Study completed. Revised development brief being prepared.
ADM DPD Allocated Site – Quibells Lane, Newark (HRA & private land – 86 units)	86 <i>indicative: Market & Affordable</i>		Bridge Ward Neighbourhood Study completed
Master Plan – Hawtonville Neighbourhood Study	TBC		Hawtonville Neighbourhood Study will be finalised Qtr. 3 2015.
Strategic Land Acquisition & Development		Ongoing	