



**CABINET**  
**DECISION NOTICE**

Publication Date: 5<sup>th</sup> August, 2016

At a meeting of the Cabinet held on 3<sup>rd</sup> August, 2016 the following matters were discussed. The decisions of Cabinet are set out below each item along with reasons for the decision and other options considered.

**PRESENT:** Councillor Watson (in the Chair)  
Councillors Hyldon-King, James, Patrick and Wheatley.

DN.19 **APOLOGIES FOR ABSENCE**

There was apologies received from Councillor Oxby and Chase for this meeting.

DN.20      **DECLARATIONS OF INTEREST**

Councillor Watson declared a pecuniary interest in DN.26 as a family member was known to use this location.

DN.21      **TREASURY MANAGEMENT REPORT 2015/16**

Cabinet considered a report from the Portfolio Holder for Finance, Resources and Inclusion on the details of treasury management arrangements, activity and performance during 2015/16.

**RESOLVED – That the content of the report and any recommendations from Audit & Governance Committee and makes its own recommendations as necessary to Council in respect of treasury management activity during 2015/16 be considered.**

REASONS FOR DECISION – The Council’s treasury management activity was underpinned by CIPFA’s Code of Practice on Treasury Management (“the Code”), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members were informed of treasury management activities at least twice a year.

OTHER OPTIONS CONSIDERED – The appendix attached details how the composition of counterparties utilised for investments changed over the course of the year as the risk environment altered as a consequence of new legislation.

The borrowing decisions made during the year, as detailed in the appendix, were taken after a review of other options available to us (primarily Public Works Loan Board (PWLB)) and determined to be the best option in terms of value and fit with our projected short-term needs.

DN.22      **PUBLIC HEALTH ANNUAL REPORT 2015-2016**

Cabinet considered a report from the Portfolio Holder for Health, Wellbeing and Adult Social Care on the Public Health Annual Report 2016.

**RESOLVED – That the report be formally published by North East Lincolnshire Council and be widely electronically distributed and promoted. It be recommended that only a very small number of hard copies be produced.**

REASONS FOR DECISION – It was a statutory requirement that all top tier local authorities produce an independent report from their designated chief officer for public health on the health of the local population. The attached report fulfils this requirement for 2015-16.

OTHER OPTIONS CONSIDERED – Members could decide not to actively promote the annual public health report, however it was a statutory responsibility of the local authority to publish the annual report.

DN.23

### **LOCAL TRANSPORT PLAN AND HIGHWAYS STRATEGY**

Cabinet considered a report from the Portfolio Holder for Energy and Environment to proceed with the consultation on the refreshed Local Transport Plan and new Highways Strategy.

#### **RESOLVED –**

- (1) That Officers undertake a period of consultation as outlined below be approved.**
- (2) That a separate report be prepared and submitted for consideration at the Regeneration, Environment and Housing Scrutiny Panel.**
- (3) That a subsequent report to formally adopt the refreshed NEL LTP and new Highways Strategy following the period of consultation be received.**

REASONS FOR DECISION - Effective consultation on the NEL LTP and Highways Strategy would ensure the delivery of two key strategic documents that residents and businesses in North East Lincolnshire have had the opportunity to shape and influence the outcomes of, forming part of the new Local Plan.

OTHER OPTIONS CONSIDERED – If no consultation was undertaken, the residents and businesses within North East Lincolnshire would not have any opportunity to contribute to the strategic approach the Council takes when prioritising investment in the highway and on the transport network. This would cause reputational issues for the Council in the way it would be listening to customers. Therefore, consultation was seen as the most appropriate method of engagement.

DN.24

### **REVIEW OF OPERATIONS AND MAKING WASTE PAY**

Cabinet considered a report from the Portfolio Holder for Energy and Environment and the Portfolio Holder for Safer Communities, Public Protection and the Visitor Economy on the streamlining of the above two projects into one Smarter Neighbourhood Services project

#### **RESOLVED –**

- (1) That the Review of Operations and Making Waste Pay Projects be simplified and streamlined into one project; The Smarter Neighbourhood Services Project with two phases of commissioning.**

- (2) That the Smarter Neighbourhoods Services Project be referred to the Regeneration, Environment & Housing and Safer & Stronger Communities Scrutiny Panels to identify appropriate and refreshed scrutiny arrangements for the project.**
- (3) That the key areas of work identified in the Priority Work Programme at Appendix 1, as set out below, be referred to the Regeneration, Environment & Housing Scrutiny Panel for consideration;**
- a. The re-design of the recycling collection by the reduction of collection frequency of the recycling box collection from weekly to fortnightly with planned implementation as early as possible in 2016.**
  - b. The reduction of the subsidy on garden waste with an increase in the garden waste charges from the current charge of £30 per annum to £35 per annum from 1<sup>st</sup> April 2017**
- (4) That the exploration of a shared service option, where there be shared benefits, particularly in regard to a shared service approach to fleet services and commercial waste collections, be approved in principle and that a further report be received regarding the outcome of negotiations.**

REASON FOR DECISION - The proposals outlined within the report support the Council's key financial objective to achieve efficiency savings. Approval of proposals to re-shape in-house services would contribute to the Council's key financial objective of financial sustainability.

Taking a phased approach would allow the Council additional time to undertake a further commissioning review of longer term delivery options to secure the Council's intended outcomes.

The Weekly Collection Support Scheme increased the frequency of collections of dry recycling from fortnightly to weekly in October 2013 and committed to maintain weekly collections of residual waste until November 2017. The increased frequency of dry recycling collection was expected to deliver an improvement in dry recycling performance.

In 2011/12, prior to the introduction of weekly collections of waste and recycling, recycling performance was at 33.5% including 16.17% dry recycling (not garden waste). In 2013/14 the dry recycling performance was at 16.37% and in 2015/16 was at 17.06%. The increase in frequency of dry recycling collection has not achieved the expected improvement in dry recycling performance and does not represent value for money.

The Weekly Collection Support Scheme funding comes to an end in December 2016, however, the obligation to continue with weekly collections remains in place until November 2017. The Council was able, however, in advance of that date, to review other aspects of the collection methodology in response to emerging budget pressures.

Given that the weekly dry recycling collection has not achieved the expected increase in dry recycling performance, a reduction to a lower collection frequency would reduce the cost per tonne of recycling collected as more material was put out for the fortnightly collection per participating household, making the service more efficient. Fortnightly collections of recycling were provided in North East Lincolnshire Council without issue up until September 2013, so it was expected that a return to the previous recycling collection frequency using existing boxes, will be manageable for residents.

The loss of grant in December 2016 would introduce a budget pressure of £130,000 in 2016/17 and then an annual budget pressure of £870,000 from 2017/18 onwards. Changes in the recycling market has meant a reduction in income achieved for the Council from the sale of collected recycled materials. This introduces another in year budget pressure. This was in addition to the saving target of £2.650m from Neighbourhood Services.

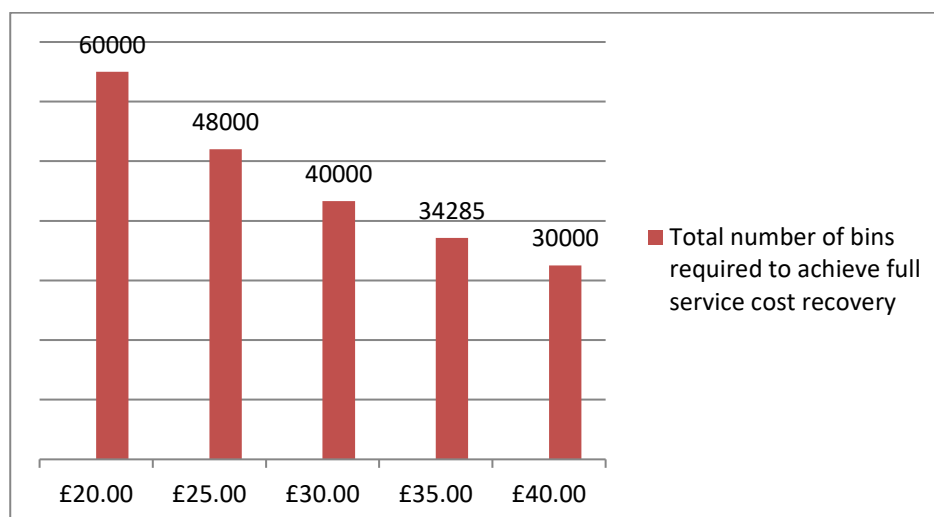
Whilst it was possible to use more of the income from the Newlincs contract extension in 2016/17 to meet the additional budget pressure, this creates additional saving requirements in 2017/18 and future years. As the recycling income shortfall was expected to continue and the loss of grant continues from 2017/18, it was prudent to seek revenue savings which can be realised in this year to bridge the gap rather than to rely on the Newlincs contract income.

The options identified in Appendix 1 of the February 2016 Cabinet Report, consider frequency of collection of recycling and size and type of container. If recycling collection frequencies were reduced and the boxes retained, there was a clear cost saving and minimum capital cost. This takes into account a reduction in recycling performance and recycling tonnage from households which would be mitigated through the provision of additional recycling boxes to households free of charge. Bring sites and recycling centres were also available for residents with extra recycling.

The proposal to reduce recycling collection frequencies from October 2016, was an interim cost saving measure, pending the wider overall re-design of the waste and recycling collection service in 2017/18. The overall design of the residual waste and recycling was still being explored and as yet no decisions have been made, however, these decisions must be taken in 2016/17 to allow adequate time to implement the new waste and recycling collections.

Take up of the charged Garden Waste was on target to achieve the required income so it was a service clearly valued by residents. The proposal to increase the charge from April 2017, further reduces the subsidy for these services. It was expected that given the current level of demand, the proposed increase would still provide a value for money service for the community and helps the Council to work towards total cost recovery. The Garden Waste service was a discretionary service costing £1.2million per year. The charges introduced have reduced that subsidy to £400,000. The proposal to increase the charge was expected to reduce the subsidy by a further £134,000 based on the assumption that 26,700 properties would take up the service at the new level of charge

The current cost of service delivery stands at £1.2 million, chart 1 below indicates the total number of paid for bins that would be required to achieve full cost recovery.



The proposals outlined within the report support the Council's key financial objective of financial sustainability.

**OTHER OPTIONS CONSIDERED - Do nothing option.** This option was rejected as it would not achieve the efficiency savings target required for 2016/17 and beyond. **Alternative Option 1, Delay any return to fortnightly collections of dry recycling until the overall service re-design is decided.** Whilst this option avoids the need to engage with residents twice, delaying the implementation of the new recycling service delays making efficiency savings as early as possible so that longer term, the savings required may increase. **Alternative Option 2, Maintain the current level of garden waste charges.** This option was discounted as the subsidy of the service by the Council would not be reduced.

DN.25

### **EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED - That the press and public be excluded from the remainder of the meeting on the grounds that discussion of the**

following business was likely to disclose exempt information within paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

DN.26

### **IMMINGHAM RESOURCE CENTRE**

Cabinet considered a report from the Portfolio Holder for Finance, Resources and Inclusion on the disposal of the Immingham Resource Centre.

#### **RESOLVED –**

- (1) That the formal tenant be compensated as set out in the report now submitted, in exchange for the surrender of their lease (which benefits from a remaining term of 8 years’) and the vacation of the Immingham Resource Centre;**
- (2) That the full site known as at the Immingham Resource Centre as shown edged red on the attached plan at Appendix One (the “Buildings”) be sold as set out in the report now submitted, subject to the surrender of lease , vacation of the premises (as point 1 above) and obtaining successful planning permission;**
- (3) That should the full site not be agreed in respect to planning and Sport England approval, the reduced site known as Immingham Resource Centre as shown edged red on the attached plan at Appendix Two (the “Buildings”) be sold as set out in the report now submitted, subject to the surrender of lease , vacation of the premises (as point 1 above) and obtaining successful planning permission;**
- (4) That if required by DCLG, the Council act as Guarantor for any grant conditions imposed, on terms to be approved by the Director of Finance, Operations and Resources in consultation with the Portfolio Holder for Finance, Resources and Inclusion;**
- (5) That the Director of Finance, Operations and Resources in consultation with the Portfolio Holder for Finance, Resources and Inclusion be delegated responsibility to ensure that all necessary actions are approved and carried out as detailed above;**
- (6) That the Monitoring Officer be authorised to complete the detailed terms of the disposal and complete all requisite legal documentation in consultation with the Director of Finance Operations and Resources.**

REASONS FOR DECISION - Following a period of open marketing, the Council received three expressions of interest. Two offers were for part

of the site at peppercorn and one for the entire site at market value. It has been considered the best return to the Council is to accept the monetary market offer which will result in disposal and redevelopment of the whole site. As part of achieving this, the Council is required to provide the site with vacant possession and therefore have agreed in principle a financial settlement in return for the surrender of the lease, which has a term remaining of just over eight years.

The decision would result in the conclusion of all matters related to the site and will remove all ongoing revenue expenditure and result in the generation of a capital receipt.

**OTHER OPTIONS CONSIDERED** - The option to do nothing would result in the council being held accountable for all operational costs associated with the site for the remaining term of the lease. This is not considered a viable option as this would result in the loss of a delayed capital receipt. Should a sale not be agreed at this time, the council may also incur subsequent void management or demolition costs.

Alternative accommodation was offered as an alternative to a financial settlement in lieu of the lease surrender. Properties have been both comparable in size and cost for the remaining term. However, the properties offered have not been acceptable. Properties not within the council's ownership and which may be offered in line with the above would take too long to acquire and together with capital expenditure to make the premises fit for purpose would equal or exceed the financial commitment of the recommended option. This option is therefore not viable.

The council could exercise its duty and use compulsory purchase powers which are provided to enable acquiring authorities to compulsorily purchase land to carry out a function which Parliament has decided is in the public interest. Anyone who has land acquired is generally entitled to compensation. A Compulsory Purchase Order (CPO) would be the power of compulsory purchase used in this case, however, there are many stages in executing the order and would in any event result in compensation of some description. The timescale associated with undertaking this process, at the risk of losing a sale and already having agreed a settlement with the tenant, would not make this a viable option.

All other options as to the potential future of the site were considered previously, as set out in the report to cabinet on the 17 June 2015.