

Public Document Pack

Date of meeting Wednesday, 10th July, 2019
Time 2.00 pm
Venue Astley Room - Castle House
Contact Geoff Durham 01782 742222



**NEWCASTLE
UNDER LYME**
BOROUGH COUNCIL

Castle House
Barracks Road
Newcastle-under-Lyme
Staffordshire
ST5 1BL

Cabinet

AGENDA

PART 1 – OPEN AGENDA

- 1 APOLOGIES**
- 2 DECLARATIONS OF INTEREST**
To receive declarations of interest from Members on items included in the agenda.
- 3 MINUTES** (Pages 3 - 6)
To consider the minutes of the previous meeting.
- 4 JUBILEE2 UPDATE** (Pages 7 - 14)
- 5 20 SIDMOUTH AVENUE, NEWCASTLE** (Pages 15 - 20)
- 6 AIR QUALITY MINISTERIAL DIRECTION UPDATE** (Pages 21 - 28)
- 7 NEWCASTLE HOUSING ADVICE SERVICE CONTRACT** (Pages 29 - 34)
- 8 FORWARD PLAN** (Pages 35 - 42)
- 9 URGENT BUSINESS**
To consider any business which is urgent within the meaning of Section 100B(4) of the Local Government Act 1972.
- 10 DISCLOSURE OF EXEMPT INFORMATION**
To resolve that the public be excluded from the meeting during consideration of the following reports, because it is likely that there will be disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972.
- 11 JUBILEE2 UPDATE - CONFIDENTIAL APPENDIX** (Pages 43 - 44)
- 12 20 SIDMOUTH AVENUE, NEWCASTLE - CONFIDENTIAL APPENDICES** (Pages 45 - 72)

13 ATTENDANCE AT CABINET MEETINGS

Councillor attendance at Cabinet meetings:

- (1) The Chair or spokesperson of the Council's scrutiny committees and the mover of any motion referred to Cabinet shall be entitled to attend any formal public meeting of Cabinet to speak.
- (2) Other persons including non-executive members of the Council may speak at such meetings with the permission of the Chair of the Cabinet.

Public attendance at Cabinet meetings:

- (1) If a member of the public wishes to ask a question(s) at a meeting of Cabinet, they should serve two clear days' notice in writing of any such question(s) to the appropriate committee officer.
- (2) The Council Leader as Chair of Cabinet is given the discretion to waive the above deadline and assess the permissibility if the question(s). The Chair's decision will be final.
- (3) The maximum limit is three public questions at any one Cabinet meeting.
- (4) A maximum limit of three minutes is provided for each person to ask an initial question or make an initial statement to the Cabinet.
- (5) Any questions deemed to be repetitious or vexatious will be disallowed at the discretion of the Chair.

Members: Councillors S Tagg (Chair), M. Holland, T. Johnson, P. Northcott, S. Sweeney and J Waring

Members of the Council: If you identify any personal training/development requirements from any of the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Democratic Services Officer at the close of the meeting.

Meeting Quorums :- 16+= 5 Members; 10-15=4 Members; 5-9=3 Members; 5 or less = 2 Members.

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

NOTE: THERE ARE NO FIRE DRILLS PLANNED FOR THIS EVENING SO IF THE FIRE ALARM DOES SOUND, PLEASE LEAVE THE BUILDING IMMEDIATELY THROUGH THE FIRE EXIT DOORS.

ON EXITING THE BUILDING, PLEASE ASSEMBLE AT THE FRONT OF THE BUILDING BY THE STATUE OF QUEEN VICTORIA. DO NOT RE-ENTER THE BUILDING UNTIL ADVISED TO DO SO.

CABINET

Wednesday, 5th June, 2019
Time of Commencement: 2.00 pm

Present:- Councillor Simon Tagg – Chair
Councillors M. Holland, T. Johnson, P. Northcott, S. Sweeney and J Waring
Officers David Adams - Executive Director Operational Services, Geoff Durham - Mayor's Secretary / Member Support Officer, Jan Willis - Interim Executive Director - Resources and Support Services, Martin Hamilton - Chief Executive and Caroline Elwood - Interim Head of Legal / Monitoring Officer

1. **APOLOGIES**

There were no apologies.

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

3. **MINUTES**

Resolved: That, subject to the following amendment, the Minutes of the meeting held on 24 April, 2019 be agreed as a correct record:

Minute item 6, should read:

That the Chief Executive be authorised to enter into a contract by direct award (and inform the Cabinet member for Environment and Recycling), to a known and previously used supplier for the delivery of technical consultancy work required to meet Ministerial Directive relating to Air Quality deadline of 31st October 2019.

4. **NEWCASTLE-UNDER-LYME TOWN CENTRE MARKET**

A report was submitted to Cabinet updating Members on the progress with the review and management of the market in the town centre and seeking authority to progress any actions arising so far.

The Portfolio Holder for Finance and Efficiency, Councillor Stephen Sweeney stated that the market traders were appreciative of the dialogue between themselves and the Council and they were happy to promote the market.

Various ideas had already come forward and some initiatives were being considered.

Members welcomed the report. Councillor Mark Holland drew Members' attention to paragraph 2.4 which outlines the economic benefits. Councillor Paul Northcott stated that the success of the market would impact upon the shops within the town centre as footfall was brought in.

The Leader, and Portfolio Holder for Corporate and Service Improvement, People and Partnerships, Councillor Simon Tagg stated that the market was an important part of the town centre.

Councillor Tagg proposed an additional recommendation (ii) be added which was agreed by Members.

- Resolved:**
- (i) That authority be delegated to the Chief Executive in consultation with the Portfolio Holder to progress with officers and other interested parties a programme of market improvement arising from the National Association of British Market Authorities' review of Newcastle-under-Lyme market.
 - (ii) That progress made on market improvements be fed into the emerging Town Centre Plan.

5. ATTENDANCE MANAGEMENT POLICY

A report was submitted to Cabinet seeking approval of a proposed Attendance Management policy and procedure for the Council.

Councillor Simon Tagg advised Members that they now had a Recognition Agreement with Human Resources. Members' attention was drawn to the document which was appended to the report.

Councillor Sweeney totally supported the policy stating that it was good that a line of communication had been re-established with the Trade Unions

Councillor Holland, the Portfolio Holder for Leisure, Culture and Heritage endorsed the comments made, stating that the proposed policy had been endorsed by the Council's Executive Management Team and the Trade Unions.

Councillor Simon Tagg drew Members' attention to paragraph 4.1, particularly bullet point three, suggesting that 'more simplistic' be amended to 'simplification'.

- Resolved:** That the Attendance Management Policy be approved.

6. MUTUALLY AGREED RESIGNATION SCHEME (MARS)

A report was submitted to Cabinet seeking approval for a proposed Mutually Agreed Resignation Scheme (MARS).

Councillor Simon Tagg stated that this Scheme would give flexibility in a period of change where services were being redesigned.

Members were advised that the Trade Unions were in agreement with this.

- Resolved:** That the Mutually Agreed Resignation Scheme (MARS) be approved.

7. SINGLE USE PLASTICS

A report was submitted to Cabinet updating members on the Council's approach to minimising the use of Single Use Plastics.

The Portfolio Holder for Environment and Recycling, Councillor Trevor Johnson introduced the report stating that this had been highlighted by a Motion which was submitted to Full Council in November, 2018.

Councillor Holland was pleased to see this report and stated that progress had been made in producing a draft Single Use Plastics Strategy. The Strategy would now be referred to the Economy, Environment and Place Scrutiny Committee for comments.

Councillor Simon Tagg advised that, following a letter being sent to the Secretary of State, a reply had been received stating that they were pleased with what the Council was doing.

- Resolved:**
- (i) That the progress to date in preparing a draft Single Use Plastics Reduction Strategy be noted.
 - (ii) That the Economy, Environment and Place Scrutiny Committee be invited to review the Strategy and inform its completion.

8. FINANCIAL AND PERFORMANCE MANAGEMENT REPORT TO END OF QUARTER FOUR (JANUARY-MARCH) 2018-19

A report was submitted to Cabinet providing the Financial and Performance review Report for Quarter Four 2018/19.

Councillor Sweeney introduced the first part of the report, drawing Members' attention to page 79 which outlined the current financial position.

Councillor Simon Tagg introduced the performance part of the report, commencing at page 81 of the agenda. Referring members to ref 1.5, he stated that there had been a number of long term sickness issues which were now resolved.

Reference 1.9 showed the sickness rate as being off target. The new Attendance Management Policy would assist in this area.

Councillor Holland commented on ref 2.1 and 2.2 and praised the volunteers especially those at the Brampton Museum.

Councillor Northcott addressed ref 2.3 and 2.4 stating that the target had not quite been met, due to a reduction in the number of major planning applications being submitted. Staffing was not at full capacity.

Councillor Simon Tagg addressed ref 4.1 to 4.3 stating that the vacancy rate had continued to rise and said that a Town Centre Plan would help to address this.

- Resolved:**
- (i) That the contents of the report be noted and that the recommendation that the Council continues to monitor performance alongside the latest financial information for the same period, be agreed.

- (ii) That the future development of the Financial & Performance report to reflect the vision and priorities of the Council Plan 2018-2022 be supported.

9. FORWARD PLAN

Councillor Simon Tagg stated that this was the first time that the Forward Plan had appeared on the Cabinet agenda. The document could be viewed by the public and showed the pace at which the Administration was moving, into its second year.

Members thanked the Chief Executive, Martin Hamilton for his work on this.

Resolved: That the Forward Plan be noted.

10. URGENT BUSINESS

There was no Urgent Business.

COUNCILLOR SIMON TAGG
Chair

Meeting concluded at 2.33 pm

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE CABINET

Date: 10th July 2019

1. **REPORT TITLE** Jubilee2 Update
- Submitted by:** Executive Director Operational Services-Dave Adams
- Portfolio:** Leisure, Culture & Heritage
- Ward(s) affected:** All

Purpose of the Report

This report addresses three aspects of the operation & performance of Jubilee2: budget deficit; future marketing; and building conditions. Its purpose is to update Members in relation to these matters and proposals to procure ongoing marketing support to ensure the centre is fit for purpose, remains competitive in the local area, and in order remove the budget deficit and operational subsidy.

Recommendations

- That Members receive the information and endorse the approach outlined in this report to address the budget deficit.
- That Members receive the information and endorse the approach outlined in this report to have effective repairs undertaken in the most economically efficient manner and request a further report in relation to the building's latent defects at a future Cabinet meeting.
- That the Executive Director Operational Services is given the authority to enter into a contract to secure a partnership for marketing support with Alliance Leisure for a period of four years.
- That the Executive Director Operational Services is given the authority to enter into a contract to secure a partnership for commercial advertising sales with Strategi Solutions for a period of three years.
- That Members approve funding for remedial works as set out in the recommendation in the Confidential Appendix.

Reason

The Council made a significant capital investment in providing Jubilee2 and to protect this investment for the benefit of the health and wellbeing of residents of the Borough maintaining the facilities in good condition and continuing to attract significant footfall to recover costs is crucial to the Council's cross-cutting objectives for its communities.

1.0 **Background**

- 1.1 There are over 3,000 active members at Jubilee2 who, along with pay and play visitors and clubs, make ten thousand to twelve thousand visits to the centre each week. Jubilee2 is a large facility at 4,800m² providing swimming pools, climbing walls, a health suite, gym and

three studios. It is renowned for its aquatics and fitness programmes and broad appeal to all age groups, reflecting the Borough's population. The facility has had an ongoing problem with building defects since its opening in 2012, which detract from the facility and the operating subsidy is increasing year on year due to both higher costs and income shortfalls.

- 1.2 It has been a priority of the current administration to deal with the longstanding building defects. This report addresses three separate, but closely related, issues – addressing the budget deficit, improving income through more effective marketing, and addressing the building defects. Due to the contractual matters which lie at the heart of the build, the building defects are dealt with in a confidential appendix.

Budget Deficit

- 1.3 In spite of the high visitor numbers costs have risen above budget particularly in relation to energy consumption and cover for staff sickness. An action plan has been prepared by officers to address the current financial challenges. Actions fall in to two categories: those that reduce expenditure and those that generate income.
- 1.4 The budget outturn for 2018/19 was an overspend of £0.370m. The actions detailed below will reduce this overspend to £0.217m during 2019/20, and will further reduce this to £0.155m during 2020/21.
- 1.5 Expenditure Control:
- Improved staff sickness absence as a result of the Council's new policy which is taking effect this financial year
 - The heat recovery system for the main pool has been replaced
 - On site chlorine generation (from salt) is being installed to reduce chemical use
 - An energy audit has been commissioned
- 1.6 Income generation:
- A specification is being prepared for a new gym layout, to facilitate the provision of small group classes and personal training, supported by heart-rate monitoring and to replace the gym equipment which will have been in service for 8 years
 - New fees have been negotiated with the swimming club
 - Improvements to the system for collecting default membership subscriptions
 - The activity room has been upgraded with mirrors and barre to accommodate additional classes
- 1.7 In addition to these items, consideration has been given to selling advertising space on the various screens which are deployed around the Jubilee 2 centre. A soft market test exercise confirmed that there is the opportunity to drive additional income through selling advertising space on the information screens at Jubilee2. This opportunity has been advertised nationally through contracts finder.
- 1.8 Strategi Solutions Ltd. based in Newcastle under Lyme was the only organisation that submitted a tender for this opportunity. Following an evaluation of their tender officers are proposing to enter into a three year contract to develop commercial advertising opportunities at Jubilee2.
- 1.9 Under the contract, and at their cost, Strategi Solutions will be responsible for:

- Identifying opportunities, creating a pricing structure for advertising and developing a database of potential organisations who may be interested in advertising at Jubilee2.
 - Selling the advertising space
 - Producing the art work for the adverts.
 - Collection of advertising revenue
 - Drafting of advertising agreements
- 1.10 Under the contract the Council will be responsible for:
- Maintaining the information screens and infrastructure.
 - Uploading and downloading adverts on to the information screens
- 1.11 The partnership with Strategi Solutions is based on an income share model under which both parties will receive fifty percent of any advertising revenue generated exclusive of VAT. Any income owed to the Council will be payable quarterly in arrears. This income will support the reduction of the operational subsidy at Jubilee2.
- 1.12 There is limited risk for the Council to take the partnership forward as any costs associated to the Council's obligations under the contract will be met from existing revenue budgets. Strategi Solutions Ltd have has a good track record of working with the Council. They are currently appointed to sell advertising on the Councils external advertising hoardings on a similar basis and have achieved their obligations under the contract.
- 1.13 Through this report, Cabinet is invited to approve entering into a contract with Strategi Solutions Ltd.

2 Future marketing

- 2.1 Jubilee2 is a busy centre attracting over half a million visitors per annum. The financial viability of the centre is dependent on attracting and retaining an optimum number of members. Membership numbers have seen a stepped reduction over recent periods and in spite of increased local competition it is calculated that there is still latent demand to increase membership numbers at Jubilee2.
- 2.2 The need to improve marketing support was identified in a recently undertaken strategic marketing audit. The audit identified a number of key areas for improvement specific to Jubilee2:
- The creation of a fully integrated marketing strategy to include a public relations (PR) calendar, events programme, and seasonal campaigns
 - Improve communication to offer customers more choice in terms of how they wish to be contacted about offers and information.
 - Social media focus across all relevant platforms engaging with members and potential members online.
 - Rebrand Jubilee2 so that the services on offer are clearly identifiable and inclusive whilst ensuring that all future communications can be delivered in a consistent tone of voice.
 - Tailor marketing campaigns and promotions to the specific demographic profiles. This will ensure that the campaigns etc. will have a maximum impact though the use of appropriate imagery/ information, and communication channels as opposed to adopting a one size fits all approach.
 - Undertake an evaluation of marketing activities to ascertain the effectiveness of all marketing and PR activities, thus ensuring the use of marketing resources have the maximum impact.

- 2.3 The marketing audit identified a number of business development/marketing opportunities that Jubilee2 is not exploiting (as detailed above). Discussions with the Council's Head of Communications have made it apparent that the authority's in-house team has some of the skills and expertise available to enable it to work in support of, and in partnership with, an external agency. However, some skills are not available – such as bespoke leisure and cultural marketing and sales expertise. For that reason it seems appropriate to secure a partnership with Alliance Leisure and for the Head of Communications to be part of a working group which manages the contract to ensure the authority fully utilises the skills and capabilities of Alliance Leisure but also ensure in-house resources are used to best effect to support this important area of work.
- 2.4 To address the issues identified by the marketing audit a soft market test was undertaken, following which two proposals were received and evaluated. Company A had an overall score of 96.8% with a projected return on marketing spend of £1.50 for every £1.00 spent. Company B had a score of 85% with a projected return on marketing spend of £1.61. Company B required a fixed annual fee element paid monthly in advance and Company A required no annual upfront fee but do require payment through an income share arrangement on a performance related basis. It is therefore recommend that Company A (Alliance Leisure) is appointed.
- 2.5 Alliance Leisure has a good track record of working with other local authorities, leisure trusts and private operators leading to income growth to the mutual benefit of all parties concerned. They are currently working with over 250 facilities nationally.
- 2.6 Based on Alliance Leisure's proposal it is clear that there is the potential to generate additional income through defined marketing and customer retention strategies, improved processes, targeted campaigns, better use and management of social media accounts, and sales and customer service training.
- 2.7 The partnership with Alliance Leisure is based on a phased income share model (Gym memberships only), protecting existing income across the service. As the partnership generates additional income this would be shared on agreed monthly income thresholds.
- 2.8 There is limited risk for the Council to take the partnership forward. All investment costs, including marketing collateral, will be met for the duration of the agreement by Alliance Leisure. It is in the best interest of Alliance Leisure to invest their time and resources into the marketing partnership as the greater increase in income (above the base level gym memberships and inductions) the greater their income share will be.
- 2.9 On this basis it is proposed that a Contract is entered into with Alliance Leisure at zero direct cost to the Council for a period four years.
- 2.10 Following consultation with the Council's Business Improvement Manager a valid procurement approach is to procure Alliance Leisure under the UK Leisure Framework Agreement (hosted by Denbighshire County Council).
- 2.11 The Contract will be managed by the Council's Sport and Active Lifestyles Manager, in consultation with relevant heads of service. This will ensure that Jubilee2 receives the best in house and external marketing support avoiding duplication of services.
- 2.12 The Contract will be managed in a way to reduce the operational subsidy at Jubilee2, through increased income from memberships and inductions. Sitting alongside the income share agreement is a further Action Plan for the managers at Jubilee2 to address recovery of income and control of expenditure in other areas of the centre's performance in line with agreed budgets.

3 Building Defects

- 3.1 The Council appointed Morgan Sindall to design and build Jubilee2, which was completed in December 2011 and opened to the public in January 2012, with the Official Opening by HRH The Princess Royal in April 2012. Throughout 2012 a number of building defects were passed to Morgan Sindall and dealt with under the 12 month warranty, provided by the contract.
- 3.2 In September 2014 the teaching pool hydraulic floor failed and the Council was forced to commission, pay for the clean-up and repair and address design failure of the original installation and specify the use of an appropriate bio-degradable oil, as Morgan Sindall refused to recognise this issue as a latent defect.
- 3.3 A full list of other apparent latent defects was forwarded to Morgan Sindall later in 2014. In spite of site meetings with Morgan Sindall and their architects, from this list two significant defects remain active today and continue to have a detrimental effect on the operation: The roof over the main staircase leaks and water from the first floor health suite leaks into the swimming pool family changing cubicles below.
- 3.4 The Council has commissioned an appropriately qualified organisation to establish the cause of the health suite leaks and, subsequent to their report, the Chief Executive directed that the health suite be taken out of service until remedial works and a planned refit could be carried out. This decision was in the interests of health and safety, and to prevent further damage to the fabric of the building.
- 3.5 The scale of building defects, and officers' proposed strategy for addressing the defects with the contractor, are set out in the confidential appendix.

5.0 **Proposal**

- 5.1 To continue to attract significant footfall and to recover costs Members endorse the approach outlined in this report to reduce the budget deficit and operational subsidy.
- 5.2 To protect the investment made by the Council in Jubilee2 for the benefit of the health and wellbeing of residents of the Borough and to maintain the facilities in good condition Members endorse the approach outlined in this report to effect repairs in the most economically efficient manner.
- 5.2 The Executive Director Operational Services is given the authority to enter into a contract to secure a partnership for marketing support with Alliance Leisure for a period of four years, and with Strategi Solutions for commercial advertising revenue for a period of three years.

6.0 **Reason for Preferred Solution**

- 6.1 Jubilee2 operates in a commercially competitive environment where the borough's residents have a significant level of choice of where and how to access sport and physical activity opportunities. Jubilee2 in particular continues to attract a high footfall whilst the Council seeks to address outstanding building defects. Officers believe that partnering with Alliance Leisure and Strategi Solutions now and through using Alliance Leisure's demonstrable knowledge within the leisure industry and resources there is the opportunity to grow revenue particularly as building defects are addressed thus supporting the Council's medium term financial strategy.

7.0 **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

7.1 To ensure that high quality services are provided to the Borough's residents whilst continuing to support their health and wellbeing.

8.0 **Legal and Statutory Implications**

8.1 There are clear legal implications in relation to the latent defect in the design and build contract for Jubilee2. The issues are being pursued with appropriate professional advice in relation to negligence and contractual obligations.

8.2 The procurement approach concerning the appointment of Alliance Leisure and Strategi Solutions is in accordance with best practice and as a result there is minimal risk to the Council of a challenge being made.

9.0 **Equality Impact Assessment**

9.1 Prior to the closure of the health suite there was restricted access to this area from the swimming pool due to damage to the platform lift linking the two areas caused by the omission of tanking to the health suite.

9.2 There are no equality implications arising directly for the Council as a result of contracts being awarded to Alliance Leisure and Strategi Solutions.

10.0 **Financial and Resource Implications**

10.1 Members are referred to the confidential appendix of this report for the financial implications regarding the estimated cost of stripping out and reconstruction of the health suite.

10.2 Through working in partnership with Alliance Leisure there is the opportunity to increase revenue at Jubilee2 over the duration of the proposed four year contract. The base level income from memberships and inductions will be retained by the Council with any additional sales being divided on the agreed income share basis.

10.3 Alliance Leisure's proposal to the Council has projected ten percent growth in membership in year one and seven percent in year two totalling an additional 523 members, retaining this level of membership in years three and four of the contract.

10.4 Strategi Solution's proposal to the Council projects that they will achieve £57,600 in advertising revenue in the first full year and maintain this in years two and three of the contract. This income will be shared equally between Strategi Solutions Ltd and the Council exclusive of VAT payable quarterly in arrears.

11.0 **Major Risks**

11.1 In relation to the building latent defects, there are significant financial and reputational risks as service disruption takes place to address them. There are shorter term health and safety risks (in particular slips) which the staff team at Jubilee2 effectively manage through on-going dynamic risk assessment.

11.2 The partnership agreements with Alliance Leisure and Strategi Solutions pose no financial risk to the authority given that the current base level of income is protected.

11.3 Should Alliance Leisure fail to meet the additional income targets identified in their proposal, the contract may be terminated by either party at no direct cost to the Council. However Jubilee2 will be in a much better position to trade on a more commercial footing as a result of introducing new campaigns, improved marketing and retention strategies, and staff training.

12.0 **Key Decision Information**

12.1 This is a key decision and appears on the Councils forward plan.

13.0 **Earlier Cabinet/Committee Resolution**

13.1 None

14.0 **List of Appendices**

14.1 None

15.0 **Background Papers**

15.1 PR and marketing Audit.

15.2 Soft Market Testing Exercise.

This page is intentionally left blank

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CONFIDENTIAL EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET**

Date 10 July 2019

1. **REPORT TITLE** 20 Sidmouth Avenue
- Submitted by:** Chief Executive – Martin Hamilton
- Portfolio:** Planning & Growth
- Ward(s) affected:** May Bank

Purpose of the Report

To consider options for the future of this redundant property, and options for its redevelopment.

Recommendations

1. ***That the Chief Executive, in consultation with the Portfolio Holder be given delegated authority to:***
 - 1.1 ***secure Planning Consent for:***
 - 1.1.2 ***Demolition of the post 1950's building extensions, making good external walls, on the existing building;***
 - 1.1.3 ***Change of use of the existing building to residential;***
 - 1.1.4 ***Three substantial 4-5 bedroomed detached houses, each having integral garages.***
 - 1.2 ***Dispose of the retained building for refurbishment as a single 4-5 bedroomed detached dwelling or 2 Apartments, in a manner that protects the future use of the property.***
 - 1.3 ***Restrict future use of the dwellings to single family accommodation by way of covenant;***
 - 1.4 ***Dispose of the 3 plots with the benefit of planning permission, in a manner that protects the future use of the properties. i.e. single family accommodation.(option 2.9B)***
2. ***That the costs of demolishing the building extensions and making good external walls be added to the 2019-20 capital programme, to be replenished in 2020-21 from the net proceeds of disposal.***

Reasons

The recommended actions will result in the realisation of a regeneration opportunity and maximise value of this asset. The recommendations also ensure that the development contributes positively to the nature of this area, and does not become used for bedsits or Houses in Multiple Occupation.

1. **Background**

- 1.1 The extent of 20 Sidmouth Avenue, which the council has owned freehold since 1955 is shown heavily edged and hatched black on the attached plan. The original part of the building was constructed circa 1870 as a detached dwelling house comprising basement, ground & first floors with attic, being of brick elevations under a pitched tile roof.
- 1.2 The property was converted, in the mid 1950's to office use. It was extended in the 1960's to provide more office accommodation and further extended in the 1970's. The building is not listed, but occupies a prominent site in a Conservation Area.
- 1.3 The general condition of the property is fair (fairly good) but required significant modernisation and updating.
- 1.4 The building currently stands empty but was occupied, on lease, for many years by Staffordshire County Council Registrars & Trading Standards Services until these relocated to Castle House in autumn 2018.

2. **Issues & Options**

- 2.1 In September 2015 Council considered the future of 20 Sidmouth Ave, and resolved to dispose of the site, in its entirety, as a single lot.
- 2.2 Subsequently, in 2018, members directed that this decision be revisited, and requested officers to consider alternative options for the site which would enable the value of the site to be enhanced and, to exercise some degree of control over its subsequent development to avoid the existing building being developed as low quality House in Multiple Occupation or Bedsits.
- 2.3 Following a competitive procurement process local architects Tarpey Woodfine (TW) were engaged to provide alternative residential scheme layouts and surveyors Butters John Bee (BjB) were engaged to provide valuation advice in respect of these. Arising from this work a number of options have been evaluated, each of which is summarised below, with financial details included in the confidential appendix. The options all deal separately with the existing building and the residual site.

Options for Existing Building

- 2.4 As described above, the original building has been extended on a number of occasions, but these extensions are of relatively low quality and are not suitable for high quality redevelopment and will need to be demolished. Such demolition adds value to the overall site by releasing land for building plots as well as restricting the development of the existing house to that part which has the higher design quality and aesthetic. For each of the development options it is proposed that the Council secure planning consent to demolish the extensions, make good the point of connection to the original building, and erect a fence to delineate a new boundary, effectively subdividing the site. In addition, planning consent would be secured for change of use, from office to residential.
- 2.5 Demolition costs & making good will involve removal of asbestos, making good using matching bricks in keeping with the conservation area, and constructing a new retaining wall and back filling the cellar which lies under the extensions to be demolished. Cost estimate for this work is included in the confidential appendix.
- 2.6 The retained building is suitable for redevelopment either as a 4-5 bedroom family dwelling, or as two, self-contained apartments. Whichever option is realised, it is proposed that the Council retain a degree of control by disposing of the development on a long leasehold with a covenant

specifying that the house or apartments may only be utilised for single family units and not for houses in multiple occupation.

2.7 The options for realising the value of this portion of the site are:

- (A) Market and dispose of the building with the building with the benefit of planning permission for conversion to either (i) a 4-5 bed roomed detached house or (ii) two/three apartments, allowing a third party purchaser to undertake the refurbishment / conversion.
- (B) The council undertakes full refurbishment to create either (i) 4-5 bed roomed detached house or (ii) two apartments.

2.8 Given the projected capital receipts for A and B above are on a par (see confidential Appendix), and undertaking the refurbishment is a much higher risk option, it is proposed that Option A be selected and the risk be passed onto a private developer. The capital receipt, on either of these options, is significantly eroded by the demolition costs, but this work does release the larger part of the site for development, and as such releases that value.

Options for Residual Site

2.9 After implementing either of the proposals outlined for the main building, the Council would be left with a residual cleared area of land, for which options have been identified. Consideration has been given to various configurations as set out below. The financial projections for each are in the confidential appendix:

- (A) Secure Planning Consent for 3 large new build 4-5 bed detached house with integral garage. Build out the houses and sell.
- (B) Secure Planning Consent for 3 large new build 4-5 bed detached house with integral garage, and sell the individual sites with the benefit of planning consent as either Self Build or development opportunities.
- (C) Division of the land into 2x2 plots, and secure planning consent on each for a pair of 3 bed semi-detached (S-D) houses with an integral garage and build out the same. Build out the houses and sell.
- (D) Division of the land into 2x2 plots, and secure planning consent on each for a pair of 3 bed semi-detached (S-D) houses with an integral garage and sell the sites as Self Build or development opportunities.
- (E) Division of the land into 4 plots, each of which could be developed with a new build 4 bed detached house BUT having no garage. Build out the houses and sell.
- (F) Division of the land into 4 plots, each of which could be developed with a new build 4 bed detached house BUT having no garage, and sell the sites as self build or development opportunities. We are advised that these plots are likely to be more difficult to sell as the site would be very tight and difficult to construct if the plots were sold on an individual basis.

3. Timeline

3.1 In addition to the scale of capital receipt secured, a consideration in determining which option to progress will be the timing of such a receipt. Preparation of the Medium Term Financial Plan

indicates that the Council should seek to secure a receipt within the 2020-21 financial year. Modelling the process for securing approvals, procuring works, marketing and disposal are set out below:

Site Preparation

July 2019		Cabinet decision to proceed
August 2019		Submit Planning Application Tender Asbestos removal Tender Demolition & Making Good
October 2019		Planning Consent Granted
November 2019		Commence Asbestos removal and Demolition
End February 2020		Removal of Asbestos complete
End June 2020		Demolition and Making Good Complete

Option involving Sale of Plots

May 2020		Commence marketing of Plots Commence marketing of retained building
August 2020		Review Offers
December 2020		Exchange Contracts on building plot and retained building
January 2021		Completion on building plot and retained building

Option involving Build of Houses and Sale

May 2020		Commence marketing of retained building Commence marketing of new homes “off plan”
April 2020		Commence build properties
September 2020		Review offers
September 2020		Complete build
December 2020		Exchange contracts for sale on “off plan” sales and retained building
January 2021		Complete on retained building
February 2021		Complete on sales

These dates are provisional and do not allow for any slippage in the programme

4. Proposal

- 4.1 To maximise both the regeneration impact and the financial performance of this asset, it is proposed to:

- Secure planning consent to convert the existing building to residential use, including the demolition of the extensions to the building, and making good the resulting opening;
- Dispose, by auction, the retained building on a long leasehold, with covenants restricting use to non-HMO accommodation;
- Secure planning consent for three 4-5 bedroom detached properties with garages;
- Sell the three plots either as self-build or development opportunities.

5. **Reasons for Preferred Solution**

- 5.1 The preferred solution presents the best opportunity to balance risk, return, and timeliness of receipt in the Council's interest.

6. **Legal and Statutory Implications**

- 6.1 Legal advice has been obtained from Freeth's, solicitors concerning the Borough Council establishing or participating in a corporate legal structures for the purposes of property development activities. As this asset is currently owned by the Council and has a strong regeneration aspect as well as a core asset management purpose, the Council may progress to build and sell without the need to establish a Company.
- 6.2 In order to ensure that the site/plots continue to be used for the purpose of single dwelling houses and to prevent the possibility of the site being used as an HMO, commercial, or other similar use, it is recommended that any disposal of the site should contain specific restrictive covenants on use which should be registered with the land registry.

7. **Financial and Resource Implications**

- 7.1 The original decision to dispose of the Sidmouth Avenue site entailed the site being sold as a single lot. By investing in works to add value to the site by demolishing and making good the existing building the potential is created to increase the financial return to the council by around 25% whilst simultaneously exerting influence over the end use of the site, to avoid any negative impact on the character of this residential area
- 7.2 The cost of the works to demolish the 1950s office extension and make good external walls can be accommodated within the 2019-20 capital programme through a combination of reprofiling and utilisation of the £1m capital contingency. Capital programme resources will be replenished from the net capital receipt from disposal of the site in 2020-21.

8. **Major Risks**

Undertaking a project of this nature is not free of risk. The key risk will be that either the construction costs or the sale receipt achieved (or both) do not align with the pre-construction estimates, resulting in a reduced net receipt. This could arise from unforeseen costs arising (eg due to ground conditions) or through changes in the residential housing market depressing sale values.

If approved by Cabinet, a full risk register will be prepared for this project, and monitored and reported through the development process.

11. **Sustainability and Climate Change Implications**

The Proposal brings a redundant building back into use and will create additional housing of which the Borough has a shortage. This location is a sustainable one being close to amenities and travel networks.

12. **Key Decision Information**

This is a key decision.

13. **Earlier Cabinet/Committee Resolutions**

Council - 23rd September 2015

14. **List of Appendices**

Confidential Appendix

15. **Background Papers**

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE CABINET

Date 10 JULY 2019

HEADING Air Quality Ministerial Direction Update

Submitted by: Head of Environmental Health

Portfolio: Operational

Wards Affected: All

Purpose of the Report

To seek Cabinets support, to update and advise of the progress following development of the Strategic Outline Case (SOC) which will be considered as part of the Air Quality Local Plan Development works required by DEFRA in respect of Air Quality works on the A53 (Basford Bank area).

Recommendations

That Cabinet note the content of the report.

Reasons

This report is to update on progress following identification of the shortlist of measures which will be considered as part of the Air Quality Local Plan Development works.

1. Background

- 1.1 In July 2017, Government produced a UK plan for Air Quality and required 28 Local Authorities (dubbed the first and second wave LAs) with the most severe exceedances for nitrogen dioxide (NO₂) pollutants to develop local plans to bring forward compliance with limit values. The benchmark to assess whether local plans would achieve this objective was compliance before 2021, since national modelling predicted that a charging Clean Air Zone (CAZ) in these areas would produce compliance in that timeframe.
- 1.2 In March 2018, thirty three 'third wave authorities', Newcastle-under-Lyme and Stoke amongst them, also became subject to Government requirements as a result of a legal challenge that not enough was being done to achieve UK compliance with air quality objectives 'in the shortest time possible'.
- 1.3 In October 2018, Ministers Coffey and Norman for the Department for Environment, Food and Rural Affairs (DEFRA) and Department for Transport (DfT) respectively, served the ministerial direction on the Council; this was served under the provisions of The Environment Act 1995 (Feasibility study for nitrogen dioxide compliance) (No 2). This work is being co-ordinated by the Joint Air Quality Unit (JAQU) which is part of DEFRA.

- 1.4 The Ministerial directions formally mandate several local authorities (including Newcastle-under-Lyme Borough Council) to undertake further work with the main objective being to explore options for reducing levels of nitrogen dioxide in the air.
- 1.5 The directions require:
- NULBC and SOTCC to jointly further investigate EU exceedances of nitrogen dioxide (NO₂) on roads within the Borough and identify measures that could bring forward compliance with NO₂ limits as soon as possible **or** review the implementation of a chargeable clean air zone.
- And
- NULBC to implement a bus engine retrofit programme to busses that operate on the A53 to be implemented as soon as possible in order to bring forward compliance of NO₂ levels.
- 1.6 Cabinet have received three previous reports in respect of this matter; In February Cabinet noted that the Ministerial Direction has been served and resolved that the leader would actively engage to lobby against any charging CAZ on the A53. In March, Cabinet noted the content of the strategic outline case and approved the shortlist of measures to be further evaluated. A further report for the procurement of a contractor to assist with the delivery of this project was approved at April's Cabinet. In addition, this matter was also reported to Council on 3rd April where the previous Cabinet decisions were reported and it was noted that Cabinet firmly believes that there is a highways/transport solution to help reduce the pollution levels and that any form of parking levy of chargeable CAZ would be damaging to business and our town centre.

2. Air Quality Local Development Plan

- 2.1 The Ministerial Direction obligates the Council to undertake a joint appraisal and feasibility study with SOTCC to propose options for reducing pollution or consider the feasibility of a Chargeable Clean Air Zone.
- 2.2 The primary critical success factor is to bring about compliance with NO₂ limits in the shortest possible time.
- 2.3 The starting assumption is that the benchmark option (against which other options will need to be measured) will be a charging CAZ (Clean Air Zone) of a high enough classification to bring about compliance in the shortest possible time. There are 4 classes of CAZ these are summarised below including vehicle type and euro engine classification:
- **Class A** - Includes busses (up to Euro VI), coaches (up to Euro VI), taxis and private hire vehicles (up to Euro 6 (diesel) Euro 4 (Petrol)). Ultra-low emission vehicles will never be charged for entering or moving through a CAZ.
 - **Class B** - Includes class A plus heavy goods vehicles (up to Euro VI). Ultra-low emission vehicles will never be charged for entering or moving through a CAZ.
 - **Class C** - Includes class B plus light goods vehicles including - large vans, minibuses and small van/light commercial (up to Euro 6 (diesel) Euro 4 (Petrol)). Ultra-low emission vehicles will never be charged for entering or moving through a CAZ.
 - **Class D** - Includes class C plus cars (up to Euro 6 (diesel) Euro 4 (Petrol)) and motorcycles (up to Euro 3). Ultra-low emission vehicles will never be charged for entering or moving through a CAZ.

- 2.4 The scope of the investigation and proposals for action required is to be wider than the initial consideration of the A53, and must address other areas of the City and Borough predicted to exceed the 40ug/m³ limit for NO₂.
- 2.5 The scope of the project moving forwards involves three key elements:
- **Strategic Outline Case (SOC)** – presents the case for change and outlines the strategy to prepare a business case for bringing forward compliance with the annual mean objective for NO₂. This provides a qualitative assessment of a longlist of measures, in order to identify a shortlist of potential measures to take forward.
 - **Outline Business Case (OBC)** – which provides further detail on the emissions and economic impacts of the shortlisted measures, in order to identify the preferred option. Once identified, the OBC will set out the implementation and procurement route for the preferred option and demonstrate the affordability of the scheme.
 - **Full Business Case (FBC)** – which sets out the implementation and procurement route in detail, and how it will be managed and the benefits realised, and if applicable, undertaking a local consultation process.
- 2.6 To complete the actions required by the Direction, a Full Business Case of the preferred action or actions from the assessment of shortlisted options must be jointly agreed and signed off by each Council's Cabinet. An Outline and/or Final Business case must be submitted by 31st October 2019.

3. **Strategic Outline Case (SOC):**

- 3.1 The SOC details a shortlist of preferred options that have been identified to take forward to the next stages of the business case process.
- 3.2 The shortlist of measures to take forward to the modelling for the outline business case have been further developed to include the following packages of options which will be further evaluated are provided below:

- **A city centre / A53 traffic management scheme, plus Council boundary scale Low Emission Strategy;**
 - Identification of range of options including:
 - Restriction of left/right hand turns
 - Access restrictions
 - Signalling and congestion management
 - Speed reductions
 - Signage improvements
 - Measures to improve air dispersal
 - Low emission strategy options:
 - Bike and walking promotion
 - Green travel planning
 - Promotion and increased use of public transport
 - Electric/low emission vehicle charging/fuelling infrastructure
 - Communications and public engagement campaigns
- **Etruria Valley Link Road and A500 Improvements, plus Council boundary scale Low Emission Strategy.**

- The Etruria valley link road is awaiting planning permission from both the Borough and City Councils and Department for Transport formal approval.
- Investigations as to whether this option can be delivered within 2021 are being explored
- **A city centre / A53 Workplace Parking Levy, plus Council boundary scale Low Emission Strategy;**
 - Explored and reviewed other scheme available across the country.
 - Explored the legal framework for implementation
- **A Council boundary scale Workplace Parking Levy, plus Council boundary scale Low Emissions Strategy;**
 - As above
- **A city centre / A53 chargeable access restriction (Clean air zone) (Class A / B / C or D);**
 - Vehicle composition surveys
 - Area fleet profile identified

4. Traffic & Stated Preference Surveys:

- 4.1 Survey work has been undertaken to understand the local fleet composition and vehicle movements around the A53. This has been completed by placing a number of automatic number plate recognition cameras along the A53 and surrounding area.
- 4.2 The information collected has enabled data regarding the local vehicle fleet composition (% of HGV, LGV, busses, cars to be identified). The data has then been further analysed to determine the % of existing vehicles that would be compliant/non-compliant with a CAZ.
- 4.3 This has identified that compared to the nation fleet composition, locally there is approximately 20% more non-compliant vehicles.

5. Baseline Air Quality Modelling & Initial Evidence Submission:

- 5.1 Work is progressing to transfer all the traffic data and modelling into a 2018 air quality baseline model for the area.
- 5.2 Initial indications from the baseline model show that there are further areas of exceedance around Newcastle ring road/town centre and at a number of locations in the City. Remedial measures are therefore likely to include Newcastle town centre.
- 5.3 This data will be used to assess and evaluate the shortlisted options (as detailed in section 3.2) and show which of the options will achieve compliance in the shortest possible time.
- 5.4 The Baseline Air Quality Model accompanied by traffic modelling will form part of an initial evidence submission to DEFRA.

6. Bus Retrofit:

- 6.1 A separate ministerial direction in respect of bus retrofitting requires the Local Authority to implement the retrofitting works to upgrade the busses that operate on the A53 from euro 3 engines so they operate at euro 6 standards. This work is to be completed as soon as

possible, in order to bring forward compliance in NO₂ levels by one year to 2025. This equates to 25 busses operated by First PMT, on bus routes 3, 4 and 4a that travel on the A53.

- 6.2 First has recently announced that First Group will be selling off its interest in First Buses. First operate all the commercial bus services operating along the A53. Work is therefore ongoing with the bus company to identify the impact upon the retrofit project.
- 6.3 First have recently identified suitable busses for retrofitting. Work will now commence on applying for funding to undertake the works.
- 6.4 It should be noted that the Borough Council (SOTCC or SCC) have no current legal powers to require First (or any other bus company) to undertake retrofit works or operate compliant busses.

7. Project/Programme Management & Governance:

- 7.1 A Joint Officer Working Group has been established made up of officers from SOTCC, NULBC and SCC representing Environmental Health, Transportation, Planning and Public Health. Relevant leads in Legal, Finance, Procurement and Communications have also been identified at each authority and are being included in the project as required. The Joint Officer Working Group meet fortnightly, alternating between teleconferences and physical meetings, plus we continue to have a weekly teleconference with officials from Defra to update them on our progress and discuss issues as the project evolves.
- 7.2 An invitation to attend a Joint Action Group meeting will be extended to both authorities' Chief Executives and relevant Portfolio Holders. We will also aim to involve and keep Members updated as much as possible.

8. Programme Timetable:

- 8.1 The ministerial direction requires submission of an OBC or FBC, which has been approved by all the Councils Cabinet by 31st October 2019. This has always been considered to be an extremely challenging and optimistic timescale for the assessment and completion of such a highly important and complex project.
- 8.2 To date, indications are that this deadline is not going to be met. This is due to a few reasons including: delays in obtaining confirmation for the automatic number plate recognition camera surveys; delays in the analysis to the data collected from these surveys; initial baseline modelling indicating wider exceedances meaning larger and more complex modelling; procurement delays and the complexities of working across three organisations.
- 8.3 This has been raised with the Joint Air Quality Unit, whom have confirmed that the priority is a robust assessment, however to date a formal extension has not been granted.
- 8.4 Initial indications show that at the earliest, this work could be completed by the end of 2019 but more realistically, it is likely to be spring 2020.

9. Clean Air Fund:

- 9.1 Work has also begun on a separate but parallel work stream, to generate a bid to the Clean Air Fund (CAF). The CAF fund is £220 million. The details of the bid will emerge as

the Direction work develops, but in other places, the CAF has been used on initiatives such as park and ride services, freight consolidation centres, concessionary travel schemes, improvements to bus fleets, low emission/electric vehicle grants and assisting businesses.

- 9.2 The purpose of the CAF is to support local authorities to deliver action plans and to counteract any disbenefits that may arise from implementation of the directed option in the future.

10. Recommendation

- 10.1 That Cabinet note the content of the report.

11. Outcomes Linked to Sustainable Community Strategy and Corporate Priorities

- 11.1 This work links to the following corporate priorities:

- Local Services that Work for Local People – There is a need to ensure that the transport systems are maintained and work for local people.
- Healthy, Active and Safe Borough – Air quality impacts are significant, they account for reduced life expectancy and adverse impacts on health and the economy, therefore improving air quality for our residents will not only help save lives but will also improve life expectancy.
- A Town Centre for All – The town centres are within designated air quality management areas, this work will assist in delivering wider improvements in air quality across the town centre.

12. Legal and Statutory Implications

- 12.1 Environment Act 1995 (Feasibility Study for Nitrogen Dioxide Compliance) (No.2) Air Quality Direction 2018. This requires the authority to undertake a feasibility study in accordance with HM Treasury's Green Book approach, to identify the option(s) which will deliver compliance with legal limits for nitrogen dioxide in the shortest time possible.
- 12.2 Failure to comply with the Direction may result in Judicial Review proceedings being brought against the Council. Any such proceedings may result in adverse costs awards being made against the Council.

13. Equality Impact Assessment

- 13.1 The development of the outline business plan includes a requirement to produce an assessment of the strategic case, economic case, commercial case, financial case and management case; therefore all aspects will be reviewed as part of the proposed work.

14. Financial and Resource Implications

- 14.1 DEFRA has confirmed a commitment to cover the costs of the further study via grant. So far a grant commitment of £928,000 has been provided for the completion of the Air Quality Local Development Plan.

- 14.2 As Government propose to provide funding support for the preferred options for action, the final preferred policy report to be submitted to comply with the Direction is required to follow HM Treasury's 'Green Book' process of preparing and evidencing a series of analytical, strategic and economic business cases.
- 14.3 It is considered that the delivery (including project co-ordination and management) of these two projects cannot be met from existing resources, the reasons being twofold; firstly that the technical nature and extent of the work required cannot be delivered in house (air quality and traffic modelling) and will require consultants support and secondly, this is work that had not been planned for and will require significant resource in the planning, project management, reporting and consultant support, which cannot be met from existing staff resources.
- 14.4 The Final (or Outline) Business case submitted by 31st October 2019 will include a preferred option for action which will be subject to assessment by Government to determine whether they will be required, and what funding will be provided to the authority to carry them out.

15. Major Risks

- 15.1 A full risk assessment has been undertaken for both these projects and is available to view on the Council's "Grace" system.
- 15.2 The main risks identified are:
- Insufficient time to complete the required work
 - Insufficient staffing resources to conduct the required work within the directed timescale.
 - Insufficient funding to support the investigation of potential measures or the backstop option of a CAZ.
 - The effects from measures required to address air quality exceedances upon other corporate strategies and priorities.
 - Defra challenging the authority's proposals and preferred option.
 - Alignment of decision making across Authorities.

16 Sustainability and Climate Change Implications

- 16.1 Air pollution and climate change are intrinsically linked; therefore work to improve air quality will also support climate change improvements.

17. Key Decision Information

- 17.1 This item is a key decision as it affects all wards; this has been included on the forward plan.

18. Earlier Cabinet/Committee Resolutions

- 18.1 Cabinet 6 February 2019 – Air Quality Ministerial Directions
Cabinet 20 March 2019 – Air Quality Strategic Outline Case
Cabinet 24 April 2019 – Air Quality Award of Contract

19. Background Papers

[UK Air Quality Plan](#)

[Newcastle under Lyme and Stoke on Trent Targeted Feasibility Study](#)

Clean Air Zone Framework, DEFRA & DFT – May 2017

Second Ministerial Direction 4 October 2018

Third wave local authorities - guidance 16 October 2018

Funding support for third wave authorities 31 October 2018

Strategic Outline Case – January 2019

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

10th July 2019

1. **REPORT TITLE** Newcastle Housing Advice Service Contract
- Submitted by:** Joanne Halliday
- Portfolio:** Community Safety and Wellbeing
- Ward(s) affected:** All

Purpose of the Report

This report sets out the options available for the provision of the Council's statutory homelessness, housing advice and housing register services for April 2020 onwards when the current extended contract expires.

Recommendations

- a) To retender the Newcastle Housing Advice (NHA) Service Contract for a 3 year contract with an option to extend for a further 3 years subject to satisfactory performance and funding.
- b) That Executive Director (Resources and Support Services) and Section 151 Officer in conjunction with the Portfolio Holder for Community Safety and Wellbeing is authorised in consultation with the Portfolio Holder to finalise the specification/service outline, undertake the tendering process, if required to complete any post tender negotiations and award the contract to the successful contractor.
- c) That Members support the requirement of the successful contractor to work with the Council to develop the service delivery in future years of the contract.
- d) That the Executive Director (Resources and Support Services) and Section 151 Officer in conjunction with the Portfolio Holder for Finance and Efficiency is authorised to assess the procurement options linked to the delivery of a Choice Based Lettings IT software and associated Homeless Prevention module, and should this be required that they have the authority to finalise the specification/service outline, undertake the tendering process, if required to complete any post tender negotiations and award the contract to the successful IT contractor.

Reasons

In line with the Council regulations contracts over the value of £50,000 should be competitively procured through written tenders. This report outlines the options available to procure the NHA service within the budget available when the current contractual arrangements expire on 31.3.20.

1. **Background**

- 1.1 The delivery of a housing advice, homelessness and housing register service is a statutory function, which means the Council has to provide assistance to assist individuals and families who are homeless or threatened with homelessness who apply for help. The service is currently delivered by Midland Heart under contract for the Borough. This current contractual arrangement began 1.4.14 and will end 31.3.20.

1.2 The NHA service consists of the following elements:

Homelessness prevention

The main focus of the NHA service is homelessness prevention and it is widely recognised that homelessness can be prevented in the majority of cases by early intervention. Wherever possible the service seeks to secure the continuation of the current accommodation or find alternative accommodation. Where a customer's homelessness cannot be avoided through prevention, NHA assist them to make a homeless application in line with the homelessness legislation, to then make a homeless decision on the Council's behalf. This service has now been adapted to support the Homelessness Reduction Act (HRA) 2017.

The extra burdens this has created for the service have been mitigated by providing an extra member of staff and by making available further interview space at the rented office accommodation in Lower Street. Housing Officers also procured a bespoke IT system to boost the practical support required to help customers overcome the threat of homelessness.

Housing register

Midland Heart also operates the Council's Housing Register and Allocations Policy under the remit of the NHA contract. Applicants who join the Housing Register are assessed in line with the criteria set out in the Housing Allocations Policy, currently under review, which awards a 'Banding' priority to applicants based on their housing needs and is the mechanism for letting social housing in the Borough. Applicants are then able to express an interest in properties that are advertised under the Choice Based Lettings (CBL) scheme, which is known as Homesdirect

After stock transfer, the Council retained 75% Nomination rights for Housing Register applicants to access Aspire Housing's stock. The Council also has a number of Service Level Agreements (SLA) in place for Nominations with other Registered Providers (RPs) holding stock in the Borough. These agreements commit each RP to providing 50% of the total Borough lettings of their stock to Housing Register applicants and provide additional opportunities for Borough residents to access social housing.

It has been made known to officers that Aspire wish to have a joint housing allocations policy to support 100% nominations from April 2020. This will have resource implications that need to be considered for the service moving forward. Alongside this one of the main considerations will be for the Council to consider procuring a CBL system that integrates with the current homelessness prevention system. These two issues would significantly improve working relations with Aspire and provide a seamless service for our customers and stakeholders to navigate.

Temporary accommodation

Midland heart also provide two 2 bedroom houses that are delivered under a separate service level agreement for the sole purpose of providing emergency interim accommodation as and when this is required by homeless households.

Third sector commissioning

There are services that receive funding through Third Sector Commissioning process that complement the main NHA service and assist in the delivery of services to prevent and alleviate homelessness. These are:

- Furniture Re-use Service
- Rough Sleepers Outreach Service

The table below shows the number of customers coming to the service seeking advice and support with their housing needs as at April 2019.

Activity	Numbers
Applicants managed on the housing register (snapshot figure)	1242
Properties nominated 2018/19	550
Calls to service housing register and housing options	1000 per month/1200 per year
Customers seen on reception	300 per month/3600 per year
Homeless emergency presentations and follow up appointments	1000 per year

2. **Issues**

- 2.1 The current service costs £328,863 per annum and the cost of the contract is met within the Housing and Regeneration Service budget. The current contract for the NHA service will expire on 31st March 2020.
- 2.2 Midland Heart has and continues to provide a satisfactory service. The contractual service has been delivered during a period where the housing policy landscape has changed significantly. As a result of ongoing Welfare Reform changes, the cuts to Supporting People funding, the Housing and Planning Act and rent reductions for social housing tenants, are making it more challenging to support customers especially those who are the most vulnerable. As mentioned above, further homeless legislation has increased the numbers of customers we now have to provide assistance for and changed how we work with customers and this has been successfully implemented into the service. It has however, increased work load, time and customer footfall significantly.
- 2.3 During 2017 the service underwent a peer review in line with the Gold Standard challenges of the National Practitioner Service. The service was awarded 67% overall, which is well above the averages of other local Authorities who have also taken part in this exercise.
- 2.4 There were a number of recommendations that emerged from the review that included improving the reception and interview facilities at the current NHA premises on Lower Street and sourcing a suitable IT solution for case management. Officers have worked with Midland Heart to make improvements to these, funded from the Government's New Burdens Grant. There are however, further improvements required to find solutions to the reception facilities at the current NHA location in Lower Street that does not provide for customers to have any private space to complete online housing register enquiries or have enough space available if a large family are to present.
- 2.5 Officers are therefore requesting that members reconsider the future delivery options for this service and make a decision on the way forward in light of the monitoring of the current contract and how the service has adapted to changes mentioned above.

3. **Options Considered**

- 3.1 The Council can consider a range of options to deliver the service. The service specification can be reviewed to basically deliver what is offered now, reviewed to make improvements or delivered differently with regard to the housing register. The service can be delivered in-house or contracted out. If contracted out the current contract period of 3 years with an option to extend for 3 years would be recommended to be used.

3.2 In the event that the Council wishes to pursue delivering the service in house it is likely that a thorough review will be required possibly by the Council procuring the services of a specialist consultant. Members are minded that since the Council transferred the housing stock, the NHA service has been contracted out and that the service has been successfully delivered. Midland Heart has advised in principle that they are interested in continuing to deliver the service. It is therefore of Officers opinion that there will be interest from providers to deliver the service and work with the Council to continue to develop the service delivery.

4. **Proposal**

4.1 The proposal is to retender the service with a revised specification/service outline as this option is most likely to deliver the service within the budget allocation.

The revisions required to the specification and service outline will be significantly different now that revised homeless legislation has been introduced. This will involve significant officer resource to ensure that the best service can be procured and secured. It is recommended therefore, that a three year contract be awarded, with the option to extend for a further three years subject to satisfactory performance.

4.2 In reviewing the options for the service delivery, the new service specification and standards will need to meet:

- Homelessness Prevention.
- Homelessness applications and assessments within the framework of Homelessness Reduction Act 2017 (HRA 2017).
- Securing temporary accommodation, and limiting the use of B&B.
- The management and operation of the Housing Register.
- Securing permanent accommodation through CBL nominations and Private Landlords.

4.3 Following the introduction of HRA a bespoke IT case management system was procured from the software provider LOCATA, known as Homelessness Prevention 2 (HP2). This tool has provided a vital tool in supporting the requirements of HRA and has significantly supported the relationship between the housing officer and customer relationship. The Council has a two year contract with LOCATA which expires on 31.3.20 with the option to extend a further two years. It is recommended that the Council continues with the service of HP2 and also considers that it procures the housing register module from LOCATA to integrate all housing options and ensure that customers and our partners have just one system to navigate.

4.4 As mentioned above HRA has significantly increased the workload and footfall of customers of NHA. The Council have supported an extra member of staff on a temporary basis using the HRA New Burdens grant funding which adds a further £40k per annum to the contract value. Performance indicators are showing that the service will have to allow for this resource to continue for the new service to support the additional workload.

4.5 Also mentioned above, the Council wishes to work with Aspire to deliver 100% nominations with a Joint Housing Allocations Policy. This would also require additional resource that will need to be negotiated with Aspire.

4.6 It will be a requirement of the service outline to ensure that the successful provider work with Council to develop the service and comply with any future legislative and service changes.

5. **Reasons for Preferred Solution**

- 5.1 To retender the NHA service on the open market under OJEU procurement legislation based on the Council knowing that there are interested providers. The following is an indicative timetable that officers need to allow sufficient time for the procurement of the service

Activity	Date
Final tender documentation/cabinet decision for advertising	July 2019
Tender out for advertisement	Aug-Oct 2019
Evaluation of tender/s/clarification	November 2019
Contract award	December 2019
Work to commence on implementation of service	January 2020

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 6.1 Providing the Councils statutory duties including housing advice and access to appropriate housing supports the Council's corporate priorities of:
- Local services that work for local people.
 - Growing our people and places.

7. **Legal and Statutory Implications**

- 7.1 The delivery of a housing advice, homelessness and housing register service is a statutory function, which means the Council has to provide assistance to assist individuals and families who are homeless or threatened with homelessness who apply for help even if it has contracted out the service.
- 7.2 Any procurement will have to comply with the Council's Financial Regulations and Standing Orders.
- 7.3 There will be TUPE implications for the transfer of staff to a new provider if the contract is not awarded to the current provider. Awarding the contract in December then enables proper liaison to comply with TUPE requirements.

8. **Equality Impact Assessment**

- 8.1 The Council's procurement tender process has regard to equalities, including the evaluation of equalities and diversity policies concerning employment practice and service delivery and workforce diversity monitoring.

9. **Financial and Resource Implications**

- 9.1 The Medium Term Financial Plan includes an annual budget of £328,000 for the service. The Council have supported an extra member of staff on a temporary basis using the HRA New Burdens grant funding which adds a further £40k per annum to the contract value. There is no clear indication that this grant will continue and with this in mind, officers have ringed fenced the flexible homelessness supporting grant funding, with a reserve of £120k to mitigate financial risk for the next three years. Therefore the budget for the service will be £368,000 for 2020 – 2023.
- 9.2 Further discussions are required with Aspire in relation to the joint policy and 100% nomination service level agreement. Funding is required to procure a CBL system, Local

Authorities have been allocated grant funding for ICT provision in relation to the implementation of the Homelessness Reduction Act (£9,000). Subject to reviewing the options with a variety of providers it will be prudent to utilise £15,000 from the HRA New burdens funding and some funding from the Flexible Homeless Support Grant (including the anticipated 2020-21 allocation). Officers are talking to LOCATA and Abris to ensure that cost efficiencies from purchasing the HP2 and CBL modules can be achieved. There will then be an ongoing revenue support cost for the CBL module estimated at £16,000. Subject to future Government Grant Allocations this may need to be budgeted for in the Medium Term Financial Strategy in three years time.

10. **Major Risks**

- 10.1 There is a risk that the tendering process will not result in a service able to meet the needs of our residents.
- 10.2. If the service is delivered unsatisfactorily, there would be a significant impact on homeless household both in terms of personal, financial and social costs.
- 10.3 If the service is delivered unsatisfactorily, the Council would be open to a legal challenge to how it had failed to meet its minimum duty. This would mean that Council would still have to provide assistance to the homeless household and cover any cost awarded.

11. **Sustainability and Climate Change Implications**

- 11.1 The Newcastle Housing Advice service has no direct impact on climate change. Ensuring that the service contributes to sustainable communities and the prevention of homelessness is a key function.

12. **Key Decision Information**

- 12.1 The NHA service is a statutory function and affects all wards in the Borough. When considered by members this will be a key decision item.

13. **Earlier Cabinet/Committee Resolutions**

- 13.1 The Newcastle Housing Advice service was last retendered in January 2014.

14. **List of Appendices**

- 14.1 None

15. **Background Papers**

- 15.1 None

Cabinet Forward Plan: Newcastle under Lyme Borough Council

Notice of Key Decisions to be taken under the Local Authorities (Executive Arrangements) (Meetings & Access to Information) (England) Regulations 2012 between 11 July and 4 September 2019

This Plan gives 28 clear days' notice of key decisions which either the Cabinet or individual Cabinet Portfolio Holders expect to take over the next few months. An authority cannot take a key decision without giving 28 clear days' notice unless an urgent decision is required.

"Key Decisions" are defined as those Executive/Cabinet Decisions which are likely:

- a. To result in the Council incurring expenditure or making savings of an amount which is significant having regard to the Council's budget for the service or the function to which the decision relates. (NB: The financial threshold above which expenditure or savings become significant has been set by the Council at £50,000).
- b. To be significant in terms of its effects on communities living or working in an area comprising two or more wards of the Borough.

Although it is not a statutory requirement this Forward Plan also contains details of other major decisions likely to be taken by the Cabinet, or individual Portfolio Holders, during the same period.

Occasionally it is not possible to give 28 days' notice of a specific decision and so include the details in the forward plan. In those circumstances urgent key decisions may still be made under the urgency procedures set out in the Access to Information Procedure Rules within the Council's Constitution.

A decision notice for each key decision made is published within 6 days of it having been made.

Whilst the majority of decisions listed in this Plan will be taken at meetings which are open to the public to attend, there may be some decisions which are considered in private meetings because the reports for the meeting contain confidential or exempt information under Schedule 12A of the Local Government Act 1972 (see below for relevant paragraphs) and the public interest in withholding the information outweighs the public interest in disclosing it.

Classification: NULBC **UNCLASSIFIED**

If you object to a report being considered in private you can tell us why by emailing DemocraticServices@newcastle-staffs.gov.uk or contacting the address below. Any representations received at least 8 working days before the meeting will be published with the agenda together with a statement of the Council's response. Any representations received after this time will be reported verbally to the meeting.

The Cabinet is made up of the Leader, Deputy Leader and Cabinet Members with the following portfolios:

Leader of the Council (Corporate & Service Improvement, People & Partnerships)	Councillor Simon Tagg
Deputy Leader & Cabinet Portfolio Holder (Finance & Efficiency)	Councillor Stephen Sweeney
Cabinet Portfolio Holder (Community Safety & Well Being)	Councillor Jill Waring
Cabinet Portfolio Holder (Environment & Recycling)	Councillor Trevor Johnson
Cabinet Portfolio Holder (Leisure, Culture & Heritage)	Councillor Mark Holland
Cabinet Portfolio Holder (Planning & Growth)	Councillor Paul Northcott

Paragraphs under Schedule 12A of the Local Government Act 1972 – Exempt Information

1. Information relating to any individual
2. Information which is likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals an authority proposes;
 - a. to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - b. to make an order or direction under any enactment
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of a crime

Copies of the Council's Constitution and agendas and reports relevant to any key decision may be accessed on the Council's website www.newcastle-staffs.gov.uk or may be viewed during normal office hours and copies or extracts obtained on payment of a reasonable fee (unless the publication contains exempt information) at:

Classification: NULBC **UNCLASSIFIED**

**The Chief Executive's Directorate, Castle House, Barracks Road
Newcastle-under-Lyme, Staffordshire ST5 1BL**

Telephone 01782 742222 Or Contact: DemocraticServices@newcastle-staffs.gov.uk

Title of Report	Brief Description of Report	Cabinet Portfolio holder	Decision maker & earliest date decision may be made	Relevant Overview & Scrutiny Committee	Wards affected	Reason for exemption under Sched 12A (if in private session)
Replacement Cremators - Feasibility Study	Feasibility study into replacing the cremators	Cabinet Portfolio Holder – Environment & Recycling	Cabinet 4 September 2019	Economy, Environment and Place	All	3
Digital Delivery	Consideration of a new Digital Delivery Strategy	Cabinet Portfolio holder – Finance & Efficiency	Cabinet 4 September 2019	Finance, Assets and Performance	All	N/A
ICT Data Backup Solution	To review the options available to replace or extend the current ICT data backup solution to meet the Councils future needs	Cabinet Portfolio Holder - Corporate & Service Improvement, People & Partnerships	Cabinet 4 September 2019	Finance, Assets and Performance	All	N/A
Replacement Mobile Telephony Contract	To review the options available to the Council when renewing its mobile telephone contract and procuring replacement devices	Cabinet Portfolio holder – Finance & Efficiency	Cabinet 4 September 2019	Finance, Assets and Performance	All	N/A

Classification: NULBC **UNCLASSIFIED**

Tree Contract Extension	Consideration of the extension of tree contract	Cabinet Portfolio Holder – Environment & Recycling	Cabinet 4 September 2019	Economy, Environment and Place	All	N/A
Car Parking Strategy	To review Council objectives for Car parking in Town Centre	Cabinet Portfolio holder – Finance & Efficiency	Cabinet 4 September 2019	Economy, Environment and Place	All	N/A
New Economic Development Strategy	To review and adopt a new Economic Development Strategy for the Council	Cabinet Portfolio Holder - Corporate & Service Improvement, People & Partnerships	Cabinet 4 September 2019	Economy, Environment and Place	All	N/A
Quarter 1 Finance and Performance Report	To consider agreed measures of performance and budget monitoring for Q1 of 2019/20 financial year	Cabinet Portfolio Holder - Corporate & Service Improvement, People & Partnerships	Cabinet 4 September 2019	Finance, Assets and Performance	All	N/A
Affordable funerals	To consider introducing affordable funerals	Cabinet Portfolio Holder – Environment & Recycling	Cabinet 4 September 2019	Economy, Environment and Place	All	N/A
Air Quality Local Development Plan	To consider the air quality local development plan & preferred outcome to improve air quality	Cabinet Portfolio Holder – Environment & Recycling	Cabinet 4 September 2019	Economy, Environment and Place / Health, Wellbeing & Partnerships	All	N/A
Update on CCTV	To consider proposals for the current CCTV system	Cabinet Portfolio Holder – Community Safety & Wellbeing	Cabinet 4 September 2019	Health, Wellbeing & Partnerships	All	N/A

Classification: NULBC **UNCLASSIFIED**

Local Authority Trading Companies	To consider whether to establish a corporate legal structure for the purpose of property development activities and/or other trading opportunities	Cabinet Portfolio Holder - Corporate & Service Improvement, People & Partnerships	Cabinet 4 September 2019	Finance, Assets and Performance / Economy, Environment and Place	All	N/A
Supply of Spring & Summer Bedding Plants Contract	Retendering for the supply of spring & summer bedding plants to ensure the best value price is obtained & establish the amounts to be included in the 2019/20 budget.	Cabinet Portfolio Holder – Environment & Recycling	Cabinet 4 September 2019	Health, Wellbeing & Partnerships	Town	N/A
Review of Housing Allocation Policy	The report seeks approval to amend the Council's Housing Allocations Policy to accord with changes in government legislation & guidance	Cabinet Portfolio Holder – Community Safety & Well Being	Cabinet 16 October 2019	Economy, Environment and Place	All	N/A
Renewal of Microsoft Enterprise Subscription Agreement	The Council's current ESA with Microsoft will require renewal prior to May 2020. This report will outline the options available to the authority in renewing the agreement for this	Cabinet Portfolio Holder – Finance & Efficiency	Cabinet 16 October 2019	Finance, Assets and Performance	All	N/A

Classification: NULBC UNCLASSIFIED

	period.					
Organisation Change Policy (subject to JNCC approval)	To implement a new organisation change policy for the Council	Cabinet Portfolio Holder - Corporate & Service Improvement, People & Partnerships	Cabinet 16 October 2019	Finance, Assets and Performance	All	N/A
Additional Holiday Pay (subject to JNCC approval)	To ensure overtime pay is incorporated into holiday pay in accordance with employment case law.	Cabinet Portfolio Holder - Corporate & Service Improvement, People & Partnerships	Cabinet 16 October 2019	Finance, Assets and Performance	All	N/A
Redeployment Policy (subject to JNCC approval)	To implement a redeployment policy for the Council	Cabinet Portfolio Holder - Corporate & Service Improvement, People & Partnerships	Cabinet 16 October 2019	Finance, Assets and Performance	All	N/A
MTFS	To review the Councils' medium term financial planning	Cabinet Portfolio Holder – Finance & Efficiency	Cabinet 16 October 2019	Finance, Assets and Performance	All	N/A
Quarter 2 Finance and Performance Report	To consider agreed measures of performance and budget monitoring position for Q2 of 2019/20 financial year	Cabinet Portfolio Holder - Corporate & Service Improvement, People & Partnerships	Cabinet 6 November 2019	Finance, Assets and Performance	All	N/A

Classification: NULBC UNCLASSIFIED

Homelessness Housing Advice Contract Award	To review tenders and award contract	Cabinet Portfolio Holder – Community Safety & Well Being	Cabinet 6 November 2019	Economy, Environment and Place	All	N/A
Newcastle-under-Lyme BC Homelessness & Rough Sleeping Strategy 2020 /2025	The national rough sleeping strategy requires that all local authorities update their homelessness strategies & rebadge them as homelessness & rough sleeping strategies by winter 2019	Cabinet Portfolio Holder – Community Safety & Well Being	Cabinet 15 January 2020	Economy, Environment and Place	All	N/A

This page is intentionally left blank

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank