

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3351
Author:	Graham de Max
Department:	Development and Growth
Contact:	Graham de Max (Job Title: Partnership and Policy Manager, Email: graham.demax@nottinghamcity.gov.uk , Phone: 01158763538)
Subject:	Additional Payment of Management Fee to Nottingham City Homes (NCH)
Total Value:	£40,000 (Type: Revenue)
Decision Being Taken:	In 2018/19 to provide £0.040m (£0.070m on-going) to NCH in addition to the Management Fee approved in the Medium Term Financial Plan approved by full Council on 5th March 2018 (and any subsequent approvals) to meet costs incurred in the delivery of services to Stepney Court independent living schemes and also laundry service charges.

Reasons for the Decision(s)

The Council is due to complete the construction of a replacement of a new independent living scheme (Strelley Court) during the autumn of 2018, which forms part of the Council's housing stock. Nottingham City Homes manages the Council's housing stock and is paid a Management Fee for this function and in order to fund the additional support required by this scheme an adjustment in the fee is required.

It is proposed that the additional service charge income generated from tenants at this scheme is used to fund the additional Management Fee to NCH to pay for services provided to these tenants. The services provide support to residents to increase or maintain their independence. The cost of these services will be funded by the additional income from service charges and so is cost neutral to the Housing Revenue Account (HRA). The estimated values of the additional service charges for 2018/19 are listed below.

In the 2017/18 budget approval was given to increase NCH's Management Fee by £97k and onwards to fund NCH for the provision of communal laundry facilities. This was funded by the additional income in service charges (in place of previously coin-operated facilities). Delegated Decision 3167 approved a further £15k of income to be paid to NCH. A review of the income collected gives a further £10k which it is proposed is paid over to NCH to support the operation and maintenance of the machines.

The breakdown of additional fee in 2018/19 is as follows:

Strelley Court 2018/19	£30k
(6 months)	
Further laundry charge 2018/19	£10k
Total additional fee 2018/19	£40k

Approved fee	
MTFP	
£23.125m	
Approved fee DD3167	
£0.050m	
Additional Fee this DD	
£0.040m	
Total	
Fee	&n
bsp;	£23.215m

The breakdown of additional fees in 2019/20 is as follows:

Strelley Court 2019/20	£60k
(12 months)	
Further laundry charge 2019/20	£10k
Total additional fee 2019/20	£70k

Other Options Considered: Other Options Considered: To not fund NCH for delivery of these services: Rejected as this would result in reductions to service to the tenants who are entitled to them by payment of a service charge

Background Papers: None

Published Works: Reports and minutes of the Council meeting of 5 March 2018
Delegated decision no 3167.

Affected Wards: Citywide

Colleague / Councillor Interests: None

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: None

Equality: EIA not required. Reasons: The proposal does not significantly affect the delivery of services

Decision Type: Officer

Executive Decision? No

Scheme of Delegation Reference Number or Other Source of Delegation: 1

Advice Sought: Finance

Finance Advice: The impact of this decision will be cost neutral to the Council and it's Housing Revenue Account (HRA). The additional Management Fee paid to NCH will be fully funded by additional service charges collected and received by the Council into the HRA. There is no impact on the Council's MTFP. Advice provided by Julie Dorrington (Senior Accountant (Housing Revenue Account)) on 08/11/2018.

Signatures: Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 18/12/2018