

MINUTES

CABINET

10 FEBRUARY 2015

Present:

Members:

Councillors:

Margaret Griffiths	Portfolio Holder for Housing
Neil Harden	Portfolio Holder for Residents and Regulatory Services
Julie Laws	Portfolio Holder for Environmental Services and Sustainability
Nick Tiley	Portfolio Holder for Finance and Resources
Andrew Williams (Chairman)	Leader of the Council/Portfolio Holder for Planning and Regeneration

Officers:

Sally Marshall	Chief Executive
James Deane	Corporate Director Finance and Operations
Mark Gaynor	Corporate Director Housing and Regeneration
Steven Baker	Assistant Director Chief Executive's Unit
James Doe	Assistant Director Planning, Development and Regeneration
Chris Baker	Group Manager Revenues Benefits and Fraud
Richard Baker	Group Manager Financial Services
Matt Rawdon	Group Manager People
Catriona Lawson	Corporate Support Team Leader
Pat Duff	Member Support Officer

The meeting began at 7.30 pm.

CA/010/15 MINUTES

The minutes of the meeting held on 20 January 2015 were agreed by the members present and signed by the Chairman.

CA/011/15 APOLOGIES FOR ABSENCE

There were no apologies for absence.

CA/012/15 DECLARATIONS OF INTEREST

There were no declarations of interest.

CA/013/15 PUBLIC PARTICIPATION

There was no public participation.

CA/014/15 REFERRALS TO CABINET

There were no referrals to Cabinet.

CA/015/15 CABINET FORWARD PLAN

Decision

That the Cabinet Forward Plan be noted.

CA/016/15 AUTHORISATION OF VIREMENTS

Decision

That the virements from the Service Areas as listed below and detailed in the report be noted:

- Grounds Maintenance
- Site Repairs and Maintenance
- Contracted Services
- Expenses Events and Training

Reason for Decision

To secure the approval of virements for the purposes specified in the Form (A), as appended to the report.

Implications

Financial

The Scheme of Virements is part of the Council's financial management.

Risk Implications

There are no risk implications.

Corporate Objectives

To standardise documentation and authorisation requirements for all virements.

Advice

The Portfolio Holder for Finance and Resources introduced the report which he said was self-explanatory.

Options and Why Options Rejected

No alternative options were considered.

Consultation

There was no consultation.

Voting

None.

CA/017/15 REVISED WASTE STORAGE GUIDANCE NOTE

Decision

1. That the Policy Guidance Note be adopted as a material planning consideration in relevant planning decisions and for use in the preparation of planning documents.
2. That authority be delegated to the Assistant Director, Planning, Development and Regeneration to make minor editorial changes to the document, prior to its final publication.

Reason for Decision

To agree a new 'good practice guide' for developers and landowners to promote the inclusion of appropriate and well-designed waste management facilities within new development schemes.

Implications

Financial

There are no direct financial implications in relation to this guidance note. Its application will however assist in the efficient determination of planning applications within the statutory decision periods, which will assist with the overall financial efficiency of the planning service. Funding is provided through the LDF budget.

Value for Money

Up-to-date guidance on waste management facilities for all new development will ensure long term financial benefits. Improving the preparation of waste re-use and recycling will decrease the need for disposal by landfill or incineration. This will reduce landfill tax for the Council (which ensures EU targets are met under the Landfill Directive).

Risk Implications

There are no direct risk implications related to this guidance note. The note provides detailed guidance to support the application of design policies within the adopted Core Strategy. A separate Risk Assessment has been prepared for the Local Planning Framework (of which the Core Strategy is part). This is updated monthly as part of CORVU monitoring processes.

Corporate Objectives

The Waste Storage Guidance note supports the 'Dacorum Delivers' objective, to improve efficiency and effectiveness of services. It will help planning decisions to be

approved within agreed time scales by providing upfront and clear advice on the provision of waste management facilities for new development.

Good quality design will be encouraged, supporting delivery of the Council's 'safe and clean environment' objective. Unsightly bins can damage the visual amenity of an area. Promoting appropriate, convenient and well-designed waste management facilities which follow all relevant legislation and building regulations, will reduce anti-social behaviour and help provide a safe and pleasant environment.

Advice

The Assistant Director Planning, Development and Regeneration introduced the report that had come out of the Corporate Sustainability Group. This was a guidance note for developers as to requirements for the storage of bins. As detailed in the report, this guidance would be kept under review and may need updating, particularly following commencement of the new collection regimes for commercial premises and flats.

The Portfolio Holder for Environment and Sustainability advised that the new collection service for flatted developments would now start in September/October and not in early Summer 2015 as stated in the report.

Options and Why Options Rejected

No alternative options were considered.

Consultation

Consultation took place with:

- Development Management (Alex Chrusciak, Michael Davey)
- Waste Services (Ray Houldey)
- Neighbourhood Delivery (David Austen, Craig Thorpe, Sheila Chauhan, Nicholas Egerton).

Voting

None.

CA/018/15 SENIOR OFFICER PAY POLICY

Decision

That Council be recommended to adopt the Pay Policy for 2015/16 as set out in appendix 1 to the report.

Reason for Decision

To set the Council's pay policy for the financial year 2015/16 as required by Section 38 of the Localism Act 2011.

Implications

Expenditure on pay represents approximately 80% of the costs of operating services and managing the organisation. At present there are a range of policies relating to specific terms and conditions, most of which are set out in the employee handbook. This statement does not alter any existing terms and conditions and there are, therefore, no direct financial implications of the report.

Risk Implications

There needs to be a robust procedure in place to ensure transparency of information and equality in staffing costs and remuneration.

Corporate Objectives

The Council's policies in respect of pay and terms and conditions support all five of the Council's strategic objectives as part of ensuring that services to the community can be delivered to the required standards and with due regard to economy, efficiency and effectiveness

Advice

The Portfolio Holder for Residents and Regulatory Services introduced the report which was an annual requirement of all local authorities.

Options and Why Options Rejected

No alternative options were considered.

Consultation

Consultation took place with:

- Portfolio Holder Cllr Neil Harden
- Sally Marshall, Chief Executive.

Voting

None.

CA/019/15 HEMEL EVOLUTION: BUS INTERCHANGE AND MARKET SQUARE

Decision

1. That progress on the project be noted as set out in the report
2. **That Council be recommended to approve £1million additional capital budget for expenditure during 2015/16 for the delivery of the Bus Interchange project.**

Reason for Decision

To outline progress on the project and to set out arrangements for funding the costs of delivering the scheme.

Implications

Financial

The original project budget was £2.2million - £2.16million capital and £40,000 revenue (BP015).

Approximately £370,000 of this budget is required for associated costs including design fees, fees for cost manager, employer's agent, solicitor fees, CDM Coordinator, Design Monitors fees, planning, licenses, salaries and other statutory consents and communications.

Following expenditure to date and virement of £450,000 out of the original budget, the current available budget left for construction is approximately £1.55million.

Following a two stage tender process (PQQ and ITT) for the appointment of the main construction contractor for the Bus Interchange, two tender responses were received both of which were over the current available budget.

Following a competitive tender process we have identified a preferred bidder whose tender contract is at the value of £1.711million.

Whilst the landscape architects designed the scheme and monitored costs up to June 2014 with the advice of their cost managers to fit within our available budget, there has been a recent spike in construction costs linked to an increase in demand for contractors combined with a lack of supply of labour and materials.

Officers, in liaison with the Portfolio Holder for Planning and Regeneration, have considered a number of value engineering options in the interest of the projects success. By doing this we have reduced the preferred bidder's price to approximately £1.53million. It was recognised that any further value engineering is likely to compromise both the design and quality of the scheme significantly.

Financial

On top of the £1.53million costs submitted further allowances need to be made which will increase the total cost of the works. These include the allocation of a contingency budget of 8% (5% design & 3% build) for the construction elements.

The Council's appointed cost managers have advised that 8% is an appropriate level of contingency subject to the Client not making any changes to the scheme. This 8% was a figure agreed by Cabinet in June 2014 for the MSZ project.

Through the contract negotiation process certain items of risk have been accepted as a Council risk to ensure that the contractor does not overestimate and price the risk. Therefore, a further contingency for items, not already included in the contract price needs to be included. This will cover utility issues, sub base issues, etc. This adds an additional contingency cost of £492,000

A total additional budget of £1million (for the required contingencies, professional

fees, salaries and associated legal costs is sought for the Bus Interchange Improvement Project.

Part of this funding will enable the continuation of staffing needed to deliver this project to be taken directly from the capital allowance. The main project officer role will continue until 31/01/2016 (to allow for snagging issues) which will cost £20,000 of the amount requested, A technical assistant to support the officer will also need to be extended until 30/11/15 which will cost £18,000 of the amount requested.

Risk Implications

Market Square and Bus Station Regeneration Risk Assessment included as part of the PID.

Advice

The Assistant Director Planning, Development and Regeneration introduced the report. Work was progressing currently in Marlowes and the next stage was to award a separate contract to build the new bus station and to agree further capital input into the budget.

The Assistant Director drew attention to the figures on page 4 of the report. The original budget was £2.1m and there had been a virement out of this budget for the ticketing and toilet facility which would now be part of the Marlowes works. At that time it was advised that this budget would need topping up and the breakdown was detailed in the report. A large amount of the budget was for contingency as this was a complex part of the town to work in (including services in the road to accommodate the new bus interchange). £250k was for other risks associated with HCC approvals. Officers were trying to get the cost down and the summary on page 5 of the report detailed a cost cut of £200k due to decisions taken on paving and road surfacing. The additional budget required was now £1m. The Council was in full control of the contingency sums.

Options and Why Options Rejected

No alternative options were considered.

Consultation

There was no consultation.

Voting

None.

CA/020/15 DISCRETIONARY BUSINESS RATE RELIEF SCHEME

Decision

1. That the revised Discretionary Business Rate Relief Policy be approved.
2. That the revised Additional Business Rate Relief Policy be approved.

Reason for Decision

To revise the policies for discretionary business rate relief.

Implications

Financial

1. The proposed changes will reduce the administrative burden on affected ratepayers and the Council, and so offer improved value for money.
2. Government has stated that it will meet the full costs of reliefs granted in line with its Autumn Statement 2015 recommendations, and so there is no financial cost to the Council.

Risk Implications

There is a risk of reputational damage if the Council is not seen to be taking action based on these Government recommendations.

Corporate Objectives

These reliefs will support the corporate objective of regeneration and economy.

Advice

The Portfolio Holder for Finance and Resources introduced the report which was proposing minor amendments so that it became more efficient for Council to demonstrate the Rate Relief Scheme.

The Group Manager Revenues, Benefits and Fraud said the changes to the Discretionary Rate Relief Scheme had come out of the Appeals Committee. The previous scheme had involved a lot of work for small amounts of money.

The Portfolio Holder for Environment and Sustainability agreed that it had been a lot of work for small business to have to go to an Appeals Committee. The Portfolio Holder asked for clarification regarding when an appeal could be requested. The report said it was when someone did not like the decision of the Council regarding how much rate relief given. The Portfolio Holder understood there was a sum of money the Appeals Committee was able to give to smaller charitable organisations and asked if this had changed.

The Group Manager Revenues, Benefits and Fraud said that had changed with the introduction of the Business Rate Retention Scheme. Within the policy there were some cases that had to be heard by the Appeals Committee. The new scheme was to take out some of the low level appeals.

Options and Why Options Rejected

No alternative options were considered.

Consultation

Consultation took place with:

Appeals Committee (Business Rates).

Voting

None.

CA/021/15 COMMUNITY INFRASTRUCTURE LEVY (CIL) – ADOPTION OF THE CHARGING SCHEDULE AND ASSOCIATED DOCUMENTS

Decision

That Council be recommended to approve:

1. **The CIL Charging Schedule is adopted in accordance with Regulation 25 of the CIL Regulations 2010 (as amended).**
2. **The Regulation 123 list is adopted alongside the Charging Schedule as the basis for allocating CIL funding and as set out in Appendix 2 of the report.**
3. **The CIL policies on Exceptional Circumstances Relief, Discretionary Charitable Relief, Instalments and Payments in Kind are adopted.**
4. **The Planning Obligations SPD is un-adopted by the Council on the 1st July 2015.**
5. **Progress towards the implementation of CIL is noted.**
6. **The implementation date for CIL is delayed until the 1st July 2015.**
7. **Decisions over the spending of CIL receipts are taken by Council based on recommendations of an Infrastructure Advisory Group comprising officers and members.**
8. **Authority be delegated to the Assistant Director Chief Executives Unit to amend the Constitution to allocate specific operational functions required to facilitate the day to day operation of CIL.**

Reason for Decision

To authorise the adoption of the Community Infrastructure Levy (CIL) Charging Schedule and associated policy documents in order that the Levy may be collected from the 1st July 2015.

Implications

Financial

The cost of developing and implementing the Council's CIL Policies and Procedures is being borne by the Local Development Framework (LDF) budget, and may be repaid from future CIL receipts. Once implemented, up to 5% of CIL receipts may be used for its ongoing administration. The full 5% has already been committed from the first year

receipts for administrative purposes. The project is expected to be cost-neutral in the long term.

Once CIL is in place the Council will be responsible for collecting and allocating significant sums of money to the delivery of infrastructure. The delay in implementation will result in a loss of income for infrastructure projects.

Value for money

Officers have sought to get value for money in the commissioning of technical work and purchasing of supporting infrastructure such as new planning software. The Council will be responsible for allocating CIL money for spend, and thus will have a responsibility to ensure efficient use of funds.

Risk Implications

The Project Initiation Document (PID) was updated in February 2013 and sets out full details of the risks associated with the introduction of a CIL. They include insufficient buy-in from infrastructure providers and key stakeholders, changes in Government policy and team capacity.

Corporate Objectives

Preparation and implementation of a CIL contributes to all of the corporate objectives.

Affordable Housing

Affordable housing will be exempt from paying CIL and the CIL revenues cannot currently be used for provision of Affordable Housing. We will continue to secure Affordable Housing through the completion of planning obligations under S106 of the Town and Country Planning Act 1990 (as amended). The Charging Schedule is not considered to undermine the delivery of affordable housing in accordance with the Core Strategy. The viability assessments upon which our charges are based incorporate assumptions over the delivery of affordable homes.

Safe and Clean Environment

Open space and green infrastructure improvements have been identified as possible recipients of CIL funding within the Councils Draft Regulation 123 List Such works would contribute to a safe and clean environment.

Building Community Capacity

CIL revenues may be used to social enterprise and local community infrastructure which supports those in the most deprived areas Local communities should feel empowered to carry out improvements within their neighbourhood by the delegated of a proportion of CIL funding to them under Regulation 59 of the CIL Regulations

Regeneration

CIL will be used in combination with S106 to support the delivery of the key regeneration priorities for the Council.

Dacorum Delivers

Developing the CIL represents Value for Money as it will become cost-neutral once it is up and running as explained below. It will lead to the delivery of infrastructure required to support new development so will improve the reputation of the Council

Advice

The Assistant Director Planning, Development and Regeneration introduced the report which recommended adoption of formal mechanisms through the charging schedule. A consequence of CIL being adopted was that the Planning Obligations SPD would be un-adopted by the Council on 1 July 2015. The adoption date for CIL is set for 1 July 2015. Software for the collection of CIL and some charges notices needed to be finalised. There were some further constitutional matters detailed in the report to ensure operational functionality was covered by obligations. Governance arrangements had been discussed previously. An Infrastructure Advisory Group would be set up of members and officers.

Options and Why Options Rejected

No alternative options were considered.

Consultation

Consultation on the Charging Schedule and associated CIL Policies has been carried out in accordance with the CIL Regulations 2010 (as amended) as set out in Core Documents 7 (Community Infrastructure Levy – Legislative and Regulatory Compliance Statement) and 9 (Statement of Representations) to the CIL Examination. These were considered as part of the examination process.

In terms of internal processes, both the CIL Task and Finish Group and a Corporate CIL Working Group have advised on the preparation of the Charging Schedule, Regulation 123 list and associated CIL policies. There have been reports to Cabinet at key stages in the process and the Planning and Regeneration Portfolio Holder has been kept apprised of progress.

Progress on the CIL project is regularly reported through CORVU.

Voting

None.

CA/022/15 BUDGET MONITORING QUARTER 3 2014/15

Decision

That the budget monitoring position for each of the following accounts be noted:

- General Fund
- Housing Revenue Account
- Capital Programme.

Reason for Decision

To provide details of the projected outturn for 2014/15 as at Quarter 3 for the:

- General Fund
- Housing Revenue Account
- Capital Programme

Implications

Financial and Value for Money implications are included within the body of the report.

Risk Implications

Risk implications are included within the body of the report.

Corporate Objectives

Dacorum Delivers.

Advice

The Portfolio Holder for Finance and Resources introduced the report and advised that everything was healthy at the end of Quarter 3 and the Council's position was financially strong.

The Leader of the Council said the expenditure was laid out in the report very clearly.

The Portfolio Holder for Finance and Resources said the Finance Team had done an excellent job on behalf of the Council. They had built a good working relationship with all the different areas of operation within the Council and were now regarded as an 'on-going nuisance doing good for the Council.' The Portfolio Holder asked that the whole team be congratulated for doing a great job and these results proved that.

Options and Why Options Rejected

No alternative options were considered.

Consultation

There was no consultation.

Voting

None.

CA/023/15 NAMING THE PUBLIC SERVICE QUARTER

Decision

That Council be recommended to approve that the Public Service Quarter be officially named 'The Forum'.

Reason for Decision

To recommend a name for the Public Service Quarter.

Implications

Financial

None directly

Value for Money

No costs have been involved in the proposed naming of the Public Service Quarter. The new building will be considerably more efficient and its running costs will be substantially less than the Civic Centre.

Risk Implications

None identified.

Corporate Objectives

Regeneration

The Public Service Quarter is a key part of the Gade Zone Regeneration project which is aimed primarily to deliver significant regeneration in the town centre. It facilitates the creation of a new community focused building housing public and voluntary sector partners, a new commercial leisure facility developing more family friendly and evening attractions into the town centre and much needed new homes. Subsequent development of the Civic Centre and college sites will bring further new investment into the town centre, most likely for new housing.

Advice

The Leader of the Council introduced the report. The new building would be used for many different services and after a lot of consideration The Forum was considered to be a suitable name for it.

Options and Why Options Rejected

No alternative options were considered.

Consultation

Consultation took place with:

- Monitoring Officer
- S 151 Officer
- James Doe, Assistant Director Planning and Regeneration
- James Deane, Assistant Director Finance and Resources
- Nick Brown, Group Manager Commercial assets and Property Development
- Mark Brookes, Group Manager, Legal Governance

Voting

None.

CA/024/15 BUDGET 2015/16

Decision

That Council be recommended to approve:

General Fund Revenue Estimate

- a) set a Dacorum Borough Council General Fund Council Tax requirement of £9.826m, and of £10.467m for the combined Borough Council and Parish Councils' requirement for 2015/16;
- b) agree an increase of 1.8% in Council Tax for Dacorum Borough Council;
- c) approve the base estimates for 2015/16, as shown in Appendix A of the report, and the indicative budget forecasts for 2016/17 – 2018/19, as shown in Appendix J of the report;
- d) approve the forecast balances of Revenue Reserves as shown in Appendix H of the report, and approve paragraphs 14 – 31 of the report as the updated Reserves Strategy;
- e) approve increases in Fees and Charges for 2015/16 as set out in Appendix I of the report;
- f) approve and adopt the Treasury Management Strategy for 2015/16, attached at Appendix K of the report;
- g) approve and adopt the Treasury Management Principles and Practices for 2015/16, attached at Appendix L of the report;
- h) note that this budget paper, when approved by Council, will form part of the Medium Term Financial Strategy.

Capital Programme

- i) approve the revised Capital Programme for 2014/15, and for 2015/16 to 2019/20, as detailed in Appendix G of the report;
- j) authorise the financing proposals in Appendix G of the report, subject to an annual review of the financing options by the Corporate Director Finance and Operations, in consultation with the Portfolio Holder for Finance and Resources, during the preparation of the Statement of Accounts.

Housing Revenue Account (HRA)

- k) set dwelling rent increases in accordance with the proposed policy to retain existing rent policy for those tenants below Target Rent, but to implement CPI-linked rental increases for those tenants who are at Target Rent. This results in an average increase of 3.71% which makes the average rent £106.02 per week (based on 52 weeks);

- l) **approve the HRA estimate for 2015/16 as shown in Appendix F of the report.**

Terms and Conditions

- m) **approve the continued application of a living wage supplement for all affected employees, in accordance with the Living Wage, for 2015/16; to be reviewed annually thereafter.**

Statement by Chief Finance Officer

- n) **approve the statement by the Chief Finance Officer regarding the robustness of the budget estimates and level of reserves as set out in Appendix M of the report.**

Reason for Decision

To recommend the budget to Council in relation to:

- Revenue and Capital Expenditure together with the potential use of reserves
- The setting of the Council Tax for 2015/16
- The Treasury Management Strategy 2015/16
- The level of fees and charges for 2015/16
- Advice to Councillors on the robustness of the Budget proposals and adequacy of balances and reserves as required by the Local Government Act 2003.

Implications

Financial and Value for Money

Contained within the body of the report.

Risk Implications

Budget Risk Assessment completed within report (Appendix M of the report).

Corporate Objectives

All of the Council's corporate objectives are reflected in the Budget proposals.

Advice

The Portfolio Holder for Finance and Resources introduced the report. The Council's decision to increase Council Tax by 1.8% did go against the advice of the Secretary of State for Communities and Local Government but the Council was unimpressed by the compensation offered for the third year running. The report was self-explanatory.

The Leader of the Council said he considered the increase was appropriate for this authority. There would be an opportunity to highlight the many benefits of this budget at Full Council. Members had had several presentations and the budget had been considered by all three Overview and Scrutiny Committees. This was a balanced budget and the Leader of the Council said he was content to recommend this budget to full Council.

Options and Why Options Rejected

No alternative options were considered.

Consultation

Consultation took place with:

- Overview and Scrutiny Committees
- Budget Review Group
- Town and Parish Councils
- Public Engagement Forum
- Corporate Management Team
- Group Managers

Voting

None.

The meeting ended at 7.55 pm.