

MINUTES

CABINET

16 SEPTEMBER 2014

Present:

Members:

Councillors:

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

Also Attended:

Anthony McKay	Cabinet Support Member
Denise Rance,	Liberal Democrat Leader

Officers:

Sally Marshall	Chief Executive
Mark Gaynor	Corporate Director (Housing and Regeneration)
Martin Hone	Corporate Director (Finance and Operations)
David Austin	Assistant Director (Neighbourhood Delivery)
Elliott Brooks	Assistant Director (Housing)
James Deane	Assistant Director (Finance and Resources)
James Doe	Assistant Director (Planning, Development and Regeneration)
Mark Brookes	Group Manager (Legal Governance)
Jim Doyle	Group Manager (Democratic Services)
Chris Baker	Revenues and Benefits Support Manager
Linda Dargue	Insurance and Risk Manager
Sarah Hamilton	Team Leader (Communications and Consultation)

The meeting began at 7.30 pm.

CA/100/14 MINUTES

The minutes of the meeting held on 22 July 2014 were agreed by the members present and signed by the Chairman.

CA/101/14 APOLOGIES FOR ABSENCE

An apology for absence was received on behalf of Councillor Mrs Griffiths.

CA/102/14 DECLARATIONS OF INTEREST

There were no declarations of interest.

CA/103/14 PUBLIC PARTICIPATION

There was no public participation.

CA/104/14 REFERRALS TO CABINET

There were no referrals to Cabinet.

CA/105/14 CABINET FORWARD PLAN

Decision

That the Cabinet Forward Plan be noted, subject to the following amendments:

Item 7, Hemel Evolution is brought forward from the November meeting and will now be considered at the October meeting.

CA/106/14 RISK MANAGEMENT REPORT QUARTER 1 2014/15

Decision

That the report be noted

Reason for Decision

The effective management of risk forms part of the overall governance of the Council. One of the key elements of risk management is to ensure that the strategic and operational risks are kept under review and updated at regular intervals

Implications

As set out in the report to the cabinet.

Risk Implications

Effective risk management is an important factor in all policymaking, planning and decision making.

Corporate Objectives

Dacorum Delivers – Risk management is an essential part of ensuring that the Council meets all of its objectives.

Advice

The item was introduced by the Portfolio Holder and then the Insurance and Risk Manager explained some of the implications, finishing by setting out the improvements intended to modernise our systems.

Clr Laws requested that officers ensure that any further reports identify this matter as the responsibility of the Portfolio Holder for Residents & Regulatory Services.

Consultation

Corporate Management Team and Resources OSC.

Voting

None.

CA/107/14 HEMEL EVOLUTION – BANK COURT REGENERATION CONSULTATION RESULTS

Decisions

1. That the results of the public consultation for the proposals to regenerate Bank Court be noted (refer Appendix 1: Bank Court Public Consultation Report).
2. That the approach set out in the report to make further changes to the design of the scheme be endorsed.

Reason for Decision

To consider the results of the public consultation for the proposals to regenerate Bank Court

Implications

As set out in the report to the Cabinet.

Risk Implications

As set out in the Risk Assessment included as part of the delivery of the Marlowes Shopping Zone and Bank Court Regeneration project.

Corporate Objectives and Improving Dacorum Programme

The Hemel Hempstead Masterplan supports the Council's vision and in particular the corporate objective of Regeneration.

Advice

The Assistant Director (Planning, Development and Regeneration) took the meeting through the main points of the report submitted to the meeting and then focused on the

responses to the consultation and their inclusion in the revised plans. He drew particular attention to the 10 comments on the re-location of the blue badge spaces and the proposal to re-locate them to Waterhouse Street. The comments and responses were summarised in paragraph 16 of the report.

Cllr Laws welcomed the comments that had been received and was pleased that account of them could be taken now and they could be accommodated at the design stage.

Councillor Williams expressed his satisfaction with the proposals and the responses received to a part of the development that was always likely to generate debate and ia pleased to note the positive responses.

Options and Why Options Rejected

The consultation set out the various options considered and the recommended way forward.

Consultation

The results of the public consultation for the proposals to regenerate Bank Court are set out in Appendix 1 of the report to the cabinet: Bank Court Public Consultation).

Voting

None

CA/108/14 REVIEW OF COUNCIL TAX SUPPORT SCHEME

Decisions

1. That the Council Tax Support Scheme for 2015/16 should consist of the Scheme for 2014/15 with adjustments as required by any update to the Prescribed Regulations, and uprating for working age people in line with that in the Housing Benefit regulations.
2. That a report be produced for full Council to formally approve the 2015 scheme at its January meeting (before the 31 January 2015 deadline).

Reason for Decision

The Council is required to consider revision or replacement of the Local Council Tax Support scheme in line with Government proposed changes to the regulations prescribing certain rules which must be included within Dacorum's scheme. To uprate the calculation amounts for working age people within the scheme.

Implications

Financial

Funding for Council Tax Support is provided by means of a specific grant from Government. The amount is not separately identified, but Government has indicated that it will not be increased from that previously received.

In general, the effect of uprating is cost neutral, as the same increases are applied to both state benefits (including retirement pension) and the allowances and premiums within the Council Tax Support calculation.

The overall cost of the Council Tax Support scheme is more directly linked to any increase in Council Tax itself.

Risk Implications

The LGFA 1992 requires the Council to make a decision about its 2015/16 Council Tax Support scheme by 31 January 2015, and there is a risk of reputational damage if this is not met.

If revision or replacement of the Scheme is recommended, the LGFA specifies the consultative steps which must be taken. If changes are made without the required process being followed, there is a risk of the Scheme being challenged by Judicial Review.

There are also financial risks in relation to the impact of applications for support exceeding the anticipated level of payments within the financial year. This is being addressed by ongoing monitoring of the amount of support as part of the collection fund monitoring process.

Corporate Objectives and Improving Dacorum Programme

Effective management of the Council's finances supports the Council's vision and all five of its corporate objectives

Advice

The Revenues and Benefits Support Manager took the Cabinet through the report and the work to be done to prepare the revisions for the Council meeting in January 2015 to consider.

Voting

None

CA/109/14 WASTE STRATEGY

Decisions

That Cabinet approve the 'TEEP' assessment as outlined in the report to the meeting.

Reason for Decision

The proposals would improve the waste service in Dacorum and ensure it complies with the revised EU Waste Framework Directive.

Implications

As set out in the body of the report to the committee.

Risk Implications

Action is required to reduce the risk of receiving a legal challenge that the changes to the waste service in Dacorum do not comply with the revised EU Waste Framework Directive

Corporate Objectives and Improving Dacorum Programme

The proposals contribute to a Safe and Clean Environment and ensure that Dacorum Delivers

Advice

The Portfolio Holder for Environmental Services and Sustainability introduced this item and outlined the new arrangements for waste collection which would have the effect of removing the cardboard from the organic waste collection. She went on to explain how the system should operate and the timetable for implementation.

The Assistant Director (Neighbourhood Delivery) advised that the new arrangements would enable the council to comply with TEEP guidance and provide evidence for the TEEP assessment and review.

Councillor Harden asked if there a timescale for the review and was advised that there is no set timetable, but 5 years would be the probable timeframe.

Councillor Tiley complimented those who had produced the pamphlet explaining the changes to residents throughout the borough and reported positive feedback from his constituents on the simple plain English used.

Councillor Williams added his support for the proposals and hoped that they would show DBC commitment to those campaigning for more effective re-cycling.

Options and Why Options Rejected

The various options open to the council are set out in the report to the Cabinet.

Consultation

The Waste Services Task & Finish group.

Voting

None

CA/110/14 HOUSING REVENUE ACCOUNT BUSINESS PLAN REVIEW 2014/15

Decisions:

1. That the 2014/15 HRA Business Plan, updated on the assumptions in appendix A of the HRA Business Plan, Section 6, be approved and form the basis for budget preparation for 2015/16.
2. That the comments of the Tenants and Leaseholder Committee set out in appendix 2 to the report to the Cabinet be noted.

Reason for Decision

Regular review of the Councils HRA Business Plan is essential in order to ensure that the financial stability of the HRA remains sound.

Implications

Financial

Regular review of the Councils HRA Business Plan is essential in order to ensure that the financial stability of the HRA remains sound. The draft Business Plan is based on a fully funded programme of works and improvements to existing stock, services to tenants and leaseholders and a programme of new build homes. The main risk to the plan – the possible inability to reach convergence of rents at a cost of £300M over the lifetime of the plan – is mitigated by the proposals set out. Should this not be deliverable then the plan will need to be reviewed as soon as this becomes apparent, though it should be noted that the main impact would be on the ability to deliver the new build programme.

The Business Plan incorporates a range for Value for Money efficiencies as part of the ongoing process. The main impact for 2014/15 and 2015/16 will be the full impact of the Total Asset Management Contract which will be very closely monitored and reported throughout the year.

Risk Implications

Monitoring of the HRA is an identified service risk which is reported to the Housing and Communities Overview & Scrutiny Committee on a quarterly basis

Corporate Objectives

Affordable Housing

Advice

The Corporate Director (Finance and Operations) opened this item by pointing out that this is an Annual Review which is occurring earlier than would usually be expected. The review will consider the results of consultation with the Council's chief financial advisers and our partners. This process provides some of the sense and health checks that the plan demands. Much of the report dealt with the government housing rent plan and the comments on this from tenants and leaseholders; particularly regarding target

length. The government's rent policy has been factored into the review and the comments are useful and will be used to develop improvements.

Councillor Williams welcomed the review and assured all concerned that the policy and the rents were not fixed but could be amended during the budget process if required.

He went on to draw attention to the performance of the plan as set out in the chart in the report dealing with 'new build' and 'self-financing' which he maintains answers any doubts some may have had regarding the self-financing option taken up three years ago.

Options and Why Options Rejected

These are set out in the body of the report to the Cabinet.

Consultation

James Deane – Assistant Director, Finance & Resources; Aaron Keyte – Financial Accountant; Mark Gaynor – Corporate Director, Housing & Regeneration; Fiona Williamson – Group Manager Property & Place; Andy Vincent – Group Manager Tenants & Leaseholder; Julia Hedger – Group Manager Strategic Housing; and Richard Baker – Group Manager Financial Services: In addition to DBC Tenants & Leaseholders Committee; and DBC Housing & Communities Overview & Scrutiny Committee.

Voting

None

CA/111/14 TREASURY MANAGEMENT

Decision

That the Council accept the review of Treasury Management performance in 2013/14 and the Prudential Indicators for 2013/14 actuals.

Reason for Decision

The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2013/14.

Implications

In accordance with Central Government Guidance on Local Government Investments, and the CIPFA Treasury Management Code of Practice, the order of the Council's investment priorities is 1. Security; 2. Liquidity; and, 3. Return. This may result in the Council achieving a lower rate of return than an organisation operating a more aggressive investment strategy in a less regulated sector.

Risk Implications

Good corporate governance encompasses risk management and making sure that the Council makes decisions with the full knowledge of the associated risks and opportunities. The risk of not reviewing and updating our corporate governance arrangements have been addressed in the report to Cabinet.

Corporate Objectives

Dacorum Delivers - Optimising investment income for General Fund and Housing Revenue budgets whilst managing investment risk is fundamental to achieving the corporate objectives.

Advice

The Corporate Director (Finance and Operations) stressed that the order of the Council's investment priorities is Security; next Liquidity; and then 'Return'. This may result in the Council achieving a lower rate of return than an organisation operating a more aggressive investment strategy in a less regulated sector but this approach and the results have been subject to a successful audit without any amendments on their part.

On the issue of investment rates and outturn he pointed out that the Council's investment policy maintained an average balance of £64.6m of internally managed funds throughout 2013/14, earning an average rate of return of 0.74%. This compared favourably with the budget assumption of average investment balances of £62.3m at 0.73% investment return.

Options and Why Options Rejected

The reasons for the current investment policy are set out in the report to the Cabinet.

Consultation

Capita Treasury Advisers.

Voting

none

CA/112/14 BUDGET MONITORING QUARTER ONE - 2014/15

Decisions:

- 1. That Council be recommended to approve the supplementary budgets set out below. Details for these supplementary budgets are set out in the report to the Cabinet and have a net nil impact on the General Fund Balance, the HRA Balance and the Useable Capital Receipts Balance:**

General Fund Revenue Account

- Reduce use of Pensions Reserve by £745k
- Reduce pensions back-funding budget by £745k
- Increase Pensions Reserve by £273k
- Reduce pensions budget by £273k
- Reduce use of Management of Change Reserve by £15k
- Reduce ICT salaries budget by £15k
- Increase Revenues & Benefits agency staff by £120k
- Increase Revenues & Benefits grant income by £120k
- Increase use of Management of Change Reserve by £32k
- Increase Regulatory Services redundancy budget by £32k
- Increase Planning Income by £14k
- Increase Planning Employee budget by £14k
- Reduce General Fund Revenue Contribution to Capital by £219k
- Increase Waste Services employees budget by £110k and supplies and services budget by £109k

Housing Revenue Account

- Reduce HRA revenue contribution to capital by £1m
- Increase HRA repairs and maintenance budget by £1m

Capital Programme

- Reduce Waste & Recycling Service Improvements by £219k
- Reduce General Fund financing from revenue contribution to capital by £219k
- Reduce HRA Planned Fixed Expenditure by £1m
- Reduce HRA financing from revenue contribution to capital by £1m

2. That the budget monitoring position for the General Fund; Housing Revenue Account; and The Capital Programme be noted.

Reason for Decisions

To confirm the Quarter One projected outturn for 2014/15 and propose to council transfers to and from earmarked reserves.

Implications

Financial and Value for Money implications were included within the body of the report to the Cabinet.

Risk Implications

Risk implications were included within the body of the report to the Cabinet.

Corporate Objectives

Dacorum Delivers

Advice

The item was introduced by the Portfolio Holder for Finance and Resources and then the Corporate Director (Finance and Operations) took the cabinet through some of the major items having an impact on the budget to date.

He highlighted the impact of the review of the Council's pension scheme, as in February 2014 the Council approved a one-off deficit reduction payment of £745k for inclusion in the 2014/15 General Fund budget and the need to address the corresponding underspend later in the year.

Options and Why Options Rejected

The various budgetary options available to the Council were set out in the report to the Cabinet.

Consultation

The Budget Managers

Voting

None.

CA/113/14 GARAGE DISPOSAL STRATEGY

Decisions:

- 1. That Council be recommended to approve a supplementary budget of £100k to fund the project costs associated with the garage disposal strategy, and for this to be funded from a £100k drawn down from the Dacorum Development reserve.**
2. That the disposal of the 97 sites listed in Appendix 1 (Part 2) of the report to the Cabinet be approved.
3. That the strategy of procuring a development partner to assist in the delivery of the project be approved.
4. That project matters be delegated to the Corporate Director (Finance and Operations) in consultation with the Portfolio Holder (Finance and Resources); including site disposal phasing strategy, number of development partners, the procurement of specialist consultancy support, such as land agents and legal advisors, fees for project partners and other operational matters
5. That a meeting be arranged in November or December 2014 to brief all Members on a ward by ward basis of all the garage sites in each ward; the criteria applied to select/reject each site for development and the possible

options for dealing with the parking displacement impact the development might have.

Reason for Decisions

Identifying the garage sites that can be taken forward for planning applications and disposal and provide investment for new housing then focus on the remaining garage portfolio with the objective of improved letting rates.

Implications

Financial

The garages were appropriated from the Housing Revenue Account to the General Fund, with Secretary of State consent, on 1 April 2007. Therefore, all associated income and expenditure is accounted for within the General Fund.

Value for money

The Council needs to ensure that a secure income stream is maintained from its garage portfolio. The sale of surplus garage sites will secure capital receipts which can then be used for targeted reinvestment in the more profitable remaining sites.

Legal

Due to the nature of the tenancy agreements, vacant possession of the garage sites can be obtained with relatively short notice.

Procurement

Given the scope of the work required to bring forward 97/98 sites and the resulting land value, the opportunity must be tendered in line with the Council's Procurement Standing Orders.

Human Resources

The development project will be managed by the Council's Group Manager (Commercial Assets and Property Development), with support from EC Harris, a consultancy company with relevant expertise.

Land

Subject to planning permission the type of development taking place from the garage portfolio will be residential. This should provide much needed housing and, subject to tenure, produce the optimum land value.

Risk Implications

The appointment of a development partner will increase the ability of securing outline planning consents at an appropriate pace and quality. The partner will also provide and procure the construction and units sale phases.

A Risk Assessment has been completed and will be reviewed as the project moves forward. In addition the partner will produce project and site specific risk assessments.

Corporate Objectives

Regeneration:

- Drive value from Council-owned assets

Safe and Clean Environment:

- Maintain a clean and safe environment
- Protect our green spaces

Building Community Capacity:

- Empower local community action and delivery

Dacorum Delivers:

- Efficiencies
- VFM
- Performance excellence
- Reputation and profile delivery

Advice

The Portfolio Holder for finance and Resources introduced this item and adopted a two part approach. The consideration of the work carried out and the strategy involved would be considered in public in part 1 of the meeting; and the actual sites involved would be considered in part 2. (The justification for considering the actual sites in private in part 2 of the agenda was provided by the Assistant Director of Finance and Resources – the report relates to the financial and business affairs of a another body (which includes the Council itself)).

He went on to outline the work undertaken by council officers and EC Harris to identify and select appropriate sites for development and then explain the criteria used in the process. In general the council and its partner worked together to identify various sites and the issues involving them (e.g. disuse, anti-social behaviour, etc.) with a view to generating income and build houses.

Cllr Laws expressed the view that this approach makes sense and is a good use of council assets. Councillor Williams supported this view and added that this decision takes the process on to the next stage.

Options and Why Options Rejected

The various options considered are set out in the report to the Cabinet.

Consultation

Consultation took place with:

Councillor Nicholas Tiley, Portfolio Holder, (Finance and Resources)
James Deane, Assistant Director (Finance and Resources)
Martin Hone, Corporate Director (Finance and Operations)
Andy Vincent, Group Manager (Tenants and Leaseholders)

Voting

None

CA/114/14 MEDIUM TERM FINANCIAL STRATEGY 2014/15 TO 2018/19

Decisions:

1. That Council be recommended to approve the revised Medium Term Financial Strategy for the period 2014/15 to 2018/19; incorporating the following recommendations:
 - a) approve the amended timetable for the future revision of the Strategy (as set out in Section 2 on Page 9 of the strategy)
 - b) approve a General Fund saving target of £0.9m for 2015/16 subject to confirmation that potential savings of £1.846m (as set out in section 3.1.3 on Page 14 of the Strategy)
 - c) approve a combined four year General Fund savings target of £4.7m over the life of the Strategy
 - d) to approve the timetable for identifying and delivering budget savings (as set out in Section 7 on pages 23 to 25 of the strategy);
 - e) to approve the risk register identified together with planned mitigations in the Strategy
 - f) to approve the key assumptions incorporated in the Medium Term Financial Strategy, (as summarised in Section 11 on Page 35).

2. That the Housing Revenue Section of the MTFS is based on the continuation of current rent policy which will be subject to amendment upon the approval of the new policy proposed for 2015/16 contained within the HRA Business Plan.

Reason for Decision

To consider and decide upon a revised Medium Term Financial Strategy to submit to Council for approval.

Implications

Contained in the main body of the strategy.

Risk Implications

Contained in the main body of the strategy.

Corporate Objectives

To support the delivery of the corporate Plan

Advice

The Medium Term Financial Strategy (MTFS) is a key element in how we deliver the objectives of the corporate plan; particularly in relation to Housing, Asset management (i.e. disposal; re-use; etc.) and how we fund the council's ambitious Capital Plan. The MTFS also sets out the net reduction in spending required to balance the books.

The MTFS identifies possible Risk and how we will deal with them; such as inflation, possible reductions in government Grants; possible declining asset values; and looks

ahead to likely outcomes from the election in May 2015, which could see an alteration in central government support and plans.

Options and Why Options Rejected

Various options and assumptions are set out and considered in the strategy.

Consultation

Corporate Management Team

Voting

None

CA/115/14 THE OPENNESS OF LOCAL GOVERNMENT BODIES REGULATIONS 2014

Decisions:

1. That Council be recommended to approve that paragraph 17.4 'Record of Proceedings' of the Procedure Rules for the Council and its Committees contained in Part 4 of the Constitution be amended so as to read as follows –

17.4 Recording and Reporting of Proceedings

Those present may make a written record of the proceedings and while a meeting is open to the public, any person attending is to be permitted to report on the meeting in accordance with the Council's 'Protocol for Members of the Public Wishing to Report on Meetings'.

2. That Council be recommended to approve the Cabinet Procedure Rules contained in Part 4 of the Constitution be amended by the insertion of a new paragraph 6 –

6. Recording and Reporting of Proceedings

Those present may make a written record of the proceedings and while a meeting is open to the public, any person attending is to be permitted to report on the meeting in accordance with the Council's 'Protocol for Members of the Public Wishing to Report on Meetings'.

The existing paragraph 6 shall remain and become paragraph 7.

3. That Council be recommended to approve that the 'Protocol for Members of the Public Wishing to Report on Meetings' as set out in this report and that it be included in the Constitution as an annex to the Rules of Procedure in Part 4 of the Constitution be adopted.

Reason for Decision

To consider the implications for the Council of the regulations relating to the Openness of Local Government Bodies Regulations and to approve a protocol for the reporting on meetings by members of the public.

Implications

None specific to the report

Risk Implications

Members and Officers should acknowledge the possibility of all Council public meetings being recorded and act accordingly to safeguard those viewing or listening and so protect the reputation of the Council

Corporate Objectives

Dacorum Delivers:

- *Transforming our approach to encourage a more customer focused and efficient service*
- *Decision Making made more transparent*

Advice

The Portfolio Holder for Residents and Regulatory Services introduced the item and drew attention to the definition of 'reporting' in the body of the report. Officers then highlighted the implications of the duty to provide suitable facilities for those wishing to 'report' meetings and the protocol proposed to make this possible.

Councillor Williams observed that people react in different ways to speaking in public and was anxious that officers ensure that providing facilities would not discourage members of the public from speaking at meetings.

Options and Why Options Rejected

Various means of providing the required reasonable facilities were considered.

Consultation

Department for Communities and Local Government (Open and accountable Local Government (DCLG Guidance)).

The other Hertfordshire local authorities and a trawl of practices across the wider country.

Voting

None.

CA/116/14 EXCLUSION OF THE PUBLIC

Decision

That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the item in Part 2 of the Agenda for this meeting, because it was likely, in view of the nature of the business to be transacted, that, if members of the public were present during that item, there would be disclosure to them of exempt information relating to the financial and business affairs of other bodies (including Dacorum Borough Council).

Local Government Act 1975, Part V, Schedule 12A, Paragraph 3.

CA/117/14 GARAGE DISPOSAL STRATEGY

Decision:

See above minute CA/113/14 - Garage Disposal Strategy and the Part 2 minute CA/117/14 - Garage Disposal Strategy.

The meeting ended at 8 .20 pm.