

AGENDA ITEM 7 - MEETING OF THE COUNCIL – 24 SEPTEMBER 2014 REFERRALS FROM CABINET

REFERRALS FROM CABINET

16 SEPTEMBER 2014

CA/111/14 TREASURY MANAGEMENT

Decision

RESOLVED TO RECOMMEND:

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.

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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. RESOLVED TO RECOMMEND:

That the Council 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**

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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.

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CA/113/14 GARAGE DISPOSAL STRATEGY

Decisions:

1. RESOLVED TO RECOMMEND:

That the Council 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. Cabinet approves the disposal of the 97 sites listed in Appendix 1 (Part 2) of the report to the Cabinet.
3. Cabinet approves the strategy of procuring a development partner to assist in the delivery of the project.
4. Cabinet approves delegation of project matters to the Corporate Director (Finance and Operations) in consultation with the Portfolio Holder (Finance & 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.

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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
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Advice

The Portfolio Holder for finance and Resources introduced this item and adopted a two part approach. 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

Cllr 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:

RESOLVED TO RECOMMEND:

1. That the council 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

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- 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 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

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

Decisions:

RESOLVED TO RECOMMEND:

1. 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 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 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

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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.

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PART II – NOT FOR PUBLICATION

REFERRAL FROM CABINET

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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

Decisions:

2. RESOLVED TO RECOMMEND:

That the Council 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.

6. Cabinet approves the disposal of the 97 sites listed in Appendix 1 (Part 2) of the report to the Cabinet.
7. Cabinet approves the strategy of procuring a development partner to assist in the delivery of the project.
8. Cabinet approves delegation of project matters to the Corporate Director (Finance and Operations) in consultation with the Portfolio Holder (Finance & 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
9. 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

AGENDA ITEM 7 - MEETING OF THE COUNCIL – 24 SEPTEMBER 2014 REFERRALS FROM CABINET

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

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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

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Risk Implications

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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.

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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

Improving Dacorum Programme

Advice

The Portfolio Holder for finance and Resources had introduced this item and adopted a two part approach. Consideration of the work carried out and the strategy involved was considered in public in part 1 of the meeting; and the actual sites involved were considered in closed session in part 2.

Set out in Appendix 1 is a list of the 97 Garage sites selected to be taken forward for planning applications and disposal and which will provide investment. Councillor Tiley felt that it was essential these sites be brought to the attention of members but he reluctant to put the sites in the public domain at this point as some of them may developed in the very near future.

The selection process had included a complex scorecard of criteria which would be put before all members at a briefing in November or December 2014. Members will be given the pros and cons of each site and then the final list would be brought into the public arena.

Councillor Williams endorsed this approach which he felt should include 'blocking' the sites into their wards. This would provide ward councillors with the opportunity to bring forward their local knowledge and feedback on related matters such as displacement of parked cars; alternative sites; garage use; etc. He suggested a 'Ward pack' which would contain Maps and a complete set of all the relevant information on which decisions will be based. This could also be used in the public stage of the process to allay tenant suspicions, worries or concerns.

The Assistant Director (Housing) offered the involvement of housing officers whose knowledge of the buildings and locality would be useful. He stressed that it is made clear that this process only applies to 90 sites out of 800 garage sites that the Council maintains.

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Councillors Harden and McKay then sought some information on the criteria used, the weighting of all the factors and how widely it had been applied. Councillor Laws sought some information on how the income would be ring-fenced to improve other garages; realise the value of the stock and be made available for providing affordable housing

Options and Why Options Rejected

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

Consultation

Cllr 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

APPENDIX 1

Garage sites identified for disposal

Acorn Road Garages
Allandale Garages
Aragon Close Garages
Argyll Road Garages
Barnacres Road Garages
Barnard Way Garages
Barnfield Garages
Basildon Square Garages
Beechfield Garages
Bennetts End Close Garages
Bracknell Place Garages
Bryfield Cottages Garages
Burleigh Road Garages
Catkin Close Garages
Claymore Garages
Colne Way
Craigavon Road
Cupid Green Lane
Cuttsfield Terrace
Dione Road
East Green
Eastwick Row Garages
Eskdale Court Garages
Forest Avenue Garages
Furtherground Garages
Gade Valley Cottages Garages
Gatecroft Garages
Goldcroft Garages
Great Heart Garages
Harepark Close/Pulleys Lane
Highland Drive Garages

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Housewood End Garages
Hyde Meadows Garages
Juno Road Garages
Kimpton Close Garages
Leys Road Garages
Lime Walk Garages
Long Arrotts Garages
Loring Road Garages
Malvern Way Garages
Manley Road Garages
Mendip Way Garages
Micklefield Road Garages
Middleknights Hill Garages
Montgomery Avenue Garages
Nash Green Garages
New Park Drive Garages
Newfield Lane Garages
Ninian Road Garages
Northend Garages
Park Close Garages
Parkwood Drive Garages
Parsons Close Garages
Paston Road Garages
Peartree Road Garages
Pelham Court Garages
Poynders Hill Garages
Ritcroft Street Garages
Robbs Close Garages
Rucklers Lane Garages
Sanday Close Garages
Sempill Road Garages
Sleddale Garages
Spring Lane Garages
Stronsay Close Garages
Sweetbriar Close Garages
Thumpers Garages
Titan Road Garages
Turners Hill Garages
Waterside Garages
The Waveney Garages
West Dene Garages
Wensleydale Garages
Westerdale Garages
Whitebroom Road Garages
Widmore Drive Garages
Windmill Road Garages
Wood View Garages
Wootton Drive Garages
Yeomans Ride Garages

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