

MINUTES

CABINET

24 JULY 2012

Present:

Members:

Councillors:

Terry Douris	Portfolio Holder for Planning and Regeneration
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

Officers:

Daniel Zammit	Chief Executive
Mark Gaynor	Corporate Director (Housing and Regeneration)
Louise Miller	Corporate Director (Performance, Improvement and Transformation)
Steven Baker	Assistant Director (Legal Democratic and Regulatory)
Elliot Brooks	Assistant Director (Housing Landlord)
James Doe	Assistant Director (Planning, Development and Regeneration)
Shane Flynn	Assistant Director (Finance and Resources)
Ben Hosier	Group Manager (Commissioning, Procurement and Compliance)
Julia Hedger	Group Manager (Strategic Housing)
Fiona Williamson	Group Manager (Property and Place)
Claire Covington	Strategic Planning and Regeneration Officer (Green Space)
Pat Duff	Member Support Officer
Natalie Webb	Partnerships, Policy and Innovations Team Leader

Councillor N Hollinghurst also attended.

The meeting began at 7.30 pm.

CA/075/12 MINUTES

The minutes of the meeting held on 26 June 2012 were agreed by the members present and signed by the Chairman.

CA/076/12 APOLOGIES FOR ABSENCE

There were no apologies for absence.

CA/077/12 DECLARATIONS OF INTEREST

There were no declarations of interest.

CA/078/12 PUBLIC PARTICIPATION

There was no public participation.

CA/079/12 REFERRALS TO CABINET

There were no referrals to Cabinet.

CA/080/12 CABINET FOUR MONTH WORK PROGRAMME

Decision

That the Cabinet Four-Month Work Programme be noted.

CA/081/12 DESTINATION DACORUM (SUSTAINABLE COMMUNITY STRATEGY)

Decision

That Council be recommended to adopt 'Destination Dacorum – Our Plan' as contained in Annex 1 of the report.

Reason for Decision

To enable the Council to fulfil its statutory requirement to prepare a Sustainable Community Strategy.

Implications

Financial

There are no specific financial implications relating to this report. There are listed actions within the plan: some strategic, some more practical - existing PRG/external funds will be sought to deliver the plan, where required.

Value for Money

Working strategically with key organisations/sectors in Dacorum will help us to deliver best possible value for money to our community. The plan will enable the Destination Dacorum Board to focus efforts in the most necessary areas of need.

Risk Implications

Dacorum Borough Council has a statutory requirement to have a Sustainable Community Strategy (SCS): The Dacorum Partnerships' SCS, 'Towards 2021' was due for refresh in 2011. With the changing environment it was decided not to proceed with the refresh. We therefore need a new strategy. If approval is not given, there is a risk that we will not have a current SCS.

In addition, it is important that the Destination Dacorum Board has a focus to their work – whilst they must also be empowered to act strategically, it is important to show that

they are delivering benefits for Dacorum. If they do not have a document to work to, there is a risk that the partnership will be considered to lack 'added value'.

Corporate Objectives

The Council's core vision is: *Working in partnership, to create a borough which enables the communities of Dacorum to thrive and prosper* – the Destination Dacorum Plan is the strategic method of achieving this. It therefore relates to all of our corporate objectives.

Advice

The Leader of the Council introduced the report and said that Destination Dacorum was a smaller, more focussed version of the Local Strategic Partnership, giving a more streamlined approach. The objectives had been agreed by the Destination Dacorum partners.

The Team Leader (Policy, Partnerships and Innovation) advised that it fulfilled the statutory requirement for a Sustainable Community Strategy. In response to a question from the Portfolio Holder for Residents and Regulatory Services, the Team Leader said that it was the job of the whole Board to make Dacorum a better place to live. The Leader of the Council and the Chief Executive of Dacorum Borough Council were representatives on the Board. Mark Mitchell represented the wider voluntary and community sector.

The Portfolio Holder for Environmental Services and Sustainability asked where the leaflets would be distributed.

The Team Leader (Policy, Partnerships and Innovation) said it would be launched on 19 September. There were no plans to do a big print of leaflets to save cost. They would be made available but no set number of copies would be placed in libraries etc. An item would be put in a future copy of Dacorum Digest.

Options and Why Options Rejected

No alternative options were considered.

Consultation

Consultation took place with:

External

Destination Dacorum Partners. This includes:

- Hertfordshire Constabulary
- Hertfordshire County Council
- NHS Hertfordshire
- Community Action Dacorum (on behalf of Voluntary Sector)
- FFEI (on behalf of Private Sector and Maylands Business Partnership)

Internal

Assistant Directors

CMT
David Gill – Group Manager, Partnerships and Citizen Insight

Voting

None.

CA/082/12 HEMEL HEMPSTEAD TOWN CENTRE REGENERATION – HEMEL HEMPSTEAD TOWN CENTRE MASTERPLAN AND JELlicoe WATER GARDENS HERITAGE LOTTERY FUND BID

Decision

1. That the draft Hemel Hempstead Town Centre Masterplan be approved for consultation purposes.
2. That the Stage 1 Heritage Lottery Fund Parks for People bid be approved, as outlined in the report, to secure funding to support a programme of approximately £3.5 million for restoration and intervention works to the registered Jellicoe Water Gardens.
3. That the requirement to deliver match funding towards the project be noted and, dependent on Heritage Lottery Fund approval at Stage 1, officers be requested to work up detailed proposals which reflect the needs of the scheme to deliver the key objectives and bid criteria, with regard to the likely level of capital resources available at that time, and for these to be considered by the Capital Strategy Steering Group for inclusion in the Capital Programme for 2014/15 and beyond.
4. That the approach proposed to resolve the Environment Agency's concerns regarding the restoration of the Jellicoe Water Gardens and compliance with the Water Framework Directive, to include a bid to the Catchment Restoration Fund, and/or other external funding awards to provide offsite mitigation works, be approved and that final decisions on this matter and the content of such funding bids be delegated to the Portfolio Holder for Planning and Regeneration in consultation with the Portfolio Holder for Finance and Resources.
5. That the need for additional revenue commitments required to operate the Gardens to high levels of maintenance and management, including new community building, public toilets, community involvement and learning opportunities from January 2017 onwards, should the bid be successful, be noted.

Reason for Decision

To approve the draft Hemel Hempstead Town Centre Masterplan for consultation and to approve the Jellicoe Water Gardens Parks for People HLF Stage 1 bid with match funding required for 2013/14.

Implications

Financial

For the Jellicoe Water Gardens, all capital and revenue costs associated with the restoration of the Gardens and community development work can be included within the project costs up to December 2018 (assuming a successful outcome to the Stage 2 application in August 2013). A bid to support a total programme of up to £3.5 million is proposed to the Heritage Lottery Fund to cover capital, revenue and development costs to December 2018.

In addition to the deployment of officer time from the establishment budget, ongoing revenue commitments will be required after the project has been implemented, from January 2019 onwards. These are set out in section 5 of the report, but will centre on horticultural expertise, possible additional gardeners/landscape staff, and running costs for the proposed community building. The current estimate at today's prices would be £61,100 per annum. If the stage 1 bid is successful, the need for such staffing and extent of other costs will be worked up in detail as part of the stage 2 bidding process, together with options for service delivery either in-house or on a commissioned basis.

Presently, it is anticipated that match funding of up to £1,050,000 would be required if the bid is to be supported on a 30% basis. Whereas the minimum match funding requirement is 10%, advice received from the HLF is that this higher level will provide the bid with greater chances of success. If Stage 1 approval is given, proposals will be worked up for consideration by Capital Strategy Steering Group (CSSG) for inclusion in the Capital Programme. Financing of the scheme will be required. Possible sources of finance include use of s.106 receipts (as allowed) and other grant funding. However it is likely that there will be need to identify additional finance which may require a review and reprioritising of the capital programme to release resource or the scaling back of the scheme.

Value for Money

The efficient use of public resources is being managed in the following ways:

Town Centre Masterplan – in-house production using establishment officer resource and selective use of expert consultancy input only where necessary.

Jellicoe Water Gardens – Through Heritage Lottery Funding, there is a major opportunity to secure capital funding for major restorative works set within a community development project. Some up-front investment is necessary to support a stage one bid to the HLF, in what is a very competitive bidding process.

Risk Implications

Risk Assessment completed as part of the Hemel Hempstead Town Centre Regeneration Project Implementation Document. This will be updated with further risks with this project.

Corporate Objectives

The project to regenerate Hemel Hempstead Town Centre has been identified as a priority for the Council.

Advice

The Portfolio Holder for Planning and Regeneration introduced the report and said the recommendations fell principally into 2 areas. The first dealt with the Town Centre Masterplan and this was the culmination to date of a large amount of work undertaken by officers and members.

Proposed developments surrounding the area currently occupied by the College, Civic Centre and associated buildings included the major Morrisons development and the creation of a new college building, including the ultimate development of the Public Service Quarter.

The link to Town Centre Masterplan draft report could be found at Appendix 1 of the report. This was a significant development and signalled the ongoing regeneration of the wider town centre.

The second area, which was part of the Masterplan, was the regeneration of the Water Gardens. This area was formed from the vision of Geoffrey Jellicoe who created the initial concept of a town within a park. Although this was not fully realised, the Water Gardens survived.

The gardens have struggled to retain their initial impact and amenity value to the town and were now a shadow of their previous glory. It was for this reason that a decision was taken by Cabinet on 29 November 2011 to support in principle a Stage 1 submission to the Heritage Lottery Fund (HLF), due to be submitted by 31st August 2012. It was understood at the time that the Council would need to contribute 10% of the total cost to support its bid to the HLF. Whereas the funding rules requiring 10% as a minimum had not changed, the HLF have advised the Council that the chances of success would be improved with a higher percentage of funding, perhaps up to 30%. The potential impact of this was set out in the report.

The Council was not committing to a contribution of £1M, or indeed any specific figure at this point. If the stage one bid was successful, a final bid would be made taking into account the key elements of the improvement proposals, together with an assessment of the level of resources that were likely to be available at that time, including any contribution by other parties. The Council would work with the HLF to deliver a scheme which was acceptable to all parties.

In view of this the Portfolio Holder proposed an amendment to Recommendation 3 of the report:

‘That the requirement to deliver match funding towards the project be noted and, dependent on Heritage Lottery Fund approval at Stage 1, officers be requested to work up detailed proposals which reflect the needs of the scheme to deliver the key objectives and bid criteria, with regard to the likely level of capital resources available at that time, and for these to be considered by the Capital Strategy Steering Group for inclusion in the Capital Programme for 2014/15 and beyond’.

This was agreed.

The Portfolio Holder for Planning and Regeneration went on to say the Council needed to ensure that it had given a clear indication of the strong support it had for this bid and the willingness to contribute directly towards this. It was likely that in refining the bid there would be a scaling back in elements of the project which would reduce the net cost to the Council.

The Portfolio Holder commended this bid for the regeneration of this unique feature, on the basis that the Council move forward to submit an exciting, credible bid that was both affordable and sustainable in the long term, for the benefit of the town and residents.

The Assistant Director (Planning, Development and Regeneration) said this was the culmination of work carried out to present the Masterplan for public consultation. This would be reported back to Cabinet in the autumn. The Masterplan structure was detailed in the report. The Masterplan was evidence based and a liability assessment had been undertaken by DTZ.

Regarding the Water Gardens element, a briefing event for members was held on 27 June (appendix 4 of the report). Paragraph 5.10 of the report set out a series of restoration works including reinstating existing features of the gardens. Paragraph 5.11 of the report set out 4 modified interventions as part of the bid. Paragraph 5.15 of the report detailed the Hydrology Assessment required and the status of the river through the Water Gardens. There was public support for the return of the Water Gardens.

Paragraph 5.20 of the report detailed the commitment required from the Council regarding community involvement. A Friends Group would need to be established.

Costs had been set out throughout the report, especially in paragraph 5.31. These were indicative at the moment and may be scaled back as the bid was worked up.

The next 12 months, assuming Stage 1 approval, would be critical to the bid. If approved, officers would complete the submission, accompanied by the film prepared earlier which was being finalised.

The Portfolio Holder for Residents and Regulatory Services said there was the potential to make the Water Gardens beautiful, as well as having new elements to it. It would be a major benefit to the town centre.

Options and Why Options Rejected

No alternative options were considered.

Consultation

Consultation took place with:

David Austin, Assistant Director, Neighbourhood Delivery
Alex Chrusciak, Group Manager Development Management and Planning
Chris Taylor, Group Manager Strategic Planning and Regeneration
Mike Evans, Group Manager, Commercial Property and Assets
Fiona Webb, Assistant Team Leader, Development Management (Conservation and Design)
Matt Wood, Property Service, Hertfordshire County Council
Sanjay Patel, Jenny Applestone and James Dale, Highways Hertfordshire County Council
Steve Barnes, Vinci Parking, Dacorum Borough Council
Guy Brigden, Hertfordshire County Council
Paul Newton, Team Leader, Development Management and Planning
Councillor Terry Douris, Portfolio Holder for Planning and Regeneration

Voting

None.

CA/083/12 PROCUREMENT OPTIONS APPRAISAL OF THE MODELS OF DELIVERY AVAILABLE FOR HOUSING REPAIRS, MAINTENANCE, NEW BUILD AND IMPROVEMENTS

Decision

That the scope and progress of the options appraisal be noted and that options 1, 2 and 5 are taken forward to be considered in more detail.

Reason for Decision

To approve preferred options for delivery of housing repairs, maintenance, new build and improvements.

Implications

Full details will not be available until the pricing mechanism is agreed at the pre-tender stage of the procurement process.

The Options Appraisal has considered the value for money implications of the various models of delivery.

Risk Implications

The Options Appraisal has included a risk matrix to identify the key areas of risk, which have been weighted to provide an overall assessment of the risks and benefits associated with each model of delivery.

Corporate Objectives

The Options Appraisal has been undertaken to assess the most beneficial model for the delivery of the repairs, maintenance, improvement and new build within the housing portfolio to support the Council's Corporate objectives and contributes to:

Affordable Housing

- To provide a repairs and maintenance service in line with current best practice and one that provides value for money and most economical use of resources.
- To promote tenant involvement in deciding type of service preferred.
- To provide a repair service that is consistent regardless of the type of work.
- To enable the delivery of new affordable homes.

Advice

The Portfolio Holder for Housing invited the Corporate Director (Housing and Regeneration) to introduce the report.

The Corporate Director (Housing and Regeneration) said this was a major project for the Council who were mindful of past issues regarding the procurement of a contract for maintenance and lessons had been learned. There had been a thorough review of

all options available. This stage was moving the project forward by removing some of the options. A report giving more details on the options to be considered would go to Cabinet in September.

The Assistant Director (Housing Landlord) said a full options appraisal had been carried out. The Project Group set up to deliver this project had received a lot of input from Group Managers, Procurement, Finance, tenants and other departments in the Council. It had been a broad Project Group that had done a thorough piece of work.

The Portfolio Holder for Planning and Regeneration said the Council's current attitude to procurement was very different from a few years ago and he welcomed the report.

The Leader of the Council said, regarding option 6 (employee led mutual), if there were to be an expression of interest before September, this would be included in the options being considered further.

Options and Why Options Rejected

The following options were approved to be considered further:

Option 1 – Outsourced multiple contracts – (A) (planned and responsive maintenance together).

Option 2 – Outsourced multiple contracts – (B) (different contractors for responsive and planned maintenance).

Option 5 – Joint venture organisation.

The following options were rejected:

Option 3 – Outsourced multiple contracts – (C) (different contractors for responsive and planned maintenance with planned maintenance being carried out under a framework agreement). This option was rejected as there was concern that the use of frameworks would limit the duration of part of the contract to 4 years.

Option 4 – In-sourcing/management contracting. This option was rejected because of high ongoing costs of the pension and associated benefits and no internal infrastructure or experience of directly managing planned programmes of work.

Option 6 – Employee led mutual. This option was rejected because of difficulty in determining which areas of the service provision would be suitable for this model and would still be subject to a procurement process undertaken at risk. There was currently no expression of interest from employees. If expressions of interest were made before September, this option would be considered with options 1, 2 and 5.

Consultation

Consultation took place with:

Councillor Margaret Griffiths, Portfolio Holder Housing
Councillor Nicholas Tilley, Portfolio Holder Finance and Resources

Tenant Representatives:

Tenants and Leaseholder Committee and Maintenance Focus Group

Procurement Project Board
Andy Vincent, Group Manager Tenant and Leaseholders
Janice Milson, Assistant Director Strategy & Transformation, Community & Organisation

Voting

None.

CA/084/12 MEDIUM TERM FINANCIAL STRATEGY

Decision

1. **That Council be recommended to approve the revised Medium Term Financial Strategy for the period 2012/13 to 2015/16.**
2. That further updates as required be given to Cabinet following the receipt of further information and confirmation of the Local Government Financial Settlement 2013/14.

Reason for Decision

To approve the revised Medium Term Financial Strategy for consultation.

Implications

The implications are contained in the body of the report.

Risk Implications

The updated strategy will reduce the risk that forward projections do not remain relevant in the current economic climate

Corporate Objectives

The Medium Term Financial Strategy supports the delivery of all five of the corporate objectives.

Advice

The Portfolio Holder for Finance and Resources introduced the report and said it was a comprehensive review of the Council's present financial position.

The Assistant Director (Finance and Resources) apologised for the lateness of the report, the reason being that information was continuing to be received. There would continue to be changes. The Assistant Director advised of a change to the first bullet point of the recommendation in the report:

- Recommend to Council the approval of the revised Medium Term Financial Strategy for the period 2012/13 to 2015/16.

This was noted.

The Assistant Director (Finance and Resources) also highlighted that in Appendix B, Dacorum Development Programme Reserve, 2013/14 should be £250k not £25k – i.e. £225k not shown in either NHB or reserves.

The Local Government Association had recently produced a report stating that the cut in local government financing would be £16m. This would mean that £4.1m of local savings would have to be achieved.

Currently the increase in planning fees had yet to be taken into account and there would be impact from changes to Council Tax discounts and exemptions. The situation regarding Business Rate retention would not be known until December. The Council's savings target would be £4.1m over 5 years.

The Leader of the Council said there was a lot of information still to be released. The Council had made its best assumptions.

Options and Why Options Rejected

No alternative options were considered.

Consultation

Consultation took place with the Corporate Management Team.

Voting

None.

CA/085/12 LOCAL GOVERNMENT RESOURCES REVIEW

Decision

Localisation of Council Tax Support

1. That consultation with all interested parties is undertaken on the basis that an overall scheme for Council Tax Support is developed which provides protection for the vulnerable groups listed in Table 2 of the report.
2. That authority be delegated to the Leader of the Council and the Portfolio Holder for Finance & Resources, in consultation with the Corporate Director (Finance and Governance), to agree a draft Localisation of Council Tax Support scheme for consultation which incorporates options set out in paragraph 19 and appendix A of the report.
3. That the Corporate Director (Finance and Governance) be requested to examine options to simplify the existing scheme regulations to reduce costs of administering the scheme
4. That it be noted that Government funding to pay for the Localisation of Council Tax Support will be switched from annually managed expenditure (AME) grant, recovered against the full cost of benefits awarded, to a departmental expenditure limit (DEL) grant resulting in a fixed grant, and that this will be reduced by 10% (compared to forecasted spend for 2013/14) with an estimated financial impact for the Council of a real terms reduction of funding of £130k

Business rates retention

5. That the timetable for developing the 2013/14 budget be approved on the basis of the best estimates of business rates and other external income available at the relevant point in the budget preparation process.

Technical reforms of Council Tax

6. That authority be delegated to the Leader of the Council and the Portfolio Holder for Finance and Resources, in consultation with the Corporate Director (Finance and Governance), to approve draft consultation proposals for varying existing Council Tax Discounts and exemptions to provide greater incentives for landlords to bring empty properties back into use

Reason for Decision

To approve the action plan for implementation of business rate retention legislation.

Implications

Financial

Localisation of Council Tax Support

The Council currently pays £9.0m in Council Tax Benefit payments, of which £8.8m is funded by DWP subsidy which is distributed between the Council and the major precepting bodies. From 1 April 2013 the Council will receive a specific grant including a reduction of approximately 10%. The actual amount will vary according to the data that the Department for Communities and Local Government (DCLG) uses to calculate the grant due. Latest estimates indicate that the actual reduction will be in the region of 11.5%, or £1.110m.

The report sets out the options for the Council for recovering this deficit by either passing on the reduction to working age claimants by reducing the amount of support payable under the local scheme or bearing the costs from the Collection Fund. A combination of these approaches may be needed.

In addition, there is a risk that applications for Council Tax Support may exceed the expected amount to be paid and therefore the value of grant received. This will have cash flow implications and may affect the amount that the Council has available in short term funds to invest or may require short term use of overdrafts, and consequently bear interest costs. DCLG is considering options for addressing this issue which will require changes to existing regulations governing the Collection Fund.

Business Rates retention

The financial implications of the change to business rates retention as the main funding source for the Council (along with Council Tax) are difficult to quantify because the means of allocating funds to local authorities are still under development. However, indications are that the Council will expect to see a continued decline in funding over the years 2012/13 to 2016/17. This will be offset by New Homes Bonus, if new homes are provided in line with anticipated building levels.

Technical reforms of Council Tax

Amendments to the discounts and exemptions scheme allowed under the regulations reform could incentive landlords to bring empty properties back into use which may mitigate the impact on the council of future homelessness. This may also provide

additional resources through Collection Fund and increase value for money for Council Taxpayers at large.

Value for Money

The Herts Chief Finance Officers group has considered the option of developing a joint scheme in partnership with the County Council and Herts Police Authority (HPA).

The purpose of this was to:

- develop a standardised approach across the County (with local flexibilities) to help ensure that claimants are dealt with equally and fairly whichever district they live in
- reduce the administrative burden of developing schemes
- reduce the costs of each billing authority developing its own scheme
- share issues and concerns affecting each authority.

The group has also requested modelling work for the business rates retention scheme to be undertaken on behalf of all councils. The financial benefits of this approach have not been quantified but represent approximately one eleventh of the cost of each authority undertaking its own scheme development and modelling.

The localisation of Council Tax Support also provides the Council with an opportunity to simplify the scheme to reduce administrative burdens. The report identifies a number of areas where simplification could reduce administrative costs.

Risk Implications

Localisation of Council Tax Support

A Risk Assessment was completed in May 2012 and is monitored and reviewed by the Localisation of Council Tax Support Working Group.

The principle risks to the Council relate to:

- The capacity to develop a scheme on time
- The possibility of legal challenge arising from the conditions incorporated into the local scheme
- The financial impact of (1) the initial 10% reduction in Government funding for Council Tax Benefit/Support and (2) the impact of claims for support exceeding the anticipated level of payments within the financial year

There are also wider risks relating to the impact of reducing support for council tax for vulnerable groups or those facing financial hardship. Together with the impact on collection rates and the Collection Fund bad debt provision

These risks are being monitored and addressed by the Working Group as part of the overall project control arrangements.

Business Rates Retention

Models that have been used to develop understanding of likely changes in future external income are subject to a number of caveats. Risk analysis has been undertaken but further information is required from Central Government departments on the operation of new funding mechanisms before reliance can be placed on these estimates.

Technical reforms of Council Tax

Reducing discount rates to zero may increase the risk of non-collection of Council Tax as landlords will have no financial incentive to inform the Council that a property has become empty on a timely basis. Consequently there may be additional costs of collecting arrears.

Corporate Objectives

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

Advice

The Portfolio Holder for Finance and Resources said that, although the report was considering the Localisation of Council Tax Support, what was actually being considered was change to Council Tax Benefits and giving the local authority more influence over it with less money with which to do it.

The Leader of the Council said this was a change to the national system. The scheme would now be administered by the Council under a scheme as yet to be devised. The Council would have 10% less money from the Government to cover the benefit bill.

Herts leaders had been discussing this in an attempt to get some harmony across the 10 districts in Hertfordshire. Hertfordshire County Council was not a collecting authority but, as it received 70% of receipts, it had a great interest in it. At the last meeting there was not a unanimous view regarding a potential scheme and no unanimous view about which groups of claimants should fall into the vulnerable group whose benefits should be protected. The Leader of the Council expected pensioners to continue to receive the benefits. Households with young children or disabled members would be classed as vulnerable but not necessarily protected under the scheme. This would form part of the consultation process to be agreed at the meeting. It would have been helpful if Hertfordshire had agreed but it could not be enforced.

The Assistant Director (Finance and Resources) said the report covered three distinct things:

- Localisation of Council Tax support. There had been a number of attempts to come up with an agreed approach. The Council had been able to work out some options and had a set of ideas to make up a scheme to go out to consultation during the summer. The report was asking Cabinet to recommend to Council to delegate authority to come up with a final scheme.
- Business Rates. The report was asking for approval of a timetable and recognised this would be changed again.
- Technical requirements of Council Tax. Government was allowing Councils extra freedom regarding discounts. It would let the Council get more homes into use.

Taking these three things together made an important change in the way local government was financed.

The Portfolio Holder for Residents and Regulatory Services asked how confident the Council was that it would anticipate an increase in Business Rates.

The Assistant Director (Finance and Resources) said there were a lot of reasons to be positive about business growth in the area. It was not known how much of the levy would be taken away and that added to the need to promote growth.

The Corporate Director (Housing and Regeneration) said the Council had been proactive in pushing for business growth and trying to attract a wider range of industries. There was room for optimism for growth and the Council was doing the right things to push that agenda forwards.

The Leader of the Council said the Council had been pushing business development before the Localisation of Business Rates had appeared on the agenda. It was clear the levy was going towards 90% and this would mean the Council not getting much extra. Job creation was very important. If there was no additional income for the Council through Business Rates, it would still be important to pursue job creation for social and economic reasons and local investment brought other income.

Regarding the Localisation of Council Tax Support, approval was being sought to approve a consultation. There was an opportunity to raise additional income by changing some of the discounts and reliefs. This was a support income stream from Council Tax Support – the two could offset each other but were not the same item.

The Council needed to go out to broad consultation and be clear that there ought to be total protection for those protected groups. Working families with children over 5 could potentially see a reduction in grants. Other options must be looked at such as cutting benefits on band D etc. These should all be included in the consultation to get valid feedback.

The Portfolio Holder for Finance and Resources said presenting it to the public in an understandable way would be difficult. Verbal or written presentations could be considered as it would be difficult for the residents to comprehend. The public needed to be given an understanding of what the concept was. Any methods the Council could think of to allow people to give feedback on where protection should be was important. Some people would suffer from this.

The Assistant Director (Finance and Resources) said the consultation stage would include use of the website and writing to existing claimants explaining the situation. Targeted campaign work would also be carried out, as well as focus work to contact hard to reach groups. Everybody could be written to but costs needed to be taken into account.

The Leader of the Council said there was no simple format for discussion. Giving examples of options could make it more complicated but some simple examples of each option would be helpful. Recommendation 2 of the report delegated responsibility to the Leader of Council and the Portfolio Holder for Finance and Resources to approve the draft scheme for consultation.

Options and Why Options Rejected

No alternative options were considered.

Consultation

Consultation took place with:

Herts Chief Finance Officers
The Corporate Management Team
The Localisation of Council Support Tax Working Group.

Voting

None.

CA/086/12 PRIVATE SECTOR LEASING REPORT

Decision

- 1. That Council be recommended to approve that a supplementary budget estimate of £80k be made in respect of predicted increases in temporary accommodation expenditure in 2012/13 and that this be financed from the General Fund Working Balance.**
2. That the establishment of a Private Sector Leasing Scheme in Dacorum be approved, based on the business case set out in the Appendix to the report.
- 3. That Council be recommended to approve supplementary revenue estimates for Private Sector Leasing as follows:**

Income	£15,420
Expenditure	£12,810
4. That detailed arrangements for commencement and implementation of the Private Sector Leasing Scheme be delegated to the Portfolio Holder for Housing, subject to the satisfaction of the Statutory Officers.

Reason for Decision

To recommend Council to approve a supplementary budget estimate and to establish a Private Sector Leasing Scheme in Dacorum.

Implications

Financial

The increase in unavoidable demand for temporary accommodation arising from homelessness will require an additional £80k to be added to the B&B budget for this financial year.

The income from the proposed PSL scheme covers its own expenditure – further details are below.

Value for money

A Private Sector Leasing (PSL) scheme can considerably reduce the bed and breakfast spend, which has been rising considerably this year and in the latter stages of the previous financial year. The scheme can be financed to ensure that further work

to reduce homelessness can be undertaken and to increase the supply of affordable housing in the Borough.

Legal

The preparation of the Landlord Lease Agreement will require input from the legal department. Additional advice from legal may be required in setting up this scheme.

Risk Implications

PSL schemes have been in operation by Local Authorities, and by Housing Associations, for many years and are an accepted means of reducing the impact on the Council Tax payer whilst avoiding unsuitable temporary accommodation for homeless households. There are risks involved but these can be controlled and mitigated.

The key financial risks are:

- Oversupply of properties which the Council are unable to fill resulting in loss of income
- Extensive void periods due to slow turn round of homeless applications
- Changes to Housing Benefit legislation.

The current and predicted demand for additional accommodation arising from homelessness and housing need more generally indicates that given the modest scale of proposed operations – adding one property per month for three years to develop a portfolio of 36 properties – that there will be no difficulties in keeping all properties occupied. Evidence from providers elsewhere confirms this. By integrating use of the Chilterns Hostel carefully with this new supply a rapid turn around where properties become void can be achieved. It should be noted that, according to data provided by Paradigm Private Sector Leasing, the average length of stay in PSL properties is around four years and voids do not regularly occur. This reduces the risk of voids but increase the risk that Government departments will not recognise the facility as supporting temporary accommodation where tenants are resident for extended stays.

Whilst Housing benefit legislation is out of the Council's control the proposal has been modelled to allow up to a 10% reduction in applicable Housing Benefit. If benefits were to reduce the scheme can be adapted accordingly moving forward. The introduction of benefits caps from April 2013 and Universal Credit on a phased basis from October 2013 add further potential risks. The detailed implications are set out in the business plan, but the main impact will be in the increased need for the council to collect a proportion of the rent from tenants, rather than through Housing Benefit, which may reduce the potential surplus and increases the costs of operating the scheme.

The only other key operational risk is the ability to arrange for an adequate supply of properties. Evidence from the current Deposit Guarantee scheme indicates that a steady stream is, and will be, available.

Corporate and Improving Dacorum Programme Objectives and Benefits

This project contributes to Affordable Housing.

The benefits it will deliver are: an improved affordable housing supply that can relieve the burden on bed and breakfast accommodation, and help to prevent homelessness.

Advice

The Portfolio Holder for Housing introduced the report. The Council could look into the reasons why homes were empty and guarantee a rent on the property for a period of time. The down side was that the Council would have to pay the rent whether there was a tenant available or not, although this would not be the case in the near future. This would assist the Council in reducing the number of people in bed and breakfast accommodation and reduce homelessness.

The Group Manager (Strategic Housing) said this was a dual purpose report detailing the steady increase in homelessness and the impact on the budget for bed and breakfast accommodation which now needed to be increased, and explaining the Private Sector Leasing Scheme and some of the current actions being done to reduce the impact of homelessness.

Options and Why Options Rejected

No alternative options were considered.

Consultation

Consultation took place with:

The Private Sector Housing Officer
The Corporate Director (Housing and Regeneration)
The Assistant Director (Planning, Development and Regeneration)
The Housing and Community Overview and Scrutiny Committee.

Voting

None.

CA/087/12 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 items in Part II of the Agenda for the 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 those items, there would be disclosure to them of exempt information relating to the financial or business affairs of any particular person (including the authority holding that information). Minutes CA/088/12 and CA/089/12.

CA/088/12 PRIVATE SECTOR LEASING REPORT – APPENDIX 1

Decision

See CA/086/12.

This item was considered in Part 1 of the agenda.

Advice

Full details are in the Part 2 minute.

CA/089/12 HEMEL HEMPSTEAD TOWN CENTRE REGENERATION – PUBLIC SERVICE QUARTER PROCUREMENT

Decision

That the decision as detailed in the report be approved.

Full details are in the Part 2 minute.

Reason for Decision

To enable delivery of the Public Service Quarter and to propose a range of 'base' Minimum Project Requirements.

Implications

Full details are in the Part 2 minute.

Risk Implications

A risk assessment of the procurement process is attached as Appendix 1 of the report. A separate risk assessment relating to the delivery of the public service quarter was prepared for Cabinet in November 2011. This has been updated.

Corporate Objectives

The project to regenerate Hemel Hempstead Town Centre has been identified as a top priority for the Council. Because of its multi faceted nature, and proposals to deliver a new public service quarter, it contributes to all five of the Council's corporate objectives.

Advice

The Portfolio Holder for Planning and Regeneration introduced the report.

Full details are in the Part 2 minute.

Options and Why Options Rejected

No alternative options were considered.

Consultation

Consultation took place with:

The Corporate Management Team
Chris Taylor, Group Manager (Development Management and Planning)
Mike Evans, Group Manager (Commercial Property and Assets)
Ben Hosier, Group Manager (Commissioning, Procurement & Compliance)
James Deane, Group Manager (Financial Services)
Mark Brookes, Group Manager (Legal Governance)

Voting

None.

The meeting ended at 8.30 pm.