

MINUTES

CABINET

24 MAY 2016

Present:

Members:

Councillors: Williams (Leader)
Griffiths (Deputy
Leader)
Elliot
Harden
Marshall
G Sutton

Officers:	Sally Marshall	Chief Executive
	Mark Gaynor	Corporate Director - Housing & Regeneration
	James Deane	Corporate Director - Finance and Operations
	Mark Brookes	Group Manager - Legal Governance
	Richard Baker	Group Manager - Financial Services

The meeting began at 7.30 pm

CA/45/15 MINUTES

The minutes of the meeting held on 26 April 2016 were agreed by the members present and signed by the Chairman.

CA/46/15 APOLOGIES FOR ABSENCE

None received

CA/47/15 DECLARATIONS OF INTEREST

None received

CA/48/15 PUBLIC PARTICIPATION

None received

CA/49/15 REFERRALS TO CABINET

None received

CA/50/15 CABINET FORWARD PLAN

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

1. Hemel Hempstead Town Centre Parking Access & Movement Strategy – Move to September meeting
2. Add to September – Impact of Housing and Planning Act

CA/51/15 AUTHORISATION OF VIREMENTS

Decision

That the Virements as detailed on the attached Form A to the Cabinet report be approved.

Reason for Decision

To seek Cabinet approval to proposed virements.

Implications

Financial

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

Risk Management

There are no risk implications.

Corporate Objectives

To standardise documentation and authorisation requirements for all virements.

Monitoring Officer/S.151 Officer Comments

Monitoring Officer:

No further comments to add to the report.

Deputy S.151 Officer:

This is a Section 151 Officer report.

Advice

The Portfolio Holder for Finance and Resources noted that this was a self-explanatory report and there was nothing further to add.

Voting

None.

CA/52/15 PROVISIONAL OUTTURN

Decision

1. The provisional outturn position for each of the accounts detailed be approved
2. That the Audit committee be recommended to approve the reserve movements outlined in Section 9 of the Cabinet report.

Reason for Decision

To provide details of the provisional outturn position for the:

- General Fund
- Housing Revenue Account
- Capital Programme

To provide details of the proposed transfers to and from earmarked reserves.

Implications

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

Risk Implications

Risk implications are included within the body of the report.

Equalities Implications

There are no equality implications.

Health & Safety Implications

There are no health and safety implications

Corporate Objectives

Delivering an efficient and modern council.

Monitoring Officer/S.151 Officer Comments

Monitoring Officer

No further comments to add.

S.151 Officer

This is a Section 151 Officer report.

Advice

The Portfolio Holder for Finance & Resources highlighted that recommendation two should be amended to recommend to the Audit Committee rather than Full Council. He added that he expected to have signed off the accounts by the year end.

The Portfolio Holder for Environmental, Sustainability & Regulatory Services referred to the HRA major variances and asked what the slippage was for line 198 which related to the scheme at London Road Apsley.

The Corporate Director for Housing & Regeneration explained that the design and build contract did require changes as the development takes shape. He added that it was common to have to alter the requirements and therefore causing delay.

The Portfolio Holder for Housing added that the redesign was required due to the height required in the living areas.

Voting

None.

CA/53/15 PROPOSALS FOR A DEVELOPMENT COMPANY

Decision

1. The procurement of specialist technical advice to progress work on the creation of a Development Company be approved;
2. The primary objectives of the Development Company, as detailed in paragraph 7 of the Cabinet report be approved and,
3. The development sites identified in paragraph 12 to form the initial pipeline for the Development Company be approved,

Resolved to Recommend:

4. **A draw down of £100k from the Invest to Save reserve, in order to fund the procurement of advice associated with the creation of a Development Company and further associated costs.**

Reason for Decision

To gain Cabinet approval for the overarching principles of a Council-owned Development Company, ahead of procuring specialist, technical advice.

Implications

Financial

The financial implications are included within the body of the report.

Value for Money

The procurement exercise will be governed by the Council's Procurement Standing Orders, designed to ensure fair competition and maximise value for money.

Risk Implications

There are limited risks associated with the recommended procurement at this stage of the project. The risks inherent with the actual creation of a company will be reported back to Cabinet to consider later in the year, before the next steps are taken.

Health & Safety Implications

None.

Corporate Objectives

This project aligns with all of the Council's corporate objectives, as approved by Council in February 2016.

Monitoring Officer/S.151 Officer Comments

Monitoring Officer:

The Council has the power to establish a Development Company pursuant to provisions contained in the Local Government Act 1972, Local Government Act 2003 and the Localism Act 2011.

As highlighted in the report, detailed legal advice will be obtained in relation to the governance arrangements which will operate between the Council and the Development Company, the applicability of 'State Aid' rules (EU rules in place to prevent members states distorting cross boundary competition), and the Council's requirement to achieve 'best consideration' for any disposal/transfer of land to the Development Company.

Comprehensive advice on all of the above issues will be provided in future reports to Cabinet in due course.

S.151 Officer

This is a Section 151 Officer report.

Advice

The Portfolio Holder for Finance & Resources explained that the purpose of the report was to seek approval for a development company to provide and secure investment income for the future. The report had suggested a budget of £100k and this was to ensure no risks were taken with potentially having a short fall and having to return to Cabinet with a further budget request.

The Portfolio Holder for Residents & Corporate Services asked what the differences were between what the council currently did and how this would change.

The Corporate Director of Finance & Operations explained that currently this was affecting the Housing Revenue Account (HRA), however in the future the hope would be to maximise revenue income to support the provision of General Fund services.

Furthermore, currently developments were subject to right to buy and therefore not guaranteed long term income. The development company proposal would help ensure long term viable income. He highlighted the importance of needing clear objectives for the development company.

The Corporate Director for Housing and Regeneration said they must help to protect the council's position. He added that there wouldn't be many differences to the process.

The Portfolio Holder for Housing sought clarification that this duty would form part of the General Fund as opposed to the HRA.

The Corporate Director for Housing and Regeneration confirmed that they could charge rents to the General Fund in order to help support the council's objectives.

The Chief Executive added that there were a number of council's already doing this.

The Portfolio Holder for Residents & Corporate Services asked how the figure of £100k being requested was calculated.

The Corporate Director of Finance & Operations explained that many other council's budgets had been in the region of £60-70k and he did not want to have to return to Cabinet requesting further funds due to there being a shortfall in the budget. He assured members of the Cabinet that they would be carrying out the required tendering process.

The Portfolio Holder for Housing recommended that recommendation (4) be broadened to read 'A draw down of £100k from the Invest to Save reserve, in order to fund the procurement of advice associated with the creation of a Development Company and further associated costs.'

The Portfolio Holder for Environmental, Sustainability & Regulatory Services asked if during the tendering process they would be looking for ideas for the use of a development company and would they be able to embrace many areas or would they be limited to just Housing.

The Corporate Director of Finance & Operations explained that the report listed the key objectives. They didn't want to create a complex process as it needed to get started.

The Corporate Director for Housing and Regeneration felt that it would be likely that a development company would be able to cover broader areas.

The Chief Executive said that this was explained in paragraph 8 of the report and by including some key objectives, meant that there would be a more focussed discussion.

The Corporate Director of Finance & Operations added that they did not want to prohibit the scope of the company and therefore a further report would be presented to Cabinet to look into these aspects.

The Portfolio Holder for Environmental, Sustainability & Regulatory Services asked which other council's did things this way.

The Chief Executive replied that virtually all the Eastern Region councils were looking to do it if they weren't already doing so.

The Portfolio Holder for Residents & Corporate Services asked if bidders through the tendering process will be asked to provide examples as a way of evidencing their experiences.

The Corporate Director for Housing and Regeneration confirmed this would be the case and said that many of those making a bid will have had experience with other council's.

Voting

None.

CA/54/15 CONSTITUTION UPDATE

Decision

Resolved to Recommend:

- 1. the changes to the Constitution as set out in paragraphs 9, 10, 14, 16 and 21 of the Cabinet report**

- 2. the changes to the Financial Regulations as set out in paragraphs 22 and 26 of the Cabinet report**

Reason for Decision

To seek approval to amend the Constitution and Financial Regulations to reflect changes to staffing structures, operational changes and new legislation.

Implications

Financial

There are no financial implications arising from this report

Value for Money

There are no implications arising from this report.

Failure to have an up to date and accurate Constitution could lead to legal challenge and operational, reputational and financial costs may follow if the challenge was successful.

Community Impact Assessment

There are no community impacts which require assessing resulting from this report.

Health & Safety Implications

There are no Health and Safety implications connected to this report.

Corporate Objectives

The Constitution and the Council's Financial Regulations support all of the Council's Corporate Objectives as they provide the governance framework for all decisions, strategic and operational.

Monitoring Officer/S.151 Officer Comments

Monitoring Officer:

This is a Monitoring Officer report.

S.151 Officer

No further comments to add to the report.

Advice

The leader of the Council explained that this was a simple report bringing everything together following the recent structure changes.

The Solicitor to the Council and Monitoring Officer explained that there would be regular reports to Cabinet in the future in order to reflect ongoing changes.

The Leader of the Council felt it would be good to see it regularly.

The Portfolio Holder for Environmental, Sustainability & Regulatory Services asked if Members would see the amendments before the Constitution is published.

The Solicitor to the Council and Monitoring Officer said there would be a thorough review of the Constitution and the amendments would be published in full. The report highlighted the key principles of the changes.

He noted that a copy of the changes could be circulated to the members of Cabinet before publication.

The existing version on the council's website and on Modern Gov will be replaced.

Voting

None.

The Meeting ended at 7.55 pm