

MINUTES

CABINET

21 MARCH 2017

Present:

Members:

Councillors: Williams (Leader)
Elliot
Harden
Marshall
G Sutton

Officers:	Sally Marshall	Chief Executive
	Mark Brookes	Solicitor to the Council and Monitoring Officer
	James Deane	Corporate Director - Finance and Operations
	Mark Gaynor	Corporate Director - Housing & Regeneration
	David Skinner	Assistant Director - Finance & Resources

The meeting began at 6.30 pm

CA/26/17 MINUTES

The minutes of the meeting held on 14 February 2017 were agreed by the members present and signed by the Chairman.

CA/27/17 APOLOGIES FOR ABSENCE

An apology was received on behalf of Councillor Griffiths.

CA/28/17 DECLARATIONS OF INTEREST

None received

CA/29/17 PUBLIC PARTICIPATION

None received

CA/30/17 REFERRALS TO CABINET

None received

CA/31/17 CABINET FORWARD PLAN

That the Cabinet Forward Plan be noted without changes

CA/32/17 QUARTER 3 FORECAST FINANCIAL OUTTURN

Decision

1. That the budget monitoring position for each of the accounts be noted

Resolved to recommend:

2. **Approval of the supplementary budgets set out below. Details for these supplementary budgets are set out in the body of the report to Cabinet:**
 - **Decrease the budget for Pension back funding by £900k**
 - **Decrease use of the Pensions reserve by £900k**
3. **Increase the capital budget for The Forum by £514k to reflect contribution received from Hertfordshire County Council for fit out works to the library, ceremonial room and registration offices.**

Reason for Decision

To provide details of the projected outturn for 2016/17 as at Quarter 3 for the:

- General Fund
- Housing Revenue Account
- Capital Programme

Corporate Objectives

Delivering an efficient and modern council

Monitoring Officer/S.151 Officer Comments

Monitoring Officer

No further comments to add.

Deputy S.151 Officer

This is a Section 151 Officer report.

Advice

D Skinner explained that there would be an underspend of £262k for the end of quarter 3, which was consistent with previous quarters. Details of this were included within the report.

Councillor Elliot highlighted that there was a £15k overspend within the cemeteries budget.

D Skinner said that they would be looking to recover money via different options.

Councillor Harden asked if there was a pressure on pay and display as a result of the new £1 coin. He asked if the council were upgrading the machines just to accommodate that or would the upgrade mitigate against any further changes made in the future.

D Skinner confirmed that the upgrade was to accommodate the new £1 coin only. The upgrade would cost £15k.

Councillor Williams asked if there was a timescale to renew the contract.

D Skinner said the council would go out to market soon with a view to have the contract in by May 2018.

Councillor Williams referred to the pressure of £50k shown in section 3.2 of the report.

D Skinner explained that a pressure is forecast in the Revenues and Benefits service from bank charges incurred. The new system of credit card surcharging has been implemented, but charges recovered from customers at the time of payment are being reported in the income section of the relevant departmental budgets.

Voting

None.

CA/33/17 ENTERPRISE ZONE UPDATE

Decision

Resolved to Recommend:

- 1. that the financial analysis set out in the report to Cabinet be noted; and,**
- 2. to progress to formal designation of the Enterprise Zone on 1st April 2017.**

Reason for Decision

For Cabinet and Council to consider the financial analysis of the Enterprise Zone business plan and to agree to proceed to formal designation.

Corporate Objectives
Ensuring economic growth

Monitoring Officer/S.151 Officer Comments

Monitoring Officer:

On the 29th November 2016, Cabinet agreed for the Council to progress to formal designation of the Enterprise Zone (EZ) subject to a further report analysing the business plan for the EZ.

The financial analysis is set out in this report, and therefore, subject to agreement of Council, the Enterprise Zone will proceed to formal designation on 1st April 2017.

Cabinet also delegated authority to complete a memorandum of understanding (MOU). The MOU has now been completed and sets out the strategic direction of the Enterprise Zone and the governance structure for the organisation and operation of the zone.

S.151 Officer

My comments are incorporated into the report.

Advice

J Deane explained that this was a follow up report to November 2016, which quantified the costs more clearly.

He highlighted that the council needed to consider the financial consequences as it was difficult to gauge them over the next 25 years. He added that it was recommended that Members approve the progression of the Enterprise Zone on the basis that the potential benefits available to Dacorum, in the form of increased local investment (up to £160m), outweigh the modelled costs to DBC in terms of potential funding forgone (around £6.2m). Whilst both of these figures are subject to change, depending on changes to government policy on business rates and development risk of the sites within the Enterprise Zone, the material consideration of the benefit being greater than the cost is highly likely to remain constant.

Councillor Marshall asked if the majority of the business rates generated within the EZ will come from businesses on sites within the St Albans boundary, then why does the scenario which models an EZ without St Albans show that only £80m of the total £160m will be lost to the EZ? This implies that half of the business rates will be generated within Dacorum's boundary, and is therefore inconsistent with the claim that the majority is in St Albans.

J Deane responded that it was true that the majority of the business rates generated annually within the EZ will be on sites within St Albans. However, the majority of the sites within St Albans will not be developed and generating business rates until 11 years from now, whereas the sites in Dacorum will be generating rates much earlier, i.e. over the next 2 or 3 years. This means that whilst the total annual amount generated on St Albans sites will eventually be larger, the quicker start to development in Dacorum means that over the 25-year life of the EZ half of the total amount generated will be in Dacorum.

M Gaynor added that the memo of understanding explained that the first call on any resources was for infrastructure in the enterprise zone.

Councillor Williams clarified that the figures mentioned related to business rate income not others such as S106 payments or crown estate infrastructure funding; therefore there may be other funding contributions.

Voting

None.

CA/34/17 EXCLUSION OF THE PUBLIC

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 is likely, in view of the nature of the business to be transacted, that, if members of the public were present during this item, there would be disclosure to them of exempt information relating to the financial and business affairs of the Council and third party companies/organisations and also contains legal advice which may be subject to a claim for legal privilege. (Minute CA/035/17)

Local Government Act 1972, Schedule 12A, Part 1, paragraph 3 and 5.

CA/35/17 WATER CHARGES LITIGATION (PART 2)

Full details in Part 2 Decision Sheet

The Meeting ended at 7.07 pm