

**CABINET MEETING held at COUNCIL OFFICES LONDON ROAD
SAFFRON WALDEN on 19 FEBRUARY 2013 at 7.00pm**

Present: Councillor J Ketteridge – Leader (Chairman).
Councillor R Chambers – Portfolio Holder for Finance
Councillor S Barker – Portfolio Holder for Environment.
Councillor J Cheetham – Deputy Leader.
Councillor J Redfern – Portfolio Holder for Housing.
Councillor H Rolfe – Portfolio Holder for Community,
Partnerships and Engagement.
Councillor A Walters – Portfolio Holder for Community Safety.

Also present: Councillors E Godwin, S Howell, D Morson and V Ranger.

Officers in attendance: J Mitchell (Chief Executive), M Cox (Democratic Services Officer), M Donaldson (Accountancy Manager), R Harborough (Director of Public Services), S Joyce (Assistant Chief Executive – Finance), M Perry (Assistant Chief Executive – Legal) and A Taylor (Assistant Director Planning and Building Control).

CA97 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Harris and Wells.

Councillor Barker and Chambers declared their interests as a member of Essex County Council and Essex Fire Authority.

CA98 MINUTES

The Minutes of the meeting held on 17 January 2013 were approved and signed as a correct record.

CA99 BUSINESS ARISING

(i) Minute CA86 – Greater Essex Demographic Forecasts

Councillor Barker reported that the briefing on this subject had been deferred due to the bad weather; a further date would be arranged for March.

(ii) Minute CA86 – Elizabeth Way Culvert Collapse

Councillor Barker reported that the works to the culvert were expected to commence in March.

CA100 **MEMBERS' QUESTIONS**

Council Morson asked whether the Administration would consider, in the financial year 2014/15, removing Council Tax discounts for empty and second homes in order to assist residents who were adversely affected by the cuts in Council Tax benefit. Councillor Chambers replied that this would be considered as part of the on-going management of the scheme. For the financial year 2013/14 the Council would be subsidising the local council tax support scheme by £212k, had established a hardship fund and was looking at ways of phasing in reduction of support.

CA101 **ASSETS OF COMMUNITY VALUE**

The Cabinet was advised that the Localism Act 2011 Section 87 placed a duty on local authorities to maintain a list of land in its area that was of community value. The scheme would add certain constraints on the disposal of the asset, which would give the opportunity for communities to step in and purchase assets to keep them open and useable.

The assets had been put forward by the local town/parish councils and had been assessed against the tests set out in the Act, which was essentially that the assets should further the social wellbeing or social interests of the community.

It was noted that the applications for the village stores, Crown Hill, Ashdon and the Waitrose Car Park had been withdrawn. A number of residents from Blacklands Close, Saffron Walden had attended the meeting. In answer to questions it was explained that the assets would remain on the list for 5 years, after which the asset would be reconsidered. Also, notices had been displayed on the assets as this was considered the most public and transparent way of advertising the proposals.

RESOLVED

1. To agree that those assets listed in Appendix 1 (with the exception of the two withdrawn before the meeting) are included on the Assets of Community Value list.
2. To agree those assets listed in Appendix 2 are included on the Unsuccessful Community Nominations list.

CA102 **HOUSING REVENUE ACCOUNT 2013/14 BUDGET AND 5 YEAR BUDGET STRATEGY**

Councillor Chambers presented the proposed Housing Revenue Account (HRA) budget and reserves position for 2013/14 and the proposed 5 year forecast for the period 2013/14 – 2017/18. The HRA account reflected the

service arrangements and investment in relation to the Council's housing services for the second year under self-financing. The overall aims and objectives were set out in the HRA Business Plan.

The budget had been based upon an average rent increase of 4.57% in line with Government convergence and the Council's rent policy. The increases in charges had been approved by the Tenants' Forum and the Housing Board. The proposals had been endorsed by the Scrutiny Committee.

Councillor Redfern explained that under HRA self-financing, the Council had decided not to repay the capital sum for the first 5 years. There was a substantial programme of investment to improve the Council's housing stock and also to building new council houses. The first phase of the Leaden Roding development had been completed and the next stage was under construction. The application for the Mead Court development would shortly be submitted to the Planning Committee. The Council was also reviewing the potential of other UDC owned sites.

Councillor Barker said that she was delighted with the progress on the new developments but she particularly wanted to thank housing staff for the excellent service they provided on a day to day basis.

RESOLVED to approve, for recommendation to Full Council

- the 2013/14 HRA budget resulting in a forecast surplus of £144,000, including endorsing increases in rents and service charges as set out in the report.
- the maintenance of an HRA working balance of £649,000 for the period to 31st March 2014.
- the use of and contribution to HRA earmarked reserves as detailed at Appendix E to this report.

CA103

TREASURY MANAGEMENT POLICY STRATEGY AND PRUDENTIAL INDICATORS

Councillor Chambers presented the Treasury Management report which gave details of the management of the Council's investments, borrowing, cash flow, banking and market transactions. It set out the risks associated with these activities and the optimal performance consistent with the risks. The report had been considered by the Scrutiny Committee, where an adjustment had been made that deposits to other local authorities should only be made to those in the upper tier and with a minimum credit rating of A-.

Councillor Chambers said this was a sound strategy which had been reviewed and endorsed by independent advisors. External borrowing was unlikely to be required in the next 5 years and investments were held in UK secure banks and Government deposits.

RESOLVED to recommend to Full Council

- the Treasury Management Policy as set out at Appendix A
- the Treasury Management Strategy as set out in Appendix B
- The prudential indicators as set out in Appendix B
- The Council's counterparty lists and limits as proposed at appendix 3.

CA104 CAPITAL PROGRAMME 2013/14 – 2017/18

The Cabinet received the capital programme which detailed planned expenditure on the Council's buildings vehicles and ICT assets. A significant proportion of the £6.5m for 2013/14 related to council housing and schemes in line with the HRA Business Plan. General Fund projects included, in cab technology for the waste and recycling vehicles, works to Saffron Walden Castle and ICT improvements. Funding was also available from the Stansted Airport Housing Partnership and Section 106 agreements and would assist with the supply of affordable housing.

Councillor Rolfe asked about the profile of the General Fund spend over the 3 year period. The Assistant Chief Executive – Finance said that it was usual for the capital programme to experience peaks and troughs, for example this year there was a large expense on new refuse vehicles but this would not occur for another 7 years. The Cabinet was only being asked to agree the budget for 2013/14, other schemes were likely to come forward for future years. Councillor Chambers added that in order to avoid slippage, the Council was only committing funds to schemes that it knew would be delivered.

RESOLVED to approve for recommendation to Full Council, the Capital Programme and associated financing as set out at Appendix A and B.

CA105 MEDIUM TERM FINANCIAL STRATEGY

Councillor Chambers presented the Medium Term Financial Strategy (MTFS). The strategy, which covered a five year period, complemented the Corporate Plan and set out the anticipated resources available to meet corporate priorities.

He said the plan showed a stable financial position until at least 2015 but it was very difficult to make predictions about Government forecasts after that time. By the end of the next financial year the core Government funding would have decreased by 42%. This had been compensated by the amount received under the New Homes Bonus, but this was a more variable funding stream. There would be some limited flexibility in the next few years, rather than having to make cuts to the budget and the strategy showed that reserve levels were adequate. As the Council was not sure of the long term future, he stressed that investment should be prudent and sustainable whilst the Council continued to identify more efficiency savings.

RESOLVED to approve the Medium Term Financial Strategy for recommendation to Full Council.

CA106

ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

Councillor Chambers presented the Section 25 report which gave the Council formal advice on the robustness of estimates and the adequacy of reserves. This was to ensure that when setting the budget, Members would be aware of the risks and uncertainties and ensure that there were adequate contingency reserves. The report listed the identified risks. Particular attention was drawn to recent Government reforms in Housing and Council Tax benefits and Localisation of Business Rates. These areas would be closely monitored and the Cabinet would receive regular updates.

In relation to the Council's Working Balance, this was £1.214m, £25,000 above the minimum required and it was recommended that it should be maintained at this level.

Councillor Chambers thanked the Finance Officers for the very detailed information provided and the sound and well explained advice.

RESOLVED to recommend that Full Council:

- a) takes account of the advice in the report when determining the 2013/14 General Fund budget and Council Tax
- b) approves the risk assessment relating to the robustness of estimates as detailed in the report
- c) sets the minimum safe contingency level for 2013/14 at £1,189,000
- d) agrees that no transfers to or from the Working Balance should be built into the 2013/14 budget.

CA107

GENERAL FUND AND COUNCIL TAX 2013/14

The Cabinet received the General Fund budget for consideration ahead of final determination by Full Council. It was consistent with the Section 25 report and the MTFs and the estimates were based on the recommendations in respect of the Capital Programme, Treasury Management Strategy and HRA budget. The report also included the recommended fees and charges for the Council's services in 2013/14. The budget had been endorsed by the Scrutiny Committee.

The report provided detailed revenue estimates which showed a council tax requirement of £4,646,960 which balanced to a level of council tax income, assuming a 1% cut in council tax.

The Leader stated this was a very comprehensive budget, put together over a period of months and followed the budget strategy timetable agreed in

November. The budget included something for most people, significant investment, grants for the voluntary sector, initiatives in the local economy, and investment in capital projects. There had been no significant cuts in services and £0.5m of on-going efficiency savings had been achieved.

The Council had addressed the significant challenge in relation to benefit reform and had set up a local council tax support scheme and the phasing in of non-protected households. The Administration had proposed a 1% cut in Council Tax to the benefit of council tax payers, maintaining Uttlesford's position as the lowest council tax in Essex.

Councillor Godwin, Chairman of the Scrutiny, said the Committee had gone through the budget very thoroughly. It had commented on the importance of accounting for the spending in relation the New Homes Bonus, for example ensuring that grants allocated were put to the use intended.

The budget had taken account of the priorities identified in the residents' and business consultation. The response from the Federation of Small Businesses was reported. It raised questions as to the Council's strategy and policies to assist development and regeneration. The Leader confirmed that a written reply would be sent in response to the comments.

A consultation response had recently been received from the Liberal Democrat Group. Councillor Morson, the Leader of the group, addressed the meeting. He put forward a proposal which aimed to address the Council's priority of 'prosperity through business success and job creation' and to address the commitment to carbon/energy reduction.

The proposal was as follows

- £150k - to provide grants of up to 50% to fund the cost of energy efficiency improvements to business premises up to a maximum of £7k.
- £1.2m - over two years to establish a Business Incubator, based on a Braintree district model, but adapted for this district. The Braintree model was to create 6 industrial units and 6 office units supported by business advisors and admin staff.

The Leader thanked Councillor Morson for putting forward this proposal. As the budget had been under construction for some months it could not be changed at this time. However, the proposal could be looked at to see if it was appropriate for Uttlesford, but more work was required on how it would fit within the MTFs and further clarification of the on-going revenue costs.

Councillor Rolfe said that for 2013/14 the Council had increased the Economic Development Budget to £325k, which showed the Council's commitment in this area. The Economic Development Officer was looking at implementing initiatives and the proposed new Local Plan would increase the land identified for commercial use. The Council was conscious of the need for investment in this area as economic growth was a driver for the Council's income.

RESOLVED to recommend that Full Council

- 1 approves the General Fund Budget and Council tax Requirement of £4,646,960, as summarised in paragraph 25 and detailed in Appendices A to D.
2. approves the schedule of fees and charges at Appendix E.

CA108

UTTLESFORD PARKING STANDARDS

Councillor Barker reported that following a recommendation from the LDF Working Group, a proposal for local parking standards for Uttlesford had been subject to consultation between November and January. The Uttlesford standards would be supplementary to the ECC 'parking design and Good Practice', which had been adopted by the Council.

Nine responses had been received from parish councils and developers. The document had been amended in the light of these comments, specifically to note the high quality of the Uttlesford built environment and the need to balance competing demands, which could sometimes lead to a reduction in parking provision. The number of bedrooms had been changed from 3 to 4 before 3 parking spaces were required.

The Cabinet considered that there was justifiable need to enhance the Essex wide standards, so that they were appropriate for the rural nature of the district.

RESOLVED to adopt the Uttlesford Parking Standards as a material planning consideration.

CA109

2012/13 BUDGET MONITORING REPORT

The Cabinet received details of the Council's financial performance relating to the General Fund, HRA, Capital Programme and Treasury Management. It was based on actual expenditure from April 2012 to December 2012 and gave forecasts for the end of the 2012/13 financial year. It was noted that a net favourable variance of £137,000 was forecast for this financial year, the report gave details of each of the variances. The Leader thanked the Assistant Chief Executive-Finance and his team for the comprehensive financial information that had been provided.

The report was noted and approved.

CA110

EXCLUSION OF THE PUBLIC

RESOLVED that under Section 100I of the Local Government Act 1972 the public be excluded for the following item of business on the

grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972.

CA111

WRITE OFFS

The Cabinet received details of bad debt in excess of £5000 that were recommended for write off.

RESOLVED to authorise the write off of irrecoverable debts totalling £19,264.05 as set out in the report.

The meeting ended at 8.20 pm.