

CABINET held at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN at 7.00 pm on 24 OCTOBER 2013

Present: Councillor J Ketteridge – Leader (Chairman)
Councillor J Cheetham – Deputy Leader
Councillor R Chambers – Portfolio Holder for Finance
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, M Lemon, E Parr and J Salmon.

Officers in attendance: J Mitchell (Chief Executive), S Ellis (Revenues Manager), R Harborough (Director of Public Services), R Millership (Assistant Director Housing and Environmental Services) S Joyce (Assistant Chief Executive-Finance), A Knight (Accountancy Manager), A Parry-Jones (Project Officer), M Perry (Assistant Chief Executive - Legal), M Tokley (Principal Accountant), B Tice (Scripting Officer) and A Webb (Director of Corporate Services).

CA39 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillor Ranger.

Councillor Barker declared a non- pecuniary interest in aspects of the financial papers as a member of Essex County Council.

CA40 MINUTES

The Minutes of the meeting held on 23 September 2013 were received, confirmed and signed by the Chairman as a correct record.

CA41 MATTERS ARISING

i) Minute CA37 Waitrose and Fairycroft redevelopment

In answer to a question from Councillor Barker it was confirmed that the Waitrose development had been postponed for a year and was likely to commence in January 2015. Work on the necessary agreements would continue and the additional time would give further opportunity to consider the implications of the temporary closure of the car park at Fairycroft.

CAB42 TREASURY MANAGEMENT OUTTURN

The Cabinet received the annual statement of the key treasury activity and outcomes during the previous financial year. The report showed that the

council was managing risk effectively to ensure the security of funds, sufficient liquidity to enable commitments to be met and to generate income and minimise costs. The council was continuing with a cautious approach to banking counterparties and all deposits and investments were in line with the council's approved Treasury Management Strategy.

RESOLVED to approve the 2012/13 Treasury Management outturn as set out in the report.

CAB43 **2013/14 BUDGET MONITORING**

Councillor Chambers presented a report detailing the financial performance relating to the General Fund, HRA, Capital Programme and Treasury Management. It was based on the actual expenditure and income from April to August and set out forecasts for the end of the financial year.

Councillor Barker asked to what extent the recent benefit changes had led to a drop off in receipt of council tax and rent payments. Councillor Chambers replied that the problems had not been as bad as anticipated, due in large part to good communication and advice given to the affected residents. The Assistant Chief Executive - Finance added that the Cabinet had approved funds for an additional Collections Officer to work proactively in this area and this had been very successful.

Members asked about the shortfall on Business Rate income and were advised that this concerned the on going issue with the second largest rating assessment in Uttlesford. There was no immediate sign that this would be resolved and there would continue to be a shortfall.

Councillor Rolfe asked for an explanation of the increase in outturn against the Financial Services and Information Technology budgets. The Assistant Chief Executive –Finance said that recent changes in the finance section had necessitated the use agency staff for the preparation of the accounts. This had now been resolved and the section was at full strength. In relation to IT, he explained that in line with good practise, the software budgets had recently been centralised and there would be corresponding reductions in other budgets.

RESOLVED TO

- 1 note and approve this report.
- 2 Approve the capital programme budget adjustments as set out in paragraphs 23-24.
- 3 Agree that the Treasury Management Strategy wording relating to restrictions on the upper limits for funds placed with banks, should be amended to make clear that this does not apply to the Council's use of the Government Deposit Account.

2014/15 COUNCIL TAX DISCOUNTS AND LOCAL COUNCIL TAX SUPPORT

The Cabinet was advised of the results of the consultation on Council Tax discounts and the Local Council Tax Support Scheme (LCTS). The changes had proposed a reduction in council tax discounts for second homes and empty homes. For the Council Tax Support Scheme, the main change was to the liability cap, that non-vulnerable working age people previously on full Council Tax Benefit would pay 12.5% of the council tax bill (an increase from the present 8%). These changes formed part of the council's plan to phase in welfare reforms over a few years; to balance support for low earning residents with the sustainability of the council's finances.

Essex County Council had requested an adjustment to the LCTS funding arrangements to preserve the cost neutrality of LCTS without cross – subsidy of other Council Tax income and this had been agreed.

The consultation results showed that the majority of people who had responded had supported the proposed changes.

Councillor Barker commented that as pensioners would continue to receive protection, it was important that with the recent changes in this area 'pensionable age' was clearly defined. This Project Officer explained how this calculation would be made going forward.

In answer to a member question, it was confirmed that to date nearly £1,000 of the £10,000 earmarked to assist with the adverse effect of the changes to Council Tax support had been spent.

RESOLVED to approve, for recommendation to Full Council, the following changes, to apply with effect from 1 April 2014:

- a) Withdrawal of the 10% discount for Second Homes.
- b) Reduce the Empty Homes Class A (major repairs) discount from 100% for up to 12 months to 50% for up to 12 months.
- c) Reduce the Empty Homes Class C (vacant dwellings) discount from 100% for up to 6 months to 50% for up to 6 months.
- d) Introduce an Empty Homes Premium of 50% for dwellings unfurnished and empty for more than 2 years.
- e) To change the liability cap such that non-vulnerable working age people previously on full CTB shall pay 12.5% of the Council Tax bill (an increase from the present 8.5% figure).
- f) To continue the other elements of the Uttlesford LCTS Scheme without changes, as summarised in paragraph 9.
- g) To provide discretionary funding support to major preceptors on the basis of the principles set out in paragraph 41.
- h) To provide discretionary funding support to town & parish councils on the basis of the principles set out in paragraph 52.

Councillor Chambers presented a report, which summarised the council's financial outlook and asked the Cabinet to approve a strategy for drawing up the 2014/15 budget.

The outlook for the next 5 years suggested that cost savings/ additional income would need to be secured by 2018. This was in the light of the reforms to the funding system and uncertainty of future Government funding with substantial cuts in the formula grant and a proposed top slice of the New Homes Bonus.

The detailed budget model had forecast an in year surplus of £0.9m for 2014/15. For each year, from 2015/16 onward, the model had forecast a deficit of between £0.4m - £0.6m. This was the best-case scenario but it was considered prudent to plan on the basis of a significant reduction in the available Government funding. This scenario suggested that cost savings or additional income of around £1.3m would need to be secured by 2018. For the 2014/15 budget this would mean a reduction of around £0.3m, to be met by efficiency savings and additional income. The council's balances and reserves were forecast to remain the same.

There had been a public consultation on the budget headline priorities, which had placed 'to continue with sound financial management' as the first priority. The second priority was to provide affordable housing.

The report set out key actions and assumptions that would inform the 2014/15 budget proposals and the strategy, if approved, would form the basis of a proposed budget for formal review by members.

In answer to a question from Councillor Cheetham, the Assistant Chief Executive – Finance said it had not yet been confirmed that the New Homes Bonus would be top sliced, but he had taken into account the highest cut proposed from the recent consultation. This was a prudent course of action, any increase on the expected amount retained would be a bonus.

Members questioned the basis of the housing numbers assumed in the forecast and were advised that the estimates were consistent with the local plan statement issued in October 2013.

Councillor Rolfe was concerned at the lack of support in the consultation to the priority 'to work more closely with the business community to benefit the local community'. He suggested a media campaign in this area so that the public understands that economic development was a key aspect of local government funding.

It was agreed that under 'key actions and budget strategy' the action to make progress towards savings and income targets, should also refer to the Council's ambition to find new ways of creating income.

Councillor Redfern was pleased that the provision of affordable housing appeared to be more in the public mind as the provision of housing in the district was often seen in a negative light.

Councillor Lemon thanked the Assistant Chief Executive – Finance and his team for the clear and detailed information that had been provided.

RESOLVED To approve the 2014/15 budget strategy and key actions as set out in the report.

LP46

POOLING OF BUSINESS RATES

The Cabinet recalled that at its last meeting it had decided in principle to join an Essex Business Rates pool. The was established on the basis that no member would be worse off as a member of the pool and it was expected to earn a surplus that would be distributed to member authorities.

Further analysis had taken place and had uncovered a scenario where member authorities could be worse off, if the average business rate income across the pool was to reduce below its forecast position of 3.92%. This scenario was very unlikely but would need to be taken into account.

It has become clear that an authority would not be considered as a suitable partner if there were a risk of a shortfall in its business rate income. Uttlesford had an ongoing issue with its second largest rating assessment, and if this continued in 2014/15 the loss of income could out weigh expected growth. This which would reduce the surplus earned by the pool and distributed to the partners. It was therefore no longer felt appropriate for Uttlesford to put itself forward as a pooling partner for 2014/15, although it would reserve its position for 2015/16.

In answer to a question it was confirmed that four other Essex authorities had withdrawn from the pool for 2014/15.

RESOLVED

- 1 to continue to support the principle of joining a business rates pool.
- 2 to agree that UDC should not put itself forward as a pooling partner for 2014/15, but to reserve the position for 2015/16.

CA47

BED AND BREAKFAST CHARGES

Councillor Redfern presented a report which reviewed the current contribution made by clients of bed and breakfast accommodation provided by the Council in cases of emergency homelessness. Currently a nominal charge was made, but it had come to light that even when a client could receive housing benefit there was a shortfall in the actual cost of the accommodation.

A comparison of other councils' policies had been carried out and the Housing Board had recommended that all clients who would normally be entitled to full housing benefit should pay a weekly service charge for B&B or any other type of nightly let accommodation. The charges would be set at the level of the standard weekly deductions as set out by the DWP's housing policy.

Clients who were eligible for only partial housing benefit would pay the charges and would be invoiced for the shortfall amount between the actual cost of the accommodation and the amount received via housing benefit once their claim was assessed.

It was also agreed that the Council's pricing and concessions policy should not apply to B&B charges because of the relationship between costs and benefit entitlement.

RESOLVED

- 1 to accept the recommendation of the Housing Board to increase the contribution clients make towards the cost of providing them with emergency bed and breakfast or nightly let accommodation.
- 2 To agree that bed and breakfast charges are a stated exception to the Council's Pricing & Concessions Policy.

CA48

DEBDEN ROAD SAFFRON WALDEN CAR PARKS

Councillor Barker presented a report concerning the future of two small pieces of land used for car parking in Debden Road, Saffron Walden. The Asset Management Plan included a key priority to regularise the existing informal use of the site. It was explained that the two pieces of land had a balance sheet value of £15,000 noted in the action plan as being held for residents' parking, no income was generated from the car parks.

A questionnaire had been distributed to surrounding properties and businesses and the majority had supported its continued use as car parking.

It was not an option to maintain the existing situation as it would be contrary to the Asset Management Plan and continue to underutilise the asset. To dispose of the asset would have a significant impact on properties in the area that did not have off street parking. The preferred option was to formalise the car parking arrangements and sell residents' permits. The charge would be £300 a year in line with other car parks in the town, and was expected to raise an income for the two areas of around £3500. Due to the irregular shape of the land it was suggested that small un-usable areas of the land could be sold to local residents as additions to gardens.

Members agreed that parking for residents and businesses should be retained on this site particularly whilst on-street parking was not permitted on Debden Road. The Director of Public Services agreed to look into a

suggestion that businesses should purchase a permit that would enable any of their customers to use a space.

RESOLVED that

- 1 The two car parking areas on Debden Road Saffron Walden be formalised and parking permits be sold to local residents and businesses in accordance with the standard off-street charges
- 2 the Cabinet agree to the small scale disposal of land where this would not reduce the overall number of spaces provided.

CA49

CONSERVATION AREA APPRAISAL WIDDINGTON

Members considered a report on the Conservation Area Appraisal for Widdington, under the Listed Buildings and Conservation Area Act 1990. The report gave details of the outcome of the consultation. The Parish council had considered the document to be worthwhile as it was likely to strengthen control of development in the area.

RESOLVED that the Conservation Area Appraisal be approved and be used to assist in the process of determining planning applications and implementing management proposals.

CA50

S106 COMMUNITY POT STANSTED

The Cabinet was asked to approve further payments from the Stansted Community Pot at the request of the parish council. The pot comprised financial contributions made under Section 106 agreements for leisure, recreational or community facilities that were related to the needs of the persons occupying the development at Rochford Nurseries/Forest Hall Road Stansted. The proposal was for an additional amount to be allocated to the library/community hub in Crafton Green, Stansted and this was considered to be acceptable.

In answer to a question, the Director of Public Services said he would provide an explanation as to why the Council was not in receipt of all the funds from the developer for this development.

RESOLVED that

1. An additional £100,000, to make a total of £600,000 be allocated to the library/community hub in Crafton Green, Stansted, subject to agreement with the developer(s) as required.
2. Payments to be dependent on the receipt of developer contributions and will be phased if necessary.

FOODBANK

Councillor Rolfe presented a report on a proposal for a Foodbank in Uttlesford. This request had come from the LSP Health and Wellbeing Group that had highlighted the need for people to receive food parcels in the short term.

An agency group had been established and had been working with the Trussell Trust, a national organisation that supported the development and operation of foodbanks. To assist in the setting up of the scheme the Trust would require an initial payment of around £1500 and an annual fee of £300. The Salvation Army and Waitrose would on lead the project and would train volunteers with a view to the scheme commencing in February 2014. The upstairs section of the Garden Room, Jubilee Gardens had been identified for central food storage. This would be provided free of charge for one year only. The District Council would be responsible for the insurance for the premises, repairs, utilities and services. The scheme would be funded from the £20,000 in the Access to Services budget.

Members supported the initiative, although they were saddened that it was necessary to set up a foodbank in the district. In answer to a member's question the Assistant Chief Executive – Finance said he would confirm with the underwriters that the council's insurance would cover the volunteers working on the project.

RESOLVED to approve

- 1 An initial start-up fee of £1,500 and an ongoing annual running cost of £300 per annum for as long as the scheme is required.
- 2 The lease of the upstairs section of the Garden Room in Saffron Walden for food storage for one year, initially.

TIMEBANK SCHEME

The LSP Health and Wellbeing Group had suggested the introduction of a Timebank scheme, as an Access to Services initiative that would support the community in accessing services locally and encourage a self- sustaining scheme involving volunteers. It was explained that the scheme operated with 3 categories:

- Donator – a volunteer who donates time but does not wish to receive anything in return.
- Exchanger – a volunteer who donates time by undertaking a task and then receives a service provided for them in return for the same amount of hours donated.
- Recipient – someone who receives a service but who is not in a position to reciprocate.

Essex County Council had provided funding to Colchester CVS, who were affiliated with the National Timebank scheme, to establish a pilot scheme in Uttlesford. Colchester would act as the lead agency, managing the funding,

but the project would be delivered with the volunteer centre and support from UDC officers. An additional sum of £2,520 was required to deliver the scheme in Uttlesford, which could be funded from the Access to Services budget.

Members welcomed the scheme but felt that the funds should support the pilot scheme only, and the success of this initiative be reviewed in a year's time. Advice was being sought regarding possible income tax implications and this would need to be clarified before the scheme was implemented.

RESOLVED to approve the contribution of a supplementary management cost of £2,520 towards the development of a Timebank scheme, subject to ensuring that there are no adverse income tax implications and for a review of the scheme in 12 months' time.

CA53 EXCLUSION OF THE PUBLIC

AGREED 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 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

CA54 WRITE OFFS

The Cabinet received details of council tax and housing benefits debts that were recommended for write off.

RESOLVED to authorise the write-off of the irrecoverable debts, for Council Tax of £15,567.67 and Housing Benefit of £17,237.48.

The meeting ended at 8.30pm.