

**CABINET MEETING held at COUNCIL OFFICES LONDON ROAD
SAFFRON WALDEN on 12 JANUARY 2016 at 7.00pm**

Present: Councillor H Rolfe (Leader)
Councillor S Barker (Deputy Leader and Cabinet Member for Environmental Services)
Councillor S Howell (Cabinet Member for Finance and Administration)
Councillor J Redfern (Cabinet Member for Housing and Economic Development)
Councillor L Wells (Cabinet Member for Communities and Partnerships)

Also present: Councillors A Dean (Liberal Democrat Group Leader and Chairman of Scrutiny Committee) and B Light (Residents for Uttlesford Deputy Group Leader)

Officers in attendance: R Harborough (Director of Public Services and Interim Head of Paid Service), A Knight (Assistant Director – Finance), R Millership (Assistant Director – Housing and Environmental Services), M Perry (Assistant Chief Executive – Legal), P Snow (Democratic and Electoral Services Manager) and A Webb (Director of Finance and Corporate Services)

CA69 APOLOGIES FOR ABSENCE AND DECLARATION OF INTERESTS

An apology for absence was received from Councillor Lodge.

Councillor S Barker declared a non-pecuniary interest in items 10, New Homes Bonus consultation, and 15, ECC reduction in funding for housing related support, as a member of Essex County Council.

CA70 MINUTES

The minutes of the meeting held on 10 December 2015 were received and signed by the Chairman as a correct record, subject to the deletion of parts 1 and 2 of the resolution, and the substitution of the words “RESOLVED that land to the east of Great Chesterford recreation ground be transferred to Great Chesterford Parish Council at nil value”.

CA71 MATTERS ARISING – Minute CA61 Special Purpose Vehicle

In referring to the decision to establish a SPV to develop commercial opportunities, Councillor Dean asked the Cabinet to bear in mind the need to continue to support community projects not purely from the point of view of maximising income.

The Leader noted these comments but said the SPV would have a particular role to play and it was important for the Council to obtain commercial benefits from its investments for the benefit of residents.

CA72 **REFUGEE WORKING GROUP**

It was noted that five refugee families allocated to Essex had all been rehoused in the Colchester area. Officers were continuing to work with Essex County Council to make provision for any refugees allocated to Uttlesford. The system established by the Home Office required the Council to identify specific available properties which were then matched with particular families needing to be housed. One property identified for this purpose had subsequently been allocated to a homeless family. Efforts would now be made to identify a further property to be allocated for refugee use and any developments would be reported to members.

CA73 **SALE OF LAND AT REAR OF 21 CHURCHFIELD SAFFRON WALDEN**

Councillor Howell proposed the sale of an area of land to the rear of 21 Churchfield, Saffron Walden at a price of £3,000 offered by the occupier of this property. The land would be sold subject to a restrictive covenant limiting it to garden use only. Although the land was an asset valued at between £4,100 and £6,000, it could not be developed because of access difficulties and the sale would save the cost of maintaining the land. In the circumstances the offer was considered a reasonable one.

The Cabinet noted concerns about the sale raised by Councillor Light. The Leader agreed that a previous audit of land holdings should be revived and asked officers to undertake an assessment of potential future uses for similar areas of land that might not be capable of development.

RESOLVED that approval be given to the sale of land to the rear of 21 Churchfield, Saffron Walden at a price of £3,000, subject to the imposition of a suitable restrictive covenant.

CA74 **FINANCIAL OUTLOOK AND 2016/17 BUDGET STRATEGY**

Councillor Howell presented a report summarising the financial outlook to 2020/21 and proposing a strategy for the 2016/17 budget. The report set out the result of the public consultation on council priorities. A budget for next year would be prepared on the basis of the approved strategy and would then be examined by the Scrutiny Committee before being submitted to the Cabinet and Council for approval.

He would be proposing the adoption of the budget strategy set out in the report subject to an amendment to defer consideration of whether to freeze Council Tax in 2016/17 depending on the outcome of Government funding decisions for local government.

Budget planning was especially challenging and unpredictable as a result of uncertainty about Government funding decisions and the position regarding local government finance generally. It was clear that root and branch reform of local government financing was underway with significant changes being proposed for the retention of business rates, formula grant and New Homes Bonus. All of these factors would have a significant and substantial impact on funding decisions.

In respect of the retention of business rates, the Council had joined the Essex Business Rates Pool but present indications were that pooling would not continue beyond 2016/17. The Government had indicated that formula grant, or Revenue Support Grant, would be phased out by the end of 2017/18. As for New Homes bonus, it was assumed this would be scaled back in the years after 2016/17.

Certain assumptions had been made as part of the budget model for the next five years. The forecasts produced as a result were set out in the report. A surplus of £4.7m was forecast in 2016/17 followed by expected deficits thereafter.

However, because the position in 2016/17 was still unclear and was evolving, the Leader would indicate his decision on whether Council Tax would increase when there was greater clarity.

In the meantime it was prudent to continue to maintain appropriate levels of reserves and to look for efficiencies and savings. It was also sensible to seek to maximise income wherever possible. The only alternative was to call on council taxpayers to pay more and more but this alone would not resolve the difficulty.

Councillor Howell commented on the priorities identified in the recent public consultation exercise and said the level of response was encouraging.

He proposed approval of the budget strategy and key actions set out in the report, subject to consideration of whether to freeze Council Tax being deferred.

There followed a wide ranging discussion about the budget strategy. Councillor Dean welcomed the proposed deferment of the decision on Council Tax and said he was pleased a zero risk approach was not being taken. The level of Council Tax had been eroded over a period of time and it was wise to maintain a higher base for future years. Increases in Council Tax could bring in an extra £150k of income. He supported not rushing ahead with a freeze and said the Council should not lose sight of providing council housing as a priority.

The Leader said he did not agree the Council Tax base had been eroded. Taxpayers money should always be returned if it was possible to do so. Councillor Howell was correct to reserve judgement in the light of possible changes. He would try to make a final decision before the Scrutiny Committee's review of the budget.

Councillor Light questioned the funding of the SPV bearing in mind the need to fund necessary services.

Councillor Howell replied that developing assets was reliant on appropriate investment. Retaining assets allowed the Council to generate an income stream and this must be beneficial to residents. Assets retained could always be sold at a future date but it was not possible for the Council to rely upon Council Tax and Business Rates alone.

Further discussion took place about the budget strategy and the determination of key priorities. Councillor Howell summed up by emphasising the need for the Council to continue to act as a commercial organisation. He was fully aware of the Council's social responsibilities but it was essential to make commercial decisions in keeping with previous practice.

RESOLVED that the 2016/17 budget strategy and key actions be approved, subject to a decision on whether to freeze Council Tax being deferred depending on the outcome of Government funding decisions.

CA75

NEW HOMES BONUS CONSULTATION RESPONSE

Councillor Howell reported on the proposed response set out in the report to the Government's consultation on changes to new Homes Bonus (NHB) from 2017/18. He referred to the members workshop on finance held the previous evening and said he was pleased that every councillor had now been given the opportunity to comment on the proposed NHB changes.

Proposed changes to NHB cut to the core of service delivery. In this context he had paid particular attention to comments made by councillors, especially the need to show more passion in responding to the consultation, and the encouragement of councils to retain sufficient reserves to deal with the consequences of appeal decisions.

There had to be recognition of change in the way that NHB was calculated but the way this was done would be very significant. The budget must be prepared on the basis of affordability.

In responding to these remarks, a number of comments were made about the likely adverse impact of the changes on the way that planning decisions were made and supported. Some members felt the changes to NHB calculation would undermine the process of making of planning decisions and call into question their legality. For example, the proposed reduction of payments for homes built on appeal might have this effect.

The Director of Public Services commented that the Government did not accept that financial considerations should be taken into account in making planning decisions and any applications granted on appeal would be lawful decisions not subject to judicial review.

The leader suggested the local MP should be called upon to reinforce this point with Government ministers. The Government was struggling to get a house building programme going to utilise the supply of land with live permissions granted and ready to be developed and its policy revolved around this aim.

He asked officers to draft a more robust response to questions 5 and 6, in consultation with Councillor Howell. The Scrutiny Committee would be asked to look at the final proposed consultation response in early February before being signed off by the Cabinet on 16 February.

RESOLVED that the response to the NHB consultation be approved in principle, subject to officers in consultation with Councillor Howell

drafting more robust responses to questions 5 and 6 for final approval at the next meeting, and that representations would be made to Sir Alan Haselhurst MP.

CA76

HRA BUSINESS PLAN 2016-2046

The Cabinet received a report proposing the adoption of the HRA Business Plan covering the period to 2046, as recommended by the Housing Board.

The updated plan had been developed from the previous plan approved in 2012. It was originally intended to update the plan in 2017 but the Housing Board agreed it should receive an earlier revision to reflect major changes to the assumptions made at that time. This affected current thinking about aspects such as general inflation, national rental policy, Right to Buy sales, works cost inflation and interest rates.

The updated business plan provided the framework for the setting of future budgets and gave an indication of the level of resources expected to be available to deliver new initiatives, build new houses, regenerate estates and where appropriate to repay debt.

Consideration was given to the extent to which the Council would be in a position to deliver major projects beyond 2021. The Leader asked Councillor Redfern and officers to think carefully about the aims set out in the section of the document dealing with new build schemes for the provision of social housing.

Councillor Redfern said that she intended to reword the foreword section of the document and would provide an update in due course.

The Director of Finance and Corporate Services explained the conditions of the loan taken out to fund the self-financing system introduced in 2012. The loan would have to be repaid in several parcels over 30 years. The Council would need to consider how to finance the debt. The original loan arrangement meant that no repayments would be made for the first five years and the effect in the future would be to restrain the ability to fund new projects.

The extension of right to buy principles to housing associations and the intention that councils would be forced to sell a proportion of their 'high value' housing stock when they became void would inevitably undermine the financial stability of the HRA but this could not presently be assessed and factored in to the Business Plan.

The Leader asked for consideration to be given to the Council's ability to maintain the quality and quantity of housing stock by continuing to be able to deliver new build schemes.

RESOLVED to adopt the HRA Business Plan 2016-2046, subject to suitable amendments to the sections of the report identified at the meeting.

CA77

HOUSING STRATEGY

Councillor Redfern proposed adoption of the Housing Strategy 2016-21, as recommended by the Housing Board, setting out the Council's vision and aims for housing in the district over a five year period.

The four key strategic aims were summarised as being:

1. Increasing housing supply across all tenures
2. Helping people to live independently
3. Ensuring decent, safe and healthy homes
4. Creating sustainable communities

Councillor Barker asked about progress in identifying a site for a refuge and the targets identified in the strategy for the delivery of affordable homes.

The Director of Public Services commented that the range of site capacities under consideration would affect the viability of the 40% target. The Assistant Director of Housing and Environmental Services said that efforts were being made to arrange a further tendering process for the refuge site.

RESOLVED to adopt the Housing Strategy 2016-21

CA78

HOMELESSNESS STRATEGY

The Cabinet received for adoption the Homelessness Strategy 2016-21 as recommended by the Housing Board. It had been decided to retain a stand-alone homelessness strategy to illustrate the Council's commitment to tackling homelessness. The strategy had been finalised following a period of public consultation. It included an action plan outlining how the four strategic priorities identified would be met. It also set out what had been achieved since the creation of the housing options team.

The Assistant Director of Housing and Environmental Services confirmed that there was presently one person designated as a rough sleeper. In answer to another question about the optimum number of properties available for use by homeless people, she said that the number of homeless people known to the Council was stabilising and the present number of 18 properties was about right. Homeless provision might work slightly better with twenty properties designated for homeless use but the allocation policy was working well.

Councillor Redfern said that she would provide a written answer to Councillor Light detailing the cost of providing bed and breakfast accommodation for homeless people.

RESOLVED to adopt the Homelessness Strategy 2016-21.

CA79

HOUSING ALLOCATIONS POLICY

The Cabinet was asked to agree amendments to the allocations policy to reflect the effect of recent case law concerning the eligibility of accepted homeless applicants and other categories of applicants falling within reasonable preference categories as defined by the Housing Act 1996.

The amended policy had been agreed and recommended for approval by the Housing Board.

RESOLVED to agree amendments to the allocations policy.

CA80

ESSEX COUNTY COUNCIL REDUCTION IN FUNDING FOR HOUSING RELATED SUPPORT

The Cabinet received a report detailing cuts made to the Housing Related Support (HRS) funding by Essex County Council from April 2016 and the changes considered necessary to continue to deliver services to sheltered housing tenants to address the shortfall. The service to sheltered tenants was already being subsidised following previous cuts to HRS but this was no longer a sustainable approach. Indications were that HRS funding would cease altogether from April 2017.

The principle effect of the proposed changes would be to reduce the current three levels of sheltered service to two. These would be a sheltered service with a weekly visit and a sheltered plus service with a daily visit. The present bronze service would be phased out by April 2017.

Both the Tenant Forum and the Housing Board had endorsed the proposed recommendations and had added two further provisions as follows: a review would be carried out after six months to assess the impact of the changes, and tenants receiving the bronze service would be informed in writing about the planned phasing out of the service.

Councillor Redfern provided an assurance that the Council's approach would remain flexible and necessary support to tenants would be provided where needed. Some tenants in receipt of housing benefit would have to start paying a contribution towards their support costs but this would be mitigated by the 1% rent decrease applicable to all social housing tenants over the next four years.

The effect would be that costs would be recovered from those tenants receiving the service rather than the cost falling on all tenants as at present.

RESOLVED to note the loss of HRS funding from Essex County Council and approve the following changes:

- a. The proposed changes to the sheltered housing scheme management service in light of the funding reductions from Essex County Council as follows:
 - i. withdrawal of gold, silver and bronze level of services
 - ii. introduction of two levels of service: sheltered (weekly visit) and sheltered plus (daily visit)
 - iii. continuation of Bronze service for current bronze service tenants (interim)
- b. That charges for the Council's sheltered housing scheme management service (funded from HRS charges and Intensive Housing Management charges) to be set at:

- i. Sheltered: £15.80 per week
 - ii. Sheltered plus: £17.80 per week
 - iii. Bronze service (to be continued for existing users): £13.80 per week
- c. Residents are written to informing them of changes in the funding arrangements.
 - d. Residents receiving the Bronze service are written to informing them that it will be phased out by April 2017.
 - e. Changes to the housing related support service are reviewed six months after implementation of the changes.
 - f. That the cost of community alarms be fully recovered from users.
 - g. That the further reductions in HRS by Essex County Council in 2017/18 be noted.

Before closing the meeting Councillor Rolfe requested officers to contact civil servants with a view to maintaining dialogue on the proposed extension of right to buy provisions to housing association tenants and the 1% reduction in rent.

Councillor Redfern confirmed that a letter had been sent to the minister and said that this would be sent to all members for information.

The meeting ended at 8.55pm.