

**CABINET MEETING held at COUNCIL OFFICES LONDON ROAD
SAFFRON WALDEN on 16 FEBRUARY 2017 at 9.30am**

Present: Councillor H Rolfe (Leader)
Councillor S Howell (Cabinet Member for Finance and
Administration)
Councillor J Redfern (Cabinet Member for Housing and
Economic Development)

Also present: Councillor N Hargreaves (Residents for Uttlesford Group).

Officers in attendance: M Cox (Democratic Services Officer), D French (Chief Executive), R Harborough (Director of Public Services), A Knight (Assistant Director -Resources), S Pugh (Interim Head of Legal Services) and A Webb (Director of Finance and Corporate Services).

Public Speaking

Mr Marsh spoke to the meeting about the scheme for affordable housing in Little Hallingbury. The parish council had requested that his father's name be included in the name of the development as the family had provided the land. However, this request had been turned down by the District Council under the Street Naming and Numbering Policy. Cllr Redfern agreed to investigate this matter and reply to Mr Marsh.

CA89 APOLOGIES FOR ABSENCE AND DECLARATION OF INTERESTS

Apologies for absence were received from Councillors S Barker, A Dean, J Lodge and L Wells.

CA90 MINUTES

The minutes of the meeting held on 12 January 2017 were received and signed by the Chairman as a correct record.

CA91 QUESTIONS OR STATEMENTS FROM NON- EXECUTIVE MEMBERS OF THE COUNCIL

Cllr Hargreaves reported a recent conversation with a tenant who had expressed his satisfaction with his affordable property in Great Chesterford,

CA92 REPORTS FROM PERFORMANCE AND AUDIT AND SCRUTINY COMMITTEES.

The minutes of the pre-budget Scrutiny Committee had not yet been published. Cllr Howell had attended the meeting and said there had been a

detailed discussion on the issues and the committee had endorsed the reports.

CA93 REFUGEE WORKING GROUP.

Cllr Redfern said there was nothing new to report since the last meeting. She would however be raising this matter at the next meeting of Full Council.

CA94 BUDGET 2017/18

Cllr Howell presented the covering report for the budget. He said the reports included an astonishing amount of detail that had been through the council's own internal examination and was also open to public scrutiny.

CA95 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

Cllr Howell presented the statutory report from the Section 151 Officer on the robustness of estimates and the adequacy of reserves. This report was to ensure that Members could set a budget in full awareness of the risks and uncertainties. The report identified the key risk areas, their probability and impact. The major area was the increased risk around future funding.

The report also included the Reserves Strategy. This demonstrated that the council had adequate contingency reserves, and gave details of the reserves set up for specific purposes. He referred to the forecast use of the useable reserves for the next two years.

In answer to a question from Cllr Hargreaves, it was explained that the reserve for the new waste depot was to replace the current depot/vehicle storage site in Great Dunmow but a new site had not yet been identified.

RESOLVED to recommend to Full Council

- 1 That the Council takes account of the advice in the report when determining the 2017/18 General Fund budget and Council Tax.
- 2 That the Council approves the risk assessment relating to the robustness of estimates as detailed in the report
- 3 That the Council sets the minimum safe contingency level for 2017/18 at £1.280 million.
- 4 That the attached Reserves Strategy is adopted.
- 5 That the Council agrees that no transfers to or from the Working Balance should be built into the 2017/18 budget

CA96 MEDIUM TERM FINANCIAL STRATEGY

Cllr Howell presented the Medium Term Financial Strategy (MTFS). This considered the ongoing financial health and stability of the council and looked ahead to anticipate issues that might arise in the council's finances. He said the main uncertainty was around future funding allocations. The council had entered into the Government's 4 year funding settlement, which gave a degree of security but the recently announced changes to the New Homes Bonus would have a significant effect on the council's finances. There were further announcements awaited, particularly around the impact of the 100% business rate retention

The report set out the headline challenge of the funding gap to be met by 2020/21. To address this there was a significant efficiency programme in place but the council understood the need to look at alternative ways to increase income and reduce dependence on Government funding.

The repayment of the council's £88.4m principle housing loan was due to start in 2017/18. This had funded considerable investment in both new build and maintenance of the council's housing stock and the council was looking for ways to continue with this investment.

RESOLVED to recommend, for approval by Full Council, the Medium Term Financial Strategy

CA97

TREASURY MANAGEMENT STRATEGY 2017/18

The Cabinet noted that the council was required to prepare a Treasury Management Strategy for 2017/18 and the following two years. This gave information on the council's cash-flow management, use of banks, investments and borrowing.

RESOLVED to approve, for recommendation to Full Council, the following items:

- Treasury Management Strategy 2017/18.
- Prudential Indicators, Appendix A.
- Minimum Revenue Provision (MRP) Statement, Appendix B
- Economic Forecast, Appendix C

CA98

CAPITAL PROGRAMME 2017/18

Members received the Capital Programme for the next 5 years for spending on schemes and assets that had a long-term value and exceeded the cost of £10,000. The programme detailed planned capital expenditure on the council's buildings, vehicles and ICT assets and was for both the General Fund and Housing Revenue Account assets and schemes.

Cllr Howell was pleased that the council continued to invest in the community and was confident in this financial commitment. There had been no external borrowing associated with the financing of the programme.

He highlighted the four year vehicle replacement programme, the investment in the council's sheltered schemes as well as the essential programme of upgrades and replacements.

Cllr Hargreaves was encouraged that there was a fund for bringing vacant properties back into use. It was explained that any potential housing scheme that came forward during the year would be funded through the budget for unidentified sites.

Cllr Redfren said replacement car park ticket machines would be welcomed by residents. She was also pleased to report that the Mead Court phase 2 development had finally been completed.

RESOLVED to approve, for recommendation to Full Council, the Capital Programme and associated financing of the programme as set out in the report.

CA99

HOUSING REVENUE ACCOUNT 2017/18

Cllr Howell presented the Housing Revenue Account (HRA) budget and reserves position for 2017/18 and the 5-year financial forecast from 2017/18 to 2021/22. The rents for general needs properties and supported accommodation had been reduced by 1% in accordance with Government guidance. This and other service charges had been agreed by the Housing Board and the Tenants Forum.

Cllr Redfern said that the 1% rent reduction had been particularly challenging. This had left a shortfall in the business plan and the council was currently looking at options for refinancing the loan in order to continue to fund the building and repairs programme.

She was also disappointed with the rules around the 1:1 replacement under right to buy. The council could only retain 30% of the sale price, and as it did not have sufficient available land, it was becoming increasingly challenging to replace the properties. The council was continuing to lobby the Government on these issues. However, she was very proud of the achievements of the housing department and the way the council as a whole had worked through the problems.

RESOLVED to approve, for recommendation to Full Council the HRA Revenue Budget and 5 Year Financial Strategy.

CA100

GENERAL FUND AND COUNCIL TAX 2017/18

Cllr Howell presented the final budget report, which brought together all the previous items and identified the council tax requirement. He explained the budget process, which had included a consultation with residents on their service priorities to ensure that the council was taking the right approach. The budget was also aligned with the council's Corporate Plan priorities. He said it

was a tribute to the work of Members and officers that UDC remained a low cost high quality council.

RESOLVED

- 1 To recommend that the Full Council approval of the General Fund Council Tax requirement of £5,034,621 summarised in paragraphs 16 - 22
- 2 To recommend the approval of the schedule of fees and charges in Appendix F

The Chairman thanked the Director of Finance and Public Services and the Assistant Director- Resources for their excellent reports and the hard work of the Finance team during the preparation of the budget.

CA101 **PROCUREMENT STRATEGY**

Cllr Howell declared a non-pecuniary interest as he had an indirect link with a company referred to in the report. He left the meeting for the consideration of this item

The Cabinet received the Procurement Strategy, which set out details of the procurement activity within the council. It provided assurance to the external auditor that the council had a sound approach to procurement.

Cllr Rolfe said that procurement within the council was well run and effective and he congratulated the procurement team on their achievements over the past year.

RESOLVED to approve the Procurement Strategy.

CA102 **BUDGET MONITORING REPORT**

Cllr Howell presented the Q3 monitoring report, which reported financial performance of the council's budget from April to December 2016 and predicted a forecast to the end of the financial year.

The overall headline showed a general underspend, which demonstrated that there was sound financial control and efficiencies in place.

Cllr Redfern explained the status of housing projects in the HRA business plan.

RESOLVED to note and approve the report.

CA103 **STRATEGIC HOUSING MARKET AREA – MEMORANDUM OF UNDERSTANDING**

The Director of Public Services presented the report. He explained that the Duty to Cooperate was a critical part of the Local Plan and councils were required to demonstrate coordinated cross boundary working. The two memoranda of understanding were for areas of common interest and related to transport requirements (junction 7A and 8 on the M11) and the environmental impact on Epping Forest.

RESOLVED to approve the memoranda of understanding.

CA104

NEWPORT WITH QUENDON AND PICKLING NEIGHBOURHOOD PLAN

The Cabinet considered an application from Newport Parish Council and Quendon and Rickling Parish Council for the designation of a joint Neighbourhood Plan area. The proposed area was considered appropriate as it was contiguous with the parish council boundary.

RESOLVED To designate the area outlined on the map at appendix 1 as the Newport with Quendon and Rickling Neighbourhood Development Plan Area.

CA105

NIGHT FLIGHTS CONSULTATION

The Planning Policy/DM Liaison Officer explained the issues in the report that had been considered by the Stansted Airport Advisory Committee on 13 February. The Government was consulting on new night flight regulations. These aimed to balance the economic benefits of night flights with the effect they had on communities, to maintain the status quo in terms of the number of flights, but also to give the industry incentives to continue improvements in noise performance.

The consultation set out the Government's new environmental objective, and how it intended to achieve it through proposed new limits on the number of night flights and noise quotas. The consultation also explained the adjustments to the structure of the regulations required in order to ensure that changes in aircraft technology were taken into account. Whilst some aircraft had previously been exempt, under the proposed regulations they would be brought within the movement limits.

Members said it was often the number of flights rather than the level of noise, which most disturbed residents.

Cllr Howell understood that many residents were affected by night flights and there was evidence of this having a detrimental effect on health and wellbeing. He said the model for Stansted Airport was mainly around low cost shorthall flights, which operated four turnarounds a day, with early departures and late arrivals. He was disappointed that industry demands appeared to take precedence over public health and he thought the consultation was not really addressing the detrimental effect.

However, STAAP had made some valid points and it was agreed that these should be taken into account in the consultation response.

RESOLVED to submit the response to the consultation as set out in the report to the meeting of STAAP on 13 February 2017 with the following additions.

Q3a –Strong support for introduction of a new QC/0.125 category.

Q9a - The consultation makes no mention of the use of alternative metrics such as “Number Above” contours. These should be used in addition to the LAeq 6.5hr night contour as they reflect the growing body of evidence that residents are more annoyed from the number of noise events they are exposed to rather than the total noise load. This is a point that comes out of the recently published CAA survey of noise attitudes (SoNA).

Q9b – In its response to the Stage 2 consultation in 2013 on the current regime (October 2014 – October 2017) the Council supported the stepped reduction in the noise quota limit at Stansted that occurred from 2006/7, but which stalled in 2012. From winter 2006/7 – winter 2011/12, the limit reduced from 3,510 to 3,310. From summer 2007 to summer 2012, the limit reduced from 4,900 to 4,650. Extrapolating forward, this would give a starting point for winter 2017/18 of 3,070, and for summer 2018 a starting point of 4,350. Strong support for the phasing out of QC/4 and QC/2 aircraft.

Q10 – Support the phasing out of the overrun and carry-over procedures, but unsure what penalties exist should airport operators exceed a 20% overrun in any season. This does not appear to be set out anywhere.

CA106 **EXCLUSION OF THE PUBLIC AND PRESS**

RESOLVED that the public be excluded from the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972.

CA107 **ASPIRE**

The Cabinet considered the proposed Articles of Association.

The Chairman asked for further detail of the arrangements to be brought back to Cabinet at the appropriate time.

RESOLVED to approve the Articles of Association for Aspire.

The meeting ended 11.30 am