

CABINET25 JANUARY 2012

Present:- Councillor N R Stock (Leader of the Council) (Chairman)!Councillor S Candy (Regeneration)!Councillor G V Guglielmi (Planning)!Councillor P Halliday (Finance and Asset Management)!Councillor P B Honeywood (Housing)!Councillor S S Mayzes (Tourism and Community Life)!Councillor L A McWilliams (Customer and Central Services)!Councillor P I Sambridge (Technical Services)!Councillor N W Turner (Environment)!Councillor G F Watling (Benefits and Revenues) (except items 99 and 106-110)

Also Present:- Councillors J Broderick, R J Bucke, G W J Calver (except items 103-110), S H Challinor, G L Mitchell.

In Attendance:- Chief Executive, Strategic Director, Acting Strategic Director, Head of Public Experience, Head of Resource Management, Legal Services Manager, Communications and Public Relations Manager, Senior Democratic Services Officer.

Also in Attendance:- Group Leaders present by invitation:- Councillors L J Double (except items 103-110), P J Oxley, H A Shearing, M J Talbot.

(Noon - 1.47 p.m.)

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90.. THE LATE COUNCILLOR MARY BRAGG

The Leader of the Council paid tribute to the memory of the late Councillor Mary Bragg.

91. MINUTES

The minutes of the meeting of the Cabinet held on 14 December 2011 were approved as a correct record and signed by the Chairman.

92. MATTER ARISING FROM THE MINUTES - MINUTE 82 - SIZE OF THE COUNCIL'S EXECUTIVE

The Leader of the Council referred to the following statement which he undertook to have circulated to all members of the Council following the meeting:-

“The Council has now been operating Executive arrangements – the Cabinet and Overview and Scrutiny system – for over 10 years and I am sure we would all agree the time is right for us to review and improve them.

The Localism Act – both in terms of some of its specific provisions and also the general principles behind it – now presents the opportunity for the Council to review its Governance arrangements.

This should of course include the size and organisation of the Cabinet as referred to in Councillor Henderson’s motion but I am aware that a number of Councils are experimenting with alternative arrangements which seek to incorporate the best of the Cabinet system but also to engage as many Members as possible in the delivery of the Council’s services and priorities.

Before making any changes we should take a short time to learn from what others have done and to consider whether the changes in the Localism Act present any opportunities

which could improve the way we do our business at Tendring.

It is therefore my intention to establish an all party Working Party to work with the Chief Executive to explore this issue and to report back to Cabinet and the Council as soon as practicable.

Setting up a working group to consider these issues and their wider implications prior to returning the motion to full Council will provide an opportunity for all Parties to contribute to an open and inclusive process before formal consideration of the motion."

93. ANNOUNCEMENTS BY CABINET MEMBERS

(1) Appointment of Public Convenience Cleaning Contractors

The Environment Portfolio Holder (Councillor Turner) informed Cabinet that Fountains, the Council's public convenience contractor had gone into administration on 23 January 2012 and as a result 12 local members of staff had been made redundant. However, as a result of the excellent, prompt intervention of the Head of Public Experience and other Officers, Councillor Turner was very pleased to report that agreement had been reached with Veolia ES (UK) Limited for that company to take on the Public Convenience Cleaning Contract on an initial temporary basis with effect from 25 January 2012 and that the 12 members of staff had been offered employment with Veolia.

(2) University Day

The Tourism and Community Life Portfolio Holder (Councillor S S Mayzes) informed Cabinet that around 50 children aged 10-11 years had attended a successful University Day at the Town Hall on 21 January 2012 which aimed to encourage children to maximise their potential and to consider attending University at the end of their school life. The event had engaged with children and parents alike and had drawn to their attention the life advantages and potential issues to consider regarding University.

(3) Public concern over recent violent crime incidents

The Deputy Leader of the Council (Councillor Halliday) referred to the growing concerns in the community following the recent number of instances of violent crimes against individual persons and the perceived levels of policing in Clacton-on-Sea. He proposed that senior local Police Officers be invited to attend a Cabinet meeting in order to answer questions and to give adequate reassurance to the public.

94. THE RESPONSE TO THE CABINET ON THE REVISED FINANCIAL STRATEGY FOR 2012/13 AND BEYOND AND INITIAL BUDGET PROPOSALS FOR A REVISED BUDGET 2011/12 AND ORIGINAL BUDGET FOR 2012/13 BY THE CORPORATE MANAGEMENT COMMITTEE

Further to minutes 84 and 85 of the meeting of the Cabinet held on 14 December 2011 Cabinet was aware that the Corporate Management Committee had met on 4 January 2012 in order to scrutinise the Revised Financial Strategy for 2012/13 and budget proposals for a Revised Budget for 2011/12 and Original Budget for 2012/13.

The Corporate Management Committee had formally submitted the following comments to Cabinet for its consideration:-

i. The Council should be seeking all possible opportunities to assist existing businesses and attract new businesses in the area, as well as the promotion of town centres, by further initiatives over and above the cessation of car parking charges after 3:00 p.m.

- ii. The Council should ensure it is proactively pursuing energy efficiency and energy saving schemes in order to not only gain financial savings but to maximise opportunities for existing and future grants.
- iii. The Council should renegotiate, at every opportunity, the fee to accept payment by credit card.
- iv. There is concern over the lack of clear aims and objectives and, more importantly, measurable outcomes around the budgets for Regeneration Projects.
- v. Review the need to itemise the very small budgets such as Deck Chairs, Dangerous Trees, and Bus Shelters and consider merging them at the appropriate higher-level.
- vi. The Council should consider completely transferring/disposing of the Public Halls to the community they serve as part of the Big Society.

The Cabinet had before it the responses of the Finance and Asset Management Portfolio Holder to the comments of the Corporate Management Committee. Those responses were as follows:-

"i. Agreed. The Cabinet is committed to undertaking further initiatives to promote all the town centres in the District. Schemes already delivered include the pop-up shops in Dovercourt and Clacton and extensive work with BT to ensure that high speed broadband is available to as many local businesses as possible.

We have also trialled a new car park area in Manningtree and this appears to be very popular. We are also actively promoting a shop local campaign with the Council's own purchasing.

ii. Agreed. The Council has made use of climate change grant to install a number of energy efficient fittings. Initiatives already undertaken include:-

- Greater awareness and education of staff through the 'Turn it Off' campaign;
- Ongoing replacement of fluorescent lamps and light fittings with modern energy efficient fittings;
- Greater use of electronic time switches to provide a high degree of control of heating systems and other electrical devices;
- Installation of infra red sensors in office accommodation and public convenience sites to only provide lighting as it is required;
- Ongoing programme of installing Light Emitting Diodes (LED) where appropriate;
- Installation of energy efficient hand driers in office accommodation sites and the removal of paper towels.

It is however fair to say that it is a fine line as to whether we are a green or mean Council and you quite often have to forsake one to achieve the other as the comment would suggest.

iii. Agreed. Officers are requested to investigate the opportunities for renegotiating this fee.

iv. It is difficult to measure those outcomes but a walk along Clacton seafront, Harwich Quayside and Dovercourt seafront gives a physical example of huge improvements. It is quite often more about influence and policy than cold hard cash and as such a number of regeneration projects are actively being pursued including the development of the port at Harwich, a strategy for Jaywick, enhancement of the tourism offer in the District and

especially on our seafronts and coast and maintenance of our sea defences. As these projects progress and develop focused outcomes and targets will need to be identified, particularly to attract appropriate levels of funding.

v. Agreed. This will be considered as part of the ongoing review of the budget book presentation.

vi. The opportunities provided through the Localism Act in relation to the ability for communities to run local services or purchase assets will be fully explored in relation to this and all areas of the Council."

Having regard to the comments of the Corporate Management Committee:-

It was moved by Councillor Halliday, seconded by Councillor Turner and:-

RESOLVED – That the responses of the Finance and Asset Management Portfolio Holder to the comments of the Corporate Management Committee be agreed.

#### 95. REVIEW OF THE COUNCIL'S CASH COLLECTION SERVICE

The Cabinet gave consideration to a report of the Benefits and Revenues Portfolio Holder which sought to ascertain the preferred method of providing the Council's cash collection service following a fundamental review of that service.

The options which had been investigated were as follows:-

- (1) Enhance cash office service provision to provide better value for money;
- (2) Existing cash offices to remain open but for reduced hours;
- (3) Retain current opening times but reduce staff to absolute minimum;
- (4) Close rural cash offices but leave Clacton to deal with cash transactions;
- (5) Close all cash offices and make no direct provision for paying by cash;
- (6) Close all cash offices and provide cash payment machines; and
- (7) Close all cash offices and use instead an outsourced bill pay service to take cash payments on the Council's behalf.

It was considered that option (7) above best recognised the requirements of customers whilst still making some savings for the Council and would therefore provide 'a win win' scenario. That option was based on using an outsourced bill pay service to take cash payments on the Council's behalf instead of providing the current cash office facility in only four locations (Clacton, Frinton, Harwich and Weeley). The proposal would meet customer aspirations for longer opening hours and shorter queues by enabling them to pay Council bills at over 40 participating outlets in the District. (A list of those locations was before the Cabinet as Appendix 'B' to item A.2 of the Report of the Benefits and Revenues Portfolio Holder).

It was felt that in order to bring about a smooth transition it would be desirable to implement a phased closure of the cash offices. This would provide time to explain to current cash office customers not only the new payment possibilities but how and where to direct any enquiries in respect of Council services. It would also help to protect the Council from a fall in collection rates caused by any confusion over the change. The period of dual

running meant that in year 1 an initial cost (including the upfront investment) of approximately £20,000 would be needed. However, savings thereafter were estimated at £75,000 per annum.

In summary the recommended option would have three advantages:-

- After the initial implementation costs the Council would make annual savings estimated at £75,000;
- The scheme would help to support the many participating shops and post offices in the District by increasing their foot fall at a time when businesses are struggling, many of which were a vital asset to our communities; and
- Tendering residents would have greater flexibility over when and where to pay monies owing to the Council.

The Chief Executive reported the receipt of a petition containing approximately 400 signatures and which stated: "We, the undersigned, are opposed to the closure of cash offices as it is of great importance to our community, the elderly and the vulnerable to have access to a local office."

Having considered the petition and in order to enable this proposal to be progressed:-

It was moved by Councillor Watling, seconded by Councillor G V Guglielmi and:-

RESOLVED – (a) That the Council's cash collection service be transferred from the Council's four cash offices to an outsourced bill pay service offering significant numbers of outlets distributed in the District.

(b) That the necessary implementation plan allows for a phased closure of the cash offices which will incur an estimated cost of £20,000 in year 1.

96. INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) STRATEGY 2011-2016

Further to minute 72 of the meeting of the Cabinet held on 16 November 2011, Cabinet was aware that the Corporate Management Committee had met on 28 November 2011 in order, amongst other things, to scrutinise the Cabinet's proposed Information and Communications Technology (ICT) Strategy 2011 – 2016 and to consider whether that Strategy should be removed from the Policy Framework (minute 31 referred).

The Corporate Management Committee had decided to support the contents of the ICT Strategy 2011 – 2016 and to recommend that the ICT Strategy should remain in the Policy Framework.

For the avoidance of any doubt it was confirmed that the Councillor Mayzes referred to in the extract from the Corporate Management Committee minutes contained in the report was Councillor D R Mayzes and not Councillor S S Mayzes.

The Leader of the Council thanked the Corporate Management Committee for its work and comments.

Having considered the views of the Corporate Management Committee and in order to move the Strategy forward:-

It was moved by Councillor McWilliams, seconded by Councillor Turner and:-

RESOLVED – (a) That the ICT Strategy 2011 – 2016, as set out in Appendix 'A' to item A.3 of the Report of the Customer and Central Services Portfolio Holder, be agreed and be

submitted to Council for formal adoption.

(b) That the Priority One projects, as set out in Appendix 'B' to the above-mentioned report, be approved and be funded from existing capital and revenue ICT budgets.

97. FINAL GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME 2012/13

The Cabinet considered a report which sought its approval of the final budget proposals for 2012/13 (including the Council Tax proposals) for recommendation to Council on 7 February 2012.

To enable the Cabinet's final proposals to be submitted to the meeting of the Council to be held on 7 February 2012:-

It was moved by Councillor Halliday, seconded by Councillor Watling and:-

RESOLVED – (a) That having considered the comments from the Corporate Management Committee and the responses from the budget consultation activities undertaken, Cabinet makes the following final budget proposals to Council (based on a 0.5% reduction in a Band D Council Tax for District services);

(i) That the detailed budgets, as per Appendix 'A' to item A.4 of the Report of the Finance and Asset Management Portfolio Holder, be approved (subject to any presentational changes arising from ongoing organisational review and general housekeeping), including the following amendments:-

- Inclusion of a Coast Protection and Improvement Fund of £3.0m to be met from the Asset Refurbishment/Replacement Reserve (£1.5m) and from the Fit for Purpose Budget (£1.5m); and
- Additional funding of £0.5m to be added to the Planning Inquiries Reserve from the Fit for Purpose Budget and that reserve to be renamed the Planning Inquiries and Enforcement Reserve.

This provides for a total net budget for 2012/13 of £17.384m and revised net budget for 2011/12 of £18.670m (a council tax requirement of £9.074m and £9.136m respectively including parish precepts) and a Capital Programme totalling £1.345m for 2012/13.

(ii) That Council agrees and formally approves:-

(a) The specific recommendations, calculations and other matters in respect of the Council's requirements, special expenses and Parish/Town Council precepts as set out in Appendix 'C' to the above report (this includes but is not limited to the contrary resolution in paragraph (b) of that Appendix).

(b) The Council Tax for District and Parish/Town Councils as set out in Appendix 'F' of the above report.

(iii) That, following the termination by Essex County Council (ECC) of the pre-existing agreement whereby 60% of the additional income to the County arising from a change in the Council Tax discount on second homes from 50% to 10% was passed over to this Council, the Head of Resource Management be authorised to enter into a new agreement offered by ECC whereby 50% of this additional income will be passed over to this Council.

(b) That if the financial position changes prior to Council considering the budget on 7 February 2012, any changes in funding is set against the Contingency Budget (or Fit for Purpose budget) in 2012/13.

(c) That, in consultation with the Leader of the Council and the Finance and Asset Management Portfolio Holder, the Head of Resource Management reports directly to Council in respect of the formal draft resolutions necessary to implement the Cabinet's budget proposals together with any late information or notifications received from Communities and Local Government etc. as may necessarily affect the budget.

(d) That this budget recommendation includes revenue funding to support the CAROS scheme in 2012/13 as previously stated and it is Cabinet's intention to continue this funding but to cease funding the CAROS scheme from 2015/16. This supersedes all previous decisions.

98. LAND EXCHANGE AND DISPOSAL AT THE HANGINGS, DOVERCOURT

Cabinet's approval was sought for the disposal of land and acquisition of land at The Hangings, Dovercourt.

It was reported that, due to the inconclusive and uncertain nature of the records at the time and the difficulty of the terrain developers of a housing development had enclosed sections of the edge of the Council's land at The Hangings, Dovercourt in the gardens of homes that they had built. The development site had since been taken on by receivers. The purchasers of the homes had not been able to register title to the full extent of their gardens because the Council owned parts were already registered.

In order to try to resolve matters the agents for the Council and the receivers had agreed a way forward, subject to approval and contract, to settle this encroachment dispute. It was proposed that the Council would transfer 652m<sup>2</sup> of public open space to the developers or the receivers or agents and would receive in exchange 281m<sup>2</sup> of land including part that would be subject to rights of way resulting in a net loss of 371m<sup>2</sup> of public open space for which the developers would pay a capital sum. The loss of the open space was considered to be very minor in relation to the overall size of the site and would have little impact on the amenity of the area.

Cabinet was advised that the exchange was within the Council's discretionary powers and would be the most prudent course of action. The alternative way to regularise the position would be to refuse to accept the exchange land and money and seek to recover the land from the householders. This would have a serious impact on some of the householders.

Although the Council's case would be very strong a court case would involve the Council in significant legal and other costs as well as the potential for adverse publicity.

The potential exchange had been advertised in the press as required by section 123 of the Local Government Act 1972 and on the Council's website. The replies received at the time of printing the report were set out in the schedule attached as Appendix 'C' to item A.5 of the Report of the Finance and Asset Management Portfolio Holder.

Cabinet was made aware that the Leader of the Council and Officers had previously consulted local Members which resulted in a general consensus for the seeking of a negotiated solution that considered the interests of the purchasers of the new dwellings as well as the wider public.

With the permission of the Chairman, Councillor Calver addressed the Cabinet on the subject matter of this item.

The Chief Executive reported receipt of a petition containing 66 signatures submitted by Harwich Peninsula Friends of the Earth and which stated: "Petition to reclaim The

Hangings that has illegally been taken by developers and Tendring District Council want to legalise by disposing of our public space – the undersigned strongly object to the sale of the land and request the land to be returned and the developers penalised for the destruction caused.”

Having considered all the available information, the petition received and the consultation responses received from members of the public:-

It was moved by Councillor Halliday, seconded by Councillor Stock and:-

RESOLVED – (a) That Cabinet agrees, in principle, the settlement negotiated for the disposal and acquisition of the areas of land proposed for exchange.

(b) That, subject to settlement, and the capital receipt being received this money is ring-fenced for investment in The Hangings in consultation with local interested parties including the local Ward(s) Members.

(c) That Officers bring forward a report to a future meeting to ensure a Protocol is in place to ensure that this situation is not repeated.

99. LEASE OF MARKET SITE AND WALTON-ON-THE-NAZE

Councillors Turner and Bucke (who was present in the public gallery) each declared a personal interest in this item insofar as they were both also Members of Frinton and Walton Town Council.

Councillor Watling declared a prejudicial interest in the subject matter of this item and withdrew from the meeting during the consideration thereof and the voting thereon.

The Cabinet considered, in principle, whether to give approval for the granting of a lease for the running of the market at High Street, Walton-on-the-Naze.

It was reported that Frinton and Walton Town Council was seeking a five year agreement in order to allow it to continue to run the market in Walton Town Centre. The site was established on the High Street Car Park and the current licence arrangements allowed markets to be run one day per week and on fourteen other Mondays. The Town Council had run the market for nearly three years following the inability of the previous private sector operator to continue.

Cabinet was advised that granting a five year lease was within the Council’s discretionary powers. Section 123 of the Local Government Act 1972 requiring best consideration reasonably obtainable did not apply in this case because the lease would be for less than seven years. The Council still had a general fiduciary duty to the public purse but was able to consider the potential community benefits of the proposal without the procedures specified in the General Disposal Consent (England) 2003. The proposal from the Town Council was for a five year licence but it was considered that a five year lease excluding the provisions of Part II of the Landlord and Tenant Act 1954 would be more appropriate because of the increased certainty that it offered both parties. It would give the Town Council certainty of the use of the site (unless they defaulted on their undertakings) for the full five years, but it would not give a legal right to seek a further lease after those five years.

Alternative courses of action would be to cease to use the site for a market in order to concentrate on parking use and income or to seek bids for the running of the market from the private sector or other interested parties. The closure of the market would have a significant impact on the local economy and it was not therefore being recommended.

Competitive bids could be invited but there was no guarantee that a higher rent would be achieved. That process would also involve delay and costs.

Having considered all the information submitted:-

It was moved by Councillor Halliday, seconded by Councillor Turner and:-

RESOLVED – (a) That Cabinet agrees, in principle, the granting of a new lease to allow the continued operation of the market.

(b) That over the five year period Frinton and Walton Town Council be requested to submit an annual report on its progress in running the market which will help inform a best practice guide for those others who may want to follow in the Town Council's footsteps.

100. RENEWAL OF LEASE, CLACTON RUGBY CLUB, VALLEY ROAD, CLACTON-ON-SEA

Cabinet's approval was sought for the early renewal of the existing lease of the site of Clacton Rugby Club.

It was reported that the Trustees of Clacton Rugby Club held a 21 year lease which would expire on 30 August 2015. The Club was seeking to extend the clubhouse and funding bodies had requested a longer security of tenure than the four years that remained on their existing lease. The early renewal of the lease in line with existing terms had been negotiated by the Council's agents, NPS Property Consultants Ltd (NPS).

Having considered the request:-

It was moved by Councillor Halliday, seconded by Councillor G V Guglielmi and:-

RESOLVED – That, in principle, the early renewal of Clacton Rugby Club's lease be approved.

101. RENEWAL OF LEASE, HAPPY VALLEY BOWLS CLUB, SLADBURYS LANE, HOLLAND-ON-SEA

Cabinet's approval was sought for the renewal of the existing lease with the Trustees of Happy Valley Bowls Club for a new 21 year term for the continued use of the site as a Bowls Club.

Having considered the information submitted:-

It was moved by Councillor Halliday, seconded by Councillor G V Guglielmi and:-

RESOLVED – That, in principle, the renewal of the existing lease with the Trustees of Happy Valley Bowls Club be approved.

102. COMMUNITY ASSETS RENT OFFSETTING SCHEME

Cabinet recalled that, at its meeting held on 16 November 2011 (minute 75 referred), it had considered the future operation of the Community Asset Rent Offsetting Scheme (CAROS) and had decided:-

“(a) That option C be chosen as the way forward for the Council;

(b) That budgetary provision be made to fund the phased reduction up to the end of 2014/15 i.e. 2012/13 £63,902; 2013/14 £43,307 and 2014/15 £21,760.”

That decision had been called-in for scrutiny and had been duly considered by the Community Leadership and Partnerships Committee at its meeting held on 12 December 2011 (minute 28 referred). The Committee had decided:-

“That the Committee does not object to the decision, on the basis that the Leader of the Council and Portfolio Holder for Finance and Asset Management have clarified to the Committee that the annual amounts payable by organisations benefiting directly from the CAROS scheme will remain the same for the next three years, but the Committee has requested a formal review of the CAROS scheme and its effect on the third sector in full within the next six months.”

The clarification referred to above was formally minuted at the Cabinet meeting held on 14 December as follows:-

“In clarification of minute 75 regarding the cessation of CAROS, any organisation that is in receipt of CAROS funding now or during the next three years will have their overall rent limited to £150 in each of the next three years after which time the scheme will cease. The Council will make the necessary budgetary provision to fund CAROS in each of those three years.” (Minute 79).

The budgetary provision in accordance with the above was as follows:-

Year	£000
2011/12	51
2012/13	91
2013/14	108
2014/15	109

The budget report for 2012/13 considered under minute 97 above included provision in line with this.

Consideration now needed to be given to the request from the Community Leadership and Partnerships Committee that a formal review of the CAROS scheme and its effect on the third sector in full be undertaken within the next six months. Cabinet was asked to determine how it wished such a review to be taken forward.

Having considered the request from the Community Leadership and Partnerships Committee:-

It was moved by Councillor Halliday, seconded by Councillor Stock and:-

RESOLVED – (a) That, to enable the Community Leadership and Partnerships Committee to carry out, and the Cabinet to consider, the review referred to in (b) below, budgetary provision has been made to allow the scheme to continue, with a view to it ceasing in 2015/16. this supersedes all previous decisions.

(b) That the Community Leadership and Partnerships Committee is requested to carry out a review of CAROS with specific reference, but not restricted to, the following, namely:

- Recording all the organisations currently benefiting from CAROS (by reference to their different categories or types) and for each such organisation identifying their financial, capital and cash flow position, financial viability and numbers and details of membership;
- Considering the criteria organisations must satisfy in order to benefit from CAROS and whether these are appropriate;
- Considering how the scheme could be made more inclusive to similar organisations

within the District that do not lease property from the Council.

- Exploring the transferral of a Council owned asset to an operating organisation, subject to appropriate criteria.

(c) That the review is completed and reported to Cabinet within the next 6 months, together with the recommendations of the Community Leadership and Partnerships Committee, to enable Cabinet to give further consideration to what action should be taken regarding the future of CAROS.

NOTE:- For the avoidance of any doubt the current position in respect of CAROS is that a budget is now in place to fund the scheme for three years and that funding will cease from 2015/16. A review of the scheme will now take place along the lines of, but not limited to, the brief set out above and that the outcome of that review will be reported back to the Cabinet in six months' time.

### 103. PROCUREMENT STRATEGY

Further to minute 77 of the meeting of the Cabinet held on 16 November 2011 Cabinet was aware that the Corporate Management Committee had met on 28 November 2011 in order to, amongst other things, scrutinise the Cabinet's proposed Procurement Strategy and to consider whether that Strategy should be removed from the Policy Framework (minute 32 referred).

The Corporate Management Committee had decided:-

“(a) That the Committee felt that all purchasing within the authority should be co-ordinated through the Central Purchasing Officer and not carried out in isolation by individual departments, which should be robustly reflected as part of the proposed review of the procurement rules set out in the Constitution and any associated procurement guidance.

(b) That in the Committee's view, the Procurement Strategy can be removed from the Policy Framework.”

Having considered the views of the Corporate Management Committee and in order to move the Strategy forward:-

It was moved by Councillor Sambridge, seconded by Councillor Candy and:-

RESOLVED – (a) That Cabinet agrees with comment (a) of the Corporate Management Committee and this will be achieved via the fundamental service reviews and as such the Constitution will be updated to reflect this.

(b) That the Procurement Strategy, as set out as the Appendix to item A.10 of the Report of the Technical Services Portfolio Holder, be approved.

RECOMMENDED TO COUNCIL – That the Procurement Strategy be removed from the Policy Framework.

### 104. HOUSING REVENUE ACCOUNT BUDGET PROPOSALS, 30 YEAR BUSINESS PLAN, THE SELF-FINANCING REFORMS AND ASSOCIATED DEBT SETTLEMENT

Cabinet gave consideration to a comprehensive joint report of the Housing Portfolio Holder and the Finance and Asset Management Portfolio Holder which set out and sought approval of:-

- A Revised Housing Revenue Account (HRA) budget for 2011/12;
- An Original HRA Budget for 2012/13;
- The level of rents and fees and charges for 2012/13;
- The five year HRA Capital Programme;
- HRA 30 year Business Plan; and
- Splitting out existing debt between the General Fund (GF) and HRA along with financing the debt settlement associated with the new self financing reforms.

It was reported that the Localism Act 2011 had enacted various HRA self-financing reforms and made those effective from 1 April 2012. This Council was required to pay a one-off amount to the Government to effectively 'buy' itself out of the current subsidy arrangements. This settlement figure totalled £36.304m and was required to be paid to the Government on 28 March 2012.

A 30 year Business Plan had been completed to inform the necessary borrowing decisions to fund the debt settlement figure highlighted above and to demonstrate sustainability and deliverability of the Council's landlord functions over the long term.

The allocation of existing debt held by the authority between the GF and the HRA was also required under the new self-financing arrangements. A number of options had been explored with a preferred approach identified that provided for an equitable outcome for both the GF and the HRA.

In terms of undertaking the necessary borrowing to fund the debt settlement of £36.304m, a number of principles had been established that aimed to achieve the most advantageous loan structure. However, Officers would work with the Council's treasury advisors in order to optimise the benefit to the HRA which would be reflected in the actual loan structure achieved along with the 2012/13 budget and 30 year Business Plan.

It was felt that the 30 year business plan, existing HRA balances together with borrowing 'headroom' provided opportunities for significant investment in the Council's housing stock and associated services and this would be subject to separate decisions in due course.

In order to progress this matter to a satisfactory conclusion:-

It was moved by Councillor Halliday, seconded by Councillor P B Honeywood and:-

RESOLVED – (1) That Cabinet:-

(a) Approves the 2012/13 Scale of Charges, as shown in Appendix 'B' to item A.11 of the Joint Report of the Housing Portfolio Holder and the Finance and Asset Management Portfolio Holder and that any amendments required to the charge for the Careline Alarm Service following the review being undertaken by Essex County Council, be delegated to the Head of Life Opportunities in consultation with the Housing Portfolio Holder.

(b) Approves the level of rents for 2012/13 in accordance with the Government's formula rent mechanism based on an increase in the average rent of 7.99% with no tenant bearing an increase of more than the limit set out within the Government's rent setting policy of RPI (5.6%) + 0.5% plus £2.00 per week.

(c) Approves the Housing Revenue Account (HRA) revised estimates for 2011/12 and original estimates for 2012/13 as set out in Appendix 'A' and updated with the final position for 2012/13 that includes the financing of the debt settlement, as set out in Appendix 'G' to the afore-mentioned report.

(d) Agrees that, in respect of 2011/12, the corporate financial system be amended

accordingly to reflect these changes along with any amendments arising from revised financial reporting requirements.

(e) Approves the HRA Capital Programme, as set out in Appendix 'C' to the above report, and that it is amalgamated with the General Fund (GF) Capital Programme for recommending to Council as part of Cabinet's overall budget proposals.

(f) Approves the HRA 30 Year Business Plan, set out in Appendix 'D' to the aforementioned report updated with the final position that includes the financing of the debt settlement, as set out in Appendix 'G' to the afore-mentioned joint report.

(g) Delegates authority to the Head of Resource Management and Head of Life Opportunities in consultation with the Finance and Asset Management and Housing Portfolio Holders to update the budgets and Business Plan in the event that changes are required following the receipt of additional information or guidance that may become available and that the use of HRA balances be adjusted to offset any changes accordingly.

(2) That Cabinet recommends to Council:-

(h) That Option 1 as set out in Appendix 'E' to the Joint Report of the Housing Portfolio Holder and Finance and Asset Management Portfolio Holder be approved as the mechanism to allocate the current loans held by the Authority across the GF and HRA.

(i) That the Council's Authorised and Operational Borrowing limits be increased to enable £36.304m of borrowing to be undertaken to finance the debt settlement required to facilitate the move to the new HRA self financing regime.

(j) That delegated authority be given to the Head of Resource Management, in consultation with the Finance and Asset Management Portfolio Holder, to optimise the structure of loans totalling £36.304m and that Officers continue to work with the Council's treasury advisors in order to maximise any further benefits to the HRA.

105. EXCLUSION OF PRESS AND PUBLIC

It was moved by Councillor Turner, seconded by Councillor S S Mayzes and:-

RESOLVED - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.

Chairman