

**MINUTES OF THE MEETING OF THE CABINET, HELD ON FRIDAY 19 JANUARY 2018
AT 10.33 A.M. IN THE ESSEX HALL, TOWN HALL, CLACTON-ON-SEA**

PRESENT:

Councillor N R Stock OBE
Councillor G V Guglielmi

Councillor Z J Fairley
Councillor P B Honeywood
Councillor L A McWilliams
Councillor F H Nicholls
Councillor M J D Skeels
Councillor M J Talbot

PORTFOLIO:

Leader of the Council (Chairman)
Deputy Leader of the Council & Portfolio Holder for Finance and Corporate Resources
Portfolio Holder for Investment and Growth
Portfolio Holder for Housing
Portfolio Holder for Health and Education
Portfolio Holder for Corporate Enforcement
Portfolio Holder for Leisure and Tourism
Portfolio Holder for Environment

Group Leaders Present by Standing Invitation: Councillors I J Henderson (Leader of the Labour Group), A Pemberton (Deputy Leader of the Non-Aligned Group), G G I Scott (Leader of the Tendring First / Liberal Democrats Group) and M E Stephenson (Leader of the UKIP Group)

Also Present: Councillor G F Watling MP (items 135 – 138 only)

In Attendance: Chief Executive (Ian Davidson), Corporate Director (Corporate Services) (Martyn Knappett), Corporate Director (Operational Services) (Paul Price), Corporate Director (Planning and Regeneration) (Ewan Green), Head of Finance, Revenues and Benefits & Section 151 Officer (Richard Barrett), Head of Leadership Support and Community (Karen Neath), Head of People, Performance and Projects (Anastasia Simpson), Committee Services Manager (Ian Ford), Communications and Public Relations Manager (Nigel Brown) and Legal & Governance Administration Officer (Debbie Bunce)

126. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor J A Broderick (Leader of the Holland Residents' Group).

127. MINUTES OF THE MEETING HELD ON FRIDAY 10 NOVEMBER 2017

It was **RESOLVED** that the minutes of the meeting of the Cabinet, held on Friday 15 December 2017, be approved as a correct record and signed by the Chairman.

128. DECLARATIONS OF INTEREST

There were no declarations of interest made at this time though later on in the meeting Councillor G V Guglielmi declared a personal interest in respect of Agenda Item 12 (Review of the Registration of an Asset of Community Value: Brunswick House Allotments, Mistley), as detailed under Minute 137 below).

129. ANNOUNCEMENTS BY THE LEADER OF THE COUNCIL

There were none on this occasion.

130. ANNOUNCEMENTS BY CABINET MEMBERS

There were none on this occasion.

131. MATTERS REFERRED TO THE CABINET BY THE COUNCIL

There were no items referred to the Cabinet by the Council on this occasion.

132. MATTERS REFERRED TO THE CABINET BY A COMMITTEE - REFERENCE FROM THE CORPORATE MANAGEMENT COMMITTEE - A.1 - PERFORMANCE MANAGEMENT - QUARTER TWO

Cabinet was made aware that, at the meeting of the Corporate Management Committee held on 4 December 2017 (Minute 40 referred), that Committee had received a report from the Corporate Director, Corporate Services regarding the Council's Quarter 2 Performance (July 2017 to September 2017).

It had been explained at that meeting to Members that the report included 16 indicators and projects where performance had been measured. Of those, 12 (75%) were on or above their expected target and 4 (25%) were not currently in line with expected performance. Three of the indicators and projects within the report were deemed non measurable as the Council's role was that of 'influence' only.

The Committee had been informed that the performance report had been submitted to Cabinet at its meeting held 10 November 2017 (Minute 104 referred) and that any feedback from the Committee would be presented to a future meeting of the Cabinet as a separate reference report.

The Committee had been reminded that, at its meeting held on 25 September 2017 (Minute 28 referred), it had been suggested by the Committee to Cabinet that the Education, Health and Wellbeing and Sickness indicators be removed from the Performance Report (*for the Corporate Management Committee*) due to the fact that those items were regularly reported to the Human Resources Committee and the Community Leadership and Partnerships Committee.

At the aforementioned Cabinet meeting held on 10 November 2017 the Finance and Corporate Resources Portfolio Holder had thanked the Committee for their suggestion. However, Cabinet had decided that the full range of existing indicators should remain in the Performance Report for the benefit of Cabinet and that the Corporate Management Committee could choose not to scrutinise the indicators it had highlighted if they so wished.

The Human Resources and Business Manager had given a verbal update to the Corporate Management Committee in respect of several indicators and projects. Officers had responded to questions raised by Members on various topics and where an answer was not immediately available, the Human Resources and Business Manager had undertaken to respond to Members as soon as possible after the meeting.

Following discussion, it had been agreed by the Corporate Management Committee that the contents of the report be noted. It had also been agreed that the Committee commented to Cabinet that the Committee recognised that this was an excellent report.

The Finance and Corporate Resources Portfolio Holder thanked the Corporate Management Committee for its comment.

Having considered the Corporate Management Committee's comment:

It was moved by Councillor G V Guglielmi, seconded by Councillor Fairley and

RESOLVED that Cabinet notes and welcomes the comment of the Corporate Management Committee.

133. MATTERS REFERRED TO THE CABINET BY A COMMITTEE - REFERENCE FROM THE CORPORATE MANAGEMENT COMMITTEE - A.2 – CORPORATE BUDGET MONITORING FOR THE SECOND QUARTER OF 2017/2018

Cabinet was reminded that, as a result of cross-sector concerns that local authority planning departments might not have sufficient resources to provide an effective service and that developers would be prepared to pay higher planning application fees to overcome this the Government had consulted on proposals which could ensure that there was a link between an increase in fees and a high quality planning service, for instance through giving greater fee flexibility in exchange for radical planning service transformation. The Government also recognised that planning application fees had not been increased since November 2012.

The Government's response had been published in February 2017. It had said that it would introduce a 20% increase in fees for all authorities -

“We are bringing forward a package of measures in the Housing White Paper to address concerns about local authority resourcing, including a 20% increase in planning application fees by summer 2017. Alongside these measures, we will continue to engage with areas interested in reforming their planning service and committing to performance improvements, in return for greater fee flexibility.”

Cabinet was informed that, at the Corporate Management Committee meeting held on 4 December 2017 (Minute 39 referred) the Committee had received a report from the Corporate Director, Corporate Services regarding the Council's Corporate Budget Monitoring for the Second Quarter 2017/18. At that meeting Members had expressed concern that the Government had yet to introduce the revised planning fee schedule and it had been agreed by the Corporate Management Committee that Cabinet be recommended to contact the Department for Communities and Local Government in order to find out more about the proposed timetable for the revised fee schedule.

The Finance and Corporate Resources Portfolio Holder thanked the Corporate Management Committee for its recommendation and commented –

“My understanding is that the Department for Communities and Local Government are waiting for the regulations to be laid before Parliament. It is expected that this may happen in early 2018. Once the regulations are approved, a revised fee schedule will be issued for Councils to implement. The Council intends to implement the higher fees as soon as the revised fee schedule is approved.

The process is under-way, however, it is moving slower than anticipated.”

Having considered the Corporate Management Committee's request:

It was moved by Councillor G V Guglielmi, seconded by Councillor Honeywood and **RESOLVED** that Cabinet notes the recommendation of the Corporate Management Committee.

134. LEADER OF THE COUNCIL'S ITEMS

There were no items submitted by the Leader of the Council on this occasion.

Cabinet Members' Items – Report of the Portfolio Holder for Finance and Corporate Resources**135. LATEST FINANCIAL FORECAST/FINAL BUDGET PROPOSALS 2018/2019 (Report A.3)**

There was submitted a report by the Portfolio Holder for Finance and Corporate Resources, which sought seek Cabinet's approval of:

- the latest financial forecast and final budget proposals for 2018/19 (including Council Tax proposals) for recommendation to Council on 6 February 2018; and
- a Revised Budget for 2017/18.

It was reported that since the Cabinet's last meeting held on 15 December 2017 (Minute 122 referred), additional changes had been required to the Financial Forecast, primarily as a result of new, or revised, information becoming available which included the Government's Financial Settlement announcements and early outcomes from on-going Officer pay negotiations. Those required changes had resulted in a deficit for 2018/19 of £0.144m, a change of £0.186m compared to the figure presented to Cabinet in December 2017. The updated forecast had now been translated into detailed estimates which were set out in Appendix B to the Report of the Finance and Corporate Resources Portfolio Holder.

Cabinet was made aware that this figure might change as further adjustments could be required as part of finalising the budget for presenting to Council on 6 February 2018, with a delegation included in the Portfolio Holder's recommendations to reflect this.

Cabinet was informed that the deficit of £0.144m in 2018/19 had been met by utilising the Forecast Risk Fund as planned. This had however been more than offset by a contribution to the same reserve of £0.454m from the revised budget process for 2017/18, with the various changes set out in the report.

Members noted that the use of the Forecast Risk Fund in 2018/19 had been significantly lower than originally forecast which provided a strong position against which the remaining years of the 10 year forecast could be considered.

Cabinet was advised that taking all of the changes into account, the Council Tax requirement had been revised to £7.602m, which was based on a £5 increase for this Council's services in 2018/19 with a Band D council tax of £162.64.

Members were made aware that in line with legislative requirements the Council's Section 151 Officer had confirmed the robustness of the estimates along with the adequacy of reserves.

It was reported that although Prudential Indicators were set out in the report, the associated Treasury Strategy for 2018/19 had been delayed due to external guidance being received late on in the budget setting process. A delegation to the Portfolio Holder for Finance and Corporate Resources had therefore been included in the recommendations to Cabinet in order to enable the Treasury Strategy to be agreed for forwarding onto the Corporate Management Committee for its comments.

Cabinet was aware that, in accordance with the Constitution, the Corporate Management Committee had been consulted on the Updated Financial Forecast / initial budget proposals 2018/19. That Committee had met on 18 December 2017 and

its comments back to Cabinet were set out in the Finance and Corporate Resources Portfolio Holder's report together with his responses thereto.

The Portfolio Holder for Finance and Corporate Resources read out the following statement on the General Fund budget proposals –

"This report provides an update on the position reported to Cabinet on 15 December 2017. This could have not been finalised at that time as we were still waiting for the Government to announce details on the Local Government Finance Settlement for 2018/19.

The Settlement announcement was made just before Christmas and no significant changes to the forecast have been necessary. It did include confirmation that District Councils could increase their Council Tax by £5 as well as confirming a new homes bonus amount of £1.3million in 2018/19. There was unfortunately also a reduction in the amount of housing benefit administration grant that we receive, which is disappointing, as we have yet to see a significant reduction in overall workload as claimants move across to universal credit from housing benefit.

There have been some other changes to the 2018/19 forecast and these are set out on pages 18 to 19 of the agenda. You will notice that the most significant is the increase in salary costs. Although pay negotiations remain on-going an offer of 2% has been made along with fixed increases for officers on lower salary points which will have a significant impact on the long-term forecast. However, in the words of the Corporate Management Committee this is a good stress test of the forecast. It is still expected to be flexible enough to respond to such issues in the long-term.

The report also sets out a number of changes to the revised budget for 2017/18. Many of the changes required mirror those included in the 2018/19 forecast along with additional items that areas set out on pages 20 and 21 of the report.

Because of the remarkably good house-keeping which produced a very favourable position for 2017/18 we now have the opportunity to set aside funding to support a number of cost pressures, which would otherwise have needed to be addressed at some point over the ten year forecast period. This approach therefore reduces pressure on the budget in future years, as well as not sticking our heads in the sand.

As I highlighted back in December, I am really pleased to be able to include the necessary funding to support the successful residents parking scheme in the budget on an on-going basis rather than it being subject to decisions on a more short-term basis as has previously been the case. At the time when we promised free parking we did not get taken seriously but here we are seven years down the line and not only still delivering it but it is now included in the base budget.

Unless anything significant changes between now and when the budget is presented to Council on 6 February we would have successfully delivered our first budget within the new longer term forecast. This is extremely important as not only it builds confidence in the new longer term approach but it will go a long way to satisfy our Auditors. Having said that, we do need to continue to deliver the necessary savings, as set out in the forecast. This is against the background of forecasting always being subject to various financial pressures each year which has been demonstrated in 2018/19 by the increase in salary costs that need to be funded on an on-going basis.

As we have stated in the past the longer term forecast will need to remain 'live' and so once the budget is agreed for 2018/19 we will need to swiftly turn our intentions to 2019/20 and beyond. It is worth noting that we in Tendring are the 3rd lowest authority

in Essex with regards to the Council Tax levy and we still deliver excellent value for money to all our residents.

Mr Chairman I do commend this to you and I hope that everyone who have examined the excellent report in front of them will be very supportive of the proposals."

Having considered the information in the report and in order to allow the financial forecast and final budget proposals for 2018/19 to go forward to full Council in accordance with the requirements of the Council's Constitution and legislation:

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

RESOLVED that Cabinet approves -

- (a) the latest financial forecast, as set out in Appendix A to item A.3 of the Report of the Finance and Corporate Resources Portfolio Holder;
- (b) that if the financial position changes prior to Council considering the budget on 6 February 2018, the Corporate Director (Corporate Services), in consultation with the Finance and Corporate Resources Portfolio Holder, be authorised to adjust the forecast / budget, including the use of Reserves;
- (c) that in consultation with the Leader of the Council and the Finance and Corporate Resources Portfolio Holder, the Corporate Director (Corporate Services) be authorised to report directly to Council in respect of the formal draft resolutions necessary to implement the Cabinet's budget proposals along with any late information or notifications received from Department for Communities and Local Government etc. as may necessarily affect the budget;
- (d) that the Corporate Management Committee be thanked for the work it has undertaken and continues to undertake in supporting the development of the forecast / budget and approves the comments of the Finance and Corporate Resources Portfolio Holder in response to those of the Committee as set out in the report;
- (e) that all future expenditure in 2017/18 be in line with the proposed revised budget 2017/18 set out in the Appendices to the aforementioned, subject to final approval by Council on 6 February 2018, and that the corporate financial system be amended accordingly to reflect these changes along with any amendments arising from any revisions to the code of practice relating to the presentation of the Council's Annual Statement of Accounts; and
- (f) that, in respect of the Treasury Strategy 2018/19, the Portfolio Holder for Finance and Corporate Resources be authorised to approve the Strategy for consultation with the Corporate Management Committee.

RECOMMENDED TO COUNCIL that, following the consideration of the comments from the Corporate Management Committee, the following final budget proposals be made (based on a £5 increase in a Band D Council Tax for district services):-

- i) that the detailed budgets, as per Appendix B to item A.3 of the Report of the Finance and Corporate Resources Portfolio Holder, be approved which provide for a Council Tax Requirement for 2018/19 of £7.602m (£7.229m for 2017/18) (excluding parish precepts);
- ii) that the Council agrees and formally approves:

- a) the specific recommendations, calculations and other matters in respect of the Council's requirements (Appendix D to the above report); and
- b) the Council Tax for this Council's services (Appendix G to the aforesaid report).

Cabinet Members' Items – Joint Report of the Portfolio Holder for Housing and the Portfolio Holder for Finance and Corporate Resources

136. HOUSING REVENUE ACCOUNT BUDGET PROPOSALS - REVISED BUDGET 2017/18 AND ORIGINAL BUDGET 2018/19 (Report A.4)

There was submitted a joint report by the Portfolio Holder for Housing and the Portfolio Holder for Finance and Corporate Resources, which sought seek Cabinet's approval of:

- a Revised Housing Revenue Account (HRA) budget for 2017/18 and Original HRA Budget for 2018/19, including the movement in HRA balances;
- the level of fees and charges for 2018/19; and
- the five-year HRA Capital Programme.

Cabinet was informed that the HRA budget had been calculated based on a number of limited changes. As reported in previous years, Local Authorities were required to reduce rents by 1% each year for 4 years, with 2018/19 being the third year of this approach. Unlike in previous years, given the on-going 1% reduction in rents and other changes, it was no longer possible to make an annual revenue contribution to HRA balances. In fact, to accommodate the cost of the 1% reduction in rent and other changes, it had been necessary to reduce the revenue contribution to the new build and acquisition scheme within the HRA capital programme from £0.780m to £0.480m.

Members were made aware that HRA debt continued to reduce year-on-year as the principal debt was repaid with a total debt position at the end of 2018/19 forecast to be £41.770m. This provided borrowing 'headroom' of £18.515m against the HRA debt cap of £60.285m.

It was reported that the HRA general balance was forecast to total £4.362m at the end of 2018/19, which retained a strong financial position against which a revised HRA 30 year business plan could be considered. Work was underway to revise the HRA 30 year business plan alongside the Housing Strategy in 2018. However, in respect of forecasting over a long term period, significant uncertainty still remained around the Government's policy on housing and the impact on Local Authorities, which would need to be taken into when finalising the revised business plan.

The Portfolio Holder for Housing read out the following statement on the HRA budget proposals –

"A balanced budget for 2018/19 is proposed without the need to call on general HRA reserves. Details around the limited changes to the budget are set out in the report. Although the Government has reversed a number of policies that would have adversely affected the financial position of the HRA, the 1% reduction in rents over a four year period remains in place, with 2018/19 being the third year of this Government requirement.

Although the HRA remains in a relatively strong position the rent reduction has resulted in less money being available to invest in the HRA capital programme in

2018/19. However, the capital programme for 2018/19 still totals £3.657million which allows for further significant investment in both tenants homes and also for new build and acquisition projects such as those supporting the wider regeneration of Jaywick Sands. When added to the £7.283million in the revised budget for 2017/18 a total of £10.940million has been made available for capital investment over the two year period.

Although subject to the impact of the last year of the 1% rent reduction it is forecast to maintain similar levels of investment going into 2019/20 and beyond. The revenue and capital positions are supported by reserves which are forecast to total £8.935million at the end of 2018/19.

The HRA budget continues to broadly reflect the thirty year business plan which will be revisited in 2018 to take account of the most up-to-date position and reflect any changes to the Government's housing policies. Further changes to the budget may be required later in the year when the outcomes from the review of Honeycroft and Spendells Sheltered Housing Schemes are finalised along with those that may be required in light of the Council's Housing Strategy that is due to be presented to Members in 2018/19. Any such changes will be considered as part of separate reports and associated decisions.

The 2018/19 budget as set out in the report continues to provide the necessary financial foundations to enable to the same level of quality services to be provided to our tenants along with continuing investment in their properties."

During consideration of this item the Leader of the Labour Group and the Leader of the Council both paid tribute to the hard work of Officers across the Council who continued to provide good quality services to residents with fewer resources.

The Leader of the Council also paid tribute to the hard work and dedicated service of Nigel Brown, the Council's Communications and Public Relations Manager who was shortly to leave the Council's employment.

Having considered the information in the report:

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

RESOLVED that Cabinet -

- (a) approves the 2018/19 Scale of Charges, as shown in Appendix B to item A.4 of the Joint Report of the Portfolio Holder for Housing and the Portfolio Holder for Finance and Corporate Resources;
- (b) notes the 1% reduction in actual rents / formula rents in 2018/19 in line with the Government's imposed restrictions on rent setting policy;
- (c) approves the Housing Revenue Account (HRA) revised estimates for 2017/18 and original estimates for 2018/19, as set out in Appendix A to the above report, along with the HRA Capital Programme and the movement in HRA Balances / Reserves, as set out in Appendix C and Appendix D respectively to the aforementioned report and;
- (d) agrees that, in respect of 2017/18, the corporate financial system be amended accordingly to reflect these changes along with any amendments arising from revised financial reporting requirements.

Cabinet Members' Items – Report of the Portfolio Holder for Health and Education**137. REVIEW OF THE REGISTRATION OF AN ASSET OF COMMUNITY VALUE: BRUNSWICK HOUSE ALLOTMENTS, MISTLEY (Report A.5)**

Councillor G V Guglielmi declared a personal interest in this item insofar as he personally knew the owner of the land in question and also members of the Mistley Allotment and Leisure Gardener Association.

There was submitted a report by the Portfolio Holder for Health and Education, which sought to review the listing of the Brunswick House Allotments, Mistley under the Localism Act 2011 (“the Act”) and the Assets of Community Value (England) Regulations 2012 (“the Regulations”) following a request by the owner for such a review.

Cabinet was reminded that in 2014 a valid nomination to register an asset of community value had been received from Mistley Parish Council in respect of Brunswick House Allotments, Mistley. The Nomination had stated that the land was until recently [in relation to the nomination] cultivated and maintained as allotments and had been so for 27 years until the current owners of the land had given the allotment users (collectively known as the Mistley Allotment and Leisure Gardener Association) notice to quit in December 2013. The Mistley Allotment and Leisure Gardener Association was made up of local residents, many of them pensioners who had enjoyed use of the allotment site for many years and had established themselves as part of the local community. The position of the allotments was such that local residents could easily walk to the site from their homes nearby.

The Nomination had stated that should the land come up for sale the Association would like the opportunity to bid for the allotment site and had indicated that they would raise the necessary funds.

Cabinet recalled that, in January 2015, it had resolved, having taken into account the evidence provided that the land nominated, (shown edged and dotted pale blue on the plan appended at Appendix A to the Portfolio Holder’s report), did meet the criteria set out in Section 88 of the Localism Act 2011 and had added it to the list of Assets of Community Value.

It was reported that on 1 December 2015 planning application 15/01787/FUL had been validated, for 25 bungalows. The application had included residential use on the area hatched red on the aforementioned plan together with an access road (partly) shown hatched black on that plan. On 21 August 2017 the Council had entered into a Section 106 planning agreement with the owners of the land pursuant to that application, providing for the following obligations:

1. The transfer of one dwelling as affordable housing;
2. The setting out and transfer of revised allotments in two phases as shown hatched green and hatched yellow on the aforesaid plan; and
3. The creation and transfer of public open space, shown with the green grass symbols on the aforementioned plan.

Cabinet was advised that on 7 September 2017 the Council had granted planning permission for 25 bungalows subject to certain planning conditions and including the aforementioned Section 106 agreement.

Cabinet was informed that the owner now wished to sell the land to a developer who would be bound by the Section 106 agreement but that they could not do so without triggering a moratorium of at least six weeks because of the Asset of Community

Value Listing. The owner had therefore requested a review. The Council was required to consider only whether the asset met the criteria set out in the Section 88 of the Localism Act 2011.

It was reported that Officers had written to Mistley Parish Council seeking their comments on the proposed review. The Clerk to that Parish Council had subsequently confirmed that it did not oppose the removal of the listing, in the light of the obligations contained within the Section 106 planning agreement.

Members were advised that taking the above into account it was considered that the area of land nominated did meet the criteria set out in Section 88 of the Localism Act 2011, namely:

“(2) The main use of the land or building furthered the social wellbeing or social interests of the local community in the recent past...”

However, in the light of the planning permission and the Section 106 agreement Officers consider that it was not “...realistic to think that this could again happen.” Accordingly it was the Portfolio Holder’s recommendation that the criteria for listing were no longer met and that the land should be removed from the list of Assets of Community Value.

Following a question raised by the Leader of the Labour Group and at the request of the Leader of the Council, the Corporate Director (Corporate Services) undertook to recheck the legal position to ensure that the Secretary of State’s approval was not required given that the land in question had been used as allotments.

Having considered the information in the report and the advice of Officers:

It was moved by Councillor McWilliams, seconded by Councillor Skeels Snr. and:-

RESOLVED that Cabinet -

- (a) notes the change in circumstances at Brunswick House Allotments since its decision in January 2015, including Mistley Parish Council’s approval of the removal of the Asset of Community Value listing and consequently agrees to undertake a review;
- (b) agrees that following the obligations of the Section 106 planning agreement, including a provision to transfer revised allotments, it is not realistic that the original land nominated will further the social well-being or social interests of the local community in the future; and
- (c) subsequently, the criteria required in Section 88 Localism Act 2011 is no longer satisfied and that the land be removed from the list of Assets of Community Value.

NOTE: In accordance with the provisions of Council Procedure Rule 19.5, Councillor G V Guglielmi requested that he be recorded in the minutes as having abstained from voting on Councillor McWilliams’ motion.

138. MANAGEMENT TEAM ITEMS

There were none on this occasion.

DATE AND TIME OF NEXT SCHEDULED MEETING

The next scheduled meeting of the Cabinet was due to take place on Friday 16 February 2018 at Noon in the Essex Hall, Town Hall, Station Road, Clacton-on-Sea.

The meeting was declared closed at 11.22 a.m.

Chairman