

CABINET**Tuesday, 21st February, 2017**

Present:-

Councillor Burrows (Chair)

Councillors	T Gilby	Councillors	Huckle
	Bagley		P Gilby
	Blank		Ludlow
	A Diouf		Serjeant
Non Voting	Catt		J Innes
Members	Dickinson		

*Matters dealt with under the Delegation Scheme

137 DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA

No declarations of interest were received.

138 APOLOGIES FOR ABSENCE

There were no apologies for absence.

139 MINUTES**RESOLVED –**

That the minutes of the meeting of Cabinet held on 7 February, 2017 be approved as a correct record and signed by the Chair.

140 FORWARD PLAN

The Forward Plan for the four month period 1 March to 30 June, 2017 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

141 2017/18 BUDGET AND MEDIUM TERM FINANCIAL PLAN

The Director of Finance and Resources submitted a report on the draft General Fund budget, making recommendations to Council on the budget allocations and the Council Tax level for 2017/18. It was noted that the continuing difficult financial situation for local councils had made the budget setting process very difficult again this year.

The Director of Finance and Resources advised that since the revised budget in December 2016 further work had been undertaken to identify other possible variances for inclusion in the final 2016/17 budget, and that the updated revised budget forecast for 2016/17 showed a surplus of £105,000.

The report included details of the effects of the economic climate on income streams, cuts in revenue support grant, and changes in funding arrangements particularly in respect of business rates retention. The report also provided details of the serious financial impact of the government's announcement in December, 2016 that the amount of New Homes Bonus, which in recent years had made a significant contribution to the council's finances, would be cut, meaning that New Homes Bonus income would fall from £676,640 in 2017/18 to £2,240 in 2020/21. The report also noted from 2020/21 the council would need to generate 100% of the revenue required to provide services.

The other major funding sources for the General Fund were business rates growth, fees and charges (particularly car parking income), rental income from the Council's industrial and commercial property portfolio as well as council tax. The Director of Finance and Resources advised that for 2017/18 district councils were again able to increase their council tax by a maximum of £5 or 2%, and that for Chesterfield the recommended £5 increase was equivalent to an increase of 3.34%. The report set out and evaluated all of the council tax setting options available to the Council.

The report also provided details of the expenditure estimates for 2017/18 to 2020/21, and summarised the planned budget savings proposals over the same period. A review of the Council's reserves and provisions had been undertaken and the report also included a comprehensive risk and sensitivity analysis.

The Director of Finance and Resources concluded that the medium term forecast showed that the council continued to face significant financial challenges in the years ahead and that all the indications were these challenges were likely to continue over the longer term, through to 2021. While in previous years the council had managed to deliver budget savings in a way that had not involved cutting frontline services or in making compulsory redundancies, the task was getting increasingly difficult, and that difficult spending decisions were going to have to be made during 2017/18 on the range and quality of discretionary services that were currently provided.

***RESOLVED -**

That it be recommended to Full Council that:

1. That the revised budget for 2016/17 be approved.
2. The Local Government Finance Settlement be noted.
3. The Collection Fund and the Tax Base forecasts be noted.
4. The Portfolio budgets and the overall revenue budget summary for 2017/18 be approved.
5. That authority be delegated to the Director of Finance and Resources in consultation with the Leader, Deputy Leader and Chief Executive to review what is required to ensure that the council makes best use of the flexibility available to use capital receipts for revenue purposes where such investment will lead to budget savings.
6. The budget forecasts for 2017/18 and the medium term, as well as the strategy for addressing the projected deficits be noted.
7. That the growth request of £100k for an HS2 project officer, to be funded from the Service Improvement Reserve be approved.
8. The estimates of reserves including:
 - i. maintaining the General Working Balance at £1.5m;
 - ii. transferring from the Crematorium Capital Improvement and Revenue Reserves (subject to Chesterfield and District Joint Crematorium Committee approval), £200,000 to a new Northern Gateway reserve to support underwriting the Jomast Coop development and £250,000 into the Business Rate Risk Reserve;
 - iii. Using £467,302 of Insurance Reserve surplus funds by retaining in the Insurance Reserve £60,000 to cover insurance excesses and self-insurance charges, transferring £407,302 to the General Fund to reduce General Fund contributions into reserves in order to support the budget position by £150,000 in both 2017/18 and 2018/19, and by £107,000 in 2019/20.be approved.
9. The budget risks and sensitivity analysis be noted.
10. The recommended £5 increase in Council Tax for 2017/18 be approved.
11. The 2017/18 Council Tax Requirement and financing be approved.
12. The Director of Finance and Resources assurances be noted.

REASON FOR DECISIONS

In order to meet the statutory requirements relating to setting a budget and the council tax.

142 **CAPITAL STRATEGY AND GENERAL FUND CAPITAL PROGRAMME**

The Director of Finance and Resources submitted a report recommending for approval the updated General Fund Capital Strategy and Programme for the financial year 2017/18.

The report provided details of:

- The updated Capital Strategy.
- Updated Capital Programme forecasts.
- Schemes added to the Programme during 2016/17, including the Town Hall restack and Northern Gateway scheme.
- Progress made on current major schemes including Chesterfield Waterside.
- Recurring schemes including expenditure on Disabled Facilities Grants, vehicle and plant maintenance, ICT and major property repairs.

The report also provided details of capital financing arrangements, capital receipts and the net financing position.

The Director of Finance and Resources advised that based on current forecasts there would be no surplus resources available to fund new capital schemes until 2020/21. In this situation new schemes would only be able to be added to the Programme where they were aligned with a Corporate Plan priority and the additional funding required had been identified and secured. Where the funding could not be immediately identified schemes would be added to a prioritised list of growth requests and added to the Capital Programme as resources become available.

***RESOLVED -**

That it be recommended to Full Council that:

1. The Capital Strategy be approved.
2. The updated General Fund Capital Programme expenditure and financing be approved.
3. The new Capital Programme schemes, as outlined in paragraph 8.3 of the Director of Finance and Resources report be noted, with their approval subject to satisfactory business cases being made and subsequent Cabinet and/or Council agreement.

4. The prioritised list of “waiting list” Capital Programme, as outlined in paragraph 8.4 of the Director of Finance and Resources report, be noted.

REASON FOR DECISIONS

To update the Council’s General Fund Capital Programme and ensure that it is affordable and deliverable over the medium term.

143 CHESTERFIELD BOROUGH COUNCIL'S COUNCIL PLAN 2017/18 UPDATE

The Policy and Communications Manager attended to present a report recommending for approval the Council Plan 2015-2019, updated for 2017/18.

In 2015/16 the Council had moved from the production of a one year plan to a four year strategic Council Plan following a recommendation from the Local Government Association’s peer challenge team in 2013. The updated plan had set out the Council’s key priorities and aims, based on those identified by Cabinet Members and officers and taking account of a wide range of evidence. The plan was aimed at providing focus, and included projects that would require a collective corporate effort during the period.

The Council Plan had been revised to show the progress made during the first two years of the plan, and to highlight the priority areas for the remaining two years of the plan. The refreshed plan provided continuity with the 2016/17 version of the plan, maintaining the same vision, three overarching priorities and Council values. The Policy and Communications Manager also provided details on how the plan would be monitored and reviewed throughout the year in order to ensure the council delivered against its priorities and objectives.

***RESOLVED -**

That it be recommended to Full Council that:

1. The Council Plan 2015-2019, updated for 2017/18, be adopted as the council’s strategic framework to measure our sustained high performance against key aims and objectives and to prioritise resources.
2. The Deputy Leader be delegated authority to approve any minor drafting changes that may be required in order to improve the readability of the plan.

REASON FOR DECISIONS

To provide the Council with a clear statement of its strategic priorities for 2015-2019 and a framework within which decisions can be made about the allocation of resources.

144 COMMUNITY INFRASTRUCTURE LEVY INTERIM PROGRESS

REPORT AND PAYMENT IN KIND POLICY

The Strategic Planning and Key Sites Manager attended to present a report to update members on the performance of the Community Infrastructure Levy (CIL) during its first 9 months of operation, and to recommend for approval the introduction of a CIL “Payment in kind” policy.

The report noted that the Community Infrastructure Levy provided a way of seeking contributions from developers towards providing essential infrastructure that was needed to support new development. After a wide-ranging period of consultation and evidence preparation a CIL Charging Schedule, Infrastructure List and Instalments Policy, as well as the levy, had been introduced on 1 April, 2016 after approval by Full Council (Minute No.39 2015/16).

The report included information on the performance of the levy since its introduction on 1 April, 2016 up until 31 December, 2016 noting that 25 CIL Liability notices had been issued, with a combined potential CIL liability of approximately £900,000. The Strategic Planning and Key Sites Manager advised that while developments became CIL liable as soon as a full or reserved matters planning permission was granted, the liability was only paid once the development commenced which could mean that the lead in times between the developer accepting CIL liability and payment being received by the council could be significant.

The Strategic Planning and Key Sites Manager advised that there may be circumstances where the Borough Council, as the CIL Charging Authority, and the party who was liable for the CIL charge may wish for land and/or infrastructure to be provided, instead of money in order to satisfy the CIL charge. The CIL Regulations did provide for such ‘Payments in kind’, which allowed CIL charging authorities to put in place procedures which would allow acceptance of full or part payment of a CIL liability by way of a physical provision of land and/or infrastructure. However, before a charging authority was able to accept such payments there needed to be a “Payment in kind” policy in place. The report set out the key requirements of such a policy, and a draft “payment in kind” policy was attached as an appendix to the officer’s report.

***RESOLVED –**

That it be recommended to Full Council that:

1. That the performance of the Community Infrastructure Levy during the first 9 months of its implementation be noted.
2. That the Community Infrastructure Levy ‘Payment in Kind’ policy, as set out in the officer’s report be approved.

REASON FOR DECISIONS

To allow the council the discretion to accept “Payment in Kind” where the council, and the person/developer liable for the CIL wish land and/or infrastructure to be provided, instead of money, to satisfy a CIL charge.

145 SENIOR PAY POLICY STATEMENT 2017/18

The Human Resources Manager submitted a report seeking approval for a revision of the current Senior Pay Policy Statement in accordance with the Localism Act 2011 and the Local Government (Transparency Requirements) (England) Regulations 2014.

The policy statement included details of how senior pay is set within the Council. The revised statement had been updated to reflect changes to the council's corporate management team structure.

***RESOLVED –**

That it be recommended to Full Council that the revised Senior Pay Policy Statement be approved.

REASON FOR DECISION

To meet the requirements of the Localism Act 2011 by publishing the policy by 31 March 2017.

146 HOUSING REVENUE ACCOUNT BUDGET 2017/18 TO 2021/22

The Housing Manager and the Director of Finance and Resources submitted a report detailing the probable outturn for the current financial year and seeking approval for the budget estimates for 2017/18.

The rent and service charge levels agreed by Cabinet in January (Minute No.126 (2016/17)) had been incorporated into the 2017/18 budget forecast. The report also proposed a schedule of priority growth requests.

The financial strategy for the HRA was to deliver a balanced and sustainable budget which was self-financing in the longer term and which reflected both the requirements of tenants and the strategic vision and priorities of the Council. The Housing Manager reaffirmed the implications arising from the enactment of the Welfare Reform and Work Bill Act 2016, most notably the requirement for a 1% reduction in social housing rents for 4 years from April 2016 as well as the introduction of Universal Credit to all claimants. The financial implications arising from these changes on the HRA had been considered and it was estimated that the HRA balance would fall to £18,485,746 in 2017/18 and to £1,553,036 by 2021/22. The Housing Manager advised that while the forecasts for future years were much healthier than previously reported it was important to note that they assumed that a range of measures to improve the financial viability of the HRA Business Plan were all successfully implemented. These measures had been proposed by a steering group that had been established in order to look at ways to fill revenue gaps in the HRA and to put forward a revised business plan. The steering group had comprised members, officers and tenants. The recommendations of the steering group had included:

- A £500,000 reduction in the responsive repairs budget in 2017/18 and each of the following 2 years, after the budget would be increased by inflation, as measured by the Consumer Price Index (CPI).
- A reduced and re-phased capital programme.
- Moving to a 52 week rent year and removing 'rent free' weeks to match universal credit payments and also to encourage a regular payment culture.

The report noted that the current HRA budget forecasts did not take into account the government's requirement on local authority housing providers to dispose of higher value assets as it was still unclear what properties would be classed as "high value" for the Chesterfield area. The Housing Manager advised that as more information became available on the financial implications of this policy, adjustments would be made to the HRA budget.

***RESOLVED -**

1. That the probable outturn for the current financial year be noted.
2. That the draft estimates for 2017/18 and future years be noted.
3. That the "Growth Items" at Annexe 6 of Appendix A of the officers' report be approved.

REASONS FOR DECISIONS

To enable the Council to set the Housing Revenue Account budget for 2017/18.

To continue with the financial strategy set out in the Housing Revenue Account Business Plan and self-financing debt settlement arrangements.

147 HOUSING CAPITAL PROGRAMME: NEW PROGRAMME FOR 2017/18 THROUGH TO 2021/22

The Housing Manager and the Director of Finance and Resources submitted a report on the Housing Capital Programme, outlining proposals for the New Programme for 2017/18, as well as for the provisional programmes for 2018/19 to 2021/22.

The report outlined the financial strategy to maintain the Decent Homes Standard for 100% of the council's properties, which had first been achieved in March 2015, as well plans to improve the non-traditional housing stock and to deliver improvements to the estates environment in the immediate short term. The Housing Manager referenced the implications arising from the enactment of the Welfare Reform and Work Bill Act 2016, most notably the requirement for a 1% reduction in social housing rents for 4 years from April 2016, which would have a significant impact on the Housing Revenue Account Business Plan and consequently the financing and priorities of the Housing Capital Programme for 2017/18, as well in future years.

The Housing Manager advised that the proposed 2017/18 programme continued to broadly reflect the capital programme used in the Housing Revenue Account Business Plan in previous years and addressed needs arising due to the ageing housing stock, as identified in the Stock Condition Survey. The focus of the programme remained the modernisation of properties to the Decent Homes Standard, with the balance of activity over the next twelve months concentrating on building elements such as roofs, windows and improvements to external estate environments. It was noted that due to the large reduction of income to the Housing Revenue Account as a result of the annual 1% reduction in social rents over four years, a review of the way in which future maintenance programmes would be delivered had been carried out. This review had looked at factors including the standards against which the housing stock was maintained as well as how the repairs service was delivered.

Information was also provided on the commitment to use local contractors where possible, as well as how tenants had been involved in reviewing and prioritising the Capital Programme. The Housing Manager emphasised the important role that the HRA Business Plan steering group, which included tenant representatives and scrutiny members had played in reviewing and prioritising the Capital Programme.

The allocation of work to the Housing Services' Operational Services Division was also outlined in the officer's report.

***RESOLVED -**

That it be recommended to Full Council that:

1. The Housing (Public Sector) Capital Programme for 2017/18 be approved, and its procurement, as necessary, be authorised.
2. The Housing (Public Sector) Capital Programmes for 2018/19 through to 2021/22 be provisionally approved.
3. The Operational Services Division share of the approved 2017/18 Programme be approved.
4. The Housing Manager be delegated authority to transfer funds between programme heads and budgets in order to effectively and efficiently manage the Capital Programme.

REASONS FOR DECISIONS

To ensure that the council is able to meet its 'Decent Homes Standard' targets in line with the Council's Vision and Corporate Plan.

To ensure that the condition of the Public Sector housing stock and its environment is maintained and improved.

To contribute to the aims of the Borough Housing Strategy and to deliver the HRA Business Plan.

148 HOUSING REPAIRS BUDGET 2017/18

The Housing Manager submitted a report recommending for approval the Housing Repairs Budget for 2017/18, as well as for future years.

The report noted that Housing Repairs Budget financed day-to-day and planned revenue expenditure to the council's housing stock. During 2016/17, as a response to changes in national housing policy, a detailed review of the way in which Chesterfield Borough Council could deliver future repairs and maintenance programmes had been carried out.

The review had identified that the council was spending on average £1,000 per property per year on day-to-day repairs and maintenance. This figure was far in excess of the average of £850 per property per year spent by other social landlords. This expenditure was in addition to the £20 million per annum capital investment that had been made to the council's housing stock in each of the last three years. The report also noted that even though all of the council's housing stock had met the Decent Homes Standard since 2015, the demand for day-to-day repairs had not decreased and therefore accordingly neither had the responsive repairs budget. The report noted the evidence from benchmarking with other social landlords, which had confirmed that the need for day-to-day repairs should decrease after major improvements like new kitchens and bathrooms had been carried out.

In response to these findings a steering group comprised of officers, members and tenants had been established in order to look at ways to fill revenue gaps in the HRA and to put forward a revised business plan. In December 2016, the group had made recommendations designed to mitigate the worsening financial position within the HRA. The group's recommendations had included a £500,000 reduction in the responsive repairs budget in 2017/18 and each of the following two financial years, after which the repairs budget would be increased by the rate of inflation (as measured by the Consumer Price Index). The Housing Manager advised that in order to achieve the savings in 2017/18 £500,000 could be cut from a number of budgets that had been consistently underspent in recent years. However in order to achieve the same saving in each of the following two financial years, further work and consultation with tenants would be required in order to explore where these savings could potentially be made. The steering group had recommended that consideration should be given to options including tenants taking more responsibility for their own repairs as well as carrying out a review of repair response times. The Housing Manager advised that the Tenants Executive, Tenants Challenge Panel as well individual focus groups would be involved in carrying out in depth reviews of the repairs policy.

***RESOLVED –**

1. That the Housing Repairs Budget of £8,691,000 for 2017/18, as set out at appendix 1 of the officer's report be approved.

2. That the Housing Repairs Budget for 2018/19 and 2019/20 be decreased by £500,000 in each financial year, after which it will be set in accordance with the increase in the annual rate of inflation, as measured by the consumer price index (CPI).
3. That the Commercial Services Manager be delegated authority to transfer funds between responsive repairs budget heads in order to effectively manage and respond to fluctuations in tenant-led or weather dependent repairs.

REASONS FOR DECISIONS

To permit required maintenance of the Housing Stock.

To contribute to the delivery of a balanced and sustainable Housing Revenue Account, which is self-financing in the longer term.

To support working with tenants through the Customer Engagement Strategy.

To support the Council's Vision and priorities within the Council Plan.

149 LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED –

That under Regulation 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 1 and 3 of Part I of Schedule 12A to the Local Government Act 1972 – as they contained information relating to an individual and information relating to financial and business affairs.

150 PLOT GARAGE SITE REVIEW AND RECOMMENDATIONS

The Housing Manager submitted a report seeking approval to adopt a strategic approach to rationalising the councils plot garage sites through a programme of closure, refurbishment and disposal.

The report noted that a plot garage site was a site where the council rented a plot of land to a lessee who subsequently developed their own garage, with the council currently owning over 40 such sites across the Borough. The Housing Manager advised that the condition of the plot garage sites and garages on them had been a matter of increasing concern over the past couple of years. The report also noted that the plot garage sites generated very low revenues and that many of the sites suffered from low demand and high vacancy rates. In response to the significant challenges presented, a Plot Garage Site Options Report had been compiled in order to assess the options for the plot garage sites, considering the costs and risks of retaining the sites against those of disposing of them.

The full Plot Garage Site Options Report was attached as an appendix to the officer's report and provided details of the appraisal process used for the review as well as a detailed analysis of the information gathered. The recommended future options for each of the plot garage sites were also set out and categorised as follows:

- sites identified for closure, clearance and sale / disposal to developer
- sites identified for closure, clearance and redevelopment by Chesterfield Borough Council
- sites identified for closure, clearance and any required remediation e.g. landscaping or groundworks
- sites identified for retention and investment
- sites identified for retention and conversion into car parking areas

The report also included details of the legal and financial considerations that had been taken into account in making the recommendations for rationalising the council's plot garage sites, as well as details of how the programme would be developed and implemented.

***RESOLVED –**

1. That the strategic approach to the rationalisation of the council's plot garage sites, as detailed in the officer's report be approved.
2. That the Housing Manager be authorised to begin a programme of closure, refurbishment and disposal of Housing Revenue Account plot garage sites.
3. That the Housing Manager, in consultation with the Property, Procurement and Contracts Law Manager, be delegated authority to begin a programme of closure, refurbishment and disposal of General Fund plot garage sites.
4. That the Housing Manager be delegated authority to amend the plot garage site option report recommendations, in consultation with relevant Cabinet members, as the process of closure, refurbishment and disposal of plot garage sites progresses.

REASON FOR DECISIONS

To meet the councils priority 'to improve the quality of life for local people' and objective 5 'To increase the supply and quality of housing in Chesterfield Borough to meet current and future needs'.

151 TRADE WASTE AND MISCELLANEOUS FEES AND CHARGES

The Commercial Services Manager submitted a report setting out proposed charges for the collection and disposal of trade wastes and other miscellaneous environmental fees for 2017/18.

The report noted that in accordance with the Council's Budget Strategy, charges for waste and recycling services were reviewed annually and that charges the aim was to recover at least the full cost of the service except in circumstances where there was an opportunity to maximise income or that Members determined that a reduction or subsidy should be made for a specific reason.

***RESOLVED –**

That the revised charges for trade waste and other miscellaneous environmental fees for 2017/18, as detailed in the officer's report, be approved and implemented.

REASON FOR DECISION

To set the Council's trade waste charges and other miscellaneous environmental fees for the financial year 2017/18 in accordance with the Council's Budget strategy.