

CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
CABINET

HELD ON THURSDAY 19 JANUARY 2017 AT 4:00 P.M.
IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK

PART 1

PRESENT: Councillors:

Alcott, G.	Deputy Leader of the Council and Economic Development and Planning Portfolio Leader
Kraujalis, J.T.	Corporate Improvement Portfolio Leader
Bennett, C.	Crime and Partnerships Portfolio Leader
Mitchell, Mrs. C.	Culture and Sport Portfolio Leader
Preece, J.P.T.L.	Environment Portfolio Leader
Davis, Mrs. M.A.	Health and Wellbeing Portfolio Leader
Allen, F.W.C.	Housing Portfolio Leader

85. Apologies

Apologies were submitted for Councillors G. Adamson, Leader of the Council and Mrs. D.M. Todd, Town Centre Regeneration Portfolio Leader. In the Leader's absence, the meeting was chaired by the Deputy Leader.

86. Declarations of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members

No Declarations of Interest were made in addition to those already confirmed by Members in the Register of Members' Interests.

87. Updates from Portfolio Leaders

Culture and Sport

AGP, Bradbury Lane

The Portfolio Leader advised that works were nearing completion and the facility was due to be handed over to the Council within a couple of weeks, with an intended opening in March.

Economic Development and Planning

Local Plan (Part 2) and Cannock Town Centre Area Action Plan

The Portfolio Leader reported that the Local Plan Part 2 Issues and Options document had been approved for consultation in December 2016 and the Cannock Town Centre Area Action Plan in September 2016. Consultation for

both plans was due to commence on Monday 30 January and run for a period of 8 weeks (instead of the statutory 6 weeks to encourage more public participation). The requirements for consultation for both plans were set out in planning regulations and the Statement of Community Involvement which was adopted by the Council in 2014. Publicity for the consultation and its associated events was going to be via a range of routes (working in conjunction with the Communications Team) including: the Council's website and social media pages; press releases; newspaper adverts; and via letters and e-mails to everyone registered on the Planning Policy database. A series of drop in events were also due to be held (as below) at which Officers would be present to answer any questions. Exhibition materials were also going to be available at these events:

<u>Location</u>	<u>Date</u>	<u>Time</u>
Norton Canes Library	Thursday, 16 February	3:30pm to 6:30pm
Hednesford Library	Tuesday, 21 February	1:30pm to 4:30pm
Rugeley Library	Thursday, 23 February	10:00am to 1:00pm
Cannock Library	Friday, 24 February	10:00am to 1:00pm
Heath Hayes Library	Thursday, 2 March	3:30pm to 6:30pm
Brereton Library	Friday, 3 March	2:30pm to 5:30pm

A further drop in event specifically focused on the Area Action Plan was going to be held on Friday, 3 March from 10:00am to 1:00pm in the retail unit at the entrance to Cannock Market Hall. Unstaffed exhibitions were also going to be provided throughout the duration of the consultation in the reception area at the Civic Centre in Cannock, the retail unit at the entrance to Cannock Market, and the Rugeley Area Office. Other events were also going to be held as appropriate, e.g. a stakeholder event for those affected by the Cannock Area Action Plan proposals (e.g. traders etc.), meeting required under the Duty to Co-operate, and meetings with infrastructure providers. Officers were also willing to attend other meetings (e.g. parish councils, community groups etc.) and would do their best to accommodate all requests. The consultation was due to close on 27 March and all views would be taken into account when the next versions of the two plans were prepared.

88. Minutes of Cabinet Meeting of 15 December, 2016

RESOLVED:

That the Minutes of the meeting held on 15 December, 2016, be approved as a correct record and signed.

89. Forward Plan

The Forward Plan of Decisions for the period January to March, 2017 (Item 5.1 – 5.2 of the Official Minutes of the Council) was considered.

RESOLVED:

That the Forward Plan of Decisions for the period January to March, 2017 be noted.

90. Recommendations of Scrutiny Committees

A recommendation had been referred to Cabinet for consideration by the Housing Scrutiny Committee held on 30 November, 2016. In respect of:

Review of Housing Allocations Policy

“That the proposed amendments to the Council’s Allocations Policy as set out in Appendix 1 of the report be agreed, and recommended to Cabinet.”

RESOLVED:

That the proposed amendments to the Council’s Allocations Policy be approved.

91. General Fund Revenue Budget and Capital Programme 2017-18 to 2019-20

Consideration was given to the Report of the Head of Finance (Item 7.1 – 7.77 of the Official Minutes of the Council).

An additional document summarising the feedback from the second stage public consultation, which closed on 15 January, 2017, had been circulated in advance of the meeting and placed on the Council’s website.

The Culture and Sport Portfolio Leader moved a minor amendment that any references to Savings option B14 should read “Review Staffed Parks Contract”, which was agreed.

RESOLVED:

That the following be recommended to the meeting of Council on 8 February, 2017, as part of the formal budget setting process:-

- (A) The level of net spending for the General Fund Revenue Budget for 2017-18 be set at £11.056 million; with indicative net spending for 2018-19 and 2019-20 of £11.524 million and £11.607 million, respectively.
- (B) The detailed portfolio budgets as set out in Appendix 2 of the report;
- (C) The forecast outturn net budget of £11.423 million including a Revenue Contribution to Capital Outlay of £0.350 million be approved.
- (D) The use of Government Grants in 2017-18 of £1.015 million with indicative figures of £1.000 million and £1.083 million for 2018-19 and 2019-20, respectively.
- (E) The working balances be set at £0.615 million; £0.633 million and £0.856 million for 2017-18 to 2019-20, respectively.
- (F) That a Council Tax of £208.87 be recommended to the Council for 2017-18; with indicative increases of 1.95% to the level of Council Tax for 2018-19 and 2019-20.
- (G) The Council’s Tax base be set at 27,571.88.
- (H) No change be made to the current Local Council Tax Reduction Scheme.
- (I) The revised capital programme, including new schemes, as set out in

Appendices 3 and 4 of the report.

Reason for Decisions

The report set out a draft budget for 2017-18 as well as indicative budgets for 2018-19 and 2019-20 and associated issues, and also included current indications of the impact this would have on Council Tax. It also set out the updated capital programme and set out the capital resources available to the Authority to finance the capital programme.

92. Housing Revenue Account Budgets 2016-17 to 2019-20

Consideration was given to the Joint Report of the Head of Finance and the Head of Housing and Waste Management (Item 8.1 – 8.8 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) The revised position with regard to estimated income and expenditure in respect of the 2016-17 Housing Revenue Account Budget and Housing Revenue Account Budgets for 2017-18 to 2019-20 as summarised in Appendix 1 of the report, be noted.
- (B) Council, at its meeting to be held on 8 February, 2017, be recommended to:
 - (i) Determine a minimum level of working balances of £1.706 million for 2017-18, and indicative working balances of £1.730 million and £1.750 million for 2018-19 and 2019-20, respectively.
 - (ii) Note the further 1% reduction in rents in 2017-18 in accordance with the Government's Social Rent Policy.
 - (iii) Approve the Housing Revenue Account Revenue Budgets for 2017-18, 2018-19 and 2019-20 (and note the estimated outturn for 2016-17) as summarised in Appendix 1 of the report.

Reasons for Decisions

The report considered proposed three-year Housing Revenue Account (HRA) budgets for 2017-18, 2018-19 and 2019-20, which had been formulated within the framework provided by the Approved Housing Revenue Account Business Plan considered by Cabinet on 10 December, 2015.

A review of the 2016-17 HRA budget, together with base HRA budgets for the period 2017-18 to 2019-20 were attached to the report as Appendix 1. The budgets had been formulated in accordance with the assumptions set out in the HRA Business Plan, with projected levels of income and expenditure as summarised as below:

Table 1: HRA Summary Budget 2017-18 to 2019-20			
	<u>2017-18</u> £000's	<u>2018-19</u> £000's	<u>2019-20</u> £000's
Income	-19,868	-19,460	-19,166
Expenditure	17,066	17,299	17,496
Revenue Contribution to Capital Outlay	2,620	2,138	1,650
Working Balances Change	182	23	20

Rent income continued to reflect an annual rent reduction of 1% per annum (including the new 2019-20 budget), reflecting the revised national rent policy as determined by the Government's 2015 Summer Budget (the rent policy would revert to the Consumer Price Index +1% with effect from 2020-21).

No material changes to date had arisen from the Housing and Planning Act 2016 that impacted directly on the assumptions contained in the Business Plan. No account had been taken in the indicative budgets, as set last year, for the impact of Vacant High Value Housing Payments and High Income Social Tenants: Mandatory Rents (Pay to Stay) pending an analysis of the detailed regulations. Although the Government had rescinded the Pay to Stay mandatory requirement, the Council was still awaiting details re: High Value Vacant Payments. The Budgets therefore maintained the net reduction in properties due to voids at 2% for 2018-19 onwards as compared with an actual level of some 0.7%. Additional rental income of £151,000 was therefore assumed for 2016-17 and 2017-18 only. The full impact of the actual High Value Baseline would be assessed following publication of the proposed regulations and would then be subject to a further report.

The Budgets did however reflect the savings attributable to the HRA from Corporate and Support Services savings as contained in the General Fund Financial Recovery Plan and amounted to £207,000 per annum.

Capital financing charges were also lower than anticipated due to the prevailing low interest rates and this had enabled both a rescheduling of principal repayments and ongoing savings of £130,000 per annum.

In considering the HRA Revenue Account, consideration needed to be given to the HRA Capital Programme and the level of Working Balances. A key consideration of the capital programme was the Revenue Contribution to Capital Outlay (RCCO). In accordance with the Approved Business Plan the RCCO represented the net surplus on the Revenue Account after determining the level of Working Balances.

In view of the risks associated with the management of the HRA under self-financing, minimum working balances of 10% of net operating expenditure had been assumed throughout the three-year budget period.

93. Housing Revenue Account Capital Programme 2016-17 to 2019-20

Consideration was given to the Joint Report of the Head of Finance and the Head of Housing and Waste Management (Item 9.1 – 9.7 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) The estimated availability of Housing Revenue Account capital resources for the period 2017-18 to 2019-20, as set out in Appendix 1 to the report, be noted.
- (B) Council, at its meeting to be held on 8 February, 2017, be recommended to approve the three-year Housing Revenue Account Capital Programme for the period 2017-18 to 2019-20, as set out in Appendix 2 to the report.

Reasons for Decisions

The report considered the draft proposed three-year HRA Capital Programme for the period 2017-18 to 2019-20, together with the forecast outturn for 2016-17, compiled within the financial framework provided by the Approved HRA Business Plan.

Details of the estimated availability of HRA capital resources during the three-year period were set out in Appendix 1 to the report, whilst a three-year HRA Capital Programme was set out in Appendix 2.

A comparison of estimated resource availability with the proposed HRA capital expenditure programmes was also set out as below:

	<u>2016-17</u> £000's	<u>2017-18</u> £000's	<u>2018-19</u> £000's	<u>2019-20</u> £000's
Net Resources Brought Forward	3,333	1,897	1,875	2,299
New Resources	9,992	10,173	5,897	5,422
Total Resources:	13,325	12,070	7,772	7,721
Less: Expenditure Programme	11,428	10,195	5,473	5,734
Resources carried forward to future years	1,897	1,875	2,299	1,987

94. Treasury Management Strategy, Minimum Revenue Provision Policy and Annual Investment Strategy 2017-18

Consideration was given to the Report of the Head of Finance (Item 10.1 – 10.29 of the Official Minutes of the Council).

The Head of Finance circulated an update in respect of paragraph 5.24 of the report ('Ratio of financing costs to net revenue stream'), and an additional paragraph to be inserted at the end of Appendix 2, as follows:

"Local Authority Mortgage Scheme. Under this scheme the Council is required to place funds of £2 million with Lloyds Bank plc for a period of 5 years. This is classified as being a service investment, rather than a treasury management investment, and is, therefore, outside of the Specified / Non specified categories."

Neither item affected the recommendations contained in the report.

RESOLVED:

That Council, at its meeting to be held on 8 February, 2017, be recommended to approve:

- (A) The Prudential and Treasury Indicators.
- (B) The Minimum Revenue Provision (MRP) Policy Statement.
- (C) The Treasury Management Policy.
- (D) The Annual Investment Strategy for 2017-18.

Reasons for Decisions

The Council was required to approve its treasury management and investment strategies to ensure that cash flow was adequately planned and that surplus monies were invested appropriately.

95. Priority Economic Regeneration Projects

Consideration was given to the Report of the Head of Economic Development (Item 11.1 – 11.9 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) Approval be given to the use of S106 monies as summarised in Appendix 1 of the report to facilitate the development of detailed projects which would positively contribute to the Council's Financial Recovery Plan (FRP).
- (B) The Head of Economic Development be authorised to take those actions necessary to secure additional resources to support further project development work as appropriate.
- (C) Initial project development work to support the redevelopment of the Rugeley Market Hall/Bus Station site in Rugeley should be held in abeyance pending the identification of new funding opportunities.
- (D) The implementation of the Rugeley Flood Alleviation Scheme and the funds available for town centre improvements at a cost of £1.29m capital be noted.
- (E) Further reports should be presented to Cabinet to assess progress and project specific matters.

Reasons for Decisions

Initial work on the Council's FRP identified the importance of a number of projects which would potentially secure significant regeneration benefits but could also secure additional income to the Council in the form of business rates or Council Tax. However, the "priority projects" were still at a conceptual stage and needed to be developed into detailed projects would could be offered up for potential funding/investment purposes, generally as capital projects.

The revenue resources required to develop the "embryonic" capital projects were extremely limited with either Council reserves or S106 monies which could be readily accessed. Because of the Council's financial position, the use of Council reserves for this purpose was not considered appropriate. Equally, the use of S106 monies was complicated by the restrictions contained within each

agreement, particularly related to specific use of the monies concerned and location within which it had to be spent.

However, by carefully allocating priority projects to specific S106 monies it was possible to create a modest source of revenue funding for most of the projects. However, not all of the priority projects could be funded in this way, placing more emphasis on alternative funding resources. The proposed allocations summarised in Appendix 1 of the report were a practical solution to the current shortage of revenue funding opportunities. The Rugeley Flood Alleviation works and town centre improvement packages were funded separately by an allocation of £1.29m from the Stoke-on-Trent and Staffordshire Local Enterprise Partnership.

96. Exclusion of the Public

RESOLVED:

That the public be excluded from the remainder of the meeting because of the likely disclosure of exempt information as defined in Paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 (as amended).

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PART 2

97. Debt Recovery

Consideration was given to the Not for Publication Report of the Head of Finance (Item 13.1 – 13.14 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) The amounts detailed in Appendices 1 and 2 of the report be written off.
- (B) The actions of the Head of Finance in writing off the irrecoverable debts, below £1,000, be noted.

Reasons for Decisions

Council Tax

Set out at Appendix 1 to the report was a list of arrears over £1,000 which could not be collected for the reasons stated. Included in the Appendix were 28 cases with arrears totalling £65,390.34

The amount of Council Tax charged in the financial year was £43,410,568.23, and so the amount of debt recommended for write-off in the report represented only 0.15% of one year's charges.

All of the amounts written off would be charged against the provision for bad debts.

Non-Domestic Rates

Set out at Appendix 2 to the report was a list of Non-Domestic arrears over £1,000 which could not be collected for the reasons stated. Included in the Appendix were 7 cases with arrears totalling £38,901.02.

The amount of Business Rates charged in the financial year was £37,634,836.53, and so the amount of debt recommended for write-off in the report represented only 0.1% of one year's charges.

Some of the Business Rates debts were being recommended for write-off on the grounds of insolvency of the companies that previously occupied properties. It was not uncommon in these circumstances for the properties concerned to be re-occupied, fairly quickly, by new companies often with similar names to the insolvent organisation. It often therefore appeared that the company had continued to trade, though this was not the case.

Where this situation occurred, the new occupier was an entirely separate legal entity to the previous occupant and could not be held liable for rates due from the insolvent company. Members were assured that such debts were only submitted for write-off when the Council was sure that the debts could not be recovered.

The meeting closed at 4.35 p.m.

LEADER