

CANNOCK CHASE COUNCIL

MINUTES OF THE MEETING OF THE

CABINET

HELD ON THURSDAY, 17 JANUARY, 2013 AT 5.45 P.M.

IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK

PART 1

PRESENT: Councillors:

Toth, J.	Deputy Leader of the Council and Environment Portfolio Leader
Dixon, D.I	Corporate Improvement Portfolio Leader
Holder. M.J.	Crime and Partnerships Portfolio Leader
Mitchell, Mrs. C.	Culture and Sport Portfolio Leader
Alcott, G.	Economic Development and Planning Portfolio Leader
Davis, Mrs. M.A	Health and wellbeing Portfolio Leader
Allen, F.W.C.	Housing Portfolio Leader
Todd, Mrs. D.M.	Town Centre Regeneration Portfolio Leader

114. Apologies

An apology was submitted by Councillor G. Adamson, Leader of the Council and it was advised that Councillor J.Toth had been slightly delayed

Councillor G. Alcott, Economic Development and Planning Portfolio Leader, took the Chair in the absence of the Leader and the Deputy Leader.

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

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

116. Updates from Portfolio Leaders

Health and Wellbeing

Cannock and Stafford Hospitals

The Portfolio Leader referred to local newspaper headlines that reported on the outcome of an independent investigation undertaken by Monitor into the running of the two hospitals by the Mid-Staffordshire NHS Foundation Trust.

117. Minutes of Cabinet Meeting of 20 December, 2012

RESOLVED:

That the Minutes of the meeting held on 20 December, 2012 be approved as a correct record and signed.

118. Forward Plan

An updated Forward Plan of Decisions for the period January – March, 2013 (Item 5.1 – 5.3 of the Official Minutes of the Council), had been circulated and published prior to the meeting, which was considered.

RESOLVED:

That the (updated) Forward Plan of Decisions for the period January - March, 2013, be noted.

119. Minutes of Policy Development Committees

RESOLVED:

That the Minutes of the following Policy Development Committees and other Committees be received for information:

- (i) Housing – 28 November, 2012
- (ii) Town Centre Regeneration – 4 December, 2012

120. Housing Revenue Account Business Plan Review

Consideration was given to the Joint Report of the Head of Housing and the Head of Finance (Item 7.1 – 7.40 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) The review of the Housing Revenue Account (HRA) Business Plan be noted including:-
 - (i) The base HRA Business Plan attached as Appendix 1 to the report.
 - (ii) The associated programme of capital expenditure attached as Appendix 2 to the report.
 - (iii) The revised HRA Business Plan assumptions attached as Appendix 3 to the report

- (iv) The changes in assumptions from the agreed Business Plan attached as Appendix 4 to the report.
 - (v) The risk analysis attached as Appendix 8 to the report.
- (B) The HRA landholdings at the Mill Green Employment Site are appropriated to the General Fund in 2012-13.
- (C) The following enhancements are made to the base HRA Business Plan:-
- (i) The provision of external wall insulation to an additional 376 solid wall rendered properties during Years 2 and 3.
 - (ii) Additional provision for fencing works as recommended by the Housing Policy Development Committee on 22 October 2012, i.e.
 - Front garden fencing repairs/replacement as part of the External Curtilage Works Programme from Year 3.
 - Enhancements to responsive repairs.
 - (iii) Improvements to the service standards for the bathroom and kitchen replacement through the provision of:-
 - A bathroom floor covering to all properties included in the bathroom replacement programme.
 - Internal decorations as part of the bathroom and kitchen replacement programmes where the household meets the eligibility criteria for the Vulnerable Tenants Internal Decoration Scheme.
 - (iv) The introduction of a conversion works programme to provide a second bedroom to occupied "Type 40" one bedroom bungalows in Year 2.
 - (v) The establishment of two additional "trade" apprenticeships within the Council's Housing Maintenance Section.
 - (vi) The provision of 17 further Council houses, with 5 being provided as part of the Moss Road Reema Flats Redevelopment Scheme and the remaining 12 on other sites to be identified.
- (D) The "ongoing" impact of the Proposed Business Plan enhancements (attached as Appendix 5 to the report) be noted.
- (E) The revised Business Plan assumptions (attached as Appendix 3 to the

report) be amended in accordance with the Business Plan enhancements set out in Recommendation (C) above.

- (F) The proposed revised HRA Business Plan (attached as Appendix 6 to the report) and the revised programme of capital expenditure (attached as Appendix 7) be agreed and are recommended to Council on 13 February 2013 for approval.
- (G) The Head of Housing be authorised to agree terms and conditions and enter into a revised Agreement with British Gas regarding the Energy Company Obligation resources included within the revised HRA Business Plan.
- (H) The proposed revised HRA Business Plan and associated programme of capital expenditure are used to provide the financial framework for the formulation of three year HRA revenue and capital budgets, for the period 2013-14 to 2015-16 by Cabinet on 31 January 2013.
- (I) Further reports are submitted to Cabinet regarding:-
 - (i) Reprogramming the External Works Programme to include a further 96 solid wall properties during 2014-15.
 - (ii) Options for the delivery of the non-site specific additional Council houses.

Reason(s) for the Decision

The agreed HRA Business Plan has been reviewed as part of the 2013-14 budget process.

The review resulted in the formulation of an amended base Business Plan (Appendix 1) and an amended associated programme of capital expenditure (Appendix 2). Details of the assumptions used in formulating the base Business Plan were included (Appendix 3), whilst details of the changes from the agreed Business Plan were set out in Appendix 4. A risk analysis of the Business Plan assumptions was also attached as Appendix 8.

In accordance with the Council's agreed landholding policy, the revised assumptions included the appropriation of the HRA landholdings at the Mill Green Employment Site to the General Fund. It was proposed that this was undertaken in 2012-13 at a revised valuation of £1.475 million.

In overall terms, the changes have a beneficial impact on the base Business Plan, resulting in an estimated cumulative surplus of £4.656 million in Year 6 (2017-18) and following adjustments to interest payments and the Revenue Contribution to Capital Outlay, £4.579 million is potentially available for further expenditure.

In accordance with the proposed 2013-14 housing service aims consideration

was given to five options regarding the £4.579 million of estimated additional expenditure capacity namely:-

- (i) The provision of external insulation to solid wall rendered properties.
- (ii) Other improvements to the Council's housing stock.
- (iii) Additional trade apprenticeships.
- (iv) The provision of additional Council houses.
- (v) Facilitating the provision of additional social housing by Housing Associations.

There were, however, advantages in pursuing a combination of the first four options. As a result, it was proposed that the base Business Plan be enhanced by using £4.379 million of estimated additional expenditure capacity during the next five years to:-

- (i) Provide external insulation to 376 solid wall rendered properties at an estimated net cost of £1.624 million. (Note: An additional estimated £2.124 million of Energy Company Obligation resources would also be provided by British Gas for this scheme. (Total expenditure would therefore be £3.748 million).
- (ii) Fund £627,000 of other housing service improvements.
- (iii) Create two additional trade apprenticeships within the Housing Maintenance Section.
- (iv) Finance the provision of 17 further Council houses (estimated cost £2.04 million). (Note: It is proposed that as a result of the "soft market testing" exercise, 5 of the houses are provided as part of the Moss Road Estate Reema Flat Redevelopment Scheme. The provision of the other 12 houses will be the subject of a future report as set out in paragraph 3.12).

Certain of the proposed enhancements will also have an "ongoing" impact throughout the Business Plan period. The implications of which are set out in Appendix 5 and equates to approximately £104,000 per annum with effect from Year 7.

The enhancements detailed in paragraph 3.6 had been incorporated into a revised HRA Business Plan (Appendix 6) and a revised programme of Capital Expenditure (Appendix 7). It was proposed that the revised plan and programme together with amended Business Plan assumptions be recommended to Council on 13 February 2013 for approval.

The proposed revised HRA Business Plan includes £3.354 million of Energy Company Obligation (ECO) resources which are potentially available from

British Gas. This comprises:-

- (i) £1.230 million in respect of agreed schemes, where ECO monies will “replace” previously committed Council resources.
- (ii) A further £2.124 million which is conditional upon the provision of external wall insulation to an additional 376 solid wall rendered properties.

The funding is subject to the Council entering into a revised Energy Efficiency Agreement with British Gas and it was proposed that the Head of Housing be authorised to agree terms and conditions regarding the required Agreement.

The HRA Business Plan provides the financial framework for the formulation of the Council’s three year HRA revenue and capital budgets. It was therefore proposed that Cabinet formulate their proposed HRA budgets for the period 2013-14 to 2015-16 in accordance with the revised HRA Business Plan.

Reprogramming the External Works Programme to include a further 96 solid wall properties during 2014-15 and the delivery of the non-site specific additional Council houses would require additional detailed consideration. It was therefore proposed to address these matters through further reports.

121. Cannock Chase Local Plan Statement of Community Involvement

Consideration was given to the Report of the Head of Planning and Regeneration (Item 8.1 – 8.61 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) A six week period of public consultation for an updated draft Statement of Community Involvement (as per Appendix 1 to the report), be agreed.
- (B) Authority be given to the Head of Planning and Regeneration in consultation with the Cabinet Leader for Economic Development and Planning to make any non-substantive changes considered necessary to the document prior to consultation.

Reason(s) for the Decision

The current SCI was adopted by Cabinet in June 2006 under the Town and Country Planning (Local Development) (England) Regulations 2004. At that time the SCI was identified as a development plan document in the same way as the Local Plan and therefore subject to independent examination

Amendments to the regulations in 2008 no longer identified the SCI as a development plan document thereby removing a requirement for independent examination. It is now possible therefore to update an SCI more easily.

Whilst the process for producing an updated SCI is no longer set out by regulation it is considered good practice to hold a period of public consultation (6 weeks) on a draft SCI update prior to consideration of representations and subsequent adoption by Cabinet.

122. Designation of Brereton and Ravenhill Parish as a Neighbourhood Area

Consideration was given to the Report of the Head of Planning and Regeneration (Item 9.1 – 9.7 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) The summary of responses to the public consultation on a proposal to designate Brereton and Ravenhill Parish as a neighbourhood area be noted.
- (B) Brereton and Ravenhill Parish be designated as a neighbourhood area and that the decision be notified on the Council website and within the local area as soon as possible after the final decision has been made.

Reason(s) for the Decision

Brereton and Ravenhill Parish Council applied to the District Council under Section 61G of the Town and Country Planning Act 1990 for designation of the whole of the Parish as a neighbourhood area.

Under the Neighbourhood Planning (General) Regulations 2012 the District Council, acting as Local Planning Authority, publicised the application for six weeks in order to allow representations to be made prior to a decision being made.

All responses received were supportive of the application.

123. Local Council Tax Reduction Scheme

Consideration was given to the Report of the Head of Finance (Item 10.1 – 10.40 of the Official Minutes of the Council).

RESOLVED:

That Council, on 23 January 2013, be recommended, as part of its Determination of the Council Tax Base for 2013-14, to formally adopt the Local Council Tax Reduction Scheme.

Reason(s) for the Decision

The national Council Tax Benefit Scheme will be abolished with effect from 1 April 2013 and each Billing authority must replace this with its own local

scheme.

Government grant in respect of the local scheme would be 10% lower than the funding for the current Council Tax Benefit scheme. Cannock Chase Council's Council Tax Benefit subsidy in 2012/13 is expected to be £7.8M meaning that a saving of around £780,000 is required in 2013/14.

The Government has indicated that Council Tax support for pensioners should be protected at the level of the old scheme, thereby increasing the burden on other groups. Local schemes will have significant impacts on individuals and will affect yield from Council Tax. Pensioners represent 48% of Council Tax Benefit expenditure in Cannock Chase, meaning that a 21% reduction will be required from working aged claimants.

A working party, lead by the Cannock Chase Revenues and Benefits Service, was created to endeavour, as far as is reasonably practicable, to create a common scheme for each of the district/boroughs in Staffordshire. The working party reported to the Staffordshire Chief Financial Officers Group and included representatives from all 9 Billing Authorities and Staffordshire County Council.

Due to differing impacts on each district according to demographics, a single scheme across Staffordshire was not achievable. However a framework was agreed that provided similar schemes to be adopted, with parameters being varied according to each authority's need.

On 3 September Cabinet approved its proposed Council Tax Reduction Scheme and a formal stakeholder consultation was commenced. The consultation period ended on 16 November and the results of that process were given at Appendix B to the report.

As a consequence of the consultation responses, a provision, equivalent to 1% of the 2012/13 Council Tax Benefit Subsidy was included in the proposed scheme to enable officers to exercise their discretion to increase the level of a Council Tax Reduction, where an applicant demonstrates exceptional circumstances.

Additionally the protection, whereby lone parents of children aged under 5 years could, depending on their circumstances, receive up to 100% support, was extended to include all families with children aged under 5.

124. Draft General Fund Revenue Budget 2013-14 to 2016-17

Consideration was given to the Report of the Head of Finance (Item 11.1 – 11.33 of the Official Minutes of the Council). The Head of Finance also advised Members of a response to the Department for Communities and Local Government (DCLG) he had drafted on behalf of the Leader of the Council in respect of the proposed settlement for 2013-14 and 2014-15. The response highlighted the Council's concerns at the proposed overall reduction in support over the period 2011-12 to 2014-15 (£3.393m = 43.5%) and the likely acute

material detrimental impact on levels of service provision and resilience.

RESOLVED:

That:

- (A) The contents of the report which formed the basis for determining a consultation budget be noted.
- (B) The surplus reserves identified as part of the 2013-14 review of Earmarked Reserves amounting to £124,000 be used to finance the Budget Requirement for 2013-14.
- (C) The Working Balances be provisionally set at £0.729m; £0.802m and £0.814 m for 2013-14 to 2015-16 pending determination of Cabinet's Budget Recommendation and finalisation of Council Tax Base.
- (D) The estimate of Business Rates for 2013-14 be noted.

Reason(s) for the Decision

Cabinet at its meeting of the 15 November received a report which identified the Estimated Net Spending for the next three years. The base budget represents the cost of maintaining existing services and reflects the impact of last years Financial Projection for 2012-13 to 2014-15; the outturn report for 2011-12 and cost pressures in the current year. The Estimated net Spending has been updated following completion of the detailed budget and agreement with Heads of Service. A comparison of Estimated Net Spending between November and January is summarised below with further analysis contained in Paragraphs.

Year	November £ million	January 2013 £ m
2012-13 Forecast Outturn	12.116	12.116
2013-14 Standstill	11.980	11.899
2014-15 Standstill	12.172	12.155
2015-16 Standstill	12.131	12.248
2016-17 Standstill	12.485	12.485

Cabinet at its meeting of the 20 December 2012 received details of the Draft Local Government Financial Settlement for 2013-14 and 2014-15. The settlement forms part of a new financial regime whereby only a part of funding is guaranteed with Business rates being subject to volatility. The overall level of Government funding for 2013-14 and 2014-15 shows a marked reduction. Core Funding is down by £205,000 and £587,000 for 2013-14 and 2014-15

respectively whereas additional grants showed an increase of £20,000.

	Fin Projection	Additional Reduction Draft Settlement	Total Reduction
2013-14	0.227	0.205	0.432
2014-15	0.719	0.587	1.306
2015-16	0.988	0.587	1.575
2016-17	1.244	0.587	1.831

Government funding for 2013-14 consists of Business Rates £2.162 million and Revenue Support Grant £3.24 million. The former represent s the Government forecast of business rates to be retained by the Council. Detailed estimates of forecast business rates have been prepared in accordance with the template (NNDR1) provided by Government. The forecast at Annex 5 indicates that there is the potential for additional income of around £460,000 to accrue in relation to 2013-14 from Business Rates.

A great deal of caution needs to be taken in relation to such figures since assumptions have been made about the level of exemptions for properties in administration; Commercial / industrial properties; Mandatory and Discretionary Reliefs- including new academies and write offs . However the biggest uncertainty relates to the backlog of outstanding appeals against rating Valuations and changes in relation to Rugeley Power Station. As at the end of October there were are 296 cases with a rateable value of approximately £48 million subject to appeal. The average liability period is 3.5 years. It is impossible to determine how many of such cases will be successful and to what degree rateable value will be amended however it is very likely that they will not be resolved before 2013-14. In relation to Rugeley Power Station major refurbishment and maintenance of plant may result in temporary reductions in Rateable values which based upon its high % of rateable value for the District could have a material impact.

In accordance with the report of 20 December a prudent approach has therefore been adopted in the attached Financial Projection with the potential for additional Business Rates income being reflected in subsequent years projections rather than the year it relates to.

The Financial Projection also reflects the Budget Strategy of Cabinet to strive for Efficiency / Value for Money Savings rather than reducing or cutting services. A saving of £100,000 per annum is therefore reflected in 2013-14 and subsequent years budgets from procurement and efficiency savings on consumable budgets.

Annexes 4 and 3 to the report relate to a schedule of Earmarked Reserves and a Risk Assessment to determine the level of Working Balances. The review of Earmarked reserves has identified £124,000 of reserves that are no longer required notably A) Revenues and Benefits Subsidy Reserve and B) Shared Services Transformation.

A reconciliation of the anticipated deficit per annum between the November Report and the latest Financial Projection can be summarised as follows:

	2012-13	2013-14	2014-15	2015-16
	£m	£m	£m	£m
15 November	(0.266)	0.271	0.331	0.748
Base Budget	(0.050)	0.020	0.092	0.017
Gov. Funding		0.185	0.567	0.602
Business Rates			(0.474)	(0.483)
Council Tax		0.019	0.019	0.019
Balances		0.001	(0.008)	
Sub Total	(0.316)	0.496	0.527	0.903

In addition the implementation of the medium term budget strategy has generated the following additional savings:

	2012-13	2013-14	2014-15	2015-16
	£m	£m	£m	£m
Sub Total	(0.316)	0.496	0.527	0.903
Procurement		(0.100)	(0.100)	(0.100)
Reserves Rev.		(0.375)	0.251	
Rev. Shortfall	(0.316)	0.019	0.678	0.803

Inclusive of the forecast outturn for 2012-13 approximately £950,000 of surplus one off working balances are available to support the budget as

transition funding; meet the cost of severances or for invest to save initiatives. At present no provision exists for any severance costs relating to efficiency proposals or downsizing.

LEADER

The meeting closed at 6.20 p.m.