

Minutes

Cabinet

5th September 2017



These minutes principally record decisions taken and, where appropriate, the reasons for the decisions. A webcast of the meeting is available at www.braintree.gov.uk.

Present:

Portfolio	Cabinet Member	Present
Leader of the Council	Councillor G Butland	Yes
Deputy Leader of the Council	Councillor Mrs W Schmitt	Yes
Environment and Place	Councillor R van Dulken	Yes
Planning and Housing	Councillor Mrs L Bowers-Flint	Yes
	Councillor Mrs G Spray	Yes
Economic Development	Councillor T Cunningham	Yes
	Councillor K Bowers	Yes
Health and Communities	Councillor P Tattersley	Apologies
	Councillor F Ricci	Apologies
Finance and Performance	Councillor D Bebb	Yes
Corporate Services and Asset Management	Councillor J McKee	Yes

Also present as invitees of the Leader:

Councillor Pell, Leader of Halstead Residents Association,

Councillor Siddall, Chairman of the Overview and Scrutiny Committee

Councillor Schwier was also in attendance.

21 **DECLARATIONS OF INTEREST**

INFORMATION: The following interest was declared:

- Councillor Butland declared a Non-Pecuniary Interest in Agenda Item 5b – ‘North Essex Garden Communities – Progress to date and key developments’ as a non-remunerated Director of the North Essex Garden Communities.
- Councillor Mrs Bowers-Flint declared a Non-Pecuniary Interest in Agenda Item 5b – ‘North Essex Garden Communities – Progress to date and key developments’ as a non-remunerated Director of the North Essex Garden Communities.
- Councillor T Cunningham declared a Non-Pecuniary Interest in Agenda Item 6a – ‘First Quarter Performance Management Report 2017-18’ and Agenda Item 6b –

'Medium-Term Financial Strategy 2017-18 to 2020-21' as a non-financial Director of Ignite Business Enterprise.

- Councillor McKee declared a Non-Pecuniary Interest in Agenda Item 6a – 'First Quarter Performance Management Report 2017-18' and Agenda Item 6b – 'Medium-Term Financial Strategy 2017-18 to 2020-21' as Chairman of Trustees of the Braintree District Museum Trust.
- Councillor Siddall declared a Non-Pecuniary Interest in Agenda Item 6a – 'First Quarter Performance Management Report 2017-18' and Agenda Item 6b – 'Medium-Term Financial Strategy 2017-18 to 2020-21' as a non-financial Director of Ignite Business Enterprise.

In accordance with the Code of Conduct, Councillors remained in the meeting for the Item and they took part in the debate and decision thereon.

22 **MINUTES**

DECISION: That the Minutes of the meeting of the Cabinet held on 10th July 2017 be approved as a correct record and signed by the Chairman.

23 **QUESTION TIME**

INFORMATION: There were no statements made, or questions asked.

24 **LEADER'S UPDATE**

The Leader had no updates to make.

25 ***NORTH ESSEX GARDEN COMMUNITIES – PROGRESS TO DATE AND KEY DEVELOPMENTS**

Minutes Published: 19 th September 2017 Call-in Expires: 27 th September 2017

INFORMATION: The strategic vision identified through the joint working of Braintree, Colchester, Essex and Tendring Councils was approved by Cabinet and Council in late 2016. These established a dedicated delivery structure through the creation of North Essex Garden Communities Limited (NEGC Limited) and individual, site-focused Local Delivery Vehicles (LDVs). Since the approval of each of the Councils involved, NEGC Limited has been formally established and transferred to the Councils, and Directors have been appointed.

Members were advised that the report would also be presented to Colchester, Essex and Tendring Authorities at their respective meetings.

Members were informed that since works had started on this project the Neighbourhood Planning Act 2017 had been passed and within this there was the opportunity for New Town Development Corporations (NTDC) to be established. Under the Neighbourhood Planning Act 2017, development corporations which had local accountability could be established by the Secretary of State and it was reported that all four Essex Authorities, (Braintree, Colchester, Tendring and Essex) were keen

to apply. A New Town Development Corporation would enable Local Authorities to have greater flexibility in terms of planning and assembling of land, it would also enable Local Authorities to oversee delivery.

If Town Development Corporations were agreed as an approach, in order to submit a proposal, key issues would need to be considered and ultimately approved by the Councils. A major factor to be considered would be whether to create one overall NTDC or one for each selected area. It was the view of the board of the NEGC Limited that a single NTDC for entirety of North Essex would be preferable.

It was reported that the land within the project areas remains outside the control of the Councils and LDVs. The emphasis to date had rightly been on seeking agreement to acquire land voluntarily. It remained the preferred option that land deals would be entered into between the relevant landowners / developers and the LDV with the view that each LDV would then have the rights to control the delivery of its scheme ensuring that the delivery was undertaken on Garden Community principles. The LDV Directors had continued to have positive ongoing discussions and had continued to build working relationships with the relevant landowners and promoters of the sites with a view to the LDV securing a controlling interest in the land and the landowners working with the LDV to deliver the Garden Communities.

It was anticipated that a number of key milestones would occur over the following 18 months, some of which would involve decision-making by NEGC Limited and individually by the Councils. Each milestone and the nature of related decisions/approvals would differ and be subject to the amount of background work and advice available at each date.

A programme budget was being actively managed and monitored to deliver the necessary workload and meet the project programme. This budget had evolved in response to influences such as the Kerslake Review, progress with planning and land negotiations, and discussions with Government. As part of the ongoing liaison with Government, a bid for additional grant support had been made to the Homes and Communities Agency (HCA). This had included bringing forward potential work to accelerate the programme of works, notably in respect of possible early infrastructure interventions. At the current time there was no confirmation on any award amount. The overall scope of work and budget requirements had shown a shortfall of £914,000 for 2017/18. The four Councils were requested to make further equal contributions of £250,000 per Authority to ensure the budget was sufficient for 2017/18. This contribution formed part of the development costs of the project, which may not be recoverable. NEGC Limited would continue to seek opportunities for grant funding from the HCA and other bodies which would, if successful, reduce cost pressures; however because this funding could not be guaranteed it was prudent to allocate the requested contribution.

Clarity was sought around the reference to 'no scheme value' set out in the report and Members were advised that this referred to the total value of the land which had no schemes proposed for it.

Members were advised that the timeframe for the New Town Development Corporation to come in to fruition would be dependent on the outcome from the department of Communities and Local Government. The primary legislation had already been formed, however the secondary legislation as to how the NTDC would

be established was yet to be confirmed and the Councils would be unable to proceed until this had been completed.

DECISION: That Cabinet:

1. Notes the progress made in respect of the North Essex Garden Communities project and endorsed the work of NEGC Ltd.
2. Notes the updated position on the control of land and supports the continued work by the Local Delivery Vehicle (LDV) Directors to achieve control of the land for each Community by way of voluntary agreements with the current land owners in accordance with the LDV structure.
3. Supports the approach proposed by NEGC Limited that Directors actively engage with Government to promote the positioning of the NEGC Limited as a “Responsible Body” for the establishment of a single new locally-controlled Development Corporation across all three of the proposed North Essex Garden Communities – subject to final consideration of this approach by Members after the publication of the Regulations.
4. Supports the signing of a letter (attached as Appendix A) to be sent by the Leaders of all four of the Councils together with NEGC Limited to the relevant Secretary of State to support the promotion of regulations which enable the formation of a New Town Development Corporation with a locally accountable body in a timely and effective way.
5. Notes that detailed work is being undertaken by NEGC Limited to assess the financial and legal implications and requirements relating to the use of Compulsory Purchase Orders (CPO) to enable future decisions to be taken by the respective Councils / Development Corporation.
6. Supports the principle of using compulsory purchase powers (either as individual Councils or potentially through a new Development Corporation) to secure control of the land if voluntary land agreements cannot be achieved in a reasonable time.
7. Agrees to provide a further contribution of £250,000 to fund the work of NEGC Limited in the development of the project and to recommend to Council that the funds are allocated from unallocated New Homes Bonus.

That Cabinet Recommends to Council that it:

1. Notes the progress made in respect of the North Essex Garden Communities project and endorses the work of NEGC Ltd.
2. Notes the decisions of the Cabinet and endorses the approach to the progression of the project.
3. Allocates £250,000 of unallocated New Homes Bonus to fund the work of NEGC Limited in the development of the project.

REASON FOR DECISION: To provide an update on progress made and the current position regarding the Garden Communities project and in particular:

To note that the joint Part One of the Local Plans has been agreed by the three District Councils;

- To note that the proposed governance arrangements approved by the four authorities have been established and that whilst no land deals have been secured, discussions and negotiations are continuing in respect of all three areas.
- To advise Members of the emergence of the potential to deliver the Garden Communities through the delivery model of a locally controlled Development Corporation and to seek support for the approach proposed by North Essex Garden Communities (NEGC) Limited.
- To advise Members of the potential use of compulsory purchase powers to gain control of the land to deliver the Garden Communities and to seek support in principle to the development of an approach to Compulsory Purchase Order (CPO) powers.
- To provide Members with an update on the financial position of the project and to seek a further financial contribution of £250,000 to the project from each of the Councils.

26 **FIRST QUARTER PERFORMANCE MANAGEMENT REPORT 2017-18**

INFORMATION: It was reported that as at the end of the first quarter, five projects had been completed and a further 55 projects were on track and progressing well.

Eleven performance indicators had achieved or exceeded target, four had missed target by less than 5% and three had missed target by more than 5%. The performance indicators that had missed target by less than 5% related to the tonnage of waste not recycled, the percentage of waste recycled, the time taken to process housing benefit claims and the collection of business rates. In terms of the performance indicators that had missed target by more than 5%, these were in relation to the number of visits to leisure facilities, including participation levels for the under 16's, this was as a result of the Braintree Swimming and Fitness centre being closed for repairs. The number of passenger journeys by the Community Transport scheme had also missed target by more than 5%, this was caused by Easter being at the beginning of April which had had a negative effect on usage and also due to Schools and Clubs not requiring the service as often.

In respect of financial performance, there was an overall positive variance for the year of £543,000 (3.8%) projected against the budget. Income was projected to be overachieved by £629,000; with an overall overspend of £86,000 forecast on Staffing and Other Expenditure.

The First Quarter projected variance, along with last year's outturn, would be used to inform a review undertaken by managers to identify potential cost reductions or additional income which could assist in reducing the current anticipated budget shortfall of £0.5million in 2018/19.

DECISION: That the report was noted.

REASON FOR DECISION: To inform the Cabinet of the performance of the Council.

27 **MEDIUM-TERM FINANCIAL STRATEGY 2017-18 TO 2020-21**

INFORMATION: The Medium-Term financial Strategy (MTFS) 2017/18 to 2020/21 was agreed by Council on 22nd February 2017. The projected total shortfall over the three-year period, 2018/19 to 2020/21, was £1.092million. This was based on savings and additional income identified to be delivered over the period; increases in the level of council tax at the previous maximum of 2%; and provisional Settlement Funding Assessment (SFA) figures announced by the Government.

The previous Government's intention had been to introduce 100% business rate retention in either 2020/21 or if possible 2019/20. This was to be introduced via the Local Government Finance Bill. The new Government has announced that it will not be re-introducing this Bill to Parliament and that it is re-assessing its policy on business rate retention. In July 2017 the Funding Advisory Service (part of CIPFA) published a paper on 'Future Funding for Local Government' in which it argued, based on recent statements by the Department for Communities and Local Government (DCLG), the most likely arrangement for business rates over the medium to long term was the continuation of the current 50% retention arrangement. Although a full reset of the Baseline Funding Level was anticipated for 2020/21, with partial (50%) resets every five years (i.e. 2025/26, 2030/31, etc).

The Funding Advisory Service anticipated the Review would result in a shift from districts to counties in two-tier areas to reflect the increased importance of funding for social care and would also take into account changes in retained business rate growth. For many district councils, including this Council, the loss of above baseline rates growth could be the biggest change in funding and this would need to be taken into account in damping arrangements. The Council's estimated amount of business rate growth above the Baseline and retained in 2017/18 was £923,000.

An assessment of the Council's financial position in the current year indicated a net positive variance of £543,000. The majority of the variance related to income and most of this was one-off in nature, however, there were a number of movements, positive and negative, which were expected to be ongoing into future years with a net additional cost of £186,000.

On the basis of the information available at this time, the updated position over the three-year period showed an increase of £198,000 in the overall shortfall to be addressed, from £1.092million to £1.29million.

The Council had participated in an Essex Business Rates Pool for three years. On the assumption that the current Business Rates Retention scheme would continue in its current format over the short-term it was expected that the opportunity to form an Essex Pool would be available for 2018/19. Based on the timescale for the last three years the request to DCLG must be submitted by 31st October. In view of this timescale it was proposed that authority be delegated to the Cabinet Member for Finance and Performance and the Corporate Director for Finance to determine the Council's participation in an Essex pooling arrangement for 2018/19.

The Council's Local Council Tax Support (LCTS) scheme was introduced on 1st April 2013. The scheme is only applicable to working age claimants and it retains a significant proportion of the principles and elements of the previous Council Tax Benefit scheme. The changes agreed to the Council's LCTS scheme for 2016/17 were made with reference to the Council's financial position over the medium-term and with the aim to limit the frequency of changes thereby providing a degree of stability and continuity in the scheme for claimants. It is proposed to leave the existing scheme unchanged for a second year. .

DECISION: That Cabinet

- Note the 2018/19 budget process timetable as detailed in the report;

Business Rates pooling:

- Agree, in principle, that the Council participates in an Essex pool for non-domestic rates for 2018/19; and
- Agree that authority is delegated to the Cabinet Member for Finance and Performance and the Corporate Director (Finance) to give final agreement of the Council's participation in an Essex pooling arrangement.

Local Council Tax Support Scheme:

- Agree that as it is proposed to continue with the scheme unchanged for 2018/19 there is no requirement for consultation to be undertaken.

Capital Programme 2017/18:

- Agree an additional capital allocation of £121,800 to the project for the construction of four Grow-on units and associated works at Springwood Drive, Braintree. To be funded from the remaining balance of Growth Area Funding, of £35,000, and £86,800 from the unallocated balance of New Homes Bonus.

REASON FOR DECISION: Good governance arrangements through the proactive management of the Council's finances over the short and medium term.

28 **MINUTES FROM CABINET SUB-GROUPS - LOCAL PLAN SUB-COMMITTEE – 11TH JULY 2017**

DECISION: That the Minutes of the meeting of the Local Plan Sub-Committee held on 11th July 2017 be noted.

The meeting commenced at 7.15pm and closed at 8.00pm.

COUNCILLOR G BUTLAND
(Leader of the Council)