

CABINET MEETING

The CABINET will meet at COUNCIL CHAMBER, CAUSEWAY HOUSE,
BOCKING END, BRAINTREE, CM7 9HB on Monday 8th April 2013 at 7:15pm

Membership

Portfolio

Leader of the Council	Councillor G Butland (Chairman)
People and Participation	Councillor Mrs J Beavis Councillor P Tattersley
Performance and Efficiency	Councillor D L Bebb Councillor J T McKee
Place	Councillor Mrs W Schmitt Councillor R G S Mitchell
Planning and Property	Councillor Lady Newton Councillor J O'Reilly-Cicconi
Prosperity and Growth	Councillor C Siddall (Deputy Leader of the Council)

Invitees

Other invitees:- Group Leaders and the Chairman of the Local Development
Framework Cabinet Sub-Committee.

For enquiries on this agenda please contact:

Alastair Peace – 01376 552525

e.mail: alastair.peace@braintree.gov.uk

This agenda is available on

www.braintree.gov.uk/Braintree/councildemocracy

PUBLIC INFORMATION

Question Time

Immediately after the Minutes of the previous meeting have been approved there will be a period of up to 30 minutes when members of the public can speak about Council business or other matters of local concern. Whilst members of the public can remain to observe the whole of the public part of the meeting, Councillors with a Disclosable Pecuniary Interest or other Pecuniary Interest must withdraw whilst the item of business in question is being considered.

Members of the public wishing to speak should contact the Member Services Officer on (01376) 552525 or email alastair.peace@braintree.gov.uk prior to the meeting. The Council's "Question Time" leaflet explains the procedure and copies of this may be obtained at the Council's office.

Health and Safety

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Mobile Phones

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Webcast

Please note that this meeting will be webcast.

INFORMATION FOR MEMBERS

Declarations of Disclosable Pecuniary Interest, Other Pecuniary Interest or Non-Pecuniary Interest:-

- To declare the existence and nature of any Disclosable Pecuniary Interest, other Pecuniary Interest or Non-Pecuniary Interest relating to items on the agenda having regard to paragraphs 6 to 10 [inclusive] of the Code of Conduct for Members and having taken appropriate advice where necessary before the meeting.
- Any member with a Disclosable Pecuniary Interest or other Pecuniary Interest to indicate in accordance with paragraphs 10.1(a)(i)&(ii) and 10.2(a)&(b) of the Code of Conduct. Such Member must not participate in any discussion of the matter in which they have declared a Disclosable Pecuniary Interest or other Pecuniary Interest or participate in any vote, or further vote, taken on the matter at the meeting. In addition, the Member must withdraw from the chamber where the meeting considering the business is being held unless the Member has received a dispensation from the Monitoring Officer.

AGENDA

1. APOLOGIES FOR ABSENCE			
2. DECLARATIONS OF INTEREST			
3. PUBLIC QUESTION TIME			
4. MINUTES OF LAST MEETING			
<ul style="list-style-type: none"> To approve as a correct record the minutes of the meeting held on 4th February 2013 (Copy previously circulated). 			
No	Title & Purpose of Report	Executive Summary	Additional Papers
5. OVERALL CORPORATE STRATEGY AND DIRECTION			
5a	Leader's Update - The Leader of the Council to give a brief update on key issues and activities.	-----	-----
5b	Annual Plan 2013-14 Presented by: Councillor G Butland Officer Contact: Nicola Beach/Cherie Root	Page 1	Pages 1 to 11
5c	Payments to Town & Parish Councils Presented by: Councillor G Butland Officer Contact: Chris Fleetham	Page 3	Pages 12 to 23
6. PLANNING AND PROPERTY			
6a	Asset Management - 2013 to 2016 Asset Management Plan Presented by: Councillor J O'Reilly-Cicconi Officer Contact: Andrew Epsom	Page 6	Pages 24 to 41
6b	Cabinet Response to the Scrutiny of the Council's Land and Property Investment Policies Presented by: Councillor Lady Newton Officer Contact: Andrew Epsom	Page 9	-----
6c	Report on Terms of Reference for Prosperity Project Board and Governance Structure Presented by: Councillor Lady Newton Officer Contact: Alison Jennings	Page 15	Page 42

7. PERFORMANCE AND EFFICENCY			
7a	Local Authority Mortgage Scheme Presented by: Councillor D Bebb Officer Contact: Trevor Wilson	Page 21	-----
7b	Third Quarter Performance Management Report 2012/13 Presented by: Councillor D Bebb Officer Contact: Tracey Headford	Page 31	Pages 43 to 68
8. CABINET MEMBERS' UPDATES - to receive Cabinet Members' verbal reports on key issues within their portfolio			
9. REFERENCES FROM COUNCIL/COMMITTEES/GROUPS			
9a	Local Development Framework Sub-Committee – 26 th March 2013 – Open Spaces Supplementary Planning Document Open Spaces Action Plan (<i>Minutes to follow</i>) Presented by: Councillor R G Walters Officer Contact: Eleanor Dash	-----	-----
10. REPORTS/ DELEGATED DECISIONS/MINUTES TO BE NOTED			
10a	<u>Minutes from Cabinet Sub Groups</u> To receive the minutes of the following: <ul style="list-style-type: none"> Local Development Framework sub-Committee – 13th February 2013 Local Development Framework Sub-Committee – 26th March 2013 (<i>Minutes to follow</i>) 	-----	Pages 68 to 73
10b	<u>Delegated Decisions</u> – to note recently made delegated decisions	Page 34	-----
11. URGENT BUSINESS AUTHORISED BY THE CHAIRMAN			
12. EXCLUSION OF PUBLIC AND PRESS TO CONSIDER REPORTS IN PRIVATE SESSION – for reasons set out in Paragraph 3 of Part 1 of Schedule 12(A) of the Local Government Act 1972			

The last page of the public agenda is numbered 35.
At the time of publication there are no items for Private Session.

Nicola Beach
Chief Executive

Annual Plan 2013-14		Agenda No: 5b
Corporate Priority: Corporate Strategy Portfolio Area: Overall vision and strategic direction Report presented by: Councillor Graham Butland Report prepared by: Nicola Beach/Cherie Root		
Background Papers:		Public Report
Annual Plan 2013-14		
Options:		Key Decision: No
To approve the Annual Plan 2013/14		
Executive Summary: <p>The Annual Plan sets out our actions and performance targets for 2013-14. These actions and targets will support the Corporate Strategy 2012-16, which was agreed in February 2012. The actions and performance targets are aligned to each of our corporate strategy themes:</p> <ul style="list-style-type: none"> • Place • People • Prosperity • Performance • Partnerships <p>Progress made against these actions and targets will be reported to Cabinet quarterly.</p>		
Decision: <p>Members are asked to agree the Annual Plan 2013-14.</p>		
Purpose of Decision: <p>To agree the Council's key priorities for 2013-14.</p>		

Any Corporate implications in relation to the following should be explained in detail

Financial:	The projects in the Annual Plan have been considered as part of the annual budget setting process and budgets were approved in February 2013. Each project will have its own budget which will be monitored as part of the project management process. Budget issues will also be reviewed as part of the quarterly reporting process.
Legal:	As part of the project management process for each project, there will be an assessment of the legal implications.
Equalities/Diversity	An equalities impact assessment will be completed for each project.
Customer Impact:	Customer Impact will be considered in the planning for each project.
Environment and Climate Change:	The PLACE annual plan priority has a number of actions which seek to protect our environment. Further information on this is available in our Corporate Strategy.
Consultation/Community Engagement:	Consultation has been carried out as part of the budget setting process and will be carried out as part of the planning for individual projects.
Risks:	<p>If the annual plan priorities are not endorsed, then there will be no basis for a work programme to deliver the corporate priorities.</p> <p>Risk assessments are carried out as part of the project planning and business planning process. These are considered at a service level and at a management board level. Portfolio holders will also consider strategic risks, which may arise from or affect the delivery of the annual plan priorities and performance targets.</p>
Officer Contact:	Cherie Root
Designation:	Head of Business Solutions
Ext. No.	2601
E-mail:	Cherie.root@braintree.gov.uk

Payments to Town & Parish Councils		Agenda No: 5c
Corporate Priority:	Partnership and People:	
	Delivering through partnership and Encouraging flourishing communities	
Portfolio Area:	Leader of the Council	
Report presented by:	Councillor Graham Butland	
Report prepared by:	Chris Fleetham	
Background Papers:	Public Report	
Review of payments to Parish & Town Councils : <ul style="list-style-type: none">- Project brief - 29th September 2012.- Cipfa report - January 2013. Council Budget & Council Tax reports to Cabinet – 29th October & 4th February.		
Options:	Key Decision: No	
To accept, amend or reject the recommendations		
Executive Summary:		
<p>A review of financial support to Parish and Town Councils was commissioned in October 2012. The Chartered Institute of Public Finance and Accountancy (CIPFA) were engaged to undertake the review. The final report was received in January 2013. A copy of the report was sent to each parish and town council and the findings were presented by CIPFA at the Town and Parish Summit on 31st January 2013. A copy of CIPFA’s full report is on the member’s portal. The executive summary is attached at Appendix A.</p> <p>During the period of the review the Council received details from Government of changes to funding arrangements for local council tax support schemes which would mean that the council taxbase for parish and town councils would reduce, resulting in them receiving less income if the current year’s Band D tax rate were to be applied. Any reimbursement from Government for that lost income would be paid to district or borough councils and not directly to parish and town councils.</p> <p>At the Summit, the Leader of the Council indicated that the review had shown the possible complexity of making changes and that these would be costly to administer for both the District and Parish/Town Councils.</p> <p>The Leader of the Council then presented details of a proposed new payment scheme to Town and Parish Councils which would, subject to agreement by local</p>		

councils, replace the current parish support scheme. The proposed new scheme would be called the Localism Fund and had been developed to meet the principles of simplicity and fairness to local councils and all the taxpayers of the District.

Details of the proposed scheme were provided to Parish and Town Councils in a letter to the Chairman/Mayor from the Leader of the Council dated 4th February 2013 (copy attached at Appendix B).

Views on the proposals were requested to be given to the Braintree Association of Local Councils (BALC) by 22nd March 2013. Detail of the response from BALC will be provided verbally at the Cabinet meeting.

The proposed Localism Fund payments for 2013/14 would total £397,190 (compared with the current Parish Support Grant of £216,400). This would however increase or decrease in future years in line with the amount of funding received by this Council from Central Government. Detail of the proposed payments to each parish/town council is provided at Appendix C.

Decision:

- 1) To abolish the Parish Support Grant and replace it with the Localism Fund.
- 2) To approve the Localism Fund for 2013/14 of £397,190 as outlined in Appendix C.
- 3) In future years the amount paid will increase or reduce in line with the funding received by this Council from the annual Central Government grant settlement.
- 4) Agency arrangements will continue as now on the basis of Service Level Agreements.

Purpose of Decision:

To provide Parish and Town Councils with funding to:

Ensure they are no worse off as a result of council tax support changes
Partly address the issues of double taxation
Ensure simplicity, clarity and affordability
Allow them to spend on local priorities

Any Corporate implications in relation to the following should be explained in detail	
Financial:	Detailed in the report
Legal:	This is a voluntary payment, so no Legal agreement is required
Equalities/Diversity	No parish or town council will be worse off as a result of these proposals
Customer Impact:	Money spent on local priorities will be beneficial for customers
Environment and Climate Change:	Not applicable
Consultation/Community Engagement:	BALC and all Town and Parish Councils have been consulted on the proposals. Detail of the responses from BALC will be provided verbally at the meeting.
Risks:	Funding to this Council continues to fall, resulting in a reduction of funding paid to Parish and Town Councils.
Officer Contact:	Chris Fleetham
Designation:	Corporate Director
Ext. No.	2800
E-mail:	chrfl@braintree.gov.uk

Asset Management – 2013 to 2016 Asset Management Plan		Agenda No: 6a
Corporate Priority:	Prosperity, People & Place	
	Boost employment skills and support business, Promoting and improving our town centres, Providing value for money, Delivering excellent customer service, Supporting vulnerable people in our communities, Encouraging flourishing communities Securing appropriate infrastructure and housing growth	
Portfolio Area:	Planning & People	
Report presented by:	Councillor John O'Reilly-Cicconi	
Report prepared by:	Andrew Epsom	
Background Papers: N/A	Public Report	
Options:	Key Decision: No	
Members are requested to approve, amend or not approve the Asset Management Plan		
Executive Summary:		
To seek Members' approval on the 2013 to 2016 Asset Management Plan (AMP)		
Asset Management supports the key corporate priority 'Prosperity'. This priority focuses on the economic development and physical regeneration of the district and provides opportunities to increase job prospects and support business.		
Asset Management also supports the key corporate priorities 'People' and 'Place' by helping to build strong local communities by facilitating the provision of community facilities such as community halls, and by maintaining our open spaces to a high standard and investing in new play equipment.		
The Asset Management Plan sets out the Council's strategy for managing its property resources to improve and enhance service delivery, to improve efficiency, reduce costs and support corporate priorities. The Asset Management Plan summarises the Council's Asset Management achievements in 2012 to 2013 and sets out its milestones and objectives for 2013 to 2014.		

Decision:

Members are to approve the 2013 to 2016 Asset Management Plan.

Purpose of Decision:

Approval of the 2013 to 2016 Asset Management Plan.

Any Corporate implications in relation to the following should be explained in detail**Financial:**

The Asset Management Plan sets out the Council's strategy for managing its property which has the following financial implications:-

The planned maintenance programme for the Council's assets for 2013 to 2014 has an approved capital budget of £400,000. The Council carries out condition surveys on its property assets annually and prioritises appropriate maintenance expenditure in the following financial year.

The budgeted income from the Council's property investment portfolio for 2013 to 2014 is £1.84 million. An allowance for voids has been factored into the income budget.

The Council will seek out investment opportunities to expand its investment portfolio. Any approved investment acquisitions will have capital and revenue implications.

Legal:

The Council will obtain appropriate legal and professional advice to ensure it meets its statutory obligations, obtains best value and its assets are managed and maintained in the best interests of the residents of the district.

Equalities/Diversity

The Council ensures that its assets meet the requirements of Disability Discrimination Act.

The Council manages and maintains its assets to ensure they provide employment opportunities, deliver Council services and are accessible to all residents.

Customer Impact:

The Council seeks to provide quality advice and support internally to all services and to all external customers.

The Council seeks to provide assets that are fit for purpose and appropriate for the delivery of excellent, cost effective and valued services.

Environment and Climate Change:	The Council manages its property assets to be as environmentally sustainable and as carbon and energy efficient as possible.
Consultation/Community Engagement:	Members and Officers consulted
Risks:	<p>The main risks are:-</p> <ul style="list-style-type: none"> • If the prevailing economic conditions worsen this could have an impact on the Council's ability to achieve the income it has budgeted for. • Reduced funding from Central Government will put the Council under pressure financially and may result in reduced investment in essential repairs to its property assets or inadequate resource to effectively manage the assets. This could impact on income and the Council's ability to comply with its obligations. • If prevailing economic conditions worsen this may impact on the Council's ability to sell assets earmarked for disposal within the timescales and at the values originally assumed. • Limited demand within the retail market may make it difficult to deliver the town centre regeneration projects in Braintree and Witham
Officer Contact:	Andrew Epsom
Designation:	Head of Asset Management
Ext. No.	2921
E-mail:	andrew.epsom@braintree.gov.uk

Cabinet Response to the Scrutiny of the Council's Land and Property Investment Policies		Agenda No: 6b
<p>Corporate Priority: Prosperity, People & Performance</p> <p>Providing value for money, Delivering excellent customer service, Boost employment skills and support business, Promoting and improving town centres, Securing appropriate infrastructure and housing growth, Encouraging flourishing communities</p> <p>Portfolio Area: Planning & Property</p> <p>Report presented by: Councillor Lady Newton</p> <p>Report prepared by: Andrew Epsom</p>		
<p>Background Papers:</p> <p>Report and Minutes of the Overview and Scrutiny Committee held on 13/7/2011, 22/3/2012, 11/7/2012 and 28/11/2012</p>		Public Report
<p>Options:</p> <p>To approve, amend or not approve the recommendations made by the Overview and Scrutiny Committee</p>		Key Decision: No.
<p>Executive Summary:</p> <p>At its meeting on the 10th December 2012, Full Council considered the report and recommendations from the Task and Finish Group report, "Scrutiny of the Council's Land and Property Investment Policies", presented to the Overview and Scrutiny Committee on the 28th November 2012.</p> <p>Council discussed the report and made the following decision:-</p> <ol style="list-style-type: none"> 1) That the work undertaken by the Task and Finish Group, the conclusions and recommendations reached in the report be noted. 2) That the report be referred to Cabinet for a response. <p>This report contains the Cabinet's response to the Task and Finish Group recommendations.</p>		
<p>Decision:</p> <p>Cabinet approves these responses and notes the actions already taken.</p>		

Purpose of Decision:	
To consider and respond to the recommendations made by Overview and Scrutiny Committee.	

Any Corporate implications in relation to the following should be explained in detail	
Financial:	Vacant properties incur holding costs such as security, business rates, utility charges and maintenance which need to be effectively managed to ensure that they are kept to a minimum whilst the building is vacant.
Legal:	The Council will obtain appropriate legal and professional advice to ensure it meets its statutory obligations, obtains best value and its assets are managed and maintained in the best interests of the residents of the district.
Equalities/Diversity	The Council manages and maintains its assets to ensure they provide employment opportunities, deliver Council services and are accessible to all residents.
Customer Impact:	<p>The Task and Finish Group exercise has enabled Members to be better informed by improving their knowledge and understanding of the work undertaken by the Asset Management service.</p> <p>The Council seeks to provide assets that are fit for purpose and appropriate for the delivery of excellent, cost effective and valued services.</p>
Environment and Climate Change:	The Council manages its property assets to be as environmentally sustainable and as carbon and energy efficient as possible.
Consultation/Community Engagement:	Members and officers have been consulted.
Risks:	<p>The main risks are:-</p> <ul style="list-style-type: none"> • If the prevailing economic conditions worsen this could have an impact on the Council's ability to achieve the income it has budgeted for. • Reduced funding from Central Government will put the Council under pressure financially and may result in reduced investment in essential repairs to its property assets or inadequate resource to effectively manage the assets. This could impact on income and the Council's ability to comply with its obligations. • If prevailing economic conditions worsen this may

	<p>impact on the Council's ability to sell assets earmarked for disposal within the timescales and at the values originally assumed.</p> <ul style="list-style-type: none"> Limited demand within the retail market may make it difficult to deliver the town centre regeneration projects in Braintree and Witham
Officer Contact:	Andrew Epsom
Designation:	Head of Asset Management
Ext. No.	2921
E-mail:	andrew.epsom@braintree.gov.uk

BACKGROUND

The Conclusions and Recommendations set out in the Task and Finish Group report “Scrutiny of the Council’s Land and Property Investment Policies” presented to Overview and Scrutiny Committee on the 28th November 2012 and referred to Council on the 10th December 2012 are set out below:-

1. Conclusions and Recommendations

Members reviewed current policies and the practices undertaken by the Council and, together with the annual Asset Management Plan, were satisfied with the approach and welcomed clarification around the services provided by the Asset Management Team.

Members felt that the Council’s current approach to land and property investment was conducted in a structured and coherent manner and that decisions were routinely considered and approved by both Cabinet and Full Council.

Members also felt much better informed regarding the Mayland House acquisition and supported this investment decision.

However, the Council has learnt a number of lessons from previous property transactions and the following best practice processes have been recommended for future property transactions:-

Overview and Scrutiny findings

- a) The Council needs to drill down and fully understand all of the running costs associated with a property it is proposing to acquire. The Council should seek to decommission a building quickly while tenants are being identified. Costs such as security, business rates, utility charges and maintenance need to be kept to a minimum whilst a building is vacant.

Response:

This recommendation is unnecessary as this good practice is already being carried out.

Understanding and identifying property running costs at pre-acquisition stage is standard practice by the Council and forms an integral part of the due diligence process undertaken. The findings of the due diligence exercise on a property are incorporated within the business case.

Decommissioning a vacant property whilst tenants are being sought, to keep holding costs to an absolute minimum is a practice the Council carries out on all its properties.

- b) Greater market research needs to be undertaken, where appropriate, prior to acquiring a property to fully appreciate prevailing market conditions and assess demand for vacant accommodation to enable a better understanding of likely holding costs.

Response:

Market research is carried out prior to the property acquisition and is standard practice forming part of any due diligence.

- c) Whenever any of the Council's major property assets become vacant, any holding costs need to be independently scrutinised to ensure value for money.

Response:

Effective management of holding costs is a standard procedure and is an integral part of the Council's property management process. These costs are reviewed working alongside Audit and Finance. It is standard practice by the Council to commission external specialist advice when appropriate.

- d) The review clearly highlighted that many Members were unclear about the circumstances surrounding previous property transactions. This is particularly the case with Members recently into their term of office. Whenever issues which can have major financial, political and staffing implications are being considered, a brief historical background note should be included as part of any subsequent reports.

Response:

This requirement has been noted, however, it is a matter of course that sufficient historical background is provided within reports to ensure Members have full knowledge and understanding of the matter under consideration.

- e) It is recommended that the Council includes a section in the Asset Management Plan (this is due to be updated and reported to Cabinet in March 2013) setting out the Council's approach to investing in assets for both community gain and to secure a financial return (for example investing capital in property if a greater long term return can be achieved when compared with interest earned on the capital in the bank).

Any property acquisitions would involve the following processes and actions:

- A detailed Business Case to Cabinet
- Full Risk Assessment
- Due diligence (covering everything from the financial soundness of a tenant, building condition and contamination issues etc)
- Timeline for delivery
- Independent specialist advice e.g. legal, rental, valuation, VAT advice etc.
- Final report to Council for approval

Response:

This recommendation is noted and an appropriate section has been incorporated within the updated Asset Management Plan 2013 to 2014.

- f) The means of accessing the Council's land and property portfolio should be included within the Members' Portal.

Response:

Access to the Council's land and property portfolio and the current Asset Management Plan has been included within the Members' Portal.

Report on Terms of Reference for Prosperity Project Board and Governance Structure		Agenda No: 6c
Corporate Priority:	Prosperity & Performance	
	Infrastructure & growth, Boost employment, skills and support business, Town Centres, Value for money	
Portfolio Area	Planning & Property	
Report presented by:	Councillor Lady Patricia Newton	
Report prepared by:	Alison Jennings, Regeneration Manager	
Background Papers:	Public Report	
<p>Reports on Sustainable Development including Economic Growth, Economic Development & Town Centres and infrastructure:</p> <p><u>New Homes Bonus Strategy</u> – Cabinet Paper 26/03/12 Department for Communities and Local Government– New Homes Bonus Consultation Document and letters, New Homes Bonus – Final Scheme Design and Provisional Allocations, New Homes Bonus – Provisional Allocations for Braintree District Council, New Homes Bonus – Final Allocations 2011-12.</p> <p><u>Integrated County Strategy</u> – Cabinet Paper 16/03/11 Integrated County Strategy Summary document November 2010. Integrated County Strategy Main Document December 2010. Note on the ICS, LEA and LEPs presented to Cabinet in December 2010.</p> <p><u>Town Centre Improvements</u> – Cabinet Paper 01/09/11 & 09/06/2011 Town Centre Enhancement - Delivery Partnerships & Extension to Springwood Drive – Cabinet 18/07/2011</p> <p><u>LDF Panel</u> Minutes 2010/2011/2012</p>		
Options:	Key Decision: No	
<p>To approve, not approve or amend the terms of reference and governance structure for the Prosperity Project Board</p>		

Executive Summary:

The Council's Corporate Strategy 2012 to 2016 identifies Prosperity as a corporate priority, seeking to ensure that our economy grows sustainably.

Over the last 2 years a series of economic growth opportunities and funding streams have emerged which will have a significant impact on the District's growth and regeneration. This includes the New Homes Bonus (NHB), Integrated County Strategy (ICS) and Growth Area Funding (GAF). In addition the Council launched its four year town centre regeneration programme 'Backing Our Towns' and secured Portas Pilot funding.

On the dates outlined above Cabinet approved delegated powers to the Cabinet Members for Prosperity and Growth; and Planning & Property, in consultation with the Corporate Director, to make the decisions outlined below regarding the corporate priority to deliver sustainable economic growth on key projects across economic development & town centre regeneration. This includes investment into major infrastructure and growth, affordable housing and town centre regeneration programme 'Backing Our Towns'.

Role of the Board

The Board will advise on the quality, suitability and sustainability of these programmes and individual project proposals. They will advise whether the principles and assumptions are being implemented and will monitor the progress of projects across the Prosperity and Growth & Planning & Property portfolio.

Governance

The Member project board will have the remit to address the following issues and make decisions as required across the following areas:

New Homes Bonus funding £5,731,810m

The New Homes Bonus (NHB) was introduced in April 2011 and provides local authorities with a non-ring fenced grant based on the number of new homes built and every empty property brought back into use. This additional funding is based on the additional council tax revenue raised from new homes and is paid to the authority in each year for six years. Additional payments are also made for new affordable homes.

Based entirely on housing development already delivered in the District, Braintree District Council (BDC) will receive £5.89 million between 2011-12 and 2017-18. Local authorities are being given flexibility on how to spend this grant. There should be a wider, visible, benefit for residents and businesses in the spending of new homes bonus funds. Council decided to use NHB to develop a sustainable fund that can be used to support growth in the District and to invest in:

- Major infrastructure projects across the District (e.g. transport infrastructure, Broadband); and
- Stimulating housing growth (e.g. investing in affordable housing schemes, bringing empty homes back into use).

Integrated County Strategy (ICS) Investment Plan

The ICS articulates economic, spatial and regeneration priorities across Essex County. The ICS provides the connection between national and local policy,

it identifies existing strengths and potential, and considers how key assets in the County can be used to improve the area for residents and make the area a more attractive location for businesses. The Strategic Focus is articulated in three areas that will bring about the maximum return on investment and greatest benefits for Essex:

- Key towns;
- Low carbon energy; and
- Thames Gateway South Essex.

Braintree has secured six sites relevant to the District as part of the proposed ICS projects which include:

- A120 corridor improvement (Galley's Corner, Braintree)
- A120 corridor improvements (dualling of key sections)
- A12 journey reliability improvements
- Great Eastern main line improvements (Crossing Rail Loop is included in this)
- Development of high speed broadband services across Essex
- Braintree town centre regeneration and public realm improvements
- Braintree - developing enterprise units and business support

Backing Our Towns - £1.2 million and Braintree Portas Pilot (£86,500)

The regeneration of Witham, Halstead and Braintree town centres is a key priority for BDC. 'Talk of the Towns' consultation by BDC was undertaken in early 2011. The consultation results highlighted widespread support for the identification and implementation of regeneration and improvement initiatives within each of Witham, Halstead and Braintree town centres. It also highlighted areas for focus and investment for the future which the Council will deliver through a 4 year programme and by developing and delivering Improvement strategies specific to each town between 2011 & 2015. This programme also seeks to build effective partnership working and project delivery through the 'Town Team approach' with Members and range of partners, including Town Councils, Essex County Council, local business and residents among others.

The Board will also monitor the progress of the projects forming part of the Portas Pilot initiative through which £86,500 was awarded by government to support town centre regeneration.

Growth Area Funding (GAF) – Total Confirmed Funding 2008-2011

Capital - £4,037,633.95

Revenue - £231,860.45

Chelmsford and Braintree Councils were jointly awarded Growth Area Funding (GAF) to support the delivery of new housing and employment and associated infrastructure in December 2007. The award of funding was based on a joint Programme of Development that was submitted to Government in October 2007 with the funding being made available in annual instalments between 2008 and 2011. The total funding available to the two Councils for the period 2008 to 2011 is approximately £11m, of which Braintree's share is approximately £4.3m. The Government has now confirmed the allocation of funding for 2010/11 and this has been received by Braintree District Council.

A range of projects have been identified including:

Completed

Freeport foot/cycle bridge

Witham Station footbridge extension

Ignite Enterprise Expansion

Project Board Guidelines

1. Established by agreement with the Cabinet Members and the Corporate Director.
2. Criteria for establishing a Project Board:
 - Over £500,000 cost/spend/income
 - Strategic aim of the Council
 - Involves more than one ward
3. Maximum numbers attending any Project Board to be twelve (including officers)

Cabinet Member (2)

Local Member (3)

Members nominated by Cabinet Members (3)

Invite Essex County Council to put 2 County Council Members forward (2).

4. It is proposed that a meeting of the Prosperity Board is quorate when there are a minimum of 3 members present, one of which must be the Cabinet Member (it is acceptable if 2 cabinet Members are in attendance and make up the quorum).
5. Project Board frequency to be set by Cabinet Member against the complexity and decision making/ governance needs of the project.
6. Cabinet Members have delegated authority to make decisions to deliver the project outcomes and project brief originally agreed, within the financial envelope of £100,000 (capital projects) & £50,000 (revenue projects). The Portfolio holder also have their own portfolio fund as outlined below:

Prosperity and Growth Portfolio - £200,000 (economic development & town centres); and
Planning & Property - £100,000 (major infrastructure)
For projects over and above this value recommendations will be referred through Cabinet and Council reporting processes.

7. Project decisions to be recorded through delegated decision processes and retained on project file. No need to record into corporate systems of general Council business.
8. Cabinet Members are accountable for informing Cabinet on any key issues or deviation from the Project Plan (s) or specification. Project sponsor to ensure Cabinet Member is aware of all key issues.

Prosperity Officer Project Team

To support the Member Project Board and manage the projects on a day to day basis, an Officer Project Team has been established, chaired by the Corporate Director (or delegated). The Project Team meets informally on a bi- monthly basis and more formally once a month. The remit of the Project Team is to keep the project documentation up to date, including a regular review of the risk and issue logs; manage the consultants; update the corporate project management system; review the timetable; manage the communication and stakeholder plans; manage the budget and prepare reports for the Project Board.

Standard Agenda Items

It is proposed that the Project Board will cover the standard items at each meeting as set out below:

- Highlight report for Prosperity projects which include: New Homes Bonus; Integrated County Strategy; Backing Our Towns; and Growth Area Funds
- Review of Projects timetable
- Budget Report
- Risk log – top risks of the programme
- Issues log – those requiring a steer from Members
- Communication & Stakeholder plan
- Decision required – reports produced for decision required by Members within Terms of reference

For the first Project Board the agenda will also cover the terms of reference and governance structure set out in this report and any declaration of interests.

The structure of the project governance is attached in Appendix 1

Decision:

To approve the terms of reference and governance structure for the Prosperity Project Board as outlined in the report and **Appendix 1**.

Purpose of Decision:

To seek Member approval of the governance structure and terms of reference of the project board and officer project team.

Any Corporate implications in relation to the following should be explained in detail

Financial:	Cabinet Members have delegated authority to make decisions to deliver the project outcomes and project brief originally agreed, within the financial envelope of £100,000 (capital projects) & £50,000 (revenue projects). The Portfolio holders also have their own portfolio fund as outlined below: Prosperity and Growth Portfolio - £200,000 (economic development & town centres); and Planning & Property - £100,000 (major infrastructure) For projects over and above this value recommendations will be referred through Cabinet and Council reporting processes.
Legal:	Legal services will be consulted as appropriate
Equalities/Diversity	The Council will ensure all projects take in to account issues of equalities and diversity in each scheme
Customer Impact:	These Projects will improve the quality of life of customers in Braintree
Environment and Climate Change:	Wherever possible these projects will seek to reduce carbon emissions and protect the environment
Consultation/Community Engagement:	The Project Board will oversee the communication and engagement plans for the Project Board
Risks:	Risks of the programme will be reported to the Project Board each meeting
Officer Contact:	Alison Jennings
Designation:	Regeneration Manager
Ext. No.	2572
E-mail:	ali.je@braintree.gov.uk

Local Authority Mortgage Scheme		Agenda No: 7a
Corporate Priority:	Prosperity & Performance	
	Securing appropriate infrastructure and housing growth; Improving our services through Innovation	
Portfolio Area:	Performance & Efficiency	
Report presented by:	Councillor David Bebb	
Report prepared by:	Trevor Wilson, Head of Finance	
Background Papers:	Public Report	
Papers on LAMS provided by Essex County Council at meeting with Finance Officers on 7 th February 2013.		
Options:	Key Decision: No	
To agree/ not agree the Recommendations in full or with amendment		
Executive Summary:		
<p>The Council has been invited to partner with Essex County Council in establishing a Local Authority Mortgage Scheme (LAMS) that will give a limited Council-funded indemnity to approved lender(s) providing mortgages to first-time buyers. The scheme will support the Council's housing strategy by improving choice over "affordable" housing solutions, as well as bringing wider economic benefits.</p> <p>The proposal is for the Council to invest £1million, which will be match funded by Essex County Council giving a total of £2million, providing funding to assist around 66 first-time buyers.</p> <p>In supporting a LAMS for the Braintree district, it is proposed that the following eligibility criteria is applied:</p> <ul style="list-style-type: none">• Apply to all post codes – lenders involved in the scheme will require that these must fall wholly within the district boundary. However, the County Council is seeking to be able to set-up a LAMS that would capture properties that straddle Essex district/ borough boundaries.• Maximum loan size supported is £250,000 – this the proposed limit to apply to all schemes supported by Essex County Council – it is however anticipated that the average loan size for this Council's scheme would be £150,000, this being the average price for properties in the lower quartile across Essex.		

- Maximum indemnity of £2million (including match funding).

The scheme will target first time buyers who can afford a mortgage but not the 25% deposit. The scheme does not promote reckless lending as potential buyers must meet the standard credit criteria of the lender, including income levels.

The amount of indemnity will represent the difference between the typical 75% Loan-to Value (LTV) mortgage and a 95% LTV. For example. A first-time buyer wishing to purchase a property for £150,000, with a 5% deposit, the Council will provide an indemnity for £30,000. The first-time buyer would still receive a mortgage based on 95% but this would be on terms that would apply to a 75% mortgage, usually at a lower interest rate and therefore more affordable.

The indemnity is in place for five-years, subject to either the mortgage being repaid earlier, or if the account had been in arrears within the final six-months of the five-years, the period of indemnity is extended by two years.

The indemnity is only called upon if the first-time buyer defaults AND the property is repossessed and sold at a loss to the lender. The indemnity is capped, and any loss above the amount indemnified is met by the lender.

As the scheme would be run in partnership with ECC the risk of the indemnity is shared 50/50.

At the outset of the scheme the Council would deposit the £2 million with an approved lender for a period of five years receiving a commercial rate of interest plus a premium of around 0.7%. Current scheme operators include a number of building societies and Lloyds TSB and the scheme would require revisions to the Council's Treasury Management Policy. The premium would help to fund any potential default, and the Council could earmark its share of the excess commercial rate interest over and above base budget for interest to provide extra provision.

LAMS are subject to legal agreements, including an Indemnity Deed. The Monitoring Officer may also be required to provide a formal opinion and would seek indemnity from the Council for any personal liability involved. A service level agreement will also be required with ECC. In order to complete the necessary formalities and be able to launch the scheme it is proposed that delegation is given to the Corporate Director (Finance) and the Cabinet portfolio holder for Performance and Efficiency.

Decision:

Cabinet RECOMMENDS to Council:

1. To agree to the development of a Local Authority Mortgage Scheme for the Braintree district area in conjunction with Essex County Council
2. To approve the following local criteria for the scheme:
 - All post codes wholly within the Braintree district
 - The deposit and indemnity will be a maximum of £2million (including a maximum of £1million contribution from ECC), with the Council's share funded in the capital programme, financed by cash available

due to excess legacy borrowing above the Council's Capital Financing Requirement.

- The maximum loan to value is set at £250,000, resulting in the maximum indemnity per mortgage of £50,000.
3. That an acceptable legal opinion letter is obtained by the Monitoring Officer and the Council indemnify the Monitoring Officer in respect of any personal liability in respect of this matter, as required by the lender.
 4. To agree to revise the current Treasury Management Policy permitting a deposit of up to seven years with an approved LAMS lender, and the Policy on Minimum Revenue Provision (MRP) to state that any capital expenditure incurred under a LAMS will not require MRP to be made as resources will be repaid by the lender at the end of the scheme.
 5. To delegate authority to the Corporate Director (Finance) and the Cabinet portfolio holder for Performance and Efficiency to finalise documentation and ancillary matters details of the scheme after all necessary due diligence is completed.

Purpose of Decision:

To provide a scheme for first time buyers who can afford a mortgage but not a deposit of 25% of the property value to buy a property in the district. The scheme supports the Council's housing strategy by improving choice over "affordable" housing solutions, as well as bringing wider economic benefits.

Any Corporate implications in relation to the following should be explained in detail

Financial:

The Council would invest £1million funded from the capital programme, which will be matched by Essex County Council (ECC).

The total £2m will be deposited with an approved lender at a commercial rate of interest plus a premium of around 0.7%, at the current time this would give a total return of around 2.29% per annum.

The premium would provide £14,000 per annum or £70,000 as a provision against potential default and payment by the Council under the terms of the indemnity.

The overall repossession rate for the Country is around 0.3%, which would equate to potential loss of £6,000. The premium would equate to provision for a rate of default in the order of 3.5%. The Council could earmark part of the commercial interest received as part of the overall provision if it wanted to be more prudent.

	<p>The risk of default is shared equally with ECC.</p> <p>There is an initial cost of £3,000 payable to Sector Treasury Services, who first set-up LAMS and will support the scheme.</p> <p>The deposit is repayable after five-years, subject to any extension of the indemnity for 2-years as a result of mortgage arrears in the final six months.</p> <p>Funding of the Council's £1million investment would be through the capital programme financed by cash available due to excess legacy borrowing above the Council's Capital Financing Requirement – a Balance Sheet derived measure of the need to borrow for capital purposes, reported in the annual Treasury Management Strategy Statement.</p>
Legal:	<p>The power for the Council to enter into a LAMS is contained in the sections 435 and 442 of the Housing Act 1985, together with, where appropriate, the section 111 of the Local Government Act 1972</p> <p>Subject to a decision being made in accordance with the recommendations contained in this report, it will be necessary to undertake a detailed review of the legal documentation associated with the LAMS.</p> <p>The power for the Council to indemnify the Monitoring Officer as described in the report is contained within the Local Authorities (Indemnities for Members and Officers) Order 2004</p>
Equalities/Diversity	<p>The provision of an indemnity should increase the accessibility of mortgages to those who would not otherwise be able to afford them and thus assist residents (existing or those wishing to move to the district) to address their housing needs.</p> <p>The scheme is only available to first-time buyers with a minimum 5% deposit, and excludes certain types of purchases, e.g. new homes, former right-to-buy, second homes, shared ownership/equity or Homebuy schemes.</p>
Customer Impact:	<p>The scheme could support 66 first-time buyers, with the numbers increasing if property prices are below the Essex lower quartile of £150,000. By creating liquidity in the housing market this is likely to benefit other property owners in the chain, as well as benefitting the wider economy.</p>
Environment and Climate Change:	<p>Not applicable</p>

Consultation/Community Engagement:	None undertaken.
Risks:	<p>The main risks are:</p> <ul style="list-style-type: none"> • Placing a deposit for up to seven years with an approved lender exposes the Council to additional counterparty risk in excess of the current Treasury Management Policy. • Funds applied to the scheme will not be available for at least five years for any other purpose. • Mortgage defaults and consequently losses to the Council could be higher than anticipated. The premium on the deposit provides some financial provision, which could be enhanced by earmarking all or part of the Council's share of the commercial rate return. The risk of losses is being shared with ECC, although the maximum exposure would be the £1million of Braintree funding. • Essex County Council has announced its intention to partner district and borough councils and to establish its own LAMS in Essex. At this time this is still subject to approval through the Council's governance arrangements. If approval is not forthcoming then this Council would have the option to withdraw, proceed with a scheme with a maximum value of £1million or increase its input to £2million; the latter having a consequential increase in maximum level of exposure. • The extent to which the scheme supports Braintree district residents. The scheme is limited to specified post codes wholly in the district, thereby potentially excluding some residents. This may be prevalent in the north of the district where villages have post codes which are shared with villages/towns in Suffolk. Households moving into the area could apply, whereas those residents looking to move outside the district may not receive support. The potential to not meet aspirations of residents may be alleviated by the County Council operating a cross borough/ district border scheme, and/ or other local authorities participating. • Demand may exceed resources. It is considered this risk is relatively low as income levels would still be the main barrier to potential first-time buyer applicants being approved for a mortgage.
Officer Contact:	Trevor Wilson
Designation:	Head of Finance
Ext. No.	2801
E-mail:	Trevor.wilson@braintree.gov.uk

Local Authority Mortgage Scheme

Introduction

One of the main barriers to first-time buyers getting on the housing ladder is the requirement from most lenders for deposits of typically around 25%, even where income levels mean mortgages are affordable.

To help address this problem the Council has been invited to work in partnership with Essex County Council to establish a Local Authority Mortgage Scheme (LAMS) that will give a limited financial indemnity to an approved lender providing mortgages to first-time buyers.

LAMS were first established as a pilot in 2009 by Sector Treasury Services (Sector), a consulting firm to UK public services, initially with 11 local authorities. Since then further schemes have been introduced and now operate in 44 local authority areas.

Eligibility criteria

The scheme is aimed at people who want to purchase their first home in the district, not necessarily local people. The scheme will exclude new-build homes, properties purchased to be let, second homes, former right-to-buy properties, shared ownership or shared equity cases, or purchases under a Government Homebuy Scheme.

The Council can specify criteria to be applied:

- Postcodes within the district that will fall within the scheme. The lender will require properties to be wholly within the district boundary; however, properties falling across boundaries could be picked up by a separate Essex county wide scheme operated by ECC provided they are wholly within the county boundary.
- The maximum loan size that will be supported. To apply a county wide initiative it would be preferable to set a consistent amount. It is understood that the Cabinet at Essex County Council, at its meeting on 21st May 2013, will consider a proposed maximum loan size of £250,000 which it is hoped will be adopted across all of the schemes, in which it is a partner. Whilst it is proposed to adopt a maximum loan size which is consistent across Essex research suggests that the majority of loans in this district will not exceed £150,000, which is the average price for properties in the lower quartile across Essex.
- A maximum limit on the total indemnity to be offered under the scheme. It is proposed that Braintree contribute £1million, which would be matched by ECC taking the maximum total to £2million for the district.

Target population

The LAMS is aimed at first-time buyers who can afford mortgage payments but not a 25% deposit. The scheme does not promote reckless lending as potential buyers must meet the standard credit criteria of the lender, e.g. having sufficient income to meet the mortgage repayments, as well as the criteria specified by the Council.

Potential buyers must have a 5% deposit.

If the potential buyer meets the criteria, the Council provides an indemnity to the value of the difference between the typical 75% Loan-to-Value (LTV) and a 95% LTV mortgage. The potential buyer thereby obtains a 95% mortgage on similar terms to a 75% mortgage which means the interest rate charged and repayments are lower making it more affordable.

Terms of the Mortgage for the First-time Buyer

Typical features of the mortgage provided under the scheme to first-time buyers are:

- Loans up to the maximum agreed with the Council
- Only a minimum 5% deposit, although more can be put if they have it to reduce the overall amount borrowed
- Available to single first-time buyers or people buying together provided at least one of them is a first-time buyer
- Initial three-year fixed rate at a lower rate than would normally be the case for buyers with a 5% deposit
- Early repayment charges apply during the three-year period, but there are no trailing early repayment charges to tie in the buyer beyond the fixed-rate term
- Mortgages must be on a repayment basis, including principal and interest
- If the buyer wishes to move they will have to come out of the scheme, remortgaging on any new property and paying any early exit fee if this applies.
- An arrangement fee may be charged to the borrower

Council Indemnity

The Council indemnifies the lender for an amount equivalent to the difference between up to a 95% LTV and the typical 75% LTV, i.e. 20%. The indemnity is in place for a fixed 5 year period, which may be extended for a further 2 years if a mortgage is in arrears during the final six months of the initial 5 years.

The proposal from ECC means that the indemnity provided is effectively being funded 50/ 50 with the Council.

The indemnity is only called upon if a loss is crystallised by the lender. An example of how this would work shown below:

Example

Indemnity provided:

Property valued at £150,000

First-time buyer provides a 5% deposit

The Council provides an indemnity to the lender of £30,000 (i.e. £150,000 x (25% less 5% deposit))

The lender provides a mortgage to the first time buyer of £142,500 (i.e. 95% LTV)

If the borrower defaulted during the period of the indemnity:

Property sold (net of costs) £130,000

The Council pays the lender £12,500 (i.e. £142,500 mortgage less sale proceeds)

The first time buyer will also have forgone their 5 deposit and any other repayments

The Council's indemnity would be capped at £30,000, therefore, should the property realise less than £112,500 the excess loss above the indemnity would be borne by the lender.

Any indemnity paid to the lender is ultimately borne 50/50 by the Council with ECC.

The lender would request payment under the indemnity from the Council, which would normally be paid within 30 days.

If there is no default the indemnity will terminate either at the end of the five-year agreed term, or on early repayment of the mortgage.

Benefits of the Scheme

The scheme has many benefits that support the Council's strategies, particularly around supporting the community to gain "affordable" housing by improving choice and potentially reducing demand on social housing.

Based on the maximum indemnity, the scheme could potentially help to secure up to 66 first-time buyers achieve their aspirations and resolve their housing needs without direct Council intervention.

The scheme supports the local housing market, increasing liquidity, and with it the local economy. Key workers could benefit which would also contribute to economic development.

The scheme will not support all first time buyers, as some will still be prevented from being accepted for mortgages based on other credit criteria, including income levels to support repayments.

During the life of the scheme management information will be provided via Sector which will provide details, such as: listing of applications and their progress, post code analysis, loan value and indemnity values, etc.

Financial Implications

The proposed investment by the Council in the scheme is £1million, which would be match-funded by ECC to produce a combined funding of £2million. Under a "cash backed scheme" this amount would be placed on deposit for the fixed five-year period of the indemnity and would attract interest at the commercial rate plus a premium of round 0.70%. At the present time this would equate to around 2.29% interest per annum.

Funding of the Council's £1million investment would be through the capital programme financed by cash available due to excess legacy borrowing above the Council's Capital Financing Requirement – a Balance Sheet derived measure of the need to borrow for capital purposes, reported in the annual Treasury Management Strategy Statement.

The lender does not have a legal charge over the deposit and will therefore not be able to deduct any shortfalls from the sum.

The premium is to reflect the risk associated with the scheme, and would equate to £14,000 per annum or £70,000 over the fixed five year period. The intention would be to "ring-fence" this sum in order to meet any payments under the indemnity.

It is difficult to be precise about the likelihood of default. The overall repossession rate across the Country is around 0.3%. To date under the LAMS scheme there have been no repossessions although the scheme is relatively new and defaults generally occur after the first few years of a mortgage. Taking a conservative estimate of 2%, the expected amount paid under the indemnity would be £40,000 (i.e. £2 million x 2%), which would be more than covered by the premium on the deposit. The rate of premium would in fact equate to a default rate of 3.5%, more than 10 times the national average. The risk of default is being shared 50/50 with ECC.

There is an initial £3,000 contribution to Sector towards the legal costs associated with setting up LAMS, and supporting and monitoring schemes adopted by local authorities.

Risks

As part of the final preparation of a scheme a full risk assessment will be prepared, however, the most significant risks for the Council are likely to be as follows:

- The scheme requires a deposit to be placed with an approved lender. Most lenders active in the scheme do not meet the Council's investment policy criteria, and although Lloyds TSB does meet the minimum criteria the term of the deposit – up to seven years - is outside the current counterparty limits.
- Investment of £1m would be required for a minimum 5 years meaning this funding will not be available for any other purpose.
- Mortgage defaults and consequently losses to the Council are higher than anticipated. The premium rate received on the deposit would provide for a substantially higher default rate than the national average. If the Council wished to be more prudent then it could earmark its half of the additional interest earned from the five year commercial rate on the deposit (estimated to be around 1.59%) over and above the budgeted return on annual investments (currently 0.7%), which would increase the default provision by a further £8,900 per annum, or £44,500 over five-years.
- The extent to which the scheme supports Braintree district residents. The scheme is limited to specified post codes wholly in the district. Also households moving into the area would be eligible, whereas first-time buyers already resident but wishing to purchase outside the district would not be eligible. However, it is possible that they could be eligible under another local authority's LAMS. Within Essex the County Council is seeking to support the development of schemes across all areas, although this is subject to individual borough/ district council decisions. The scheme will exclude those villages in the north of the district which have post codes which are shared with villages/towns in Suffolk. The eligible post codes for the district are currently being determined.
- Demand for the scheme could exceed resources. It is currently estimated that this risk is relatively low as income levels would still be a barrier to many potential first-time buyer applicants being approved for a mortgage.

Legal and Other Implications

There are a number of approved lenders operating LAMS and typically these are building societies operating in defined geographical areas. However, Lloyds TSB and the Leeds Building Society run national schemes. The Council will explore in conjunction with ECC the range of potential lenders before finalising any scheme.

The LAMS is supported by legal arrangements, including an Indemnity Deed, involving the Council, the proposed lender, and Sector. For some lenders an Opinion Letter is required from the Monitoring Officer, who in turn would be expected to require some form of indemnity from the Council in respect of any personal liability.

The participation of the Council in conjunction with ECC also requires a service level agreement to be in place covering the match funding and sharing of the indemnity provisions.

The legal basis for the scheme, including its impact under State Aid rules has already been addressed by Sector in establishing the first pilots. However, it is necessary that the Council satisfies itself on these matters.

The LAMS has accounting issues in terms of the way in which the initial deposit and indemnity is accounted. Again, Sector have considered these areas and issued guidance to participating local authorities. The Council will need to satisfy itself that these are appropriate and it would be sensible to agree in advance with the external auditor the accounting arrangements.

Timescales and Delegations

Once all the formalities have been concluded it is planned that a scheme could be launched in July 2013.

To finalise the scheme, delegation is sought to the Corporate Director (Finance) and the Cabinet portfolio holder for Performance and Efficiency.

Conclusions

The LAMS is designed to help increase the supply of affordable housing for those who need it, and to help the local housing market and thereby local economy. By working in partnership with ECC the level of assistance for the district can be doubled.

The scheme is designed to minimise the financial impact on the Council (and ECC) by working in partnership with market experts in the residential mortgage market.

The scheme requires a financial indemnity of up to 20% of a mortgage for potential first time buyers, subject to income and other strict criteria.

Funding for the scheme is available through capital resources.

The LAMS has obtained Counsel's opinion on the legality of the scheme. However, the Council is still required to undertake its own due diligence on both the legal and financial accounting matters. Indemnities will also be required in respect of Monitoring Officer.

Third Quarter Performance Management Report 2012/13		Agenda No: 7b
Corporate Priority:	Performance	
Portfolio Area:	Providing value for money and Delivering excellent customer services	
Report presented by:	Performance and Efficiency	
Report prepared by:	Councillor David Bebb	
	Tracey Headford – Performance Improvement Officer	
Background Papers:		Public Report
Third Quarter Performance Management Report October to December 2012		
Options:		Key Decision: No
To endorse the report		
Executive Summary:		
<p>The purpose of the report is to summarise the performance of the Council at the end of the third quarter (October to December 2012) in relation to the publication of 'Our plans for the District 2012/2013' which sets out our key activities and measures used to check our performance for the forthcoming year and along with the Corporate Strategy 2012-2016 sets out the priorities we are working towards.</p>		
<i>In summary at the end of the third quarter: Projects</i>		
<ul style="list-style-type: none"> • There are 40 projects in total of which: <ul style="list-style-type: none"> ○ 11 projects are completed ○ 24 projects are on track ○ 4 projects have an amber status ○ 1 project has a been cancelled 		
<i>In summary at the end of the third quarter :Performance Indicators</i>		
<ul style="list-style-type: none"> • There are 15 performance indicators reported on of which: <ul style="list-style-type: none"> ○ 9 performance indicators have achieved target ○ 1 performance indicator has missed target by less than 5% ○ 4 performance indicators have missed target by more than 5% ○ 1 performance indicator is for information purposes only and does not have any target set 		

The third quarter of the year continues to be challenging which has impacted on some areas of performance. All underperforming indicators are being monitored and action plans are being developed to mitigate any down turn in performance.

Nine projects are now complete and all the remaining key corporate projects remain on track with other key activities within the council being managed effectively.

Financial Performance

The current projected outturn is a net spend of £15.275 million, compared with a budget of £16.159 million, giving a projected under spend of £884,000.

The vast majority of this is due to the re-letting of contracts which have resulted in reduced costs (Leisure £526,000 and ICT £75,000) or increased income (Recycling £175,000). This was previously identified in the budget report to Cabinet on 4th February 2013 and was taken into account when agreeing the four year profile and Medium Term Financial Strategy.

The projected under spend is higher than that estimated at the second quarter of £635,000 by a net £249,000, mainly as a result of an overall improvement in income and expenditure relating to commercial properties (£123,000); additional under spend against staff budgets (£46,000); and resources held over for use in 2013/14 (£86,000).

The projected year-end General Fund balance is now £7.535 million

For a detailed explanation of the financial performance, please refer to page 17 onwards of the full report.

Decision:

To note and endorse the report

Purpose of Decision:

To inform the Cabinet of the performance of the Council

Corporate implications [should be explained in detail]	
Financial:	See page 17 of the report
Legal:	N/A
Equalities/Diversity	N/A
Customer Impact:	N/A
Environment and Climate Change:	N/A
Consultation/Community Engagement:	N/A
Risks:	N/A
Officer Contact:	Tracey Headford
Designation:	Performance Improvement Officer
Ext. No.	2442
E-mail:	tracey.headford@braintree.gov.uk

Cabinet Member Decisions made under Delegated Powers		Agenda No: 10b
Corporate Priorities: Not applicable Portfolio Area: Performance and Efficiency, Planning and Property & People Report presented by: Not applicable – For noting only Report prepared by: Emma Wisbey, Local Governance Manager		
Background Papers: Cabinet Decisions made by individual Cabinet Members under delegated powers (signed copies retained by Member Services)		Public Report
Options: For noting only		Key Decision: No
Executive Summary: All delegated decision taken by individual Cabinet Members are required to be published and listed for information on next Cabinet Agenda following the decision. Since the last Cabinet meeting the following Cabinet Members have taken delegated decisions:- Delegated Decisions - to note recently made delegated decisions: Councillor David Bebb – Cabinet Member (Performance and Efficiency) Delegated Decision taken on 28th December 2012 - To create a permanent post of programme/project officer to replace the current post which is funded through the Capital Programme. To delete the post of ICT Admin Officer, to vire the funding between budgets, as per the business case for this, to enable the post to be funded. Councillor Lady Newton – Cabinet Member (Planning and Property) Delegated Decision taken on 18th February 2013 - To approve the response to the consultation on Permitted Development Rights February 2013. Councillor Wendy Schmitt – Cabinet Member (Place) Delegated Decision taken on 12th March 2013 - To agree and approve the following amendment to the Council's Off-Street Parking Places Order in respect of the car park at Hadfelda Square Hatfield Peverel and Mill Lane Witham. Hadfelda Square Hatfield Peverel - Rescind the 2 hour parking no return within 3 hours restriction from 3pm on a Saturday and all day on a Sunday. Mill Lane Car Park Witham - Introduce 10 permit bays in the car park.		

Cabinet Decisions made by individual Cabinet Members under delegated decisions can be viewed on the Access to Information page on the Council's website.

www.braintree.gov.uk

Decision:

For Members to note the delegated decisions

Purpose of Decision:

The reasons for each decision can be found in the individual Delegated Decisions

Officer Contact:

Emma Wisbey

Designation:

Local Governance Manager

Ext. No.

2610

E-mail:

emma.wisbey@braintree.gov.uk