

# Minutes

## Cabinet

### 9<sup>th</sup> September 2019



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](http://www.braintree.gov.uk).

#### Present:

Portfolio	Cabinet Member	Present
Leader of the Council	Councillor G Butland	Yes
Deputy Leader of the Council Economic Development and Infrastructure	Councillor T Cunningham	Yes
Communities Culture and Tourism	Councillor F Ricci	Yes
Corporate Transformation	Councillor J McKee	Yes
Environment and Place	Councillor Mrs W Schmitt	Yes
Finance and Performance Management	Councillor D Bebb	Yes
Health and Wellbeing	Councillor P Tattersley	Apologies
Homes	Councillor K Bowers	Yes
Planning	Councillor Mrs G Spray	Yes

Also present as invitees of the Leader:

Councillor Abbott, Leader of the Green and Independent Group

Councillor Mann, Leader of the Labour Group

Councillor Mrs Pell, Leader of the Halstead Resident's Association

Councillor van Dulken, Chairman of the Corporate Governance Group

Councillor Mrs Dervish and Councillor Schwier were also in attendance.

#### 14 **MINUTES**

**DECISION:** That the Minutes of the meeting of the Cabinet held on 8<sup>th</sup> July 2019 be approved as a correct record and signed by the Chairman.

#### 15 **DECLARATIONS OF INTEREST**

**INFORMATION:** The following interests were declared:-

Councillor G Butland declared a Non-Pecuniary Interest in Agenda Item 5a, “North Essex Garden Communities Ltd – Approval of 2019-20 Interim Business Plan and Budget,” as he was a Non-Remunerated Director of North Essex Garden Communities Ltd.

Councillor Mrs G Spray declared a Non-Pecuniary Interest in Agenda Item 5a, “North Essex Garden Communities Ltd – Approval of 2019-20 Interim Business Plan and Budget,” as she was a Non-Remunerated Director of North Essex Garden Communities Ltd.

## 16 **QUESTION TIME**

**INFORMATION:** There were two statements made in relation to Item 9a, “Hatfield Peverel Neighbourhood Plan (2010).” Councillor M Renow, representative of Hatfield Parish Council, expressed his gratitude towards staff at Braintree District Council for their work in respect of the Plan. Councillor Mrs C Dervish, in her capacity as District Councillor, expressed her thanks towards the members of Hatfield Peverel Parish Council and commended them for their exceptional work on the development of the Plan.

## 17 **\*\*HATFIELD PEVEREL NEIGHBOURHOOD PLAN (2019)**

Minutes Published: 16 <sup>th</sup> September 2019 Call-in Expires: 24 <sup>th</sup> September 2019
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**INFORMATION:** In response to a request from the Leader, Cabinet agreed to reorder the Agenda to allow Item 9a, “Hatfield Peverel Neighbourhood Plan (2019)” to be considered first for the benefit of the Question Time speakers present.

Mrs G Spray, Cabinet Member for Planning, echoed the comments of the speakers and expressed her own thanks towards the members of Hatfield Peverel Parish Council for their work on the Plan.

Members were provided with a brief summary of the timeline that surrounded the development of the Hatfield Peverel Neighbourhood Plan. In January 2015, the Neighbourhood Area was formally designated by Braintree District Council as per the request of the Parish Council. Following the submission of the Plan to the District Council, it was publicised under Regulation 16 and representations from the public were invited; the publicity period ended on 17<sup>th</sup> July 2017 with a significant number of representations received. An independent Examiner was then appointed by the Council, whose initial assessment was that the Plan required some additional work and consultation. As such, further consultation on the Plan commenced in 2018 and 2019, with the last consultation period having closed on 25<sup>th</sup> March 2019. Four notable modifications were recommended by the Examiner, which included the deletion of the following policies: Affordable Housing, the Allocation of the former Arla site, Prevention of Coalescence and Heritage.

Members were advised that, subject to final approval from Cabinet, the next stage of the Plan would be to proceed to a referendum. This was likely to be held in early November 2019, with the results presented at Full Council in December 2019.

**DECISION:** That Cabinet:

1. Agreed the modifications made to the draft Plan under paragraph 12(6) of Schedule 4B of the Town and County Planning Act 1990 in response to the Examiner's recommendations/modifications (Appendix 1).
2. Agreed that a referendum on the Hatfield Peverel Neighbourhood Plan take place.

**REASON FOR DECISION:** To enable the Hatfield Peverel Neighbourhood Plan to progress to a local referendum

18 **\*\*NORTH ESSEX GARDEN COMMUNITIES LTD – APPROVAL OF 2019-20 INTERIM BUSINESS PLAN AND BUDGET**

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**INFORMATION:** Before the consideration of this Item, the Leader welcomed back Councillor K Bowers, Cabinet Member for Homes, after a period of absence.

Members were advised that, prior to the District and Parish Elections in May 2019, a reserve of £500,000 had been allocated from the Local Plan and housing development. At this time, it was agreed that no decisions would be made in respect of funding for the North Essex Garden Communities (NEGC) ahead of the Election, which would allow Members of the new Administration to consider the funding at a later date.

Members of the Cabinet were then requested to commit £350,000 from the main reserve to the NEGC for the 2019/20 operating budget.

**DECISION:** That Cabinet agreed:

1. To approve the 2019/20 Interim Business Plan and Budget (which is subject to confirmation of government funding) for NEGC Ltd as attached to this report.
2. To authorise the Section 151 Officers to agree any future allocation of the project funds held by Colchester Borough Council between NEGC Ltd and the North Essex Authorities;
3. To approve committing £350,000 from the Housing Development and Local Plan Growth reserve and the delegation to the Corporate Director (Finance) to approve phased drawdowns upon a formal request by way of a NEGC Board resolution in accordance with the agreed milestones;
4. To note that a report will be considered at a future Cabinet meeting in respect of funding requirements and financing options for 2020/21 and 2021/22.

**REASON FOR DECISION:** To seek Cabinet's ongoing support, working together with Tendring District Council, Colchester Borough Council and Essex County Council, to progress the concept of 'garden communities' and to approve the Interim Business Plan for 2019/20 for NEGC Ltd and specific governance arrangements for the project.

Minutes Published: 16 <sup>th</sup> September 2019 Call-in Expires: 24 <sup>th</sup> September 2019
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**INFORMATION:** This Item was presented by Councillor D Bebb, Cabinet Member for Finance and Performance Management, and Councillor R van Dulken, Chairman of the Corporate Governance Group, who was invited for this Item.

The Council's treasury management activities were regulated by statutory requirements and by a Code of Practice issued by the Chartered Institute of Public Finance (CIPFA). One of the key requirements of the Code was that, along with an annual strategy to be approved prior to the commencement of the financial year, and at least one mid-year report, the Council should also receive an annual report after the financial year-end.

A few key areas of note were made. Members were informed that across the financial year, the Council's investment balances averaged £58.343m, with a range between £42.259m and £68.267m. The Council's long-term pooled fund investments totalled £18m as at 31<sup>st</sup> March 2019, and the total market valuation of the Council's pooled funds was £19.308m. This represented an unrealised gain of £1.308m on the amounts invested, which was £373,000 higher than the valuation as at 31<sup>st</sup> March 2018.

With regard to investment activities, it was reported that the Council's treasury management advisors, Arlingclose, benchmarked this on a quarterly basis. Total investment income was £1.158m which was £343,000 over budget, and dividends from long-term pooled funds were £866,000; a 5.24% return. The Council also held direct property investments with a market value of £36.304m as at 31<sup>st</sup> March 2019, which produced a net rental income of £2.234m and represented a return of 6.3% on the value of assets.

The Corporate Director (Finance) confirmed in the report that all treasury management activities undertaken during 2018/19 had complied fully with the CIPFA Code of Practice and the Council's approved TMSS.

The Chairman of the Corporate Governance Group then commended the Council's Finance Team for their exceptional work throughout the year.

**DECISION:** That Cabinet accepted the Treasury Management Report and recommends that Full Council accepts the Treasury Management Report.

**REASON FOR DECISION:** The Council has adopted the CIPFA Code of Practice for Treasury Management in Public Services, which requires that the Council receives an annual report on the treasury management function. This report was considered first by the Corporate Governance Group in order to exercise its responsibility for scrutiny over treasury management activities.

**INFORMATION:** Members considered a report on the performance of the Council as at the end of the first quarter (April 2019 to June 2019).

As at the end of June, two projects had been completed with a further 50 projects on track and progressing well. Two projects had an amber status; these were in respect of the Local Plan and the project to develop a digital platform for health.

With regard to performance indicators, it was relayed that ten performance indicators had met or exceeded their targets and four had missed their targets, of which three were missed by less than 5%, and one was missed by more than 5%. The areas where performance had missed target were in relation to recycling rates, collection rates for Council Tax and business rates, and the percentage of invoices paid within 30 days. In respect of recycling rates, Members were informed that the Council had achieved 52.26% against the aspirational target of 60%, the target of which was set by the Essex Waste Partnership to be accomplished by 2020.

On the subject of the Council's financial performance, an overall positive variance of £642,000 was projected for the year against the budget. Staffing budgets across all services were forecast to be underspent by £191,000, but after allowing for the corporate efficiency target of £200,000 this resulted in a projected net negative variance of £9,000, and other expenditure was projected to be underspent by £72,000. However, it was noted that income was projected to be overachieved by £579,000, which was attributed to the influx of planning applications and the development fees being received as a result of this.

In response to a question raised by Councillor D Mann regarding the Council's bid to fund and develop a digital health platform and the reasons why this was unsuccessful, it was agreed that a written response would be provided by the relevant Cabinet Member.

**DECISION:** That Cabinet noted and endorsed the Council's performance as at the end of the year.

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

## **MEDIUM-TERM FINANCIAL STRATEGY 2019/20 TO 2022/23**

**INFORMATION:** Consideration was given to a report on the Medium-Term Financial Strategy (MTFS) 2019/20 to 2022/23, which was agreed by Council on 25<sup>th</sup> February 2019.

Members were informed that significant change was to be introduced for 2020/21 with the introduction of a 75% Business Rates Retention scheme, with the levels of funding to be determined by the Fair Funding Review and the 2019 Spending Review. It was understood that the Government's preference would be to implement the new funding arrangements in a single year, with all three elements having been determined. However, the 2019 Spending Review covered one year only, 2020/21, and it was anticipated that the change in funding arrangements would slip to 2021/22. It was therefore assumed that the Financial Settlement for 2020/21 would be based on rolling forward the current year settlement.

With regard to the New Homes Bonus scheme, the Government had indicated that consultation would be undertaken on the scheme after 2019/20 as to whether this was the most effective means of incentivising housing growth. At the time that the report was composed, no consultation on proposed changes had been published. With the assumption that the current scheme would apply for 2020/21, the amount of funds that the Council would expect receive was a minimum of £569,600 in respect of the three years, 2017/18 to 2019/20, plus an amount for 2020/21 that would be based on the growth in housing numbers recorded in the Council Tax system between October 2018 and 2019.

Other areas reported upon included the Business Rates Pool 2020/21. As the Government would offer a one-year Finance Settlement for 2020/21, it appeared that an invitation for areas to form a business rate pool could be forthcoming. If this was to be the case, it was proposed that the Council considered participation with other Essex authorities and, if appropriate, submitted a request for an Essex Pool to be designated for 2020/21.

Initial work on updating the MTFS had commenced and included a review of the current year's budgets in light of the 2018/19 financial outturn, a review of the savings/additional income proposals to be delivered, a review of other assumptions and assessment of the information received, which had financial consequences for the Council. An assessment of the Council's financial position in the current year was conducted as at the end of the first quarter; the assessment indicated that there was a net favourable variance of £641,500.

The main variations that were expected to impact on 2020/21 were identified as follows:

- Increased expenditure or reduced income which totalled £223,000; this included Waste Management increases of £133,000. It was highlighted that the amount could vary depending on the advancement of the Council's new arrangements with Suffolk.
- Reduced expenditure or increased income which totalled £401,000. This included Interest and Dividends of £100,000, Housing Benefit net expenditure reduction of £127,000 and Planning Application fees of £60,000.

The figures provided a potential net positive impact on the 2020/21 budget of £178,000. In terms of shortfall, the current MTFS indicated a financial shortfall of £539,000; however, the revised financial shortfall for 2020/21 was reported to be £235,000 which also allowed for a Council Tax Collection Fund surplus of £126,000. Further work would be undertaken with service managers in order to validate these and other proposed amendments during the budget setting process.

A high level assessment of the pressures and/or events that would impact on the Council's financial position over the next four years was also remarked upon; a number of emerging issues were identified, though some were not yet quantifiable.

Finally, Members were made aware of several key dates that were included within the budget process timetable.

In response to a concern raised about the likelihood of fluctuations in regard to projected budgetary variations for 2020/21 (e.g. Waste Management - recycles increased costs of £133,000), Members were advised that although the current anticipated financial assumptions remained positive, market price changes between now and 2020/21 were possible and the Council would need to respond accordingly to such changes, should they occur.

**DECISION:** That Members:

1. Noted the 2020/21 budget process timetable.
2. Agreed that authority be delegated to the Cabinet Member for Finance and Performance Management and the Corporate Director (Finance) to give agreement of the Council's participation in an Essex pooling arrangement for 2020/21, should the opportunity arise.

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

## 22 **STATEMENT OF ACCOUNTS 2018-19**

**INFORMATION:** Members considered a report on the Council's Statement of Accounts 2018/19.

Councillor D Bebb, Cabinet Member for Finance and Performance Management, expressed his gratitude towards the Finance Team for the additional work they had invested towards ensuring that the Council's accounts were available for inspection and responding to queries by the Council's external auditors, BDO LLP (BDO).

A key change in the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 was highlighted to Members; the adoption of the IFRS9 Financial Instruments. Members were informed that under IFRS9, there was a requirement for the Council to take account of any changes in the valuation of pooled funds, which potentially meant that unrealised gains or losses on these investments would have a direct impact on General Fund balances; however, under new statutory regulations issued by the Ministry for Housing, Communities and Local Government (MHCLG), any such gains or losses were to be deferred for up to a period of five years.

Members were informed that the Council's External Auditor, BDO, had commenced their final audit of the accounts on 3<sup>rd</sup> June 2019. The accounts were available for inspection between 3<sup>rd</sup> June and 12<sup>th</sup> July 2019. The Statement of Accounts for 2018/19, together with the draft External Auditor's Audit Results Report, were received and approved by the Corporate Governance Group on 25<sup>th</sup> July 2019.

The final External Auditor's Audit Results Report was issued on 31<sup>st</sup> July 2019 by BDO. The Report made reference to the following; an unqualified opinion that the financial statements gave a true and fair view of the financial position of the Council as at 31<sup>st</sup> March 2019, and of its expenditure and income for the year then ended, and an unqualified conclusion that the Council had in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31<sup>st</sup> March 2019.

**DECISION:** Members received and noted the Council's Statement of Accounts for 2018/19.

**REASON FOR DECISION:** To formally receive the Council's Statement of Accounts for 2018/19 following the external audit and approval by the Corporate Governance Group.

## 23 **BT PHONE SERVICE CONSULTATION**

**INFORMATION:** Members were informed that it was the intention of BT to remove several public phone services at different locations within the Braintree District.

It was reported that the Council had a Local Authority veto which it could utilise in order to prevent the removal of a phone service. A requirement was that the veto was used in a reasonable fashion, and OFCOM guidance provided a number of relevant factors to be taken into consideration, such as housing type in the area, the number of calls made from the box, the need for emergency calls and mobile phone coverage.

It was proposed that the Council veto the removal of three of the public phone services within the District. These services were located at Spa Road in Witham, West Street in Coggeshall and the junction at Church Road and Park Lane in Bulmer. The Council had until 1<sup>st</sup> October 2019 to respond to the phone service consultation. It was added that Ward Members with phone boxes in their area that were intended to be removed had been contacted; an e-mail was sent on 4<sup>th</sup> July 2019 to those Ward Members, as well as to the Parish and Town Councils effected.

**DECISION:** That the agreed response was submitted as set out in paragraph 3.3, subject to any further comments being received from members of the public, Parish Councils and Ward Members being assessed and that the Local Authority veto should be applied be taken by Emma Goodings, Head of Planning and Economic Development in consultation with the Cabinet Member for Economic Development and Infrastructure.

**REASON FOR DECISION:** To decide if it is necessary to use a Local Authority veto to prevent the removal of a phone service.

## 24 **ARRANGEMENTS FOR CLIMATE CHANGE WORKING GROUP**

**INFORMATION:** Members considered a report regarding the agreement by Council on 22<sup>nd</sup> July 2019 to establish a Climate Change Working Group that would help to ensure that all Council activities were, as far as practical, carbon neutral by 2030.

The first meeting of the Climate Change Working Group was due to take place on 14<sup>th</sup> October 2019. Invitees included Councillor Unsworth and Councillor Mrs Garrod as Ward Member representatives, in addition to members of the community, a subject expert and a member from the NFU, as well as representatives from senior school food stores, Greenfields and Green Heart. A working group comprised of Council staff would also be in effect alongside the main Group.

During the report, it was acknowledged that the Group had encountered delays with the start of its work; it was therefore requested that the 12 month period granted for the group to produce its Climate Change action plan commence instead from the date



of the evening's meeting of Cabinet, 9<sup>th</sup> September 2019. The Leader subsequently agreed to the request, but asked that an interim report be provided after six months in order to keep the Council abreast of the Group's progress.

Further to query raised by a Member, it was explained that a vacancy on the Climate Change Working Group was left intentionally available, should the Group decide at a later stage that further representatives were needed to help facilitate their work.

**DECISION:** That Cabinet:

1. Agreed the elected membership and proposed size and make up of the Climate Change Working Group;
2. Agreed the Terms of Reference of the Climate Change Working Group;
3. Delegated authority for appointment of non-elected members of the Climate Change Working group to the Cabinet Member for Environment and Place, in conjunction with Corporate Director.

**REASON FOR DECISION:** To agree a Group to take forward the Climate Change Strategy and respond to the declaration of a Climate Emergency by Braintree District Council.

## 25 **\*\*REVIEW OF STRATEGIC OPTIONS FOR SURPLUS COUNCIL OWNED LAND**

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**INFORMATION:** Consideration was given to a report from the Strategic Investment Team (SIT) with regard to its work on the acquisition of sites for development, which included sites at Horizon 120, Chapel Hill, Witham and Sible Hedingham, and; option appraisals of the development potential of Council owned surplus land, such as Manor Street, Chapel Hill and various small sites across the District.

It was reported that the Housing Members Reference Group, in conjunction with SIT, had now met on six occasions and had, during this time, reviewed a number of options in relation to the Council's objectives regarding housing supply. The Group considered the key objective of the Council to be the improvement of the supply of new market and affordable homes, with equal importance assigned to the potential financial contribution to the organisation; it was recognised that the likely revenue streams and/or capital receipts generated by development would be positive contributions in this area. One option given particular consideration was the creation of a housing development company (DevCo), which would enable the Council to undertake the development and sale of new homes on a shortlist of eight sites.

Financial models generated by Grant Thornton tested the viability of the individual sites and the cumulative potential benefit of undertaking development through a DevCo. It was concluded that it would not be financially viable for the Council to proceed with the development of any of the smaller sites, with the exception of Chapel Hill. In addition to this, after careful consideration of the DevCo business case and analysis of various options, the projected volume of houses for the sites in the Council's ownership was considered too low to justify its creation. Members were

advised that the business case for the DevCo could be reviewed again by the Council in future if it was considered to be financially viable.

**DECISION:** That Cabinet:

1. Granted delegated authority to the Corporate Director of Growth (interim), in consultation with the Cabinet Member for Corporate Transformation and the Corporate Director (Finance) to authorise the disposal of individual sites, or a combination of sites, on a subject to planning basis, at:
  - a. Church Road, Stambourne
  - b. Little Hyde Road, Great Yeldham
  - c. New Park, Castle Hedingham
  - d. New Street, Halstead
  - e. John Barr House, Panfield
  - f. Conrad Road, Witham
  - g. Harkiless Way, Braintree
2. Noted that the business case, for a wholly owned housing development company, is not proven and that the concept will be postponed for future consideration in the context of the proposed garden communities.

**REASON FOR DECISION:** To expedite the sale, at market value, of seven Council owned sites which are surplus requirements and to encourage local small developers to deliver new homes.

26 **\*\*BRAINTREE TOWN CENTRE REGENERATION PROJECT – MANOR STREET  
UPDATE FOLLOWING TENDER EXERCISE AND CONSEQUENTIAL MATTERS**

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**INFORMATION:** Members were reminded that this Item was linked to Item 13a in the Private Session of the Agenda, and that if any Member wished to refer to the private information contained within the report for that Item, it would be necessary for the meeting to be moved into Private Session.

**DECISION:** That, under Section 100(A)(4) of the Local Government Act 1972 the public and press be excluded from the meeting if it is necessary to discuss Item 11a of the Agenda and the Private Report, on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12(A) of the Act.

Both Agenda Items were taken together to enable consideration of all issues. It was not necessary for the debate to be moved into Private Session, although the report at Item 13a remained private.

**INFORMATION:** Consideration was given to a report that provided Cabinet Members with an update as to the latest developments in respect of the Manor Street project proposals, following a recent tender exercise.

Members were informed that the proposed scheme could be considered a first phase of the Council's ambitions for the wider improvement of the Braintree Town Centre and

that the intention was that the scheme, when delivered, would enhance the town's footfall. In May 2018, Cabinet accepted that the purpose of the project was the delivery of a positive regeneration and the social impacts. It was also intended that the financial return would reflect these objectives and be lower than other profitable projects, such as Horizon 120.

On 14<sup>th</sup> May 2018, Cabinet approved the implementation of the Braintree Town Centre Regeneration Project in Manor Street, and a total scheme budget supported by anticipated sales receipts, prudential borrowing and a capital contribution from reserves. The project budget was predicated upon a pre-tender estimate of construction costs, of which was prepared by Potter Raper Associates, the Council's appointed employer's agent and cost consultant.

Since this time, a detailed planning application was submitted and consent was granted on 12<sup>th</sup> March 2019. An agreement to lease was entered into with Travelodge, the agreement required that construction works started no later than 12<sup>th</sup> November 2019. Three tenders were received and opened on 3<sup>rd</sup> June 2019. Negotiations had also continued with the CCG; firm interest had been confirmed from a health service provider, and the CCG had reportedly given a written undertaking to underwrite the obligation to pay rent.

Members were informed that of the three tenders received, the lowest was from Kier Construction Ltd; however, all three tenderers had omitted notable cost items, such as the building warranty premium, and it was later established that a number of provisional sums had been understated as well. As a result, it was likely that the tender prices given would increase at a later stage. Value Engineer (VE) negotiations had continued and the highest tenderer was invited to withdraw. Sales values had also been reviewed and the latest advice from Joscelyne Chase compared to the business case approved in May 2018.

A local Registered Provider had worked closely with the Strategic Investment Team (SIT) to assist the Council to realise the value and delivery of the town centre project. Two proposals were submitted by the Provider: the purchase of the 12 units in the "East Block" as the 12 affordable homes required as a condition of the planning permission, and the purchase of all 35 residential units, accepting the sales and marketing risks and delivering the 12 smallest units as the required affordable homes. It was explained that the proposals made were based upon the upper decile of the achievable value range, with the level of discount at the lower range accepted on block residential sales in the region. The discount was mitigated by stage payments during development, and there was no requirement for a marketing agent.

The initial income stream delivered by the project represented an initial yield on the Council's total financial commitment. The yield exceeded the current cost of funds but did not provide sufficiently for Minimum Revenue Provision; therefore recommended that the approved level of prudential borrowing remained unchanged, and that the balance was met from a capital contribution from revenue reserves. Members were reminded that the project was a multi-purpose building which would include facilities such as a healthcare centre, pharmacy, hotel, residential units, etc.

With regard to financial impact, the current position was that the build cost was higher than had originally been anticipated. The estimated cost meant that it was also necessary to review the project's overall contingency, although it was noted that these

additional costs were offset partially by a reduction in the budget required for professional and other fees, as well as provisions for planning related costs. The latter was reduced on the basis that the scheme already made significant provision for items such as public transport, public realm and other town centre improvements, of which would often be delivered through a S106 agreement.

The scheme included a development allowance that related to the capitalised salaries of the SIT, where activities undertaken met the strict conditions required for classification as capital expenditure. The arrangement was included as part of the overall funding mix for resourcing a permanent team structure, and would include the role of a Construction Manager. A budget for interest incurred on external borrowing was also incorporated within the scheme for use during the construction period, and this was projected to be lower than estimated; primarily, this was due to the assumption that the agreement for the transfer of residential units would include a provision for phased payments during this period. This reduced the amount of temporary borrowing required.

The proposed acquisition of all units by a Registered Provider was estimated to generate capital receipts that were lower than the original scheme and the revised maximum achievable values. The original scheme assumed long-term prudential borrowing by the Council over a 40 year period, with principal and interest payments funded from the rent obtained via commercial premises. It was suggested to maintain long-term borrowing at this level, and consequently, the balance of funding required from the scheme was intended to be met from the Council's own capital reserves and balances, resulting in an increased contribution. If negotiations proved unsuccessful, the Council could choose to revert to the original proposal made regarding the sale of the East Block to a Registered Provider as affordable housing, and that the 23 homes in the main building were sold individually on the open market. The original contribution towards the scheme was from the District Investment Reserve, which was created in May 2016 from a combination of General Fund balances and New Homes Bonus. The additional contribution would be met from the Council's existing capital resources (primarily the balance of capital receipts).

Lastly, attention was drawn to a previously unidentified risk; the impact of a "No-deal Brexit." Should such an event transpire, the Bank of England (BoE) had predicted increases in mortgage rates and a weakening of the housing market. In order to mitigate the risk of adverse impacts that could arise in this instance, a Registered Provider had submitted an offer to purchase all 35 apartments included within the project plan and in doing so, accepted the sales risk. The acceptance of the Registered Provider's offer would require the provision of an additional capital contribution, which was incorporated within the budget.

## **DECISION:**

That Cabinet agreed to:

1. Confirm its continued support for the proposed regeneration project and continued approval for its implementation because it will significantly enhance the vitality, of the town centre, with 35 new homes, a hotel, over 100 new jobs and improved public transport and health facilities.

2. Approve the proposal for Braintree District Council to fund and deliver the Braintree Town Centre Regeneration Project together with the recommendation to Council to approve a capital budget for all professional, construction and associated scheme development costs, including capitalised interest.
3. Waive the condition, agreed in May 2018, that the above contract would require a completed legal agreement to be in place for the Live Well Hub.
4. Grant the following delegated authority, in addition to the delegations approved in May 2018, to a Corporate Director in consultation with the Cabinet Member for Corporate Transformation to:
  - a. Approve the execution of a Design and Build construction contract, with Kier Construction Ltd.
  - b. Approve the terms of a sale of all thirty-five dwellings, in the scheme, to a Registered Provider, on the best available commercial terms.
  - c. Approve the terms of a sale, to a Registered Provider, of twelve dwellings as affordable housing, and twenty three dwellings on the open market, in the event that the proposed sale to a Registered Provider, is not concluded on satisfactory terms or in sufficient time.
5. Grant the following delegated authority to a Corporate Director and the Corporate Director (Finance) in consultation with the Cabinet Member for Corporate Transformation, and the Cabinet Member for Finance and Performance Management:
  - a. To approve revised scheme costs with the ability to vary costs or revenue up to a 5% variation of the total scheme costs.
6. Grant the following delegated authority to the Corporate Director (Finance):
  - a. To utilise the Council's cash balances, to minimise interest charges during development, as and when it is considered to be prudent to do so.
7. That Cabinet recommended to Council that:
  - a. It notes that Cabinet confirms its continued support for the proposed regeneration project and continued approval for its implementation because it will significantly enhance the vitality, of the town centre, with 35 new homes, a hotel, over 100 new jobs and improved public transport and health facilities
  - b. A capital budget be approved for all professional, construction and associated scheme development costs including capitalised interest.
  - c. A delegated authority be approved to accept up to a 5% increase in total scheme costs.
  - d. Additional funds from capital reserves be used, if the above delegated authority is applied.

**REASON FOR DECISION:** To confirm financial arrangements to enable this strategically important project to proceed.

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### **CABINET MEMBER DECISIONS MADE UNDER DELEGATED POWERS**

**INFORMATION:** In respect of the Council's decision to join and support the Essex Countrywide Traveller Unit (ECTU), Councillor Mrs Schmitt, Cabinet Member for Environment and Place, advised that the Council was, in fact, already a member. Given this, Cabinet agreed that the report be amended to read as follows: "To continue our (the Council's) membership with the ECTU as a Partner Authority for and make financial contributions to ECC (Essex County Council)."

**DECISION:** That the delegated decision set out in the report was noted.

**REASON FOR DECISION:** The reasons for the decision can be found in the individual delegated decision.

The meeting commenced at 7.15pm and closed at 8:33pm.

COUNCILLOR G BUTLAND  
(Leader of the Council)