

NORTHAMPTON BOROUGH COUNCIL

CABINET

Wednesday, 21 February 2018

PRESENT: Councillor Nunn (Chair); Councillor Larratt (Deputy Chair); Councillors Eldred, Hadland, Hallam, Hibbert and King

1. APOLOGIES

There were none.

2. MINUTES

The minutes of the meeting held on the 17th January 2018 were agreed and signed by the Leader.

3. INTENTION TO HOLD PART OF THE MEETING IN PRIVATE IF NECESSARY

There were no items to be considered in private.

4. DEPUTATIONS/PUBLIC ADDRESSES

Mr Tony Mallard addressed Cabinet in respect of Item 10 –‘Maximising the supply of New Homes’ and commented that it was acknowledged there was a housing crisis and credited Northampton Partnership Homes (NPH) for embarking on the proposition to deliver new build housing. However, he expressed some concerns about NPH becoming a registered housing provider and the impact of this on Right to Buy.

Councillor Hibbert, as the relevant Cabinet Member, in response to the concerns raised, confirmed that there was no prospect of for NHP to become a registered housing provider.

5. DECLARATIONS OF INTEREST

There were none.

6. REPORT BY CHIEF FINANCE OFFICER ON ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES

Councillor Stone questioned whether the administration, in conjunction with local MPs would make any representations to the Government on the timing of the local government funding settlement. She referred to section 3.9.7 of the report and noted that there were a lot of uncertainties and some high risk strategies which she voiced her concerns about.

Councillor Eldred as the relevant Cabinet Member referred to the late settlement figure and commented that there was an anticipation of the amount of money in the settlement and noted that there was money in the budget to progress with projects. He referred to the use of reserves and explained that it was cheaper than borrowing from other sources. He noted the level of council tax for 2018/19 was to increase by 2.99% per year in line with the maximum permitted amount by Government and noted that in order to minimise the cost and maximise value the Council had entered into a new contract for Environmental Services despite it being considerably more than the current one.

RESOLVED:

That it be recommended to Council to carefully consider the content of the report with regards to the General Fund and Housing Revenue Account prior to recommending the

approval of the Council's Medium Term Financial Plan 2018/23, the Revenue Budget for 2018/19, Capital Programme 2018/23 and Treasury Management Strategy 2018/19.

7. GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME 2018/19 AND MEDIUM TERM FINANCIAL PLAN 2018/19 - 2022/23

Councillor Stone questioned why if a funding gap had been predicted was it being addressed as a savings need and Councillor Birch commented that £70k had been allocated to the Cabinet and questioned how that would be administered and monitored.

Councillor Smith commented that she had some concerns about the use of the reserves and noted that lessons needed to be learned from the County Council. She further reported that the consultation was not far reaching enough and expressed her dissatisfaction that it did not appeal to a greater number of people.

Councillor Eldred, as the relevant Cabinet Member submitted his report and elaborated thereon. In response to questions asked, he commented that savings were being made to ensure the best deal for the public and to protect front line services and noted that investments would be a future focus in generating income for the Council. He responded to comments made about the consultation by noting that there had been radio interviews about it, drop in sessions arranged along with numerous other media notifications.

With regards to the Medium Term Financial Plan (MTFP) he stated there was a balanced budget for the next financial year and noted that there was still money in the reserves. He commented that there was on going investment for the St James Mill Link Road and Abington Park Museum and that the administration had to raise some costs in order to continue to provide certain services.

Councillor King noted that the £70k allocated to the Cabinet was for urgent decision to be made that were not able to go through CEFAP and commented that these would be closely monitored.

RESOLVED:

- 2.1 That the feedback from consultation with the public, organisations and the Overview and Scrutiny and Audit Committees (detailed at Appendices 9, 10 and 11 of the report) be considered and noted.
- 2.2 That the changes to the proposed budget (detailed at paragraph 3.2.14 of the report), in light of technical adjustments and the Local Government Funding Settlement be agreed
- 2.3 That it be recommended to Council the General Fund Revenue Budget for 2018/19 of £27.360m (excluding parishes) for its own purposes (detailed in paragraph 3.2.13 and Appendices 1 and 2 of the report).
- 2.4 That it be agreed that the Council be recommended to increase the Council Tax for its own purposes, i.e. excluding County, Police and Parish Precepts, by £6.37 (2.99%) per year per band D property for 2018/19.
- 2.5 That it be recommended to Council that they approve the General Fund Capital Programme and proposed financing for 2018/19, including the inclusion of schemes in the Development Pool, as set out in Appendix 4.
- 2.6 That it be agreed that Council be recommended to confirm a minimum level of General Fund reserves of £5.5m for 2018/19, having regard to the outcome of the financial risk assessment, and also noted the position on earmarked reserves

(Appendix 7 of the report).

- 2.7 That authority be delegated to the Chief Finance Officer in consultation with the Cabinet Member for Finance, and where appropriate the relevant Director and Cabinet Member to:
- Transfer monies to/from earmarked reserves should that become necessary during the financial year.
 - Update prudential indicators in both the Prudential Indicators Report and Treasury Strategy Report to Council, for any budget changes that impact on these.
- 2.8 That the draft Fees and Charges set out in Appendix 8, including immediate implementation where appropriate be approved.
- 2.9 That it be recommended to Council that they approve the Treasury Management Strategy for 2018/19 at Appendix 5 of this report: incorporating:
- (i) The Capital Financing and Borrowing Strategy for 2018/19 including:
- The Council's policy on the making of Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (England) (Amendment) Regulations 2008.
 - The Affordable Borrowing Limit for 2018/19 as required by the Local Government Act 2003.
- (ii) The Investment Strategy for 2018/19 as required by the CLG revised Guidance on Local Government Investments issued in 2010.
- 2.10 That authority be delegated to the Council's Chief Finance Officer, in liaison with the Cabinet member for Finance, to make any temporary changes needed to the Council's borrowing and investment strategy to enable the authority to meet its obligations.
- 2.11 That authority be delegated to the Chief Finance Officer to make any technical changes necessary to the papers for the Council meeting of 26th February 2018, including changes to the Finance Settlement and change relating to Parish Precepts and Council Tax levels associated with those changes.

8. HOUSING REVENUE ACCOUNT (HRA) BUDGET, RENT SETTING, 2018/19 AND BUDGET PROJECTIONS 2019/20 TO 2022/23

Councillor Ashraf raised concerns about the cost to the Council of Right to Buys and noted the need for increased numbers in social housing.

Councillor Eldred, as the relevant Cabinet Member, responded by noting that at Cabinet on the 20th December 2017, it had been agreed the proposed rent decrease in line with legislation and national rent policy of 1% and noted the HRA budget for 2018/19 of £52.1 million expenditure.

RESOLVED:

That it be recommended to Council to approve:

- a) An average rent decrease of 1% per dwelling, in line with the legislation and the government's national rent policy, to take effect from 2nd April 2018.
 - b) The HRA budget for 2018/19 of £52.1m expenditure detailed in Appendix 1.
 - c) The HRA capital programme for 2018/19, including future year commitments, and proposed financing as set out in Appendix 2.
 - d) The proposed service charges listed in Appendix 3.
 - e) That Cabinet be authorised, once the capital programme has been set, to approve new capital schemes and variations to existing schemes during 2018/19, subject to the funding being available and the schemes being in accordance with the objectives and priorities of the Council.
 - f) The Total Fees proposed for NPH to deliver the services in scope for 2018/19 detailed in Appendix 4.
- 2.2 That the issues and risks detailed in the Chief Finance Officer's statement on the robustness of estimates and the adequacy of the reserves be acknowledged.
- 2.3 That it be agreed that the Council be recommended to confirm the reserves strategy of protecting balances wherever possible to allow the option of supporting future years' budgets, aiming for a minimum level of unallocated Housing Revenue Account balances of at least £5m for 2018/19 having regard to the outcome of the financial risk assessment.
- 2.4 That authority be delegated to the Chief Finance Officer to make any technical changes necessary to the papers for the Council meeting of 26th February 2018.
- 2.5 That it be agreed that the Council be recommended to delegate authority to the Chief Executive and Chief Finance Officer to implement any retained HRA budget options and restructures.
- 2.6 That authority be delegated to the Chief Finance Officer in consultation with the Cabinet Member for Finance, and where appropriate the relevant Director and Cabinet Member to:
- transfer monies to/from earmarked reserves should that become necessary during the financial year.
 - transfer monies to /from HRA working balances between the Council and NPH for cash flow purposes should that become necessary during the financial year.
 - update the budget tables and appendices, prior to Council should any further changes be necessary.
 - update prudential indicators in both the Prudential Indicators report and Treasury Strategy report, for Council for any budget changes that impact on these.

9. CORPORATE PLAN 2018-2023

Councillor Ashraf questioned whether an application had been made to DCLG for money to contribute to housing growth.

Councillor Duffy asked what the impact of the reduction of County Council Trading Standards Officers would be.

Councillor Nunn, as the Leader of the Council, commented that the Corporate Plan was an outline of what the administration sought to achieve within the next few years and noted that

it was a refresh of the original document that reflected changes and improvements.

In response to questions asked, Councillor Kind explained that the Trading Standards was a County Council issue and not within the remit of the Borough Council.

RESOLVED:

That it be recommended to Council on the 26th February 2018 that the draft Corporate Plan for 2018 to 2023 be approved, and that the Interim Chief Executive be authorised to finalise the document and publish this alongside the Council's Medium Term Financial Plan.

10. MAXIMISING THE SUPPLY OF NEW HOMES

Councillor Beardsworth commented that she welcomed the report and recommendations and noted that she welcomed it wholeheartedly. She further commented that the Government did very little to help Councils deliver social housing.

Councillor B Markham commented that it was a welcome report and requested that more information be provided for the timetable of the 3 track approach. He stated that there was a need to invest in the future housing stock and expressed his wishes for Councils be legally be able to suspend the Right to Buys. He confirmed that he considered the maximisation of the supply of new homes to be a positive step in the right direction.

Councillor Ashraf noted she too welcomed the 3 point strategy and commented that she would have like to have seen it put before an Overview and Scrutiny Panel.

Councillor Hibbert as the relevant Cabinet Member commented that NPH had presented an ambitious proposal and noted that he was glad that it had been received favourably by many. He noted that they had gone through due diligence and stated that the report was in places, very technical. He commented that Capita had given positive views on the proposal and was pleased with the work undertaken by officers of the Council and NPH.

In response to questions asked, he confirmed that the Right to Buy existed and that it was a legal requirement and therefore the Council would have to comply with it.

Councillor Hibbert further commented that the supply of new homes was the biggest housing project that the Council had undertaken within the last 30 years.

It was confirmed by Capita that the project had been well managed by both the Council and NPH and considered to be very positive.

The Chief Executive of NPH elaborated on the report and noted that NPH had spent over 2 years bringing the project together and had gone through due diligence. He reported that there were over 3000 applicants on the housing list and stated that there was an increasing in the number of people presenting themselves as homeless and noted that there was a need to help those vulnerably housed and homeless. With regards to the Right to Buys he commented that 145 properties were being sold through this each year and nationally it was expected to rise. He commented that this approach to housing development would provide a mechanism for the provision of funding outside the HRA gap and could generate an income for the Council. He noted that the New Homes Bonus would provide approximately £6k per property and that money, alongside that generated in Council tax would prove beneficial to the Council. He explained that NPH would be able to deliver the ambitious programme and this would be done effectively and robustly.

The Leader of the Council thanked those who had contributed to the programme and stated that it was exciting new steps for the Town to be taking.

RESOLVED:

- (a) That the 3-track approach to housing development (described in Paragraph 3.1.32 of the report) be approved;
- (b) That the establishment of a charitable Community Benefit Society that will utilise grants, loans, land and 1-4-1 Right To Buy receipts to invest in or fund new affordable rented housing within the Borough of Northampton be approved;
- (c) That the principle of the Council and/or Northampton Partnership Homes acquiring and/or building homes for market rent or sale be approved;
- (d) That the expansion of Northampton Partnership Homes' role to include the delivery of new housing (including affordable rented housing, market rented housing and housing for sale) outside of the Housing Revenue Account and within the Northampton Related Development Area (NRDA) be approved;
- (e) That officers be instructed Officers to commence negotiations to set up a minority-interest Community Benefit Society, propose appointments for the initial members and trustees of the Community Benefit Society and prepare the necessary draft paperwork for approval by Full Council;
- (f) That it be recommended to Full Council that the appropriate funding (subject to detailed business cases, as appropriate), development agreements and governance arrangements be put in place to ensure that, when suitable sites are identified for development, the Community Benefit Society and Northampton Partnership Homes be supported to secure the necessary funding and decisions are made in a timely manner;
- (g) That it be noted that, in approving this 3-track approach, it would not preclude the Council from also pursuing other options such as forming a Housing Development Company itself or in conjunction with appropriate partners such as NPH (see Paragraph 3.1.39 of the report); and
- (h) That Officers be instructed to bring regular reports back to Cabinet seeking approvals for the key documents required to implement the recommendations in this report and the governance arrangements approved by Full Council.

The meeting concluded at 7.09pm