

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Cabinet held on
Thursday, 14 July 2016 at 6.00 p.m.

PRESENT: Councillor Peter Topping (Leader of the Council)

Councillors:	Simon Edwards	Finance and Staffing Portfolio Holder
	Mark Howell	Environmental Services Portfolio Holder
	Lynda Harford	Housing Portfolio Holder
	Mick Martin	Corporate & Customer Services Portfolio Holder
	Peter Topping	Leader of the Council
	Robert Turner	Planning Portfolio Holder

Officers in attendance for all or part of the meeting:

Gill Anderton	Head of Housing (New Build)
Alex Colyer	Executive Director, Corporate Services
Susan Carter	Housing Advice and Options Manager
Stephen Hills	Director of Housing
Jean Hunter	Chief Executive
Richard May	Policy and Performance Manager
Graham Watts	Democratic Services Team Leader

Councillors Anna Bradnam, Bridget Smith, Hazel Smith and Bunty Waters were in attendance, by invitation.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Francis Burkitt and Tim Wotherspoon.

2. MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting held on 11 February 2016 were confirmed and signed by the Leader as a correct record.

3. MINUTES OF EXTRAORDINARY MEETING

The minutes of the extraordinary meeting held on 28 June 2016 were confirmed and signed by the Leader as a correct record.

4. DECLARATIONS OF INTEREST

No declarations of interest were made.

5. ANNOUNCEMENTS

No announcements were made.

6. PUBLIC QUESTIONS

No public questions had been received.

7. POSITION STATEMENT 2015/16: FINANCE, PERFORMANCE AND RISK

A report was considered which provided Cabinet with a provisional 2015-16 outturn position statement on General Fund, Housing Revenue Account and Capital expenditure and income, including requests for budget rollovers from 2015-16 to 2016-17. The report also provided a statement on the 2015-16 year end position with regard to the Council's corporate objectives, performance indicators and the Strategic Risk Register.

Councillor Mick Martin, Portfolio Holder for Corporate and Customer Services, presented the report which highlighted a number of significant milestones that had been achieved during the year, including:

- the launch of an on-line form for benefits applications and a new public website;
- completion of major consultations on transport improvement schemes as part of the Greater Cambridge City Deal;
- the commencement of work on the construction of new Council homes at Swavesey, Foxton and Linton;
- completion and agreed extension of a successful housing company trial, providing much needed local housing for rent whilst generating financial returns;
- completion of modifications to the Council's draft Local Development Plan within a challenging timescale, submitting modifications for public examination in March 2016;
- agreement through Primary Authority arrangements to provide regulatory support and advice to Aldi and John West Tuna Co.;
- the introduction of Key Account Management arrangements with major businesses and organisations in the district;
- obtaining the Gold Award of the Investors in People standard;
- resolving to grant planning permission for 3,500 homes and associated infrastructure at Northstowe as part of phase two;
- the submission of a successful application for an Enterprise Zone including key sites in the district, which would further stimulate the local economy;
- the introduction of co-located Cambridge City Council waste operations at the Waterbeach Depot and putting in place a shared management team, saving £140,000 per annum;
- the launch of shared ICT, Building Control and Legal shared services.

Councillor Martin reported that the Scrutiny and Overview Committee had considered this report at its meeting on 5 July 2016. The Scrutiny Committee had agreed that it would invite individual Portfolio Holders to its subsequent meetings in order that they could be present to explain and answer questions about the performance of their respective Portfolios, with the Committee focussing its scrutiny on a specific Cabinet Portfolio per meeting.

In terms of the Strategic Risk Register, Councillor Martin explained that he had requested the inclusion of risks associated with the devolution proposals be added to the Register. He also reported a rumoured anomaly in respect of diesel and a punitive tax that may be put in place on vehicles using such fuel, stating that this would be considered further when more information became available. It was noted that, if considered as a risk, this would feature in the Risk Register for the respective service area rather than the Strategic Risk Register.

Councillor Simon Edwards, Portfolio Holder for Finance and Staffing, together with the majority of Members in attendance, agreed with the Scrutiny Committee's suggested way of considering and scrutinising the Council's performance. He reported that the

outturn for the General Fund at 2.2%, before rollovers, was within the 3% tolerance and noted, in terms of variances, that planning fee income continued to increase. Councillor Edwards highlighted that the additional fee income related to applications for renewable energy installations and that the Council would be able to retain 100% of associated business rates. It was also noted that the Council had delivered savings of £408,270 during 2015/16 with the resulting shortfall of £261,730 partially offsetting the favourable variance in respect of planning fee income. The overall target of £670,000 would therefore be met and surpassed in a full year from 2016-17.

Councillor Edwards referred to the Strategic Risk Register and the risk associated with the Medium Term Financial Strategy. He asked officers to consider, outside of the meeting, reducing the likelihood of this risk from 4 to 3.

Councillor Peter Topping, Leader of the Council, sought some assurance in respect of the rollovers set out in paragraph 17 of the report that the Council was not rolling over more than it should be. Alex Colyer, Executive Director (Corporate Services) stated that specific issues had arisen during the year and the reasons for individual rollover requests were set out in Appendix E of the report. Mr Colyer acknowledged the significant rollover request in respect of the ICT shared service which had resulted from a collective approach to streamlining ICT investment to generate shared savings. Expenditure originally planned for 2015/16 had therefore prudently been deferred. In addition, it was noted that the Housing Management IT system would be fully re-rendered, as opposed to upgrading the existing application.

In respect of rollovers, Councillor Anna Bradnam was concerned that a number of the reasons for requesting rollovers related to contractual difficulties and in one case a contractor having gone into liquidation. She therefore asked whether the necessary due diligence had been undertaken prior to offering the contracts in these cases. Stephen Hills, Director of Housing, confirmed that the necessary procurement processes and due diligence had all be followed.

Councillor Bradnam referred to the Strategic Risk Register, highlighting the recruitment and retention of staff in the Planning Department as being a significant concern. She therefore asked what was being done to address this issue. Councillor Robert Turner, Portfolio Holder for Planning, reported that the Council would continue to keep advertising its vacant posts and do the best it could to promote South Cambridgeshire District Council as an employer and the opportunities it could provide. In terms of staff retention, Councillor Turner made the point that the Council offered excellent training and development opportunities for individuals. It was noted that the Planning Department had been developing its own planning staff, rather than solely depending on filling vacant posts externally, and that this process was already starting to show positive prospects. Another key issue was the cost of housing in South Cambridgeshire and it was suggested that rejuvenation of key worker housing should be considered.

Councillor Bridget Smith, Leader of the Opposition, raised concern about the risk of possible government intervention resulting from planning underperformance. Councillor Martin advised that the new Joint Director of Planning and Economic Development would be reviewing strategic risks relating to the directorate, in consultation with the Planning Portfolio Holder, and would bring forward any proposed changes or additions as part of the next periodic review.

Cabinet:

- (a) **NOTED** the Council's provisional outturn position, together with the overview of Corporate Plan 2015-2020 achievements and performance against key performance indicators set out in the report and Appendices A to E.
- (b) **APPROVED** the capital and revenue budget rollovers totalling £9,370,180 as listed in Appendices E(1) to E(3) of the report to be carried forward into the 2016-17 financial year.
- (c) **APPROVED** the Strategic Risk Register at Appendix F of the report.

8. **APPROVAL OF UK MUNICIPAL BONDS AGENCY'S FRAMEWORK AGREEMENT**

Cabinet considered a report which sought endorsement for the Council to enter into the borrowing documents prepared by the United Kingdom Municipal Bonds Agency and set out the background to the Agency, the key facets of the proposed Framework Agreement and the advantages and disadvantages of entering into the Agreement.

Councillor Simon Edwards, Portfolio Holder for Finance and Staffing, presented the report and made the point that simply entering into the Framework Agreement placed no risk whatsoever on the Council, with risk only being a factor for those authorities borrowing through this facility. He highlighted, however, that the risk of default by a local authority was deemed to be very low, with no principal local authority having ever defaulted on a loan. The statutory and prudential framework under which local authorities operated was extremely strong and designed to prevent local authorities from over-reaching themselves and becoming insolvent. Key aspects of the framework were set out in paragraph 58 of the report.

Councillor Edwards was of the opinion that the case presented in the report was sound and would provide the Council with a further option to consider in terms of cheaper capital finance, particularly in view of the inclusion of a significant borrowing requirement in the Council's five year capital programme. He commended the recommendations contained within the report, subject to recommendation (c) reflecting that the delegation to the Section 151 Officer be in consultation with the Finance and Staffing Portfolio Holder and the Chairman of the Audit and Corporate Governance Committee. This amendment was supported by Cabinet.

Councillor Peter Topping, Leader of the Council, supported the Council entering into the Framework Agreement, saying that this was a local government initiative worth progressing and another example of this Council not necessarily being dependent on central Government.

Councillor Anna Bradnam referred to the Council's need to borrow which she noted as being £98.9 million over the next three years, comprising of £95.5 million of borrowing to fund capital expenditure and £3.4 million of internal borrowing. She therefore asked whether Council would be entering this initiative with a view to borrowing through it. Councillor Edwards explained that entering into the Framework Agreement would not commit the Council to anything, but gave the authority some flexibility as to who it decided to borrow from.

Councillor Bradnam referred to paragraph 8 of the report which explained that the margin charged by the Public Works Loan Board rose significantly in 2010. She understood this as being in response to increased risk levels and therefore questioned why the Municipal Bonds initiative was safer and cheaper than the Public Works Loan

Board. Councillor Edwards explained that the Public Works Loan Board rate increase did not relate to the level of risk and was introduced to raise more money for the Government. He reiterated that the Council had a number of other routes it could choose for borrowing, such as through the issuing of its own bond for example, and this facility provided a further option for consideration in due course.

Cabinet:

- (a) **RECOMMENDED** to Council approval of the Council's early entry into the Framework Agreement and its accompanying schedules including the joint and several guarantee.
- (b) **RECOMMENDED** to Council that delegated authority be given to the Executive Director (Corporate Services) as Section 151 Officer and the Monitoring Officer to sign those documents, as appropriate, on behalf of the Council.
- (c) **RECOMMENDED** to Council that delegated authority be given to the Executive Director (Corporate Services) as Section 151 Officer to agree amendments to the framework as appropriate, in consultation with the Finance and Staffing Portfolio Holder and the Chairman of the Audit and Corporate Governance Committee.
- (d) **NOTED:**
 - the introduction to the Agency, set out in section 2 of Appendix 1, which explained the Agency in layman's terms;
 - the Framework Agreement and its schedules, including the joint and several guarantee, as set out in section 3 of Appendix 1;
 - the legal advice and counsel's opinion set out in sections 1, 4 and 5 of Appendix 1;
 - consideration of the Council's financial position and financial standing in section 9 of Appendix 1;
 - that the signing of the Framework Agreement did not make the Council subject to the joint and several guarantee or provisions of the Framework Agreement until such time it borrowed from the Agency;
 - the assessment of the advantages and disadvantages of entering into the Framework Agreement in section 10 of Appendix 1.

9. CAMBRIDGE COMPASS ENTERPRISE ZONE

Cabinet considered a report which provided an update on the designation of land at Northstowe (Phase 1), Cambourne Business Park and the Cambridge Research Park in Waterbeach as part of the Cambridge Compass Enterprise Zone and sought approval to adopt the Memorandum of Understanding between the Department for Communities and Local Government, the Greater Cambridge Greater Peterborough Enterprise Partnership and South Cambridgeshire District Council.

Councillor Peter Topping, Leader of the Council, presented the report and made the point that a successful enterprise zone could bring forward sites for business growth and employment opportunities which in turn would help new communities to develop, citing the London Docklands as an example. He highlighted the incentives this proposal could bring, which included local retention of business rate growth with a business rate discount for occupiers and a commitment from the local authority of a simplified planning approach through planning performance agreements or Local Development Orders.

Councillor Topping proposed the recommendations contained within the report, subject to an amendment to reflect that delegated authority to the Executive Director (Corporate Services) be in consultation with the Leader of the Council in terms of agreeing the final wording of the Memorandum of Understanding with partners.

Councillor Mark Howell, Portfolio Holder for Environmental Services, referred to the governance arrangements and structure set out in the appendix to the report in respect of Project Boards. He noted that this included a lead officer and lead Member for South Cambridgeshire District Council and asked whether they would both have voting rights. The Chief Executive confirmed that voting would be on a consensus basis, further to which Councillor Howell said that he would prefer for there to be one vote per authority or organisation rather than individuals.

Councillor Lynda Harford, Portfolio Holder for Housing, welcomed this proposal and said that providing housing near to where people worked was extremely important in terms of sustainability.

Councillor Bridget Smith, Leader of the Opposition, expressed her support for enterprise zones and in terms of Project Board membership asked whether it was proposed that one Member would be appointed onto all of the Boards or if different Members would be appointed to each respective Board, and whether this would be the local ward Member or Portfolio Holder. It was noted that this would be for the Council to determine. Councillor Smith made the point that there were a number of Project Boards so it would be more effective to have a different Member appointed to each.

Cabinet **NOTED** the inclusion of these three sites in the Cambridge Compass Enterprise Zone in partnership with the Greater Cambridge Greater Peterborough Enterprise Partnership and **ADOPTED** the draft memorandum of understanding, delegating authority to the Executive Director (Corporate Services) in consultation with the Leader of the Council to agree the final wording with partners.

10. PRIVATE SECTOR LEASING OPTIONS

In accordance with the provisions of Section 100(A)(4) of the Local Government Act 1972 (exempt information as defined in paragraph 3 of Schedule 12A of the Act), Cabinet **RESOLVED** to exclude members of the press and public for the consideration of this item.

Cabinet considered an exempt report which sought approval to set up an in-house Private Sector Leasing scheme through 'Shire Homes' for the purpose of assisting those in housing need and providing affordable access to the private rented sector.

Councillor Lynda Harford, Portfolio Holder for Housing, presented the report and explained the options contained within it.

Cabinet **APPROVED** the proposal to develop an in-house Private Sector Leasing scheme via 'Shire Homes'.

11. SELF/CUSTOM BUILD SERVICE

In accordance with the provisions of Section 100(A)(4) of the Local Government Act 1972 (exempt information as defined in paragraph 3 of Schedule 12A of the Act), Cabinet **RESOLVED** to exclude members of the press and public for the consideration of this item.

NOTE – Councillor Simon Edwards declared a non-disclosable pecuniary interest in this item as he was included as an applicant on the self-build register.

Cabinet considered an exempt report which sought approval of a business case for the establishment of an in-house self/custom build service.

Councillor Lynda Harford, Portfolio Holder for Housing, presented the report and took Cabinet through the business case for a self/custom build in-house service.

Cabinet **APPROVED**:

- (a) The identification and onward sale of Housing Revenue Account owned land plots with outline planning permission to registered applications bringing a receipt into the Housing Revenue Account for further housing construction or other housing activity, with a fee for each plot sale being part of the overall self/custom build service income.
- (b) Offering Eastern Regional Local Authorities to run an applicant and land register, plus other functions, for a fee from the Department for Communities and Local Government funding made available to councils to ensure the roll out of the Housing and Planning Act requirements.
- (c) In principle, the staffing outlined in the report subject to grading and further negotiations with Human Resources or the Housing Development Agency.
- (d) The undertaken of further work to identify the natural home for the self/custom build service either as a sub-regional cost centre akin to Homelink or CHIA model and based in Cambourne, or as part of the newly formed Housing Development Agency.

12. CAMBRIDGE ICE ARENA

In accordance with the provisions of Section 100(A)(4) of the Local Government Act 1972 (exempt information as defined in paragraph 3 of Schedule 12A of the Act), Cabinet **RESOLVED** to exclude members of the press and public for the consideration of this item. Cabinet also **RESOLVED** that the covering report associated with this item could be placed in the public domain.

Consideration was given to a report and exempt appendix which invited Cabinet to consider making a recommendation to Council following a request from Cambridge Leisure and Ice Centre for a 25 year loan of £1,850,000 through the prudential borrowing facility available to South Cambridgeshire District Council to address a finding gap in respect of the Cambridge Ice Arena.

Councillor Simon Edwards, Portfolio Holder for Finance and Staffing, presented the report and was of the view that the business case associated with the proposal was sound. He was keen for the Council to support a facility such as this and highlighted that the necessary due diligence would be carried out prior to this proposal being debated at Council.

Councillor Robert Turner, Portfolio Holder for Planning, spoke in full support of this facility in his capacity as the local Member.

Councillor Bridget Smith, Leader of the Opposition, questioned the approach to South Cambridgeshire District Council for the loan and felt that if this truly was a low risk project with a sound business case the money would be borrowed through commercial banks. She also asked why other authorities such as Cambridge City Council, Huntingdonshire District Council or Cambridgeshire County Council had not been approached. Councillor Edwards responded by saying that the Council, through its prudential borrowing, would be able to achieve better rates than banks could offer and he understood that South Cambridgeshire District Council had been approached in the first instance in view of the location of the facility being within South Cambridgeshire.

Cabinet **RECOMMENDED** that Council approves a 25 year loan of £1,850,000 through the prudential borrowing facility in order to address the funding gap in respect of the Cambridge Ice Arena.

13. ISSUES ARISING FROM THE SCRUTINY AND OVERVIEW COMMITTEE

There were no issues arising from the Scrutiny and Overview Committee that had not already been reported at this meeting.

14. ISSUES ARISING FROM THE PARTNERSHIPS REVIEW COMMITTEE

There were no matters arising from the Partnerships Review Committee.

15. UPDATES FROM CABINET MEMBERS APPOINTED TO OUTSIDE BODIES

There were no updates from Cabinet Members appointed to outside bodies.

16. REPORTS FROM CABINET MEMBERS ATTENDING PARISH COUNCIL MEETINGS

There were no reports from Cabinet Members attending Parish Council meetings.

17. REPORTS FROM MEMBER CHAMPIONS

There were no reports from Member Champions.

The Meeting ended at 7.30 p.m.
