

CABINET

THURSDAY, 9 FEBRUARY 2017

DECISIONS

Set out below is a summary of the decisions taken at the meeting of the Cabinet held on Thursday, 9 February 2017. Decisions made by the Cabinet will be subject to call-in. Recommendations made to the Council are not subject to call-in. The wording used does not necessarily reflect the actual wording that will appear in the minutes.

If you have any queries about any matters referred to in this decision sheet please contact Victoria Wallace.

1. PRIVATE SECTOR LEASING SCHEME

Cabinet

1. approved the establishment of Shire Homes Lettings Ltd as a Council owned housing company to take forward the management of the PSL scheme.
2. authorised South Cambridgeshire District Council's Director of Housing to act as the Director of Shire Homes Lettings Ltd in order to establish the company.

1. **Other Options Considered:** The option of managing the homes through Shire Homes with the tenancies offered by Ermine Street Housing was explored but threw up a number of other technical accounting difficulties and was not therefore supported by Ermine Street Housing board.
2. The option of offering a management service to the landlords but asking them to issue the tenancies directly to the tenants has also been discounted as it does not offer the long term tenancies needed to discharge homelessness duties and is less attractive to landlords who want to sign a long term deal covers all of the housing management duties in that period.
3. Without a company the Council could only offer Non-Secure tenancies suitable only for temporary accommodation. This is likely to leading to less homeless prevention and an overall increase in the numbers in temporary accommodation.
4. The recommended option is therefore to set up Shire Homes as a Council owned company Shire Homes Lettings Ltd.

Reason For Decision: The main purpose of the PSL scheme is to provide access to affordable, good quality private rented accommodation to help prevent homelessness. It achieves this by offering a management service to the owners of the private sector properties. The Council cannot issue the Assured Shorthold Tenancies (AST's) needed for this scheme whereas a separate Council owned company can. Without this option the Council runs a high risk of incurring escalating costs related to meeting its statutory homelessness duties.

2. CORPORATE PLAN 2017-2022

Cabinet:

- (a) **Not for call-in** - recommended to Council that the Corporate Plan setting out the Council's vision, objectives and actions for 2017–2022, be

approved as set out at **Appendix A** (described as Appendix 1 in the report), amended as follows:

- i. Action B(v): change to “find solutions for people facing homelessness”
 - ii. Action B(vi): change to “Secure a viable programme future for our Council homes”
 - iii. Add Action B(vii): Lead the Combined Authority’s housing investment programme”
- (b) endorsed the indicative performance measurements set out in the draft plan and authorise the Interim Chief Executive, in consultation with Portfolio Holders, to prepare a detailed suite of Key Performance Indicators for subsequent endorsement within the first Position Report of 2017/18,
- (c) Agreed the Consultation Brief at **Appendix B** (described as Appendix 2 in the report) attached as the basis for an engagement exercise to inform the next Corporate Plan review, and
- (d) Authorised the Interim Chief Executive to make any minor wording changes required to final drafts, in consultation with the Leader of the Council.

Other Options Considered: Cabinet may recommend the Corporate Plan to Council as presented, or agree changes.

Reason For Decision: [to agree a policy framework for the council, and ensure wide public consultation on its subsequent review](#)

3. MEDIUM TERM FINANCIAL STRATEGY, GENERAL FUND BUDGET 2017-18 (INCLUDING COUNCIL TAX SETTING), HOUSING REVENUE ACCOUNT BUDGET 2017-18 (INCLUDING HOUSING RENTS), CAPITAL PROGRAMME AND TREASURY MANAGEMENT STRATEGY

1. **Not for call-in.** Cabinet recommended that Council:

Revenue and capital – General Fund (GF)

- (a) Approves the revenue estimates for 2017-18 as shown in the GF Budget Setting Reports (BSR) Section 5.
- (b) Approves the precautionary items for the GF, GF BSR **Appendix B**.
- (c) Approves the GF revenue forecasts as set out in GF BSR Section 6.
- (d) Instructs the Executive Management Team to identify additional income / savings of £163k for 2017-18, rising to £1,531k from 2018-19.
- (e) Approves the GF capital programme and associated funding up to the year ended 31 March 2022, as set out in **Appendix D**.
- (f) Instructs the Head of Finance, on the basis of the proposals set out in the GF BSR, to prepare formal papers to set the council tax requirement and amount of council tax for all Bands at the Council meeting on 23 February 2017.

Revenue – Housing Revenue Account (HRA)

- (g) Approves the HRA revenue budget as shown in the HRA Summary Forecast 2016-17 to 2021-22 in Appendix I of the HRA Budget Setting Report at **Appendix 2** to this report.
- (h) Approves the retention of the balance of the 4 year savings target included as part of the 2016-17 HRA Budget Setting Report to mitigate the impact of some of the changes in national housing policy, recognising that the net savings proposed from 2017-18 over-deliver against the profile of £250,000 per annum for 4 years, reducing the balance to be sought in the remaining 3 years to £600,480.

Review of Rents and Charges

- (i) Approves that social housing rents for existing tenants be reduced by 1%, in line with legislative requirements, with effect from 3rd April 2017.
- (j) Approves that affordable rents are reviewed in line with rent legislation, to ensure that rents charged are no more than 80% of market rent, with this figure then reduced by 1% as with social housing. Local policy is to cap affordable rents at the lower level of Local Housing Allowance, which will result in a rent freeze from 3rd April 2017.
- (k) Approves inflationary increases of 2.4% in garage rents for 2017-18, in line with the base rate of inflation for the year assumed in the HRA Budget Setting Report.
- (l) Approves the proposed service charges for HRA services and facilities provided to both tenants and leaseholders, as shown in **Appendix B** of the HRA Budget Setting Report.

Housing Capital

- (m) Approves the latest budget, spend profile and funding mix for each of the schemes in the new build programme, as detailed in Section 5 and **Appendix E** of the HRA Budget Setting Report, recognising the most up to date information available as each scheme progresses through the design, planning, build contract and completion process.
- (n) Approves earmarking of the required level of additional funding for new build investment between 2017-18 and 2021-22 to ensure that commitments can be met in respect of the investment of all right to buy receipts retained by the authority, up to the end of December 2016. This expenditure will either take the form of HRA new build, with the 70% top up met by capital receipts anticipated from the sale of self-build plots or could alternatively be grant made to a registered provider, where the registered provider will provide the 70% top up to build new homes.
- (o) Approves the capital budget proposals, both bids and savings, detailed in **Appendix G(2)** of the HRA Budget Setting Report.
- (p) Approves the capital amendments, detailed in Appendix H of the HRA

Budget Setting Report, which include the capital proposals in **Appendix G(2)**, along-side re-profiling of investment, increase and re-allocation of resource for new build schemes and budget to fund the up-front costs for self-build plots, with the latter fully met from the resulting capital receipt.

- (q) Approves the revised Housing Capital Investment Plan as shown in **Appendix J** of the HRA Budget Setting Report.

Treasury Management

- (r) Approves the borrowing and investment strategy for the year to March 2018, **Appendix F**.
- (s) Approves the prudential indicators required by the Code for Capital Finance in Local Authorities for the year to 31 March 2018, **Appendix G**.
- (t) Approves the Capital Strategy 2017-18 to 2021-22, **Appendix H**.
- (u) Approves any unspent New Homes Bonus money allocated to the City Deal to be rolled into 2018-19.

General

- (v) Gives delegated authority to the Interim Chief Executive to issue the final version of the Estimates Book, incorporating any amendments required from the council's decisions.

Fees and Charges

- 5. **Not for call-in** – Recommended that the Housing Portfolio Holder approves the fees and charges for the Housing Improvement Agency as set out in GF BSR Appendix A.

Ermine Street Housing Limited (ESH)

- 6. Cabinet approved the ESH 10-year Business Plan, attached as **Appendix H** (Confidential) to this report.

Other Options Considered: The options for setting the level of council tax are set out in Section 3 of the GF BSR, along with the impact on the net savings requirement. The HRA budget setting report identifies the financial impact of a number of scenarios for the future of the business, modelling the impact of changes in key assumptions and presented as part of the sensitivity analysis at **Appendix F** of the report.

Reason For Decision: As in report

4. THIRD QUARTERLY POSITION STATEMENT ON FINANCE AND PERFORMANCE Cabinet

- (a) noted the Council's provisional financial position together with the performance and risk matters and contextual information set out in the report and **Appendices A-C**, and
- (b) approved the Strategic Risk Register and Matrix set out in **Appendix D-E**, noting the new risks identified in paragraph 27 of the report.

Other Options Considered: None specified

Reason For Decision: These recommendations are required to enable Members to maintain a sound understanding of the organisation's financial position and performance. This contributes to the evidence base for the ongoing review of priorities and enables, where appropriate, redirection of resources to reflect emerging priorities and address areas of concern.