

Minutes of the meeting of the Cabinet held on Tuesday 5 December 2023 at 18:30

Present: Councillors Marland (Chair), R Bradburn, Darlington, Mahendran, Nolan, Townsend, Trendall and Wilson-Marklew

Apologies: Councillors J Carr

Also Present: McLean, Hume and M Khan and 8 members of the public

Officers: T Aldworth (Deputy Chief Executive), M Bracey (Chief Executive), S Bridglalsingh (Director of Law and Governance), P Brown (Head of Democratic Services), N Hutchin (Assistant Director - Finance), S Proffitt (Director Environment and Property), S Richardson (Director Finance and Resources), A Rulton (Assistant Director - Finance), W Rysdale (Head of Housing Delivery), R Tidman (Committee Services Manager) and P Wilson (Senior Development Manager)

C40 Cabinet Announcements

The Leader welcomed Councillor Mahendran to her first meeting of the Executive as Cabinet member for Climate, Sustainability and Innovation and paid tribute to Councillor Middleton who had recently stood down as a Cabinet member after nine and a half years. Councillor Townsend was now the Cabinet member for Resources and Councillor Wilson-Marklew the Cabinet member for Public Realm.

Councillor Nolan made an announcement in respect to the recent OFSTED Focused Inspection which looked at Children in Need and those subject to Child Protection Plans.

C41 Disclosures of Interest

None.

C42 Minutes

RESOLVED:

That the Minutes of the meeting of the Cabinet held on 7 November 2023 be approved and signed by the Chair as a correct record.

C43 Questions from Members of the Public

None received.

C44 Councillors' Items

None received.

C45 Councillors' Questions

None received.

C46 References from Other Bodies

None received.

C47 Draft Housing Revenue Account (HRA) Budget 2024/25

Councillor Townsend introduced the report noting that there had been significant work across the council to achieve a balanced budget for the Housing Revenue Account. There were significant challenges including inflation, aging stock, historical government decisions with regard to rent caps and reductions, lack of a government rent policy after 2024/25 and an expectation of further regulatory changes. The budget for 2024/25 included planned investment in stock, funding to support tenants and leaseholders in the Reema blocks and stock acquisition.

Councillor Darlington introduced the thirty-year HRA Business Plan refresh and noted that the HRA continued to be challenged by the economic circumstances and that meant that really difficult decisions have had to be made. This was eased somewhat by spreading this over a 30-year plan rather than an annual plan. It was noted that the position was a very low revenue base from service charges and tenants rent and work had been carried out this year to make sure that service charges covered the actual costs and council rent was recommended to increase by the maximum to allow investment in current stock and future acquisitions. The Council had made available a working tenants relief fund for those not in receipt of housing benefit.

RESOLVED:

1. That the Cabinet noted and endorsed the following draft budget proposals for the Housing Revenue Account, which are subject to the outcomes of consultation, which will commence on 12 December 2023:
 - (a) the draft Housing Revenue Account budget which has been updated for technical adjustments, revenue pressures and savings and a refresh of the capital programme, including a rent increase of 7.7% for tenants and 7% for shared owners;
 - (b) the draft Capital Programme for 2024/25 to 2027/28 (attached at Annex A of the report), which assumes approval of the Lakes Estate Regeneration budget which is also being considered at Cabinet on 5 December;
 - (c) that a period of six weeks consultation commences from 12 December 2023 (alongside the GF budget) with residents and the results of this are presented together with the final budget report; and
 - (d) the equalities impact assessments as set out in Section 5 of the report.

C48 Council Tax Base 2024/25

Councillor Townsend introduced the report noting that this report had been updated after consultation on the proposals around revising policy on empty homes and second homes premium.

RESOLVED:

1. That Cabinet noted the consultation feedback at Annex A and summary set out in this report.
2. That the following changes to the Local Council Tax Policy be agreed:
 - a) to revise the existing policy to charge a premium of 100% on properties that are empty for a period of between 1 and 2 years from 1 April 2024, subject to any exceptions that may be subsequently agreed by the Secretary of State; and
 - b) to adopt a new Second Homes Premium from 1 April 2025 of 100%, subject to any exceptions that be subsequently agreed by the Secretary of State.
3. That the 2024/25 Council Tax Base estimate is set at 96,909.61 Band D equivalent properties if the proposed change to LTE Premium is not approved or at 97,194.98 Band D equivalent properties should this be approved.
4. That the provision for uncollectable amounts of Council Tax for 2024/25 be set at 0.9% producing an expected collection rate of 99.1%.
5. That the proposed 2024/25 funding contribution to parish and town councils of £0.325m, as set out in Annex E of the report, be noted, and recommended to Council for approval as part of the final Budget in February 2024.
6. That the Cabinet recommends to Council that the Local Council Tax Reduction Scheme, as adopted by the Council on 22 February 2023, be continued for 2024/25, with amendments that reflect changes to related benefits and to the Council Tax Reduction Schemes (Prescribed Requirements) Regulations; retaining the delegation to the Director Finance and Resources to make technical legislative changes.

C49 Quarter 2 2023/24 Forecast Outturn, General Fund Revenue, Housing Revenue Account, Dedicated Schools Grant and Capital Programme 2023/24

Councillor Townsend introduced the report noting that the projected overspend in the General Fund had reduced from £4m at Quarter 1 to £2.2m. There were significant challenges in homelessness, adult social care and children's services. Further work would be needed to reduce this overspend further by the year end.

Councillor Marland noted all the work that had been done across directorates to bring the overspend down as much as possible.

RESOLVED:

1. That the GFRA forecast outturn of £2.155m against budget be noted, together with the management actions set out at **Annex A** of this report.

2. That GFRA savings of £7.541m savings are forecast to be achieved (96% of budget) be noted, which is set out in **Annex B** of this report.
3. That the forecast outturn for the HRA is an underspend of (£2.662m), which has been offset through an increase in the transfer to reserves be noted, together with the management actions set out at **Annex C** of this report.
4. That the DSG forecast surplus carry forward of £4.646m be noted, together with the management actions set out at **Annex D** of this report.
5. That the reserves position as detailed in **Annex E** are noted.
6. That the forecast outturn on the 2023/24 Capital Programme is an overspend of £0.823m after proposed slippage of £30.580m and acceleration of budget of £27.199m as detailed in **Annex F** of this report be noted.
7. That the forecast outturn position of the 2023/24 tariff programme as detailed in **Annex G** be noted.
8. That the debt position of the Council at the end of quarter 2 as detailed in **Annex H** are noted.
9. That the Write-off of an unrecoverable debts that exceeds £50,000 as detailed in **Annex H** are approved.
10. That the Treasury Management report including prudential indicators, as detailed in **Annex I** are noted.
11. That the virements to the original budget as detailed in **Annex J** are approved.
12. That the current position on the Collection Fund as detailed in **Annex K** are noted.
13. That the procurement waiver decisions as detailed in **Annex L** are noted.
14. Cabinet approves the new budget allocations and approves the release of funding totalling £1.541m for new Capital Schemes set out in **Annex M**.
15. That the additions and amendments to the Tariff Programme are detailed in **Annex N** be approved.

C50 The Lakes Estate Regeneration - Construction Contract

Councillor Darlington introduced the report noting that it had taken five years to get to this point and thanked those residents and officers who had been involved with the project.

The Cabinet heard from the Acting Chair of the Serpentine Court Steering Group and from two ward councillors during the debate on the item.

RESOLVED:

1. That the public and press be excluded from the meeting by virtue of Paragraph 3 (Information relating to the Financial or Business Affairs of the Authority) of Part 1 of

Schedule 12A of the Local Government Act 1972, in order that the meeting may consider the **exempt Annexes** to the report.

2. That in respect of Lakes Phase A Regeneration project, Cabinet note:
 - a) significant changes to the financial environment and project brief since the July 2021 decision to approve a capital budget for the project; and
 - b) the preferred contractor engagement carried out under the Preconstruction Services Agreement (PCSA), since the July 2022 decision, in order to ensure a fully costed design and value for money scheme specification.
3. That an increased capital budget for the delivery of the revised Lakes Phase A, reflecting a revised full spend capital budget of £83.774M Gross with (£68.789M Net Homes England Grant), be agreed.
4. That increased borrowing within the Capital Programme for up to £83.774M, be recommended to Special Council on 5 December 2023 for approval.
5. That subject to approval of the required capital budget, and the Lump Sum Main Contract offer from Graham Construction, (at the conclusion of the PCSA period in December 2023), being within the revised scheme budget:
 - a) authority be delegated to the Director Environment and Property, and the Director of Finance and Resources in consultation with Cabinet Member for Adults, Housing and Healthy Communities, to agree specific allocation of capital resources; and
 - b) the appointment of Graham Construction to undertake the construction of the works under a JCT Design and Build Lump Sum Contract, be agreed.
6. That the Council enter into a Homes England Grant Agreement:
 - a) subject to the agreement of the Director of Finance and Resources and the Director of Law and Governance, to draw down a grant of £14.985M; and
 - b) noting that should Windermere Drive (Site A1) not complete before 31 March 2026 there is a risk of losing up to £5M of Homes England grant funding.

The Chair closed the meeting at 7.08pm