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MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Thursday, 29 November 2018
(7.30 - 8.35 pm)

Present:

Councillor Damian White (Leader of the Council), Chairman

	Cabinet Member responsibility:
Councillor Robert Benham	Cabinet Member for Education, Children & Families
Councillor Osman Dervish	Cabinet Member for Environment
Councillor Joshua Chapman	Cabinet Member for Housing
Councillor Jason Frost	Cabinet Member for Health & Adult Care Services
Councillor Roger Ramsey	Cabinet Member for Finance & Property
Councillor Viddy Persaud	Cabinet Member for Public Protection and Safety

17 DISCLOSURES OF INTEREST

There were no disclosures of interest.

18 UPDATE ON THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY 2019-2020

Councillor Roger Ramsey, Cabinet Member for Finance & Property, introduced the report.

The report presented an overview of the national economic and financial environment within which all local authorities were currently developing their financial plans for the next 4 years. It set out the complex range of factors affecting local authority forecast funding streams, expenditure pressures and the Council's position in relation to these matters.

The report also set out the Council's current financial situation and its approach to achieving financial balance over the period 2019/20 to 2022/23.

The report consisted of the following sections:

- Policy and strategic context (section 1)
- Summary of the national context (section 2)
- Update on the 2018/19 budget position (section 3)
- Update on the Medium Term Financial Strategy (section 4)
- Update on the consultation with residents undertaken over the last year (section 5)
- Update on the capital programme (section 6)
- Timetable and next steps (section 7)

Reasons for the decision:

The Council is required to set a balanced budget in advance of the beginning of each financial year. This report sets out progress in reaching the balanced budget for 2019/20 and sets out the Council's future plans for balancing the budget from 2020/21 to 2022/23.

Other options considered:

The report outlines all the options identified so far for balancing the 2019/20 budget. There is still a budget gap even if these options are approved and therefore officers will continue to seek further options for balancing not just next year's budget but also the budgets for 2020/21 to 2022/23.

Cabinet:

- **Noted** the updated national financial context for local government, in year financial performance and the projected budget gap over the period 2019/20 to 2022/23 as set out in sections 1 and 2 of the report and the period 6 (September 2018) and of year forecast position set out in section 3.
- **Noted** the assumptions which underpin the forecast.
- **Approved** savings proposals for 2019/20 of £8.702m as set out in section 4 and **Appendices B** (£0.770m), **C** (£3.156m) and **D** (£4.776m), having considered the consultation feedback set out in **Appendices E** and **F**.
- **Approved** the launch of consultation on the measures included in the Improving Traffic Flows project as set out in **Appendix D**.
- **Approved** the growth proposal for 2019/20 of £1 million to fund the revenue costs of the £10 million capital investment in the Highways Investment Programme for 2019/20, as set out in section 4, having considered the consultation feedback set out in **Appendices E** and **F**.
- **Approved** the updated 5 year Capital Programme in Section 6 for recommendation onto full Council for agreement in January 2019.

- **Noted** the timetable and process for developing, reporting and considering the 2019/20 budget and MTF5 as set out in section 7.

19 **UPDATE ON THE COUNCIL TAX SUPPORT SCHEME 2019 AND COUNCIL TAX SURCHARGE ON EMPTY HOMES**

Councillor Damian White, Leader of the Council, introduced the report.

The report before Cabinet set out the detail of the responses to the public consultation to change the Council Tax Support Scheme 2019 (CTS Scheme) and the Council Tax surcharge on properties empty for more than two years.

An overview of the existing Council Tax Support Scheme was attached to this report along with an Equalities Impact Assessment, proposed CTS Scheme, Risk Register and full version of the consultation outcomes.

Reasons for the decision:

The Council has a statutory duty to provide a CTS Scheme and to consult the public and interested parties when considering changes to the CTS Scheme. This is set out in Schedule 4 of the Local Government Finance Act 2012.

There is a shortage in the housing market which Government has recognised and introduced legislation to enable local authorities to encourage the occupation of those empty properties by way of a further increase in the Council Tax surcharge.

Other options considered:

At Cabinet on 25 July 2018, Members considered in detail a number of options with regard to the CTS Scheme and selected the scheme proposed in Appendix C for consultation. Details of the options considered can be found in the July Cabinet report and are set out in Appendix F Council Tax Support Scheme Options of this report.

With regard to the Empty Property Surcharge, the only other option is to do nothing.

The responses to the consultation have also set out a number of other alternatives and the Council's replies to those are reflected elsewhere in this report and Appendices

Cabinet:

- **Considered** the responses to the Council Tax Support Scheme and Long Term Empty Homes Premium consultation

- **Approved** and recommend to Council the adoption of the proposed Council Tax Support Scheme as summarised in Appendix C of the report with effect from 1 April 2019.
- **Approved** and recommend to Council an increase from 50% to 100% as a surcharge rate of Council Tax for the properties that have been empty for more than two years with effect from 1 April 2019.

20 **BRETONS MANOR HOUSE, BARNs AND PARKS**

Councillor Viddy Persaud, Cabinet Member for Public Protection and Safety, introduced the report.

The report before Cabinet explained that the Bretons Project had been working up options in relation to Bretons Manor House and surrounding grounds and park over the last year. Cabinet was asked to approve further funding of £350k for the revenue project management costs to take forward the Project for a further year, funded from the Transformation Fund. The funding will support Phase II Development of Bretons Manor House, Tudor barn, outbuildings, walled garden, lake and parks. Phase II Development will include an architects' master plan for the site, planning permission for the totality of the site and the continuation of external funding applications for specific projects on the site.

Cabinet was also asked to approve an application to fund legal costs from the Business Risk Reserve as necessary to a cap of £100k.

Reasons for the decision:

Due to a lack of funding at the present time, a phased approach is recommended, which would enable the development of different clusters as funding is secured. It is recommended that the Council initially invest revenue to develop a Masterplan for the site, secure planning permission for the totality of the site and to continue to submit funding bids to external bodies. The GLA have indicated that the Council should submit a bid to them for revenue development funding for this project which they consider one of just two very complex but exciting projects in London, economically and culturally.

This report requests that £350k be allocated from the Transformation Fund to fund the project management, master planning and other associated costs of taking this project forward during the period from December 2018 to November 2019 plus that funding to a cap of £100k be made available from the Business Risk Reserve to cover any necessary legal costs arising.

Additional requests for funding were considered but are not being recommended at this stage. There are projects that are close to being ready to progress but require more certainty in relation to the context for the whole site or would benefit from external funding which is currently not confirmed. These projects are:-

- The Great Hall - investment of £3.45 million would be required to build a brand new Great Hall in the grounds of the Manor House as a wedding and events venue. Such a development could activate the project and unlock the commercial potential of the site. However, the success of such a venue will partly be dependent on the Hall's surroundings and these are not currently up to the standard required. It has been concluded a bid for Council funding should be paused at this time.
- 3G Football Pitches - investment of £2.2 million is currently required for two 3G football pitches and associated changing/social facilities in the south of the site. The Football Foundation is keen on this option and would probably be prepared to fund up to £1 million of the cost. Feasibility work with the Football Foundation and Essex FA is already underway. However, this leaves a potential shortfall of £1.2 million for the Council to find or to seek funding sources from elsewhere. Veolia were approached but will not fund facilities which are, or are likely to be, run by external contractors, which is expected to be the outcome for these football pitches. It is also considered unlikely that a commercial case for the pitches can be achieved. In addition, the anti-social behaviour issues will also need to be resolved before this end of the site can be developed. It has therefore been decided not to submit a bid to the Council for funding at this stage.

Options considered:

A number of options have been explored in relation to the totality of the Bretons site.

These include;

- Do nothing: this would still cost £4m over the next 20 years as there would need to be capital costs (approximately £100k pa) and revenue costs (approximately £100k pa) incurred over the next 20 years to maintain the site
- Sell land and buildings: this may generate a sale of approximately £2m but only if the park was included which is probably not an attractive proposition for the local community. The Council would lose responsibility for the anti-social aspects of the area but also levers of control.
- Outsource entire model through joint venture: this is not viable as there has been a lack of interest in investing in the capital costs and the returns would not be commercially viable for the council. This situation may change over time if the problems with the site are resolved.
- Deliver the model in-house and lease aspects of the site: this is the recommended approach however it requires £28.9m investment and would present a very high risk for the Council without external funding. It would involve, over time, investing in minimum viable projects (MVPs) that generate commercial returns (eg the Great Hall) or priority projects (eg the 3G football pitches) in a phased approach.

Cabinet:

- **Agreed** that £350k be allocated from the Transformation Fund to fund the project management, master planning and other associated costs plus that funding to a cap of £100k be made available from the Business Risk Reserve to cover any necessary legal costs arising.
- **Delegated** authority to the Chief Operating Officer, after consultation with the Leader and Cabinet Member for Public Protection and Safety, to authorise the submission of related funding applications to external bodies to a limit of £5m.

21 **EXCLUSION OF THE PRESS AND PUBLIC**

There were no press and public in attendance. The meeting went into closed session.

22 **BRIDGE CLOSE, ROMFORD - PURCHASE OF RESIDENTIAL PROPERTIES ON WATERLOO ROAD AND OLDCHURCH ROAD**

Councillor Damian White, Leader of the Council, introduced the report.

The Bridge Close redevelopment area includes residential properties, which front onto Waterloo Road and Oldchurch Road. These are owned by the Council, the Bridge Close Regeneration LLP (the Joint Venture) and private owners.

The report proposed that the Council seek to purchase all of the privately-owned residential properties not in Council or Joint Venture ownership through private treaty. The expected cost of acquiring the residential properties not in Council or Joint Venture ownership is set out in an exempt appendix to the report (Appendix A).

It is proposed that properties acquired may be subsequently transferred to the Joint Venture as part of the Council's equity contribution as agreed by Council in February 2018, and in accordance with the terms of the Joint Venture legal agreements signed in April 2018. Prior to transferring to the Joint Venture, it is proposed that the properties be used as temporary accommodation, to assist to reduce General Fund pressures around homelessness.

The proposal constitutes an adjustment to the HRA Capital programme to provide sufficient funding for the Council to acquire the privately owned residential properties through private treaty.

Cabinet:

- **Agreed** to the Council entering into direct negotiations with landowners to purchase up to 23 residential properties on Waterloo Road and Oldchurch Road, Romford through private treaty.
- **Agreed** to delegate to the Director of Regeneration authority to take all necessary steps to enable and complete the acquisitions outlined in Resolution 1 above following consultation with the Director of Finance; that includes the authority to approve the terms to enable of the acquisition by private treaty, any financial arrangements for relocation of current land owners or tenants, completion of relevant agreements and appointments of relevant professionals.
- **Agreed** following agreement on resolutions 1 and 2 above to agree to recommend to Council to include sufficient financial provision as set out in Appendix A (exempt), to enable the private treaty purchase of the 23 residential properties on Waterloo Road and Oldchurch Road, Romford.
- **Noted** that the transfer of the properties acquired via this Cabinet decision may be transferred to the Bridge Close Regeneration LLP in accordance with the terms set out in the Land Acquisition Strategy, the Land Agreement and the Members Agreement.

Chairman

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