

**MINUTES OF
CHELMSFORD CITY COUNCIL CABINET**

on 29 January 2019 at 7.00pm

Present:

Councillor R T Whitehead, Leader of the Council (Chairman)
Councillor J Galley, Cabinet Member for Finance
Councillor P J L Hutchinson, Cabinet Member for Strategic Housing
Councillor J Jeapes, Cabinet Member for Leisure
Councillor R Massey, Cabinet Member for Parks
Councillor A J McQuiggan, Cabinet Member for Information Technology & Corporate Services
Councillor M Sismey, Cabinet Member for Waste Management, Recycling & Parking Services
Councillor S R Sullivan, Cabinet Member for Safer Communities & Cultural Strategy

Also present:

Councillors
L Ashley, P J Cousins, J A Deakin, F B Mountain,
S J Robinson, G C Seeley and M Springett

1. **Apologies for Absence**

Apologies for absence were received from Councillor N Gulliver, Cabinet Member for Planning and Economic Development.

2. **Declarations of Interests**

Members of the Cabinet were reminded to declare at the appropriate time any personal and prejudicial interests in any of the items of business on the meeting's agenda. None were declared.

3. **Minutes and Decisions Called-in**

The minutes of the meeting on 20 November 2018 were confirmed as a correct record and signed by the Chairman. No decisions at that meeting had been called in.

4. **Public Questions**

The following questions were asked by a member of the public:

- (a) With the additional budget provision required for the Riverside Leisure Centre development increasing from £4million when reported to Audit Committee in December 2018 to the £4.5million reported to this meeting, what the Council was doing to ensure that there were no further increases.

The Cabinet Member for Leisure said that the cost of the project had increased from the original estimate as a result of a complex combination of factors, principally an expansion of the scheme through the addition of desirable elements and unforeseen essential works, inflationary and other cost increases, and severe weather. With the project now nearing its completion, the Council could be more confident that the remaining expenditure was predictable and that the latest budget was accurate. The Cabinet Member added that the Council could anticipate higher revenue from an increase in the use of the new facility and reduced running costs.

- (b) With regard to the Capital and Investment Strategy, and despite the assurance that the Council would seek to disperse its investments, whether it was over-reliant on its property investments and would be at risk if there was a downturn in the market.

The Cabinet Member for Finance answered this question as part of the consideration of the Treasury Management Strategy at item 6.4. He said that much of the value of the Council's property investments was associated with its interest in High Chelmer. That was proving to be one of the most successful shopping centres in the country and, with the Coal Board Pension Fund, the Council closely followed the management of the centre and the economic and social trends that affected its fortunes. The Cabinet Member felt that the ratio of its property to other investment types was sound and that with all of it being in property in the city the Council was in a position to monitor and control it closely. In furtherance of the diversification policy, recent investments had been in areas other than retail property.

5. **Members' Questions**

Councillors who were not members of the Cabinet asked questions or made statements on the following matters:

Councillor F B Mountain, who pointed out that the temporary bus stops in Market Road did not indicate the services which they served.

Councillor S J Robinson on:

- (a) when the modular units in Fox Crescent would be completed and what lessons the Council had learned from the project.

The Cabinet Member for Strategic Housing anticipated that the works would be completed soon and tenants were due to move into the units imminently. The units that had been provided were of a high quality and appreciated by those who occupied them, but the sites had presented unforeseen challenges. The Council would need to consider whether it should carry out similar future projects on its own or whether it should do so in association with a registered provider.

- (b) when the next Homelessness Strategy would be published.

The Cabinet Member for Strategic Housing said that the updated Strategy and an associated strategy on rough sleeping, both of which were being revised with the input of key stakeholders, were due to be presented to the Cabinet in June before going out to wider public consultation.

Councillor M Springett on:

- (a) whether the statement in Appendix 3 to the report on the Local Council Tax Support Scheme that the policy had no direct or indirect engagement with the equality duty aims was accurate.

The Cabinet Member for Finance agreed that this was a questionable statement and that he would consult the officers on its accuracy.

- (b) whether, in view of the low number of responses to the consultation on the options for the Local Council Tax Support Scheme, the scheme had been sufficiently publicised.

The Cabinet Member said that it was difficult to obtain broad responses to the scheme from people who were affected only by elements of it. He said, however, that he would discuss with officers whether more effective publicity and consultation measures could be identified for future years.

Councillor F B Mountain on

- (a) which parts of the Civic Centre were affected by the scheme in the capital programme for the maintenance of the heating system.

The meeting was informed that the scheme related to the Duke Street building.

- (b) what the additional works for the Market refurbishment constituted and whether they included the area around the lifts.

The meeting was told that the works included the refurbishment of or improvements to the building's ceiling, support columns, lighting and signage but not the lift area. There was also a longer term aim to enable market stalls to be placed on the square between the market and the shopping centre.

7.10 to 7.25pm

6.1 **Options for Local Council Tax Support Scheme 2019/20 (Finance)**

Declarations of Interest: None

Summary: The Cabinet considered a report on options for the operation of the Local Council Tax Support Scheme in 2019/20 and the effect the various options would have on expenditure and collection rates.

Options: Adopt the existing Local Council Tax Support Scheme for 2019/20, change the existing scheme in accordance with option 2 in the report, or agree alternative changes.

Chosen Option and Reasons: The retention of the present year's scheme but with the changes detailed in section 5.2 of the report would be the most equitable and affordable option and was less likely to result in lower collection rates.

RECOMMENDED TO THE COUNCIL that a Local Council Tax Scheme for 2019/20 in the form described in option 2 in the [report to the meeting](#) (essentially, retention of the current scheme but with changes to the rules relating to the assessment of local council tax support for working age applicants) be adopted.

7.25 to 7.28pm

6.2 **Amendments to Business Rate Discretionary Relief Policy (Finance)**

Declarations of Interest: None

Summary: The Government had requested that local authorities use their discretionary powers to put into effect locally changes relating to Retail discounts and the Pub Relief Scheme. Those changes were reflected in Business Rate Discretionary Relief Policy which was presented to the Cabinet for approval.

Options: Approve or not approve the proposed changes.

Chosen Option and Reasons: The proposed changes to the Policy would reflect the approach being taken nationally on discretionary relief for business rates and would rationalise the Council's policy.

RESOLVED that the additions and changes to the Business Rate Discretionary Relief Policy set out in Appendix A to the [report to the meeting](#) be approved and that the new policy be as set out in [Appendix B](#).

7.28 to 7.30pm

6.3 **Council Tax – Changes to Charges for Empty Properties (Finance)**

Declarations of Interest: None

Summary: Recent changes to legislation gave the Council power to increase Council Tax charges for long term empty properties. The report to the meeting considered the effect and desirability of using those powers in Chelmsford.

Options:

1. Increase the Council Tax premium charged on properties which have been empty for two years or more from 50% up to a maximum of 100% from 1 April 2019, or
2. Amend the 100% discount on Council Tax, applied to empty properties for a maximum of three months, to a shorter period from 1 April 2019.

Chosen Option and Reasons: Option 1 was most likely to achieve the objective of encouraging owners of long-term empty properties to bring them back into use as early as possible.

RECOMMENDED TO THE COUNCIL that:

1. an Empty Homes premium as specified in section 11B of the Local Government Finance Act 1992, as amended, be levied on dwellings which have been unoccupied and substantially unfurnished for more than two years immediately before the day in question (i.e. "long term empty dwellings"), the charge to be 200% of the Council Tax that would be payable if the dwelling was occupied by two adults and no discounts were applicable; and
2. the current 100% discount applied for properties left empty for up to three months be left unchanged, the reason for this decision being the punitive effect on taxpayers who are renovating or refurbishing properties prior to occupying them; the small additional income that it would generate; and the disproportionate administrative effort involved in explaining and collecting those debts.

7.30 to 7.33pm

6.4 Treasury Management Strategy 2019/20 (Finance)

Declarations of Interest: None

Summary: The Cabinet was requested to endorse the strategy for the management of the Council's financial investments in 2019/20 and to approve those prudential indicators that applied to the strategy.

Options: Approve or amend the strategy.

Chosen Option and Reasons: The adoption of the proposals would enable the Council to meet statutory requirements for its financial management.

Discussion: The response to the earlier question from the public on the Council's investments recorded at minute number 4 above was given at this point.

RECOMMENDED TO THE COUNCIL that:

1. it recognises that the investment strategy results in some risk to capital invested but that the risk is at an appropriate level;
2. the Treasury Management Strategy for 2019/20 submitted as Appendix 1 of the [report to the meeting](#), including the potential to invest up to a further £10 million in external funds, dependent on investigation by the Treasury Management Sub-Committee of the risks and benefits, be approved;
3. the Treasury Management Prudential Indicators for 2019/20 detailed in Appendix 2 be approved; and
4. the Treasury Management Code of Practice be adopted.

7.33pm to 7.40pm

6.5 **Revenue Estimates for 2019/20 (Finance)**

Declarations of Interest: None

Summary: The Cabinet was asked to consider the draft revenue estimates for 2019/20 and to recommend to the Council a budget for the next financial year.

Options: Approve or vary the proposed estimates for 2019/20.

Chosen Option and Reasons: The recommended budget would be prudent and in the best financial interests of the city.

Discussion: During discussion of this report, the Cabinet Member for Finance was asked how the shortfalls in income from the cancellation of the Hylands music festival in 2019 and the reduction of the New Homes Bonus would be met. The Cabinet Member said that such shortfalls would be met from the reserves set aside for meeting unforeseen expenditure or unexpected reductions in income.

RESOLVED that:

1. on the basis of the [report to the meeting](#) and its background papers, the Director of Financial Services be requested to prepare a budget report and legal resolution on the budget proposals for submission to the Council, including updating Business Rate Retention Income following completion of the NDR1 statutory return to Government;
2. the Director of Financial Services, after consultation with the Cabinet Member for Finance, be authorised to use Reserves balances to maintain the recommendation below on the Council Tax should the final government grant settlement details change following this Cabinet meeting;

RECOMMENDED TO THE COUNCIL that, having considered the formal proposed resolution on the budget:

3. it approves an original budget for 2019/20 and level of reserves, as shown in Appendices 1, 2 and 3 of the report to the meeting;
4. the average level of Council Tax for the City Council be increased to give an average annual Band D Council Tax of £194.02 for 2019/20;
5. the changes to fees and charges outside of the budget guidelines set out in Appendix 4 be approved;
6. the allocation of special expenses and Parish grant, as set out in Appendix 5, be agreed;
7. Directors, after consultation with Cabinet Members, be instructed to identify budget reduction proposals for 2020/21 and future years which could be included in the July 2019 Medium Term Financial Strategy report; and

8. the Director of Corporate Services, after consultation with the Leader of the Council, be authorised to agree the pay award for 2019/20 within the budget provided.

7.40pm to 7.45pm

6.6 **Capital and Investment Strategy 2019/20 (Finance)**

Declarations of Interest: None

Summary: In accordance with Government guidance and the CIPFA Prudential Code, a Capital and Investment Strategy had been produced to give a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of public services; describe how the associated risks were managed; and assess the future financial sustainability of the Council.

Options: Approve or amend the strategy.

Chosen Option and Reasons: The adoption of the proposals would enable the Council to meet statutory requirements for its sound financial management.

Discussion: The Cabinet was asked whether the new arrangements for Chelmsford City Football Club had been finalised. The meeting was informed that the agreement between the new owners and the Council had been signed off some time ago but that a separate agreement between the new and former owners had not yet been concluded.

RECOMMENDED TO THE COUNCIL that the Capital and Investment Strategy for 2019/20 set out in the [report to the meeting](#) be approved.

7.45pm to 7.52pm

6.7 **Capital Programme Update (Finance)**

Declarations of Interest: None

Summary: The report to the meeting set out the overall estimated capital resource available to the Council, updated the capital programme to reflect the inclusion of proposed new schemes, set out revised budgets for existing schemes, and presented revised Prudential Indicators.

Options: Approve the capital programme or carry out only some or none of the schemes and asset replacements detailed in the report.

Chosen Option and Reasons: The capital programme as presented helped to fulfil the Council's corporate objectives and was in its financial interests.

Discussion: In response to a question, the Cabinet was informed that the scheme for repairs to the bridge in West Park did not involve the bridge due to be removed as part of the Chelmsford Growth Package. The scheme for the provision of small business units at Galleywood Hall was welcomed.

RESOLVED that the following be approved on grounds of urgency:

1. a net budget of £80,000 for the 2018/19 Asset Replacement Programme, as shown in Appendix 5 to the [report to the meeting](#) and as detailed in paragraph 4.3.2 of the report;
2. a budget of £56,000 for the acquisition of a vehicle in 2019/20, as described in paragraph 4.4.2;
3. a budget of £477,000 for the Beaulieu School Joint Use Sports Facility, as detailed in paragraph 2.3 of the report, and the use of appropriate Section 106 contributions to fund the scheme, as detailed in item 17 of Appendix 1; and
4. the appropriate Director, after consultation with the relevant Cabinet Member, be authorised to spend the approved capital budget and any future contributions collected for the Beaulieu School Joint Use Facility, and that the specific delegations set out in paragraphs 2.4.1, 2.4.2 and 3.4 of the report be agreed.

RECOMMENDED TO THE COUNCIL that:

5. the remaining new capital schemes shown in Appendix 1 totalling £4.407 million be approved;
6. the budgets of existing capital schemes, as detailed in Appendix 3, be agreed, representing an increase of £4.802 million;
7. the Asset Replacement Programme for 2019/20 detailed in Appendix 5 and amounting to £3.274 million be agreed;
8. the appropriate Section 106 contributions be used to fund the schemes, as detailed in the report; and
9. the appropriate Director, after consultation with the relevant Cabinet Member, be authorised to spend the approved capital budgets, and that the specific delegations set out in paragraphs 2.4.1, 2.4.2 and 3.4 of the report be agreed.

7.52pm to 7.56pm

7.1 **Allocation and Spending of Community Infrastructure Levy (Planning and Economic Development)**

Declarations of Interest: None

Summary: The report to the meeting set out the recommendations of the Community Infrastructure Levy (CIL) Spending Panel on nine expressions of interest for funding for schemes from the CIL strategic allocation.

Options: Approve all, some or none of the expressions of interest.

Chosen Option and Reasons: The projects recommended for approval in full or in principle met the criteria for funding from the strategic allocation and were for the wider benefit of the local community.

Discussion: During discussion of the report disappointment was expressed that the bids by Sanctus had not been successful and assurances were sought that the Council would support the organisation's work. The Cabinet Member for Strategic Housing said that a bid by Sanctus for funds from the Neighbourhood Allocations element of CIL might be more appropriate. He said that Council's Housing team and Sanctus had mutual interests in preventing homelessness and supporting those in need of accommodation and that their activities complemented each other. Accordingly, the Council had backed the organisation's bid for funding from the Police, Fire and Crime Commissioner and would continue to support it where it could.

RESOLVED that:

1. the projects for the Main Road/Hospital Approach; Wayfinding Phase 2; and Museum Development Project, New Café detailed in the [report to the meeting](#) be approved and that the remaining projects be not approved; and
2. the Director of Sustainable Communities, after consultation with the Leader, Cabinet Member for Finance and Cabinet Member for Planning and Economic Development, be authorised to approve the allocation of funding for the Integrated Cycling Infrastructure project if the required information on it is received.

7.56pm to 8.04pm

7.2 **Drakes Farm Plot, North-East Chelmsford (Planning and Economic Development)**

Declarations of Interest: None

Summary: The report to the meeting set out proposed arrangements for the transfer of the ownership of the land at Drakes Farm identified for a gypsy and travellers' site; the subsequent works necessary to make the site fit for human habitation and occupation; and the funding arrangements to meet the cost of those works.

Options: Approve or not the proposed arrangements.

Chosen Option and Reasons: From a financial, legal and practical point of view, the arrangements described in the report were the most straightforward means by which the site could be provided.

RESOLVED that the following be authorised:

1. that the freehold interest of the land referred to in the [report to the meeting](#) (substantially in the form of a separate Drakes Farm Transfer Agreement) can be transferred directly to the Registered Provider, and not first to Chelmsford City Council, following payment of an agreed commuted sum by the landowner, to Chelmsford City Council, to cover the full costs of providing the services necessary to make the site fit for human habitation and occupation;
2. that upon their acquisition of the freehold interest of the land, the Registered Provider undertake the servicing works necessary to make the site fit for human habitation and occupation; and
3. Chelmsford City Council to transfer the commuted sum to cover the full costs of servicing works to the Registered Provider in staged payments, in accordance with a separate Drakes Farm staged payments agreement, to be entered into between the Council and the Registered Provider.

8.04pm to 8.05pm

8. **Urgent Business**

There were no items of urgent business.

9. **Reports to Council**

RESOLVED that the following be the subject of reports to the Council:

- (a) Options for Local Council Tax Scheme 2019/20 (minute number 6.1)
- (b) Council Tax – Changes to Charges for Empty Properties (minute number 6.3)
- (c) Treasury Management Strategy 2019/20 (minute number 6.4)
- (d) Revenue Estimates 2019/20 (minute number 6.5)
- (e) Capital Investment and Strategy (minute number 6.6)
- (f) Capital Programme Update (minute number 6.7)

The meeting closed at 8.05pm

Chairman