

EAST DEVON DISTRICT COUNCIL
Minutes of a Meeting of the Cabinet
held in the Council Chamber, Knowle, Sidmouth
on Wednesday, 1 February 2012

Present:

Councillors:

Paul Diviani (Leader/Chairman)
Andrew Moulding (Vice Chairman)
Ray Bloxham
Iain Chubb
David Cox
Jill Elson
Graham Godbeer
Stephanie Jones
Ian Thomas
Chris Wale

Also

Present:

Councillors:

| | |
|----------------|----------------|
| David Atkins | Frances Newth |
| Trevor Cope | John O'Leary |
| Christine Drew | Helen Parr |
| Martin Gammell | Geoff Pook |
| Steve Gazzard | Pauline Stott |
| Steve Hall | Peter Sullivan |
| Tony Howard | Graham Troman |
| Stuart Hughes | Phil Twiss |
| Douglas Hull | Tim Wood |
| John Humphreys | Tom Wright |
| Jim Knight | |

Also

present:

Officers:

Mark Williams, Chief Executive
Richard Cohen, Deputy Chief Executive
Denise Lyon, Deputy Chief Executive
Simon Davey, Head of Finance
John Golding, Head of Housing
Kate Little, Head of Economy
Karen Jenkins, Corporate Organisational Development Manager
Rachel Pocock, Corporate Legal & Democratic Services Manager
Laurelie Gifford, Financial Services Manager
Claire Reed, Accountant
Andy Wood, East of Exeter Projects Director
Diana Vernon, Democratic Services Manager

Apologies -

Non-Cabinet

Members:

Councillors:

Roger Boote
Geoff Chamberlain
David Chapman
Maddy Chapman

Alan Dent
Vivien Duval-Steer
Peter Halse
Mark Williamson

The meeting started at 5.30 pm and ended at 7.23 pm.

***160 Public Questions**

The Chairman welcomed Councillors and members of the public present at the meeting – no questions were raised at this part of the agenda.

***161 Minutes**

The minutes of the meeting of the Cabinet held on 11 January 2012 were confirmed and signed as a true record subject.

***162 Declarations of interest**

| Councillor/ Officer | Minute number | Type of interest | Nature of interest |
|--------------------------------|--------------------------|-----------------------------|---|
| Cllr Jill Elson | 168 | Personal | Exmouth Ring and Ride – Charity Founder and Chairman |
| Cllr Trevor Cope | 168 | Personal | Exmouth Ring and Ride – Trustee |
| Cllr Stuart Hughes | 169 | Personal | Devon County Council Portfolio Holder for Highways and Transportation |
| Graham Godbeer | 177 | Personal | Board Member – Exeter Science Park |

***163 Exclusion of the Public**

RESOLVED: that the classification given to the documents to be submitted to the Cabinet, be confirmed, and that the reports relating to exempt information, be dealt with under Part B.

***164 Forward Plan**

Members noted the contents of the Forward Plan for the period 1 February to 31 May 2012.

***165 Matters referred to the Cabinet**

There were no matters referred to the Cabinet by the Overview and Scrutiny Committee or the Council.

***166 Minutes of the Overview and Scrutiny Committee meetings of 5 and 18 January 2012 (Special Meeting – Budget and Service Planning)**

The Cabinet considered the minutes of the meetings of the Overview and Scrutiny Committee held on 5 and 18 January 2012.

The Overview and Scrutiny recommendations from its Special Budget and Service Planning meeting on 18 January 2012 would be taken into account at agenda item 11 - Revenue and Capital Estimates 2012/13.

*166 **Minutes of the Overview and Scrutiny Committee meetings of 5 and 18 January 2012 (cont)..**

RESOLVED: that the following decisions be noted:

Minute 62 the Committee's response to the Northern Devon Healthcare NHS proposals on behalf of the Council;

Minute 64 the Overview and Scrutiny Committee Forward Plan. This included the setting up of a Task and Finish Forum to 'health check' town centres and progress High Street regeneration.

Minute 66 the Committee's support of the Cabinet recommendation to use the Transformation Reserve to progress the electronic documentation management initiative (Cabinet minute 154 refers).

RESOLVED: that the Committee's recommendations in respect of the draft Revenue and Capital Estimates 2012/13 be taken into account when this Key Decision item was being discussed later on the agenda.

*167 **Minutes of the meetings of the Housing Review Board held on 1 December 2011 and 12 January 2012**

Members noted the minutes of the meetings of the Board held on 1 December 2011 and 12 January 2012.

Councillor Pauline Stott, Chairman of the Housing Review Board highlighted the key issues discussed at the meetings.

RESOLVED: (1) **that the following decisions be noted:**

Minute 31 The Board's recognition of the achievements of Housing Community Development (Youth) and continuation of funding support for community development work in 2012/13.

Minute 34 The adoption of the revised approach to achieving value for money in delivering housing services.

Minute 35 Preparation of the Tenancy Strategy for consideration and approval by the Board at a future meeting.

Minute 36 Board approval of the alternative funding approach for the continuation of the Council's Own Build Programme.

Minute 38 The half year financial position statement on the Housing Revenue Account.

Minute 46 (1) Approval of the recommendations of the Task and Finish Forum on Car Parking in Council housing areas;

(2) Agreement of the suggested priority of the car parking improvement schemes as set out in the report.

*167 **Minutes of the meetings of the Housing Review Board held on 1 December 2011 and 12 January 2012 (cont)..**

- Minute 47** (1) Setting up a Task and Finish Forum to carry out a review of the Council's garages and their management;
- (2) The membership of the Garage Task and Finish Forum to be the same as that of the Car Parking TaFF.
- Minute 48** Approval of the proposals set out in Section 3 of the Systems Thinking report on Housing Repairs.
- Minute 50** The new tenants' telephone survey.
- RESOLVED:** (2) **that the following recommendations be approved:**
- Minute 30** (1) The Board's support of the implementation of a standardised tenant and resident satisfaction survey by setting a financial budget and identifying staff resources available to undertake the survey;
- (2) The Head of Housing being delegated to agree the wording of the survey in conjunction with the Chairman and Vice Chairman of the Board if funding is available earlier.
- Minute 31** the My Pocket and First Light Production films about SWITCH projects in Exmouth and Axminster being presented to Council.
- Minute 32 and 42** The Board's Forward Plan.
- Minute 33** The Head of Housing to work up the concept of East Devon Homes with the Portfolio Holders for Sustainable Homes and Communities, the Chairman of the Housing Review Board and selected tenants, in preparation for the launch in April 2012.
- Minute 34** The adoption of the revised approach to achieving value for money in delivering housing services.
- Minute 37** (1) The Board's approval of an annual budget of £700,000 over the next ten years to replace all external wooden elements of properties with plastic options under the painting programme, with an on-going budget of £200,000 per annum for cement render repair and painting;
- (2) The Board's approval of the proposed changes to the programmed works, length of contracts (as set out in the report to the Board) in order to secure better value for money;
- (3) The priorities for investment in programmed works for the next five years.

*167 **Minutes of the meetings of the Housing Review Board held on 1 December 2011 and 12 January 2012 (cont)..**

- (2) that the following recommendations be approved cont..

Minute 43 Approval of the Business Plan assumptions and the outline borrowing strategy.

Minute 44 The report on the 2012/13 Housing Revenue Account being recommended to the Cabinet subject to 'loft conversions' being added to the capital budget heading 'major improvements/extensions.

Minute 45 (1) Approval of the Fire Assessment as outlined in the report to the Board;

- (2) Approval of an annual budget of £50,000 to carry out the identified additional fire safety works required.

Minute 49 The progress made by the Tenant Scrutiny Panel and the work being carried out for their first scrutiny project.

168 **Revenue and Capital Estimates 2012/13 – Key Decision**

Simon Davey, Head of Finance presented the Revenue and Capital Estimates for 2012/13. The Cabinet had adopted the draft 2012/13 Estimates at its last meeting. These had now been considered in detail by the Overview and Scrutiny Committee and Housing Review Board. The draft budget proposals had also been presented to the East Devon Business Forum at its meeting on 4 January 2012 for comment from the business community.

Members were asked to recommend the Revenue and Capital Estimates for 2012/13 and to reaffirm the decisions identified in the body of the report. Members spoke in support of the proposal to freeze the Council Tax for a further year to help local tax payers who were already feeling the impact of the global recession and rising costs. The report also included clarification of the New Homes Bonus.

The Estimates presented to the Overview and Scrutiny Committee did not include Special Items. The Committee had considered the list of Special Items in detail and recommended a number for inclusion - these additions being partly off-set with recommended increases in the savings budget. The Committee Chairman, Councillor Stuart Hughes said that the new approach adopted by his Committee in scrutinising the draft budgets had been useful and effective.

Concern was raised in respect of some Special Items as not all listed were 'one-off costs', some had on-going revenue implications and others would require capital funding in future years. It was also seen as a false economy to put off undertaking maintenance work.

In response to a specific question about committing funds to the renewal of Axminster, Honiton and Sidmouth town centres, Richard Cohen, Deputy Chief Executive advised that he was aware of resource implications but there was a need to consider the on-going health of towns in addition to the regeneration of Seaton and Exmouth. A Task and Finish Forum was being set up to discuss the implications of the current economic climate on the district's town centres and options for strategic growth.

168 **Revenue and Capital Estimates 2012/13 – Key Decision**

The Council was required to set prudential indicators as part of its budget setting process (Prudential Code for Capital Finance in Local Authorities). These indicators helped to show the overall effect of various financing and borrowing strategies that the Council planned to adopt over the next three financial years. The Government had made changes to the level of borrowing in respect of the Council House Self Financing scheme since the agenda had been published. An up-dated set of papers in respect of prudential indicators was circulated at the meeting to show the resultant recalculations. This reported change would not make any significant difference to the Estimates presented and a report on confirmed levels of interest would be referred to Cabinet after 28 March 2012 when the Council took over the Self-Financing Housing debt.

The Medium Term Financial Plan predicted future deficits for the General Fund with the on-going reduction in Government funding. Members recognised the pressures on future budgets and the challenges that the Council would need to meet. It was important to start preparing plans early for 2013/14 and beyond.

Members thanked the Head of Finance and his Team for presenting the Estimates in a clear and helpful way and for the effective work carried out during the year.

- RECOMMENDED**
- (1) that the Special Item bids totalling £0.229m as proposed by the Overview and Scrutiny Committee (Minute 66 refers) be agreed subject to these being reviewed by the Leader prior to the Estimates being presented for determination at the meeting of the Council on 22 February 2012;
 - (2) that the Net Revenue General Fund Estimates of £13.430m be approved;
 - (3) that the Capital Budget totalling £6.646m be approved;
 - (4) that the Housing Review Account Estimates with a net surplus of £1.734m be approved;
 - (5) that a Council Tax requirement be set for 2012/13 at £7.015m with a resulting Council Tax Band 'D' of £121.78 (2011/12 £121.78),
 - (6) that Council House Rents be increased from April 2012 in line with the Government Social Rent Reform guidelines with the general increase being given at 6.1% increase;
 - (7) that Council garage rents be increased from April 2012 by 3%;
 - (8) that the Prudential indicators detailed in Appendix A of the report to Cabinet be adopted.

REASON

The Council is required to set a balanced budget for both the General Fund and Housing Revenue Account and to levy a Council Tax for 2012/13.

*169 **Flooding risk to Sidmouth through the effects of Coastal erosion at Pennington Point/Salcombe Hill Cliff**

The Chairman invited Paul Griew to speak on behalf of the Cliff Road Action Group. Mr Griew advised of the campaign to reduce the current unnatural rate of erosion which was putting homes at risk, causing potential danger to users of the beach, risking flooding of the east of Sidmouth and loss of the cliff footpath. He advised that the campaign was supported by the Chamber of Commerce, Hoteliers, the Town Council and the Sid Vale Association. He said that the rate of erosion had increased unnaturally since the rock islands had been created, causing the loss of shingle at the base of the cliff and leaving it vulnerable. The application to protect the cliff with rock revetment had been withdrawn to await the recommendations of the working party.

The Head of Economy explained that a working party had been set up to address flooding and coastal erosion issues in Sidmouth. The working party included representatives from the Environment Agency, Natural England, the National Trust, Devon County Council, local EDDC members, Town Councillors, SAFE, VISION, local residents and the Chamber of Commerce. It had assessed the current situation at Pennington Point/Salcombe Hill Cliff and sought an agreed way forward to tackle the cliff erosion and flooding risk. The key recommendation was for a Beach Management Plan to be put in place as soon as possible. This would give a clear assessment of the issues involved, the options necessary to protect the beach and the town and could be used to support Defra funding bids.

The Plan would give an analysis of the beach including management, definition of the areas included in the scope and its relationship with other relevant plans including the Shoreline Management Plan 2. It would give a 100 year outlook for the beach and a 10 year programme of maintenance work and possible new works to the sea walls, shingle beach and surrounding structures.

The Cabinet was asked to consider a proposal for £27,000 (remainder from the emergency works carried out in 2009) currently held in the capital budget to be used towards the £80k Beach Management Plan. Members were advised that match funding from Devon County Council and Sidmouth Town Council had been sought but in both cases the request had been turned down at the present time. If agreed the £27,000 would be used as a match funding bid for Defra funding.

Councillor Andrew Moulding, Portfolio Holder – Strategic Development and Partnership who had chaired the meeting of the working party said that it was his intention to call another meeting of the working party as soon as possible as he was anxious to find a solution to the problem and explore viable options to protect properties, Sidmouth, Alma Bridge and the public footpath. He regretted the delay in commissioning the Plan and asked that Devon County Council and Sidmouth Town Council re-consider their decision not to contribute. Councillor Moulding agreed that the working party would be mindful of the impact of possible action on other parts of the coastline.

- RESOLVED**
- (1) that the £27,000 in the Capital Budget be made available for use towards the Beach Management Plan;
 - (2) that a further meeting of the working party be arranged as soon as possible to discuss options and action.

REASON To progress the working party's recommendation that a Beach Management Plan be put in place as soon as possible.

***170 Financial monitoring report 2011/12 – Month 9 December 2011**

Members considered the financial monitoring report which gave a summary of the Council's overall financial position for 2011/12 at the end of month 9 (31 December 2011). Current monitoring indicated that:

- The General Fund Balance was being maintained at or above the adopted level.
- The Housing Revenue Account Balance would be maintained at or above the adopted level. The service had identified savings that could be made within the budget to bring the HRA balance back in line with the adopted level;
- There was sufficient Capital Reserve to balance this year's Capital Programme. However it was estimated that there would only be £1.874M available in the Reserve to support the programme from 2012/13 onwards.
- The counter party limit had been exceeded for 4 days due to the timing of receipts and payments. This was agreed with the Section 151 Officer and the Finance Portfolio Holder.

- RESOLVED**
- (1) that the variances identified as part of the Revenue and Capital Monitoring process up to Month 9 be noted;
 - (2) that the counter party limit being exceeded for 4 days be noted.

REASON To keep the Council's finances under review, including considering whether any corrective actions were required for the remainder of the financial year.

171 2012/13 Treasury Management Strategy

The Head of Finance presented the report setting out the proposed annual Treasury Management Strategy which the Council was required to produce and be formally adopted by the Cabinet. There was also a requirement to set prudential indicators relating to all treasury activities that the authority would undertake in the forthcoming financial year – 2012/13 – to minimise risks whilst maximising returns. A new emphasis was on securing the return of investment and as a result investments had been re-categorised and amendments made to investment controls and to restrictions in respect of the counterparty list for investment to reduce risk.

The Council currently had long term borrowings to cover capital Recycling and Refuse and Affordable Housing schemes. The Council would also be taking on £84.376m debt (amended figure) under the Government's self financing regime. The Council would borrow the money through the Public Works Loan Board as the most prudent option.

Councillor David Cox, Portfolio Holder – Finance supported the careful choices being made to protect the Council's finances and reminded the Board that based on an earlier decision by the Cabinet, the Council was going out to tender in respect of management of its external investment fund.

171 **2012/13 Treasury Management Strategy (cont)..**

- RECOMMENDED** (1) that the Treasury Management Strategy for 2012/13 be adopted;
- (2) that the amended Authorised Limit & Operational Boundaries for Debt for 2011/12, to allow Prudential Borrowing for the HRA Self Financing be adopted.

REASON The Council was required to formally adopt a Treasury Management Strategy before the beginning of the financial year.

The amended Authorised Limit and Operational Boundaries for Debt would allow the Council to undertake borrowing, for the express purpose of funding the £84.376m of HRA debt under the self financing regime.

172 **Discretionary Housing Payment (DHP) Policy**

Councillor Jill Elson, Portfolio Holder - Sustainable Homes and Communities introduced the report of the Revenue and Benefits Manager. She raised concerns in respect of a number of cuts currently being made under the Welfare Reform Bill in the way Housing and Council Tax Benefit was calculated. The Government had increased the amount of funding given under DHP and published new guidance. The new arrangements replaced the 2008 Discretionary Housing Payments Best Practice and reflected local authorities' role in assisting customers affected by Housing Benefit reforms from April 2012. It was expected that more customers would start to apply for DHP as the cuts started to take effect and therefore the Council needed a DHP policy in place to ensure that the scheme was managed fairly, reasonably and consistently.

RECOMMENDED that the Discretionary Housing Payment (DHP) Policy be adopted.

REASON To ensure that the Council dealt with customers fairly, reasonably and consistently.

173 **Statutory Pay Policy**

The Corporate Organisational Development Manager presented her report setting out the Statutory Pay Policy as legally required by Section 38(1) of the Localism Act 2011. The Council was required to prepare and approve pay policy statements to cover its chief officers and deputies on an annual basis. The Policy outlined the process and accountability for setting chief officer pay as a multiple of lowest paid staff. The Policy was required to be approved by full Council by 31 March for the financial year that followed.

RECOMMENDED that the Statutory Pay Policy for 2012/13 be adopted;

REASON As required by legislation.

***174 Performance monitoring report until December 2011**

Denise Lyon, Deputy Chief Executive, presented the performance information for the 2011/12 financial year until December 2011. Performance reports were now available on line.

The Deputy Chief Executive advised that performance overall was positive. She highlighted details of performance and how the trends analysis was helpful in identifying areas where performance was still acceptable but falling. Analysis had been able to pinpoint reasons for performance slippage and where action was needed to reverse the trend.

Examples given were in respect of processing new and change of circumstance benefit claims which were taking longer due to a significant increase in the number of checks being undertaken, an increase in the instances of fly-tipping and delays between keys being issued to new tenants and first payment made. Reasons were identified and action being taken. However Members were concerned that the proposed changes to benefit payments (Universal Credits), would result in hardship particularly in respect of vulnerable people.

RESOLVED that the progress and proposed remedial action for performance measures for the 2011/12 financial year until December 2011 be noted.

REASON To enable the Cabinet to continue to monitor the Council's progress in achieving excellent customer service using relevant performance measures.

***175 Initial proposal for shared ICT service in Devon.**

Councillor Ian Thomas presented the report of the Corporate ICT Manager setting out a proposal for a single ICT service for all local authorities within Devon as a way of reducing costs through smart use of IT solutions. The proposal had been presented to Council Leaders and Chief Executives at the Devon Districts' Forum and the Devon Local Government Steering Group. The proposed business model was to set up a mutual company which would operate as a Board reporting back to Member authorities. The Forum and Steering Group supported further investigation of the proposals to gain better knowledge of the likely cost savings, benefits, risks and issues. The investigation would require an external resource and all district councils had agreed to contribute £2000 each towards this with the County and Unitary Authorities contributing a higher amount. The investigation would be led by East Devon and Councillor Thomas praised Chris Powell, Corporate ICT Manager, for his work and initiative.

RESOLVED (1) that the details of the proposal for a single ICT service for all local authorities within Devon be noted;

(2) that EDDC's contribution of £2000 towards the cost of an external resource for the next phase of the investigation be agreed.

REASON To help progress a combined ICT service in Devon to help cut costs and maintain robust ICT services.

***176 Exemption from Standing Orders – extension to an existing contract for the purpose of achieving Best Value – Waste and Recycling**

Members considered the report of the Interim Waste and Recycling Manager seeking Cabinet approval for an exemption from Standing Orders to extend the 3 year contract with RSM Tenon for forensic accounting and value for money survey of the Waste Partnership and Sita.

RESOLVED that exemption from Standing Order 1.13 be agreed to enable the contract for forensic accounting and value for money survey carried out by RSM Tenon to be extended by 3 years.

REASON For the purpose of achieving Best Value.

***177 Exemption from Standing Orders – appointment of consultants to undertake a study on the development of a Local Revolving Infrastructure Fund**

Members considered the report presented by the East of Exeter Projects Director seeking Cabinet approval for an exemption from Standing Orders to appoint consultants to undertake a study to help inform the development of a Local Revolving Infrastructure Fund. The proposed appointees were already undertaking financial appraisals of projects in the West End including the Science Park and investments from the Regional Infrastructure Fund. Costs would be met from the Growth Point budget. Future work would be needed and Councillor Graham Godbeer, Portfolio Holder Economy recommended that the maximum cost be increased to £20,000.

RESOLVED that exemption from Standing Order 1.11 be agreed to enable the appointment of Cooper Simms to complete the work referred to in the report; the work to be managed by the Projects Director of the Exeter and East Devon Growth Point Team to a maximum cost of £20,000.

REASON To ensure that the best qualified consultancy support is appointed expeditiously. Also to ensure that there is robust evidence on how a local revolving infrastructure fund could function including harnessing both existing investments and new funding mechanisms.

178 **Programme of meetings (Council, Cabinet and Committees).**

Members considered the draft meetings programme for 2012/13 including the proposed date of the Annual Council meeting of 23 May 2012. The draft programme, which will be referred to the Annual Council meeting, follows a similar pattern of meetings to that of the current year.

RECOMMENDED that the Council be recommended:

- (1) To hold the 2012 Annual Meeting of the Council on Wednesday, 23 May, commencing at 6.30 pm,
- (2) To approve the draft programme of meetings, for submission to the 2012 Annual Meeting.

REASON To meet the legal requirement to hold an Annual Meeting and also such other meetings as are necessary for the conduct of the Council's business in accordance with its Constitution.

*179 **Exclusion of the Public**

RESOLVED that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, is likely to be disclosed and on balance the public interest is in discussing the items in private session (Part B).

*180 **Priority disposal programme – Littleham Trading Estate, Pankhurst Close, Exmouth**

The Head of Economy presented the report on the remainder of the Council's freehold interest in land owned at the Littleham Trading Estate and the proposal to only dispose of part of the site for reasons given in the report.

Members discussed the value of the site, its state of repair, 'claw back' arrangements and current lease.

- RESOLVED**
- (1) that the sale of Site One only be authorised, subject to an agreed reserve, with the remainder of the Council's land interest at Littleham Industrial Estate being retained as an investment;
 - (2) that the grant of a long lease to use part of site 2b for car parking be authorised.

REASON To achieve the best returns for the site.

*181 **Waiver of Contract Standing Orders – appointment of external legal advisors for priority disposal programme (electricity substation sites)**

Members considered the report of the Senior Solicitor requesting waiver of Contract Standing Orders to select an established Bristol law firm based on their track record. Following appointment they would be able to provide good quality property advice prior to auction under the priority disposal programme.

RESOLVED that Contract Standing Orders be waived to ratify the appointment of Veale Wasborough Vizards to act for the Council in preparation for auction of electricity substation sites without the requirement for three quotations.

REASON To quickly arrange legal work in preparation for auction of the Council owned sites.

Chairman Date