

# Minutes



<b>Meeting name</b>	<b>Cabinet</b>
<b>Date</b>	<b>Tuesday, 9 July 2019</b>
<b>Start time</b>	<b>4.00 pm</b>
<b>Venue</b>	<b>Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire. LE13 1GH</b>

## Present:

**Chair** Councillor J. Orson (Chair)

**Councillors** L. Higgins (Vice-Chair) R. de Burle  
A. Freer-Jones J. Illingworth  
A. Pearson

**Observers** Councillor J. Douglas

**Officers** Chief Executive  
Director for Corporate Services  
Director for Growth and Regeneration  
Director for Law and Governance  
Assistant Director for Strategic Planning and Regulatory Services  
Democratic Services Officer (HA)  
Housing and Communities Manager

Minute No.	Minute
9	<p><b>DECLARATIONS OF INTEREST</b> Councillors Orson and Pearson each declared a personal interest in any items relating to Leicestershire County Council, due to their roles as County Councillors.</p>
10	<p><b>APOLOGIES FOR ABSENCE</b> There were no apologies for absence.</p>
11	<p><b>MINUTES</b> The minutes of the meeting held on 5 June 2019 were confirmed and authorised to be signed by the chair.</p>
12	<p><b>MATTERS REFERRED FROM SCRUTINY COMMITTEE IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES</b> There were no items for consideration.</p>
13	<p><b>ANNUAL REPORT ON THE TREASURY MANAGEMENT ACTIVITIES AND ACTUAL PRUDENTIAL INDICATORS 2018-19</b> Councillor Ronnie de Burle, Portfolio Holder for Corporate Finance and Resources, introduced the report with the purpose to present the actual position of the Prudential Indicators in accordance with the Prudential Code and provide a summary of the Treasury activities in 2018-19 prior to their approval by the Council.</p> <p>During discussion, the following points were noted;</p> <p>During 2018-19 the Council complied with the legislation and regulatory requirements which limit the levels of risk associated with its Treasury Management activities.</p> <p>The level of investments have been higher than predicted due to an underspend on the capital programme in both 2017-18 and 2018-19 and a higher level of reserves as a result.</p> <p>The ratio of the financing costs to the net revenue stream has reduced in respect of the General Fund and increased marginally in respect of HRA due to a reduction in income. On the general fund there are no financing costs (i.e. no debt) therefore the change between years is due to increased investment returns.</p> <p><b>DECISION (NON KEY)</b></p> <p>Cabinet <b>RECOMMENDED TO COUNCIL TO APPROVE</b> the Treasury Management Annual Report including the Prudential Indicators for 2018-19.</p> <p>Reasons:-</p>

***The Treasury Management Code requires the Council to provide an annual report on Treasury Management activities to the Council. Is a requirement that these be scrutinised prior to their submission which falls within Cabinet's remit.***

To facilitate the decision making process and support capital investment decisions the Prudential Code requires the Council to agree and monitor a minimum number of prudential indicators.

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**GENERAL FUND REVENUE BUDGET 2018-19 PROVISIONAL YEAR END**

Councillor Ronnie de Burle, Portfolio Holder for Corporate Finance and Resources introduced the report the purpose of which was to provide Members with information on the provisional year end position subject to external audit approval for 2018-19 and to provide information on the implications for the Council's balances and reserves.

During discussion, the following points were noted;

That the council had managed to meet additional demands on its budget from decisions approved in year from existing resources rather than having to draw on reserves as was originally intended. Whilst this has resulted in an underspend against the forecast year end position this did indicate that there was a need to identify such resources in year so they could be directed to areas of need rather than resorting to the use of reserves.

Key financial information from the Statement of Accounts were also discussed which would be formally presented and approved by the audit and standards Committee later in the month.

**DECISIONS (NON-KEY)**

**Cabinet NOTED the provisional year end position, variations to the 2018-19 estimated year end position and the resultant effect on the Council's balances and reserves.**

Reasons:-

It is important Cabinet are aware of the Council's financial position in order to ensure they can make informed decisions that are affordable and financially sustainable for the Council.

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**HOUSING REVENUE ACCOUNT BUDGET 2018-19 PROVISIONAL YEAR END**

Councillor Ronnie de Burle, Portfolio Holder for Corporate Finance and Resources introduced the report the purpose of which was to provide Members with information on the provisional year end for the Housing Revenue Account (HRA) position subject to external audit approval for 2018-19 and to provide information on the implications for the Council's balances and reserves.

During discussion, the following points were noted;

The provisional year end position as per Appendix 1, shows an actual surplus of income over expenditure of £230,520 an underspend of £718,910 against the approved budgeted deficit of £488,390 and a resulting working balance of £1,897,045.

There followed a discussion regarding the additional income over budget from housing rents as a result of voids being lower than anticipated. Members expressed concern that whilst this might be an improvement over budget the void turn around time was still too long resulting in lost rent. Officers advised this would be picked up in the Housing Improvement Plan.

#### **DECISION (NON-KEY)**

**Cabinet NOTED the provisional year end position, variations to the 2018-19 estimated year end position and the resultant effect on the Council's balances and reserves for the HRA as set out in the attached papers.**

Reasons:-

It is important Cabinet are aware of the financial position of the HRA in order to ensure they can make informed decisions that are affordable and financially sustainable for the HRA and the links to the 30 year business plan.

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#### **HOUSING MIX AND AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT**

Councillor Leigh Higgins, the Portfolio Holder for Growth and Prosperity introduced the report with the purpose to seek approval from Members to adopt the Housing Mix and Affordable Housing Supplement Planning Document (SPD).

During discussion, the following points were noted;

The SPD will be a material consideration in planning decisions assisting with managing the mix of affordable housing and the housing mix on major residential sites.

It is essential that applicants clearly demonstrate early in the pre-application process how affordable housing will be integrated into a scheme and how their negotiations with land owners or site promoters (if different to the applicant) have factored in fully policy compliant affordable housing to the agreed land price or option.

The Local Plan allows, in some circumstances, an element of market housing on rural exception sites, to cross subsidise the affordable housing. Therefore, proposals for cross-subsidy schemes will normally be expected to submit an Economic Viability Assessment (EVA) with a planning application to provide justification for the ratio of market and affordable housing proposed

Occupancy conditions will apply to affordable housing for rent and affordable home ownership in the rural areas of the Borough. Each affordable housing scheme in a rural area will have individual local connection criteria secured by way of a s.106 agreement.

A balanced range of dwelling sizes and types will be required on a residential development of market housing, affordable housing or where both are present. This is to create balanced, mixed and sustainable communities.

There will be a strong presumption in favour of on-site provision of affordable housing (in accordance with para. 62 of the NPPF, 2019). However, the SPD explains when there may be some circumstances in which an off-site contribution may be accepted and how these will be calculated..

The Council recognises that it will need to monitor changes in values and costs as they affect viability and this information will be used to assess if and/or when the SPD needs to be reviewed.

Though a consultation was sent out, only 15 responses were received, mainly on behalf of developers; planning agents and consultants; a senior commissioner at the County Council; a Councillor and a Parish Councillor. These are included as summaries in Appendix 1. This is a disappointing return and needs to be addressed to be promoted more.

Councillor Higgins proposed an additional bullet point be added to Appendix 2 (Page 94) as 3.1.7 to read as follows:

*Similar to 3.1.6 above, the Council will similarly adopt a flexible approach to affordable housing tenures and mixes where justified by other material considerations. For example, where considerations are present such as the prospect of accelerated delivery or an enhanced quality of the overall scheme, revised tenure mixes or housing mix will be considered.*

This amendment was seconded by Councillor Orson and approved by Cabinet.

## **DECISIONS (KEY)**

- 1) Cabinet APPROVED the consultation statement set out at Appendix 1.**
- 2) Cabinet APPROVED the Housing Mix and Affordable Housing Supplementary Planning Document comprised at Appendix 2 and its accompanying appendices (Appendix 3) for adoption be approved, subject to the insertion of the additional para. 3.1.7 as detailed above**
- 3) Cabinet DELEGATED authority to the Assistant Director for Strategic Planning and Regulatory Services, in consultation with the Portfolio**

**Holder, to make any minor amendments to the wording of the Supplementary Planning Document.**

Reasons:-

*The SPD, as a guidance document to the policies in the Local Plan, will assist with implementing the key strategic issues relating to housing mix and affordable housing (set out in paragraphs 4.2 and 4.3) for Melton Borough.*

The Borough's population is ageing and so we need to have the right type of housing in place to accommodate households' changing needs.

The Borough's current housing offer is unaffordable to some households, especially for younger people. A range of different types; sizes and tenure of housing will assist in alleviating this issue.

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**DEVELOPER CONTRIBUTIONS: UPDATE AND PROPOSED APPROACH**

Councillor Leigh Higgins, Portfolio Holder for Growth and Prosperity, introduced the report to update members on progress and issues around implementing the Community Infrastructure Levy (CIL)..

During discussion, the following points were noted;

Developer contributions collected could be used more effectively and preparation is recommended for a Developer Contributions SPD.

The adopted Local Plan (Policy EN7) requires the provision of open space to meet identified deficiencies and to sustain quantity standards as the population grows. It opens the way for a more strategic, design-led approach to open space provision, that focusses on enhancing and providing green infrastructure in the areas identified in the plan (Policy EN3 and EN7). This is a marked change from the previous approach which was to provide new open space on a pro-rata basis for every development of 10 houses or more. To sustain the attractiveness of Melton Mowbray as a place to visit - it could, for example, consider how a high quality well located strategic 'destination' outdoor children's play facility could meet local needs more.

**DECISION (NON-KEY)**

- 1) Cabinet AGREED that Progress on the Community Infrastructure Levy (CIL) be suspended.**
- 2) Cabinet NOTED that High priority to working with Leicestershire County Council and other public sector infrastructure providers to prepare a Melton Developer Contributions Supplementary Planning Document, to develop a strategic, justifiable and transparent approach to securing developer contributions.**

**3) Cabinet NOTED the preparation of an Open Space and Children's Play Strategy for Melton**

Reasons:-

With regards to Community Infrastructure Lev, the course of action proposed is in order to avoid abortive work where a positive cost /benefit analysis cannot be predicted

It is necessary to ensure a robust deliverable approach to collecting developer contributions for local infrastructure priorities, in the absence of an adopted CIL charging schedule

The approach recommended would also ensure that fair and appropriate developer contributions can be secured from developers for facilities that the Council delivers and maintains, and an approach to prioritisation where all infrastructure requests cannot be met

Finally, item (iv) would underpin an approach to open space and children's play provision that ensures a sustainable portfolio of well used high quality accessible spaces.

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**2018/19 HOUSING DELIVERY TEST AND ACTION PLAN**

Councillor Leigh Higgins, Portfolio Holder for Growth and Prosperity, introduced the report with the purpose of informing Members of the outcome of the 2018/19 Housing Delivery Test and seek approval to publish 2018/19 Housing Delivery Plan (HDAP). The publication of the document needs to be done before the 19<sup>th</sup> August 2019 deadline given by the National Planning Policy Guidance (NPPG).

**DECISION (KEY)**

- 1) Cabinet NOTED the outcome of the 2018/19 Housing Delivery Test.**
- 2) Cabinet AUTHORISED the publishing of the Housing Delivery Action Plan as a graphic report as comprised in Appendix 1 on the Council's website before the 19<sup>th</sup> August 2019.**
- 3) Cabinet AGREED that a Housing Delivery Action Plan be published on an annual basis in order to positively tackle housing delivery issues in the Borough.**

Reasons:-

- The Council has made considerable progress towards encouraging and securing growth and prosperity in the Borough. Through our refreshed Corporate Delivery Plan, we have made housing, jobs and growth key priorities. The Council adopted the Local Plan, promoting unprecedented levels of growth and investment in October 2018.***

- ***Over the last 12 months a Growth and Regeneration directorate was created. to pursue these priorities .***
- Operationally the team are progressing with the masterplanning of Melton South and Melton North which are keystone elements of the overall aspiration for growth and through outline planning consents with signed s106 agreements have already secured commitments for 810 dwellings within these areas and £7m towards the Melton Mowbray Distributer Road (MMDR). Working with colleagues at Leicestershire County Council we have been successful in securing nearly £50 million for the MMDR and have supported the bidding process to the Housing Infrastructure Fund for financial support for the southern link of the road. Following the planning fees increase we have already added resources to the planning team and are reviewing our planning service to ensure it is equipped and resourced to deliver
- The early signals are encouraging – we are seeing more active building sites and more delivery of affordable housing within them, and the most recent assessments of build rates showed a 60% increase in 2019/20 compared to the previous year. There is strong interest in very many of the sites allocated in the Local plan, with many the subject of recently approved planning applications or applications travelling through the system.
- The time restriction is given in paragraph 073 of the National Planning Policy Guidance (Housing and economic land availability assessment) which says that *‘To ensure the document is as useful as possible, local planning authorities should publish an action plan within 6 months of publication of the Housing Delivery Test result.’* These results were published by MHCLG on 19<sup>th</sup> February 2019. As explained above, the Action Plan should be prepared in line with the NPPG and therefore it should be published by 19<sup>th</sup> August 2019.
- By agreeing the publication of a Housing Delivery Action Plan on an annual basis, the document would be published regardless of the Housing Delivery Test results, showing a proactive attitude from the Council and having a constant positive impact on the housing delivery strategy from Melton Borough Council.
- One of our current priorities for Place is *‘increasing the availability of good quality homes that meet local needs’* and the related increase of the house building in Melton which is directly connected to this Action Plan. Delivering more houses will also have direct and indirect impacts on other priorities, as for example the provision of infrastructure (place), the support to our local industry (people), the support to employment opportunities and career development (organisational priorities) and an improvement to the affordability of homes (people).

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**DELIVERY OF BUILDING CONTROL SERVICES**

Councillor John Illingworth, Portfolio Holder for Environment and Regulatory

Services, introduced the report with the purpose to seek approval to join the Building Control Partnership operating in Leicestershire, hosted by Blaby District Council.

During discussion, the following points were noted;

The introduction of Approved Inspectors (AIs) and private sector alternative service providers has created a challenging market for Building Control services resulting in local authorities across the Country experiencing a significant reduction in market share and therefore fee income.

The current position of the Council operating its own freestanding Building Control Service independently and in-house has significant sustainability challenges going forward, both in terms of the financial costs to the Council and also in terms of providing a consistent and reliable service to customers.

#### **DECISION (NON-KEY)**

- 1) Cabinet APPROVED entering into an agreement with Blaby District Council for the provision of Building Control Services with effect from 1st August 2019.**
- 2) Cabinet DELEGATED authority to the Director for Growth & Regeneration in consultation with the Director of Law and Governance to negotiate and enter into an agreement with Blaby District Council for the provision of the Building Control service to Melton Borough Council.**
- 3) Cabinet NOTED that the Chief Executive will exercise his delegation in relation to any changes required to the staffing structure within the Building Control Team providing the overall costs (combined with the Partnership contributions) do not exceed current expenditure.**

Reasons:-

The provision of Building Control services in partnership with Blaby District Council and other partners will provide the opportunity to deliver a more robust, resilient and competitive commercial Building Control service, that is able to operate more effectively in an increasingly competitive environment

The staffing arrangements will enable sufficient operating capacity locally, and assist in the resilience of the team and staff succession, with a reduction in operating costs.

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#### **DEBT RECOVERY ACTION PLAN**

Councillor Ronnie de Burle, Portfolio Holder for Corporate Finance and Resources introduced the report with the purpose to seek approval to consult stakeholders on a draft Corporate and Income Maximisation Policy.

During discussion, the following points were noted;

Collection rates of both Council Tax and Business rates are currently high, with 98.2% of Council Tax and 98.6% of business rates collected in 2018/19. Sundry debt collection rates are currently at 86.5%, however the council is experiencing high levels of historic sundry debt.

Where possible, payments should be requested before the service is provided. This will require services to manage debtors effectively, ensuring services are withheld until payment has been made, or to withdraw services for non payment where up front payment is not possible.

#### **DECISION (NON-KEY)**

- 1) Cabinet considered the contents of the draft Corporate Debt and Income Maximisation Policy and APPROVED the commencement of consultation.**
- 2) Cabinet APPROVED the continuation of a Sundry Debt Officer to 1 April 2020 and the budget be redirected in that year to support the post.**

Reasons:-

The Policy will assist officers in ensuring income is maximised and that residents and businesses are sufficiently safeguarded with regard to collection action. Consultation will allow the Council to make an informed decision on whether to approve the draft Policy in its current form or if changes are required. The establishment of a Sundry Debt Officer post will help to safeguard and improve both the Council's financial position regarding sundry debt, and the ability to identify and act upon vulnerability.

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Cabinet resolved that the public and press be excluded from the meeting in accordance with paragraph 3 of Part 1 of Schedule 12A to the local Government Act 1972. (Information relating to the financial or business affairs of any particular person, including the authority holding that information).

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#### **LEICESTERSHIRE ICT PARTNERSHIP SHARED SERVICE**

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After debate and approval of decisions on this item the Cabinet **APPROVED** that the meeting should return to public session.

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The meeting closed at: 6.15 pm

Chair