

CABINET

17 SEPTEMBER 2012

- Present: Mayor Thornhill (Chair)
Councillors D Scudder, K Crout, I Sharpe and M Watkin
- Also present: Councillors N Bell, J Dhindsa, M Mills, S Johnson and M Meerabux
Jenny Wilson BDP Consultants (for minute numbers 18,19,20 & 23)
- Officers: Managing Director
Head of Legal and Property Services
Executive Director Services
Head of Strategic Finance and Shared Services
Environmental Health and Licensing Section Head
(for minute numbers 18,19,20,23 & 24.)
Energy & Renewal Surveyor
(for minute numbers 18,19,20,23 & 24.)
Project Officer
(for minute numbers 18,19,20 & 23)
Democratic Services Manager

18 APOLOGIES FOR ABSENCE

Councillor Rackett had sent his apologies. He had hoped to attend the meeting to present the Choice Based Lettings Scrutiny Review, but had been unable to do so.

19 DISCLOSURE OF INTEREST (IF ANY)

There were no disclosures of interest.

20 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 9th July were submitted and signed.

21 CHOICE BASED LETTINGS - SCRUTINY REVIEW

Call-in and Performance Scrutiny Committee carried out a review of Choice Based Lettings during two meetings in October and November 2010. The final report incorporating the Scrutiny Committee's recommendations and the responses of officers had been agreed at the meeting held on 3 February 2011.

At that meeting Call-in and Performance Scrutiny Committee resolved that the final report should be forwarded to the Portfolio Holder and then on to Cabinet.

Cabinet's responses to the recommendations were contained in the report. Councillor Rackett (Green), who had chaired the Call-in & Performance Committee at the time, had confirmed that he was happy with Cabinet's responses.

Councillor Johnson (Conservative) referred to the issue of appeals and how the 56 day deadline could be extended by an additional 28 days in some cases due to the backlog of cases. The Mayor suggested that he took this up with the Housing Policy Group.

Councillor Bell (Labour) welcomed the responses to the recommendations. He added however, that there was still a need for the Choice Based Lettings scheme to be monitored.

The Mayor said that, whilst it was important to establish issues about which residents were not happy, they also needed to be reminded of the situation prior to the Choice Based Lettings scheme when they had very limited say over house choices.

RESOLVED

Recommendation 1

Training courses for long term non-bidders especially relation to IT.

Cabinet Response

Accepted. Housing already contact people in housing need who were not bidding to find out the reasons for this and they could be assisted by staff in the CSC or Housing officers. Officers also ran regular training for support agencies e.g. hostel providers so that they could support their clients

Recommendation 2

Explanations and education for bidders and potential bidders about the banding system.

Cabinet response

Accepted. Details of the scheme were provided on Herts Choice Homes website to which the Council's website had a link.

Recommendation 3

Provide information about and ensure access to the appeals procedure.

Cabinet Response

Accepted. This was included in the nomination policy. It would be considered as part of the review of the Council's web pages.

Recommendation 4

A spot check on a sample of applicants to ensure they were in the correct band and provide feedback on results to the scrutiny committee.

Cabinet Response

Accepted. This would be incorporated into new procedures and would come under the remit of the Housing Casework Co-ordinator and also be part of the audit plan being developed with internal audit.

Recommendation 5

Tailored letters should be initiated and also 'follow-ups' for unsuccessful bidders.

Cabinet Response

Not accepted. Feedback was already available via Herts Choice Homes. Tailored letters would not be possible to resource.

Recommendation 6

Investigate the schemes on Freeview and Wii pioneered by Kirklees Council.

Cabinet Response

Not accepted. Freeview was not compatible with the process, only packages that clients would need to pay for. It was not considered to be a priority for the service at this time.

Recommendation 7

Council Tax cost to be displayed with house information on property listings This had been requested and was with housing providers to arrange. We were working with WCHT on this.

Cabinet Response

Accepted and still in progress. Whilst the Housing Service fully supported inclusion of Council Tax information and had been pursuing this recommendation it was not something that was within their gift to compel.

The Council had received confirmation from Watford Community Housing Trust that they had arranged access to Council Tax information and would be including this on their property adverts - within the next month. Other registered providers

were also rolling this out and therefore progress was expected to be made in the near future.

It was the housing providers who put together the adverts and sent them to the Housing Service on extremely tight timescales before publication. Due to the amount of essential information officers had to check in a short space of time, officers did require providers to put forward all the relevant information. There was not the opportunity for the officer to liaise with Council Tax once they knew the exact property addresses coming forward for the advert as this could be a matter of only an hour or two before the information needed to be submitted.

Recommendation 8

Obtain feedback from successful and unsuccessful bidders.

Cabinet Response

Accepted. There was a user group which included people who were still waiting to be re-housed

Recommendation 9

More work to be focussed on the benefits of moving from under occupied properties (for example smaller utility bills).

Cabinet Response

Accepted. Under occupation was a priority and our nomination policy had been revised to give additional priority to those under occupied by one bedroom (on a par with those in larger properties). We were also working with our RSL partners on initiatives they could bring forward to address this.

Recommendation 10

Staff to be alert to people who may have difficulty in filling in the forms.

Cabinet Response

Accepted. This was already part of the Service's daily working practice

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SUMMARY OF FINANCIAL OUTTURN 2011/12

A key feature of the reporting of the Final Outturn for any financial year was to compare the actual position with the original estimate and forecast budget monitoring statements produced throughout the year. This comparison was essential as it provided an indication of the accuracy and robustness of financial control within the Council.

Cabinet was presented with a report of the Head of Strategic Finance which provided a meaningful analysis of the revenue and capital outturns for 2011/2012.

The Mayor advised that the report had already been to the Budget Panel. Councillor Watkin, Finance Portfolio Holder, then introduced the report which showed that the Council had reduced its anticipated overspend by £925k to £251k, with an increase in the Council's reserves but that the Council's capital reserves would be sufficient for all current schemes until 2015. The Head of Strategic Finance went on to highlight the key issues.

He referred specifically to the position in respect of reserves, which had increased again, and the "favourable adjustment" in respect of the Housing Benefit Subsidy Reserve which had increased by £629K in 2011/12 as a consequence of External Audit discovering incorrect accounting treatment as part of its audit.

He went on to speak about the Capital Outturn and the Council's comprehensive investment programme. He commented that it was a good time to go out to tender for contracts as a lot of companies were currently looking for work. He added that it was important to stay ahead and constantly look for opportunities to generate capital receipts.

Councillor Bell (Labour) asked about the Charter Place Tenants' Reserve and whether it would be returned to tenants and about the position in respect of the Multi Storey Car Park Reserve. He also asked about the accounting error in respect of the Housing Benefit Subsidy Reserve and the position with regard to the LAGBI Reserve and whether there were other projects which could be funded.

The Managing Director responded to the question on the Charter Place Tenants' Reserve. He explained that money would have to be returned to the tenants in due course

With regard to the Councillor's question about the Multi Storey Car Park Reserve, the Managing Director responded that a report was due to go to Cabinet in October on the possibility of the Council taking over direct responsibility for these car parks subject to agreement with CSC.

The Mayor added that the Council did have aspirations to take over the car parks and to be able to shift the focus away from just shoppers towards a more balance provision.

The Head of Strategic Finance responded to the Councillor's question about the accounting error. He explained that it was basically a balance sheet adjustment relating to the treatment of sundry debtor accounts.

In response to the Councillor's question about the LAGBI reserve, the Managing Director explained that the use of the funds was regulated by One Watford and the Business Advisory Group. The Mayor added that this was money from the

Government and had to be ring fenced for use on projects which prioritised economic development. She added that any ideas for projects would be welcome.

Councillor Johnson (Conservative) welcomed the idea of the Council taking control of car parks. He suggested possibly re-instating season tickets and other imaginative initiatives to allow more flexibility.

RESOLVED

That Cabinet

1. notes the revenue outturn as summarised at Appendix 1, and supplementary notes at Appendices 1A to 1G and notes that an over spend of £251k has occurred before end of year final account adjustments.
2. approves the specific unspent budgets carried forward into 2012/2013 in the sum of £301,337 and as detailed at Appendix 1E.
3. notes the Reserves statements at Appendices 1F & 1G and notes that, due to end of year adjustments the overall level of reserves has increased by £1,230,408 (Appendix 1F) and that it is also recommended that the Capital Fund Reserve should be increased by £287k with a compensating reduction to the Economic Impact Reserve.
4. notes the capital outturn as detailed at Appendix 2 that the Council's present and future holding of capital receipts is virtually fully committed.

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TO AGREE DESIGN FOR THE IMPROVEMENT FOR THE PARADE AND EVALUATION CRITERIA FOR SELECTING A CONTRACTOR

Cabinet received a report providing an overview of the design for the Parade Improvement project and feedback from the public consultation undertaken in June. The report sought approval to proceed into detailed design; to procure a contractor and approval of the proposed selection criteria for the contractor. It also outlined the estimated annual revenue costs that would result in the implementation of the scheme.

Jenny Wilson from BDP Consultants was present at the meeting to answer questions.

The Executive Director introduced the report and highlighted the key points. She said that work had started on the project in 2008 with a Master-plan and Strategy approved by Cabinet. BDP consultants had been appointed and had adopted an holistic approach to the project which was aimed at creating a well balanced town with something for everyone. An extensive public consultation exercise had taken place; all Member workshops had also been held along with face to face contact with a wide range of stakeholders .

She explained that there was a sum of £4.3million in the budget for the scheme with £250K from Herts County Council. There was currently a contingency fund of £250K although a sum nearer £500K would be preferable. Revenue funds were needed to maintain the area to a satisfactory level. It was necessary to anticipate what it was going to cost to look after the town properly.

The Executive Director also drew Members' attention to the Equality Impact Analysis carried out, details of which were appended to the report. She commended BDP on the work done on this aspect of the scheme.

The Mayor commented that this scheme was key to future investment in the town. She added that there was no point waiting until the town was dead before attempting to revive it. The scheme would also contribute to jobs and recovery from recession.

She added that she had been very impressed with the consultation which had provided a very clear consensus on the way forward and thanked BDP for their work on this. She said, however, that it was not possible to please everyone and there was always going to be a variety of views on different aspects of the scheme – e.g. the pond.

She referred to the two high potential risk scores identified in the report and asked whether everything was being done to mitigate these.

The Executive Director responded that surveys had been carried out and trial holes would be dug in an attempt to identify buried obstructions. It had to be accepted, however, that there was always likely to be something that could not have been foreseen.

With regard to the risk of objections to the Traffic Regulation Orders (TRO), she said this was usually the case but that informal consultation had already started and there had been no negative feedback to date concerning loading bays or restricting vehicle access.

Councillor Bell asked about the proposal to extend the scheme down to Clarendon Road and the cost implications. The Executive Director responded that the plan was to stay within budget. The true cost would not, however, be known until the competitive tenders had been returned, The procurement process would allow for the deletion of items which were outside the Council's budget.

Councillor Bell went on to ask about the £15K estimated revenue cost for maintaining the pond. The Executive Director advised that the current budget for the pond was inadequate and that regardless of the scheme it would have been necessary to invest more money in the pond to ensure it remained viable.

In response to a further question from Councillor Bell regarding consultants' costs, the Executive Director advised that the costs were within the cost envelope for the project. The rate was, in fact, very reasonable and saved the

Council money in the long run. It also meant that the Council could go out to tender with confidence.

The Mayor added that the use of consultants was standard practice; there was not the level of expertise within the Council to do this kind of work. She added that she was disappointed that this had become such a contentious issue with some opposition members.

Councillor Johnson (Conservative) commented that, in his view, a fee of 10% to the consultants seemed reasonable. He went on to ask about the proposal to put a bridge over the pond. He considered this to be a controversial proposal and not welcomed by everyone.

Jenny Wilson responded that many of the people consulted, including through face to face contact, had responded very positively to the idea. It was intended to encourage movement and open up the Parade area.

The Mayor added that the pond was currently a barrier which split the area in half. She again referred to her earlier point that it was impossible to please everyone.

Councillor Meerabux (Independent) asked whether an assurance could be given that contractors used in the scheme did have a good equal opportunities record. The Executive Director reassured the Councillor that this was part of the criteria in the pre-tender stage.

Councillor Watkin asked how day to day activity would be managed in the area whilst the work was being carried out. Jenny Wilson responded that when tenders were being considered questions would be asked about phasing and contractors would be asked for their plans with regard to signage and other ways of ensuring that businesses did not suffer unnecessarily whilst the works were carried out. The Project Officer added that this issue had been brought into the pre-qualification stage to ensure it was covered. It was an issue normally left until full tender

Councillor Dhinsda (Labour) commented that residents in his ward had expressed the view that this scheme was not a priority in the present economic climate. He considered that the money could be better spent on something else. He also asked about vehicle access beyond Yates and what was happening to replace the disabled bays outside the Nationwide.

The Mayor responded that she had spoken to many residents in Vicarage Ward who had responded very positively to the proposals. They had commented to her that the town only came alive at night and then often in a negative way. She added, however, that she would be more than happy to speak to Vicarage residents again. The Town Centre was at the heart of the town and the Council had a role in maintaining it as a viable proposition. There was no better time than now and her postbag was testament to the fact that this was what the majority of residents wanted. The Council had the money in its Capital budget but there were restrictions on how capital money could be spent.

In response to the Councillor's questions about access, the Executive Director explained that vehicle access had been looked at carefully. There would be more disabled spaces than now but they would be on the ground floor of Gade Car Park and in Gaumont Approach rather than in the centre.

Councillor Crout said that it was important to generate a feel good factor for Watford by creating jobs and enhancing the look of the town.

The Managing Director concluded by talking about the five year vision for Watford including the other major projects currently in the pipeline such as Croxley Rail link and Charter Place. If the top of the town were not developed it would just decline further. He added that encouraging viable businesses in the town also provided greater opportunities for the Council to benefit financially through the collection of business rates.

RESOLVED

1. notes the consultation report summarising the consultation to date.
2. approves the Stage D design master plan for the Top of the Town.
3. approves the selection criteria for the Contractor to construct the scheme.
4. approves the increased revenue costs associated with new elements

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HOW WATFORD BOROUGH COUNCIL SHOULD FACILITATE DELIVERY OF THE GREEN DEAL TO WATFORD RESIDENTS AND BUSINESSES.

The Government recognised the need to change its approach to tackling fuel poverty in England and had set a target to eradicate it by 2016. It also recognised that local authorities were "uniquely placed" to assess and improve energy efficiency and to encourage a focus on this it has recently re launched, through the Home Energy Conservation Act (HECA), detailed reporting requirements for Local Authorities on the work they were undertaking in this area

The proposed delivery mechanism to tackle fuel poverty, the Green Deal, was the Government's new flagship scheme for improving energy efficiency and reducing carbon emissions. It was a fundamental change in the way energy efficiency was funded in the UK.

Councillor Scudder, Portfolio Holder for Environmental Services, introduced a report setting out how Watford Borough Council could take advantage of the opportunities currently presented and maintain achievements in improving energy efficiency across the borough.

He outlined the three approaches which the HECA guidance suggested local authorities might adopt to engage with the Green Deal and the five main options which Watford might explore to take the scheme forward. The preferred option was to work with partners through a Community Interest Company, details of which were outlined in the report.

The Mayor commented that doing nothing was not an option and the scheme progressed the good work previously initiated by the Council in the past through such schemes as loft insulation, solid wall insulation etc.

Councillor Bell said he supported the proposal and commended the Environmental Health Officers on the work done in progressing the scheme. He particularly welcomed the fact that the scheme would be available to all irrespective of income.

In response to a question from Councillor Crout regarding solar energy, the officer explained that it would not be possible to claim both the “feed in” tariff and the Green Deal. Solar thermal water would, however, be included. In response to a further comment from Councillor Watkin regarding the reluctance of other Hertfordshire authorities to get involved, the officer advised that Three Rivers DC was considering a similar report the following day.

It was noted that existing Government schemes finished in December with no further funding until the Green Deal came into effect.

RESOLVED

that the Council’s participation as one of the founding shareholder members of the proposed Community Interest Company (CIC) for the Green Deal be agreed, subject to approval of the Portfolio Holder of Environmental Services upon advice from the Head of Strategic Finance and the Head of Legal and Property Services once the terms of membership and participation are finalised.

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LOCAL AUTHORITY MORTGAGE SCHEME

This key decision had not been included in the Forward Plan. As the decision needed to be taken at this meeting, the Chair of Overview & Scrutiny Committee had been consulted in accordance with Procedure Rule 15.0 of the Constitution – “General Exception.

Sector Treasury Services Limited had developed a scheme called the Local Authority Mortgage Scheme (LAMS) to help first time buyers access mortgage funds that they might not otherwise be able to, with the support of a Local Authority indemnity.

This Scheme had been promoted to mortgage lenders and local authorities and Hertfordshire County Council decided in April 2012 to participate in the Scheme and encourage Districts to also participate by providing them with funds to place in the scheme on their behalf.

The Head of Legal & Property Services introduced the report and gave a detailed explanation on how the scheme worked. Whilst the County had mainly been talking to Lloyds about participating in the scheme, Lloyds required each Council’s Monitoring Officer to sign an opinion letter confirming that the Council had all legal powers to enter the scheme. Hertfordshire Heads of Legal had sought Counsel’s advice who had raised concerns about some aspects of the scheme and as a result no Head of Legal was prepared to sign the opinion letter as currently worded. The other participating bank/building society was the Leeds

who did not require an opinion letter to be signed. There was a branch of the Leeds in Watford. As a result of these issues no agreement had yet been signed with the County Council so the launch of the scheme had been deferred.

Councillor Johnson said that he was quite sceptical about the scheme. 90% mortgages were now being provided by some lenders so was there really a need for this scheme?

Councillor Bell added that it was important to help first time buyers but he too was quite cautious about this scheme and would wait to hear more about it.

In response to a point made by Councillor Meerabux about the number of transactions which could actually be supported by the scheme, the Head of Legal & Property said that a limit of £150K would equate to around 33 transactions. In response to a further question from the councillor about whether there would be any impact on the interest rates applied in these cases due to the smaller deposit required, the Head of Legal & Property explained that it would be up to the lender to specify the rate in accordance with normal borrowing terms. It would be based on a 5% deposit; if a person could afford more they would not qualify to take part in the scheme.

Councillor Dhindsa asked whether the Leeds would be likely to increase their rates. The Head of Legal & Property responded that the Leeds and Lloyds were currently the only two building societies/banks taking part and Lloyds had been excluded due to the legal issue already explained. If people did not want to accept Leeds' rates they would have to go elsewhere. There would also be the opportunity for people to go the County and apply under their scheme but funds were very limited.

The Head of Legal & Property advised that once it was decided to launch the scheme it would be publicised as part of a joint effort with the County and other participating local authorities.

The Mayor commented that she also had reservations about the scheme. Whilst it was important to address the issue of housing this was merely a drop in the ocean and only a few would actually benefit. She did not see the £1million contribution from Herts County as being a particularly good use of money.

RESOLVED

1. that Cabinet approves participation by the Council in LAMS in partnership with an appropriate lender as may be agreed with the Head of Strategic Finance, subject to funding of £1 million being provided to the Council by Hertfordshire County Council for this purpose and subject to recommendation 3 below.
2. that Cabinet approves the Council entering into a deed of indemnity with the Head of Legal and Property Services in respect of any opinion letter she is required to give under the terms of LAMS

3. that Cabinet delegates to the Head of Strategic Finance in consultation with the Head of Legal and Property Services:
 - The lender with whom the Council will participate in LAMS.
 - Settling the final terms of any legal documentation between the Council and the lender and the County Council to participate in LAMS
 - The determination of qualifying post codes for LAMS
4. that the maximum loan size be set at £190K per application
5. That Cabinet recommends to Council that the Council's Treasury Management Strategy be amended if necessary to accommodate the requirements of the LAMS

Mayor

The Meeting started at 7.00 pm
and finished at 8.45 pm