

CABINET

8 OCTOBER 2012

Present: Mayor (Chair)
Councillors D Scudder, K Crout, I Sharpe and M Watkin

Also present: Councillors J Aron, N Bell, A Khan and M Meerabux

Officers: Managing Director
Executive Director Services
Head of Strategic Finance and Shared Services
Head of Finance (Shared Services)
Head of Community Services
Legal and Democratic Section Head
Culture and Community Section Head
Property Section Head
Commissioning Manager
Democratic Services Manager

26 APOLOGIES FOR ABSENCE

There were no apologies for absence

27 DISCLOSURE OF INTEREST (IF ANY)

Councillor Watkin advised that he was a trustee of the Multi Cultural Community Centre but did not consider that this interest to be specifically relevant in the context of the report discussed at minute number 29.

There were no other disclosures of interest.

28 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 17 September 2012 were submitted and signed

29 TO APPROVE THE VOLUNTARY AND COMMUNITY SECTOR COMMISSIONING FRAMEWORK 2013-16

The current three-year Voluntary and Community Sector [VCS] grant funding programme ceased on March 31st 2013. Cabinet received a report of the Head of Community Services setting out the case for a new VCS Commissioning Framework and changing to a commissioning approach as opposed to an open grant application process. It also identified the priorities for commissioning services with the limited funds available.

The Mayor opened the discussion by saying that this had been a thorough and extensive piece of work for which she commended all the officers involved. She added that, despite the fact that grant funding was not a statutory function the Council had chosen to support the voluntary sector and actually frozen the grants' budget for a number of years.

The Head of Community Services highlighted the key points of the report and set the context. She said that the strong relationship that the Council had with the voluntary sector had to be recognised and the fact that they were in the best place to deliver some services.

The proposals had been considered by a Scrutiny Task Group and its report and recommendations were attached as an appendix to the main report. A public consultation exercise had taken place and a summary of the key issues raised was also attached. The report also included the priorities being recommended for approval, details of the services to be commissioned, proposals regarding the small grants' fund and the position with regard to the use of Council owned property by VCS organisations.

The Head of Community Services drew Members' attention specifically to the officer recommendation in the report on domestic abuse commissioning and the following correction to Appendix E:

The paragraph:

"This is achieved with volunteer counsellors providing this year 2815 hours of their time which would have a value of £147245. 196 women accessed specialist legal services and volunteers provided 5,399 hours of support"

to be changed to

"This is achieved through the provision of a Domestic Abuse Specialist post with 20 years experience funded by Watford Borough Council, she co-facilitates with a part time specialist counsellor who is funded from the Women's Centre reserves at the moment"

The Head of Community Services explained that, whilst domestic abuse was not a commissioning responsibility of the District Council, it was clear from the Equality Impact Analysis that there would be a disproportionate impact on this group. Officers were therefore recommending that funding support continued for 12 months to mitigate the impact whilst the County and the local Community Safety Partnership considered local service needs and priorities.

In response to a point made by Councillor Bell, the Head of Community Services stressed that domestic violence had not been included in the priority list but that the funding would continue for a year to allow time for other funding streams to be identified.

Councillor Bell responded that it was important to reassure women who currently accessed the Women's Centre for support. He welcomed the fact that the Women's Centre was expected to remain as part of the Charter Place development.

The Mayor said that the Council would do what it could to ensure that the facility remained available.

Councillor Watkin commented that the small grants fund was excellent and provided small groups with the opportunity to start new initiatives.

The Mayor advised Cabinet that she wished to look again at the small grants issue prior to budget setting as she wanted to ensure that funds were available to assist groups who were working towards sustainability. The amount could not be increased and how it was allocated needed further consideration.

Councillor Crout commented on the need for flexibility and to demonstrate that the Council would help if it was able to do so.

Councillor Meerabux asked about the position with the County and expressed concern that some vulnerable groups could be left wanting.

The Mayor responded that the whole concept of commissioning was accepted as the way forward – including by Herts County Council. The Head of Community Services endorsed this view and added that many organisations were now moving in this direction.

In response to a point made by Councillor Aron (Chair of the Voluntary & Community Sector Commissioning Framework Task Group) regarding the small grants fund, the Mayor proposed that the Portfolio Holder and the Head of Service be requested to look at the criteria for the allocation of small grants with a view to holding back some of the funds for those groups suffering from the effects of the recession. She added that the funds could very quickly be used up if it was open to all to apply.

The Head of Community Services drew Members' attention to the suggestions for the small grants' fund as detailed in the report and advised that the allocation of the £50k fund was a matter for Cabinet.

Councillor Aron commented that she hoped that groups would also be able to access match-funding.

RESOLVED

that Cabinet:

1. agrees amendments to the draft commissioning framework [2013 - 2016] as identified in this report.

2. agrees the service commissioning priorities as identified in 3.4.of the report.
3. agrees the continuation of the Small Grants Fund
4. delegates responsibility to the Head of Community Services in consultation with the Portfolio Holder and the Chair of the Voluntary & Community Sector Commissioning Framework Task Group to approve the eligibility criteria for the Small Grants Fund.
5. delegates responsibility to the Head of Community Services in consultation with the Portfolio Holder to finalise the wording of the Commissioning Framework prior to publication
6. delegates responsibility to the Head of Community Services to implement the commissioning process for the service priorities identified in 3.8 of the report to ensure services are in place from April 1st 2013, subject to Council approval of the Budget for 2013/14.

30

TO APPROVE THE MEDIUM TERM FINANCIAL STRATEGY 2012/2017

Cabinet received a report of the Head of Strategic Finance giving an overview of financial issues affecting the Council over the next five years and enabling a strategy to be developed to achieve a sustainable budget and to set a Council Tax for 2013/2014.

Councillor Watkin introduced the report. He referred specifically to the £1.2m added to

Reserves in 2011/12 and the position regarding expenditure, Government funding and the impact of the New Homes' Bonus. He commented that overall the finances were in good shape and whilst the position might appear fairly stable in fact there were many challenges facing the Council in the next few years..

He went on to comment on the service prioritisation process which had identified around £3m of efficiency savings for 2011/12 to 2012/14 and the fact that a further £2.2m still had to be found. He also drew Members' attention to the other budgetary pressures outlined in the report.

He concluded that he saw no reason for changing the level of Council Tax in the next 2/3 years but advised that the Council would be using its reserves to fund ongoing deficits within the revenues budget as necessary until the rest of the Service Prioritisation and Council Roadmap efficiencies took effect.

It was noted that the Budget Panel would be considering the MTFs at its meeting on 23 October 2012.

The Mayor commented that whilst the use of reserves was unavoidable, she was aware that this was not a sustainable position in the long term. There were

pressures over which the Council had no control and it would continue to be necessary to look at ways of reducing the base budget still further.

Councillor Scudder endorsed the Mayor's views and the need for tough decisions to be made. He considered, however, that the Council's financial position would enable these decisions to be implemented in a measured manner.

Councillor Bell commented on the fact that the sustainability of the revenue budget was totally dependent on the New Homes' Bonus and the impact of any future change in Government policy. He also asked whether the level of reserves was considered appropriate for Watford.

The Head of Strategic Finance responded that the next year was looking quite uncertain. He explained that the current level of the reserves was probably just right but that if they dropped below £5million there would be cause for concern because of the number of risks identified. Austerity was predicted to continue until 2018 and there was likely to be another Council Tax freeze initiative by way of an extra 1% grant. It was necessary to have the reserves to meet cost pressures and obviously they would be used more quickly if things went wrong. He advised that some councils were now adding to their level of reserves because of the need for contingencies. The position at the moment was one of consistent contraction rather than growth.

The Mayor concluded by passing on her thanks to the Head of Finance (Shared Services) and his team for the efficient way they had closed down the accounts.

RESOLVED

1. that Cabinet notes the report on the Medium Term Financial Strategy and the financial issues affecting the Council over the next five years.
2. that the Medium Term Financial Strategy be referred to the Budget Panel for consideration at its meeting on 23rd October.

31

APPROVAL OF FINAL CHARTER PLACE LAND TRANSACTION WITH DELEGATED POWER TO THE MANAGING DIRECTOR TO ENTER INTO THE NECESSARY LEGAL DOCUMENTATION

The Chair of Overview & Scrutiny had agreed that this report could be dealt with as a matter of urgency in accordance with the terms of Procedure Rule 16.0 as the transfer was due to take place on 10th October.

The Mayor had also agreed that this report could be dealt with as a late report. The reason the report was not circulated at the time of agenda publication was based on the fact that commercial negotiations with Capital Shopping Centres (CSC) were still ongoing.

Cabinet received a report of the Managing Director giving an update across a range of specific issues that had arisen during commercial negotiations with

CSC. This followed Cabinet approval on 18th June 2012 to abandon previous OJEU procurement and negotiate detailed terms with them. An all Members' briefing had been held on 27th September 2012.

None of the changes were considered material enough to affect the overall recommendation to proceed with CSC. Discussions with CSC had, however, further clarified their management and financial proposals in respect of the four 'satellite' car parks and it was preferable for WBC to take these back and manage them using a national car park management company.

The report was designed to highlight the new issues and considerations. It could not however, in the case of such a complex commercial property transaction, provide full commentary on all detailed negotiation matters. The recommendations in the report effectively updated those contained in the Cabinet report of 18th June.

Councillor Sharpe introduced the report. He said it was good news that the development by CSC was going ahead and very positive for the town. There had been good attendance at the Member briefing on major projects which had included Charter Place. The report before Cabinet crystallised many of the issues discussed. He thanked the Property Section Head and his team for their work.

The Property Section Head added that the report was mainly about the car park strategy, which was a better option for the Council.

The Mayor commented that there had been concerns about the car park for some time and the need to balance provision for the night time economy with the needs of shoppers and other visitors to the town. The proposed arrangement would allow for control and flexibility.

In response to a point by Councillor Bell about a guarantor, the Property Section Head explained that they were pressing hard for CSC to agree the guarantor, which Cabinet reinforced. He added, however, that CSC was very positive about the development and was planning to carry out a consultation at the end of the year. In response to a further point from Councillor Bell about control of the car parks he said that the income and management would be under the Council's control; the contractor would manage facilities and improvements.

Councillor Bell then went on to voice his concerns about the staff affected, in particular in relation to the transfer to Europa. He considered that senior management should have done more in communicating to staff about the TUPE process in the 3-months since the Cabinet meeting on 18th June.

The Managing Director responded that there was a statutory process involved in TUPE which was being adhered to. He had kept the process under review and the Services involved had played their part but it had been necessary to have the full facts regarding CSC's intentions before speaking to staff. Positive discussions had now taken place, including with Europa and the situation was far more settled.

Councillor Khan asked about the 999 year lease and why the freehold was not being sold outright. The Property Section Head responded that retaining the lease meant that the Council could collect 7% of the income. The Mayor added that if the freehold were sold it would become a capital receipt with restrictions on use. Receiving revenue was far more flexible. The Property Section Head advised that the Charter Place and Harlequin interests could still be sold separately if necessary in the future.

RESOLVED

that the Managing Director be authorised to:

1. complete negotiations and the suite of legal documents with CSC (including relevant subsidiary group companies) and to enter into a binding agreement for the land transaction.
2. complete the transfer of management responsibility for the existing Charter Place shopping centre and Charter Market to CSC, including TUPE transfer of current Council staff to Europa (CSC's Facilities provider), as soon as possible linked to completion of binding lease agreements.
3. Agree commercial terms and complete legal documentation regarding CSC's surrender of the Satellite Car Parks in 2013, or if this is not achieved exercise the Council's March 2015 break notice option in the existing lease.
4. Subject to achieving a surrender on the CSC's lease of the Satellite Car Parks, to commence procurement of an external partner to manage the car parks (including structural maintenance) on WBC's behalf, if necessary taking appropriate external independent advice. In the event that a surrender cannot be agreed, to commence procurement so that a car park management contract is in place from the return of the Satellite car parks in March 2015.

Additionally, in order to facilitate the redevelopment and comply with the terms of the agreements with CSC, that:

5. Cabinet agrees in principle to support a Compulsory Purchase Order to acquire such land holdings and any rights affecting those land holdings as may be necessary for redevelopment of Charter Place and adjoining holdings on the High Street, if requested to do so by CSC, and subject to a full funding indemnity by CSC, which is to be provided as part of the suite of documents comprising the land transaction with them.

Mayor

The Meeting started at 7.00 pm
and finished at 8.05 pm