

Cabinet

14 January 2016

Present: N Redfearn (Elected Mayor) (in the Chair)
Councillors EN Darke, R Glindon, JLL Harrison,
JJ Stirling and A Waggott-Fairley.

In Attendance: A Armstrong (Young Mayor)
M Almond (Voluntary and Community Sector)
R Layton (North Tyneside JTUC)
D Rose (Business Sector Representative)

CAB109/01/16 Apologies

Apologies were received from Councillors CA Burdis, IR Grayson, CB Pickard and LA Spillard, A Caldwell (Age UK North Tyneside) and M Cushlow (North Tyneside Clinical Commissioning Group)

CAB110/01/16 Declarations of Interest and Dispensations

There were no declarations of interest or dispensations reported.

CAB111/01/16 Minutes

Resolved that the Minutes of the meeting held on 14 December 2015 be confirmed and signed by the Chair.

CAB112/01/16 Report of the Young Mayor

The Young Mayor reported on the following activities in which she and/or Young Cabinet Members had been involved:

- The Elected Mayor had attended the December Youth Council Meeting when a variety of topics had been discussed. Later in the meeting 5 large hampers had been assembled, comprised of donated food and treats from the Making Christmas Special Project. As part of the giving to others theme, the youth councillors had each donated a gift for another teenager in need. All of the donated gifts and the left over donated treats from the hampers had been taken to De Paul's in Whitley Bay to be given to local young people. These had been gratefully received by homeless, vulnerable and disadvantaged people that de Paul's worked with.
- 27 young people had applied to be the next Young Mayor and Member of UK Youth Parliament. The current Member of UK Youth Parliament and the Young Mayor had helped at the information evening by giving a presentation about their election and experiences in carrying out their roles.
- The anti-bullying work, one of the Young Mayor's pledges was progressing well. Eight schools had shown interest to pilot the North Tyneside Anti-Bullying Standards. As part of the project a DVD was being developed at Marden City Learning Centre. A pocket sized bullying survival pack would be given to the schools involved in the pilot. It was expected that the project would be celebrated at an awards ceremony in March.

The Young Mayor stated that the next Cabinet meeting would be her last as Young Mayor. She would however be continuing as a North Tyneside Youth Councillor and possibly a Young Cabinet Member.

The Young Mayor was thanked for her report. The Young Mayor and Youth Councillors were commended for the work they were doing and their involvement in the various initiatives.

CAB113/01/16 2015/16 Financial Management Report to 30 November 2015 (All Wards)

Cabinet considered a report detailing the budget monitoring position as at 30 November 2015, including forecast outturn positions for 2015/16 for the General Fund, the Housing Revenue Account (HRA), School Finances and the Investment Plan, including a summary of projects to be delivered in 2015/16. The report also provided an update on the Authority's 'Creating A Brighter Future' Programme.

As at 30 November 2015, the forecast year-end position for the General Fund Revenue Account was a pressure of £0.550m, which reflected an improvement of £1.020m since the report considered at the 9 November 2015 meeting.

The HRA was forecast to have year-end balances at 31 March 2016 of £3.601m, which was £0.931m higher than budget. The higher than forecast balances were mainly as a result of higher opening balances due to the impact of previous years' financial performance (£0.422m). The forecast in-year surplus was an estimated £0.509m.

The report included an update in respect of work in progress with regard to 2015/16 school funding.

The Investment Plan for 2015-19, adjusted for reprogramming and variations approved by Cabinet, was £250.220m. Variations of £0.189m in 2015/16 were proposed in the report. The report also set out planned delivery for 2015/16.

Cabinet considered the following decision options: either to agree the recommendations as set out in section 1.2 of the report, or alternatively to disagree with the proposals.

Resolved that (1) the budget monitoring position, as at 30 November 2015, be noted; (2) the receipt of new revenue grants, set out in the report, be approved; (3) the level of spend on the Investment Plan, as at 30 November 2015, be noted; and (4) the variations of £0.189m to the 2015/16 Investment Plan, be approved.

(Reason for Decision – It is important that Cabinet continues to monitor performance against the budget, especially given the current level of financial pressures faced by the public sector.)

CAB114/01/16 2016/17 Housing Revenue Account Business Plan and Budget (All Wards)

Cabinet considered a report on the Final Budget Proposals for the 2016/17 Housing Revenue Account (HRA) and associated Business Plan, the 2016-2019 Housing Investment Plan, the HRA Treasury Management Strategy and Annual Investment Strategy for 2016/17.

At its meeting on 14 September 2015, Cabinet had approved the process and timetable to be adopted for the preparation of the 2016/17 revenue budgets in respect of the General Fund, Dedicated Schools Grant (DSG) and Housing Revenue Account (HRA) and the

2016-2019 Investment Plan, as part of the overall Financial Planning and Budget process for 2016-2019. Cabinet had also approved the Budget Engagement Strategy at that meeting (Minute CAB43/09/15 refers).

On 7 December 2015, Cabinet had considered its initial Budget proposals, based on information available at that point in time (Minute CAB92/12/15 refers). Cabinet was now formally asked to approve the housing rent, garage rent and service charge changes, along with the housing element of the 2016-2019 Investment Plan.

The key headlines for the HRA budget for 2016/17 were:

HRA Revenue planning assumptions

- Implement proposed Government rent reduction of 1% for 2016/17 (and the following 3 years);
- Freeze service charges for 2016/17;
- Increase garage rents by 2% for 2016/17;
- Sustain working HRA balances at circa £2.5m; and
- PFI properties have a rent reduction in line with the 1% reduction for 2016/17 (and the following 3 years);

HRA Capital Investment Plan – assumptions

- Overall Housing Investment Plan spend of £92.3m over the next 4 years and £1.179 billion over the next 30 years;
- Spend for 2016/17 of £24.859m including £5.000m for the continuation of a new build council house programme. Some of this funding is reprogramming from 2015/16;
- Total current estimated spend allocated for new build over 30 years totalling £113m (including client fees).

The Plan included provision for the continuation of the new build programme for the duration of the 30 year Business Plan. Further details were given in the report.

The Authority had continued to develop its 30-year plan to ensure the long-term viability of the HRA and as such a long-term view of the HRA financial position was taken each year. For the purposes of the current Financial Planning and Budget process, a three-year Revenue Plan had been developed in line with the approach adopted for the General Fund. The second and third year projections were only indicative at this stage.

The Chancellor had announced in his summer budget statement of 8 July 2015, his intention to require authorities to reduce social rents by 1% a year for the next 4 years. This proposal had been confirmed with the release in July 2015 of the Welfare Reform and Work Bill and the Housing and Planning Bill 2015. There were a number of changes that would impact on all social landlords including stock retaining authorities. Further details were given in the report.

Since April 2015 the Authority had consulted with 4,000 people and engaged with 2,000 tenants and leaseholders in detail in relation to all aspects of housing services. This included surveys to find out what they thought of their homes and neighbourhood, their reaction to the anti-social behaviour and victim support service, the impact of Welfare Reform and the priorities for the budget moving forward.

Specific consultation had included Have Your Say Day surveys in 2 Wards of the Borough; Focus Groups on Repairs, Housing Strategy, health provision, the review of the tenancy agreement and a review of low level anti-social behaviour; the 'Making a Difference' event in summer 2015 where 90 tenants had been consulted on future priorities. Tenants on the Income Service Development Group monitored the rent

performance and had been consulted on the implications to the HRA of the proposed rent decrease and the impact of the Summer and Autumn Chancellor's statements.

Housing information was now included in a Borough-wide Council magazine 'Our North Tyneside'. Information about North Tyneside Living accommodation for elderly people, new build accommodation and town regeneration, crime and anti-social behaviour, financial budgeting and tenancy fraud had all been included.

Priorities and challenges for the year ahead were discussed with tenants in general at the annual Summer tenant event 'Making A Difference' and in more detail with the Housing Overview Panel on a quarterly basis. The Panel was made up of representatives from each of the 7 Service Development Groups. Topics for discussion included proposals for new build properties, developments arising out of the welfare reform changes, budget priorities for next year and performance management of rent arrears.

The key issues arising from the consultation on Housing so far, included:

- Support for the refurbishment and rebuilding programme of North Tyneside Living Accommodation for older tenants in the borough;
- The future focus for Kier North Tyneside in improving the repair service to tenants by getting repairs done right first time and monitoring this moving forward;
- Tenants were pleased to see continued investment in maintaining their homes to the decent homes standard;
- The growth of the victim and witness support group of volunteers after funding was obtained for training and equipment;
- A continued focus on reducing void turn-around after mystery shopping empty homes;
- The awareness of pressures on housing and advice services arising from the Government's Summer and Autumn statements;
- Concern at the cumulative impact of Welfare Reform on tenants of working age especially those in low paid or temporary work;
- Concern raised around the content of the Housing and Planning Bill and Welfare Reform and Work Bill along with the implications for the service moving forward;
- The need to change the way low level anti-social behaviour was dealt with after tenant and Councillor led review;
- The development of a sustainable tenancy programme to support vulnerable tenants and prolong tenancies; and
- Joint review with Members on low level anti-social behaviour.

Section 76 (2) of the Local Government and Housing Act 1989 required each authority to produce a Housing Revenue Account Budget in the January and February that immediately preceded the financial year to which it would relate. In relation to the Housing Revenue Account (HRA) Revenue Budget, there was a legal requirement to give all tenants at least four weeks notice of any rent changes. By agreeing to set the rent decrease and the HRA Budget at this meeting, Cabinet was ensuring that there would be time to comply with the above notice period, and to allow time for the production and delivery of the appropriate notifications as well as all relevant system testing and changes to be made.

Cabinet considered the following decision options: either to approve the recommendations as detailed at Section 1.2 of the report, or alternatively not approve the recommendations and suggest that further or alternative options be considered by the Senior Leadership Team.

Resolved that (1) the recommendations of the Overview, Scrutiny and Policy Development Committee's consideration of Cabinet's initial Budget proposals for the

2016/17 Housing Revenue Account (HRA) Business Plan and Budget agreed by Cabinet on the 7 December 2015 and any impact the recommendations may have on these proposals, be noted;

(2) the final proposals in relation to the 2016/17 Housing Revenue Account Budget and associated Business Plan, be approved and the Housing Revenue Account Statement to Cabinet by the Chief Finance Officer be noted;

(3) individual council rents be reduced by 1% in line with the Government's new proposals for social rent as laid out in the Housing and Planning Bill 2015;

(4) existing service charges for 2016/17 be frozen;

(5) garage rents be increased by 2%;

(6) approval be given to the principle that to treat all tenancies equally, the rent reduction should also be applied to tenants in the new North Tyneside Living PFI properties, (as this is at the Cabinet's discretion);

(7) the continuation of the policy agreed by Cabinet as part of the 2014-15 Financial Planning and Budget Process to protect existing North Tyneside Living tenants from excessive rent increases due to the works undertaken within the Private Finance Initiative (PFI) schemes by applying protection to their rent accounts which reduces the amount of the newly calculated rent that they have to pay, be approved;

(8) the assessment in relation to the current year's Budget monitoring information (2015/16) and indications of financial plans for 2016/17, 2017/18 and 2018/19 for the Housing Revenue Account, be noted;

(9) the HRA Investment Plan 2016-2019 be approved;

(10) the Prudential Indicators which are specific to the Housing Revenue Account, as set out in Appendix C to Annex 1 of the report, be approved;

(11) the Draft Corporate Treasury Management Statement and Annual Investment Strategy for 2016/17 (Appendix D to Annex 1 of the report) which sets out the general principles followed by both the HRA and General Fund in relation to the Authority's management of investments, cash flows, banking, money market and capital transactions, be noted and in relation to the HRA, the continued policy of paying off existing debt where affordable and appropriate for the plan, which will see an estimated £126.097m reduction in loans attributed to the HRA from the start of self-financing to the end of this 30 year plan, be particularly noted.

(Reason for decision - In order to maintain the integrity of the self-financing HRA Business Plan, the Cabinet needs to maximise the resources available to the HRA, but also needs to be mindful of the impact upon tenants and overall affordability. Hence, Cabinet has been advised to implement the new Government proposals for social rent policy which are currently being legislated upon. The full implications of all the proposals contained within current draft legislation are still unknown, and will emerge within subsequent regulations. The Authority is facing significant challenges in generating the future income required to maintain and develop its existing stock, and indeed to develop new stock. Approving this option based on current available information should place the Authority in the best position to meet those challenges and continue to meet the aspirations of Members and tenants.

CAB115/01/16 Review of North Tyneside's Tree Policy (All Wards)

Cabinet considered a report which sought approval to adopt a revised Tree Management Policy.

Green spaces provided important recreational areas for communities to enjoy. Trees in particular brought benefits for physical health and emotional wellbeing.

Trees and woodland areas played a crucial role in the carbon cycle, acting as sinks (absorbing CO₂ from the atmosphere) and stores (retaining carbon in trees and soils)

helping to improve air quality and reduce the impact of flash flooding. They also protected soil from erosion and reduced sediment run-off.

Trees were an important part of the Borough's landscape and were a sensitive and sometimes emotive issue to manage. The Authority had responsibility for the management and maintenance of approximately 140,000 trees across the Borough. This included trees in open spaces, parks, cemeteries and woodland areas. Every year the Authority received thousands of tree related enquiries relating to requests for pruning, tree removal, tree planting and the removal of leaf litter.

In 2009, the Authority had introduced a Tree Management Policy. The policy was a framework which set out how the Authority protected and managed its trees. It was also a reference point to enable a consistent approach towards tree management.

The Policy took into consideration the Authority's Biodiversity Action Plan. In relation to biodiversity, trees provided a stable eco-system where wildlife such as birds, animals, insects and plants thrived. The Policy also took into consideration other sustainable development policies, which set out management objectives for managing specific areas such as open spaces, schools, cemeteries, housing estates and parks.

The Policy had been last reviewed in 2010 to take into consideration quality of life issues. On 11 March 2015, the Environment Sub Committee had asked officers to carry out a review of the Policy (Minute E41/03/15 refers).

A review had subsequently been carried out and at its meeting on 4 October 2015 the Environment Sub Committee had recommended that Cabinet approve the revised Policy, which was attached to the report (Minute E25/10/15 refers). The main changes included the format and content of the Policy. The Policy also now included a comprehensive list of tree species recommended for specific land types or locations.

Cabinet considered the following decision options: either to approve the revised Tree Management Policy, or alternatively not approve the revised Policy.

Resolved that the revised Tree Management Policy, as detailed in Appendix 1 to the report, be approved.

(Reason for decision – The format and content of the policy is more user friendly; the policy includes a new section, signposting residents to the appropriate departments for further advice/information; there is a new section on community involvement; the policy takes into consideration tree planting in new developments; the policy provides for an increase in the number of trees planted for every one tree removed, for example two trees will be planted for every tree removed (this has increased from one and a half trees planted for every tree removed); and the most significant change to the policy is the inclusion of a comprehensive list of tree species recommended for specific land types or locations.)

CAB116/01/16 Exclusion Resolution

Resolved that under Section 100A (4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 3 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

**CAB117/01/16 Variation to the Recycling Contract (Previous Minute CAB36/08/15)
(All Wards)**

Cabinet considered a report which requested a variation to the current recycling contract.

It was noted that Cabinet had previously approved the procurement of an alternative service provider if necessary. This had not been progressed formally due to the volatility of the market. However, it was now considered to be prudent and timely to formally begin the procurement exercise and this would be the main element of a contingency plan to minimise the risk to the Authority.

Cabinet considered the following decision options:

Option 1 – agree a price variation without beginning formal procurement. Whilst this was a solution, it would not provide the Authority with a long term sustainable EU compliant contract.

Option 2 – not to agree a price variation. This was unacceptable to the Contractor and would leave the Authority with significant risk.

Option 3 – agree a price variation and begin a re-procurement exercise.

Option 4 – reject all options. This would leave the Authority with significant risk.

Resolved that (1) authority be delegated to the Head of Environment, Housing and Leisure, in consultation with the Head of Finance, Head of Law and Governance and the Cabinet Member for Environment and Cabinet Member for Finance and Resources, to agree a price variation with the Contractor providing that any increase in costs can be managed within existing budgets; and

(2) authority be delegated to the Head of Law and Governance to determine the terms of an appropriate deed of variation to record the negotiations.

(Reason for decision – It will ensure service delivery of the Contract and value for money for the Authority. Commencing the re-procurement exercise will ensure that the Authority continues to seek value for money from the contract.)

CAB118/01/16 Dates and Times of Next Meetings

6.00pm on Wednesday 27 January 2016 (Extraordinary Meeting)

6.00pm on Monday 8 February 2016 (Ordinary Meeting)

Minutes published on 19 January 2016.

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny and Policy Development Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on 26 January 2016.