

MINUTES OF POLICY & RESOURCES COMMITTEE HELD ON

12 February 2009

7.30pm-9.25pm

PRESENT

COUNCILLORS

Simon Carter (Chairman)

Manny Doku (for items 1-12)
Russell Perrin

Eddie Johnson
Clive Souter

Chris Millington
Mark Wilkinson

APOLOGIES

Andrew Johnson

SUBSTITUTES

Mark Gough substitute for Andrew Johnson

ALSO PRESENT

Jean Clark

120. **DECLARATIONS OF INTEREST**

Councillor Jean Clark declared a personal interest in agenda item 10 (General Fund Revenue Budget) as she was a Council representative on the Advice Centre User/Management Group.

Councillors Eddie Johnson, Chris Millington and Mark Wilkinson each declared a personal interest in agenda item 16 (Growth Area Funds) as they were Council representatives on Harlow Renaissance Ltd.

121. **MINUTES**

RESOLVED that the minutes of the meeting held on 29 January 2009 be agreed as a correct record and signed by the Chairman.

122. **MATTERS ARISING**

- (a) Policy for Regulation of Investigatory Powers Act 2000
(Minute 116 Refers)

The answers to various questions raised at the last meeting concerning Members' involvement with surveillance operations, were tabled for clarification.

123. **WRITTEN QUESTIONS AND PETITIONS**

- (a) Written Questions

A list of questions and their responses are at Appendix A of these minutes.

- (b) Petitions

A petition was presented to the Committee, which had been signed by approximately 200 people opposed to the savings proposed in the Council's budget, which they believed would have a detrimental impact on important services such as the Advice Centre, Museum of Harlow, Leah Manning Centre and sheltered housing schemes.

The Committee noted the petition.

124. **NON-CONTENTIOUS BUSINESS**

RESOLVED that agenda item 7 (Committee Work Plan) be taken as non-contentious business.

125. **COMMITTEE WORK PLAN**

RESOLVED that the Committee Work Plan be noted.

126. **COLLECTION FUND**

The Committee received a report which advised Members that, as part of the calculation of the Council Tax for 2009/10, the estimated balance on the Collection Fund at 31 March 2009 had to be taken into account.

RESOLVED that it be noted that the projected deficit on the Collection Fund at 31 March 2009 relating to Harlow District Council is equivalent to £1.49 Council Tax at band D in 2009/10. This compares to a deficit of £2.81 Council Tax at band D at 31 March 2008 included in 2008/09.

127. **UPDATED MEDIUM TERM FINANCIAL STRATEGY**

The Committee received a report on the updated Medium Term Financial Strategy to cover the period 2009/10-2013/14.

RECOMMENDED TO COUNCIL that the Medium Term Financial Strategy for 2009/10 to 2013/14, as set out in the report, be adopted.

128. **GENERAL FUND REVENUE BUDGET 2009/10**

The Committee received a report which set out the proposed General Fund Budget for 2009/10, which had been driven by the new corporate priorities:-

- Regenerating the town.
- Promoting a clean, green, healthy and safe environment.
- Tackling housing need.
- Developing good citizenship.
- Improving Harlow for business.
- Providing value for money.

It was noted that the proposed budget would result in a 3.9% increase in this Council's element of the Council Tax.

The report included confidential appendices H-I.

RECOMMENDED TO COUNCIL that

- (a) the proposed General Fund estimates for 2009/10, as set out in Appendix A based on paragraph 10, be approved;
- (b) the proposed Fees and Charges, set out in Appendix D, be approved;
- (c) an application be made to the Secretary of State for approval to transfer the maximum transitional amount of £346,000 from the Housing Revenue Account to the General Fund in 2009/10 (paragraphs 24-26);
- (d) adjustments to the general uncommitted level of reserves, as set out in the table of paragraph 35 and the proposed movements and resulting balances on earmarked reserves as shown as Appendix F, be approved;

- (e) the minimum level of General Fund reserves for 2009/10 of £1,300,000 be approved (paragraph 35);
- (f) an increase in Council Tax for 2009/10 of 3.9% be approved, making Harlow Council's Band D Council Tax for 2009/10 £251.55.
- (g) there be no cost of living increase in Members Allowances for 2009/10.

129. **NON-HOUSING CAPITAL PROGRAMME 2009/10 TO 2013/14**

The Committee received a report on the non-housing capital programme for 2009/10 to 2013/14, together with a confidential supplementary report, which gave a list of 'pending' asset disposals.

It was noted that since the report had been written, officers had received fresh advice from CIPFA, which contradicted the information given in Appendix A under 'Non-HRA Borrowing – Annual MRP Statement'. Although it made no difference to the recommendations contained in the report, for the sake of completeness, Members noted the amendment. This was that the MRP (Minimum Revenue Provision) payments to the government were, in fact, voluntary. However, the Council was advised not to make the payment, as there would be no advantage to the Council in doing so.

A query was raised regarding progress on the Maunds Hatch Community Building project, given that it was proposed to defer £300,000 expenditure.

RECOMMENDED TO COUNCIL that

- (a) the forecast Non Housing Capital Programme outturn for 2008/09 be noted, as set out in Appendix B;
- (b) the Non-Housing Capital Programme for 2009/10 be approved, as set out in Appendix D;
- (c) Borrowing of up to £1.1m in 2008/09 and £1.48m in 2009/10 to support the capital programme be approved;
- (d) the receipts from the assets identified in the confidential appendix be earmarked to cover up to the maximum of £2.538m to repay the temporary borrowing referred to in (c) above and to note that a further report will be presented to committee to seek approval for repayment of this borrowing

when capital receipts are realised, taking into account the financial circumstances prevailing at the time;

- (e) the Non-Housing Capital Programme forecast for 2010/11 to 2013/14 be noted, as set out in Appendix E;
- (f) the confidential report of the 'pending' asset disposals be noted.

RESOLVED that an update on the progress of the Maunds Hatch Community Building project be circulated to all members of the committee.

130. **TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY AND STATEMENT OF MINIMUM REVENUE PROVISION 2009/10**

In accordance with the Local Government Act 2003, the Council's proposed strategy for investment and borrowing in 2009/10 was presented to the Committee.

It was noted that, due to the past year's exceptional economic conditions and uncertainties, the management strategy had placed increased emphasis on reducing risks.

Officers were thanked for their hard work and efforts in compiling this report and protecting the Council's investments during this period.

RECOMMENDED TO COUNCIL that

- (a) the Treasury Management Strategy Statement, which includes both the annual investment and borrowing strategies and the Statement of Minimum Revenue Provision for 2009/10 be approved and that a mid-year review of the Treasury Management Strategy be undertaken, and
- (b) the Treasury Management Strategy Statement be implemented with immediate effect (current investments made in line with the existing 2008/09 Strategy remain unaffected).

131. **REFERENCES FROM OTHER COMMITTEES**

Special Housing Committee

5 February 2009

(a) Housing Revenue Account Estimates 2009/2010

The above Committee recommended to the Policy and Resources Committee that:

- (i) the rent increase for individual dwellings (equating to an average weekly rent of £72.93, as set out in paragraphs 10 to 19 of the report) and that it be effective from 6 April 2009;
- (ii) the service charges for individual dwellings (equating to an average weekly charge to tenants of £2.01, as set out in paragraphs 21 to 28 of the report) be effective from 6 April 2009;
- (iii) heating charges be increased (equating to an average weekly general needs charge of £15.17 per week, leaseholders equivalent charge of £19.89 per week and sheltered accommodation charge of £13.48 per week, as set out in paragraphs 31 to 37 of the report);
- (iv) garage rents be increased to £7.50 per week (for a standard garage) and proportionate increases for other garages, car ports and car spaces from 6 April 2009 (as set out in paragraphs 40 to 42 of the report);
- (v) other charges be increased (as set out in paragraph 43 of this report);
- (vi) the growth and savings outlined in paragraphs 57 and 58 be approved and paragraph 59, noted;
- (vii) a transfer of £110,000, as a one-off sum, be made from the working balance to the Council's Insurance Fund from 1 April 2009 (as outlined in paragraph 60);
- (viii) the HRA budget (as set out at Appendix A) be approved;
- (ix) a minimum HRA working balance of £1,230,000 be noted.

RECOMMENDED TO COUNCIL that the above recommendations be approved.

(b) Housing Capital Programme 2009/10 to 2013/14

The above Committee recommended to the Policy and Resources Committee that:

- (i) the Housing Capital Programme 2009/10 be approved, as set out in Appendix C;
- (ii) the borrowing of £4.2m in 2009/10 to support the 2009/10 Capital Programme and a contribution of £NIL from the Housing Revenue Account be made towards the Housing Capital Programme during 2009/10;
- (iii) the percentage of Right to Buy receipts to be used to fund the Housing Capital Programme 2009/10 be agreed at 50%;
- (iv) garage receipts would no longer continue to be applied to support the Capital Programme from 1 April 2009;
- (v) the forecast 2010/11 to 2013/14, as set out in Appendix C, be noted.

RECOMMENDED TO COUNCIL that the above recommendations be approved.

132. **MATTERS OF URGENT BUSINESS**

None.

133. **EXCLUSION OF PRESS AND PUBLIC**

The exclusion paragraph was not moved by the Chairman, as the following report was taken in open session, with only Appendix 1 of the report remaining a confidential.

134. **GROWTH ARE FUNDS – NEXT STEPS**

The Committee received a progress report on the selection of a developer for the GAF2 Neighbourhood Projects, the steering arrangements for the Harlow Enterprise Hub and the allocation of GAF3 funds under the London-Stansted-Harlow Programme of Development (POD).

An outline illustration of how the Clifton Hatch, Prentice Place, Old Harlow, community centre site and Carters Mead site might look was tabled.

RESOLVED that

- (a) Moat Homes Ltd be appointed as the developer of residential, retail and community facilities schemes at Clifton Hatch, Prentice Place and Old Harlow, subject to:
 - (i) independent valuation of all development sites agreed by Harlow Council and the preferred developer;
 - (ii) validation of revenue and cost profiles by independent financial advisors;
 - (iii) preparation of a risk profile and agreement on mitigation and risk sharing between Harlow Council and the preferred developer;
 - (iv) entering a period of six months (with the possibility of a further 3 month extension) exclusive Collaboration Agreement with the preferred developer during which the items (i), (ii) and (iii) above are achieved and the Development Agreement is discussed and signed;
 - (v) appointment of a Development Manager as soon as possible to co-ordinate the period of exclusive Collaboration Agreement, achieve the signing of development Agreements, take the schemes forward and monitor the delivery performance of the appointed developer.
- (b) authority to negotiate and sign the Collaboration Agreement and Development Agreement in (a) be delegated to the Chief Executive in consultation with the Chairman and Vice-Chairman of the Committee and the Leaders of the three political groups;
- (c) Mulalley Ltd be held in reserve pending completion of the work in (a);
- (d) the steering arrangements for the Harlow Enterprise Hub be agreed and the Chairman of this Committee be appointed as the Council's representative on the Harlow Enterprise Hub Strategy Group, as set out in paragraphs 14-17;
- (e) the provisional allocation of GAF3 funds to projects be ratified, as set out in paragraphs 23-26;

- (f) authority be delegated to the Head of Growth and Regeneration in consultation with the Chairman and Vice-Chairman of this Committee and the Leaders of the three political groups and on the advice of the Programme of Development Partnership Board, to amend the allocation for the reasons set out in paragraph 25. That any such changes be reported to this Committee;
- (g) it be confirmed that interest earned on GAF3 funds should accrue to the partnership as set out in paragraph 22;
- (h) authority be delegated to the Head of Growth and regeneration to carry out all necessary action to deliver the GAF2 and GAF3 projects, except for land acquisitions and disposals which must be approved by this Committee;
- (i) the Committee will receive regular updates on progress with GAF2 and GAF3 projects.

CHAIRMAN OF THE COMMITTEE

APPENDIX A

WRITTEN QUESTIONS FROM MEMBERS OF THE PUBLIC

1. **Question from Stan Newens**

What plans are proposed for the future of the Museum of Harlow and is it to be moved from its present site at Mark Hall?

Reply from the Chairman of this Committee

A range of options have been considered to improve efficiency and access in relation to the Museum collection. While some efficiency savings will be made, these will have a minimal impact upon the service.

There are currently no plans to move the service from its site at Mark Hall.