

MINUTES OF POLICY & RESOURCES COMMITTEE HELD ON

26 November 2009

7.30pm-8.40pm

PRESENT

COUNCILLORS

Simon Carter (Chairman)

Manny Doku
Linda Pailing

Eddie Johnson
Russell Perrin

Chris Millington
Mark Wilkinson

APOLOGIES

Andrew Johnson

SUBSTITUTIONS

Clive Souter substitute for Andrew Johnson

ALSO PRESENT

Linda Pailing

63. **TRIBUTE**

The Committee observed a minute's silence in memory of Ian Tremayne, Planning Development Control Manager, who had sadly passed away.

64. **DECLARATIONS OF INTEREST**

None declared.

65. **MINUTES**

RESOLVED that the minutes of the meetings held on 24 September 2009 and 15 October 2009 be agreed as a correct record and signed by the Chairman.

66. **MATTERS ARISING**

None.

67. **WRITTEN QUESTIONS AND PETITIONS**

Attached as Appendix 1.

68. **NON-CONTENTIOUS BUSINESS**

RESOLVED that the following items be taken as non-contentious:-

- 7 Committee Forward Workplan
- 9 Debt Write-offs
- 15 Disposal of Residential Land – 164 Little Catlins
- 16 Disposal of Residential Land – 174 Jocelyns
- 17 Business Case for Kitchen Refurbishment
- 19 References from other Committees – Separately Circulated Report from the Audit Committee – 18 November 2009
- 23 Insurance Update

69. **CHILD PROTECTION POLICY**

RESOLVED that the Child Protection Policy as submitted to the Committee be agreed to.

70. **IMPACT OF AMENDED CHARGING POLICY FOR DISCRETIONARY PEST CONTROL SERVICES**

RESOLVED that:

- A No change in policy on charging for pest control services be made.
- B Officers keep relevant management information under review and bring forward proposals for amended policy should there be evidence of a substantial adverse impact of the policy now in place.

71. **ANTI-FRAUD AND CORRUPTION STRATEGY**

RESOLVED that the Anti-Fraud and Corruption Strategy be approved with the addition of a section listing the controls in place to combat fraud and corruption.

72. **BUDGET MONITORING 2009/10**

RESOLVED that the report be noted.

73. **SPONSORSHIP**

RESOLVED that

- A A company be appointed to manage sponsorship of, and advertising on, the Council's assets with a view to increasing income.
- B The Chief Executive, in consultation with the Chairman and Vice Chairman of the Committee, be delegated to identify the most appropriate approach to procurement of such a contract, as set out in paragraph 8 of the report, and to enter into an agreement.
- C A sponsorship scoping document be received and approved by the Committee at a future meeting, following the appointment of a company.

74. **REGENERATION AND SOCIAL INCLUSION STRATEGY**

RESOLVED that

- A The Regeneration and Social Inclusion Strategy for the period 2010-2015 be approved, and that all relevant groups be consulted on the Strategy.
- B The Council invites its partner organisations formally to adopt the Strategy.
- C Neighbourhood action plans and thematic programmes of activity be developed to support the achievement of the Regeneration & Social Inclusion Strategy priority outcomes.
- D Progress in implementing the Regeneration & Social Inclusion Strategy be reviewed by this committee on an annual basis.
- E Authority be delegated to the Assistant Chief Executive (Growth and Regeneration) in consultation with the Chairman and Vice Chairman of the Committee to make minor amendments to the strategy, for example if these are requested by partners during the process of adoption and that such amendments be reported to the Committee.

75. **THEATRE DEVELOPMENT WORKING GROUP**

RESOLVED that the minutes of the meeting held on 11 November 2009 be noted.

76. **MATTERS OF URGENT BUSINESS**

None.

77. **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED that the press and public be excluded from the meeting during consideration of the following agenda items on the grounds that they involve the likely disclosure of exempt information as specified under Paragraph 3 of Part One of Schedule 12A of the Local Government Act 1972, if and so long as in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

78. **GROWTH AREA FUND ROUND II PROJECTS UPDATE**

RESOLVED that

- A The progress made towards agreeing the Development Agreement and the preparation of detailed planning applications for Clifton Hatch, Prentice Place and Old Harlow be noted.
- B The progress made towards agreeing land swaps with the Harlow Health Centres Trust in Staple Tye (redevelopment of Lister House) and Prentice Place (redevelopment of Osler House) be noted.
- C The progress made towards delivering the new playground in Prentice Place be noted.
- D The combined branding of the three regeneration schemes as MODE@Harlow be endorsed.

CHAIRMAN OF THE COMMITTEE

APPENDIX 1

WRITTEN QUESTIONS AND PETITIONS

1. Mr J Rogers to the Chairman of the Policy & Resources Committee:

I am given to understand, following a public meeting on housing at Latton Bush Centre(LBC), that none of the £900k that the Council will/have received from central government, as a result of interest rate adjustments, will be available to offset the 6.% rent rise for Council tenants implemented in this financial year. A Council committee chairperson said, at the LBC meeting, this was because the Council had already factored this sum into its budget forming decisions in late 2008 and early 2009. There is however no particular itemised reference to this sum in the budget presented to Council for the present financial year 2009/10.

When did confirmation of the availability of this sum become official and what government conditions or restraints, if any, prevent its part use from augmenting the £1.074m already on offer from central government, to recompense the reduction in rent income that would arise from halving the 2009/10 rent increase levied on Council tenants?

Cllr Simon Carter, Chairman of Policy & Resources Committee:

When Housing Committee met in February 2009 to consider the HRA budget, and to set rents for 2009/10, it did so in the knowledge that confirmation was awaited from the Department of Communities and Local Government regarding the amount of subsidy which would be withdrawn as a result of notional investments the Council held in its accounts. The original proposal was for the Government department to apply a fixed interest rate of 6.23% on investments. Given the dramatic fall in real interest rates during late 2008 Harlow Council successfully campaigned for a reduction in the amount withdrawn. At the time of the meeting officers had only received an e mail from a civil servant indicating that the rules would be changed so there was a risk that this might not come to fruition. The budget was therefore set assuming a year end balance at 31 March 2010 of £352,000 (which at Policy & Resources Committee was subsequently changed to £246,000), considerably below the minimum acceptable working balance of £1.23m.

The Permanent Secretary to the Department of Communities and Local Government did not confirm in writing the amendment of the interest rate until 1 May 2009. Although 'official' in some senses the 'legal' change has yet to be made because the Department needs to formally

revoke its previous Determination by issuing a new one. Accepting the Permanent Secretary's promise, this change of rules merely restores the status quo, creating a Housing Revenue Account with an acceptable minimum year end balance.

Subsequent to Housing Committee, on 6 March, the Department made a surprise announcement regarding its rent setting proposals for 2009/10. This is separate to the issue above. The Department's "rent offer" states that if the Council restricts the rent increase to about 3.1% it would give compensation of just short of £1.1m. Unfortunately the cost of reducing rents is about £1.5m which gives a budget gap (a deficit) of about £420,000 for 2009/10. What is not certain is whether future rent levels will be based on the 2009/10 rent offer. This could mean an ongoing loss to the Council's HRA which is not in the best interests of tenants. Lead Members and Officers wrote to the Department in September suggesting an alternative approach which would have enabled the Council to reduce rents but this was declined. A further letter was sent seeking clarification on the Department's response for which a reply is awaited. In the meantime, the Council has neither accepted nor rejected the rent offer as it is not prudent to implement it until the Government clarifies the offer and confirms its subsidy settlement and treatment of guideline rents for 2010/11.

2. Mr H Hoad to the Chairman of the Policy and Resources Committee:

In an article published in the Harlow Star of 19/11/09 re charges to Charities, Voluntary Groups and Social Clubs he is quoted as stating that if a group pays commercial rent from April 2010 they will be able to apply for grants to cover the increase. Will this apply to all groups and what amount of the increase will be covered by this grant?

Cllr Simon Carter, Chairman of Policy & Resources Committee:

Thank you for your question, providing an opportunity to correct possible misunderstanding and concern by some of our community tenants.

It is regrettable that some Members of this Council, for whatever reason, chose to disclose confidential information and try to make political footballs out of innocent third parties. May I therefore take this opportunity to apologise, on behalf of the Council, to those organisations who have been affected by this reprehensible behaviour.

I refer you to the minutes of the meeting of this committee on 24 September, appearing at the front of the agenda for this meeting, and

quoted in my statement to the press which appears at the end of this answer.

For the majority of community tenants with standard leases, any changes to their rent will occur at the next rent review, which is what happens at the moment, so there is no change there. For some groups who do not have this type of lease we are negotiating with them to provide transparency over responsibilities and protection of tenure.

The amount of the grant will vary but normally will be the difference between the former 'community' rent and the full 'commercial' rent, providing that the organisation continues to provide services to the community in support of council priorities.

Press Statement:

Councillor Simon Carter, Chairman of the Policy & Resources Committee, said: "Changes to rent levels are expected by organisations as part of regular rent reviews. For many organisations, this is part of a regular process that has been ongoing for years. This is not new and shouldn't be news to most of the organisations.

In some cases, what we are trying to do is formalise uncertain and vague occupation arrangements from decades ago that this administration inherited. It is for transparency in our relationships and the protection of the occupiers. This will include negotiating, where appropriate, clarification of responsibilities for the care and maintenance of the building. We are also taking the opportunity of modernising the accounting of our commercial portfolio to show the returns we are making on our assets and to identify the full extent of our support to the community.

As we make clear in the open part of the agenda, 'Where community groups pay full commercial rents to the council they will be able to apply for a grant from the Council to support the expenditure'. The table is confidential as it includes commercially sensitive information relating to the council's commercial portfolio and as such it is protected under Paragraph 3 of Part One of Schedule 12A of the Local Government Act 1972.

I am sure whoever leaked this information would not like details of their rent or mortgage arrangements to be made public, and I would hope they would give the same respect to our commercial and community tenants".