

CANNOCK CHASE COUNCIL

MINUTES OF THE MEETING OF THE

CABINET

THURSDAY, 17 SEPTEMBER, 2009 AT 4.30 P.M.

IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK

PART 1

PRESENT: Councillors

Stanley, N.K.	Leader of the Council
Freeman, M. P.	Housing Leader
Jillings, J.	Safe, Stronger and Cohesive Communities Portfolio Leader
Williams, A.	Environmental Sustainability Portfolio Leader
Yates, Ms. W.	Healthier Communities and Older People Portfolio Leader.

(Apologies for absence were received from Councillors D.N. Davies, Access to Education, Skills, and Employment Portfolio Leader, and M.R. Grocott, Culture, Sport and Services for Children & Young People Leader.)

40. Minutes

RESOLVED:

That the Minutes of the meeting held on 27 August, 2009 be approved as a correct record.

41. Forward Plan

Consideration was given to the Forward Plan of Decisions for the period September, 2009 – January, 2010 (Enclosure 4.1 – 4.3 of the Official Minutes of the Council).

RESOLVED:

That the Forward Plan of Decisions for the period September, 2009 – January, 2010 be approved.

42. Part 1 Minutes of Policy Development Committees

RESOLVED:

(A) That the Part 1 Minutes of the following Policy Development Committees be received for information:

(i) Housing Policy Development Committee – 12 March, 2009

43. Recommendation Referred from the Housing Policy Development Committee on 25 August, 2009 – Second Doors to Council Owned Bungalows

Consideration was given to a recommendation referred from the Housing Policy Development Committee on 25 August, 2009, in respect of second doors to Council bungalows. (A copy of the report considered by the Housing PDC was included as Enclosure 6.1 – 6.15 of the Official Minutes of the Council)

RESOLVED:

- (A) That a separate Second Doors to Bungalows Programme be introduced when the agreed 2010-11 HRA Capital Programme is reviewed as part of the budget process.
- (B) That the tender and contract documentation be prepared during the current year in order to avoid any delay in implementing the separate programme.

Reason for the Decision

The Housing Policy Development Committee had expressed concern about the speed at which second doors were being provided through the external envelope works programme over a seven year period. In order to accelerate the speed of provision it was necessary to implement a separate second doors to bungalows programme over a suggested two year period.

While the proposal was constrained by a budget shortfall in 2010-11 and 2011-12, and no available uncommitted resources, a capital receipt from the Mill Green site was expected to be generated in 2010-11 which would provide the resources to meet the budget shortfall, though it was considered prudent not to commit the resources until they were more certain. It was, therefore, proposed that a separate programme of second doors to be bungalows be considered when the agreed 2010-11 HRA Capital Programme was reviewed as part of the 2010-11 budget process.

In order to avoid any delay in implementing the programme, it was agreed that the tender and contract documentation be prepared during the current year.

44. Consultation on the Housing and Regeneration Act, 2008 (Registration of Local Authorities) Order, 2009

Consideration was given to a report of the Director of Service Improvement. (Enclosure 7.1 – 7.12 of the Official Minutes of the Council.)

RESOLVED:

- (A) That the Government's proposals for the Consultation on the Housing and Regeneration Act 2008 (Registration of Local Authorities) Order 2009 be noted.
- (B) That the proposed response of the Council to the Government's proposals be agreed.
- (C) That a further report be submitted on the proposals for national standards and tenant scrutiny.

Reason for the Decision

The report considered a consultation paper issued by the DCLG on the Housing and Regeneration Act, 2008 (Registration of Local Authorities) Order, 2009, which set out the powers the Government proposed the Tenant Services Authority should hold in order to regulate local authority landlords.

It was noted that the TSA planned to undertake further consultation on standards and guidance on intended use of its powers.

45. Revised Statutory Guidance for the Allocation of Social Housing

Consideration was given to a report of the Director of Service Improvement. (Enclosure 8.1 – 8.13 of the Official Minutes of the Council).

RESOLVED:

- (A) That the proposed revised statutory guidance for the allocation of social housing and the potential implications for the Council's UChoosehomes Choice Based Lettings Scheme be noted.
- (B) That the implications of the revised statutory guidance be further considered as part of the agreed review of the UChoosehomes Choice Based Lettings Scheme (after a six month period of operation) and that a further report be submitted on the outcome of the review.
- (C) That the proposed response of the Council to the consultation paper be agreed.

Reason for the Decision

The report considered a consultation paper issued by the DCLG on revised statutory guidance for the allocation of social housing.

Local authorities are expected to review and revise their existing allocation policies in the light of the new guidance to be published in November 2009 and it was proposed that this be undertaken as part of the agreed "six month" review of the UChoosehomes Choice Based Lettings Scheme.

46. Reform of Council Housing Finance

Consideration was given to a joint report of the Director of Service Improvement and the Head of Financial Management (Enclosure 9.1 – 9.22 of the Official Minutes of the Council).

RESOLVED:

- (A) That the Government's proposals for the Reform of Council Housing Finance and the potential implications for the Council's housing stock be noted.
- (B) That the proposed response of the Council to the Government's proposals be agreed.
- (C) That a further report be submitted on the proposed terms of the self financing agreement.

Reason for the Decision

The report considered a consultation paper issued by the DCLG on the Reform of Council Housing Finance.

The consultation paper proposed that the current HRA subsidy system be replaced by a "self financing" alternative, whereby local authorities retained their rent income to finance the management and maintenance of their housing stock, in exchange for a "one off reallocation of housing debt". In addition, it was proposed that local authorities retain all the capital receipts from Right to Buy sales.

Whilst the proposed self financing system aimed to provide a "once-and-for-all" settlement which would enable local authorities to sustain and maintain their housing stock, there were concerns about whether this would be achieved in relation to the Council. It was evident that the Council would be required to make a capital payment to the Government and as a consequence an equivalent amount of "new" debt would be imposed on the HRA. This additional debt would need to be supported from the retained rent income and as a result the potential financial benefits might not be sufficient to ensure the long term sustainability of the Council's housing stock.

A proposed draft response to the consultation paper argued that a viable HRA business plan was dependant upon the Government making a capital contribution to the Council in order that the current HRA debt of £19 million could be repaid. This would enable the Council to use all of its rent income for the management and maintenance of its housing stock and providing the financial basis for a long-term sustainable strategy.

47. Service Charges for Communal Entrance Flats

Consideration was given to a report of the Director of Service Improvement (Enclosure 10.1 – 10.12 of the Official Minutes of the Council).

RESOLVED:

- (A) That subject to consultation on the revised Tenancy Agreement the costs of providing entry phones and grounds maintenance services to the tenants of the Council's 52 blocks of communal entrance flats are, in accordance with the Government's Service Charge policy, be "de-pooled" from the housing rent and introduced as service charges for the 2010-11 financial year.
- (B) That the proposed service charges be considered in conjunction with the annual review of housing rents as part of the 2010-11 Housing Revenue Account budget process.
- (C) That a further report on the possible introduction of a communal cleaning service charge be considered at a future meeting.

Reason for the Decision

The report considered the introduction of service charges for the Council's 52 communal entrance flat blocks, because the cleanliness of the internal communal areas within the majority of the 52 communal entrance flat blocks was considered to be poor. Consideration had been given to the introduction of an internal communal area cleaning service, with the cost being met through an additional service charge.

It was considered that in accordance with the Government's Service Charge policy that separate charges be introduced for entry phones and grounds maintenance for the 2010-11 financial year. The cost of these services would be "de-pooled" from existing housing rents and established in conjunction with the annual review of housing rents as part of the 2010-11 HRA budget process.

Tenants and leaseholders had been consulted on this option although the response rate was low. It was, however, proposed that further work should be undertaken to develop a possible specification and determine the associated service charge and a further report submitted to Cabinet.

48. Digital Television Switchover

Consideration was given to a report of the Director of Service Improvement (Enclosure 11.1 – 11.8 of the Official Minutes of the Council).

RESOLVED:

- (A) That additional publicity and advice to tenants on the implications of the switchover to digital television be provided through Hometalk.
- (B) That the existing communal aerial systems at the Council's four sheltered housing schemes be replaced with integrated reception systems.
- (C) That the tenants of the Council's individual flat blocks receive individual letters advising them of the need to take action to receive digital television.

Reason for the Decision

The report considered the implications of the switchover to digital television for the Council's housing tenants.

Whilst no action was required in respect for the majority of tenants, it was considered necessary to replace the existing communal aerial systems at the Council's four sheltered schemes with integrated reception systems.

Although the integrated reception systems could also have been provided to the Council's 52 communal flat blocks, it was considered that the cost of this work was prohibitive.

Information on the digital television switchover would be provided to all Council tenants through Hometalk, to supplement that provided by the Home Office and Digital UK.

49. Oxford Green Public Open Space: Options for Future Use and Application for Permission to Spend

Consideration was given to a Report of the Director of Organisational Improvement (Enclosure 12.1 – 12.17 of the Official Minutes of the Council).

RESOLVED:

- (A) That the feedback from public consultation relating to the options for improvements to the Oxford Green public open space be noted.
- (B) That, in accordance with the feedback received, the preferred options were for the provision of senior age group play equipment, junior football pitch improvements, measures to restrict vehicular access, and waste bin(s).
- (C) That the Director of Service Improvement be authorised to develop the preferred option, above, within the budgetary provision and subject to future statutory consultation via the planning application process, and permission granted to spend for the scheme up to a maximum of £30,070 by no later than 31 March, 2010.

Reason for the Decision

Funding had been available to develop the site since 2003-04. Despite several attempts by officers to supplement the core funding in order to explore more ambitious plans for the area, none had come to fruition, and it seemed reasonable and timely to best spend the available resources.

50. Think Local Pledge

Consideration was given to a report of the Deputy Chief Executive (Enclosure 13.1 – 13.7) of the Official Minutes of the Council).

RESOLVED:

- (A) That the Council agree to support the continued development of the Think Local initiative by signing the Think Local Pledge.
- (B) That the Leader of the Council and the Chief Executive be authorised to sign the Think Local Pledge on behalf of the Council and be authorised to nominate Think Local Champions at both Officer and Member level to promote the Think Local initiative.

Reason for the Decision

Council support for the principles set out in the Think Local Pledge demonstrated its commitment to strengthening the local economy. Internal consultations had established that the Council's policies and procedures did not conflict with the aspirations of the Think Local Pledge.

Endorsing the Think Local Pledge supported many of the actions which had been agreed by Cabinet to help the District's response to the recession, in particular those intended to stimulate the local economy.

51. Exclusion of the Public

RESOLVED:

That the public be excluded from the remainder of the meeting because of the likely disclosure of exempt information as defined in Paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 (as amended).

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PART 2

52. Former Tenants' Arrears Recommended for Write Off

Consideration was given to the Not for Publication Report of the Director of Service Improvement (Enclosure 15.1 – 15.5 of the Official Minutes of the Council).

RESOLVED:

(A) That the amounts detailed in Annex 1 be written off.

Reason for the Decision

There was no reasonable prospect of the Council recovering the monies owing for the reasons detailed in the report and so writing them off was considered the most appropriate course of action.

53. Elizabeth Road Area Redevelopment Scheme

Consideration was given to the Not for Publication Report of the Director of Service Improvement (Enclosure 16.1 – 16.23 of the Official Minutes of the Council).

RESOLVED:

(A) That the revised approach and principles to secure the implementation of the Elizabeth Road Area Redevelopment Scheme in the current economic climate, as set out in the report, be agreed.

(B) That Council be recommended to meet the £2,200,000 deficit in land assembly funding through:-

(i) The provision of £1,480,000 of previously committed resources which subject to the Homes and Communities Agency providing replacement Social Housing Grant would be released from the purchase of existing satisfactory dwellings.

(ii) £702,000 of Section 106 monies which were available for the provision of affordable housing.

(iii) £18,000 of HRA capital resources which had already been committed to the

Elizabeth Road Redevelopment Scheme.

- (C) That Council be recommended to establish a budget of £2,200,000 for land assembly works in respect of the Elizabeth Road Redevelopment Scheme as part of the General Fund Capital Programme.
- (D) That the Head of Housing be authorised to agree terms for a Funding Agreement with the Homes and Communities Agency regarding the provision of Social Housing Grant to replace the Council's funding in respect of the purchase of existing satisfactory dwellings.
- (E) That the Head of Housing be authorised to agree terms for a Development Agreement with the Waterloo Housing Association in accordance with the revised approach and principles as set out in the report.
- (F) That the Head of Planning and Regeneration be authorised to agree terms and conditions for the purchase of private sector properties within the Elizabeth Road Redevelopment Scheme, subject to budget availability.
- (G) That DBK Back be appointed as the Council's valuation agents for the Elizabeth Road Redevelopment Scheme on terms and conditions agreed by the Head of Planning and Regeneration.
- (H) That the process for a Compulsory Purchase Order under Section 226(1) of the Town and Country Planning Act 1990 be commenced in order to secure ownership of the landholdings and other rights and interests within the Elizabeth Road Redevelopment Area.
- (I) That Council considered making the Compulsory Purchase Order following consideration of a further report which provided details of the negotiations to acquire private sector properties by agreement for a reasonable period.
- (J) That the Head of Legal and Democratic Services be authorised to appoint and agree terms and conditions for an external firm of solicitors to undertake the legal work in respect of the Compulsory Purchase Order.
- (K) That subject to the approval of Council in respect of the required budgetary provision, scheme approval and permission to spend be authorised in respect of the Elizabeth Road Redevelopment Scheme.
- (L) That the Waterloo Housing Association be invited to submit proposals for a further development in the Cannock Chase area which utilised the £300,000 of "recycled" Social Housing Grant which they had available and that Cabinet received a further report in respect of the proposed scheme.
- (M) That Cabinet considered a further report regarding the use of any "cross subsidy" generated from the 12 proposed houses for "open market" sale in Phases Two and Three.

Reasons for the Decision

The report presented a revised approach and proposed funding package to secure the

implementation of the Elizabeth Road area redevelopment scheme in the current economic climate.

The revised approach required the Council to acquire the initial tranche of privately owned properties by negotiation, from a proposed £2,200,000 funding package. The Waterloo Housing Association would then undertake negotiations to purchase the remaining private sector dwellings with a £2,500,000 of loan finance. The Council would also prepare a Compulsory Order, concurrently with the voluntary acquisition process, to ensure that all the land within the site boundaries was acquired.

The proposed land acquisition funding package comprised £1,480,000 of "replacement" Social Housing Grant from the Homes and Communities Agency, £702,000 of Section 106 monies, £18,000 of previously committed resources and £2,500,000 of loan finance provided by the Waterloo Housing Association but did not generate the £300,000 estimated capital receipt from the transfer of the Council's land holdings. Nevertheless the proposed package was considered to be advantageous to the Council in overall terms as:-

- (i) A total of £19,100,000 of investment would be secured for the regeneration of the Elizabeth Road area.
- (ii) An estimated £8,210,000 of Social Housing Grant would be secured from the Homes and Communities agency for the provision of the Social Housing element of replacement dwellings.
- (iii) The £1,480,000 of "replacement" Social Housing Grant from the Homes and Communities Agency would "release" £1,480,000 of Council resources for the Elizabeth Road scheme.
- (iv) The £702,000 contribution of section 106 monies was less than the £1,250,000 which was originally to be provided from the sale of the Stadium site.
- (v) The Waterloo Housing Association would provide £300,000 of recycled Social Housing Grant to facilitate a further scheme in the Cannock Chase area which would "offset" the loss of dwelling outputs from the £702,000 of section 106 monies.

The number of replacement dwellings would (subject to planning consent) increase to 150 and be provided through a number of phases, with the initial phase commencing before the site assembly process had been completed.

54. Hednesford Town Centre Regeneration: Hednesford Park Access and Completion of Development Agreement

Consideration was given to the Not for Publication Report of the Deputy Chief Executive (Enclosure 17.1 – 17.9 of the Official Minutes of the Council).

RESOLVED:

- (A) That Cabinet endorsed the revised access arrangements to Hednesford Park and consequential works generally as shown in Annex 1, and authorised the Deputy Chief Executive (or anyone so authorised by him) to enter into variations to agreements and leases as necessary to give effect to this decision.
- (B) That Cabinet authorised the Deputy Chief Executive, in consultation with the relevant

Cabinet Portfolio holders to finalise the scheme of works including variations to those works illustrated in Annex 1 of the report, as a result of negotiations.

- (C) That Cabinet authorised the Deputy Chief Executive, in consultation with the Portfolio Holder for Access to Education, Skills and Employment to finalise the legal agreements necessary for the Hednesford Phase 2 redevelopment scheme including agreeing variations to development agreements and leases as considered appropriate or necessary for the scheme.

Reason for the Decision

The Council had entered into a Development Agreement with SMD for Phase 1 of the Hednesford Town Centre Regeneration proposals and was negotiating agreements for Phase 2 based upon principles agreed by Cabinet in July 2008 and further revisions in April 2009. As a result of ongoing negotiations with land interests and prospective tenants it was necessary for revised access arrangements to Hednesford Park to be considered for incorporation within the Phase 2 Development Agreement. Furthermore, it was necessary to complete the Development Agreement with St. Modwen Developments as soon as possible to facilitate the relocation of ATP as part of the scheme.

LEADER