

CABINET

20 NOVEMBER 2018

PRESENT: Councillor A Macpherson (Leader); Councillors S Bowles (Deputy Leader), P Irwin, H Mordue, C Paternoster, Sir Beville Stanier Bt, P Strachan, J Ward and M Winn

APOLOGIES: There were none

1. MINUTES

RESOLVED –

That the Minutes of 16 October, 2018 be approved as a correct record.

2. HOUSING AND HOMELESSNESS STRATEGY

Local authorities had a statutory requirement under the Homelessness Act, 2002 to produce a homelessness review and strategy outlining the main causes of homelessness in their area and the strategic actions in place to tackle them. The strategy had to be revised every five years as a minimum requirement. The Housing and Homelessness Strategy 2019 – 2022, a copy of which had previously been circulated, had been produced following a review of the housing and homelessness needs of residents within the Vale, and outlined the Council's plans for addressing those needs for the next three years.

The Council had worked with local partners including the Vale of Aylesbury Housing Trust, Aylesbury Homeless Action Group, Connection Support and Heart of Bucks. There had been a number of changes in Central Government legislation which had impacted upon the approach taken by local authorities to prevent and deal with homelessness. Official statistics continued to show an upward trend, with the number of homelessness acceptances and rough sleepers rising year on year since 2014.

As the population in Aylesbury Vale continued to rise, so did both house prices and private rents. However, the Vale had experienced the highest increase in housing stock throughout England over the last five years and had the highest ratio of housing delivery to existing housing stock of any authority in the Cambridge/MK/Oxford corridor. This stock increase had included the delivery of 1,546 affordable homes between 2013 and 2018. There had been an increase of 25% in the number of applicants found as being unintentionally homeless and in priority housing need since 2013. The biggest rise had been in families with dependent children, with the loss of tenancy being the most common for the loss of accommodation. However, AVDC staff had prevented homelessness in respect of 1,674 cases between 2013 and 2017.

Compared to the national picture, the homelessness figures in Aylesbury Vale were relatively low. However, the Aylesbury Vale rough sleeping rate in 2017 (per 1,000 households) at 0.26, was marginally higher than the national average of 0.20.

Research and customer insight to inform the Strategy had begun in February, 2018 and had included interviews with customers and a survey of providers offering services to homeless people. A consultation event had been held on 19 April, 2018 and had been attended by 41 delegates from local partnership organisations, both statutory and voluntary. A public consultation exercise had taken place in July/August, 2018. The strategy had been updated to reflect the consultation responses, as well as statutory policy changes.

The strategic vision was to ensure that those who wanted to make the Vale their home should be supported and empowered to do so. The following key strategic priorities had been identified:-

- Priority 1 – To prevent and reduce homelessness and rough sleeping.
- Priority 2 – To continue to facilitate and maximise the supply of affordable housing.
- Priority 3 – To respond to the on-going challenges of welfare reform.
- Priority 4 – To contribute to the improvement of health and wellbeing services for people at risk of homelessness.

The Strategy Action Plan, which formed an evolving part of the Strategy, set out what the Council would do to achieve the priorities identified in the Strategy. It would act as a health check on the effective delivery of the Council's service and would be updated quarterly on the AVDC web site. The Action Plan would be owned by the Homelessness Prevention Forum.

The Strategy had been considered by the Environment and Living Scrutiny Committee on 25 September. That Committee had supported the approach taken to its development/review. The Strategy now reflected the views expressed by the Committee.

Since the Strategy had been subjected to consultation, a number of housing related projects had been implemented nationally and locally. These had included the provision of support to recipients of Universal Credit in order to prevent, as far as was possible, financial difficulties that could put their occupancies at risk. The Council had also successfully secured over £500,000 of Central Government funding to provide immediate support for rough sleepers in Aylesbury Vale. It would also increase the amount of assistance that could be given to those at risk and sleeping rough through the winter months. The Council was working with support agencies to develop innovative support solutions. It was necessary to take account of these initiatives as they were being developed and therefore some delegation to the relevant Director was necessary in order to include them within the Strategy.

RESOLVED –

- (1) That the Environment and Living Scrutiny Committee be thanked for its input to the formulation of the Strategy.
- (2) That Council be recommended to:-
 - (a) Adopt the Housing and Homelessness Strategy 2019 – 2022 as part of the Council's Policy Framework.
 - (b) Authorise the Assistant Director for Community Fulfilment, after consultation with the Cabinet Member for Communities, to make any minor amendments to the Strategy as might be required to take account of the emerging initiatives referred to above.

3. PROPOSAL FOR A SINGLE CCTV CONTROL ROOM SERVICE FOR BUCKINGHAMSHIRE AND MILTON KEYNES AND UPGRADE OF CURRENT AVDC CCTV EQUIPMENT

Cabinet considered a report also submitted to the Environment and Living Scrutiny Committee on 29 October and posted on the Council's web site, setting out proposals for a single CCTV control room service for Buckinghamshire and Milton Keynes and, where necessary upgrading the existing cameras.

The Council had for a long time aspired to deliver a cost effective and efficient CCTV monitoring service, using the latest technology, by joining up its CCTV suite with others across Buckinghamshire. The Cabinet report outlined a project designed to do just this which could save the Council in the order of £121,000 (subject to further cost analyses). The business case for the project, prepared by Thames Valley Police had been appended to the Cabinet report.

The Scrutiny Committee had been supportive of the project.

RESOLVED –

- (1) That approval be given in principle to:-
 - (a) The entering into a partnership agreement with Thames Valley Police for the delivery of CCTV monitoring services and subject to further details of the estimated costs (as outlined in the Cabinet report) being provided, and subject to them being satisfied with the costings and the business case, authority be given to the Assistant Director for Community Fulfilment, after consultation with the Cabinet Member for Communities, to confirm the final terms of the agreement.
 - (b) The upgrading of AVDC CCTV cameras in Aylesbury Town Centre and AVDC car parks (where required), subject to agreed costings.
- (2) That the possibility that additional capital expenditure might be required in connection with new cameras and the costs associated with relocation and provision of CCTV, be noted.

4. BUDGET PLANNING 2019/20

Cabinet received a report, posted in full on the Council's web site, setting out the high level issues facing the Council in developing budget proposals for 2019/20 and in terms of updating the Medium Term Financial Plan (MTFP). The largest and most significant factor was the recent announcement of the Secretary of State that there should be a single unitary district council for the whole of Buckinghamshire (excluding Milton Keynes) with effect from 1 April 2020. It was however too early to determine the exact implications from a budgetary point of view, although it would be prudent to make provision for transition costs. The report also set out a timetable for agreeing the budget.

The report had been split into specific sections dealing with:-

- The background to the development of the current MTFP and the key assumptions used in its formulation. Reference was also made to the recent budget announcement of the Chancellor of the Exchequer, with particular reference to local authority spending requirements. The report covered the risks arising from Brexit, the roll out of Universal Credit and increases in the national living wage. Reference was made to the implications of changes in the

application of business rates and the significant year on year reductions in Central Government Grant.

- As referred to earlier, the timetable for development of the budget. The Government had announced that it proposed to publish the provisional finance settlement on 6 December, 2018.
- The report contained a commentary on the position around Government funding and its impact on the wider landscape. Local authority funding in England had undergone considerable upheaval in recent years. For AVDC, reductions to Grant funding had been the most significant factor underlying historic financial planning assumptions and the Council's current strategy of balancing the budget had been predicated on this continuing. In this respect, the Council's strategy around commercialism and efficiency had been proved to be correct within the context of dealing with the financial challenges being faced by the Authority. The Government had announced a consultation exercise in relation to the future funding of local government (A Fair Funding Review). This would affect how funding was allocated between local authorities from 2020 onwards. Alongside this a new phase for the business rates retention programme would be introduced.
- In 2016/17 the Government had introduced the concept of Negative Revenue Support Grant. This had caused concern among councils and the secretary of State had announced that he would review this aspect of the Grant system during the forthcoming financial year. However, he had warned that any solution would need to be found from within the existing local government funding system. The report contained a full explanation of Negative Revenue Support Grant and its implications for AVDC. The Government had considered a number of options for dealing with the impacts of Negative Revenue Support Grant and the report outlined those options.
- The report dealt with the risks and gains associated with business rates pooling. The Council had in the past benefited from such an arrangement and a view would be taken on any anticipated gain as the budget proposals were developed. An explanation of the position around business rates retention was also included within the Cabinet report.
- As mentioned earlier in this minute, it was likely that the planned date for the UK to leave the EU would feature as a budget planning issue moving forward. An officer working group had been established to review the issues that might potentially be faced by the Council.
- With regard to council tax, the Government had signalled its intention to hold the broad referendum principles of the last two years. Specifically for district councils, this meant a maximum increase of 3% or £5 whichever was the greater. AVDC had chosen to raise council tax by £5 for the current financial year. The MTFP assumed a further increase of £5, representing 3.34% for 2019/20. The assumptions around the proposed increase in council tax would be tested as part of the budget development process. The Government intended to provide an update on its proposals for council tax referendum principles, including adult social care, alongside the provisional local government finance settlement later in the year.
- The report set out briefly the background to the introduction of New Homes Bonus (NHB) and the current position. 2019/2020 represented the final year of funding agreed through the Spending review of 2015. In view of this, the

Government intended to explore how to incentivise housing growth most effectively in the future. The Government intended to consult widely on any changes prior to their implementation. Cabinet was keen to maintain, if possible the use of a percentage of these funds for grant aiding parish projects linked to housing growth.

- The MTFP agreed in February this year had made certain assumptions around pay and inflation based upon trends in the economy. In practice, the looming Brexit deadline was having unpredictable effects on the economy as markets reacted to the uncertainty. Two years ago, the Staff Side and Unions had agreed a two year deal, with 1% being payable in 2017/18 and 2% payable in 2018/19. A new agreement would have to be negotiated for 2019/2020 and discussions had started.
- Earmarked reserves represented a prudent saving of sums against future financial events, which if not prepared for, would be difficult to deal with at the point at which they occurred. The Council held reserves for a number of purposes, one of which was the smoothing out of income receipt. Two such reserves were held to manage any volatility. It was agreed that these funds should be used to offset the transition costs of local government reorganisation. The two reserves in question were the Equalisation Reserve and the Business Rates Equalisation Reserve, with a combined value of £5M (as at the end of 2018/19). A review of reserves would take place as part of the budget setting process.
- The report anticipated an actual council tax base increase of 1.3% in 2019/20 having regard to the level of housing growth that had taken place, compared to the figure of 1% assumed in the MTFP.
- As mentioned earlier, the Secretary of State had confirmed his decision to create a single unitary district council for Buckinghamshire (excluding Milton Keynes) which would come into existence on 1 April 2020. This clearly removed the need for medium term planning for AVDC as a single entity, but the Council was obligated to hand over its affairs to the new Council in the best possible state. Allowances had been made for the costs associated with transition. The exact financial implications could not yet be fully quantified but Members would be kept advised of developments.
- CIPFA was consulting on the proposed publication of an index of resilience of English councils. This would provide an assessment of the relative financial health of each English council. The report outlined how councils would be measured. Given the Council's single minded and strong focus on dealing with the financial issues facing local government over the last seven years, it was expected that AVDC would perform well under any measure adopted.
- Commercialism and efficiency had been at the heart of the Council's strategy for dealing with the financial challenges faced by the sector over the past few years. This has proved immensely successful. Some governance issues had been identified but the Council was using the experience to develop better risk profiles and to develop measures to improve governance. The Council's approach to balancing its budget had avoided the need for Members to have to consider arbitrary and often unpalatable cuts in its budget and hence the services provided to its residents. It was believed that AVDC's sector leading experience and the attitude, innovation and enthusiasm of staff would be invaluable to the new organisation in helping it to deliver modern, responsive services which were fit for the future.

- The report suggested, and Cabinet accepted that as part of the budget setting process Council should adopt a corporate strategy for 2019/2020 which was focused on:-

Ensuring that it was financially fit, including ensuring that the commercial approaches of the past continued and that the organisation should continue to diversify and grow its income streams.

Leading and shaping of place, ensuring the adoption of VALP, and continuing to cherish the towns and villages whilst managing growth and ensuring sustainable regeneration.

Focusing on customers and innovation in customer service delivery and digitisation.

Ensuring the Council's partners and communities assisted with the delivery of the Council's goals and including them in the decision making processes.

A Statement of Corporate Priorities had been developed and would be used to inform the budget setting process.

- The organisation would continue to progress its digital agenda, promoting innovation in the way services and IT solutions were delivered to customers. Connected Knowledge was designed specifically to be the catalyst for technological innovation and change, thereby propelling the organisation into the future. The Cabinet report summarised the projects that had already been delivered and the arrangements made to ensure that this work could continue into the future.
- The report outlined the manner in which it was proposed to deal with Capital planning which would be a parallel process to that of revenue planning. The review of capital schemes would need to consider the implications of reorganisation and those with a timeframe extending beyond one year would need to be reconsidered within the context of the priorities identified by the new organisation. The requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities would be reflected in budget setting for capital in 2019/2020.
- The Council's strategy for balancing the budget was an on-going process and not merely an annual exercise purely undertaken at this time of the year. This was driven by a desire to balance the budget through internal reorganisation, efficiency and income generating strategies already set in motion and without the need for a crude or simplistic cuts exercise. Work would continue on refining the budget, making assumptions about a range of outcomes. The focus would now be primarily on 2019/2020, but consideration would still be given to 2020 and beyond because of the obligation to hand over AVDC's affairs to its successor in a fit state. The Council had working balances broadly in line with its stated minimum. These allowed the Council to push forward and invest in new savings initiatives with the confidence of a cushion behind it. Balances (either adding to or use of) were therefore likely to form part of the strategy for concluding the balancing of the budget for 2019/2020.

RESOLVED –

- (1) That the approach outlined in the Cabinet report for developing the budget for 2019/2020 and the MTFP be approved.
- (2) That approval be given for the purposes of budget planning, to the repurposing of the Business Rates Equalisation Reserve and the Interest Equalisation Reserve in order to provide the Council with initial financial capacity to respond to the costs of reorganisation.