

Cabinet

A meeting of Cabinet was held on Wednesday, 27th November, 2013.

Present: Cllr Robert Cook (Chair); Cllr Jim Beall, Cllr Ken Dixon, Cllr David Harrington, Cllr Mrs Ann McCoy, Cllr Steve Nelson and Cllr David Rose.

Officers: N Schneider (CE); J Danks, G Cummings, L King (R); P Dobson, R Poundford, C Straughan (DNS); J Humphreys, S Willson, L Brown, S McLurg (CESC); P Kelly (PH); D E Bond, M Waggott, P K Bell (LD).

Also in attendance: Members of the Public.

Apologies: Cllr David Coleman and Cllr Michael Smith.

CAB 92/13 **Declarations of Interest**

Councillor Rose declared a personal non prejudicial interest in respect of agenda item 4 - 2013 Major Events Round Up and National Portfolio Organisations Update as a his partner was the Chief Executive of Arc.

Councillor Nelson declared a personal non prejudicial in respect of agenda item 11 – A Green Vision for Stockton 2050 as he was a Member of Tristar Board.

Councillor Nelson declared a personal non prejudicial in respect of agenda item 12 – Social Fund Localisation – Back on Track Pilot as he was a Member of Tristar Board.

Councillor Mrs McCoy declared a personal non prejudicial in respect of agenda item 12 – Social Fund Localisation – Back on Track Pilot as she was the Chair of Stockton District Advice Information Service.

Councillor Laing declared a personal non prejudicial interest in respect of agenda item 13 - Asset Review, School Capital and Site Disposal Update as he was the Chair of Grangefield Community Centre.

Councillor Nelson declared a personal non prejudicial in respect of agenda item 21 - Initial Working Draft Supplementary Planning Document 8 – Affordable Housing as he was a Member of Tristar Board.

CAB 93/13 **Minutes**

The minutes of the meeting held on 31st October 2013 were confirmed and signed by the Chair as a correct record.

CAB 94/13 **MAJOR EVENTS ROUND UP 2013 AND NATIONAL PORTFOLIO ORGANISATIONS UPDATE**

Consideration was given to a report that provided an overview of the major events delivered by Stockton Borough Council and its partners, during the summer and early autumn of 2013. The primary aims of major event investment were concerned with economic growth through vibrant town centres, and community pride and satisfaction. The report included selected data from satisfaction surveys and market research and an indication of the estimated

value of economic benefit arising from certain events. The report also highlighted the national funding position in relation to SIRF and key arts event partners and sought to maximise prospects of securing on-going revenue grant aid.

RESOLVED that:-

1. The report be noted.
2. The principle be approved that the current funding within the MTFP to support SIRF, ARC and TMA continues for 2014/15, 2015/16 and 2016/17 to enable a 3 year funding agreement with the Arts Council England to be negotiated.

**CAB
95/13**

LA Nominations

In accordance with the procedure for the appointment of school/academy governors, approved as Minute CAB 27/13 of the Cabinet (13 June 2013), Cabinet is invited to consider the nominations to school/academy Governing Bodies listed in the Appendix to this report.

RESOLVED that appointments be made to the vacant Governorship subject to successful List 99 check and Personal Disclosure, as follows:-

Bishopsgarth School Maths & Computing College - Ms M Surtees
Harrow Gate Primary School - Glenis Charlton and Judith Robson
Layfield Primary School - Mr A Brown
Oxbridge Lane Primary School - Chris Wilson and Dawn Barron

**CAB
96/13**

CHILDREN'S SOCIAL CARE ACTIVITY AND PERFORMANCE

Consideration was given to a report on Children's Social Care Activity and Performance.

In light of the Ofsted inspection of child protection in January 2013, it was decided to review the content and format of future children's social care reports to Cabinet.

In addition to a range of measures to illustrate the pressures experienced by the service, a number of performance indicators were included so that Cabinet could more closely monitor the impact of these pressures on performance and outcomes for children.

As a way of achieving this, the use of a 'process model' was approved by Cabinet on 13 June 2013.

Given the importance and profile of these issues was agreed that the new activity and performance reports were brought to Cabinet on a bimonthly basis ie every alternate Cabinet.

RESOLVED that:-

1. The continued workload pressures and associated activity in the children's social care system and the consequent impact this is having on both performance and budget be noted.
2. Further update reports on a bi monthly basis be received in order to continue to monitor children's social care activity and performance.

CAB 97/13 SCHOOL ORGANISATION PLAN 2013

Consideration was given to a report on the School Organisation 2013.

Although the statutory requirement to publish an annual School Organisation Plan was abolished in 2004, the Council had continued to publish an updated plan to inform schools, parents and the general public. The Plan gave information about the number, types and sizes of schools maintained by the Council, Academies and Free Schools. It recorded the number of places available in those schools and it included forecasts of pupil numbers over the next five years. This information was an important resource to support the Council in carrying out its statutory duty to ensure a sufficient supply of school places to meet the needs of children and young people in the borough.

When taken together with documents relating to the condition of school buildings and their suitability for purpose, the information in this plan may help to inform decisions about capital investment in existing or new school buildings.

The 'School Organisation Plan 2013' described three specific issues to be confronted over the next five years:-

- rising numbers of four-year-olds starting school
- the beginning of the end of falling numbers in secondary schools
- uncertainty over the impact of Academies and possible Free Schools.

The draft plan was attached to the report.

RESOLVED that:-

1. The information in the attached draft plan be noted.
2. The 'School Organisation Plan' be produced every two years following the publication of the 2013 plan.
3. The 'School Organisation Plan 2013' be published on the Council website and made available to partner organisations.

CAB 98/13 EMPLOYEE MUTUALISATION - STOCKTON ICT UNIT (SICTU)

Consideration was given to a report on Employee Mutualisation – Stockton ICT

Unit (SICTU).

The Stockton ICT Unit (SICTU) was an in-house ICT support service for schools. It comprised 20 FTE staff and had a 2012/13 outturn expenditure of £2,827,876. Earlier this year the SICTU Service Manager, with the support of staff within the team put forward a proposal for the 'spin-out' of SICTU as an employee mutual. Management agreed that SICTU should set out their proposal in the form of an Outline Business Case.

The Outline Business Case was presented to the Children's Programme Board on 10 June 2013 for consideration. It set out the strategic case for employee mutualisation and an option appraisal which included three options:-

1. Continue with in-house service provision
2. Close the in-house service and facilitate outsourcing
3. Public service mutualisation (recommended as preferred option)

The benefits of the preferred option were summarised as:-

- The ability to capitalise on growth opportunities and meet the changing customer base
- Mitigate future financial risks and bring wider resource benefits to the Council
- Provide the opportunity for local economic benefits and job creation
- Capitalise on the entrepreneurial vision of the staff
- Improve the ability to be flexible in meeting customer needs
- A social purpose entity with re-investment into the community
- Support current policy on opportunities for employee led mutualisation

It was agreed by the Children's Programme Board that the preferred option was public service mutualisation, subject to further work on a detailed Business Plan to demonstrate financial viability. The Business Plan was subsequently developed, working closely with nominated representatives from the Legal, Finance and HR teams.

The Business Plan was presented to the Children's Programme Board on 26 September 2013. It set out the work that had been undertaken in developing the plan including detailed unit costing and pricing of services, the proposed base budget, and growth, pricing and expenditure plans. This work culminated in a three year Profit and Loss Forecast and cash flow forecast. The Business Plan also set out transfer proposals, including proposals for assets, liabilities and staffing.

In summary, the detailed work on the Business Plan, including the three year Profit & Loss Forecasts and cash flow plans, demonstrated that the mutual was a viable proposition generating healthy surpluses which would be re-invested for

social purpose and securing the continued provision of the service for schools.

It was important to note that the financial growth as set out in the Business Plan was on the basis that SICTU was a public service mutual that had the scope to secure significant growth outside of the Borough, the flexibility to be fleet of foot in responding to customers, and developed a cost base that was in a position to continue to remain competitive within the marketplace.

The Business Case for mutualisation, together with the Business Plan was presented to the Corporate Management Team (CMT) on 21 October 2013. CMT approved the recommendation to progress with mutualisation, which would be subject to a legal agreement and Cabinet endorsement.

RESOLVED that:-

1. The proposal for the employee mutualisation of SICTU be noted.
2. The decision to progress with implementation be endorsed, subject to a final report and sign-off by the Lead Cabinet Members for Children & Young People and Corporate Management and Finance.

**CAB
99/13 Economic Climate Update Report**

Consideration was given to an update report on the Economic Climate. The report provided Members with an overview of the economic climate, outlining the effects that this was having on Stockton Borough, and the mitigations already in place and those being developed in response to this.

A report was submitted to Cabinet in December 2008, which set the scene of the economic downturn, and the effects that the global recession and economic climate were having on businesses, rising unemployment, and mortgage reposessions.

The monthly update report would enable a focussed account to be made of any recent changes to economic circumstances (both positive and negative), the direct impact that this may be having on the Borough, and the responses and mitigations either in place or being developed to support businesses and residents. Attached to the report was a summary of those changes and responses.

RESOLVED that the content of the report and support the work being undertaken be noted.

**CAB
100/13 Carbon Management - Annual Report & 5 Year Review**

Consideration was given to a report on the Carbon Management – Annual Report and 5 Year Review.

At the Cabinet meeting on 22 November 2007 Members noted that the Council had been accepted onto the Local Authority Carbon Management Programme

and that there was a “case for action” with the associated reductions in carbon emissions and financial benefits. Following acceptance of the Strategy and Implementation Plan (SIP) work had progressed including making use of the Salix loan account and of other Salix loan schemes to fund a variety of energy efficiency improvements. The five year period of the Carbon Management Programme had ended and the report provided details of the outcomes of this work and its planned continuation.

RESOLVED that:-

1. The progress made in the delivery of the Carbon Management Strategy and Implementation Plan and the results of the five year programme of work be noted.
2. The impact of increased use of buildings, particularly schools, and adverse weather on carbon emissions and therefore the need to maintain momentum on identifying alternative energy supplies be noted.
3. The planned onward actions to continue progress in reducing carbon emissions and reducing energy costs to 2020/21 and beyond be noted.

**CAB
101/13** **Green Vision**

Consideration was given to a report that outlined the need for a Council ‘Green Vision’ for a low-carbon future in order to meet longer term national and international targets, for a low-carbon economy, and for a community and services that were resilient to the impacts of climate change. It outlined the Council’s leadership role which would be embedded in the Council Plan for 2014-17 for achieving the green vision across a number of sectors towards achieving the adoption of the Local Government Association’s ‘Climate Local’ framework for reporting on progress and action plans.

RESOLVED that:-

1. The proposed statement of ambition for a ‘Green Vision’ 2050 and the approach to providing the detail and targets towards achievement be endorsed.
2. The authority signs up to the Local Government Association’s ‘Climate Local’ Framework and subsequently set up an associated ‘Climate Stockton-on-Tees’ reporting mechanism.
3. Appropriate action plans with robust targets be set as part of the existing service planning arrangements that will ensure delivery of the green vision policy themes.
4. The aspiration of achieving a net carbon neutral status for assets and services by 2030 be agreed.

CAB **Social Fund Localisation - Back on Track Pilot**

Consideration was given to a report on the Social Fund Localisation – Back on Track Pilot.

The Borough's Back on Track Support pilot scheme for 2013/14 went operational from 2nd April, 2013 replacing at a Borough level some discretionary elements of the Department Of Work and Pensions (DWP) administered Social Fund that were abolished under the Welfare Reform Act 2012. The report provided an interim evaluation of the pilot at the 6 month point and proposals for continuation of the scheme, with some minor amendments, for 2014/15.

RESOLVED that:-

1. The early evaluation of the Back On track Pilot be noted.
2. No major changes be made to the scheme at this time.
3. The following minor amendments to the eligibility criteria to address the service gaps and issues identified at paragraph 15 be agreed:-
 - a. That Contribution Based Jobseekers Allowance is added to the list of eligible benefits for settlement support.
 - b. Alignment to wage- allow support with rent costs and an extension to the number of days of crisis support that can be provided (i.e. food, fuel), on a zero interest loan basis, for JSA claimants making the transition into work, providing an affordable alternative to pay day lenders for this client group.
 - c. Work is undertaken with colleagues in Welfare Rights and advice agencies such as SDAIS to develop a guide to maximum income level for clients, in determining access to Back on Track and dependent upon their circumstances.
 - d. The requirement for the client to have approached DWP for a Short Term Advance first be removed where the application is for an immediate need for crisis support for food and fuel.
 - e. Applications for Back on Track support can be considered without eligible clients first approaching the DWP for a Budgeting loan where a financial assessment has already shown a lack of affordability for a loan.
 - f. That a Communication and Marketing strategy be developed.
4. The government allocation of programme funding of £743k and the administrative funding is used to fund a second year of the scheme with delivery to be commissioned out for a year with the option of up to two years extension.
5. Authority be delegated to the Head of Policy, Improvement and Engagement to make minor changes to the eligibility criteria and process as appropriate to respond in a timely way to emerging welfare reform related issues, where it would improve the client journey without having a significant

impact on funds or services.

CAB 103/13 Asset Review, School Capital and Site Disposal update

Consideration was given to a report on Asset Review, School Capital and Site Disposal Update.

The report provided an update on the EIT Asset Review and the Schools Capital Investment Strategy, building on earlier reports to Members.

The Report summarised progress in implementing the recommendations in respect of the review of Libraries and provided an update on progress around Asset Transfer arrangements with a recommendation of transfer in respect of a number of buildings.

RESOLVED that:-

1. Progress with respect to implementing the agreed Libraries Strategy be noted and specifically that:-

- a. the building housing the existing Roseworth Library be marketed for disposal.
- b. the building housing the existing Roseberry Library, Billingham be marketed for disposal.
- c. the negotiations regarding the sale of the building at Westbury Street Library, Thornaby be noted and that the building should be marketed for disposal should these negotiations not reach a successful conclusion.

2. The following four buildings be asset transferred to the OnSite Community Building Trust:-

-  Elmwood Youth and Community Centre
-  Grangefield Youth and Community Centre
-  Robert Atkinson Youth and Community Centre
-  Stillington Youth and Community Centre

3. The full annual saving of £195,000 be noted in respect of the four Youth and Community Centre Buildings will be delivered from 2015/16. The 2014/15 saving, and previously identified MTFP funds, to be used to support the transition costs of £120,000 and also provide match funding of £200,000 for the provision of essential building maintenance.

4. The updated position with respect to the potential community asset transfer of the Ragworth Neighbourhood be noted, with a further report to be considered at a future meeting of Cabinet.

5. Following consideration of detailed business plans, the asset transfer of the Primrose Hill Community Centre building to Three Score Years and Ten be approved.

6. The update to the Schools Capital Investment Strategy be noted and the

approach be agreed.

7. The position relating to the proposed re-location of Crooksbar Primary School to the site of the Education Centre be noted.

8. The sites set out in Appendix 1 be noted as being available for release as sites for affordable housing.

**CAB
104/13** **Quarter Two 2013/14 Performance Outturn**

Consideration was given to a report that provided details of the Council's performance in Quarter Two - 2013/14, highlighting key achievements, areas for improvement and proposed actions. It also included information relating to Freedom of Information requests and complaints and commendations. Whilst it aimed to give a perspective on the overall performance of the Council, its primary focus was on the achievement of the basket of measures and associated targets agreed as part of the Council Plan 2013-16.

RESOLVED that the levels of performance and proposed actions be noted.

**CAB
105/13** **Social Value Report**

Consideration was given to a report on Social Value (Public Services) Act 2012.

The Social Value (Public Services) Act 2012 came into effect for all English and Welsh public bodies on 31st January 2013 and required local authorities to have regard to economic, social and environmental well-being when tendering for public services contracts. The scope of the act was restricted to 'services contracts' above the OJEU contract value threshold (set at £173,934) although the principles could equally be applied to 'supply' contracts, 'works' contracts and below threshold 'services contracts'.

The report detailed progress to date with implementation and sought approval of a Social Value Policy and supporting framework.

A Social Value Policy would create visibility of how the act would be implemented and provide the strategic intent behind future actions. A draft policy was attached to the report. The policy extended beyond the scope of the act and included supply and works contracts as well as service contracts.

RESOLVED that:-

1. The Social Value Policy and supporting framework be approved.
2. The changes to Contract procedure Rules be approved.
3. The potential opportunities for local business and the third sector be noted.

CAB 106/13 Individual Electoral Registration (IER) - Update on Implementation

Consideration was given to a report that provided an update on the implementation of IER and the proposals for implementing the changes, including their impact and the likely resource implications for 2013 to 2016.

Further to reports to CMT and Cabinet in May 2013, the report provided a further update on implementation in respect of this three year project which would require significant changes to business systems, IT infrastructure and existing interfaces with the electorate, contractors and third parties.

Implementation continued to run alongside other elections and related activities, including the normal canvass process.

RESOLVED that the current position regarding the introduction of IER and resource implications be noted.

CAB 107/13 Council Plan 2014-2017

Consideration was given to a report that presented a proposed framework for the Council Plan 2014-17.

The Council Plan was last reviewed in 2010 and covered the period 2010-2013. Subsequent years had seen the plan reviewed based on an analysis of key policy and legislative changes during the preceding year and known forthcoming changes. Since the production of the last Council Plan, the context in which the Council operated had changed significantly in relation to policy, central government relationships and not least the financial climate. The period for the next Council Plan was likely to see further changes in the financial settlement and would also cover the period leading up to and beyond national and local elections. The plan, therefore needed to be developed and considered alongside the available financial resources as outlined in the MTFP.

Historically the process and timescale for producing the Council Plan and the associated performance targets had been through engagement and discussion with Heads of Service and teams in individual Service Groupings, via the Heads of Business Support and Improvement in the respective service groupings, between October and March, aligned to the 8 themes within the Council Plan.

It was noted that since the last Council Plan was produced significant policy, planning and performance capacity had been taken out of the organisation (alongside other 'back office/support services) so as to protect, as far as possible, front line services. It was therefore appropriate to ensure the approach was more focussed, targeted and manageable within the available resource.

The context outlined in the following paragraphs provided the basis on which it was proposed to review the current Council Plan and gave the rationale for the recommended framework.

As the Council had sought to address the impact of national policies and legislative changes and the changing circumstances in which it delivered its services on the people it sought to serve, a number of local policy principles had been agreed through, for example, approval of the Medium Term Financial Plan, recommendations from Efficiency, Transformation and Improvement Reviews. These were:-

There had been significant resource invested in the development of the Council branding which was embedded within all of the corporate communications, links clearly with the thematic areas within the Council Plan, Cabinet Member portfolios, Scrutiny Committee themes and had served the Council well in terms of resident communication and partner engagement. The recommended framework did not seek to change or detract from these but to add clarity and focus.

Neither was it the intention to suppress the ambition the Council had for its residents, businesses and visitors. Ambition and vision which had historically resulted in inward external investment, positive inspection outcomes, high levels of resident and business satisfaction and provided strong strategic and community leadership. The recommended framework provided an opportunity to restate commitment to medium-long term ambitions and aspirations, whilst providing a framework to support decision-making, resource allocation, secure external funding and give a clear focus on the shorter term actions.

Since the last Council Plan and during the duration of the next Council Plan significant capacity had been taken out of the organisation and through the implementation of the agreed reviews would continue to do so. The 2014-17 Council Plan needed to take both of these factors into account in being realistic and clear about what could be achieved over the duration of the plan.

It was recognised that this was a medium-term plan; in line with the financial planning framework and that circumstances were likely to further change over its duration. It was therefore recommended that whilst the plan would cover the period 2014-17 it would be subject to an annual refresh to take account of any change in policy, legislation or financial circumstances.

It was not the intention of the plan to capture the totality of the Council's business but rather provide a focus on key strategic priorities and activities and provide the framework for reporting to Cabinet, Executive Scrutiny and Council. The day-to-day business of the Council would continue to feature in the Business Plans within individual Service Groupings.

Whilst it was acknowledged that much of the success of the Council was through its work in partnership with others there was a need, in terms of accountability and transparency, to be clearer about what the Council's plans and priorities were, how it was going to deliver them and how it would know it was doing when set against the context of reducing budgets, growing demographics and increased demand for services.

The overall outcome for the plan was for "A healthy, vibrant and successful Borough", which captured all of the elements within the current vision for the Borough but was represented in a much more succinct statement.

Four key priorities were suggested, each of which was explained in more detail below. Activity would be able to be captured within the current 8 themes and could, if required, be presented and reported either within the key priorities and/or the existing themes/member portfolios (in line with the corporate branding):-

- Promoting equality of opportunity (focussing in particular on targeted intervention)
- Protecting the vulnerable (focusing on intervention and activity aimed at protecting the vulnerable and being clear about what we mean by vulnerable)
- Developing strong and healthy communities (capturing preventative and universal activity)
- Creating economic prosperity (universal activity) in line with our ambition for economic recovery and growth

A fifth organisational priority of 'Continuing to be an ambitious and effective council that was proud to serve' would capture the organisational values and approaches that underpin everything the Council does.

Key objectives would add more detail to the overall aim / outcome with clarity on how the Council was going to achieve it and would be provided through detailed actions. The plan would be underpinned by identifiable performance measures and targets which would allow progress to be monitored through the existing approved performance management arrangements.

Work was also underway to develop an internal performance management database which would provide the Council with the opportunity to 'tag' the various elements of the plan to support multi-faceted reporting, for example, by priority or by theme.

Taking information from a range of sources, including information from the existing Council Plan, the Health & Well Being Strategy and the Green Vision, Appendix 1 that was attached to the report sought to indicate by way of some examples from health and the Green Vision, how the proposed framework would work in practice. Clearly, this information would need to be updated, amended and added to should the framework be agreed.

Subject to approval of the framework by Members, officers would work on the detail with a view to a further report to Cabinet to secure sign-off in February/March 2014 for implementation from April 2014. Opportunities for discussion with Members as part of the development of the MTFP would be made available as had been the case previously in relation to Council Plan development.

Furthermore, as the Sustainable Community Strategy no longer formed part of the strategic policy framework of the Council, following the review of the Local Strategic Partnership, it was proposed that future reports to Cabinet were no longer required to identify which of the SCS themes the report being presented supported. Instead it was recommended that the Cabinet report template be amended so that reports were required to indicate which of the Council Plan themes and priority areas they supported.

RESOLVED that:-

1. The proposed framework be agreed.
2. The proposed changes to the Cabinet report template as indicated at paragraph 19 be agreed.

CAB 108/13 Medium Term Financial Plan/Big Ticket update - September 2013

Consideration was given to a report on Medium Term Financial Plan Update - September 2013

The report was the first to be presented to Members in respect of the 2014/15 budget and Medium Term Financial Plan (MTFP). The final report would be presented to Cabinet and Council in February 2014. The report also provided an update on the 2013/14 financial position and outlined progress on the Big Ticket Reviews.

The Medium Term Financial Plan (MTFP) report to Council on 27 February 2013 set a balanced budget for 2013/14 and agreed an approach to addressing the budget gap in future years. A table within the report showed the budget gap.

With regard to the financial position as at 30 September 2013 and the General Fund a table within the report provided an update of the medium term financial plan for each service. Members were reminded of the savings proposals presented by Cabinet to Council in June 2013 and in advance of these proposals officers had been continuing to monitor closely expenditure in all areas.

The report detailed the progress with regard to the Big Ticket Reviews and in summary the overall call on the £1.8m growth provision for this year was expected to be £1.1m. Work was ongoing to assess the full year effect of the new clients within these areas, the savings delivered and savings planned. The level of growth provision and savings associated with the reviews would then be re-assessed over the MTFP and this would be incorporated into the budget report in February 2014.

With regard to the update of the MTFP 2014/15 to 2017/18 there had been further announcements resulting in further reductions in Government Funding to Councils. The announcements were in the form of the Spending Round in June and also a technical consultation paper issued in July. The technical consultation document in particular identified significant financial implications and these were summarised within the report.

The level of funding reductions for 2016/17 and 2017/18 would not be known until after the general election in 2015. In line with the prudent approach, and in line with the current MTFP, a reduction of 12% cash allocation per year had been estimated and this was reflected in the updated position. The projected position based on the assumptions was detailed within the report.

The position assumed a Council Tax increase of 1.9%. The DCLG had indicated that there would be a grant payable to Council's who freeze Council Tax in

2014/15 and this would be paid for 2 years at the equivalent of 1%. If Members decided to implement the freeze and accept the grant, this would mean an additional pressure of £650,000 in 2014/15 rising to £1.4m by 2017/18 and this was outlined within the report.

The Capital budget for 2012/18 was shown as an attachment to the report and summarised within a table in the report. The report also detailed the main changes to the programme.

As part of the budget process, reserves and balances would be reviewed and Members would be asked to consider the 'one off' monies available and how they would be utilised. In preparation for the budget, the position was being reviewed and the position was outlined within the report.

The Chancellors Autumn Statement was planned for 5 December with the Local Government Finance Settlement, which was expected to reflect any changes following the consultation exercise, soon after. The assumptions in the MTFP would be updated accordingly.

The final budget report would be reported to Cabinet on 20 February 2014 and presented to Council on 26 February 2014. Member briefing sessions would be arranged in advance of the presentation of the report.

RESOLVED that:-

1. The MTFP and the current level of general fund balances be noted.
2. The financial position for the 2014/15 to 2017/18 be noted.
3. The level of reserves and balances and potential utilisation be noted.
4. The progress on the Big Ticket Reviews be noted.

CAB **The Council's Code of Conduct for Members**
109/13

Consideration was given to a report that detailed proposals to update the principles of conduct in the preamble to the Councils Code in light of the revisions to the descriptions of the Nolan principles by the Committee on Standards in public Life.

At the meeting on 4th September, 2013 Cabinet recommended that proposals to update the descriptions of the principles of conduct in the preamble to the Council's code, in light of the revisions to the descriptions of the Nolan principles, should be the subject of further reports to Cabinet and to Council.

Council approved this recommendation at its meeting on the 11th September, 2013.

The Committee on Standards in Public Life had reviewed and revised the descriptions of the Nolan Principles. The original descriptions and the revised versions were attached to the report.

Although the Council's Code of Conduct did not replicate the Nolan principles exactly, it was agreed that consideration should be given to the descriptions of the principles of conduct in the Code's preamble, to determine if any of those descriptions should be updated.

Details of the current preamble to the Authority's code of conduct were attached to the report. A suggested revised version of this preamble was also attached to the report, showing the revisions which had been made. These revisions reflected the updated version of the descriptions to the Nolan principles.

Cabinet considered the details at Appendix 3 were appropriate and that they should be recommended for inclusion in the preamble to the Council's Code.

RECOMMENDED to Council that the principles of conduct in the preamble to the Council's code be updated as proposed in the report and detailed at appendix 3.

CAB 110/13 Local Development Framework - Shop Front Design and Advertisements Supplementary Planning Document

Consideration was given to a report that advised Members that the 'Shop Front Design and Advertisements' Supplementary Planning Document had fulfilled the requirements of the relevant regulations and could progress to adoption by the Council. The document would provide additional information and guidance on the application of policies in the Core Strategy Development Plan Document adopted in March 2010. Following adoption, it would become available to guide applicants for planning permission and its contents would become material considerations in determining planning applications.

RECOMMENDED to Council that:-

- 1. The contents of the report be noted.**
- 2. The Shop Fronts and Advertisements Supplementary Planning Document.**
- 3. Head of Planning be given delegated authority to make any necessary minor amendments to the Shop Fronts and Advertisements Supplementary Planning Document prior to adoption.**

CAB 111/13 Initial Working Draft - Supplementary Planning Document 8 - Affordable Housing

Consideration was given to a report on Initial Working Draft Supplementary Planning Document 8 – Affordable Housing.

The Supplementary Planning Document (SPD) provided guidance on how Local Plan policies relating to affordable housing would be applied and how their

requirements could be met and would be a material consideration when determining applications for planning permission within the Borough.

SPDs must be subject to public consultation prior to their adoption as part of the Borough's Development Plan. It was intended that the draft SPD would undergo public consultation between December 2013 and January 2014.

The initial working draft of the SPD was attached to the report, and was accompanied by a Habitats Regulations Assessment (HRA) Scoping Report, an Equalities Impact Assessment and the Consultation Statement. The HRA Scoping Report concluded that a full HRA was not required for this SPD.

It was established practice that affordable housing delivery was an appropriate developer contribution which could be sought through a planning obligation. The National Planning Policy Framework (NPPF 2012) provided multiple references on the matter, specifically paragraph 174 which explained that 'Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing'.

The NPPF also provided a lengthy definition of affordable housing for planning purposes; this was repeated within section 2 of the draft SPD. In short, affordable housing was provided to eligible households whose needs were not met by the general housing market, based on local incomes and house prices. Types of affordable housing included social rented, affordable rented and intermediate housing.

It was recalled that a report entitled 'Draft Supplementary Planning Document 8 – Provision of Affordable Housing and the Need for Viability Evidence' was reported to the Cabinet meeting of 13th June 2013.

The previous version included reference to 20% affordable housing provision as the standard target. The Inspector in his report following the Low Lane, Ingleby Barwick Public Inquiry commented "... it is inescapable that the provision of affordable housing at a rate of 15% clearly falls within the range of 15-20% set out in CS Policy 8 criterion 5'.

Counsel's opinion was also sought on this matter. Counsel advised that applying 20% affordable housing provision as the standard target is in conflict with adopted development plan policy and that 'were the matter to be tested, a court would be likely to find the SPD unlawful.'

The current draft SPD was therefore withdrawn and would be replaced with the new draft SPD which omits the identification of 20% affordable housing provision as a standard target but dealt with other affordable housing matters in greater depth than was possible in the first draft, given the very tight timeframe for its production. To all intents and purposes this was a new refreshed SPD and it was recommended to Cabinet that it should be the subject of a fresh consultation.

The target range for affordable housing provision on sites of 0.5 ha or more and schemes of 15 dwellings or more remains 15-20% as set out in Policy CS8.5. However, in the context of the Inspector's Report, the Council was clearly obliged to accept that any provision within the target range of 15-20% was policy compliant, even if it was at the lower end of the range (15%) and not

supported by viability evidence that provision at the upper end of the range (20%) would make the scheme economically unviable.

The Council's affordable housing requirement was set out in Core Strategy Policy CS8. This Supplementary Planning Document (SPD) had two fundamental purposes. These were as follows:-

- a) To provide guidance on how development plan policy regarding affordable housing, set out in Policy 8 of the Core Strategy, is applied
- b) To provide guidance on how the Council's Strategic Housing, Development Services and Spatial Planning teams will work with both developers and Registered Providers to deliver affordable housing.

The report concluded by setting out the next steps in the production of the SPD, which related to the recommendations before Cabinet.

The SPD approached this task through the following steps:-

- a) It sets out the national and local policy context.
- b) It summarises the evidence base provided by the 2012 Tees Valley Strategic Housing Market Assessment (TVSHMA), 2013 Rural Housing Needs Assessment and the Economic Viability of Affordable Housing Requirements Report (2009).
- c) It then provides guidance on the how requirements for affordable housing provision set out in Core Strategy Policy 8 are to be applied as well as making reference to how up-to-date evidence in the 2012 TVSHMA and 2013 Rural Housing Needs Assessment is applied.
- d) Finally, it provides guidance on the robust justification needed if a developer wishes to vary from the affordable housing requirements set out in development plan policy CS8 on economic viability grounds.

The guidance on how Policy CS8 was applied made it clear that affordable housing provision should be on-site unless it could be demonstrated that this would make the site unviable or would not promote sustainable mixed communities. When exceptionally off-site provision or a financial contribution was accepted, it set out in broad terms the Council's procedures and provides supporting information.

In addition, the Council's phasing requirements within developments were set out, specifically with regard to the 'trigger points' for the delivery of the affordable housing.

The SPD stressed the importance of developers entering in to pre-application discussions to ensure that adequate information was submitted for assessment. It detailed how the Council would work with developers and Registered Providers to achieve the delivery of affordable housing.

Proposals which did not meet the Council's affordable housing requirements which were not supported by robust viability evidence would normally be recommended for refusal.

The methodology for calculating a commuted sum, in the limited circumstances when it is agreed that it is appropriate instead of on-site provision, had only been set out in broad outline. It was intended to provide more detail in the final version of the SPD.

However, it was necessary first to consult with Registered Providers regarding the detail of the methodology, in particular the data they would be able to provide. A consultation exercise with Registered Providers had therefore been initiated.

This was a separate consultation ahead of the formal consultation on the SPD. This was because the consultation with Registered Providers was an essential pre-requisite to establishing a robust detailed methodology for calculating commuted sums. This methodology would then, once agreed, be included in the draft SPD that would be formally consulted upon.

Cabinet was requested to delegate to the Cabinet Member for Regeneration and Transport and the Head of Planning the approval of the final document for consultation. This was because the consultation exercise with Registered Providers would not be complete prior to the date of the Cabinet.

Approval would then be sought from the 11th December 2013 Full Council to publish the SPD for a six week consultation between 18th December 2013 and 29th January 2014. A longer consultation than the statutory four week period was recommended, as the consultation falls over the holiday period. Officers would then review consultation responses, amend the document and aim to report back to Cabinet and Council in March / April 2014.

RECOMMENDED to Council that:-

- 1. The contents of the report be noted.**
- 2. The attached 'initial working draft Supplementary Planning Document 8 – Affordable Housing' be noted and any comments be received.**
- 3. Delegate to Officers amendments to the contents of the document prior to the public consultation period.**
- 4. Delegate to the Cabinet Member for Regeneration and Transport and the Head of Planning the authority to agree the final version of the document for public consultation**

CAB Welfare Reform Update including Q2 Performance
112/13

Consideration was given to a report on an update on quarter 2 monitoring of the outcomes / impact of Welfare Reform and to update Members following a review of our Discretionary Housing Payments (DHP) Policy and the Local Council Tax Support Scheme.

Previous reports had detailed the introduction of the Welfare Reform Act 2012 which set out Government's intention to reform the benefits & tax credits system to provide greater incentives to work. The report provided details of the second quarters monitoring using the framework agreed by Members in July 2013. The Department of Work and Pensions (DWP) had updated the timetable for roll out of universal credit including more information as to when Local Authority's would cease to provide housing benefit and the housing function would be administered by DWP as part of Universal credit. Information on the new arrangements were detailed in the report. An update on implementation of the revised Discretionary Housing Benefit Payment Scheme implemented in April 2013 and the Local Council Tax Reduction Scheme were also detailed in the report with recommendations for policy in these two areas in the financial year 2014/15.

RESOLVED that:-

1. The contents of the report be noted.
2. Members note the proposed new timescales for the migration of the housing benefit functions to DWP and note that a detailed risk assessment will be completed and presented to Members once further information is available.
3. The quarter 2 performance monitoring outcomes be noted.
4. The operation and impact of the existing DHP Policy be noted and it continue in its current form.

RECOMMENDED to Council that:-

- 5. The existing Local Council Tax Support Scheme be continued following the annual review.**