

NORTH HERTFORDSHIRE DISTRICT COUNCIL

CABINET

**Meeting held at Council Offices, Gernon Road, Letchworth Garden City
on Tuesday, 19 December 2006 at 7.30pm**

Minutes

PRESENT: *Councillors F.J. Smith (Chairman), T.W. Hone (Vice-Chairman), Tricia Gibbs, I.J. Knighton, Mrs. L.A. Needham, R.A.C. Thake and Sarah Wren.*

IN ATTENDANCE: *Chief Executive, Strategic Director of Financial & Regulatory Services, Strategic Director of Customer Services, Head of Financial Services, Head of Planning & Building Control, Head of Community Development & Cultural Services, Head of Strategy & Support Services, Head of Leisure & Environmental Services, Head of Policy, Partnerships & Performance, Local Development Framework Manager, Regional & Strategic Sites Manager, Leisure Project Manager, Corporate Legal Manager, Democratic Services Manager and Senior Committee & Member Services Officer.*

ALSO PRESENT: *Councillors Judi Billing (Chairman of Hitchin Committee), J.M. Cunningham (Chairman of Performance, Audit & Review Committee), M. Paterson (Vice-Chairman of Scrutiny Committee), David Billing, David Kearns, David Levett, L.W. Oliver and S.K. Jarvis. 3 members of the public.*

The Chairman wished those present a Merry Christmas and prosperous New Year.

104. APOLOGIES FOR ABSENCE

An apology for absence was submitted on behalf of Councillor A.D. Young.

105. MINUTES

RESOLVED: That the Minutes of the meeting of Cabinet held on 14 November 2006 be approved as a true record of the proceedings and signed by the Chairman.

106. NOTIFICATION OF OTHER BUSINESS

No other business was submitted for consideration by the Committee.

107. DECLARATIONS OF INTEREST

Councillors Tricia Gibbs, T.W. Hone, I.J. Knighton, Mrs L.A. Needham, F.J. Smith, R.A.C. Thake and Sarah Wren declared personal interests in agenda item number 7 - Members' Allowances Scheme 2007/08 (Minute 116 below)..

Councillor Mrs L.A. Needham declared a personal interest in agenda item number 18 – Disposal of land at Pocket Park, Dark Lane, Sandon, in view of her role as a member of the Board of North Hertfordshire Homes (Minute 127 below). Councillor Needham chose to remain in the room, but not participate in the discussion and voting on this item.

108. PUBLIC PARTICIPATION

No items were presented for consideration by Cabinet under public participation.

109. REFERRAL FROM BALDOCK & DISTRICT COMMITTEE – 4 DECEMBER 2006 – DISPOSAL OF LAND AT POCKET PARK, DARK LANE, SANDON

The Chairman informed Cabinet that consideration of this referral would take place in conjunction with agenda item number 18 (see Minute 127 below).

110. REFERRAL FROM PERFORMANCE, AUDIT & REVIEW COMMITTEE – 7 DECEMBER 2006 – RISK MANAGEMENT UPDATE

The Chairman of the Performance, Audit & Review Committee presented an extract from the draft Minutes of the meeting of that Committee held on 7 December 2006 regarding the Risk Management Update. A copy of the report considered by the Committee was included with the draft Minute, as were the following appendices:

Appendix A – Risk Matrix;
Appendix B – Risk Management Strategy for 2006/07;
Appendix C – Summary of amendments to the Risk Management Strategy;
Appendix D – Revised Risk Management Policy Statement.

RESOLVED:

- (1) That the reduced probability score of '2' for the Top Risk relating to service@north-herts be agreed;
- (2) That the increased probability score of '3' for the Top Risk relating to Waste Management be agreed;
- (3) That the revised Risk Management Strategy for 2006/07, as presented at Appendix B to the report, be agreed;
- (4) That the revised Risk Management Policy, as presented at Appendix D to the report, be agreed and signed by the Leader of the Council and the Chief Executive.

REASON FOR DECISION: To comply with the Council's Risk Management Strategy, following scrutiny by the Corporate Management Team.

111. REFERRAL FROM SCRUTINY COMMITTEE – 11 DECEMBER 2006 – LOCAL DEVELOPMENT FRAMEWORK – PREFERRED OPTIONS FOR CORE STRATEGY / DEVELOPMENT CONTROL POLICIES

The Chairman informed Cabinet that consideration of this referral would take place in conjunction with agenda item number 15 (see Minute 124 below).

112. REFERRAL FROM SCRUTINY COMMITTEE – 11 DECEMBER 2006 – EMPLOYMENT AND LANDSCAPE SENSITIVITY & CAPACITY STUDIES

The Chairman informed Cabinet that consideration of this referral would take place in conjunction with agenda item number 16 (see Minute 125 below).

113. REFERRAL FROM SCRUTINY COMMITTEE – 11 DECEMBER 2006 – WASTE MANAGEMENT CONTRACT – RENEGOTIATIONS AND POLICIES

The Chairman informed Cabinet that consideration of this referral would take place in conjunction with agenda item number 14 (see Minute 123 below).

114. REFERRAL FROM SCRUTINY COMMITTEE – 11 DECEMBER 2006 – AREA GOVERNANCE AND COST OF DEMOCRACY

The Chairman informed Cabinet that consideration of this referral would take place in conjunction with agenda item number 10 (see Minute 119 below).

115. REFERRAL FROM HITCHIN COMMITTEE – 12 DECEMBER 2006 – FEEDBACK ON MARKETS PERFORMANCE INCLUDING THE SIX MONTH TRIAL PERIOD OF REDUCED RENTS FOR HITCHIN TUESDAY AND SATURDAY MARKETS

The Chairman informed Cabinet that consideration of this referral would take place in conjunction with agenda item number 9 (see Minute 118 below).

116. MEMBERS' ALLOWANCES SCHEME 2007/08

The Democratic Services Manager presented a report of the Head of Legal and Democratic Services advising Cabinet of the financial considerations in respect of the Scheme of Members' Allowances for 2007/08, as proposed by the Independent Remuneration Panel (IRP). The report contained the following appendix:-

Appendix 1 – Report to Council of the Independent Remuneration Panel held on 20 November 2006.

Cabinet noted that although the proposed increase to the level of Members' Allowances had not formed part of the recent Savings and Growth exercise, but had been accounted for in the Base Budget for 2007/08.

The Chairman asked for the thanks of Cabinet to be conveyed to the members of the Independent Remuneration Panel for their work.

RESOLVED: That Council be advised that Cabinet is supportive of the proposed Scheme of Members' Allowances Scheme for 2007/08, as recommended by the Independent Remuneration Panel.

REASON FOR DECISION: To advise Council of the views of Cabinet regarding the proposed Members' Allowances Scheme for 2007/08.

117. REGIONAL & STRATEGIC PLANNING ISSUES

The Regional and Strategic Sites Manager presented a report of the Head of Planning and Building Control informed Members of the current positions regarding:

- West of the A1(M) at Stevenage and Stevenage Local Development Documents;
- The draft East of England Plan;
- Growth Area Liaison for the Luton conurbation;
- Luton & Dunstable Northern Bypasses;
- London Luton Airport and Stansted Airport.

The Regional and Strategic Sites Manager advised Cabinet of the publication earlier in the day of the Government's "Proposed Changes" to the draft East of England Plan. This document was the subject of consultation, the deadline for responses being 9 March 2007. At the Chairman's request, he highlighted a number of key outcomes within the "Proposed Changes", pending a more detailed report to Cabinet in February 2007 setting out a recommended response to Government.

RESOLVED:

- (1) That the report be noted;
- (2) That the Head of Planning & Building Control be authorised to respond on behalf of the Council concerning the Deed of Agreement submitted on 21 November 2006 in respect of the West of the A1M at Stevenage along the lines suggested in the report.

REASON FOR DECISION: To ensure that Cabinet was made aware of current developments.

118. FEEDBACK ON MARKETS PERFORMANCE INCLUDING THE SIX MONTH TRIAL PERIOD OF REDUCED RENTS FOR HITCHIN TUESDAY AND SATURDAY MARKETS

The Portfolio Holder for Leisure & E-Government presented a report of the Head of Leisure and Environmental Services informing Cabinet of the progress of the 6 month trial period for reduced rents on Hitchin Tuesday and Saturday Markets and on the current performance of all of the District's markets.

In respect of the 6 month trial for Hitchin Market, the appendix to the report outlined three options:

Option 1 – cease the trial at the end of the 6 month period (23 January 2007).

Option 2 – extend the trial for a period of a further 6 months.

Option 3 - extend the trial for a further 12 months.

The Portfolio Holder made the following comments:

- The Council had a need to ensure longevity of Hitchin and all other markets in the District;
- Despite the efforts of markets staff and traders, the trial had not been a financial success;
- Although the number of stalls had increased, this had not been to the levels targeted;
- The Market was battling against national trends of decline in markets utilisation;
- The needs of the Market should be balanced with the needs of other retailers in Hitchin;
- In view of the foregoing, a recommendation that Option 1 should be pursued.

The Chairman of the Hitchin Committee presented the referral made by that Committee in respect of the matter, and commented as follows:

- Even though the take up of stalls had not reached targeted levels, the trial had resulted in an increase in stalls, which had improved the vibrancy of the Market;
- In their Business Plan, the Market Traders had advocated a longer period for the trial, in order to improve long-term vitality of the Market;
- To abandon the trial now would not seem very attractive to potential third parties interested in taking over the managements of the markets;
- It may be possible for the Hitchin Committee to earmark some funding to assist in the continuation of the trial;
- The Hitchin Committee had expressed a preference for Option 3.

A number of Cabinet Members expressed their sympathy for the plight of the Market Traders. Whilst acknowledging that the financial losses could not continue indefinitely, it was noted that there was time to be able to re-consider the matter early in 2007. Accordingly, it was

RESOLVED:

- (1) That officers investigate a re-calculation of the reduced charges for each stall on Hitchin Market, in order to offset the budgetary shortfall resulting from the current 6 month reduced rents trial;
- (2) That a decision on whether or not to extend the 6 month market stall rent reduction trial be deferred, and that the matter be re-considered by Cabinet at its meeting to be held on 30 January 2007;
- (3) That the Hitchin Committee be requested to consider and agree a financial contribution towards the extension of the trial at its meeting to be held on 23 January 2007.

RECOMMENDED TO COUNCIL: That, in view of the fact that the current 6 month trial concludes on 23 January 2007, the trial be extended for a period of 2 weeks until a decision is made on which option is to be pursued.

REASON FOR DECISION: To ensure that Cabinet is provided with a good mix of options that focussed on the financial impact to the Council and the vibrancy of Hitchin Market.

119. AREA GOVERNANCE AND COSTS OF DEMOCRACY BUDGET SAVINGS 2006/07

The Strategic Director of Customer Services presented a joint report of the Heads of Community Development & Cultural Services, Planning & Building Control and Legal & Democratic Services setting out a series of proposals and options to determine savings which could be made if the Council's approach to its governance and decision making arrangements was restructured. The report contained the following appendix:

Appendix 1 – Summary of Costs of Democracy.

The Strategic Director of Customer Services confirmed that this report was being brought to the Cabinet as a direct response to implementing the Council's decision to make "Cost of Democracy" savings of £50,000 which was part of the Service and Financial Planning Process for 2006/2007.

The Strategic Director of Customer Services acknowledged that the proposals represented a fundamental change to the way that the Council's civic process currently operates, but stated that the resulting arrangements would be more streamlined and less bureaucratic, whilst operating within the law. He outlined the proposed arrangements as follows:

- A reduction in the number of Council, Cabinet, PARC and Scrutiny Committee meetings to 6 of each per Civic Year;
- A reduction in the number of and frequency of Area Committees (2 options were identified in the report);
- Creation of a Central Development Control Committee of 15 Members;
- Enhancing the community role of Members working through Area Committees, and developing an advocacy role for Members wishing to represent their constituents on planning applications at the Development Control Committee.

The Strategic Director of Customer Services informed Members that the report before them presented only the outline proposals and principles, and that a further report with more detailed information about the proposals would be presented to Cabinet on 27 February 2007 and then Council on 1 March 2007. It was proposed that the Area Committees be consulted on the report.

The Vice-Chairman of the Scrutiny Committee presented the referral made by that Committee in respect of the matter, and commented as follows:

- The report contained insufficient detail on the proposals for Members' roles on Area Committees;
- The Council's existing Area Committee system had been commended as good practice, and so it was difficult to see how it would improve by the Committees meeting less frequently;
- The BVPI for dealing with planning applications was currently being met, so the proposed Development Control Committee was seen as unnecessary;
- An all Member Workshop should be held to consider the proposals contained in the report, particular those relating to the Area Committees/Development Control Committee.

Cabinet was supportive of the recommendations contained in the report, and agreed with the Scrutiny recommendation for an all Member Workshop. Cabinet requested that the impact of the proposals on the work of the Community Development Officers be investigated, and asked officers to report on the potential efficiency savings which could accrue, other than those already identified in the report, should the key proposals be agreed.

RESOLVED:

- (1) That the principles of the key proposals in the report, as set out in Section 4, be agreed;
- (2) That Options 1 and 2, with regard to the establishment of a central Development Control Committee and a reduction of Area Committees, be investigated further;
- (3) That the Area Committees be consulted on the finer details of the report and its implications, and that an all Member Workshop be arranged in the New Year to allow Members to meet collectively to consider further the key proposals contained in the report;
- (4) That a greater delegation of responsibilities to Cabinet Portfolio Holders be considered by the Leader of the Council;
- (5) That the Head of Legal and Democratic Services be requested to prepare a report on the Constitutional implications of the proposed changes set out in the report;
- (6) That a further report on the detailed proposals and timescales for implementation be submitted with recommendations to Cabinet on 27 February 2007 and Council on 1 March 2007;
- (7) That the further report referred to in (6) above considers the effect of the options relating to a reduction in Area Committees on the work of the Community Development Officers;
- (8) That officers report on the potential efficiency savings which may accrue, other than those already identified in the report, should the key proposals be agreed.

REASON FOR DECISION: To ensure effective implementation of the new Area Governance and decision-making arrangements; and to ensure that savings identified within the context of the Service and Financial planning process for 2006/07 and beyond are achieved.

120. COMMUNITY MEALS SERVICE

The Portfolio Holder for Housing & Environmental Health presented a report of the Strategic Director of Customer Services informing Cabinet of the progress made regarding the current exercise for alternative provision in the delivery of the Meals on Wheels service in the District.

The Portfolio Holder advised that, as a result of a delay in the negotiations, and to enable these to be conclude, it was recommended that the Council retained responsibility for the Community Meals Service for the first 3 to 6 months of the 2007/08 Financial Year.

RESOLVED:

- (1) That the Council retains responsibility for the North Hertfordshire Meals On Wheels Service until at least 1st July 2007 and as a maximum until 1st October 2007;

- (2) That NHH be requested to make the Kitchens at Beechridge and Offices at Peter Sell House available for use of the service for the extension period, in addition to continuing to fund Lunch Club subsidies for the extension period;
- (3) That staff, volunteers and customers be advised of the amended time frames, subject to having full details of the changes proposed available prior to 3rd June 2007 to ensure compliance with NHDC Re-organisation Policy (12 weeks' notice);
- (4) That Officers seek assurances from all partners that all practical steps will be taken to ensure the decision to commit to the development of a Social Enterprise or to make alternative arrangements to ensure meals service continuity in North Hertfordshire from 1st October 2007 or earlier, will be in place in order to give at least 12 weeks' notice of the changes referred to in 9.3 above;
- (5) That a further contract extension be agreed to the existing frozen Meals Supply contract held by Appetito for the period up until 1st October 2007, as the existing contract is currently due to end on 31st March 2007;
- (6) That Officers be asked to write to HCC to advise that NHDC still intends to withdraw from the provision of this service, if the Social Enterprise is not a viable option, and to advise of the proposed recommendation of a three to six months deferral in our plans;
- (7) That the course of action referred to in 9.6 above will include the development of a more detailed plan and timetable, to ensure that all stakeholders can receive appropriate notice of service changes and impacts, and that service continuity can be secured;
- (8) That once the full details of the Social Enterprise plans have been developed, a further report be brought to Cabinet, to ask for agreement for the key decisions and to explain the likely impact of the proposed changes on NHDC and its residents.

REASON FOR DECISION: To ensure continuity of an excellent service for users of the Community Meals Service following the reversion of responsibility for the service to Hertfordshire County Council from 1 April 2007.

[Note: At this point, Councillor F.J. Smith had to leave the meeting. Councillor T.W. Hone assumed the Chair for the duration of the business recorded in Minute Numbers 121 and 122 below.]

121. COUNCIL TAX BASE 2007/08

The Portfolio Holder for Finance presented a report of the Head of Revenues & Benefits seeking approval of the Council Tax Base for 2007/08. The report contained the following appendix:

Appendix A – Council Tax Base by Parish 2007/08

RESOLVED: That the amount calculated by this Council as its Council Tax Base for 2007/08 shall be £48,432.5 in total and that the individual sums for each Parish shown in Appendix A to the report be agreed.

REASON FOR DECISION: To comply with the requirements of the Local Authority (Calculation of Council Tax Base) Regulations 1992.

122. THE AUTHORITY'S CONTRIBUTION TO CLIMATE CHANGE AND CONSIDERATION OF SIGNING UP TO THE NOTTINGHAM DECLARATION

The Portfolio Holder for Housing & Environmental Health presented a report of the Head of Policy, Partnerships & Performance outlining the ways in which the Council could contribute to the Climate Change agenda, and seeking consideration to the possibility of signing up to the Nottingham Declaration on Climate Change. The report contained the following appendix:

Appendix 1 – Actions which NHDC will need to consider for inclusion within its first Climate Change Strategy.

RESOLVED:

- (1) That the background and policy agenda for the Nottingham Declaration on Climate Change be noted;
- (2) That it be noted that work is already underway within a number of service areas which will have a positive impact on the climate change agenda;
- (3) That the nomination of the Portfolio Holder for Housing & Environmental Health as being the Cabinet Member responsible for climate change be agreed.

RECOMMENDED TO COUNCIL:

- (1) That, based on the evidence provided in the report, the Authority signs the Nottingham Declaration on Climate Change;
- (2) That the proposed outline recommendations for future resourcing of the Climate Change agenda within the Authority, as contained in Appendix A to the report, be agreed.

REASON FOR DECISION: To respond to the request made at the Council meeting held on 21 September 2006.

[At this point, Councillor R.A.C. Thake conveyed his apologies to the Chairman and left the meeting for the duration of the remaining items of business]

123. WASTE MANAGEMENT CONTRACT – RENEGOTIATION AND POLICIES

The Portfolio Holder for Waste Management & Environment presented a report of the Head of Leisure & Environmental Services which detailed the progress of negotiations to accommodate revisions to the Council's Waste Management Contract in order to increase recycling and composting participation and to introduce alternate weekly collection (AWC) of residual waste.

The Portfolio Holder referred to the four options included in the report as follows:

- Option 1 – Status Quo;
- Option 2 – Original proposal for Kerbside collection of plastic and cans, with AWC;
- Option 3 – Bring banks for plastic with Kerbside collection for cans, with AWC;
- Option 4 – Delay Contract vehicle replacement for 1-2 years.

The Portfolio Holder recommended Option 3 to Cabinet, for the reasons advocated in the report. She hoped that the 75 proposed Bring Bank sites across the District would be sufficient, and advised that further work needed to be carried out as how frequently these would need to be emptied. She commented that the possibility of partnering with East Hertfordshire District Council on the Bring Bank scheme had been investigated, but for financial reasons, had been discounted.

The Vice-Chairman of the Scrutiny Committee presented the referral made by that Committee in respect of the matter, and commented as follows:

- The Scrutiny Committee would be pleased to Support Option 3, as recommended by the Portfolio Holder;
- It would be important for the public to be notified sufficiently in advance of the proposed changes coming into operation.

RESOLVED:

- (1) That Options 1, 2 or 4, identified in paragraphs 7.3, 7.4 and 7.6 of the report respectively, be not pursued;
- (2) That Options 3, identified in paragraph 7.5 of the report be further developed, and Officers report back to the January 2007 Cabinet with quotations, in accordance with the Contract Change Notice process detailed in paragraph 8.5 of the report;
- (3) That Officers report back to a further meeting of Cabinet on Policies, as outlined in paragraph 7.7 of the report;
- (4) That the recommendations of the Scrutiny Committee be accepted.

REASON FOR DECISION: To consider the Options available to meet future Government and EU directives in respect of recycling.

124. LOCAL DEVELOPMENT FRAMEWORK – PREFERRED OPTIONS PAPER ON CORE STRATEGY AND DEVELOPMENT CONTROL OPTIONS

The Head of Planning & Building Control presented a report on options for the Core Strategy and Development Control Policies, as part of the Local Development Framework, and seeking authorisation to release the document for public consultation. The Core Strategy and Development Control Policies Preferred Options Consultation Paper had been circulated to Cabinet Members under separate cover.

The Vice-Chairman of the Scrutiny Committee presented the referral made by that Committee in respect of the matter, which was as follows:

“That Cabinet consider the following suggestions by the Committee for items that could be altered or inserted in the Preferred Options Paper on Core Strategy and Development Control Options:

- Section E9 (pages 2.33-2.34) - The change of policy to ensure that, if a tree is removed as part of a new development, two new trees were planted to replace it. Should it not be possible for these new trees to be accommodated within the development, the developer should make a financial contribution to ensure they were planted elsewhere within the District.
- Page 1.6, paragraph 1.12 – insert the word “vibrant” before “small and medium sized towns”, in order to more accurately reflect the nature of the towns in North Hertfordshire.
- Page 5.13 – whilst it is good to see that document specifically contains the requirement for 40% of proposed dwellings in qualifying developments to be affordable housing, perhaps consideration could be made to implementing a two-tier system for affordable housing requirement such as that in place in some areas of London, in order to maximise affordable housing provision in smaller developments.
- Section D16 (page 3.55) – the requirement for at least 10% of materials used to be rather recycled or re-used should be increased, as many developers will use those materials purely for creation of hardcore.”

The Head of Planning & Building Control commented that the issues raised in first two bullet points would be incorporated into the document. The matters raised in the third and fourth bullet points would require further work and analysis.

RESOLVED:

- (1) That the Core Strategy and Development Control Policies Preferred Options Paper, attached as Appendix 1 to the report, be approved for public consultation, subject to an acceptable independent review of the soundness of the two Development Plan Documents at the Preferred Options stage;
- (2) That the Planning and Transport Portfolio Holder, together with the Head of Planning and Building Control, be authorised to agree any amendments and correct typographical errors that do not alter the overall policy guidance and intent of the document.

REASON FOR DECISION: To allow public consultation to progress in accordance with the Local Development Scheme.

125. NORTH HERTFORDSHIRE DISTRICT COUNCIL – EMPLOYMENT LAND REVIEW 2006 AND LANDSCAPE SENSITIVITY & CAPACITY STUDY

The Head of Planning & Building Control presented a report which sought approval to the Employment Land Review (carried out by consultants) and the Landscape Sensitivity and Capacity Study, both of which would provide an input into policy development within the Local Development Framework. The following appendices to the report had been circulated to Cabinet Members under separate cover:

Appendix A - Employment Land Review Part 1 – Bone Wells Associates, February 2006;
Appendix B - Employment Land Review Part 2 – Bone Wells Associates, December 2006;
Appendix C - Landscape Sensitivity and Capacity Study for North Hertfordshire – Report, November 2006.

The Vice-Chairman of the Scrutiny Committee presented the referral to Cabinet made by that Committee in respect of the matter, which was as follows:

- “(1) That the need to ensure that the Landscape Sensitivity & Capacity Study was appropriately expressed to ensure that it was not inappropriately interpreted by the public as justification for development on unsuitable land be addressed;
- (2) That, subject to recommendation (1) above, the recommendations as set out in the report of the Head of Planning & Building Control be supported.”

The Head of Planning & Building Control commented, in relation to (1) above, that the Study was purely an assessment of landscape sensitivity and capacity, and in no way earmarked the sites highlighted for inappropriate development.

RESOLVED:

- (1) That the Bone Wells Associates Employment Land Review, attached as Appendices A and B to the report, be agreed and endorsed as an input into policy development within the Local Development Framework.;
- (2) That the Landscape Sensitivity and Capacity Study, attached as Appendix C to the report, be agreed and endorsed as an input into policy development within the Local Development Framework;
- (3) That the comments of the Scrutiny Committee be noted.

REASON FOR DECISION: To enable the use of the documents as an input into policy development within the Local Development Framework.

126. CONTRACT ARRANGEMENTS FOR CONVERSION OF THE FORMER TOWN LODGE RECEPTION TO OFFICES FOR THE NEW POST ROOM AND OFFICES

The Portfolio Holder for Finance presented a report of the Head of Financial Services requesting a waiver of the Contract Procurement Rules in order to progress the alterations to form the new management Support Unit offices in the former Town Lodge reception on the basis of a negotiated contract.

RESOLVED: that, subject to the terms of the contract being acceptable to the Strategic Director of Financial & Regulatory Services and the Head of Legal & Democratic Services, Contract Procurement Rules be waived in order to enter into a negotiated contract arrangement with Withey Contracts Limited for the next phase of the Office Accommodation works at Town Lodge.

REASON FOR DECISION: To ensure that works to form the new Management Support Unit offices at Town Lodge are completed by mid March 2007.

127. DISPOSAL OF LAND AT POCKET PARK, DARK LANE, SANDON

The Portfolio Holder for Finance presented a report of the Head of Financial Services seeking the disposal of an area of land known as Pocket Park, adjacent to 27 Dark Lane, Sandon, to North Hertfordshire Homes Ltd. at discounted value, to enable the provision of affordable housing on the site. The report contained the following appendix:

Appendix A – Existing site plan of the land adjoining 27 Dark Lane, Sandon.

At the Chairman's invitation, Councillor I.J. Knighton informed Cabinet that the Baldock & District Committee, at its meeting held on 4 December 2006, had supported the proposal to dispose of the site.

RESOLVED:

- (1) That the site adjacent to 27 Dark Lane, Sandon, as shown on the plan attached as Appendix A to the report, be declared as surplus to the Council's requirements;
- (2) That the site be disposed of to North Herts Homes for the provision of affordable housing and a smaller improved pocket park at a discounted value, subject to further negotiations on final valuations.

REASON FOR DECISION: To enable the provision of sustainable developments of two sites within the Parish of Sandon by the provision of 12 eco-standard affordable residential units and by the improvement and retention of a pocket park.

128. CAPITAL PROGRAMME 2006/07 ONWARDS – SECOND QUARTER MONITORING REPORT

The Portfolio Holder for Finance presented a report of the Strategic Director of Financial & Regulatory Services updating Cabinet on the second quarter monitoring of the Capital Programme 2006/07. The report contained the following appendix:

Appendix A – Capital Programme 2006/07 onwards.

The Portfolio Holder referred to the major areas of slippage, as detailed in Paragraph 4.3 of the report, and key changes to the programme, as per Paragraph 4.4.

RESOLVED:

- (1) That the changes to the projected Capital Programme for 2006/07 onwards, as detailed in the report, be approved;
- (2) That an additional £100,000 budget for disabled facility grants, to enable any priority cases which arise between now and the year end to be funded, be approved.

REASON FOR DECISION: To approve the revisions to the capital programme for 2006/07 onwards.

129. NORTH HERTFORDSHIRE CAPITAL STRATEGY

The Portfolio Holder for Finance presented a report of the Strategic Director of Financial & Regulatory Services seeking approval to a revised Capital Strategy for 2006/07 onwards. The following appendix was submitted with the report:

Appendix A – Capital Strategy 2006/07 onwards.

The Portfolio Holder referred to the key changes to the Strategy, which were:

- Recognition that capital reserves arising from housing stock transfer would be depleted by 2010 and future funding would become more dependent upon asset sales;
- The Council's revenue budget was dependent upon the rental income stream from its non-core assets and more reliance must be placed on disposal of its land held in advance of need;
- The availability of the Community Benefit Fund in 2007/08 and onwards placed more emphasis on partnership working with North Herts Homes on affordable housing/community projects.

RECOMMENDED TO COUNCIL: That the revised Capital Strategy 2006/07, as set out in Appendix A to the report, be agreed.

REASON FOR DECISION: To approve the Capital Strategy as an integral part of the Council's Financial Strategy.

130. DRAFT BUDGET PROPOSALS 2007/08

The Portfolio Holder for Finance presented a report of the Strategic Director of Finance and Regulatory Services that apprised Cabinet of the Provisional Finance Settlement announced by Government on 28 November 2006 and its likely impact on the Council's finances for 2007/08. Cabinet was asked to consider the factors that contributed to the determination of the district council tax level and to recommend an indicative budget level for 2007/08. The following documents were appended to the report:

- Appendix 1 - List of Savings proposals;
- Appendix 2 – List of Income Increase proposals;
- Appendix 3 – List of Revenue Growth proposals;
- Appendix 4 – List of Capital Growth proposals;
- Appendix 5 – List of further Savings proposals;
- Appendix 6 – Feedback from consultation on Savings and Growth items;
- Appendix 7 – Impact of key pressures on the Precept and Council Tax;
- Appendix 8 – Collection Fund Deficit Calculation 2006/07.

The Portfolio Holder drew attention to the proposals which had been removed from / added to the list of Savings/Growth items following consideration by the Challenge Board. He also responded to the comments made as part of the consultation process on the list of Savings / Growth items, as set out in Appendix 6 to the report.

The Scrutiny Finance Sub-Group had considered the Draft Budget proposals at its meeting held on 14 December 2006. The Sub-Group had requested some additional information on a number of the items. The list of additional information required was tabled at the meeting.

RESOLVED:

- (1) That the implications of the changes in the method of allocating resources to Local Authorities, as outlined in the provisional finance settlement, be noted;
- (2) That the position relating to the Council's General Fund balance be noted, and that due to the risks identified in paragraph 4.2.3, a minimum balance of £1,274 million has been used in the precept calculations;
- (3) That the inclusion of the Savings and Growth items at Appendices 1 to 5 in the budget estimates for 2007/08 be noted, the recommended changes as set out in paragraphs 4.5.4 to 4.5.6 of the report be agreed, and it be noted that RG9 (Increased Support for Town Centre Managers) is subject to a further report to Cabinet;
- (4) That income for fees and charges be increased at an annual rate 4.5%, in line with the current year's council tax increase;
- (5) That it be noted that Growth items at Appendix 3 commencing in 2008/09 and onwards are not included in the base budget estimates for those years;
- (6) That the provisional level of Precept, set at an increase of 4.9% Council Tax, that is currently required to provide a balanced budget, be noted, and that this be used as the draft budget for consultation purposes;
- (7) That the estimated deficit on the Collection Fund as at 31st March 2007 be noted, and that no action is taken to recover the balance at this stage;
- (8) That this report be referred to Scrutiny, Members via 'Members Information Service' and Business Ratepayer consultation for comment;
- (9) That the comments from the Committees and Member budget workshops on the Savings and Growth options in Appendix 6 be noted, and that the changes in the savings options itemised in paragraphs 4.5.4 and 4.5.5 be agreed;
- (10) That it be noted the provisional Council Tax requirement may be subject to change at the final meeting on 30th January 2007 by which time final government grant figures should be available;
- (11) That the additional information on the Savings and Growth items requested by the Scrutiny Finance Sub-Group be provided by officers and conveyed to all members of the Council via the Members' Information Service.

REASON FOR DECISION: To ensure that all relevant factors are taken into consideration when arriving at the proposed Council Tax precept for 2007/08, and to ensure that a balanced budget is recommended to Council on 8 February 2007.

The meeting closed at 10.15pm

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Chairman