

REPORT OF CABINET

(Meeting held on 6 June 2012)

1. CORPORATE PLAN – THE DELIVERY PLAN OF CORPORATE AIMS 2012 – 2016 (REPORT C) (MINUTE NO 88).

The Council's recently adopted Corporate Plan for 2012-13, "Delivering for our Communities", is the keystone of the Council's performance management framework and drives all the other plans and processes in the Authority. The delivery of the corporate aims set out in "Delivering for our Communities" requires specific service based actions. These have been incorporated into "The Delivery Plan of Corporate Aims 2012-16", and will form the basis of pages on the Council's web site to increase the transparency and accessibility of the process to Members, employees and the public. The Delivery Plan was reproduced as an Appendix to Report C to the Cabinet. The Cabinet support the concise format that is proposed and adopted the Plan, as set out.

2. FINANCIAL REPORT – PROVISIONAL OUTTURN 2011/12 (REPORT D) (MINUTE NO 89).

The Cabinet are pleased that the projected outturn positions for the General Fund service requirements show a reduction in spending of £503,000 against the original budget for 2011/12 of £18.036m.

In addition to reduced running costs, which it is hoped will continue into future years, there have been significant one-off variations within the General Fund, including a successful VAT claim with regard to refuse collection between 1974 and 1996 (£722,000). These savings have been partly offset by additional net contributions to earmarked reserves to cover schemes committed in 2011/12 but not completed at the year end.

There has also been a reduction in spending of £2.40 million in the capital programme, principally as a result of rephasing expenditure into 2012/13, although there have been welcome underspends on some projects, amounting to £394,000. There has been an increase in spending on Leisure Developers' Contribution schemes of £63,000 which has offset some of these savings.

There has also been a reduction of £426,000 in the deficit on the Housing Revenue Account, with over half of this being from reduced costs for supervision and management.

The achievement of operational savings of this magnitude has been warmly welcomed by the Cabinet, and it is recognised that the one-off benefits that have been achieved will strengthen balance sheets as the Council continues to face up to challenging financial times ahead.

The statutory Statement of Accounts must be completed and signed by the S151 Officer prior to 30 June 2012, and will be based on the figures submitted to the Cabinet. Any further variations will be reported to the Final Accounts Committee in September after the Accounts have been subject to external auditing.

3. RIGHT TO BUY – REINVESTING RECEIPTS IN NEW AFFORDABLE RENTED HOMES (REPORT E) (MINUTE NO 90).

Under the current Right to Buy legislation the receipts from the sale of any Council owned house, following the deduction of certain allowances, are split with 75% going to Central Government and 25% being retained locally. In recent years the number of Council houses being sold has gone down, not least because the value of the discount available to the tenant has not increased, and has become a progressively lower proportion of the cost. The maximum discount is being increased from £38,000 to £75,000, which is expected to promote an increase in requests for Right to Buy. The Government has recently entered into an arrangement for this Council to buy its Council houses, and the settlement figure of £142.7m included a calculation based on the then current number of Council house sales. The Government is putting in place arrangements to control the use of any Right to Buy receipts in excess of that level, with the objective of making sure that the money is used for replacement affordable homes. If the Council wishes to retain all the receipts from future sales, above the settlement figure, it must enter into an agreement with the Government stating that it will use the receipts to reinvest in affordable rented housing, and that the receipts will amount to no more than 30% of the cost of the subsequent investment in affordable homes. All the money must also be spent within 3 years, or revert to the Government.

The Cabinet want to ensure that all the receipts from Council house sales are retained for local use. While regretting the reinvigoration of the Right to Buy scheme and the possible consequent loss of badly needed Council-owned housing, the Housing and Communities Portfolio Holder drew some comfort from the provisions to secure 1 for 1 replacement for properties sold through the Right to Buy. Seen within the context of the decision to invest in providing additional Council-owned housing over coming years, the Cabinet recognise that there is a coherent approach through which all the receipts can be used locally. The skills currently being acquired within the Housing service are expected to bring forwards 35 new dwellings over the coming year and additional Right to Buy receipts could allow this number to be increased.

The Tenants' representatives concur with the concerns expressed by the Portfolio Holder, but support the decision to enter into the agreement, to achieve the best possible outcome for local residents.

The Cabinet have consequently authorised the officers to enter into the necessary agreement with Government.

The Cabinet have also given some consideration to the level of rent that should be paid in respect of the homes provided under this scheme. In principle, they consider that these should be charged at an Affordable Rent (i.e. 80% of Market Rent) but that there should be a further report to the Cabinet on the detailed implications later this year.

**Cllr B Rickman
CHAIRMAN**