



RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** on **14 NOVEMBER 2012**.

The decisions will come into force and may be implemented from **26 NOVEMBER 2012** unless the Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

Durham Key Options Lettings Policy Changes Key Decision R&ED/11/12

Summary

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development on the changes to the Durham Key Options Lettings Policy including the consultation process and the outcomes from the consultation. Durham Key Options (DKO) is a choice based lettings scheme which is a way of enabling people looking for a home to bid for available properties. A formal review was undertaken of the DKO Lettings Policy to ensure the policy complied with legislation. The changes are in line with the Localism Act and Welfare Reform. Issues considered include:

- Tenure reform
- Restricting access to the register
- Excluding transfers
- Including additional groups
- Excluding those not in need
- Homelessness duties

Proposed changes were agreed by the DKO board prior to consultation. The changes were overseen by the Choice Based Lettings Co-ordinator. The report detailed the proposed changes to existing policy including the following:

- Banding – Existing policy included nine Bands into which applicants were placed. This was seen by applicants as too complicated and five Bands were proposed for future, Bands A to E.
- Under-occupation – This is a new proposal to give priority to applicants who are under occupying their property in the light of welfare reform which may mean people having to pay top up rent.
- Domestic violence – Applicants fleeing domestic violence would be allocated the same Band as statutory homeless applicants (Band B). This will not

disadvantage applicants as there are other measures that can be put in place such as making the house safe, refuges etc

- Refusals and No Responses – Currently no penalties are incurred for refusing offers of accommodation. The new policy proposes that applicants can be removed from the register for a period of six months if they have refused three properties, or, not responded to three offers within a six month period.
- Removals from Register – People in Band E (have no housing need), who have made no bids in the previous six months will be removed from the register for a period of six months.
- Positive contribution – It was suggested that people who make a positive contribution to the community should be put into Band D, however this change was considered unfair and will not be implemented.
- Band F – The reduced preference Band will be removed. Applicants are put in Band F owing to rent arrears, mortgage arrears, rechargeable repairs or unacceptable behaviour. Those currently in Band F will be disqualified from the register until signs of change of behaviour are shown. Future applicants whose arrears record or behaviour would have led them to be included in Band F will not be considered eligible for inclusion in a band until their record has improved.
- Priority transfer – Previously the Supply & Demand category allowed for the move of tenants who under-occupied their homes. There is now a separate category for under-occupation. Priority transfer will be awarded to tenants of full partners of DKO when they move from a high demand property and the stock in that area is of limited supply to an area of lesser or equal demand. The criteria for determining demand will be decided by each partner landlord and will be published on their websites. The criteria will be reviewed every six months.
- Armed forces – Additional preference (Band A), will be given to members of the Armed Forces with an urgent medical need and Band B for those members overcrowded. In both cases the additional preference will be given by backdating their date of application by six months. Band C will continue to be awarded for those who are leaving the Armed forces or have left in the preceding five years and who do not fall within the criteria of the homelessness legislation.
- Discharge of Homelessness Duty - The homeless duty will be amended so that the time given to bid for a property within the scheme will be reduced from twelve to six weeks.
- Applicants who are vulnerable would be able to refuse an offer of private rented accommodation and retain their main housing duty priority.

In allocating accommodation it will be taken into account if the applicant is ill and has the need for an extra bedroom for a carer. The DKO lettings policy will allow for the needs of foster carers or prospective foster carers and adopting parents to have extra bedrooms.

The Policy changes will be monitored and reviewed. An appeals process is in place for any applicant who feels aggrieved by decisions they disagree with.

Decision

The Cabinet:

- a) Approved the changes to the DKO Lettings Policy.
- b) Authorised delegated powers to the Corporate Director of Regeneration and Economic Development to make minor changes to the Policy as and when necessary in consultation with the Portfolio Holder for Housing.

Chester-le-Street Development Masterplan Key Decision R&ED/13/12

Summary

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development on the masterplan for Chester-le-Street that provided a detailed programme of activity that could be undertaken within the town to ensure future sustainability through a programme of investment and marketing of the town's key development opportunities and tourist attractions.

The Development Framework aims to:

- Focus and co-ordinate the regeneration activities in Chester-le-Street and assist the enabling of a delivery mechanism for the various regeneration projects;
- Input into the delivery of the emerging Local Plan and Community Infrastructure Plan and draw together the strategic and policy drivers for development and regeneration within Chester-le-Street
- Assist in the consultation process with partners, stakeholders and the community;
- Assist in taking proposals forward with investors, developers and landowners; and,
- Raise Chester-le-Street's profile in order to stimulate further investment activity.

Key drivers for this framework are:

- Establishing a clear set of priority projects together with a realistic delivery plan which reflects both market demand, investor appetite and availability of sources of finance;
- Promoting the diversification of the local economy and employment growth, led by the private sector;

- Providing a sustainable and vibrant town centre with a focus on deliverability, creating key opportunities for change by securing definitive proposals for redevelopment, development or refurbishment of land and premises;
- Consolidating the population and expenditure base and improving the balance and mix of the housing offer to include market for sale, intermediate tenure and rented, which would in turn help to underpin a sustainable local economy, retaining young people whilst providing for an increasing proportion of elderly residents;
- Improving the patronage and frequency of stopping trains at the railway station;
- Developing the tourism and leisure offer and asset base, most notably in relation to the town centre, the Roman and Christian heritage, the Emirates Durham ICG, Riverside Park and riverside walks;
- Ensuring that key stakeholders, in particular those using the town centre, are positively engaged in the process and that the final outcomes are ones which local residents and businesses have confidence and pride in;
- Maximise the benefits of the new market place and civic space through regular business led planned events; and,
- Optimising the environmental, social and economic sustainability of Chester-le-Street through the design and phasing of the developments and the implementation process.

A number of major projects are underway. The key challenges for the town centre focus on how to create a sustainable future for the town. The report identified a range of development opportunities to be promoted in Chester-le-Street to provide the necessary conditions for a sustainable and competitive town centre, including:

- The Council will work with regeneration partnerships and private sector partners to continue to deliver a vibrant town centre;
- Chester-le-Street has been successful in attracting and retaining numerous small and medium-sized businesses. Additional development land for business users can be brought forward with the introduction of infrastructure at an extension site at Drum. The Council will endeavour to work with existing businesses, potential funders, developers and prospective inward investment companies to ensure that Chester-le-Street enhances its supply of business properties in order to provide for wealth and job creation.
- There are a number of sites that could provide residential development. Additional housing close to the centre will help the vitality and viability of the town and the Council will continue to work with the development industry, Registered Providers and other interested parties to deliver the new homes that Chester-le-Street requires.
- Encourage patronage of train station and work with Department of Transport to improve the occurrence of services
- Increasing the numbers of visitors to Riverside Park, the Cricket ground, and other leisure activities that also visit the town centre.
- The Chester-le-Street Destination Development Plan produced in July 2010 identifies the need to link more closely to increase the visitor numbers to the town through strengthening Chester-le-Street's identity as a destination for heritage, sport and recreation.
- Improve the access routes between the riverside and town centre.

- Work with the private sector and community groups to increase the number of events.

Consultation on the preparation of this Masterplan has been undertaken with a range of local stakeholders including the AAP, the local Business Association, internal Council departments, and local town centre businesses.

Decision

The Cabinet:

- a) Approved the report
- b) Agreed that appropriate officers engage with the Department of Transport to improve services at Chester-le-Street station bearing in mind the key role this service provides to the town.

Mortgage Rescue – Proposal to Extend Scheme to Local Authorities and ALMOs

Summary

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development that provided details of an invitation from the Homes and Communities Agency (HCA) for local authorities and their ALMOs to participate in the purchase of Mortgage Rescue properties alongside other registered providers.

Mortgage rescue is aimed at vulnerable homeowners who are at risk of having their home repossessed. Durham County Council Housing Solutions Service has developed a range of prevention tools, some of which are aimed at helping owner occupiers who have defaulted on mortgage repayments. This includes assisting priority households to remain in their own home by accessing the Mortgage Rescue scheme (MRS) and therefore avoiding homelessness. In 2011/12 there were 179 presentations to Housing Solutions from people who were experiencing difficulty with their mortgage.

The proposals from the HCA relate to Mortgage to Rent. The HCA wish to widen the number of providers who could consider appraising and purchasing prospective Mortgage Rescue properties. The scheme is overseen and administered by the HCA's Zone Agent, Time2Buy. Over the last year, 3 houses have been bought through Mortgage Rescue within the county. It is envisaged that the programme may expand but it will remain a relatively small element of the overall HCA programme. In the last 2 years the following providers have purchased properties:

- Livin
- Vela
- Tees Valley HA (Fabrick)
- Cestria Housing

In addition Derwentside Homes and Riverside are also able to participate, although they have not purchased any properties thus far. There is an expectation that numbers will rise and that additional funding will be made available. Mortgage repossessions have almost doubled over the last 10 years in Durham and now average around 1,000 per annum.

Implications of the proposal include:

- **Right to Buy** – Local authority Mortgage Rescue tenants will be granted secure tenancies and will therefore have the Right to Buy.
- **Borrowing** - The County Council has no borrowing headroom and therefore any funds used to fund mortgage rescue will be taken from the HRA 'decent homes' capital programme.
- **Stock Options** – should a full stock transfer progress, the Council would cease being a Registered Provider and responsibilities for Mortgage Rescue would pass to any newly created housing association(s).
- **Viability** – the purchase of a typical mortgage rescue home has been run through the Proval viability model details of which were provided in Appendix 2 to the report.

On balance, it was considered that the benefits of delivering additional units for those in need through Mortgage Rescue outweigh the additional responsibilities and costs of acquisition and management. In order to prevent 'over-exposure' to this initiative, a ceiling on the number of mortgage rescue schemes is being considered.

Decision

The Cabinet agreed:

- a) To take up the proposal from the HCA and proceed with a limited programme of Mortgage Rescue acquisitions; subject to the appropriate referrals being made.
- b) To commit to the scheme subject to an annual cap of £200,000 (equivalent to an indicative level of around 25% of the mortgage rescue programme for the county).
- c) That any decisions to purchase property under this scheme are delegated to the Corporate Director of Regeneration and Economic Development in consultation with the portfolio holder for Housing

Release of an Option Agreement and Acquisition of land at Aykley Heads, Durham City

Summary

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development to obtain approval to release an option agreement to acquire

land held by the Police Authority and to the acquisition of an area of land at Aykley Heads in lieu of the release.

In 1996 the Council entered into an agreement with the Police Authority to transfer a number of areas of land from the former Police Authority, which was a committee of the County Council at the time, to the Durham Police authority. Contained as part of the transfer were two areas of land shown by a dotted line, on the plan attached to the report. This land was subject to an option in favour of the Council to acquire the two sites at any time within 80 years from the date of the transfer agreement for a nil consideration, subject to the right of the Police Authority to have the displaced sports facilities on the two sites relocated at the Council's expense on adjacent Council land. The Police Authority have been in negotiation with the Council as they would like to develop one of the sites for their new Headquarters.

Agreement has been reached for the Council to relinquish its right to exercise its option to acquire the land, subject to the Police Authority transferring the area of land shown verged on the plan attached to the report. The Council will also have unrestricted access over the land shown hatched on the plan with the right to construct vehicular access.

Officers considered that the acquisition of this site will facilitate the implementation of the master-planning of Aykley Heads. As an urgent decision was required to enable the Police Authority to let a contract for the development of their new Headquarters, the Corporate Director of Regeneration and Economic Development, following endorsement by the Leader and Deputy Leader of the Council, exercised a delegated authority to agree :-

- a) the surrender of the option agreement relating to two areas of land shown by a dotted line on the attached plan at Aykley Heads as it would facilitate the development of a new Police Headquarters and
- b) the acquisition of the area of land shown verged on the attached plan in lieu of surrendering the option agreement to facilitate the redevelopment of the Aykley Heads Estate.

Decision

The Cabinet endorsed the action taken.

Forecast of Revenue and Capital Outturn 2012/13 for General Fund and Housing Revenue Account – Period to 30 September 2012

Summary

The Cabinet considered a report of the Corporate Director, Resources providing a forecast of 2012/13 revenue and capital outturn for the period to 30 September 2012 for the Council's General Fund and Housing Revenue Account. This report updates the information presented to Cabinet on 12 September showing the forecasted revenue and capital outturn based on expenditure and income up to 30 June 2012 and incorporates the recommended changes to cash limits within Service Groupings agreed at that time.

Revenue

The following adjustments have been made to the Original Budget:

- (i) agreed budget transfers between Service Groupings;
- (ii) additions to budget for items outside the cash limit (for Cabinet approval);
- (iii) planned use of or contribution to Earmarked Reserves

The forecasted increase in the level of cash limit and general reserves is prudent during a period of unprecedented and continuing spending reductions. The reasons for the major variances by Service Grouping were detailed in the report.

With regard to central budgets the report detailed the following:

- A review of capital financing costs led to a forecast underspend of £3.003m due to lower than forecast interest rates on loans and borrowing taking place later than estimated due to higher levels of cash balances than forecast.
- The forecast of outturn is an overachievement of income of £0.848m due to higher than anticipated level of cash balances due in part to slower than expected use of reserves and capital spend.

Capital

The General Fund (GF) capital budget for 2012/13 was set at £197.436m and was approved by Cabinet on 22 February 2012. Re-profiling from the 2011/12 capital programme into 2012/13, amounting to £32.213m, was reported to Cabinet on 11 July 2012. The Housing Revenue Account (HRA) budget was set at £44.854m with re-profiling of £1.465m from 2011/12 to 2012/13.

The Capital Member Officer Working Group (MOWG) has since reviewed the capital programme and taken into account further developments and analysis of changes and demands on resources. As part of the Medium Term Financial Plan 2, services have re-profiled the capital programme over the years in which expenditure is expected to be incurred. Commentaries from each Service grouping were included in the report.

Decision

The Cabinet:

- Noted the projected change in the Council's overall financial position for 2012/13.
- Agreed the proposed 'sums outside the cash limit' for approval.
- Agreed the revenue and capital budget adjustments.
- Noted the forecast use of Earmarked Reserves.

- Noted the forecast end of year position for the Cash Limit underspend reserves.
- Noted the position for the Capital Programme.

Management Options Appraisal – Culture and Sport

Summary

The Cabinet considered a report of the Corporate Director, Neighbourhood Services, which provided an update on the 'Trust' project for Culture and Sports Services. The report confirmed the implications of the Localisation of Business Rates, which comes into effect from 1 April 2013, and sets out the potential implications with regards to the Culture and Sports Services 'Trust' option business case. The report was prepared with regard to the Government's proposed changes to the business rates system.

The Council's Medium Term Financial Plans 2 and 3 include a number of savings proposals linked to the Management Options Appraisal (MOA) process. The services originally included within the scope of the project were Sport and Leisure Services (Neighbourhood Services) and Cultural, Library Services (Adults, Wellbeing and Health) and Outdoor Learning Centres (Children & Young People's Services). All these services are now within the newly formed Culture and Sports Services grouping within Neighbourhood Services, with the exception of Outdoor Learning Centres. Following the corporate management team restructure, the Cultural and Library services have now been transferred to Neighbourhood Services, together with linked MTFP saving targets.

An 'in principle' decision was taken by Cabinet in January 2012 to transfer some or all of these services to a Trust subject to further modelling. The January 2012 report tasked the project to provide a further update on the project in autumn 2012. The project was delayed to consider the government's proposals on the localisation of business rates.

The Trust project has been delayed while the outcome of the Business Rate Retention Scheme was determined. As a result 2012/13 budget pressures (c£366k) are being offset by use of cash limit reserves, but this is not a sustainable position going forward. Procurement timescales (if a full EU compliant tender process is followed) would mean that it would be highly unlikely that 1 April 2013 for the setting-up of the trust would be a realistic timescale and therefore there will be inevitable cost pressures next year. NNDR savings will only be 50% of the original anticipated savings in creating a trust, realising c£444k savings, leaving a permanent MTFP savings shortfall of £422k. This would need to be mitigated in 2013/14 and any trust's delivery plan would need to demonstrate how these costs would be mitigated. VAT advantages of the trust model will require further exploration. The trust project team are preparing a robust business plan setting out how all efficiency, staffing, legal and procurement issues will be addressed. This information, together with a Service Delivery Plan, will form the basis of a future report.

Decision

The Cabinet endorsed:

- a) The continuation of the 'Trust' project and the reconvening of the project board and working groups with a view to:
 - i. Establishing a charitable trust for Culture and Sports Services
 - ii. Realising the full MTFP saving previously associated with the project (£865,897) together with all other MTFP savings identified against the services to transfer.
- b) The slippage cost associated with the saving are met in 12/13 from Neighbourhood Services cash limit reserves and in 13/14 from corporate reserves.
- c) That a further update report on the project is developed at the earliest opportunity once the project has reconvened.

Decision made in Part B of the meeting – report contains exempt or confidential information

Award of Contract for Residual Waste Treatment
Key Decision: NS/18/12

Summary

The Cabinet considered a report of the Corporate Director, Neighbourhood Services relating to the Residual Waste Treatment Contract.

Decision

The Cabinet approved the recommendations in the report.

Colette Longbottom
Head of Legal and Democratic Services
16 November 2012