

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

6TH AUGUST 2020, AT 6.00 P.M.

PRESENT: Councillors K.J. May (Leader), G. N. Denaro (Deputy Leader), A. D. Kent, M. A. Sherrey, P.L. Thomas and S. A. Webb

Observers: Councillor M. Glass and Councillor M. Thompson (Chairman of the Overview and Scrutiny Board)

Officers: Mr. K. Dicks, Mrs. S. Hanley, Ms. J. Pickering, Mrs. C. Felton, Mr C. Forrester, Mr. G. Revans, Mr. D. Allen and Ms. J. Bayley

14/20 **TO RECEIVE APOLOGIES FOR ABSENCE**

There were no apologies for absence.

15/20 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

16/20 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE CABINET HELD ON 8TH JULY 2020**

The minutes of the meeting of Cabinet held on 8th July 2020 were submitted.

RESOLVED that the minutes of the meeting of Cabinet held on 8th July 2020 be approved as a true and correct record and signed by the Chairman.

17/20 **PARTNERSHIP WASTE STRATEGY OFFICER REPORT**

The Head of Environmental and Housing Property Services presented a report which set out proposals for Bromsgrove District Council to fund a joint Partnership Waste Strategy Officer for Herefordshire and Worcestershire.

Cabinet was informed that all Councils in Herefordshire and Worcestershire had worked in partnership in recent years to ensure that there was a consistent approach to waste collection services in the area. All of the Councils in the two counties had been approached about the potential to establish and fund this joint officer post.

The post had been proposed in a context in which the Government was proposing a number of changes to waste collection services nationally and a new Environment Bill was going through the Parliamentary process. The final content of the legislation arising from this bill remained to be confirmed, however, the bill contained proposals for Councils to introduce a food waste collection service. There were also proposals that garden waste collection services should become free nationally and other proposals designed to ensure that service delivery became more consistent across the country.

The introduction of a food waste collection service in Bromsgrove District would cost approximately £8 million across the whole of the Herefordshire and Worcestershire region. There would be costs of approximately £800,000 for Bromsgrove District Council arising from the introduction of this service. This included costs arising from the need to purchase new vehicles for the service as well as staff and bins, as containers for the food waste. Should the Council be required to cease to charge for garden waste collection services, this would result in a loss of £900,000 income for the authority. The Government had indicated that financial support would be provided to Councils in respect of the costs arising from changes to waste services, but it was uncertain how much funding would be received by Bromsgrove District Council.

The Partnership Waste Strategy Officer would be responsible for co-ordinating the partner authorities' response to the Government legislation in respect of waste services. There would be a particular focus on the response of the Councils in respect of the introduction of food waste and the removal of charges for garden waste, and the Officer would ensure that a consistent approach continued to be adopted across the region.

Following the presentation of the report Members discussed a number of points in detail:

- The potential consequences of introducing a food waste collection service. Concerns were raised that this could encourage residents to waste food.
- The need to educate residents about the purpose of the service and the value in terms of keeping food waste to a minimum.
- The financial costs involved in introducing a food waste collection service in the District.
- The frequency with which the food waste collection service would operate. Officers explained that the Government was proposing that this should be a weekly collection service.
- The average weight of the food waste collected by local authorities where this service was already available. Officers advised that the average yield at these authorities was 2.4 to 4.5 kilos per household per week.
- The traditional approach to food waste that had been adopted in Worcestershire in the past, involving the 'love food, hate waste' campaign.

- The potential risks arising from the use of bins to store food waste and the possibility that this would attract rats and other pests.
- The options available in terms of the Council acquiring dual purpose vehicles to enable the authority to collect other forms of waste alongside food waste, thereby making the service more efficient. Officers explained that this would be an area that could be investigated further by the post holder.
- The potential for Bromsgrove District Council to invest in an anaerobic digester and the financial costs of doing so. Officers explained that an anaerobic digester cost approximately £18 – 20 million. This would be too expensive for the Council to purchase but it was possible that there might be opportunities to work in partnership with other local authorities in the region or an organisation from the private sector to introduce an anaerobic digester.
- The rate of return from an anaerobic digester. Cabinet was advised that the financial return would need to be reviewed but it was likely that there would be income as a result of the anaerobic digester supplying gas to the national grid.
- The higher costs in Bromsgrove in terms of delivering a food waste collection service, when compared to other authority areas, due to the large rural geographical area served by the Council.
- The information in respect of Frequently Asked Questions (FAQs) that had been prepared by Officers in relation to this subject and the need for this information to be shared with Members.

RECOMMENDED that

- (1) **Bromsgrove District Council agree to the establishment of a Joint Waste Strategy Officer to work on behalf of the partnership of all 8 Local Authorities in Herefordshire and Worcestershire;**
- (2) **Bromsgrove District Council allocate £8,000 per annum from existing funds for a fixed term of three years; and**
- (3) **Bromsgrove District Council will consider requests for additional funding to support further work which has been identified and proposed via the partnership Senior Waste Officer Group.**

18/20

MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 6TH JULY 2020

The Chairman of the Overview and Scrutiny Board, Councillor M. Thompson, presented the minutes of the meeting of the Board held on 6th July 2020. Members were advised that there were no recommendations arising from this meeting for Cabinet's consideration. Cabinet was informed that a new Task Group had been established during that meeting and would report back in due course.

RESOLVED that the minutes of the meeting of the Overview and Scrutiny Board held on 6th July 2020 be noted.

19/20

FINANCE OUTTURN 2019/20 AND RESERVES

The Executive Director of Finance and Corporate Resources presented the Financial Outturn Report 2019/20 and Reserves and in so doing highlighted the following for Members' consideration:

- There had been an overall underspend, across all Council departments, of £231,000 in 2019/20.
- However, there had been an overspend of £136,000 during the year in respect of the strategic purpose 'keep my place safe and looking good'.
- A key area of savings had been in respect of Enabling Services, at £314,000.
- A total of £396,000 had been returned to balances at the end of the year.
- The capital budget had been increased from £4.515 million to £11.9 million but there had been an underspend in the budget of £8.3 million.
- Heads of Service had recognised that the Capital Programme needed to be reviewed and more accurate forecasting put in place as the Council's underspend in the Capital Programme had implications for borrowing.
- The Council's reserves would be useful moving forward in respect of enabling the authority to respond to community needs following the Covid-19 pandemic.
- The Constitution Review Working Group (CRWG) would be invited to meet to discuss delegations to the Section 151 Officer in respect of grants and use of Section 106 funding. Currently all such proposals had to be reported to Council and this caused delays.

Members subsequently discussed the report in detail and commented on the following points:

- The justification for the level of savings that had been achieved in 2019/20 and the reasons why the final budget position was different to that which had been anticipated in the Medium Term Financial Plan (MTFP). Officers explained that the Financial Services Team were undertaking a review of the savings that had been achieved and the causes of this.
- The opportunity to use some of the savings that had been generated during the year to support local residents and businesses impacted by the Covid-19 pandemic.
- The reasons for the underspend in the Capital Programme. Members noted that some planned capital expenditure would have been postponed due to the Covid-19 pandemic and lockdown.

- The impact of the Covid-19 pandemic on the local economy, particularly the retail sector, and the need to support businesses effected by the reduction in footfall.
- The potential for the Council to make investments under the Council's Investments and Acquisitions Strategy in order to generate income as well as to support local businesses. Officers explained that, whilst opportunities had been identified, none had been found to have a sufficient level of return to justify the investment to date. However, the Council might want to consider making investments that would result in a social value moving forward.
- The potential for Council investments to support economic development in Bromsgrove town centre and the retailers located in other parts of the district.
- The impact that the withdrawal of the furlough scheme might have on unemployment levels locally and the need for the Council to support businesses and job opportunities to help address this risk.
- The skills required by local businesses in the Twenty First Century and the need to ensure that young people aged 16 to 25 were trained to develop these skills.
- The work that the Council was undertaking with colleagues from Worcestershire County Council to understand the funding available for training and the skillset required by local businesses.

RESOLVED that

- (1) the current financial position in relation to revenue and capital budgets for the Financial Year April 2019 – March 2020 be noted;

RECOMMENDED that

- (2) The movement of £381k in existing reserves be approved;
- (3) The addition of new reserves of £1,411k be approved;
- (4) The carry forward to the 2020/21 capital programme of £8,600k be approved;
- (5) An increase in the 2020/21 Capital Programme of £163k for Disabled Facilities Grants be approved. This is due to the budget allocations having now been announced by the Ministry of Housing, Communities and Local Government (MHCLG). This will increase the available budget to £913k;
- (6) An increase in the 2020/21 Capital Programme of £119k for additional funds towards the already approved capital project for Environmental services new IT system, to be funded from borrowing, be approved;
- (7) Approval of the funding from balances of the overspend from the demolition of the Dolphin Centre of £217k;
- (8) An increase in the 2020/21 Capital programme 2019/20 of £100k due to match funding being received for a ULEV Taxi infrastructure scheme in Bromsgrove be approved;
- (9) An increase to the revenue budget for 2020/21, due to receiving £40k SEP Grant (Strategic Economic Plan), be approved;

(10) An increase to the Capital programme 2020/21 of £13k s106 monies for the Bromsgrove Town Centre be approved;
An increase to the Capital programme 2020/21 of £150k ringfenced capital receipts for a grant to be provided to BDHT for the provision on new affordable homes be approved.

20/20

AMENITY STANDARDS REPORT

The Housing Strategy Manager presented a report focusing on amenity standards for properties in the private rented sector, particularly Houses of Multiple Occupation (HMOs).

The amenity standards would ensure that there was clarity for landlords and tenants about the minimum standards that could be expected of a property in the private rented sector. It was important for the Council to have an Amenity Standards Policy in case legal action had to be taken against landlords.

Members were advised that there were only five licensed HMOs in Bromsgrove District, which was a relatively small number compared to Redditch Borough, where there were over 80 licensed HMOs.

RECOMMENDED that power be delegated to the Head of Community and Housing Services to approve the adoption of the Amenity Standards documents.

21/20

REPLACEMENT OF BURCOT HOSTEL REPORT

The Housing Strategy Manager presented a report in respect of the replacement of Burcot Hostel with alternative homelessness provision. At previous meetings of Cabinet, Members had agreed that the site could be disposed of and that Officers could investigate alternative options.

Burcot Hostel was no longer considered to be fit for purpose, so an alternative form of homelessness provision needed to be identified. The Bromsgrove District Housing Trust (BDHT) had identified options for the replacement of the hostel which would enable the redevelopment to occur and for there to be homelessness provision.

The report had taken into account the worst-case scenario, from a financial perspective, though Officers were anticipating that there would be a more positive outcome. BDHT had a good track record in tackling homelessness and housing benefit was paid directly to the landlord in homelessness cases. The Council had a statutory duty to provide housing to Bromsgrove residents who were homeless. Whilst there was no requirement to provide furniture in any accommodation offered to homeless people, Bromsgrove District Council, like most authorities, offered basic furniture to people in this position.

There were risks associated with providing accommodation to homeless people for all local authorities. The majority of Councils were worried about issues with supply and demand and housing was expensive to provide.

During consideration of this item Members noted that the report had been pre-scrutinised at a meeting of the Overview and Scrutiny Board earlier that evening. The Chairman of the Board, Councillor M. Thompson, presented a recommendation that had been proposed by the Board, which suggested that the creation of the £35,000 capital budget for the scheme should be funded from balances rather than borrowing.

The Cabinet considered the recommendation from the Overview and Scrutiny Board and on being put to the vote the suggestion that the capital budget should be funded from balances was approved.

RECOMMENDED

- (1) The creation of a £35k capital budget for the scheme for the 2020/21 capital programme funded from balances;
- (2) The creation of a new net revenue budget of £41k, to be funded from balances in 2020/2021, and an ongoing unavoidable revenue pressure for future years to be considered as part of the review of the Medium Term Financial Plan
- (3) The creation of a bad debt provision of £5k per annum for potential non-payment of Council Tax liabilities, to be funded from balances in 2020/21 and as an unavoidable pressure from 2021/22 onwards.

22/20

BURCOT LANE SITE REDEVELOPMENT - NEXT STEPS REPORT

The Housing Strategy Manager presented a report in respect of the redevelopment of the Burcot Lane site. This report followed previous updates to Cabinet in September 2017 and October 2018 and focused on the options available to the Council.

There were three main options available to the Council. The option that was more likely to work for the Council would be for the authority to retain the land and to develop properties that would form the basis of a revenue stream. Some of the properties could be retained by the Council to rent out, some could be sold at market rent and some properties could be made available as affordable housing. However, the financial implications of this redevelopment had been impacted by the Covid-19 pandemic and would require further investigation.

There were different models available for the affordable housing that might be developed on the site. This included the potential to transfer any affordable housing units to an existing social housing provider, the Council becoming a registered provider of social housing and the Council setting up a light touch registered provider to manage a small number of affordable housing units.

There was documentation available to guide Councils in respect of becoming a registered provider of social housing. Members were advised that properties managed by Council housing companies were not subject to right to buy rules, but registered providers were.

During consideration of this item Members were advised that the report had been pre-scrutinised by the Overview and Scrutiny Board earlier in the evening. The Chairman of the Board, Councillor M. Thompson, explained that the Board had proposed the following two recommendations:

- (1) "Cabinet have full sight of information in respect of other local authorities who have set up housing companies, including successes and failures (to include the reasons for failure).
- (2) Full consideration be given to the Council becoming a registered provider."

Councillor Thompson explained that in discussing the report, the Board had identified the need for Members to review the information available about local authority housing companies established in other parts of the country. Members had been particularly keen to ensure that case study information could be considered by Cabinet and there was the possibility that whilst some of these examples would involve positive experiences, others would illustrate some of the difficulties that could occur when launching a Council housing company.

The Overview and Scrutiny Board had concluded that consideration needed to be given to the Council becoming a full registered provider for the social housing in order to meet the needs of local residents. The Board had noted that the Council would receive rental income in this scenario and would be able to ensure good quality housing was provided to residents in need of social housing.

The first recommendation from the Board was discussed in some detail. Officers confirmed that information could be shared with Members in respect of examples of housing companies that had been established by other local authorities. It was confirmed that the circulation of this information would not cause any delays to the redevelopment process. Members agreed that this information should therefore be shared with both members of the Cabinet and members of the Overview and Scrutiny Board to help inform future decision making and the following amended wording was proposed to this recommendation:

"The full research information for local authorities that have set up housing companies should be circulated for the consideration of members of Cabinet and the Overview and Scrutiny Board."

In relation to the second recommendation from the Overview and Scrutiny Board, Members commented that the proposal from Officers in the report was that transferring the affordable units to an existing Registered Provider was in the Council's best interest, having due

regard to all the relevant factors . Given the officers' expertise in this area and the fact that no decisions had yet been taken, Members agreed that the proposal from officers should be retained.

On being put to the vote the second recommendation from the Overview and Scrutiny Board in respect of the Burcot Lane site redevelopment was lost.

RESOLVED that

- (1) Officers develop a business case for the formation of a Housing Company to hold the market rent units for the Council's consideration;
- (2) The development model is progressed on the presumption that the affordable housing units will be transferred to an existing registered provider; and
- (3) The full research information for local authorities that have set up housing companies should be circulated for the consideration of members of Cabinet and the Overview and Scrutiny Board.

(During the consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed relating to the financial or business affairs of any particular person (including the authority holding that information). There is nothing exempt, however, in this record of proceedings.)

The meeting closed at 7.39 p.m.

Chairman