

CABINET

Minutes of the meeting held on Tuesday, 30 July 2019

PRESENT:

Councillor Allen Brett (in the Chair); Councillors Daalat Ali, Neil Emmott, Emsley, Iftikhar Ahmed, Blundell, Heakin, Rowbotham and Wardle

OFFICERS: Steve Rumbelow – Chief Executive
Neil Thornton – Director of Resources
Gail Hopper – Director of Children’s Services
John Searle – Director of Economy
Donna Bowler – Assistant Director (Place)
Julie Murphy – Chief Finance Officer
David Wilcock – Assistant Director (Legal, Governance and Workforce)
Keith McKenzie – Head of Revenues and Benefits
Elaine Newsome – Head of Governance
Nick Barton – Principal Project Manager
Janet Butterworth – Property Client and Strategy Officer

ALSO IN ATTENDANCE:

Councillors Cocks, Dearnley, Hartley, Massey and Robinson

23. URGENT ITEMS OF BUSINESS

It was AGREED:

That an urgent item of business be considered in relation to property at Drake Street Rochdale. This item was exempt from the public agenda as it related to the financial and business affairs of the organisation. Cabinet noted that the Chair of the relevant Overview and Scrutiny Committee had given the relevant permissions under the Council’s urgency provisions, for this item to be included on the agenda.

24. MINUTES

The minutes of the meeting held on the 25th June 2019 were AGREED as a correct record and signed by the Chair

25. 2020/21 LOCAL COUNCIL TAX SUPPORT SCHEME

Cabinet considered a report outlining proposed changes to the Council’s Local Council Tax Support scheme for 2020/21. The changes are proposed so that the scheme remains fit for purpose for working age residents in receipt of Universal Credit.

Non-working age claimants (pensioners) and working age claimants not in receipt of Universal Credit are not affected by the proposal in this report.

Alternatives Considered

The current Local Council Tax Support scheme could continue unchanged for 2020/21. As outlined above, this would create confusion and uncertainty for Universal Credit customers. The number of customers affected is currently 4,610, but this will increase to around 6,000 by April 2020 and further increase during the 2020/21 and later financial years. Every change in income, however small, would result in a new council tax bill being issued with an amended payment plan. The average number of changes per year is currently four, but some customers will have as many as twelve changes in a year.

It was AGREED:

That approval be given to the proposal contained in this report for the purposes of a formal 10 week consultation process to be undertaken between 12 August and 20 October 2019.

Reason for Decision

One of the changes introduced by Universal Credit (UC) is that any movement in a claimant's income, however small, is reported to the Council. Under the 2019/20 Local Council Tax Support (LCTS) scheme this means the Council must reassess their claim every time a change in income is notified. This in turn means a new council tax bill is issued, with a change to the payment plan. Current figures suggest an average of four changes reported per UC claim each year although it could be as many as twelve changes each year for fluctuating monthly incomes.

To make the Council's LCTS scheme easier to understand and to avoid creating a new council tax bill every time a small change in UC income is reported, a new banded income scheme is recommended. This would mean that where a change in a resident's UC income fell within the same weekly income band as their previous UC income was in; no change would be made to their LCTS award. In turn no new LCTS award letters or council tax bills would need to be issued.

26. FINANCE UPDATE REPORT 2019/20

Cabinet considered a report on the Council's forecast 2019/20 financial position as at the end of May 2019.

Alternatives considered

Not reporting on financial performance puts at risk the achievement of the Council's Medium Term Financial Plan. Effective budget management is critical to ensuring financial resources are spent in line with the budget and are targeted towards the Council's priorities. Monitoring enables the early

identification of variations against the plan and facilitates timely corrective action.

It was AGREED:

1. That the forecast 2019/20 budget positions for Capital, Revenue, Savings and the Collection Fund as at the end of May 2019 be noted.
2. That the capital scheme changes shown in section 4.1.2 of the report be noted.
3. That approval be given to re-phasing detailed in 4.1.3 of the report;
4. That the proposed virement detailed in 4.1.4 of the report be approved;
5. That the Revenue Budget Pressure Fund requests detailed in 4.2.4. of the report be approved

Reason for Decision

Cabinet is responsible for the effective management of the agreed budget and should be kept updated on the financial position of the authority, ensuring the financial resources are spent in line with the budget and are targeted towards the Council's priorities. Monitoring enables the early identification of variations against the plan and facilitates timely corrective action.

27. BUDGET 2020/21 TO 2022/23 GUIDELINES, TIMETABLE AND PUBLIC ENGAGEMENT

Cabinet considered a report on the proposed budget guidelines, timetable and method of public engagement to be used in preparing the detailed 2020/21 budget and provisional budgets for 2021/22 and 2022/23.

Members further considered an update on the latest budget position for the Council and Heywood Middleton and Rochdale Clinical Commissioning Group.

Alternatives Considered

None. The Council is legally obliged to set a balanced budget. The budget setting process is complex and must be undertaken in a planned way. It is equally important that assumptions used in the preparation of the budget are agreed, reasonable and consistently applied by all services

It was AGREED:

1. That the proposed budget timetable detailed at Appendix 1 to the report be approved.
2. That the revenue assumptions detailed in section 4.2 of the report to be incorporated into the budget setting process.
3. That the revenue and capital budget principles referred to in section 4.5 of the report be approved;
4. That the proposed methods of public engagement outlined in section 4.6 of the report as part of the 2020/21 budget setting process be approved;
5. That the updated Revenue Budget position for 2020/21 to 2022/23 be noted.
6. That the Budget Review Sessions to be undertaken as part of the 2020/21 budget setting process be noted.

Reason for Recommendation

Under the Budget & Policy Framework Cabinet is required to approve the proposed guidelines, timetable and methods of public engagement for setting the 2020/21 Budget and Provisional Budgets for 2021/22 and 2022/23 by September each year.

28. DISPOSAL OF LAND AT STARKEY STREET / LANGTON STREET HEYWOOD

Cabinet considered proposals for the disposal of sites at Starkey Street and Langton Street in Heywood. The sites were considered to be surplus to the Council's operational requirements. The sale of the sites would generate a capital receipt for the Council and reduce its maintenance liabilities.

Consultation had been carried out with the North Heywood ward councillors and the Chair of Heywood Township. Objections have been raised to the sale of Langton Street car park – plot 3 on the plan below.

In view of the objections raised Cabinet were requested to consider the future of the site by using its powers to release these sites for disposal.

Alternatives Considered

The site could be retained in its current use. Retention of this site will not secure capital receipts or beneficial development, nor reduce the Council's financial and/or environmental liabilities. Retaining this site in its current use carries the risk of liabilities such as fly-tipping, anti-social behaviour and regular or ad hoc maintenance obligations

Plot 3 could be retained as a car park and only plots 1 and 2 released for development.

It was AGREED:

1. That the sites at Starkey Street and Langton Street be declared surplus to requirements and released for disposal on the open market.
2. That the Head of Legal Service be authorised to prepare the appropriate legal documents and execute such documents on behalf of the Council.
3. That any purchaser pays the Council's legal and surveyor's costs.

Reason for decision

The Director of Economy is charged with the continual review of the Council's land and property holdings to identify those that are surplus to requirements and could be sold. The Director of Economy is aiming to expose 25 sites to the market during 2019/20.

Plots 1 and 2 on the plan below are areas of open space that have low amenity value. Plot 3 is a community car park that is used mainly by local businesses. Together the sites form a valuable development plot that would support a small residential development.

29. EXTRA SCHOOL PLACES - DETERMINATION OF STATUTORY PROPOSALS FOR ENLARGEMENTS AND SEN RESOURCED PROVISION, AND ADDITIONAL CAPACITY

Cabinet considered a report outlining responses to the published proposals for the capacity changes, service provision and associated expenditure within a number of schools in the Borough:

Alternatives Considered

The School Organisation and Development Team within Early Help and Schools aims to listen to suggestions from the consultations it runs on extra capacity in both its primary and secondary school estates. The decision to currently reject the expansion at Crossgates Primary for 2021 may have to be revisited in the future.

It was AGREED:

1. That the enlargement of Castleton Primary School be approved to provide an additional 30 places in each new admission year group. The enlargement would make permanent an admission number of 60 from September 2019.

2. That the rejection of the enlargement of Crossgates Primary School be noted, with the retention of admission numbers at 45 places per year group.
3. That the creation of an autism Resourced Provision at Shawclough Primary school be approved to provide an additional 12 places for children with an EHCP for autism.
4. That approval be given for expenditure for the implementation of an expansion at St Johns Thornham; for invitations to tender to be issued and accepted and for the supporting contracts, and any incidental and ancillary documentation, to be signed in order to deliver the scheme in accordance with Financial Regulations.
5. That approval be given for expenditure of additional funds for the implementation of the plan to deliver up to 120 extra secondary school places within the boroughs existing schools for the 2020 intake year to meet the predicted need.
6. That approval be given for additional Basic Need Programme spend of £2,185,000 for the projects relating to St Johns Thornham and the extra secondary school places as set out in Appendix 1 to the report.

Reason for Decision

There is a need for extra primary school places as detailed in the previous report to Cabinet on the 26 February 2019.

Each local authority has a statutory duty to secure a sufficient number of places in each of their areas.

30. EXCLUSION OF PRESS AND PUBLIC

It was AGREED:

That the Press and Public be excluded from the following items of business in accordance with Section 100A (4) of the Local Government Act 1972.

Reason for Decision

Should the press and public remain during the business to be transacted, there may be a disclosure of information that is deemed to be exempt under Part 3 of Schedule 12aA of the Local Government Act 1972

31. LAND AT WILLIAM STREET AND TONGE MEADOW, MIDDLETON

Cabinet considered a report outlining proposals for the acquisition of land at Tonge Meadow, Middleton. The acquisition would be on the basis of an exchange for the funding of improvements to adjacent playing pitches at Middleton Technology School.

The report also detailed options for the marketing and sale of land at Tonge Meadow and William Street for residential development, to support the repair and restoration of Tonge Hall.

Alternatives Considered

There is no “do nothing” option, the Council is currently doing a minimum amount of work to protect the historic asset from vandalism and weather damage, with capital and revenue costs.

There is a significant conservation deficit related to the repair and restoration of the hall, meaning that any scheme to repair and restore the hall would require significant subsidy or grant support.

Grants from organisations such as Heritage Lottery Fund and Historic England have been considered as part of the feasibility for this project, these are likely to be limited and would require match funding.

The following decisions were AGREED:

The acquisition of land identified as plots 4, 5 and 6 on the plan attached to the report, in exchange for works to playing fields at Middleton Technology School and any future capital receipt in relation to plot 5.

Marketing and disposal of plots 1, 2, 3 and 4 (identified in the report) for residential development, with the acceptance of sale delegated to the Director of Economy in Consultation with the Cabinet Member for Planning, Development and Housing.

That the balance of the capital receipt, following the completion of the playing pitch works, be ring-fenced for the repair and restoration of Tonge Hall.

A capital virement to resolve potential timing issue as detailed in 5.3 of the report.

That decisions around opting to tax the land identified in this report be delegated to the Chief Finance Officer.

That the Assistant Director of Legal, Governance & Workforce be authorised to advise appropriate Council Services, prepare the appropriate legal documents and execute such documents on behalf of the Council in connection with the acquisition and disposal of these plots.

Reasons for Decision

Tonge Hall is a Grade II* Manorial Hall in the ownership of Rochdale Borough Council. The hall is on Historic England’s Heritage at Risk register.

The hall suffered a catastrophic fire in 2007, whilst in private ownership, the Council has secured the site and protected it from vandalism and weather damage for more than ten years, with the ultimate aim of repair and restoration of the hall.

Feasibility work has established that the conservation deficit associated with the hall can be met through the sale of land largely in Council ownership close to the hall, without damaging the historic setting of the hall.

There is a requirement to acquire land from Middleton Technology School to facilitate access, increase the developable area of land and increase the value of the Council's land holdings.

The project will also facilitate the improvement of playing pitches and creation of new employment land with associated benefits to the local community and wider Middleton Township.

Opting to tax the relevant land and buildings may be necessary to ensure RBC remains below its 5% partial exemption limit for VAT (as the cost of breaking the exemption limit would be estimated at around £1m per annum).

The acquisition of land from Middleton Technology School will be structured to ensure that the deal is not considered a barter transaction for the avoidance of VAT or Stamp Duty.

32. PROPERTY AT DRAKE STREET - ROCHDALE

Cabinet considered a report on the proposed acquisition of 38-40 Drake Street to support the regeneration of Drake Street and the wider town centre.

The report detailed negotiations with Rochdale Boroughwide Housing to use this property in conjunction with adjacent sites to bring forward the development of a 15,000 sq. office development to provide a corporate headquarters and customer contact centre.

Alternatives Considered

The option of the property being acquired directly by Rochdale Boroughwide Housing has been considered, however this would significantly diminish the influence that the Council have in relation to this strategically important site.

The option of pursuing acquisition using Compulsory Purchase powers has been considered, however this was the case the CPO process is a lengthy process and would not be finalised within required timescales

It was AGREED

1. To approve the acquisition of 38-40 Drake Street at above market value for the purposes of supporting the proposed development of a corporate headquarters and customer contact centre by Rochdale

Boroughwide Housing and the wider regeneration benefits that this will bring to Drake Street and Rochdale town centre.

2. That the Assistant Director of Resources (Legal Services, Governance & Workforce) be authorised to act on behalf of the Council in connection with the acquisition of this property.
3. A report will be submitted to a future meeting of Cabinet with regard to any onward disposal.

Reason for Decision

1. The acquisition of this property is required to support the development of a significant development within a key regeneration area.
2. The regeneration benefits of this development will be considerable and it meets a number of the strategic objectives of the Council.

The meeting commenced at 6.00pm and closed at 6.34pm