

CABINET

At a meeting held on Tuesday, 13 February 2018

Present:-

Councillor D J Bastiman (Chairman) in the Chair;
Councillors W Chatt, M J Cockerill, Mrs H F Mallory, J Nock, J Plant and
Mrs S Turner

1. DECLARATIONS OF INTEREST

Councillor Chatt declared a personal interest in agenda item 6, Draft Financial Strategy 2018 - 2028 and draft Asset Management Maintenance Strategy 2018 – 2028 in his capacity as a Council representative on the Board of Yorkshire Coast Homes.

2. MINUTES

RESOLVED that the minutes of the meeting held on 16 January 2018 be approved as a correct record and signed by the Chairman.

3. PUBLIC QUESTION TIME

The Chairman reported that no public questions had been received.

4. FORWARD PLAN

The Cabinet considered the Forward Plan (Reference 18/37). Various matters were raised under the portfolios. Councillor Mallory reported that the Council's legal costs of £10k had not yet been recovered from Save the Futurist Ltd following the judge's decision at Leeds High Court in June last year; however the Director, Mrs Dixon confirmed that action had been taken to obtain this payment. Councillor Chatt reported that following receipt of a petition in respect of dog fouling in Filey in December, the petitioner had now also submitted substantial photographic evidence of the problem, and details of her own efforts to clean up the mess. Councillor Chatt added that currently the Council could not afford to employ an additional dog warden (there were 2.5) but he would thank the petitioner for her work and send Council operatives to help with the clean-up. In regard to the new in house MOT Testing Centre, Councillor Chatt commented that feedback on the whole had been positive. The new service had introduced greater consistency whilst promoting vehicle safety since licensed vehicles which failed the MOT test were suspended with immediate effect. He did not have financial details, but the Testing Centre had not been designed to generate a surplus. Councillor Plant confirmed that once Scarborough's Town Centre Management Policy had been completed, then similar policies would be developed for Whitby and Filey. Finally, Councillor Chatt made a plea to North Yorkshire County Council to do more to address the growing problem of vehicles parking on grass verges. These concerns would be relayed to the Portfolio Holder, Councillor Jenkinson, who in turn would raise the matter with the Highway Authority.

RESOLVED that the Forward Plan be approved.

5. PROGRESS OF SCRUTINY OF EXECUTIVE DECISIONS

Members were advised that there had been no call-ins of executive decisions since the last meeting on 16 January.

6. DRAFT FINANCIAL STRATEGY 2018 - 2028 AND DRAFT ASSET MANAGEMENT MAINTENANCE STRATEGY 2018 - 2028

The Cabinet considered a report by the Director (NE) (reference 18/36). Introducing the report, the Portfolio Holder, Councillor Mallory noted that 84 people had so far responded to the public consultation on the draft Financial Strategy as outlined in the appendix to the report. She encouraged councillors to come forward if they had further issues they wished to raise in respect of the budget. The Director, Mr Edwards then outlined the principal elements of the Financial Strategy, adding that as in previous years certain matters needed to be finalised before the complete report came before full Council on 2 March. For example, he commented that the Council had only received notification of the final Local Government Finance figures the previous week, resulting in an additional £5k in Rural Services Delivery Grant. Mr Edwards noted that this Financial Strategy was more focused on the medium term with the effects of transformational efficiencies and commercialisation becoming more apparent. The Portfolio Holder, Councillor Cockerill then commented on the report. He suggested that the issue of increasing dog warden capacity be explored before the final report came before full Council on 2 March. He asked officers to look at ways of increasing the Property Repair Budget of £533k in future years, which as it stated in the report did not reflect the maintenance liability of the portfolio. He noted that in paragraph 9.1 of the same document the inference that repairs within the Open Air Theatre were funded directly by the Harbour Service needed to be corrected. He also queried why the fee for a weekend cremation service rose so sharply from a weekday service and could not the two charges be more comparable. The Director, Mrs Dixon replied to the latter point that this fee reflected standard practice within the industry but she would look again at this matter. With the permission of the Chairman, Councillor Siddons then addressed the meeting. He requested further details about how the savings target of £1.65m would be achieved for the Scarborough Museums Trust, Scarborough Spa, Whitby Pavilion and Indoor Leisure Facilities; he asked if contingency plans were in place in the event that the EU funding for the Whitby Piers did not materialise; and he asked that provision be made for social housing in the capital programme for future years to help address the shortage of such housing in the Borough. Further, he noted that the closure this year of public conveniences with the attendant bad publicity for the Council had only generated some £100k of savings. He asked for a rethink of public toilet provision particularly on Scarborough seafront where he felt the dearth of public conveniences was not appropriate for such an important visitor destination. To the latter comment, the Chairman replied that a review of public conveniences on the seafront was in progress. In respect of the provision of social housing, the Portfolio Holder, Councillor Chatt responded that Yorkshire Coast Homes and Coast and Country Housing were seeking to merge to strengthen their base and financial position to deliver more social housing in conjunction with the Borough Council and other partners. Councillor Chatt added that the Borough Council performed

well in the delivery of affordable housing, making up 29% of the total across North Yorkshire in recent years, and through Community Led Housing and other initiatives, he believed the Council was in a very strong position to deliver more.

RESOLVED that the Cabinet note:

- i. the feedback received to date from the budget consultation;
- ii. the updated Treasury Management Strategy and Annual Investment Strategy for 2018/19, with the principal amendments:
 - Increased maximum investment limit per individual English and Welsh Local Authority from £7 million to £10 million;
 - Increased maximum investment limit for Police and Fire Authorities from £2.0 million to £2.5 million;
 - Increased maximum investment limit for Scottish Local Authorities from £2.0 million to £2.5 million;
 - Reduction in the minimum sovereign credit rating from AA+ to AA.

And that the Cabinet recommend to Council:

- i. The approval of the Financial Strategy, specifically:
 - the Revenue Budget for 2018/19;
 - a Council Tax increase of £6.62 for a Band D property (2.99%);
 - the Capital Budget and proposed new schemes for 2018/19;
 - the optimum levels of reserves for 2018/19;
 - the Treasury Management Strategy and Prudential Indicators;
 - the Council's Pay Policy Statement contained, as required under Section 38 (1) of the Localism Act 2011;
- ii. The approval of the Asset Management Maintenance Strategy 2018 – 2028;
- iii. The fees and charges administered by the Council's Environment and Regulation service, as itemised in Appendix D, which will come into effect on 1 April 2018.

Reasons

Full Council must approve the 2018/19 budget and associated Council Tax level and fees and charges, which are incorporated within the Financial Strategy, at its meeting on 2 March 2018.

7. THE LIVING WAGE - ANNUAL REVIEW

The Cabinet considered a report by the Chief Executive (Reference 18/35) providing an update on the implementation of the UK Living Wage. In her introduction to the report, the Human Resources Manager, Ms Blades explained the background to the UK Living Wage, the National Living Wage and the Council's own Living Wage pay supplement which commenced in July

2013. As part of the annual review of the Council's Living Wage, Ms Blades then outlined a series of factors for Members to take into account: the national pay negotiations; the impact of paying the UK Living Wage on the Council's pay and grading structure, pay differentials and affordability. Key points were that: in December the National Employers made a final pay offer which consisted of a two-year pay increase from 1 April 2018 and the introduction of a new national pay spine from 1 April 2019 to ensure that the requirement to pay the statutory National Living Wage for lower paid employees was met. For some staff this would entail an increase of between 3.7% and 9.1%. The new pay deal still had not been agreed between the National Employers and all the unions. This final offer was much more than anticipated; although not yet nationally agreed the higher salary costs would increase the Council's funding gap by £320,000 in 2018/2019 and a further £220,000 in 2019/2020. With the pay offer being bottom loaded, and these costs now incorporated into the budget, the current Council Living Wage rate of £7.85 per hour had therefore been superseded by the new minimum rate on the revised pay scales of £8.50 per hour. Following the pay offer, the budget proposals now made provision for a minimum hourly rate of £8.50 per hour in 2018/2019 and £9.00 per hour in 2019/2020. Funding the higher than expected pay award in 2018/19 (and balancing the budget) had only been possible by bringing forward the draw from the General Fund. If the Council wished to apply the current UK Living Wage rate of £8.75 per hour it would result in an additional cost of approximately £104,000 per annum. Making such a change would also mean that staff currently paid at SCPs 6 to 14 would receive the same hourly rate and this could therefore create difficulties for example, where a Scale 3 employee was required to undertake first line supervision for someone paid the same as them. Backdating the application of a higher Living Wage was not in the 2017/2018 budget and if this were approved then the additional cost would depend on the rate agreed and the date of application. The costs of backdating would vary significantly and be a lot higher if the backdating included a period when seasonal staff worked i.e. up to £90,000 depending on the rate agreed and date it was applied. Assuming that £8.50 per hour was not exceeded then the 2018/2019 budget would however be unaffected. In respect of the criteria and current timetable for reviewing the Council's Living Wage pay supplement, Ms Blades asked Members to reconsider the condition that Council employees must have worked for the Council for twelve consecutive weeks before being eligible for the Council's Living Wage pay supplement which put seasonal workers at a disadvantage, and of applying the Living Wage from 1 July each year which was out of sync with when the UK Living Wage rate was announced in November and with the Council's annual budget setting process finalised in February each year. The Portfolio Holder, Councillor Turner thanked Ms Blades for a very comprehensive report, and whilst reiterating her commitment to a fair and living wage, proposed that a decision to review the Council's Living Wage pay supplement be deferred until the national pay deal had been finalised, and that the Council approve the two amendments to the current scheme suggested by the Human Resources Manager. With the permission of the Chairman, Councillor Siddons then addressed the meeting, noting the complexity of the issue before Members, but hoping that the full Council could find a way through to agreeing the UK Living Wage, as

originally proposed by the Labour Group. The Chairman commended a full and thorough report which ensured that Members could consider the matter openly and transparently.

RESOLVED that the Cabinet recommend that full Council:

- (i) Note the report;
- (ii) Defer the decision to review the Council's Living Wage pay supplement until all the details of the national pay deal are known;
- (iii) Approve that the Council's Living Wage pay supplement be applied at the time the period of employment commences and the supplement be reviewed at the same time as the Council's budget setting process in January/February each year.

Reasons

This report provides an update on the implementation of the UK Living Wage and invites Members to consider a number of issues as part of the annual review that is required to be undertaken in relation to the continued payment of the UK Living Wage.

8. ADOPTION OF AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT

The Cabinet considered a report by the Director (RB) (Reference 18/6) in respect of an updated Affordable Housing Supplementary Planning Document. Introducing the report, the Portfolio Holder, Councillor Plant advised that the SPD had been updated following changes to Government guidance and the adoption of the Local Plan last summer. It had been subject to consultation in late 2017 and a small number of changes had been made following comments received. This included emphasising flexibility in negotiating transfer values of affordable homes and correcting the current position on starter homes - a type of property that would be classed as an affordable product in the coming months. The adoption of this would assist planning officers when negotiating for affordable homes on planning applications and ensure that developers could see the latest position on affordable homes provision prior to submitting a planning application. He added that the delivery of affordable homes over recent years had been good. In the past 5 years a total of 478 affordable homes had been delivered through the planning process which equated to over 27% of all homes. This compared very favourably to the national average which for the same period was just under 26% and an average for the sub-region in 2016/17 of 19%. This should also be seen in the context of changes to national affordable housing policy that had meant that schemes of 10 or fewer dwellings were no longer required to provide any affordable housing. Further, in addition to the number of affordable homes delivered on site, over £900k of commuted sums had been negotiated for off-site affordable provision with over £400k of this collected to date. Finally, Councillor Plant reported the Borough Council's New Homes Bonus allocation for 2018/19 which amounted to £701,742 and included an affordable homes premium of £33k.

RESOLVED that the Cabinet recommend that Council adopt the Affordable Housing Supplementary Planning Document (SPD) and that the document is thereafter used in the consideration of planning applications.

Reasons

Since the Affordable Housing Supplementary Planning Document (SPD) was updated and adopted in November 2015, the Local Plan has been adopted (3rd July 2017), further affordable housing viability work has been completed and the Government has been successful in challenging the quashing of the Ministerial Statement of 28th November 2014. Following the latter, the relevant parts of the online Planning Practice Guidance were immediately updated by Government, with the thresholds for the provision of affordable housing and the 'vacant building credit' rule both being re-instated. As a consequence the Borough Council's previously adopted Affordable Housing SPD is not in accordance with current national and local planning policy.

9. REVISED WHISTLEBLOWING POLICY

The Cabinet considered a report by the Director (LD) (Reference 18/33) in respect of a new Whistleblowing Policy revised in light of best practice and recommendations made by the Council's External Auditors, Mazars.

RESOLVED that the Cabinet recommends that the Council:

- (a) adopts the revised Whistleblowing Policy;
- (b) amends the Irregularities Response Plan accordingly; and
- (c) appoints a Dedicated Whistleblowing Officer whose details are to be included in the revised documents;

to reflect best practice and to incorporate the recommendations arising from the Mazars review.

Reasons

To ensure that the Council maintains its commitment to the highest possible standards of openness, probity and accountability.

10. PRIORITY PROJECTS PLAN

The Cabinet considered a report by the Director (LD) (Reference 18/34) in respect of a new Priority Projects Plan: a strategic framework document to provide a focus for the delivery of major projects and to assist with resource planning. The Chairman and other Cabinet Members commended the new Plan and the excellent work of the Council and partners it reflected to deliver exciting projects and substantial investment in the Borough for the benefit of the whole Borough. Examples such as the plans for Peasholm Park were reported, as was the formation of an internal communications group to better promote these and other good news stories.

RESOLVED that the Cabinet notes:

- The significant achievements made by the Council in delivering a wide range of projects and initiatives including the opening of the new leisure village and football ground, supporting the opening of the UTC and new Coventry University Campus, delivery of major events such as the Tour de Yorkshire, the continuing success of the Open Air Theatre and the opening of the Alpamare Waterpark;
- The development of the Priority Projects Plan which sets out the list of on-going and future projects which have been identified as key priorities in delivering the Council's Corporate Plan.

Reasons

To assist with the effective management of resources to ensure that the Council's priority projects can be delivered, on time and to budget.

11. PROPOSAL FOR A RESIDENTS' PARKING SCHEME

The Cabinet received a verbal update by the Portfolio Holder, Councillor Mallory about the ongoing work to develop a new Residents' Parking Scheme to encourage residents to make greater use of the Council's car parks.

Chairman