

**LONDON BOROUGH OF WALTHAM FOREST**

**MINUTES OF THE MEETING OF CABINET**

**Thursday 8<sup>th</sup> February 2005**

**7.30 pm – 8.25 pm**

**PRESENT:**

Chair:	Councillor Clyde Loakes	Council Leader
	Councillor Keith Rayner	Deputy Leader and Portfolio Holder, Corporate Services
	Councillor Liaquat Ali	Portfolio Holder, Community Engagement and Equalities
	Councillor David Blunt	Portfolio Holder, Environment
	Councillor Jenny Gray	Portfolio Holder, Strategic Innovation, Performance and Learning
	Councillor Loretta Hodges	Portfolio Holder, Housing
	Councillor Chris Robbins	Portfolio Holder, Culture, Learning and Leisure
	Councillor Barry Smith	Portfolio Holder, Community Safety and Protection
	Councillor Graham Smith	Portfolio Holder, Health and Social Care
	Councillor Simon Wright	Portfolio Holder, Regeneration

**ALSO PRESENT:**

Councillor Narinder Matharoo	Chair of Overview and Scrutiny Commission
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**123. APOLOGIES FOR ABSENCE**

None received – all Members were present.

**124. DECLARATION OF INTERESTS**

There were no declarations of interest.

**125. REFERENCES FROM THE OVERVIEW AND SCRUTINY COMMISSION**

**(a) Housing Budgets and Rents 2005/06**

Councillor Matharoo, Chair of the Overview and Scrutiny Commission, introduced the report and drew attention to the recommendations of the Overview and Scrutiny Commission.

Cabinet agreed to take into consideration the views of the Overview and Scrutiny Commission in conjunction with the report of the Head of Strategic Finance (see Minute 127 below).

**(b) Arcade Site – Proposed Approach**

See minute number 129 below.

**126. BUDGET AND COUNCIL TAX 2005/06**

Cabinet received a report on the budget strategy and Council Tax proposals for 2005/06. Cabinet noted that the detailed budget proposals flowed from the Medium Term Financial Strategy, which had been agreed by Full Council in July 2004.

Cabinet were informed that in the light of the latest information relating to the GLA budget, the following amendments should be made to the report:

- (i) The proposed GLA element for 2005/06, referred to in paragraph 1.3 on page 1, was £254.62 not £255.81,
- (ii) The projected working balances figure, referred to in paragraph 2.3 on page 2, was £6.4 million not £6.3 million.

Cabinet further noted that a 4.65% increase in Council Tax to £1,050.00 at Band D was proposed, and that investment in service improvements was to be £1.5 million of ongoing expenditure, along with one-off funding to comply with emerging statutory pressures of waste reduction and disability discrimination.

**REASON FOR DECISION**

Cabinet is required to consider and make recommendations to Council regarding the budget and tax level for 2005/06 and beyond.

**CABINET DECISION**

Cabinet agreed, and recommended to Full Council, the following budget proposals for 2005/06:

- (a) The projected Budget for 2005/06 of £315,932,400, incorporating policy review reductions of £6.210 million previously agreed by Cabinet in October and December 2004, as detailed in Appendix 4 of the report.
- (b) The draft Contingency Estimates for 2005/06 amounting to £3,399,300, as detailed in paragraph 4.19 and Appendix 5 of the report.
- (c) That the projected working balances should be increased by £200,000 to £6.4 million from an estimated £6.1 million at 31st March 2005, maintaining these at a level equivalent to 2% of net expenditure in the medium term, as detailed in paragraph 4.22 of the report.
- (d) That £1.5 million ongoing service development funding be allocated to support Children and Families (£500,000), enhanced Community Safety and Equalities (£500,000) and improvements to Recycling Services (£500,000), as detailed in paragraph 4.28, and that

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consequently the ongoing full year cost would be £1.8 million from 2006/07.

- (e) That one-off expenditure on Recycling Capital (£620,000) and Disability Adaptations, or similar statutory requirements, such as Asbestos (£500,000), are made from current expenditure in 2005/06 for one year only, as detailed in Appendix 1.
- (f) The adoption of the draft medium term financial strategy 2005/09, which projects balanced and sustainable 4% increases in spending, government financing and council tax rises, made possible by continued efficiency savings of at least 2.5% per annum on controllable budgets in areas other than schools and child protection, as detailed in Appendix 1 to the report.
- (g) That prudential limits be set to provide up to £2 million for prudential borrowing to fund the replacement of leases, where this is cost effective, or for bridging finance in anticipation of capital receipts, or for 'invest-to-save' schemes where Cabinet approves the ongoing funding from income or savings, on the proviso that the prudential borrowing is not funded from future increases in Council Tax, in any case, as detailed in paragraph 4.36 and Appendix 8 of the report.
- (h) That the Waltham Forest element of the Council Tax, including the levying bodies, be increased by 4.65% from £1,003.37 to £1,050.00, as referred to in paragraph 4.47 of the report.

Further to the above, Cabinet noted that Full Council would be asked to:

- (a) Note that Council at its meeting on 16th December 2004 determined the amount of 72,928 as the Council Tax Base for Waltham Forest for 2005/06, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992, as amended by Section 8 of the Local Government Act 2003.
- (b) Note the advice of the Head of Strategic Finance, as required under Section 25 of the Local Government Act 2003, in paragraph 7.1, regarding the robustness of the estimates made for the purposes of the calculations which follow, and the adequacy of the Council's financial reserves as proposed.
- (c) Agree that the following amounts be now calculated by the Council for 2005/06 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
  - (i) **Gross Expenditure**  
£687,917,600 - being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act;

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- (ii) **Gross Income**  
£371,985,200 - being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) (a) to (c) of the Act;
- (iii) **Net Expenditure**  
£315,932,400 - being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated by the Council in accordance with Section 32(4) of the Act as its budget requirement for the year;
- (iv) **Formula Grant**  
£239,358,000 - being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates and Revenue Support Grant, increased by the amount of the sums which the Council estimates (nil) will be transferred in the year from its Collection Fund to its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988, as amended;
- (v) **LBWF Council Tax**  
£1,050.00 - being the amount at 2.11.3 above less 2.11.4 above, all divided by 72,928, the amount at 2.9 above, calculated by the Council in accordance with Section 33(1) of the 1992 Act as the basic amount of its Council Tax for the year;
- (vi) **Valuation Bands**

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
LBWF	700.00	816.67	933.33	1,050.00	1,283.33	1,516.67	1,750.00	2,100.00

being the amounts given by multiplying the amount at (v) above by the number which, in the proportion set out in Section 5 (1) of the 1992 Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the 1992 Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

- (d) Note that for 2005/06 the Greater London Assembly has (provisionally) stated that the following amounts in precepts are expected to be issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown:

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
GLA	170.54	198.96	227.39	255.81	312.66	369.50	426.35	511.62

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- (e) Agree, having calculated the aggregate in each case of the amounts at (c)(vi) and (d) above, that the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992 hereby sets the following amounts of Council Tax for 2004/05 for each of the categories of dwellings shown:

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Total	870.54	1,013.63	1,160.72	1,305.81	1,595.99	1,886.17	2,176.35	2,611.62

- (f) Authorise officers to finalise the necessary publicity as required by Section 38 of the Local Government Finance Act 1992 and to promote the first day of the month instalment dates, and the six date options within each month for Direct Debit payers, as previously agreed.
- (g) Note that to ensure the required period of notice is given, Council Taxpayers who receive instalment slips will be requested to pay their first instalment by 1st April 2005 and subsequent instalments on the 1st of each month.
- (h) Agree to adopt the ratios, as set out in Appendix 5 of the report, in fulfilment of the requirements of the Prudential Code of the Chartered Institute of Public Finance and Accountancy under Section 4 of the Local Government Act 2003.

### **127. HOUSING BUDGET AND RENTS 2005/06**

Cabinet received a report proposing a budget for the Housing Revenue Account (HRA) for 2005/06. It was noted that the total gross budget for 205/06 would be £43 million. It was further noted that the present forecast for 2004/05 was that the HRA was on target to achieve a work balance of £1.4 million as planned, and that therefore the current year would not have an adverse impact on 2005/06.

#### **REASON FOR DECISION**

Each year Local Housing Authority has to set its rents and budgets for the forthcoming financial year. Any proposed rent increase and savings have to balance any deficit between the estimated expenditure and income.

#### **CABINET DECISION**

1. That individual property rents be increased in line with Government rent restructuring guidance. (This equates to an average rent increase of £2.06 per week excluding service charges, and will lift the average rent from £69.91 to £71.97: an increase of 2.95%. Individual rent increases will be limited to 3.6% plus or minus £2.00 per week).
2. To increase heating charges by 6% in line with fuel price inflation.

3. To increase supporting people (SP) charges by 2.5% in line with inflation.
4. To increase hostel service charges 3% inline with inflation.
5. To increase the management charge for bed and breakfast and licensed accommodation to £21 per week in line with inflation. To increase the management charge for Housing Association Leased properties to £41.25 per week in line with inflation.
6. That the Housing Revenue Account Revised Budget for 2005/2006 set out in the final column of Appendix 1 be agreed (including growth, savings and the rent increase).
7. That the growth bids/development costs and savings in Appendix 2 be agreed.
8. To make a revenue contribution to capital in 2004/2005 of £1.5 million instead of the Minimum Revenue Provision (MRP).
9. To agree the management fee for Ascham for next year is £18,190,400. (£18,467,400 less 1.5% efficiency savings £277,000).

**128. EXCLUSION OF THE PUBLIC AND PRESS**

Cabinet resolved that the press and the public be excluded from the meeting during the consideration of the following items in accordance with Section 100(A) of the Local Government Act 1972, as amended, on the grounds that it would involve the likely disclosure of exempt information as defined in paragraphs 7, 9 and 12 of Schedule 12A of the Act.

**129. REVISED PROPOSAL FOR THE REDEVELOPMENT OF THE ARCADE SITE, WALTHAMSTOW TOWN CENTRE**

Councillor Matharoo, Chair of the Overview and Scrutiny Commission, introduced the reference from the Overview and Scrutiny Commission.

Councillor Matharoo stated that having scrutinised the report as far as possible, the Commission recommended to Cabinet that:

- (1) Cabinet should seek a further valuation and/or market test the site.
- (2) Cabinet Members should have full disclosure of the financial details.
- (3) Cabinet should share financial figures with the Leader of the Opposition.

The Portfolio Lead for Regeneration indicated that Cabinet was willing to accept the substance of the recommendations from Scrutiny. A second independent review would cause significant delay but a "critical review" into the first valuation would give additional confidence in the valuation.

The Head of Strategic Finance circulated his written advice in relation to (2) together with a letter from Gerald Eve, Independent Property Valuers, which confirmed that in their view, the level of offers received for the various options represented the best value that can reasonably be obtained for the Arcade site. It was also noted that the District Auditor had been consulted.

The Council's Head of Legal and Democratic Services confirmed that Counsel's advice had been received which confirmed that Cabinet would be making a lawful decision on the material before it.

The Leader asked each Cabinet Member whether they required financial details as recommended by (2) above. Each Member confirmed that this was not necessary.

In relation to (3) the Leader proposed that the Leader of the Opposition be provided with the main financial details in confidence.

### **REASON FOR DECISION**

This matter is a key decision because of the significant impact of the town centre regeneration on the Borough as a whole.

### **CABINET DECISION**

Cabinet agreed to dispose of the freehold interest in the Arcade site at the current offer received from Henry Boot Developments, subject to:

- (a) The independent valuation of the Arcade site by Gerald Eve, Independent Property Valuers, being verified by an independent critical review in accordance with RICS' professional code of practice. The Head of Portfolio Management will determine whether this condition has been met following consultation with the Portfolio Holder for Regeneration.
- (b) Contract *and*
- (c) Planning permission for the development being obtained.

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(Chair)