

**14 AUGUST 2013****MINUTE EXTRACTS****51/13 Osmaston Vision: Elton Road Quadrant Community Led Housing Development**

The Council Cabinet considered a report on Osmaston Vision : Elton Road Quadrant Community-led Housing Development. It was reported that on 17 October 2012, members agreed to support the proposed community-led development of 40 affordable homes by Osmaston Community Association of Residents (OSCAR) on land at vacant sites at Elton Road and Glossop Street, Osmaston (known locally as Elton Road Quadrant). The proposed Community Led Development (CLD) was to be delivered via a Community Ownership Model.

The report stated that finance to support the development was to be made available via a loan from the council to OSCAR and grant funding from the Home and Communities Agency (HCA). In order to access the HCA funding, it was a requirement that OSCAR became an Investment Partner (IP) and a Registered Provider (RP), and that OSCAR own the properties and the land on which they stand.

Members were advised that OSCAR had been working towards IP and RP status for more than six months, but the delay in achieving this status (which required HCA approval in its role as regulator of RPs) is preventing draw-down of the grant and start on site. Ultimately, this delay could result in a loss of funding.

In order to allow the development to commence, and to secure the funding, it was proposed that an interim solution be adopted, by which Derby Homes Ltd (DH) acted as the lead RP for the development, with a view to OSCAR taking on ownership of the properties in the future once they had obtained the necessary IP and RP status.

The cost implication to the council for the delivery of this development was unchanged. The amendments are to the ownership of the land, which would be transferred to DH, the development loan, which would be granted by the council to DH, and the payment of the HCA grant, which would be made by the HCA to DH. OSCAR would enter into a Partnership/Management Agreement with DH to record its continuing role in the development

**Options Considered**

A number of alternative options were detailed. These included:

- The council retaining the site until OSCAR achieved RP status;
- Inclusion of Elton Road and Glossop Street sites in the main Osmaston Regeneration Area Joint Venture Vehicle;
- Disposal of the site to a RP;
- The council retaining the site until the market improved or funding became available for RPs to develop; and

- Sale of the site on the open market.

## **Decision**

1. To support a new approach to delivering the Community-led Development at Elton Road Quadrant by agreeing to:
  - a) Grant a long lease at nil consideration to Derby Homes Ltd on land at Elton Road and Glossop Street, with Derby Homes being required to develop the site out for affordable housing; and
  - b) Provide development finance for DH of c£1.78m, terms to be agreed;
  - c) Contribute £100,000 towards the remediation costs of the Glossop Street site;
  - d) Approve the disposal of remaining land on the Elton Road and Glossop Street sites for the purposes of constructing homes for outright market sale by Strata Homes, with surpluses in excess of Developer Profit to be reinvested in the Osmaston Regeneration Area;
2. To delegate authority to the Chief Executive following consultation with the Strategic Director of Resources and the Leader of the Council to finalise the specific elements of the project as outlined in the report; and
3. To recommend to Council the approval of the additional borrowing to facilitate the loan agreement with Derby Homes.

## **55/13 Medium Term Financial Strategy 2014/15 to 2016/17**

The Council Cabinet considered a report on Medium Term Financial Strategy 2014/15 to 2016/17. This report outlined the Medium Term Financial Strategy - MTFs - for the revenue and capital budget over the three year period 2014/15 to 2016/17. The MTFs set out the council's strategic approach to the management of its finances. It detailed the resource projections for the forthcoming three years, the financial challenges that the council faces and the approach planned to meet the priorities set out in the Council Plan. It also commented on the significant risks facing the council in the forthcoming years and explained what the council was doing to reduce those risks.

The purpose of the Medium Term Financial Strategy was to ensure that the overall vision, objectives and outcomes sought for the local community were deliverable within the resources that are available or likely to be available in the medium term. The MTFs was also designed to ensure the council continued to maintain a stable and sustainable budget capable of withstanding financial pressures.

The key financial issue facing the council for 2013/14 to 2016/17 was to continue to manage the on-going reductions in national public finances, and consequently in the council's own resources. The MTFs sought to address this by the application of a

number of overarching principles, which were designed to support the delivery of a balanced budget position. These broad principles included:

- identifying the key priorities for the council, and more importantly the city, and correspondingly, the priorities for further financial investment, notwithstanding the overall financial climate
- determining what the council would look like in the Medium Term, in terms of function and service delivery, to support priorities within resource constraints
- maximising the efficiency of both front-line and back-office services; consolidating administration where possible; and working with local partners to eliminate duplication
- working with local partners to streamline customer pathways across partner organisations and establish financial savings across the public sector
- determining the broad capital strategy for the council to support the delivery of core priorities

Representations on the council's financial position resulting from Government cuts were made by Councillors Russell, Repton, Tittley, Bayliss and Rawson.

## **Decision**

1. To endorse the Council's Medium Term Financial Strategy for 2014/15 to 2016/17 and recommend that Council approve this strategy.
2. To note the budget risks associated with the MTFS, as set out in section 8.
3. To note the estimated financial position and funding gaps for 2014/15 to 2016/17, and the assumptions included within these forecasts, as set out in section 10.
4. To approve the key principles underlying the budget process outlined in section 11.
5. To approve the proposed financial methodology to identify service savings over the next three years, as set out in section 11.
6. To approve the use of unbudgeted capital receipts in line with the principals set out in paragraph 14.4.
7. To approve the recommended approach to public consultation on the budget to increase engagement and encourage community action, as set out in section 15.
8. To approve the outline timetable set out in paragraph 15.6.

## 56/13      Quarter 1 Capital Budget Monitoring 2013/14 – 2015/16

The Council Cabinet considered a report on Quarter 1 Capital Budget Monitoring 2013/14 – 2015/16. This report provides details of the revised financial position for the 2013/14 Capital Budget for Quarter 1. This was in line with the agreed strategy of reporting capital monitoring figures on a monthly basis to Chief Officer Group and on a quarterly basis to Council Cabinet for approval and action as necessary.

The council was forecasting an expected capital programme of £108,849,000 by 31 March 2014, after reflecting revisions to the capital programme of £5,726,000 and accounting for the over programming necessary at the time of setting the budget which had now been met by forecast slippage.

### **Decision**

1. To approve the changes and additions required to the 2013/14 capital programme as outlined in the report.
2. To note the revised programme for 2013/14 and the revised indicative programme for 2014/15-2015/16 as detailed in the report.
3. To note the changes to 2013/14 capital funding as detailed in the report.
4. To note the completed schemes for Quarter 1 as detailed in the report.
5. To recommend that approval is sought from Council for the additional borrowing required for the purchase of vehicles for Highways maintenance as detailed in the report.
6. To approve the use of the additional section 106 funding as detailed in the report.