

CABINET

Minutes of the meeting held on 19 January 2016 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Present: Councillor Christopher T Wells (Chairman); Councillors L Fairbrass, Brimm, Crow-Brown, Stummer-Schmertzing and Townend

In Attendance: Councillors: Bayford, Game, I Gregory, K Gregory, Johnston, Savage, Taylor-Smith, Ashbee, Campbell, Leys, D Saunders, M Saunders and Shonk

316. APOLOGIES FOR ABSENCE

There were no apologies received at the meeting.

317. DECLARATIONS OF INTEREST

There were no declarations of interest made by Cabinet Members.

However the following Members declared significant interests for agenda items 9 (Pierremont Hall) and 10 (Retort House):

Councillor Taylor-Smith;
Councillor Bayford;
Councillor Savage.

Councillor D. Saunders and Councillor M. Saunders made post meeting declarations of significant interests on the same agenda items soon after the Cabinet meeting had ended. It should be noted that both Councillors D. Saunders and M. Saunders did not speak on the items.

318. MINUTES OF PREVIOUS MEETING

Councillor Townend proposed, Councillor L. Fairbrass seconded and Members agreed that the minutes were a true record of the Cabinet meeting held on 10 December 2015.

319. SELECTIVE LICENSING IN CLIFTONVILLE WEST AND MARGATE CENTRAL

Cabinet received a report that advised that the current selective licensing scheme which applied to some parts of Cliftonville West and Margate Central was due to expire on 20 April 2016. Since the introduction of the selective licensing designation in 2011, the area had witnessed a reduction in anti-social behaviour, an improvement in home safety and property management, and a reduction in the number of empty properties.

A proposal to designate a similar area for a further 5 years was the subject of a recent 10-week public consultation. It revealed a high level of public support with 72% of the respondents in support of a further designation and 18% against.

A further designation would be expected to improve the social, economic, and housing conditions in the area and have a positive impact on the levels of anti-social behaviour, crime and deprivation.

Councillor Game spoke under Council Procedure 24.1.

Councillor L. Fairbrass proposed, Councillor Wells seconded and Cabinet agreed the following:

- (i) To make a further selective licensing designation in respect of certain parts of Cliftonville West and Margate Central as set out in the annexed proposal document;
- (ii) To delegate the implementation and enforcement arrangements for the designation to the Director of Community Services.

320. MID YEAR TREASURY REPORT 2015-16

It is a requirement by the CIPFA Code of Practice on Treasury Management that Council considers treasury reports at regular intervals in any given financial year.

During the first half of 2015-16 the Council complied with its annual investment strategy, apart from the money limit with the Lloyds Banking Group for the 11 day period from 15 May 2015 to 26 May 2015, as described in section four of the report.

During the first half of 2015/16 borrowing was only undertaken for a capital purpose and the statutory borrowing limit was not breached. The period continued to be a challenging investment environment, with low investment returns.

The Governance & Audit Committee considered this report on 9 December 2015. Cabinet was asked to recommend the report to Full Council on 25 February 2016 for final approval.

Councillor Townend proposed, Councillor Crow-Brown seconded and Members agreed the following:

- 1. To approve this report and the prudential and treasury indicators that are shown;
- 2. To recommend this report to Full Council.

321. TREASURY MANAGEMENT STRATEGY 2016-17

CIPFA Code of Practice on Treasury Management required that the Treasury Management Strategy report be produced for consideration by Council. It covers the Council's capital plans, treasury management strategy, treasury indicators, prudential indicators and limits for 2016-17 to 2018-19 inclusive; and the minimum revenue provision policy and investment strategy for 2016-17.

The report was brought before the Governance & Audit Committee on 9 December 2015. Members were asked to recommend the report to Full Council on 4 February for final approval.

Councillor Townend proposed, Councillor Stummer-Schmertzling seconded and Cabinet was recommended to approve the report, including each of the key elements of the report listed below, and recommend them to Council:

- 1. The Capital Plans, Prudential Indicators and Limits for 2016/17 to 2018/19, including the Authorised Limit Prudential Indicator;
- 2. The Minimum Revenue Provision (MRP) Policy;
- 3. The Treasury Management Strategy for 2016/17 to 2018/19 and the Treasury Indicators;

4. The Investment Strategy for 2016/17 contained in the Treasury Management Strategy, including the detailed criteria.

322. COUNCIL TAX BASE CALCULATION FOR 2016/17

Council was required by law to resolve the Council Tax Base at a meeting normally between 1 December and 31 January in the financial year preceding that to which the Council Tax applies.

The Council Tax Base is the number of properties within the District adjusted to account for different valuation bands, various discounts and an assumed collection rate. The assumed collection rate is 97.25%.

Cabinet was also to agree for no changes to the existing Council Tax discounts and reductions.

Councillor Townend proposed, Councillor Brimm seconded and Cabinet agreed the following:

1. The District's Council Tax Base for 2016/17 as 40,690.57 and the tax base for the towns and parishes in the Council's administrative area, as set out in the table at Annex 2 to the Cabinet report;
2. Not to revise the Council Tax Reduction Scheme or replace it with another scheme for 2016/17;
3. Not to revise the Council Tax Discounts for 2016/17.

323. BUDGET 2016-17 AND MEDIUM FINANCIAL PLAN 2016-2020

Cabinet produced the budget proposals that had to be developed within the context of a restrictive local government finance environment. In the process Member for Financial Services said that the budget framework would ensure that the Council's resources were managed efficiently and effectively. The Council would continue to face significant cuts in Government funding over the next few years.

Substantial savings have been made in recent years. Cabinet noted that it was becoming increasingly difficult to identify further savings without impacting on frontline services. Despite these challenges, Cabinet proposed a budget that would secure a number of savings. The income generating proposals in the report would enable Council to put forward a balanced budget for 2016/17 which would have minimum impact on service delivery.

In the proposals, budgetary growth had been kept to a minimum. However, Cabinet acknowledged the attendant cost pressures due to inflationary increases and unavoidable commitments that were identified in the report.

Savings that were required to address the budgetary pressures had been identified. These were in addition to the fees and charges increases that were agreed by Council on 3 December 2015. They were also in addition to other income from an assumed increase in council tax and contribution from the Collection Fund.

A review of the Reserves had been done and a detailed risk assessment of reserves was shared at the meeting. Cabinet noted that Council would not be drawing down from General Reserves to balance the budget for 2016/17. An increase in Council Tax of 1.97% was being proposed and this would enable Council establish a balanced budget.

Other key issues to note were a significant projected loss of income of £4.56 million over the next four years for the Housing Revenue Account (HRA). This was due to the Government announcement to reduce rental income by 1% a year. The main expenditure items in the HRA relate to the management and maintenance of the housing stock. The proposed HRA balance was considered to be sufficient to support the 30 year Business Plan.

Over the last five years the Council had seen a significant reduction in capital receipts from the sale of assets. It was therefore necessary to review the capital programme to ensure sufficient funding was available for existing schemes that had already commenced and that any new projects identified would be of the highest corporate priority. The proposed programme is based on current projections of available funds.

The following Members spoke under Council Procedure Rule 24.1:

Councillor Campbell;
Councillor I. Gregory;
Councillor Shonk.

Councillor Townend proposed, Councillor Wells seconded and Cabinet agreed the following:

1. To approve and recommend to Full Council the draft Medium Term Financial Plan at Annex 1 (of the Cabinet report);
2. To approve and recommend to Full Council the draft General Fund Revenue budget estimates for 2016-17 to 2019-20 and the resulting budget requirement for 2016-17;
3. To approve and recommend to Full Council that the level of general reserves be held at £2.011m, and specific earmarked reserves be used as identified in Annex 5 (to the report);
4. To approve and recommend to Full Council the HRA budget estimates for 2016-17 to 2019-20 and the HRA services charges as shown at Annex 3 of the report;
5. To delegate the authority for the approval of the EK Housing Management Fee to the Director of Community Services in consultation with the Portfolio Holder for Housing and Planning;
6. To approve and recommend to Full Council a reduction in the grant to minor preceptors as per section 3.15 (of the report);
7. To approve and recommend to Full Council the General Fund and Housing Revenue Account Capital Budgets for 2016-17 as detailed at Annexes 2 and 4 (to the Cabinet report).

324. PIERREMONT HALL

Pierremont Hall is listed as a community asset. At a Cabinet meeting on 19 February 2015 authority was granted to officers to progress negotiations through the asset disposal process with Broadstairs Town Council as part of their community right to bid.

The only bid to be received at the point of the publication of this report was from Broadstairs Town Council, and is at less than best consideration. On the day before this Cabinet meeting, a letter was received from another party, offering to purchase the site. This demonstrates that there may be interest in an open market sale, if Cabinet were to decide to pursue that option.

Members were advised that the Local Government Act 1972 General Disposal Consent provides for a local authority to dispose for less than best consideration, if it promotes or improves the economic, social or environmental wellbeing of the area.

In its submission, Broadstairs Town Council listed its evidence to support these aims. It is for Cabinet to decide if the value of the wellbeing benefits by disposing the asset to the Town Council outweighs the loss of potential additional financial receipts from outright disposal.

Councillor Bayford spoke under Council Procedure Rule 24.1.

Councillor Townend proposed, Councillor Wells seconded and Members agreed the following:

1. To consider whether the purpose for which the land is to be disposed is likely to contribute to the promotion or improvement of the economic, social or environmental wellbeing of the whole or part of the district or all or any persons resident or present in the district. In particular, whether those benefits outweigh the difference in price between the offer and the valuation of the land and thereafter agreed the following;
2. That cabinet is satisfied in relation to recommendation 5.1(in the Cabinet report) and that approval is given to dispose of Pierremont Hall by Community Asset transfer to Broadstairs Town Council;
3. That any transfer to include appropriate restrictive covenants and overage clauses to protect the Council's position in the event of any future disposals of the property.

325. RETORT HOUSE

Cabinet agreed that considerations for this issue follow on the same principles as that of Pierremont Hall. It was however reported that no other interest had been registered for Retort House other than the bid submitted by Broadstairs Town Council.

Cabinet considered the balance between the economic, social or environmental wellbeing benefits of a community asset transfer, and the potential additional financial receipt of an open market sale to reach a disposal decision.

Councillor Bayford spoke under Council Procedure Rule 24.1.

Councillor Townend proposed, Councillor Wells seconded and Members agreed the following:

1. To consider whether the purpose for which the land is to be disposed is likely to contribute to the promotion or improvement of the economic, social or environmental well-being of the whole or part of the district or all or any persons resident or present in the district. In particular, whether those benefits outweigh the difference in price between the offer and the valuation of the land and thereafter agreed the following;
2. That cabinet is satisfied in relation to recommendation 5.1 (in the Cabinet report) and that approval is given to dispose of Retort House by Community Asset to transfer to Broadstairs Town Council;
3. That any transfer to include appropriate restrictive covenants and overage clauses to protect the Council's position in the event of any future disposals of the property.

326. EXCLUSION OF PRESS AND PUBLIC

The matter under consideration was in connection with commercially sensitive information regarding commercial negotiations between the Council and a third party. The purpose of the negotiations is to maximise the commercial interests of Council and the handling of such issues requires that such information be kept confidential and therefore exempt from publication in the public domain.

Any disclosure of such information may compromise the negotiating position of Council. Keeping the information exempt was therefore in the interest of Council in particular that of the public interest in general.

Councillor L. Fairbrass proposed, Councillor Wells seconded and Members agreed that the public and press be excluded from the meeting for agenda item 12 as it contains exempt information as defined in Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

327. EMPTY PROPERTY PROJECT - PURCHASE OF ADJOINING LAND 69-73 KING STREET, RAMSGATE

The Council purchased 69-73 King Street, Ramsgate in January 2014. The property was previously a retail carpet shop, but had been disused since 2009. Construction work was currently underway on site to convert the building into 13 new homes.

Rear access to the building, for bin storage and cycle storage, is over a right of way across the neighbouring property. Cabinet was advised to authorise the acquisition of a small strip of land to provide rear access for residents in perpetuity.

Councillor L. Fairbrass proposed, Councillor Crow-Brown seconded and Cabinet agreed to delegate authority to the Director of Community Services to negotiate the purchase of the adjoining land at 69-73 King Street, Ramsgate, as shown in blue on the plan at annex 1 to the Cabinet report.

Meeting concluded: 7.32 pm