

CABINET

Minutes of the meeting held on 16 November 2023 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Present: Councillor Rick Everitt (Chair); Councillors Whitehead, Albon, Duckworth, Keen and Yates

In Attendance: Councillors: Austin, J Bayford, Davis, Kup, Pugh and Rogers

51. APOLOGIES FOR ABSENCE

There were no apologies made at the meeting.

52. DECLARATIONS OF INTEREST

There were no declarations of interest.

53. MINUTES OF PREVIOUS MEETING

Councillor Everitt proposed, Councillor Yates seconded and Members agreed the minutes as a correct record of the meeting held on 19 October 2023.

54. BUDGET MONITORING REPORT NO.2, 2023/24

Cabinet considered the budget monitoring report for the second quarter of 2023/24. The key financial messages in the report were that the General Fund net revenue spending was forecast to be approximately £1.2m over budget, which was largely due to an anticipated overspend on temporary accommodation for homelessness and a shortfall against some of the income streams.

Cabinet noted that overspend was not unusual at this time of year and this did not raise any serious concerns about the finances as a whole. Members further noted the following that:

- All budgets would continue to be regularly monitored to ensure that the council's expenditure remained, wherever possible, within the agreed budget limits;
- The Housing Revenue Account was forecasting a £1.4m surplus against the budget, which was mainly due to better returns on the HRA investment balances and reduced debt charges;
- Section 6.5 and 6.6 of the report set out some recommended changes to the capital programme, including increasing the budget for disabled adaptations in residents' homes following the receipt of additional external funding.

Councillor Yates proposed, Councillor Whitehead seconded and Cabinet agreed the following:

1. To note:

- i) The General Fund revenue budget 2023/24 forecast position.
- ii) The General Fund Capital Programme 2023/24 forecast position.
- iii) The Housing Revenue Account position.

2. To recommend to Council for approval the supplementary budgets for:

- i) The £5k requirement for the VAT inspection preparation is funded from the VAT reserve as set out in section 3.2;
3. To approve the capital programme budget adjustment, numbered (i), as set out in section 6.5 and Annex 1 to this report;
 - 4) To recommend to Council for approval the supplementary capital budget, numbered (i) to (ii), as set out in section 6.6 and Annex 1 to the Cabinet report.

55. MID YEAR REVIEW 2023/24: TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY

Members considered the mid-year treasury management report and the related annual investment strategy. Following on from the review of the budget position this report gave a mid-year update on how the Council had managed its cash balances, investments and borrowings over the same period.

The regulatory environment placed responsibility on Members for the review and scrutiny of treasury management policy and activities. This report was therefore important in that respect, as it provided details of the 2023/24 mid-year position for treasury activities.

The key items to consider were:

- That the Council had to maintained its internal borrowing strategy, where cash holdings were used to finance the capital spending plans rather than taking on external borrowing, for example, the need to borrow to finance the capital expenditure was estimated to be £78.3m at 31 March 2024;
- However, the actual gross debt at 30 September 2023 was £19.7m;
- Despite utilising a proportion of the cash balances for capital expenditure needs, at 30 September 2023 the Council's investment balance was still high at £55.4m.

There were two changes to the Treasury Management Strategy that were recommended for Cabinet's approval, which were set out at section 3 of the report. It was proposed that both the Operational Boundary and Authorised Limit for borrowing be increased by £20m, to reflect the increase in the 2023/24 HRA capital programme for the acquisition and development of new affordable housing units.

Councillor Yates proposed, Councillor Duckworth seconded and Cabinet agreed the following:

1. To note, and make comments on as appropriate, this report and annexes;
2. To recommend the report and annexes (including the prudential and treasury indicators that are shown and the proposed changes to the 2023/24 Treasury Management Strategy Statement) to Council for approval.

56. EXTERNAL AUDITOR'S ANNUAL AUDIT REPORT ON VALUE FOR MONEY

Cabinet considered the external audit report and noted that each year the Council's external auditor (Grant Thornton, LLP) was required to report their audit findings from the audit of the accounts to the Governance & Audit Committee. These findings would be reported by Grant Thornton at the committee meeting on the 29th November.

This year, due to the fact that this report covered three years rather than one, a decision was made that this external audit report be brought to the attention of Cabinet for noting. The report on value for money covered the three years from 2020/21 to 2022/23. It

therefore covered a period in the Council's history of significant upheaval and revisions to its senior leadership and governance arrangements.

The report concluded that the first two of those three years were a period in which the necessary steps were being taken to identify and address the problems. The last of those years, 2022/23, was a period in which significant progress had been made to resolve the problems. Cabinet acknowledged the establishment of working groups to address identified governance issues. The details of this process and the progress made were set out in the report for this meeting. Cabinet was asked to endorse the management action that was presented to the meeting through the Cabinet report.

The following Members spoke under Council Procedure Rule 20.1:

Councillor Davis;
Councillor Will Scobie;
Councillor Austin.

Councillor Yates proposed, Councillor Albon seconded and Cabinet agreed the following, that:

1. The External Auditors Annual Report covering Value for Money for the years 20/21 through to 22/23 be noted as set out in Annex 1;
2. The External Auditors Annual Report covering Value for Money for the years 20/21 through to 22/23 be recommended onto the Governance and Audit Committee for approval.

57. NDR DISCRETIONARY RELIEF POLICY

Cabinet considered the revised Business Rates discretionary relief policy and decision-making process for approval. Local businesses were currently able to apply for discretionary relief to alleviate the burden of business rates in certain circumstances. The proposals in this report were streamlining and amalgamating the existing policies in this area and creating two 'volumes' for the overall Discretionary Relief Policy. Volume 1 contained the discretionary reliefs that local authorities are effectively obliged to award to businesses, and Volume 2 covered what could be considered to be 'true discretionary' relief.

This policy update would make the overall policy clearer, more transparent to applicants and easier to update when the government either removed a relief or announced a new relief scheme.

Councillor Yates proposed, Councillor Keen seconded and Cabinet agreed to:

1. Approve a revised business rates discretionary relief policy, in two volumes;
 - a. Volume 1 containing the discretionary reliefs that local authorities are effectively obliged to award businesses and
 - b. Volume 2 covering true 'discretionary' relief;
2. Approve a process to facilitate the automatic award of discretionary relief to certain business types under Volume 2; and
3. Approve a revised process for making decisions on relief applications in non-automatic award cases, on a case-by-case basis, via a scoring matrix procedure.

58. EXTENSION TO THE ALCOHOL PUBLIC SPACE PROTECTION ORDER

Members discussed proposals for the extension for nine months to the Public Spaces Protection Order (PSPO) which regulated alcohol consumption in the district. The PSPO had been in place since 2017 and was renewed in 2020. The PSPO was introduced to tackle anti-social behaviour and public disorder related to alcohol consumption in public places and had been requested by Kent Police. This Order regulated street drinking, public intoxication and disturbances caused by alcohol-related activities. The PSPO had been successful in reducing these issues and improving the safety and well-being of the community.

Since the COVID-19 pandemic lockdowns, there had been an increase in the number of people gathering in public places. This led to more incidents of anti-social behaviour and public disorder related to alcohol consumption over the last 3 years. Since January 2023 the Police had issued 23 Fixed Penalty Notices under the Alcohol PSPO. The PSPO also allowed alcohol to be confiscated and disposed of without the need for a Fixed Penalty Notice to be issued.

In addition to enforcement through the PSPO, education and communication were also key to reducing such alcohol consumption related anti-social behaviour incidents and their recurrence. The recommended short term extension of nine months to this PSPO would synchronise the expiry of the Order with that of the existing Anti-Social Behaviour PSPO. It was likely that a new combined Anti-Social Behaviour and Alcohol PSPO would be drafted and applied for prior to 31 July 2024.

Officers in the Community Safety Team would continue to monitor the effectiveness of the Order and assess the potential for any necessary adjustments to ensure that it remained an effective tool in regulating alcohol consumption in public places. The team would also continue to work closely with the Police and other partners to ensure consistent enforcement of the Order. The Council was committed to creating a safer and healthier community for residents and visitors. Extending the PSPO would support this goal and combat anti-social behaviour and public disorder in the district's public spaces for the benefit of communities.

Councillor Austin spoke under Council Procedure Rule 20.1.

Councillor Keen proposed, Councillor Albon seconded and Cabinet agreed to the following:

1. That the current PSPO is extended for a further 9 months, to 30th July 2024 to bring in alignment with the current Anti-Social Behaviour PSPO, at which point a combined PSPO will be drafted and applied for;
2. To delegate any minor amendment of the PSPO to the Chief Executive.

59. PURCHASE OF 5 HOMES AT READING STREET, BROADSTAIRS FOR AFFORDABLE RENT

Cabinet was asked to consider the purchase of 5 new affordable homes, using the additional capital budget, approved by council at its meeting on 12th October 2023 and the letting of these homes in accordance with the council's Allocations Policy, at an affordable rent as set out in the council's Tenancy Strategy.

In July this year Council approved an accelerated affordable rented housing development programme of at least 400 new homes, constructed or acquired, by 2027. As a potential addition to this programme, officers had been contacted by Millwood Homes, who were required to deliver five new affordable homes, as part of their development at Reading Street, Broadstairs. This requirement was set out in the Section 106 obligations for the development. However, Millwood Homes were unable to secure an affordable housing provider to deliver these homes.

As the homes had been designated as affordable homes in the planning consent and Section 106 agreement, they had been designed specifically for that purpose and accordingly were considered appropriate for the HRA, in line with the needs of households on the Council's register or those living in temporary accommodation. Currently there was a significant level of need for one bedroom homes, as well as for larger family homes. It is proposed that the new homes were let in accordance with the Council's Allocations Policy.

The purchase of these homes was part of the Council's accelerated housing delivery strategy; ensuring that Section 106 homes were delivered and that the affordable housing that the Council was entitled to as part of developments coming to the district came to fruition. As this was a revenue strategy, it had already been established that the HRA would benefit from these acquisitions in Year 13. The capital cost for these properties was £800,000, with £50,000 provided for associated costs and this provided one by 1 bed flat, one x 2 bed flat and three x 3 bed houses.

Very importantly this proposal provided social housing in an area of Thanet that was often inaccessible for renters because property and rental costs in Broadstairs were significantly high and acquiring genuinely affordable housing within Broadstairs was often challenging. Ensuring that all of the district was accessible to residents was incredibly important. In addition, local individuals and families should be able to remain where their local connections were. Acquisitions such as this supported that aim.

Members thanked the Housing team for the work relating to this proposal. In an ever increasing property market, being able to deliver genuinely affordable properties that would otherwise have been lost was essential and being able to deliver them in an area that was often harder to access for those on lower incomes was incredibly important.

Councillor Whitehead proposed, Councillor Keen seconded and Cabinet agreed to:

1. The purchase of 5 new affordable homes, using the additional capital budget, approved by council at its meeting on 12th October 2023;
2. The letting of these homes in accordance with the council's Allocations Policy, at an affordable rent as set out in the council's Tenancy Strategy.

60. LOCAL AUTHORITY HOUSING FUND ROUND 2

Members considered the report that was requesting Cabinet to approve the use of £694,000 of grant funding and £788,860 of HRA match funding from the already approved HRA capital programme, to purchase 5 units for the Local Authority Housing Fund (LAHF) R2. Members were reminded that this was a grant that had been considered before. In the first tranche Council applied for and were granted £1.19 million to provide homes for those who arrived in the country via the following approaches:

- The Afghan Citizen Resettlement Scheme (including eligible British Nationals under this scheme) (ACRS);
- Afghan Relocations and Assistance Policy (ARAP);
- Ukraine Family Scheme (UFS);
- Homes for Ukraine (HFU)
- Ukraine Extension Scheme (UES).

In March this year, it was announced that the Local Authority Housing Fund would be expanded by £250m for a second round of funding. Thanet had been identified as eligible for capital grant funding with an indicative allocation of £694,000 in funding. This was to purchase four homes for the resettlement element and one home for the temporary accommodation element.

Like LAHF Round One, this was a match-funded grant; in order to use this round, it was necessary to match fund the acquisitions with £788,860 of borrowing within the HRA capital programme. The properties had been identified and must be purchased by 31st March 2024. For every housing acquisition a business plan modelling was completed. The modelling for this grant scheme showed that the scheme generated a surplus from year 1 due to the grant subsidy, which allowed these homes to immediately support further investment in the Affordable Homes Programme. It was proposed that Council let these homes at a genuinely affordable rent, in line with its approved Tenancy Strategy.

Discussions had taken place with a local developer currently developing the Westwood Cross site to purchase five by 3 bed units. The units would be an 'off the shelf' purchase with no refurbishments or adaptations needed. They were nearing completion and would be ready soon. The developer had accepted a provisional offer, subject to approval of £1.4m. This amount was equivalent to 80% of Market Value.

As with the previous tranche of funding, the timescales around this funding were extraordinarily tight and in order to deliver the homes required in the period given, direct purchase was the only realistic way forward. This aspect of funding limited the Council's creativity in providing social housing to the district. However, with these proposals, the Council would be able to support those individuals who need support at an incredibly difficult time, for the allotted time that they were allowed to remain in the country by government. These proposals would also not only grow the Council's general portfolio but also support the growth of housing in the district.

These homes were significant not just in supporting those who have experienced war and displacement, but also in supporting other vulnerable local residents. Due to the scale of this grant and its provision of 46% of the overall cost, the rental of these properties would produce a surplus from year one. This was especially significant for Cabinet's housing strategy, as it provided a revenue stream to not only offset borrowing to produce the 400 plus properties being developed for general usage, but also to support further housing acquisition and development across the district.

It was exceedingly rare that both moral and financial benefits align in a manner as reflected in these proposals and this was one of those rare cases. Life often calls on society to do the right thing for others. This moral imperative ran through every decision that the Council made and was especially pertinent in this instance.

Councillor Bayford spoke under Council Procedure Rule 20.1.

Councillor Whitehead proposed, Councillor Yates seconded and Cabinet approved the purchase of the 5 homes in line with the grant guidelines of LAHF R2.

61. ADOPTION OF THE BROADSTAIRS & ST PETERS NEIGHBOURHOOD PLAN REVIEW

Cabinet considered the report on the adoption of the Broadstairs and St Peters neighbourhood plan review. Under the Localism Act 2011, Neighbourhood plans could be prepared by local communities and were led by Town or Parish Councils, or a Neighbourhood Forum in areas which do not have a Town or Parish Council. If Thanet Council adopts a neighbourhood plan it would have the same significance as other Development Plan Documents (e.g. the Local Plan) for the district.

Broadstairs & St Peters Town Council reviewed its neighbourhood plan. The neighbourhood plan review had been examined by an Independent Examiner and progressed to referendum, as agreed by Cabinet on 10 August 2023. The referendum took place on 26 October 2023. The result was that 2268 people voted for the neighbourhood plan and 279 voted against it. As more than half of those who voted,

voted in favour of the neighbourhood plan, the plan now comes into force as part of the Development Plan and the Council must formally adopt the plan within eight weeks of the date of the referendum. This review of the Neighbourhood Plan superseded the Broadstairs & St Peters Neighbourhood Plan adopted in 2021.

Councillor Everitt proposed, Councillor Keen seconded and Cabinet recommended to Full Council that Thanet District Council make the Broadstairs & St Peters Neighbourhood Plan Review.

62. ADOPTION OF THE BIRCHINGTON NEIGHBOURHOOD PLAN

Cabinet discussed the adoption of the Birchington Neighbourhood Plan. Under the Localism Act 2011, Neighbourhood plans can be prepared by local communities and are led by Town or Parish Councils, or a Neighbourhood Forum in areas which do not have a Town or Parish Council. If Thanet Council adopts a neighbourhood plan it would have the same significance as other Development Plan Documents (e.g. the Local Plan) for the district.

Birchington Parish Council prepared a neighbourhood plan and the plan had been examined by an Independent Examiner and progressed to referendum, as agreed by Cabinet on 10 August 2023. The referendum took place on 26 October 2023. The result was that 2084 people voted for the neighbourhood plan and 174 voted against it. As more than half of those who voted, voted in favour of the neighbourhood plan, the plan now comes into force as part of the Development Plan, and the Council must formally adopt the plan within eight weeks of the date of the referendum.

Councillor Pugh spoke under Council Procedure Rule 20.1.

Councillor Everitt proposed, Councillor Albon seconded and Cabinet recommended to Full Council that Thanet District Council make the Birchington Neighbourhood Plan.

Meeting concluded: 7.49 pm