

CABINET

Minutes of the meeting held on 3 April 2014 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Present: Councillor C. Hart (Chairman); Councillors Everitt, Fenner, D. Green, Johnston and Poole

In Attendance: Councillors Bayford, Bruce, Gideon, King, Marson, Moores, D. Saunders, M. Saunders, Watkins, Wells and Wiltshire

140. APOLOGIES FOR ABSENCE

There were no apologies received at the meeting.

141. DECLARATIONS OF INTEREST

There were no declarations of interest.

142. MINUTES OF PREVIOUS SCHEDULED MEETING

The minutes of the meeting held on 21 January 2014 were agreed and signed by the Chairman.

(a) Minutes of the Extraordinary Meeting

The minutes of the extraordinary meeting held on 20 February 2014 were agreed and signed by the Chairman.

143. CORPORATE PERFORMANCE REPORT - PROGRESS TO END OF JAN 2014

Members observed that there was overall good progress made against the priorities, and where matters were not on track remedial action had been identified and was being implemented.

Of the 32 projects listed in the report, nine had been completed this year and 20 were still in progress. Members acknowledged the actions that were being taken to handle the main risks associated with the live projects.

Of the 27 targeted performance indicators, 20 were on target, one was slightly worse than target and six were significantly below the planned expectation.

The following Members spoke under Council Procedure Rule 24.1:
Councillor Bayford
Councillor Moores
Councillor Wells

Councillor Fenner proposed, Councillor C. Hart seconded and Members agreed to note the report.

144. BUDGET MONITORING REPORT 2013/14

It was reported that when the budget for the General Fund was set for 2013/14, it had been expected that Transeuropa would continue its ferry operations. The impact of the closure of the ferry business created a budget shortfall of £836k. Cabinet acknowledged

that officers had been working diligently to identify savings within their service areas and as a result had been able to bring the budget back to a balanced position.

Cabinet reported that the projected outturn for Operational Services reflected the Transeuropa position as well as an overall shortfall of maritime income. Savings had been identified across the other directorates as highlighted within the Cabinet report. These included a saving of £600k against the minimum revenue provision, which was the 'set aside' required for the repayment of borrowing. The underspend would be utilised in the first instance to balance the General Fund budget position.

Cabinet agreed the following:

1. To note the projected outturn position for 2013/14 for the General Fund;
2. That any unutilised balance on the Minimum Revenue Provision not required to bring the General Fund back to a balanced budget position be set aside in the Capital Receipts Reserve;
3. To note the current Housing Revenue Account position;
4. That any unutilised revenue contributions towards the Margate Housing Intervention and Ramsgate Empty Homes programmes be set aside in the HRA Properties Reserve;
5. The variations to the General Fund Capital Programme identified in Annex 3 of the Cabinet report;
6. The write-off of the housing benefit overpayment in the sum of £26,787.65.

145. BUSINESS RATES "RETAIL RELIEF" - AMENDMENT TO DISCRETIONARY RELIEF POLICY

In the Autumn Statement, the government announced that it would provide a property relief of up to £1,000 to all occupied retail premises with a rateable value of up to £50,000. Council would need to adopt a local scheme to cover these reliefs using the guidance provided by government.

The recommended scheme as detailed within the Discretionary Relief Policy at Annex 1 of the Cabinet report was in line with the government guidance. Adoption of the scheme would secure the central funding offered by the government and reduce the risk of challenge by individual businesses.

Councillor Bruce spoke under Council Procedure Rule 24.1.

Councillor Everitt proposed, Councillor C. Hart seconded and Cabinet approved the changes to the Discretionary Relief Policy. EK Services will then award the £1000 "retail relief" discount in line with the relevant government guidance.

146. NOTICE OF MOTION NO. 3 - INTRODUCTION OF A LOCAL LEVY

Cabinet considered the notice of motion in relation to the introduction of a local levy. It had been estimated that such a levy would generate in the region of £1.006m for Thanet District Council. This would be used to support town centre traders whose trade had been detrimentally affected by the competition from supermarkets and major retailers. It should be noted that such a levy could also potentially drive away some of the larger supermarkets and retailers from settling in Thanet. Such a situation could have a detrimental impact on our business rates revenues.

Legislation was required in order that a levy could be introduced. It was recommended that the notice of motion be supported and that the government be asked to introduce such legislation. It would then be a decision for councils to make as to whether they wished to introduce the levy or not.

Councillor King spoke under Council Procedure Rule 24.1.

Councillor Everitt proposed, Councillor C. Hart seconded and Cabinet agreed to support a proposal under the Sustainable Communities Act – That the Secretary of State:

- i. Give local authorities the power to introduce a local levy of up to 8.5% of the rate on large supermarkets or large retail outlets in this area with an annual rateable value not less than £500,000; and
- ii. Requires that the new revenue from this levy be retained by the local authority in order to improve local communities in the areas promoting local economic activity, local services and facilities, social and community wellbeing and environmental protection.

147. APPROPRIATION OF SHOPS HELD IN THE HRA TO THE GENERAL FUND

Members said that the budget that was approved by Council in February 2014 assumed that there would be additional income of £16k for the General Fund through transferring the HRA shops. However these shops no longer met the criteria for sitting in the HRA because a number of the properties had now become privately owned under right the to buy and the shops had been rented out to various organisations on commercial rather than residential leases. These shops should therefore be transferred to the General Fund. The only exception to this was the shop within the Newington Regeneration Scheme.

Transferring the shops from the HRA would provide certainty moving forward and remove the risk of a negative valuation to council tenants. In addition, the borrowing headroom for the HRA would be increased by the value of the shops, being £225,000.

Councillor Everitt proposed, Councillor C. Hart seconded and Cabinet agreed the following:

1. The transfer of the HRA shops to the General Fund as set out in Annex 1 and Annex 2 of the Cabinet report;
2. That the East Kent Housing scheme of delegations be amended to reflect the current and continuing arrangements for the management of the HRA Shops to reside with the in house Estates Department at Thanet District Council.

148. CIPFA (THE CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY) CODE OF PRACTICE ON TREASURY MANAGEMENT (2011 EDITION)

The changes that were being proposed to the Council's treasury management documentation reflected the wording within CIPFA's Code of Practice on Treasury Management.

Councillor Everitt proposed, Councillor C. Hart seconded and Cabinet agreed that following approval by the Governance & Audit Committee at its meeting on 11 December 2013; Constitutional Review Working Party on 13 March 2014 and Standards Committee on 1 April 2014 recommend to Council:

1. That the clauses as set out in Annex 1 to the report be approved;

2. That the consequential changes to the responsibilities of the Section 151 Officer in relation to Treasury Management, as set out at Annex 2 to the report, be approved.

149. EARMARKED RESERVES

The Chairman agreed to take this item earlier on the agenda.

Members discussed the report on the Earmarked Reserves. The reserves were sums specifically held to enable funds to be built up to meet known or predicted expenditure. They can be set up by using one-off funds or by budgeting for a fixed amount to be taken from the revenue account each year to smooth the impact on Council Tax.

The report detailed the purpose of the individual earmarked reserves and advised Members of the process for drawing down against each reserve. Cabinet Members were asked to approve the proposed usage and draw down methodology for the earmarked reserves.

Councillor Everitt proposed, Councillor C. Hart seconded and Cabinet agreed the following:

1. The proposed usage of the earmarked reserves as highlighted in this report;
2. The proposed draw down process against each earmarked reserve.

150. THANET COMMUNITY SAFETY PLAN FOR 2014-2015

Cabinet received a report on the detailing the process undertaken by Thanet Community Safety Partnership to develop the Thanet Community Safety Plan for 2014-15. The report covered the principles of the Community Safety Plan including its priorities, emerging issues and proposed actions, to be agreed.

Councillor Johnston proposed, Councillor C. Hart seconded and Cabinet recommended to Council that it approves the priorities, emerging issues and proposed actions in the Thanet Community Safety Plan 2014/15 as set out in Annex 1 of the officer's report.

151. ADOPTION OF ENVIRONMENTAL ENFORCEMENT POLICY

The Environmental Enforcement Policy would provide a framework to assist in deciding what form of enforcement action was most appropriate. The guidelines were intended to ensure that enforcement decisions were always consistent, balanced, fair, transparent, proportionate and relate to common standards to ensure public health and the environment were adequately protected.

It was important that the local community was clear on what they could expect from the Council, in terms of active and reactive enforcement action in these areas. Thanet District Council signed up to The Enforcement Concordat, confirming its commitment to the principles of good enforcement.

Councillor King spoke under Council Procedure Rule 24.1.

Councillor Johnston proposed, Councillor C. Hart seconded and Cabinet adopted the Environmental Enforcement Policy.

152. PETITION FOR PLAY AREA AT BROADSTAIRS MEMORIAL RECREATION GROUND

Members discussed the petition that was referred to Cabinet by Council. They praised the petitioners for the hard work that had been put into producing a detailed petition.

Councillor Marson spoke under Council Procedure Rule 24.1.

Councillor Johnston proposed, Councillor C. Hart seconded and Cabinet agreed to add Memorial Park playground to the existing tender for playground improvements and for the Lead Officer to consult with the local resident group.

153. ADOPTION OF ALLOTMENT POLICY

Cabinet considered the proposed Allotment Policy. The proposed Allotment Policy reflected the results of the consultation that had been undertaken with parish and town councils in Thanet, and primarily reflected the significant transfer of allotments to Ramsgate, Broadstairs and Birchington that had occurred recently.

The policy also reflected the impact of the £800k invested in allotments across Thanet arising from the sale of the disused Manston Road site, which led to improvements in security and site facilities, and greatly expanded the take up of plots.

Councillor Poole proposed, Councillor C. Hart seconded and Cabinet agreed to adopt the proposed Allotment Policy 2014-19.

154. NOTICE OF MOTION - REVIEW OF THE OPERATION OF THE ARTICLE 4 DIRECTION IN RESPECT OF HOUSES IN MULTIPLE OCCUPATION FOR BETWEEN 3-6 RESIDENTS

Members were advised that the correct title for the item was 'Notice of Motion - Review of the operation of the Article 4 Direction in respect of houses in multiple occupation for between 3-6 residents'

In 2011 the Government made changes to the Town and Country Planning (General Permitted Development) Order 1995 which allowed changes of use of dwelling-houses to small HMOs for between 3-6 unrelated people to occur without the need for planning permission. As such for the majority of areas in England planning permission was not required for such changes of use.

Cabinet acknowledged the concerns that had been raised in the Notice of Motion and was working within the law to implement the Policy on HMOs that had been adopted by Council.

The following Members spoke under Council Procedure Rule 24.1:

Councillor Wells;
Councillor King;
Councillor Wiltshire.

Cabinet agreed to invite the University to comment on residents' concerns and will keep the situation under review both now and until it is covered by a policy in the new Local Plan.

155. TRANSEUROPA DEBT REVIEW OVERVIEW & SCRUTINY PANEL RECOMMENDATIONS

Cabinet considered the report that set out the findings and recommendations of the Overview and Scrutiny Panel into the Transeuropa debt. They thanked the Panel and particularly the Members of the task and finish group who undertook the actual review work and came up with comprehensive recommendations.

Cabinet reviewed the recommendations and proposed that the amended recommendations set out in paragraph 6.2 of the Cabinet report be adopted. These reflected the outcomes of the District Auditor's report, and the action points adopted by the Governance and Audit Committee, with a particular focus on trying to combine transparency with the need to preserve confidentiality in commercial discussions.

Councillor Bayford and Councillor King spoke under Council Procedure Rule 24.1.

Councillor Everitt proposed, Councillor C. Hart seconded and Members agreed the following:

1. Adopt the consolidated and amended recommendations as set out in paragraph 6.2 of the Cabinet report;

The recommendations in paragraph 6.2 are as follows:

- i. Commercial agreements relating to debt and similarly significant matters should be managed in accordance with the following principles:
 - a. Recording of significant meetings held by officers, Members and other relevant parties;
 - b. Recording of significant and relevant telephone conversations by officers, Members and other relevant parties;
 - c. Retention of significant notes, emails and correspondence between officers, Members and other relevant parties – subject to the council's information retention policy;
 - d. Information should be retained in chronological order and in sufficient detail to support subsequent scrutiny;
 - e. Information would be supplied to members in accordance with the council's constitution. As agreed at the Extraordinary Governance and Audit Committee on 26th February the method and scope of sharing key commercially sensitive material will be judged on a case by case basis. Whilst the regular release of this confidential material to third parties is still occurring, decisions on the sharing of material will favour the restriction of information, unless its confidentiality can be guaranteed by other means;
 - ii. The Cabinet Member for Financial Services should be informed of the build-up of the potentially significant debts with a detailed risk analysis and due diligence reports before such debts are reported to Full Council when they reach the £150,000 limit;
 - iii. Council should provide appropriate training to all elected Members on debt issues, with specific in-depth training for Cabinet Members;
 - iv. Agreements for the re-arranging of debt payments should be considered by the Audit Service to ensure that these are effective, efficient and risk managed;
 - v. Members need relevant and appropriate information to make decisions and such information should be disclosed to Members by Officers in accordance with the principles in 1e above;
 - vi. Council puts on hold steps to recover the TEF debt unless new information emerges to support action.
2. Refer the adopted recommendations to Governance and Audit Committee to incorporate these in corporate governance procedure where appropriate.

(a) **Exclusion of public and press**

Members expressed the view that although the only annex 2 was exempt, there was a need to make iterative reference to exempt information. They indicated that it was necessary to exclude the public and press from the discussion of whole agenda item on 'Asset Disposal'.

Councillor Bayford spoke under Council Procedure Rule 24.1.

Councillor C. Hart proposed, Councillor Poole seconded and Members agreed that the public and press be excluded from the meeting for agenda item 16b as it contains exempt information as defined in Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

156. ASSET DISPOSAL

Cabinet were advised about the proposals put forward by Rank Corporation plc and others in connection with the Royal Victoria Pavillion, Ramsgate.

The following Members spoke under Council Procedure Rule 24.1:

Councillor Gideon;
Councillor Marson;
Councillor Wells;
Councillor Bayford.

Councillor Everitt proposed, Councillor C. Hart seconded and Cabinet agreed to accept the Valuer's advice in Annex 2 of the Cabinet report and continue with the process.

(a) **Asset Disposal - Restricted Annex 2**

This item was considered in conjunction with minute item 156.

Meeting concluded: 8.45 pm