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CABINET

Minutes of the meeting held on 17 January 2017 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

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

In Attendance: Bayford, Game, I Gregory, K Gregory, Savage, Taylor-Smith, Campbell, D Saunders, M Saunders and Taylor

392. APOLOGIES FOR ABSENCE

There were no apologies received at the meeting.

393. DECLARATIONS OF INTEREST

There were no declarations of interest.

394. MINUTES OF PREVIOUS MEETING

Councillor Crow-Brown proposed, Councillor Brimm seconded and Members agreed the minutes as a correct record of the meeting held on 08 December 2016.

395. THE UNAUTHORISED DEPOSIT OF WASTE (FIXED PENALTIES) REGULATIONS 2016

Cabinet noted that in 2015-16 the Council issued 283 enforcement notices under section 46 of the Environmental Protection Act 1990, which places a requirement on the household to place their waste in the receptacles provided by the authority and failure to comply with this notice can result in court proceedings. However the Council only prosecuted 6 cases in the Magistrates court for Fly-tipping in the same period.

In May 2016 amended legislation came into force, which allows for a fixed penalty notice (FPN) to be issued for the offence of fly-tipping, a contravention under section 33 (1)(a) of the Environmental Protection Act 1990 (EPA 1990). The fines paid for FPN's go to the Council, whilst fines imposed by the courts are remitted to the Government. The new fine is to be set by the Council at a level not less than £150 and not more than £400 with a default of £200 if no amount is set by the authority.

Small scale fly tipping and the dumping of rubbish is an increasing problem in the District, with over 900 reported cases in the last ten months. The issuing of £400 FPNs for small scale fly tipping would send a strong message to offenders that they face prompt and robust action should they offend.

Councillor K. Gregory spoke under Council Procedure 20.1.

Councillor Brimm proposed, Councillor Townend seconded and Cabinet agreed that the Council introduce fixed penalty notices in accordance with section 33 (1) (a) of the EPA 1990 for small scale fly-tipping and the level of the fine is £400 with a reduced early payment of £300 if paid within 10 days.

396. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY - MID YEAR REVIEW REPORT 2016-17

Members were advised that during the first half of 2016-17 the Council complied with the requirements of its annual investment strategy. Borrowing was only undertaken for a capital purpose and the statutory borrowing limit (the authorised limit) was not breached. The period under review continued to be a challenging investment environment, with low investment returns.

Councillor I. Gregory spoke under Council Procedure 20.1.

Councillor Townend proposed, Councillor L. Fairbrass seconded and Cabinet:

1. Approved the report and the prudential and treasury indicators that are shown (in the Cabinet report);
2. Recommended this report to Council.

397. TREASURY MANAGEMENT STRATEGY 2017/18

Cabinet considered the report on the treasury management strategy for 2017/18 which was produced in accordance with the CIPFA Code of Practice on Treasury Management. It covers the Council's capital plans, treasury management strategy, treasury indicators, prudential indicators and limits for 2017-18 to 2019-20 inclusive; and the minimum revenue provision policy and investment strategy for 2017-18.

Councillor I. Gregory spoke under Council Procedure Rule 20.1.

Councillor Townend proposed, Councillor L. Fairbrass seconded and Members approved the report and annexes and recommended that it is approved by Council.

398. CHANGES TO 2016-17 CAPITAL PROGRAMME AND 2017-18 TO 2020-21 CAPITAL PLAN

Cabinet discussed the report that set out progress on delivering this year's capital programme and revisions to the capital programme for 2017-18 onwards. Largely due to a number of projects being deferred, forecast capital expenditure is £1.3 million less than had originally been planned.

It was reported that the major risk attached to the programme is the need to fund a proportion of it from capital receipts. Asset disposals are required, that generate sufficient receipts to fund some of the existing programme, as well as to fund a proportion of the changes in this report. If receipts were not generated, capital projects would have to be cancelled or deferred.

Councillor Campbell and Councillor I. Gregory spoke under Council Procedure 20.1.

Councillor Townend proposed, Councillor Brimm seconded and Cabinet:

1. Approved the General Fund capital programme project changes, budget changes and funding changes identified in this report;
2. Recommended the report to Council.

399. COUNCIL TAX BASE CALCULATION 2017/18

Cabinet acknowledged that legislation required that the Council should 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. This would provide the basis for planning the tax to be collected in any one financial year.

The Council Tax Base provided 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%. The report also recommended that there be no changes to the existing Council Tax discounts and reduction.

Councillor Campbell spoke under Council Procedure 20.1.

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

1. To approve the District's Council Tax Base for 2017/18 as 42,068.58 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 Discounts for 2017/18.

400. BUDGET 2017-18 AND MEDIUM TERM FINANCIAL STRATEGY 2017-21

Members agreed that the Council was continuing to face significant cuts in Government funding over the next few years and with substantial savings already having been made in recent years, it is becoming increasingly difficult to identify further savings without impacting on services. The budget proposals present a number of income generating proposals as well as savings, enabled the proposal of a balanced budget for 2017-18 with the minimum impact on services.

The funding pressures were substantial in respect of 2017-18. Government funding had been reduced, primarily in respect of Revenue Support Grant; which has been reduced by £1 million compared to 2016-17 and the New Homes Bonus, which has been similarly reduced by £1 million. After adding in inflationary pressures, the pensions revaluation, and other adjustments, there is forecast to be a gross budget gap of £2.6 million.

Council had already approved increases to fees and charges which will generate an additional £490,000. Further income generation plans were in train for planning, housing, car parking, power generation and the workshop. A new Thanet lottery was also expected to generate net income to fund local good causes, which would otherwise be vulnerable to budget reductions. It was envisaged that efficiencies would also be delivered, reducing the cost of services delivered by contractors and partners, as well as council services.

In light of the substantial reduction in Government funding in 2017-18 and to enable the council to set a realistic, deliverable budget, there is an assumed one-off drawdown of reserves of £450,000. To mitigate risk, the £450,000 will be drawn from earmarked reserves, not the general contingency. Importantly, the £450,000 was projected to be repaid over the period of the Medium Term Financial Strategy, replenishing reserves to their current level.

Members further noted other uncertainties relating to business rates localisation, which would change the nature of funding of local government. There were still very few clues from Government as to how this will be implemented.

Cabinet was also asked to recommend to council an increase in Council Tax of £4.95 on a Band D property, which equates to 2.31%.

Councillor Campbell and Councillor I. Gregory spoke under Council Procedure 20.1.

Councillor Townend proposed, Councillor Stummer-Schmertzling seconded and Cabinet agreed the following:

1. That Members approve the draft Medium Term Financial Strategy at Annex 1 (of the report);
2. That Members approve the draft General Fund Revenue budget estimates for 2017-18 to 2020-21 and the resulting budget requirement for 2017-18;
3. That Members agree to a reduction in the grant to minor preceptors as per section 2.7(to the report);
4. That Members approve the General Fund and Housing Revenue Account Capital Budgets for 2017-18 as detailed at Annexes 2 and 5(of the report);
5. That Members approve the Flexible Use of Capital Receipts Strategy as detailed at Annex 3 (of the report);
6. That Members approve the HRA budget estimates for 2017-18 to 2020-21 and the Housing Revenue Account services charges as shown at Annex 4 (to the report);
7. That Members approve the level of general reserves be held at £2.011m and the approval of earmarked reserves as identified in Table 5 of the MTFS.

Meeting concluded: 7.45 pm