

CABINET

Minutes of the meeting held on 16 January 2018 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Present: Councillor Christopher T Wells (Chairman); Councillors L Fairbrass, S Piper, Stummer-Schmertzling and Townend

In Attendance: Councillors: Bayford, Game, I Gregory, Savage, Taylor-Smith, Campbell, Connor, J Fairbrass, D Saunders, M Saunders and Shonk

478. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Crow-Brown.

479. DECLARATIONS OF INTEREST

There were no declarations of interest.

480. MINUTES OF PREVIOUS MEETING

Councillor Stuart Piper proposed, Councillor Stummer-Schmertzling seconded and Cabinet agreed the minutes as a correct record of the meeting that was held on 16 November 2017.

481. MINUTES OF EXTRAORDINARY MEETING

Councillor Lin Fairbrass proposed, Councillor Stummer-Schmertzling seconded and Cabinet agreed the minutes as a correct record of the extraordinary meeting that was held on 16 November 2017.

482. CORPORATE PERFORMANCE REPORT Q2

Cabinet noted the general improvement in performance regarding the council's objective for a clean and welcoming environment, where most indicators were heading in the right direction.

The highlight of the report was the annual survey of residents, in particular the substantial improvement in the response to the question regarding whether or not the council provided value for money. Those respondents who agreed or strongly agreed rose from 15% last year to 43% this year.

The following Members spoke under Council Procedure Rule 20.1:

Councillor Bayford;
Councillor Taylor-Smith;
Councillor Game;
Councillor Gregory;
Councillor Savage.

Councillor Lin Fairbrass proposed, Councillor Townend seconded and Cabinet agreed to note the Council's Quarter 2 performance report.

483. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY - MID YEAR REVIEW REPORT 2017-18

Member received a report on treasury management activity and prudential/ treasury indicators for the first half of 2017-18. There were no key changes to the Treasury and Capital Strategies during the first half of 2017-18. The report further observed that the overall balance of risks to economic recovery in the UK is currently to the downside but huge variables over the coming few years included issues related to what final form Brexit would take when finally agreed with the EU and when that decision would be made.

The Treasury Management Strategy Statement (TMSS) for 2017-18, which included the Annual Investment Strategy, was approved by the Council on 9 February 2017. There were no policy changes to the TMSS; the details in the Cabinet report provided a current position in the light of the updated economic position and budgetary changes that had already been approved.

Councillor Gregory spoke under Council Procedure Rule 20.1.

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

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

484. COUNCIL TAX BASE CALCULATION 2018/19

Cabinet was advised that there were a significantly high number of properties in Bands A to C of taxable properties in Thanet. The district had the highest proportion of Band A to C properties in Kent with nearly 80% compared to the Kent average of about 60%. Council Tax is always quoted as "Band D equivalent" which, this year, is £219.87 for Thanet. This Band D figure would be lower, if Thanet had a greater proportion of properties in the higher bands.

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

- (i) Approve the District's Council Tax Base for 2018/19 as **42,904.67** and the tax base for the towns and parishes in the Council's administrative area, as set out in the table at Annex 2;
- (ii) Determine not to revise the Council Tax Discounts for 2018/19;
- (iii) Determine not to revise the Council Tax Reduction Scheme for 2018/19.

485. BUDGET 2018-19 AND MEDIUM TERM FINANCIAL STRATEGY 2018-22

Cabinet considered the budget proposals for the General Fund, Housing Revenue Account, Capital budgets and Treasury Management Strategy for the financial year 2018-19.

The Council would continue to face significant cuts in Government funding over the next few years and with substantial savings already having been made in recent years, it was becoming increasingly difficult to identify further savings without impacting on services. The budget proposals presented a number of income generating proposals and efficiency savings, which the Cabinet to propose a balanced budget for 2018-19, whilst minimising the impact on services.

Members noted that the funding pressures were substantial in respect of 2018-19. Government funding had been reduced, primarily in respect of Revenue Support Grant; which had been reduced by over £600,000 compared to 2017-18 financial year. The New Homes Bonus had been reduced by over £800,000 and additional £1 million has also been set aside for the costs arising from homelessness. After adding in inflationary pressures and other adjustments, it was forecasted that there would a gross budget gap of £2.8 million.

To address the budget gap, Council had already approved increases to fees and charges which would generate an additional £390,000. Further income generation plans, set out in paragraph 7.5 of the Cabinet report, were in train for food hygiene, trade waste, the port and foreshores. Efficiencies would also be delivered, notably through corporate restructuring, East Kent Services outsourcing and a renegotiation of the Your Leisure contract.

Last year, Council approved a one-off drawdown of reserves of £450,000 as a result of a late change in government funding. It was therefore worth noting that the 2018-19 budget proposals included the permanent funding of this £450,000 loss. Additionally, the Medium Term Financial Strategy allows for a £150,000 per annum repayment to reserves, over a three year period starting in 2018-19.

Cabinet noted that the discussions regarding the budget proposals were against a background of ever substantial uncertainties over the next four years. There were those macro-economic uncertainties that all organisations in the country faced, with particular reference to interest rates, inflation and Brexit. In addition, the government was still to decide on the regime for local government finance. Government was still consulting on the details of business rates retention and Fair Funding Review.

The following Members spoke under Council Procedure Rule 20.1:

Councillor Campbell;
Councillor Gregory;
Councillor Game.

Councillor Townend proposed, Councillor Wells seconded and Cabinet agreed the following recommendations to Council on 08 February 2018:

1. That the Medium Term Financial Strategy at Annex 1 is approved;

General Fund

2. That the General Fund revenue budget estimates for 2018-19 are approved;
3. That following on from the decision made by Ramsgate Town Council not to continue with the subsidy for free Saturday parking at the Royal Harbour car park, as outlined in section 4.2 and 4.3, the Council agree to charge for parking on Saturday at the Royal Harbour car park and free Saturday parking will revert to Cannon Road car park from 1 April 2018 as originally recommended in the 2016-17 Fees and Charges report considered at the Council meeting on 3 December 2015.

Housing Revenue Account (HRA)

4. That the HRA budget estimates for 2018-19 to 2021-22 and the Housing Revenue Account services charges as shown at Annex 3 are approved.

Capital Programme

5. That the General Fund and Housing Revenue Account capital budgets for 2018-19 are approved;
6. That a new capital project addressing homelessness pressures, as set out in section 9.29, is included within the General Fund capital programme for 2018-19 to be funded by prudential borrowing;

Treasury Management

7. That the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy as shown in Annex 5 are approved;
8. That the Flexible Use of Capital Receipts Strategy for 2018-19 as shown in Annex 6 is approved;
9. That the Section 151 Officer's Assurance Statement as set out in section 13 of this report is noted.

486. REPRESENTATION ON EXECUTIVE APPOINTED OUTSIDE BODIES

The item was deferred to a future Cabinet meeting.

Meeting concluded: 7.40 pm