

CABINET

Minutes of the meeting held on 15 January 2019 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Present: Councillor Robert W Bayford (Chairman); Councillors Savage, Ashbee, Game and I Gregory

In Attendance: Councillors: Bambridge, Brimm, Campbell, Connor, Constantine, Crow-Brown, Dexter, Edwards, Evans, J Fairbrass, L Fairbrass, Jaye-Jones, L Piper, S Piper, Rogers, Rusiecki, D Saunders, M Saunders, Shonk, Stummer-Schmertzing, Tomlinson, Townend and Wells

545. APOLOGIES FOR ABSENCE

There were no apologies received at the meeting.

546. DECLARATIONS OF INTEREST

There were no declarations of interest.

547. MINUTES OF EXTRAORDINARY MEETING

Councillor Savage proposed, Councillor Game seconded and Members agreed the minutes as a correct record of the extraordinary meeting that was held on 06 December 2018.

548. MINUTES OF PREVIOUS MEETING

Councillor Ashbee proposed, Councillor Gregory seconded and Members agreed the minutes as a correct record of the meeting that was held on 13 December 2018.

549. MID YEAR REVIEW REPORT 2018-19: TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY

It was reported to Cabinet that Council held £47.497m in investment at mid year, up from £40.882m at 31st March 2018. Investment yield was 0.6% against a 7 day LIBID benchmark of 0.44%. The return on investment was budgeted at £62000 and this was well above budget at £136,000 by mid year. Original estimate for the Capital Financing Requirement (CFR) was £57.171m. At mid year it was held at £30.771m by utilising £25.4m of cash flow funds.

There was no Debt rescheduling for the period under review due to the prevailing interest rate structure. The Debt interest budget was set at £1.507m but had since been revised to an estimated £1.206m by year end.

The ratio of financing costs to revenue stream was down on both the Non HRA and HRA budgets. Non HRA was down from 10.5% of revenue stream to 8.6% and HRA down from 7.6% of revenue stream to 6.00%. In summary the mid year report showed good performance in all areas.

Councillor Gregory proposed, Councillor Savage seconded and Members:

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

550. COUNCIL TAX BASE 2019-20 REPORT

Cabinet considered the report on setting of the Council Tax base for the coming year. The Tax base is defined mainly in terms of the number of Band D equivalent properties but is then adjusted to reflect various discounts. The calculation of the tax base had been undertaken in accordance with the current regulations; the Local Authority Calculation of Tax Base Regulations 2012.

The main change to note this year other than the calculation itself was the proposal to approve a council tax premium increase for qualifying long term empty properties. New regulations recently passed allowed councils to increase the long term empty property premium for qualifying properties, from an additional 50% to an additional 100% of Council Tax payable. The results of a public consultation on the council tax conducted by the Council indicated that two thirds of respondents were in favour of this increase.

Councillor Gregory proposed, Councillor Savage seconded and Members agreed the following:

- 1) The District's Council Tax Base for 2019-20 as 43,763.27 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) The increase premium for all properties that have been left empty and substantially unfurnished for two years or more. This will take effect from April 2019 and will see the premium increase from 50% to 100% extra on the Council Tax payable;
- 3) Not to revise the Council Tax Reduction Scheme for 2019-20.

551. BUDGET 2019-20 REPORT

Cabinet discussed proposals for the Council budget that included the General Fund, Housing Revenue Account and the Treasury Management Strategy for 2019/20.

Members noted that in September 2018, the Medium Term Financial Strategy for 2019-23 was approved by Cabinet. The proposals reported a funding gap of £1.8m that needed to be met for 2019/20 in order for Council to arrive at a balanced budget. To avoid overspending in the proposed budget, a number of actions had been identified to deliver savings for next year. These were detailed in Table 6 in the Cabinet report which lists income generation and efficiencies for the 2019/20 year.

Cabinet noted that the total savings projected in the table amounted to £1.35m rather than the stated budget gap of £1.8m. This was because the stated budget gap included a £500k overspend on the agreed Ramsgate Port budget for this current year. It was recommended that Council should not allow this to continue into 2019/20. A total of £730k was required from the Port in 2019/20 in order to contribute to the reduction of the £1.8m budget gap. This would either be from new income or reduced costs and that was the basis for the actions identified in Table 6 referred to above.

The following Members spoke under Council Procedure Rule 20.1:

Councillor Campbell
Councillor Wells;
Councillor Constantine;
Councillor S. Piper.

Thereafter Councillor Gregory proposed, Councillor Savage seconded and Cabinet agreed and recommended to Council the following:

General Fund

- 1) That the General Fund revenue budget estimates for 2019-20 are approved.

Housing Revenue Account

- 2) That the HRA budget estimates for 2019-20 to 2022-23 are approved.

Capital Programme

- 3) That the General Fund and Housing Revenue Account budgets for 2019-20 are approved.

Treasury Management

- 4) That the Treasury Management Statement, Minimum Revenue Provision Policy Statement, Annual Investment Strategy, Capital Strategy and Non-Treasury Investments Report for 2019-20, as shown in Annex 3 (to the report), are approved.
- 5) That the Flexible Use of Capital Receipts Strategy for 2019-20 as shown in Annex 2 (to the report) is approved.
- 6) That the Section 151 Officer's Assurance Statement as set out in section 14 of the (Cabinet) report is noted.

552. EAST KENT HOUSING IMPROVEMENT PLAN

Members were advised that the four East Kent Councils of Canterbury, Dover, Folkestone & Hythe and Thanet each pay an annual management fee to East Kent Housing for the provision of service to Council tenants. Each of the four councils will be considering the proposed improvement plan and all will need to approve it for it to be effective.

Cabinet noted that the management fee had not seen any inflation increases since 2011 and the services provided by East Kent Housing (EKH) were relatively low cost. EKH had performed well in the areas of rent collection, managing empty homes and resident satisfaction with repairs. However other functions needed urgent improvement, which in turn had created the need for the adoption of the improvement plan.

The plan focused on improvements needed to contract management, procurement, delivery of approved capital programme and the implementation of new IT. There was also a need to increase resources for rent collections, following the roll out of Universal Credit.

The plan sets clear outcomes and performance measures that will be closely monitored over the coming 18 months. The costs of the plan have been incorporated into the draft Housing Revenue Account budgets for 2019/20 that had been recommended to Cabinet for approval by Council.

Councillor Campbell spoke under Council Procedure Rule 20.1.

Councillor Game proposed, Councillor Savage seconded and Cabinet agreed the following:

1. To endorse the draft Improvement Plan at Annex 1 (to the Cabinet report);
2. To note that the costs set out in this report are included within draft budget proposals for 2019/20.

Meeting concluded: 7.30 pm