

## CABINET

### Minutes of the meeting held on 14 January 2020 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

**Present:** Councillor Everitt (Chairman); Councillors Whitehead, Albon, Duckworth and Yates

**In Attendance:** Councillors Bailey, J Bayford, R Bayford, Campbell, Currie, Dexter, Cllr Game, Pat Moore, Pugh, Rusiecki, D Saunders, M Saunders and Wright

#### **628. APOLOGIES FOR ABSENCE**

There were no apologies received at the meeting.

#### **629. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **630. MINUTES OF PREVIOUS MEETING**

Councillor Everitt proposed, Councillor Albon seconded and Members agreed the minutes as a correct record of the meeting held on 16 December 2019.

#### **631. MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2020-24**

Cabinet considered the report that set out Thanet District Council's Medium Term Financial Strategy (MTFS) for the next four years. The MTFS provided an integrated view of the whole of the council's finances and set out objectives to be met, risks to be managed and the policies to be applied over that period.

Members were advised that the council had been exposed to and had to manage a number of significant financial risks. Decisions made in the past meant the council had to "firefight" events rather than being able to focus on improving service delivery.

As a result of the above, reserves remained low and the council was forced to adopt a risk-averse position. Moving forward, the financial management culture of the organisation required improvement and a review of financial management was planned for later this year, which would assist stabilise finances and build for the future.

Councillor Campbell and Councillor Pugh spoke under Council Procedure 20.1.

Councillor Yates proposed, Councillor Albon seconded and Cabinet approved the Medium Term Financial Strategy 2020-24.

#### **632. 2020-21 BUDGET**

Members discussed the 2020-21 budget and 2020-24 capital programme for the General Fund and Housing Revenue Account. It was reported that The Government carried out a Technical Consultation on the 2020-21 local government financial settlement in October. This heralded the "biggest year-on-year real terms increase in funding for almost a decade."

However, nearly half the proposed additional funding was for social care, a quarter for schools and colleges, and more for public health, none of which was to be paid to TDC.

Continued funding of New Homes Bonus would be good news, but at least for the last two years, there had been insufficient housing growth in Thanet to qualify for any new New Homes Bonus (apart from a small amount for affordable housing).

It was worth noting that, the Government published the Provisional Local Government Finance Settlement 2020-21 (the "Settlement") on 20 December. It set out the Government's indicative financial plans for each local authority, and so enables authorities to prepare a budget for next year and beyond. The provisional settlement did not deviate very much from the technical consultation carried out in October.

It was also reported that the fees and charges proposals were examined by the Fees and Charges Cabinet Advisory Group on 10 October, Overview and Scrutiny Panel on 22 October and approved by Cabinet on 14 November and Council on 5 December. The new charges would provide for an additional income of £208k which was built into the proposed 2020-21 budget.

Members were reminded of the funding gap in the budget proposals and a number of actions had been identified to deliver the savings for next year. The meeting was further warned that unless this plan was adhered to, the council could be at significant risk of overspending the proposed budget.

Councillor Rogers and Councillor Campbell spoke under Council Procedure 20.1.

Councillor Yates proposed, Councillor Albon seconded and Cabinet agree to recommend to Council the following:

1. That the General Fund revenue budget estimates for 2020-21 are approved, assuming a £4.95 increase in Council Tax for a Band D;
2. That the HRA budget estimates for 2020-21 are approved, assuming a CPI+1% (i.e. a 2.7%) increase in social rents and a freeze in affordable rents for relevant council properties;
3. That the General Fund and Housing Revenue Account capital programmes (Annexes 1&2 to the Cabinet report) for 2020-24 are approved;
4. That the Flexible Use of Capital Receipts Strategy for 2020-21 as shown in Annex 3 (to the report) is approved;
5. That the Section 151 Officer's Assurance Statement as set out in section 14 of this report is approved.

### **633. 2020-21 TREASURY MANAGEMENT STRATEGY**

The council was required to operate a balanced budget, which involved cash being received and expended during the year. Part of the treasury management operation was to ensure that this cash flow was adequately planned, with cash being available when it was needed. It was expected that any surplus money would be invested in low risk counterparties or instruments commensurate with the council's low risk position, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service was the funding of the council's capital plans. These capital plans provided a guide to the borrowing need of the council, essentially the longer-term cash flow planning, to ensure that the council could meet its capital spending obligations.

Councillor Pugh and Councillor Dexter spoke under Council Procedure 20.1.

Councillor Yates proposed, Councillor Duckworth seconded and Members agreed the report & annexes and recommended to Full Council for final approval.

**634. TAX BASE 2020-21**

It was the responsibility of the Council to set tax base for the coming year by 31 January of that year. This information is then used by Kent County Council, the Police and Crime Commissioner for Kent, Kent and Medway Fire and Rescue Authority and the various town and parish councils when setting their own Council Tax and precepts.

The meeting was advised that legislation has been passed to allow councils to increase the Long Term Empty Premium currently being charged for domestic properties that have been left empty and substantially unfurnished for two years or more.

A public consultation undertaken by TDC in December 2018 resulted in respondents being in favour of further increasing the Long Term Empty Premium for properties empty for between 5 years and 10 years to 200%, with effect from April 2020. This meant that for properties empty and substantially unfurnished for between 5 years and 10 years, an additional 200% Council Tax would be charged, making Council Tax payable at 300% from April 2020. This would affect about 100 properties in the district.

From April 2021, the legislation would allow for a 300% premium on properties empty for longer than 10 years, making Council Tax payable at 400%.

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

1. The District's Council Tax Base for 2020-21 as 44,546.40 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 in premium for all properties that have been left empty and substantially unfurnished for five years but less than 10 years. This will take effect from April 2020 and will see the premium increased from 100% to 200%;
3. Not to revise the Council Tax Reduction Scheme for 2020-21.

Meeting concluded: 7.25 pm