

CABINET

Minutes of the meeting held on 12 January 2023 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Present: Councillor Ash Ashbee (Chair); Councillors Pugh, J Bayford, R Bayford, Kup and D Saunders

In Attendance: Councillors Austin, Everitt, Garner, Keen, M Saunders, Shonk, Whitehead, Wing and Yates

879. APOLOGIES FOR ABSENCE

There were no apologies received at the meeting.

880. DECLARATIONS OF INTEREST

There were no declarations of interest.

881. MINUTES OF PREVIOUS MEETING

Councillor Ashbee proposed, Councillor Bob Bayford seconded and Members agreed the minutes as a correct record of the meeting held on 15 December 2022.

882. COUNCIL TAX BASE CALCULATION 2023/24

Cabinet discussed the proposals for the Council Tax Base for 2023/24, which were proposing for increase by 1.74% on the previous financial year. The report also recommended maintaining the existing schemes for Local Council Tax Support and premiums on Long-Term Empty properties for next year.

Subject to the passing of the relevant legislation, there were also recommendations for a 100% premium on second homes from April. Whilst we value the benefit second home owners bring to our local economy, it is important the council can raise appropriate sources of income from our visitors, whilst simultaneously also helping to prioritise housing for our local residents.

Councillor Yates and Councillor Austin spoke under Council Procedure 20.1.

Councillor David Saunders proposed, Councillor Bob Bayford seconded and Cabinet:

1. Approved the District's Council Tax Base for 2023/24 as 45,759.46 and the tax base for the towns and parishes in the Council's administrative area, as set out in the table at Annex 2;
2. Agreed that council tax discounts remain unchanged for 2023/24;
3. Agreed that the 'Long Term Empty Premium' for properties that have been left empty and substantially unfurnished remain unchanged for 2023/24 as follows:
 - for periods of 2 years but less than 5 years, a Long Term Empty Premium to be charged at 100%;
 - for periods of 5 years but less than 10 years, a Long Term Empty Premium to be charged at 200%; and

- for periods of 10 years or more a Long Term Empty Premium to be charged at 300%.
4. Agreed to revise the Council Tax Reduction Scheme for 2023/24 in line with the recommendations in this report;
 5. Approved the application of the 100% council tax premium on properties empty (unoccupied and unfurnished) for periods of 1 year but less than 5 years, applicable from 1 April 2024, subject to the Regeneration & Levelling-Up Bill receiving Royal assent; and
 6. Approved the application of a 100% Council Tax premium on properties unoccupied but furnished (often referred to as 'second homes'), applicable from 1 April 2024, subject to the Regeneration & Levelling-Up Bill receiving Royal Assent.

883. 2023/24 FEES AND CHARGES

Cabinet considered the proposed fees and charges for 2023/24, with the detailed fees and charges being provided in Annex 1 to the cabinet report. Due to the high inflation environment that Council was operating in, the Council had seen a substantial increase in its own running costs and the cost of the services that it provided. The Council's services were funded from a broad range of income streams, with fees and charges being just one means of financing.

However, other sources of income had reduced or been restricted in recent years, such as income from council tax and government grants. Given these income restrictions and the need to balance the budget, locally generated sources of income such as fees and charges were even more important than ever. It was important that the Council organised itself in ways that maximised income, whilst balancing this with managing the impact on residents and service users.

As such, the strategy in drafting the proposals had been to apply a broad 10% increase to fees and charges where possible, which was expected to generate additional income of £610,000 for next year's budget. These proposals had been carefully reviewed by the cross-party Fees and Charges Cabinet Advisory Group (CAG) at its meetings on 6 October and 27 October last year. A number of recommendations had been made by the CAG for Cabinet's consideration and where possible these had been reflected in the proposed fees and charges.

The following Members spoke under Council Procedure 20.1:

Councillor Everitt;
Councillor Yates;
Councillor Wing;
Councillor Garner.

Councillor David Saunders proposed, Councillor Jill Bayford seconded and Cabinet agreed the fees and charges schedule be updated to be based on a broad 10% increase, alongside the consideration of the recommendations made by the CAG (highlighted in paragraph 5.2 to the Cabinet report) and recommended to Council for approval.

884. 2023/24 BUDGET AND 2023-27 MEDIUM TERM FINANCIAL PLAN

Members debated the Cabinet budget proposals which reflected a balanced Council budget for 2023/24. The budget setting process began in the summer of 2022. Cabinet and officers had dedicated a tremendous amount of time and effort to get to the position as reflected in the proposals. The Cabinet Member for Finance thanked all who had been involved and contributed to this budget process.

It was stated during the meeting that despite what may seem like a lengthy and complicated process; this level of planning was of critical importance. It was how the Council would continue to deliver the services that matter to people, protect and support the most vulnerable residents. Cabinet recommended increasing the net spending on local services by £3.5m or 19.6% for the budget year. This was a really significant increase. The district council faced the same cost increases as everyone else on fuel, transport and pay, and this had to be funded. Inflation was at a 40 year high and the current economic climate made it difficult to predict the future.

In addition to the increased cost of delivering services, the wider difficult economic climate meant that demand for some key services, most notably temporary accommodation for homeless people, was rising. Providing a safety net for people who had nowhere to live, was one of the most important services the Council provided. However it was demand-driven and costs were rising. Cabinet was proud to be presenting a number of proposals to invest in some of the council's key services, which made a difference to local people. More spending was going to be dedicated on priorities such as improved CCTV, the recruitment of 5 coastal enforcement officers and more money for seaweed collection and coastal cleansing.

Despite the fact that inflation was running at around 10%, the Council's core funding had only increased by 5.8% and the Council is only allowed to increase Council Tax by a maximum of 3%. Therefore Council would look to maximise local income, so that it could improve and provide quality services for local people. Cabinet was therefore proposing maximising key income streams, by charging for services which were only used by a limited proportion of residents. Cabinet was also planning to invest more in the council's property portfolio, with the clear objective to increase income.

The Council had a relatively substantial capital programme to deliver over the next four years, through ongoing Levelling Up Fund projects for both Margate and Ramsgate and the Margate Town Deal. These funds provided the opportunity for significant investment in two of the district's towns and the impacts on the budget were set out in the draft capital programmes for 2023-2027.

Finally the proposed increase in Council Tax, at £7.42 per Band D equivalent property, represents an increase of less than 15p a week for each household.

The following Members spoke under Council Procedure 20.1:

Councillor Whitehead
Councillor Everitt
Councillor Yates;
Councillor Austin.

Councillor David Saunders proposed, Councillor Jill Bayford seconded and Cabinet agreed the following:

1. That the 2023/24 General Fund revenue budget be recommended to Council for approval;

2. That the 2023-27 General Fund capital programme be recommended to Council for approval.

885. HRA BUDGET 2023/24

Members considered the proposals for next year's Housing Revenue Account (HRA) budget which was underpinned by a 7% increase in rents, which was in line with the maximum cap set nationally by government. This equated to an average rental increase of £6.20 per week for Council tenants. The majority of which would be covered by increased Housing Benefit or Universal Credit payments to the tenants. The HRA had been running at a deficit for a number of years, partly due to the imposition of statutory rental reductions and then caps being placed on rent increases in recent years.

The deficit had been put under further strain this year, due to the high inflation environment and the consequent increase in the Council's costs. As such, this level of proposed rent increase was needed to continue to drive the HRA to a balanced and sustainable financial position and also to finance Cabinet's ambitious affordable house building programme and housing investment plan.

Councillor Whitehead spoke under Council Procedure Rule 20.1.

Councillor David Saunders proposed, Councillor Pugh seconded and Cabinet agreed to:

1. Recommend to Council that the HRA budget for 2023/24 be approved;
2. Recommend to Council that the Housing Revenue Account capital programmes (Annex 1) for 2023-27 be approved; and
3. Note the HRA business plan.

886. TREASURY MANAGEMENT STRATEGY & ANNUAL INVESTMENT STRATEGY 2023/24

Cabinet received a report on the treasury management as is required in accordance with the CIPFA Code of Practice on Treasury Management. The report covered the capital spending and financing plans and its treasury strategy, backed by prudential indicators and limits.

The report also presented for approval the Council's Minimum Revenue Provision policy, capital strategy, investment strategy and non-treasury investments report for the next financial year. An earlier version of the report had also been considered by the Governance & Audit Committee on the 30th November 2022 as part of the process leading up to consideration by Full Council.

Councillor David Saunders proposed, Councillor Kup seconded and Cabinet agreed to:

1. Note and make comments on as appropriate, this report and annexes, including each of the key elements listed below;
 - a. The Capital Plans, Prudential Indicators and Limits for 2023-24 to 2025-26, including the Authorised Limit Prudential Indicator;
 - b. The Minimum Revenue Provision (MRP) Policy;

- c. The Treasury Management Strategy for 2023-24 to 2025-26 and the Treasury Indicators;
 - d. The Investment Strategy for 2023-24 contained in the Treasury Management Strategy, including the detailed criteria;
 - e. The Capital Strategy for 2023-24;
 - f. The Non-Treasury Investments Report for 2023-24.
2. Recommend this report and annexes, including each of the key elements listed above, to Council for approval.

Meeting concluded: 8.14 pm