

## CABINET

**Minutes of the meeting held on 11 January 2024 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.**

**Present:** Councillor Rick Everitt (Chair); Councillors Whitehead, Albon, Duckworth, Keen and Yates

**In Attendance:** Austin, J Bayford, Davis, Garner, Kup, Rattigan, Rogers and Wing

### 72. APOLOGIES FOR ABSENCE

There were no apologies made at the meeting.

### 73. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 74. MINUTES OF PREVIOUS MEETING

Councillor Everitt proposed, Councillor Albon seconded and Members agreed the minutes as a correct record of the meeting held on 14 December 2023.

### 75. TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY FOR 2024/25

Cabinet considered the treasury management strategy proposals for 2024/25. These proposals were a requirement for Councils to adopt in accordance with the CIPFA Code of Practice on Treasury Management. The strategy included the Council's climate net zero target and Cabinet was pleased to report that this had started to bear fruit with £2m in the Standard Chartered fixed term deposit during 2023/24 and an option to continue into 2024/25, Investments were referenced against the United Nations Sustainable Development Goals including, but not limited to, climate change, health, financial inclusion and education. This fund represented around a 4.5% fixed return to the Thanet tax payers over the period of investment.

The strategy report also covered the capital spending and financing plans and 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. This report was also considered by the Governance & Audit Committee on 29 November 2023

Councillor Yates proposed Councillor Keen seconded and Cabinet agreed the following:

1. To note, and make comments as appropriate on, this report and annexes, including each of the key elements listed below.
  - a. The Capital Plans, Prudential Indicators and Limits for 2024/25 to 2026/27, including the Authorised Limit Prudential Indicator;
  - b. The Minimum Revenue Provision (MRP) Policy;
  - c. The Treasury Management Strategy for 2024/25 to 2026/27 and the Treasury Indicators;
  - d. The Investment Strategy for 2024/25 contained in the Treasury Management Strategy, including the detailed criteria;
  - e. The Capital Strategy for 2024/25;

- f. The Non-Treasury Investments Report for 2024/25;
2. To recommend this report and annexes, including each of the key elements listed above, to Council for approval.

## **76. 2024-28 MEDIUM TERM FINANCIAL STRATEGY**

Cabinet received the report on the Medium Term Financial Strategy (MTFS) which provided an integrated view of the whole of Thanet District Council's (TDC) finances. This covered the General Fund revenue and Capital budgets along with the HRA Revenue and Capital budgets, setting out its strategic approach to these; risks to be managed and the policies to be applied over the period 2024-2028. It also covered indicative budgets and Council Tax for the medium term. Whilst the report was focused on the Council's future financial position, it was helpful to look back at past circumstances.

Members noted that clearly there was great uncertainty as to what form local government finance would take over the medium term, let alone the shape of the macroeconomic environment. Nonetheless, the Council continued to prudently identify longer-term budget savings, which could be implemented if and when necessary to close the forecast budget gaps as presented within the report. The key assumption in place under this central forecast was that the reform of the local government finance system was implemented in 2026/27, resulting in:

- Funding allocations being broadly the same in 2025/26, including one final year of NHB at £228k;
- That business rates baselines and related compensation funding remain at current levels and are increased by inflation;
- No core grant funding (RSG, NHB or otherwise) allocated from 2026/27 onwards with a consequent £1.365m loss of funding;
- A reset of the business rates systems in 2026/27, leading to a loss of £1.6m in accumulated growth.

Other key assumption applied include:

- Continued high inflation and stagnant economic growth at least into 2025/26;
- Consequent 3% pay award assumed in the later years of MTFS;
- Financial pressures on the Homelessness service remain high;
- That the Council Tax referendum limit is 3% in 2025/26 and then 2% afterwards and that the council sets council tax at these limits (as per government funding assumptions);
- The Council tax base grows about 2% in each of the following three years of the MTFS;
- Significant borrowing repayments associated with the financing of the capital programme, including budget provision for electrification of refuse collection vehicles.

Councillor Yates proposed Councillor Duckworth seconded and Cabinet agreed the following:

1. That the 2024/28 MTFS be agreed and referred to Council for Approval.

## **77. HRA BUDGET 2024/25**

Members discussed the HRA budget for 2024/25 and confirmed that next year's HRA budget was underpinned by a 7.7% increase in rents next year, representing CPI (as at September) + 1%. The majority of which would be covered by increased benefit or Universal Credit payments to Council tenants. This rent increase was needed to continue

to drive the HRA to a balanced and sustainable financial position, and also to finance the Council's ambitious house building programme and housing investment plan. The Council did not have rents that were above the Local Housing Allowance levels.

Through consultation with the Portfolio Holder, there had been a change in the budget since the draft was presented to Cabinet in October, this being the creation of a Hardship Fund. This fund ensured that £30k was allocated to assist those tenants on a low income who may be struggling to meet the rent or associated service charges levied. The criteria of the fund would be developed and published by the Tenant and Leasehold team to ensure that these specific tenants were supported.

Councillor Rattigan spoke under Council Procedure Rule 20.1.

Councillor Yates proposed Councillor Albon seconded and Cabinet agreed the following:

1. That the HRA budget for 2024/25 be recommended to Council for approval;
2. That the revised Housing Revenue Account capital programme (Annex 1) for 2024-28 be recommended to Council for approval.

## **78. COUNCIL TAX BASE CALCULATION REPORT 2024/25**

Cabinet considered proposals for the Council the Council Tax base for 2024-25, which had increased by 1.52% on the previous financial year. The report made a number of recommendations on the following:

- Empty homes discount for properties unoccupied and unfurnished;
- Determining the long term empty premiums;
- Discontinuation of the council Tax 'Class D' discount for properties undergoing structural alteration and/or major repair.

These changes would be effective from 1 April 2024, and this report formally approved the Council Tax Reduction Scheme (CTRS), effective from 1 April 2024. The report included the application of a 100% Council Tax premium on properties that were unoccupied and furnished, often referred to as 'second homes' ('Class B' properties), applicable from 1 April 2025, in line with the Levelling-Up and Regeneration Act 2023. Cabinet agreed that all of these changes would increase the Council's capacity to support those that were most disadvantaged in the District.

Councillor Yates proposed Councillor Keen seconded and Cabinet agreed the following:

1. To determine that for the financial year 2024/25, the empty homes discount for properties unoccupied and unfurnished ('Class C' properties) remains at 0%, so that Council Tax will be payable in full on these properties;
2. To approve the District's Council Tax Base for 2024/25 as 46,454.06 and the tax base for the towns and parishes in the Council's administrative area, as set out in the table at Appendix 2;
3. To determine the "Long Term Empty Premium" for properties that have been left empty and substantially unfurnished:
  - (a) for periods of 1 year but less than 5 years, a Long Term Empty premium to be charged at 100%; and
  - (b) for periods of 5 years but less than 10 years, a Long Term Empty premium to be charged at 200%; and
  - (c) for periods of 10 years or more a Long Term Empty premium to be charged at 300%;

4. To formally approve the discontinuation of the council Tax 'Class D' discount, for properties undergoing structural alteration and/or major repair, effective from 1 April 2024;
5. To formally approve the Council Tax Reduction Scheme (CTRS) as set out in this report, effective from 1 April 2024;
6. To formally approve the application of a 100% Council Tax premium on properties that are unoccupied and furnished, often referred to as 'second homes' ('Class B' properties), applicable from 1 April 2025, in line with the Levelling-Up and Regeneration Act 2023.

## **79. 2024/25 FEES AND CHARGES**

Members debated proposals for the Fees and Charges for 2024/25. These proposals were presented to Cabinet in October as part of the main budget report in order to support the 2024-25 budget setting process. The review of fees and charges commenced in the early summer and proposed fees and charges were then received by Cabinet in October for recommendation. These projections were based on a broad 8%, which was based on inflation as of June 2023. This was expected to generate additional income of around £350k.

Work undertaken looked to ensure that charges would remain competitive and that income budget expectations were realistic, allowing us to manage existing shortfalls of actual income against budget; expected income growth from fees and charges for the forthcoming year excluded items such as Selective Licensing, On Street Parking and specific growth items covered elsewhere in the budget. Since this report was presented in October, inflation had reduced to nearer 4% and as a result Cabinet took the opportunity to review the fees and where possible, bringing these to nearer to 5%. The budget for 2024/25 being proposed now included the allocation of £116k to help facilitate this. As a result of this work, it had not been possible to provide the revised annex to this report this evening. This information would be brought to Cabinet meeting for consideration towards the end of January.

The following Members spoke under Council Procedure Rule 20.1.

Councillor Davis;  
Councillor Rattigan;  
Councillor Wing.

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

1. To consider the fees and charges as set out and agree to receive an updated schedule at its meeting on 25 January 2024 to form the basis of its recommendation to Council for approval.

## **80. DRAFT 2024/25 BUDGET**

Cabinet was pleased to be able to present a balanced budget for 2024-25 to the meeting. Members thanked Officers from across the Council and in particular Finance Officers for their hard work putting together the draft Council budget. Members noted that the budget process kicked off in August 2023 with a series of prioritisation meetings. The end product of the process was a compassionate, progressive, and resident-focused budget for all of us to review.

Members discussed the content of the budget proposals and noted that a planned approach to budget setting, combined with an efficient use of resources, had allowed the Council to present this balanced budget, which allowed for investment in key service areas that contributed towards the Council's Corporate Priorities as well as helping to deliver against what residents want, as reflected in the feedback from the Residents Survey. This year's financial settlement was broadly in line with the Council's basic assumptions, with little or no change from that which was presented in October. However, the certainty over settlement had allowed the Council to review these assumptions, this had freed up capacity:

- To employ two further graffiti cleaning operatives in 2024/25. Together with equipment and transport, the cost of which will be £80k.
- Over and above the investment above, Cabinet had considered the use of Glyphosate as the principal chemical means by which to control the presence of weeds on land within the Council's ownership. The Council currently applied Glyphosate using a relatively safe spotting method. It was important to note that Kent County Council also used Glyphosate, in spray form, to control weeds on the highways, and Cabinet understood that they will continue to do so. As a result of concerns expressed about the safety of the Council's practices, Thanet District Council would be utilising Hot Foam to control weeds in the coming year. The hot foam equipment could also be used to clean graffiti and chewing gum from walls and pavements. The additional cost of this would be £100k;
- Sports Development £50k - recent conversations with the Kent Football Association had been positive about funding that could become available through the Association to increase the work that TDC did with local communities to improve their access to sports and facilities. This included potential support for pitch improvements at Jackey Bakers for the 2024/25 football season. A one-off sum of £50k was included to be drawn from reserves as required pending an application for grant funding.
- Given inflation had been reducing over the past months, Cabinet was where possible, reducing the resident focused fees and charges to no more than 5%;
- As part of the overall budget setting process, Cabinet would seek to update the schedule of the proposed fees and charges for 2024/25 in the annex to the Fees and Charges report in time for the meeting of the Cabinet on 25 January 2024 for recommendation to Council for approval in February;

Cabinet acknowledged that given the timescales of the announcement of the provisional settlement only just before Christmas, and the latest reduction in CPI, announced on December 20th, it would not be possible to update the schedule in time for the meeting of the Overview and Scrutiny Panel on 16 January 2024. The main areas covered by this review would be, Parking, Garden Waste, Waste Bin Replacement and the Crematorium. Therefore, in the Cabinet report that was considered at the meeting, there was £116k that had been allocated for the reduction of the fees and charges.

Councillor Davis and Councillor Rattigan spoke under Council Procedure Rule 20.1.

Councillor Yates proposed Councillor Duckworth seconded and Cabinet agreed the following:

1. That the outcomes of the budget consultation be noted;
2. That the draft 2024/25 General Fund revenue budget, as amended from the original draft for consultation, be considered and noted;
3. That the 2024-28 General Fund capital programme, as amended, be considered and noted;
4. That the Flexible use of Capital Receipts policy as presented be approved.

Meeting concluded : 7.44 pm