

CABINET

Minutes of the meeting held on 25 June 2024 at 6.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

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

In Attendance: Councillors Davis, Pugh, Rattigan and Rogers

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor K. Bright.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF PREVIOUS MEETING

Councillor Everitt proposed, Councillor Duckworth seconded and Members agreed the minutes as a correct record of the meeting held on 30 May 2024.

4. BOAT HOIST REPLACEMENT

Cabinet discussed proposals for approval to undertake the procurement and award of a contract to purchase a replacement boat hoist for Ramsgate Royal Harbour and to delegate authority to the Director of Environment to agree the final terms and sign the contract with the successful bidder.

The boat hoist was a key asset to Ramsgate Royal Harbour, generating an income of around £95,000 per year through its use and the boat hardstanding area. The existing boat hoist at Ramsgate Royal Harbour was 30 years old and was showing signs of wear. During the last LOLER inspection, the boat hoist was downgraded to 32.5tonnes instead of the original 40 tonnes. The cost to restore the boat hoist to its 40 tonne capacity would be £67,000.

Due to the age of the vehicle, keeping it in a suitable operational condition would incur large costs year on year, which were additional to the £67,000, which would need to be spent now. These costs were not currently accounted for in the Ramsgate Royal Harbour budget. The Ramsgate Royal Harbour long term tenants such as ESL pilotage, RNLI lifeboats and the fishing fleet required the boat hoist to be able to lift more than 32.5 tonnes and for this reason were travelling to Dover for Boat Hoist and repair services.

The cost of a new boat hoist was budgeted for as part of the £674,000 2024/25 budget in the Maritime Vehicle & Equipment Replacement Programme. The cost of a new machine was in the region of £260,000 to £300,000. The new boat hoist would restore the ability to lift to 40 tonnes at Ramsgate Royal Harbour.

Councillor Everitt proposed, Councillor Keen seconded and Cabinet agreed the following:

1. To approve the key decision to award a contract with a value in excess of £250,000 to supply the new boat hoist at the Ramsgate Royal Harbour, following a procurement exercise;

2. To delegate authority to the Director of Environment to agree the final terms and sign the contract with the successful bidder.

5. PURCHASE OF HOMES AT PHASE 3, SPITFIRE GREEN, NEW HAINE ROAD FOR AFFORDABLE RENT

Cabinet discussed proposals for the purchase of 32 new affordable homes, using the additional capital budget, approved by council at its meeting on 12 October 2023. The letting of these homes in accordance with the council's Allocations Policy, at an affordable rent as set out in the council's Tenancy Strategy.

In July 2023, Council approved an accelerated affordable housing development programme of at least 400 new homes, constructed or acquired, by 2027. The underlying requirements behind the strategy were simple; affordable units were being lost, due to lack of uptake from Housing Associations, and we needed to ensure that no further units were lost, and that affordable housing produced was kept for the benefit of residents.

Officers had been working with BDW on a number of sites. BDW contacted the Council regarding Phase 3 at Spitfire Green, New Haine Road. Although they had made enquiries with other registered providers, no offers for the units had been received, and they were also keen to maintain continuity throughout the sites by working with the Council. These homes were anticipated to be EPC B and construction would start early next year.

The capital cost for these 32 x section 106 affordable rent units at Phase 3 of Spitfire Green, New Haine Road, Ramsgate was £4,050,000 and £212,000 for associated costs. As had been discussed previously, the Council had a strong assessment model in relation to these purchases. If affordability and return did not add up within the viability model, the Council would do not move forward with the purchase. Each proposal was assessed separately against these guidelines by the Finance department.

For this acquisition, Paragraph 3.4 of the report shows that the proposed purchase would generate a cash flow deficit in year 1 of £43,813 with a break-even point in year 16, with surpluses accumulating between year 16 and year 50. The project shows a surplus over a 30 to 50 year period. The Council was being exceptionally proactive in its approach to what had been described as the 'market failure' across the South East. Councils and developers from Kent, Essex and East Sussex had been discussing the difficulty in sourcing registered providers to take the affordable housing set aside in s106 allocations. Thanet was a leading Council in its determination to address this need. These proposals would have multiple positive impacts, that include the following:

- Ensuring affordable homes are not lost to the open market;
- Providing homes that can be not only let to those on the housing register but directly let through local lettings plans to those in temporary accommodation;
- Actually help with the completion of genuinely affordable housing.

However, the changes to the multiple dwellings relief for Stamp Duty Land Tax (SDLT) that were announced in the Spring 2024 budget had provided a further obstacle to our due diligence and viability tests to buy larger numbers of homes. As a result the Council had written to the Chancellor of the Exchequer to raise concerns regarding this new obstacle. Cabinet was aware the rationale for bringing the measure was to prevent perceived abuse of the rules and speculative claims for relief, but increasing the amount of SDLT Councils pay on larger acquisitions had the significant potential to adversely hamper attempts to deliver the positive outcomes listed above and directly harm Council's ability to provide affordable housing and exercise creativity in solving the issues created by the current national affordable housing delivery system.

As these homes had been designated as affordable homes in the planning consent and section 106 agreement, they had been designed specifically for that purpose. Therefore, they were considered appropriate for the HRA, in line with the needs of households on the council's register or those living in temporary accommodation. There was a significant level of need for 1 bedroom homes, as well as for larger family homes.

The unit sizes and the mix of dwellings are as follows:

- 18 x 1 bed units
- 14 x 2 bed units

It was proposed that the new homes be let in accordance with the Council's adopted allocations policy and Cabinet would implement a local lettings plan to enable the Council to house not only those on the housing register but also those in temporary accommodation.

Councillor W. Scobie spoke under Council Procedure Rule 20.1.

Councillor Whitehead proposed, Councillor Yates seconded and Cabinet agreed to:

1. The purchase of 32 new affordable homes, using the additional capital budget, approved by council at its meeting on 12 October 2023;
2. The letting of these homes in accordance with the Council's Allocations Policy, at an affordable rent as set out in the council's Tenancy Strategy.

6. JACKY BAKERS RECREATION GROUND PAVILION

Members of Cabinet considered a report on Jackey Bakers Recreational Grounds in response to a petition that was received by Council on 30 June 2023 relating to the Council's management of the public open space at Jackey Bakers Recreation Ground. On 14 December 2023 Cabinet approved the next steps that were to be undertaken by officers in response to the petition. This included approving the demolition of the existing pavilion and the purchase of a temporary portacabin style changing facility once demolition has occurred.

On 28 March 2024 Council agreed that a capital budget of £370,000 be allocated to facilitate this and this budget was now available for 2024/25. The existing pavilion building at Jackey Bakers Recreation Ground was dilapidated and presented a health and safety risk to the public. It was beyond economical repair and was currently fenced-off to prevent unforced access to the perimeter of the building.

This report set out proposals for Cabinet's approval to undertake the procurement and award of a contract to demolish the existing pavilion and erect a temporary changing facility. A RIBA stage 2 Cost Plan undertaken by consultants B&M had estimated the value of the contract at £360,000. B&M had also undertaken building and services surveys and produced a contract specification for competitive tendering based on the plans and designs they had also produced.

Planning prior approval for the demolition of the existing pavilion was granted at the Planning Committee held on 13 December 2023. A further application for planning permission to erect the temporary pavilion had been submitted in early May 2024.

Councillor W. Scobie spoke under Council Procedure Rule 20.1.

Councillor Albon proposed, Councillor Keen seconded and Cabinet agreed the following:

1. To approve the key decision to award a contract with a value in excess of £250,000 to demolish the existing pavilion at Jackey Bakers Recreation Ground and erect a temporary portacabin style changing facility to the successful bidder, following a procurement exercise;
2. To delegate authority to the Director of Environment to agree the final terms and sign the contract with the successful bidder.

7. **ANTI-SOCIAL BEHAVIOUR AND ALCOHOL PSPO**

The item was deferred.

8. **TDC ELECTRICITY AND GAS SUPPLY TENDER**

Cabinet discussed proposals for a new gas and electricity supply contract. This report sought authority for the Council to enter into a new contract for the supply of gas to nine council sites and electricity to 12 sites for a four year period. Approval was also sought to move the 246 sites currently supplied with electricity under a Fixed Term Fixed Price (FTFP) contract to a new Flexible contract for a four year period.

The Council was required to ensure best value for money when procuring its contracts and as such, the Council was required to re-procure its gas and electricity supply contracts before the renewal date of 1st October 2024. The value of the estimated contract for the four years for all sites is £8.3 million. The first place supplier in this framework uses Renewable Energy Guarantees of Origin, known as REGOs, to evidence the specific amount of electricity had been generated from renewable sources. This means that they could ensure that the energy that was supplied under this contract was backed by certificates from renewable-generated sources and as such the Council could report its planned electricity consumption as 100% green.

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

To agree to letting of the contract for electricity and gas supply services as laid out in the report, (as detailed below).

As per option 1 to procure a new contract for a 4 year period for the Electricity and Gas supply, with the objective of securing best value for money for the Council.

Option 1: Accept 1st rank bidder for the supply of electricity under framework Y22009 along with Total Energies for the supply of gas under framework Y22008 **including** the transfer of the 246 sites to framework Y22009 for electricity. This option includes the fully managed service as well as the bureau service from LASER.

9. **ADOPTION OF BIRCHINGTON CONSERVATION AREA APPRAISAL**

Cabinet considered the report on the conservation area in Birchington-on-Sea. Birchington had been without an appraisal since its designation in 1976 and Birchington Parish Council approached Thanet District Council (TDC) for an appraisal to be carried out. TDC appointed Alan Baxter Ltd in 2023 to complete the appraisal at a cost to TDC and in collaboration with the Parish Council.

Public consultation on the appraisal occurred for 6 weeks between March and April this year with the responses shown at Annex 2 to the Cabinet report. The appraisal helped to further a better understanding of heritage in Birchington, and would assist as evidence in planning decisions within the Conservation area. It would also assist in seeking future funding opportunities if available, and would provide recommendations for potential expansion of the Conservation area in two locations. This would be subject to future

consultation if it came forward. Cabinet was asked to recommend the appraisal to Full Council for adoption and publication by 1 August 2024.

Councillor Pugh spoke under Council Procedure Rule 20.1.

Councillor Everitt proposed, Councillor Albon seconded and Cabinet agreed the following, that:

The Conservation Area Appraisal and Management Plan, and associated documents, as appended to the Cabinet report, be agreed and recommended to Full Council for adoption and published by 1 August 2024.

10. BUDGET MONITORING 2023/24. REPORT NO.4 YEAR-END

Cabinet considered the budget monitoring year-end report for 2023/24. This report provided Cabinet with a view on the 2023/24 provisional year-end budget position for General Fund revenue and capital, as well as the Housing Revenue Account. As indicated, these figures were provisional and therefore subject to possible change as part of the year-end accounts closure and audit process. Cabinet noted a balanced position at the end of the year, but within this balance position included some significant 'over and unders.'

The key budget variances to note is a £1.1m overspend on the provision of temporary accommodation for homelessness. The council is not alone in facing this financial pressure, as it is a national trend being experienced by councils up and down the country. The Council had taken some steps in order to reduce its overall temporary accommodation spend including the successful development of Foy House in Margate, the approved acquisition of a further TA property and opportunities to utilise other partners' accommodation for TA placements. The Council is looking at all possible future opportunities to provide temporary accommodation to support vulnerable homeless and rough sleepers whilst reducing its overall budgetary impact. Nonetheless, Temporary Accommodation was expected to continue to be the main financial pressure experienced by the council in 2024/25 and would be a key consideration of the budget setting process for 2025/26.

In addition, the Council also experienced increasing budget pressures in Housing Benefit, with an £425,000 overspend. Due to the scale and the nature of the transactions accounting for Housing Benefit it was not possible to isolate all individual factors that contributed to this overspend, but it was expected that the Cost of Living crisis would have had an impact. Alongside Temporary Accommodation, work was on-going in this area to explore alternative means to manage this budget pressure whilst maintaining the level of support provided to some of the most vulnerable residents.

Within the Cleansing Service, Council recorded an overspend of almost £700,000 that was primarily due to higher than historical rates of sickness absence and a consequent reliance on agency staff across the entirety of the service, as well as a significant increase in vehicle repairs and maintenance. There had also been income shortfalls recorded in the property service and at the port and harbour, however it was anticipated that these pressures would reduce in the current and forthcoming financial years.

These overspends had been able to be funded, and the budget balanced, by provisionally assuming £1.5m in additional Business Rates and £168,000 from Council Tax. The Council had also received an increase in investment income of £1m and benefited from savings of £338,000 from the repayment of borrowing. Whilst these income items were welcome windfalls to balance the 2023/24 budget, they could not be relied upon to continue to balance the current and future year budgets and as such, as previously mentioned, work was underway to identify solutions to address the budget overspends experienced in 2023/24.

Section 6 of this report explains where there was an underspent against the Capital Programme and the reasons for doing so, including a number of grant backed schemes that would be carried forward into the current financial year. This report also set out some adjustments to the Capital programme, as detailed at sections 6.3 and 6.4 and within Annex 1 to the report. In terms of the Housing Revenue Account, there was a £1m underpend, again mainly due to excess investment income and reduced borrowing charges. However because the HRA was budgeted to run at a £1.5m deficit this still represented an actual deficit of almost half a million pounds and it was important that the council continued with its rent policy to ensure the HRA was financially sustainable over the longer term.

Councillor W. Scobie spoke under Council Procedure Rule 20.1.

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

1. To note the following:
 - a) The provisional outturn position for the General Fund;
 - b) The provisional outturn position for General Fund Capital;
 - c) The provisional outturn position for the Housing Revenue Account;
 - d) The provisional outturn position for Housing Revenue Account Capital.
2. To recommend to Council for approval the supplementary capital budgets, numbered (i) and (ii), as set out in section 6.3 and Annex 1 to the Cabinet report;
3. To the capital programme budget adjustment, numbered (i), as set out in section 6.4 and Annex 1 to the Cabinet report.

11. APPOINTMENT TO EXECUTIVE OUTSIDE BODIES FOR 2024/25

Council agreed the list of Executive Outside Bodies and the number of Councillors to be appointed to them, at its Annual meeting on 09 May 2024. As part of the updates of Council representatives on Executive Appointed Outside Bodies; Cabinet was asked to give consent to nominations of Members to sit on these Bodies as reflected in Annex 1 to the Cabinet report.

Additionally, Cabinet considered the recommendation that Cllr Yates be the Council's Risk Management Champion in order to fulfil the constitutional obligations as set out in Regulation C.3 of the Council's Financial Procedure Rules.

Councillor Everitt proposed, Councillor Albon seconded and Cabinet agreed the following:

1. The list of nominations to the Executive-related outside bodies as shown at Annex 1 of the Cabinet report;
2. To designate Cllr Yates as the Council's 'Risk Management Champion.

Proposed List of Executive Appointed Outside Bodies – for the municipal year 2024/25

Name of Outside Body	No. of Reps	Councillor
British Ports Association	1	Everitt
Community Safety Partnership	1	Keen
Domestic Violence Forum	1 (+1 reserve)	Keen
East Kent Opportunities Ltd	1	Yates

East Kent Spatial Development Company	1	Everitt
Kent Police and Crime Panel	1	Makinson
Local Government Association Coastal Special Interest Group	1	Albon
Local Government Association District Councils' Network	1	Everitt
Local Government Association General Assembly	1	Everitt
Local Government Association Strategic Aviation Specialist Interest Group	1	Everitt
Manston Skills and Employment (MSE) Board	1	Yates
South East England Councils Thanet (Ramsgate) Harbour	1	Everitt
Users' Groups	1 (+1 reserve)	Everitt/ reserve Albon
Thanet Quality Bus Partnership	1	Matterface
Tourism South East	1	Duckworth
Your Leisure Thanet Sub Group	2	Everitt/Whitehead

Meeting concluded: 6.42 pm