

## **CABINET**

### Minutes of the meeting held on 3 December 2015 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllrs. Dickins, Hogarth, Lowe, Piper and Searles

Apologies for absence were received from Cllrs. Firth

Cllrs. Abraham and Pett were also present.

#### 45. Minutes

Resolved: That the minutes of the meeting of Cabinet held on 5 November 2015 be approved and signed as a correct record.

#### 46. Declarations of interest

There were no additional declarations of interest.

#### 47. Questions from Members

There were none.

#### 48. Matters referred from Council, Audit Committee, Scrutiny Committee or Cabinet Advisory Committees

There were none.

#### 49. Draft Budget 2016/17

The first stage of the budget process was the 'Financial Prospects and Budget Strategy' report which had been reported to the Finance Advisory Committee and Cabinet in September 2015, and had taken the budget agreed by Full Council in February 2015 and updated it including rolling the 10-year budget on a further year. The Portfolio Holder for Finance presented the report before Members which set out progress made in preparing the 2016/17 budget since that time.

He advised that all seven Advisory Committees had discussed growth and savings suggestions relating to services within their terms of reference. The only changes made to the budget since the previous report had been the impact of the Sennocke/Bradbourne hotel and car park development which had been approved by Council in November 2015. By building in the changes using the proposed funding methods, income from New Homes Bonus in 2016/17 – 2018/19 was no longer required to deliver a balanced 10-year budget, instead any income that was received from Revenue Support Grant or New Homes Bonus would be used to finance the hotel.

## **Cabinet - 3 December 2015**

He was therefore, pleased to report that from 2016/17, there would no longer be any Revenue Support Grant or New Homes Bonus in the 10-year budget, and the Council would be financially self-sufficient from direct government funding with effect from 1 April 2016.

This statement was welcomed by all Members present.

The Chief Finance Officer reported that as agreed in September 2015, the Council was continuing to use the 10-year budget strategy, which was now in its sixth year. This remained unusual in Local Government as many other Local Authorities were still only looking at the short term, as they saw budgeting for 3, 5 or 10 years ahead as being past their financial cliff edge.

The Governments Comprehensive Spending Review on 25 November 2015 did not include enough detail to change any assumptions in the 10-year budget. It had not been officially announced when the Government's grant settlement to Local Authorities would be, but it had been rumoured that it would be on 15 December 2015.

Individual comments from the Advisory Committee Members had been included at Appendix F to the report and Members' attention was drawn to the supplementary agenda containing the feedback from the Finance Advisory Committee. The Advisory Committees had recommended to Cabinet all growth and savings proposals listed in Appendix D to the report and explained in more detail in Appendix E to the report.

Further recommendations from the Advisory Committees, to Cabinet, were as follows:

### Planning Advisory Committee

- investigate the possibility of charging for householder pre application advice; and
- bear in mind, consideration of the future possibility of setting up a rival land registry company.

### Finance Advisory Committee

- that Sencio contribute more towards, or all of the cost of, the asset maintenance of its sites to be considered as part of a review of the contract with them.

### Policy & Performance Advisory Committee

- investigate meetings of the Council being paperless.

The 10-year budget assumed new net savings in 2016/17 of £500,000. The growth and savings proposals included in Appendices D and E of the report, totalled £448,000 resulting in a shortfall of £52,000.

The Portfolio Holder for Finance brought Members attention to SCIA 3, and the request from the Economic & Community Development Advisory Committee for a growth item in order to have a full time Tourism Officer. The Portfolio Holder for Economic & Community Development advised that the departure of the Head of Economic Development and

Property whose focus had been on both the council's assets and the delivery of new income earning assets, gave an opportunity to have a role that was more equitably balanced between Property and Economic Development with a particular focus within the Economic Development part of the role on Tourism as the second largest employer after land based industries within the district and its huge opportunities for growth. Therefore the need for a separate resource was reduced and the growth item could be withdrawn. The Portfolio Holder for Finance pointed out that this would help reduce the shortfall by £39,000.

Cabinet discussed the new participative approach taken at the Advisory Committees which appeared to have been successful in making Members feel more engaged with the budget setting process, and were keen to highlight to the Advisory Committees how their suggestions and recommendations would be fed into the process.

#### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That

- a) all Members be advised that their comments and feedback would be considered going forward in the budget setting process;
- b) the growth item for a full time Tourism Officer requested at SCIA 3 be removed; and
- c) all other proposals put forward by the Advisory Committees would be considered in the budget setting process going forward.

#### 50. Treasury Management Mid Year Update

The Portfolio Holder for Finance presented the report which gave details of treasury activity in the first half of the current financial year, recent developments in the financial markets and fulfils the reporting requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management. The report was one of a number that were recommended for submission to Members in order to show sound governance on treasury management. The Finance Advisory Committee had considered the same report and had agreed to recommend it to Cabinet.

The Principal Accountant highlighted the key points of the report, which also outlined some technical changes to credit rating methodologies, which meant that that less reliance would be placed on the viability, financial strength and support ratings of banks and other institutions. The focus was now on short and long term ratings of an institution coupled with rating watches and outlook information as well as the Credit Default Swap overlay. The purpose of the recommendation in the report was to recognise the changes in the selection of counterparties.

#### Public Sector Equality Duty

## **Cabinet - 3 December 2015**

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the Treasury Management Mid-Year Update for 2015/16 be approved, including the changes to the credit methodology whereby viability, financial strength and support ratings will not be considered as key criteria in the choice of creditworthy investment counterparties.

### **51. Financial Results to the end of September 2015**

The Portfolio Holder for Finance introduced the report which detailed the financial results as at the end of September 2015 which showed an overall favourable variance of £12,000. The end of year position was forecast to be an unfavourable variance £159,000 and so the Chief Executive had asked Officers to consider what reductions planned for future years could be brought forward. He advised that the Finance Advisory Committee had considered the same report and agreed to recommend it to Cabinet with no further comment.

The Head of Finance reported that the October figures were now available and that the end of year position forecast had reduced to an unfavourable variance £153,000.

The Portfolio Holder for Direct and Trading Services reported that more gall wasps had been discovered in a number of small isolated areas within Farningham Woods, on two year old trees. Permission and advice was being sought from the Forestry Commission and DEFRA, on alternative methods to eradicate the threat as the trees were too young to fell and produce an income which would make treatment more cost neutral.

In response to a query on the intention of the Government to introduce voting for 16/17 year olds, it was confirmed that there had been no further information. The Chairman advised that the Council had been approached by 'Bite the Ballot' in order to help engage 17-25 year olds, and would be working with them in the early part of the new year in becoming a 'change maker'. If the voting age was lowered, the Council would already be in a good position to promote engagement.

### **Public Sector Equality Duty**

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the report be noted.

### **52. Swanley Regeneration**

The Head of Economic Development & Property presented the report which sought approval to the demolition of redundant premises at the former Swanley Working Men's Club, 18 High Street, 27 to 37 High Street and Bevan Place Car Park, Swanley. Development of the sites would generate income and capital receipts that could be reinvested. High quality development would serve the needs and improve an important area of the town, thus supporting the Council's Economic Development strategy. It would

also result in higher performing assets in accordance with the Council's approved Property Investment Strategy.

Members' attention was brought to the supplementary agenda containing the recommendations from the Policy & Performance Advisory Committee who had considered the same report and agreed to recommend it to Cabinet.

In response to a query it was confirmed that the stained glass windows and plaques would be preserved.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: To approve the demolition of redundant premises at the Former Swanley Working Men's Club, 18 High Street, 27 to 37 High Street and Bevan Place Car Park, Swanley subject to a detailed appraisal of the VAT implications.

53. Property Disposal Update

The Chairman brought Members' attention to the supplementary agenda containing the recommendations from the Policy & Performance Advisory Committee who had considered the same report and had recommended an alternative recommendation to Cabinet in light of the concerns raised by the local residents. The report sought approval to the disposal of surplus property assets at Shacklands Road, Badgers Mount.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the Council enter into discussions with Badgers Mount Parish Council for a period of 6 months for the disposal of surplus land at Shacklands Road, Badgers Mount and authorise the Head of Economic Development and Property to agree detailed Heads of Terms.

THE MEETING WAS CONCLUDED AT 7.53 PM

CHAIRMAN

## **Cabinet - 3 December 2015**

### IMPLEMENTATION OF DECISIONS

This notice was published on 7 December 2015. The decision contained in Minutes 49,50 and 51 take effect immediately. The decisions contained in Minutes 52 and 53 take effect on 15 December 2015.