

CABINET

Minutes of the meeting held on 13 September 2018 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllr. Lowe (Vice Chairman)

Cllrs. Dickins, Firth, Piper and Scholey

Apologies for absence were received from Cllrs. Hogarth

Cllrs. Dr Canet and Edwards-Winser were also present.

18. Minutes

Resolved: That the minutes of the meeting of Cabinet held on 12 July 2018 be approved and signed as a correct record.

19. Declarations of interest

No additional declarations of interest were made. During item 6 (minute 23 Archbishop's Palace, Otford) Cllr Edwards-Winser declared a non-pecuniary interest in that he was a trustee of the Archbishop's Palace Conservation Trust.

20. Questions from Members

There were no questions from Members.

21. Matters referred from Council, Audit Committee, Scrutiny Committee, CIL Spending Board or Cabinet Advisory Committees

There were none.

22. Treasury Management Annual Report 2017/18

The Finance Portfolio Holder and Chairman of the Finance Advisory Committee presented the report which provided the review of investment and borrowing activity during 2017/18 as required by the Council's Financial Procedure Rules. The Chief Finance Officer indicated that the report outlined the strategy adopted during the year, showed the position of the investment and debt portfolios at the beginning and the end of the year and gave details of how the investment fund had performed in comparison with previous years and against various benchmarks. The report was one of a number recommended for submission to Members either before, during or after the financial year in order to comply with the CIPFA Code of Practice on Treasury Management.

The overall return on the Council's investments was above budget in 2017/18 by approximately £11,400 and the percentage return had exceeded the recognised benchmarks.

He advised that the Finance Advisory Committee had considered the same report and had agreed to recommend it to Cabinet.

Public Sector Equality Duty

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

Resolved: That the Treasury Management Annual Report for 2017/18 be approved.

23. Archbishops Palace, Otford

The Finance Portfolio Holder and Chairman of the Finance Advisory Committee presented the report which provided the background to the Archbishop's Palace in Otford and recommended the granting of a lease to the Archbishop's Palace Conservation Trust to pursue their ambition to convert what remains of the North West corner tower and part of the northern gatehouse, into a self-sustaining centre for the dissemination of knowledge about the heritage of the building and area.

The Chief Officer Environmental and Operational Services stated that granting a lease to the Trust would enable them the opportunity to develop and deliver their Business Plan and to secure necessary external funding required to achieve their vision and objectives, to create a self-sustaining Centre for educational, information and tourism use and preserving the valuable heritage asset. It would also remove the Council from future maintenance liability. However if, after a review, sufficient progress could not be made, the lease could be determined and responsibility revert back to the Council. If this was necessary the Council could then pursue the residential options outlined in the options appraisal report.

He advised that the Finance Advisory Committee had considered the same report and had agreed to recommend it to Cabinet with a recommended amendment to have regular reviews at five year intervals.

Public Sector Equality Duty

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

Resolved: That a 99 year lease, at one peppercorn, per annum, if demanded, be granted to the Archbishop's Palace Conservation Trust to allow the Trust to develop their objectives. The lease was to include five yearly reviews, to determine whether the progress made by the Trust was tangible and whether it was viable for the lease to be continued so as to enable them to achieve their objectives. If following a review sufficient progress had not been made

or it was not viable for the lease to be continued, then the lease would be determined and the responsibility would revert back to the Council. The five yearly reviews were to be dated and inserted into the lease with the intention of allowing progress to be considered by both parties on specified future dates and the lease may contain such other terms as agreed.

24. Financial Results 2018/19 - July 2018

The Finance Portfolio Holder and Chairman of the Finance Advisory Committee presented the report on the Council's financial results 2018/19 to the end of July 2018, which showed the year end position was currently forecast to be an unfavourable variance of £20,000, this represented just over 0.01% of the net service expenditure budget totalling £14,687,000.

The Chief Finance Officer stated that it was currently forecast that the amount of Business Rates retained would exceed the budget by £250,000, it is assumed that this would be transferred to the Budget Stabilisation Reserve and is therefore not included in the £20,000 unfavourable variance above. He said that Chief Officers had considered the future issues and risk areas for their services and the impact these may have on the Council's finances; these were outlined in paragraph 15 of the report. The majority of these risks had been highlighted to members in previous budget monitoring reports.

He advised that the Finance Advisory Committee had considered the same report and had agreed to recommend it to Cabinet subject to expressing their concerns with regard to staff retention.

Public Sector Equality Duty

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

Resolved: That the report and comments with regards to staff retention be noted.

25. Financial Prospects and Budget Strategy 2019/20 and beyond

The Finance Portfolio Holder and Chairman of the Finance Advisory Committee presented the first report for the 2019/20 budget setting process advising that it would be the ninth year of using the current Financial Planning Strategy that included the 10-year budget which had proved successful to date and placed the Council in a much stronger financial position than most other councils.

The Chief Finance Officer stated that the report was intended to start the debate and the assumptions would be updated as more accurate information became available during the process. The main message within the report was that the Council was able to remain financially self-sufficient. The 10-year budget set out at Appendix B to the report, included no Revenue Support Grant (RSG) or National

Homes Bonus (NHB) in any year as the Council continued to no longer be reliant on direct Government funding.

Any amounts that were received from these sources were placed into the Financial Plan Reserve which could be used to support the 10-year budget by funding invest to save initiatives and support for the Property Investment Strategy. Using the funding for these purposes would result in additional year on year income that was not impacted by Government decisions.

Members agreed the last 10-year budget in February and the changes that had been made since then were:

- Rolling the 10-year budget on for one year and updating base figures.

No changes to assumptions had been made at this stage.

The changes resulted in a worse budget position at this stage of £475,000 over the 10-year period (or £47,500 pa). However, there was a surplus in 2017/18 of £856,000 which was transferred to the Budget Stabilisation Reserve which more than offsets this change.

Over the next couple of months the Cabinet Advisory Committees would be presented with their Service Dashboards and Service Change Impact Assessments (SCIAs) and a budget update report will then go to Cabinet in December to include their comments.

The 10-year budget approved in February included the need for £100,000 of new savings or additional income each year and Chief Officers were currently putting together a list of growth and savings items for 2019/20 which would be discussed with Portfolio Holders before being presented to the Advisory Committees. Officers were currently undertaking a review of the asset maintenance requirements for council owned properties and it was expected that this would result in a growth item, and future Council Tax income levels would also be looked at taking into account the latest information including the Local Plan.

He advised that the Finance Advisory Committee had considered the same report and had agreed to recommend it to Cabinet.

Public Sector Equality Duty

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

Resolved: That

- a) the ten-year financial planning approach and principles set out in the report be endorsed;
- b) the Advisory Committees be requested to review the Service Dashboards and advise Cabinet of possible growth and savings options; and

- c) officers be requested to continue to review the assumptions as detailed within in the report and report back to Cabinet on 6 December 2018.

26. Business Rates Retention Pilot 2019/20

The Finance Portfolio Holder and Chairman of the Finance Advisory Committee presented the report which advised that following the Council's participation in the Kent and Medway 100% Business Rates Retention Pilot scheme for 2018/19 following a successful bid, The Ministry of Housing, Communities and Local Government (MHCLG) had invited local authorities to participate in a pilot of 75% Business Rates Retention in 2019/20 with a submission deadline of 25 September 2018.

The Chief Finance Officer stated that a Business Rates Retention Pilot was expected to be financially beneficial to the district and county as a whole and discussions would continue prior to any submission being made. It was therefore recommended that authority be delegated to the Finance Portfolio Holder, in consultation with the Leader, to decide whether it would be beneficial for the council to participate in the 2019/20 pilot.

He advised that the Finance Advisory Committee had considered the same report and had agreed to recommend it to Cabinet.

Public Sector Equality Duty

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

Resolved: That authority be delegated to the Finance Portfolio Holder, in consultation with the Leader, to decide whether this council should participate if a Kent and Medway pilot for 2019/20 was proposed.

THE MEETING WAS CONCLUDED AT 7.47 PM

CHAIRMAN

IMPLEMENTATION OF DECISIONS

This notice was published on 14 September 2018. The decisions contained in Minutes 22, 23, 24, 25 and 26 take effect immediately.