

## **CABINET**

Minutes of the meeting of the held on 13 September 2012 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllrs. Mrs. Bosley, Mrs. Bracken, Mrs. Clark, Mrs. Davison, Mrs. Hunter and Ramsay

Apologies for absence: Cllr. Hogarth

Cllr T Searles was also present.

### 21. Minutes

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

### 22. Declarations of interest

There were no declarations of interest.

### 23. Questions from Members (maximum 15 minutes)

There were no questions.

### 24. Matters referred from Council

No matters were referred from Council.

### 25. Matters referred from the Performance and Governance Committee and/or Select Committees (Paragraph 5.20 of Part 4 (Executive) of the Constitution)

There were no references from the Performance and Governance Committee or from Select Committees.

### 26. Financial Prospects and Budget Strategy 2012/13 and Beyond

Members considered a report setting out the major financial pressures the Council is likely to face over the next four years, together with a proposed strategy for setting a balanced and sustainable budget for 2013/14 and beyond. In light of the challenging financial position facing all authorities two years ago, for 2011/12 the Council produced a 10-year budget together with a four-year savings plan.

The Portfolio Holder for Finance and Value for Money introduced the report and highlighted that the budget for the next financial year was still in its very early stages. A significant amount of information from central government was still outstanding and would have to be built into the budget over the coming months. He also highlighted that

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there was likely to be a shortfall in meeting the 4 year savings plan but this was still being evaluated.

The Deputy Chief Executive and Director for Corporate Resources outlined a number of issues that could have an impact on the budget process including changes to Council Tax Support and the introduction of Universal Credit. The latter would have implications for a number of departments across the Council. Whilst some financial modelling had been undertaken this had proved to be challenging and the implications of the change to Universal Credit had not yet been built into the budget. Cabinet was reminded that the Services Select Committee had established a Universal Credit Scrutiny Board to review this issue. In addition to the challenges outlined above, the Deputy Chief Executive and Director of Corporate Resources also highlighted issues surrounding income, future valuations of the Pension fund and future pay settlements.

Members highlighted that that new relaxation of residential planning regulations would have an impact on the budget process as it was highly likely that as a result of the changes the Council would receive less revenue from application fees.

Cabinet considered the budget timetable outlined at Appendix A of the report. Members noted that there were concerns surrounding the Government timetable for Council Tax Support legislation. It was likely that some information may be provided late and this would place pressure on the timetable. Members agreed that the timetable should be presented to the Performance and Governance Committee in order to alert Members to the tight timescales involved.

Resolved: that

- (a) the ten-year financial planning approach and principles set out in this report be endorsed and officers be requested to carry out a further review and provide an update once the government grant settlement has been finalised and a review of the 4-year savings plan has been undertaken and report back to Cabinet on 10 January 2013;
- (b) the budget timetable set out in Appendix A of the report be noted.

### **27. Business Rates Retention**

Members considered a report providing an update on the introduction of the Business Rates Retention Scheme due to be implemented from 2013/14.

The Portfolio Holder for Finance and Value for Money introduced the report and highlighted that from next year, Business Rates Retention would be the Council's largest funding stream from Central Government replacing the current Formula Grant. This would represent one of the most significant changes made to local authority funding in recent years. The exact details of the funding methodology were still being finalised and it was unlikely that provisional funding figures for the first two years would be received until December.

The Group Manager, Financial Services, explained that currently all businesses paid business rates to their local authority, this was then passed onto Government who

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redistributed it back to local authorities via a formula. Members heard that the system did not encourage local authorities to increase new business.

The new scheme aimed to reward local authorities for business growth but only to a certain degree.

The change to Business Rates Retention would affect this Council in two stages.

- Initial funding levels
- Future funding levels that will be affected by business growth or reduction.

### Stage One - Initial funding levels

The initial settlement would be based on a 5 year average Business Rate (07/08-11/12) amount but there would then be adjustments to ensure that the change did not have any real effect on the level of funding distributed to each authority.

This “baseline” figure for SDC and all billing authorities would be less than the actual amount of Business Rates collected, therefore a ‘tariff’ would be applied to remove the excess Business Rates. Non billing authorities would receive a ‘top up’ from this amount.

### Stage Two – future funding levels

Local authorities would keep 50% of the additional Business Rates they generated (split SDC 40%, others 10%). However, the scheme would include a ‘levy’ on authorities who had significant growth which would be used as the ‘safety net’ for local authorities who had reduced Business Rates.

As a result of this, it was very difficult to accurately predict the level of funding that the Council would receive from this new scheme.

The Deputy Chief Executive and Director of Corporate Resources explained that the situation in Sevenoaks was made worse as a result of changes that were taking place within the District. These changes would mean that the Council would be starting with a baseline figure that would diminish, creating a gap that would need additional funding.

Members agreed that there were a number of authorities in the same position as SDC and that the situation would have to be kept under review.

Resolved: that the report be noted.

### 28. Planning Policy Team Leader (Maternity Cover): Appointment of Consultant

Members considered a report outlining consultancy options surrounding maternity cover for the Planning Policy Team Leader post which would be vacant from the end of September. The post would need to be filled in order to maintain the work programme of the team which in the next year would include taking the Allocations and Development Management Plan and the CIL Charging Schedule through publication, submission and examination and would also include consultation on the options for the Gypsies and Travellers Plan. An advertisement for a one year contract for maternity cover had yielded only two applications, neither of which was suitable.

The following two options were rejected:

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1. To re-advertise the post. This would have resulted in a delay in filling the post and offered no guarantee that any additional suitable candidate would come forward.
2. Not to fill the post. This would leave the Planning Policy Team short-staffed and without an experienced team leader at an important time for plan preparation. The work programme would have to be substantially revised which would have delayed some or all of the plans that were under way.

The Portfolio Holder for Planning and Improvement introduced the report and noted that the current Planning Policy Team Leader would take a great deal of replacing however, the recommended consultant had previously worked well with the Council and knew the District.

The Chairman noted that there were a unique set of circumstances and there were a number of pressures on the Team who were currently developing the scheme for the Local Development Framework. Having reviewed the options available, the proposals appeared to represent a pragmatic solution.

Resolved: that Tony Fullwood be appointed as a consultant to provide maternity cover for the Planning Policy Team Leader.

### 29. Strategy for Under-Occupation in the Social Sector

The Portfolio Holder for Housing and Balanced Communities introduced a report outlining the findings from an in-depth scrutiny review of social sector under occupation undertaken by the Services Select Committee. With an acute shortage of affordable housing and the financial imperative for down-sizing as a result of upcoming welfare reform, under occupation would be a key and timely issue to consider and re-approach as a local housing strategy priority.

The key finding and recommendations from the review were outlined in the strategy for Under-Occupation in the Social Sector attached at appendix A to the report. If approved, the Strategy would also provide the framework for future policy development in relation to social sector under-occupation.

Members stressed that tenants would not be forced to move, instead, support would be provided to those who may require more specialist housing to find appropriate accommodation.

Members also highlighted the geographic barriers facing the Council. As Sevenoaks was such a large district it was important to consider the distances that people would be moving. It was important to ensure that people were not moved away from their friends, families and local communities.

A visiting Member noted that in the last year, only 15 affordable homes have been built in Sevenoaks. The Member suggested that planning policy needed to enable more affordable housing to be built. The Chairman also suggested that developers should also be encouraged to build good quality 2 or 3 bedroom houses.

Resolved: that the Strategy for Under-Occupation in the Social Sector be adopted as District Council policy to support the delivery of key housing objectives contained in

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the Housing Strategy Action Plan; to make effective use of the existing housing stock; and to minimise negative impacts as related welfare reform is introduced.

### 30. London Road, Sevenoaks - Update

Members considered a report providing an update on the development of land at London Road, Sevenoaks. Reef Developments had submitted a planning application for the redevelopment of three sites to provide a 42,300 square foot retail unit (provisionally let to Marks and Spencer Plc.) and 22 one and two bed residential units including 6 social residential units.

The proposal, subject to a satisfactory planning consent being granted, was for the Council to transfer its land interests to Reef Developments. Chase and Partners, who had advised the council in respect of the adjoining Blighs Meadow Compulsory Purchase Order and redevelopment, had been retained to represent the Council's interest in this matter.

Members agreed that it was important to be responsive in the current market and felt that the decision taken by Marks and Spencer's to continue to pursue the Sevenoaks proposals demonstrated the faith they had in the town.

The Chairman stressed that the recommendations before Members related to the financial terms for selling the land was not about the planning process or the Council's responsibilities as a community leader.

Resolved: that the Chief Executive in consultation with the Leader of the Council and the relevant Portfolio Holder be authorised to agree the terms of the transfer of the Council's interests in the site in order to secure the development of land at London Road.

THE MEETING WAS CONCLUDED AT 8.10 PM

CHAIRMAN