

CABINET

Minutes of the meeting held on 6 December 2012 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

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

Cllr. Davison was also present.

53. Minutes

Resolved: That the minutes of the Cabinet meeting held on 8th November be approved and signed as a correct record.

54. Declarations of interest

There were no declarations of interest.

55. Questions from Members (maximum 15 minutes)

There were no questions.

56. Matters referred from Council

There were no matters referred from Council.

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

(a) 2013/14 Budget and Review of Service Plans

This item was considered under Minute 61.

(b) Property Review – Cobden Road Centre, Cobden Road, Sevenoaks

This item was considered under Minute 58.

(c) Treasury Management Update

This item was considered under Minute 60.

58. Property Review - Cobden Road Centre, Sevenoaks

Members considered a report recommending that the Cobden Road Centre in Sevenoaks be sold on the open market by auction. It was noted that the report had previously been considered by the Finance Advisory Group and Performance and Governance Committee.

Cabinet - 6 December 2012

The Professional Services Manager reported that a Planning Statement would be provided for the auction and the Statement would outline the conservation particulars. The next auction would close on 7th January 2013, the auction would take place on 4th February 2013 and the process should be completed by March 2013.

The Portfolio Holder for Finance and Value for Money reported that a local resident had attended the Finance Advisory Group meeting and had supported the proposals outlined.

Members thanked the Professional Services Manager for the work that he had undertaken in preparing for the sale of the property.

Resolved: That the Cobden Road Centre, Sevenoaks be declared surplus to the Council's requirements and sold on the open market by auction.

59. West Kent Cold Store Section 106 Agreement - Community Facilities

In January 2012, Cabinet approved the development of projects to be funded from Section 106 contributions associated with the West Kent Cold Store development. The four projects were selected following consultation with the local community in Dunton Green and Riverhead, the invitation to local organisations to apply for funding and the consideration by a Steering Group of District, Parish and County Members.

Members considered a report outlining the work that had been undertaken in developing the projects to date, setting out costs and timescales and seeking final approval for the projects.

The Head of Community Development introduced the report and outlined each of the four projects in detail. The Steering Group which included KCC Members, Local Members and Parish Councillors had been established and had been heavily involved in drawing up the summary of proposals outlined in the report.

Referring to Project 1 – Dunton Green Community Centre – the Chairman asked that the following amendment be made to condition 2:

2. That the Parish Council includes appropriate security measures to protect the *building and* outside equipment as part of the programme.

In considering Project 3 - The Heights, Riverhead and lighting for St Mary's Church - the Portfolio Holder for Finance and Value for Money suggested that discussions with KCC should take place to ensure that the new fountain would not be lost if any future improvements were made to the junction.

The Head of Community Development explained that the Project Worker (Project 4) would be employed within the Sevenoaks District Council Community Development Team and would be tasked with identifying the needs of the community in order to encourage any services that were needed into the area.

The Head of Community Development also highlighted that consideration had been given to library provision but it had not been possible to accommodate this. This could be

Cabinet - 6 December 2012

reviewed if a need was identified in the future and there was found to be spare capacity within the new community building.

Resolved: That, having considered the equality impacts set out in the report:

- (a) The developer contributions set out in the Section 106 Agreement with Berkley Homes be allocated as follows, subject to the amended conditions outlined in the report:

Dunton Green Parish Council: £1,000,000 towards the demolition of the existing pavilion, the provision of a community building and new and replacement outdoor facilities on the Dunton Green Recreation Ground site.

Dunton Green Village Hall Management Committee: £25,000 towards improvements to the hall kitchen and toilets.

Riverhead Parish Council: £59,000 towards environmental improvements at The Heights, Riverhead and to lighting at St Mary's Church.

Sevenoaks District Council: £150,894 towards the cost of community development, youth, advice and support work for the new community.

- (b) That the Portfolio Holder for Community Wellbeing and the Portfolio Holder for Housing and Balanced Communities be authorised to make minor amendments to the conditions set and the allocations of funds provided they do not substantially affect the purpose of the funding, including the allocation of any additional funding accruing from index linking or interest payments.

60. Treasury Management Update

The Portfolio Holder for Finance and Value for Money introduced a report giving details of recent developments in the financial markets and changes to credit ratings, fulfilling the reporting requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management. In addition to this, the report also included an update on the Council's Icelandic bank investments.

The Portfolio Holder for Finance and Value for Money reported that Investment returns continued to be generally low, however the Council had managed to obtain some better rates which meant that the investment income targets for the year were currently being exceeded.

Due to the down-grading of several banks ratings this year, there continued to be a lack of available investment opportunities within the limits of the Strategy. Therefore the following actions had been recommended:

- The wider use of Money Market Funds,
- When setting the investment strategy for 2013/14, consideration be given to increasing the counterparty limits for Lloyds Bank Group and Royal Bank of Scotland Group to £8m each; and
- That the possibility of widening the list of counterparties to include building societies be investigated by the Finance Advisory Group.

Cabinet - 6 December 2012

Members agreed that Officers and the Finance Advisory Group should explore widening the list of Counterparties to include Building Societies.

The Group Manager – Financial Services undertook to circulate a list of the Council's current investments at the conclusion of the meeting.

In response to a question regarding the Chancellor's recent Autumn Budget Statement, the Group Manager – Financial Services reported that the latest forecast for interest rates was now not predicting an increases until March 2015

Resolved: that:

- (a) The report be noted;
- (b) The use of Money Market Funds as outlined in paragraphs 21 to 29 of the report be increased;
- (c) When setting the investment strategy for 2013/14, consideration be given to increasing the counterparty limits for Lloyds Bank Group and Royal Bank of Scotland Group to £8 million each; and
- (d) The possibility of widening the list of counterparties to include building societies be investigated by the Finance Advisory Group.

61. Budget Update

The Portfolio Holder for Finance and Value for Money introduced a report setting out the progress made in preparing the 2013/14 budget and providing Members with an update on key financial information. The Cabinet would make its final recommendation on the budget at its meeting on 7th February 2013, after taking into account any updated information available at that date.

The Portfolio Holder for Finance and Value for Money reported that a list of growth and savings items resulting in net growth of £160,000 had been presented to the Select Committees who recommend that these items be included in the budget. Uncertainty over two major funding streams remained. Provisional Government Support figures were not expected until 19th December and the Council would need to decide on the level of Council Tax for 2013/14 following the Government's announcement of another freeze grant being offered and a cap being set at 2%.

Due to these uncertainties, a further report will be presented to Cabinet in January which would hopefully contain a more complete picture including whether further savings would be required.

The Group Manager – Financial Services highlighted that whilst the Government settlement was not expected until 19th December, this date was by no means confirmed and there could be further delays in the process. There had been no further information as to what the reduction in funding was likely to be. Members noted that there was a statutory requirement for the budget to be set in February 2013.

Cabinet - 6 December 2012

In regard to Council Tax, from a financial perspective, the Group Manager – Financial Services stressed that it would be significantly advantageous if the Council Tax for 2013/14 was set close to the 2% cap instead of taking the grant being offered if it was frozen.

For the report to Cabinet in January 2013, Officers would update the 10-year budget with the settlement figure and any Council Tax decision as well as revisiting the other assumptions with any additional information that had become available. If a budget gap remained, difficult savings decisions would need to be made.

The Group Manager – Financial Services had sent an email to all Town and Parish Councils the previous week informing them of the effect of the Government changing their decision as to how the Council Tax Base was calculated for these authorities. The Government would be giving Sevenoaks District Council some funding to help address the effect on these councils which would be allocated proportionately based on the impact of the change to Council Tax Support.

The Chairman suggested that, as the Government grant became more marginal, Sevenoaks District Council would need to manoeuvre into a self-sustaining position in order to become less reliant on any future grant.

A Member suggested that the savings assumptions around partnership working be reviewed to ensure that they were realistic assumptions. Whilst acknowledging the point that was being made, the Chairman stressed that assumptions were constantly tested.

Members stressed the need to consider the £160,000 savings that the Council would need to make and the Chairman tasked each Portfolio Holder to have discussions around the options available before the Cabinet meeting in January.

Resolved: That

- (a) The comments and recommendations of the Select Committees as set out at Appendix E be noted;
- (b) Officers and Portfolio Holders be requested to investigate further proposed solutions for the £160,000 budget shortfall.

THE MEETING WAS CONCLUDED AT 7.47 PM

CHAIRMAN