

## CABINET

Minutes of the meeting held on 14 February 2019 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllr. Lowe (Vice Chairman)

Cllrs. Dickins, Firth, Hogarth, Lowe and Piper

An apology for absence was received from Cllr. Scholey

Cllrs. Dr Canet, Eyre and Pett were also present.

### 65. Minutes

Resolved: That the minutes of the meeting of Cabinet held on 10 January 2019 be approved and signed as a correct record.

### 66. Declarations of interest

There were no additional declarations of interest.

### 67. Questions from Members

Cllr Dr. Canet asked a question concerning the Council's property investments. The Chairman responded that there needed to be some flexibility in the Council's approach to investment but that her comments would be taken into account. He also said that Quercus Housing Ltd would only be investing in the District.

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

There were none.

### 69. Budget and Council Tax Setting 2019/20

The Chief Finance Officer presented the report which sought approval of the proposed budget and required level of Council Tax for 2019/20, and proposed a net expenditure budget of £15.251m in 2019/20 (£14.687m in 2018/19). Subject to any further changes this would result in a Council Tax increase of 2.97% in 2019/20, with the District's Council Tax being £215.01 for a Band D property for the year (£208.80 in 2018/19), an increase of £6.21.

The report also contained details on the Collection Fund position and an opinion on the robustness of the budget and the adequacy of the reserves.

The Chief Finance Officer reminded Members that the Council had an excellent track record in identifying, planning for and addressing financial challenges. In

light of the challenging financial position facing all authorities eight years ago, for 2011/12 the Council had produced a 10-year budget together with a savings plan for the first time. This would be the ninth year this method had been used and provided the Council with a stable basis for future years.

Public Sector Equality Duty

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

Resolved: That it be recommended to Council that

- a) the Summary of Council Expenditure and Council Tax for 2019/20 set out in Appendix E be approved;
- b) the 10-year budget 2019/20 to 2028/29 which is the guiding framework for the detailed approval of future years' budgets set out in Appendix B to the report be approved, including the growth and savings proposals set out in Appendix C-D to the report, and that where possible any variations during and between years be met from the Budget Stabilisation Reserve;
- c) the Capital Programme 2019/22 and funding method set out in Appendix H, be approved; and
- d) the changes to reserves and provisions set out in Appendix J, be approved.

70. Local Land Charges - Review of Fees

The Portfolio Holder for Legal & Democratic Services presented the report which sought an increase in the current Land Charges fees schedule. She advised that the Legal & Democratic Services Advisory Committee had considered the same report and recommended it for approval along with an amendment to increase the fee schedule annually in line with the Council's standard inflationary measure and rounded to the nearest £1.00.

Public Sector Equality Duty

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

Resolved: That

- a) the proposed Land Charges fees set out below be agreed to take effect on 1 April 2019;

Search Type	Current Fee (£)	Proposed Fee (£)
Full Search (LLC1 & CON29)	122	165
LLC1	20	33

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CON29	102	135
Additional Parcel of Land	18	27
CON290 Printed Enquiry (Each) Q4 - Q22	18	20

- b) the fee schedule above be increased annually in line with the Council's standard inflationary measure and rounded to the nearest £1.00.

### 71. Discretionary Rate Relief

The Chief Finance Officer presented the report which set out the proposals for awarding discretionary rate relief for 2019/2020 to ratepayers who had made applications or who were expected to make an application before 1 March 2019, which was an already extended deadline from 15 November 2018. Should applications not be received by 1 March 2019 then annual bills for those organisations would be sent without relief, but they would have until 30 September 2019 to contact the Council and request that their case be re-considered.

The report also provided an update on the local discretionary rate relief scheme which would be in its third year of operation in 2019/2020. It was noted that some existing recipients of discretionary rate relief, the cost of which was solely borne by the Council, would be entitled to Retail Discount and/or revaluation relief. Government guidance was that any government funded reliefs should be applied before un-funded relief. Therefore the recommendations had been amended so that the ratepayer received relief of an equivalent percentage to that given in previous years, albeit via one or more types of relief. The report also set out the proposed approach for the implementation of the Retail Discount Scheme for 2019/2020 and 2020/2021.

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 proposals for granting relief from business rates for 2019/20 set out in Appendix B to the report, be approved;
- b) the estimated level of local discretionary rate relief to be awarded in 2019/20 as set out in paragraph 24 of the report, be noted; and
- c) the proposed approach for implementation of the Retail Discount for 2019/20 and 2020/21, be approved;
- d) Officers publicise the proposals for awarding discretionary rate relief.

(Cllr Eyre was not present during consideration of this item due to a Disclosable Pecuniary Interest.)

72. Council Tax Discounts for Empty and Un-inhabitable Dwellings and Empty Premium

The Council Tax and Recovery Manager presented the report which recommended amendments to the level of Council Tax discount for unoccupied and unfurnished dwellings, and dwellings undergoing or requiring major structural repair. It also asked Members to consider: increasing the premium on properties that were long term empty (unoccupied and unfurnished for more than 2 years); reducing the Class C discount to 100% for 2 months and the Class D discount to 0% for 12 months; and increasing the long term empty charge from 50% to 100%, which would support the Council's Empty Homes Action Plan and encourage empty dwellings to be brought back into use more quickly.

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

Cabinet agreed that the Council Tax discount for unoccupied and unfurnished dwellings should be reduced from 100% for up to 3 months to 100% for up to 1 month, rather than the 2 months recommended in the report.

Public Sector Equality Duty

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

Resolved: That it be recommended to Council that with effect from 1 April 2019

- a) the Council Tax discount for unoccupied and unfurnished dwellings be reduced from 100% for up to 3 months to 100% for up to 1 month (Class C of the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012);
- b) the Council Tax discount for unoccupied dwellings undergoing or requiring major structural repair be reduced from 100% for 12 months to 0% for 12 months (Class D of the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012); and
- c) in accordance with Section 11B of the Local Government Finance Act 1992 and Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 the additional amount payable for Council Tax be increased from 50% to 100% for dwellings that were unoccupied and substantially unfurnished for more than two years.

73. Treasury Management Strategy 2019/20

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The Principal Accountant presented the report which sought a recommendation to approve the Treasury Management Strategy 2019/20.

The Local Government Act 2003 (the Act) and supporting regulations required the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans were affordable, prudent and sustainable. The Act therefore required the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by investment guidance issued subsequent to the Act) which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

Revised reporting was required for the 2019/20 reporting cycle due to revisions of the Ministry of Housing Communities and Local Government (MHCLG) Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes included the introduction of a capital strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011.

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 it be recommended to Council that the Treasury Management Strategy for 2019/20, be approved.

### 74. Capital Strategy 2019/20

The Principal Accountant presented the report which introduced the reporting of a Capital Strategy for 2019/20 in line with the new CIPFA Prudential Code and the CIPFA Treasury Management Code. The Capital Strategy formed part of the Council's policy and strategy documents, providing guidance on the Council's capital programme and the use of its capital resources, and required approval by Cabinet and Full Council.

Its aim was to ensure that Members fully understood the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite. The guidance in the strategy complemented and supplemented the Medium Term Financial Plan, the Property Investment Strategy and the Treasury Management Policy and Strategy.

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 it be recommended to Council that the Capital Strategy for 2019/20 be approved.

75. Capital Programme and Asset Maintenance 2019/22

The Head of Finance presented the report which set out the proposed Capital and Asset Maintenance Programme for 2019/22 together with proposed funding. The Asset Maintenance figures were from the previous 10-year budget and did not assume any additional growth at this stage although SCIA16 proposed an annual increase of £100,000.

He advised that the Finance Advisory Committee had considered the same report and had agreed to recommend it to Cabinet. Cabinet considered the item and decided that the proposed Asset Maintenance 2019/20 budget of £572,000 be approved, or £672,000 if SCIA16 is approved.

Public Sector Equality Duty

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

Resolved: That

- a) the Capital Programme 2019/22 and funding set out in Appendix B to the report, be approved; and
- d) the proposed Asset Maintenance 2019/20 budget of £572,000 be approved, or £672,000 if SCIA16 is approved.

76. Financial Results 2018/19 - to the end of November 2018

The Portfolio Holder for Finance presented a report on the Council's financial results 2018/19 to the end of November 2018, which showed the year end position was currently forecast to be an unfavourable variance of £140,000, which represented 0.95% of net service expenditure budget totalling £14,687,000. In response to a question relating to the unfavourable variance for internal enforcement agents, the Chief Finance Officer advised that the variance was due to the changes starting later than assumed.

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 report be noted.

77. Property Investment Strategy Update

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The Head of Finance presented the report which provided an update on the progress of the Property Investment Strategy to date including acquisitions, and provided the opportunity to review the criteria of the strategy.

Members took the opportunity to ask questions of clarification concerning acquisitions and considered the suggested amendments to the Strategy as outlined in paragraph 43 of the report. Each recommended amendment was discussed. In principle the suggested amendment to 'iii. Individual Properties or Portfolios / Lot size of £1m - £5m' was welcomed but there was concern around the drafting/interpretation of a 'portfolio of properties' and the potential abuse or restrictiveness of the suggested amendment. Members requested that Officers draft wording for Members to consider and feedback to Cabinet as an update report from the Chairman. The 50 mile radius rule was further explored with a suggestion of different investment strategies and returns within or outside of the District, and whether the 50 mile rule was required.

Cllr Eyre addressed Cabinet as he had chaired the meeting of the Finance Advisory Committee which had considered the same report and had agreed to recommend it to Cabinet subject to some amendments outlined in the minutes, and that since the meeting he had received feedback on draft wording for criteria 'iii' and it was suggested that this should be amended to 'Lot size of £1m - £10m but there must be multiple tenants for lots of over £5m.'

### Public Sector Equality Duty

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

Resolved: That

- a) the report be noted; and
- b) the following amendments to the Property Investment Strategy be recommended to Council
  - i. amending the income yield to 3%+ above the Council's average treasury management return (currently 0.7%) when not borrowing or internally borrowing, and 3%+ above the borrowing rate (currently 2.6% for 30 years) when externally borrowing, based on an average over 10 years. (Flexibility may be applied to those opportunities that show an acceptable social return on investment);
  - ii. amending the lot size to £1m - £10m subject to multiple tenants for lots over £5m;
  - iii. investment opportunities be restricted to those within a 50 mile radius of the Council's Argyle Road offices or within Kent and Medway, however recognising that this may need to be changed in future if legislation is amended.

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THE MEETING WAS CONCLUDED AT 8.34 PM

CHAIRMAN

**IMPLEMENTATION OF DECISIONS**

This notice was published on 18 February 2019. The decisions contained in Minutes 71, 75 and 76 take effect immediately. The decisions contained in Minute 70 takes effect on 26 February 2019. Minutes 69, 72, 73, 74 and 77 are recommendations to Council.