

CABINET

Minutes of the meeting held on 8 February 2024 commencing at 7.00 pm

Present: Cllr. Thornton (Chairman)

Cllr. Perry Cole (Vice Chairman)

Cllrs. Dyball, Maskell, McArthur and Reay

Cllrs. Baker, Bulford, Granville, Gustard, Harrison, Horwood, Leaman, James Morgan, Purves, Robinson, Shea, Skinner, Varley, White and Williams were also present.

77. Minutes

Resolved: That the Minutes of the Cabinet meeting held on 18 January 2024, be approved and signed by the Chairman as a correct record.

78. Declarations of interest

There were no additional declarations of interest.

79. Questions from Members (maximum 15 minutes)

A number of questions were asked regarding the proposed cuts to the Citizen's Advice service, and they focused on whether the Citizen's Advice had been consulted with, before the cuts were agreed, and what the changes were to the agreements. The Portfolio Holder for People & Places advised that Officers were in dialogue with the Citizen's Advice back in October when the Service Level agreement (SLA) was being signed and there was a clause that included that subject to a period of Notice the grant funding could be altered. Conversations had taken place with the Citizens Advice branches and they were made aware in October, of the budget pressure the Council would continue to face and it was made clear that further changes made be needed to be made in the future. The SLA with the Citizen's Advice was being reviewed for a further three years from April 2024 to March 2027, and that funding was being reduced, not withdrawn. The current agreement outlined the Council's funding arrangements to Citizens Advice to provide general and housing advice service. The grant represented around 5% of their overall annual income received. The SLA allows the Council to adjust the funding by giving a 3 months' notice in writing and this was provided in January 2024. Officers had met with both branches to discuss the reduction in funding and productive conversations in regards to their wider grant revenue, service priorities and the potential for joint funding bids had taken place. She further advised that although the general support grant would be reduced, the housing grant remained unchanged. Working with officers, the Citizen's

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Advice were looking at other funding opportunities and they were committed to not only working with the Council but other partners and local councils. The Chairman, in response to a comment made regarding members not having had the opportunity to comment on the proposed reduction to the Citizens Advice funding, reminded the meeting that the report had been on the agenda of the previous Cabinet meeting. No non-Cabinet member had raised a question about it then, despite there being spare minutes of question time to the Cabinet available in which to do so.

In response to a question regarding the Community Mobilisation programme, the Portfolio Holder for People and Places advised that over the past 15 months work had been undertaken with some of the Care for Our Community Volunteers, Voluntary Sector Forum, LGA and the Council and launched Better Together. This provided practical support, skills development, networking and capacity building to individuals and new and existing community groups to enable new initiatives and groups. The Community Mobilisation grants were launched and have helped to encourage more volunteers to develop and deliver projects that were important to them and their communities. Projects included gardening and food growing projects, community cooking and food sharing events, training courses for mums and setting up their businesses, and peer support. The Better Together Hub provided a directory of information for groups and support networks which can be accessed across the district. The Portfolio Holder was pleased to announce that the Better Together had been selected as a finalist in the 'Working Together' category of the iESE public sector transformation awards.

In response to a question regarding the National Planning Policy Framework, and information being circulated to Councillors and the MP, the Portfolio Holder confirmed an email with the information requested would be shared.

In response to a question regarding agenda item 6 and 7 on the agenda, Members were advised by the Strategic Head – Commercial and Property that ward Members were usually informed prior to the documents being published. He would look into the details regarding the notification to ward Councillors for the Otford Road Development.

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

a) Referral from Scrutiny Committee held on 9 January 2024

Members considered the referral from Scrutiny Committee regarding Homelessness, following the report of the In-depth Scrutiny Working Group. The Chairman of the working group presented the report highlighting key elements of the report which included, high temporary accommodation net costs, impact of out of district placements, key performance indicators and customer satisfaction.

The Portfolio Holder for Housing and Health detailed each of the recommendation (a-j) advising that some of the recommendations were already adopted, or could be

investigated further. He highlighted that mandatory training for staff on Domestic Abuse and safeguarding were in place. Members discussed the referral, noting that since the pandemic the number of landlords had decreased following rising costs and that training opportunities could be explored for Members. It was also highlighted in discussion that the Local Plan played an important part in ensuring there was affordable housing in the District. The Chairman used her discretion and allowed a guest member to address the Cabinet. In response to the Head of Housing advised that in Domestic Abuse situations those at risk needed to be placed in an area that was far enough away from where the abuse had taken place to ensure safety.

Resolved: That Portfolio Holder be delegated to undertake in discussions with the Head of Housing and report back, to a future meeting of the Cabinet, on the recommendations put forward from the Scrutiny Working Group.

81. Animal Welfare - Review of Fees & Charges

The Portfolio Holder for Cleaner & Greener presented the report which detailed the Council's responsibility for the licensing and regulation of various animal related activities, and proposed changes to the fees and charges to allow for full cost recovery. The updated time and cost analysis indicated that there had been significant increases, as a result of the staff pay award, rises in the cost of administration, and the professional qualification of the Animal Welfare Officer.

Cleaner and Greener Advisory Committee had considered the same report and were in support of the recommendations.

Members considered the report.

Public Sector Equality Duty

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

Resolved: That the new fees (as set out in paragraph 21 of the report) for the licensing of activities under the Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018, the dangerous Wild Animals Act 1976 and the Zoo licensing Act 1981, be agreed.

82. Cost Pressures and Cost management of Capital Projects

The Portfolio Holder for Finance & Investment presented the report, which outlined the cost pressures that the Council's capital projects had encountered, and the management measures enacted, as Members had expressed concern regarding capital project overspends. He emphasised that much of this had come from unprecedented external factors that could not have been anticipated. The report gave an account why certain capital projects had experienced budget increases and the change control processes in place to approve them. He was encouraged by the pragmatic approach taken by the Council to effectively manage the cost pressures and there were appropriate measures in place to manage these capital projects and their associated risks. The report was thoroughly explored by

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the Finance & Investment Advisory Committee and were reassured by the report and supported the recommendations.

The Construction Project Manager outlined the report and corrected a typographical error in the fifth bullet point of Paragraph 3 - the total project cost for White Oak Leisure Centre was £22.27m. He set out some of the unrepresented external factors that had impacted projects. These included the pandemic, Brexit, the Russo-Ukrainian War, high inflation and rising labour and supply costs. Construction materials had a significant inflation increase of up to 30% and interest rates from the Public Works Loan Board had increased from 1.5% in November 2021 to 5% in October 2023.

Members were advised that the report demonstrated that the Council was effectively managing its portfolio of capital projects and had robust project, cost and risk management control measures in place. Despite certain projects having experienced significant challenges caused by external factors, capital projects were being delivered with appropriate levels of diligence and control. Regular monitoring would continue to take place to ensure that projects deliver positive results and value for money.

Members considered the report, noting the good work undertaken by the Team. It was noted that Members were supportive and recognised the professionalism that was used.

Public Sector Equality Duty

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

Resolved: That

- a) the cost pressures SDC's capital projects have and can encounter as detailed in the report, be noted;
- b) the cost management measures SDC have in place as detailed in the report, be noted;
- c) the continued use of the capital project cost management measures SDC employs, be endorsed; and
- d) an information session for Members to help better understand project management protocols and approaches that the Council uses for its capital projects, be offered.

83. 12 Otford Road, Sevenoaks - Business Park Development Project

The Leader and Portfolio Holder for Improvement & Innovation presented the report which set out the development opportunity to enliven an underutilised Council site in one of the main commercial areas in the district for the benefit of businesses, residents and visitors. The main purpose was regeneration and to

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support economic development which was a key policy objective for the Council. The funding proposal was to use Public Works Loan Board linked to the schemes viability to meet the terms of the loan.

She further advised that the proposal was to build and hold in the long term, rather than to sell on completion. However, the exit strategy could change depending on the needs of the Council and market conditions which could be decided nearer to completion of the development. The development proposal was subject to planning and continued financial viability as the scheme was developed through the usual design stages, pre and post planning application stage. She also noted that Members had separately highlighted that the proposed development site was partially located in a flood risk area, and that appropriate risk mitigation strategies would be considered as part of the detailed design process.

The Finance and Investment Advisory Committee had thoroughly considered the report and it was well debated before supporting the recommendation to Cabinet. It was also brought to Members attention that Officers were aware of the LCWIP and it would be considered in the planning stage of the project. Other comments were made regarding pathways and the proposed site had been earmarked for economic development and an employment site.

The Property Investment & Development Surveyor further advised that the proposed project was for a mixed use scheme consisting of industrial units and a drive-through. Subject to receiving the necessary approval, a project team to prepare detailed designs and submit a planning application would be appointed. The current programme envisaged a planning submission in September 2024 with a determination in December 2024 and a start on site in spring 2025 with completion in summer 2026.

Detailed design work would allow further derisking of the project and once a final design was achieved, and would address the cycle highway, further financial appraisals would be undertaken to ensure the scheme remains viable.

Members considered the report and expressed support for a site which was waiting to be developed. The Chairman used her discretion and allowed the local Member to address the meeting, who raised concern regarding the residents who lived in close proximity. The Property Investment & Development Surveyor advised that residents would be consulted before submission of the planning application, and consultation of hours of use would take place with the planning authority.

Public Sector Equality Duty

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

Resolved: That

- (a) it be recommended to Council that the capital funding of the Otford Road development scheme as outlined at Appendix B (Project Costs & Funding) be approved; and

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- (b) the scheme would only progress subject to financial viability and planning consent being received, be noted.
- (c) subject to approval of the recommendation by Council at (a) above, provision of the project cost estimated at £3,635,004 is made within the Capital Programme; and
- (d) subject to approval of the recommendation (a) by Council, the Strategic Head of Property and Commercial, following consultation with the Head of Legal & Democratic Services and the Chief Officer Finance and Trading, be delegated authority to enter into necessary professional appointments/contracts to deliver the scheme.

84. Treasury Management Strategy 2024/25

The Portfolio Holder for Finance & Investment presented the report which set out the proposed Treasury Management Strategy for 2024/25, as required by the Local Government Act 2003. The Strategy set out the Council's policy for borrowing and managing its investments. The Finance & Investment Advisory Committee had considered the same report and training received from Link the Treasury advisors, in advance of the meeting had assisted in the discussions. Comments made by the Committee requested further clarification regarding the Council's exposure to unrated organisations, and for it to be noted that the Council would be borrowing significantly more than it had in the past, and this could require diligent handling. As a result of the discussions there had been an update to the table at paragraph 79 to clarify the information relating to counterparties.

The Senior Principal Accountant outlined that in making borrowing and investment decisions the Council must have regard to the Prudential Code and the prudential indicators that it sets. The first part of the treasury management report proposes various prudential indicators and a minimum revenue provision policy to ensure that any capital expenditure plans were affordable. The report also detailed the borrowing and repayment strategy, and the investment strategy for 2024/25. There were no major changes to the investment strategy.

Members considered the report.

Resolved: That

- a) that the comments of the Finance & Investment Advisory Committee be noted; and
- b) it be recommended to Council that the Treasury Management Strategy for 2024/25 be approved.

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85. Budget and Council Tax Setting 2024/25

The Portfolio Holder for Finance & Investment presented the report which set out the proposed budget for 2024/25. This was the final stage of the budget process which had given members an event greater opportunity to be involved in the processes than in previous years.

If approved, the net expenditure budget for 2024/25 would be £19.4m with the District's Council Tax increasing by 2.97% resulting in Band D Council Tax being £243.72, an increase of £7.02. He stressed again, the importance of recognising that the budget process had been the toughest for many years, and the list of savings reflected some of the difficult decisions that have had to be made.

He was pleased to say that those decisions and the approach adopted once again left the Council with a fully funded budget over the next 10 years that other councils would aspire to.

The Deputy Chief Executive and Chief Officer - Finance & Trading further detailed to Members that it had been an extremely challenging budget process with a number of changes made at each stage, and these were listed in Appendix E.

He went on to advise that the Financial Prospects report presented in September reported an annual budget gap of £1.3m. Members were fully involved during the Advisory Committee stage of the process where discussions on savings and growth proposals were put forward and produced further suggestions. Meanwhile, managers were continuing to search for possible savings recognising the challenges they may cause for their services.

This resulted in the gap being reported to Cabinet in December reducing to £656,000. Chief Officers then liaised with Portfolio Holders to come up with further ideas and managers searched once again. Also, greater risks were included in the assumptions particularly regarding Business Rates. These changes resulted in Cabinet being able to support a balanced annual budget position at their meeting in January. He reiterated again, that difficult decisions have had to be taken to enable the balanced budget.

The Final Local Government Finance Settlement was announced earlier this week and the council would receive an additional £165,000 for 2024/25 only. Cabinet would therefore have to make an additional recommendation as to how they proposed to use that funding.

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An additional part of the budget process this year had been a thorough review of fees and charges, as listed in Appendix J and Cabinet were requested to approve the fees and charges for 2024/25. Members were advised that appendices P to S were not included within the Cabinet papers but would be included in the Council version of the report after the other preceptors had set their Council Tax.

The report included his opinion, as the Statutory Finance Officer, on the robustness of the budget estimates and adequacy of reserves.

Members discussed the report, noting the budget process had started earlier this year, with additional training and consultation with the Advisory Committees and Portfolio Holders.

Public Sector Equality Duty

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

Resolved: That

(a) it be recommended to Council that:

i. the Summary of Council Expenditure and Council Tax for 2024/25 set out in Appendix F, be approved.

ii. the 10-year budget 2024/25 to 2033/34 which was the guiding framework for the detailed approval of future years' budgets set out in Appendix C(i) to the report, including the budget changes set out in Appendix E to the report, and that where possible any variations during and between years be met from the Budget Stabilisation Reserve, be agreed;

iii. the Capital Programme 2024/27 and funding method set out in Appendix K(i) and Capital Strategy 2024/25 set out in Appendix K(iii), be approved;

iv. the changes to reserves and provisions set out in Appendix L, be approved;

v. the Local Council Tax Reduction Scheme 2023/24, be rolled forward to 2024/25, with effect from 1 April 2024 (Appendix N), be approved;

vi. the agreement made at Council on 21 February 2023 to shorten the Council Tax premium on long term empty dwellings from the current 2 years (empty) to 1 year from 1 April 2024, be confirmed; and

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- vii. the agreement made at Council on 21 February 2023 to implement the 100% Council Tax premium on all second homes from 1 April 2025, be confirmed.

- (b) the fees and charges for 2024/25 as set out in Appendix J, be approved; and

- (c) the additional one-off funding of £165,000 in 2024/25 be placed into the Budget Stabilisation Reserve to reduce the savings required to offset the expected 2023/24 overspend when setting the 2025/26 budget.

IMPLEMENTATION OF DECISIONS

This notice was published on 12 February 2024. The decisions contained in Minute 80, 81, and 82 take effect immediately. The decisions contained in Minute 83 (c and d) take effect on 19 February 2024. The decisions contained in Minutes 83 (a and b), 84 and 85 are references to Council.

THE MEETING WAS CONCLUDED AT 8.15 PM

CHAIRMAN