

Cabinet

Monday, 3 February 2020

7.30 pm

Present:

Cllr John Burden (Chair)

Councillors: Lee Croxton
Shane Mochrie-Cox
Lenny Rolles
Brian Sangha
Narinderjit Singh Thandi
Jenny Wallace

Note: Councillors Ejaz Aslam, Dakota Dibben, Gary Harding, Leslie Hills, Leslie Hoskins, Diane Marsh, Jordan Meade and Alan Ridgers were also in attendance.

Stuart Bobby	Director (Corporate Services)
Nick Brown	Director (Housing and Operations)
Kevin Burbidge	Director (Planning and Development)
Sarah Parfitt	Assistant Director (Corporate Services)
Simon Hookway	Assistant Director (Communities)
Jan Guylar	Head of Legal Services, Medway Council
Andy Rayfield	Communications Manager
Carlie Simmonds	Committee Services Manager

64. Minutes

The minutes of the meeting held on 6 January 2020 were signed by the Chair.

65. Declarations of Interest

Cllr Lenny Rolles declared an interest in agenda items 6 (Rosherville Limited - Formation of the Board and Governance Arrangements) and 7 (Local Authority Trading Company Shareholder Group) as he had been registered as a Director of the Company and was proposed to be Chairman of the Rosherville Limited Board. Cllr Lenny Rolles left the Chamber during consideration of this item.

Cllr John Burden declared an interest in agenda item 18 (STG Building Control Business Plan 2020 - 2023 and Associated Delivery Plan) as he was currently the Council's representative on the South Thames Gateway Building Control Joint Committee and had been appointed as the Chair of the Committee for 2019-20.

66. Delegated Decisions - Cabinet Members

No decisions other than those already circulated had been made.

67. Order of Agenda

The Cabinet agreed to deal with agenda item 7 (Local Authority Trading Company Shareholder Group) before dealing with the remaining agenda items in the listed order.

68. Local Authority Trading Company Shareholder Group

The Director (Corporate Services) advised that, at the meeting of Full Council on 17 December 2019, Members approved the formation of a Local Authority Trading Company (LATCo) subject to the required governance framework to support the Council in the strategic management function of the LATCo, having regard for both the company and Council's perspective.

The Cabinet was advised that a Shareholder Group will be established to provide the necessary oversight, (from a shareholders' perspective), ensuring that the parameters, policies and boundaries that had been set for the company will be met. The purpose of the Shareholder Group will be to:-

- advise the Leader, who has the role of the key decision maker with regards to the Council's rights and responsibilities as shareholder; and
- enable the Leader to best represent the interest of the Council.

The membership of the Shareholder Group will consist of the Leader plus the following Officers and Members:-

- Councillor Lee Croxton, Deputy Leader;
- Chief Executive;
- Section 151 Officer (or officer nominated to act in their place);
- Deputy Monitoring Officer (or officer nominated to act in their place);
- Representation from the Trade Union; and
- Plus any Officer deemed suitable for the nature of the items being discussed at that time.

In addition, it was suggested that the Chair of the Overview Scrutiny Committee can attend meetings of the Shareholder Group (as a non-voting member) to enable the Chair of Overview Scrutiny to fulfil the Constitutional Scrutiny role and have access to information that has informed the Leader's decisions.

Members considered the report which set out the terms of reference for the Group as well as the Shareholder Agreement.

In developing the supporting governance documents, the Council received extensive support from its external legal advisors, Trowers & Hamlins, to ensure that all legal requirements had been fully considered. The terms of reference had been based upon the model terms of reference and guidance provided by the Lawyers in Local Government (LLG) guidance note 'The governance of Council interests in companies'.

Resolved that the membership for the Shareholder Group be approved in line with the proposals set out within the report and that the terms of reference for the group and the Shareholder Agreement be approved.

Note: Cllr Lenny Rolles left the Chamber during consideration of this item.

69. Rosherville Limited - Formation of the Board and Governance Arrangements

The Director (Corporate Services) advised that, at the meeting of Full Council on 17 December 2019, Members approved the formation of a Local Authority Trading Company (LATCo) and provided delegated authority to confirm and register the name of the company and take all practical, legal and financial actions necessary in relation to the creation of the LATCo. This included the development of the relevant governance framework for the company in order to enable the effective operation of that company and associated subsidiaries.

The Cabinet was advised that it had now been agreed that the company name would be Rosherville Limited and that it had been registered with Companies House and the respective web domains purchased.

Members considered the report which set out the proposed Directors for the Parent Company Board along with the supporting Articles of Association which detailed the governance framework for the company.

The Cabinet was advised that the Directors of the Rosherville Limited Board will be:-

- Councillor Lenny Rolles – Director and Chairman of the Board;
- Councillor Sarah Gow;
- Councillor Tony Rice;
- Director (Communities), currently held by Melanie Norris;
- Deputy Section 151 Officer, currently held by Sarah Parfitt; and
- Company Secretary (non-voting member) Monitoring Officer, Perry Holmes.

In developing the supporting governance documents, the Council had received extensive support from its external legal advisors, Trowers & Hamlins, to ensure that all legal requirements had been fully considered. The Articles of Association had been based upon the model Articles Companies (Model Articles) Regulation 2008 and modified as necessary.

The Leader advised that he had requested a briefing note for the Directors of the Board on how and when declarations of interest should be made.

The Cabinet was provided with an overview of the trading entities that were currently being explored by the Council, the first one being the trading of vehicle workshop services.

The Leader advised that it was the intention to use Gravesham Borough Council staff resources to provide these services to the private sector via the LATCo; the transferal of staff was not being considered at this stage. Staff providing services for Gravesham Borough Council and/or the LATCo will have the same terms and conditions of employment.

The Director (Corporate Services) advised that, in line with the Constitutional requirements in relation to the exercising of urgency provisions, the Chair of the Overview Scrutiny Committee (Cllr Jordan Meade) had agreed to waive the five-day call in period for this

decision in order for the Rosherville Board to meet w/c 03 February 2020 in order for the relevant business discussed at that Board meeting to be reported back to the shareholder (the Council) through the next Cabinet cycle.

Resolved that the Board membership for Rosherville Limited be approved in line with the proposals set out within the report and that the Articles of Association for Rosherville Limited be approved.

Note: Cllr Lenny Rolles left the Chamber during consideration of this item. Cllr Rolles did not return to the Chamber for the remainder of the meeting.

70. Corporate Performance Update – Quarter Three 2019-20 (October - December)

The Director (Corporate Services) advised that, in October 2019, the Council formally adopted its new Corporate Plan for 2019-23. The plan set out the Council's ambition for the borough, complete with a suite of corporate objectives and supporting policy commitments that will shape the Council's activities over the four year period.

In order to evaluate if the Council was effectively achieving against its stated policy commitments and was ultimately delivering consistently high quality services, a sound performance management process had been put in place and will form the basis of reporting corporate performance to Council Members and residents.

The Cabinet received an update against the Performance Management Framework for Quarter Three 2019-20 (October to December 2019) with the following key statistical headlines:-

- 82% of reported indicators had improved or maintained their level of performance; and
- 18% of reported indicators had fallen in their level of performance.

Information on performance over the period was presented in tabular and graphical form for all indicators. Where any data was not presented, this related either to those indicators reported on an annual basis or, alternatively, where data had not yet been submitted in time for the presentation of the report. Any outturns where data had been unable to be reported will be presented within the next available reporting cycle to Cabinet and the relevant Cabinet Committees.

The Director (Corporate Services) advised that, following Cabinet's review, all Cabinet Committees will be presented with individual performance reports tailored to the respective portfolio responsibilities. Alongside statistical content, these will provide more detailed contextual or qualitative updates outlining what activity the Council had delivered and what action will be taken to successfully realise the Corporate Plan's corporate objectives and policy commitments.

The Cabinet commended the design of the document and the information contained within it.

The Cabinet thanked the Corporate Performance Team on the work that had been undertaken to date.

71. Corporate Peer Challenge Feedback Report

The Director (Corporate Services) advised that, in October 2019, the Council welcomed a Peer Challenge Team onsite in order for them to undertake a Local Government Association (LGA) Corporate Peer Challenge of the Council. The team was onsite for four days (between 15 October and 17 October) and undertook a number of interviews and focus groups with various officers, Members, residents and external partners of the organisation.

The purpose of the Peer Challenge was to focus on the five core areas of business that make up a Peer Challenge:-

- understanding of the local place and priority setting;
- leadership of place;
- financial planning and viability;
- organisational leadership and governance; and
- capacity to deliver.

In addition, the team was also asked to consider additional areas of scope identified by the Council, in the areas of housing and housing delivery and planning and the planning service.

The Peer Challenge team had prepared a report setting out their findings and key recommendations; the report was attached at appendix two of the report for Members' information.

In addressing each of the key recommendations, a detailed action plan had now been developed and was attached at appendix three of the report for Member review and approval. Subject to Cabinet approval, the LGA Peer Challenge Report and action plan will be published on the Council's website to ensure it is publicly available (deemed best practice by the LGA).

It was also proposed that a report be brought back to the Cabinet in 12 months' time (February 2021) to provide an update on progress against the action plan. In addition, the LGA Peer Challenge process included a follow-up visit from the LGA. The purpose of the visit will be to assess the impact of the peer challenge and to review the progress that has been made in delivering the action plan. The follow-up visit will be in two years' time (February 2022).

The Cabinet echoed the views of the Peer Challenge team in that the current Chief Executive was very well respected and was universally praised by Officers, Members and partners. He had made significant contributions to organisational development and his impending departure will be a key moment for the Council.

The Leader stated that Stuart Bobby will take on the role of Chief Executive and Head of Paid Service with effect from 1 April 2020. The Cabinet congratulated Stuart Bobby and wished him well in his impending new role.

The Cabinet agreed that the Communications Team will be key in delivering some of those recommendations listed within the action plan.

The Leader also informed the Cabinet that all Kent Leaders had recently co-signed a letter to the government advising that it would only accept investment for local infrastructure if local authorities were to retain their planning control.

Resolved that the findings from the Local Government Association's (LGA) Corporate Peer Challenge report be noted and the actions plan developed by the Council in response to the recommendations be approved.

72. General Fund Revenue and Capital Estimates 2020/21

The Cabinet was presented with the draft revenue and capital estimates for General Fund services in 2020-21 together with the recommended level of council tax to be levied for 2020-21.

The report was presented in seven sections and the Assistant Director (Corporate Services) provided Members with a detailed summary of each section:-

- Section One – Policy Context;
- Section Two – Government Funding;
- Section Three – Medium Term Financial Strategy;
- Section Four - General Fund Revenue Budget;
- Section Five – Council Tax;
- Section Six - Robustness of Estimates and Adequacy of Reserves; and
- Section Seven - Capital Programme.

The Assistant Director (Corporate Services) advised that, on 20 December 2019, the Provisional Local Government Finance Settlement for 2020-21 only was announced by the Ministry for Housing, Communities and Local Government (MHCLG). This set out an inflationary increase in the Business Rates Retention Baseline Funding Level of 1.63%, in line with the September 2019 CPI inflation figure, as well as confirming that the government would be eliminating negative RSG amounts in 2020-21.

The Council had also secured indicative New Homes Bonus funding for 2020-21 of £603,010; this was above the level of funding that was previously in the Medium Term Financial Plan (MTFP). The government had stated that funding of New Homes Bonus beyond 2020-21 will be subject to the 2020 Spending Review.

The Kent Business Rates Pool will continue to operate in 2020-21. Modelling of anticipated business rates to be generated in the year (including the projected benefit of membership of the Kent Pool) indicated a benefit to Gravesham of £529,650 beyond that previously expected and reflected in the MTFP.

The current Medium Term Financial Strategy (MTFS) covered the period 2016-17 to 2019-20. Given the current lack of clarity from the government around the future funding of local government, the S151 Officer and the Council's Senior Management Team agreed that it would be prudent to put in place a one year MTFS for 2020-21. The strategy was attached at appendix three of the report for Member approval.

The Assistant Director (Corporate Services) advised that the delivery of the proactive strategy to respond to the financial pressures first identified by the Council in 2016 had enabled the 2020-21 budget proposals to be presented alongside a MTFP which required no

additional savings to be delivered in the plan period to 2028-29. After a decade of significant and sustained cuts to local government funding and the increased focus on financial governance that comes with such circumstances, the Council was now in a position to bring forward the ambitions set out in the Corporate Plan 2019-2023 to deliver a Gravesham to be proud of, specifically supporting:-

- the delivery of a new Leisure Centre for the residents of the borough in 2025;
- a fully-funded replacement programme for Council-owned play sites in the borough from 2020-21;
- the delivery of new housing in the borough;
- an improved town centre street scene;
- seed-funding of £500,000 for taking forward the Council's actions to deliver against its commitment to do what was within its powers and resources to become carbon neutral by 2030 and to work with partners on this.

The Assistant Director (Corporate Services) advised that there was still uncertainty over the future funding of local government beyond 2020-21. The Council will therefore monitor information on reforms as and when released so that it continued to be in the best position possible to respond to reforms and remain able to deliver services to its residents.

In relation to the council tax to be levied, Members were advised that the provisional settlement announcement confirmed the continued flexibility for district councils in setting council tax levels by permitting district councils to raise council tax by 2% or up to and including £5 (whichever is higher) without triggering the requirement for referendum. Taking the decision to freeze council tax in 2020-21 rather than implementing a 2.44% increase would see total council tax income reduced by £1,697,660 across the plan period. A 2.44% increase in Council Tax in 2020-21 would equate to 10 pence per week for a Band D property, with the total annual charge being £208.08.

The Cabinet requested that the Communications Team promote to residents that the Council, as billing authority, will issue the council tax bill on behalf of itself and the other preceptors such as Kent County Council, Kent Fire and Rescue etc. and that the proportion kept by the Council was significantly low.

The Cabinet commended the hard work that had been undertaken to date which had resulted in the Council achieving a balanced budget.

Resolved that:-

1. a resolution be placed before the meeting of the Council on 25 February 2020, specifying the council tax to be levied in the Borough of Gravesham for the year 2020-21; and
2. delegated authority be given to the Director (Communities), in consultation with S151 Officer and Leader of the Executive, to conclude the procurement process and award the contracts for the supply of fitness equipment at Cascades and Cygnet Leisure Centres as set out in Appendix 7a, subject to the budget associated with this procurement exercise being approved by Full Council on 25 February 2020.

The Cabinet recommends to Council that:-

3. the Medium Term Financial Strategy for 2020-21 be approved;
4. the draft revenue estimates for 2020-21 together with revised estimates for 2019-20, be approved, subject to any final amendments agreed by the Section 151 Officer in consultation with the Chief Executive and Leader of the Executive;
5. the provisional estimates for the following eight years be noted;
6. the draft capital estimates for 2020-21, together with the revised estimates for 2019-20, be approved subject to detailed reports coming forward on new schemes where applicable; and
7. due consideration is given to the view of the Director (Corporate Services) (as S151 Officer) on the robustness of estimates for the coming year, the medium term financial strategy and the adequacy of proposed reserves and balances, as required under Section 25 of the Local Government Finance Act 2003.

73. General Fund Budget Monitoring Report 2019/20 - Quarter 3

Further to minute 42 (11.11.2019), the Cabinet received the third budget monitoring report for 2019/20 in relation to the General Fund showing the position up to 31 December 2019.

The Cabinet noted the information provided on:-

- actual performance against the approved Revenue and Capital budgets for 2019/20, including known variances agreed or identified through budgetary control activity; and
- other key areas of financial performance that may impact on the Council's Medium Term Financial Strategy, Medium Term Financial Plan or Financial Statements.

Officers confirmed that the Council will continue to maintain robust budgetary control actions to ensure good financial governance and respond to the pressures on the Council's finances.

The Cabinet noted the information contained within the report.

74. Housing Revenue Account Estimates and Housing Capital Programme 2020/21

The Cabinet was presented with the draft revenue and capital estimates for Housing Revenue Account Services in 2020-21 together with the determination of the level of rents and service charges for 2020-21.

The report was presented in four sections and the Assistant Director (Corporate Services) provided Members with a detailed summary of each section:-

- Section One – HRA Revenue Account Budget;
- Section Two – Housing Capital Programme;
- Section Three – Robustness of Estimates and Adequacy of Reserves; and
- Section Four – HRA Business Planning.

In February 2019, the Government confirmed its intention to set a long term rent deal for social housing landlords in England. The new policy will permit annual rent increases on both social rent and affordable rent properties of up to consumer price index (CPI) plus one percentage point from 2020, for a period of at least five years. The subsequent Rent Standard issued by the Regulator of Social Housing in respect of 2020-21 confirmed that

rents could increase by CPI+1% from 1 April 2020 (where CPI is measured at September 2019). Dwelling Rents for 2020-21 will therefore increase by 2.7%. The authority's average social rent will increase to £89.96 per week in 2020-21 compared to £87.17 per week in 2019-20. The average affordable rent will increase to £159.41 per week (the average social rent increase will not be exactly equal to 2.7% due to re-letting of void properties and additions of properties during the year).

The Assistant Director (Corporate Services) advised that service charges were also levied on Council dwellings to cover a range of services including caretaking services and maintenance of communal areas and communal assets, such as lifts and gardens. Service charges were generally eligible to be met by Housing Benefit, with the exception of charges to individual homes such as heating or lighting within a dwelling. The Council's average capped service charge will be £3.63 per week for 2020-21. The capped service charge had been increased by 2.7% (based on CPI at September 2019 +1).

Rent levels and service charges for 2020-21 had been determined by the Assistant Director (Housing) and the Director (Corporate Services), in accordance with the Housing Act 1985 and under delegated authority as set out at Annex 1.13B.83 of the Constitution.

The Assistant Director (Corporate Services) advised that this will be the first time in four years since social rent had increased.

The Cabinet requested that the Communications Team promote the reasons for an increase in rent and that it will be the first time in four years.

Resolved that the Cabinet recommends to Council that:-

1. the draft Revenue estimates for 2020-21 together with the revised estimates for 2019-20 to be approved;
2. the draft capital estimates, together with the revised estimates for 2019-20 be approved, subject to detailed reports coming forward for new schemes, where applicable;
3. the increase in average rents of 2.7% for 2020-21 be noted; and
4. due consideration is given to the view of the Director (Corporate Services) (as S151 Officer) on the robustness of estimates for the coming year, the medium term financial strategy and the adequacy of proposed reserves and balances, as required under Section 25 of the Local Government Finance Act 2003.

75. Housing Revenue Account Budget Monitoring 2019/20 - Quarter 3

Further to minute 41 (11.11.2019), the Cabinet received the third budget monitoring report for 2019/20 in relation to the Housing Revenue Account showing the position up to 31 December 2019.

The Cabinet noted the information provided on:-

- actual performance against the approved Revenue and Capital budgets for 2019/20, including known variances agreed or identified through budgetary control activity; and
- other key areas of financial performance that may impact on the Council's Medium Term Financial Strategy, Medium Term Financial Plan, HRA Business Plan or Financial Statements.

Officers confirmed that the Council will continue to maintain robust budgetary control actions to ensure good financial governance and respond to the pressures on the Council's finances.

The Cabinet noted the information contained within the report.

76. Fees and Charges Report 2020/21

The Assistant Director (Corporate Services) advised that there was a requirement in the Financial Procedure Rules that the fees and charges would be reviewed at least annually in accordance with the Council's budget setting framework. The responsibility for determining fees and charges had been delegated to Directors and Assistant Directors (with the exception of car park fees and rents for HRA properties). In reviewing fees and charges, Directors would liaise with their appropriate Lead Member to consider any proposed revisions to charges or the introduction of new charges.

The authority had in place a Charging Strategy which outlined the key considerations of the Council to ensure that fees and charges for services were set in a transparent and consistent manner. As part of the fees and charges review exercise for 2020/21, the Charging Strategy was also reviewed; the review concluded that the strategy did not require any significant updates from that agreed with Members in November 2011.

Senior Officers, in conjunction with their Lead Member, undertook a review of the current schedule of fees and charges and determined the level of fees and charges for the forthcoming financial year. The proposed fees and charges for 2020/21 which will be effective from 1 April 2020 (unless otherwise stated) were detailed in appendix three of the report for Members' information.

The Assistant Director (Corporate Services) advised that over the last decade local government had experienced significant and sustained cuts to its funding whilst demand on services had risen. The Council had faced these challenges head-on and, as set out in the Medium Term Financial Strategy 2016-17 to 2019-20, followed a multi-faceted, proactive programme of activity to reduce its budget requirement and ensure a balanced budget which will be based on sound assumptions for how planned expenditure will be met. The programme included the intention to deliver £270,000 of base budget reductions during the strategy period through a workstream focusing on the annual fees and charges review. As detailed in the report, activity under the fees and charges work stream will have delivered £211,800 of the £270,000 target by 2020/21.

The Cabinet noted the information contained within the report.

77. Minutes of the meeting of the Gravesham Joint Transportation Board held on Thursday, 9 January 2020

The Cabinet noted the minutes of the Gravesham Joint Transportation Board held on Thursday 9 January 2020.

78. Exclusion

Resolved pursuant to Section 100A(4) of the Local Government Act 1972 that the public be excluded during the following item of business because it was likely in view of the nature of business to be transacted that, if members of the public were present during this item, there would be disclosure to them of exempt information.

79. STG Building Control Business Plan 2020 - 2023 and Associated Delivery Plan

The Cabinet was reminded that the South Thames Gateway Building Control Partnership (involving Medway, Gravesham, Swale and Canterbury) went live in 2007 and was now in its third five-year term. The partnership's Business Plan outlined how the building control function for the partnership Councils would be delivered over the next three years and also included a financial plan up until 2022-23.

Before 1 October each year, the Joint Committee is required to approve and send its draft Business Plan for the following year to each partner authority for comment. The Joint Committee agreed a consultation draft on 19 September 2019.

Members were presented with the Business Plan for 2020-23 together with the Financial Plan and Delivery Plan.

The Director (Planning and Development) advised that for Gravesham BC, the contribution to the shared service will rise from the current £44,980 in 2019-20 to £46,896 by 2022-23.

The current budgeted contribution for 2020/21 in the Medium Term Financial Plan (MTFP) is £42,320 so the requested £45,030 for the coming year would represent an increase of £2,710.

The MTFP budgets will be re-set to take account of this proposed budget increase in the draft Business Plan and this will be reflected in the budget-setting papers.

Resolved that:-

1. the proposed STG Building Control Partnership Business Plan 2020-23 (version 2), including the Financial Plan, and also the Delivery Plan (version 2), appended to it be approved;
2. the Secretary to the STG Joint Committee be notified accordingly; and
3. whilst, with two months of the financial year to go, a balanced budget is currently projected for STG in 2019-20; delegated authority be given to the Director (Planning and Development), in consultation with the Leader, to approve any additional Gravesham contribution, to balance any deficit that may arise for the STG Building Control Partnership in 2019-20. Any such contribution required will therefore be an overspend to the current revenue budget. It will either be offset by corresponding cross-council underspends, or funded from working balances.

Close of Meeting

The meeting ended at 9.10pm

