

Cabinet

Monday, 31 January 2022

7.30 pm

Present:

Cllr John Burden (Chair)
Cllr Lee Croxton (Vice-Chair)

Councillors: Shane Mochrie-Cox
Lenny Rolles
Lauren Sullivan
Narinderjit Singh Thandi
Jenny Wallace

Note: Cllrs Derek Ashenden, Helen Ashenden, Dakota Dibben, Aaron Elliott, Baljit Hayre, Leslie Hills, Jordan Meade and Diane Morton were also in attendance.

Stuart Bobby	Chief Executive
Nick Brown	Director (Environment) & Deputy Chief Executive
Melanie Norris	Director (Communities)
Sarah Parfitt	Director (Corporate Services)
Daniel Killian	Director (Housing)
Wendy Lane	Assistant Director (Planning)
Lisa Nyon	Assistant Director (Corporate Services)
Andy Rayfield	Communications Manager
Pat Knight	Head of Revenues and Benefits
Carlie Simmonds	Committee Services Manager (Minutes)

1. Apologies for absence

No apologies for absence were received.

2. Minutes

The minutes of the meeting held on Monday 4 January 2022 were signed by the Chair.

3. Declarations of Interest

Cllr John Burden declared an interest in agenda item 15 - STG Building Control Partnership Business Plan 2022-25 as he is the Council representative on STG Building Control Partnership. Cllr Burden left the Chamber during consideration of this item.

Cllr Shane Mochrie-Cox declared an interest in agenda items 12 and 16 - Cascades Leisure Centre as he is the Council representative on Gravesham Community Leisure Limited (GCLL). Cllr Mochrie-Cox agreed to leave the Chamber during consideration of these items however expressed concern that he was unable to participate particularly as he was the Cabinet Member for Community and Leisure. Cllr Mochrie-Cox requested that dispensations be sought in this scenario as a majority of Members would be representatives on outside bodies and/or local community groups.

Cllr Lenny Rolles declared an interest, for information purposes only, in agenda items 7 - General Fund Budget Monitoring Report 2021/22 Quarter Three and 10 – General Fund Revenue and Capital Estimates 2022/23 due to his role as Director and Chair of the Rosherville Limited Board.

4. Delegated Decisions - Cabinet Members

No decisions other than those already circulated had been made.

5. Council Tax Reduction Scheme 2022-2023

Further to minute 40 (04.10.2021), the Cabinet was provided with the results of the public consultation process on the proposed Council Tax Reduction Scheme 2022-2023 together with an equality impact assessment.

The consultation took place between 22 October and 24 December 2021 (9 weeks).

The Council consulted with major precepting bodies prior to the public consultation who were supportive of the way forward and the options being considered for public consultation.

The consultation document went online on 22 October 2021. It was recognised that access to computers, smartphones and the internet combined with the potential for respondents to lack digital skills could affect the ability of some claimants and residents providing a response. Consequently, the service wrote to all 6,477 CTR claimants together with a randomly sampled 5,000 residents (non-claimants).

Customer Services and Revenues & Benefits officers were briefed to promote the consultation, encourage responses from residents and to assist them where they needed assistance in completing the consultation document. The Council also worked with the Communications Team to ensure that there was an effective campaign across the Council's social media channels.

In total, 537 responses were received which was a good response rate considering the length of the document and compared to previous consultations. The previous consultation on the CTR scheme for 2017/2018 saw 387 responses i.e. latest consultation had seen a 39 per cent increase. This also compared favourably with other local authorities such as Ashford Borough Council who received 88 responses and Dartford Borough Council who received 35 responses to similar consultations.

The number of results allowed for a high degree of confidence that the Council had a representative and balanced view from residents. The key indicators being: -

- 99.45% of respondents living in Gravesham;
- 79.12% of respondents in receipt of council tax reduction;
- 33.52% of respondents (or their partner) in work or self-employed; and
- 88.33% of respondents liable to pay council tax.

The results of the consultation also showed an improvement on the representation of specific ethnic groups when compared to the previous consultation in 2017.

Members were informed of the following headline results: -

- whilst in answering Question 2, 41.47% of respondents wished to retain the current council tax scheme (23.75% said no with 34.78% stating they did not know) this changed significantly once the respondents considered the Income Grid scheme under Question 4 which then saw 57.20% agreeing with its introduction (11.52% stated no with remaining 31.28% stating they did not know); and
- all 9 proposed changes saw the majority saying they agreed with the proposed changes: -
 - those in agreement for each proposed change ranged from 57.14% to 82.84%;
 - disagreement with each proposal was in the range of 3.92% to 12.07%; and
 - “don’t know” response with each proposal was in the range of 13.24% to 31.28%.

The Head of Revenues and Benefits informed Members that an Equality Impact Assessment had been completed based on the results of the consultation and was attached at appendix 4 of the report for Members’ information. It was recognised that there will be a risk to claimants finding themselves with lower CTR. In order to mitigate this risk, financial support funds will be used. The service will proactively work to identify those cases which will be adversely affected due to the proposed changes. Those cases will be identified by utilising the Low Income Family Tracker (LIFT) platform.

Members were informed that the Government had initially provided funding for the scheme in 2013 however the funding had been reduced each year in line with the reduction in Revenue Support Grant provided to Councils. The aim for the 2022-23 scheme will be to remain cost neutral when compared to the current estimate expenditure of £6,904,000 for the 2021-2022 scheme. Gravesham Borough Council will bear 11% or £760,000 of this cost with the remainder incurred by major preceptors i.e., Kent County Council, Kent Police & Crime Commissioner and Kent Fire and Rescue authority.

The Cabinet commended the response rate and fully supported the use of the Low Income Family Tracker (LIFT) platform to proactively identify those cases that will be adversely affected.

Resolved that the proposed scheme be recommended to Full Council to take effect from 1 April 2022.

6. General Fund Budget Monitoring Report 2021/22 - Quarter Three

Further to minute 52 (08.11.2021), the Cabinet received the third budget monitoring report for 2021/22 in relation to the General Fund showing the position up to 31 December 2021.

The Cabinet noted the information provided on: -

- actual performance against the approved Revenue and Capital budgets for 2021/22, including projected variances agreed or identified through budgetary control activity; and
- other key areas of financial performance that may have an impact on the Council’s Medium Term Financial Strategy, Medium Term Financial Plan (MTFP) or Financial Statements.

The Assistant Director (Corporate Services) 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 report will also be considered by the Finance and Audit Committee on Monday 14 February 2022.

The Leader highlighted that the installation of wheelie bins in flats for recycling was currently underway which will support the Council's commitment to tackle Climate Change across the Borough.

The Cabinet noted the information contained within the report.

7. Housing Revenue Account Budget Monitoring Report - Quarter Three 2021/22

Further to minute 53 (08.11.20201), the Cabinet received the third budget monitoring report for 2021/2022 in relation to the Housing Revenue Account showing the position up to 31 December 2021.

The Cabinet noted the information provided on: -

- actual performance against the approved Revenue and Capital budgets for 2021/22, including known variances agreed or identified through budgetary control activity; and
- other key areas of financial performance that may have an effect on the Council's Medium Term Financial Strategy, Medium Term Financial Plan, HRA Business Plan or Financial Statements.

The Assistant Director (Corporate Services) 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 report will also be considered by the Finance and Audit Committee on Monday 14 February 2022.

The Leader highlighted section 4.5 of the report which provided a summary of the new build programme.

The Cabinet noted the information contained within the report.

8. General Fund Revenue and Capital Estimates 2022-23

The Cabinet was presented with the draft revenue and capital estimates for General Fund services in 2022-23 together with the recommended level of council tax to be levied for 2022-23.

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

- Section One – Policy Context;
- Section Two – Government Funding;
- Section Three – Medium Term Financial Strategy and Planning for the Council and its community;
- 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 16 December 2021 the Provisional Local Government Finance Settlement for 2022-23 was announced by The Department for Levelling Up, Housing and Communities (DLUHC). As like last year, the provisional settlement was for one year only, with the future funding of local government remaining uncertain in the coming years. Local government funding reforms that were planned for introduction from April 2021 (including the Fair Funding Review and reforms to the current Business Rates Retention System) had been put on hold. These reforms were likely to take place during 2022. As a result of the provisional settlement, the Council will experience an increase in its core spending power of 7.3% for 2022-23 and will have the seventh lowest level of assumed spending power per dwelling in Kent at £267. This is based on an assumption by Central Government that the Council will increase council tax by the maximum amount.

The Assistant Director (Corporate Services) advised that the provisional settlement did not include any announcements that the Council would continue to receive support from Central Government during 2022-23 as a result of the COVID-19 Pandemic.

The Council, this year, had prepared a five-year Medium Term Financial Strategy spanning 2022-23 to 2026-27 in response to an absence of further information on the future of funding for local government from Central Government and the need for the Council to consider initiatives to reduce the emerging budget gap that the Council will now face on its General Fund Services.

The budget proposals for 2022-23 will maintain the ambitions of the Council as set out in the Corporate Plan and will continue to include funding to support the delivery of a new Leisure Centre, programmed replacement plans for Council-owned play sites, the delivery of new housing, improved town centre street scene and a commitment to become carbon neutral by 2030. They also reflected the commitments made in the last year to improve the creative offering in the Borough through the St Georges Creative Hub and develop a programme of works to improve rear accessways.

In relation to the council tax to be levied, the Assistant Director (Corporate Services), advised that the provisional settlement 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. The budget proposals reflected the Council implementing a £4.95 increase in its council tax charge in 2022-23, equating to an increase of less than 10 pence per week for a B and D property. The total annual charge for the Gravesham element of the council tax bill will be £217.98; by way of comparison, the Band D equivalent council tax for 2021-22 is £213.03.

The Cabinet expressed its concern regarding the uncertainty of local government funding and the impact on the economy arising from the pandemic.

The Leader highlighted that, despite the emerging budget gap, the budget proposals continued to maintain the ambitions of the Council however acknowledged that there will continue to be a long-term impact on the economy and Council's budgets, one of those impacts being the consequence of the pandemic for example people's habits had now changed; more people were shopping online therefore not visiting local town centres, using car parks etc. The budget pressures were also seeing an impact on specific schemes that provide support to vulnerable people operated by other organisations such as Kent Homeless Connect which is commissioned by Kent County Council. This Council was proactively identifying those financial challenges that it will face and responding to those challenges by implementing initiatives etc. It was important for the Council, moving forward, to ensure that for future challenges, borrowing etc. an adequate repayment plan was in place.

In relation to the uncertainty of local government funding, the Chief Executive advised that national bodies such as the Local Government Association, District Council's Network etc. were continuing to lobby Central Government.

Resolved that a resolution be placed before the meeting of the Council on 22 February 2022, specifying the council tax to be levied in the Borough of Gravesham for the year 2022-23.

9. Housing Revenue Account Estimates and Housing Capital Programme 2022-23

The Cabinet was presented with the draft revenue and capital estimates for Housing Revenue Account Services in 2022-23 together with the determination of the level of rents and service charges for 2022-23.

The report was presented in four sections and the Assistant Director (Corporate Services) provided Members with a 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.

The Council, this year, had prepared a five-year Medium Term Financial Strategy spanning 2022-23 to 2026-27 in response to an absence of further information on the future of funding for local government from Central Government and the need for the Council to consider initiatives to reduce the emerging budget gap that the Council will now face on its General Fund Services, as well as ensuring HRA services remained sustainable.

The Assistant Director (Corporate Services) advised that current government policy permits annual rent increases for both social and affordable rent properties up to CPI+1% from April 2020 for a period of at least 5 years. The Rent Standard issued by the Regulator of Social Housing in respect of 2022-23 confirmed that rents could increase by CPI+1% from 1 April 2022 (where CPI is measured at September 2021). Dwelling Rents for 2022-23 will increase by 4.1%. The authority's average weekly social rent will increase to £94.22 in 2022-23, compared to £90.26 in 2021-22. The average affordable rent will increase to £170.43 (the average rent increase will not be exactly equal to 4.1% due to re-letting of void properties and additions of properties during the year).

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 average weekly service charge for 2022-23 will be £3.88 (currently £3.72). The capped service charge had been increased by 4.1% (based on CPI at September 2021 +1).

Rent levels and service charges had been determined by the Director (Housing) in consultation with 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.

Members acknowledged that the increase in rental income will continue to contribute towards the maintenance of Council dwellings as well as the introduction of schemes such as the requirement for all social housing stock to reach an Energy Performance Certificate (EPC) of C or above.

Resolved that the Cabinet recommends to Full Council that: -

1. the draft Revenue estimates for 2022-23 together with the revised estimates for 2021-22 to be approved;
2. the draft capital estimates, together with the revised estimates for 2021-22 be approved, subject to detailed reports coming forward for new schemes, where applicable;
3. the increase in average rents of 4.1% for 2022-23 be noted; and
4. due consideration be 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.

10. Fees and Charges Report 2022/23

The Assistant Director (Corporate Services) informed Members that that the fees and charges programme included the intention to deliver an additional income of £270,000 to the Council during the period of 2016-17 to 2019-20. When considering this work stream, it was concluded that this should continue beyond 2019-20, with further activity being delivered by 2022-23 however this had been hampered by the COVID-19 pandemic which had presented challenges in achieving this target.

Due to the uncertainty regarding local government funding and the impact on the economy arising from the pandemic, the contribution of fees and charges as part of the annual budget setting process was an opportunity to maximise its financial position in the current economic climate and to achieve policy objectives.

The Financial Procedure Rules requires the Council to review fees and charges 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, 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 2022/23 which will be effective from 1 April 2022 (unless otherwise stated) were detailed in appendix three of the report for Members' information.

The Leader highlighted that parking charges would not be increased for 2022/23 and that free parking, for the first two hours, on Saturdays would also remain.

The Cabinet was informed that the fees and charges programme would also include the St Andrew's and St George's Art Centres as both premises were available for community and educational use.

The Cabinet noted the information contained within the report.

11. Cascades Leisure Centre

The Director (Communities) informed Members that the Council had commissioned Knight, Kavanagh, & Page (KKP) to undertake a feasibility study of the Council owned leisure centres, currently located at Cascades Leisure Centre and Cygnet Leisure Centre. The key focus of the study was to refresh the Council's Indoor Leisure Strategy and to redefine its needs and options for investment in its facility portfolio.

The study needed to take account of a changed landscape from the original strategy which had been completed in 2016. These changes included the developments of the Lower Thames Crossing, potential developments undertaken in Ebbsfleet Development Corporation and the proposed Garden City, as well as the potential impact of Covid-19 on the leisure industry.

The study was completed over two phases: -

- Phase One – a refresh of the 2016 Indoor Strategy and based on the refreshed strategy findings; and
- Phase Two - a feasibility study to investigate whether/how to replace one or both facilities, in a process which incorporated evaluation of capital and revenue costs, as well as a management options appraisal to assist the Council in deciding on the optimal way forward.

The main conclusions of the feasibility study were summarised in section two of the report.

The feasibility study recommended replacing the existing Cascades Leisure Centre at its existing site to address the Borough's current facility needs assuming that the proposals at Ebbsfleet Garden City for a landmark leisure facility was also delivered as a potential replacement for Cygnet Leisure Centre. As the proposals for a hub leisure facility at Ebbsfleet Garden City were unknown at this stage, the Council had agreed to concentrate on the redevelopment options of Cascades Leisure Centre.

A condition survey of the centre was completed in June 2019 by Set Square Surveyors Ltd. This confirmed that there was a requirement for £464,000 of work over the next two years alone, described as 'critical' to the operation of the facility.

In respect of whether to pursue a new-build centre as opposed to a major refurbishment and remodelling programme at Cascades, with regards to the latter previous work had been undertaken which suggested a cost of circa £14m at the site. However, this did not consider any substantial remodelling of the swimming facility, which in itself will be essential to meet the Borough's existing and future shortfall in provision, specifically with regards to lane swimming and learner pool provision. Whilst a new build will have a higher capital cost, the study outlined that this should be balanced against the significant benefits provided in terms of its attractiveness, potential for co-location of health and wellbeing spaces, and greater capacity to generate revenue via a more cohesive and modern orientation of spaces. It was also important to recognise that development of a new-build facility will enable the Council to further deliver its ambition for its operations to be net-zero by 2030.

In terms of where the new facility should be located, alternative sites for development in the Borough were extremely limited, with the existing urban area being particularly constrained and focus on available sites being placed on delivering the Borough's housing requirements. Cascades Leisure Centre's existing car park had emerged as the highest ranked site from the appraisal as it benefits from being owned by the Council and had the potential to create good visibility and site frontage of the new leisure centre. However, this site would require the closure of the on-site Regan's Bar and associated tenancy to enable development to take place. It should be noted that this location will not affect any other tenants currently on this site.

An initial capital cost estimate of circa £33.8m had been identified. This was inclusive of an allowance of £3.5 million for external works to the site which would include external landscaping, car parking including coach drop off area and creation of an Active Environmental area. The sum did include a 10% contingency amount but did not take into account general inflationary pressures nationally, particularly within the construction industry.

The Council had a number of options in regards to funding the capital cost of the project. The proposal would be to finance the new leisure centre from a combination of the leisure centre earmarked reserve, attributable S106 contributions, capital receipts, revenue reserves and/or external grant contributions (where these are able to be secured), with the remaining balance funded through external borrowing funded from the forecast improved revenue income from the site. Should the improved revenue income from the site not be sufficient to meet the full cost of borrowing, the Council will need to consider other options for how these costs may be met in the longer term.

KKP had produced an indicative revenue business plan for the new leisure centre which was based on a range of key assumptions (both income and expenditure). The plan drew upon KKP's understanding of the local area through past and current work and a range of live operational examples of where and how other modern leisure centres effectively generate income from their key activity areas. The indicative also assumed that performance of the centre would have returned to pre-COVID levels when it becomes operational.

The revenue business plan had been prepared on the basis of two potential operating models for consideration based on information provided by KKP (a) a trust management option or (b) management by an external (commercial) operator.

The Council's Finance Team had analysed and reviewed the indicative Revenue Business Plan and appraised the two operating models for consideration based on information provided by KKP. The indicative revenue projections indicate that both operating options would generate a surplus position during the first five years of operation.

In order to deliver on the next stage, the Council will be required to undertake procurement of a range of services in respect of consultancy (design, planning, leisure) and construction.

As set out in the report, the approach will be in a two- stage manner, with the procurement of consultancy services being separate from that of selecting a construction partner.

Options regarding leisure centre development in Gravesham going forward, will also need to take account of the Lower Thames Crossing (LTC) programme, which may have a degree of overlap with the leisure centre construction.

The Cabinet welcomed the report and the benefits that a new leisure centre would bring to the community whilst meeting the Borough's existing and future shortfall in provision.

The Cabinet stated that the Council must explore all avenues of funding particularly S106 and external grant contributions. The cost estimates must also include a contingency for inflation in construction.

Resolved that

1. Members support the proposals for Cascades Leisure Centre, as set out in the report; and
2. delegated authority be given to the Director (Communities) in consultation with the Leader and Director (Corporate Services in the role of S151 officer) and the Monitoring Officer; to take all necessary practical, financial and legal actions required to deliver the leisure centre within agreed budgets (inclusive of but not limited to entering into the relevant formal legal agreements required to engage consultant support, agree and commence the procurement process, evaluate and appoint successful contractors, approve the design, commence construction and certify the acceptance of completion of works.

Note: Cllr Shane Mochrie-Cox left the Chamber during consideration of this item.

12. 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.

13. STG Building Control Partnership Business Plan 2022-25

Vice-Chair in the Chair

The Cabinet was reminded that the South Thames Gateway Building Control Partnership (involving Medway, Gravesham, Swale and Canterbury) had now been in operation for 14 years and had demonstrated resilience, flexibility, adaptability and economic success throughout this period.

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 16 September 2021.

Members were presented with the Business Plan for 2022-25 together with the Financial Plan and Delivery Plan.

A monitoring report was taken to December's South Thames Gateway Building Control Joint Committee meeting. This report updated the Joint Committee on the current forecast for the 2021/2022 financial year. Budget monitoring showed STG achieving a balanced budget and whilst this will be dependent on income continuing at its current rate for January through March, it was considered at this stage that this position will be maintained again this year.

Figure 1 of the Business Plan detailed a three-year financial plan covering the period 2022-2025. This included contributions payable by the constituent authorities that will be ratified by their acceptance of the Plan.

For Gravesham BC, the contribution to the shared service will rise from £46,589 in 2021/22 to £49,472 in 2024/25.

The MTFP budgets had already been revised to take account the proposed budget increase in the draft STG Business Plan. The re-grading and training costs required by Government changes to surveyor licencing under the Building Safety Bill and market recruitment challenges had not been included within the financial forecast therefore it was anticipated that further changes to the MTFP will be needed once that information was available.

The Assistant Director (Planning) apprised Members of the key objectives and projects for 2022/2023.

Resolved that: -

1. Cabinet approved the proposed STG Building Control Partnership Business Plan 2022-25 (version 2), including the Financial Plan, and also the Delivery Plan (version 2), appended to it; and
2. the Secretary to the STG Joint Committee to be notified accordingly.

Note: Cllr John Burden left the Chamber during consideration of this item.

14. Cascades Leisure Centre

Chair in the Chair

The Cabinet was provided with further information which needed to remain confidential at this stage.

Note: Cllr Shane Mochrie-Cox left the Chamber during consideration of this item.

Close of meeting

The meeting ended at 9.07 pm.