

Cabinet

Monday, 30 January 2023

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 Ejaz Aslam, Baljit Hayre, Leslie Hills, Leslie Hoskins and Jordan Meade were also in attendance.

Stuart Bobby	Chief Executive
Nick Brown	Director (Environment) & Deputy Chief Executive
Jamie Izzard	Director (Communities)
Daniel Killian	Director (Housing)
Sarah Parfitt	Director (Corporate Services)
Wendy Lane	Assistant Director (Planning)
Lisa Nyon	Assistant Director (Corporate Services)
Andy Rayfield	Communications Manager
Carlie Simmonds	Committee Services Manager (Minutes)

59. Minutes

The minutes of the meeting held on Monday 3 January 2023 were signed by the Chair.

60. Declarations of Interest

Cllr Shane Mochrie-Cox declared an other interest, for information purposes only, in agenda item 7 - General Fund Budget Monitoring Report 2022/23 - Quarter Three and 11 - Fees and Charges Report 2023/24 as he is the Council's representative on Gravesham Community Leisure Limited (GCLL) which is referred to within the reports.

61. Delegated Decisions - Cabinet Members

No decisions other than those already circulated had been made.

62. The Social Housing Decarbonisation Fund (SHDF) Wave 2.1 funding bid

Further to minute 28 (21.03.2022), the Cabinet was informed that the Social Housing Decarbonisation Fund (SHDF) Wave 1 was released by the Department of Business, Energy & Industrial Strategy (BEIS) on 23 August 2021 and invited Registered Providers of social housing including Private and Local Authority, to apply for funding to be used to improve the energy performance of social housing.

The Council applied for the funding and was notified on 7 February 2022 that it had been successful in its bid of £823,337.11, with Gravesham being only one of two Councils in Kent to secure the funding.

Project delivery timescales were set by BEIS with a completion date of 30 June 2023. As of 19 January 2023, the Council had completed 51% of the project (241 properties), with an annual carbon saving of 500 tCO₂ and improved the Energy Performance Certificate (EPC) ratings of all these properties to a rating of C. As well as the positive impact that the works had on the properties, it had also had a very positive impact on the tenants too.

The SHDF Wave 2.1 scheme was released by the BEIS on the 29 September 2022 and invited Registered Providers of social housing including Private and Local Authorities, to apply for funding to be used to improve the energy performance of their social housing stock. The expected aim of the scheme being to upgrade a significant amount of the social housing stock currently below EPC rating C.

The Wave 2.1 competition will allocate up to £800 million of funding. The successful applicants will be notified in late February / early March 2023 and will have a deadline to deliver the works by September 2025.

Following the Council's success with the Wave 1 scheme and to build on the positive impact for tenants, a bid for Wave 2.1 was submitted which will see 714 Council owned homes receive improvements through the scheme if successful.

The intended project for Wave 2.1 will be to continue upgrading loft and cavity wall insulation to 714 Council owned homes as similarly delivered in Wave 1 scheme. Completion of these works will also result in all 714 properties moving from EPC D to EPC C which will increase the Council's properties EPC C and above from 72% to 84% and will result in an estimated annual carbon saving of 2111 tCO₂. Based on estimated figures from the Energy Saving Trust, the tenants who will benefit from these insulation measures will also see estimated bill savings of £258,720 a year with increased thermal comfort within their homes.

The cost of the project will be £2,223,244.54 with the Council expected to provide match funding of 50%, equating to £1,111,622.27. Figures on how this will be spread across the 2 financial years had been provided within the report. The figures for the project had been based on the quotation received from the insulation contractor and factored in inflation.

The Council's contribution had been budgeted within the Energy Efficiency capital budget with a forecasted budget of £1,888,650, for 2023/24 subject to budget approval and will also be budgeted in during the budget setting period for 2024/25.

If the Council was unsuccessful with the Wave 2.1 bid, the intention will be to still use the funds set aside for GBC's contribution to continue the programme of insulation measures including properties that still require these insulation upgrades but wouldn't qualify for Government funding due to their current EPC ratings.

The Cabinet acknowledged the success of the Wave 1 scheme and welcomed the Wave 2.1 funding bid. It was requested that, if successful, a progress report be submitted to the Cabinet detailing the specifics of the programme.

Resolved the bid and intended project for the Social Housing Decarbonisation Fund Wave 2 be noted and the decision to submit the bid taken by the Director (Housing) be ratified.

63. General Fund Budget Monitoring Report 2022/23 - Quarter Three

Further to minute 41 (07.11.2022), the Cabinet received the third budget monitoring report for 2022/23 in relation to the General Fund showing the position up to 31 December 2022.

The Cabinet noted the information provided on: -

- actual performance against the approved Revenue and Capital budgets for 2022/23, 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 Cabinet was informed that the forecasted outturn position was circa £1.5m this was due to an increase in homelessness (temporary accommodation), energy prices and the staff pay award.

The Assistant Director (Corporate Services) confirmed that the Council will continue to operate robust budgetary control actions to ensure good financial governance and respond to the pressures on the Council's finances. In addition to the regular budget monitoring reports, the following action was also being taken:-

- all financial decisions and major acquisitions being brought to Management Team for discussion and approval;
- appropriate controls in approving purchase orders;
- monitoring the delivery of activity under the Medium Term Financial Strategy (MTFS); and
- all recruitment activity being considered and approved by Management Team.

The report will also be considered by the Finance and Audit Committee on 13 February 2023.

The Cabinet expressed concern regarding the forecasted outturn position however acknowledged that it was reflective of the cost of living crisis. The Cabinet expressed concern regarding the increase in homelessness and stated that it had a statutory duty to support those households who were presenting themselves to the Council for housing advice and assistance. The Cabinet stated that funding from Central Government continued to fall significantly short of the financial cost of providing these statutory services. The Leader had sent a letter to Central Government to implore it to consider the local homelessness pressures facing the Council and increase its support to the Council to a level which was on par with the cost of the service pressures being faced, both in the current year and in future years.

It was also acknowledged that the report highlighted how important it was for the Council to move ahead with its Climate Change Strategy/efficiencies due to rising energy costs.

Members praised the work of both Members and Officers in delivering services and finding ingenious ways of sourcing funding for example the Light Festival, Arts Centre etc. Members stated that it was important for the Council to hold these events to bring the community together particularly at a time when there is a cost of living crisis.

The Cabinet noted the information contained within the report.

64. Housing Revenue Account Budget Monitoring Report - Quarter Three 2022/23

Further to minute 42 (07.11.2022), the Cabinet received the third budget monitoring report for 2022/23 in relation to the Housing Revenue Account showing the position up to 31 December 2022.

The Cabinet noted the information provided on: -

- actual performance against the approved Revenue and Capital budgets for 2022/23, 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 Cabinet was informed that, following the forecasted outturn position at Q2, the Finance Team had been working closely with the Housing Team to respond to the forecasted position and bring the account to a more favourable position. At the end of Q3, the forecasted outturn position was now circa £60k which was an improvement to the position reported in Q2.

The Assistant Director (Corporate Services) confirmed that the same robust budgetary control actions as detailed in the previous minute (minute 63 - General Fund Budget Monitoring Report 2022/23 - Quarter Three) were also being applied to the Housing Revenue Account and that this report would also be considered by the Finance and Audit Committee on 13 February 2023.

The Cabinet reiterated its concern as expressed in the previous minute (63).

The Cabinet noted the information contained within the report.

65. General Fund Revenue and Capital Estimates 2023-24

The Cabinet was presented with the draft revenue and capital estimates for General Fund services in 2023/24 together with the recommended level of council tax to be levied for 2023/24.

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 Cabinet was informed that, due to the financial pressures of the Council, greater scrutiny had been applied to the estimates to ensure that the most up to date information and all upcoming decision had been taken into account.

The Assistant Director (Corporate Services) advised that on 19 December 2022 the Provisional Local Government Finance Settlement for 2023-24 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 unknown, albeit the principles for the 2024/25 local government finance settlement were outlined in the Local Government Finance Policy Statement published on 12 December 2022. Other 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) continued to be put on hold until after the next Comprehensive Spending Review due to take place in 2025. As a result of the provisional settlement, the Council will experience an increase in its core spending power of 4.9% for 2023-24 and will have the sixth lowest level of assumed spending power per dwelling in Kent at £282, an increase of £14 per dwelling on last year. This was based on an assumption by Central Government that the Council will increase council tax by the maximum amount permissible.

Last year, the Council approved a five-year Medium Term Financial Strategy (MTFS) spanning 2022-23 to 2026-27. This had been refreshed to consider the current economic climate that the Council now operated in and considered initiatives to reduce the budget gap that the Council will face on its General Fund Services. Progress had been made during the year in delivering the initiatives set out in the MTFS presented in February 2022. The report detailed the progress made to date which equated to a combination of budget reductions and increases in income of £776,450 for 2023/24.

Over the period to 2026/27, base budget reductions had been reflected in the MTFS equating to £1.4m. Analysis had indicated that despite taking proactive action to deliver £1.4m of base budget savings in the MTFP, external factors had continued to detrimentally affect the Council's financial position over the short to medium term, leading to a residual budget gap of £4.3m and potential challenges in balancing the budget in the 2024-25 financial year should no further action be taken. The Council does, however, have a plan of activities to respond to this and further information will be presented to Members over the coming months.

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 3% or up to and including £5 (whichever is higher) without triggering the requirement for a referendum.

The budget proposals reflected the Council implementing an annual increase of £6.48 to its council tax charge in 2023-24. This was within the referendum principles and equated to an increase of less than 13 pence per week for a Band D property. 58.1% of residential properties within the borough fall within the bands of A-C and therefore the annual council tax increase will be less than £6.48 for those properties. The total annual charge for the Gravesham element of the council tax bill will be £224.46; by way of comparison, the Band D equivalent council tax for 2022-23 was £217.98.

The report showed in graphical form the consequential impact on the MTFP of increasing council tax by £6.48 and £0 (effectively freezing council tax).

The Cabinet expressed concern regarding the significant financial challenges that the Council will continue to face, with a declining level of financial support from Central Government. The Cabinet acknowledged the consequential impact of not increasing council tax by the maximum amount permissible and reiterated that the Council, as billing authority, 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 Leader stated that a key area of focus for the new administration, following the Borough Elections, will be the financial challenges facing the Council and that difficult decisions will need to be made in order to meet the budget reduction target.

Resolved that:-

1. a resolution to be placed before the meeting of the Council on 21 February 2023, specifying the council tax to be levied in the Borough of Gravesham for the year 2023-24;

Cabinet recommends to Council that:-

2. The updated Medium Term Financial Strategy for 2022-23 – 2026-27 be approved;
3. The draft revenue estimates for 2023-24 together with revised estimates for 2022-23, be approved, subject to any final amendments agreed by the Section 151 Officer in consultation with the Chief Executive and Leader of the Executive;
4. The provisional estimates for the following eight years be noted;
5. The draft capital estimates for 2023-24, together with the revised estimates for 2022- 23, be approved subject to detailed reports coming forward on new schemes where applicable;
6. 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;
7. The threshold for Key Decisions to remain at £100,000;
8. Approval is given to the application of the 100% council tax premium on properties empty for at least 1 year but less than 5 years, applicable from 1 April 2024, should the Regeneration & Levelling-Up Bill receive Royal assent. Delegated authority be given to the Director (Corporate Services) (as S151 Officer) to take all necessary and timely action to implement this recommendation, taking into account any Secretary of State Guidance that may be issued; and
9. Approval is given to the application of a 100% council tax premium on 'second homes', applicable from 1 April 2024, should the Regeneration & Levelling-Up Bill receive Royal Assent. Delegated authority be given to the Director (Corporate Services) (as S151 Officer) to take all necessary and timely action to implement this recommendation, taking into account any Secretary of State Guidance that may be issued.

66. Housing Revenue Account Estimates and Housing Capital Programme 2023-24

The Cabinet was presented with the draft revenue and capital estimates for Housing Revenue Account Services in 2023-24 together with the determination of the level of rents and service charges for 2023-24.

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 Cabinet was informed that, due to the financial pressures of the Council, greater scrutiny had been applied to the estimates to ensure that the most up to date information and all upcoming decision had been taken into account.

The Assistant Director (Corporate Services) advised that the authority's average social rent will be £104.73 per week in 2023-24, compared to £94.22 per week in 2022-23. The average affordable rent will be £184.29 per week.

The Council's average capped service charge will be £4.20 per week for 2023-24.

Members acknowledged that the increase in rental income will continue to contribute towards the maintenance, energy efficiencies etc of the Council's housing stock.

Resolved that Cabinet recommends to Full Council that:-

1. The draft Revenue estimates for 2023-24 together with the revised estimates for 2022- 23 to be approved;
2. The draft capital estimates, together with the revised estimates for 2022-23 be approved, subject to detailed reports coming forward for new schemes, where applicable;
3. The average social rent of £104.73 for 2023-24 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.

67. Fees and Charges Report 2023/24

The Assistant Director (Corporate Services) informed Members that for over a decade local government had experienced significant and sustained cuts to its funding whilst demand on services had risen. Therefore, the latest Medium Term Financial Strategy (MTFS) covering the period (2022/23 to 2026/27) indicated that income from Fees and Charges was intended to deliver an additional £200,000.

Due to the uncertainty regarding local government funding together with recent increases in energy, fuel prices and inflation that had put significant pressure on the Council's budget, 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). 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 2023/24 which will be effective from 1 April 2023 (unless otherwise stated) were detailed in appendix two of the report for Members' information.

The Cabinet noted the information contained within the report.

68. 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.

69. STG Building Control Partnership Business Plan 2023-26

The Cabinet was reminded that the South Thames Gateway Building Control Partnership (involving Medway, Gravesham, Swale and Canterbury) had now been in operation for 15 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 the draft Business Plan on 1 December 2022.

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 2022/2023 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 2023-2026. This included contributions payable by the constituent authorities that will be ratified by their acceptance of the Plan.

For Gravesham Borough Council, the contribution to the shared service will rise from £49,204 in 2023/24 to £51,304 in 2025/26.

The MTFP budgets had already been revised to take account of the proposed budget increase in the draft STG Business Plan and issues excluded from the financial forecast had been noted as it was anticipated that further changes to the MTFP may be needed once that information become available.

The report also detailed STG's performance for 2021- 22.

Resolved that:-

1. the proposed STG Building Control Partnership Business Plan 2023-26 (version 1), including the Financial Plan, and also the Delivery Plan (version 1), appended to it be approved; and
2. The Secretary to the STG Joint Committee to be notified accordingly.

Close of meeting

The meeting ended at 8.47 pm.