

Cabinet

Monday, 29 January 2024

7.30 pm

Present:

Cllr John Burden (Chair)
Cllr Shane Mochrie-Cox (Vice-Chair)

Councillors: Emma Morley
Lauren Sullivan
Narinderjit Singh Thandi
Jenny Wallace

Note: Councillors Helen Ashenden, Derek Ashenden, Gary Harding, Leslie Hills, Jordan Meade, Karina O'Malley and Lenny Rolles were also in attendance.

Stuart Bobby	Chief Executive
Nick Brown	Director (Environment) & Deputy Chief Executive
Jamie Izzard	Director (Communities and Inclusive Growth)
Daniel Killian	Director (Housing)
Pat Knight	Interim Assistant Director (Corporate Services)
Andy Rayfield	Communications Manager
Chloe Taylor	Committee Services Officer
Carlie Simmonds	Committee Services Manager (Minutes)

66. Minutes

The minutes of the meeting held on Monday 18 December 2023 were signed by the Chair.

67. Declarations of Interest

Cllr John Burden declared a non-fiduciary, non-prejudicial interest in agenda item 15 (Acquisition of Land Assets) as he is a resident of Istead Rise. Cllr Burden advised that he would leave the meeting during the discussion and voting of this item.

68. Delegated Decisions - Cabinet Members

No decisions other than those already circulated had been made.

69. Member Induction Programme/Member Training 2024/25

The Committee Services Officer presented the Cabinet with the feedback received on the Member Induction Programme for 2023 together with the draft training plan for 2024/25 and highlighted the following key points:-

- a total of 28 sessions were held with details of the attendance outlined at section 2.2 and in appendix one of the report – the overall percentage of attendance was 29.2%;

- appendix two of the report detailed the feedback received after each individual session and it was felt that this was overall positive;
- appendix three of the report outlined the feedback received from the questionnaire that was sent to Members regarding the Induction Programme overall. Again, it was felt that this was positive. Where Members had suggested additional sessions or amendments, these had been implemented into the plan for 2024/25 where practicable;
- the draft training plan was based on the approach that had been taken previously;
- it was proposed that the minimum 10-Member requirement before proceeding with a session be reinstated;
- the training library will be kept up to date with training presentations and potentially with recorded sessions should all attendees be supportive of the sessions being recorded; and
- Members will continue to have access to e-learning material which was provided within the welcome booklet and will be presented with any further online training and development tools.

Members were informed that additional briefing sessions would also be arranged, as required, when legislation changes etc.

The Committee Services Officer advised that the Overview Scrutiny Committee considered the draft training plan for 2024/25 at its meeting on Thursday 04 January 2023; the plan was endorsed and it was agreed to be passed to the Cabinet for approval. The Committee put forward a number of suggestions as detailed in section 6 of the report for consideration by the Cabinet.

The Cabinet commended the 2023 Member Induction Programme however expressed concern regarding the low attendance figures and also requested that when negative feedback following an internal and/or external training session is received then this be reported to the lead officer so that consideration can be given to that feedback when arranging future sessions; the Cabinet stated that a few sessions were poor.

It was stated that it was important for both long-standing and newly-elected Members to attend the training on offer as the sessions will keep all Members up to date on legislative and/or procedural changes. It was requested that the Group Leaders be kept regularly informed on attendance and that the minimum 10-Member requirement, in order for a session to proceed, be reinstated.

The Cabinet was also supportive of virtual training sessions being recorded so that they can be uploaded to the training library for future reference.

In relation to training and/or briefing session(s) on the development of the Local Plan, it was unknown at this stage when progress will recommence on the Local Plan so training will be arranged once known/at a suitable time.

It was requested that a further training session on Equalities and Cohesion be include within the 2024/25 plan.

Resolved that the draft Member Training and Development Plan for 2024/25 be approved taking into account the comments and suggestions made by the Cabinet as well as the Overview Scrutiny Committee.

70. Cessation of the HR Shared Service

The Cabinet was informed that, for a number of years, the Council had in place a shared working arrangement with Medway Council for the provision of HR services.

The report sought the Cabinet's approval for the full provision of the HR services to come back in-house as it was felt that the current shared arrangement was not providing effective value for money.

Bringing the service back in-house would not only be more efficient but would also allow the Council the flexibility to amend policies to meet its needs, procedures for recruitment etc, which previously, had followed those set by Medway Council.

It was noted that the Payroll function would still remain under the current shared service arrangement with Medway Council. There would be a need for Gravesham Borough Council to agree a way forward with Medway Council regarding the provision of the HR back-office software system, which will form part of the contract moving forward. Currently, the Council used SS4U which operated both the Payroll and HR functions such as booking of annual leave etc.

The cost of the shared service in 2022/2023 equated to £94,330. It was anticipated there would be a saving of £50,250 for Gravesham Borough Council as a result of withdrawing from the arrangement with Medway Council even after allowing for marginal increases in internal resources/changes to job descriptions in order to ensure that the HR Team was fully resourced to bring the service back in-house.

If the Cabinet was supportive of the proposal, it would be necessary for Gravesham Borough Council to 'serve notice' on Medway Council in respect of the current shared working arrangements. The formal agreement currently in place set out a notice period of six-months. However, a request will be made to Medway Council to waive this notice period and for the termination to take effect from 31 March 2024.

Resolved that remaining elements of the HR Shared Service with Medway Council be ceased and to instruct the Chief Executive to make all necessary arrangements to action this approval, including necessary actions to facilitate delivery of these residual functions in-house.

71. General Fund Budget Monitoring - Q3 2023/24

Further to minute 49 (06.11.2023), the Cabinet received the third budget monitoring report for 2023/24 in relation to the General Fund showing the position up to 31 December 2023.

The Cabinet noted the information provided on: -

- actual performance against the approved Revenue and Capital budgets for 2023/24, including projected variances agreed or identified through budgetary control activity;
- 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; and
- the proposed in-year addition to the 2023/24 Capital Programme in relation to the Tech Hub Flexible Working Space.

The Cabinet was informed that, at the end of quarter three, there was an overall improved position for 2023/24 compared to quarter two. The report set out a predicted underspend in the year of £125k, albeit a significant contribution of some £2m from working balances will still be required to meet planned expenditure for the year. The movement between quarter two and quarter three was as a result of revised expected income from the Business Rates Retention Scheme (now that the consequences of the 2023 Revaluation exercise were clearer), a projected in-year salary underspend and the realisation of proactive budget rationalisation work the Council was undertaking to balance its budget.

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;
- recruitment activity which impacts on either budgetary provision or results in a permanent change to the staffing establishment being considered and approved by Management Team; and
- monitoring the delivery of activity under the Medium-Term Financial Strategy (MTFS).

The Cabinet noted that the report will also be considered by the Finance and Audit Committee on 12 February 2024.

The Cabinet was informed that leisure services, rental income in relation to the St George's Centre and homelessness continued to be the most significant adverse variances/pressures on the General Fund.

The Cabinet thanked officers for the proactive work to date in order to meet the budget reduction target particularly in relation to those variances which continued to have an adverse impact on the budget.

The Cabinet noted the information contained within the report and acknowledged that difficult decisions will need to be made, moving forwards, in order to meet the budget reduction target.

Resolved that the addition of the Tech Hub Flexible Working Space to the current year capital programme be approved.

72. Housing Revenue Account Budget Monitoring Report - Quarter Three 2023/24

Further to minute 50 (06.11.2023), the Cabinet received the third budget monitoring report for 2023/24 in relation to the Housing Revenue Account showing the position up to 31 December 2023.

The Cabinet noted the information provided on: -

- actual performance against the approved Revenue and Capital budgets for 2023/24, 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, at the end of quarter three, income and expenditure for the year remained balanced. There also remained an anticipated contribution to reserves at year end.

The Council will continue to operate the same robust budgetary control actions as detailed in the previous minute (minute 71 - General Fund Budget Monitoring - Q3 2023/24) to the Housing Revenue Account and that this report would also be considered by the Finance and Audit Committee on 12 February 2024.

The Cabinet was informed that the original budget for the year set out the intention to create two reserves in 2023/24. It was assumed a balance of £4.69m would be placed into a Debt Repayment Reserve which would be used to facilitate the repayment of the HRA's debt in current and future years following an exercise to review the HRA Debt position that was due to be undertaken during the year. This exercise was not carried out due to the prevailing high interest rates and therefore instead of contributing to a debt repayment reserve, the surplus on the HRA will be utilised to repay some of the debt that was due to mature in the current year. An HRA Priority Reserve had also been set up in this financial year, totalling £500k. This was to be used by the HRA to fund expenditures outside of the normal activity. Managers will be able to bid for funds to finance projects subject to approval by the Director (Housing), in consultation with the Director (Corporate Services).

The Cabinet commended officers on the proactive work that had been undertaken to date in relation to disrepair claims; there had been a noticeable drop in the number of claims lodged.

The Cabinet noted the information contained within the report.

73. General Fund Revenue and Capital Estimates 2024-25

The Cabinet was presented with the draft revenue and capital estimates for General Fund services in 2024-25 together with the recommended level of council tax to be levied for 2024-25.

The report was presented in seven sections and included an executive summary:-

- 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 Interim Assistant Director (Corporate Services) provided Members with a summary of the key areas contained within the report.

The Interim Assistant Director (Corporate Services) advised that on 18 December 2023 the Provisional Local Government Finance Settlement for 2024-25 was announced by the

Department for Levelling Up, Housing and Communities (DLUHC). As had been the case for the last five years, the provisional settlement was for one year only with local government funding reform now effectively put on hold until after the next Comprehensive Spending Review.

At a headline level, the 2024-25 Provisional Local Government Finance Settlement indicated a 4.9% increase in cash terms in Core Spending Power for Gravesham in 2024-25 compared to 2023-24. Whilst this was in line with the increase experienced by other Shire Districts, it fell significantly below the 6% plus increase experienced by Authority types; this being the case in the last four settlements.

The New Homes Bonus Scheme was higher than anticipated and it was also confirmed that the Kent Business Rates Pool would continue to operate in 2024-25.

Support for homeless households continued to be the most significant pressure on the Council's budget, with spend on temporary accommodation increasing by 661% in past 4 years. Increase in demand for other Council services, delays in proposed changes in government policy and economic factors such as inflation and interest rates had brought about an increasingly difficult environment within which the Council operated.

These factors came alongside over a decade of significant cuts in local government funding, with direct government funding to meet expenditure on Council services reducing from £8.44m in 2010/11 to £592,390 in 2024/25. In 2010/11 expenditure on Council services was primarily met by secure, known funding sources provided directly by Central Government. Today, funding for Council services was principally met from more volatile, local income sources, substantially from council tax. Over the last decade the Council had to manage its financial position, with proactive action delivering total net reductions in its base budget of £7.56m since 2016. In 2010/11 the Council's net budget requirement was £14.4m. When considering inflation this would have increased to £23.4m for the current financial year. The budget requirement for 2024/25 was £14.59m.

The proposed budget for 2024-25 represented a balanced budget position, achieved through a contribution of £2.07m being made from working balances to support expenditure in the year (assuming a Council Tax increase of £6.57 per annum for a Band D property in 2024-25). This would see the level of Working Balances fall below its recommended minimum level of £5.25m by 31 March 2025. Proactive and accelerated action would be required to deliver the Balancing the Budget initiatives to prevent the Council finding itself in a position where it had limited capacity to respond to and manage the impact of any significant or unexpected events or emergencies during 2024-25 and unable set a balanced budget for 2025-26. This advice was also in line with the view of the Director (Corporate Services), as Section 151 Officer. The Local Government Act 2003 required the Chief Financial Officer to certify that, when setting the annual Council budget, the estimates were robust and that the level of reserves was sufficient for the Authority. To support this, the Director (Corporate Services), as Section 151 Officer, had conducted a review of reserves and working balances, with the conclusions of which detailed at appendix five of the report.

In relation to the council tax to be levied, the Interim 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 £6.57 to its council tax charge in 2024/25. 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 £6.57 for those properties. The total annual charge for the Gravesham element of the council tax bill will be £231.03; by way of comparison, the Band D equivalent council tax for 2023/24 was £224.46.

It was also highlighted that, within the recommendations, Members will also be requested to:-

- endorse the Council decision taken in February 2023 for the application of a 100% council tax premium on 'second homes', applicable from 1 April 2025 (in order to provide the required one-year minimum notice), as enabled by Section 80 of the Levelling-Up and Regeneration Act 2023; and
- reduce the current Prescribed Class C and Class D discount to 0% with effect from 1 April 2024 as enabled by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012.

The Cabinet stated that, due to the significant financial challenges that the Council continued to face and the declining level of financial support from Central Government, it had no choice but to increase council tax. It was felt that the proposed amount represented good value for money for those services delivered by the Council. It was noted that the Council had increased within the amount permissible however other preceptors such as Kent County Council, Kent Fire and Rescue etc. had not yet set their council tax levels; Parish Councils were not bound by the referendum principles/a maximum amount permissible.

Resolved that:-

1. a resolution to be placed before the meeting of the Council on 20 February 2024, specifying the council tax to be levied in the Borough of Gravesham for the year 2024-25.

Cabinet also **recommends** to Council that:-

2. the draft revenue estimates for 2024-25 together with revised estimates for 2023-24, be approved, subject to any final amendments agreed by the Section 151 Officer in consultation with the Chief Executive and Leader of the Executive;
3. the provisional estimates for the following eight years be noted;
4. the draft capital estimates for 2024-25, together with the revised estimates for 2023-24, be approved subject to detailed reports coming forward on new schemes where applicable;
5. 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;
6. the threshold for Key Decisions remains at £100,000;

7. endorsement is given to the Council decision taken in February 2023 for the application of a 100% council tax premium on 'second homes', applicable from 1 April 2025 (in order to provide the required one-year minimum notice), as enabled by Section 80 of the Levelling-Up and Regeneration Act 2023. Delegated authority be given to the Director (Corporate Services) (as S151 Officer) to take all necessary and timely action to implement this recommendation;
8. approval is given to reduce the current Prescribed Class C discount to 0% with effect from 1 April 2024 as enabled by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012; and
9. approval is given to reduce the current Prescribed Class D discount to 0% with effect from 1 April 2024 as enabled by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012.

74. Housing Revenue Account Estimates and Housing Capital Programme 2024-25

The Cabinet was presented with the draft revenue and capital estimates for Housing Revenue Account Services in 2024/25 together with the determination of the level of rents and service charges for 2024/25.

The report was presented in four sections and included an executive summary:-

- 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 Interim Assistant Director (Corporate Services) provided Members with a summary of the key areas contained within the report.

The proposed revenue budget for 2024-25 represented a balanced budget position, with planned expenditure for the year being met from expected income and no requirement to draw funds from the HRA General Reserve. The Council will continue with its HRA Capital Programme for 2024-25 valued at £33.1m, focusing on maintaining and improving existing Council-owned dwellings and increasing the social housing stock the Council holds.

The Interim Assistant Director (Corporate Services) advised that the proposal was for the authority's average social rent to increase to £108.85 per week in 2024-25, compared to £104.73 per week in 2023-24. The average affordable rent to increase to £193.21 per week and the average capped service charge to increase to £6.00 per week for 2024-25. These charges were less than the Housing Allowance rate (used to calculate Housing Benefit entitlement) and average private sector rental charges. The increase in rental income will continue to contribute towards the maintenance, energy efficiencies etc of the Council's housing stock.

Resolved that the Cabinet **recommends** to Council that:-

1. the draft Revenue estimates for 2024-25 together with the revised estimates for 2023/24 to be approved;

2. the draft capital estimates, together with the revised estimates for 2023-24 be approved, subject to detailed reports coming forward for new schemes, where applicable;
3. the average social rent of £108.85 for 2024-25 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. Minutes of meeting of Gravesham Joint Transportation Board - 29 November 2023

The Cabinet noted the minutes of the Gravesham Joint Transportation Board held on 29 November 2023.

76. Exclusion

Resolved that 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.

77. Acquisition of Land Assets

Vice-Chair in the Chair

The report sought the Cabinet's approval for the purchase of Hazell's Farm, Durndale Farm and Wingfield Bank Farm. The land was immediately north of Istead Rise and would provide a unique opportunity for Gravesham Borough Council to further the Council's Corporate Plan objectives to enhance its unique natural environment, nurture and increase pride of place in open, attractive parks and green spaces and deliver against the wider borough objectives within the Climate Change Strategy.

The proposed transaction would be funded through capital receipts. Alternative uses for this funding had been explored, including adding the funding to the Council's existing treasury investments. It was concluded that the anticipated yield (if using this site for Biodiversity Net Gain (BNG)) would be broadly equivalent to, or exceed, that expected from treasury investments whilst furthering the Council's Corporate Plan and Climate Change Strategy objectives.

Detailed consideration was given to the information contained within the report which needed to remain confidential at that stage.

The Cabinet felt that the purchase would result in a long-term benefit to the Borough and would also provide a unique opportunity for Council; it would be ahead of the game in terms of having a site to be used for the delivery of BNG. The Cabinet also noted that the anticipated yield for BNG would be broadly equivalent to, or exceed, that expected from treasury investments.

The Cabinet thanked officers for the work that had been undertaken to date.

Resolved that:-

1. the purchase of Hazell's Farm, Durndale Farm and Wingfield Bank Farm be approved and that the Council enter into the necessary legal agreements to give effect to the purchase;
2. following purchase, plans be progressed for the site to be used for delivery of Biodiversity Net Gain (BNG) capture for a period of up to 35 years, alongside complimentary uses such as agriculture; and
3. delegated authority be granted to the Director of Communities & Inclusive Growth, in consultation with the Deputy Leader of the Executive, Director (Corporate Services) and Monitoring Officer, to take all necessary practical, financial, and legal actions required to complete the purchase of the land and progress plans for the subsequent management of the site for Biodiversity Net Gain (BNG) capture and any complimentary uses.

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

Chair in the Chair**78. Minutes of meeting of Rosherville Shareholder Advisory Board - 07 December 2023**

The Cabinet noted the minutes of the Rosherville Shareholder Advisory Board held on 7 December 2023.

Close of meeting

The meeting ended at 8.25 pm.