

## Cabinet

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 31 January 2024
Present	Councillors Mike Blakemore, Polly Blakemore, Gary Fuller, Rich Holgate, Jim Martin (Chairman), Tim Prater (Vice-Chair), Stephen Scoffham, Rebecca Shoob and Jeremy Speakman
Apologies for Absence	Councillor Gary Fuller gave apologies for lateness.
Officers Present:	Andy Blaszkowicz (Director of Housing and Operations), Gill Butler (Chief Officer - Housing), Ewan Green (Director of Strategy and Resources), Jonathan Hicks (Performance Specialist (Business Insight Manager)), Amandeep Khroud (Assistant Director), Lydia Morrison (Interim S151 Officer), Ola Owolabi (Chief Financial Services Officer), Richard Parker (Leasehold Management Senior Specialist), Susan Priest (Chief Executive) and Jemma West (Democratic Services Senior Specialist)
Others Present:	Councillor Laura Davison Councillor Connor McConville.

NOTE: All decisions are subject to call-in arrangements. The deadline for call-in is Friday 9 February at 5pm. Decisions not called in may be implemented on Monday 12 February 2024.

### 71. **Declarations of Interest**

During the consideration of Draft Housing Revenue Account Revenue and capital original budget 24/25 (Minute No 76), Councillor Fuller made a declaration as he was a local authority tenant. He indicated that he would move to the public gallery during consideration of the item, and would not take part in the vote.

### 72. **Minutes**

The minutes of the meeting held on 13 December 2023 were submitted, approved, and signed by the Leader.

**73. Housing Compliance (Gas and Fire Safety) Policies**

The report presented two policies in relation to health and safety compliance for the Council's housing landlord service, which were the Housing Compliance (Gas Safety) Policy and the Housing Compliance (Fire Safety) Policy.

Proposed by Councillor Shoob,  
Seconded by Councillor J Martin; and

**RESOLVED:**

- 1. That report C/23/86 be received and noted.**
- 2. That the proposed changes to the Council's Housing Compliance (Gas and Fire Safety) Policies outlined in the report and in the appended track-changed documents be approved.**

(Voting figures: 8 for, 0 against, 0 abstentions).

**REASONS FOR DECISION:**

Cabinet is asked to agree the recommendations because: -

- a. There have been changes in legislation and best practice since the policies were introduced in 2021. Cabinet needs to be made aware of these changes and the policies updated.
- b. The policies will expire in April 2024 and therefore require updating/renewing to ensure the Council is fully compliant with health and safety legislation.

**74. Service charges 'de-pooling' for council housing - Housing Revenue Account (HRA)**

The report outlined the recommendation to 'de-pool' the service charges for council tenants, as well as properties sold under the RTB and other property sales, and implement an accurate, fair, and transparent charging regime across all service charge elements. Making the charges equitable and transparent in the charging structure is in line with good practice according to the government's policy - Statement on Rents for Social Housing 2018, Social Housing Regulation Act 2023, and RICS service charge management code (3<sup>rd</sup> edition).

Proposed by Councillor Shoob,  
Seconded by Councillor P Blakemore; and

**RESOLVED:**

- 1. That report C/23/75 be received and noted**
- 2. That initiation of the service charge de-pooling project, of which the first stage is to ensure we can accurately breakdown and apportion all service chargeable items per block and unit, be agreed.**
- 3. To note that the current standard tenancy agreement does not have adequate provision for service charges. The project will therefore**

- include updating the agreement by variation to ensure that a new agreement is in place before the de-pooling project is concluded.
4. To note that this project will take approximately 2 years to undertake and fully implement and will require significant consultation. It is proposed that the new charging regime would commence in the 2026/27 year. A draft project timetable can be found at Appendix 1 of the report.
  5. To note that officers will ensure reporting back to Members at key points during the project to the appropriate committee to ensure effective oversight.
  6. To note that consultation will be a key theme throughout the project. Early engagement will be made with all the tenants and private owners that will be affected by the project. Ward Members will be included in consultation plans, as will the Strategic Tenants' Advisory Panel (STAP), to ensure that residents are supported throughout this process.

(Voting figures: 8 for, 0 against, 0 abstentions).

*Councillor Fuller arrived at the meeting during the debate on this item, and therefore did not take part in the vote.*

#### **REASONS FOR DECISION:**

Cabinet is asked to agree the recommendations in order to ensure that the council housing service is able to continue to deliver against its priorities by ensuring recovery of service charges due to the HRA. The two main issues that this report aims to address are:

- Lack of transparency in the current service charges.
- The disparity between what the services cost the HRA and income currently generated through service charges.

#### **75. Disposal - Hay House, Hythe - Housing Revenue Account (HRA) Grade 2 Listed Asset**

The report informed cabinet of the current position regarding HRA Asset - grade 2 listed property, Hay House, Sir John Moore Avenue, Hythe, Kent, CT21 5DF - including a recommended option to dispose of the property.

Following extensive discussion, it was noted that the preservation of history was an important consideration, and Cabinet Members strongly expressed a desire for officers to explore opportunities in order to preserve the building.

Proposed by Councillor Shoob,  
Seconded by Councillor J Martin; and

#### **RESOLVED:**

1. That report C/23/76 be received and noted.
2. That the recommendation that the council dispose of Hay House, with the funds generated used to supplement the HRA capital budget to provide new, affordable energy efficient homes be agreed.

3. **That delegated authority be provided to the Director of Housing & Operations to market the property and accept the best offer for the Housing Revenue Account.**

(Voting figures: 9 for, 0 against, 0 abstentions).

**REASONS FOR DECISION:**

Due to the age and condition of the building, and following an extensive viability study, a decision needs to be made regarding the disposal or refurbishment of the building to bring it up to modern and energy efficient standards.

76. **Draft Housing Revenue Account Revenue and capital original budget 24/25**

This report set out the Housing Revenue Account ('HRA') Revenue and Capital Budget for 2024/25 for approval and proposes an increase in weekly rents and an increase in service charges for 2024/25 both for approval.

Proposed by Councillor Prater,  
Seconded by Councillor Shoob; and

**RESOLVED:**

1. That report C/23/85 be received and noted.
2. That the Housing Revenue Account Budget for 2024/25 be approved. (Refer to paragraph 2.1 and Appendix 1).
3. That the Housing Revenue Account Capital Programme budget 2024/25 be approved. (Refer to paragraph 4.1 and Appendix 2).
4. That the increase in rents of dwellings within the HRA on average by £7.37 per week, representing a 7.7% increase with effect from 1 April 2024, be approved (Refer to paragraph 3.2 and 2.1.2).
5. That the increase in rents of shared ownership dwellings within the HRA by 9.4% (RPI 8.9% + 0.5%), with effect from 1 April 2024 be approved (Refer to paragraph 3.2).
6. That the increase in service charges be approved. (Refer to section 3.5)
7. To **recommend to Full Council** that the Housing Revenue Account 30-year Business Plan 2024/25 – 2052/53 be approved (Refer to sec. 5 and Appendix 3).
8. That the HRA Medium Term Capital Programme be approved (refer to sec. 4.3).

(Voting figures: 8 for, 0 against, 0 abstentions).

*Councillor Fuller declared an interest in respect of this item, and moved to the public gallery during the consideration and vote on the matter.*

**REASONS FOR DECISION:**

The Local Government Housing Act 1989 requires the Council, as a Local Housing Authority, to keep a separate Housing Revenue Account and to produce estimates to ensure that the account does not go into deficit. The authority also has a duty to set and approve rents in accordance with government guidelines that are outlined in the self-financing determination. The

Constitution requires that the annual Budget and any variations to the Budget are approved by Council.

**77. Draft General Fund budget 2024/25**

The report set out the Council's Draft General Fund budget for 2024/25 and the updated MTFS.

The Deputy Leader and Cabinet Member for Governance and Finance asked for a fourth recommendation to be added to the recommendations which advised that both the Leader and Deputy Leader had offered to reduce their Leader and Deputy Leader allowances, in favour of receiving the Cabinet Member allowance, with effect from 1 April 2024. The combined circa £15k saving (£13,740 and £1,145) would be moved in to the Councillor Ward Budget Grant scheme, in order for that scheme to remain at £90,000 in the 24/25 budget, continuing the grant scheme at £3k per Councillor for the 24/25 period.

Proposed by Councillor Prater,  
Seconded by Councillor J Martin; and

**RESOLVED:**

- 1. That report C/23/83 be received and noted.**
- 2. That the budget estimates, as detailed in the report, be approved as the basis for preparing the final 2024/25 budget and council tax recommendations for approval by Full Council in February 2024**
- 3. That the updated Medium Term Financial Strategy (MTFS) covering between 2024/25 and 2027/28 be approved.**
- 4. That the contributions made by the Leader and Deputy Leader be welcomed, and that the necessary adjustments be made to the draft budget as matters are finalised prior to its consideration at the meeting of Cabinet and Council on 28 February 2024.**

(Voting figures: 9 for, 0 against, 0 abstentions).

**REASONS FOR DECISION:**

The recommendations form part of the budget-setting process which will culminate in Full Council approving the budget and council tax for 2024/25 on 28 February 2024, in accordance with the Local Government Finance Act 1992.

**78. Investment Strategy 2024/25**

The report set out the Council's proposed strategy for its service and commercial investments in 2024/25 to be approved by full Council.

Proposed by Councillor Prater,  
Seconded by Councillor J Martin; and

**RESOLVED:**

- 1. That report C/23/80 be received and noted.**

2. To **recommend to Full Council** that the 2024/25 Investment Strategy, including the Investment Indicators, set out in the appendix to the report is approved.
3. That the Council's Approach to Environmental, Social and Governance (ESG) Considerations for Investments be noted (Para 7 of the attached appendix).

(Voting figures: 9 for, 0 against, 0 abstentions).

**REASONS FOR DECISION:**

Cabinet is asked to agree the recommendations because: -

- a) The Council must have regard to both CIPFA's Prudential Code for Capital Finance in Local Authorities and the Department for Levelling Up, Housing and Communities Local Government Investment Guidance when carrying out its duties under Part 1 of the Local Government Act 2003.
- b) The Council is required to approve an Investment Strategy for the forthcoming year.

79. **Treasury Management Strategy**

The Treasury Management Strategy Statement set out the Council's proposed strategy for its treasury management activities for 2024/25, including Treasury Management Prudential Indicators.

Proposed by Councillor Prater,  
Seconded by Councillor J Martin; and

**RESOLVED:**

1. That report C/23/81 be received and noted.
2. That the strategy for treasury management in 2024/25 set out in the report be approved.
3. That the Treasury Management Prudential Indicators for 2024/25 set out in the report be approved.
4. To **recommend to Full Council** that the proposed Treasury Management Strategy and Annual Investment Strategy for 2024/25, including the prudential indicators be approved.
5. To note the Council's Approach to Environmental, Social and Governance (ESG) Considerations for Investments (Para 5.10 – 5.11)

(Voting figures: 9 for, 0 against, 0 abstentions).

**REASONS FOR DECISION:**

Cabinet is asked to agree the recommendations because: -

- a) The Council must have regard to CIPFA's Code of Practice for Treasury Management in the Public Services when carrying out its duties under Part 1 of the Local Government Act 2003, including approving an annual Treasury Management Strategy Statement in advance of the financial year.

- b) The Council's Financial Procedure Rules require an annual plan and strategy for treasury management to be approved in advance of the financial year.

80. **Capital Strategy 2024/25 and Minimum Revenue Provision Statement 2024/25**

The report set out the Council's proposed strategy in relation to capital expenditure, financing, and treasury management in 2024/25 to be approved by full Council. The report also set out the Prudential Indicators for capital expenditure and the Minimum Revenue Provision Statement for 2024/25 to be approved by full Council.

Proposed by Councillor Prater,  
Seconded by Councillor J Martin; and

**RESOLVED:**

1. That report C/23/82 be received and noted.
2. To recommend to Council that the 2024/25 Capital Strategy, including the Prudential Indicators, set out in appendix 1 to the report is approved.
3. To recommend to Council that the Minimum Revenue Provision (MRP) Statement for 2024/25 set out in appendix 2 to the report be approved.

(Voting figures: 9 for, 0 against, 0 abstentions).

**REASONS FOR DECISION:**

Cabinet is asked to agree the recommendations because: -

- a) The Council must have regard to both CIPFA's Prudential Code for Capital Finance in Local Authorities and the Department for Levelling Up, Housing and Communities' (DLUHC) Investment Guidance when carrying out its duties under Part 1 of the Local Government Act 2003.
- b) The Council is required to approve a Capital Strategy for the forthcoming year.
- c) The Council is required to approve a Minimum Revenue Provision statement for 2024/25 in advance of the start of the financial year.

81. **Update to the General Fund Medium Term Capital Programme (MTCP)**

The report updated the General Fund Medium Term Capital Programme for the five-year period ending 31 March 2029. The General Fund Medium Term Capital Programme is required to be submitted to full Council for consideration and approval as part of the budget process.

Proposed by Councillor Prater,  
Seconded by Councillor J Martin; and

**RESOLVED:**

1. That report C/23/84 be received and noted.
2. To recommend to Full Council that the updated General Fund Medium Term Capital Programme as set out in appendix 1 to the report, be approved.

(Voting figures: 9 for, 0 against, 0 abstentions).

**REASONS FOR DECISION:**

Cabinet is asked to agree the recommendations because:

- a) It needs to be kept informed of the existing General Fund Medium Term Capital Programme position and take appropriate action to deal with any variance from the approved budget.
- b) Proposed extensions to existing schemes are required to be considered and approved before being included in the Council's Medium Term Capital Programme.
- c) The proposed Medium Term Capital Programme needs to be considered before it is submitted to full Council for approval as part of the budget process.
- d) The Council must also have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities when carrying out its duties under Part 1 of the Local Government Act 2003.

82. **Q3 Housing Revenue Account Budget Monitoring**

The monitoring report provided a projection of the end of year financial position for the Housing Revenue Account (HRA) revenue expenditure and HRA capital programme based on net expenditure to 1 December 2023.

Proposed by Councillor Shoob,  
Seconded by Councillor J Martin; and

**RESOLVED:**

1. That report C/23/77 be received and noted.

(Voting figures: 9 for, 0 against, 0 abstentions).

**REASONS FOR DECISION:**

Cabinet is asked to note the recommendation because the Cabinet needs to be kept informed of the Housing Revenue Account position and take appropriate action to deal with any variance from the approved budget.

83. **Q3 General Fund Revenue Budget Monitoring**

The report set out the financial monitoring information for the Council as at 1 December 2023, i.e., Q3 of 2023/24. The report provided Members with an overview of budget performance, including an overview of reserves and balances, to enable the Committee to take ownership of the budgets and provide robust challenge and scrutiny to Officers on the performance of those budgets. At the end of Quarter 3, there is a favourable **end of the financial year projected position of £458k** on the Council's revised net revenue



expenditure budget, of £22.2m. This position is based on budget activities as at 1 December 2023, projected trends in income and expenditure and changes to Council funding.

Proposed by Councillor Prater,  
Seconded by Councillor J Martin; and

**RESOLVED:**

- 1. That report C/23/78 be received and noted.**

(Voting figures: 9 for, 0 against, 0 abstentions).

**REASONS FOR DECISION:**

The Cabinet is asked to note the recommendation as it needs to be informed of the Council's General Fund revenue budget position, note the forecast outturn underspend position, and consider any action required as appropriate. Regular monitoring and reporting of the revenue budgets and savings achievements enable decisions to be taken in a timely manner, which may produce revenue benefits and will improve the financial control of the Council.

**84. Q3 General Fund Capital Programme Budget Monitoring**

The monitoring report provided an initial projection of the current financial position for the General Fund capital programme profiled for 2023/24, based on expenditure to 1 December 2023, and identified variances compared to the latest approved budget.

Proposed by Councillor Prater,  
Seconded by Councillor J Martin; and

**RESOLVED:**

- 1. That report C/23/79 be received and noted.**

(Voting figures: 9 for, 0 against, 0 abstentions).

**REASONS FOR DECISION:**

Cabinet is asked to note the recommendation because it needs to be kept informed of the General Fund capital programme position and take appropriate action to deal with any variance from the approved budget.