

Cabinet

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 22 February 2023
Present	Councillors John Collier, Ray Field, David Godfrey, Mrs Jennifer Hollingsbee (Vice-Chair), David Monk (Chairman), Stuart Peall, Tim Prater, Lesley Whybrow and David Wimble
Apologies for Absence	None.
Officers Present:	Andy Blaszkowicz (Director of Housing and Operations), James Clapson (Case Officer (Committee)), Ewan Green (Director of Place), James Hammond (Strategic Policy Officer), Amandeep Khroud (Assistant Director), Daniella Loxton (Capital & Treasury Senior Specialist), Lydia Morrison (Interim S151 Officer), Susan Priest (Chief Executive), Jonathan Smith (Senior Accountant), Charlotte Spendley (Director of Corporate Services), Brian Thompson (Interim Chief Financial Services Officer), Adrian Tofts (Strategy, Policy & Performance Lead Specialist), Lee Walker (Capital and Treasury Senior Specialist) and Jemma West (Democratic Services Senior Specialist)

NOTE: All decisions are subject to call-in arrangements, except for the decisions shown at Minute No's 78 (Folkestone – A brighter future: Delivering the Levelling Up Fund Project) and 82 (Highview Development: Project Update and Next Steps), which are exempt from call in under rule 7 'Call-in and urgency', part 6.3 of the constitution. The deadline for call-in is Friday 3 March at 5pm. Decisions not called in may be implemented on Monday 6 March 2023.

71. **Declarations of Interest**

There were no declarations of interest at the meeting.

72. **Minutes**

The minutes of the meeting held on 25 January 2023 were submitted, approved and signed by the Leader.

73. Investment Strategy 2023/24

The report set out the Council's proposed strategy for its service and commercial investments in 2023/24 to be approved by full Council.

Proposed by Councillor Monk,
Seconded by Councillor Peall; and

RESOLVED:

- 1. That report C/22/89 be received and noted.**
- 2. That it be recommended to Full Council that the 2023/24 Investment Strategy, including the Investment Indicators, set out in the appendix to the report be approved.**

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

REASONS FOR DECISION:

Cabinet is asked to agree the recommendations set out 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.

74. Treasury Management Strategy Statement 2023/24 and Treasury Management Monitoring Report 2022/23

The report set out the proposed strategy for treasury management for 2023/24 including Treasury Management Prudential Indicators. The report also provided a further update on the council's treasury management activities that have taken place during 2022/23 against the agreed strategy for the year. An addendum had been circulated prior to the meeting which set out a correction to paragraph 3.2 of the report.

Proposed by Councillor Monk,
Seconded by Councillor Mrs Hollingsbee; and

RESOLVED:

- 1. That report C/22/91 be received and noted.**
- 2. That the strategy for treasury management in 2023/24 set out in the report be approved.**
- 3. That the Treasury Management Prudential Indicators for 2023/24 set out in 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 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.
- c) Both the CIPFA Code of Practice on Treasury Management and the Council's Financial Procedure Rules require Members to receive a report on the Council's treasury management activities during the year.

75. **Capital Strategy 2023/24 and Minimum Revenue Provision Statement 2023/24**

The report set out the council's proposed strategy in relation to capital expenditure, financing and treasury management in 2023/24 to be approved by full Council. The report also set out the Prudential Indicators for capital expenditure and the Minimum Revenue Provision Statement for 2023/24 to be approved by full Council.

Proposed by Councillor Monk,
Seconded by Councillor Mrs Hollingsbee; and

RESOLVED:

1. **That report C/22/95 be received and noted.**
2. **That it be recommended to Full Council that the 2023/24 Capital Strategy, including the Prudential Indicators, set out in appendix 1 to the report be approved.**
3. **That it be recommend to Full Council that the Minimum Revenue Provision (MRP) Statement for 2023/24 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 set out 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' 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 2023/24 in advance of the start of the financial year.

76. **Draft Housing Revenue Account Revenue and Capital Original Budget 2023/24**

The report set out the Housing Revenue Account ('HRA') Revenue and Capital Budget for 2023/24 and proposed an increase in weekly rents and an increase in service charges for 2023/24.

Proposed by Councillor Godfrey,
Seconded by Councillor Peall; and

RESOLVED:

1. That report C/22/92 be received and noted.
2. That it be recommended to Full Council that the Housing Revenue Account Budget for 2023/24 be approved (refer to paragraph 2.1 and Appendix 1).
3. That the Housing Revenue Account Capital Programme budget 2023/24 be approved (refer to paragraph 4.1 and Appendix 2).
4. That it be recommended to Full Council that the increase in rents of dwellings within the HRA on average by £6.25 per week, representing a 7% increase with effect from 3 April 2023 be approved (refer to paragraph 3.2).
5. That it be recommended to Full Council that the increase in rents of shared ownership dwellings within the HRA by 7%, with effect from 3 April 2023 be approved (refer to paragraph 3.2).
6. That it be recommended to Full Council that the increase in service charges be agreed (refer to section 3.5).
7. That the Housing Revenue Account Medium Term Capital Programme 2023/24 – 2026/27 be approved (refer to paragraph 5.1 and Appendix 3).

(Voting figures: 8 for, 0 against, 1 abstentions).

REASONS FOR DECISION:

Cabinet is requested to agree the recommendations set out as 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. General Fund Budget and Council Tax 2023/24

The report set out the final General Fund budget and Council Tax requirement for 2023/24, including that part of the local tax covering district and parish services.

Proposed by Councillor Monk,
Seconded by Councillor Mrs Hollingsbee; and

RESOLVED:

1. That report C/22/90 be received and noted.

2. That it be **recommended to Full Council** that the final 2023/24 General Fund budget be approved, as set out at paragraph 4.2.
3. That it be **recommended to Full Council** that a Council Tax requirement for 2023/24 of £14,289,513 be agreed.

(Voting figures: 7 for, 1 against, 1 abstentions).

REASONS FOR DECISION:

Cabinet is asked to agree the recommendations set out because:

a) The District Council's General Fund budget and council tax requirement must be approved to enable Full Council to set the budget and the council taxes for 2023/24 in accordance with the Local Government Finance Act 1992.

78. Folkestone - A Brighter Future: Delivering the Levelling Up Fund Project

The report sought approval to accept the Levelling Up Fund grant award following the success of the Council's application for Folkestone - A Brighter Future. The report sought approval to proceed with the project and provided an overview of the governance and delivery arrangements. The report sought agreement to enter into delivery agreements with Kent County Council and Creative Folkestone. The report also sought agreement to explore the potential for the Council to relocate from the Civic Centre to Folca.

It was agreed, in respect of recommendation 11, that the words "some of" be inserted prior to the word Folca 2.

Proposed by Councillor Monk,
Seconded by Councillor Peall; and

RESOLVED:

1. That report C/22/86 be received and noted.
2. That the successful outcome of the Levelling Up Fund bid: Folkestone - A Brighter Future be noted.
3. That the Government's Levelling Up Fund award of £19,791,819 be accepted.
4. That the Council enter into a Memorandum of Understanding with Department for Levelling Up, Housing and Communities (DLUHC).
5. That the arrangements detailed for governance and delivery of the overall project be noted.
6. That the Council enters into delivery partnership agreements with Kent County Council and Creative Folkestone.
7. That the Director of Place, in consultation with the Leader of the Council, project related Cabinet Portfolio Holders and the Corporate Leadership Team be authorised to progress delivery of the Levelling Up Fund project Folkestone - A Brighter Future.
8. That it be noted that a Stakeholder and Communications Strategy will be developed and implemented.
9. That it be noted that Member briefings will be held at key stages throughout the project.

10. **That it be noted that progress on delivery of the Levelling Up Fund project will be reported as part of the Council's quarterly corporate performance reporting.**
11. **That officers explore the potential of the Council relocating from the Civic Centre to some of Folca 2 and that the outcome of this be reported to Cabinet for further consideration ahead of a decision being made.**

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

REASONS FOR DECISION:

Cabinet agreement is required to accept the Levelling Up Fund grant and to enter into delivery agreements with external partners.

79. Infrastructure Funding Statement 2022

In accordance with the latest revisions made via the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019, from December 2020 local authorities must publish an Infrastructure Funding Statement (IFS). The IFS document provides a summary of all financial and non-financial developer contributions relating to Section 106 Legal Agreements (S106) and the Community Infrastructure Levy (CIL) within Folkestone & Hythe District for a given financial year. The report sought approval of the IFS, and identified the infrastructure needs, the total cost of this infrastructure, anticipated funding from developer contributions, and the choices the authority has made about how these contributions will be used.

Proposed by Councillor Wimble,
Seconded by Councillor Field; and

RESOLVED:

1. **That report C/22/87 be received and noted.**
2. **That the Council accepts the proposed Infrastructure Funding Statement contained in Appendix 1, which is to have immediate effect and be published immediately following Cabinet approval**

(Voting figures: 7 for, 2 against, 0 abstentions).

REASONS FOR DECISION:

To replace the Regulations 123 List which has been deleted by legislation and replace with the Infrastructure Funding Statement in accordance with the regulations.

80. Consultation from Government on Proposed Changes to the National Planning Policy Framework

The report outlined proposed changes to the National Planning Policy Framework (NPPF) currently being consulted on by the Department for Levelling-up, Housing and Communities (DLUHC). Responses to selected key consultation questions are given in Appendix 2. The consultation comments will be submitted to DLUHC as the district council's response.

Proposed by Councillor Monk,
Seconded by Councillor Mrs Hollingsbee; and

RESOLVED:

1. **That report C/22/85 be received and noted.**
2. **That the proposed consultation comments set out in Appendix 2, with any amendments Cabinet considers necessary, be approved as the district council's response to DLUHC.**

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

REASONS FOR DECISION:

To enable the council to influence future national planning policy.

81. **Princes Parade - Proposal Received**

The report updated Cabinet following a proposal received recently from a private developer to acquire and develop out the Princes Parade site.

Proposed by Councillor Prater,
Seconded by Councillor Whybrow;

That the offer be noted, and no further action be taken.

(Voting figures: 2 for, 7 against, 0 abstentions).

The proposal was therefore LOST.

Proposed by Councillor Monk,
Seconded by Councillor Mrs Hollingsbee; and

RESOLVED:

1. **That report C/22/88 be received and noted.**
2. **That the offer be noted, and officers be instructed to consider the matter and potential next steps.**

(Voting figures: 7 for, 2 against, 0 abstentions).

REASONS FOR DECISION:

Cabinet has not previously considered this option and should be made aware of the offer, and consider if this matter should be pursued further.

82. **Highview Development: Project Update and Next Steps**

The report informed Members of the progress made since the last report in January 2022. The site now has planning permission for the development of 30 highly energy efficient homes for affordable rent (25) and shared ownership purchase (5). The report provides an update on the tender activity, levels of tenders received and the applications for external funding and the wider financial package for the scheme. The report also considered the scheme in the

wider context of a changed financial environment of higher interest rates, rising costs and the anticipated and competing capital costs of works on the existing stock, including the retrofit programme to raise energy performance levels. The report went on to consider alternative delivery options and makes recommendations to members on next steps.

Proposed by Councillor Godfrey,
Seconded by Councillor Peall; and

RESOLVED:

1. That report C/22/94 be received and noted.
2. That the works completed by officers to get the council to this point be noted.
3. That the significant financial implications and impact upon the overall HRA Capital Programme if the new build scheme was to go ahead be noted.
4. That option 4 be agreed (pause the project and reconsider options when the financial outlook is more positive and market conditions are more favourable be approved).
5. That officers explore Option 5 (to sell the site with the benefit of planning permission and demolition / ecology works completed).
6. That it be noted that officers will bring back a report following a marketing exercise for further decisions.
7. That it be noted that a small revenue budget of £20K per annum will be required for site maintenance and ecology management.
8. That the award of £465,000 from the Brownfield Land Remediation fund (BLRF) from One Public Estate and the fact that this may need to be repaid should the scheme not progress be noted.

(Voting figures: 8 for, 0 against, 1 abstentions).

REASONS FOR DECISION:

To ensure Members make properly informed decisions as to spending priorities in respect of the Housing Revenue Account and HRA Capital Programme and the many competing demands.