

Record of Cabinet decisions

Tuesday, 4 February 2020

3.00pm to 5.00pm

Date of publication: 5 February 2020

**Subject to call-in these decisions will be effective from 13 February 2020
The record of decisions is subject to approval at the next meeting of the Cabinet**

Present:	Councillor Howard Doe	Deputy Leader and Portfolio Holder for Housing and Community Services
	Councillor David Brake	Portfolio Holder for Adults' Services
	Councillor Rodney Chambers, OBE	Portfolio Holder for Inward Investment, Strategic Regeneration and Partnerships
	Councillor Jane Chitty	Portfolio Holder for Planning, Economic Growth and Regulation
	Councillor Phil Filmer	Portfolio Holder for Front Line Services
	Councillor Adrian Gulvin	Portfolio Holder for Resources
	Councillor Mrs Josie Iles	Portfolio Holder for Children's Services – Lead Member (statutory responsibility)
	Councillor Martin Potter	Portfolio Holder for Education and Schools
	Councillor Rupert Turpin	Portfolio Holder for Business Management
	In Attendance:	Neil Davies, Chief Executive
Richard Hicks, Director Regeneration, Culture, Environment and Transformation and Deputy Chief Executive		
Perry Holmes, Chief Legal Officer/Monitoring Officer		
Julie Keith, Head of Democratic Services		
Teri Reynolds, Democratic Services Officer		
Ian Sutherland, Director of People - Children and Adults Services		
Phil Watts, Chief Finance Officer		
James Williams, Director of Public Health		

Apologies for absence

An apology of absence was received from Councillor Alan Jarrett (Leader of the Council).

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Record of decisions

The record of the meeting held on 14 January 2020, was agreed by the Cabinet and signed by the Deputy Leader as correct.

Declarations of Disclosable Pecuniary Interests and Other Significant Interests

Disclosable pecuniary interests

There were none.

Other significant interests (OSIs)

Councillor Doe declared an OSI in any reference to Medway Development Company Ltd (MDC) and in item 12 (Medway Commercial Group (MCG) Ltd – Six Monthly Progress Report and Business Plan Adoption, because he is the Chairman of MDC and MCG and he relied on a dispensation agreed by the Councillor Conduct Committee to enable him to take part in any discussions and vote accordingly.

Councillor Gulvin declared an OSI in any reference to Medway Development Company Ltd (MDC) because he is a Director of MDC and he relied on a dispensation agreed by the Councillor Conduct Committee to enable him to take part in any discussions and vote accordingly.

Councillor Turpin declared an OSI in in any reference to Medway Norse, because he is the Chairman of Medway Norse Ltd and in item 12 (Medway Commercial Group (MCG) Ltd – Six Monthly Progress Report and Business Plan Adoption, because he is a Director of MCG and he relied on a dispensation agreed by the Councillor Conduct Committee to enable him to take part in the discussion and vote accordingly.

Other interests

There were none.

Revenue Budget Monitoring - Round 3 2019/20

Background:

The Cabinet accepted the report as urgent to enable consideration of the matter at the earliest opportunity. The next scheduled Cabinet meeting was due to take place on 3 March 2020 and that would not have given sufficient time for any remaining issues to be addressed.

This report detailed the revenue budget forecasts as at the end of quarter 3 (December 2019). The report noted that, after management action, the forecast outturn for 2019/20 represented an adverse variance of 2.571million, with an expectation that this figure would be reduced further as the financial year progressed.

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The report set out an explanation of the pressures being faced and the corrective management action proposed by directorate management teams.

Decision number: ***Decision:***

12/2020 **The Cabinet noted the result of the third round of revenue budget monitoring for 2019/20 and instructed senior management to continue to exercise tight control and a range of measures to reduce expenditure within their portfolio areas.**

Reasons:

Cabinet has the responsibility to ensure effective budgetary control to contain expenditure within the approved limits set by Council.

Capital Budget Monitoring - Round 3 2019/20

Background:

The Cabinet accepted the report as urgent to enable consideration of the matter at the earliest opportunity. The next scheduled Cabinet meeting was due to take place on 3 March 2020 and that would not have given sufficient time for any remaining issues to be addressed.

This report presented the capital monitoring information for the third quarter of the financial year, including outturn forecasts. The approved capital programme for 2019/20, and future years, was £295.867m.

The report provided details of new schemes and virements, as set out in section 3 of the report.

Decision number: ***Decision:***

The Cabinet noted the results of the third round of capital budget monitoring for 2019/20.

13/2020 **The Cabinet recommended to Full Council that the forecast underspend on the purchase of the Pentagon Shopping Centre is vired to a new capital scheme for future capital works at the Pentagon.**

14/2020 **The Cabinet recommended to Full Council that funding from capital receipts be added to the Capital Programme to fund the pressure on the Medway Tunnel.**

15/2020 **The Cabinet recommended to Full Council that Section 106 funding identified be added to the Capital Programme to fund the overspend on Play Scheme Refurbishment.**

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Reasons:

Cabinet has the responsibility to ensure effective budgetary control to contain expenditure within the approved limits set by Council.

Final 2020/21 Mainstream Schools and Academies Funding Formula

Background:

This report provided details of the final funding proposals for Medway's schools and academies for 2020/2022. Officers, working with the Schools Forum, had consulted with schools and academies on the proposed new funding formula options for 2020/2021. It was noted that the Schools Forum had met on 15 January 2020 and recommended Cabinet to approve the implementation of the final funding formula as set out at section 3 of the report.

It was noted that in line with rule 15.11 of Chapter 4, Part 5 of the Constitution, call-in could be waived where any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests. In this case, the deadline for the submission of the final funding formula to the Education and Skills Funding Agency was 21 January 2020, it was therefore proposed that call-in be waived to prevent any further delay in confirming the Cabinet's decision to the ESFA and to allow the authority to implement the funding formula changes in accordance with the regulations. The Chairman of the Children and Young People Overview and Scrutiny Committee had agreed that the decisions proposed were reasonable in all the circumstances and to them being treated as a matter of urgency and to waive call-in.

Decision number: **Decision:**

16/2020 **The Cabinet instructed officers to implement the Final 2020-21 Funding Formula for mainstream schools and academies, as set out in section 3 of the report.**

17/2020 **The Cabinet agreed that decision number 16/2020 is considered urgent and therefore should not be subject to call-in.**

Reasons:

The local authority is required to implement the funding formula changes from 2020-21 in accordance with the School and Early Years Finance (England) Regulations 2014. This is a Cabinet function.

The deadline for the submission of the final funding formula to the Department for Education is 21 January 2020.

Housing Revenue Account Capital and Revenue Budgets 2020/21

Background:

This report provided details of the proposed Housing Revenue Account (HRA) capital and revenue budgets for 2020/2021 including rent, garage rent and service charge levels. The report gave a breakdown of the factors taken into account formulating the budgets for 2020/2021.

The report also provided an update on the HRA Business Plan in accordance with the requirement to ensure the Plan met the Government's fit for purpose criteria.

The report stated that tenants had been informed of the proposals, as set out in section 14 of the report.

The Business Support Overview and Scrutiny Committee considered this report on 30 January 2020 and its comments were set out in an addendum report.

A Diversity Impact Assessment had been carried out on the proposed budgets, as set out in Appendix E to the report.

Decision number: **Decision:**

The Cabinet noted the comments of the Business Support Overview and Scrutiny Committee, as set out in the Addendum Report.

18/2020 The Cabinet recommended the following to Full Council for approval:

- a) A proposed rent increase of CPI plus 1% for the housing stock as set out in Appendix A to the report (based on 52 collection weeks) with effect from 6 April 2020.**
- b) The baseline garage rent for Council tenants be increased by 30 pence per week to bring in line with non council tenants garage rent with effect from 6 April 2020.**
- c) That a rent increase of 5% to be applied to all garage tenure types with effect from 6 April 2020.**
- d) That the service charges increases/decreases as set out in Appendix B to the report for 2020/21 be approved.**
- e) That the revenue budget for the HRA Service for 2020/21 as set out in Appendix C to the report be approved.**

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- f) That the proposed capital budget of £0.3m be approved for buying ex Council or/and acquiring properties from the open market to be funded from the HRA revenue reserves and 1-4-1 capital receipts as set out in section 8.6 of the report.
- g) That the provision for the repayment of debt based on annuity based payment on the HRA's outstanding debt to be £0.340m for 2020/21 be approved.
- h) That Members approve the revised 30 year HRA Business Plan model as attached at Appendix D to the report.

Reasons:

The Council is required to carry out a review of rents and notify tenants not less than 28 days prior to the proposed date of change. The Council is required under the Local Government and Housing Act 1989 to ensure that the Housing Revenue Account does not fall into a deficit position.

Council Plan Refresh 2020/21

Background:

This report provided details of the review of the Council Plan 2016/17 – 2020/2021, including respective key projects, key measures of success and targets to ensure the delivery of the Plan remained focused, informative and relevant.

The Business Support Overview and Scrutiny Committee had considered this report on 30 January 2020 and its comments were set out in an addendum report, which included a recommendation that, following the proposed removal from the Council Plan of Measure N101 (the percentage of looked after children who achieve the required standard in GCSE English and maths) that performance be monitored by the Corporate Parenting Board.

A Diversity Impact Assessment (DIA) had been completed for the updated version of the Council Plan, as set out in Appendix 2 to the report.

Decision number: **Decision:**

The Cabinet noted the comments of the Business Support Overview and Scrutiny Committee set out in the addendum report.

19/2020 The Cabinet recommended to Full Council the proposed changes to programmes and measures of success summarised in paragraph 3.2 to the report and as detailed in Appendix 1 to the report.

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- 20/2020** The Cabinet recommended that Full Council agree to delegate authority to the Chief Executive, in consultation with the Portfolio Holder for Resources, to approve the final measures of success for the proposed new qualitative measure on the calibre of social work and NI154 (net homes provided) as set out in paragraph 3.4 to the report and as detailed in Appendix 1 to the report once further information is received.
- 21/2020** The Cabinet agreed that, following the removal of measure N101 (the percentage of looked after children who achieve the required standard in GCSE English and maths), performance relating to this measure continue to be monitored by the Corporate Parenting Board.

Reasons:

Agreement of the proposed changes to the programmes and measures of success within the Council Plan will ensure the delivery of the Plan remains focused, informative and relevant.

Capital and Revenue Budgets 2020/21

Background:

This report presented proposals for the capital and revenue budgets for 2020/2021. It was noted that the Cabinet had considered initial budget proposals on 19 November 2019, which had been developed in accordance with the principles set out in the Medium Term Financial Strategy (MTFS). The MTFS had identified a potential revenue shortfall of £5.956million in 2020/2021 rising to £17.327million by 2023/2024.

The report stated that the proposed revenue budget requirement of £322.957million (as set out in Appendix 2 to the report) exceeded the estimated available resources by £300,700. However, options were being considered to address this prior to the Council's budget setting meeting on 20 February 2020.

The current capital programme for 2020/2021 was £469.838million, with a further £9.951million estimated for proposed additions to the programme for the next financial year, as detailed at section 12 of the report.

It was noted that budget proposals had been referred to all the Overview and Scrutiny Committees for consideration. The Overview and Scrutiny Committees' views together with the recommendations of the Business Support Overview and Scrutiny Committee (30 January 2020) were set out for Cabinet in an addendum report.

The schedule of fees and charges was set out in Appendix 5 to the report.

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The report set out the requirements under equality legislation and it was noted that an overarching Diversity Impact Assessment would be included in the budget report to Full Council on 20 February 2020

Decision number: **Decision:**

The Cabinet noted the comments from overview and scrutiny committees and the Employment Matters Committee as summarised in Appendix 1 of this report.

- 22/2020** **The Cabinet recommended to Council that the net revenue budget summarised at Appendix 2, should be set at £322.957million, and that this should be funded by a 3.994% increase in Council Tax for 2020/21 with the equivalent Band D figure at £1,471.96. It is anticipated that the £300,700 deficit will be met from an improved position on the Collection Fund.**
- 23/2020** **The Cabinet recommended to Council the capital budget proposals, as set out in Table 5 of the report and the £2.5 million virement at paragraph 12.5 of the report.**
- 24/2020** **The Cabinet recommended to Council the fees and charges set out in Appendix 5 to the report.**
- 25/2020** **The Cabinet recommended to Council the Flexible Use of Capital Receipts Strategy set out in Appendix 6 to the report.**
- 26/2020** **The Cabinet agreed that the Chief Finance Officer be requested to calculate the formal requirements under Sections 30 to 36 of the Local Government Finance Act 1992 for resolution by Special Council on 20 February 2020.**
- 27/2020** **The Cabinet recommended to Full Council that £25,000 funding for the review of MedPay is included in the budget for 2020/21.**

Reasons:

The constitution requires that Cabinet's budget proposals must be referred to Council for consideration and approval.

The Council is required by statute to set a budget and Council Tax levels by 11 March each year.

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Treasury Management Strategy 2020/21

Background:

This report provided details of the Council's Treasury Management Strategy for 2020/2021. The Strategy had been prepared in line with CIPFA's Local Authority Treasury Management Code, and set out the Council's borrowing requirement and strategy and its strategy in respect of investments. It also provided details of the Council's current portfolio position and set out the prudential and treasury indicators that would be used to monitor and measure treasury performance.

The Audit Committee considered this report on 7 January 2020 and its comments were set out in paragraph 4 of the report.

A Diversity Impact Assessment had been undertaken on the Treasury Management Strategy, as set out in Appendix B to the report.

Decision number: **Decision:**

The Cabinet noted the comments of the Audit Committee, as set out in section 4 of the report.

28/2020 The Cabinet recommended approval of the Treasury Management Strategy 2020/21, as set out in Appendix A to the report, to Full Council.

29/2020 The Cabinet approved the Treasury Management Practices, as set out in Appendix C to the report.

Reasons:

Cabinet has the responsibility to make recommendations to Full Council on the approval of the Council's Treasury Management, Investment Strategy and Minimum Revenue Provision Policy Statement and has responsibility for the implementation of the Treasury Management Practices and associated schedules.

Outcome of Consultation on Proposals to Restructure Alternative Provision in Medway

Background:

This report outlined the outcomes of the consultation on the Council's proposals to restructure Alternative Provision in Medway. The consultation had been carried out in response to an exercise undertaken during 2018 by Local Authority officers and headteachers to assess how the Local Authority could support schools to retain more children and young people with additional needs or behavioural difficulties who were at risk of exclusion or placement breakdown within mainstream schools. Section 4 of the report detailed the outcome of consultation.

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The report was considered by the Children and Young People Overview and Scrutiny Committee on 9 January 2020 and its comments were set out at section 6 of the report.

Consideration and responses from officers to the consultation outcome and the comments from the Children and Young People Overview and Scrutiny Committee were set out at sections 5 and 7 of the report.

A Diversity Impact Assessment (DIA) had been undertaken on these proposals and was set out in Appendix 2 to the report.

Decision number: **Decision:**

The Cabinet noted the comments of the Children and Young people Overview and Scrutiny Committee, as set out at Section 6 of the report.

30/2020 The Cabinet authorised the Director of People - Children and Adults Services to commence discussions with necessary stakeholders and report back to Cabinet on final proposals for the restructure of alternative provision to create the centre of excellence in due course.

Reasons:

The restructure of alternative provision and the centre of excellence will improve outcomes for pupils, reduce exclusions and increase reintegration.

The restructure of alternative provision and the creation of the centre of excellence will ensure that the council can meet the Council Plan outcome of 'All children achieving their potential in schools'.

Medway Commercial Group - Six Monthly Progress Report and Business Plan Adoption

Background:

This report provided details of a six month progress report on the Medway Commercial Group (MCG) Limited's performance, as set out in section 3 of the report and also detailed MCG's Business Plan for the next three financial years, which was attached as an exempt appendix to the report.

The Business Support Overview and Scrutiny Committee considered the report at its meeting on 30 January 2020 and its comments and a recommendation were set out in an addendum report.

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Decision number: **Decision:**

The Cabinet noted the comments of the Business Support Overview and Scrutiny Committee, as set out in the addendum report.

The Cabinet noted the six monthly performance report for MCG, as set out in section 3 of the report.

31/2020 The Cabinet approved the MCG Business Plan for the next three financial years from 2020/21, as set out in the Exempt Appendix to the report.

Reasons:

When Cabinet agreed to establish MCG it was also agreed that regular monitoring reports would be provided to Cabinet and as Medway Council is the single shareholder of MCG it is a responsibility of Cabinet to approve the Business Plan.

South Thames Gateway Building Control Business Plan

Background:

This report provided details of the South Thames Gateway Building Control Partnership Business Plan for 2020/2023 and Delivery Plan.

The Business Plan, as set out in the Exempt Appendix to the report, outlined how the building control function would be delivered on behalf of the partnership Councils (currently Medway, Gravesham, Swale and Canterbury) up until 2023 and indicated what the contributions would be for 2020/21.

Decision number: **Decision:**

32/2020 The Cabinet approved the proposed Business Plan for 2020/2023 and Delivery Plan for the South Thames Gateway Building Control Partnership, as set out at the Exempt Appendix to the report, and noted the proposed contribution of £123,082 for 2020/2021.

Reasons:

The constitution of the Joint Committee requires approval of the Business Plan for the following year by the Cabinet of each Partner Authority.

South East Local Enterprise Partnership (SELEP) Future Board Structure

Background:

This report sought Cabinet approval of new Articles of Association for South East Local Enterprise Partnership (SELEP) Ltd and of a new Framework Agreement for Accountability Board, which had been developed in response to Government's reforms to Local Enterprise Partnerships (LEPs). The report also sought approval to formally appoint a Director to SELEP Ltd, and a representative to the Accountability Board.

The report detailed the outcome of the Government's review of the LEPs and included details of the resultant requirements, such as LEPs becoming companies to allow them to enter into legal commitments to take on further responsibilities in the future, and that main boards of each LEP must consist of no more than 20 members.

Decision number: **Decision:**

33/2020

The Cabinet agreed:

- **that Medway Council will become a member of SELEP Ltd, with Articles of Association as shown at Appendix 1 to the report,**
- **to sign the Framework Agreement in the form at Appendix 2 to the report.**
- **that Councillor Rodney Chambers OBE will be Medway Council's initial member of the Board of SELEP Ltd (with the Leader, or appropriate Cabinet Member, as his alternate), and**
- **that Councillor Rodney Chambers OBE will continue to be the Council's member of the Accountability Board (with the Leader, or appropriate Cabinet Member, as his principal substitute).**

Reasons:

The alternative option (departing from SELEP) would jeopardise future funding for Medway, and significantly limit Medway Council's ability to prioritise its strategic aims within regional and national agendas.

Annual Adoption Report

Background:

This report provided details of the Adoption Agency's Annual Report, which covered adoption performance over the last year and provided an update on the work of the team.

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This report also included information about the progress made towards Medway forming a Regional Adoption Agency (RAA) with Kent County Council and the London Borough of Bexley.

The Children and Young People Overview and Scrutiny Committee considered and noted the report at its meeting on 9 January 2020.

Decision number: ***Decision:***

The Cabinet noted the Annual Adoption Report.

Reasons:

Statutory guidance requires adoption agencies to report on adoption agency activity in the last year.

Annual Fostering Report

Background:

This report provided details of the work completed by the Medway Council Fostering Service over the last year. It also set out how the in-house Fostering Service had met the needs of Medway's Looked After Children and established the work planned for the following year.

The Children and Young People Overview and Scrutiny Committee considered this report on 9 January 2020 and its comments were set out in section 18 of the report.

Decision number: ***Decision:***

The Cabinet noted the comments of the Children and Young People Overview and Scrutiny Committee, as set out in section 18 of the report.

The Cabinet noted the Annual Fostering Report.

Reasons:

The National Minimum Standards for Fostering (2011) require that Fostering Agencies report the activity of the fostering service to its governing bodies.

Sufficiency Report 2019-20

Background:

This report provided details of the annual refresh of the statutory Sufficiency Report. This detailed how the Council, through working with all its partner agencies, would meet the placement needs of current and future Children in Care and Care Leavers

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and improve their outcomes in light of the Council's understanding of their needs and current provision.

The report explained that numbers of children looked after remained stable, with the largest cohort being 10-15 year olds and the numbers of 16-17 year olds coming into care continuing to rise. The report recommended that Medway plan its sufficiency needs over a five year strategic period, accompanied by a detailed action plan to ensure sufficiency needs would be reviewed and actions refreshed annually.

The Children and Young People Overview and Scrutiny Committee considered this report on 9 January 2020 and its comments were set out at section 5 of the report.

Decision number: **Decision:**

The Cabinet noted the comments of the Children and Young people Overview and Scrutiny Committee, as set out in section 5 of the report.

The Cabinet noted the 2019/20 Sufficiency Report, as set out in Appendix 1 to the report.

34/2020 The Cabinet instructed officers to develop a five year sufficiency strategy, to be accompanied by a detailed action plan ensuring sufficiency needs and actions are reviewed and refreshed annually, as detailed in section 3 of the report.

Reasons:

Publication of the updated Sufficiency Report will enable the Council to fulfil its statutory requirement to take steps to secure, so far as is reasonably practicable, sufficient accommodation for Children in Care within the local area and will enable Medway to act strategically to address gaps in provision.

The shift towards older children coming into care and the overall increase in complexity of need makes this an opportune moment to take a longer term strategic look at how the care system in Medway intends to address the changing need.

Recruitment Freeze

Background:

This report presented information on vacancies that officers had requested approval to commence recruitment for, following the process agreed by the Cabinet on 7 January 2003 (decision number 9/2003).

Details of the posts were set out within Appendix 1 to the report.

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Decision number: **Decision:**

35/2020 The Cabinet agreed to unfreeze the following posts, as detailed in Appendix 1 to the report:

Business Support

a) Childcare lawyer

Regeneration, Culture, Environment and Transformation

b) Initial Advice and Guidance Support Worker

Public Health

c) Health Improvement Assistant

Reasons:

The posts presented to Cabinet would support the efficient running of the Council.

Business Rate Relief

Background:

The Cabinet accepted this report as urgent to enable it to ensure that the Council could implement discretionary business rate relief for 2020/21, in particular to ensure compliance with the timetable for issuing business rate bills for 2020/21, including the increased financial support thereon (the billing process was due to commence on 21 February 2020).

The report explained that on Monday 27 January 2020, the Financial Secretary to the Treasury made a Written Ministerial Statement announcing additional business rate measures that would apply from 1 April 2020, details of which were set out at section 3 of the report.

Decision number: **Decision:**

36/2020 The Cabinet agreed that Pub Discount for hereditaments as defined at paragraph 3.1 of the report be awarded in accordance with paragraph 4.1.1 of the report.

37/2020 The Cabinet agreed that Retail Discount for hereditaments as defined at paragraphs 3.2.1 to 3.2.2 of the report are awarded.

38/2020 The Cabinet agreed that Retail Discount for hereditaments as defined at paragraphs 3.2.3 to 3.2.5 of the report are not awarded.

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39/2020 **The Cabinet agreed that Local Newspaper relief for hereditaments as defined at paragraph 3.3 of the report are awarded.**

40/2020 **The Cabinet agreed that Rural Rate relief is extended from 50% to 100% for qualifying hereditaments as defined at paragraph 3.4 of the report.**

Reasons:

The Pubs Discount, Retail Discount, Local Newspaper Relief and Rural Rate relief schemes have been promoted by and will be funded by central Government to assist business ratepayers. Given the lack of cost to the local taxpayer it is appropriate for the Council to operate such schemes.

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Leader of the Council

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Date

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