

Decisions effective from the 8<sup>th</sup> November 2023 unless they are called in or are recommended to the Council for approval

## Cabinet

Minutes of a Meeting of the Cabinet held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **26<sup>th</sup> October 2023**.

### Present:

Cllr. Campkin (Vice-Chair in the Chair);

Cllrs. Barrett, Betty, Harman, Walder, Wright.

### Apologies:

Cllr. Hayward, Nilsson, Ovenden, Chilton, Dean, Spain, C Suddards.

### Also Present:

Cllrs. Bartlett, Mrs Bell, Bell, Gathern, Gauder, Heyes, Ledger, Michael, Pickering, Roden.

### In attendance:

Chief Executive, Deputy Chief Executive, Solicitor to the Council and Monitoring Officer, Director of Central Services, Director of Health and Wellbeing, Director of Place, Space and Leisure, Assistant Director of Environment, Property and Leisure, Assistant Director of Housing, Head of Economic Development, Service Lead – Finance, Commercial Portfolio Operations Manager, Estates Manager, Senior Accountant, Accountant, Web and Communications Assistant, Member Services Manager.

## 185 Declarations of Interest

Councillor	Interest	Minute No.
Wright	Made a Voluntary Announcement as a Trustee of Repton Connect Community Trust.	

## 186 Minutes

### Resolved:

**That the Minutes of the Meeting of the Cabinet held on the 28<sup>th</sup> September 2023 be approved and confirmed as a correct record.**

## 187 Leader's Announcements

The Deputy Leader said he did not have a huge amount to update on since Full Council the previous week, other than to acknowledge and thank Damian Green MP for asking questions about the Eurostar issue the previous day in the House of Commons. He asked everyone to continue pushing the petition to bring back Eurostar and for local businesses to complete the current survey regarding their potential use of Eurostar from Kent stations. This would be available on the Council's website and social media until the end of the year.

## 188 Financial Monitoring – Quarterly Report

The Service Lead - Finance introduced the report which presented the Quarter 2 forecast outturn up to 30<sup>th</sup> September 2023. The forecast showed an overall pressure to the General Fund of £625k (an increased pressure of £139k since Quarter 1). A full break down of the key movements since Quarter 2 was shown in the report. The Housing Revenue Account (HRA) was reporting a reduction in forecast expenditure of £415k compared to the first quarter, resulting in a pressure of £125k compared to the original budget. The report also provided an update on the collection fund, treasury management, reserves and progress on corporate savings identified in the 2023/24 budget.

The item was opened up to Members for questions/comments and the following points were raised: -

- A Member said he had previously had a conversation about this with the Service Lead for Finance, but it seemed to him that there was a chance that many of the budget pressures could reverse and he gave the examples of planning fee income and future car parking income, where the situation could change relatively quickly. He therefore thought it was appropriate to use reserves to cover those deficits. The Service Lead – Finance confirmed that was the position and reserves were used to balance budgets both ways (deficits and surpluses), but it was right and proper for such pressures to be reported to give oversight.
- A solution to the 'Stodmarsh' nutrient neutrality issue had a potential twofold benefit to the budget in that it would increase planning fee income and help grow the Council Tax Base.
- A Member said he thought it was dangerous to base a budget too heavily on assumptions and it was important to build it on what was known. Budgets were not 'set in stone' and by nature could be flexed and modified if circumstances changed as they progressed, but if they relied too heavily on 'what ifs', he thought they could come unstuck.

### Resolved:

**That (i) the Quarter 2 forecast position for the General Fund and the Housing Revenue Account be noted.**

- (ii) the Collection Fund position be noted.
- (iii) the Capital Monitoring position be noted.
- (iv) the Treasury Management position be noted.
- (v) the provisional reserve allocations at Table 8 of the report be noted.

## **189 Council Tax Base 2024/25**

The Accountant introduced the report which advised that the Council was required to approve the tax base used to calculate the level of Council Tax for 2024/25. It was calculated with regard to the number of domestic properties (including a forecast of new properties), which were then converted to Band D equivalents. The tax base had been calculated at 49,832 Band D properties, an increase of 926 properties (or 1.89%) on the current year. He further advised that the Council Tax Base was built on the assumption that six week discounts for empty but furnished properties and 12 month discounts for properties that were empty and unfurnished but were also undergoing major structural repairs and refurbishment, (referenced as Class C and Class D discounts respectively), would be reduced from a 100% to 0%. This change was subject to Full Council approval and would bring Ashford in line with what happened around the County.

Some Members had expressed concern at the proposal to reduce the discounts for empty and unfurnished properties which were undergoing major structural repairs and refurbishment (referenced as Class D discounts). A Member said it was hoped that this would not deter landlords from bringing properties back up to scratch and in turn allow their properties to deteriorate. He accepted this was something that would just have to be monitored, but he did want to pass that concern on. Another Member asked if there could be a compromise and reduce to 50% to allow landlords to undertake re-conditioning works, perhaps on a time limited basis. The Service Lead – Finance said this was something he would need to discuss with the Revenues and Benefits Manager but he suspected the administrative burden on this may make it impractical. Ultimately this was a decision for Full Council and further information could be obtained in advance. The Portfolio Holder for Planning and Housing Delivery said she thought it was important they did everything they could to bring empty properties back in to use, but agreed it would be useful to have some further data before making a final decision.

A Member said it was recognised that the lack of a solution to the ‘Stodmarsh’ nutrient neutrality issue would continue to affect the Council Tax Base, and she knew that the Council were continuing to lobby Government for a solution, but she asked if there were any assurances that Stodmarsh would continue to be protected and housebuilding would not proceed without something in place to protect it. The Director of Place, Space and Leisure advised that ultimately this was an issue for Government. The Council was in talks with Natural England and the Environment Agency with regards to a solution and meetings continued about their particular

catchment area, but it really was a question that was better directed to Natural England or the Government.

**Resolved:**

- That (i) **subject to the approval by Council of the recommendation to change Class C and D, the 2024/25 'Net' tax base of 49,832 Band D equivalent properties be agreed.**
- (ii) **the possibility of further Cabinet and Council decisions being required before the end of January, should any material change in the tax base be required, be noted.**

**Recommended:**

**The changes from 1<sup>st</sup> April 2024 to Class C and Class D discounts, as set out in Appendix D to the report, be approved.**

## **190 Medium Term Financial Plan**

The Deputy Leader drew Members attention to the tabled paper which had been circulated earlier in the day.

The Service Lead - Finance introduced the report which presented the Medium Term Financial Plan (MTFP), which had been reviewed and supported by the MTFP Task Group, including Shadow Portfolio Holders. The MTFP forecast highlighted an £8.9m deficit over the period of the plan, with a deficit of £854k in 2024/25. The Plan was placed under significant pressure from 2026/27 with the impact of a Business Rates baseline reset being modelled. To support the budget gap, the Task Group had recommended to Cabinet that reserves were earmarked to balance the budget, while saving proposals of £1.5m were developed to balance the budget over the medium term. The Task Group had also recommended that the Council should increase Council Tax by the maximum amount permitted under current capping regulations. This was currently 2.99% or £5.46 per annum, and this rate was modelled within the MTFP. Should any further increase be permitted if capping regulations changed, it was believed that this should be strongly considered. The Draft Budget would be built using the assumptions in the MTFP and would be reported to the Cabinet in November 2023.

The item was opened up to Members for questions/comments and the following points were raised: -

- A Member who was part of the MTFP Task Group said it was stark how dependent the MTFP was on assumptions around Business Rate reform. If retained business rates were to continue at the 2025/26 level for another three years, then the cumulative gap would be close to zero. Assumptions had been made, but he did not think that anyone really knew what was going to happen at Government level and a coherent argument could probably be made either way. Another uncertain issue was how any future Government

may deal with New Homes Bonus. Therefore he felt there were a range of possible outcomes for the MTFP and this needed to be borne in mind and any definitive numbers should be taken with a large 'pinch of salt'. The Service Lead – Finance said he agreed with the points made. The reason they had set up the cross-party MTFP Task Group was to seek a wide range of views. Government modelling around business rates was actually a lot more severe than what appeared in their forecasts, but it was important to take a balanced view on best and worse outcomes, and that is what the Task Group had done.

- A Member said he was concerned that more pessimistic forecasts across the board would put more pressure on raising the Council Tax and it was disappointing that the maximum possible rises were already being put forward, regardless of the outcome of the assumptions. He thought there was an argument to keep Council Tax as low as possible to assist those who were struggling. He said it was a painful tax, not based on relevant data and ability to pay and he thought this was unfortunate.
- In reference to the Council's Corporate Plan, a Member asked about the 'Caring Ashford' priority and the references to communities feeling safe and secure and asked how that balanced with the removal of the post of Assistant Director of Community Safety and Wellbeing. Could any assurances be given that these Corporate Plan priorities would still be effective? The Chief Executive said this had been looked at carefully when reviewing the structure. The function sat with the Director of Health and Wellbeing so there would be no issues with taking forward the Corporate Plan recommendations around the health and wellbeing agenda. The Portfolio Holder had a sharp focus on the wellbeing agenda as she did herself as Chief Executive. Health and wellbeing and community needs were embedded in all of the projects they undertook as a Council.
- With regard to the senior restructure, a Member said he thought it was a shame that this was not being reconsidered, as had been proposed, with external advice. He considered a restructure that, for instance, reduced the senior level by two posts could make significant ongoing savings over the lifetime of the MTFP. He thought this would have much less of a potential effect on day to day services than other possible measures. This view was supported by another Member who said he did not support the current structure as in his view it was still too 'top-heavy' and an independent view was needed. Another Member said he was extremely uncomfortable with conversations about the senior restructure. The Council had an excellent Chief Executive and Senior Leadership Team who knew the operation better than any of the Members. From his point of view it was a question of trust and he trusted those individuals to come up with a structure that was both proportionate and appropriate for this Authority. He had been given no reason to doubt that trust. The possibility of bringing external consultants in had been suggested, but he could not see the value in that, particularly at this time. He thought Members' questions on such matters needed to be more strategic than operational.

- The Portfolio Holder for Planning, Housing Delivery and Communications said she thought conversations around the senior structure were irrelevant as this had been discussed and ultimately agreed at Full Council. This item was about the Medium Term Financial Plan, which had been revised to take into account the threat to proposed savings by the deferral of the proposed move to International House. She was surprised that there had been no focus on this aspect, rather than challenging assumptions made in good faith by professional Officers. Budgets were not cast in stone, they were plans that could be revised at any time.

**Resolved:**

- That**
- (i) the recommendations of the MTFP Task Group be agreed.**
  - (ii) the forecast be noted and the underlying assumptions and risks be accepted.**
  - (iii) Management, in conjunction with Members (including the continuation of the MTFP Task Group), be supported in developing a sound and robust schedule of savings to bridge the funding deficit highlighted within this report.**
  - (iv) the reserve position be noted and the proposed use of reserves to fund the 2024/25 budget deficit be supported.**
  - (v) authority be delegated to the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance and IT, to agree the Council's continued participation on the Kent Business Rates pool.**
  - (vi) reports on MTFP risk be received as part of the regular budget monitoring reporting.**
  - (vii) the Chief Finance Officer's advice be noted.**

## **191 Annual Commercial Property Update – 2022/23**

The Portfolio Holder introduced the report which included market update, revenue, and asset performance information for the financial year 2022-2023, as well as the ongoing activities by Property Officers to ensure positive progress for the next financial year and onwards. The report also identified progress on the delivery of the Corporate Asset Management Strategy 2020-2024 and provided a summary of how the Council's main commercial assets were performing. He said the UK commercial property sector continued to operate within the context of economic uncertainty, increasing cost of debt, high inflation and corporate demand volatility. It was therefore pleasing that the Council's non-operational commercial property portfolio had remained largely resilient to those commercial pressures. The significant income generated from these assets continued to support the delivery of important services for residents.

**Resolved:**

- That (i) **the performance of the Council's Corporate Property Portfolio during the financial year 2022/2023, as set out in the Corporate Property Income Schedule at Appendix 1 to the report, be noted.**
- (ii) **the external factors affecting the commercial market conditions be noted.**
- (iii) **the implementation of new processes and procedures in line with 'Best Practice' suggested by the Royal Institution of Chartered Surveyors (RICS), in particular Green Leases, continue to be supported.**
- (iv) **the Solicitor to the Council and Monitoring Officer be authorised to negotiate, finalise and complete all necessary legal agreements and other documents to give effect to the above.**

## **192 Levelling Up Fund, Ashford International Studios, Newtown Works**

The Portfolio Holder introduced the report which sought to update Members on the progress made in administering this funding and delivering this project. Ashford Borough Council was undertaking the role of accountable body for the £14,773,745 of Levelling Up Funding (LUF) and had put in place grant agreements with Government and the Development Company (Ashford International Development Company) to ensure this funding could be secured. Significant progress had been undertaken on enabling works to prepare the site for development, these included: - ecology mitigations; design works; removal of asbestos roofs and soft strip of M&E items; breaking up of hardstanding; archaeology; utilities provision; and drainage works. Discussions had also progressed with a Studio Operator, the College, and residential investors to put agreements in place to enable the delivery of the scheme. There were still key challenges and risks for the project which included: - Nutrient Neutrality; the impact of the C G Fry & Son Ltd v Secretary of State for Levelling Up Housing and Communities & Anor High Court case; the requirement to put agreements in place with the Studio, College and Residential interests in the site; the challenge of rising costs and softening values; and the risks of not completing the educational centre within the LUF funding timescales. He drew attention to the demand for, and potential future benefits of, studio space and the TV and film sector in the UK

**Resolved:**

- That (i) **the request made by the Chief Executive to DLUHC for an extension of time to deliver the LUF funded project, and to request further funding through the scheme, be endorsed.**

- (ii) the requirement to submit a project change request to DLUHC for the Ashford International Studios project, to enable an extension of time and reviewed scope of the project, be noted. This submission will be made by the Chief Executive once the deliverable project scope has been finalised.
- (iii) the likely change in scope and scale of the studio space that may require a further planning application be noted.
- (iv) the requirement to look at options to deliver the education facility at Newtown Works in terms of both the scale and location of the facility, to enable delivery within the funding envelope and timescales available, be noted.

## **193 Trading and Enterprise Board – Minutes of 12<sup>th</sup> October 2023**

**Resolved:**

**That the Minutes of the Meeting of the Trading and Enterprise Board held on the 12<sup>th</sup> October 2023 be received and noted.**

## **194 Local Plan and Planning Policy Task Group – Notes of 27<sup>th</sup> September 2023**

**Resolved:**

**That the Notes of the Meeting of the Local Plan and Planning Policy Task Group held on the 27<sup>th</sup> September 2023 be received and noted.**

## **195 Schedule of Key Decisions to be Taken**

**Resolved:**

**That the latest Schedule of Key Decisions as set out within the report be received and noted.**

## **196 Items for Future Meetings**

A Member asked if the Section 106 Agreement for Chilmington Green could be considered at a future meeting, particularly with regard to the developer's request for a variation to the funding for the dualing of the Matalan to Tank section of the A28. The Portfolio Holder for Planning, Housing Delivery and Communications advised that this was very much on the minds of all involved and a very important issue, but it was the subject of a live planning appeal process so it had to be handled sensitively and would not be appropriate to bring to Cabinet at this stage. She assured it was



something that would continue to be monitored and they would keep the Member informed of developments.

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