
SCRUTINY COMMITTEE

MINUTES of the Meeting held in the Council Chamber, Swale House, East Street, Sittingbourne, Kent, ME10 3HT on Wednesday, 22 January 2020 from 7.00pm - 10.25pm.

PRESENT: Councillors Lloyd Bowen (Chairman), Richard Darby, Steve Davey, Mike Dendor (Vice-Chairman), Tim Gibson, Alastair Gould, James Hall, Carole Jackson, Lee McCall, Hannah Perkin (substitute for Councillor Denise Knights), Ken Pugh and David Simmons (substitute for Councillor Pete Neal).

OFFICERS PRESENT: Martyn Cassell, David Clifford, James Freeman, Charlotte Hudson, Jo Millard, Bob Pullen, Nick Vickers, Emma Wiggins and Phil Wilson.

ALSO IN ATTENDANCE: Councillors Mike Baldock Cabinet Member for Planning), Cameron Beart, Monique Bonney (Cabinet Member for Economy and Property), Derek Carnell (Deputy Cabinet Member for Finance), Angela Harrison (Cabinet Member for Health and Wellbeing), Simon Fowle, Alan Horton, James Hunt, Ken Ingleton, Ben J Martin (Cabinet Member for Housing), Richard Palmer (Cabinet Member for Community), Ken Rowles, Julian Saunders (Deputy Cabinet Member for Community), Sarah Stephen (Deputy Cabinet Member for Economy and Property), Roger Truelove (Leader) and Ghlin Whelan (Deputy Cabinet Member for Housing).

APOLOGIES: Councillors Elliott Jayes, Denise Knights and Pete Neal.

471 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure.

472 MINUTES

The Minutes of the Meeting (Minute nos. 448 – 456) held on 15 January 2020 were taken as read, approved and signed by the Chairman as a correct record.

473 DECLARATIONS OF INTEREST

No interests were declared.

474 FINANCIAL MANAGEMENT REPORT

The Chairman welcomed Members and officers to the meeting.

The Chairman invited the Leader to introduce the report which set out the revenue and capital projected outturn position for 2019/20 as at the end of September 2019 which had been collated from monitoring returns from budget managers.

The Leader drew attention to the £5k underspend on services at table 1 on page 6 of the report and highlighted the variances, including underspend on waste,

overspend on housing and savings in revenues and benefits. The Leader explained that the expected £250k income from the retail park would become part of the income budget in the future, and he said that he hoped borrowing from the General Fund in future would not be necessary.

The Leader referred to Table 2 on page 10 of the report and highlighted that £758k was committed to Special Projects and that details of the projects were on page 29 of the report.

The Chairman invited the Committee to ask questions, which are summarised below:

Page 5

The Chief Financial Officer referred to the Transfer of Reserves on page 23 of the report and undertook to provide further information to a Member on the underspend of £5k at recommendation 1.

Page 8 paragraph 3.4

In response to clarification from a Member on the Morrisons business rate appeal, the Leader advised that the decision was made by the valuation office.

In response to a Member's question on the optimistic increase in income for business rates, the Financial Services Manager explained that it was due to: inflation increase in the business rate multiplier; the total rateable value had increased; and from section 31 grants which were received from the Government and included in the budget.

Page 9 paragraph 3.15

In response to a Member's question on the Housing and Commercial Growth Fund at 3.15 on page 9 of the report, the Leader explained that the Business Rate pool money was Swale Borough Council's (SBC) share.

A Member sought clarification on whether additional borrowing was expected in the future and why wasn't this included in the budget? The Leader explained that income was expected from investing in affordable housing. The Chief Financial Officer explained that whenever a project came through Cabinet, some would have a revenue stream. In the discussion that followed, a Member referred to the £800k received from the business rate pool, and the decision not to spend on the M2 Junction 5 improvements. He questioned whether the correct process was followed. In response, the Leader said that it was absurd for a Local Authority to gift 5-6% of their annual budget to Kent County Council (KCC), who had demanded £800k towards the project. He said that if a proper formal agreement had been made, it would have been honoured but there was no deal and despite requests to KCC, no such agreement had been provided. The Leader said he would not apologise, KCC should communicate with district authorities properly and SBC not contributing would have no impact on whether the project went ahead. The Head of Policy, Communications and Customer Services in his role as Monitoring Officer, added that, at the Cabinet meeting on 12 December 2018, the recommendation

was to note the allocation of reserves and this had not, in his view, been a key decision.

Page 9 paragraph 3.17

In response to a Member's question, the Leader advised that the £250k allocated for the Heritage Strategy at paragraph 3.17 was to get the project started.

Page 10 paragraph 3.22

In response to a Member's question about £94k being spent on wheeled bins, the Head of Commissioning, Environment and Leisure explained this covered replacement bins, and the cost increased as the contract progressed. He added that requests for replacements came from residents, and staff or contractors inspected and decided the need to replace.

Page 13 Table 1

A Member asked for more clarification and detail on net underspend on salaries and staff costs in all departments. In response, the Leader explained that these were job vacancies in all departments, not redundancies. The Monitoring Officer added that there were different factors affecting the figures, such as a decrease in an employee's hours or long-term sickness. The Chief Financial Officer added that more detail was available on request.

Page 14 Table 1

The Chief Financial Officer agreed to provide clarification on the £1k savings travel expenses on Client and Amenity Services and Technical Services.

In response to a Member's question on the £9k difference between the £43k and £52k additional costs and savings in Leisure, Sports, Open Spaces, Parks Countrysides and Allotments, the Head of Commissioning, Environment and Leisure explained that the contract had provision for costs that varied year to year and the difference was due to in-year costs such as car park refunds and facilities. He added that maintenance costs varied year on year.

Page 15 Table 1

The Head of Commissioning, Environment and Leisure agreed to forward a cost breakdown on the new additional income Special Collections including A249 litter (£21k).

The Cabinet Member for Economy and Property explained that whilst the Multi-Storey Car Park (MSCP) was functional, it would not be used fully until the hotel and cinema were operational. She explained that additional costs were for unforeseen items. In response to a question from the Chairman, the Cabinet Member for Economy and Property explained that private consultants (property management) covered all functions and their costs included the additional 24 hour security that had been necessary.

A Member asked whether not implementing Phase II of the scheme and the subsequent lack of possible new homes bonus had been considered in the budget? In response, the Chief Financial Officer said that the redevelopment decisions pre-dated the current administration, the car park was required for the hotel and cinema under the contract and the provision of car parking was taken into account. He added that the Cockleshell Walk and Spring Street car parks provided an income and the New Homes Bonus was tailing off into 2021/22 and was likely to end. The Leader added that the previous plan for the car parks was undeliverable.

A Member asked if the number of car parking spaces had reduced and it was reiterated that the overall number of car parking spaces, once the regeneration work was completed, would increase although the number of long term parking would have been reduced. The Head of Commissioning, Environment and Leisure said that some car parks might have to be re-profiled from short to long-term provision in the future.

Page 16 Table 1

The Head of Commissioning, Environment and Leisure agreed to provide exact figures on any surplus that would go to the Civil Enforcement Fund.

The Head of Planning advised that the reduced income from land charges was due to the slow down in the housing market.

Page 17 Table 1

In response to a Member's question on reduced income in planning fees, the Head of Planning said that the number of major applications had reduced. The Chief Financial Officer explained that the £195k cost of defending appeals was an estimate. The Leader said that the costs for defending appeals were unsustainable.

Page 18 Table 1

In response to a question on the increasing costs in homelessness temporary accommodation, the Cabinet Member for Housing advised that demand had increased. The Head of Housing, Economy and Community Services added that the nightly let costs had increased due to an increase in demand and Optivo's management costs had also increased in-year. In response to the Chairman's question on Agency costs, the Head of Housing, Economy and Community Services said that the service was going through a review and restructure and there was a high work demand. She said that recruitment of permanent staff was ongoing and agency staff were still being used.

Page 20 – Table 1

The Chief Financial Officer said that the £28k printing costs was for the purchase of a new printer.

The Cabinet Member for Economy and Property referred to the £30k underspend in Property Services and advised that as part of the Swale House refurbishment, a Building Engineer would be required.

Page 22 – Table 1

The Chief Financial Officer advised that £33k ICT additional expenditure was the percentage costs of the shared service.

In response to a Member's question on the £39k reduced Section 106 income, the Chief Financial Officer explained that income had decreased resulting in the increased percentage costs in the shared service.

The Chief Financial Officer said that the £35k additional salary costs in the Sittingbourne Town Centre (STC) would be removed in the future as the consultancy role had ended.

Page 24 – Table 2

The Head of Commissioning, Environment and Leisure detailed the process for the replacement bridge at Bartons Point Coastal Park.

Page 25 – Table 2

In response to a Member's question on Milton Creek Country Park Access Road, the Head of Commissioning, Environment and Leisure explained that the funding was from reserves put aside for maintenance as part of the covenant.

Page 26 Table 2

The Cabinet Member for Environment advised that the replacement Air Pollution Monitoring station was new equipment installed at St. Paul's, Sittingbourne for particulate monitoring.

Page 26 Table 3.1

The Chief Financial Officer undertook to provide information on why the ICT expenditure figures were so high.

Page 28

The Chief Financial Officer undertook to provide more detail on whether the invoice of £146,776 for Network Rail had been paid and why it had taken so long to pay.

Members congratulated the Finance team.

Page 29 Table 4

The Chief Financial Officer explained the process to apply for Special Projects funding. He clarified that the control process was the same as it had been for the Regeneration Fund, and regular updates would be provided on what funds had

been drawn down and which projects had delivered. He added that some of the projects listed on page 29 had already been paid.

A Member thanked the Chief Financial Officer for explaining the process, the Cabinet Member for Community for his visit to Painter's Forstal hall and for the funding allocation for it.

The Cabinet Member for Planning explained that the 20's Festival was a 3 day festival to be held in Sittingbourne High Street, celebrating the 1920's and it was hoped visitors would be attracted to the town.

The Head of Housing, Economy and Community Services confirmed that the £5k allocated to Volunteer Swale Awards 2019/20 was the remaining balance after sponsors' contributions.

The Chief Financial Officer agreed to amend the description of the Fuel and Water Poverty Outreach Worker in the report and explained that the length of the contract was due to be discussed at the Cabinet Agenda setting meeting.

The Leader said that the impact on some projects had already been seen and Ward Councillors should publicise projects.

Resolved:

(1) That the report be noted.

475 BUDGET 2020/21 AND MEDIUM TERM FINANCIAL PLAN

In introducing the report, the Leader referred to the tabled update and drew Members' attention to the reduction in the funding gap achieved by Heads of Services and Finance, from £714k to £375k as shown on pages 36 and 38 of the report. He said that the restraints Local Government faced in a difficult economic climate had to be recognised and the Council would have to be managed differently so that targets could be met. The Leader detailed Central Government's funding reduction allocation on page 32 of the report. He said there would be an increase in Council Tax of £4.95 per annum on a Band D property.

In responding to a question on the £800k allocated from the business rates pool with KCC, the Leader reiterated that the agreement for funding the M2 Junction 5 improvements did not exist in writing and it was not a proper use of the fund. He said he would discuss with KCC how to use the money in other projects in Swale. The Chief Financial Officer added that the shared business rates funds required sign off by the Council and KCC.

Page 33 paragraph 2.6

The Leader clarified that the funding received from the Housing and Commercial Growth Reserve could be used on other projects.

Page 34 paragraph 2.13

The Leader said that £10million to support affording housing initiatives might be increased if feasible.

Appendix I, page 38

The Financial Services Manager gave an explanation of how Council Tax Base figures were calculated and agreed to discuss further with a Member.

Appendix II, pages 39 - 55

Cabinet Members then set out the budget variations for their respective areas on Appendix II and answered questions. A summary of the responses is set out below:

Line 9 - The Cabinet Member for the Environment agreed with a Member that extra resource to assist in addressing climate change would need to be looked at in the future. The Chief Financial Officer said that this was not reflected in the current budget and would need to be self-financed or funded from a specific reserve.

Line 25 - The Cabinet Member for the Environment explained that the electric vehicles would be used by environmental wardens, dog wardens and the parks and open spaces team.

Line 31 - The Chief Financial Officer confirmed that the income to reinstate free car parking included the Sheppey Leisure Complex.

Line 36 – The Head of Commissioning, Environment and Leisure said that the future growth figure was cautious as not all properties would need garden waste bins.

Line 41 – The Head of Policy, Communications and Customer Services explained that the old customer relationship management database was obsolete and he agreed to provide more information on the basis of the annual charge for the new system.

Line 42 – 45 The Head of Policy, Communications and Customer Services explained that the role was funded from savings shown elsewhere in the report. The Chairman considered that the Information Governance Officer role was vital and should be funded for many years, not part-year. The Head of Policy agreed that the Council had an ongoing need for a Data Protection Officer.

Lines 48 – 49 - The Cabinet Member for Community confirmed that free Wi-Fi in town centres was not being progressed.

Lines 51- 53 - The Chief Financial Officer referred Members to page 36 (Economy and Community Services (ECS) growth), explained that the Sittingbourne Town Centre Manager post had been extended by one year and that the Head of Housing, Economy and Community Services was looking at the restructure of ECS.

Line 59 – The Cabinet Member for Health and Wellbeing outlined the role of the Public Health post and reported positive feedback from visits out in the community.
Lines 60 - 69 – The Chief Financial Officer clarified that an additional £74k more than projected was received, and he agreed to update the text to reflect this.

Line 71 – The Cabinet Member for Planning advised that the Heritage Strategy costs were funded from a different funding stream.

Line 73 – The Chief Financial Officer clarified that each Council retained its own Section106 monies.

Line 106 – The Chief Financial Officer undertook to provide more detailed breakdown on IT costs.

Appendix III

The Head of Commissioning, Environment and Leisure explained that there would likely be expenditure not income for Beach Huts in 2020/2021.

Councillor David Simmons Proposed and Councillor Mike Dendor seconded the following recommendation:

Consideration be given to providing increased staff resource for the Climate and Environment Emergency.

In the debate that followed a member highlighted the cross-cutting nature of the work and suggested a re-focus on the work currently being carried out.

A Member said that Swale did more than any other borough in Kent on addressing Air Quality.

In welcoming the recommendation, the Leader said consideration would be given to a reorganisation in order to implement it.

The Leader thanked officers, Cabinet members and the Scrutiny Committee.

The Cabinet Member for Planning thanked the Chairman.

The Chairman thanked visiting members, officers, Cabinet and Deputy Cabinet Members and gave particular thanks to the Chief Financial Officer, the Head of Policy, Communications and Customer Services, the Policy and Performance Officer, the Senior Democratic Services Officer and the Scrutiny Committee.

Resolved:

(1) That the report be noted

(2) That the Cabinet considers providing increased staff resource for the climate and environment emergency when it considers the budget.

476 ADJOURNMENT OF MEETING

The meeting was adjourned from 8:38pm to 8:48pm.

477 SUSPENSION OF STANDING ORDERS

At 10pm Members agreed to the suspension of standing orders in order that the Committee could complete its business.

Chairman

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All Minutes are draft until agreed at the next meeting of the Committee/Panel