



Overview and Scrutiny Committee

Notice of a Meeting, to be held in the Council Chamber, Civic Centre, Tannery Lane,
Ashford, Kent TN23 1PL on Tuesday 22nd April 2014 at 7.00 pm.

The Members of this Committee are:-

Cllr Aaby (Chairman);
Cllr Chilton (Vice-Chairman);
Cllrs. Apps, Bartlett, Bennett, Burgess, Davison, Feacey, Hodgkinson, Mrs Hutchinson,
Link, Miss Martin, Mrs Martin, Mortimer, Smith, Yeo.

Agenda

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|---|----------------------|
| 1. Apologies/Substitutes – To receive Notification of Substitutes in accordance with Procedure Rule 1.2(iii) | |
| 2. Declarations of Interest:- To declare any interests which fall under the following categories, as explained on the attached document: | (i) |
| a) Disclosable Pecuniary Interests (DPI) | |
| b) Other Significant Interests (OSI) | |
| c) Voluntary Announcements of Other Interests | |
| See Agenda Item 2 for further details | |
| 3. Minutes – to approve the Minutes of the Meeting of this Committee held on the 25 th February 2014 | |

Part I – Matters Referred to the Committee in Relation to Call-In of a Decision made by the Cabinet

None for this meeting

Part II – Responses of the Cabinet to Reports of the Overview and Scrutiny Committee

None for this Meeting

Part III – Ordinary Decision Items

- | | |
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| 4. Report of the Budget Scrutiny Task Group on the HRA 30 year business plan | 1 - 19 |
| 5. Overview and Scrutiny Annual Report 2013/14. | 21 - 27 |

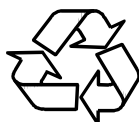
Part IV – Information/Monitoring Items

6. Future reviews and report tracker.

29 - 33

JV/VS
9 April 2014

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Declarations of Interest (see also “Advice to Members” below)

- (a) **Disclosable Pecuniary Interests (DPI)** under the Localism Act 2011, relating to items on this agenda. The nature as well as the existence of any such interest must be declared, and the agenda item(s) to which it relates must be stated.

A Member who declares a DPI in relation to any item will need to leave the meeting for that item (unless a relevant Dispensation has been granted).

- (b) **Other Significant Interests (OSI)** under the Kent Code of Conduct as adopted by the Council on 19 July 2012, relating to items on this agenda. The nature as well as the existence of any such interest must be declared, and the agenda item(s) to which it relates must be stated.

A Member who declares an OSI in relation to any item will need to leave the meeting before the debate and vote on that item (unless a relevant Dispensation has been granted). However, prior to leaving, the Member may address the Committee in the same way that a member of the public may do so.

- (c) **Voluntary Announcements of Other Interests** not required to be disclosed under (a) and (b), i.e. announcements made for transparency reasons alone, such as:

- Membership of outside bodies that have made representations on agenda items, or
- Where a Member knows a person involved, but does not have a close association with that person, or
- Where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position.

[Note: an effect on the financial position of a Member, relative, close associate, employer, etc; OR an application made by a Member, relative, close associate, employer, etc, would both probably constitute either an OSI or in some cases a DPI].

Advice to Members on Declarations of Interest:

- (a) Government Guidance on DPI is available in DCLG’s Guide for Councillors, at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/240134/Openness_and_transparency_on_personal_interests.pdf plus the link sent out to Members at part of the Weekly Update email on the 3rd May 2013.
- (b) The Kent Code of Conduct was adopted by the Full Council on 19 July 2012, with revisions adopted on 17.10.13, and a copy can be found in the Constitution at <http://www.ashford.gov.uk/part-5---codes-and-protocols>
- (c) If any Councillor has any doubt about the existence or nature of any DPI or OSI which he/she may have in any item on this agenda, he/she should seek advice from the Head of Legal and Democratic Services and Monitoring Officer or from other Solicitors in Legal and Democratic Services as early as possible, and in advance of the Meeting.

Overview and Scrutiny Committee

Minutes of a Meeting of the Overview and Scrutiny Committee held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **25th February 2014**.

Present:

Cllr. Adby (Chairman)

Cllrs. Apps, Bennett, Buchanan, Davison, Feacey, Mrs Hutchinson, Miss Martin, Mrs Martin, Mortimer, Smith, Yeo

In accordance with Procedural Rule 1.2 (iii) Councillor Buchanan attended as Substitute Member for Councillor Burgess.

Apologies:

Cllrs. Burgess, Chilton

Also Present:

Cllrs. Claughton and Shorter

Health, Parking & Community Safety Manager, Assistant Health, Parking and Community Safety Manager, Chief Inspector Mitchell Fox, Policy and Performance Officer, Senior Scrutiny Officer, Member Services & Scrutiny Support Officer

333 Declarations of Interest

Councillor	Interest	Minute No.
Feacey	Made a 'Voluntary Announcement' as he was on the Management Committee of UKLPG	336
Mortimer	Made a 'Voluntary Announcement' as he was a magistrate.	335
Shorter	Made a 'Voluntary Announcement' as he had been the victim of a burglary.	335

334 Minutes

Resolved:

That Recommendation (i) under Minute no 299 be amended to read 2014/15. That subject to this amendment the Minutes of the Meeting of this Committee held on the 28th January 2014 be approved and confirmed as a correct record.

335 Community Safety Partnership

The Health, Parking & Community Safety Manager and Community Safety Partnership Chairman elect said she had pleasure in introducing the Community Safety Partnership (CSP) report. She introduced Chief Inspector Mitchell Fox, the Vice-Chair elect of the CSP.

The Assistant Health, Parking & Community Safety Manager highlighted two particular CSP programmes of note. The first was the Pathways Course, which was run in association with Kent Fire and Rescue. This provided a structured course for 25 young unemployed people (1 day per week for 9 weeks) and involved physical instruction, lectures, first aid and health and safety training as well as support to get back into employment. Out of the 25 young people, 14 were now in full-time employment, 2 were in part-time employment and none of those attending the course had subsequently committed anti-social behaviour. The second programme of note was the Love Shouldn't Hurt programme. Domestic abuse across the Borough and the county were rising significantly, partly as a result of more people reporting abuse. A One Stop Shop, located at the Willow Centre, offered victims of domestic abuse a multi-agency advice centre, with free legal advice, housing and benefit advice and specialist domestic abuse services. The Centre was now the most visited centre of its type in the county, although it had only been running for 2 years. The CSP had commissioned the Love Shouldn't Hurt programme, which was rolled out into five secondary schools to educate young people on domestic abuse and acceptable behaviour in relationships.

The Health, Parking & Community Safety Manager reported that an annual workshop was held in January to consider the previous year's statistics and to set priorities for the next financial year. It had been agreed to retain the six priorities from the previous year, and to add rural crime as a priority. The March CSP meeting would be asked to approve these priorities for the coming year. Other workshops had also been held with partners to develop the CSP tactical delivery plans.

The Kent Police and Crime Commissioner, Ann Barnes, had visited the Borough in December and had been very complimentary about the work of the CSP. A breakdown of the spending against the CSP grant was provided at Appendix C of the report. The Health, Parking & Community Safety Manager concluded by thanking all members of the CSP for their work throughout the year.

The Portfolio Holder for Community and Wellbeing considered that this was a thorough and comprehensive report and the overall picture was encouraging. It was clear that the measures taken were having a positive effect, although there was no suggestion of complacency. He considered that there were areas of the Borough which still required further concentrated effort. He also noted the successful visit by the Kent Police and Crime Commissioner and her favourable comments. He highlighted the fact that rural crime had been added as a priority for the coming year, and acknowledged the work of all CSP members and Officers. He considered that the multi-agency approach resulted in crime being tackled and controlled for the benefit of the whole Borough.

In response to questions from the Committee, Chief Inspector Fox explained that interpreting the accuracy of the crime figures was a complex issue. There were

many calls received where it was difficult to establish whether a crime had actually taken place, although 90% of reported crimes were recorded as such. Kent Police were one of the best forces in the country and the crime rates had been decreasing in recent years. The Ashford force was the second best in performance terms in the county. Any slight increases in crime statistics were due to changes in the recording process, but HMIC were currently reviewing the crime recording system. Chief Inspector Fox stated that the Ashford force had achieved a 90% satisfaction rate for their crime investigation.

Chief Inspector Fox reported that while 17% of all crime in the Borough emanated from Victoria Ward, this was largely due to theft and shoplifting in the town centre. A new town centre team was to be set up to deal specifically with town centre crime. Drug figures were closely linked to the night time economy in the area and particular venues where drugs were found on people before they entered the venues. There were other drug incidents throughout Victoria Ward and an operation was currently underway to disrupt known drug networks.

The Chief Inspector explained that fraud figures were often complex to analyse because fraud crimes were allotted to the locality where the fraud originated, rather than where the victim was located. Because of internet fraud, crimes committed on Ashford residents were not usually included in Ashford's fraud statistics.

A Member of the Committee described a burglary incident which had recently taken place in Rolvenden and remarked that it had taken 45 minutes for the police to respond to the call for help. Chief Inspector Fox advised that rural crime had been included in next year's CSP priorities specifically to address this kind of issue. He admitted that there were difficulties at present for response units to get to rural locations quickly. There would be a Kent police restructure on 23rd June which would be of benefit to Ashford since more officers would be available 24/7 and local control of officers would enable them to reach rural areas faster. There would be a dedicated team working on rural burglaries, although arrests had already been made in Rolvenden.

With regard to a question on using CCTV for fly-tipping crime, the Assistant Health, Parking & Community Safety Manager explained that the CSP had 4 mobile cameras in use in the Borough, all of which were currently focussed on areas of anti-social behaviour. Relocation of a camera would cost approximately £600 and their use was restricted to overt surveillance, which might preclude their effectiveness for catching fly-tippers. He acknowledged that fly-tipping had increased over the last year, and advised that the CSP would be concentrating on alternative options for tackling this particular form of crime over the coming year. Partners would be working together to minimise impact and catch offenders. He concluded that the CSP could consider purchasing more cameras for filming this type of crime if it was considered an appropriate use of the budget. He also noted that the Council employed contractors to have fly-tipping cleared from public land, although it could be a time-consuming process.

The Assistant Health, Parking & Community Safety Manager advised that the town centre alcohol policy had now been running successfully for a year, and had been particularly useful in dealing with issues in the Memorial Gardens during the summer. The Chairman remarked that he had definitely noticed a difference in

Victoria Ward as a result of the alcohol policy. In response to a question on legal highs, the Assistant Health, Parking & Community Safety Manager explained that there was no current legislation against the sale of legal highs, so the CSP was unable to close down the shop which had recently opened in the town centre. The CSP were working across the country and county to put pressure on the Home Office to review the legislation on legal highs. The CSP were seeking to raise awareness by working with head teachers and schools, and by encouraging the shop itself to adopt the Challenge 21 policy. One Member commented that in the evenings he had noticed groups of people outside the shop behaving oddly. Chief Inspector Fox said that the new town centre team would pay particular attention to this kind of activity. He also advised Members to watch the media in the next couple of weeks in relation to criminal activity in Christchurch Road, to see the results of police work in that area.

A Member asked about the effectiveness of the pilot Community Panels (CPs), and Chief Inspector Fox responded that community resolutions were proving to be beneficial, but only in relation to certain types of crime in certain circumstances. CPs had seen some real successes so far, and first time offenders were shown to be less likely to reoffend, although there had to be buy-in on the part of the offender. CPs had saved the force a great deal of time by reducing reoffending rates. The Assistant Health, Parking & Community Safety Manager advised that there was a proposal to set up a Community Panel in Stanhope shortly.

Chief Inspector Fox advised that there was a difference in complexity between tackling urban and rural crime. Urban crime tended to be committed in a small area or neighbourhood whereas rural localities covered larger geographic areas which could be difficult to police. In the case of rural crime, the police tended to rely on help from the farming community and an intelligence-led approach.

In response to a Member's question, the Assistant Health, Parking & Community Safety Manager advised that graffiti removal kits were available from the Street Scene and Open Spaces Team.

A Member declared that he had been the victim of a burglary in a rural area. He advised that he had been satisfied with the very quick response to his call and the follow up service the next day. He noted the difficulties for police to get to rural areas quickly, and said this was particularly a problem where vulnerable people had been the victims of a crime. Chief Inspector Fox acknowledged that some rural areas took longer to reach than was ideal. He explained that the length of response time depended on the grade of the call, and to what extent it was an emergency. In reality an emergency call should not have a 45 minute response time. Improved supervision in the control room had been introduced to help prioritise emergency calls and to avoid other non-emergency calls slipping down the waiting list.

Chief Inspector Fox confirmed that in rural extremities officers could cross from one district boundary to another to respond to a call. He advised that a decision had recently been taken that the police would no longer have to attend the scene of all minor crimes (unless the victim was considered vulnerable). Details of lesser crimes could be reported over the phone, which would free up between 25 – 40% of police resources.

The Chief Inspector was asked about the impact of the new KCC street lighting project. He responded that it wasn't possible at present to make a direct association between lights being turned off at night and an increase in crime as it was too early to draw any conclusions.

The Health, Parking & Community Safety Manager advised that a report would be submitted to Cabinet in April suggesting that the remit of the Civil Enforcement Officers should be expanded to include generic enforcement work, possibly including litter, fly-tipping and dog fouling.

It was noted that a local PACT meeting had been going awry recently, with the local PCSO no longer attending. Chief Inspector Fox indicated that the police set a high priority on engagement with the community. He considered that the format of meetings was likely to change to embrace available technology, such as online meetings, which may lead to higher attendance rates. He undertook to investigate problems with local PACT meetings.

One Member remarked that the report was very comprehensive and raised important points. However, it contained so much information that he felt it should be dealt with in a different way. It was suggested that a sub-committee could be set up to consider the report in greater detail, or that the O&S Committee could consider each separate issue in detail at monthly meetings. After some discussion it was decided that this would create too much extra work for officers and for the Chief Inspector. The Health, Parking & Community Safety Manager reminded Members that they would be welcome to attend any quarterly CSP meeting and raise questions or ask for further information. She suggested that she provide Members with additional advice on the various methods by which they could influence or input into the work of the CSP.

The Portfolio Holder for Community and Wellbeing urged Members to attend the CSP quarterly meetings and use the opportunity to make their voice heard. He specifically wished to highlight and record officially his appreciation of the amount and quality of the work undertaken by PCSOs.

Chief Inspector Fox concluded by saying that Ashford was an incredibly safe Borough. Violent crime was extremely low, as were burglary rates. Anti-social behaviour had reduced by nearly one third in the past year. He emphasised that the force no longer adopted a target-led culture, although he acknowledged that it was still essential to collect management statistics in order to focus and prioritise resources.

Resolved:

That

- (i) the Community Safety Partnership report be noted.**
- (ii) the Health, Parking & Community Safety Manager provide Members with advice on the various methods by which they could influence or input into the work of the CSP.**

336 Ashford Borough Council's Performance – Quarter 3, 2013/14

The Policy and Performance Officer introduced this report. He explained that the report aimed to provide Members and the public with a transparent overview on the performance of the Council during this quarter. The report included information on what the Cabinet had achieved through its decision-making processes, key performance data on frontline services, and consideration of the wider Borough picture which impacted on the Council's work. The report focused around 2013-2015 corporate priorities. The Policy and Performance Officer noted that strategic level performance remained strong, with proactive work being undertaken to prepare for welfare reform and addressing bed and breakfast and homelessness pressures. Economic growth and entrepreneurship were evidenced through the arrival of the new John Lewis store and PopUp Ashford, and recycling rates were greatly improved as a result of the new recycling scheme. However, there were still some pressures on front line services.

Members queried why there were 2 properties outstanding with no gas certificates. The Portfolio Holder for Resource Management and Control explained that 2 residents had refused to allow contractors or Council officers into their property. He confirmed that the Housing team had been asked to resolve this situation. The Portfolio Holder explained that this report was in a new format which sought to give Members an overview rather than providing large amounts of complex data. Members considered the new report format was useful and appropriate and congratulated the Policy and Performance Officer on a good report.

Resolved:

That the report be received and noted.

337 Future Reviews and Report Tracker

The Senior Scrutiny Officer advised that there were no reports available for the March O&S meeting. It was therefore agreed that there would be no meeting in March.

Resolved:

That

- (i) the Future Reviews and Report Tracker be noted;**
- (ii) the March meeting of the Overview and Scrutiny Committee be cancelled.**

Queries concerning these Minutes? Please contact Rosie Reid:
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Agenda Item No: 4
Report To: Overview and Scrutiny
Date: 22 April 2014
Report Title: Housing Revenue Account 30 year business plan
Report Author: Senior Scrutiny Officer



Summary:	At the Cabinet meeting in November 2013 the O&S Committee were invited to agree the HRA Business Plan 2013 - 2043 report as part of the budget scrutiny process. The Budget Scrutiny Task Group have considered the plan and invite the full Committee to join with them in commending it to Cabinet.
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Key Decision: NO

Affected Wards: All – none specifically

Recommendations: **The Overview and Scrutiny Committee recommends that the Cabinet:-**

- **Be advised that the O&S Committee commends the HRA Business Plan**

Policy Overview: N/A

Financial Implications: N/A

Risk Assessment N/A

Equalities Impact Assessment N/A

Background Papers: Report to Budget Scrutiny Task Group – attached.

Contacts: julia.vink@ashford.gov.uk – Tel: (01233) 330491

Report Title: Housing Revenue Account 30 year business plan

Purpose of the Report

1. At the Cabinet meeting in November 2013 the O&S Committee were invited to agree the HRA Business Plan 2013 -2043 report as part of the budget scrutiny process. The Budget Scrutiny Task Group have considered the plan and invite the full Committee to join with them in commending it to Cabinet.

Issue to be Decided

2. The O&S Committee are asked to support the recommendation from the Task Group to commend the HRA business plan to the Cabinet.

Background

3. When the HRA Business Plan 2013 – 2043 was presented to the Cabinet in November 2013 the O&S Committee was asked to agree the plan as part of the budget scrutiny process.
4. The Budget Scrutiny Task Group decided it would be best to consider the plan after the series of meetings to consider the Council's draft 2014/15 budget were completed.
5. The Council is required to have a 30 year Business Plan for the Housing Revenue Account. To support this a 30 year financial model is maintained which forecasts the cash flows for the HRA and allows the long term viability of the service to be modelled and tested.
6. The HRA buyout enabled the Council to focus on its key priorities for council housing and the following HRA priorities were agreed at the July 2012 Cabinet :
 - Continue to build new homes for council tenants and consider future new build by the Council be funded from outside the HRA where funding is not available
 - Plan to rebuild/remodel the Council's sheltered accommodation across the borough over a 15 year period
 - Decent Homes standard to be maintained over the 30 year Business Plan cycle
 - Additional sums to be set aside to spend on adaptations in accordance with details of the debt calculation
 - Develop specific and agreed neighbourhood improvements across the borough.
7. The business plan report presented to the Task Group explained that the business plan model had to be drawn up afresh each year. Certain assumptions had to be made in order to draw up the business plan. These

included inflation and interest rates (and would be consistent with those used for the Council's medium term financial plan); also stock, income, and management.

8. With the resources available, the model is set up to achieve the following:
 - Maintain a minimum reserve balance of £1m
 - Meet approved priorities
 - Direct any surplus resources to repay the housing debt, reducing the Housing Capital financing Requirement.
9. Because government requirements, guidelines and other circumstances do change, the model allows for a number of different scenarios to be modelled and is able to be flexed to take into account changing conditions within a project. In order that the plan is realistic all the estimates are included on the basis of their probability rather than as either best or worst case scenarios.
10. The Task Group, with the support of the Portfolio holders for Housing & Customer Services and Resource Management & Control considered the business plan carefully and were able to ask for additional information/explanation from the housing and finance officers present.
11. By the end of their discussions, Members were confident that the HRA Business Plan was viable and would manage to repay its debt over the life of the plan. It was also flexible enough to allow for changes e.g. further new build and remodelling schemes, to be incorporated.

Conclusion

12. The Task Group would like to recommend that the O&S Committee commend the HRA Business Plan to Cabinet and request the O&S Committee support this.

Portfolio Holders' Views

13. I am confident this report reflects the discussions held at the meeting and that we were able to highlight the direction of travel for the HRA. I am especially pleased that additional sums will be set aside to spend on adaptations. We should also recognise the hard work put into the report by our officers.

Contact: Julia Vink, Senior Scrutiny Officer

Email: julia.vink@ashford.gov.uk

**OVERVIEW AND SCRUTINY TASK GROUP
BUDGET SCRUTINY**

**HOUSING REVENUE ACCOUNT BUSINESS PLAN
13 MARCH 2014**

Introduction

1. Overview and Scrutiny were asked to agree the HRA Business Plan, by the November 2013 Cabinet, as part of the Budget Scrutiny process and the Task Group agreed to defer the consideration of this item until March to enable them to give this the proper focus. The numbers in this report are based at a particular point in time, and given the broadening ambitions of the council some new ideas and events have come along subsequently.
2. This report will explain how the Business Plan submitted in November is compiled and identify some of the risks and complications involved in the Business Planning process. This paper comments on the updates to the financial model and the viability of the HRA over the next 30 years.
3. The financial model suggests that the HRA business plan continues to be a viable business and is able to deliver its key priorities (previously approved at the 12 July 2012 Cabinet meeting), these were reaffirmed as part of the Cabinet report in October.
4. The financial model is a tool for testing existing priorities and any Government policy changes to ensure that they are affordable and do not undermine the core business of the HRA and the delivery of those key priorities.

Background

5. The Council is required to have a 30 year Business Plan for the Housing Revenue Account. To support this, a 30 year financial model is maintained which forecasts the cash flows for the HRA and allows the long term viability of the service to be modelled and tested.
6. In March 2012, the HRA subsidy system was reformed, as part of this the Council 'bought itself out' the HRA from the housing subsidy system for £113.7m. In return for this allocation of national housing debt the HRA no longer had to contribute to the subsidy system (£8m pa in the last year of the subsidy), but were instead allowed to keep all future income.
7. The HRA buyout enabled the council to focus on its key priorities for council housing and at the July 2012 Cabinet meeting agreed to following HRA priorities:

- Continue to build new homes for council tenants and consider that future new build by the council be funded from outside of the HRA where funding is not available
- Plan to rebuild/remodel the council sheltered accommodation across the borough over a 15 year period
- Decent Homes Standard to be maintained over the 30 year Business Plan cycle
- Additional sums to be set aside to spend on adaptations in accordance with the details of the debt calculation
- Develop specific and agreed neighbourhood improvements across the borough.

Assumptions included in the Business Plan

8. Each year we start the Business Plan model from scratch. The current business plan is based on the draft 2014/15 budget, agreed by Cabinet in February 2014. Assumptions regarding inflation and interest rates can be found at **Appendix A** and are consistent with those used for the Council's Medium Term Financial Plan.

Stock

9. Assumptions about stock levels affect rent income, repairs and maintenance and capital receipts outputs.
10. We have assumed the following starting point for stock:
 - 4,624 general properties
 - 320 PFI properties
 - 78 new builds
 - Right to Buys of 24, falling to 8 per annum in subsequent years
 - Further additions and disposals of stock are linked to the new build and buy-back programme, as well as the remodelling of sheltered accommodation.
11. The Planned Maintenance Manager maintains a database, which incorporates data from the past 30 years, and takes into account industry standard lifetimes for the component parts of each property (for example, roofs, bathrooms, kitchens etc.), this database is used to produce schedules of work and estimated cost for each year of the business plan.
12. The cost of repairing and maintaining a property over the 30 year life of the business plan is £78k, which equates to approximately 63% of the average property value. This has been reviewed by CIH and is thought to be reasonable expenditure and in line with other local authority landlords.
13. In the first five years of the repairs and maintenance schedule a savings target has been built in, to manage the effect of inflation.

Income

Service Charges

14. Service charges, of £0.7m are expected to stay at the same level, increasing year on year with inflation. The Local Government Secretary announced in October 2013 a cap on the amount councils can charge leaseholders (who bought their homes under Right-to-Buy) for repairs and improvement. This proposal means stock holding councils will only be able charge leaseholders a maximum of £10,000 (subject to consultation) over a five-year period for repairs.
15. Over the last 10 years the council has only levied charges greater than this limit to tenants in Bybrook when the council undertook environmental improvements to the flats. There are currently no plans to undertake works of this scale that would result in charges to leaseholders over this limit.

Garage Rent

16. Garage rent contributes an annual income of £0.4m. We currently have 1748 garages, with a void level of around 31%. Due to the falling demand of garages it is assumed garage rent will remain at the same level, we have taken a conservative view in terms of inflation, as it is likely that numbers of tenants will fall, reversing any impact inflation may have had.

Supporting People

17. The supporting people funding received from KCC is forecast to continue to be reduced by 25% pa for the first 5 years of the plan then be fixed at these reduced levels.

Rent Setting

18. In 2002/03 Government implemented rent convergence, in order to make the rents charged by all social landlords comparable. A target rent was calculated, by Government, for social landlords to converge to (by RPI + ½% +/- £2), this convergence was timetabled to occur in 2016, but the Department for Communities and Local Government has revealed that it is 'minded not to extend rent convergence beyond 2014/15'. This will impact those councils that have not increased rents in line with Government guidance and find themselves unable to catch up to current rates.
19. With the end of rent convergence council social landlords will no longer be able to increase rents by an extra £2 per week. This Council was on target to converge in 2016 and the suggestion that rent convergence will not continue beyond 2014/15 will lock in the difference between the Councils rent level and the formula rent level. It has been calculated that this will cost the HRA business plan £200,000 per annum from 2015/16 for each year of the plan.
20. The consultation closing date for this proposal was December 2013, the outcome has yet to be published, ABC responded to the

consultation outlining our position. However, the business plan has been updated on the assumption that the lower rent levels will be implemented from 2014/15.

21. Under the rents settlement announced in June, from 2015 social landlords are to use a new rent setting formula of the consumer price index (CPI) plus 1 per cent. This formula is to be fixed for 10 years and replaces the current formula of the retail price index (RPI) plus 0.5 per cent plus or minus £2.
22. The implication of this change will depend on the long term relationship between the RPI index and the CPI index. Since October 2011 RPI has been, on average, 0.5% higher than CPI inflation and if this relationship is maintained in the long term then there will be a minimal impact on the business plan. However the Office of Budget Responsibility has suggested that CPI could be up to 1.5% lower than RPI which could have a significant impact on the 30 year business plan and therefore this change is a risk to the forecast and needs to be monitored. A 1% reduction in the CPI forecast results in a loss of £0.2m in each year of the model.
23. The business plan financial projections have been updated to use the rent setting policy of CPI forecast plus 1%, this currently shows no additional financial exposure/risk as a result of the policy change.
24. On 15 October 2013 the Office for National Statistics announced the September RPI inflation figure of 3.2%. This has been built into the latest financial projections.
25. Bad debts and void levels have been based on historic data. Occupancy levels are currently around 99%, it is hoped that void turnaround time will be reduced in the future, which would increase occupancy, but for the time being a conservative estimate of 99% has been maintained for the life of the business plan.
26. Rent collection rates are currently around 99%. It is thought that welfare reform may have an impact and a collection rate of 98.5% has been used in year three of the plan, moving to 98%, then 97.5% in years four and five, this is in line with the roll out of the welfare reform.
27. Ashford's rent income is around £24m per annum, therefore each 0.5% increment of uncollected rent costs approximately £0.12m pa.
28. It is possible that rent collection rates are better than forecast, if this is the case the 'saving' could be used to invest in preventative measures to assist those in need as a result of welfare reform.

Management

General Fund Recharges

29. The HRA is subject to a statutory ring fence which limits the costs that can be recharged into the Housing Revenue account. Currently the HRA is charged circa £1,800,000 of General Fund costs which is

included in the financial forecast. As part of the financial planning for both the HRA and General Fund the level and appropriateness of the recharges is examined and tested on a regular basis.

30. Proper accounting practice for charging support services to the HRA is essential recommends that:
- i. charges or apportionments covering all support service costs should be made to all their users
 - ii. the costs of service management should be apportioned to the accounts representing the activities managed
 - iii. the costs of corporate and democratic core, and unapportionable central overheads should be allocated to separate objective overheads kept for the purpose, and should not be apportioned to any other head.
31. As part of the financial planning for both the HRA and General Fund the level and appropriateness of the recharges is examined and tested on a regular basis.

Stanhope PFI

32. The Stanhope PFI is a 30 year contract, which runs until 2037, it currently costs approximately £4m per annum, with a £3m grant from government. As part of the PFI agreement we are obliged to undertake regular benchmarking exercises. At the last benchmarking exercise in 2011 we were able to negotiate significant savings in the unitary charges. These savings have been incorporated into the model.
33. The unitary charge does increase by inflation each year, which has been included in the model.
34. The Benchmarking exercise takes place every five years, it is possible that subsequent exercises could result in additional cost for Ashford. If this were to have a significant impact on the Business Plan the model would be re-worked and the timing of projects and capital expenditure moved back to ensure that resources are sufficient to meet the HRA's priorities.

New Build and Buy-Back Programme

35. Increasing the Council's stock base is one of the Council's priorities. The new build programme and the buy-back initiative are both key elements to achieving this.

The New Build programme, (as agreed by Cabinet in February) agreed to support a programme of 59 units of which 20 units are included within the Farrow Court proposal. These 59 units attract Homes and Community Agency grant allocation of £23,102 per unit and will need to be completed by March 2015. If not complete by the contractual date, grant monies will need to be repaid. Management of the various new

build contracts have this a risk item and as such is appropriately managed.

36. The Buy Back programme (was agreed in two phases by Cabinet July 2013 and October 2013), which involves the re-purchasing of predominately former council owned properties, now for sale on the open market, is included in the business plan. The Council is committed to purchase 30 properties at a total cost of £4,043,600, of which £693,060 would be funded by the HCA. First phase of 15 properties will be delivered by March 2014 and may in fact exceed 15 with additional grant allocation being sought from the HCA.
37. Void levels and bad debts are thought to be line with the main HRA stock, with rent increasing in line with Government guidelines.
38. If the project costs more than the estimates in the plan we would be able to shift the timing to allow resources to be used appropriately and still maintain the HRA.

Capital Programme

39. The capital programme has been built using information produced from Housing's repairs and Maintenance database, it is continually reviewed and updated, with some items being rescheduled, as required. Capital expenditure in this area is expected to be around £5m per annum for the first few years of the plan.
40. The remodelling at Farrow Court (agreed at Cabinet January 2013) has been included between years 2013-2016, at a total estimated cost of £15.542m, with £4,062,040 of external funding from Care and Support Specialised Fund £3,600,00 and £462,040 from the HCA.
41. The proposed remodelling of the other sheltered accommodation blocks has been programmed between 2017-2028, at an anticipated cost of £25.7m. This is a first estimate of the total cost of the program, each scheme will be approved separately by Cabinet when they are finalised and more detailed estimates completed.

Funding, Financing and Treasury

42. Before self-financing was implemented the HRA had £5,591,000 of debt; as a result of self-financing Ashford had to take out an additional £113,713,000 of borrowing in order to 'buy out' of the subsidy system. The debt portfolio relating to this can be found at **Appendix B**.
43. As the majority of our loans from PWLB are fixed term this mitigates against the risk of future interest rate rises.
44. However, there is a re-financing risk, as we were able to borrow from the PWLB at a discounted rate, so should we choose not to repay, but instead service the debt then when the loans mature we may not be able to get a similarly good rate.

45. The HRA Capital Financing Requirement (CFR) the measure of how much debt is required in order to finance capital expenditure.
46. The HRA has a Government enforced debt cap (£124.3 million), which limits our scope to borrow and invest in the stock. As at 31 March 2013 our debt level (CFR) is £124m, £0.3m below the cap. As a result we need to consider whether we maintain or pay off our current debt, whilst balancing the requirements and priorities of the Business Plan, i.e. new builds, the remodelling of the sheltered accommodation and ensuring the rest of our stock remains at decent homes levels.
47. The model assumes that surplus cash is used to reduce the debt cap, therefore the margin between the modelled CFR and the debt cap represents the resources available (headroom) for investment. This is relatively restricted in the short to medium term with opportunities developing as we move forward, this is illustrated in the graph attached at **Appendix D**.
48. Due to the cyclical nature of the repairs and maintenance schedule it is not always possible to fund works in year. Where there is a shortfall we will often have to call on reserves or consider our borrowing options. However the graph at **Appendix E** shows that the current contents are all within the forecast resource.
49. Capital receipts that are received for the sale of council properties under the Right to Buy (RTB) scheme (which was reinvigorated from April 2012 with higher discounts), have been built into the financial model as the money is received from Government. No forecast has been built into the model for future years to ensure that no overestimations of financial resources are made until the money is received.
50. Capital receipts are also applied to General Fund capital program items such as disabled adaptations and community projects. The level of receipts is forecast to decline in the short term and this will put pressure on remaining resources to deliver priorities.

Modelling Outputs

51. Overall the key message is that nothing has fundamentally changed with the viability of the HRA from the business plan that was reported to members for the HRA buy-out. The HRA is viable and can afford to maintain properties to current levels and remodel the sheltered units and sustain its new build program.
52. This year a great focus has gone into the modelling of the behaviour of a number of key costs and income items, separating them out in the budget and modelling them independently. Consequently more detailed work has been completed to model salary budgets, bringing the forecast in line with the assumptions made in the General Fund MTFP.

53. The cost of repairs and maintenance have previously been increased by inflation however experience shows that these cost increases can be managed, to some degree, within the budget and work program. Therefore costs on the repairs expenditure have been limited to a 1% inflation for the first 5 years of the model then defaulting back to the forecast CPI level.
54. **Appendix C** has a high level budget summary for the HRA for the first **10** years of the plan.
55. The model is set up to work through the following, with the available resources:
- 1) maintain a minimum reserve balance of £1m
 - 2) meet approved priorities
 - 3) focus any surplus resources to replay the housing debt, reducing the Housing Capital Financing Requirement (a measure of indebtedness).
56. The model shows that the HRA CFR has the potential to reduce to zero by year 2031/32 of the plan, this is a reduction of 7 years over the previously reported position. It has been possible to achieve this by introducing a more detailed modelling of the behaviour of costs and impact of inflation, which now includes an inflationary management target within the program. **Appendix D** is a graph showing the forecast of debt repayment, compared to DCLG's original estimate, it also demonstrates the potential headroom available between the debt cap and forecast debt held.
57. The model also tracks the levels of planned capital expenditure and the availability of resources and highlights any years where there are insufficient resources available to meet the financial demands. The plan has been updated to allow for the additional purchase of properties agreed in the October 2013 cabinet report. It should be noted that the plan has no years where the capital program exceeds the available resources (see **Appendix E**).
58. Overall the model shows that the current HRA business plan is viable and can still manage to repay its debt over the life of the plan if Members consider that to be the long term aim. It should be noted that the Members' Working Group set up earlier as part of the HRA reform review did state that the council should not be in a rush to "...pay off the debt immediately..". As further new build and remodeling schemes are built into the plan, following Member approval, it is expected that the forecast date when the HRA is debt free will be pushed back

Risks and Uncertainties

59. The model allows a number of different scenarios to be modelled, and calculate the impact of doing or not doing a project, as well as flexing

the conditions within a project. This allows each project to be judged on its own merit within the parameters of existing HRA resources. It also means that the risks and uncertainties can be modelled and mitigated against.

60. It is possible that the estimates around capital expenditure and the timing of work will need adjusting over the life of the model. The condition of dwelling components may be better or worse than anticipated. If this is the case the model allows capital resources to be utilised in the most efficient manner. If major works were required at an earlier date, one option would be to postpone debt repayment in that year and use the funds to complete the work, allowing us to re-schedule our debt repayments.
61. Government guidelines do change, for example the rules around rent increases are changing, and the rent convergence timetable is expected to change. Although these changes can have a negative impact on HRA income, the model allows us to prepare for these changes and take appropriate action.
62. The estimates in the Business Plan are included on the basis of probability, rather than all best case or all worst case scenarios. This allows for a realistic plan.

List of Appendices

Appendix A – List of Inflation and Interest Rate Assumptions

Appendix B – Treasury Portfolio

Appendix C – HRA Business Plan Summary 2013/14-2022/23

Appendix D – Forecast HRA Capital Financing Requirement

Appendix E – Capital Resources and Expenditure

Inflation and Interest Rate Assumptions

HRA BUSINESS PLAN MODEL KEY BASE ASSUMPTIONS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Years 11-15	Years 16-20	Years 21-25	Year 26-35
General RPI		2.50%	3.20%	3.20%	3.20%	3.20%	3.20%	3.00%	3.00%	3.00%	3.20%	3.20%	3.20%	3.20%
Rents CPI/RPI		3.20%	2.70%	2.70%	2.70%	2.70%	2.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
General RPI	0.00%	2.50%	3.20%	3.20%	3.20%	3.20%	3.20%	3.00%	3.00%	3.00%	3.20%	3.20%	3.20%	3.20%
Rents RPI	0.00%	3.20%	2.70%	2.70%	2.70%	2.70%	2.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Real Increases (RPI+):	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10	Years 6-10	Years 6-10	Years 6-10	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Year 26-35
Formula Rent Increase		0.50%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Supporting People Grant: Fixed		-25.00%	-25.00%	-25.00%	-25.00%	-25.00%	-3.20%	-3.00%	-3.00%	-3.00%	-3.20%	-3.20%	-3.20%	-3.20%
PFI														
General	0.00%	-2.50%	-3.20%	-3.20%	-3.20%	-3.20%	-3.20%	-3.00%	-3.00%	-3.00%	-3.20%	-3.20%	-3.20%	-3.20%
PFI	0.00%	-2.50%	-3.20%	-3.20%	-3.20%	-3.20%	-3.20%	-3.00%	-3.00%	-3.00%	-3.20%	-3.20%	-3.20%	-3.20%
EX New Build	0.00%	-2.50%	-3.20%	-3.20%	-3.20%	-3.20%	-3.20%	-3.00%	-3.00%	-3.00%	-3.20%	-3.20%	-3.20%	-3.20%

Interest Rates

Base Rates:	Yr 1 1st Half	Yr 1 2nd Half	Yr 2 1st Half	Yr 2 2nd Half	Yr 3 1st Half	Yr 3 2nd Half	Yr 4	Yr 5	Yrs 6-10	Yrs 11-15	Yrs 16-20	Yrs 21-25	Yrs 26-30
PWLB:	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Market:	0.50%	0.50%	1.00%	1.00%	1.50%	1.50%	2.00%	2.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Treasury Portfolio

Loan Amount £'000	Start Date	Interest Type	Interest Rate %	Repayment Type	Redemption Date
7,000	28/03/2012	Variable	0.62	Maturity	27/03/2022
2,000	28/03/2012	Fixed	1.24	Maturity	27/03/2017
3,000	28/03/2012	Fixed	1.5	Maturity	27/03/2018
1,000	28/03/2012	Fixed	1.76	Maturity	27/03/2019
5,000	28/03/2012	Fixed	1.99	Maturity	27/03/2020
2,000	28/03/2012	Fixed	2.21	Maturity	27/03/2021
2,000	28/03/2012	Fixed	2.4	Maturity	27/03/2022
2,000	28/03/2012	Fixed	2.56	Maturity	27/03/2023
3,000	28/03/2012	Fixed	2.7	Maturity	27/03/2024
3,000	28/03/2012	Fixed	2.82	Maturity	27/03/2025
1,000	28/03/2012	Fixed	2.92	Maturity	27/03/2026
1,000	28/03/2012	Fixed	3.01	Maturity	27/03/2027
2,000	28/03/2012	Fixed	3.08	Maturity	27/03/2028
2,000	28/03/2012	Fixed	3.15	Maturity	27/03/2029
2,000	28/03/2012	Fixed	3.21	Maturity	27/03/2030
8,000	28/03/2012	Fixed	3.26	Maturity	27/03/2031
9,000	28/03/2012	Fixed	3.3	Maturity	27/03/2032
10,000	28/03/2012	Fixed	3.34	Maturity	27/03/2033
11,000	28/03/2012	Fixed	3.37	Maturity	27/03/2034
12,000	28/03/2012	Fixed	3.4	Maturity	27/03/2035
9,000	28/03/2012	Fixed	3.42	Maturity	27/03/2036
16,713	28/03/2012	Fixed	3.44	Maturity	27/03/2037
5,951	29/03/2011	Fixed	5.26	Maturity	26/03/2061
119,664					

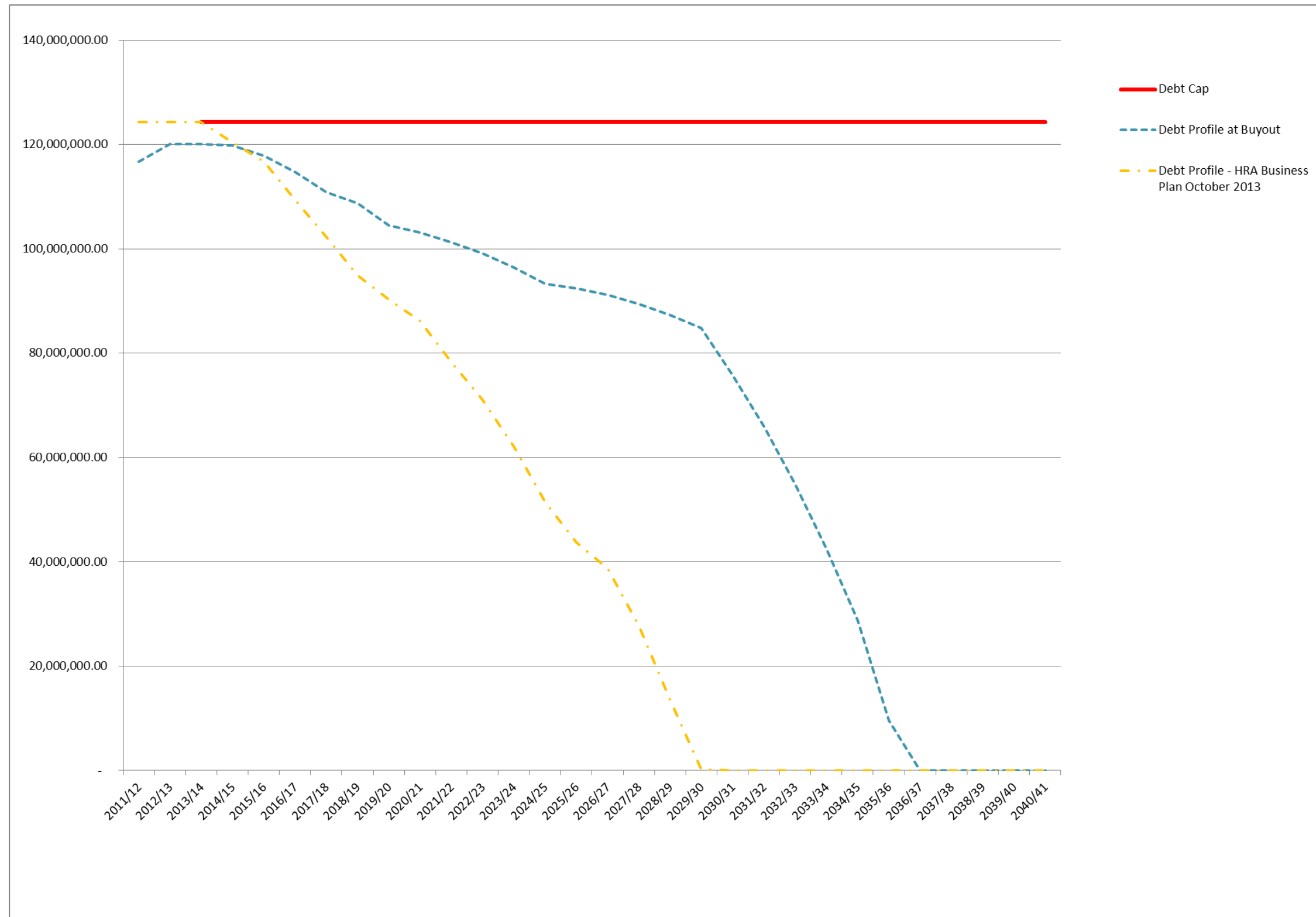
HRA Business Plan

HOUSING REVENUE ACCOUNT PROJECTIONS

Ashford BC

Year	2013.14	2014.15	2015.16	2016.17	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23
£'000	1	2	3	4	5	6	7	8	9	10
INCOME:										
Rental Income	23,523	24,285	25,259	26,297	27,376	28,340	29,883	30,171	31,027	31,908
Void Losses	-233	-242	-252	-263	-274	-284	-299	-302	-310	-319
Service Charges	758	777	802	827	854	881	909	936	965	993
Non-Dwelling Income	455	455	455	455	455	470	485	499	514	530
Grants & Other Income	3,242	3,188	3,147	3,115	3,090	3,070	3,070	3,070	3,070	3,070
Total Income	27,745	28,463	29,411	30,432	31,501	32,477	34,048	34,375	35,266	36,182
EXPENDITURE:										
General Management	-4,202	-4,239	-4,315	-4,394	-4,476	-4,619	-4,767	-4,910	-5,057	-5,209
Special Management	0	0	0	0	0	0	0	0	0	0
Other Management	-4,867	-4,989	-5,148	-5,313	-5,483	-5,658	-5,840	-6,015	-6,195	-6,381
Rent Rebates	0	0	0	0	0	0	0	0	0	0
Bad Debt Provision	-235	-243	-376	-518	-670	-694	-732	-739	-760	-781
Responsive & Cyclical Repairs	-3,349	-3,789	-3,751	-3,792	-3,835	-3,911	-4,076	-4,198	-4,361	-4,492
Total Revenue Expenditure	-12,654	-13,260	-13,591	-14,018	-14,464	-14,882	-15,414	-15,861	-16,373	-16,863
Interest Paid	-3,929	-3,786	-3,656	-3,475	-3,267	-3,012	-2,879	-2,754	-2,701	-2,542
Finance Administration	-54	-55	-57	-59	-61	-63	-65	-67	-69	-71
Interest Received	28	14	5	7	7	30	30	30	30	31
Depreciation	-5,174	-5,706	-5,861	-6,098	-6,283	-6,474	-6,671	-6,860	-7,055	-7,255
Net Operating Income	5,963	5,670	6,251	6,789	7,434	8,077	9,050	8,864	9,099	9,482
APPROPRIATIONS:										
FRS 17 /Other HRA Reserve Adj	-2,500	0	0	0	0	0	0	0	0	0
Revenue Provision (HRACFR)	0	-2,327	-4,197	-6,816	-7,363	-7,134	-4,587	-3,741	-7,656	-6,465
Revenue Contribution to Capital	-2,366	-6,730	-2,036	0	-88	-874	-4,525	-5,034	-1,533	-2,853
Total Appropriations	-4,866	-9,057	-6,234	-6,816	-7,452	-8,008	-9,112	-8,775	-9,188	-9,317
ANNUAL CASHFLOW	1,097	-3,388	18	-26	-18	69	-62	88	-90	165
Opening Balance	3,294	4,391	1,003	1,021	994	977	1,046	984	1,072	983
Closing Balance	4,391	1,003	1,021	994	977	1,046	984	1,072	983	1,148

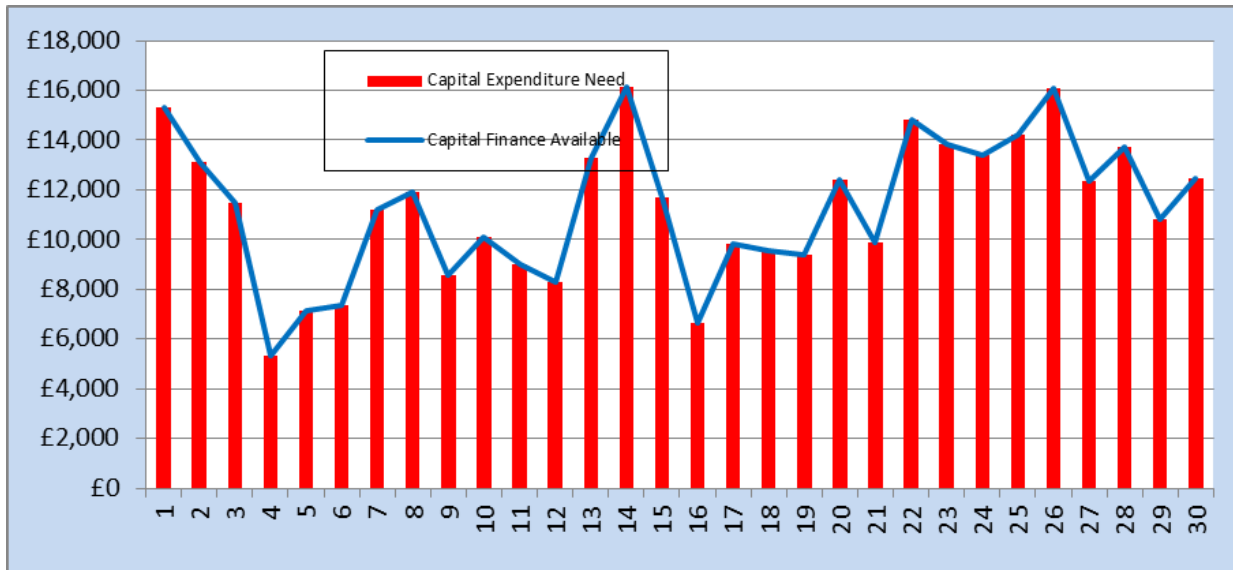
Forecast HRA Capital Financing Requirement



It should be noted that the CFR as currently reported could change in the future depending on future proposals not included in the model or any changes in priorities agreed by Members.

The gap between the debt profile at October 2013 and the debt cap represents the headroom that the HRA has to invest in further projects to deliver the business plan priorities. The tension between the government's aspiration to increase the housing supply and HRA debt cap is shown here with limited headroom in the short term but significant opportunity being offered in the medium to long term.

Capital Resources and Expenditure



Agenda Item No: 5
Report To: Overview and Scrutiny Committee
Date: 22 April 2014
Report Title: Overview and Scrutiny Annual Report
Report Author: Senior Scrutiny Officer



Summary:	The Council's constitution requires the O&S Committee to make an annual report to full council. This is the report for the Municipal Year May 2013 – April 2014.
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Key Decision: No

Affected Wards: None

Recommendations: **The Committee is asked to note this report and to agree for it to be presented to Full Council later this year.**

Policy Overview: None

Financial Implications: None

Risk Assessment No

Background Papers: O&S Committee Agendas and Minutes from May 2013 – February 2014

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Report Title: Overview and Scrutiny Annual Report

Purpose of the Report

1. The Council's constitution requires the O&S Committee to make an annual report to full Council on the work they have undertaken during the year.
2. This report will give an overview of the work the O&S Committee and its Task Groups have been involved in during 2013/14.

Background

3. Under Section 21 of the Local Government Act 2000, the Overview and Scrutiny Committee has power to make reports and/or recommendations either to the Cabinet or to the Authority on any aspect of Council business. The Overview and Scrutiny Committee also has the power to make reports and/or recommendations about other matters which affect the authority's area or its population.
4. The O&S Committee has 16 members, representing all political groups on the council, who work together to ensure that the Council and its Services are acting effectively and efficiently. Reviews may be undertaken by the whole Committee or a Task Group.

Issues Scrutinised by the Committee since May 2013

5. Since May 2013 items considered by the main O&S Committee have included: -
 - ABC Business Plan quarterly performance report
 - Communication and Consultation strategy for the Core Strategy review
 - Sickness absence figures and information for 2012/13
 - An update of the Best Services Resources Allow
 - Procurement of Energy Saving Proposal for Civic Centre: LED Lighting and sub metering
 - An update on the Conningbrook Lakes Country Park
 - Fly posting and graffiti
 - Community safety partnership update
 - The council's draft 2014/15 budget
6. An additional item considered by the O&S Committee, not in the above list, was a Call-in. If the Chairman and two other members, or any five members of the O&S Committee object to a decision made by the Cabinet, or an individual Member of the Cabinet, or to a Key Decision made by an Officer with delegated authority from the Cabinet, and this objection is lodged before the expiry of 5 working days after the publication of the decision, then an O&S

meeting will be called and the Committee have the opportunity to examine the issue.

7. If, having considered the issue, if the O&S Committee still has concerns it may set out these concerns and refer the decision back to the decision making body (or to full Council) for reconsideration. The decision making body will then reconsider the report and may amend its original decision, or not. The final decision thus taken is not subject to Call-in.
8. In June the O&S Committee had concerns about Cabinet Minute No.33 – Trading Companies, which gave approval for the creation of two Local Authority companies – a Property company ‘A Better Choice for Property Ltd.’, and a Building Consultancy Company ‘A Better Choice for Building Consultancy Ltd.’, both these companies would be fully owned by the Council. This decision was called in for scrutiny.
9. In July the Call-in meeting was held and the agenda consisted of the original report to Cabinet with its confidential appendices, plus minute No. 33 and the Call-in request.
10. Having reviewed and debated the report, the O&S Committee drew up seven recommendations which were agreed by Cabinet at its next meeting and then approved and adopted by full Council. The seven recommendations were as follows:
 - (i) No payment be made to any Director/Officer other than expenses and no Officer be paid other than contractual overtime.
 - (ii) Each Company will hold an AGM and all Councillors will be invited to attend (but not to have voting rights).
 - (iii) The Companies will have no right to appeal against Council planning decisions.
 - (iv) The Council to have an independent review of the financial model to include an opinion on being a going concern.
 - (v) The Section 151 Officer should not be a Director of either Company.
 - (vi) In respect of the Property Company, it should consider options to support home ownership models including stair-casing.
 - (vii) The release of each tranche of the £10m be subject to the approval of Council.

Further information about some issues reviewed by the main Committee/Task Groups (to read the full reports please see www.ashford.gov.uk/committees for agendas, reports and minutes of O&S meetings).

Budget Scrutiny

11. The Overview and Scrutiny Committee has a duty to scrutinise the Council’s draft Capital and Revenue budget. The Budget Scrutiny Task Group’s remit was to ensure that the draft 2014/15 budget was achievable and in line with the Council’s 5 year business plan and the priorities for delivering the final two years of that plan (Focus 2013-15: the Corporate Plan and supporting Financial Plans) as adopted by Cabinet in October 2014.

12. By the end of the scrutiny process the Task Group were confident that the Budget was achievable. There was some concern over the use of New Homes Bonus to help meet the funding gap as it was considered that this was not the purpose for which it was intended. Members were advised that a grant from central government would also be part of the solution. Members also expressed dismay that the decision to freeze council tax had been made after the Task Group had finished its work on the draft budget. The Task Group suggested two Recommendations for O&S to put to the Cabinet, the full Committee agreed these and added one more Recommendation and a Note (about the timing of the decision on the level of council tax). At the subsequent Cabinet meeting it was explained that on the day in question the whole of the Administration had yet to meet to discuss Council Tax and therefore it would not have been appropriate to inform the Budget Scrutiny Task Group of any potential change until such time after that meeting had taken place. In view of this explanation it was agreed that the note would be withdrawn. All three Recommendations were then Resolved. These recommendations included:-
- It be noted that the Overview and Scrutiny Committee regards the Council's draft 2014/15 Budget as achievable.
 - The Risk Matrix and the risks identified within, especially those that fall within the shaded part of the Risk Matrix be endorsed.
 - New Homes Bonus be not habitually used to fund revenue gaps but instead be used to create legacy projects for the benefit of the Borough.
13. The Budget Scrutiny Task Group was also asked to consider the Council's HRA business plan – and the result of this is reported elsewhere on this agenda.

Fly Posting and Graffiti

14. Fly posting and graffiti have a detrimental impact on the appearance of the borough and Members were interested to know what powers the Council had to deal with them.
15. Fly posting is the display of advertising material on buildings and street furniture without the consent of the owner. It can include adverts for local events (e.g. car boot sales) which may be attached to lampposts, railings and street furniture; posters advertising products of large organisations and put up by professional poster companies, often pasted on vacant buildings and signal control/telecoms boxes; and posters displayed by pressure groups or political bodies.
16. Some types of adverts are not illegal because they are allowed by advert regulations e.g. posters and signs for a local event of religious, cultural, political, social or recreational character as long as it was not carried on for commercial purposes.

17. If flyposting is causing any harm to public amenity or highway safety, then various powers are available to the Council to deal with it. These include: prevention (encouraging the use of other forms of advertising), negotiation - with the owner of the sign/owner of the site, removal by the Council (the highway authority also has powers to remove signs). Other powers include prosecution in the Magistrates court and the issuing of fixed penalty notices under the Antisocial Behaviour Act.
18. Graffiti – the painting, writing or carving of patterns, scribbles or messages on wall and other surfaces – is vandalism, a criminal act and illegal. There can be a difference of opinion as to what is graffiti as some ‘decoration’ on some buildings could be considered to be artwork by some and graffiti by others.
19. The Council removes graffiti from council owned property, but graffiti on private property is the owner’s responsibility. The Council uses a variety of methods to limit graffiti: prevention; removal by the Town Centre Action team (also available as a paid service for private landowners) and use of defacement notices to require removal.
20. Members were advised that more enforcement powers were expected later in the year, including more immediate action for dealing with fly posting, graffiti and other actions which impact on the appearance of the borough.

Procurement of Energy Saving Proposal for Civic Centre – LED lighting and sub metering

21. In May 2013, approval was given by the Council for a £100k budget for energy saving measures for the Civic Centre. Prior to placing the orders for supplies and services, the procurement of retrofitting LED lighting tubes and the installation of a sub-metering solution to monitor and manage the electricity consumption in the Civic Centre was referred to O&S.
22. The Council had undertaken trials of LED tubes and emergency lighting and sought quotations from three local suppliers. For the installation, a specification was prepared and quotations sought from four installers (all from Kent) with whom the Council had worked previously.
23. The retrofit of the LED lights into the existing Civic Centre fittings also included the removal of the existing integrated emergency lights and their replacement with standalone emergency lighting units (these require fewer units to cover the same space, are easier to maintain and can be installed at a lower cost than traditional emergency lighting systems).
24. Six companies were approached for quotations for the sub-metering of the electricity supply. The sub-metering market is very active with new solutions arising all the time and the quotations detailed different technologies and approaches to delivery. The decision on which company to use was based on the Council’s requirement for easy access to easy-to-use performance reporting tools and affordable one-off and on-going costs.
25. The sub-metering system was expected to deliver at least 5% savings and possibly more if staff responded to the drive towards lower energy use.

Because the metering system would enable the charging for energy to be based on consumption rather than by head count, it was expected that services would be more likely to try and reduce their demand.

26. Having considered and discussed the report the O&S Committee were happy to advise Cabinet that they endorsed the procurement proposal.

Communication and Consultation Strategy for the Core Strategy review.

27. Ashford Borough Council aims to encourage the public to be involved in its plan making through its consultation process. In all cases documents for consultation are published on the Council's website and an email sent to all parties logged on the consultee database. A notice would be placed in the local newspaper and copies of the document would be available to view at the libraries in the borough and both Ashford and Tenterden Gateways.
28. Additionally, there may be a series of exhibitions at accessible locations and these would be publicised in advance.
29. Ashford also has a Duty to Co-operate with other neighbouring Authorities during plan making processes to ensure that Authorities did not operate in isolation from one another.
30. For the Core Strategy review, it was decided to utilise the award winning consultation model used for Winchester's Local Plan. Plan-it Ashford aimed to get local communities to identify the things they particularly liked/disliked about their areas and to identify any challenges they thought would need to be addressed over the coming years. Discussions have been facilitated with a wide range of groups and organisations sometimes involving just parish councillors, sometimes members of the wider general public. All issues raised may not be able to be dealt with in the Local Plan but it is hoped that there would be ongoing dialogue with local communities to discuss what can/cannot be achieved.
31. Strong local feeling on specific site allocations can help officers to decide if particular sites should/should not be included in the development plan documents.
32. It was hoped that Parish councils and Urban forums could be encouraged to play a more proactive role in seeking the views of residents in their areas and ensuring those views are representative.
33. The Council was committed to consulting with the community during each stage of the Plan making process.

Reviews on the Forward Plan

34. The Overview and Scrutiny Committee sets its own work programme. Future reviews/other items on the Forward Plan include:-
 - Quarterly Updates on the ABC Business Plan performance

- Housing Framework 2013-18 and Homelessness Strategy 2013-18
- Refurbishment of the Stour Centre
- Council play parks
- Update on Conningbrook project
- Update on new waste and recycling scheme
- Fly tipping
- Update on progress of Focus 2013 -15

The Future

35. The Overview and Scrutiny Committee's work is aimed at ensuring the effective and efficient provision of Council services for the residents of the Borough. However the O&S Committee can also act as a 'critical friend' in reviewing the services of other 'partner' organisations e.g. KCC.
36. With the agreement of the Chairman, items can be put on the O&S agenda following a request from Cabinet or another Committee (e.g. Audit). Members of the O&S Committee are also able to submit suggested items in writing to the Chairman – such items must represent a Borough wide perspective and provide the opportunity to influence, to improve services or contribute to policy development. The Chairman will then decide if the item is appropriate for O&S to consider and, if so, is there room on the work programme.

Conclusion

37. The Overview and Scrutiny Committee has received reports, commented on and made recommendations to Cabinet on a variety of issues which directly affect the Council or residents of the borough. Should the Committee consider that a decision made by the Cabinet is unwise then Members are always able to Call-in that decision.

Contact: Julia Vink

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Future Reviews and Report Tracker

Forward plan

May

- ABC Business Plan quarterly performance report (Q4) and annual report
- Fly tipping

New items:-

Apart from items such as scrutinising the Council's draft budget, which the Constitution requires the O&S Committee to do every year; the O&S Committee sets its own work programme for the year. Some items recur on a regular basis e.g. the yearly update from the Community Safety Partnership and the quarterly Business Plan performance report; others are of a 'one-off' nature.

With the agreement of the Chairman, items can be put on the O&S agenda following a request from Cabinet or another Committee (e.g. Audit). Members of the O&S Committee are also able to suggest items that the Chairman may wish to put on the Committee's agenda (by putting their proposal in writing to him) – such items must represent a Borough wide perspective and provide the opportunity to influence, to improve services or contribute to policy development.

The Chairman will then decide if the item is appropriate for O&S to consider and, if so, is there room on the work programme.

Any such item will be put to the Committee for Members to decide if they wish to add it to the work programme.

As the next meeting will be the first of the next municipal year, Members may wish to consider if there are any suggestions they have for items for the year ahead and if so, to forward these to the Chairman or scrutiny team for consideration.

Year Plan 2014/15

Month	items	Task Group
May	<ul style="list-style-type: none"> • ABC Business Plan quarterly performance report (Q4) and annual report • Fly tipping 	
June	<ul style="list-style-type: none"> • Sickness & Absenteeism annual report. 	
July	<ul style="list-style-type: none"> • Housing Strategy Action Plan Monitoring Report and annual review of Homelessness strategy 	
August	<ul style="list-style-type: none"> • Update on Conningbrook Project – especially safety aspects. • Update on new waste and recycling scheme. 	
September	<ul style="list-style-type: none"> • ABC Business Plan quarterly performance report Q1 	
October	<ul style="list-style-type: none"> • Update on progress of Focus 2013 - 15 	
November	<ul style="list-style-type: none"> • ABC Business Plan quarterly performance report Q2 	
December	Scrutiny of Council's draft 2015/16 budget	Budget Scrutiny TG meetings
January	<ul style="list-style-type: none"> • Report of Budget Scrutiny Task Group 	Budget Scrutiny TG meetings
February	<ul style="list-style-type: none"> • ABC Business Plan quarterly performance report(Q3) • Annual review of Community Safety Partnership 	
March		
April		

O&S Committee – Report Tracker – Current position

Minute No.	Report Title	Officer	Date due	Current position	Recommended action
299/10/06	Stour Centre	Head of Cultural & Project Services	TBC – after completion of claim work	Work ongoing	Await completion of claim work.
62/06/11	Housing Strategy Action Plan Monitoring Report	Head of Housing /Housing Strategy Officer	July 2014	Housing Framework 2013 -18 and Homelessness Strategy 2013 –18 adopted July 2013. Monitoring will recommence One year after adoption of new Strategy.	Timetable for one year after adoption of new Strategy.
432/03/11	Annual Review of Homelessness Strategy	Head of Housing	July 2014	The Homelessness Strategy to be included in the Housing Strategy in future.	As above
51/06/13	Sickness and Absenteeism – annual report	Head of Personnel & development	June 2014		Timetable for June each year.
13/05/13	Overview and Scrutiny Annual Report	Senior Scrutiny Officer	May/June 2015		Timetable for May/June each year
142/09/12	3 year review of Mayoralty		Sept 2015		
431/04/12	ABC Business Plan performance reports – 2013/14	Policy & Performance Officer	May/Sept/ Nov/Feb		
62/06/12	Sports & Leisure		TBA		

398/03/13	Refurbishment of the Stour Centre	TBA	TBA	Final Report from Task Group to be presented to O&S	
335/02/14	Community Safety Partnership – annual update	Assistant Health, Parking & Community Safety Manager	February 2015		
216/11/13	Council play parks	TBA	TBA	Date	
216/11/13	Update on progress of Focus 2013 - 15	TBA	Oct/Nov 2014		
215/11/13	Update on Conningbrook Project – especially safety aspects.	Nature Conservation & Tourism Officer and Sports Projects Manager & active Ashford co-ordinator	Summer 2014		
301/1/14	Fly tipping	Customer Service Manager/Joint Operations Manager Gateway	May 2014	To be presented to May O&S meeting	

Low Priority & other proposed reports

	Report Title	Officer	Date due	Current position	Recommended action
57/06/08 199/10/11 115/08/13	Update on new waste and recycling scheme.	TBA	July/ August 2014	New contract commenced July 2013.	Report on new contract one year after commencement
291/12/08 216/11/13	The effectiveness of a single O&S committee			Reconsider having a report November 2014	