

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 **26th January 2016**.

Present:

Cllr. Michael (Vice-Chairman in the Chair);

Cllrs. Feacey, Hicks, A. Howard, W. Howard, Knowles, Krause, Link, Sims, Mrs Webb, Wedgbury.

In accordance with Procedure Rule 1.2(iii) Councillor Mrs Webb attended as Substitute Member for Councillor Burgess.

Apology:

Cllr. Burgess.

Also Present:

Head of Finance, Principal Accountant, Senior Member Services & Scrutiny Officer, Member Services & Scrutiny Support Officer.

Helen Chapman - Supply Demand Manager - South East Water, Sarah Feasey – Stakeholder Engagement Manager – Southern Water, Paul Kent – Wastewater Strategy Manager – Southern Water, Susan Solbra – Regional Planning Manager – Southern Water.

288 Declarations of Interest

Councillor	Interest	Minute No.
Krause	Made a “Voluntary Announcement” as Chairman of the Overview & Scrutiny Budget Task Group.	292

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Resolved:

That the Minutes of the Meeting of this Committee held on the 24th November 2015 be approved and confirmed as a correct record.

290 South East Water

Helen Chapman from South East Water gave a presentation about the role of South East Water and their responsibilities within the Ashford area in terms of meeting future demand and how the Company worked with the Council in the development of

the Local Plan.

The Vice-Chairman in the Chair opened up this item for discussion and the following responses were given to questions/comments: -

- In response to a question asking whether a situation could arise when water supply would cease, Helen explained that supply would be constant, but the costs associated with obtaining the water could escalate depending on what solutions were necessary.
- Proposals for six new pipelines to supply the South East area by a collective group of water suppliers formed part of South East Water's National Long Term Plan. A Member asked how secure the plans between companies were. Helen confirmed that the Water Services Regulation Authority ensured that the agreement was mirrored in all sets of company plans and these were published. These would then be statutory plans. She added that the implementation of pipelines from France was likely to prove too costly.
- Plans to install water meters were mandatory and it was expected that 90% of homes would be metered by 2020.
- Regarding climate change, Helen advised Members that the Environment Agency designated the South East of England as being seriously 'water stressed'. South East Water were committed to raising awareness and looked to improve the mix of supply sources to reduce reliance on groundwater and improve resilience to drought and climate change.
- The Vice-Chairman in the Chair raised the point that each person uses on average 150 litres of tap water per day, but if you include the amount of water embedded within products, that figure increased to around 3400 litres every day. Helen agreed that it was important to consider non-direct usage, particularly in Kent where there was a high volume of food agriculture. She explained that South East Water was working alongside East Malling Research to investigate different methods of irrigation control.
- South East Water was planning on building a new storage reservoir near Canterbury at Broad Oak, which would supply an extra 13.5 million litres per day by 2033. An alternative to Broad Oak was to build a desalination plant on the North Kent coast, but this option would be energy intensive and would not provide the social aspect that a reservoir would e.g. birdwatching and fishing.

The Vice-Chairman in the Chair and the Committee thanked Helen Chapman for her presentation and feedback.

Action:

Helen would respond to a question from Cllr Hicks regarding the future use of Bewl pipeline.

Helen would respond to a question from Cllr Link regarding the replacement of

rotten pipework in St Michaels, Tenterden.

Resolved:

That the presentation be received and noted.

291 Southern Water

Sarah Feasey, Paul Kent and Susan Solbra gave a presentation - 'Providing a reliable and sustainable wastewater service to (within) the Ashford BC Area'. The presentation covered: - Southern Water's supply area; what they covered and their Business Plan; a particular overview of Ashford; adoption of private pumping stations; flood management and drainage; their role in planning and development and accommodating growth; and what the Council was doing to support their activities.

The Vice-Chairman in the Chair opened up this item for discussion and the following responses were given to questions/comments: -

- In response to a question asking whether pumping stations could be protected from flooding, Paul Kent explained that Southern Water weighed up the cost of protecting a station against the cost of dealing with a flood if one occurred and to date they had not protected pumping stations as they did not believe that to be the right solution. Most stations had a standby pump or were alarmed, which provided some degree of resilience.
- Susan Solbra advised that Southern Water obtained funding via a price setting mechanism and this was overseen by OFWAT, the economic regulator of the water sector in England and Wales. She went on to explain that water supply for new local infrastructure should in principle be funded by the Developer, though more often negotiations took place between the Developer, the Local Authority and Southern Water to understand exactly what was needed. Southern Water took future income from new properties into account, but if there was a projected deficit then the Developer would be expected to cover the shortfall.
- A Member asked whether Southern Water undertook any mapping exercises in older settlements in order to ascertain where pipes were located, since often the water companies did not have this information after taking over responsibility more recently. Paul advised that their crews were required to investigate this issue when they were out in the field and use what they called 'the Red Line System' to enter data regarding the position of pipes on their maps/plans.
- It was confirmed that the Southern Water transfer team would be able to deal with private sewers, and ownership could be legally moved across.

The Vice-Chairman in the Chair and the Committee thanked Southern Water for their presentation and feedback.

Action:

Southern Water would respond to a query from Cllr Hicks regarding improvements to Stubbs Cross and the surrounding area.

Southern Water be invited back at a later date to review a possible re-location of the sewage works further away from the town centre.

Resolved:

That the presentation be received and noted.

292 Report of Budget Scrutiny Task Group

Cllr Krause introduced the item as Chairman of the Budget Scrutiny Task Group. He explained that although it had been a sizeable undertaking, the Task Group had undertaken a comprehensive investigation and the budget for 2016/2017 was considered achievable. He thanked all of the Officers involved for their support in guiding Members through the Budget Scrutiny process and the Members involved for their hard work. The Committee agreed the report was very informative and demonstrated a good understanding of what was sought to be done in 2016/2017.

A Member asked if enough consideration had been given to establishing an alternative budget based on a lower increase to the Council's element of the Council Tax charge. It appeared that the imposition of a 1.99% increase had been taken as a 'fait accompli' and the draft budget had been built around that accordingly. He said he would support the draft budget for this year as it had already been through scrutiny but wondered if certain assumptions, including future Council Tax rises, should be tested further in future years with perhaps more than one draft budget on the table for consideration. The Vice-Chairman in the Chair advised that the Task Group did not look at alternative budgets, but they did ask the question as to where the shortfalls would be if the 1.99% rise was not implemented. In response to the Member's comments the Committee agreed that they should scrutinise the Medium Term Financial Plan (MTFP) documents at an early stage and test the assumptions made as a starting point for scrutiny of the following year's budget.

In response to a question the Head of Finance confirmed that the Council did undertake zero based budgeting and levels of inflation were higher due to income levels in some areas being restricted by Central Government.

The Committee considered that it would be inappropriate for any amendments to the budget to come forward following scrutiny as it could potentially make it insecure. It was agreed to add this point as a specific recommendation to Cabinet, with the caveat that there were no unexpected announcements on Central Government funding that needed to be responded to.

Recommended:

That (i) the Cabinet be advised that the O&S Committee regards the Council's draft 2016/17 budget as legal and achievable.

- (ii) **the Risk Matrices and the risks identified within them be endorsed, particularly noting those that fall in the shaded part of the matrix.**
- (iii) **it be noted that the O&S Committee would consider it inappropriate for any amendments to be made to the budget following scrutiny as it would potentially make the budget insecure (subject to any unexpected announcements on Central Government funding).**
- (iv) **the Cabinet note that the O&S Committee intend to scrutinise the MTFP document at its April meeting and test the assumptions made as a starting point for scrutiny of the following year's budget.**

293 Future Reviews and Report Tracker

The Vice-Chairman in the Chair invited Members to put forward ideas and recommendations for the future work programme.

- A Member proposed reviewing the Power supply and IT Disaster Recovery arrangements at the Civic Centre in light of the power cut on the 20th January. This had knocked out all of the IT servers and was particularly relevant with the Council's emphasis on Channel Shift and encouraging customers to use on-line services.
- A Member suggested the issue of flooding be added to the tracker, to assess how robust the Council's current plans were.

Resolved:

That subject to the comments above the report be received and noted.

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