

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 April 2016**.

Present:

Cllr. Chilton (Chairman)

Cllr. Michael (Vice-Chairman)

Cllrs. Burgess, Feacey, Heyes, Hicks, Link, Wedgbury.

In accordance with Procedure Rule 1.2 (iii) Councillor Heyes attended as Substitute Member for Councillor Sims.

Apologies:

Cllr. Sims.

Also Present:

Cllrs. Mrs. Blanford, Clokie, Shorter, Smith.

Head of Finance, Accountancy Manager, Cultural Projects Manager, Member Services & Scrutiny Manager, Member Services & Scrutiny Support Officer.

The Vice-Chairman opened the meeting and explained that the Chairman was running behind schedule and he would chair the meeting until the Chairman arrived.

408 Minutes

Resolved:

That the Minutes of the Meeting of this Committee held on the 23rd February 2016 be approved and confirmed as a correct record.

409 Ditch & Waterway Maintenance Report

The Cultural Projects Manager introduced the report and gave some background on the review of dykes, ditches and waterways on ABC owned land. The purpose of this review was to ensure that the waterways were fit for purpose and maintenance was cost effective, and would assist with the compilation of a maintenance plan for when the new grounds maintenance team commenced operations in October (not September as stated in the original report). He reported that there had been positive sharing of information between various groups including the Emergency Planning and Resilience Team, Ashford Waterways Group, KCC and the water companies.

The following responses were given to questions/comments from Members: -

- Members asked what the areas of land in the Kennington, South Willesborough and Norman Wards were currently used for and the Cultural Projects Manager explained that they were predominantly un-used green open space at present. One site at Bushy Royds had previously been used for horse grazing.
- In response to a request made for the anticipated remedial costs of bringing the structures up to an acceptable level, the Cultural Projects Manager confirmed that this was the next piece of work that would be undertaken.
- A question was asked whether further information could be provided in terms of the role and scope of the Ashford Waterways Group. The Cultural Projects Manager explained that at present he could only advise that they were a well-established group and were the main body involved with maintenance of the waterways. He would be happy to provide further detailed information at a later date.
- Members asked to see the list of sites referred to in the report and asked if they included the two ponds at Goteley Mere, Kennington. The Cultural Projects Manager confirmed that he would circulate the list to members. He was not aware of the two ponds mentioned but would establish if they should be added to the list.
- A Member described how he had past experience of reviewing waterways. He had attended several inspections and noted which ones belonged to ABC, the Environment Agency and other privately owned ones. He had been informed at that stage that £20k had been set aside for work relating to maintaining waterways and an Officer had been working on the project. It had since emerged that Management Team had set aside £50k for this project. A concern was raised that if twice weekly inspections were happening then would there be a need for an annual inspection. The Cultural Projects Manager clarified that annual inspections were much more in depth and required two operatives to attend for health & safety reasons, therefore the costs were increased. A member also reported that an annual clearance of the waterways was supposed to take place in 2002, but this did not take place.
- A Member enquired if the figures quoted in the report included ditches and waterways within the Park Farm area, since he knew of at least 10 in that area. He considered that the actual number within Ashford would be much higher. The Cultural Projects Manager clarified that the report indicated there were 18 sites, not 18 individual waterways. The list would be circulated to ensure members had the opportunity to update Officers on where waterways and ditches were in their own wards.
- The Vice-Chairman in the Chair asked whether it would be beneficial to have seasonal inspections, rather than fortnightly throughout the year. The Cultural Projects Manager agreed that a flexible regime would be needed, but it was important to take into account flash flooding that could occur at any time of

year, and that could potentially result in blockages.

- The Committee discussed the River Stour Internal Drainage Board which were involved with waterways and drainage. The Members advised that a local agreement was in place, which could potentially help to reduce costs and the Cultural Projects Manager advised he would speak to them.
- The Portfolio Holder thanked the Cultural Projects Manager for his work and also thanked the Committee members for their advice on the issue. She said that consideration had been given to using conservation volunteers to assist with some of the work.
- Some Members enquired whether sustainable urban drainage systems (SUDS) should be included within the review and the Cultural Projects Manager advised that flooding issues would not be looked at as part of this project initially.
- The Vice Chairman in the Chair asked if the Grounds Maintenance Team would have sufficient resources when they were implemented in October. It was confirmed that a 3rd party would be undertaking the initial remedial works, with the Grounds Maintenance Team taking the work on thereafter. The Cultural Projects Manager was satisfied that the Grounds Team would cope adequately.

The Chairman explained that the Committee had now completed its review on water supply and disposal and said that he would draft appropriate recommendations for the Portfolio Holder and the Leader of the Council.

Resolved:

- (i) That the report be received and noted.**
- (ii) The Chairman draft appropriate recommendations on behalf of the Committee for consideration by the Portfolio Holder and the Leader of the Council.**

410 ABC Medium Term Financial Plan

The Head of Finance introduced the report and gave a presentation to expand on the Medium Term Financial Plan. The presentation included information on external factors, spending, inflation, future funding and use of reserves.

The following responses were given to questions/comments from Members: -

- A Member asked if work had been done to identify any implications on this year's budget, with reference to the Governments proposals to double the Small Business Rate Relief (SBRR). The Head of Finance advised that the Government gave Local Authorities a Section 31 grant to compensate for loss of revenue via SBRR, and they had indicated that this was expected to continue to 2020. At present it was not known how the re-designed scheme

would operate, but he added that it was imperative that ABC paid close attention when the consultation for the design of the scheme was underway, to ensure action could be taken at the earliest opportunity.

- In response to a question as to whether income from International House and Park Mall was included in the report, the Head of Finance explained that this was classed as Service Income and had been included in the reporting figures.
- In response to a question as to whether assumptions in the Plan were pessimistic or optimistic, and if there was a 'Plan B', the Head of Finance explained that it was important to strike a balance between reliance on Government funding and new income sources. A long term strategy would need to be developed whilst Government subsidy was declining. He advised that assumptions were neither pessimistic nor optimistic, but the importance was placed on retaining focus when significant changes were afoot. The Government tended to have long consultation periods so there was time for Local Authorities to plan for, and adapt to new sources of income. There was no 'Plan B' because there was too much uncertainty, so it would hold no merit.
- A query was raised regarding New Homes Bonus (NHB) allocation forming a large part of the base budget and what plans were in place if this was reduced or ceased. The Head of Finance said that the NHB was already showing a reduction and the Council were managing that.
- The Portfolio Holder reflected on the questions and comments made and expanded on the point made regarding whether a pessimistic or optimistic stance was being taken. He explained that whilst the in-house team possessed a lot of expertise, they maintained external communications regarding investments. This ensured a realistic standpoint and therefore the Finance team attained a safer approach.
- A Member discussed Council Tax and enquired whether it was expected to rise again and if this was worthwhile, since it did not generate a huge amount of income. The Head of Finance responded that the policy on Council Tax was a decision for the Cabinet to undertake. A 2% increase raised approximately £120,000. He went on to explain that there was a definite change in emphasis filtering down from the current Government, and Local Authorities were encouraged to make reasonable increases to cover any shortfall. The Chancellors spending review made no mention of freezing Council Tax and district councils had the capability to increase Council Tax by £5 or 2%. The Portfolio Holder added that the premise of the MTFP was to forecast and review, and any decisions would be determined in the autumn. A Member commented that although Council Tax could be increased, that did not mean it should, as any increase would have a severe impact on low income families.
- A Member asked about the Kent Business Rates Pool and queried how much Ashford received and if it was advisable to come out of the pooling scheme.

The Head of Finance explained that the decision would probably be taken by central government when they made their overall decision regarding Business Rates. ABC retained 20% of any increase. The Accountancy Manager advised that developer contributions amounted to £5 million, although this was not part of ABC'S reserves.

- A Member asked whether the Service Income figure (which included International House) in the report showed the interest figure as net or gross. The Head of Finance confirmed the figure was gross.
- The Vice Chairman raised a question regarding the effect on the budget of the extension to the Right to Buy (RTB) scheme to tenants of Housing Associations. The Head of Finance confirmed that RTB would impact on the Housing Revenue Account, whereas the MTFP reviewed the General Fund. He went on to say that the Government extension to the RTB scheme would require the sale of high value assets or the payment of a levy based on assumed income from the sale of those assets. This would be paid to government to cover the cost of the scheme. This would represent a loss of resource from the HRA business plan.
- In response to a question asking at what point the Council would have borrowed too much and should cease further borrowing. The Head of Finance spoke about the Gearing ratio, whereby a company's activities were financed by shareholders funds. There was no reasonable comparator and therefore this ratio could not be meaningfully applied to Local Authorities. Local Authorities also had different ways of accessing funds and therefore the refinancing risk that high geared companies faced was not the same for the council. ABC currently held a relatively low borrowing rate and decisions to borrow were assessed on the business plans for those projects. The Portfolio Holder added that a presentation would be made later in the year to hopefully provide Members with a better understanding of financial risks within ABC.
- A Member asked if officers assumed a worst case scenario when considering growth forecasts. The Head of Finance explained that these were forecasts used for the growth of the national economy and were used as an indicator for the health of the economy and the risks to the council. The forecasts suggested that there had been a shift in these projections and that the Chancellor appeared to have less money than previously estimated. This then had a knock on effect with Local Authorities and ABC would be wary and careful in forecasts and predictions. The Portfolio Holder suggested a 'Tower Chart' be circulated to Members. The Head of Finance would send to Member Services for distribution.

The Chairman thanked the Head of Finance and Accountancy Manager for their time and hard work.

Resolved:

That the report be received and noted.

411 Future Reviews and Report Tracker

The Chairman proposed that the Group meet at 6.45pm prior to the start of the next Overview & Scrutiny Committee in May to consider what issues to review over the next municipal year. He advised the Committee that Scrutiny was transferring from Member Services to Policy & Performance, and the Chairman relayed his gratitude to the Member Services & Scrutiny Manager for his work on behalf of the Committee.

Resolved:

That the Committee meeting scheduled for 24th May begin at 6.45 pm.

Queries concerning these Minutes? Please contact Clare Ricketts:
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