



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 23rd January 2018 at 7.00pm.

The Members of this Committee are:-

Cllr. Chilton (Chairman);
Cllr. Ovenden (Vice-Chairman);
Cllrs. Bartlett, Burgess, Feacey, Hicks, A. Howard, Knowles, Krause, Macpherson,
Miss Martin, Mrs. Martin.

Agenda

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Nos. |
|---|----------------------|
| 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 28 th November 2017 | |

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. | CLG Select Committee report on Overview and Scrutiny | 1 - 12 |
| 5. | Report of Budget Scrutiny Task Group | 13 - 20 |

Part IV – Information/Monitoring Items

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| 6. | Future Reviews and Report Tracker and Topic Selection Flowchart | 21 - 24 |
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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
- (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 Corporate Director (Law and Governance) and Monitoring Officer or from other Solicitors in Legal and Democratic Services as early as possible, and in advance of the Meeting.

Agenda Report/Appendices Page Listing

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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 **28th November 2017**.

Present:

Cllr. Chilton (Chairman);
Cllr. Ovenden (Vice-Chairman);

Cllrs. Bartlett, Burgess, Feacey, Hicks, Krause, Macpherson, Miss Martin, Mrs. Martin.

Also Present:

Cllrs. Bradford, Shorter.

Head of Health, Parking & Community Safety, Head of Corporate Policy, Economic Development & Communications, Corporate Scrutiny and Overview Officer, Member Services Officer.

Apologies:

Cllr. A Howard, Knowles.

237 Declarations of Interest

Councillor	Interest	Minute No.
Bartlett	Made a "Voluntary Announcement" as a Member of the KCC Health Overview & Scrutiny Committee	239
Feacey	Made a "Voluntary Announcement" as Chairman of the Ashford Volunteer Bureau	239

238 Minutes

Resolved:

That the Minutes of the Meeting of this Committee held on the 24th October 2017 be approved and confirmed as a correct record.

239 Overview of Priority Health Issues for Ashford

The Head of Health, Parking & Community Safety introduced this item and explained that the report contained information on the work undertaken by the Ashford Health and Wellbeing Board as well as priority public health issues for the Borough. She

added that the report also trailed some issues raised during the O&S Meeting with the Clinical Commissioning Group, but that it was important to remember that their objectives were much broader than the Council's, and the impact of their Sustainability Transformation Plan (STP) had yet to be understood.

The report was then opened up to the Committee and the following questions and points were raised: -

- A Member had recently attended the KCC Overview & Scrutiny meeting where A&E care in East Kent was discussed, and the option of creating a super hospital in East Kent and closing the A&E department at the William Harvey Hospital was being considered. He urged Members to engage in the consultation process and invited them to become Members of the East Kent NHS Foundation Trust. The Head of Health, Parking & Community Safety added that Members also explore other supporting avenues including the Ashford CCG Community Networks and Patient Participation Groups.
- The Portfolio Holder for Health, Parking & Community Safety talked to the Committee further about the STP and the CCGs intention to transfer services away from a hospital environment and shift towards more community led care. There was a clear need to promote a change in culture to encourage people to take care of themselves in order to prevent illness further down the line.
- Some Members had visited Farrow Court; the Council's recently re-modelled Sheltered Housing Facility. Eight of the units there were KCC led for the intermediate care of people coming out of hospital, but unfortunately, there seemed not to be the appetite to enter further into these type of arrangements with the Borough Council.
- A general discussion then ensued regarding healthcare across Kent and the increasing pressures on infrastructure. Members and Officers agreed that the CCG were not engaging with partners and needed to be held to account; it was recommended that a representative from the CCG be invited back to discuss the STP and hospital plans with the O&S Committee. A suggestion was made that a representative from KCC also attend the same meeting so that transport services could be discussed in conjunction with health care. A Member pointed out that other methods of transport were available to the elderly and infirm including the KCC dial-a-ride service and the Ashford Volunteer Bureau's car scheme.
- The Chairman asked what, if anything, was in place for tenants in private rented accommodation that may experience problems in relation to housing conditions. The Head of Health, Parking & Community Safety explained that the Private Sector Housing Team were able to assist with these issues. The Portfolio Holder for Finance and IT referred to the Homelessness Reduction Act. He explained that the Council Tax and Welfare Reform Task Group had been considering the implications of the Act in detail and it could be worthwhile to invite Officers to provide the Committee with an update.

- A point was raised regarding ensuring access to affordable sport and leisure facilities.
- Consideration was given to the night time economy in the Borough and problems that could arise from excessive alcohol consumption. An increase in the number of people visiting the town at night time was expected once the Elwick Place Development was completed, and the Portfolio Holder for Health, Parking and Community Safety explained that licensees needed to work together with the Police and Local Authority to ensure a vibrant and safe environment for visitors.
- CCTV in the Town Centre was discussed and the Head of Health, Parking & Community Safety explained that funding of £250k to improve CCTV had been granted in 2015 and the first phase of that project had been to implement a single operating platform to enable viewing of multiple images on fewer terminals. This was now complete and the second phase was underway, which was to replace the cameras in Tenterden before moving onto Ashford. A Member suggested a risk assessment be undertaken to review and identify any blind spots.

Recommendations:

- That
- i) The Report be received and noted,
 - ii) The Committee endorse the Council's current health and wellbeing activities,
 - iii) The Committee encourage all Members to actively engage with the Council's health and wellbeing agenda and promote where possible those activities that further this agenda as relevant to the Corporate Plan,
 - iv) The Committee encourage all Members to actively engage with the East Kent Hospitals University NHS Foundation Trust over the urgent, emergency and acute medical service options to ensure the services are protected and developed at the William Harvey Hospital.

240 Report of Air Quality Task Group

The Chairman of the Air Quality Task Group introduced this item and thanked Officers and the Task Group for all of their hard work. He added that the aim was for Ashford to be at the forefront of Air Quality issues.

The report was then opened up to the Committee and the following questions and points were raised: -

- In response to a question asking whether sewerage odour had been studied in the report, the Chairman of the Air Quality Task Group explained that the initial investigations had been undertaken in relation to deaths attributable to air

pollution only, but it was a live document and other factors for examination would be added in as time progressed.

- Members discussed the Governments budget announcement that £500 million had been allocated to encourage the purchase and use of electric cars, and facilitate improvements to supporting infrastructure. All agreed that Ashford should make a bid for a portion of that funding.
- A Member talked about the need to be realistic when placing restrictions on Listed Buildings concerning windows and insulation. He suggested a review be undertaken since the biggest outlay for residents was the cost of fuel.

Resolved:

That the Report be received and noted and the Committee endorse all of the Recommendations within it.

241 Quarter 2 2017/18 Performance Report

The Corporate Scrutiny and Overview Officer introduced this item and alluded to the highlights listed on paragraph 7. He reminded Members that all of the information was also available via the online dashboard.

The report was then opened up to the Committee and the following questions and points were raised: -

- A Member asked whether the Council considered retail feasibility when granting leases to new tenants in the Town Centre. The Portfolio Holder for Finance and IT explained that this was not something the Council would get involved with since it was a decision for each individual business to take. The only consideration for the Council was around licensing issues.
- A suggestion was made that square footage be included in the criteria for measuring vacancy rates, to ensure it was fully representative. The Corporate Scrutiny and Overview Officer agreed to refer this point to relevant Officers.
- Members discussed investment in the Town Centre and the public's concern that the Council's focus was primarily on Elwick Place. Some Members felt that it would be beneficial for the Cabinet to discuss Town Centre plans with other Members, in order to alleviate any concerns.

Resolved:

That the report be received and noted.

242 Future Reviews and Report Tracker and Topic Selection Flowchart

The Chairman asked if the Committee were happy to defer December's O&S meeting owing to the forthcoming Budget Scrutiny meetings and all agreed.

He then asked for any suggestions for discussion at future meetings. A Member suggested the STP be added for spring 2018 and asked whether the Town Centre Plans could be considered, in the form of a pink paper report. The Chairman stated that commercial sensitivities would have to be considered in setting any such item as part of the work programme. Pending its approval by Cabinet, a future review of the Clean Air strategy was suggested and agreed.

The Chairman then closed the meeting and thanked Members and Officers for their input and wished them all a Happy Christmas.

Queries concerning these Minutes? Please contact Clare Ricketts:
Telephone: 01233 330491 Email: clare.ricketts@ashford.gov.uk
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Agenda Item No:



ASHFORD
BOROUGH COUNCIL

Report to Overview and Scrutiny Committee

OVERVIEW ITEM – CLG Select Committee findings on effectiveness of local authority overview and scrutiny committees.

The Overview and Scrutiny Committee is asked:

1. To note the content of the report.
-

Date of O&S meeting: Tuesday 23 January 2018

Chair of O&S Committee: Cllr Brendan Chilton

Relevant Portfolios: Legal and Democratic (Deputy Leader)

Background Papers: **Final Report of Air Quality Task Group**, report to Overview and Scrutiny Committee

Contact: Will.train@ashford.gov.uk – Tel: (01233) 330394

Report Title: CLG Select Committee findings on effectiveness of local authority overview and scrutiny committees

Introduction and Background

1. The Commons Communities and Local Government Committee Inquiry into the effectiveness of local authority overview and scrutiny committees was initially launched in January 2017, however the dissolution of Parliament and the General Election held in June 2017 prevented any oral evidence sessions from taking place.
2. In response to the volume of written evidence submitted, the inquiry was relaunched in September 2017, utilising written evidence submitted by Councils, officers, Members and stakeholders prior to the General Election to inform the basis of a workshop event and oral evidence sessions held in October and November 2017. A full list of contributors is appended to the full Select Committee report, which can be found at <https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/369/36902.htm>.
3. The Committee considered why scrutiny is important, challenges to the and what the role of scrutiny committees in local authorities should be. The final report proposes revisions to the existing Government guidance on scrutiny committees in a number of key areas, principally to reflect the changing role of scrutiny since its creation under the Local Government Act 2000. This report summarises the points most relevant to Ashford Borough Council's scrutiny function, however a full list of recommendations from the report is attached as appendix A.
4. The final recommendations of the inquiry relate principally to Government revising and re-issuing guidance on scrutiny to local authorities; however to date the Ministry of Housing, Communities and Local Government (MHCLG) has not responded to the inquiry's findings and as such, **no commitment to implement the recommendations of the Inquiry has been made.**

The Role of Scrutiny

5. It was recognised that whilst scrutiny fulfils different roles in different areas, the Committee felt that at its best, scrutiny holds executives to account, monitors decisions affecting local residents and contributes to the formulation of a policy agenda. The Committee also supported the four principles of good scrutiny put forward by the Centre for Public Scrutiny (CfPS), wherein effective scrutiny:
 - Provides a constructive “critical friend” challenge;
 - Amplifies the voices and concerns of the public;
 - Is led by independent people who take responsibility for their role;

- Drives improvement in public services.
6. It was noted that whilst identifying 'good' scrutiny is not always possible, the consequences of ineffectual scrutiny can be extreme and very apparent. The Committee's report notes the failings of scrutiny in regard to the Francis Report (on Mid Staffordshire NHS Trust) and the Casey Report (on Rotheram Council) in delivering effective challenge.
 7. The Committee also felt that as well as reacting to decisions and proposals from local decision makers, pre-decision scrutiny is a vital part of the committee's role and offers an opportunity to executives to have focus on issues in greater depth over a longer period of time; ultimately helping the executive make a more informed and considered decision.
 8. As part of its recommendations for improving scrutiny's effectiveness, the Committee calls on the Local Government Association (LGA) to consider how it can best provide a mechanism for the sharing of innovation and best practice across the scrutiny sector. The Select Committee also urges local authorities to take note of the findings of the report and consider their approach to scrutiny.

Party Politics and Organisational Culture

9. In response to written and oral evidence, the Select Committee noted concern that the relationship between scrutiny and the executive had a tendency to become too unbalanced; and that with decision-making powers centralised in the executive, scrutiny can be seen as the less important branch of a council's structure.
10. The Committee noted that lacking parity of esteem, where the importance of the scrutiny function is not explicitly recognised by Councillors or officers, means that scrutiny cannot be effective. Whilst scrutiny must demonstrate that it is effective, the Select Committee advise that "*all responsible council leaderships should recognise the potential added value that scrutiny can bring, and heed the lessons of high profile failures of scrutiny such as those in Mid Staffordshire and Rotheram.*"
11. Comparison was drawn between the independence of Parliamentary Select Committees and local authority scrutiny committees, noting that whilst the former report to the House of Commons as a whole rather than the Government, the majority of the latter report to the executive that they are charged with scrutinising.
12. In response to this concern and evidence from INLOGOV and others, the Select Committee called for the Government to issue revised guidance that, to reflect scrutiny's independent voice and role as a voice for the community, makes clear that scrutiny committees should report to Full Council rather than the executive. Where scrutiny committees publish formal recommendations and conclusions, these should be considered by a meeting of Full Council,

with the executive response reported to a subsequent Full Council within two months.

13. The Select Committee also discussed the role of executive members in regard to scrutiny, noting that there had previously been a Private Members' Bill introduced in 2009 to allow executive members to sit on scrutiny committees during the scrutiny of external bodies. Whilst the Bill was unsuccessful, the Select Committee expressed caution and felt that executive members should only attend meetings of scrutiny committees when invited to do so as witnesses and to answer questions from the committee.
14. The role of the scrutiny chair was also discussed, with the Select Committee expressing concern over the ability of Councils to appoint chairs from majority parties. Whilst the Select Committee noted their belief that there are many effective and impartial scrutiny chairs working across the country, they were concerned that insufficient distance between the executive and scrutiny in terms of the appointment of chairs could create a perception of impropriety.
15. The Select Committee therefore recommended that the MHCLG works with the LGA and CfPS to identify councils willing to take part in a pilot scheme for elected scrutiny chairs.

Accessing Information

16. As part of their oral evidence, the CfPS noted issues where some scrutiny committees had resorted to submitting Freedom of Information (FOI) requests to obtain information needed for a review. The Select Committee felt strongly that there was no justification for resorting to the use of FOI powers, and that there were too many examples of councils being uncooperative and obstructive with regard to information access.
17. Issues of commercial confidentiality were also raised in the evidence submitted to the Inquiry. The Select Committee acknowledged that whilst it is not always in the public interest to publish all information and make it publicly available, they could not see a justification for withholding such information from Councillors; and felt that Councils should be reminded that there should always be an assumption of transparency wherever possible.
18. The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 allow for scrutiny members to access any confidential material if they can demonstrate a 'need to know' on the basis that the information relates to any action or decision under review or included on a scrutiny work programme, however the Select Committee felt that scrutiny committees should be seen as having an automatic need to know and called on the Government to make this clear through revised guidance.
19. It was also noted that few Councils make regular use of external experts when conducting reviews, and the Select Committee recognised that with limited resources for Councils it could be difficult to fund specialist advisors. The

Committee felt that engagement of local academics could be beneficial, and encourage universities to play a greater role in local scrutiny. Additionally, the Select Committee noted successful reviews where service users were engaged and involved in the scrutiny process, and encourage scrutiny committees to consider how officer information can be contrasted and complemented by the views and experiences of service users.

Resources

20. It was recognised that the level of resource allocated to scrutiny had generally reduced in the context of reducing local government budgets; however the Select Committee felt that the bigger issue around this reduction in resource related to organisational culture, with no parity of esteem between the executive and scrutiny. The Select Committee were concerned that resources and status within councils were “*disproportionately focused around Leaders and Cabinet Members, with scrutiny too often treated as an afterthought.*”
21. The Select Committee acknowledged the reduction of scrutiny resources in light of wider local authority reductions, but felt that it was imperative that scrutiny committees have access to independent and impartial policy advice; and expressed concern that in many councils the over-riding priority was supporting the executive, with little regard for the scrutiny function.
22. The final report calls for the Government to revise the guidance on scrutiny; noting that there should be a greater parity of esteem between scrutiny and the executive, with scrutiny committees having the same access to the expertise and time of senior officers and the chief executive as Cabinet. The report also calls for councils to be required to publish a summary of resources allocated to scrutiny compared to expenditure on executive support.
23. Additionally, the Select Committee recommends the extension of the requirement to appoint a Statutory Scrutiny Officer to all local authorities (under the Localism Act 2011, all upper tier authorities must have a designated scrutiny officer). The report also recommends that the post-holder should have a seniority and profile of equivalence to the council’s corporate management team, and be required to make regular reports to Full Council on the state of scrutiny, explicitly identifying any areas of weakness that require improvement and the work carried out by the Statutory Scrutiny Officer to rectify them.

Member Training and Skills

24. The quality and value of available scrutiny training for Members was also discussed in the oral evidence sessions, and it was noted that whilst there was no requirement for members to possess specialist skills or undertake training to serve on scrutiny (as opposed to quasi-judicial committees, such as Planning or Licensing).

25. The Select Committee felt that it was important for councils to ensure that scrutiny members had enough prior subject knowledge to question effectively and prevent meetings becoming information exchanges; as well as having the capacity to constructively critique the executive rather than following party lines.
26. It was noted that whilst MHCLG allocates £21m per year to the LGA for scrutiny support, there was no apparent monitoring of the impact of this support, and the Select Committee were not satisfied that the training provided by the LGA and partners met the needs of scrutiny, and should be reviewed for effectiveness and best value.

The Role of the Public

27. The final report of the Inquiry identified that ensuring members of the public and local stakeholders play a prominent role in scrutiny can deliver greater legitimacy and independence from the executive for scrutiny committees. Examples of enhanced public involvement reported to the Select Committee included engagement of service users (as discussed in paragraph 19) for both pre- and post-decision scrutiny, and the effective use of digital engagement by councils.

Scrutinising Public Services provided by External Bodies

28. Similar issues to those noted in paragraph 17 (regarding scrutiny of commercially confidential matters) were also noted in evidence presented to the Inquiry over the scrutiny of commercial providers and external partners. The Select Committee felt that scrutiny committees were ideally placed and had a democratic mandate to review any public services in their area.
29. The Select Committee felt that in regard to council contracts, democratic oversight should be built into council contracts from the outset so that both parties understand that the service being contracted will still fall within the scope of scrutiny's democratic mandate to have oversight of service performance.
30. Support was expressed for the CfPS proposal that scrutiny committees should be able to 'follow the council pound' and be able to oversee taxpayer-funded services where those services are funded, wholly or in part, by local authorities. The Select Committee also recommended that scrutiny committees should be able to access information from external service providers and require their attendance at meetings.

Conclusion

31. The Overview and Scrutiny Committee is asked to note the content of the report.

Contact and Email

32. Will Train, Corporate Scrutiny and Overview Officer
will.train@ashford.gov.uk 01233 330394

Appendix A – List of conclusions and recommendations made by the CLG Select Committee

The role of scrutiny

1. *We therefore recommend that the guidance issued to councils by DCLG on overview and scrutiny committees is revised and reissued to take account of scrutiny's evolving role.*

2. *We call on the Local Government Association to consider how it can best provide a mechanism for the sharing of innovation and best practice across the scrutiny sector to enable committees to learn from one another. We recognise that how scrutiny committees operate is a matter of local discretion, but urge local authorities to take note of the findings of this report and consider their approach.*

Party politics and organisational culture

3. However, all responsible council leaderships should recognise the potential added value that scrutiny can bring, and heed the lessons of high profile failures of scrutiny such as those in Mid Staffordshire and Rotherham.

4. *To reflect scrutiny's independent voice and role as a voice for the community, we believe that scrutiny committees should report to Full Council rather than the executive and call on the Government to make this clear in revised and reissued guidance. When scrutiny committees publish formal recommendations and conclusions, these should be considered by a meeting of the Full Council, with the executive response reported to a subsequent Full Council within two months.*

5. We believe that executive members should attend meetings of scrutiny committees only when invited to do so as witnesses and to answer questions from the committee. Any greater involvement by the executive, especially sitting at the committee table with the committee, risks unnecessary politicisation of meetings and can reduce the effectiveness of scrutiny by diminishing the role of scrutiny members. *We therefore recommend that DCLG strengthens the guidance to councils to promote political impartiality and preserve the distinction between scrutiny and the executive.*

6. It is vital that the role of scrutiny chair is respected and viewed by all as being a key part of the decision-making process, rather than as a form of political patronage.

7. We believe that there are many effective and impartial scrutiny chairs working across the country, but we are concerned that how chairs are appointed has the potential to contribute to lessening the independence of scrutiny committees and weakening the legitimacy of the scrutiny process. Even if impropriety does not occur, we believe that an insufficient distance between executive and scrutiny can create a perception of impropriety.

8. We believe that there is great merit in exploring ways of enhancing the independence and legitimacy of scrutiny chairs such as a secret ballot of non-executive councillors. However, we are wary of proposing that it be imposed upon authorities by government. *We therefore recommend that DCLG works with the LGA and CfPS to identify willing councils to take part in a pilot scheme where the impact of elected chairs on scrutiny's effectiveness can be monitored and its merits considered.*

Appendix A – List of conclusions and recommendations made by the CLG Select Committee

Accessing information

9. Scrutiny committees that are seeking information should never need to be ‘determined’ to view information held by its own authority, and there is no justification for a committee having to resort to using Freedom of Information powers to access the information that it needs, especially from its own organisation. There are too many examples of councils being uncooperative and obstructive.

10. Councils should be reminded that there should always be an assumption of transparency wherever possible, and that councillors scrutinising services need access to all financial and performance information held by the authority.

11. We do not believe that there should be any restrictions on scrutiny members’ access to information based on commercial sensitivity issues. Limiting rights of access to items already under consideration for scrutiny limits committees’ ability to identify issues that might warrant further investigation in future, and reinforces scrutiny’s subservience to the executive. *Current legislation effectively requires scrutiny councillors to establish that they have a ‘need to know’ in order to access confidential or exempt information, with many councils interpreting this as not automatically including scrutiny committees. We believe that scrutiny committees should be seen as having an automatic need to know, and that the Government should make this clear through revised guidance.*

12. *We note that few committees make regular use of external experts and call on councils to seek to engage local academics, and encourage universities to play a greater role in local scrutiny.*

13. We commend such examples of committees engaging with service users when forming their understanding of a given subject, and encourage scrutiny committees across the country to consider how the information they receive from officers can be complemented and contrasted by the views and experiences of service users.

Resources

14. We acknowledge that scrutiny resources have diminished in light of wider local authority reductions. However, it is imperative that scrutiny committees have access to independent and impartial policy advice that is as free from executive influence as possible. We are concerned that in too many councils, supporting the executive is the over-riding priority, with little regard for the scrutiny function. This is despite the fact that at a time of limited resources, scrutiny’s role is more important than ever.

15. *We therefore call on the Government to place a strong priority in revised and reissued guidance to local authorities that scrutiny committees must be supported by officers that can operate with independence and provide impartial advice to scrutiny councillors. There should be a greater parity of esteem between scrutiny and the executive, and committees should have the same access to the expertise and time of senior officers and the chief executive as their cabinet counterparts. Councils should be required to publish a summary of resources allocated to scrutiny, using expenditure on executive support as a comparator. We also call on councils to consider carefully their resourcing of scrutiny committees and to satisfy themselves that they are sufficiently supported by people with the right skills and experience.*

Appendix A – List of conclusions and recommendations made by the CLG Select Committee

16. *We recommend that the Government extend the requirement of a Statutory Scrutiny Officer to all councils and specify that the post-holder should have a seniority and profile of equivalence to the council's corporate management team. To give greater prominence to the role, Statutory Scrutiny Officers should also be required to make regular reports to Full Council on the state of scrutiny, explicitly identifying any areas of weakness that require improvement and the work carried out by the Statutory Scrutiny Officer to rectify them.*

Member training and skills

17. *It is incumbent upon councils to ensure that scrutiny members have enough prior subject knowledge to prevent meetings becoming information exchanges at the expense of thorough scrutiny. Listening and questioning skills are essential, as well as the capacity to constructively critique the executive rather than following party lines. In the absence of DCLG monitoring, we are not satisfied that the training provided by the LGA and its partners always meets the needs of scrutiny councillors, and call on the Department to put monitoring systems in place and consider whether the support to committees needs to be reviewed and refreshed. We invite the Department to write to us in a year's time detailing its assessment of the value for money of its investment in the LGA and on the wider effectiveness of local authority scrutiny committees.*

The role of the public

18. *The Government should promote the role of the public in scrutiny in revised and reissued guidance to authorities, and encourage council leaderships to allocate sufficient resources to enable it to happen. Councils should also take note of the issues discussed elsewhere in this report regarding raising the profile and prominence of the scrutiny process, and in so doing encourage more members of the public to participate in local scrutiny. Consideration also need to be given to the role of digital engagement, and we believe that local authorities should commit time and resources to effective digital engagement strategies. The LGA should also consider how it can best share examples of best practise of digital engagement to the wider sector.*

Scrutinising public services provided by external bodies

19. *Scrutiny committees must be able to monitor and scrutinise the services provided to residents. This includes services provided by public bodies and those provided by commercial organisations. Committees should be able to access information and require attendance at meetings from service providers and we call on DCLG to take steps to ensure this happens. We support the CfPS proposal that committees must be able to 'follow the council pound' and have the power to oversee all taxpayer-funded services.*

20. *In light of our concerns regarding public oversight of LEPs, we call on the Government to make clear how these organisations are to have democratic, and publicly visible, oversight. We recommend that upper tier councils, and combined authorities where appropriate, should be able to monitor the performance and effectiveness of LEPs through their scrutiny committees. In line with other public bodies, scrutiny committees should be able to require LEPs to provide information and attend committee meetings as required.*

Appendix A – List of conclusions and recommendations made by the CLG Select Committee

Scrutiny in combined authorities

21. We are concerned that effective scrutiny of the Metro Mayors will be hindered by under-resourcing, and call on the Government to commit more funding for this purpose. When agreeing further devolution deals and creating executive mayors, the Government must make clear that scrutiny is a fundamental part of any deal and that it must be adequately resourced and supported.

Agenda Item No:

Report To: Overview and Scrutiny Committee

Date of Meeting: 23 January 2018

Report Title: Report of Budget Scrutiny Task Group

Report Author & Job Title: Will Train
Corporate Scrutiny and Overview Officer

Portfolio Holder Cllr. N Shorter
Portfolio Holder for: Finance, Budget and Resource Management



Summary:	The Overview and Scrutiny Budget Scrutiny Task Group has scrutinised the Council's draft 2018/19 budget and regards it as sound and deliverable.
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Key Decision: NO

Significantly Affected Wards: None specifically

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

- I. Be advised that the O&S Committee regards the Council's draft 2018/19 budget as sound and deliverable.**
- II. Be advised that the O&S Committee regards the Council's reserves position as suitable to cover identified contingencies and risks.**

Policy Overview: Under the Council's Constitution the O&S Committee has a duty to scrutinise the Council's draft Revenue and Capital Budgets.

Financial Implications: As noted in the report

Legal Implications As Policy Overview above

Equalities Impact Assessment Not required as appended to main budget report

Other Material Implications: As noted in the report

Exempt from Publication: NO

**Background
Papers:**

Medium Term Financial Plan, report to Cabinet 9
November 2017
Draft 2018/19 budget, report to Cabinet 7 December 2017

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Report Title: Report of Budget Scrutiny Task Group

Introduction and Background

1. Under the Council's Constitution the Overview and Scrutiny Committee has a duty to scrutinise the Council's draft Capital and Revenue Budgets. The Committee constituted a five member Task Group to undertake this work, and presents its assessment of the draft Budgets within this report.

Report of the Chairman of the Budget Scrutiny Task Group

2. I would like to express thanks on behalf of the Task Group for the hard work put in by officers in the limited timescale to support the Group. The Group asked for additional information at short notice and were grateful for the support. Thank you to Portfolio Holders who attended.
3. It was noteworthy that the Secretary of State's change in rules allowing Council's to increase the Council Tax by 2.99% (up from 1.99%) before a referendum and clarification on the way in which income from NNDR will be retained by ABC and KCC happened part way through the Group's work adding to the workload. The additional income to ABC if it were to put up Council Tax by the full amount permitted before a referendum would be around £60,000 (based on £1.50 per indicative band D property).

Summary

4. The Overview and Scrutiny Committee would like to thank all the Officers, Portfolio Holders and Lead Members who attended the Task Group meetings. The sessions yielded much information on the financial and resource challenges facing the authority and the Task Group focused on a number of key risks relating to the achievability of next year's budget, which are discussed below.
5. The Task Group found the budget for 2018/19 to be sound and deliverable. The Council has General Fund reserves of £2.6m, part of wider reserves of £16.8m (at 31 March 2017). The reserve position of the Council allows cover for contingencies and risks identified by the Task Group.
6. The Task Group's scrutiny of the draft 2018/19 budget focused on a number of risks identified by Officers in the preparation of service plans and budgets; and by the Task Group Members from the summary of the Medium Term Financial Plan and Corporate Plan progress detailed in the Task Group's meeting. The scrutiny on these points is detailed in paragraphs 8- 33 below.
7. In the course of its discussions, Members also identified a number of areas beyond the remit of the Budget Scrutiny Task Group where it was felt that reviews by the Overview and Scrutiny Committee may be beneficial. These will be passed to the full Committee for consideration when setting its 2018/19 work programme, and included:

- a. A Better Choice for Property Limited
- b. Future projections for strategic and commercial acquisitions
- c. Resident Management Companies and wider application potential of the CMO model
- d. Social media
- e. Shared services

NNDR Reset

8. During scrutiny of budgets for the Finance and Economy directorate, the Task Group Members heard from the Director of Finance and Economy regarding the budgetary risks associated with a reset of the National Non-Domestic Rates (NNDR) system.
9. Members noted the potential loss of NNDR income from the Council's current position that would arise if the Council's retained share of NNDR was reset to the baseline need level identified by government and the possible impacts on the NNDR yield that would arise if the buildouts of large commercial schemes (such as the Designer Outlet Village Expansion) were delayed.
10. The Interim Head of Finance presented the Medium Term Financial Plan (MTFP) modelling assumptions to the Task Group, with particular reference to the forecasting of NNDR yields arising from the buildout of new commercial developments within the Borough.
11. On 19th December 2017 the Secretary of State for Communities and Local Government announced that government would look to reset the NNDR system in 2020/21. This accorded with previous indications Officers related to the Task Group that a reset of the NNDR system was unlikely to occur within the 2018/19 budget year.
12. Members were satisfied that the reset of the NNDR system as announced by the Secretary of State will not affect the viability of the 2018/19 draft budget, and were grateful for the information provided by the Director of Finance and Economy, Interim Head of Finance and Accountancy team on the 100% NNDR retention pilot scheme for Kent and Medway.

Income Generating Projects (General Fund)

13. The Task Group queried the budgetary risks arising from any potential delays in both achieving the target level of income generation from commercial property and securing a return on commercial investments financed through the Council's General Fund; notably the potential for a shortfall in service charge income at Elwick Place, letting risks within International House and the risk to income generation at Carlton Road. The Group noted the importance of making successful acquisitions in order for the Council's goal of financial self-sufficiency to be realised.
14. The Director of Finance and Economy and Senior Commercial Development and Regeneration Manager advised that risks related to demand for property were reflected in the Corporate Property and Projects service challenges in

2018/19, however it was important to note that several assets (such as Ellingham Industrial Estate) were well established with a secure tenant base and had been part of the Council's property portfolio for a number of years, and presented a lower risk with regard to rental income.

15. With regard to new acquisitions, it was advised that every commercial acquisition made by the Council was subject to a full risk assessment and extensive due diligence was undertaken on each potential acquisition. A range of measures were also employed including long and flexible lease options to attract and retain tenants within commercial acquisitions such as International House.
16. Members noted that an examination of the timeline of key commercial acquisitions, such as International House, from the initial business case and financial assumptions to date would be beneficial in order to establish how successful the Council's investment strategy had been. It was agreed that this would be referred to the full Overview and Scrutiny Committee for inclusion in its 2018/19 work programme.
17. Whilst not acquired as a commercial investment, the Task Group also expressed interest in understanding the future plans for Park Mall as an asset for the Council. The Head of Corporate Policy, Economic Development and Communications advised in a separate session that the development of a town centre place making framework was an objective for the Economic Development team in 2018/19.

Property Company performance

18. The Task Group expressed concerns regarding the transparency of the income flow of the Council's property company and the assumptions made when the Council issued loans to A Better Choice for Property Ltd. Whilst it was recognised that scrutiny of the property company's performance fell within the purview of the Trading and Enterprise Board (TEB), it was felt that the full Overview and Scrutiny Committee should consider scrutinising the investment return projections for the residential acquisitions made by A Better Choice for Property Ltd, the debt structure for the company and an identification of how the company's business was likely to develop.

Resourcing for Planning Appeals and Enforcement

19. The Director of Place and Space and Head of Planning and Development advised the Task Group that resourcing for planning appeals and enforcement represented key challenges for the Planning and Development service in 2018/19. To date, the Council had committed significant resources to defending appeals, and this had required drawing down on the reserves for the Planning and Development service.
20. Whilst the adoption of the Local Plan to 2030 should aid the Council in being able to demonstrate that it had a suitable five year supply of land for housing development, concerns remained that the Council could have to commit additional resources to defend further appeals against speculative development proposals outside of the Local Plan if such applications were rejected by the Planning Committee.

21. It was also noted that there had been some difficulty in recruiting officers to certain senior enforcement roles into the Planning and Development service, and that there may be a need to draw from reserves if staff difficulties arose.
22. The Task Group noted the position of the reserves for planning and the potential bolstering that may occur as a result of central government agreeing a 20% increase in planning fees, however it was felt that there should be a facility for readily drawing on general fund reserves to supplement planning reserves if required.

Resourcing for the Homelessness Reduction Act

23. In reviewing the key service challenges for the Finance and Economy directorate, Members noted that the coming into force of the Homelessness Reduction Act was a significant challenge for the organisation and requested further information on budgetary and resource planning for this change.
24. The Director of Finance and Economy and Head of Housing presented information to the Task Group outlining the Council's response to the Homelessness Reduction Act and emphasised that the Council would focus on a preventative approach rather than a reactive service after the event, in line with the new duties established by the Act. It was also advised that a flexible 'New Burdens Fund' was in place to assist with meeting the costs and replacing lost subsidies associated with the Homelessness Reduction Act.
25. It was advised that the Housing team already worked proactively to prevent homelessness, however changes had been made to the staff structure and the service budget had been built with the changes required by the Act in mind. Additionally, the Council had previously acquired Christchurch House as a short stay accommodation facility, which reduced the Council's spending on bed and breakfast (B&B) accommodation, and had commenced the acquisition of an additional short stay accommodation facility to provide a preferable alternative to B&B accommodation and deliver further cost savings. Further short stay accommodation had been secured on a temporary basis in other locations within Ashford, again at a lower cost than B&B use.
26. Members noted the approach outlined by the Director of Finance and Economy and the Head of Housing and the importance of the proactive approach taken by the Council to date. The Task Group felt that it was of paramount importance that costs arising from the additional responsibilities imposed by the Homelessness Reduction Act were adequately covered within the budget.

Impact of Universal Credit

27. Members noted further challenges identified for the Housing service in 2018/19 related to homelessness included the continued implementation of Universal Credit and the potential increase in homelessness and rent arrears, and queried what assumptions had been made within the budget in regard to these challenges. Officers advised that, in regard to potential loss of income through increased rent arrears, the Council's bad debt provision was reviewed annually and had been deemed to be sufficient for a number of years. Whilst

bad debts posed a small risk to the budget, there was confidence in the mitigation methods employed to address this risk.

28. Members were informed that the Council had previously recruited a number of Welfare Intervention Officers in preparation for the Universal Credit roll-out and Council funding for the Citizens Advice Bureau had been increased two years previously and was currently maintained at an elevated level on top of base funding in preparation for the roll-out. In addition, a significant increase in the budget for Benefits Administration was proposed for 2018/19.
29. Whilst the nature of benefit administration work was likely to change with the implementation of Universal Credit (for example, the flexible nature of Universal Credit meant that certain entitlements needed to be recalculated weekly), it was not anticipated that there would be a significant net increase in officer workloads, with Universal Credit only being rolled out for new claimants in 2018/19. Members noted that it was vital that the Council support residents affected by the change in the way benefits would be delivered during 2018/19.

New Homes Bonus

30. The Task Group queried the allocation of new homes bonus (NHB) within the budget, noting that there had been a commitment made to allocate NHB on a 50:50 basis between new projects and the base budget, however the draft budget showed 35% of NHB allocated to new projects and 65% to supporting the base budget in 2018/19. The Interim Head of Finance advised that additional pressures meant that a higher percentage of NHB had been allocated to the base budget in 2018/19, but it was intended that the 50:50 ratio would be re-established for 2019/20.

Capital Expenditure

31. The Task Group discussed increases in the projected non-HRA Capital Financing Requirement going forward, and questioned whether this would be sustainable if interest rates returned to former levels of 4 or 5%. The Interim Head of Finance advised that capital requirements were reviewed on a project by project basis in line with the current interest position to determine affordability.
32. Members were concerned that the projections contained within the draft 2018/19 budget would raise the expectation that borrowing would continue up to the projected levels, even if interest rates rose to levels at which such borrowing may be unviable. The Director of Finance and Economy advised that the indicators were based on current plans, but projects had not necessarily been approved yet so there was no firm financial commitment in place.

Environment and Land Management

33. The Head of Environment and Land Management advised that there was a potential financial impact regarding the contamination of recyclates, wherein any recycling load with over 10% contamination could be rejected by the recycling facility, which would result in the load being transferred to the

'energy from waste' plant at a cost, which could be passed on to the Borough Council under the terms of the joint waste contract.

34. Members were pleased to note that the current contamination rate was low (at around 2%) and that plans were in place to expand the communications and education activity around contamination of recycling with the creation of a new Waste & Recycling Education Officer post within existing budget levels.

Lorry Parking

35. Members were pleased with the success of the recent new initiative to clamp lorries parking overnight in 4 sites in the Borough. It was felt that this may increase expectations of residents of dealing with the issue and therefore demand on the service. A problem was explained that to date the fees the Council were able to recover were £75 and this did not meet the costs of providing the service.
36. This risk is now somewhat ameliorated, as it is anticipated that the service can be operated on a cost neutral basis following the Secretary of State's decision to allow an increase to the fee charged from £75 to up to £150. This increase was not known when the budget was set, however a risk remains that the service will operate at a loss.

Inflation

37. Members were concerned that an inflation rate in excess of 3% could not be managed beyond 2-3 years. Whilst the rate of inflation is outside the control of the Council, continued high levels would necessitate the Council considering further ways to manage expenditure, generate additional income or reduce expenditure on non-income projects until inflation rates fell.

Conclusion

38. On consideration of these points, the Overview and Scrutiny Committee commend the following recommendations to the Cabinet.

The Overview and Scrutiny Committee recommends that the Cabinet:

- I. **Be advised that the O&S Committee regards the Council's draft 2018/19 budget as sound and deliverable.**
- II. **Be advised that the O&S Committee regards the Council's reserves position as suitable to cover identified contingencies and risks.**

Contact and Email

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Overview and Scrutiny Committee

Report Tracker – 23 January 2017

Report Title	Date due to O&S	Head of Service/ Report Author	Lead O&S Member / Task Group	Scope of what is to be scrutinised	Further details / current position
Report of Budget Scrutiny Task Group on 2018/19 Budget	23 January 2018		Budget Scrutiny Task Group	Final report on the 2018/19 budget for Committee review and commendation to Full Council.	
CLG Select Committee report on Overview and Scrutiny	23 January 2018			Overview item. Findings of the CLG Select Committee's review into the effectiveness of local authority Overview and Scrutiny Committees	
Community Safety Partnership update	27 February 2018	Health, Parking and Community Safety		Presents the latest strategic assessment information that informs CSP priorities, and the work carried out by partners during 2016/17. Members are invited to ask questions about any aspect of the Community Safety Partnership.	Statutory requirement as part of Crime & Disorder Partnership
Quarter 3 2017/18 Performance Report	27 February 2018	Corporate Scrutiny and Overview Officer		Overview item. Information on what the Council has achieved through its decision making; key performance data and wider contextual information.	

Youth Engagement	27 March 2018	Cultural Services		Overview item. Report on the shift from youth centres to outreach workers and the impact of budget cuts on youth work in the Borough.	Agreed as part of annual work programme
Overview and Scrutiny 2018/19 Work Programme	24 April 2018			Committee to determine topics for inclusion in the 2018/19 work programme.	
Overview and Scrutiny Annual Report	22 May 2018			The Council's Constitution requires the O&S Committee to make an annual report to full Council.	Statutory requirement
<i>Future meeting items – dates not agreed</i>					
Engagement with the Ashford CCG				The Committee wishes to hear from the Ashford CCG to update on matters discussed at the July 2017 meeting	
Presentation from Kent Savers				The O&S Committee wishes to hear from Kent Savers on the role and promotion of credit unions in the Borough.	
Report of Budget Scrutiny Task Group on Universal Credit		Housing, Finance (Revenues and Benefits)		The O&S Committee wishes to have an update report on the roll out of Universal Credit.	

Recommendation Tracker

Report		
Budget Scrutiny Task Group (2017/18 budget) – Cabinet minute 285/2/17 refers		
Recommendation	Responsibility for implementation	Achievement/Completed
(vii) The need for further consideration of cross service and strategic interdependencies to be taken forward by Management Team in liaison with the Overview and Scrutiny Committee	Management Team	
Report		
Health Infrastructure requirements for the Borough – Cabinet minute 182/10/17 refers		
Recommendation	Responsibility for implementation	Achievement/Completed
(i) The Council continue close working with the CCG to ensure that the Local Plan provides the requisite opportunities to support the development of healthcare provision.	Planning Policy	
(ii) The Cabinet ensure that related aspects such as transport access to health care (for rural and/or elderly populations) are considered via an appropriate Task Group(s).	Cabinet, Strategic Transport Group, Ashford Health and Wellbeing Board	
(iii) The Cabinet consider how best to work with the Ashford CCG and other Kent Local Authorities to lobby for changes in the funding allocation formula for CCGs to better reflect the projected population growth of Ashford.	Chief Executive/Leader (through Kent Chief Execs and Leaders Forum)	
(iv) The Cabinet consider how future Section 106 Agreements can be made in such ways that, so far as possible within the legal parameters, contributions relating to health infrastructure can be flexibly applied to projects across the Borough.	Planning Policy, Ashford CCG	