



To the Members of the Borough Council

Dear Sir/Madam

You are hereby summoned to attend a Meeting of the Ashford Borough Council, to be held in the Council Chamber - Ashford Borough Council on Thursday, 19th July, 2018 at 7.00 pm.

Yours faithfully

T W Mortimer
Corporate Director (Law and Governance)

Supplementary Agenda

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8. To receive, consider and adopt the recommendations set out in the Minutes of the Meetings of the Cabinet held on the 14th June and the 12th July 2018 (attached)	1 - 10
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10. To receive the Minutes of the Meetings of the Audit Committee held on the 21st June and the 10th July 2018 (attached)	13 - 18

DS
17 July 2018

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Cabinet

Minutes of a Meeting of the Cabinet held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **12th July 2018**.

Present:

Cllr. Clarkson (Chairman);
Cllr. Bell (Vice-Chairman);

Cllrs. Mrs Bell, Bennett, Bradford, Clokie, Galpin, Pickering, Shorter, White.

Apologies:

Cllrs. Chilton, Link, Michael.

Also Present:

Cllrs. Barrett, Buchanan, Burgess, Dehnel, Hicks, Howard-Smith, Knowles, Smith, Suddards.

Chief Executive, Director of Law and Governance, Director of Finance and Economy, Head of Legal and Democracy, Head of Finance, Head of Housing, Head of Planning and Development, Head of HR and Customer Services, Head of Corporate Policy, Economic Development and Communications, Head of Community Safety and Wellbeing, Deputy Head of Community Safety and Wellbeing, Human Resources Manager, Cultural Projects Manager, Communications and Marketing Manager, Project Delivery Manager, Principal Solicitor (Strategic Development), Senior Policy and Scrutiny Officer, Senior Recovery Officer, Play and Open Spaces Project Officer, Member Services Manager (Operational).

83 Declarations of Interest

Councillor	Interest	Minute No.
Clarkson	Made a Voluntary Announcement as a Director of A Better Choice for Property Ltd	97, 99
Shorter	Made Voluntary Announcements as a Director of A Better Choice for Building Consultancy Ltd and Kent Play Clubs	97

84 Minutes

Resolved:

That the Minutes of the Meeting of the Cabinet held on the 14th June 2018 be approved and confirmed as a correct record.

85 Petitions

In accordance with Procedure Rule 9.1 Mrs Harman and Mrs Greener of 'Rural Means Rural' presented a petition to the Cabinet which supported the Landscape Protection Policy advocated by Councillor Jane Martin for inclusion in the Ashford Local Plan 2030.

Mrs Harman advised that 'Rural Means Rural' along with the 2337 residents who had signed the petition, wanted to be able to identify and preserve the special characteristics of the Borough's villages so that development, when it came, met local needs first and foremost, supporting environment, biodiversity and community. They wanted to be able to validate the cumulative effects of successive development that was slowly eroding quality of life for existing residents. She advised that their campaign had struck a chord in Ashford and across many other Kent Boroughs where there were very similar concerns and village residents felt overruled by the planning system. People were concerned about the pace and scale of development and, most importantly, the lack of consideration for the cumulative effects of constant or multiple development. She said that in a nutshell, their petition represented a groundswell of people who were increasingly disillusioned with a planning system that they did not feel respected the views of those affected by the decisions made. For the majority of those people the system was overly bureaucratic and intimidating and the communication around it too complex for them to engage in a timely and effective manner. The Localism Act 2011 aimed to facilitate the devolution of decision-making powers from Central Government control to individuals and communities and they were that community and they called on the Council to give them the tools they needed to stop the unintended consequences of Government policy on their countryside and rural communities.

Mrs Greener said that the Landscape Protection Policy was a tool that was entirely consistent with the concepts set out in the Localism Act 2011. It provided a framework from within a Local Plan that, should a community choose to use it, allowed them to identify and validate special characteristics and protect them, whether they be 'dark skies', quiet roads or open spaces. Rather than being anti-development it was a means to raise the bar, putting the onus on developers to maintain the standards set by the community in which they proposed to build. She advised that they were presenting the petition at this time because the Council had just received the post hearing advice from the Government Planning Inspectors reviewing the Ashford Local Plan 2030. They knew that the Council had recognised value in the Landscape Protection Policy because sections from it appeared in other Policies in the Local Plan. Rural Means Rural proposed that reinstating the Landscape Protection Policy within the Ashford Local Plan would help the Council address the Inspector's advice. The Inspector had questioned the Council's approach to treat all settlements alike and suggested a tiered or graded approach for planning purposes. Their petition represented 2337 people who supported this view. She said that the Inspector's comments in paragraphs 23 and 24 of their advice questioned the indiscriminate application of Policy HOU3A to all settlements,

because suitable development opportunities may not exist within the built up areas of some and others were without significant services or transport facilities. They had also suggested that the cumulative effects of allocated sites and other developments should be translated into any revised policies. Both of these points required a tool for collection of validating data and the Landscape Protection Policy was that tool. Mrs Greener concluded by reiterating that they were presenting this petition to call for the inclusion of the Landscape Protection Policy into the Ashford Local Plan in its entirety, as a systematic approach to settlement planning sought by the Inspectors, and as a means to ensure a more sensitive approach to rural development.

The petition was then received and the Chairman advised that it would be responded to appropriately in due course.

86 Leader's Announcements

The Leader said he was pleased to announce that three appeals seeking planning permission for nearly 500 new homes in the Borough's villages had been withdrawn by the Developer. These had been for 125 houses in Brabourne Lees, 245 homes in Charing and 110 houses in Biddenden. These had been speculative applications - not wanted or welcomed by this Council and were not in the existing or proposed Local Plan. He wanted to thank the hard work of Officers, Parish Councils and local people in fighting against these applications and stressed that this Council would continue to strongly resist any inappropriate or unjustified development and would instead take a Local Plan led approach, including consultation with local residents, to meet the development needs of the Borough.

87 Revenues and Benefits Recommended Write-Offs Schedule

The report proposed the formal write off of 299 accounts totalling £271,773.26. The proposals were in line with the Council's Revenues and Benefits Service Write Off Policy. Provision for bad debts had been made in the final accounts to account for expected write-offs during the year. The Portfolio Holder advised that all reasonable and viable options to recover the debt had been pursued and would continue if possible in to the future. It was though an important part of strong financial management to regularly review and write-off uncollectable debts.

In response to a question from a Member, the Portfolio Holder advised that whilst frustrating, under the law there was no mechanism to pursue debts from an individual who may have had a business liquidated and then resurfaced under a different company name. It was a loophole in that the debt remained with the Company rather than any individual.

Resolved:

That (i) the action that accounts totalling £43,429.46 have been written off under delegated powers be noted (Financial Regulations 11.1)

- (ii) **the write-offs listed in the Exempt Appendices to the report, totalling £228,343.80, be approved.**

88 Ashford Borough Council Annual Report 2017/18 – People Serving People

The Leader introduced the report which provided a summary of the achievements and milestones of the Council over the course of the 2017/18 financial year, as well as providing commentary on key performance.

Resolved:

That the contents of the Annual Report be noted for publication on the Council's website.

89 Disabled Facility Grants

The Portfolio Holder introduced the report which explained that in October 2017 the Cabinet approved measures to tackle the waiting times of Disabled Facilities Grants. This action had been successful and the report sought to build on that success, setting out a number of proposals to improve services with regards to the overall grants assistance the Council provided for those in the Borough who were disabled and vulnerable. The grants set out in the report would not only focus on those who were disabled, but would also address certain health priorities, such as tackling bed blocking which was costing the NHS millions of pounds a year.

Resolved:

- That**
- (i) **the types of assistance available be amended as set out in paragraphs 19 to 44 of the report, in order to utilise the additional funding provided through the Better Care Fund for Disabled Facilities Grants to respond to the needs of the community.**
 - (ii) **funding be approved for an additional 12 months secondment of an Occupational Therapist from KCC.**

90 Civil Penalties

The Portfolio Holder introduced the report which advised that the Government had introduced Civil Penalties as part of its campaign to clamp down heavily on criminal landlords. Councils had been given the authority to both determine whether to convict and the level of Civil Penalty to impose. It was the Council's intention to encourage landlords to meet their obligations without the need to impose a Penalty Charge. However, the ability to impose such Charges was likely to be a deterrent and encourage compliance. Adopting the new enforcement powers would assist in dealing with rogue landlords who blatantly broke the rules and the report outlined this power and set out proposals for their use.

Recommended:

- That (i) the implementation of Civil Penalties as an alternative to prosecution for housing offences be approved.
- (ii) the Civil Penalties Policy at Appendix 1 to the report be approved.
- (iii) authority be delegated to the Head of Housing to implement the Policy and take decisions on the appropriate imposition of Civil Penalties and the level of fine.
- (iv) authority be delegated to the Head of Housing to set up a procedure to deal with representations following service of a Notice of Intent.
- (v) the Council's Constitution be amended as follows:

Under Part 3 Appendix 5 "Delegations to the Head of Housing" paragraph 14.1 add:

14.1K. "To issue notices and Civil Penalties under the Housing Act 2004 (as amended by the Housing and Planning Act 2016), and to take all necessary steps under the legislation, including deciding on the level of penalty and dealing with representations.

91 Personnel Policy Review

The Portfolio Holder advised that as part of a wider programme of personnel policy reviews the Cabinet was asked to consider and advise upon three new personnel policies, which materially altered the existing policies. The three new policy documents were: - Disciplinary Policy and Procedure; Performance Management Policy and Procedure; and Welfare Support for Employees Policy. These policies replaced the following policy documents in the current Conditions of Service: - D4 Disciplinary Procedure; M1 Managing Poor Performance (Capability); W1 Welfare Policy; and C2 Compassionate Leave. It was explained that the proposals had been through full consultation, in particular with staff through Unison and the Joint Consultative Committee.

Resolved:

That the following policy documents which form part of the Conditions of Service be reviewed and approved: -

- (i) Disciplinary Policy and Procedure;**
- (ii) Performance Management Policy and Procedure;**
- (iii) Welfare Support for Employees Policy.**

92 Chilham Recreation Ground – Section 106 Funding

The Portfolio Holder introduced the report which advised that Chilham Parish Council had submitted a funding application for the use of Section 106 funds from local development for improvement works at Chilham Recreation Ground and Old Wives Lees

Recreation Ground. He advised that the proposals had the full support of the Ward Member.

Resolved:

- That (i) the release of Section 106 funding be agreed to support the local community of Chilham and Old Wives Lees for improvement works that are compatible with the relevant Borough strategies.**
- (ii) a funding agreement is implemented between Ashford Borough Council and Chilham Parish Council to ensure the funds are used appropriately.**

93 Lease of Kiln Field to Tenterden Town Council

The Portfolio Holder introduced the report which asked the Cabinet to agree a 25 year lease of the land known as Kiln Field, off Abbott Way, Tenterden, to Tenterden Town Council for the purpose of maintaining the area as a Nature Conservation site. The proposal had the full support of the four Ward Members for Tenterden and provided a legacy for future generations as the Town expanded. The tabled paper included a missing Appendix from the report which detailed a response from the Kent Wildlife Trust.

Resolved:

- That (i) the lease of the land known as Kiln Field, off Abbott Way, Tenterden, to Tenterden Town Council be agreed on a 25 year lease at a peppercorn rent.**
- (ii) the Head of Corporate Property and Projects be given delegated authority, in consultation with the Head of Culture and relevant Portfolio Holders, to complete all tasks and documentation to give effect to the above recommendation.**

94 Section 106 Agreements – Annual Monitoring Report

The Portfolio Holder introduced the report which demonstrated to Councillors and the public how contributions were being collected and applied and that the monitoring of Section 106 contributions remained robust. The report included details of new contributions negotiated, an accounts update, funds received from existing agreements, and an update on projects being funded by Section 106 obligations.

Resolved:

That the report be endorsed and made available online to provide information to the public and provide a transparent record of Section 106 activity over the last financial year.

95 Proposed Multi Storey Car Park – Station Road, Ashford

The Portfolio Holder for Corporate Property introduced the report which addressed parking provision that would be needed to meet demand as part of the regeneration and development programme in Ashford over the coming years. With some of the existing town centre car parks being identified for redevelopment, it was proposed to explore the potential of the construction of a multi-storey car park on the existing Council owned Station Road car park site at the rear of the bowling alley. The report sought authority to allocate resources to develop these proposals to a stage that would enable the preparation of a business case, construction cost estimate and planning application.

The proposals were further endorsed by the Portfolio Holder for Community Safety and Wellbeing and the Ward Member for Bockhanger who praised the proposed provision for cyclists.

Recommended:

That expenditure of up to £190,000 and the commitment of Council staff resources be authorised to shape the options available to the Council to construct a multi-storey car park on the existing Station Road car park site.

96 Ashford Town Centre Place Making Board – Terms of Reference

The report proposed Terms of Reference for the newly established Board prior to its first meeting.

The Leader advised that he was excited about the formation of this new Board and he envisioned it operating in a similar way to the highly successful Ashford Strategic Delivery Board, dealing with masterplanning for a changing town centre under various work streams.

Resolved:

That the Terms of Reference of the Ashford Town Centre Place Making Board as set out in the Appendix to the report be agreed.

97 Trading and Enterprise Board – 9th July 2018

The Leader thanked the Trading and Enterprise Board (TEB) for their helpful recommendations, in particular with regard to the governance arrangements for A Better Choice for Property Company Ltd. The Cabinet was largely in agreement with the recommendations as presented, but wanted to take them one step further by proposing that whilst the Leader was stepping down as a Director of the Company, he would not be replaced by the Deputy Leader who would in fact continue to serve in his role as Chairman of the TEB and Shareholder (Council) representative. It was proposed that he attend Company Board meetings in this role as an Observer without voting rights. Therefore, no Cabinet Member would be appointed as a Non-Executive Director of the Board of the Limited Company, but a non-Cabinet Member could be appointed in the

future. With the appointment of the three external Directors (and a potential fourth in the future), this was all with a view to ensuring the Company was more arm's length from the Cabinet/Council.

The Deputy Leader said he supported the amended recommendations, and notwithstanding the report later on this Agenda, he hoped that all concerned would now grant the Company a period of stability to allow it to get on with generating an income which would ultimately benefit the Council and the residents of the Borough.

Resolved:

That the Minutes of the Meeting of the Trading and Enterprise Board held on the 9th July 2018 be approved and adopted with the exception of Minute Nos. 76 and 77 and Resolution (ii) and the Recommendation in Minute No. 78.

Recommended:

- That (i) **Minute Nos. 76, 77 and the Recommendation in Minute No.78 be approved and adopted.**
- (ii) **Resolution (ii) of Minute No. 78 be amended to reflect that the Deputy Leader would not be appointed to the ABC Property Company Board and would in fact continue to serve in his role as Chairman of the Trading and Enterprise Board and Shareholder (Council) representative. He would attend Company Board meetings in this role as an Observer without voting rights.**

98 Schedule of Key Decisions to be Taken

Resolved:

That the latest Schedule of Key Decisions as set out within the report be received and noted.

99 Report of the Overview and Scrutiny Committee – Recommendations on A Better Choice for Property

The report presented five recommendations from the Overview and Scrutiny Committee's examination of the A Better Choice for Property Company.

The Leader said he did have a concern over Recommendation (i) which referred to affordable social rented property, local needs housing and specific accommodation for vulnerable people. None of these elements were provided by the Property Company and this was not the purpose for setting it up. He therefore considered it was more sensible to note the five recommendations at this stage for further examination and report back to the Chairman of the Overview and Scrutiny Committee in due course.

Resolved:

That the recommendations from the Overview and Scrutiny Committee be noted for further examination.

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Selection & Constitutional Review Committee

Minutes of a Meeting of the Selection & Constitutional Review Committee held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **12th July 2018**.

Present:

Cllr. Clarkson (Chairman);

Cllr. Bell (Vice-Chairman);

Cllrs. Barrett, Bennett, Bradford, Burgess, Clokie, Galpin, Hicks, Smith.

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

Apologies:

Cllrs. Chilton, Koowaree, Ovenden.

Also Present:

Cllr. Shorter.

Principal Solicitor (Strategic Development), Member Services Manager (Operational).

100 Declarations of Interest

Councillor	Interest	Minute No.
Clarkson	Made a Voluntary Announcement as a Director of the ABC Property Company.	102

101 Minutes

Resolved:

That the Minutes of the Meeting of this Committee held on the 1st May 2018 be approved and confirmed as a correct record.

102 Changes to the Constitution to Increase Efficiency in Dealing with Certain Planning Matters

The report recommended that some additional responsibilities be delegated to Officers, to improve efficiency when dealing with certain planning matters.

The Portfolio Holder for Planning and Development advised that he was fully supportive of the amendment set out in Paragraph 15 of the report, however he proposed deferral of the proposed amendment in Paragraph 10. Members advised that they would like to see some sort of enhanced process for notification of interested Ward Members on delegated planning decisions, to allow them to comment by way of an alert from the Case Officer. The Committee therefore asked for this issue to be discussed informally and brought back fairly swiftly to this Committee with a proposal.

In response to a question from a Member it was confirmed that Councillors would always have the inherent right to refer a planning application in their Ward to the Planning Committee. There were no plans to change that provision.

Recommended:

- That**
- (i) the change to the Constitution set out in paragraph 15 of the report be approved.**
 - (ii) the change to the Constitution set out in paragraph 10 of the report be deferred for more discussion and a report back to this Committee on an enhanced process for notifying Ward Members of delegated planning decisions.**

103 Representatives on Outside Bodies/Organisations

The Member Services Manager (Operational) introduced the report which advised of a need to make a nomination to a position on the Ashford Almshouses and Parochial Charities.

A Member advised that there was a need to appoint four Council representatives on these charities, but they did not have to be Elected Members. He considered the proposals provided a good and balanced solution and still retained three Elected Councillors.

Resolved:

That the Reverend Richard Bellamy be appointed as the Council's fourth representative on the Ashford Almshouses and Parochial Charities.

DS

Audit Committee

Minutes of a Meeting of the Audit Committee held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **10th July 2018**.

Present:

Cllr. Barrett (Vice-Chairman in the Chair);
Cllrs. Mrs Dyer, Hicks, Link.

In accordance with Procedure Rule 1.2(iii) Councillor Galpin attended as a Substitute Member for Councillor Waters.

Apologies:

Cllrs. Smith, Waters.

Also Present:

Director of Finance and Economy, Head of Finance, Senior Accountant, Senior Accountant, Deputy Head of the Audit Partnership.

Audit Manager – Grant Thornton UK, Audit Director – Grant Thornton UK.

79 Minutes

In accordance with Procedure Rule 9.3 Mr Relf, a local resident, spoke in relation to the minutes of the previous meeting. He said that when residents spoke at Council meetings, they were required to submit their question verbatim but minutes of these meetings did not provide a verbatim record of the question or the Council's response. Mr Relf cited as an example the minutes of the Audit Committee on 21st June 2018, which he considered did not accurately convey to residents the extent of lost Council revenue due to specific discrepancies on the Business Rates Valuation Register. Mr Relf asked whether the Council could assure him that in the future the minutes of Council Meetings would accurately reflect the questions raised and the Council's response. He also questioned whether the Council could assure him that before statements relating to Council departments and outside agencies were recorded in the minutes checks were made to establish accuracy.

The Vice-Chairman in the Chair confirmed that the Council did request that questions put to Committees, such as this one, were submitted verbatim. This was to ensure that Officers were able to provide answers to questions posed. He clarified that the minutes of this Committee were not a verbatim account of everything said at a Meeting, as they were intended to be an accurate summary of the proceedings and of the decision reached, including, where appropriate, the essence or the main threads of the discussion that led to the conclusion. The minutes of the Full Council, at which Mr Relf had spoken previously, were minuted verbatim. These were the only minutes that were recorded in such a manner. The Vice-Chairman in the Chair assured Mr Relf that the minutes were checked by those Officers present at the meeting for accuracy and were approved by this Committee and subsequently by Full Council. Any statements made by public speakers were recorded in the minutes in the appropriate manner. No checks would be carried out to validate any figures or statements made by public speakers.

Public speakers were responsible for ensuring the accuracy of any statements prior to addressing the Committee.

Resolved:

That the Minutes of the Meeting of this Committee held on the 21st June 2018 be approved and confirmed as a correct record.

80 Statement of Accounts 2017/18 and the External Auditor's Audit Findings Report

The Director of Finance and Economy introduced this item. He said the substance of the agenda tonight was the culmination of the Audit of the Statement of Accounts. The first item was the revised Statement of Accounts. The Committee had received a draft Statement of Accounts at the last meeting and the audited and amended version were presented to this Meeting. The report discussed the process undertaken and thanked the Auditor for their work and cooperation. He considered that the audit had gone very smoothly this year and that a good working relationship had been established between the Council and the Auditor. The Committee were asked to note the going concern basis of preparation, which had been noted in the Auditor's report. The report also discussed the amendments made to the Statement of Accounts, which were detailed in the Auditor's report. The main focus had been on changes in disclosure requirements, such as changes to the narrative report and the number of Disclosure Notices. The Audit Action Plan made two recommendations in relation to Section 106 contributions, and the Public Inspection Period. With regard to Section 106 contributions, a way forward had been discussed with the Auditor and a plan had been put in place for handling these issues in future. With regard to the Public Inspection Period, there had been an error on the part of the Council in the publication of the draft Annual Governance Statement, which had now extended the Public Inspection Period for a number of days, after which it should be possible to close the Audit and have the Audit Opinion issued.

The Audit Director (Grant Thornton UK) introduced the Audit Report, which summarised the findings and conclusions of the Audit across all the areas of responsibility, including the Financial Statements and consideration of the Value for Money requirement. It was the Auditor's proposal, subject to completion of the outstanding work, to issue unqualified opinions on both the Accounts and the Value for Money conclusion.

The Audit Manager (Grant Thornton UK) ran through the details of the report. He said that some of the information in the report did not necessarily apply to the Council, but it was necessary to meet the requirements under auditing standards. He said that with regard to the Financial Statements, the audit was substantially complete although there were a number of areas to be finalised. The Accounts had been prepared to a high standard, and had required a great deal of complex work. At the moment there was no indication of any objection to the Accounts, but this was still possible up to the date the Inspection Period closed. There had been more focus on Going Concern this year than in previous years, but the Auditor had concluded that there were no issues to bring to Members' attention. The Significant Audit Risks section laid out the likely risks and the work undertaken to address those risks. The Audit Manager assured Members that these were risks which faced all authorities and no reason for concern had been uncovered in the Audit.

A Member asked whether the Auditor was satisfied with the Council's valuation of buildings. The Audit Manager said that the Council used an external valuer. The Auditors had satisfied themselves regarding the work undertaken by the valuer in light of their experience and knowledge, as well as how the results of the valuer's work had been incorporated into the Accounts. A number of tests had been carried out and there were no concerns on this issue.

Another Member noted that the valuation of heritage assets was based on their insurance value, and she was surprised by the low figures. The Head of Finance responded that heritage assets were hard to value because they did not usually have an existing use value. One of the ways in which the Council was permitted to value them was by using the insurance value, which would be based on a replacement cost. It was always a moot point whether heritage assets would be replaced on a like for like basis, so valuation was a complex issue.

The Audit Manager said that accounting policies were well-established and the Council worked within a framework of local government accounting. The only comment was on the treatment of developers' contributions. The Auditor considered that there should be better differentiation and had made a recommendation on this item. The Audit Manager said contributions were currently not clearly badged and could be put to a number of different uses. There was value in reviewing current practice and making a distinction between funds used for revenue and capital. The Audit Manager considered that the summary in the report covered all the substantive issues.

The Audit Manager drew to Members' attention the need for action in relation to the notice period for the Annual Governance Statement. This was one of the recommendations in the report. Another risk had been identified under Value for Money, with regard to financial position and financial sustainability, and this was a common risk across councils generally. The Auditor had considered this risk, and did not feel it should be of concern to Members.

The Vice-Chairman in the Chair asked whether the Auditor was happy with the Council's Revenue Budget gap. The Audit Director said that it was not a question of whether the Auditor was content with the Budget gap, but whether the Council had robust financial management arrangements in place to address the issue. The Auditor had taken into account the findings from the Peer Review, and the financial performance of the authority, and had come to the view that the Council had satisfactory arrangements in place to manage the financial position at present. The Auditor had no undue concerns on this matter.

The Audit Manager said he would like to place on record his thanks to the Senior Accountant and the finance team for their work on closing accounts. He said the process had gone very well.

The Vice-Chairman in the Chair asked the Director of Finance and Economy for the management response to the recommendation in regard to the Public Inspection Period. The Director of Finance and Economy explained that there had been an Officer error in calculating the Public Inspection Period. The correct information was not published on the internet and as a result the Inspection Period had to be extended. There would be a review of processes to ensure that this did not happen again.

The Vice-Chairman in the Chair noted that according to the report there were no adjustments found. He thanked the Director of Finance and Economy and his team for achieving this result. The Director of Finance and Economy said that the Senior Accountant had been the main Officer responsible for the Statement of Accounts and he congratulated her achieving a high-quality Audit result. A Member said it was reassuring to know that good accounts were coming forward, and he thanked the Auditor for their part.

The Director of Finance and Economy explained that the amended Statement of Accounts was submitted to the Committee for approval and adoption. The Statement of Accounts would be signed at the end of the meeting by the Vice-Chairman in the Chair and the Director of Finance and Economy. Pages 30 and 31 of the Agenda showed the adjustments to the Disclosure Notice and these were reflected in the Statement of Accounts now being considered. Once the Inspection Period had expired, subject to no objections or post-balance sheet events, the Audit Opinion would be attached to the Statements, which could then be published and the Audit closed.

A Member asked about Treasury Management and it was confirmed that the Council's short and long-term borrowing amounted to £36m and investments amounted to £38m. She also said that it was very helpful to see the grant income displayed clearly in the report.

The Vice-Chairman in the Chair asked the Director of Finance and Economy for his estimate of possible risk if there were more successful appeals by rate-payers than anticipated. The Director of Finance and Economy responded that the Council was in the 2017 Valuation List and was expecting a number of appeals against the valuation, but these had not been forthcoming. It had been difficult to quantify as there was no history to form a baseline position. Officers had used the Government's estimate of between 4 – 5% of the rateable value. Based on current experience it was considered that this was an appropriate position. This could be reviewed annually to see if a trend was developing and the position needed to be adjusted.

The Vice-Chairman in the Chair drew attention to the assumptions made about the future and other major sources of estimation uncertainty. He questioned whether the margin for error was too small, and expressed concern over the effect if actual results differed from assumptions. He asked the Director of Finance and Economy how this risk was being managed. The Director of Finance and Economy responded this was a very long-term issue and small changes in discount rates and mortality rates could have significant impact on liabilities. However, all these assumptions in changes would be incremental over time and, with careful monitoring, the Council could make adaptations and adjustments to its financial strategy accordingly during that period. It was acknowledged that there was a Pension Fund deficit, and the Council would seek ways to close the gap over a 20-year period.

In response to a question, the Director of Finance and Economy said that the Council employed experts based on a procurement exercise undertaken by KCC. It was important to challenge and test the advice of the experts to ensure that it was based on robust and sound assumptions, but once the Council had satisfied this part of the process, there would come a point where it would be necessary to trust the methodology and professional ethics of any approved adviser.

A Member asked whether the Council would act as guarantor for Ashford Leisure Trust. The Director of Finance and Economy said that the current procurement exercise had resulted in a cessation report. If the Leisure Trust ceased but continued to pay in contributions, the scheme would be considered fully-funded. The Council was currently looking to proceed on this basis. Any new operator would be expected to offer a similar pension scheme to any staff who had been TUPE'd across and, in such a case, the Council would not be implicated in any pension costs.

Resolved

To

- i) **Consider the Appointed Auditor's Audit Findings and approve the audited 2017/18 Statement of Accounts;**
- ii) **Approve that the Chairman of this Committee signs and dates the Accounts as required by Section 10(3) of the Accounts and Audit Regulations 2003 as approved by the Council;**
- iii) **Approve the Chief Financial Officer's Letter of Representation to the Appointed Auditor.**

81 2017/18 Financial Statements – Letters of Assurance to External Auditors

The Director of Finance and Economy introduced this item. He said the two letters had been requested by the Auditor to give them assurance on the governance arrangements put in place by the Council, which were necessary for the Audit to be completed. The Auditor had received draft copies of the letters, and the Chairman had agreed that these could be signed. The Director of Finance and Economy asked the Committee to note the letters and agree them. The Auditor had also questioned management about the risk and control environment, and the Council's responses were included for the Committee to note and agree.

A Member said that the questions put forward by the Auditor had prompted excellent responses. He was aware of the risks the Council was taking on in terms of enterprise and he considered that these responses illustrated the due diligence the Council took in managing those risks.

The Vice-Chairman in the Chair asked how the Council communicated to employees and contractors its views on appropriate business practice and ethical behaviour. The Council had stated that it was not aware of any new whistleblowing complaints this year, and the Member asked for this to be clarified. The Head of Finance and Economy said the wording would need to be amended, but a section in the Annual Governance Statement explained the levels of behaviour expected. The Conditions of Service were made available to all staff and any changes were communicated to staff. Training had also been provided on whistleblowing. Regarding contractors, the Annual Governance Statement was also available, as well as guidelines during the contracting process. The Director of Finance and Economy confirmed that the document would be amended.

A Member asked for further information about older persons living at Repton Park. The Director of Finance and Economy said this issue had been reported to and agreed by Cabinet a number of months ago. A site at Repton for older persons living had a stalled Section 106 contribution so the Council was approached by Chaney Capital, an investment firm who were looking to use an ethical development fund to deliver more affordable or social housing. The Council were in discussion with Chaney Capital about an arrangement to deliver housing units, which would be provided by Chaney Capital and run and let by the Housing Revenue Account.

Resolved

That

The Audit Committee endorses the Chairman's and Management's Assurance Letters.

82 Report Tracker and Future Meetings

It was noted that the next Meeting of the Audit Committee would take place on 27th September.

Resolved:

That the Committee notes the schedule of meetings.

Queries concerning these minutes? Please contact membersservices@ashford.gov.uk
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