



OVERVIEW AND SCRUTINY COMMITTEE

Notice of a Meeting, to be held in the Council Chamber, Civic Centre, Tannery Lane,
TN23 1PL - Ashford Borough Council on Tuesday, 28th January, 2025 at 7.00 pm.

The Members of the Overview and Scrutiny Committee are:-

Councillor Chilton (Chair)
Councillor Ledger (Vice-Chair)

Cllrs. Arnold, Bartlett, Bell, Dean, Feacey, Gathern, Giles, McGeever, Michael and
Shilton.

Agenda

Page Nos..

- | | |
|---|----------------|
| <p>1. Apologies/Substitutes</p> <p>To receive Notification of Substitutes in accordance with Procedure Rule 1.2 (c)</p> | <p></p> |
| <p>2. Declarations of Interest</p> <p>To declare any interests, which fall under the following categories, as explained on the attached document:</p> <ul style="list-style-type: none">a) Disclosable Pecuniary Interests (DPI)b) Other Significant Interests (OSI)c) Voluntary Announcements of Other Interests <p>See Agenda Item 2 for further details</p> | <p>3 - 4</p> |
| <p>3. Minutes of the last Meeting</p> <p>To approve the Minutes of the last Meeting</p> | <p>5 - 10</p> |
| <p>4. Report of the Budget Scrutiny Task Group</p> <p>Draft report of the Budget Scrutiny Task Group for discussion and Minutes from BSTG meetings for information.</p> | <p>11 - 40</p> |
-

Queries concerning this agenda? Please contact Democratic Services telephone: 01233 330491 email: democraticservices@ashford.gov.uk
Agendas, Reports and Minutes are available on: www.ashford.gov.uk/committees

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 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 alone, such as:

- Membership of amenity societies, Town/Community/Parish Councils, residents' groups or other outside bodies that have expressed views or made representations, but the Member was not involved in compiling or making those views/representations, 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: Where an item would be likely to affect the financial position of a Member, relative, close associate, employer, etc.; OR where an item is an application made by a Member, relative, close associate, employer, etc., there is likely to be an OSI or in some cases a DPI. ALSO, holding a committee position/office within an amenity society or other outside body, or having any involvement in compiling/making views/representations by such a body, may give rise to a perception of bias and require the Member to take no part in any motion or vote.]

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/5962/2193362.pdf
- (b) The Kent Code of Conduct was adopted by the Full Council on 19 July 2012, and a copy can be found in the Constitution alongside the Council's Good Practice Protocol for Councillors dealing with Planning Matters. See <https://www.ashford.gov.uk/media/2098/z-word5-democratic-services-constitution-2019-constitution-of-abc-may-2019-part-5.pdf>
- (c) Where a Member declares a committee position or office within, or membership of, an outside body that has expressed views or made representations, this will be taken as a statement that the Member was not involved in compiling or making them and has retained an open mind on the item(s) in question. If this is not the case, the situation must be explained.

If any Member has any doubt about any interest which he/she may have in any item on this agenda, he/she should seek advice from the Director of Law and Governance and Monitoring Officer, or from other Solicitors in Legal and Democracy as early as possible, and in advance of the Meeting.

This page is intentionally left blank

Overview and Scrutiny Committee

Minutes of a Meeting of the Overview & Scrutiny Committee held in Council Chamber, Civic Centre, Tannery Lane, Ashford on the **26th November 2024**.

Present:

Cllr. Ledger (Vice-Chair in the Chair)

Cllrs. Arnold, Bartlett, C Bell, N. Bell, Dean, Feacey, Gathern, Giles, McGeever, Michael, C Suddards.

In accordance with Procedure Rule 1.2 (c) Councillors C Bell and C Suddards attended as Substitute Members for Councillors Shilton and Chilton respectively.

Apologies:

Cllrs. Chilton, Shilton, Walder, Chief Inspector Sarah Rivett – Kent Police.

In attendance:

Cllrs. Campkin, Nilsson.

Corporate Director of Place, Space and Leisure; Assistant Director of Environment, Property and Recreation; Assistant Director of People, Communications and Technology; Head of Policy and Performance; Environmental Contracts Manager; Safety and Wellbeing Manager; Monitoring Centre Team Leader; Senior Governance and Data Protection Officer; Democratic Services Manager.

Inspector Richard Batten – Kent Police.

Also in attendance virtually:

Cllr Harman.

214 Declarations of Interest

Councillor	Interest	Minute No.
C Bell	Made a Voluntary Announcement that Community Safety was within her KCC Portfolio and she was Chair of the Kent Community Safety Partnership.	216
Feacey	Made a Voluntary Announcement that he was Chair of Ashford Volunteer Centre and Ashford International Development Company	218

215 Minutes

Resolved:

That the Minutes of the Meeting of this Committee held on the 10th October 2024 be approved and confirmed as a correct record.

216 Community Safety Update

The Assistant Director of Environment, Property and Recreation introduced the report, which provided the Committee with its annual update on community safety. The report explained that the Council had a duty under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all their functions and decisions on crime and disorder in their local area. The report outlined how the Council worked in partnership with other agencies to reduce crime and disorder, with this work being progressed through the Ashford Community Safety Partnership (CSP). The report also detailed crime statistics for the Borough and information on current community safety priorities and actions that had been taken to meet those priorities and raised awareness of emerging issues. She advised that the Safety and Wellbeing Manager and Community Safety Inspector Richard Batten from Kent Police, were also present to answer any questions that Members may have.

The report was opened up to the Committee and the following responses were given to questions/comments: -

- ABC had recruited to its Domestic Abuse Co-Ordinator post earlier that month and that person had now started.
- The majority of the town's licensed premises were engaged with the 'Ask Angela' initiative and the Police Licensing Officers did do regular checks and were supportive.
- The Community Safety Unit (CSU) did still have the safety equipment around drink spiking and that was being distributed in the run up to the festive season.
- The funding for the work with the Charlton Athletic Community Trust did run out in March 2025. A funding proposal for continuation of the work had been submitted but was yet to be agreed. A Member considered it was important that this initiative was supported and secured to remain in Ashford, particularly as it was referred to in Ashford's new Borough Plan up to 2028.
- The CSU would be keen to open up communications with Ward Members on certain types of incidents as much as possible, but this would not always be possible in the case of live Police incidents.
- The CSP was keen to continue to provide funding for engagement with schools. There were further workshop programmes planned with both Year 9 and Year 12/13 students in 2025 but it was fair to say that funding was limited.

There was also engagement with Primary Schools and there was a Child Centred Policing team which engaged with those younger people.

- Kent Police had a platform called 'My Community Voice' which was a two-way engagement tool that allowed the public to report issues in their areas and allowed the Police to create a personalised policing response. This was intended to complement the more traditional ways of reporting issues which were all still there. It was important that all incidents of crime and Anti-Social Behaviour (ASB) were reported as it allowed the Police to adjust and target their resources accordingly and Members were encouraged to get that message out to their communities. Incidents on new developments that were still in the hands of developers should still be reported to the Police in the normal ways.
- Issues around nuisance motorcycles and e-scooters were recognised locally and had been identified as a particular priority due to the level of reporting.
- Whilst there was a focus on the town centre and urban areas as these were the hotspot areas for community safety issues, there was still a desire to work with Tenterden and the villages and each area had its dedicated Officers (details of which could be found on the Kent Police website). If there were any particular issues or hotspots elsewhere, Members were encouraged to speak to the CSU and Officers were always happy to attend Parish Council and other local meetings.
- There was an ASB case review mechanism if an individual was unsatisfied with how their ASB concern had been addressed. When this threshold was met, a panel meeting took place to consider information relevant to the case, gave complainants the opportunity to voice their concerns and to allow agencies to explain how they had addressed these. The chair of the panel meeting then reviewed all the information and made recommendations to the agencies on what additional actions they could take. This was then shared with the complainant.

The Vice-Chair in the Chair said he wanted to thank all those involved with the Ashford Community Safety Unit for the hard work they undertook throughout the year as demonstrated in this particularly positive report.

Resolved:

That the report be received and noted.

217 Waste Services Contract

The Assistant Director of Environment, Property and Recreation introduced the report, which provided an update on the performance and communication of the new waste contract with Suez which started on 24th March 2024. It was clear that the start of the contract had seen some disruption to collections due to route changes, new vehicles, digitalisation and the challenges of entering into a new three-way partnership. The changes undoubtedly led to an increase in inquiries, particularly via social media, and the report covered how communication had been handled and the

lessons learned. This was the first time that such a key front line service change affecting the whole Borough had taken place in the age of intense scrutiny via social media and lessons had certainly been learned. It was pleasing to note that things had settled down from those initial months and current performance was the best it had been for over 10 years so they were now beginning to reap the benefits. They now needed to ensure this continued and was managed through robust contract management.

The report was opened up to the Committee and the following responses were given to questions/comments: -

- The aim of the Extended Producer Responsibility (EPR) was to provide funding, from the manufacturer and reseller to Local Authorities to fund the collection of packaging for recycling. It would only be payable on packaging materials and not currently anticipated to fund to the level previously provided by KCC. This was anticipated for the next financial year, although the extent had not yet been confirmed or published. There were no changes for the bins or how the public disposed of their rubbish.
- Comms and further messaging reminding the public how to dispose of different types of waste would be considered going forward. More positive comms about the contract were also planned, but Officers had consciously held back on those for now as things settled down.
- Suez had its own Project Officer in place who would work across the three Authorities and now the contract had settled down they would be pursuing education projects and some of the more analytical parts of the contract. Data was building up now which would allow specific areas and issues to be targeted and further improvements to be made. Suez would also take on the local community roadshows.
- Street cleansing was not affected by the changes to the contract, although it was recognised that there were areas where efficiency and effectiveness could be increased and these were being considered with the contractor. Members were encouraged to report any particular issues or areas of concern so these could be considered.
- It was noted that disposable coffee pods could be collected and recycled via Evri.
- Contamination of waste was not a big issue in Ashford with only the odd load being rejected, however the situation would continue to be reviewed.
- Electric vehicles had not been pursued at the outset of the contract due to the prohibitive costs involved and the lack of necessary range.
- It was true to say that the initial communications with both residents and Ward Members had not hit the right note and lessons had been learned.

The Vice-Chair in the Chair said he wanted to thank everyone involved with such a huge piece of work. The Committee recognised the initial problems but the way

everybody pitched in to get things resolved was admirable and deserved praise. Nearly 18,500 contacts had been received from residents in the first three months of the contract and this had placed an enormous burden on Council staff, so Members wanted to express their thanks and appreciation.

Resolved:

That the report be received and noted.

218 Corporate Performance Report

The Senior Governance and Data Protection Officer introduced the report which summarised performance against the Council's suite of Key Performance Indicators set out on the Borough Plan 2024-28, for the Quarter 2 period 2024/25.

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

- A Member asked about the plans to bring the clock tower at Newtown Works back in to use as part of the new development. A Member who was also Chair of the Ashford International Development Company confirmed that reinstatement of this was part of the plans.
- Regarding the Council's self-referral to the Regulator of Social Housing, some concerns were expressed about health and safety failings, particularly around smoke and carbon monoxide detection, and a timescale for completion was requested. The Head of Policy and Performance explained that progress updates were being provided to the Audit Committee from the Asset and Compliance Board, but she did know that a lot of work was going on in this area. She also understood that there was a recording mechanism now in place within the service called True Compliance which was being used. Given the Committee's interest in housing issues, it was considered that the Housing KPI's contained in this report could be revisited for a sense check.

Resolved:

That the report be received and noted.

219 Schedule of Key Cabinet Decisions

Resolved:

That the report be received and noted.

220 Work Programme and Tracker

A Member said he had some concerns about the Section 106 process. He believed that funds which had been promised had gone missing and he would like a better understanding of the process, how it was being measured, what was happening to the funding and how Ward Members could have more of an input alongside Parish

OSC
261124

Councils. This funding was significant for the Borough and he asked if this was something the Committee could examine. The Head of Policy and Performance advised that the Committee did undertake a review of Section 106 a couple of years ago, so it might be timely to re-visit the outcomes of that review in the context of the current position.

Resolved:

That the report be received and noted.

Queries concerning these minutes? Please contact Democratic Services
Telephone: (01233) 330491 Email - democraticservices@ashford.gov.uk
Agendas, Reports and Minutes are available on: <https://ashford.moderngov.co.uk>

Agenda Item 4

Agenda Item No:	4
Report To:	Overview and Scrutiny
Date of Meeting:	28 January 2025
Report Title:	Report of the Budget Scrutiny Task Group
Report Author & Job Title:	Cllr B Chilton Cllr, Chair of Overview and Scrutiny Budget Task Group
Task Group Chairman:	Cllr.Chilton
Other Members of the Task Group	Cllr N. Bell, Cllr Bartlett, Cllr Ledger, Cllr Shilton, Cllr Michael



Summary:

The Overview and Scrutiny Budget Scrutiny Task Group has scrutinised the council's draft 2025/26 budget over four meetings during December and January.

The Task Group concluded that the budget is achievable notwithstanding the significant risks to the Budget and need for the Council to be mindful of the potential additional costs that could face the Council this year in respect of local government reorganisation.

The Task Group made 14 recommendations which are around future risks for the Cabinet to consider when making their final budget proposals to Council.

Key Decision: No

Significantly Affected Wards: None specifically

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

- I. they support the permanent formation of the Overview and Scrutiny Budget Task Group as a subgroup of the full Overview and Scrutiny Committee.
- II. a notional charge for commercial rent is included within the Port Health budget to mitigate future risks and make provision for being charged for occupying the facility in the future.

- III. a budget be made available, funded from reserves for costs associated with Devolution and Local Government Reform (where not externally funded).
- IV. the provision for Counsel costs of £113,000 within the Planning budget is not sufficient for 2025/26 with several major appeals expected to come forward. Members should be aware that additional costs for defending appeals should be met from reserves.
- V. develop a process to approve defending appeals where they are going to incur significant additional costs to the council.
- VI. there should be a deep dive review of recharges for 2026/27 ensuring 'all' appropriate charges are made between funds to prevent the risk of cross funding.
- VII. the additional grant for homelessness from the provisional financial settlement should be used to offset further growth within homelessness following the draft budget, with a focus on funding prevention.
- VIII. The Council reviews options to see if we can work with supported / modular housing providers to provide more TA accommodation to reduce pressure on the budget going forward.
- IX. changes in business rates reliefs (notably RHL (retail, Hospitality and Leisure dropping from 75-40%) could reduce collection rates and increase recovery costs if businesses struggle to pay in the current economic climate.
- X. due to a worse than anticipated financial settlement within the MTFP (medium term financial plan), there is an expectation that the MTFP gap could increase and propose that 'new' savings plans are developed to mitigate this risk ahead of the 2026/27 budget setting process.
- XI. note that the increase in Employers National Insurance Contributions for external contractors could be a risk to the budget if they seek contractual changes / support to cover additional costs.
- XII. Ashford Cinema Ltd. could seek an extension to the existing funding agreement which presents a risk of additional costs coming forward, which could be met from reserves.
- XIII. there is a risk that increasing borrowing costs could increase Council borrowing costs above the fixed rate provided to Ashford International

Development Company which could add pressure to the budget.

- XIV. they note the impact on the budget of ending the provision of lifeline services and provide assurance that the active monitoring of CCTV will be continued.

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: [Draft Budget 2025/26](#) report to Cabinet 12 December 2024.

Minutes of the Budget Scrutiny Task Group meetings are included at the end of the report.

Contact: Lee Foreman, Head of Finance
Lee.foreman@ashford.gov.uk – Tel: (01233) 330509

Report Title: Report of the Budget Scrutiny Task Group – Further Recommendation

Introduction and Background

1. In accordance with the council's Constitution, the Overview and Scrutiny Committee has a duty to scrutinise the council's draft budgets. The Committee constituted a Task Group made up of six Members to undertake this work and present its findings of the draft Budget for 2025/26 within this report.

Chairmans (Cllr Chilton) Statement on Budget Scrutiny

2. This report presents the Overview and Scrutiny Committee's Budget Task Group 2025 scrutiny of the administrations 2025-2026 Ashford Borough Council Budget.
3. The Task Group was composed of a good mix of new and experienced members, including Cllr Brendan Chilton (Chair), Cllr Paul Bartlett, Cllr Winston Michael, Cllr David Ledger, Cllr Neil Bell and Cllr Johnny Shilton.
4. The Task Group would like to express its thanks to Member Services and the Finance Department for the support they provided to the Task Group during the scrutiny of the Budget.
5. The Task Group would further like to thank all Officers who attended our meetings to take questions and present information to the Task Group. It is noted that Portfolio Holders did not attend the meetings this year.
6. This year's Budget was constructed under tight fiscal conditions. The new government has implemented tax measures to mend the public finances that will have a cost impact on local government including Ashford Borough Council. Policy decisions by the new government may also increase pressure on the Council through extra demand for local services particularly in respect of welfare support.
7. The Task Group determined that it would undertake deep dives into housing and homelessness, recharges, and the port-health authority, and examined the Medium-Term Financial Plan. The Task Group also examined the loan facility to the International Development Company and arrangements for Ashford Cinema Ltd.
8. Inflation remains higher than usual at around 4% and at the time of writing this report, interest rates remain higher than usual. This means our spending power is impacted and the rate at which we can borrow and at which we can lend money is more expensive. The Task Group noted the particular risk these place on the arrangements with Ashford International Development Limited. The rate of inflation could rise this year if the incoming US administration does pursue a protectionist trade policy.
9. The Task Group has made several recommendations that are in this report, and we commend them to the Cabinet.

10. Through the course of the 2025-26 Budget, we will now have the extra work of implementing a reorganisation of local government in Kent. This may involve the Council making additional spend on local consultations, particularly with unparished parts of our Borough.
11. The Task Group concluded that the budget is achievable notwithstanding the significant risks to the Budget and need for the Council to be mindful of the potential additional costs that could face the Council this year in respect of local government reorganisation.
12. The Task Group is recommending to the Overview and Scrutiny Committee and to the Full Council that it remains as a standing Task Group of Overview and Scrutiny and that it be given delegated powers by Overview and Scrutiny to fulfil scrutiny functions in relation to the Council's finances, companies, investments and budgets.

Summary

13. The Overview and Scrutiny Budget Task Group held four meetings through December and January. The initial meeting in December covered the detailed budget pages for the 2025/26 draft budget and Members challenged Officers on various items throughout the evening with many points raised being covered on the night.
14. This meeting also provided the opportunity to consider what areas would be relevant for further scrutiny during the following three meetings of the group and the following agenda items were developed:-

Meeting Two Items (6 January 2025)

15. **Ashford Port Health** – Members felt that this is significant emerging risk to the Council having become independent underwriting in 2024/25 and requested more information around the following key areas to better understand the financial and operational risks to the Council.
 - a. Income generation
 - b. Fees and Charges
 - c. Operational Expenditure
 - d. Recharges
 - e. Risks
16. **Corporate Recharges** – to develop greater understanding of recharges, notably due to significant changes in relation to charging Port Health, and other 'funds' outside of the General Fund.
17. **Other Information** – this was a wash-up of question not fully answered in the initial meeting, significantly a paper around planning income and proposed future charges.

Meeting Three Items (8 January 2025)

18. **Medium Term Financial Plan** – this item was requested as a reminder of the assumptions made in the original modelling that informed the budget. This item also presented the opportunity to consider the implication of the draft financial settlement and the impact on Ashford in both the short to medium term.
19. **Housing Temporary Accommodation** – with the continued increase in representations and costs associated with that, members were keen to understand if the draft budget was sufficient and what action was being taken by the service to try and managed future demand and capacity.

Meeting Four Items (13 January 2025)

20. **Financial Policy Statement and Provisional settlement** (this was a deferral for the MTFP items at meeting two).
21. **Ashford Cinema** – This item was requested, and restricted to understanding the financial risks associated with Ashford Cinema Ltd. for 2025/26.
22. **Ashford International Development Company Ltd.** - This item was requested, and restricted to understanding the financial risks associated with Ashford International Development Company Ltd. for 2025/26.
23. **Wrap-up** – The item was included to enable members to raise any further concerns relating to the 2025/26 budget.

Summary

24. The Overview and Scrutiny Budget Task Group were broadly satisfied with the information and responses provided by Officers and were grateful for receiving presentations and information within a challenging time frame.
25. The minutes of the Task Group meetings are available as part of this report and provide a good overview of the discussion had at the meeting with key points captured at **Appendix A** with recommendations.
26. The Task Group made fourteen recommendations through the course of the meetings, and these are shown at **Appendix A** with a summary of the concern and Management Team's advice.
27. As expected, there was some discussion around Devolution and Local Government Reform, and although one recommendation is made regarding setting aside some reserves, it was agreed that there were better forums for it to be discussed in the future.

Recommendations arising from Overview and Scrutiny Budget Task Group for 2025/26 Draft Budget

1. **Recommendation prelude: - The Overview and Scrutiny Committee recommends to the Cabinet that:-**

	Recommendation	Summary	Management Team Advice
I.	they support the permanent formation of the Overview and Scrutiny Budget Task Group as a subgroup of the full Overview and Scrutiny Committee.	<p>Members of the Budget Task Group feel that the focus and challenge explicitly around financial matters provides a further benefit to the operation of the wider Overview and Scrutiny Committee function.</p> <p>The need for this additional committee could be beneficial in helping the Council navigate future financial challenges as the Council faces uncertain times with risks of further cuts to Government Funding and Local Government Reorganisation.</p>	This is a matter to be considered by members and member services to determine if this is appropriate and how it would be implemented if progressed.
II.	a notional charge for commercial rent is included within the Port Health budget to mitigate future risks and make provision for being charged for occupying the facility in the future.	<p>The Task Group confirmed that at present the Port Health facility does not pay for rent for the unit occupied as this is covered by the site owners (HMRC) through the common user charges that is made to all users of the fleet and is currently set at £10 per visit.</p> <p>Members felt that as the site matures and further costs associated with maintenance of the site and units become prevalent that there is a risk that funding from the users, i.e. the Council Port Health Function could be made.</p> <p>The recommendation therefore makes provision to mitigate this potential risk.</p>	<p>This is a recognised risk and Officers will work with the Council's valuer to work out an appropriate notional rent to be included within the Port Health Budget.</p> <p>Where this rent is not demanded, then the saving will be transferred to the Port Health risk reserves to progress them more quickly to an appropriate level.</p>
III.	a budget be made available, funded from reserves for costs associated with Devolution and Local Government Reform (where not externally funded).	<p>During the Budget Task Group timeline KCC expressed an interest to Government that they would be interest in an accelerated Devolution deal that is coupled with an expectation of Local Government Reform, in an equally accelerated manner.</p> <p>To ensure that the Council can understand and assist with informing decisions to be made, a budget, to be funded from reserves should be made available.</p>	<p>It will be challenging to make an explicit budget available without understanding the potential costs and external funding available.</p> <p>However, it is acknowledged that there will inevitably be costs associated with exploring/supporting Devolution and Local Government Reform and</p>

Recommendations arising from Overview and Scrutiny Budget Task Group for 2025/26 Draft Budget

		It should be noted however, that external funding should be sought in the first instance.	funding this from reserves would be an appropriate approach.
IV.	the provision for Counsel costs of £113,000 within the Planning budget is not sufficient for 2025/26 with several major appeals expected to come forward. Members should be aware that additional costs for defending appeals should be met from reserves.	<p>Members expressed concern that the budget of £113,000 within the Planning Budget for Counsel services was not sufficient due to several known large appeals coming forward.</p> <p>Officers confirmed that this budget was for general appeals and traditionally major appeals are reported as a financial pressure and subsequently funded from reserves. It was also explained that there would be a risk to increasing and decreasing the appeals budget annual to allow for major appeals as this could lead to funding issues in relation to the wider budget.</p> <p>Members are supportive of the approach outlined above but ask that Members are made aware that this is a known risk and there will likely be a call on reserves in 2025/26 to fund major appeals.</p>	Management Team support this pragmatic recommendation and will ensure that reserve funding for appeals is more clearly reported through budget monitoring reports.
V.	develop a process to approve defending appeals where they are going to incur significant additional costs to the Council.	<p>This followed on from the recommendation above in that Members are concerned about the level of spend on appeals that are outside of the Council's approved budget framework.</p> <p>However, it is also accepted that the decision of the Planning Committee should be upheld and therefore it is right and proper that subsequent appeals are then vigorously defended.</p> <p>Members have recommended that options to develop a framework to approve appeals be considered.</p>	<p>Management Team acknowledge the intent of the recommendation and the risk of financing appeals.</p> <p>However, as identified by the committee the Council has a duty to defend decisions vigorously to ensure integrity of the planning decision making process.</p> <p>Although a 'formal' policy is not recommended as this would give the impression that it was a financial decision. Officers will explore options to provide further training to members of the Planning Committee setting out the costs associated with previous appeals and also highlight where the</p>

Recommendations arising from Overview and Scrutiny Budget Task Group for 2025/26 Draft Budget

			<p>Council has had positive and negative experiences in defending appeals.</p> <p>As referenced in the previous recommendation, reporting of appeal expenditure will also be strengthened within financial monitoring reports.</p>
VI.	<p>there should be a deep dive review of recharges for 2026/27 ensuring 'all' appropriate charges are made between funds to prevent the risk of cross funding.</p>	<p>Members review the papers provided and were supportive to the overall approach to recharges, including recharges to Ashford Port Health.</p> <p>However, there is a risk that some of the cost drivers and recharge methodologies could be dated and recommend that Officers do a complete review of recharge for 2026/27.</p> <p>It was highlighted by Members that particular attention should be given to recharges made between funds, notably the General Fund, HRA, and Port Health.</p>	<p>This recommendation is accepted and given structural changes and service developments in recent years is due a deep dive review.</p>
VII.	<p>the additional grant for Homelessness from the provisional financial settlement should be used to offset further growth within Homelessness following the draft budget, with a focus on funding prevention.</p>	<p>In reviewing the report on the Provisional Financial Settlement and having considered cost increases to Temporary Accommodation, Members were informed that an additional grant of £483,330 was received in government grant for 2025/26.</p> <p>Members supported Officers recommendation that this additional grant should be matched with an equally sized budget to recognise future growth (which is already above budgeted levels) in Temporary Accommodation and prevention costs.</p>	<p>Management Team support this recommendation and acknowledge that this should support both general cost increases but also funding for homeless prevention.</p>
VIII.	<p>The Council reviews options to see if we can work with supported / modular housing providers to provide more temporary accommodation to reduce</p>	<p>To help reduce further pressures within the Temporary Accommodation budget, members are aware that the Council is working with sheltered housing providers to support homeless residents.</p> <p>However, given the success of Henwood, although accepting that Henwood 2 is not necessarily the solution, Officer should expand its</p>	<p>Management Team support this recommendation and will explore options with both sheltered and modular housing providers.</p>

Recommendations arising from Overview and Scrutiny Budget Task Group for 2025/26 Draft Budget

	pressure on the budget going forward.	remit to explore options for working with Sheltered, but also providers of modular housing to try and provide more capacity to manage temporary accommodations costs.	
IX.	changes in business rates reliefs (notably RHL (retail, Hospitality and Leisure dropping from 75-40%)) could reduce collection rates and increase recovery costs if businesses struggle to pay in the current economic climate.	<p>Through discussions around business rates, members were aware of and raised concern that changes to business rate reliefs could have an impact on the budget for 2025/26.</p> <p>Officer confirmed that this is a risk moving forward as reliefs which started during the Covid Pandemic are being reduced, notably the retail hospitality and leisure relief which is reducing from 75% to 40% relief.</p> <p>While reductions in reliefs to not reduce the amount billed, it does make the tenant liable for a larger amount and this could lead to financial distress in what are already challenging economic times, especially given the recent increases in Employer National Insurance Contributions.</p>	<p>Management Team acknowledge the concern of members and confirm that this pattern is already impacting Council Tax collection rates as household support funding comes to an end.</p> <p>In relation to business rates, the collection rates are likely to reduce as reliefs are paid by government grant and therefore strengthen collection rates. To allow for this risk Officers have increase the bad debt provision for business rates from 0.8% to 1.2% which is an increase in provision of around £700,000.</p>
X.	due to a worse than anticipated financial settlement within the MTFP (medium term financial plan), there is an expectation that the MTFP gap could increase and propose that 'new' savings plans are developed to mitigate this risk ahead of the 2026/27 budget setting process.	<p>Members identified through the MTFP review that some of the assumption over the medium term were likely to increase following economic events since the MTFP was developed, including the US election result and the Autumn Statement, both of which have created economic uncertainty which has led to increased gilt prices, and subsequently increased borrowing costs for a longer than expected period.</p> <p>Members were also mindful that the MTFP allowed for the same level of government funding for 2025/26, however following the draft financial settlement the core funding power reduced as increases in Council Tax Growth were diminished by a corresponding cut in Government Grant as the core spending power was frozen in cash terms between 2024/25 and 2025/26.</p>	<p>Management Team acknowledge that the MTFP outlook has weakened given recent economic events and a revised MTFP should be prepared in the spring.</p> <p>Following the outcome of this review, and factoring in other income opportunities for the Council, appropriate options will be developed to manage any budget gaps.</p>

Recommendations arising from Overview and Scrutiny Budget Task Group for 2025/26 Draft Budget

		Members of the task group are mindful that the previous MTFP was broadly balanced over the term and that the impact of the above scenarios could lead to deficits moving forward, and therefore it would be prudent to consider savings options in advance of the 2026/27 budget setting process.	
XI.	note that the increase in Employers National Insurance Contributions for external contractors could be a risk to the budget if they seek contractual changes / support to cover additional costs.	Members raised concern that large Council contractors may be financially challenged by increases in Employer National Insurance Contributions and may seek support from the Council to manage increased costs.	This is noted, and Management Team recognise that this could be a significant challenge for upper tier authorities through social care providers but represents a low risk to ABC.
XII.	Ashford Cinema Ltd. could seek an extension to the existing funding agreement which presents a risk of additional costs coming forward, which could be met from reserves.	Members noted the report and made a recommendation to highlight the likelihood that additional funding would be requested by Ashford Cinema Ltd. and that if agreed, this should be funded from reserves.	Management Team agree with the recommendation should further support be provided for 2025/26.
XIII.	there is a risk that increasing borrowing costs could increase Council borrowing costs above the fixed rate provided to Ashford International Development Company	Following discussion around the paper presented to Members, concern was expressed that given current increases in borrowing costs, that they could soon be above the rate at which the Council lends to AIDC. Officers confirmed that this is a risk and would be monitored going forward although there are other contractual options available for the Council to manage this risk if necessary.	Management Team note the recommendation and will monitor accordingly.

Recommendations arising from Overview and Scrutiny Budget Task Group for 2025/26 Draft Budget

	which could add pressure to the budget.		
XIV.	they note the impact on the budget of ending the provision of lifeline services and provide assurance that the active monitoring of CCTV will be continued.	<p>In the wrap up item on the final meeting the cessation of lifeline service being provided by ABC was discussed and that the financial implications will be reported as part of the final budget.</p> <p>Members express concern that despite cuts to lifeline services, and the impact of increased costs of operating the CCTV Monitoring Centre, that they seek reassurance, as previously discussed with the Cabinet that active monitoring of CCTV cameras in maintained.</p>	Management Team note the recommendation and will need to consider the full implications and options moving forward. Any decision would then need to be considered by Members before being progressed.

Contact and Email

2. Lee Foreman, Head of Finance
Lee.foreman@ashford.gov.uk – Tel: (01233) 330509

Ashford Borough Council: Notes of a Meeting of the Overview and Scrutiny Budget Task Group – 9th December 2024

Present:

Cllr. Chilton (Chair)

Cllrs. Bartlett, N. Bell, Ledger, Michael, Shilton.

Also Present:

Head of Finance, Senior Accountant, Assistant Director of Environment, Property and Recreation, Democratic Services & Ombudsman Liaison Officer.

1 Election of Chair

1.1 Cllr Chilton was elected as Chair.

2 Declarations of Interest

2.1 Cllr Bartlett declared that he was a member of KCC.
*He requested it be noted that as a KCC member he had been involved in the matters referred to in paragraph 50 of the full budget (going to Cabinet on the 12/12/24) and he deemed that to describe that Members appeared to be undeterred in their thinking was unfair. The Head of Finance responded that the message intended to be conveyed was that ABC had been led to believe that the sentiment hadn't changed from KCC. The ultimate decision sat with KCC. But the timeliness of decisions didn't fit with ABC's schedule, so we needed to make decisions now regarding the Council tax.

2.2 The following Councillors declared that they were members of Parish Councils:

Cllr Chilton – Stanhope Parish Council
Cllr Bartlett – Sevington with Finberry Parish Council
Kennington Community Council.
Cllr Ledger – Shadoxhurst Parish Council
Cllr Neil Bell – Biddenden Parish Council

3 Minutes of the Last Meeting

3.1 The Task Group agreed that the Minutes of the Overview and Scrutiny Task Group Meetings on the 10th, 15th, 16th January 2024 were an accurate record.

4 BSTG process – background information

Resolved:

That the presentation be received and noted.

5 Draft Budget Pages and Financial Risks 2025/26

5.1 The draft budget pages were introduced; (The draft budget report was being presented to Cabinet on 12th December 2024) and included a summary, budget pages (including service specific budget pages), income, risks and the HRA account. Members were invited to identify any areas they felt required extra detail and/or clarification at subsequent meetings:

- The reduction in Democratic Service costs was attributed to Port Health Recharges. Concern was raised that it was too high and Members did not receive many reports or papers on this. It was suggested that Port Health also needed to be added to the Risk Register. This would be explored in more detail at the BSTG meeting in January.
- The Property Building Services budget for the current year was £181,000, then increasing to £402,000 the following year. The expectation was that it would decrease following the move to International House. This recharge would need examining and the Head of Finance would review this.
- In response to a query over adjustments within the Benefits Administration budget, this related to staff switching between Benefits and Council Tax Administration and an increase in government grant, which resulted in a reduction in cost of service.
- The Right to Buy scheme had seen an increase in applications following the recent legislative changes to Stamp Duty. More details would be given at the meeting in January.
- Homelessness continued to add pressure on the budget, with increasing representations being made. ABC was moving forward with new accommodation schemes including Elwick Studios, and these would help to alleviate some of the problems going forward. It continued to be a national problem, not just a local authority problem, but the government still declined to increase the local housing allowance, which only permitted ABC to claim 90% of the 2011 local housing allowance rate.
- The waste contract budget had increased due to a TUPE exercise at the implementation stage and growth within the Borough. This was index linked to allow for some growth and was anticipated to settle going forward.
- The financial markets had not reacted positively following the autumn budget statement and the rate of Gilts had increased, meaning the cost of borrowing from PWLB had increased.

- When considering the commercial risk of income, the risk was quite low in relation to under delivery. The initial target was already low since it was based on occupancy rate rather than what forecast projections would be.
- Concerning Stodmarsh, a report would be submitted to Cabinet later that week to outline the creation of a joint venture with Canterbury City Council - Stour Environmental Credits Limited. This would help release developments by buying and selling nutrient neutrality credits. ABC would have mitigation which would unlock the development for the Council's own housing stock and subsidiary.
- A new regulator for Housing had been implemented and it had set new standards, requirements and compliance, which had resulted in additional regulatory reform. The Housing Ombudsman had encouraged tenants to phone and complain to their Local Authority about inadequate landlord services. This had inevitably caused an increase in workload for the Housing team. A lot of the HRA repairs undertaken could be capitalised and the Council could then borrow and spread the cost over the life of the asset.
- The budget position on planning income had fallen, due to a drop in application numbers and major works. The draft budget assumed a similar level to income for the forthcoming year and that decline in income would result in vacant posts not being filled. Therefore, there would be a correlation between the drop in income and the drop in expenditure. A Member asked about a new plan for regulations and the Head of Finance explained he would need to speak to the Corporate Director of Place, Space and Leisure for clarification on that.
- The Chair requested that the MTFP be circulated for the next BSTG meeting in January.
- In terms of interest rates and inflation, Arlingclose had given a long-term forecast at 3 to 3.5%, but the Head of Finance said that figure was more likely to be 3.5 to 4%, which was still sustainable and affordable. He added that inevitably it was hard to predict the future and a blip in either direction was possible, particularly given recent events including the pandemic and Ukraine war.
- A Member asked what the Council's debts were (not including HRA) and what the potential value of assets was. The Head of Finance explained that the Council's assets outweighed the value of debts and some provided an ongoing income stream. A cost of capital calculation would help work out what assets generated compared to their expense and then where the best investment would lie. This topic had been called for a review at the Audit Committee taking place in March 2025, and an asset survey was ongoing. The outcome of that review would be fed back to the Overview & Scrutiny Committee.
- Devolution, and subsequent Local Government reorganisation was not considered an immediate risk to the budget.

- A cost pressure in 2024/2025 for traveller site clearance was listed in the draft budget and a Member asked whether any enforcement action was being taken to prevent that happening again. This was to be followed up away from the BSTG.
- A Member asked about the plans for the Civic Suite at the Civic Centre whilst Officers were now working from International House and the potential risk and expenditure of running the two buildings alongside each other. The Assistant Director of Environment, Property & Recreation explained that the short-term costings and overlap had been included in the phase one and phase two process. A cross-party working group would meet in January and would focus on the internal design of the Council Chamber moving forward. Phase two would include the movement of the Civic Suite to International House and it was expected this would be on level 2. The space available for the Council Chamber had potential to provide a commercial income and be rented out as a conference space both to internal tenants and externally. There would also be space for DVSA to move to International House and discussions were ongoing.
- Environmental Health showed a £40k saving, and a Member asked for the details of this and whether it would have any service impact. This was to be followed up away from the BSTG. He asked for the Savings Schedule for all Services to also be included.
- A Member commented on the recent controversial sale of the Kingsnorth Recreation Centre and whether those decisions should be scrutinised in more detail. The Assistant Director of Environment, Property & Recreation explained that scrutiny and conditions of a sale of any asset could not depict a specific buyer, if they met the purchasing criteria.

2.2 The Chair then summarised the topics for scrutiny by the Budget Task Group.

Recommendations:

It was agreed that the Task Group would review the following areas:

Meeting 1 – Monday 6th January 2025	
<u>Service</u>	<u>Topics</u>
Finance - MTFP presented to Cabinet in November 2024.	<ul style="list-style-type: none"> • Assumptions • Savings Schedule 24/25, any for 2025/26 • Update of Provisional Settlement
Housing - Temporary Accommodation	<ul style="list-style-type: none"> • Current Position • Budget for 2025/26 (growth assumptions) • Future solution to manage demand and increase capacity.
Meeting 2 – Wednesday 8th January 2025	
<u>Service</u>	<u>Topics</u>
Ashford Port Health	<ul style="list-style-type: none"> • Income generation • Operational Expenditure • Recharges (are they appropriate) • Fees and Charges (how do they compare to others) • Risks
Finance	<ul style="list-style-type: none"> • Corporate Recharges
Meeting 3 – Monday 13th January 2025	
<u>Service</u>	<u>Topics</u>
Ashford Cinema and Newtown Works	<ul style="list-style-type: none"> • Update • Future • Funding
Wrap Up	<ul style="list-style-type: none"> • Findings and discussion regarding draft recommendations.

	<ul style="list-style-type: none">• Proposal to keep the task group up and running as a task group of O&S for the coming year to fulfil an ongoing budget scrutiny purpose.
--	---

*Post Meeting Note – The items for Session and 1 and 2 would be swapped around.

Councillor Chilton (Chair)
Overview & Scrutiny Task Group – Budget Scrutiny

Queries concerning these minutes? Please contact Member Services
Tel: 01233 330499 or Email: membersservices@ashford.gov.uk
Agendas, Reports and Minutes are available on: www.ashford.moderngov.co.uk

Overview and Scrutiny Budget Task Group – 6th January 2025

Minutes of a Virtual Meeting of the Overview and Scrutiny Budget Task Group held on Microsoft Teams on 6th January 2025.

Present:

Cllr. Chilton (Chair)

Cllrs. Bartlett, N. Bell, Ledger, Michael, Shilton.

Also Present:

Head of Finance, Senior Accountant, Corporate Director of Health and Wellbeing, Senior Democratic Services Officer.

1 Declarations of Interest

- 1.1 Councillor Bartlett declared that he resided close to the Inland Border Facility.
- 1.2 Councillor Chilton declared that he was due to sign a contract with Motis, a Customs Clearance agency. He would update his Register of Interests to reflect this declaration, once the contract had been signed.

2 Port Health

- 2.1 The Corporate Director of Health and Wellbeing gave an overview of the service, referring to the paper contained within the agenda pack whilst doing so. It was confirmed that charges were made for all checks carried out at the Internal Border Facility. Questions/comments were invited from the Task Group and these were responded to as follows:
 - The Dover District Council challenge in respect of the Inland Border Facility had resulted in a letter being sent to the Minister with a response received. It was likely that the time to formally challenge the decision had passed. The Corporate Director of Health and Wellbeing advised that the British Ports Association had been keen to have a facility away from Dover, as this would reduce congestion at the port. There was a challenge that Defra had not carried out a consultation exercise, however this had been re-run recently and no challenges had been made.
 - In respect of the charges made by Sodexo, their charges were levied at the operators.
 - Currently there was no requirement for the Council to pay rent to HMRC, the Task Group were mindful of the potential for this to change and suggested that a line be put into the budget to reflect this. The Head of Finance advised

that this had been spoken about by Officers and it was a sensible approach, if the charge was not made to the Council then the surplus could be moved to the reserves.

- In respect of live animals, the building works had recommenced and would be on line from the end of 2025. There had been discussions regarding high value animals not 'touching' border control posts, in line with similar schism around plants with designated origin points – there was a question mark over whether the buildings would be used for live animals as intended.
- Small European artisanal suppliers had ceased trading within the UK due to the additional costs levied due to border. Overall, the volume of trade had not been reduced.
- AI solutions were being investigated in regard to assisting with goods checks. This would be completed within six months and should increase the speed at which documents were read and signed off. Once this was operational, it would enable the Port to increase the level of work it undertook.
- All costs were recovered – there was an operating surplus which was permitted, however they were not permitted to make a profit. This surplus sat outside of the Port Health remit and was an income stream to the general fund.
- Users of the Port had accounts set up to fund checks – these accounts would be in credit and the Port would draw down the money once checks were completed.
- The impending safety and security checks that would be bought in on 31st January would not affect the Port – this would be more of a trading standards function. The Corporate Director of Health and Wellbeing had written to the Minister in respect of this.
- Should Devolution occur then the Port would sit under the level of local government that was responsible for the area – the operation of the site would continue as is.
- A high proportion of Management Team costs were attributed to the Port Health budget – this was approximately 30% of those costs, with 40% through the General Fund and the other 30% from the Housing Revenue Account. This was proportionate based on the risk it represented to the authority, there were also democratic costs attributed, which were also proportionality based and accounted for the costs to support Councillors and the democratic process.

2.2 The Task Group spent some time discussing the potential impact of Devolution and Local Government Reorganisation. Some Members felt that there would be a need to parish areas that were currently unparished as this could lead those areas being disadvantaged due to a lack of interaction with the new unitary authority. Given the level of uncertainty around the subject, the Task Group were minded to make a

budget available for costs associated with Devolution and Local Government Reorganisation – to be funded from a contribution from the MTFP reserve. Furthermore, they felt that this matter should be discussed in more detail and that process be looked at once the 2025/26 budget process had been completed.

Recommendations:

- I. To Cabinet that they support the permanent formation of the Overview and Scrutiny Budget Task Group as a subgroup of the full Overview and Scrutiny Committee.**
- II. That a notional charge for commercial rent is included within the Port Health budget to mitigate future risks and make provision for of being charged for occupying the facility in the future.**
- III. a budget be made available, funded from reserves for costs associated with Devolution and Local Government Reform (where not externally funded).**

3 Corporate Recharges

3.1 The Head of Finance introduced the report and advised that the important area was moving money between funds. Overall, the total recharged out equated to the recharges in. The budgets were incrementally increased each year. Questions/comments were invited from the Task Group and these were responded to as follows:

- An allocation was made from the HRA to the democratic representation – it was question whether this should be to the HRA. The Head of Finance would look into this and confirm after the meeting.
- It was questioned whether a charge to the HRA should be made for street cleaning and the monitoring centre and not just to the General Fund.
- Some of the recharges could appear distorted in some years due to organisational reform.

3.2 The Task Group felt that there should be a review of recharges undertaken for 2026/27 to ensure that these were being allocated and maximized appropriately.

Recommendation:

- I. There should be a deep dive review of recharges for 2026/27 ensuring ‘all’ appropriate charges are made between funds to prevent the risk of cross funding.**

4 Additional Information

4.1 The Head of Finance introduced the report and advised this included detail on cost

recovery and the ability to set local fees. The Task Group were united in their concerns regarding the impact of Planning Appeals on the budget and how these would be funded. The Head of Finance advised that there was not a direct provision made for costs in relation to appeals as they were an unknown entity. £113,000 was set aside for General Counsel, appeals and fees – however it was acknowledged that this would not be sufficient for the two appeals scheduled. Historically, when planning income was sufficient there was a planning reserve for appeals, however the planning income had been low for a number of reasons and therefore the reserves were not as plentiful. Members were also mindful of the decisions taken to defend appeals and that there was no formal approval for this, unlike other decisions that required Council approval.

Recommendations:

- I. The provision for Counsel costs of £113,000 within the Planning budget is not sufficient for 2025/26 with several major appeals expected to come forward. Members should be aware that additional costs for defending appeals should be met from reserves.**
- II. Cabinet should consider developing a process to approve defending appeals where they are going to incur significant additional costs to the council.**

Councillor Chilton (Chair)
Overview & Scrutiny Task Group – Budget Scrutiny

Overview and Scrutiny Budget Task Group – 8th January 2025

Minutes of a Virtual Meeting of the Overview and Scrutiny Budget Task Group held on Microsoft Teams on 8th January 2025.

Present:

Cllr. Chilton (Chair)

Cllrs. Bartlett, N. Bell, Ledger, Michael, Shilton.

Also Present:

Head of Finance, Senior Accountant, Senior Accountant, Corporate Director of Housing, Technology, Customer and Finance, Interim Assistant Director of Housing, Service Lead – Housing Options and Allocations.

1 Housing Temporary Accommodation

1.1 The Corporate Director of Housing Technology, Customer and Finance and the Service Lead – Housing Options and Allocations gave a presentation on housing temporary accommodation. Questions/comments were invited from the Task Group and these were responded to as follows:

- Concern was expressed about the proposed contract with Porchlight and moving people with temporary housing needs in Ashford to places like Dover or Folkestone and Hythe. It was questioned whether ABC were looking to purchase more properties in the area to avoid this. Officers advised that assessments would be carried out and based on individual needs, individual preferences would also be taken into consideration.
- The Service Lead – Housing Options and Allocations advised that 410 homeless applications had come in since April 2024, approximately 50% of those were from the private sector via Section 21 Notices however 50% of those were landlords wanting to leave the leasehold market. In cases like this the team did all they could to convince the landlord to not sell and were successful a third of the time. It was noted that there was a large proportion of people fleeing domestic abuse and they may come from anywhere.
- Officers confirmed that the Council had purchased properties directly from landlords previously.
- The Service Lead – Housing Options and Allocations was hopeful the reform bill would have a positive impact on reducing Section 21 Notices, as that was the aim of the bill.

- Lastly the Member asked if the budget was looking underfunded for next year and the Corporate Director of Housing confirmed the budgets for next year looked under pressure but that government funding would help.
- The Corporate Director of Housing Technology, Customer and Finance explained that the general fund was used to purchase properties for temporary accommodation, if it was the right thing to do, but that they would prefer to have secure tenancies through the HRA which would put less pressure on the general fund in the future. Homes in the General Fund were usually smaller properties used for temporary accommodation and the Officers employed through the HRA were responsible for the maintenance, which was then recharged to the General Fund.
- The Corporate Director of Housing Technology, Customer and Finance confirmed that following the success of Fortis House, the Department was looking at other modular housing that could be used and had the potential to be moved around in the future.
- In respect of devolution, without the plans being known in regards to the Unitary Councils that would be formed, the Corporate Director of Housing Technology, Customer and Finance advised that similar structures would need to be in place to manage a large number of properties but that having them all under one umbrella may improve synergies when it came repairs and maintenance. Some Housing Associations were responsible for 100,000s of properties, there were many areas that would need to be addressed as part of the process.

Recommendations:

- I. That the additional grant for homelessness from the provisional financial settlement should be used to offset further growth within Homelessness following the draft budget, with a focus on funding prevention.**
- II. The Council reviews options to see if we can work with supported / modular housing providers to provide more TA accommodation to reduce pressure on the budget going forward.**
- III. To note that changes in business rates reliefs (notably RHL (retail, Hospitality and Leisure dropping from 75-40%)) could reduce collection rates and increase recovery costs if businesses struggle to pay in the current economic climate.**

2 Medium Term Financial Plan

- 2.1 The Head of Finance introduced the report and emphasised that the Autumn statement, the US elections, and devolution, were certain to bring changes and the Medium Term Financial Plan will need updating sooner than usual to reflect the changes. The Head of Finance was looking forward to more certainty from the government over the coming months so it could be included in the financial plan.

Questions/comments were invited from the Task Group and these were responded to as follows:

- The Head of Finance said that ABC still billed businesses who had been in receipt of rates relief introduced during the pandemic and if they billed the businesses less due to the relief fund that the central government would make up the difference to ABC via Section 31 grant. The Head of Finance acknowledged that if businesses stopped paying or paid less than their rate, that would affect Ashford's collection rate, and they may have to involve enforcement. There was a minor trend being seen in council tax collections as government support for low income individuals was drying up and some were struggling to pay council tax.
- The Head of Finance advised that business rates would be shared across the new unitary councils instead of the County, as occurred currently, however this was only after a proportion was paid to Government.
- A Member questioned the assumptions set in the plan as they were lower than the levels that inflation and interest rates had increased and how that impacted the Council. The Corporate Director of Housing Technology, Customer and Finance advised that the budget had been updated since the review was written to help reflect changes that may have happened and that this could be done again if need be.
- The Corporate Director of Housing Technology, Customer and Finance explained that business rate pooling meant that as a county they could remove a tariff and safety net but across the County they would make more money and the money was kept in Kent and not paid to Government.
- The Head of Finance advised that they kept an eye on their short-term borrowing and the increases in the market to manage their exposure. Any spikes in the market could mean tight cash flow management next year to remain within budget. It was also important not to panic and buy when gilts or prices are high.
- The Head of Finance advised that Stour Environmental Credits Ltd, the joint venture with Canterbury City Council, to satisfy nutrient neutrality rules was up and running. It was hoped that by the middle of the year the Company would start selling credits to developers.
- A Member was concerned about how quickly decisions needed to be made in regard to devolution and how unitary governments would form and the financial implications it may bring to the Council.

Queries concerning these minutes? Please contact Democratic Services
Tel: 01233 330499 or Email: democraticservices@ashford.gov.uk
Agendas, Reports and Minutes are available on: www.ashford.moderngov.co.uk

Overview and Scrutiny Budget Task Group – 13th January 2025

Minutes of a Virtual Meeting of the Overview and Scrutiny Budget Task Group held on Microsoft Teams on 13th January 2025.

Present:

Cllr. Chilton (Chair)

Cllrs. Bartlett, C. Bell, Ledger, Michael, Shilton.

In accordance with Procedure Rule 1.2(c) Councillor C Bell attended as a Substitute Member for Councillor N Bell.

Also Present:

Head of Finance, Senior Accountant, Democratic Services Manager.

1 Financial Policy Statement and Provisional Settlement

1.1 The Head of Finance introduced the item. There were not many significant variances in budget – the big one was National Insurance contributions. It had been expected that government would fully fund it, however it was only expected to be around 50% of the additional costs. This would be a risk in the budget and would be managed appropriately. The housing grant had already been discussed in a previous meeting of the Task Group, with recommendations being made to fund prevention costs. There was an assumption made that Council Tax would be increased by the maximum 3%. EPR funding was likely to get rolled into the wider core spending power calculation in the following financial year reducing the benefit to the Council. Questions/comments were invited from the Task Group and these were responded to as follows:

- The MTFP was renewed annually. The current one was to 2030, with assumptions that there would be a small increase in core spending power. That would need to be adjusted in light of the removal of EPR and there would be a budgetary gap of £400,000. This would mean that additional savings would need to be found.
- New Homes Bonus had been confirmed to be removed, however that had been reported to be the case for a number of years. The reduced figures showed the impact of Stodmarsh.
- The increase in National Insurance Contributions meant that there was not enough money to distribute to fund all direct costs, therefore all Councils would receive less than expected. Should external contractors seek restitution then that would become a budgetary pressure.

- In respect of Council borrowing – Quarter three had shown slightly more income through investments but that wouldn't outweigh the extra borrowing. This had been discussed at the previous meeting of the Task Group – the next year would be tight, due to the expectation of falling interest rates and the gilt market at an all time high. It would be prudent for the Council to have strong cash flow management. This would be an impact on the revised MTFP.
- Rural services grant was an allowance for areas with larger geographical boundaries – this was lost as it was wrapped up into other funding streams.
- From 2026 there would be a standardised recycling service, which meant that paper and cardboard would need to be separated from jars and tins – this in turn meant that there would need to be an additional bin. Whilst this was an issue for the contractor, there would need to be additional bins funded by the Council. It was suggested that this be referenced in the MTFP where appropriate.

Recommendations:

- I. That due to a worse than anticipated financial settlement within the MTFP (medium term financial plan), there is an expectation that the MTFP gap could increase and propose that 'new' savings plans are developed to mitigate this risk ahead of the 2026/27 budget setting process.**
- II. Note that the increase in Employers National Insurance Contributions for external contractors could be a risk to the budget if they seek contractual changes / support to cover additional costs.**

2 Ashford Cinema

- 2.1 The Head of Finance advised that progress had been made in respect of increasing footfall. There were still struggles from the writers' strike with the number of significant films not coming through. It was expected to be another challenging year in that respect. The Task Group were receptive of an extension to the funding agreement.

Recommendation:

- I. Ashford Cinema Ltd. could seek an extension to the existing funding agreement which presents a risk of additional costs coming forward, which could be met from reserves.**

3 Newtown Works

- 3.1 There were discussions regarding the increase in gilt rates and falling exchange rates. The loan was due to be reviewed and the Task Group felt that the terms should be reviewed at that time. There was a need to ensure that risk was being

managed, especially given the volatility in the market.

- 3.2 An extension had been requested in respect of the Levelling Up Fund and there had not been any indications that this would be rejected. There was a contingency should this be rejected, whereby a portion of debt would be repaid and the £14.7m would still be received.

Recommendation:

- I. **there is a risk that increasing borrowing costs could increase Council borrowing costs above the fixed rate provided to Ashford International Development Company which could add pressure to the budget.**

4 Wrap Up

- 4.1 The Head of Finance advised that there would be an adjustment to the final budget as the Lifeline operations would cease. There would be an extra cost to the Monitoring Centre as the HRA would be acquiring that service elsewhere. This was an additional cost to be borne to the Council and therefore a pressure on reserves. The Task Group felt that the active monitoring of CCTV was vital.

Recommendation

- I. **That Cabinet note the impact on the budget of ending the provision of lifeline services and provide assurance that the active monitoring of CCTV will be continued.**

Councillor Chilton (Chair)
Overview & Scrutiny Task Group – Budget Scrutiny

This page is intentionally left blank

Overview and Scrutiny Committee

Work Programme 2024 to 2025

Report Title	Date due to O&S	Reporting Service	Scope of what is to be scrutinised
O&S Annual Report	June 2024	Policy and Performance	A report to summarise the work undertaken by the Committee during the last municipal year.
Waste Collection Service	June 2024	Environment, Property and Recreation	A report to provide information on the rollout of the new Waste Collection Service be bought to the Committee.
Annual Sickness Report	July 2024	HR, Customer Services, Communications and Digitalisation	A report providing the Committee with annual sickness information for the recent year.
Annual Performance Report	July 2024	Policy and Performance	A report to summarise the council's performance during the last municipal year.
Corporate Performance Report Q1	17 September 2024	Policy and Performance	Quarterly Performance Report in relation to Quarter 1. Information on what the Council has achieved through its decision making; key performance data and wider contextual information.
Planning performance and Arcus update	17 September 2024	Planning	Update on Arcus following scrutiny in 2023/24 and review of planning performance around backlog cases.
Budget Scrutiny Task Group Membership	17 September 2024	Policy and Performance	An item to agree Membership for the Budget Scrutiny Task Group.

Ashford Cinema	17 September 2024 following an all Member Briefing the same night starting at 6pm	Environment, Property and Recreation	To provide an overview of the Ashford Cinema arrangements and update the Committee on progress to date.
Waste contract implementation update	26 November 2024	Environment, Property and Recreation	An update on the performance and communication of the waste contract implementation.
Corporate Performance Report Q2	26 November 2024	Policy and Performance	Quarterly Performance Report in relation to Quarter 2. Information on what the Council has achieved through its decision making; key performance data and wider contextual information.
Community Safety Update	26 November 2024	Environment, Property and Recreation	An annual report will be brought forward to provide an update on Community Safety.
Budget Scrutiny Meetings 2025/26 Via Teams	December 2024 to January 2025	Finance, IT and Digital	Budget Scrutiny Meetings 2025/26
Final Report of the Budget Scrutiny Task Group	28 January 2025	Finance, IT and Digital	A final report and findings from the annual Budget Scrutiny Task Group will be submitted, including any recommendations for consideration by Cabinet.
Council Commercial Portfolio Update	25 February 2025	Environment, Property, and Recreation	The Budget Scrutiny Task Group recommended that a report is brought forward to provide an update on the results of the condition survey of the Councils Commercial Portfolio, and how this will inform future repairs and maintenance programmes and disposal strategy.
Safeguarding Update	25 February 2025	Environment, Property and Recreation	Annual update to the committee on the council's work on safeguarding adults and children at risk.
Corporate Performance Report Q3	25 February 2025	Policy and Performance	Quarterly Performance Report in relation to Quarter 3. Information on what the Council has achieved through its decision making; key performance data and wider contextual information.

Allocations Policy	25 February	Housing	Consideration of the draft Policy in advance of Cabinet in March.
Grants and Funding the Voluntary Sector Policy	25 February	Policy and Performance	Consideration of the Policy in advance of Cabinet in March including the recommendations of the Community Grants Panel.
Hybrid Working	TBC	HR, Customer Services, Communications and Digitalisation	Topic suggested in 2023/24 Following the report received in early 2024, Members requested that the Committee revisited the topic in 12 months' time, as the Council would then have moved to International House and working patterns may have changed once again.
Enforcement Review	TBC	Environment, Property and Recreation	The findings of the enforcement review will be brought forward to the Committee once the review has concluded.
Corporate & Housing complaints performance/update	May 25/tbc	Housing/ Customer Services	To receive a report on the council's Housing Complaints performance in line with the Ombudsman's code.

This page is intentionally left blank