

# Ashford Borough Council: Notes of a Meeting of the Overview and Scrutiny Task Group – 1<sup>st</sup> December 2021 (Budget Scrutiny 1)

## Present:

Cllr. Ovenden (Chairman);

Cllrs. Chilton, Harman, Ledger.

## Also in Attendance:

Cllrs. Clokie, Forest, Meaden, Shorter, Sparks,

## Also Present:

Head of Finance and IT, Head of Housing, Head of Service Port Health, Accountancy Manager, Compliance and Data Protection Manager, Policy and Scrutiny Officer, Member Services Officer.

## 1 Election of Chairman

1.1 The Task Group elected Cllr. Ovenden as Chairman.

## 2 Co-opt of non O&S Committee Member

2.1 The Task Group agreed to co-opt Cllr. Harman onto the panel.

## 3 Notes of the previous meetings

3.1 The Task Group agreed that the notes of the meetings held on the 6<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup> and 21<sup>st</sup> January 2021 were an accurate record.

## 4 Draft 2021/2022 Budget report and risks

- 4.1 The Draft Budget report was introduced and Members were invited to identify any areas they felt required extra detail and/or clarification on for subsequent meetings:
- Members asked if further budgetary details could be provided about contingency reserves for the Port Health Authority, a breakdown of the schedule of savings, the Carbon Neutrality Plan and the risks around the Commercial Investment Portfolio.
  - The Policy Scrutiny Officer drew Members attention to Appendix F that highlighted the monitoring of commercial rents. A Member commented that investments were usually lower risk.
  - In regards to the Port Health Authority, a Member asked to what extent were ABC responsible or would the Government intervene and bailout. The

Chairman commented that the figures appeared too neat and the Head of Finance explained that it would always be neat and show zero as all fees and charges would be re-charged out. She added that although ABC could expect government assistance in any deficit in the early years, it currently was only guaranteed until 31.03.22. Grants had been agreed, but no contribution to the reserves had been approved yet. The Accountancy Manager added that the Port Health Authority would form part of ABC's statutory responsibility in the longer term.

- A Member suggested Planning also be looked at in more detail, with particular regards to recruitment, administration support/digitalization and the proposed government reforms. The Chairman agreed this area was one to examine further.
- Another query about the Port Health account was raised asking why it was not revenue generating. The Head of Finance and IT explained that it was a ring-fenced fund and if ABC received too much income, this would prompt a decrease in fees and charges to the freight operators.
- The Chairman requested that Homelessness and Housing Provision be reviewed, regarding the carbon neutrality agenda in particular. The Accountancy Manager and Housing Manager explained that the 30 year Business Plan from HRA would be sent to Cabinet in December, and that report would then be available for the Task Group and O&S Committee to look at.
- The Portfolio Holder for Finance and IT clarified that the Planning IT Digital System was set to be implemented from March 2022. Concerning the Port Health Authority, a very good presentation had previously been given to the Audit Committee, and this would be a useful resource to present to the Task Group. He added that the income guarantee from Government had not been extended beyond March 2022, and this did pose a credible threat to the revenue account.
- The Chairman highlighted the overall financial position of the Council and also the non-controllable sections of the budget sheets as areas he felt more details would be valuable. The Head of Finance agreed and explained that accounting rules instructed LA's to take support costs and share those across the actual services delivered. The Accountancy Manager suggested tying the non-controllable costs in with the Port Health review section.
- A Member talked about a government review on borrowing and highlighted this as a topic for review since ABC were in a higher bracket for borrowing costs. The Accountancy Manager explained that the HRA buyout cost was included in those figures, but agreed that this was an area that would have risk around re-financing and interest. With regards to the Property Company, there was no risk to any investment since Housing was classified as a debt not for yield asset, and the majority of investment was for re-generation purposes.
- PWLB rates were discussed and the interest rate rise that the Treasury had implemented, to stop people borrowing for commercial investment. Different preventative measures had since been introduced.

## Recommendations

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

- **Port Health;**
- **Planning & Development;**
- **Finance;**
- **Housing;**
- **Corporate Property & Projects.**

Councillor Ovenden (Chairman)  
Overview & Scrutiny Task Group – Budget Scrutiny

Restricted

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