

Agenda Item No:

Report To: Cabinet

Date of Meeting: 22 February 2024

Report Title: Report of the Budget Scrutiny Task Group

Report Author & Job Title: Abi Sheppard
Scrutiny and Partnerships Manager

Task Group Chairman: Cllr. N Bell



Summary: The Overview and Scrutiny Budget Scrutiny Task Group has scrutinised the council's draft 2024/25 budget over four meetings during December and January. The Task Group have made six recommendations for Cabinet to consider when making their final budget proposals to recommend to Council.

A late tabled report is expected to be submitted to Cabinet including further recommendations from the Committee after concerns that were raised following the Budget Scrutiny Task Group meetings

Key Decision: NO

Significantly Affected Wards: None specifically

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

- I. Priority is given to exploring options to develop revenue raising assets, for example, industrial units at the Ninn Lane site subject to satisfactory business modelling.
- II. The temporary accommodation budget may now be insufficient to meeting further increased demand in homelessness representations. It is proposed that the budget is increased by £445,000 to reflect the increased demand and forecasting.

The Task Group also supports the exploring of opportunities to acquire new sites/buildings for

temporary accommodation in order to reduce the long-term impact on the general fund revenue costs.

- III. The Chief Executive undertake a further review of the senior management structure during 2024/25 with the objective of making further financial savings.
- IV. The Key Performance Indicators (KPIs) showing data for planning applications is broken down to show the difference between cases currently held up by Stodmarsh, and those not.
- V. Swift action is undertaken by the Assistant Director of Planning and Development to make an appeal to central Government over the decision not to increase (double) retrospective planning fees, and lobby them to do so.
- VI. The income loss assumed as a result of the proposed increase to garden waste collection fees be revised and consider increasing this budget by £60,000.

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 2024/25 budget](#), report to Cabinet 30 November 2023
**Minutes of the Budget Scrutiny Task Group meetings are
included in the Appendix.**

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Report Title: Report of Budget Scrutiny Task Group

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 Capital and Revenue Budgets. The Committee constituted a Task Group made up of five Members to undertake this work, and presents its findings of the draft Budget for 2024/25 within this report.

Report of the Chairman of the Budget Scrutiny Task Group

2. The Chairman's remarks regarding the findings of the Budget Scrutiny Task Group were discussed at the Overview and Scrutiny Meeting on 13 February 2024, and will be detailed within a tabled report in advance of the Cabinet meeting on 22 February 2024. The paper will outline concerns that have arisen since the Budget Scrutiny Task Group meetings as to whether the budget is sound and achievable and will include further recommendations for consideration by Cabinet.

Summary

3. The budget scrutiny sessions yielded much information on the financial and resource challenges facing the authority and the Task Group focused on a number of key risks relating to the achievability of next year's budget.
4. The draft budget for 2024/25 was presented to the Task Group at its first meeting; this included all service budgets and financial risks. The purpose of this session was to assist Members in determining which areas to dedicate additional scrutiny time, these included the following:
 - a. The council's corporate property, asset condition and asset maintenance programme.
 - b. Risks linked to the commercial property portfolio.
 - c. Details around preparations for the Local Plan and the use of consultants as well as the impact on existing resource.
 - d. How the council are managing new regulations around planning fees and charges.
 - e. Planning enforcement resources.
 - f. The council's reserves risk and policy including significant financial risks and key income streams.
 - g. Details on the borrowing portfolio and the expected borrowing interest rate increases.
5. General information was also shared with the Task Group members but was not discussed at depth during the meetings:

- a. Copy of a housing options report recently circulated to the Senior Leadership Team.
- b. Advice from the Monitoring Officer regarding Overview and Scrutiny's involvement in the organisations structure.

Consultation

6. The council's Management Team have since seen the recommendations made by the Task Group and a summary of their advice to the Cabinet has been tabled below:

No.	Recommendation	Summary	Management Team Advice
I	Priority is given to exploring options to develop revenue raising assets, for example, industrial units at the Ninn Lane site subject to satisfactory business modelling.	It was suggested that the Council should explore opportunities to develop sites for industrial units (similar to current stock) as these are in demand and perform well in the current portfolio. The viability of the Ninn Lane site should also be explored.	<p>Noted: A commercial approach is embedded across the organisation and new opportunities to develop income flows are actively encouraged and acted upon.</p> <p>With regard to Ninn Lane, the possible development into industrial units was a risk mitigation strategy to the original purchase. The refuse fleet will not be using this facility and therefore options will be explored for possible industrial development.</p>
II	<p>The temporary accommodation budget may now be insufficient to meeting further increased demand in homelessness representations. It is proposed that the budget is increased by £445,000 to reflect the increased demand and forecasting.</p> <p>The Task Group also supports the exploring of opportunities to acquire new sites/buildings for temporary accommodation in order to reduce the long-term impact on the general fund revenue costs.</p>	<p>Since the draft budget was set in October 2023, there has been a continued upwards trend in Homeless representations which are becoming more in line with the assumptions reported by the Housing Team. The original budget was set on an average number of 178 households, but it was felt that this should be more in line with the middle of the three scenarios within the homelessness paper which suggested 210 households.</p> <p>To adjust the draft budget from 178 to 220 households (allowing for a slight further increase in growth), Members proposed that the 2024/25 budget should be increased by £445,000 as per the paper presented. It also supports further exploration of sites that can be acquired and used as temporary accommodation to</p>	<p>Recommendation to Cabinet – Support Growth:- Cabinet will be well aware of the ongoing pressures being faced by this service which have been well reported. Following a presentation by the Housing Service Improvement Manager to Management Team, and which was provided to members of the Overview and Scrutiny Budget task Group, the revised projections for homeless representations is higher than forecast in the Draft Budget. Management Team support this increase in budget to mitigate further anticipated pressures in 2024/25 and this has been added to the final budget and ask Cabinet to support this growth.</p> <p>The Housing Team are actively purchasing on street properties and exploring larger</p>

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		actively manage the homelessness pressure.	opportunities as they arise for Temporary Accommodation. When considering it is necessary for the TA to be in the right location to enable users easy access public services.
III	The Chief Executive undertake a further review of the senior management structure during 2024/25 with the objective of making further financial savings.	In line with advice received from the Solicitor to the Council and Monitoring Officer, the Task Group propose that a further review of the senior management structure could assist with making the council further financial savings.	Accept: The Management Team are actively reviewing services in response to the need to deliver the savings strategy which would inform any changes to the senior management structure.
IV	The Key Performance Indicators (KPIs) showing data for planning applications is broken down to show the difference between cases currently held up by Stodmarsh, and those not.	Stodmarsh continues to have a huge impact on major applications since 2019. In particular, Members felt it was important for KPI's to show a difference between backlog applications that were and were not affected by issues at Stodmarsh.	Accept: The Portfolio Holder for Planning and Development has been reviewing the KPI's and Service PI's with the Assistant Director for Planning and Development. The number of planning live cases is currently reported as one of our KPIs. For the last quarter, the number of Stodmarsh impacted cases was reported separately and this will continue whilst Stodmarsh has a bearing of the figures. The KPIs will also be reviewed as part of the Corporate Plan development and we can ensure consideration is given to how these measures are best presented.
V	Swift action is undertaken by the Assistant Director of Planning and Development to make an appeal to central Government over the decision not to increase (double) retrospective planning fees, and lobby them to do so.	It was highlighted that the Government have chosen not to explore increasing fees for retrospective planning applications. Members felt that planning, in conjunction with other authorities, should lobby government and propose doubling planning fees for retrospective applications to act as a deterrent. Members present at the meeting indicated they would support such a proposal, and it is likely that all members within the Council would feel the same.	Noted: Management Team feel the same as members on this point which would help deter development without appropriate consent. The Assistant Director of Planning and Development write to Government on behalf of the Council if agree by Cabinet and provide an update on any responses accordingly.
VI	The income loss assumed as a result of the proposed increase to garden waste collection fees be revised and consider increasing this budget by £60,000.	When reviewing the council's key income streams, under refuse and recycling, Members noted there was an assumed loss of 1000 customers in response to the proposed increase to waste collection fees. Members felt that this assumption was set too high	Recommendation to Cabinet – Not to increase budget:- The budget proposes that the charge for garden waste was increase from £45 to £60 per annum. When the fees has previously increased by £2.50, the Council usually loses 300 - 400 customers at renewal, and then

		and suggested that the figure was reviewed.	attracts new customers throughout the year. Given the considerable increase and the current economic conditions, there is a likelihood of losing approximately 1,000 customers. The risk assessment would not advise increasing the budget at this time.
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Wrap Up

7. To conclude the Budget Scrutiny sessions, the Chairman of the Budget Scrutiny Task Group gave the opportunity for Members to discuss any outstanding issues regarding the budget and a summary presentation was shown to Members to relay some of the key findings of the last few budget scrutiny meetings.

Conclusion

8. The Budget Scrutiny Task Group have considered the 2024/25 draft budget proposals together with the council's financial risks. The Task Group have made a number of recommendations, for the Overview and Scrutiny Committee to consider making to the Cabinet.

Further Recommendations

9. The Overview and Scrutiny Committee considered the report and recommendations at their meeting on 13 February 2024. It was noted that the recommendations made by the Task Group within the report reflected views of Members at the time when they met previously.
10. However, additional concerns were raised by Members following the Budget Scrutiny Task Group meetings in regards to whether the budget is sound and achievable at present. Therefore, a tabled report is due to be submitted to Cabinet and will present further recommendations to outline the Committee's recent concerns, including Management Team's advice to Cabinet.

Contact and Email

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Ashford Borough Council: Notes of a Meeting of the Overview and Scrutiny Budget Task Group – 11th December 2023

Present:

Cllr. Bell (Chair for this Meeting of the Task Group);

Cllrs. Bartlett, Chilton, Ledger, Michael.

Also in Attendance:

Cllrs. Betty, Harman, Ovenden, Walder, Wright.

Also Present:

Chief Executive, Deputy Chief Executive, Corporate Director of Housing, Customer, Technology and Finance, Service Lead Finance, Senior Accountant, Assistant Director of Environment, Property and Recreation, Head of Policy and Performance, Scrutiny and Partnerships Manager, Member Services Officer.

Prior to the commencement of the meeting, there was an 'All Councillor Briefing on corporate Finance'.

1 Minutes of the Last Meeting

- 1.1 The Task Group agreed that the Minutes of the Overview and Scrutiny Task Group Meeting on the 12th January 2023 were an accurate record.

2 Draft Budget Report 2024/25

- 2.1 The Draft Budget report was introduced, this had been presented to Cabinet on 30 November 2023 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, these were:

- Planning Enforcement was raised as an area that took up considerable Councillor time, further detail on the level of enforcement activity within the Borough and the resourcing available to this activity was requested.
- Members noted the turnaround time of small householder applications and felt that these should be dealt with promptly. There was an issue with a backlog of applications, this coupled with the change in the time in which applications should be determined and Stodmarsh meant that there were risks that needed to be looked at.

- Understanding and ensuring that the work on the Local Plan to 2041 would be resourced accordingly. In particular the staffing requirements, and how each site would be assessed. There were concerns raised that there would be significant fees in relation to consultants – this may be appropriate but Members felt that a ‘deep dive’ into this would be appropriate.
- There were a number of areas that were discussed as part of the medium term financial plan, during which assumptions were made about those areas, including parking charges, the monitoring centre, economic development and grounds maintenance – whilst all of those areas may not be fully covered it felt appropriate to have detail on the areas of risk and the assumptions being made. Members were advised that in respect of the function of the monitoring centre, a task group had been established to look at the functions of community safety and the conclusions from that would be put to Members – that would be a decision for the future, it was not a decision for this budget. The only item that had been actioned for this 24/25 budget was the increase in parking charges that had already been considered by both Cabinet and Council. All of the other items would be subject to working groups and it would be wrong to pre-empt that work.
- There was some discussion around the Council’s reserves policy and whether the current levels required adjusting. It was noted that the previous year had seen the reserves ‘dipped into’ and it was likely that the same would occur for the upcoming budget year. The resilience of the reserves was questioned, along with whether any had been earmarked for future plans.
- It was questioned whether a stock review of commercial units had been done or would be done to explore where the revenue was being generated. Garages and light commercial industrial units were performing well and it was deemed prudent to consider how to maximize income of the Council’s commercial holdings.
- Prior to the meeting a Member of the Task Group sent a number of questions to the Service Lead Finance, including requesting details on contingency, maintenance requirements and the key assumptions regarding various income streams. In respect of the move to International House – it was questioned whether there would be budget pressures and assurances were sought that there would be uninterrupted levels of service. The questions would be answered in a paper to the Task Group for review.
- A Member raised the issuing of IT equipment for Councillors and whether that required reassessing. A number of Councillors had returned their own devices and opted to use their own – should more Councillors wish to do this, this would be accommodated.
- There was some discussion regarding further potential savings at senior management level and whether there were other options available by a further restructure taking place. Whilst this was not a matter for the Task Group to consider during the scrutiny of the budget, the appropriate method for considering such matters would be reported back following legal advice.

- A risk assessment was included as part of the budget report and it was felt that it would be worthwhile spending time reviewing this, with Members views being added to those risks. As part of this homelessness was also raised, and a paper would be presented to the Task Group to ascertain whether this needed more work.

2.2 The Chair of this Meeting of the Task Group welcomed the large number of areas that had been suggested by the Task Group for review as part of the budget scrutiny process. He advised that he, along with the Vice-Chair of the Overview and Scrutiny Committee, would spend time with Officers to rationalise the areas for review.

Recommendations

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

Meeting 1 – Wednesday 10 January 2024	
<u>Service</u>	<u>Topics</u>
General for information Items	<ul style="list-style-type: none"> • Response to Cllr Michael questions • Homelessness – Copy of report presented to SLT to determine if further review needed. • Advice from Monitoring Officer on O&S involvement in Structure
Environment, Property and Recreation	<ul style="list-style-type: none"> • Corporate property, asset condition and asset maintenance programme. • Commercial property portfolio risk

Meeting 2 – Monday 15 January 2024	
<u>Service</u>	<u>Topics</u>
Planning and Development	<ul style="list-style-type: none"> • Preparing the Local Plan, use of consultants, and impact on existing resource. • Planning fees and charges, how are we managing new regulations and ensuring we hit appropriate time scales?

	<ul style="list-style-type: none">• Planning enforcement resources
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Meeting 3 – Tuesday 16 January 2024	
<u>Service</u>	<u>Topics</u>
Risks & Reserves	<ul style="list-style-type: none">• Reserves, how much, purpose, risk and policy• Significant financial risks, including key income streams,(risk assessment approach)
Wrap Up	<ul style="list-style-type: none">• Presentation of findings and discussion over draft recommendations.

Councillor Bell (Chair for this Meeting of the Task Group)
Overview & Scrutiny Task Group – Budget Scrutiny

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Ashford Borough Council: Notes of a Meeting of the Overview and Scrutiny Budget Task Group – 10 January 2024

Present:

Cllr. Bell (Chair for this Meeting of the Task Group);

Cllrs. Bartlett, Chilton, Ledger, Michael.

Also in Attendance:

Cllrs. Betty, Hicks

Also Present:

Deputy Chief Executive; Corporate Director of Place, Space and Leisure; Corporate Director of Housing, Customer, Technology and Finance; Assistant Director of Housing; Assistant Director of Environment, Property & Recreation; Aspire and Parks Portfolio Operations Manager; Commercial Projects and Recreation Manager; Commercial Portfolio Operations Manager; Service Lead Finance; Senior Accountant; Scrutiny and Partnerships Manager; Member Services Officer.

1. Election of Chair

1.1 Cllr Bell was elected to chair this meeting.

2. Minutes of the Last Meeting

2.1 The Task Group agreed that the Minutes of the Overview and Scrutiny Task Group Meeting on the 11 December 2023 were an accurate record.

3. Environment, Property and Recreation

3.1 The Assistant Director of Environment, Property and Recreation gave a presentation, outlining the position of current corporate property projects, the individual stock condition surveys in progress and the aspiration to move to a 70/30 split for planned and reactive works. The diverse stock consisted of 393 non-residential properties, plus approximately 1500 garages, with a total value around £134m and a 2022/23 income of £4.3m. There was an annual performance report presented to Cabinet each October, and ERIAC briefings had been conducted last autumn. The Asset Management Strategy, including a Disposal Strategy, was under review in 2024. Potential risks were highlighted, risk removal and mitigation measures were mentioned and next steps were listed. She proposed to present a report to O & S Budget Scrutiny in late 2024 with detailed

results and decisions being made on the portfolio; this was agreed by the Chair.

3.2 The Assistant Director of Environment, Property and Recreation was thanked for a comprehensive presentation and the item was opened up for questions.

- A Member asked for the costs per kilowatt hour of electricity assumed within the budget. The contract with the provider was under renewal and the Commercial Portfolio Operations Manager agreed to feed back the costs to the Task Group Members.
- A Member commented that it was wise to concentrate efforts on projects that could or should be funded externally, to protect the budget.
- In response to a question, the Assistant Director of Environment, Property and Recreation confirmed that the greatest unknown risk was the outcome of the stock condition surveys, where sensible individual decisions might need to be discussed and taken jointly, to ensure revenue was secured. The Service Lead Finance confirmed that, unless there were immediate Health and Safety works needed, expenditure would be from capital funds.
- There had been promising interest shown in the re-letting of the vacant units at Elwick Place.
- It was confirmed that industrial units were currently proving to offer the most robust income return, with a waiting list for availability and simplicity of management.
- In response to a comment regarding the redevelopment of garage sites, it was underlined that all options for these were considered cross-departmentally before a final decision as to future use was made.
- The Chair questioned data regarding levels of debt and debt servicing, as displayed on a government website. It was known that the data gathered to create the charts was imperfect, in that it included the historic HRA debt, which was not pertinent to the General Fund viability. The Service Lead Finance agreed to share his own calculations with the Task Group at the final meeting, for consideration before any decision to recommend a 'deep dive' to O & S Committee.
- The Service Lead Finance offered to bring information on current corporate income levels, reserve funding and any apparent risks to the operational budget, to the final O & S TG meeting; this was welcomed.

4. General For Information Items

4.1 A Member thanked the Service Lead Finance for the comprehensive response to a number of budgetary questions he had presented.

4.2 The Task Group agreed to the recommendation in the additional note to the Homelessness report, to propose to increase the budget to £445K, due to the

continued upward trend in incidences of homelessness.

- A number of suggestions for potential sites for development into temporary accommodation were received from Members, which the Assistant Director of Housing agreed to review.
- The Assistant Director of Housing confirmed that the purchase of eight additional RSAP properties was included in the budget; the transaction was nearing completion.
- Discussions took place regarding the preferred location of schemes for the homeless. A balance was needed that took into account the potential impact on the wider community with the level of individual case support required and the available facilities.
- It was confirmed that sometimes placements had to be made outside of the borough, in emergency situations.

4.3 Senior Management review suggestion – the letter from the Monitoring Officer was noted, and the suggestion that a Task Group recommendation for a review should be undertaken by the Chief Executive was agreed, for 2025/26 budgetary consideration.

Recommendations

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

Meeting 2 – Monday 15 January 2024	
<u>Service</u>	<u>Topics</u>
Planning and Development	<ul style="list-style-type: none"> • Preparing the Local Plan, use of consultants, and impact on existing resource. • Planning fees and charges, how are we managing new regulations and ensuring we hit appropriate time scales? • Planning enforcement resources

Meeting 3 – Tuesday 16 January 2024	
<u>Service</u>	<u>Topics</u>

Risks & Reserves	<ul style="list-style-type: none">• Reserves, how much, purpose, risk and policy• Significant financial risks, including key income streams,(risk assessment approach)
Wrap Up	<ul style="list-style-type: none">• Presentation of findings and discussion over draft recommendations.

Councillor Bell (Chair for this Meeting of the Task Group)
Overview & Scrutiny Task Group – Budget Scrutiny

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Ashford Borough Council: Notes of a Meeting of the Overview and Scrutiny Budget Task Group – 15th January 2024

Present:

Cllr. Bell (Chair);

Cllrs. Bartlett, Ledger, Michael.

Apologies:

Cllrs Chilton, Ovenden

Also in Attendance:

Cllr Harman.

Also Present:

Corporate Director of Place, Space and Leisure
Corporate Director of Housing, Customer, Technology and Finance
Assistant Director Planning and Development
Head of Policy and Performance
Scrutiny and Partnerships Manager
Service Lead Finance
Senior Accountant
Member Services Officer.

1 Draft recommendations from previous meeting

1.1 The Scrutiny and Partnerships Manager outlined the draft recommendations following the previous meeting and invited feedback from the committee.

- The Corporate Director of Place, Space and Leisure noted that Recommendation 1 should refer to the Council's commercial property assets.
- Cllr Bartlett requested an additional sentence to Recommendation 3 to include that the task group recommends to Cabinet that opportunities be explored to acquire new capital assets, in order to reduce the long-term impact on the general fund.

2 Planning Presentation

2.1 The Assistant Director Planning and Development gave a comprehensive presentation to the Committee which covered the following points and areas:

- Local Plan – budget strategy and review
- Evidence prepared in-house and Specialist evidence requirements 24/25

(estimated costs)

- Local Plan – conclusion
- Budget strategy – hitting application handling targets
- Application fee increases from 6/12/2023 and Projected income and caseload
- Trends in major applications – Stodmarsh
- Other income sources for 25/25 and Planning Guarantee changes
- Managing Performance Risk in service
- Enforcement – budget strategy and moving forwards

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

- There was some discussion around whether an increase to the fees might provide an opportunity to recuperate some monies back into the reserves. The Assistant Director Planning and Development spoke about the indirect relationship between the Local Plan encouraging more planning applications, which in turn resulted in more fees being paid. The Senior Accountant added that the budget for next year had stayed the same, and any major applications that came through would assist in exceeding that budget. Those monies could then be transferred back into reserves. The aim was to reduce the £1.2 million that had been earmarked, with an over achievement on planning income. The option to implement a reserve contribution (as was already in place with the Housing repairs and maintenance fund) was something for ABC to consider going forward.
- In response to a question querying whether sufficient funds had been set aside for external consultants, the Assistant Director Planning and Development explained that a reasonable and robust assessment of costs based on past experiences had been undertaken and the department now had a better understanding as to the scope of the work that was required when using external specialists.
- A Member asked whether any more funding was needed for when further updates to the ARCUS system were applied. The next phase of improvements for the back office and the outward facing elements of ARCUS would complement the enhancements to the planning pages on the website that were underway but that these improvements, when taken together, would create additional efficiency and capacity within the service and thus potentially be cost-saving. The intention was to enable people to use the website on a 24/7 basis and for it to answer the vast majority of the questions that they might have, which in turn would take some pressure off of the business support team.
- There was some discussion regarding the work undertaken by the Land Mapping Commission (LMC), and the role that work would play when shaping the new Local Plan, to accommodate those additional demands, including any financial implications. It was agreed that the LMC had provided valuable concepts for the Council, which would result in a less traditional style Local Plan. The government had signaled that having national development management policies was the direction of movement they preferred and this

could result in some topic-based policies contained within the current Local Plan being superseded.

- The increase to pre-application fees was highlighted, with a suggestion that this figure could be justifiably increased again. The fees had previously risen only 12 months prior, and legislation stated that pre application advice should only ever be cost recovery. It was felt that another increase too soon could deter people from using the service, especially since it was not mandatory. The Chairman considered whether a recommendation to look at the options for potentially increasing those charges and moving towards cost recovery earlier would be useful. The Assistant Director Planning and Development advised that ABC were in line with neighbouring Local Authorities on the current scale of the fees. In addition, the quality of service would need to justify the higher price, and having only just restarted the non-majors pre-application advice, he thought they would be best placed to wait and consider this in the future.
- An observation was made on the graph showing a dip in the movement of major applications owing to Stodmarsh. A Member noted that a number of other contributory factors should be considered including Covid, major wars and the cost of living crisis.
- The Spatial Planning team was dedicated to taking the Local Plan forward, and they liaised with colleagues across the Council, and had formed a cross service Officer Working group. It was felt that they were sufficiently resourced to undertake the work without having to draw on people whose focus should be elsewhere in the main, and the salaries and overheads had already been included in the budget.
- In response to a question asking were there regular weekly reports to flag when an application was approaching its deadline, it was confirmed that a dashboard gave a two-week warning before that period expired and a one-week warning as well.
- Managers in Planning had been working to identify the 'hard to shift' cases that had got stuck in the system and the backlog was now being cleared. Approximately half of the live cases outside of the statutory determination dates were those affected by Stodmarsh. A Member suggested a recommendation that the backlog be separated out for clearer analysis.
- The KPI's were currently being reviewed to ensure the correct information was being captured, and over the coming year, a broader scope and range of performance indicators for the service were anticipated.
- The Portfolio Holder spoke to assure the Task Group that the LMC work would be incorporated into the Local Plan, and communication and public engagement would play a pivotal part. She went onto talk about KPI's and the importance of understanding the details of what was happening on a day-by-day basis, to ensure clarity and efficient management of the planning process.
- A Member asked whether Councillors and the Council should be lobbying the

government to increase fees for retrospective applications. The Chairman agreed and asked for renewed efforts to lobby and asked the Assistant Director Planning and Development to formulate a document to request signatures on the notion that ABC should double fees on retrospective planning applications. He added this as a Task Group recommendation.

- In response to a question regarding the timescale for validation of applications, it was confirmed that this began when the application was validated. Invalid applications were not included in the timeframe until they were deemed valid.
- There was some discussion around planning enforcement and statutory requirements. The Assistant Director Planning and Development explained that ABC and KCC were the main authoritative bodies for enforcing planning, and held the authority to take appropriate enforcement action. Depending on the nature of the breach and the seriousness of the issue involved, ABC would usually in most cases initially seek the submission of a planning application, but there were occasions where the Council had taken injunctive action in the courts to prevent a breach occurring. He added that it was not a statutory duty, so the Council was not obliged to take enforcement action. Furthermore, in relation to consultation for the Local Enforcement Plan, Parish Councils were considered key stakeholders, both in terms of identifying when breaches occur, and acting on behalf and being part of the communications to their residents as well. The Chairman asked whether this subject could be reflected upon when writing up the recommendations. The Scrutiny and Partnerships Manager added that corporate enforcement review already featured on the O&S work program for the wider committee, expected around late springtime. A cross cutting working group would be reviewing how various enforcement officers could work more effectively across different services within the Council.

Councillor Bell (Chair for this Meeting of the Task Group)
Overview & Scrutiny Task Group – Budget Scrutiny

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Ashford Borough Council: Notes of a Meeting of the Overview and Scrutiny Budget Task Group – 16th January 2024

Present:

Cllr. Bell (Chair for this Meeting of the Task Group);

Cllrs. Bartlett, Chilton, Ledger, Michael.

Also in Attendance:

Cllr. Shilton

Also Present:

Deputy Chief Executive; Service Lead Finance; Senior Accountant; Head of Policy and Performance; Scrutiny and Partnerships Manager; Member Services and Ombudsman Complaints Officer

1. Declarations of Interest

- 1.1 Cllr Bartlett declared that he lived next door to the International Border Facility and that he was a Member of KCC.

2. Risks and Income

- 2.1 The Senior Accountant introduced this item and explained that the paper updated financial and service risks identified when drafting the budget for 2024/25, together with a list of the Council's key income streams. She explained that as new data and information became available the risks presented within the draft budget had been revised to reflect these updates. The Senior Accountant ran through the main Budget Components and the following questions/points were raised:

- Ashford Port Health Authority – there was a question about the proposed reduction in staff numbers for traffic monitoring and new shift patterns, and the potential effect this would have on the Council's operations. It was suggested that this issue was discussed further at a Joint Transportation Board meeting. The Deputy Chief Executive said that this could also be raised at the Ashford Strategic Delivery Board. He acknowledged that there were several unknown factors at present, although he considered that the project was likely to go live, and should be considered as a risk. A Member asked about charging fees for haulage and import of goods into the UK and asked how fees were collected. The Service Lead Finance advised that there was a system in place to ensure that income was collected in advance, although larger haulers might be permitted to have a tab arrangement. There was a question about the risk of additional costs and the Service Lead

Finance advised that this related to charges for the Council's management time. There was another question about the potential for expansion and the Deputy Chief Executive advised that there were other income streams that could be brought on line, such as assistance with exporting. It was agreed that the risks would be tolerated at present, with support and underwriting from Government.

- Government Spending Review – the Deputy Chief Executive advised that this was a longer term risk and it would be prudent to tolerate the risk at present but keep an eye on the issue. The provisional settlement this year had been positive but was not as much as it had been in previous years. In response to a question, the Senior Accountant advised that some figures had been included in the Draft Budget and any subsequent figures received on Government spending would be included in the Final Budget.
- Pressure on the 23/24 Budget – a question was asked about the increase in the homelessness budget of £445K. The Senior Accountant advised that this figure was not included in the Draft Budget but would be included in the Final Budget. Regarding high inflation in relation to waste collection, a Member asked whether the new contract would peg the cost of collection for a year. The Service Lead Finance said that indexation compensation was built into the contract to make sure that the operators were on a point of parity. Regarding Elwick Place, the Deputy Chief Executive confirmed that the Council was still invested in making the site work in its current format, although it was also considering future options. He confirmed that rent holidays were part of normal commercial terms. It was agreed that these risks would be tolerated, although proactive work to treat could be taken on the homelessness front.
- Stodmarsh – the Deputy Chief Executive said that this issue presented some long term risks, as well as short term risks in terms of a lack of major sites coming forward. There was also a risk of higher appeal costs, and these factors were a real risk for the budget. He advised that a wetland solution was on hold at the moment, and that further guidance was awaited from Government. There was some discussion about how to deliver funding for the Stour River catchment, and it was agreed that this could be revisited in future. There was a question about how many completions the budget was based on. The Service Lead Finance advised that as part of the MTFP process, officers forecast completions for the next year and built the figure into the tax base. He confirmed that the current figure was around 1% and he envisaged this would continue for the foreseeable future. It was agreed that the risks would be tolerated.
- Planning fees – Members agreed that the Assistant Director of Planning and Development should make an appeal to central Government over the decision not to increase (double) retrospective planning fees, and lobby them to do so.
- Transformation, Digitalisation and Commercialisation – the Service Lead Finance confirmed that the Council was continuing with initiatives to expand and absorb future growth costs. It was agreed that the risks would be

tolerated.

- Increases in service income – it was agreed that the risks would be tolerated.
- Housing Revenue Account – the Service Lead Finance said that this was sustainable at present and the business case was robust. A Member pointed out that there could be significant changes in the pipeline regarding mould regulations and the need to react in a shorter timeframe. It was agreed the risks would be tolerated.
- Estimates of the level and timing of capital receipts – there was a discussion about the desirability of disposing of Council housing stock and Right To Buy sales, The Service Lead Finance proposed that the market condition on how receipts were received should be tolerated, but action could be taken on how those receipts were spent.
- Major Capital Projects – The Deputy Chief Executive suggested that these risks should be tolerated, with a close scrutiny of the finances before committing to major capital projects.
- Business Rates – the Service Lead Finance said that when the new baseline reset came into play, this would result in the loss of the benefit of growth since the previous reset of 2013/14. This was a large risk to the organization. The MRPF had taken a balanced view on this. At present this was an unknown factor and further confirmation was awaited from Government. It was agreed that the risks would be tolerated.
- Inflation, Interest Rates and Pay Award – the Service Lead Finance said that the rise in inflation did not make a big impact on the MTFP due to lag, and he was reluctant to change the budgets for next year as it was unlikely to produce any benefit. In response to a question he confirmed that bad debt had been factored into the budget. He considered that the Council Tax payment was quite resilient although he anticipated difficult times ahead due to the accumulated impacts of inflation on residents and businesses. He confirmed that dividends on strategic investments were higher than anticipated. In response to a question about pay awards for staff, the Service Lead Finance explained that officers progressed incrementally on the salary pay scales, and also received an annual pay award which was set across the board.
- KCC Financial Position – a Member advised that KCC had recently agreed to pay the £250K waste contribution but he considered that this chances of this continuing in future years were reducing.
- Key Income Streams – under refuse and recycling streams, Members noted an assumed loss of 1000 customers. A recommendation was agreed to challenge the figure.

3. Debt and Debt Management

3.1 The Service Lead Finance drew Members' attention to the Oflog Website, which provided information on the Core Spending Power Calculation. He explained that the Ashford figure had been revised to exclude the HRA. He also emphasized that the figure had no regard to complex factors behind debt so it should be viewed with that in mind. He then gave a presentation which covered:

- Capital Financing Requirement;
- Breakdown of CFR and MPR;
- Liability Benchmark;
- Borrowing;
- Impact of Economic Climate on General Fund Borrowing Costs;
- Interest Rate Data
- Inflation Rate Data

During the course of the presentation and number of questions/points were raised as follows:

- There were some questions about the liability benchmark graph and the Service Lead Finance explained the workings of the graph and advised that it was not completely up-to-date but provided general guideline. More information was required on some schemes, so future decisions would affect the graph.
- A Member asked about the value of assets held by the Council and whether this information was published. The Service Lead Finance advised that details were published in the Statement of Accounts, and individual valuations were also available.
- A Member noted that with regard to borrowing, the Council had not opted for PWLB rates. The Service Lead Finance said that advice had been sought at the time from Arlingclose and the Council had followed their advice. The Member considered that the Council had not followed an ideal strategy and he requested that Arlingclose be invited to a future meeting to discuss the treasury management strategy.
- Regarding the economic climate on General Fund borrowing costs, the Service Lead Finance said that the amount of interest currently being paid by the Council had increased enormously although the actual level of borrowing had not changed.
- A Member asked about whether more resources were needed for treasury management. The Service Lead Finance replied that he was not convinced that more resources in treasury management would change the overall outcome and he was content with the current resourcing levels.

4. Reserves

4.1 The Service Lead Finance introduced this item and drew attention to the key points within the report, and the following questions/points were raised:

- There was a question about the 15% minimum reserve figure and how that figure was achieved. The Service Lead Finance advised that this was for the next operational budget and excluded contributions to and from reserves.
- In response to a question, the Deputy Chief Executive advised that the Council had been successful in bidding for funding under the Public Sector Decarbonisation Scheme, and this money would be used towards International House.
- The Service Lead Finance said that the report noted changes to the way the Council held reserves. There were not sufficient reserves to cover ideal provision, so there was a need to be cautious on spending reserves.
- There was a question about cash flow. The Service Lead Finance said that there had been approximately £200K in the bank over the Christmas period. The cash balance was kept low to reduce the need to borrow at high rates.

5. Wrap Up

5.1 The Scrutiny and Partnerships Manager introduced this item. She explained that she would prepare a findings report with recommendations and this report, together with the minutes of the Budget Scrutiny Task Group meetings, would be considered at the Overview and Scrutiny Committee on 13th February. The final report would go to Cabinet on 29th February and on to Full Council, date to be confirmed. Members discussed the final recommendations of the Task Group and agreed the following:

Recommendations

The Overview and Scrutiny Task Group recommends to the Cabinet that:

- I. Priority is given to exploring options to develop revenue raising assets, for example, industrial units at the Ninn Lane site subject to satisfactory business modelling.
- II. The temporary accommodation budget may now be insufficient to meeting further increased demand in homelessness representations. It is proposed that the budget is increased by £445,000 to reflect the increased demand and forecasting.
- III. The Task Group also supports the exploring of opportunities to acquire new sites/buildings for temporary accommodation in order to reduce the long-term impact on the general fund revenue costs.

- IV. The Chief Executive undertake a further review of the senior management structure during 2024/25 with the objective of making further financial savings.
- V. The Key Performance Indicators (KPIs) showing data for planning applications is broken down to show the difference between cases currently held up by Stodmarsh, and those not.
- VI. Swift action is undertaken by the Assistant Director of Planning and Development to make an appeal to central Government over the decision not to increase (double) retrospective planning fees, and lobby them to do so.
- VII. The income loss assumed as a result of the proposed increase to garden waste collection fees be revised and consider increasing this budget by £60,000.

The Overview and Scrutiny Task Group recommends to the Committee that:

- VIII. A report is brought forward to the Full O&S Committee in 2024/25 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.
- IX. Representatives from Arlingclose are invited to attend a future meeting of the Committee to discuss the council's treasury management strategy.

Councillor Bell (Chair for this Meeting of the Task Group)
Overview & Scrutiny Task Group – Budget Scrutiny

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