

# Ashford Borough Council: Notes of a Meeting of the Overview and Scrutiny Budget Task Group – 9<sup>th</sup> 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 10<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup> 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 12<sup>th</sup> 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:**

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

	<ul style="list-style-type: none"><li>• Proposal to keep the task group up and running as a task group of O&amp;S for the coming year to fulfil an ongoing budget scrutiny purpose.</li></ul>
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\*Post Meeting Note – The items for Session and 1 and 2 would be swapped around.

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