

# Overview and Scrutiny Budget Task Group – 6<sup>th</sup> January 2025

Minutes of a Virtual Meeting of the Overview and Scrutiny Budget Task Group held on Microsoft Teams on 6<sup>th</sup> 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 31<sup>st</sup> 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