

# Overview and Scrutiny Budget Task Group – 8<sup>th</sup> January 2025

Minutes of a Virtual Meeting of the Overview and Scrutiny Budget Task Group held on Microsoft Teams on 8<sup>th</sup> 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.

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