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## SCRUTINY COMMITTEE

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**MINUTES** of the Meeting held in the Council Chamber, Swale House, East Street, Sittingbourne, Kent, ME10 3HT on Thursday, 19 March 2015 from 7.00 - 9.11 pm.

**PRESENT:** Councillors Sylvia Bennett, Andy Booth (Chairman), John Coulter, Mark Ellen, Mike Henderson, Peter Marchington, Ben Stokes and Ghlin Whelan.

**OFFICERS PRESENT:** David Clifford, Abdool Kara, Bob Pullen and Nick Vickers.

**ALSO IN ATTENDANCE:** Councillors Bowles (Leader) and Ted Wilcox (Cabinet Member for Performance).

**APOLOGIES:** Councillors Lloyd Bowen, Jackie Constable and Prescott.

### 568 MINUTES

The Minutes of the Meeting held on 11 February 2015 (Minute Nos. 486 – 493) and the Minutes of the Special Meeting of the Overview and Scrutiny Committee held on 23 February 2015 (Minute Nos. 535 – 538) were read, approved and signed by the Chairman as a correct record.

### 569 DECLARATIONS OF INTEREST

No interests were declared. The Chairman clarified, that although he was the Lead Member for the Cabinet Member for Regeneration who had sent his apologies for the meeting, his role at this meeting was as Chairman, not deputy for the Cabinet Member.

### 570 CHANGE IN ORDER OF BUSINESS

The Chairman altered the order of business and advised that there was also an Urgent Item to consider.

#### **Part B Minutes for Information**

### 571 FINANCIAL MANAGEMENT REPORT

The Chairman welcomed the Head of Finance to the Meeting.

The Head of Finance introduced the report which set out the revenue and capital projected outturn for 2014/15 as at the end of period nine, covering the period from April to December 2014. He reported that the projected underspend was £867,600. The Head of Finance advised that 85% of the net underspend was due to base budget spending on the waste contract and the level of planning fees was higher than budgeted.

Members then asked questions which were responded to as below.

Question: with the projected underspend, would Swale Borough Council (SBC) then provide more services as a result, such as more street cleaning?

Response from the Head of Finance: the underspend would be rolled-over and added to the reserves. Very little underspend was carried on to the following year. He added that the planning fees were dependent on the number of planning applications received; next year was not expected to be a repeat of this year.

Response from the Chief Executive: the cleansing standards were the same in present and previous cleansing contract; staffing levels were less so there was an efficiency saving. Deep cleansing operations were carried out in specific areas, and a request could be made if an area was considered in need of a deep clean.

Question: was the projected net overspend of £105,000 with reference to the Planning Mid Kent Planning Service specific solely to SBC?

Response from the Head of Finance: yes, £105,000 was in relation to SBC.

Question: was it possible to identify whether the overspend in Development Services was because of additional workloads or the changes to Planning Administration?

Response from the Chief Executive: a significant proportion had arisen because of the increased volume of cases, indicated by the increase in income, and by the complexity of planning cases.

The Head Of Finance agreed to forward the proportions of overspend to the Scrutiny Committee.

- Head of Finance

Question: would normally welcome an underspend, but with regard to the underspend of £22,000 for Public Conveniences, as some of these were in such a poor state throughout the Borough, could the underspend be used to address this?

Response from Chief Executive: it was not usual to spend revenue contract costs on something that was revenue capital costs. End of year underspend on contracts could be invested in capital and maintenance spend.

The Head of Finance in response, agreed to forward further information from the Head of Commissioning and Customer Contact to the Scrutiny Committee.

- Head of Finance

A Member congratulated the Head of Commissioning and Customer Contract for his work on, and implementation of, the waste contract which the Member considered to be a major success.

The Chairman thanked the Head of Finance for attending the meeting and congratulated the Cabinet Member for Finance, the Head of Finance and the Finance Department for the format of the report which he considered easy to understand.

**Resolved:**

- (1) That the projected revenue underspend of £867,600 and the proposed rollover of specific and other grants of £148,700 for 2014/15 be noted.**
- (2) That the projected capital underspend for 2014/15 of £153,384, and the approval of the additional capital funding to Sittingbourne War Memorial – additional £7,470 from capital receipts be noted.**

**572 PERFORMANCE MONITORING REPORT**

The Chairman welcomed the Cabinet Member for Performance and the Policy and Performance Manager to the meeting.

The report set out the quarterly portfolio-based balanced scorecard performance reports for the third quarter (October – December) of 2014/15.

The Cabinet Member for Performance gave an overview of the scorecards. He explained that complaints to the Council had fallen, as the waste contract had 'bedded in'; he acknowledged the issues within the Planning Department; and explained that staff sickness levels had increased due to long term sickness absence; but short term sickness levels were very good.

The Policy and Performance Manager confirmed that 38% of sickness was due to short term; with 62% as long term. He explained that the performance indicators achieving target this quarter was down to 62% as planning indicators had been factored in again. The Policy and Performance Manager further advised that some two-thirds of the Council's indicators for which comparisons could be made were performing above the national median.

Members then went through the scorecards page by page.

**Corporate Health**

A Member requested that separation be indicated for short term and long term sickness to enable a clearer indication of the situation to be shown.

- Policy and Performance Manager

**Localism**

A Member raised concern with the Local Area Perception Survey 2014 figures, as half was 'target missed' and asked for further clarification. He also raised concern with the volunteering figures, with a target which he considered to be low and this figure was not being achieved; he also considered that residents did not think the Council listened to them.

Question: there was a lot of volunteering taking place; were the indicators being measured properly to measure this?

Response from Policy and Performance Manager: the correct indicators were being used. The questions and methodology were the same as the old Place Surveys so

that comparison could be made with other councils and over time. If the questions were changed, the comparability would be lost.

In terms of the Local Area Perception Survey, the Policy and Performance Manager explained that there were only four indicators, with only two in red.

### **Planning**

A Member raised concern with planning applications that did not comply with conditions and considered the Enforcement Team should take more action. In response, the Leader confirmed that the Cabinet Member for Planning was investigating this matter further.

### **Regeneration**

A Member was encouraged by the improvement in the skills profile in Swale and acknowledged that further improvements would take time. He suggested that Key Stage 1, 2 and 3 were looked into further, including the transition from Key Stage 1 to 2 being measured as value-added in secondary schools; there should be more information from KCC on how primary schools were doing; and there was a need for an increase in more demanding GCSEs.

The Chairman thanked the Cabinet Member for Performance and the Policy and Performance Manager for attending the meeting.

## **573 EXCLUSION OF THE PRESS AND PUBLIC**

### **RESOLVED:**

***(1) That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act:***

***Paragraph 3 – information relating to the financial or business affairs of any particular person (including the authority holding that information).***

## **574 URGENT ITEM - CALL-IN**

The Chairman welcomed the Leader, the Chief Executive and the Head of Finance to the meeting. He explained that the Scrutiny Committee on 11 February 2015 had resolved that following consideration of the Forum Shopping Centre, Sittingbourne at Cabinet on 11 March 2015, the Chairman would call-in the decision using the procedure as set out in the Constitution. The Cabinet minutes (Minute No. 554 refers) were published on 16 March 2015 and the decision was called-in, as above and for the specific reason that there was inadequate consultation relating to the decision.

The Leader advised that consultation had been carried out with external financial and legal advisors. He acknowledged the importance of the Forum Shopping

Centre, and explained that it was not usual to take every decision to the Scrutiny Committee. The Leader explained that the decision made at Cabinet was a financial decision and he was unsure what other consultation should have been carried out.

Members asked the following questions.

Question: if the current offer of £9.25million for the Forum was increased, would the whole process be repeated?

Response from the Leader: no, as a maximum investment of up to £3.5million was agreed.

Question: at what stage did the agreement to purchase with Development Securities Plc become binding?

Response from the Leader: on the day that the agreement will be signed.

Question: what was the preferred method for funding the cost of the purchase?

Response from Chief Executive: planning this project had been on the basis of borrowing the money because of other commitments in the Town Centre, rather than using reserves; and also the cost of borrowing was low.

Question: with such a good return on the investment, why was the holding company happy to share this?

Response from the Leader: they wanted to be part of a cooperative partnership, it was an advantage for SBC to have their experience. The Chief Executive added that this showed commitment to making the regeneration of Sittingbourne work.

Question: pay down borrowing, support revenue budget, or invest in the property so value increases; out of these, what were the priorities for the return on the investment?

Response from the Leader: all of the above. He advised that in the future local authorities were likely to go down this route of investment so as to become less dependent on ever reducing funding from central Government.

Response from Chief Executive: there will be an increase in rental values with increased footfall in the Forum, and this would be a revenue stream for the budget as well as an increase in the value of the property holding.

Question: will there be a sensible final price for the Forum?

Response from the Leader: advice had been taken and it will be purchased at the agreed right price.

Question: can returns from the project be spent on the Isle of Sheppey?

Response from the Chief Executive: with revenue support reducing, this was an opportunity to get a revenue stream for the whole Council. He reminded Members of recent investment programmes that had taken place on the Isle of Sheppey.

A Member suggested that less than 8% return was acceptable, and increased social and economic value were notable as well. This was acknowledged by the Leader.

A Member considered this matter could have been discussed some time ago to include more consultees. He suggested that there could have been consultation with the Group Leaders and also with the Consultation Group on Sittingbourne Regeneration. He considered that consultation was very important and it had failed in this instance; he did not accept that it was solely a financial decision, and as it involved borrowing significant amounts of money, there should have been consultation.

Question: was this the right investment to make bearing in mind the demise of the high street in general?

Response from the Leader: advice had shown that this was the right investment, and he added that this type of investment had previously been discussed at Cabinet.

In response to a question, the Head of Finance advised that initially he was sceptical about buying out the Forum Car Park lease, but considered buying both the Forum and the Car Park worked financially. The Chief Executive added that this was an opportunity to invest in the freehold of a large asset in Sittingbourne, and opened up other opportunities for the future.

Councillor Stokes requested that the minutes specifically recorded his comments that he had some concern over buying into Tesco.

In response to questions about the leases within the Forum, the Head of Finance acknowledged there was some risk, and advised that the holding company was confident that new tenants would come forward. The Leader added that increased footfall should increase demand for tenants to lease the units within the Forum.

The Chairman thanked the Leader, the Chief Executive and the Head of Finance for attending the meeting for this item.

**Resolved:**

- (1) That the decision on the Forum Shopping Centre, Sittingbourne taken at the Cabinet meeting on 11 March 2015 is not referred back to Cabinet; and that the decision is to take effect from 19 March 2015.***

**575 REVIEWS AT FOLLOW-UP STAGE AND LOG OF RECOMMENDATIONS**

The Committee noted the log of recommendations.

**576 OTHER REVIEW PROGRESS REPORTS****Contracts and Procurement Review Conclusions**

Councillor Ben Stokes (Review Coordinator) provided a verbal update. He explained that he had met with officers and the Cabinet Member for Finance and had studied a sample of Council contracts. Councillor Stokes reported that the new systems that had been introduced had bedded in, and there had been significant savings, for example on the waste contract. He advised that there was a standard template for new contracts which provided greater clarity.

Councillor Stokes advised that there were no recommendations to take to Cabinet; the review had provided reassurance that the contracts and procurement processes at SBC were working efficiently. He thanked Councillors Bennett, Booth and Marchington, Cabinet Members and officers, including the Policy and Performance Officer for their assistance with the review.

**Resolved:**

- (1) That the verbal report be noted.***

**Asset Transfers Review Report**

Councillor Peter Marchington (Review Coordinator) provided an overview of the review so far. He advised that a formal report would be written.

**Resolved:**

- (1) That the verbal report be noted.***

**Update on progress with the Economic Development Review**

The Policy and Performance Officer drew Members' attention to the interim report which was tabled.

**Resolved:**

- (1) That the Economic Development review is considered for inclusion in the Scrutiny Committee's work programme for 2015/16.***

**Scoping template for the Housing Review**

The Policy and Performance Officer drew Members' attention to the scoping template which was tabled.

**Resolved:**

- (1) That the Housing review is considered for inclusion in the Scrutiny Committee's work programme for 2015/16.***

### **Joint Scrutiny of MKIP Planning Support**

The Chairman reported that a Task and Finish Group would be set up in the new Municipal year.

### **MKIP Governance**

The Chairman provided an overview of this item which was considered at the Cabinet meeting on 11 March 2015.

The Policy and Performance Officer advised that the recommendations and Cabinet's response would be considered at a future Council meeting.

### **577 CABINET FORWARD PLAN**

Members noted the Forward Plan.

### **578 URGENT BUSINESS REQUESTS**

There were no urgent business requests.

### Chairman

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All Minutes are draft until agreed at the next meeting of the Committee/Panel