
SCRUTINY COMMITTEE

MINUTES of the Meeting held in the Council Chamber, Swale House, East Street, Sittingbourne, Kent, ME10 3HT on Thursday, 28 January 2016 from 7.00 - 8.17 pm.

PRESENT: Councillors Mike Baldock, Andy Booth (Chairman), Lloyd Bowen (Vice-Chairman), Roger Clark (substitute for Councillor Derek Conway), Mike Dendor, Mick Galvin, Mike Henderson, Ken Ingleton, Samuel Koffie-Williams, Peter Marchington, Prescott, Ben Stokes and Roger Truelove.

OFFICERS PRESENT: Anne Adams, Tracey Beattie, Kathryn Carr, David Clifford, Philippa Davies, James Freeman, Oliver Hartland, Abdool Kara, Bob Pullen, Mark Radford, John Scarborough, Dena Smart, Nick Vickers, Emma Wiggins and Phil Wilson.

ALSO IN ATTENDANCE: Cabinet Members: Councillors Bowles, Mike Cosgrove, Duncan Dewar-Whalley, Gerry Lewin, Ken Pugh, David Simmons, Ted Wilcox and John Wright and Councillors Cameron Beart, Tina Booth and Nicholas Hampshire.

APOLOGIES: Councillors Derek Conway and Mike Whiting (Cabinet Member).

459 **EMERGENCY EVACUATION PROCEDURE**

The Chairman ensured that those present were aware of the emergency evacuation procedure.

460 **MINUTES**

The Minutes of the Meeting held on 13 January 2016 (Minute Nos. 419 – 425) were taken as read, approved and signed by the Chairman as a correct record.

461 **CHANGE TO ORDER OF BUSINESS**

The Chairman advised that the order would be changed and the Draft Budget 2016/17 would be considered first.

462 **DECLARATIONS OF INTEREST**

No interests were declared.

463 **DRAFT BUDGET 2016/17**

The Chairman welcomed Cabinet Members, members of the Committee, visiting Members, and officers to the meeting.

The Head of Finance introduced the Draft Budget and drew Members' attention to Appendix III in the report which highlighted changes to the Draft Budget since the Cabinet meeting on 2 December 2015, following the Local Government Finance

Settlement which was published on 17 December 2015. The Head of Finance explained that the funding gap reported to Cabinet in December had risen from £286,000 to £422,000. Adjustments as presented would be made to fund the gap, and the draft budget will be updated for Cabinet on 3 February 2016.

The Chairman invited the Group Leaders to ask any specific questions within pages 19 - 26 of the report.

The Leader of the UKIP Group referred to paragraph 2.20 and asked what difference 0.5% either-way would make to the budget? He was advised that a percentage increase was equivalent to £100,000.

The Leader of the Labour Group spoke on new income streams (paragraph 1.2); he acknowledged the need for reserves, but considered some investment was required, particularly with updating play areas and open spaces. He emphasised the importance of ensuring that new homes had the necessary infrastructure, and that the built environment was sustainable.

The Leader of the Independent Group raised concern with budgeting in the future, in the next year or two, post 2016/17. He considered national business rates were potentially volatile, as it was not known how many new businesses there would be. He explained that the New Homes Bonus (NHB) presented the same issues, especially when homes were built following an appeal, with the loss of the NHB, and the issues that this could present.

The Cabinet Member for Finance acknowledged the issues that were raised, and explained that this was why it was important to have reserves, and it was anticipated that a balanced budget would be achieved without relying on these reserves.

The Chairman explained that he would go through pages 28 – 34 in the report, line-by-line, and Members were invited to speak and ask questions. He advised that the draft budget book (pages 35 – 64) would not be scrutinised, it was there for reference in conjunction with the information on pages 28 – 34.

The questions and responses from relevant Cabinet Members and/or officers are noted below.

Page 28

Point 1

There was an increase in Mid-Kent Improvement Partnership (MKIP) costs, was MKIP saving the Council money?

Yes; and not only in relation to finances, MKIP also provided greater resilience across the three authorities.

The Chief Executive advised that demand for some services provided by MKIP had increased.

Point 3

What was the £7,500 figure as percentage growth?

This was a significant percentage, but the figure was not significant itself as ticket machines in car parks had been renewed which provided more resilience. Machines had failed/jammed or been vandalised, and some new machines had been installed.

The Chief Executive advised that the draft budget provided more detail of gross values, and that it had been agreed when the fees and charges were set in November 2015 that some funding would go towards maintenance of older machines.

Point 4

Why was a Leisure Development Officer needed in addition to a Leisure Manager and what would the new appointment bring strategically?

This was a new post, initially for 12 months, to support the Leisure Manager. The role would be to identify opportunities for income, such as developing asset transfers, promoting use of green spaces, and co-ordinating delivery of agreed approaches.

Point 8

There was a very large increase in growth in Legal Services, was this met with declines elsewhere in the budget?

There was a significant increase in demand for this service, with more work being carried out internally, rather than being outsourced, and this sum was necessary to produce a balanced budget. But it was largely compensated for with additional income from the other two partner authorities.

The Head of Legal Partnership drew Members' attention to page 34 of the report which showed two items as additional income which netted-off most of the growth figure.

Point 9

How many lone workers were there at the Council, and what was the software for?

The current software system contract was due to end. The new system would be the same across MKIP, and was available to all lone workers at the Council.

Page 29

Points 1 and 2

What was the overall cost of using the Faversham District Office, and was there an alternative way of operating it?

Use of the office had reduced, and alternative ways of contacting Customer Services direct were being introduced.

Point 3

What was the driver behind the maintenance of closed churchyards?

Maintenance had increased due to the Council looking after an increasing number of churchyards which had closed, with the Council having a legal obligation to take on the maintenance and taking into consideration health and safety implications, for example tree management.

Point 5

What was the figure of £20,000 in relation to beach huts about?

More huts were sold than was expected, so there had been an increase in capital receipts, but with fewer huts being rented out.

Point 10

Was extra staff for Individual Electoral Registration funded by Central Government, and was this for staff or resources?

No, this is no longer funded by Central Government and this sum was for both staff and resources.

Page 30

Point 15

How can we budget for an unachievable saving?

Tunbridge Wells Borough Council were no longer going to join the Human Resources shared service so this saving would not be achieved, which had cost implications.

Point 16

Does the National Insurance cost increase cover all staff, or solely MKIP staff?

Yes, it is the total cost for all employees at the Council.

Point 17

What were the increased Local Plan costs?

This was unplanned; forward programming for Bearing Fruits needs to be arranged in two parts, rather than one and this had cost implications.

Point 19

What was the necessary delay between vacating properties and transferring them to the Spirit of Sittingbourne?

The properties were not transferred immediately to the Spirit of Sittingbourne, and as a result rates had to be paid until the transfer took place.

The Head of Property Services further advised that the properties were in Fountain Street, Pembury Street, and Dover Street, Sittingbourne.

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Point 4

Was £10,000 less being spent on litter bins?

Yes, over the last two or three years there had been an extensive programme of replacing and installing new bins, so there was no longer a need to have a full budget for this.

The Cabinet Member for Environmental and Rural Affairs undertook to provide further written details to the Scrutiny Committee.

Will there be funding to supply more new litter bins in the future?

There should be sufficient funding for replacement bins, but it was more difficult to put in additional bins.

Did the litter bins include those for dog waste?

No, solely litter bins.

Point 7

What did “Street Cleaning contract – reduction in base figure for negative indexation 2015/16” mean?

Contract costs are indexed; as there was negative inflation last year, largely because of decreases in fuel costs, the application of the index to the contract this year resulted in a net cost reduction.

Point 12

What did “Channel Shift/behaviour change to Housing Benefits Customer process. Offsets an unavoidable cost pressure” mean?

This was directly linked to Point 20 on page 30 of the report; the reduction in Housing Benefits Admin subsidy.

Point 13

Why was there only a £10,000 saving on the use of Council-owned housing in Teynham reducing temporary housing costs?

This was for the Council-owned housing in Murston, Sheerness, and Teynham; this will be updated in the final Budget report.

Is the intention to expand on the three properties available to make them accessible so that residents were near to family, friends and social support network?

The Cabinet Member for Housing undertook to provide a written response to this.

Page 34

Point 4

Garden waste collection, this has turned around, how has this happened?

The new waste contract had changed the previous contract arrangements so that the Council now gained financially from every new brown bin that was implemented. Partly because of a reduction in the cost of a brown bin from £40 to £35 and an additional 3,000 bins had been subscribed to generating this additional income.

The Chairman thanked Cabinet Members, members of the Committee, visiting Members, and officers for attending for this item. He confirmed that there were no recommendations to take to Cabinet on 3 February 2016.

Resolved:

- (1) That the draft budget for 2016/17 be noted.**
- (2) That written responses to the two outstanding questions, as noted above be forwarded to the Scrutiny Committee.**

464 FINANCIAL MANAGEMENT REPORT

The Cabinet Member for Finance introduced the report which showed the revenue and capital projected outturn for 2015/16 as at the end of September 2016. He considered that overall matters were moving in the right direction.

There were no questions.

Resolved:

- (1) That the projected revenue underspend on services of £785,915 be noted.**
- (2) That the capital expenditure of £643,998 to end of September 2015 be noted.**

Chairman

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