
SCRUTINY COMMITTEE

MINUTES of the Virtual Meeting Via Skype on Wednesday, 12 August 2020 from 7.00pm - 9.33pm.

PRESENT: Councillors Lloyd Bowen (Chairman), Richard Darby, Steve Davey, Mike Dendor (Vice-Chairman), Tim Gibson, Alastair Gould, James Hall, Carole Jackson, Elliott Jayes, Denise Knights, Pete Neal and Ken Pugh.

OFFICERS PRESENT: David Clifford, Jo Millard, Bob Pullen and Nick Vickers.

ALSO IN ATTENDANCE: Councillors Cameron Beart, Derek Carnell, Roger Clark, Roger Truelove (Leader,) Alan Horton, Ken Ingleton, David Simmons, Tim Valentine and Tony Winckless.

36 **MINUTES**

The Minutes of the Meeting held on 27 February 2020 (Minute Nos. 570 – 578) and the Minutes of the Extraordinary Meeting held on 20 May 2020 (Minute Nos. 668 - 671) were taken as read, approved and signed by the Chairman as correct records.

37 **DECLARATIONS OF INTEREST**

No interests were declared.

38 **FINANCIAL MANAGEMENT REPORT**

The Leader introduced the report which set out the revenue and capital projected outturn position for 2019/20. He reminded Members that this was based on the budget set in February 2019 and was considered by Cabinet in July 2020, when there had been lots of questions and debate.

The Leader highlighted the variances on Page 8, Table 2 of the report which included the costs for homelessness being lower than expected and the unexpected costs to defend public appeals, and he spoke positively on the revenue received from the Princes Street Retail Park. He drew attention to the General Fund Balance on page 9 of the report and highlighted the revenue underspend of £64,188.

A Member sought clarification on £800k for Corporate Priorities at paragraph 3.10 on page 10 of the report. In response, the Leader explained that £800k had been transferred from the Kent Pool Economic Development Business Rates Reserve to a new reserve called Shared Business Rates Allocated to Council Priorities. He explained that the allocation of this reserve was the subject of planning by a Cabinet group and that it was intended to contribute to economic resilience in the face of the Covid-19 pandemic, with a preference for improvements in the three town centres of Faversham, Sheerness and Sittingbourne.

In response to a Member's question on why the Council's insurance did not cover the full repair to the roof, the Leader explained that as the building had not been properly maintained for many years, the insurance company would not insure it to its replacement value. In response to the same member about the influence of the Covid-19 pandemic on variations, the Leader explained that this only came into effect at the end of the budget period.

The Chairman went through the Main Variations by Service on Table 8 on pages 17 to 26 of the report.

Members raised the following points:

- Suggested including a summary of staff underspends and costs in each department;
- were vacancies included as a reduction?; and
- why was the £192k additional consultancy costs for defending two public enquiries not shown against the Planning variance?

In response, the Leader and the Chief Financial Officer explained that not filling vacancies had caused underspends and whilst staff salaries were the biggest area of the budget at £12million, the variances were comparatively minor. The Leader said that the planning consultancy costs were unwelcome but necessary to defend development as the public wanted. The Chief Financial Officer added that the spend was on legal costs which were not directly under the control of the Head of Planning Services, but he agreed to include additional information that it was paid for out of the General Fund.

There was further discussion on underspends on staff salaries and a Member asked whether the public were being provided with the best service if there were vacancies and salary underspends? The Chief Financial Officer explained that there was no blanket recruitment freeze or policy of not filling posts, but consideration was given on whether a particular post was still required, and some managers had alternative solutions when vacancies arose. The Leader added that staff underspends were historical. At the request of a Member, the Chief Financial Officer agreed to include a summary of net under and overspends and totals on staff salary.

In response to a Member's question on a £5k rollover in Housing, the Chief Financial Officer explained that Cabinet had agreed that priority areas could be rolled-over.

A Member drew attention to Table 8 on page 21 and said that additional income had been made in refuse collection but the service had failed to deliver. In the debate that followed, the Leader explained that Biffa had failed to deliver due to lack of manpower resource and inadequate lorries. He said that the service had improved prior to the Covid-19 pandemic but the administration had inherited a bad contract. The Cabinet Member for Environment added that many factors were out of the Council's control. A Member said that the current contract, was better than the pre-2013 contract, and was a good contract when it was signed.

In response to a Member's question on what the £75k in reserve for Milton Creek Access Road on Table 10 on page 30 was for, the Chief Financial Officer agreed to report back.

A Member asked whether the £250k for Sheppey Lower Road Improvements on Table 10, page 30 was for widening or had been reallocated. The Chief Financial Officer agreed to report back.

A Member highlighted that £88k in Insurance Funds on Table 10, on page 30 had been in reserves for very many years and suggested it was no longer required. The Leader thanked the Member for drawing attention to this.

In response to a Member's question on CCTV Monitoring Control Centre, Table 13, on page 41, the Chief Financial Officer clarified that **Members** decided not to go ahead with options, not officers and he agreed to update the table. A Member congratulated officers on the savings and work on the project. The Leader acknowledged the work by the previous administration on the project.

The Cabinet Member for Environment agreed to confirm the projects referred to at line 19, Table 13, page 43.

The Chief Financial Officer agreed to find out why the overspend on the Sittingbourne Town Centre Regeneration at line 23, Table 13 on page 44 was funded by borrowing.

A Member requested training for accountancy/budgets for Members and it was suggested that this would be raised with the Member Development Working Group.

Resolved:

(1) That the report be noted.

39 BUDGET UPDATE

The Leader introduced the report which gave an overview to Members on the impact of the Coronavirus on the Council's finances. He said that the 2020/21 Budget was always going to be challenging and the £23million reserves were a comfort but could not be fed into a sustainable budget. He said that the reserves would assist with emergency, one-off costs.

The Leader said that the impact on the budget was less than expected, the deficit had been halved since the predicted estimate in June 2020 of £4.1million, but the situation was fluid and the impact on homelessness and a possible second wave in the future were unknown. He said that five Cabinet Members and the Chief Financial Officer met monthly to monitor the situation.

The Chief Financial Officer stressed the difficult financial situation but said that the Council had received over £2million in funding from Central Government, which had narrowed the £4.1million. He said that the Council might receive an additional £600k – to fund 75% of loss from Fees and Charges. The Chief Financial Officer said that the funding gap was manageable, and he was more worried about the

budget for 2021/22. He said he would give an update on the financial position to the Scrutiny Committee after the Cabinet meeting on 23 September 2020.

In response to a question from the Chairman, the Chief Financial Officer explained that a Section 114 Notice was a notice served if an authority was likely to exceed its financial resources and that Swale Borough Council (SBC) were not in any way, shape or form near that position. The Leader agreed.

In the discussion that followed the Chairman referred to the build-up of reserves and said that the role of the Scrutiny Committee was to scrutinise how reserves were allocated and ensure that they were spent appropriately.

A Member was pleased that the Leader recognised the importance of reserves, and for the benefit of newer Members, referred to Revenue Reserves and explained that the flexibility was £5million, and the Council needed to be cautious. He said that money should be spent on priority services. The Leader replied that nobody had anticipated Covid-19, and the needs of the Council would be put first on issues that only mattered to Swale.

A Member praised the work of officers and questioned why SBC should make up the shortfall from their reserves? The Leader said that SBC had received more funding from Central Government than expected and if the Government knew of the reserves, would expect SBC to self-fund. He added that if there was a second wave of Covid-19, more funding would be applied for.

Resolved:

(1) The report was noted.

40 SITTINGBOURNE TOWN CENTRE UPDATE

The Chairman invited Members to ask questions on the Sittingbourne Town Centre Regeneration update.

A Member was critical of the surfacing of the pedestrian access at the Multi-Storey Car Park, and in front of the railway station, and of the poor signage directing visitors to the High Street. The Leader said that signage was still being considered.

A Member referred to the first line in the update on Highway Works and sought clarification on what 'substantially complete' was in percentage terms and what was left to do? He drew attention that section 7 was missing from the second paragraph in Highway Works. The same Member asked what training for SBC and Cushmans was required as stated in the second paragraph on page 2 of the update? The Chief Financial Officer suggested it was the car park system to reimburse the public.

A Member was critical on the limited information on Risks on the update and said there had been no new risk register circulated since February 2020. In response, the Chief Financial Officer said that the project was viable, and he referred to the recent planning application for the Bowling Alley as an addition to the scheme. He said that confidentiality issues prohibited more information on Risks.

A Member sought information on the research carried out before considering the smaller 'Fun' Bowling Alley and he agreed to submit his request for further details to the Cabinet Member via Democratic Services.

A Member thanked the Leader for attending the meeting and reminded Members that the Bowling Alley was not an SBC scheme, and The Light cinema should carry out their own research. Referring to the Risk Register he said that Members needed to understand that this was being dealt with and suggested a report with this information on blue paper be considered at a future Scrutiny Committee meeting.

The Chief Financial Officer said that the cinema was due to open in late October and the project was close to completion and by the time of the next Scrutiny Committee meeting, more details would be out in the public.

Referring to the announcement about the Bowling Alley, the Chairman was critical about the communication to Members again and said that the information should have been communicated better.

A Member advised that he would put his questions on the viability of the buildings, research undertaken and block paving in front of the railway station directly to the Cabinet Member for Regeneration.

Resolved:

(1) That the update be noted.

41 DRAFT OVERVIEW AND SCRUTINY ANNUAL REPORT 2019/20

The Policy Officer introduced the report and outlined the effect that the Covid-19 pandemic had on reviews as it was not possible to carry out site visits and visit facilities.

A Member thanked and congratulated the Policy Officer for the report and his work on the Scrutiny Committee. He was encouraged by the increased numbers of Members that regularly attended Scrutiny Committee meetings.

Other Members, including the Chairman, thanked and praised the Policy Officer, Democratic Services and other officers for their work on the Scrutiny Committee meetings. The Chairman thanked all visiting Members for their attendance and a Member thanked the Chairman and Vice-Chairman.

Resolved

(1) That the Overview and Scrutiny Annual Report for 2019/20 be presented to Council.

42 CABINET FORWARD PLAN

The Senior Democratic Services Officer advised Members of the updates to the Forward Plan since the Scrutiny Committee Agenda had been published.

A Member drew attention that the officer leading on the Webcasting Council Meetings project item needed updating, and suggested that as the Council Beach Hut Policy had been on the Forward Plan since March 2019, it should be taken off until it was ready to be considered by Cabinet.

Resolved:

(1) That the Forward Plan be noted.

43 NEXT MEETING DATE

The Chairman suggested that as the next scheduled Scrutiny Committee meeting was in four weeks, and the meetings calendar in September 2020 was very full, the next meeting be moved to a later date in early October 2020.

Resolved:

(1) That the next Scrutiny Committee Meeting be moved to October 2020, on a date to be advised by Democratic Services.

Chairman

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