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## SCRUTINY COMMITTEE

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**MINUTES** of the Virtual Meeting Via Skype held on Wednesday, 21 October 2020 from 7.00pm - 9.16pm.

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

**OFFICERS PRESENT:** Philippa Davies, Bob Pullen, Dean Radmore, Nick Vickers and Emma Wiggins.

**ALSO IN ATTENDANCE:** Councillors Monique Bonney, Roger Clark, Alan Horton, Hannah Perkin, David Simmons, Sarah Stephen, Roger Truelove (Leader and Cabinet Member for Finance), Ghlin Whelan and Tony Winckless.

**APOLOGY:** Councillor Carole Jackson.

### 198 INTRODUCTION

The Chairman explained that the meeting would be conducted in accordance with the Local Authorities and Police and Crime Panel (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 No. 392.

In welcoming all Members and members of the public, the Chairman explained which Swale Borough Council officers were in attendance.

### 199 MINUTES

The Minutes of the Meeting held on 12 August 2020 (Minute Nos. 36 – 43) were taken as read, approved and signed by the Chairman as a correct record.

### 200 DECLARATIONS OF INTEREST

Councillor Elliott Jayes declared a Disclosable Non-Pecuniary Interest in respect of Item 5, Financial Management Report. Councillor Jayes was the Treasurer and Trustee of Thistle Hill Community Centre which was included in the report in Table 9 – 2020/21 Allocations from Funds.

### 201 SITTINGBOURNE TOWN CENTRE REGENERATION UPDATE

The Chairman welcomed the Director of Regeneration, the Cabinet Member for Economy and Property and the Sittingbourne Town Centre Scheme Manager to the Meeting. The Chairman referred to the tabled update for this item, which had previously been emailed to Members and added to the online agenda.

The Cabinet Member for Economy and Property gave an update and reported that sections 1 and 2 of the Bourne Place Leisure Development had reached practical completion, and the development had moved from phase 1 (construction) to phase 2 (fit-out and operational). Tenants were now fitting-out their units, and some were trading. She said that fitting-out of the bowling alley was progressing well, and seating had been installed in the cinema. Sentado Lounge restaurant, situated under the hotel, had opened last week. Savills continued to market the two remaining units, which had been a challenge during the Covid-19 pandemic and the economic downturn. The Cabinet Member said that the totems had been installed and these would be used for wayfinding. There was an ongoing issue with the concrete slab in the Princes Street Retail Park and efforts were being made to find the least disruptive solution to the problem.

Members were invited to comment and ask questions. A summary of the topics raised, and answers given are set-out below.

### **Page 1 of the tabled update**

A Member referred to the two-year rent guarantee period, and the Chief Financial Officer explained that it was not possible to go into detail as there were different levels of rent, and he invited the Member to speak privately to him regarding this matter. The Member also asked about the edge protection around Spring Street car park and the Cabinet Member for Economy and Property confirmed that there was a difference in height and measures would be taken to rectify this. The Member also requested an update on the longstanding issue of the Vodafone cabling. The Sittingbourne Town Centre Scheme Manager explained that although Spirit of Sittingbourne (SoS) were chasing this, he did not have an update on this issue. He advised that the work that needed to be carried out was contained within the highway, and not within the leisure area.

A Member considered the High Street/Station Street junction was dangerous, with a blind spot. In response, the Sittingbourne Town Centre Scheme Manager advised that this had been reported to Kent County Council (KCC) in the road safety audit. A sign had now been installed, and the Head of Highway Development at KCC had said they would monitor the situation before the final certificate was signed-off. Another Member considered there should be road markings at this location in Station Street. The Sittingbourne Town Centre Scheme Manager explained that the road layout had gone through the KCC technical process and audit, and they had been satisfied with the road layout and markings.

A Member asked whether there were plans to address traffic congestion in the town centre? The Cabinet Member for Economy and Property said that traffic flow through the town would be looked into in the future as part of a wider town centre project, separate from the SoS development.

### **Page 2**

The Chairman asked how many bowling lanes there would be in the bowling alley? The Cabinet Member for Economy and Property explained that there would be nine, which was considered to be a good size. She added that Light had said the

increase in the number of lanes made the bowling alley more viable. As a result, two units had been 'moved along' to create more space for the bowling alley.

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The Chairman asked about two potential tenants joining the scheme, and the Cabinet Member for Economy and Property confirmed that they were no longer taking the units, but with the bowling alley taking-up an additional two units, there was a net gain. The Chief Financial Officer reminded Members that the scheme had been designed in 2011/12, and had originally been largely dependent on restaurants taking-up the units, but in the last 18 months the scheme had evolved and it was a lot less dependent on restaurants. The take-up of units was more diversified now and the scheme was now quite different in take-up than was originally envisaged. The Chief Financial Officer added that the Council worked closely with Savills in finding tenants for the remaining units.

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A Member asked about the timescale with regard to work on the footpath between the multi-storey car park (MSCP), and whether it would be paving or tarmac? The Sittingbourne Town Centre Scheme Manager explained that there was only a very small area of resurfacing required, and this would be asphalt, similar to what was already there. There were some marks on the surface, and these would be removed before this part of the project was signed-off. It was hoped the work would be completed in the next few weeks, and would take hours, rather than days to complete.

The Chairman said that some of the double yellow lines on the one-way system had gone 'blotchy', and that some of the road markings coming out of the Retail Park were confusing. The Sittingbourne Town Centre Scheme Manager explained that the double yellow lines on the bend of the one-way system had melted due to the hot summer weather. They had now been re-painted. He requested more detail for the Retail Park issue, and another Member advised that the left-hand lane markings were laid out too late for drivers to see, and were not visible until drivers were very near to the traffic lights. The Sittingbourne Town Centre Scheme Manager explained that this was not part of the regeneration scheme and would need to be submitted to KCC for them to evaluate.

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A Member asked if there would be seating at the totems? The Cabinet Member for Economy and Property explained that the totems would facilitate the signposting, and seating was positioned near to the green wall, and this had now been completed.

The Chairman said that as the scheme had moved from phase 1, Members might want to consider how they wanted to scrutinise Sittingbourne Town Centre Regeneration going forward. He outlined some options which included reporting to every other meeting; carrying on as is; written updates; and invitations to relevant invitees as and when something came up. He added that the scheme still needed to be scrutinised as it was not completely finished. There was some discussion on

the frequency of any updates and invitees attending, with a suggestion that Members were updated when the remaining units looked like they were being taken-up. The Chief Financial Officer reminded Members that commercial discussions with potential tenants were sensitive and any discussion, prior to a final agreement was not advisable.

Members agreed the following: that if there was a significant development, this be reported to the Scrutiny Committee; that there be a written report/snagging list every quarter; and that the usual invitees be requested to join the meeting only when there was a particular issue to consider.

The Chairman then suggested that wider aspects of town centres throughout the Borough be considered and added to the agenda at a future meeting. The Cabinet Member for Economy and Property advised that work was ongoing in developing a policy for the town centres but was in the early stages. She suggested mid-2021 and confirmed she would update Members if this date was brought forward. Members agreed that future town centre plans be added to the Scrutiny Committee agenda in March 2021.

The Chairman thanked the Director of Regeneration, the Cabinet Member for Economy and Property and the Sittingbourne Town Centre Scheme Manager for attending the meeting for this item.

**Resolved:**

***(1) That the tabled update report be noted.***

***(2) That the Scrutiny Committee, going forward, continued to scrutinise Sittingbourne Town Centre Regeneration in the following ways: that if there was a significant development, this be reported to the Scrutiny Committee; that there be a written report/snagging list every quarter; and that the usual invitees be requested to join the meeting only when there was a particular issue to consider.***

***(3) That future wider town centre plans throughout the Borough be added to the March 2021 Scrutiny Committee agenda.***

## **202 FINANCIAL MANAGEMENT REPORT**

The Chairman welcomed the Leader and Cabinet Member for Finance and the Chief Financial Officer to the meeting.

The Leader introduced the report which set-out the revenue and capital projected outturn position for 2020/21 as at the end of June 2020. He reminded Members that this had been considered by Cabinet on 23 September 2020 and explained that there had been some updates since then. The Leader said that the report outlined projections and the likely cost of the Covid-19 pandemic to the agreed budget and the likely overspend over the year. An overspend of £4.1m was predicted in April 2020, by the end of June 2020 with the combination of the Projected Variance set-out in Table 1 and the under-recovery of Business Rates and Council Tax, the Covid-19 impact had been brought to £3,290,000, and after Government Funds this

resulted in a projected over spend of £1.225m. Grants to Faversham Pools and Swale Community Leisure, plus Government funding for lost income from fees and charges resulting in a revised projected overspend of £700,000. He reminded Members that these were projections, with the unknown nature of Covid-19 to consider. The Leader said that August 2020 had shown a rise in the impact of Covid-19, with a projected overspend increased to £860,000, and he acknowledged that there were difficult times ahead.

Members were invited to ask questions and comment on pages 5 to 14 of the report.

A Member offered his thanks to the Chief Financial Officer and his staff for looking after the Borough in these difficult times. The Chief Financial Officer acknowledged his comments and said that he would pass them onto his staff. The Chairman extended his thanks to all staff.

A Member sought clarification on paragraph 3.13 on the £50,000 for Swale Community Leisure (SCL). The Leader explained that SCL was the go-between for the Council and SERCO, and the Chief Financial Officer added that the wording in the report should really reflect that they had needed the financial support from the Council.

A Member sought clarification on paragraph 3.12 in the report and requested a more detailed breakdown of what the identified £1.5m of earmarked reserves were. The Chief Financial Officer explained that this was General Fund money, plus general reserve funds. He said that over the years, two very large reserves had been built-up and there was an underspend, and it was agreed policy that this went to a reserve fund. There was also payment from KCC to fund additional posts in revenue and benefits. The reserves had not been drawn down, so that meant it could be reduced as it was far too large. The Chief Financial Officer agreed to forward further information to Members.

A Member asked if the £521,000 variance in Housing, in Table 8 at Appendix I was for the year or a quarterly figure? The Leader said that this figure was a projection for the year, and was a very conservative figure.

A Member asked whether there were likely to be job losses within the leisure industry in the Borough? The Chief Financial Officer explained that a series of meetings had taken place where SERCO had set-out what their losses were because of the Covid-19 pandemic, and these losses were substantial, but he could not confirm whether there would be job losses.

The Chairman invited Members to comment on Appendix I of the report.

## **Page 15**

A Member asked whether the underspend in the Customer Service Centre was as a result of vacancies? The Chief Financial Officer agreed to report back with further information.

**Page 16**

A Member referred to the note in relation to the Barton Hill Drive, Minster and Wises Lane, Borden appeals and asked where the money was coming from to fund the appeals and why the Wises Lane appeal costs were estimated? The Leader explained that the funds came from reserves, and the Chief Financial Officer said that the figures for Wises Lane were unknown as it was not known yet what the result would be.

The Chairman referred to the £250,000 shortfall in planning fees income, and asked whether this was Covid-19 related, or was likely to happen anyway, and whether there were any implications for the Local Plan? The Chief Financial Officer explained that the planning income had been reducing anyway, not solely because of Covid-19. He added that there would be no financial impact on the Local Plan. The Chairman drew attention to the £50,000 for agency staff. The Chief Financial Officer advised that there was an additional Conservation Officer employed at the Council and the funds for this would come out of business rates money.

The Chief Financial Officer agreed to find out more information on the additional cleansing in town centres and contract pressures during the peak of the pandemic.

**Page 17**

A Member requested further information on the indexation relating to street cleansing. The Chief Financial Officer explained that there was a complicated calculation in relation to fuel prices as part of the annual index of the contract. The Member referred to the three reduced incomes items at the bottom of the page and whether they would be recovered in the future. The Chief Financial Officer said that some might recover, but not all, especially now when households were hit financially.

**Page 18**

A Member sought clarification on why some of the figures were recorded as zero variance. The Chief Financial Officer explained that they should all be zero as they were recharges for services brought-in, and the Council were not running the services themselves. He added that none of those services were ones which would be expected to be impacted by Covid-19.

A Member sought clarification on the contributions to reserves and the Chief Financial Officer explained that Table 2 and 3 in the report provided more detail.

**Page 19**

The Chief Financial Officer agreed to find further detail on the salary costs for Sittingbourne Regeneration.

The Chairman sought clarification on the Chief Executive underspend and whether staff had acted-up. The Chief Financial Officer explained that there was no senior staff acting-up allowance to reflect this.

**Page 20**

A Member said that the Oak Road bus lane bollards had not been installed and asked what happened to the £10,000 allocated to this project. The Leader explained that the money had been returned to the Special Project Fund. The Chief Financial Officer reported that there had been a saving of 10% for the refurbishment of Leysdown Village Hall, and the actual funding requested was around 10% of the original bid, and this would be reflected in the next version of this report.

In response to a question, the Leader said that improvements to play equipment included all parks within the Borough.

The Chief Financial Officer agreed to report back on further details of the £25,000 allocated for Member IT.

**Page 21**

A Member asked about the Section 106 footpath contribution to the High Street, Sittingbourne, and whether this came under Sittingbourne Regeneration or the general budget? The Chief Financial Officer agreed to report back.

**Page 22**

A Member queried the zero-forecast variance for beach huts and the Chief Financial Officer said this was because there was no further work on beach huts this year.

A Member asked for clarification on the increased budget for wheeled bins. The Chief Financial Officer said that this was because many of them were being replaced this year.

**Page 25**

The Chairman asked if the sundry debt outstanding set-out on Table 11.1 was better or worse than previous years? The Chief Financial Officer explained that the bottom two lines of the table were key, and there was an issue with one tenant who was not a good payer.

A Member queried why the refurbishment of Swale House was not in the capital programme? The Leader explained that it was because it was not part of this report, and the refurbishment was not in the current budget. The Chief Financial Officer explained that there would be an update report at December Cabinet, then more detail of the financial side would be considered in February or March 2021.

The Chairman thanked the Leader and Cabinet Member for Finance and the Chief Financial Officer for attending the meeting for this item.

**Resolved:**

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

**203 CABINET FORWARD PLAN**

The Chairman invited Members to go through the Forward Plan page-by-page.

There was some discussion on looking at the Swale House Refurbishment. Members noted that the item was on the Forward Plan twice, in December 2020 as an update on progress, and in February 2021 when a business case was to be presented to Cabinet. Members agreed that the review on this should commence at the 13 January 2021 Scrutiny Committee meeting.

Members were concerned that Beach Huts were no longer on the Forward Plan and wanted to know why this was.

***Resolved:***

***(1) That the Forward Plan be noted.***

***(2) That the Swale House Refurbishment be considered by the Scrutiny Committee at their meeting on 13 January 2021.***

Chairman

Copies of this document are available on the Council website <http://www.swale.gov.uk/dso/>. If you would like hard copies or alternative versions (i.e. large print, audio, different language) we will do our best to accommodate your request please contact Swale Borough Council at Swale House, East Street, Sittingbourne, Kent, ME10 3HT or telephone the Customer Service Centre 01795 417850.

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