
POLICY, FINANCE AND HOUSING CABINET ADVISORY COMMITTEE

MINUTES of the Meeting held in the Council Chamber, Swale House, East Street, Sittingbourne, ME10 3HT on Wednesday, 13 October 2021 from 7.00 pm - 8.33 pm.

PRESENT: Councillors Lloyd Bowen, Steve Davey, Oliver Eakin, Tim Gibson, Alan Horton, Ken Ingleton, Lee McCall (Chairman), Hannah Perkin, David Simmons, Mike Whiting and Corrie Woodford.

OFFICERS PRESENT: Billy Attaway, Lisa Fillery, Charlotte Hudson, Charlotte Knowles, Jo Millard, Larissa Read, Phil Wilson.

ALSO IN ATTENDANCE: Derek Carnell (Deputy Cabinet Member for Finance), Councillor Ben J Martin (Cabinet Member for Housing), Pete Neal, Roger Truelove (Leader and Cabinet Member for Finance), Ghlin Whelan (Deputy Cabinet Member for Finance).

APOLOGIES: Councillors Simon Clark, Alastair Gould and Paul Stephen.

370 EMERGENCY EVACUATION PROCEDURE

The Chairman outlined the emergency evacuation procedure.

371 CONFIRMATION OF CHAIRMAN AND VICE-CHAIRMAN

Councillor Lee McCall was confirmed as Chairman and Councillor Tim Gibson was confirmed as Vice-Chairman.

372 MINUTES

The Minutes of the Meeting held on 13 July 2021 (Minute. Nos 144-150) were taken as read, approved and signed by the Chairman as a correct record.

373 DECLARATIONS OF INTEREST

No interests were declared.

374 VERBAL UPDATE FROM CABINET MEMBERS

The Chairman welcomed the Leader and Cabinet Member for Finance and the Deputy Cabinet Member for Finance to the meeting.

The Leader and Cabinet Member for Finance welcomed Lisa Fillery, the new Director of Resources and Section 151 Officer to the meeting. He gave a general update on the Council's financial position, starting with the reminder of the update given at the July 2021 meeting when he informed Members that there was a gap of over £3million to meet for the 2022/23 budget. He explained that work was ongoing to explore potential savings and he welcomed ideas to help with this. The Leader

and Cabinet Member for Finance said that more detail would be available at the next Policy Finance and Housing Cabinet Advisory Committee meeting.

The Leader and Cabinet Member for Finance acknowledged that Central Government had provided grant funding to cover many of the costs of the Covid-19 Pandemic in 2020/21, but future funding was uncertain and the financial impact of Covid-19 would last into future years. He said that Swale Borough Council (SBC) would continue to plan for loss of income and increase in expenditure but warned of the pressures on the Revenue Budget. Referring to the Council's reserves the Leader and Cabinet Member for Finance said there was an expectation from Government that Councils would draw on these, but this was not sustainable and the Council would need to make adequate savings, although he hoped that Government would be providing additional grants in the future.

The Cabinet Member for Housing advised that figures he would refer to were not fully up to date as they had not been fully audited for this quarter or provided by the Housing Associations yet. He gave an update on the Rainbow Housing Company, advising of the successful recruitment of the development management consultants and the studies being carried out by architects on the three development sites.

The Cabinet Member for Housing said that in 2020/21 140 new affordable rent units, 45 social rent units and 98 shared ownership units were provided, totalling 383 new affordable units delivered since 2019. He advised that there were 145 affordable dwellings due to be built, and a number of other sites where planning permission had already been granted, which totalled 563 new affordable units. The Cabinet Member for Housing said there were still approximately 1200 people on the housing register, approximately 350 households in temporary accommodation and two rough sleepers in the Borough who were being assisted by SBC staff.

The Cabinet Member for Housing referred to the impact of Covid-19 including rent increases and the loss of income, as well as Section 21 Court proceedings re-starting resulting in evictions and in the future weeks the end of the caravan park season. Finally he commended the work of the housing team.

In the discussion that followed Members raised points and sought clarification including:

- Were the 350 households in temporary accommodation on a long or short-term basis?;
- were those in temporary accommodation placed within Swale?;
- sought clarification on the rough sleeper figures which were different to Charity organisation's comments and figures;
- what was the strategy to deal with viability issues?;
- was Council land open to Housing Associations to build units?;
- sought information on the number of right-to-buy properties sold;
- referred to SATEDA assisting women fleeing domestic violence and asked if there was anything more SBC could do to track and identify those hiding; and
- praised the Kent Police briefing the previous evening.

In response, the Cabinet Member for Housing said that many families in temporary accommodation were long-term and all were housed in the Borough except for one, due to the size of the household. He said that collating rough sleeper figures was difficult, known locations were checked, false names sometimes given and he referred to the 'hidden homeless' – those that 'sofa surfed' and could not be verified. In terms of viability, he said that this had not been experienced yet and many smaller Housing Associations were now coming forward to want to provide property in Swale.

The Cabinet Member for Housing said that the Council had no land to offer Housing Associations. He said that figures for right-to-buy were so low that it was not reported and SBC were not informed by Housing Associations when properties were sold. The Cabinet Member for Housing said there had not been an increase in demand in accommodation for women fleeing domestic violence as the Police and Charities, working with the Community Safety Unit did such a good job of assisting in finding temporary accommodation.

375 REVISED COMMISSIONING & PROCUREMENT POLICY

The Deputy Cabinet Member for Finance introduced the report which sought Members' views on the replacement of the existing Commissioning and the Procurement Strategy documents with a combined Commissioning Framework and Procurement Policy. He said that the current Procurement strategy was approved in 2013 and the Commissioning framework in 2012. Any comments received would be considered and the joint Policy would be considered by Cabinet in December 2021.

The Head of Finance and Procurement added that recent legislation, recommendations from Internal Audit reports and the aims of the administration were all included when drafting the Policy.

Members raised points including:

- Reference in the report to the consideration of the Policy by the Scrutiny Committee would need to be removed in the future as Council recently agreed to move to a Committee System;
- suggested adding an expectation that suppliers offered Real Living Wage at point 12 on page 14 of the report;
- suggested a commitment to the environment from suppliers;
- what was SBC's response to the Green Paper Consultation 2020 (page 6 paragraph 2.5)?;
- sought more detail on the views of Members as set out paragraph 2.10 on the report;
- what advice or lobbying had SBC done with Government as referred to on page 11 of the Agenda?;
- there was little detail on changes from previous policy;
- more detail was required on paragraph 5 Procurement on page 12 of the Agenda; and
- the wording in the draft needed tightening up.

In response, the Leader and Cabinet Member for Finance acknowledged that the language used could be emphasised more in the policy but said little material change had been suggested. He said the report was drafted before the Committee System had been agreed and the Members referred to in paragraph 2.10 were the working group. The Commissioning Manager advised that there was a joint response from Swale, Maidstone and Tunbridge Wells Procurement teams with Mid Kent Legal Services to the Green Paper Consultation and this could be circulated to Members.

376 2022/23 BUDGET AND RESERVES

The Leader and Cabinet Member for Finance said that work on the budget was ongoing and he welcomed ideas to achieve savings. He suggested Members could meet with the Section 151 Officer. The Leader and Cabinet Member for Finance went through the report, highlighting the main points.

Referring to the Council's £25.5million reserves, the Leader and Cabinet Member for Finance said the majority of reserves were allocated and could not be used for general budgeting purposes. He highlighted the various projects on the Isle of Sheppey that had received or been allocated funding through the Sheppey Improvement Fund.

The Leader and Cabinet Member for Finance explained that the Business Rates Volatility reserves was money set aside in case there were changes to the valuation of properties. He said the reserves had historically been much more robust than necessary and £1million had been transferred to fund the Special Projects Fund. The Leader and Cabinet Member for Finance added that money from the Business Rates Volatility could be transferred to the General Fund, unlike the Kent Pool Economic Development Business Rates.

The Leader and Cabinet Member for Finance spoke positively about SBC's share of the Kent Pool Economic Development Business Rates and how it had been spent in the Borough as set out on page 31 of the report. He said that the balance of the fund was £1.1million which could be used for projects but not to support the core budget or other reserves.

The Leader and Cabinet Member for Finance listed the north Kent authorities that SBC shared funds within the North Kent Housing & Commercial Growth Business Rates fund, stating that SBC's share was £1.7million. He said that the fund was to be used to fund the Swale Rainbow Local Housing Company setting up and future costs.

The Leader and Cabinet Member for Finance said that Heads of Services were reviewing their reserves

Members asked questions and raised points including:

- Were Councils directed on what remaining funds should be spent on?;
- how much of the reserves could be used to prop up revenue spending?;
- sought information of the breakdown of the £250k Sheppey Improvement Fund;

- would the Community Infrastructure Levy (CIL) ever be implemented?;
- suggested looking more thoroughly at the items in the £488k Smaller Reserve Fund as some funding might no longer be necessary;
- was concerned that Heads of Service (HoS) were being asked to identify savings of 5% on the 2021/22 staffing budget when officers were already under pressure;
- praised the helpful report;
- sought clarity on what 'unavoidable' costs actually were?;
- should be looking at how to increase income not reducing spending;
- highlighted that the Medium Term Financial gap of £3.3million rightly excluded additional pressures in year but also excluded unavoidable cost pressures;
- SBC were already struggling to provide a proper service without more cuts; and
- all options to avoid cuts to the staff budget should be explored.

The Section 151 Officer explained that some reserves were ring-fenced for timing differences for the collection funds, so funds would be carried over at year-end and reserves may appear higher than they actually were. She said that funding could be re-allocated for projects that had more priority but this would be looked at on a reserve-by-reserve basis. The Leader and Cabinet Member for Finance said the General Fund could be called upon to prop up reserves. The Head of Finance and Procurement said HoS were already looking through their allocations and he would seek confirmation from the Head of Planning Services whether the funding set aside for CIL would be required. He assured Members that every single allocation was being reviewed.

The Leader and Cabinet Member for Finance said that staff costs were the biggest part of the budget and he explained that year-on-year there had been an underspend on the staff budget resulting in additional funding which this year would be spent on the Covid-19 Pandemic recovery fund. He said there would be big challenges ahead. The Section 151 Officer explained some of the technical terminology that was required.

The Leader and Cabinet Member for Finance said that SBC officers were doing everything they could to provide the best service in the Borough and reserves would be used to limit any cut to the staff budget. He reminded Members that reserves were not infinite, and income to Local Government had remained static whilst costs had risen.

The Leader and Cabinet Member for Finance thanked everyone for a useful discussion.

Chairman

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