
RECONVENED BUDGET SCRUTINY COMMITTEE

MINUTES of the Virtual Meeting held via Microsoft Teams on Wednesday, 2 February 2022 from 7.00 pm - 8.47 pm.

PRESENT: Councillors Lloyd Bowen (Chairman), Steve Davey, Mike Dendor (Vice-Chairman), Oliver Eakin, Tim Gibson, James Hall, Mike Henderson, Carole Jackson, Denise Knights, Pete Neal, Ken Pugh, Bill Tatton and Corrie Woodford.

OFFICERS PRESENT: Billy Attaway, Martyn Cassell, David Clifford, Philippa Davies, Lisa Fillery, James Freeman, Charlotte Hudson, Joanne Johnson, Larissa Reed and Phil Wilson.

ALSO IN ATTENDANCE: Councillors Cameron Beart, Monique Bonney, Derek Carnell, Roger Clark, Simon Clark, Alastair Gould, Angela Harrison, Alan Horton, Ken Ingleton, Elliott Jayes, Peter MacDonald, Peter Marchington, Ben J Martin, Richard Palmer, Hannah Perkin, Ken Rowles, Julian Saunders, David Simmons, Paul Stephen, Sarah Stephen, Roger Truelove, Ghlin Whelan, Mike Whiting and Tony Winckless.

563 WELCOME

The Chairman welcomed Members and officers to the meeting which was reconvened following the Scrutiny Committee meeting held on 26 January 2022.

Part B Minutes for Information

564 MEDIUM TERM FINANCIAL PLAN AND 2022-23 BUDGET

The Leader and Cabinet Member for Finance introduced the report which set-out the draft 2022/23 revenue and capital budgets and the draft Medium-Term Financial Plan (MTFP). He explained that the report was the same one that had been presented to Cabinet on 8 December 2021, with some updates and said the Council had to agree a balanced budget. The Leader and Cabinet Member for Finance reminded Members that in July 2021, the Council was looking at a shortfall between revenue and expenditure of £3.7million. There had been a strategy to achieve administrative savings and increases to fees and charges were required and any shortfall would be met by reserves, the amount dependent on the financial settlement from Government. The Local Government Finance Settlement 2022/23 was issued in December 2021. The Government settlement included an additional £984,000 in grants which meant the figure of £2.3 million, set-out on page 87 in Appendix I of the report, on the 26 January 2022 agenda pack, had now reduced to £1.6 million of funding required from the budget reserve fund. The Leader and Cabinet Member for Finance highlighted environment and leisure as being one of the services under cost pressures, and that corporate overheads/capital financing had gone up by over £0.5 million. He referred to the continuing costs due to the Covid-19 Pandemic and said that other Local Authorities were in the same position as Swale Borough Council (SBC) and had to use their reserve funds.

The Chairman drew Members' attention to the summary note on page 105 of the report and thanked the Director of Resources for the update.

The Chairman invited Members to give general comments and ask questions on the report.

In response to a question, the Leader and Cabinet Member for Finance explained that all Local Authorities were finding it difficult to balance their budget and were using their reserves. He gave some examples of other Authorities that had either a smaller or greater gap in their budget than SBC. A Member asked whether the Council had sufficient funds to off-set inflation increases. The Leader and Cabinet Member for Finance explained that out of the £984,000 from Government, £100,000 was allocated to mitigate pressures from inflation, and he was confident that this was a sufficient amount to do that. The Director of Resources responded to a question and explained that the increase of 1.25% in National Insurance contributions was in relation to employer costs (SBC), not employee costs. She also corrected the Real Living Wage set-out on page 84 of the report, as being £9.90, not £2.90 an hour. The Director of Resources spoke on the figures within the table on page 84 and explained that there were different indexes because of the way the cost base was made up, and to avoid over or under inflating.

Cabinet Members were invited to introduce their budget variations as Members worked through the document.

Appendix I

A Member raised concern that the budget for planning services was decreasing when planning activities were increasing and planning staff were under pressure to deliver. The Deputy Cabinet Member for Planning responded and explained that there was more detail on this further into the report. The Leader and Cabinet Member for Finance said that the figure was spend, balanced against income, and that there was no cut in the service.

Appendix II

Lines 14 – 17, Refuse and Recycling/Street Cleansing/Grounds Maintenance

A Member sought clarity on the rise of figures in lines 14 and 15, and the reduction of figures in line 17 and, how the new contract affected the figures? The Cabinet Member for Environment explained that on lines 14 and 15, this was at the beginning of the process of re-tendering the contract, with cost pressures on the new contract, including inflation kicking-in from October 2023. On line 17, the grounds maintenance contract had been agreed and was now in place, so the first year picked-up the increased offer and subsequent years just inflation.

Line 24 – Beach Huts

In response to a question, the Head of Environment and Leisure explained there was a loss of income in the first year, then recovery in years two and three with the intention of building more huts.

Line 25 – Sittingbourne Multistorey Car Park

A Member asked about the Covid-19 Pandemic impact on parking in the multistorey car park in Sittingbourne and the Cabinet Member for Community explained that this was due to change in work patterns, with more people working from home and not commuting and therefore not coming into the town.

A Member considered increases in car parking charges was not compatible with the target of increasing tourism in the Borough. He suggested funds be taken out of the reserves to protect livelihoods in the high streets. The Leader and Cabinet Member for Finance suggested the decrease in the use of car parks was due to behavioural reasons, with people walking or using public transport instead. The fee increases were a precautionary measure.

In response to a question, the Leader and Cabinet Member for Finance explained that in terms of the Spirit of Sittingbourne regeneration, the Council was now in credit, but not as much as was predicted. The Council was not losing money and he hoped that investment in the units continued.

Line 58 – Salaries

A Member spoke on salary savings and was advised that this was due to turnover of staff and a review of community services.

Line 61 – Apprenticeships

A Member welcomed the real living wage for apprentices and the Chief Executive explained that this had come into effect in October 2021. She agreed to advise Members on the number of apprentices there were at the Council.

Post Meeting Note: there were currently two apprentices, and the Council was recruiting for a third.

Line 66 – Planning

The Head of Planning said that salary savings were being made through a combination of vacant part posts following appointments at 0.6/0.8 Full-Time Equivalent (FTE) over time and a 0.5 FTE post responsible for performance monitoring and other support tasks being made redundant given the intention to streamline and automate performance monitoring.

In response to a question, the Director of Resources explained that forward budgeting for any legal costs against the planning service was not in place, and this would be taken from the planning reserve.

A Member spoke on the appeal costs of non-determination of planning applications. The Chairman said that this was not a matter for discussion at this meeting, but could be brought back to the Scrutiny Committee before the end of the municipal year.

Line 82 – Rental income

A Member welcomed the rental income increases.

In response to a question about the refurbishment of Swale House, the Cabinet Member for Economy and Property explained that the tender process had just closed. There had been a broad range of bids which needed to be analysed.

The Chairman thanked the Leader and Cabinet Member for Finance, the Finance Team and all those present for attending the meeting.

Resolved:

(1) That the draft 2022/23 revenue and capital budgets be noted.

(2) That the Medium-Term Financial Plan be noted.

565 ADJOURNMENT OF MEETING

The Meeting was adjourned from 8.17 pm to 8.25 pm.

Chairman

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