

## OVERVIEW & SCRUTINY PANEL

Minutes of the meeting held on 21 January 2020 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

**Present:** Councillor Robert W Bayford (Chairman); Councillors Campbell, Boyd, Coleman-Cooke, Hopkinson, Huxley, Moore, Paul Moore, Cllr Roper, Rusiecki, D Saunders and M Saunders

**In Attendance:** Councillors J Bayford, Bailey, Dexter and Yates

### 215. ELECTION OF CHAIRMAN

Councillor Campbell proposed, Councillor Mave Saunders seconded and Members agreed that Councillor Bob Bayford be the Panel Chairman until the end of the municipal year.

Councillor Bayford in the Chair.

### 216. APOLOGIES FOR ABSENCE

Apologies were received from the following Members:

Councillor Parsons, substituted by Councillor Mave Saunders;  
Councillor Scott, substituted by Councillor David Saunders;  
Councillor Lynda Piper;  
Councillor Gregory.

### 217. DECLARATION OF INTERESTS

There were no declarations of interest made at the meeting.

### 218. MINUTES OF PREVIOUS MEETING

Councillor Campbell proposed, Councillor Rusiecki seconded and Members agreed the minutes as a correct record of the previous meeting that was held on 19 November 2019.

### 219. CABINET MEMBER PRESENTATION - THE FUTURE OF COUNCIL HOUSING STOCK MANAGEMENT - AN UPDATE REPORT

The item was deferred to 20 February.

### 220. MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2020-24

When invited to make his presentation, Councillor Yates, Cabinet Member for Financial Services made the following points:

- It was difficult to predict accurately developments in local government finance due the prevailing national economic situation;
- The MTFS was therefore not much different from the previous one;
- The level of government grants was falling;
- The recently adopted MTFS was drafted in the context of the new corporate priorities which were focusing on the Growth, Environment and Community.

Mr Tim Willis, Deputy CEx and s151 Officer advised the meeting of some non material amendments to the report.

Thereafter Members asked questions and made comments as indicated below:

- Why was there a fall in business rates?
- The decrease in business rates and government grants would leave the council finances in a worse situation;
- Was there a target for generating income in relation to the following potential income sources?
  - The creation of a housing company to develop accommodation for market rent and possibly sale;
  - Consideration of using the Minor Works team to generate income from selling handyperson services;
  - A review of printing services income and expenditure including scope to in-source more printing;
  - Growth in income generated from fees and charges;
  - Investigation of the appetite with our partners for more shared services including leadership teams;
  - Seek to expand the CCTV service to sell to other external organisations;
  - Drive to increase the use of direct debits to improve income collection across all chargeable services.
- The council committee structure was going to be considered as part of the review?
- The Finance team worked with openness in the drafting process of the council budget;
- Would there be sufficient income from the sale of the Dreamland freehold to fund other debts?
- How could the council know if the sale of the freehold would service the debts if the value of the freehold had not been ascertained?
- Had the compensation amount for the Dreamland site been communicated to the Council?

Members thanked the Finance team conducting the budget briefing sessions for Members as part of the budget building process.

Mr Willis and Mr Tim Howes, Director of Corporate Governance & Monitoring Officer responded to Member comments as follows:

- The review of business rates would be conducted this year and it was anticipated that the council would receive close to the baseline amounts;
- The assumption was that the revenue support grants from government would decline over the coming years, and possibly end altogether in 2021/22;
- TDC had not been eligible to receive the New Homes Bonus for sometime, unlike other councils who would be expecting huge amounts;
- Thanet would be one of the hardest hit by those changes, highlighted above, and this point was further illustrated at a recent Kent Finance Officers' meeting attended by s151 Officers from Kent, at which a presentation was made by Local Government Association;
- The MTFS spelt out some ideas on financial management in the medium term. Those ideas would be further developed and detailed out in the coming annual budgets;
- The potential income sources highlighted in the MTFS report were still ideas that required further development. Once they had been fully developed they would then be included in the annual budget for delivery during the lifespan of the MTFS;

- The review of the committee structure as an alternative governance model for the council was left to Members to further discuss and thereafter provide some steer to officers;
- Sale of the freehold would be a one off capital receipt which was hoped to pay off the compensation costs from part of this sale and the other part would be used to deliver the MTFs;
- Receipt from the freehold sale would contribute to the delivery of the new corporate priorities;
- Objectives regarding the Dreamland were always to preserve its long term future and for the council to divest from the Dreamland;
- With regards to compensation costs, the council had made projective offers and was still to get a response from the claimant, who had gone to the upper tribunal with the case. It would be noted that such cases took time to resolve. However it was also hoped that a settlement would be concluded.

There being no further action required, Members noted the report.

## **221. 2020-21 BUDGET SETTING**

Councillor Yates introduced the item for discussion and raised the following points:

- These budget proposals were drafted under financial constraints affecting the local government sector, whilst on the other hand, demands on council services was growing;
- The proposals were for modest increase in council tax;
- Social rent would rise in line with government policy;
- Reserves remained low;
- There was an intention to invest in services, with an approach for more permanent Operational Services staff.

Mr Willis provided updates at the meeting which were non material changes.

In response to the presentation of the budget proposals, members of the Panel asked questions and made comments as detailed below:

- The employment of a Thanet Coastal Project Officer was not included in the budget proposals, why?
- Of the ten officer posts named in the budget, could one of them be replaced with the role of coastal project officer?
- Parking fines accrued yearly and they were part of the Decrim fund. Could the council through Cabinet, approach KCC and request that the project officer post be funded from the Decrim fund?
- Was the funding of public toilets (proposed for £750k in 2020/21) coming to an end after the next financial year?
- This was an ambitious budget. Did the council have resilience to absorb slippage pressures without resorting to the Reserves?
- What was the budget gap in the current council budget and how confident was the council that the 2020/21 budget would not go down the same route and create a deficit?
- Would the proposed council housing company contribute to the council budget?

Responding to Member queries and comments Mr Willis said the following:

- As part of the budget building process, officers reviewed the impact and context for social rent increases over the past ten years of the TDC budgets. In 2012/13, the increase was 6.1% in social rents. However in the last four years it was 1% year on year reduction. Now it is CPI+1%;

- Social rent levels were far lower than in the private sector (about £92.74 compared to over £200 per week in the private sector);
- The council budget did not include all officer posts, but those included had marginal impacts to the budget. There was no budget growth to the post in question, hence its exclusion from the report);
- Any recommendations made by the Panel which had budget increase implications had to equally identify and recommend the source of funding for such proposals;
- The Decrim reserve was a one-off and it was not good practice to fund ongoing costs from that fund as the funding could change at the discretion of KCC and this could expose council to a funding gap. It should also be noted that as the council collected fines, a cost was incurred in that activity and it was offset from the same fund;
- The £750k for toilets in 2020/21 proposals was for major works;
- Going into 2021/22 and beyond there was uncertainty regarding business rates and councils had to prepare for such uncertainties by setting aside reserves;
- The current budget had a £730k overspend, but the situation was improving. This experience will inform the drafting of a realistic 2020/21 budget;
- The council would be loaning £1million to its housing company as part of setting it up. To fund that loan, TDC would borrow at lower rates than would be available to the company. These were still ideas being developed.

Councillor Campbell proposed and Councillor David Saunders seconded that the 2020 Council budget made provisions for the recruitment of a Thanet Coastal Project Officer.

In view of the advice given by Mr Willis, Cllr Bayford proposed and the Panel agreed that it would recommend that Cabinet considers identifying a resource to support coastal projects.

**222. REVIEW THE OVERVIEW AND SCRUTINY PANEL WORK PROGRAMME FOR 2019/20**

The Panel agreed that the presentation by Deputy Leader and Cabinet Member for Housing and Safer Neighbourhoods made at the next meeting on 20 February 2020 and the presentation by the Portfolio holder for Operational Services be made at the meeting on 21 April.

The Chairman requested that Members forwarded their questions to Democratic Services that they would like answered by the portfolio holder as part of the presentation.

The report was noted.

**223. FORWARD PLAN & EXEMPT CABINET REPORT LIST**

Members noted the report.

Meeting concluded: 8.05 pm