

FINANCE, BUDGET & PERFORMANCE SCRUTINY PANEL

**Minutes of the meeting held on 24 January 2019 at 7.00 pm in the Council Chamber,
Council Offices, Cecil Street, Margate, Kent.**

Present: Councillor Lynda Piper (Chairman); Councillors Campbell, Connor, Falcon, Messenger, Parsons and S Piper

In Attendance: Councillors Bayford, Game, I Gregory, Jaye-Jones, Savage, Shonk, Townend and Wright

30. APOLOGIES FOR ABSENCE

Apologies were received from the following Members:

Councillor Dexter;
Councillor Martin, substituted by Councillor Messenger.

31. DECLARATION OF INTERESTS

There were no declarations of interest made at the meeting.

32. MINUTES OF PREVIOUS MEETING

Councillor Campbell proposed, Councillor Connor seconded and Members agreed the minutes as a correct record of the meeting that was held on 20 November 2018.

33. BUDGET 2019-20 REPORT

Councillor Gregory introduced the report and indicated that the proposed council budget acknowledged the challenges the council were facing regarding managing the budget gap for 2019/20, with particular reference to the Ramsgate Port. A number of actions were being suggested in the budget report that was aimed at reducing the budget gap and come up with a balanced budget for the next financial year.

A member of the public spoke under Council procedure rules on public speaking at Overview & Scrutiny Panel meetings.

Some members of the Panel were concerned that the report did not provide enough detail regarding which option the Council was being asked to approve regarding how the Port of Ramsgate budget deficit would be handled. The Panel said that the budget proposals should be about known facts that could be used by Members to make definitive decisions about the 2019/20 council budget. The discussions should also be based on the assurance statement issued by the Section 151 Officer. The Panel was reminded by one member that a significant amount of money had been invested to date. This should be considered when determining the future of the Port.

One Member suggested that the £2 million being proposed as Council's contribution to the Parkway Station project (to complement the £25 million being contributed by KCC) should be allocated to other uses. Another Member urged the Panel not to be critical of the much needed infrastructure investment that was coming into the district. They also further said that the £3 million that was being set aside for office accommodation might end up generating additional income as a result of the current offices being divested to contribute to the capital receipts.

The Panel also asked questions as detailed below:

- Could the Panel receive a verbal update on more details for the two options of handling the Ramsgate Port budget gap?
- What was the £400k spend on Dreamland included in the capital programme for?
- Why was the council intending to borrow £2 million to contribute to the Parkway Station project?
- Why was there a limited amount being proposed for the Ramsgate Port water supply and the refurbishment of Berths 2/3 and 4/5 as this appeared to be too little in comparison to the £3 million being set aside for office accommodation?
- Could the 2019/20 income generation efficiencies and organisational efficiencies be specified in more detail?
- Strategies for tackling the – Why did it appear as if the Council was addressing the council's budget deficit on a year by year basis instead of coming up with a more global and comprehensive plan that could consider as an option merging with other local councils?
- Were Bretts going to contribute to the works for the development of Berths 4/5?
- Would the business waste collection service require the purchase of a vehicle? If so was this in the budget and when would the service start?
- Would the Council report for 07 February only reflect a single option to resolve the Ramsgate Port budget gap?

Councillor Messenger proposed that:

“The £2 million Council contribution to the Parkway Station project should be removed from the council budget proposals for 2019/20.”

No Member seconded the proposal and as a result it fell.

Councillor Bayford, Leader of Council, Councillor Gregory, Portfolio holder for Financial Services & Estates, Madeline Homer, CEx, Tim Willis, Deputy Chief Executive & S151 Officer and Gavin Waite, Director of Operational & Commercial Services gave the following responses:

- Cabinet was still hopeful that a ferry operation would be go ahead;
- If the ferry operation option failed, then the council had to consider efficiencies that would include staff redundancies, not recruiting to currently vacant posts, removing from the budget other expenditure items that include uniforms, dredging, 24/7 security, air conditioning equipment and hydraulic equipment. On the other hand, additional income would be realised from current tenants on the port buildings;
- Funding for Dreamland was a carry-over from the previous year to see through the completion of the ongoing works and costs related to the CPO;
- The Parkway Station would create more economic activity which would grow the local economy. This was a major strategic project for Thanet District to which KCC had budgeted £25 million. It was therefore reasonable for TDC to contribute £2 million to towards the project;
- The budget for the port water supply and works on Berths 4/5 were fully costed. The inclusion of Berths 2/3 was in error and would be removed from the report;
- As part of addressing the budget gap, Council would make savings from the following in Corporate Resources:
 - A new CIVICA contract created a number of contractual savings,
 - Insurance work being brought back in-house,

- Mill Lane Car Park was bought back and the cost of paying back the loan for the buying the car park was less than renting the park,
 - Additional income from summonses.
- The Housing Team had been effective in tackling homelessness in the current year and as a result there would be a reduction in the amount of additional budget allocation in 2019/20. The budget growth would be reduced from £500k 2018/19 to £350k;
- Cabinet had been reviewing the asset base which included looking at different approaches for providing public toilet facilities in Thanet. Cabinet would be setting up a cross-party advisory group to look into this issue and report back to Cabinet;
- The proposed budget included the consideration of the two options for managing the port budget deficit. However when the report was presented to Full council, there would be only one option;
- Table 7 in the report suggested that the Council was moving in the right direction in terms of tackling the budget gap as it was anticipating a no budget gap in 2021/22. However there were still significant uncertainties, particularly in 2020/21 when the Fair Funding Review formula was expected to be changed. There would also be a new business rates scheme; however councils were still uncertain how it would work. There would also be a Spending Review by government which decided how public spending would be distributed;
- There were previous attempts by TDC and other neighbouring local councils to merge and create a unitary authority but the discussions did not lead to an agreement to move forward with the proposals;
- The Council had to provide berths facilities that were accessible to vessels used by Bretts whom TDC was in a long contractual arrangement with. The existing berth was not fit for purpose and the agreement with Bretts was that the Council would provide a fit for purpose berth;
- Council was currently using lorries from the existing fleet to collect business waste. It was uneconomic to purchase a vehicle solely for this service as currently the collections only occurred two days a week. However as the business developed, there would be consideration for a business case for that service;
- On 7 February, Cabinet would present a single option on how to tackle the Ramsgate Port budget gap. It was hoped that by then, the issue regarding the ferry operation at the port would have been resolved and Members would be asked to adopt a balanced budget.

There being no further issues to consider, the Panel noted the report.

34. REVIEW OF THE FINANCE SCRUTINY PANEL WORK PROGRAMME FOR 2018/19

Members noted the report.

35. FORWARD PLAN & EXEMPT CABINET REPORT LIST FOR PERIOD 09 JANUARY 2019 - 30 JUNE 2019

The Panel agreed to forward any suggested topics for review to the Chairman within one working week of the meeting and thereafter noted the report.

Meeting concluded: 8.05 pm