

Finance and Performance Scrutiny Sub-Committee

Held at:	Zoom - remote meeting
Date	Tuesday, 12 January 2021
Present	Councillors Peter Gane, Connor McConville (Chairman), Patricia Rolfe and Rebecca Shoob
Apologies for Absence	Councillor Gary Fuller
Officers Present:	Andy Blaszkowicz (Director of Housing and Operations), Kate Clark (Case Officer - Committee Services), Ewan Green (Director of Place), Leigh Hall (Case Management Lead (Support Services)), Katharine Harvey* (Chief Economic Development Officer), Cheryl Ireland (Chief Financial Services Officer), Amandeep Khroud* (Assistant Director), Llywelyn Lloyd* (Chief Planning Officer), Susan Priest (Chief Executive), Charlotte Spendley (Director of Corporate Services), Lee Walker (Capital and Treasury Senior Specialist) and Jemma West (Committee Service Specialist)
Others Present:	Councillors David Monk and David Godfrey (*for part of the meeting)

6. **Declarations of interest**

Councillors Rolfe, Gane and McConville declared an interest in that they are all directors of Oportunitas, dispensations have been applied and in this respect all members remained in the meeting taking part in discussions and voting on all agenda items.

Councillor Rolfe made a voluntary announcement as she is a member of New Romney Town Council.

Voluntary announcements made by Councillors Gane and McConville as they are members of Folkestone Town Council.

Councillor Shoob declared an interest with regard to her Directorship of Otterpool Park LLP. She remained in the meeting and took part in discussions and voting on all items.

7. Draft General Fund Budget 2021/22

Report C/20/66 sets out the Council's Draft General Fund Budget for 2021/22.

Members were reminded that an updated version of this report and appendix 1 were provided prior to this meeting.

Members' comments included:

- Off street parking – due to Covid19 an assumption had already been made in a reduction of income which had been built into the MTFs. It was mentioned a hope to reduce dependence on vehicles and parking spaces for the future, however alternative sources of income would need to be found. Since the pandemic, there are no plans, at present, to increase parking charges.
- New Homes Bonus (NHB) – it was noted that this has decreased due to legacy payments ceasing and less entitlement for 2021/22.
- FOI and Community Safety - The Transformation programme has meant a re-allocation of funding for these services.
- It was noticed that there is a significant reduction in income from Connect 38. This is due to recent vacant space due to the pandemic.
- A holding budget increase of £15K for the memorial arch, however members were advised that these funds are to be allocated to High Street improvements.
- Budget Consultation – it was agreed and confirmed the importance that all stakeholders are consulted. The consultation has been publicised through various channels. It was suggested that all councillors can help promote the consultation, maybe sending the relevant link to our website to those who ask.

The Chairman ended discussions on this item by asking if further information could be provided with regard to the Transformation project and the movement of officers.

Proposed by Councillor Connor McConville

Seconded by Councillor Patricia Rolfe; and

RESOLVED:

To receive and note report C/20/66.

(Voting: For 4; Against 0; Abstentions 0)

8. Housing Revenue Account Revenue and Capital Original Budget 2021/22

Report C/20/62 set out the Housing Revenue Account Revenue and Capital Budget for 2021/22 and proposed an increase in weekly rents and an increase in service charges for 2021/22.

Members were advised that the housing stock condition survey is still awaited and a better picture of the situation will be available once complete.

Referring to point 3.5.2 (Heating charges in Sheltered Housing) - 10% increase in heating and hot water charges is recommended. It was suggested that perhaps this is not the right time for this increase however it was deemed necessary and there are mechanisms in place to help tenants financially.

Reference was made to non dwelling rents. Non dwelling structures are mainly garages.

Turning to East Kent Housing, the Director of Operations and Housing gave a brief explanation of the events since EKH's transfer to its owners on 1 October 2020. The Vision for this district has been approved and progress has been made, ie additional resources, tenant involvement, stock condition survey. Value for money will be sought and this in-house service should become more proficient as it develops.

Cabinet member, Councillor David Godfrey, advised the importance of transparency and keeping members informed of all stages.

The Chairman, Councillor McConville, said he looked forward to the stock condition survey and the forthcoming Business Plan.

Proposed by Councillor Connor McConville
Seconded by Councillor Patricia Rolfe; and

RESOLVED:

That Report C/20/62 is received and noted.

(Voting: For 4; Against 0; Abstentions 0)

9. **Update to the General Fund Medium Term Capital Programme and Budget Monitoring 2020/21**

Report C/20/65 updated the General Fund Medium Term Capital Programme for the five year period ending 31 March 2026. The report provided an updated projected outturn for the General Fund capital programme in 2020/21, based on expenditure to 30 November 2020. The General Fund Medium Term Capital Programme is required to be submitted to full Council for consideration and approval as part of the budget process.

Members were pleased to note that both this Council and Dover District Council were obtaining security over the vehicles required for the new Waste contract through a purchasing arrangement with the contractor which would not affect the contract rebate figure.

Mountfield Road Business Hub – it was confirmed that funding will be from a grant.

Members noted there were ambitious projects planned and assured officers that they would have their full support.

Proposed by Councillor Connor McConville
Seconded by Councillor Rebecca Shoob; and

RESOLVED:
That report C/20/65 is received and noted.

(Voting: For 4; Against 0; Abstentions 0)

10. **Treasury Management Strategy Statement 2021/22 and Treasury Management Monitoring report 2020/21**

Report C/20/64 set out the proposed strategy for treasury management for 2021/22 including Treasury Management Indicators. The report also provided an update on the council's treasury management activities that have taken place during 2020/21 against the agreed strategy for the year.

A presentation was given to members by the Capital and Treasury Senior Specialist which gave an informative summary of the report.

Members asked if there would be a possibility of this Council becoming a lender to other local authorities. Members were advised although this had happened previously, the relatively short durations the Council would lend money to other local authorities at the moment would not offer any better value than existing investment counterparties being used. However, the position is under constant review should suitable opportunities arise to invest with other local authorities.

Members noted that Folkestone Town Council (FTC) are a lender to the Council. It was confirmed that £500k was borrowed. Originally agreed at 0.25% below Base Rate. Given the current Base Rate, the Council are not paying any interest to FTC for the loan. It is a matter for FTC to decide where to invest their surplus cash.

The Chairman thanked the officer for this report.

Proposed by Councillor Connor McConville
Seconded by Councillor Rebecca Shoob; and

RESOLVED:
That Report C/20/64 is received and noted.

(Voting: For 4; Against 0; Abstentions 0)

11. **General Fund Revenue Budget Monitoring - 3rd Quarter 2020/21**

Monitoring report C/20/63 provided a projection of the end of the year financial position of the General Fund revenue budget, based on expenditure to the 30 November 2020.

Proposed by Councillor Connor McConville
Seconded by Councillor Patricia Rolfe; and

RESOLVED:

That report C/20/63 is received and noted.

Voting: For 4; Against 0; Abstentions 0)

12. HRA budget monitoring - 3rd quarter 2020/21

Monitoring report C/20/61 provided a projection of the end of year financial position for the Housing Revenue Account (HRA) revenue expenditure and HRA capital programme based on net expenditure to 30 November 2020.

Proposed by Councillor Connor McConville
Seconded by Councillor Rebecca Shoob; and

RESOLVED:

That report C/20/61 is received and noted.

Voting: For 4; Against 0; Abstentions 0)