

## OVERVIEW AND SCRUTINY COMMITTEE

**Monday, 18 November 2019**

**Present: Councillor Chris Woodward (Chairman)**  
**Councillors Mrs Soyke (Vice-Chairman), Bailey, Bruneau, Chapelard, Hayward,**  
**Morton, Ms Palmer, Pound and Reilly**

**Officers in Attendance:** Lee Colyer (Director of Finance, Policy and Development (Section 151 Officer)), David Candlin (Head of Economic Development and Property), Diane Brady (Property, Estates and Development Lead), Patricia Narebor (Head of Legal Partnership), Claudette Valmond (Principal Solicitor) and Caroline Britt (Democratic Services Officer)

**Other Members in Attendance:** Councillors Dawlings, March and Scott

### APOLOGIES FOR ABSENCE

OSC34/19 No apologies had been received. Councillors Stanyer and Thomson were not present.

### DECLARATIONS OF INTEREST

OSC35/19 There were no disclosable pecuniary or other significant interests declared at the meeting.

### MINUTES OF THE MEETING DATED 12 AUGUST 2019

OSC36/19 The minutes were not available at the meeting and would be carried over to the next meeting.

### MINUTES OF THE MEETING DATED 07 OCTOBER 2019

OSC37/19 The minutes were not available at the meeting and would be carried over to the next meeting.

### ITEMS CALLED-IN UNDER OVERVIEW AND SCRUTINY PROCEDURE RULE 13

OSC38/19 There were no items which had been called-in under Overview and Scrutiny Procedure Rule 13.

### MONSON ROAD / PUBLIC REALM CROSS-PARTY WORKING GROUP UPDATE

OSC39/19 Councillor Jane March Portfolio Holder for Culture, Leisure and Economic Development and Chairman of the Working Group) introduced the report.

Discussion included the following comments:

- The Working Group was set up to consider the impact of the Public Realms works and the refurbishment of the Crescent Road car park.
- Letters were delivered to 48 businesses affected by the works with the Council proposing to put 12 cases forward to the Valuation Office for consideration for a reduction in Business Rates.
- To date 10 cases that included full financial details had been submitted.
- The initial lack of take up by businesses was disappointing.

- The Kent Business Rate Pool that TWBC was part of would absorb any change in rateable value should an appeal be successful. Monson Road made up a very small proportion of the total rateable value across the Borough, as such the Council could accommodate any reduction determined by the Valuation Office.
- A printed banner and a number of coloured posters saying 'Business Open as Usual' had been produced and were now available for use.

**RESOLVED** – That the update be noted.

## **CLIMATE EMERGENCY CROSS-PARTY WORKING GROUP UPDATE**

OSC40/19 Councillor Bailey (Portfolio Holder for Sustainability and Chairman of the Working Group) introduced the report.

Discussion included the following comments:

- The purpose of the Working Group was to look at ways to reduce carbon emissions within the Borough and build in carbon reduction options into the Local Plan and the Five Year Plan – a core part of the Panel's remit – and to consider ways to lobby Central Government to do the same.
- In addition, the Group was considering setting up a Citizens Assembly that would bring in members of the public, including young people into the process.
- The Terms of Reference and a draft timetable had been produced and it was proposed that work would start in earnest next month.
- An initial report was planned for August 2020.
- The timings for the Citizens Assembly was still to be decided – but ideally the middle of next year.
- Discussions would include looking at opportunities to reduce the net carbon emissions from new buildings, including tree planting.
- A similar Assembly was held by Camden and this was being used as a model. They held 3 meetings, the first covered measures that could be taken in the home, the second and third meetings focused on how the Borough and Council could reduce carbon emissions.

**RESOLVED** – That the update be noted.

## **CIVIC COMPLEX CROSS-PARTY WORKING GROUP UPDATE**

OSC41/19 Councillor Scott (Portfolio Holder for Property, Major Projects and Strategic Engagement and Chairman of the Working Party) introduced the report.

Discussion included the following comments:

- The Working Party, which was not a decision making group, had been asked to consider the 4 sites owned by the Council.
- The aim was to produce a paper that would be available for comment on 9 December 2019. Comments submitted would then be considered by the Working Party before being put forward for consideration at Full Council on 18 December 2019.
- The initial review covered 4 aspects for consideration:
  - The initial pressing issues which the Calverley Square project was designed to solve;

- Economic, social and Environmental objectives that any short term solution should take into account;
  - Key concerns of residents; and
  - Financial implications.
- There were 3 time horizons:
  - Short term – action to be taken now both financially and physically (maintenance would feature highly);
  - Medium term – Achievable goals within a 5-10 year timeframe; and
  - Long Term – To be determined by events and the needs at that time.
- The post project evaluation for Calverley Square was not part of the remit of this Working Group – the remit was as defined by Full Council on 8 October 2019. That said, the group had looked at the issues that were raised at the time and would be fundamental when making decisions going forward.
- The Working Group would not formulate recommendations on the way forward. The aim was to put forward options that would then be debated by Council. There would be opportunities to debate, to determine timeframes and assess the appropriateness of the way forward, but in the first instance it was important to start a discussion on possible options.
- There was a need to know why the Calverley Square scheme had failed. A request was made that a separate independent review should be undertaken. But this was a separate activity to the work of this working group.
- The Calverley Square project was still included in the Draft Local Plan because planning permission existed on the site and this consent was valid for a period of 3 years.
- The key elements for consideration was the function of the sites and to ensure that those functions were achievable.
- The Councillor Convention held in the summer included the aim to produce ideas to be considered for the next 5 Year Plan.

#### **RESOLVED –**

1. That the update be noted; and
2. That it be noted that a paper would be available for comment by Members on 9 December and submitted to Full Council on 18 December 2019.

#### **PORTFOLIO HOLDER UPDATE - FINANCE AND GOVERNANCE**

OSC42/19 Councillor Dawlings (Portfolio Holder for Finance and Governance) introduced the report.

Discussion included the following comments:

- Overall assessment that the Authority was very well run, with congratulations given to Lee Colyer (Director of Finance, Policy and Development) and his team.
- The Council had received an unqualified Audit Letter for the tenth year running – an unprecedented achievement.
- The Budget preparation was underway. It was considered at the Finance and Governance Cabinet Advisory Board held on 12 November 2019.

- Government had not provided much guidance, the spending round had not been held this year.
- Council Tax was expected to increase by 2% (or £5 per annum). Representations had been made to increase the per annum to £12 which the Council deemed reasonable, especially as Police Authorities had raised theirs to £24.
- There would be no continuation of the 100% Kent Business Rates Pilot which the Council benefited from last year, but it remained part of the 75% Business Rates Pool.
- Other significant budgetary issues included:
  - The end of the Calverley Square Reserve;
  - The income from the garden waste charge was significantly higher than expected due to the higher take up rate; and
  - The likely withdrawal by Government of the New Homes Bonus.
- Following the decision not to proceed with the Calverley Square project, two issues needed to be addressed:
  - Identification of essential maintenance work on Council properties, especially those that had been expected to be vacated; and
  - The impact on Council staff, partly due to Calverley Square and partly due to the difficulties in filling staff vacancies.
- The organisation of four elections had put particular pressure on staff – local elections at the beginning of May followed by European elections, the by-election in Culverden and finally the General Election.
- As a result of the problems incurred with waste collections since the start of the new service, consideration was being given to some form of compensation to residents with the likelihood that this would be in the form of an extension of time (i.e. additional month(s)).
- Councillor Barrington-King had been speaking to Urbaser regarding issues in Pembury, the new waste contractor and would be issuing a statement on 19 November 2019. There was evidence to suggest that the problems in Tunbridge Wells were similar to those experienced by North Hertfordshire when they introduced their new service using the same contractor.
- The new waste contract was in its early stages. But to assist a more informed debate, it was suggested that a report be put together by officers on the implementation of the new service, to include what went wrong, and with supporting evidence from the contractor. This would then be put through the normal governance processes, through the relevant Advisory Board and Cabinet. This would allow Scrutiny the opportunity to consider the report.
- In taking the report forward, there was a request that Urbaser be asked to contribute to the additional cost incurred by customer services due to the problems that had so far been encountered. The Council were currently bearing the entire cost, creating an additional burden on staff (including the level of resources not being sufficient to manage the change).
- Government increased the interest rate for the Public Works Loan Board (PWLB) by 1 per cent. This was an unexpected increase that was due to the large amount of funding going out. The timing was unfortunate in relation to the Calverley Square project, but this

was not the only source of borrowing for the scheme. The Council would not have borrowed money it couldn't afford.

- Local authorities were encouraged to share in the proceeds of growth of Business Rates for new businesses where a percentage of Business Rates could be retained by the Council. Discussions had taken place regarding a review of the structure of Business Rates by Central Government.
- There was agreement that there should be more focus on governance, risk management, engagement and improved project management, particularly on large projects and that it should be continuous throughout the entirety of the scheme.

#### **RESOLVED –**

1. That the update be noted; and
2. That a report on the implementation of the new waste contract be requested to inform a debate.

#### **DRAFT BUDGET 2020/21 AND MEDIUM TERM FINANCIAL STRATEGY UPDATE**

OSC43/19 Lee Colyer (Director of Finance, Policy and Development) introduced the report.

Discussion included the following comments:

- The report outlined the assumptions that had been built into the draft budget for 2020/21 – this was the third report in the process.
- The Ministry for Housing, Communities and Local Government (MHCLG) had issued a technical consultation in advance of the provisional settlement.
- New Homes Bonus – Any new allocation for next year would not include any legacy payments which was a fundamental change to how the system worked. In addition the Government intended to review the scheme and explore the most effective way to incentivise housing growth – which suggested they were minded to bring the scheme to an end. It was therefore prudent for the Council to reduce its reliance on the New Homes Bonus within its base budget where it could afford to do so.
- In 2019/20 the Council received 4 years of New Homes Bonus allocation. The total amount received was £1.1m. £921,000 was used in the base budget, the remaining £222,000 was put in reserves.
- For 2020/21 the Council was only guaranteed 3 years of allocation, a total of £589,000 with an estimated £300,000 allocated for next year, but this couldn't be confirmed until Government had issued the settlement.
- Although a good incentive for house building, the New Homes Bonus had not worked for TWBC. Developers had not delivered the housing growth achieved by TWBC neighbours. Tonbridge and Malling received £23m, TWBC received £9m.
- Government continued to restrict the level of increase for Council Tax – the £5 deminimus was introduced in 2015 and had not changed. There was a precedent for requesting an increase, the Police Authorities had increased initially to £12, and then again to £24.

- Local authorities were concerned that settlement was too late for future expenditure to be planned. In light of this, Government commissioned the Hudson Review to look into this. The outcome was one recommendation – to provide Local Councils with their settlement by 5 December each year. MHCLG had recently announced that this deadline would not be met and no date was given for the provisional settlement due to the impending General Election.
- The 2019 Budget was due to be published on 6 November – but had been cancelled, with no future date announced. This meant there was no context for setting the budget at the local level.
- Within the above context, the report set out some local economic data relevant to the Borough:
  - Residents of the Borough had the highest level of gross disposable household income in Kent.
  - They also had the highest earnings within Kent.
  - As at the end of September 2019, the unemployment rate was 1.4 per cent – significantly lower than the Kent and National average.
  - There were 7,000 businesses registered for VAT in the Borough, with a continued upward trajectory.
  - The percentage of employees in the Knowledge Economy was 23.5 per cent, second only to Sevenoaks.
  - New Business survival rate was 62 per cent.
  - The Borough had the highest level of NVQ level 4 qualified residents at 50 per cent.
- The Council would continue to be part of the Kent Business Rate Growth Pool. With the abolition of the Revenue Support Grant it would be important for the Borough to continue to deliver economic growth as it would be the only way to get the proceeds to fill the gap from the loss of the Revenue Support Grant and to deliver the range of services expected by residents.
- The gross revenue expenditure planned for next year was just under £67m which was matched by the revenue funding.
- Details of the major changes over the current year included:
  - Employee costs (which included a manager for the Amelia);
  - Increased demand for temporary accommodation required to fulfil the Council's homelessness obligations;
  - An additional subsidy for the Assembly Hall Theatre;
  - The Council's payment of Business Rates on its own properties; and
  - Major contract costs and increased costs for utilities.
- Additional income was expected from:
  - An increase in car parking revenue from the Great Hall car park which would now remain in operation for the whole of next year;
  - The Council Tax increase of £5 (assumed);
  - Garden waste income totalling just over £1m; and
  - Savings due to the cessation of the Calverley Square scheme would be returned to the base budget.
- The Council had a 4 year rolling Capital programme which would be rolled over for another year. It comprised 2 parts:
  - A List – Health and Safety related, Revenue or Capital Income Stream Projection; and

- B List – Civic Site Initial Essential Works (following the cessation of the Calverley Square scheme the existing buildings would be in use for the foreseeable future).
- The impact of the essential works that now need to be undertaken would add a further £1.9m to the Capital Programme. This amount would be borrowed, with a revenue impact of £116,000 required to fund the borrowing.
- Consultation remained important. An article had been written for the Local Magazine and details would be available on the Council's website.
- The consultation would close on 17 January 2020.
- A level of uncertainty remained and further work was needed to deliver a balanced budget in February 2020.
- The draft Budget had been supported by the Finance and Governance CAB on 12 November 2019 and would be presented to Cabinet on 5 December 2019.
- The cessation of the Calverley Square scheme would not result in an increase in usable reserves because the funding came from borrowing so there would be no impact on reserves. In addition some of the elements from the funding strategy had already been released as it was needed to help balance next years budget.
- High earnings of people living in the borough masked below average earnings for people working in the borough and the fact that three wards had a 30 per cent child poverty rate. There needed to be a relationship between local income and genuinely affordable housing. Cabinet were challenged to recognise alternative views on the well-being of the Borough and address the issue of child poverty.
- Funding for the Citizens Advice Bureau (CAB) was reviewed as part of the Community Grants process – it was the first year of a three year funding programme. It was understood that the CAB were content with this level of funding. That said, the CAB were at liberty to approach other organisations, including Parish Councils for additional funding.
- The reinstatement of the Members Grant had not been considered.

**RESOLVED** – That the update be noted.

## **DRAFT ASSET MANAGEMENT PLAN 2020/21**

OSC44/19 Diane Brady (Property, Estates and Development Lead) introduced the report.

Discussion included the following comments:

- This report presented the Draft Asset Management Plan (AMP) for 2020/21 for consideration and public consultation.
- It summarised the specific actions identified for the financial year 2019/20 and the main portfolio ambitions for 2020/21. It provided a management strategy for the Council's property assets.
- The AMP for 2020/21 was drafted in October 2019, therefore the figures and details changed as the year progressed.
- The draft the portfolio was valued at £106.77m as at 31 March 2019.

- To date there was an increase in lease renewals, new lettings and rent reviews of £39k plus RPI rental increases of £5.25k per annum.
- Vacant space had been managed and disposal of surplus land and assets for a capital receipt of £1.17m had been achieved.
- The planned maintenance programme had been undertaken and would have completed works to the value of approximately £600k by the end of the financial year. Reactive maintenance undertaken to the value of approximately £345k.
- Capital projects to the value of £754.8k had been progressed or completed.
- The Hubs at Southborough, Paddock Wood and Cranbrook had been progressed. In addition work had been progressed with British Land for the refurbishment of Royal Victoria Place.
- The AMP, in addition to providing a summary for last year, identified the forward projection and management strategy for the property asset portfolio, to build on what had been undertaken so far, and how the Council would continue to maximise the capital and revenue value of the portfolio and deliver its operational needs.
- The Council would continue to dispose of surplus land, assets and the maximisation of existing assets through reconfiguration and refurbishment.
- The Council would continue to ensure that the property strategy and maintenance programme would support the Council's commitment to sustainability within the budgetary constraints and would seek to improve and expand the benefits of the assets through the Capital applications process.
- The Investment Strategy and Property Investment Strategy (which sits alongside the AMP) included criteria as guidance when the Council sought to acquire properties for investment. The flats in Grove Hill House were purchased in accordance with the strategies.
- The Development Advisory Panel (DAP) remit was the Development Programme.
- The DAP was not a decision making body. It was convened at the behest of the Leader.
- All acquisitions went through the Council's Governance processes – a Cabinet report that would approve the acquisition, and the appropriate Advisory Board. As such the information was there under which policies and powers the Council used to make any acquisition.
- In response to a query which had particular reference to Calverley Square and the decisions that were made, it was confirmed that the DAP had met in January 2018 and June 2018. Any evaluation of the scheme should include the role of DAP as part of the decision making process.

**RESOLVED** – That the update be noted.



## **WORK PROGRAMME**

OSC45/19 There was no substantive update on the two Task and Finish Groups.

Other items raised for consideration included:

- A review of the new waste contract.
- Post evaluation of the Calverley Square Scheme.
- The shortfall of £1.6m that had been identified for the Amelia Scott scheme. It was clarified that reports on the Amelia Scott were included at the Cabinet meeting dated 24 October 2019 and the Finance and Governance Cabinet Advisory Board on 12 November 2019 that set out the management of the Council's corporate projects – members might find both useful and to help inform any debate.
- An update from the Portfolio holder for Culture, Leisure and Economic Development, would be included on the agenda at the next Overview and Scrutiny meeting so there would be an opportunity to address this issue further at that time. In advance of this meeting the Chairman agreed to speak to the Portfolio Holder and report back to the Committee.

## **RESOLVED –**

1. That the update be noted; and
2. That the Chairman shall speak to the Portfolio Holder for Culture, Leisure and Economic Development regarding the funding shortfall for the Amelia Scott scheme.

## **URGENT BUSINESS**

OSC46/19 There was no urgent business.

## **DATE OF THE NEXT MEETING**

OSC47/19 The next meeting was scheduled for Monday 20 January 2020.

NOTE: The meeting concluded at 8.35 pm.