

TONBRIDGE AND MALLING BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

MINUTES

Thursday, 26th January, 2023

Present: Cllr Mrs A S Oakley (Chair), Cllr A E Clark (Vice-Chair), Cllr M O Davis (Vice-Chair), Cllr C Brown, Cllr A Cope, Cllr R W Dalton, Cllr D Harman, Cllr F A Hoskins, Cllr S A Hudson, Cllr J R S Lark, Cllr M Taylor, Cllr D Thornewell, Cllr F G Tombolis, Cllr D J Cooper (substitute) and Cllr B J Luker (substitute)

In attendance: Councillors M D Boughton and M A J Hood were also present pursuant to Council Procedure Rule No 15.21.

Virtual: Councillors R Betts, D Davis, D Keers, P Montague, W E Palmer and J Sergison participated via MS Teams and joined the discussion when invited to do so in accordance with Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors M C Base, R I B Cannon, Mrs F A Kemp, D W King and H S Rogers

PART 1 - PUBLIC

OS 23/1 NOTIFICATION OF SUBSTITUTE MEMBERS

Notification of substitute members were recorded as set out below:

- Councillor Cooper substitute for Councillor Cannon; and
- Councillor Luke substitute for Councillor King

In accordance with Council Procedure Rules 17.5 to 17.9 these Councillors had the same rights as the ordinary member of the committee for whom they were substituting.

OS 23/2 DECLARATIONS OF INTEREST

There were no declarations of interest made in accordance with the Code of Conduct.

OS 23/3 MINUTES

RESOLVED: That the Minutes of the meeting of the Overview and Scrutiny Committee held on 17 November 2022 be approved as a correct record and signed by the Chair.

MATTERS FOR RECOMMENDATION TO THE CABINET**OS 23/4 CAPITAL PLAN REVIEW 2022-23**

The report of the Director of Finance and Transformation considered progress on the 2022/23 Capital Plan Review and requested endorsement of recommendations to the Cabinet. Members were reminded that any aspirations in respect of capital schemes needed to be set within the context of the difficult and challenging financial outlook.

Particular reference was made to proposals for List C which included the addition of 'fast track' schemes in respect of Gibson East Refurbishment and De-carbonising the Councils estate as outlined in 1.5.3 of the report. Funding arrangements for these schemes were set out in 1.7.3 to 1.7.6 and it was reported that the Gibson East Refurbishment should be seen as a standalone project, outside of the capital plan review process, due to its scale.

Members recognised the significant financial implications in respect of the Gibson East Refurbishment and were reassured that the costs, risks, works and valuations associated with the project would be carefully monitored.

RECOMMENDED: That

- (1) the Capital Plan (List A) position as set out in Annex 1 (attached to the report) be commended to Cabinet for endorsement;
- (2) List C be amended by Cabinet as detailed in 1.5.3 of the report and summarised above;
- (3) the schemes listed in 1.6.4 of the report be selected for evaluation including where recommended for Fast Track evaluation;
- (4) the transfer of the two schemes shown in 1.7.3 of the report from List C to List B be commended to Cabinet for endorsement; and
- (5) the Cabinet be invited to endorse the Capital Strategy (attached at Annex 4) for adoption by the Council and publication on the Council's website.

Referred to Cabinet*OS 23/5 REVENUE ESTIMATES 2023/24**

The report of the Director of Finance and Transformation and the Cabinet Member for Finance, Innovation and Property referred to the responsibility of the Cabinet under the Constitution for formulating initial draft proposals in respect of the Budget. Reference was made to the

role of the Overview and Scrutiny Committee in assisting the Cabinet and the Council in preparation of the Budget for 2023/24 within the context of the Medium Term Financial Strategy (MTFS) and the Council's priorities.

Attention was drawn to the difficulties experienced within the budget setting process of incorporating an estimate of the scale of the ongoing impact of the pandemic and, more recently, the conflict in Ukraine and its impact on global economic conditions both next year and over the medium term. Other financial pressures included the overall salary bill, IT infrastructure and increasing energy costs. These had been mitigated in part by the good performance of investment and business rates income.

Members welcomed the better than anticipated provisional local government finance settlement for 2023/24 which included an allocation for New Homes Bonus and a Funding Guarantee for 2023/24 of £1.8m. The overall funding increase on 2022/23, taking into account other grants rolled in, was £502,000 (7.2%). However, beyond 2024/25 there was no indication in respect of core funding and uncertainty remained about the future of New Homes Bonus, the Fair Funding Review and Business Rates Retention which made financial planning difficult.

Particular reference was made to the referendum principles in respect of Council Tax increases and for the purposes of preparing the budget papers and updating the MTFS an increase of 3% (or £5 whichever was higher) had been assumed for 2023/24 and 2024/25.

The projected funding gap within the MTFS had been remodelled based on the provisional financial settlement and was now in the region of £1.7M plus £200,000 to be delivered from office accommodation. Members were advised that good progress had been made on achieving the savings target set previously of £350,000 to be delivered by April 2023. However, it was increasingly challenging to identify/deliver savings going forward and the financial position remained difficult.

It was indicated that the pension fund deficit was forecast to be recovered within the 10-year period of this MTFS. This did not mean that a deficit would not reappear as it was dependent upon the future performance of the pension fund. How the risk of that happening might be lessened was subject to consideration.

RECOMMENDED: That

- (1) the draft Revenue Estimates (attached at Annex 1) be endorsed for consideration by Cabinet at its special meeting on 14 February 2023; and

- (2) the Savings and Transformation Strategy be updated to reflect the latest projected funding gap as part of the budget setting process.

***Referred to Cabinet**

OS 23/6 S106 MATTERS

The report of the Director of Planning, Housing and Environmental Health presented an updated s106 Protocol and a new monitoring structure for s106 monies. Members were also updated on the recently published Infrastructure Delivery Statement.

Any changes to the Protocol had taken into account the interest of all parties involved to ensure sufficient monitoring of the agreements could be completed and that the process remained efficient and up to date.

The main change proposed to be implemented was the removal of the County Council as a signatory to most agreements. This ensured greater control by the Borough Council over the delivery of mitigation and payment of relevant funding. It was noted that there were certain instances where the County Council would still be required as a signatory, such as where the relevant obligation would require KCC to give reciprocal covenants to TMBC and/or the developer. Members were advised that the County Council had requested an opportunity to discuss the proposals in more detail and this would be arranged as soon as possible.

Reference was made to proposals to create a monitoring group (as detailed in Annex 5) to meet regularly and review potential s106 matters. If the proposed structure was agreed, it was anticipated that the Operational Monitoring Group would be established as soon as possible with the Members Monitoring Group (as detailed in Annex 6) established after Annual Council in May.

Members welcomed the proposals in principle as the revisions improved monitoring of s106 allocations, distribution and spend. The importance of maintaining flexibility when drafting s106 agreements so that funding allocations weren't lost if a service or facility was lost was highlighted. Bus service provision within the borough was given as an example and agreements should be referring to the wider bus service rather than particular routes.

The annual Parish Infrastructure Statements were a valuable tool when undertaking negotiations related to s106 agreements as it enabled the Borough Council to request contributions for specific purposes as highlighted by parish/town councils to mitigate the impact of development for prospective and existing communities. It was suggested that those village halls not in the ownership of parish councils should liaise with those organisations to ensure their requirements were

included in the Parish Infrastructure Statements. It was noted that options regarding how locally based projects in the non-parished area of the Borough could be captured were being explored. It was requested that local ward members be involved in discussions on this.

RECOMMENDED: That

- (1) subject to further discussion with Kent County Council, the revised S106 Protocol and process, including the new monitoring structure, be commended to Cabinet for approval (in due course);
- (2) the new monitoring structure, as set out in the report, be commended to Cabinet for approval (in due course); and
- (3) the recently approved and published Infrastructure Funding Statement 21/22 and spreadsheet be noted.

***Referred to Cabinet**

MATTERS FOR INFORMATION

OS 23/7 KEY PERFORMANCE INDICATORS

The report of the Chief Executive provided a list of Key Performance Indicators (KPIs) that would be monitored on a quarterly-annual basis and presented to the Committee on a regular basis.

A baseline covering April-June 2022 had been used, with the data for July-September 2022 representing the most up-to-date available statistics. The KPIs related to those that were either corporate in nature or did not fit out under the remit of the Scrutiny Select Committee were set out at Appendix 1. Explanatory notes were provided to give additional context.

OS 23/8 RECORD OF DECISIONS TAKEN BY THE EXECUTIVE

The decisions taken by the Cabinet and Cabinet Members during November, December and January 2022-23 were presented for information and noted by the Committee.

OS 23/9 NOTICE OF FORTHCOMING KEY DECISIONS

The Notice of Key Decisions to be considered by the Cabinet in February was attached for information.

OS 23/10 WORK PROGRAMME 2023

The Work Programme setting out matters to be scrutinised during 2023 was noted. Members were invited to suggest future items by liaising with the Chair of the Committee.

MATTERS FOR CONSIDERATION IN PRIVATE

OS 23/11 EXCLUSION OF PRESS AND PUBLIC

There were no items considered in private.

The meeting ended at 9.11 pm