



Council

Tuesday, 22 February 2022

Dear Councillor

You are advised that the attached documents form part of the main agenda papers for this meeting.

Please ensure you bring them with you to the meeting.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S Walsh', written in a cursive style.

S Walsh
Service Manager (Communities)

List of documents attached

- 5e) Minutes of the meeting of the Overview Scrutiny Committee held (Pages 3 - 10) on Thursday, 10 February 2022

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Overview Scrutiny Committee**Thursday, 10 February 2022****7.30 pm****Present:**

Cllr Jordan Meade (Chair)
Cllr Baljit Hayre (Vice-Chair)

Councillors: Gurdip Ram Bungar
 Dakota Dibben
 Sarah Gow
 Leslie Hills
 Diane Morton
 Peter Scollard
 Gurbax Singh

Also in attendance: Cllr John Burden, Leader of the Executive and Cllr Aaron Elliott

Melanie Norris Director (Communities)
Sarah Parfitt Director (Corporate Services)
Lisa Nyon Assistant Director (Corporate Services)
Chris Wakeford Committee Services Officer - Scrutiny (Minutes)

23. Apologies

Apologies for absence were received from Cllr Gurjit Kaur Bains; Cllr Dakota Dibben appeared as her substitute.

24. Minutes

The minutes of the meeting of the Overview Scrutiny Committee held on 13 January 2022 were signed by the Chair.

25. Declarations of interest

Cllr John Burden declared an interest in Item 8. Call in - Cabinet Item 12. Cascades Leisure Centre Part A Report and Item 11. Call in - Cabinet Item 16. Cascades Leisure Centre Part B Report in that he is the Council's representative on the Board of the Ebbsfleet Development Corporation.

Cllr Jordan Meade declared an interest in Item 8. Call in - Cabinet Item 12. Cascades Leisure Centre Part A Report and Item 11. Call in - Cabinet Item 16. Cascades Leisure Centre Part B Report in that he is the KCC representative on the Ebbsfleet Development Corporation's Planning Committee.

Cllr Diane Morton declared an interest in Item 8. Call in - Cabinet Item 12. Cascades Leisure Centre Part A Report and Item 11. Call in - Cabinet Item 16. Cascades Leisure Centre Part B Report in that she works for the NHS.

Cllr Peter Scollard declared an interest in Item 8. Call in - Cabinet Item 12. Cascades Leisure Centre Part A Report and Item 11. Call in - Cabinet Item 16. Cascades Leisure Centre Part B Report in that he is the Council's representative on Gravesham Community Leisure Limited (GCLL). Cllr Scollard advised that he would leave the Council Chamber when these items were being considered.

26. General Fund Revenue and Capital Estimates 2022-23

The Assistant Director (Corporate Services) presented the Overview Scrutiny Committee with the draft revenue and capital estimates for General Fund services in 2022-23 together with the recommended level of council tax to be levied for 2022-23.

The report was presented in seven sections and the Assistant Director (Corporate Services) provided Members with a summary of each section: -

- Section One – Policy Context;
- Section Two – Government Funding;
- Section Three – Medium Term Financial Strategy and Planning for the Council and its community;
- Section Four - General Fund Revenue Budget;
- Section Five – Council Tax;
- Section Six - Robustness of Estimates and Adequacy of Reserves; and
- Section Seven - Capital Programme.

The Assistant Director (Corporate Services) highlighted the following:

- On 16 December 2021 the Provisional Local Government Finance Settlement for 2022-23 was announced by The Department for Levelling Up, Housing and Communities (DLUHC). The Final Finance Settlement was announced on 8 February 2022, this was reviewed and there were no substantial changes.
- As like last year, the provisional settlement was for one year only, with the future funding of local government remaining uncertain in the coming years. Local government funding reforms that were planned for introduction from April 2021 (including the Fair Funding Review and reforms to the current Business Rates Retention System) had been put on hold. These reforms were likely to take place during 2022.
- The provisional settlement also confirmed that government would be eliminating negative RSG amounts in 2022-23. For Gravesham, this was budgeted at £243,710 that the council was expecting to lose by way of a reduction to its business rates retention baseline funding level.
- Lower Tier and Services Grants total £337,380
- The council has secured indicative New Homes Bonus funding for 2022-23 of £573,150. Allocations continue to be as un-ring-fenced grant, thus enabling the council to maintain its policy of taking NHB Funding directly into Working Balances
- As a result of the provisional settlement, the Council will experience an increase in its core spending power of 7.3% for 2022-23 and will have the seventh lowest level of

assumed spending power per dwelling in Kent at £267. This is based on an assumption by Central Government that the Council will increase council tax by the maximum amount.

- The Council, this year, had prepared a five-year Medium Term Financial Strategy spanning 2022-23 to 2026-27 in response to an absence of further information on the future of funding for local government from Central Government and the need for the Council to consider initiatives to reduce the emerging budget gap of £3m in 2026-27 that the Council will now face on its General Fund Services.
- The COVID-19 Pandemic continues to impact on the financial position of the council, particularly on income streams. The Budget Monitoring Report showing the projected financial position at the end of Quarter Three (period to 31 December 2021) indicates a projected underspend for the year of £598,670 against the original budget indicating a contribution of £98,270 would be made to working balances, albeit income and expenditure variances in the last quarter of the year will impact on this figure.
- In relation to the council tax to be levied, the Assistant Director (Corporate Services), advised that the provisional settlement confirmed the continued flexibility for district councils in setting council tax levels by permitting district councils to raise council tax by 2% or up to and including £5 (whichever is higher) without triggering the requirement for referendum. The budget proposals reflected the Council implementing a £4.95 increase in its council tax charge in 2022-23, equating to an increase of less than 10 pence per week for a Band D property. The total annual charge for the Gravesham element of the council tax bill will be £217.98; by way of comparison, the Band D equivalent council tax for 2021-22 is £213.03.
- A decision to freeze council tax in 2022-23 (i.e. 0% increase) would create a shortfall of £1.7million over the life of Medium Term Financial Plan
- Based on the assessed risks at the time of making the assessment of General Fund Working Balances in relation to setting the budget for 2022-23, it is the view of the Director (Corporate Services) that the minimum of £5.25m in General Fund working balances should be retained during 2022-23.
 - a minimum working balance of £2m to assist cash flow.
 - £3.25m General Revenue Reserve to enable the Council to meet unforeseen challenges or pressures on its financial position.
- The General Fund Capital Programme totals £72,479,120 and includes; New Leisure Centre - £7,632,590, St George's Centre - £ 9,019,640 and Rosherville Loan (The Charter) - £45,439,010

The Director (Corporate Services) and the Assistant Director (Corporate Services) fielded questions from the Committee and highlighted the following:

- The Council voluntarily brings the General Fund Revenue and Capital Estimates and Housing Revenue Account Estimates and Housing Capital Programme to the Overview Scrutiny Committee for transparency; this has been in place for a number of years and if this practice is no longer helpful or needed, it can be reviewed.
- In response to a question regarding resources to provide advice and support on council tax, the Director (Corporate Services) advised that the structure of Revenues and Benefits team has been recently reviewed in order to ensure staff are able to best support the new Council Tax Reduction Scheme. The role of team will change and the intention will be for staff to become more proactive with account reviews and

looking at discounts and exemptions customers are receiving and also what discounts and exemptions they could receive. The team will also be able to signpost customers to our partners when needed.

- The Council will use the Council Tax listings to identify households in band A-D to pass on the £150 Council Tax rebate announced by the Chancellor. Further guidance on this matter is due this week.
- The Council is still waiting for further information on the recently announced Discretionary Fund linked to energy prices. It is unlikely that officers will be in a position to provide an update report on this to the next Cabinet meeting as guidance on the Fund has yet to be released by Government.

Resolved that the Committee noted the General Fund Revenue and Capital Estimates 2022-23

27. Housing Revenue Account Estimates and Housing Capital Programme 2022-23

The Assistant Director (Corporate Services) presented the Overview Scrutiny Committee with the draft revenue and capital estimates for Housing Revenue Account Services in 2022-23 together with the determination of the level of rents and service charges for 2022-23.

The report was presented in four sections and the Assistant Director (Corporate Services) provided Members with a summary of each section: -

- Section One – HRA Revenue Account Budget;
- Section Two – Housing Capital Programme;
- Section Three – Robustness of Estimates and Adequacy of Reserves; and
- Section Four – HRA Business Planning.

The Assistant Director (Corporate Services) highlighted the following:

- The Original Estimate for 2022-23 represents a balanced budget position, achieved through drawing £324,020 from the HRA General Reserve as expenditure in the year is anticipated to exceed the income generated in the year
- The current government policy permits annual rent increases for both social and affordable rent properties up to CPI+1% from April 2020 for a period of at least 5 years. The Rent Standard issued by the Regulator of Social Housing in respect of 2022-23 confirmed that rents could increase by CPI+1% from 1 April 2022 (where CPI is measured at September 2021). Dwelling Rents for 2022-23 will increase by 4.1%. The authority's average weekly social rent will increase to £94.22 in 2022-23, compared to £90.26 in 2021-22. The average affordable rent will increase to £170.43 (the average rent increase will not be exactly equal to 4.1% due to re-letting of void properties and additions of properties during the year).
- Service charges were also levied on Council dwellings to cover a range of services including caretaking services and maintenance of communal areas and communal assets, such as lifts and gardens. Service charges were generally eligible to be met by Housing Benefit, with the exception of charges to individual homes such as heating or lighting within a dwelling. The average weekly service charge for 2022-23

will be £3.88 (currently £3.72). The capped service charge had been increased by 4.1% (based on CPI at September 2021 +1).

- The Housing capital programme for 2022-23 totals £24,058,970. The HRA capital programme for 2022-23 will primarily focus on works to maintain the council's housing stock and delivering the New Build and Acquisitions Programme.

The Director (Corporate Services) and the Assistant Director (Corporate Services) fielded questions from the Committee and highlighted the following:

- Rent setting is directed by guidance from the regulator (CPI+1%) that was put to Cabinet on the basis of accountability. The Council wanted to make the HRA sustainable for the wider tenant body.
- The increase in rent from the the proposed CPI+1% increase as well as projections on properties has generated £1.6million which will be used to fund HRA services.
- The deep cleaning of alleyways mentioned in the report refers to Council owned alleyways.
- Service Charges will increase by CPI+1%
- Some Housing costs can be recovered through Housing Benefit; further information on this matter will be provided to the Committee outside of the meeting.
- The Director (Corporate Services) agreed to provide the Committee with further detail on the current position with the Council's housing stock in comparison to previous years.

Resolved that the Committee noted the Housing Revenue Account Estimates and Housing Capital Programme 2022-23

28. Oral Update from the Sub-Group Chair on the progress of the Scrutiny Topic Review.

Cllr Baljit Hayre, Chair of the Scrutiny Review of Street Cleanliness, littering, and Fly-tipping throughout the Borough provided the following update:

- The Sub-Group met virtually on 3 February 2022.
- An action plan was agreed with an aim to complete the review by July 2022.
- The next meeting will be held in the Council Chamber on 3 March 2022

The Committee noted the progress of the Scrutiny Review of Street Cleanliness, littering, and Fly-tipping throughout the Borough.

29. Call in - Cabinet Item 12. Cascades Leisure Centre Part A Report

The Director (Communities) informed Members that the Council had commissioned Knight, Kavanagh, & Page (KKP) to undertake a feasibility study of the Council owned leisure centres, currently located at Cascades Leisure Centre and Cygnet Leisure Centre. The key focus of the study was to refresh the Council's Indoor Leisure Strategy and to redefine its needs and options for investment in its facility portfolio.

The study needed to take account of a changed landscape from the original strategy which had been completed in 2016. These changes included the developments of the Lower Thames Crossing, potential developments undertaken in Ebbsfleet Development

Corporation and the proposed Garden City, as well as the potential impact of Covid-19 on the leisure industry.

The study was completed over two phases: -

- Phase One – a refresh of the 2016 Indoor Strategy and based on the refreshed strategy findings; and
- Phase Two - a feasibility study to investigate whether/how to replace one or both facilities, in a process which incorporated evaluation of capital and revenue costs, as well as a management options appraisal to assist the Council in deciding on the optimal way forward.

The feasibility study recommended replacing the existing Cascades Leisure Centre at its existing site to address the Borough's current facility needs assuming that the proposals at Ebbsfleet Garden City for a landmark leisure facility was also delivered as a potential replacement for Cygnet Leisure Centre. As the proposals for a hub leisure facility at Ebbsfleet Garden City were unknown at this stage, the Council had agreed to concentrate on the redevelopment options of Cascades Leisure Centre.

In terms of where the new facility should be located, alternative sites for development in the Borough were extremely limited, with the existing urban area being particularly constrained and focus on available sites being placed on delivering the Borough's housing requirements. Cascades Leisure Centre's existing car park had emerged as the highest ranked site from the appraisal as it benefits from being owned by the Council and had the potential to create good visibility and site frontage of the new leisure centre.

An initial capital cost estimate of circa £33.8m had been identified. This was inclusive of an allowance of £3.5 million for external works to the site which would include external landscaping, car parking including coach drop off area and creation of an Active Environmental area. The sum did include a 10% contingency amount but did not take into account general inflationary pressures nationally, particularly within the construction industry.

KKP had produced an indicative revenue business plan for the new leisure centre which was based on a range of key assumptions (both income and expenditure). The plan drew upon KKP's understanding of the local area through past and current work and a range of live operational examples of where and how other modern leisure centres effectively generate income from their key activity areas. The indicative also assumed that performance of the centre would have returned to pre-COVID levels when it becomes operational.

The revenue business plan had been prepared on the basis of two potential operating models for consideration based on information provided by KKP (a) a trust management option or (b) management by an external (commercial) operator.

The Council's Finance Team had analysed and reviewed the indicative Revenue Business Plan and appraised the two operating models for consideration based on information provided by KKP. The indicative revenue projections indicate that both operating options would generate a surplus position during the first five years of operation.

In order to deliver on the next stage, the Council will be required to undertake procurement of a range of services in respect of consultancy (design, planning, leisure) and construction.

As set out in the report, the approach will be in a two- stage manner, with the procurement of consultancy services being separate from that of selecting a construction partner.

Options regarding leisure centre development in Gravesham going forward, will also need to take account of the Lower Thames Crossing (LTC) programme, which may have a degree of overlap with the leisure centre construction.

The Leader of the Executive - Cllr John Burden, the Director (Communities) and the Director (Corporate Services) fielded questions from the Committee and highlighted the following:

- The Leader of the Executive explained that the Council had responded to consultations and local need on this matter. There will be further public consultation on the scheme that is being proposed through the planning process.
- The Director (Communities) explained that Gravesham is above the regional average for obesity and inactivity levels high. Life expectancy in some areas of the Borough is 10 years below the rural areas. This has all been taken into account for the new Leisure Centre. The Council is looking at medical referral rooms inside the Leisure Centre as well as outdoor space for trails, running, walking, football and outdoor fitness equipment. The swimming pool proposal will also address the need for 1500 swimming participants per week whilst also catering for family fun.
- The Leader of the Executive advised Members that the existing outside facilities at the Cascades site will remain, but the Council will look into funding to improve the facilities across the borough (e.g. 3G/4G sports pitches)
- The Director (Communities) confirmed that it was the Council's aim to make the new Leisure Centre a very sustainable building. Visits to existing examples of modern Leisure Centres are also planned.
- The Director (Communities) explained that the Council will carefully consider the management options for the new Leisure Centre and will ensure the Council maintains a role in this area.
- The Director (Communities) advise that the feasibility study is very in-depth in relation to health statics and tackling health inequalities.
- Director (Corporate Services) highlighted that it was the Council's intention to make sure capital contributions be set aside and that plans are made for future liabilities. Preliminary costs associated with consultancy and external groundwork amounting to circa £300k will be funded from the Council's existing 2021-22 unapplied grants, as opposed to external borrowing. The Council requires the support of consultants because it does not have the expertise in this subject area within the Council.
- The Leader of the Executive explained that he would like to see the new Leisure Centre completed by 2024.

The Chair thanked the Leader of the Executive and officers present for attending the Overview Scrutiny Committee and expressed his hope that Members comments would be taken on-board by the Cabinet.

Resolved that the Committee noted the Cascades Leisure Centre Part A Report.

Note: Cllr Peter Scollard left the room when this item was being considered

30. Exclusion

Resolved that pursuant to Section 100A (4) of the Local Government Act 1972 that the public be excluded from any item included in Part B of the agenda because it is likely in view of the nature of business to be transacted that if members of the public were present during this item, there would be disclosure to them of exempt information as defined in Part 1 of Schedule 12A of the Act.

31. Call in - Item 16. Cascades Leisure Centre Part B Report

The Overview Scrutiny Committee considered, and discussed in detail, the Part B information pertaining to the Cascades Leisure Centre report.

Resolved that the Committee noted the Cascades Leisure Centre Part B Report

Note: Cllr Peter Scollard left the room when this item was being considered

Close of meeting

The meeting ended at 9.05 pm