

Council – 24 July 2019

Public questions:

1. From Mr Rylands to Councillor Godfrey, Cabinet Member for Housing, Transport and special projects

How much has P & R Installation Company Ltd overcharged Folkestone & Hythe District Council during the lifetime of the contract?

ANSWER:

The information requested forms part of an ongoing detailed legal investigation by the Council into potential overcharging under the gas servicing and maintenance contract that end earlier this month. For this reason, the Council is unable to respond to this question.

SUPPLEMENTARY QUESTION:

In the scheme of things, on the scale of overcharging, with Dover being the most and Thanet the least, where was FHDC on this scale?

ANSWER:

I think my first answer already covers this.

2. From Mr Deane to Councillor Monk, Leader of the Council

Do you believe it is right that this council should be wasting it's time and council tax payers money on a loss making council owned property development company, Oportunitas, when the real need is for a far greater number of council homes for people of this district than currently are being built or planned?

ANSWER:

Oportunitas is a housing and regeneration company set up by the Council in 2014 with the initial aim of providing housing in the private market rental sector to secure a financial benefit to General Fund that in turn supports the Council's statutory services.

The year on year reduction of the revenue support grant provided by central government has forced the Council to look at alternative commercial income streams that will provide financial returns to sustain essential services for residents.

The Company since inception has invested £4.2 million in developing its property portfolio consisting of 37 residential units and 1 commercial unit to date, which is now valued at a total of £4.5 million. In 2018/19, the Company produced a return of about £250,000 to the Council.

A further £6.9 million of investment was secured by the Company in February 2018, which will ensure the long term sustainability of the Company and will boost financial returns to the Council.

The Council understands the need to provide a range of different types of housing, and has made a commitment through the latest HRA business plan, approved in March 2019, to invest £29.5million to deliver 300 new council homes by 2025/26. Progress to date has so far seen a third of this target delivered. It should be noted that General Fund resources, which includes the income provided to the shareholder by Oportunitas cannot be used to fund new Council homes under the HRA.

SUPPLEMENTARY QUESTION:

Given that the council is concerned with making up budget shortfalls, is it right that Oportunitas Board Members should be drawing allowances, in addition to what they receive as Councillors?

ANSWER:

The Special Responsibility Allowance is reflected in the way which Oportunitas Board Members are paid.