

Annual Summaries of the Task Groups of the Overview and Scrutiny Committee 2022-23

Economic Development Task Group

Chairman: Cllr Gary Elson

Purpose	Membership
To identify and seek the implementation of measures to mitigate the impact of the economic downturn on the residents, community organisations and businesses in the Borough of Woking.	Cllrs Akberali, Aziz, Davis, Elson (Chair), Morley, Oades (Vice Chair), Roberts

Introduction

The Economic Development Task Group met for the first time on 25th July 2022 and then on 3rd November 2022, the next meeting is scheduled for Wednesday 22nd March 2023 before the end of this municipal year.

At the first meeting Cllr Gary Elson was elected as Chairman and Cllr Stephen Oades as Vice Chairman. The Group reviewed and discussed the minutes of the previous meeting held in March 2022 there were no matters arising. Chris Norrington introduced the Business Liaison Team to members, Riette Thomas then gave a presentation on the work of the team and its activities, the group were reminded of the Economic Development priorities as set in the Core Strategy 2022 -2027 as a base line for future work, discussions, and activities.

The previous Economic Development Strategy (2017 -2022) ended in March 2022, owing to the Covid Pandemic having been suspended in 2020.

A 'Framework for Recovery' plan was commissioned and published in July 2020 to address the immediate challenges presented by the Covid 19 Pandemic. Following this, an interim Economic Development Action Plan (EDAP) 2021 – 2023 was adopted in September 2021 to address the many issues posed by the post Covid economic situation and continued economic recovery. It is now proposed that this EDAP is reviewed and refreshed for publication in March 2024 for one year while the new Economic Development Strategy is produced and submitted for adoption in March 2025.

Following discussions with CLT, the Portfolio Holder and a number of Economic Development Professionals, the timing for commissioning a full Economic Development Strategy has been questioned in light of the following:

- Although Covid-19 is generally accepted as being over, key post-Covid structural changes such as the move towards hybrid working practices are still emerging.
- The true impact of Brexit was masked by Covid-19 and is yet to be fully experienced and measured.

- There is an argument that the development of longer-term strategies such as are being proposed should be deferred until there is more stability and certainty within the wider economy.
- The imminent adoption of the Strategic Asset Management Plan, a proposed Retail and Leisure Strategy, the future of the Town Centre Masterplan and a review of the Core Strategy should align with an Economic Strategy which will be better served in 2025.

The 'Action Plan' continues to focus on five key priorities:

- Focus on Business
- Build on our People and Skills advantages
- Future Proofing our Borough's town and village centres
- Working the place to be
- Destination Working

The 2nd meeting of the Task Group was held on 3rd November 2022.

An update on the Economic Development Action Plan was given by the Business Liaison Manager Chris Norrington.

April–June 2022

The Innovation Hub had continued to gain traction.

Business Liaison had continued to provide drop-in sessions for local businesses throughout the Borough. Local businesses were being encouraged to apply for funding to help with decarbonisation. Approximately fifty businesses in the Borough had so far received funding through the decarbonisation scheme.

Retail businesses continued to report suppressed footfall, however occupancy remained high. This had been attributed to many businesses having switched to hybrid working models and therefore fewer staff in offices each day.

Victoria Place received significant promotion over the summer period to encourage patronage.

A Project Manager, funded by NHS Heartlands, had been employed by the Council. The PM was working alongside Julie Meme, and the Health & Wellbeing Team, on digital inclusion, particularly for older people. The post was being funded for twelve months.

July–September 2022

The second quarter businesses were significantly affected by the Cost-of-Living Crisis and Energy Price shock. Businesses had expressed concern that the help being offered to them by the Government was insufficient. Businesses had also reported scaling back plans for growth due to cost increases and market unpredictability.

The Jobs Board continued to receive vacancy posts. It was known that the employment market was difficult with insufficient people to fill all vacancies.

The opening of Italia Conti had increased footfall through the Town Centre as had hosting Surrey Dance 21. Members discussed increasing direct engagement with Italia Conti students as they represented a different demographic from those previously engaged and might have different requests for retail presence.

WBC had begun an exercise with the Department for Work and Pensions to attract workers into the Hospitality, Care Home, and IT sectors respectively.

Due to hybrid practises and the downsizing of businesses, the office space market was challenged to fill void space. The industrial sector was seeing very strong demand, with enquiries significantly above available space. The Goldsworth Road Industrial Estate had been suggested for redevelopment.

The Group have emphasised the need to support small businesses as well as larger companies with parking.

The review of the 'Terms of Reference' for the Economic Development Task Group has been deferred to the next meeting on 22nd March 2023.

On behalf of Task Group members, I would like to express our thanks to Chris Norrington and colleagues in the Business Liaison team and to Officers for all the invaluable they do to ensure that Woking continues to have a well-informed, balanced, positive and credible Economic Development Strategy and Action Plan.

Finance Task Group

Chairman – Cllr James Sanderson

Purpose	Membership
To review financial issues as and when identified by the Committee. Financial Performance of the Council Management and Administration of Accounts procurement Strategy, Pension fund, Financial Strategy.	Councillors H Akberali, A Azad, T Aziz, K Davis, A Kirby, S Oades, J Sanderson

Annual Summary of the Finance Task Group

The Task Group has discussed and reviewed a number of key items through the year in the context of the continued focus on the Council's finances and the review undertaken by DHULC

- The Medium-Term Financial Strategy and the Council's Budget were reviewed in particular the pressures caused by higher energy costs and inflation more generally, continued lower commercial rent and car parking income and the increased borrowing costs due to rising interest rates. The savings achieved by the Fit of the Future programme were also noted. The continued use of Council reserves was highlighted as a key risk. As part of this review, there was challenge of the longer term forecasts which assumed that interest rates would reduce over time converging towards the Government's 2% inflation target. The overall financial position was a key theme of the Task Group's focus this year and it received regular updates through the year.

- The continued delay in the completion of the audit of the last two years (2019/20 and 2020/21) accounts of Woking Council was highlighted and a lot of dissatisfaction expressed of the current situation noting in particular the assurance required for the ThamesWey Group of companies.
- The potential impact of Minimum Revenue Provision rules which could impact the current and future borrowing of Woking Council was also highlighted given the high level of borrowings.
- The annual review of Fees and Charges was covered by the Task Group noting there were significant increases across the board due to the Council's very challenging financial situation with the intention to reduce the subsidy for non-statutory services.
- There has been an ongoing review of the Victoria Square project specifically in respect of the delays in this project and the resulting impact on the ongoing funding required and the total debt.

The Task Group also covered other standing items such as:

- Review of the Performance and Financial Monitoring (Green Book) reports with major items highlighted.
- Report of Irrecoverable Debts which is reviewed each quarter and no major issues were noted.
- Review of the draft Investment Programme noting the projects that are planned to be funded over the next year.
- Bi-annual review of Treasury Management noting the Council has a significant amount of short-term borrowing which needs to be refinanced over the next 12 months.

Housing Infrastructure Fund Task Group

Chairman: Cllr Colin Kemp

Purpose	Membership
To oversee the governance and implementation of the Housing Infrastructure Fund (HIF) project.	Cllrs H Akberali, M Ali, A Azad, I Johnson, C Kemp, L Lyons, E Nicholson

Introduction

The Task Group has met three times this Municipal Year; on 23 June, 25 July, and 19 October. Cllr Colin Kemp was elected Chairman of the Group and Councillor Ian Johnson as Vice-Chairman.

Victoria Arch Project

The work of the Housing Infrastructure Fund (HIF) Task Group was dominated by the proposed works to the Victoria Arch bridge and surrounding areas.

Throughout the year the Group received updates on the proposal and how elements of the project had and continued to fundamentally change.

23 June and 25 July Meetings

At the June and July meetings the Group reviewed proposals being submitted to the Executive detailing the changes to the project. The report covered additional risks and their scale on delivering the project and included a proposal to suspend delivery of the project in light of them.

The June & July meetings also reviewed the proposed closure of the aggregates yard and alternative sites that were to be proposed to Network Rail. Network had no plans to relocate the site and would require significant development cost. Network rail had mooted modernising the current site to provide environmental improvements.

The Victoria Arch project would necessitate closing the access road to the yard and an alternative, temporary access was required. Initially, this was considered to require purchase of properties under a Compulsory Purchase Order. However, a plan had been developed that no longer required such action.

Members of the Task Group sought details of the implementation of a Heavy Good Vehicles ban on York and Mount Hermon Roads. These were to be provided via a Traffic Regulation Order which would be sought following the necessary planning approval.

19 October Meeting

The Group received an update on the report taken to the Executive in July 2023 detailing the requirements for a fundamental review of the Victoria Arch Project. The Executive had decided to continue investigatory works, seek planning permission for the temporary and permanent access road, and purchase of remaining Triangle site properties.

Continued works into the project had identified issues throughout the project; utility diversion costs; site acquisition increased costs, the access solution for the aggregates yard, additional professional fees for project scheduling and design.

It was reported that the total cost of the project, if implemented as currently designed, would require an additional £54 million more than the original £115 million budget. The scope had grown from that first proposed that and inflationary factors being key contributory factors. The Council could not fund this increased budget. Network Rail stated that they were not able to share the additional risks of the project. Additionally, Homes England had commissioned an independent report covering their proposed HIF projects nationally and whether there was extra funding available.

Conclusion

The HIF Task Group maintained its oversight of relevant projects throughout the year and ensured that Councillors, Officers and the Council continued to be aware of the challenges related to the delivery of this complex infrastructure project.

The Group agreed to meet only when necessary for the remainder of the Municipal Year.

Cllr Colin Kemp

Housing Task Group