

Public Document Pack Agenda Item 2

Overview and Scrutiny Committee 11 September 2023

MINUTES
OF A MEETING OF THE
OVERVIEW AND SCRUTINY COMMITTEE

held on 11 September 2023

Present:

Cllr J Brown (Chair)
Cllr A Kirby (Vice-Chair)

Cllr H Akberali	Cllr J Morley
Cllr K Davis	Cllr L Rice
Cllr A Javaid	Cllr M Sullivan
Cllr R Leach	

Also Present: Councillors A-M Barker, W Forster, E Nicholson and D Roberts.

Absent: Councillor A Caulfield.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Andy Caulfield

2. MINUTES

RESOLVED

That the minutes of the meetings of the Committee held on 10 July and 14 August 2023 be approved and signed as true and correct records subject to the correction of typographical errors identified by the Committee.

3. MATTERS ARISING FROM THE PREVIOUS MINUTES OSC23-042

The Committee discussed Matter 8.1 from the July meeting, information on a bid for pandemic-related funding from central Government.

It was requested that clarification be given on the statistics for rising 18-year-olds.

[Post-meeting Note: the information provided omitted an explanation for the 923 attainers, which was the number on the register in 2019. The full Matter has been included in the Matters Arising to be received by the Committee on 16 October 2023].

RESOLVED

That the report be noted.

4. URGENT BUSINESS

There was no urgent business to discuss.

5. DECLARATIONS OF INTEREST

No Member declared any interests.

In accordance with the Officer Employment Procedure Rules, the Strategic Director of Corporate Resources, Kevin Foster, declared a disclosable personal interest (non-pecuniary) in any items concerning the companies of which he is a Council-appointed director (companies listed in table 1). The interests were such that Kevin Foster was able to advise on those items.

Brookwood Cemetery Limited	VSW Hotel Limited
Brookwood Park Limited	Victoria Square Residential Limited
Export House Limited	Victoria Square Woking Limited
Kingfield Community Sports Centre Limited	Woking Necropolis and Mausoleum Limited
LAC 2021 Limited (Dormant)	Woking Shopping Limited

Table 1.

In accordance with the Officer Employment Procedure Rules, the Strategic Director of Communities, Louise Strongitharm, declared a disclosable personal interest (non-pecuniary) in any items concerning the companies of which she is a Council-appointed director (companies listed in table 2). The interests were such that Louise Strongitharm was able to advise on those items.

Rutland Woking (Carhouse Lane) Limited	Rutland Woking (Residential) Limited
Rutland (Woking) Limited	

Table 2.

In accordance with the Officer Employment Procedure Rules, the Head of Transformation and Digital, Adam Walther, declared a disclosable personal interest (non-pecuniary) in any items concerning the companies of which he is a Council-appointed director (companies listed in table 3). The interests were such that Adam Walther was able to advise on those items.

Brookwood Cemetery Limited	Thameswey Developments Limited
Brookwood Park Limited	Thameswey Energy Limited
Thameswey Central Milton Keynes Limited	Thameswey Limited
Thameswey Sustainable Communities Limited	Thameswey Solar Limited
Woking Necropolis and Mausoleum Limited	

Table 3.

6. ECONOMIC DEVELOPMENT WORKING GROUP UPDATE

The Committee received a verbal update on the work of the Economic Development Working Group from its Chair.

The Group Chair was keen to focus the resources of the Working Group on the Commercial Strategy. The Chair was concerned that the staffing and budget cuts as represented in the Medium Term Financial Strategy would negatively impact the economic development of the Borough.

Officers recognised the importance of economic development to the Borough and hoped that the Council would be able to work with Surrey County Council in the future.

The Commercial Strategy was a key tenet of the work of the Improvement and Recovery Programme (IRP). Updates on the Strategy would be provided when the Committee received updates on the IRP.

7. FINANCE WORKING GROUP UPDATE OSC23-045

The Committee received the update report of the Finance Task Group.

8. HOUSING WORKING GROUP UPDATE

The Chair of the Group had been expected to provide a verbal update to the Committee but was unable to attend the meeting. The Committee requested a written report covering the meeting of the Housing Working Group held on 26 July 2023 be prepared for the next meeting.

9. WORK PROGRAMME OSC23-041

The Committee reviewed the suggested additions to the work programme and, in light of the increasingly full work programme for the remainder of the Municipal Year, agreed to remove several items. The items were: Commissioner-Officer Working Relationship, Community Grants Update, Invite Affinity Water, Invite Royal Mail, Invite South Western Railway, Review of Company Governance Structure, Update on Company Governance Structure. The items would be reviewed at the end of the Municipal Year.

It was moved and agreed by the Committee to form a Task and Finish Group on the 'suggested additions to the Work Programme' item, HS2 Brookwood Cemetery. Officers were requested to draft a Terms of Reference for the Group and present it to the Committee for its approval at the next meeting.

The Committee agreed to add to the agenda of the October meeting a report on Member Training. Also added to the October meeting would be the amendment to the Public Speaking at Planning Committee section of the Constitution as raised by Scrutiny Topic Proposal at the 10 July meeting.

Officers commented that Victoria Square and ThamesWey Group updates would remain on the Executive Forward Plan.

Officers had previously agreed to provide MTFs papers to Overview and Scrutiny prior to their receipt at Council. The Committee requested that workshop(s) be arranged to cover the proposals. Officers undertook to determine appropriate dates for workshops.

RESOLVED

That the Work Programme be noted.

10. MTFS OSC23-043

[Note 1: All Councillors were invited to attend and contribute to the item and the Committee was joined by Members of the Executive: Councillors Ann-Marie Barker, Will Forster, Ellen Nicholson and Dale Roberts. Apologies from Executive members were given by Councillors Peter Graves, Ian Johnson and Liam Lyons].

[Note 2: By the Council's Constitution, Council meetings are required to end after three and a half hours unless members of the Committee agree to extend the meeting. At 9:13pm the Committee held a vote to extend the meeting which was agreed by majority.]

Whole Council & Budget Deficit

Julie Fisher, Chief Executive Officer, introduced the MTFS noting that the savings identified totalled approximately £8.5 million and a further £4 million was required to reach the £12 million target. The report explained that following further investigation, the in-year deficit had grown from £12 million to £19 million. The increased deficit was due to several sources:

- the Council's need to reservice short-term loans, of which the Council had approximately £200 million. The Council was no longer able to borrow money from other local authorities and could only borrow from the Public Works Loan Board (PWLB). The PWLB interest rates were higher than those offered by other local authorities and therefore contributed £5 million increased deficit.
- A parking management fee to be paid to Victoria Square Woking Limited.
- Reductions to rental income from the commercial estate.

Officers recognised the requirement to set a balanced budget and were committed to saving the previously identified £12 million target. However, it was not yet known how the additional £7 million would be bridged and Officers did not consider it possible for the Council to achieve. The setting of the balanced budget exceeded the amount of money required for Minimum Revenue Provision (MRP). The Council's total income was insufficient to cover MRP.

The calculations that led to £12 million of savings, were derived from the cost of delivering services less the Council's income. The cost of delivering services was not fixed and dependent on demand and inflation. Similarly, certain incomes, such as rent, were variable.

The identified savings had been revised down from an estimated £8.8 million to the £8.5 million figure due to a re-evaluation of leisure costs, which were revised down by £300,000.

The Council had total core funding of £16 million and received funding from other sources for a total income of approximately £49 million. Officers undertook to provide Councillors with more details on the cost of delivering services.

Due to the scale of the deficit, it left no space to consider less savings in any area.

Officers were actively addressing the in-year deficit but recognised that the scale of total deficit, £1.2 billion, brought about by a re-evaluation of historic investments, was beyond the Council's capabilities to address. Support for the larger figure would be sought from

central Government; however, it was imperative that the Council demonstrated a strong resolve to savings and working efficiently.

The future of the Council's companies and joint ventures was dependent on discussions with central Government and decisions made over the Council's debt.

The Council maintained an ambition to build a modest reserve of £35,000 by the end of the financial year. It was noted that the problems facing the Council were compounded by the absence of reserves.

Eugene Walker, Interim Director of Finance and Section 151 Officer, emphasised that all proposed cuts needed to be delivered as the Council did not have any contingency.

Officers confirmed that as consultations were completed, where there was impact on users under the Equalities Act the proposals would be reassessed.

Communities

The Committee discussed the proposed phased closure of Pool in the Park, which saw 25,000 users per month. Officers were requested to provide more detail on the cost of subsidy that Pool in the Park received from the Council and a breakdown of the total running cost of the amenity.

Part of the Council costs associated with Pool in the Park were from capital depreciation. The management fee received for Pool in the Park from Freedom Leisure was insufficient to cover its running costs.

Officers applied for all available funding to apply to its leisure facilities and was preparing to bid for an upcoming round of funding from Sport England. The Council had been successful with a previous bid for funding to Sport England.

Closure of Pool in the Park would have minimal impact on the Freedom Leisure contract as the Council received 95% of the profits, which were minimal, generated by the facility.

Officers considered it unlikely that there would be interest from the private sector in taking on Pool in the Park while the Council's restrictions on commercialisation were in force.

Business rate liability would only fall on the Council once the facility was completely closed.

The Council had a number of Service Level Agreements to provide discretionary services. Although the services were recognised as important, they were not statutory and therefore the Council was unable to continue supporting them. The Service Level Agreements had break clauses that the Council could use to end them early.

The Council was unable to continue providing community grants through Woking Community Fund.

The Council would engage with all affected stakeholders supported through Service Level Agreements and Woking Community Fund to identify alternative sources of funding. Additionally, the Council would continue to provide support through use of Council assets and parking.

A model whereby the four Council-run community centres, Moorcroft, Parkview, St Mary's and The Vine, would become self-funding was being explored. The Council had already managed to transfer several of the cafés to such a model.

Day centres were currently run out of St Mary's and The Vine, these would be consolidated and run from Brockhill and Hale End Court, both of which already ran day centres. This would not preclude external parties from running day centres from the facilities.

Officers would benchmark the community centres against other local authorities; a number had already closed their community centres due to unaffordability.

Consultations on the future of the community centres would include the impact of travel on service used, and the feasibility of the centres becoming community owned.

Officers were aware that the removal of community grants could impact other services, both those provided by the Council as well as services provided by partners. The Council was engaging with partners that had been identified as potentially impacted.

Particular concern was raised over the impact on other services by ending support for the Citizens Advice Bureau.

Corporate Resources

The MTFs reported a parking charge of £8.7 million owed as a car park management fee to Victoria Square Woking Limited, the cost was considered a risk. Nevertheless, the figure was reported to ensure transparency.

The Council had collected all of the revenue from the associated car park for the previous two years but had not paid any management fee for the use of the car parks during that time. The Council had previously considered purchasing the car park but subsequently decided not to do so.

Officers anticipated that the income the Council would continue to receive from the car park would be greater than the cost of the management fee.

A new car parking strategy was being developed with charges to be benchmarked against other local authorities.

The MTFs included proposals to close toilet facilities outside of the town centre. It was raised whether signposting to remaining facilities could be introduced to aid users.

Officers would explore through consultation whether responsibility for any toilet facilities could be given to communities.

The Committee discussed the proposed loss of the Business Liaison service and the value the service had to the economic development of the Borough. Officers would identify what work, if any, could be absorbed by other Council teams.

Mobile CCTV provision would continue.

Place

In year savings of £1 million were being sought in Neighbourhood services contracts.

Aspects of the Council's activities on climate change were not statutory and work was underway to identify where activities could continue within other teams and what could be taken on by Surrey County Council.

Elements of climate change would be absorbed by the Council as a local planning authority.

The proposals included reducing the size of teams in the Planning department and it was anticipated that performance, particularly regards response times, could drop. It was noted that the Council traditionally performed very well against the national KPI. Process would be reviewed to ensure that it was efficient and streamlined.

Scoping work had begun on green spaces and a consultation would begin later in the autumn.

Cross-Cutting

A forensic review of the Council's budgets was to be undertaken which would identify any further savings. The £750,000 saving target was questioned and Officers confirmed that it captured a number of potential savings that had been identified through the transformation gateway process. Officers would provide definition to the savings as they were explored,

Officers anticipated identifying further savings from management and senior management and where appropriate, proposals would be brought before Council.

Consultation

A number of consultations would be run, either for all residents of the Borough or defined cohorts for specific services.

A set of consultations would begin on 2 October.

As part of consultations, it would be identified if community groups could take over management of any sports pavilions. Costs for the facilities would need to be met by the community groups. Officers would review the costs of pavilions and if these could be split by facility.

Officers had previously agreed to consider how the Committee could be more involved in the framework and development of consultations. Officers would engage with the Chair, Vice-Chair and members of the Committee outside of the meeting on the consultations.

Recommendations

It was agreed that no recommendations be submitted to the Executive from the Committee.

The Committee instead reiterated its requested that a comprehensive breakdown of the financial details for Pool in the Park be provided by Officers.

The meeting commenced at 6.00 pm
and ended at 10.01 pm

Chairman: _____

Date: _____

