

MINUTES
OF A MEETING OF THE
OVERVIEW AND SCRUTINY COMMITTEE

held on 24 January 2022

Present:

Cllr J R Sanderson (Chairman)
Cllr S Hussain (Vice-Chair)

Cllr J Brown	Cllr R N Leach
Cllr S Dorsett	Cllr E Nicholson
Cllr A Kirby	Cllr I M Raja

Also Present: Councillors Azad, Ashall and Davis.

Absent: Councillors R Mohammed

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Mohammed.

2. MINUTES

RESOLVED

That the minutes of the meeting of the Committee held on Monday, 22 November 2021 be approved and signed as a true and correct record.

3. MATTERS ARISING FROM THE PREVIOUS MINUTES OSC22-001

The Chairman introduced the report and went through each item, highlighting the current status of each item and whether it was still considered on-going. The Chairman drew attention to several items relating to the Executive – Overview and Scrutiny Protocol and the item relating to the feedback the Committee provided to Riette Thomas, Celebrate Woking Project Manager, following her presentation at the Committee in November. Adam Ahmed, Scrutiny and Democratic Services Officer was invited to provide an update on the item relating to the Communications Plan and stated that the initial research had been completed and steps were being taken to develop a plan suitable for the Committee.

4. URGENT BUSINESS

There were no items of urgent business to discuss.

5. DECLARATIONS OF INTEREST

In accordance with the Members' Code of Conduct, Councillor Kirby declared a non-pecuniary interest in item 12 – Financial Review Monthly Update owing to his full-time position at a company which produces a ranking of locations by economic health. The interest was such that speaking and voting were permissible.

6. WORK PROGRAMME OSC22-002

The Chairman introduced the Work Programme for the coming months. Geoff Mcmanus, Director of Neighbourhood Services, stated the Quarterly Noise Complaints Report had been completed and that it would be brought to a future meeting of the Committee.

The Chairman highlighted that two items, Lessons Learnt During the Covid-19 Pandemic and Woking Borough Council's Support of Local Businesses during the Covid-19 Pandemic had been moved to the February meeting to accommodate the items appearing on the agenda for the January 2022 meeting and to allow Officers adequate time to update reports. The Chairman also highlighted that the Guide to Scrutiny of Risk and Commercialisation had been moved to the September 2022 meeting of the Committee.

RESOLVED

That the Work Programme be noted.

7. FINANCIAL REVIEW OSC22-006

Leigh Clarke, Director of Finance introduced this report and provided the context to the report, noting that it came from the Motion of Notice to the Council requesting and independent comprehensive review of the Council's assets and liabilities and that EY were appointed to carry out the comprehensive review. Leigh highlighted that this was not an audit.

Darra Singh, EY, introduced himself and his colleagues Marcus Richards, Michael Clifford and Daniel Gurton. Darra highlighted that an independent approach was taken, that there was good co-operation from officers and that a range of matters were brought together to be considered in the comprehensive statement.

Marcus Richards, EY, provided back some background as to the process which was undertaken to produce the comprehensive statement. He went on to state that the work provided perspective on the Council's position at the end of the last financial year and that the report endeavoured to provide a comprehensive and objective summary of the Council's financial data and where possible observations on how these can be interpreted. The objective nature of the comprehensive statement and the scope of the comprehensive statement was reiterated at several points following questions from Members.

Julie Fisher, Chief Executive, welcomed the report and said that EY are continuing to support the Council in developing the medium-term financial strategy. Julie stated that the response to the Comprehensive Statement could be summarised through the following actions:

- (i) The continuation of the work to strengthen the medium-term financial strategy
- (ii) The delivery of an asset management strategy
- (iii) The vision and strategy for Town Centre
- (iv) The review of the Thamesway group of companies

Julie stated that underpinning this would be ensuring that there was the right financial and commercial capability at the Council.

Members were invited by the Chairman to ask questions. Some points discussed were: the overall picture the report presented of the Council's financial position, the impact of Covid-19, the valuation of assets and the approach to different classes of assets, the Council's exposure to risk, the liquidity of Council assets, the Council's exposure to risk in retail and commercial spaces and any other risks that the Council could be exposed to but have not been looked into.

A discussion took place between Members following a point raised regarding whether the review met the criteria of the Notice of Motion and Councillor Kirby drew attention to several areas where he believed more detail was required. Darra Singh, EY, advised that from his perspective the criteria of the Notice of Motion had been met. He further commented that it was his view that further work could be carried out following the comprehensive statement and drew attention to the 4 actions summarised by Julie Fisher from the Response to the Comprehensive Statement.

The Chairman asked a question around the Government consultation around borrowing from the Public Works Loans Board. Leigh Clarke, Finance Director, said that whilst the Government continued to look at future changes, the change to PWLB borrowing rules to ensure capital borrowing is used for correct purposes had not caused any concerns for Woking.

Councillor Kirby drew attention to a point regarding the Council's ability to repay loans from operational activity i.e. profits from companies and not additional borrowing and asked if EY can provide information on operational activity over the same time period as the data provided in figure 7 of the EY Comprehensive Statement. Marcus Richards, EY, said that he would be able to work with Council Officers to understand how that could be provided. The Chairman followed up with a question on Thamesway Milton Keynes, asking EY to provide more details on why it had been highlighted as a risk. Michael Clifford, EY, stated that it was an operational company which had a negative net asset position and there was an awareness that the forward business plan related to the speed of developments in Milton Keynes and given these developments had slowed down there was a risk that it would not happen at the speed required. Additionally it was noted that in the latest audits auditors noted there was a risk of going concern around Thamesway Milton Keynes and therefore based on this information EY viewed there was a solvency risk in the event that the pace of developments did not happen at the rate which had been forecast in the business plan.

Following several points made about the resilience of the Council Councillor Azad, Leader of the Council, highlighted that the work to build up the resilience of the Council would continue to be on-going and will be a focus for the whole of the Council going forward.

A discussion took place on what would be expected in a Council's capability to manage risk and Marcus Richards, EY, commented that based on his observations across the sector there had been a tendency for local authorities to not have the commercial or financial expertise to accommodate the level and complexity of commercial activity that Councils are embarking on and that it is a prevalent issue across finance functions across local authorities. Darra Singh, EY, added that it was important that the actions in the management response be seen through to a conclusion in order to manage the degree of the particular risk faced by Woking Borough Council.

The Chairman brought the discussions to a close and that the key next steps that the Committee would recommend to take forward were:

- Ensure the Council has the appropriate skills and capability to manage the risks arising from its investments and commercial interests;
- Monitor the economic outlook as applicable to Woking Borough Council;
- Be aware of legislation and regulatory risk;
- Further analysis of the operating cashflows for each of the Council's investments and commercial interests.

Councillor Ashall, Deputy Leader of the Council, offered his thanks to EY on behalf of the administration and the Chairman offered thanks to EY on behalf of the Overview and Scrutiny Committee.

RESOLVED

- That
- (i) The Comprehensive Statement be received
 - (ii) The Response to the Observations highlighted in the statement be noted
 - (iii) That the Committee recommends to the Executive the following next steps to take forward:
 - (a) Ensure the Council has the appropriate skills and capability to manage the risks arising from its investments and commercial interests;
 - (b) Monitor the economic outlook as applicable to Woking Borough Council;
 - (c) Be aware of legislation and regulatory risk;
 - (d) Further analysis of the operating cashflows for each of the Council's investments and commercial interests.

8. JOINT WASTE MANAGEMENT PERFORMANCE REVIEW OSC22-003

The Committee received a presentation from Sarah Beck and Jo Chauhan from Joint Waste Solutions. The presentation covered several areas such as the continued Covid-19 response, an Update on garden waste collection, information on driver recruitment and a waste and recycling performance update.

The update on garden waste collection highlighted the impact HGV driver shortages and the disruption caused by Covid-19 had on the service and it was confirmed that garden waste subscriptions in Woking would be extended to compensate for the disruption caused. Following a question from Councillor Brown regarding disruption to other Boroughs it was stated that the disruption was wide-spread.

A discussion took place on missed bins prompted by a question from the Chairman. The process was explained, particularly how the dashboard worked and some possible causes of missed bins were discussed such as the movement of collection crews who were familiar with the areas and the use of agency staff to supplement crew shortages caused by the pandemic.

Councillor Dorsett asked a question regarding fines for missed bins, noting that on social media it had been said that the value amounted to £75. Clarification was provided that the value per missed bin amounted to £12.50.

In response to two questions from Councillor Nicholson it was stated that as consultations for curb-side carton recycling had not yet concluded there was no timescale for this to be brought in and that there was no indication that Amey was planning to offload waste contracts as had happened in previous years.

Following a question raised by Councillor Leach on the top issues a discussion took place between Members, the representatives from Joint Waste Solutions and Councillor Davis, the portfolio holder. A number of potential issues were flagged such as the impact of the pandemic on HGV driving tests and the general shortage of HGV drivers, as well as the competitive nature of the job market for HGV drivers.

Councillor Hussain shared that the Woking Armed Forces Covenant could be approached as a means to potentially address some of the HGV vacancies and also highlighted an issue in his ward which was agreed to be taken outside of the meeting.

A discussion took place on subscriptions following a question from Councillor Dorsett and it was confirmed that the number of collections missed will be monitored and subscriptions extended accordingly. The Chairman asked whether a refund would be issued if the contract was cancelled, noting that under normal circumstances a refund was not typically issued and it was confirmed that should a contract be cancelled under the current circumstances a refund would be issued.

Clarification was sought on the disposal process for small appliances and electrical items and the Committee was informed that there were new small appliance bins which were being trialled in communal areas.

A question was raised by the Chairman on improving the collection service from flats and Sarah Beck, JWS, stated that the main focus would be to reduce contamination and to expand the communal waste collection service to areas which had previously not had access to the service and facilities.

Thanks was extended to the representatives from Joint Waste Solutions from the Chairman for their presentation.

RESOLVED

That the Joint Waste Management Performance Review presentation be noted.

9. DR GIFTY EDILA'S REPORT AND LOCAL GOVERNMENT ASSOCIATION CORPORATE PEER CHALLENGE - UPDATE ON RECOMMENDATIONS OSC22-007

Giorgio Framalico, Director of Planning, introduced the report and stated that it drew attention to the actions recommended and taken following the report by Dr Gifty Edila. Giorgio stated that the actions in the report had either been completed or had been allocated to be taken as part of future projects, such as the project for Reviewing the Performance and Financial Monitoring Information.

Councillor Dorsett commented that It was positive to see the recommendations being actioned and that it had demonstrated that the Council was able to learn from previous mistakes. The Chairman also noted that he was pleased to see the recommendations being actioned.

The Chairman drew attention to some of the key recommendations such as recommendation 13 relating to a part-time scrutiny officer and the assistance the role has provided to the work of the Committee.

Following a question from the Chairman regarding the Peer Review of the Planning Service Giorgio stated the report was due imminently and the intention was to take the Report to the Planning Committee meeting in March and then on to full Council the same month.

RESOLVED

That the 'Dr Gifty Edila's Report and Local Government Association Corporate Peer Challenge – Update on Recommendations' be noted.

10. PERFORMANCE AND FINANCIAL MONITORING INFORMATION

The Chairman introduced the October 2021 Performance and Financial Monitoring Information. It was noted that delays had resulted in the October 2021 version being brought to the Committee as opposed to a more recent version.

Following a question from Councillor Brown regarding parking income over the Christmas period Geoff Mcmanus, Director of Neighbourhood Services said that the information would be provided outside of the meeting.

Geoff Mcmanus, Director of Neighbourhood stated, in response to a question on fly-tipping, that various mitigations were in place to address the issue, noting dedicated teams and work with CCTV cameras at different sites and a range of other enforcement measures. Councillor Davis, the Portfolio Holder, commented that in his view there were digital solutions that could be looked at in the future which could support the work on addressing fly-tipping.

Leigh Clarke, Finance Director, stated that the current PWLB rate for the 50 year annuity loan was 2.11% in response to a question from Councillor Brown on what the current rate for the 50 year annuity loan was to date.

A discussion took place on the affordable housing provision and Councillor Brown commented that he was pleased to see that the target for affordable homes delivered in October was met and exceeded.

The Chairman noted that the lower trend of the percentage of household waste was expected to continue but would increase once garden waste collections become more frequent.

RESOLVED

That the Performance and Financial Monitoring Information (October 2021) be noted.

11. TERMS OF REFERENCE OF THE HIF HOUSING OUTPUTS TASK GROUP OSC22-008

Giorgio Framalico, Director of Planning, commented that the most recent version of the Terms of Reference were drafted following an informal meeting relating to the Task Group which had taken place in the previous week.

Councillor Dorsett queried whether the advice of the Monitoring Officer regarding Planning Committee Members sitting on the Task Group be added to the Terms of Reference. Kuldip Channa, Solicitor, suggested that the advice from the Monitoring Officer could be added as a footnote to the Terms of Reference.

The Chairman said that the next step would be for Group Leaders to nominate Members to the Task Group. Adam Ahmed, Scrutiny and Democratic Services Officer, was invited to speak and said that the Conservative Group had nominated Councillor Harlow, Councillor Whitehand and Councillor Mohammed for the Task Group. Nominations were outstanding for the Labour Group and Liberal Democrat Group and would be sought outside of the meeting.

RESOLVED

- That
- (i) The HIF Housing Outputs Terms of Reference be agreed and the task group formed
 - (ii) Nominations from the Liberal Democrat Group and Labour Group would be sought outside of the meeting.

The meeting commenced at 7.00 pm
and ended at 10.05 pm

Chairman: _____

Date: _____