



## TO THE CHAIRMAN AND MEMBERS OF THE **OVERVIEW AND SCRUTINY COMMITTEE**

You are hereby summoned to attend a meeting of the Overview and Scrutiny Committee to be held on Monday, 11 September 2023 at 6.00 pm in the Council Chamber, Civic Offices, Gloucester Square, Woking, Surrey GU21 6YL.

The agenda for the meeting is set out below.

JULIE FISHER  
Chief Executive

NOTE: Filming Council Meetings

Please note the meeting will be filmed and will be broadcast live and subsequently as an archive on the Council's website ([www.woking.gov.uk](http://www.woking.gov.uk)). The images and sound recording will also be used for training purposes within the Council. Generally, the public seating areas are not filmed. However, by entering the meeting room and using the public seating area, you are consenting to being filmed.

## **AGENDA**

### **PART I - PRESS AND PUBLIC PRESENT**

- 1 Apologies for Absence  
To receive any apologies for absence.
- 2 Minutes (Pages 3 - 16)  
To approve the minutes of the previous meetings of the Committee held on 10 July 2023 and 14 August 2023 as published.
- 3 Matters Arising from the Previous Minutes OSC23-042 (Pages 17 - 46)  
To review any outstanding items from the previous minutes.
- 4 Urgent Business  
To consider any business that the Chairman rules may be dealt with under Section 100B(4) of the Local Government Act 1972.
- 5 Declarations of Interest  
To receive declarations of disclosable pecuniary and other interests from Members in respect of any item to be considered at the meeting.

## **Working Group Updates**

- 6 Economic Development Working Group Update (verbal)  
Reporting Person: Councillor Javaid
- 7 Finance Working Group Update OSC23-045 (Pages 47 - 48)  
Reporting Person: Councillor Aziz
- 8 Housing Working Group Update (verbal)  
Reporting Person: Councillor Aziz

## **Matters for Determination**

- 9 Work Programme OSC23-041 (Pages 49 - 64)  
Reporting Person: Councillor Josh Brown

## **Matters for Scrutiny**

- 10 MTFS OSC23-043 (to follow)  
To follow the Member workshop held prior to the meeting.  
Reporting Person: Section 151 Officer

AGENDA ENDS

Date Published - 1 September 2023

For further information regarding this agenda and arrangements for the meeting, please contact Toby Nash, Scrutiny & Democratic Services Officer, Ext 3056, Email [toby.nash@woking.gov.uk](mailto:toby.nash@woking.gov.uk)



**Mixed Sources**

Product group from well-managed  
forests and other controlled sources  
[www.fsc.org](http://www.fsc.org) Cert no. SA-COC-001794  
© 1996 Forest Stewardship Council

MINUTES  
OF A MEETING OF THE  
**OVERVIEW AND SCRUTINY COMMITTEE**

held on 10 July 2023

Present:

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

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

Also Present: Councillors Am Barker, D Roberts

Absent: Councillors L Rice

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Rice.

**2. MINUTES**

The Committee agreed to note the following that was raised by Councillor Morley at Item 7, Work Programme Setting: add to the Work Programme inviting Royal Mail to attend a future meeting of the Committee. The Councillor additionally restated an interest in Thames Water being reinvited, which was captured on the Work Programme.

The Minutes were otherwise received as a true and accurate record.

RESOLVED

That the minutes of the meeting of the Committee held on Monday, 5 June 2023 be approved and signed as a true and correct record.

**3. MATTERS ARISING FROM THE PREVIOUS MINUTES OSC23-030**

The Chair referred the Committee to the Matter inviting both South East Coast Ambulance and Surrey Fire and Rescue to a future meeting. No party had been able to define a topic that the Committee could have overview of. The Committee agreed to close the Matter, particularly given expectation that the Work Programme for the Year would be dominated by financial and recovery Matters.

RESOLVED

That the report be noted.

**4. URGENT BUSINESS**

There was no urgent business to discuss.

**5. DECLARATIONS OF INTEREST**

No declarations of interest were received.

**6. PERFORMANCE AND FINANCIAL MONITORING INFORMATION**

The Committee requested that statistics on number of fulltime staff from previous months be included going forward.

Members raised disappointment at the continued absence of financial information and reiterated the need for it to return. The Section 151 Officer confirmed that financial reporting was being reviewed and would return.

Both the benefit overpayments collection figure and inspection of food premises figures were noted but their context not fully understood. Officers agreed to investigate the figures.

It was noted that the percentage of planning appeals overturned by the Planning Inspectorate was significantly higher in May, 56%, against a target of 35%.

The percentage of rising 18-year-olds on the register stood at 11.1% of total rising 18 years olds in the Borough. Members were concerned at such a low figure and requested if Officers could provide an explanation.

The Committee drew attention to the target for delivery of affordable homes and was concerned as to the impact of the Council's financial position on meeting the target.

Officers agreed that the presentation of ThamesWey Group information was not clear and requested that a more up to date format be used going forward, in line with information provided at Member briefings. Although reported, the number of apprentices in the ThamesWey Group was zero and Members enquired whether there was an apprenticeship scheme.

The Committee enquired as to the collection of council tax and whether the 99% target was realistic. Officers considered benchmarking would be beneficial.

Members enquired whether there was scope for more staff to be funded externally, beyond the 34 reported, and how those were funded. Officers undertook to provide a breakdown to Members and that any opportunities would be built into the organisation redesign.

Members remarked on the increased percentage of the council's housing stock that did not meet the government's decent home standard and requested that this be included in the proposed housing revenue account item included in the work programme.

RESOLVED

That the Performance and Financial Monitoring Information (April & May 2023) be noted.

## 7. SECTION 114 NOTICE

Brendan Arnold, Interim Director of Finance and Section 151 Officer summarised the Section 114 Notice and activity since it had been issued to the Council.

The Committee discussed with the Section 151 Officer the steps that led to the issuing of the Section 114 Notice. Advice from several specialists, including the Chartered Institute of Public Finance and Accountancy (CIPFA) and Peter Worth, had informed the work undertaken to understand the Council's financial position.

Action was still being taken to complete the final audit opinions for all accounts from 2018/19 onwards with BDO, the external auditor up to the 2022/23 accounts. BDO had requested the Council review its Minimum Revenue Position (MRP) to provide the final opinions. Officers could not foresee anything that would prevent BDO from then being able to provide final opinions. The Council was engaged with the public sector audit regulator to help move the position forward and with the Department for Levelling Up, Housing and Communities (DLUHC) to consider if another auditor would be required. It was considered that the delay to finalising the 2018/19 accounts onwards would have had no impact on the amount of debt accrued by the Council.

Brendan Arnold considered it not appropriate to predetermine the position of Government, in terms of the ability to provide sufficient funding, but officials at DLUHC had shown understanding towards the position of the Council. It was not known what would happen to the loans provided by the Public Works Loans Board if the Government did not intervene with financial support.

Restatements for previous years' accounts had been made over the past several months. The Section 151 Officer considered that understatement of the MRP had started in a small way in 2007/8 but accelerated rapidly from 2016/17 onwards. The Officer noted that loans had been used for revenue purposes at Council companies throughout the history of the investment model. It was not known to what extent due to sub-optimal record keeping and as such was only stated from 2022/23 onwards. This contributed to the £1.2 billion deficit and its being estimated. The larger share of the deficit was borne of the impairment of assets to which loans had been used to fund, valuations of which had only recently become available, thus necessitating accounting as a revenue charge immediately.

A discussion was held on the Council's previous approach to the MRP and the view of the Interim Director of Finance was that the approach had not been prudent. Brendan Arnold shared that common return on investment for such assets had been funded by the Council would not yield the necessary return to recover the impairment.

Brendan Arnold noted that Woking Borough Council had historically set aside 0.2% of its funding for the MRP. Contemporaneously, neighbouring Districts and Boroughs had set aside 2% for MRP.

A Value-for-Money (VfM) review had been started that would include consideration of whether the investments, had been worthwhile. Grant Thornton had been engaged to conduct the VfM review and it had been discussed at the recent Standards and Audit Committee held on 6 July 2023. A Terms of Reference for the review had been written and, it was anticipated, would be shared with Members.

It was anticipated that the VfM review would provide clarity on the extent to which the costs accrued for, among other investments, Victoria Place and ThamesWey were commensurate with their ultimate values.

The Section 151 Officer confirmed that there was no further ongoing funding to Council companies as these had been suspended since April.

It was confirmed that there would be a reduction in resources at the Council.

## **8. EXTERNAL ASSURANCE REVIEW AND RECOVERY FIRST STEPS**

Julie Fisher, Chief Executive, provided a summary of the Chief Executive's Response to the Section 114 Notice that had been presented to, and agreed unanimously at, full Council on 20 June 2023. The response included actions that needed to be taken to commence recovery. Many of the actions had already begun.

An Improvement and Recovery Plan had been established as part of the actions identified. Additional resources had been acquired, particularly in Finance, to undertake the improvements.

The Chair enquired as to why the Council was refused extraordinary support by the Government in 2021 and the Chief Executive undertook to review the bid that was submitted.

A public consultation on the future provision of services had opened, seeking the views of residents on how services should be cut. The Chief Executive recognised the need to engage with those that did not have ready access, or could not easily use, digital communications. Julie Fisher confirmed that in addition to the public consultation on services, there would be separate consultations held for the provision of specific services. Face to face engagement on service provision would take place where it would be beneficial, particularly with those that would be directly affected.

The working relationship between the DLUHC-appointed Commissioners and Corporate Leadership Team was remarked on as being very constructive, open and communicative.

The Commissioners had met with the Chair of the Overview and Scrutiny Committee and were interested in engaging with the Committee publicly.

## **9. PRE-DECISION SCRUTINY: MEDIUM TERM FINANCIAL STRATEGY UPDATE OSC23-034**

Brendan Arnold introduced the Medium-Term Financial Strategy (MTFS).

The MTFS had been produced reflective of the Council's financial position. The strategy followed to strands; the £11 million budget shortfall for 2024/25 and how resolution on that would be sought, and the £1.2 billion deficit, which would be considered in consultation with DLUHC.

There were two budget steps remaining for the Municipal Year; September 2023 Council, where some budget decisions could be taken early for full next financial year impact, and February 2024 Council, where the full budget would be presented. The Section 151 Officer

added that it was a legal requirement for the Council to have a balanced budget, but that could only be considered achievable by working with DLUHC.

Officers requested the Committee agree to a proposed workshop on the budget before it was presented to Council on 28 September. The intention was for Members to perform scrutiny of the proposals over a dedicated, and extended, period, which would be presented along with the MTFs to the Executive. The Chair and Committee agreed to the proposal and discussed the most appropriate time to hold the workshop, recognising that daytime was not practical for most Members due to work commitments.

A second workshop, ahead of the February full Budget, was mooted by Officers.

The Committee discussed the now-suspended Investment Programme that the Chair noted had been included in the February 2023 budget. Councillor Roberts, Portfolio Holder for Finance, noted that the February 2023 budget was presented with two caveats; the budget could be balanced with use of reserves, and that it was only possible if there was no change to the MRP.

The potential for asset disposals was raised and Brendan Arnold confirmed that there was a statutory duty to seek best value for their disposal.

The Council intended to re-establish a reserve of £35,000 in the next year which would be taken from the various funding streams available to the Council and made separate.

Community Infrastructure Levy funding was discussed and how the money was ring-fenced from other funding. Councillor Davis raised particular concern over the subject, especially regarding CIL funding being fully ring-fenced in a separate account from other budgets. The sentiment was agreed by Councillor Roberts and the Chair. Brendan Arnold agreed to discuss the Councillor Davis' concerns after the meeting and was producing a briefing note on the subject for all Members.

Consideration in the MTFs had been given to Council Tax and fees and charges. The Interim Director of Finance clarified that future prices, particularly around parking charges, were as example for modelling only and in no way meant as indicative of what Officers were considering seeking approval for.

Councillor Davis emphasised the need for Council Tax increases to be kept low. The Councillor also considered that it would be beneficial for residents if indicative costs of providing a service were included to aid in deciding which should be kept, reduced, or removed.

Officers recognised that the high rate of inflation would cause the spending power of Councils to fall until brought lower. The Government's 3% limit on increasing Council Tax would lead to a real terms reduction in cost to residents while inflation remained above 3%.

It was noted that the risks listed in the MTFs didn't include contingency for another pandemic. Brendan Arnold assured the Committee that, at a point during the Council's financial recovery, it would be surprising if reserves were not kept for such an eventuality.

#### **10. PRE-DECISION SCRUTINY: TOWN CENTRE MASTERPLAN OSC23-035**

The Committee discussed the expenditure on the consultation and what outcomes were drawn from it. It was confirmed that the Council had spent £160,000 on the consultation

with £60,000 having been received as a grant. The cost also included expenditure on preparations ahead of the consultation.

The responses to the consultation could be used to inform the Local Plan and its three consultations which were required by law. The Committee indicated that any scrutiny of the money spent on the consultation was born of a concern for the Council's wider finances.

The Leader of the Council, in attendance at the meeting, noted that the Town Centre Masterplan had been designed so that there was greater clarity as to the Planning Authority's considerations for an application which would benefit both developers and the Council. It was anticipated that the Masterplan would help to reduce the number of appeals to the Planning Inspectorate and thus reduce costs.

The Committee agreed that the proposed strategy in the Town Centre Masterplan was the most appropriate given the Council's finances however the Committee expressed its reservation about the impact the Masterplan may have on other parts of the Borough.

Two Members raised concern that there could be unforeseen consequences on the Borough villages derived from the Town Centre Masterplan proposing height limits for buildings and the extant Local Plan limiting green belt construction. The Committee discussed potential impact from the new Town Centre Masterplan and the Local Plan on construction across the Borough. There was particular concern from the two Members that an intensification of construction, particularly multi-storey, would occur in the Borough's villages to offset limits in building high-rise buildings in the Town Centre.

The Committee agreed to provide the minute of the item to the Executive to ensure those concerns were noted in the following terms:

(i) the Overview and Scrutiny Committee accepted that the Town Centre Masterplan, as part of a new Local Plan, would be the most appropriate only given the financial situation of the Council; and

individual Members on the Committee's reservation as to the potential impact on the Borough's villages in the future due to the proposed height limits for buildings in the Town Centre Masterplan.

## **11. PRE-DECISION SCRUTINY: PUBLIC REALM USAGE POLICY OSC23-036**

Members sought confirmation that it was permissible to charge different prices to entities dependent on their size and locality. The legal Officer provided their opinion that a variable charge was at the discretion of the Council.

Officers confirmed that there was no appeal process if an organisation was refused use of the public realm space.

The Committee recommended that individuals' names and contacts be replaced with positions and departments responsible in the event that individuals were to stop working for the Council.

The Committee discussed whether, given the Council's financial position, it could afford to provide the services for free, or if they should be charged at cost. The Committee recognised that the costs could be discretionary, particularly to ensure that charities were not burdened financially. Officers considered that an analysis would need to be performed



to determine this. The Committee agreed to adopt a recommendation that could be put to the Executive to consider how the service could be cost neutral but not harm charities.

**Recommended to the Executive that**

- (i) the Public Realm Usage Policy was welcomed by the Overview and Scrutiny Committee;**
- (ii) every effort be made to ensure that such a policy be delivered on a cost neutral basis; and**
- (iii) due consideration be given such that charities not be financially burdened by the policy.**

**12. BRIEFING NOTE: SCRUTINY TOPIC PROPOSALS OSC23-031**

The Scrutiny and Democratic Services Officer presented the item and invited Members to consider the proposed deadline for submission of scrutiny topic proposals.

The Committee agreed that the deadline was reasonable.

Resolved That

the proposed deadline for submitting scrutiny topic proposals, 7 days before the Overview and Scrutiny Committee agenda publication, be agreed.

**13. WORK PROGRAMME OSC23-029**

The Council was due to hold an extraordinary meeting on 22 August to discuss the improvement and recovery programme. Councillor Brown, as Chair of the Committee, had agreed to hold an extraordinary meeting on 14 August as requested by Officers, ahead of Council.

Councillor Javaid considered whether more visual accompaniment to items would benefit residents and Members alike. The Member further considered that a clear description of the practical impact be given to aid comprehension by residents. Other members of the Committee agreed with the sentiments raised by the Councillor.

The Chair agreed to take away the proposal to invite Royal Mail to a future meeting and restated the previously mooted invitation of South Western Railway.

It was requested that benchmarking be performed for the item 'Scrutiny of definitions of statutory and non-statutory services' against other Councils that had been served with S114 Notices.

RESOLVED

That the Work Programme be noted.

**13.1 Scrutiny Topic Proposal: HS2 Funding at Brookwood Cemetery: Cllr K Davis OSC23-032**

Councillor Davis, who had submitted the proposal, considered in light of the discussions during the evening, that the topic shared similarities with the Community Infrastructure Levy. Nevertheless, the Councillor was keen that the proposal be considered separately for inclusion on the Work Programme to ensure it was still scrutinised.

The Committee discussed whether a task and finish group would be an appropriate means to consider the item further.

The Chair considered it most appropriate to determine the item outside of the meeting.

**13.2 Scrutiny Topic Proposal: Review of Constitution Planning Sections: Cllr A Caulfield OSC23-033**

Councillor Caulfield, who had submitted the proposal, noted that Officers had been in direct contact and had already provided help on the topic.

Councillor Caulfield was most concerned that the Constitution lacked facility for supporters of a planning application to speak at Committee.

Officers confirmed that work had already commenced on addressing the concern and a benchmarking exercise had revealed that neighbouring Boroughs approached speaking at planning Committee differently. Officers were drafting a proposal on the subject which would be submitted in due course.

The Chair determined that it was most appropriate to receive the finalised report at Committee.

The meeting commenced at 7.00 pm  
and ended at 10.19 pm.

Chairman: \_\_\_\_\_

Date: \_\_\_\_\_

MINUTES  
OF A MEETING OF THE  
**OVERVIEW AND SCRUTINY COMMITTEE**

held on 14 August 2023

Present:

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

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

Also Present: Councillors T Aziz, M Barker, S Dorsett, W Forster, S Greentree, S Hussain, I Johnson, L Lyons, L Morales, S Mukherjee, and D Roberts.

Absent: Councillors A Caulfield and K Davis.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Andy Caulfield and Kevin Davis.

**2. MINUTES**

At the meeting Councillor Brown made the following statement:

“After reviewing the minutes that were sent to the Executive on the 13th of July regarding the Town Centre Master Plan, it was apparent that they were adjusted after the approval from the Chair. This update is only a reminder that changes to the recommendations to the Executive need to go through the proper processes with the chair’s agreement. This committee plays a vital part for the Council to be open and transparent, and it is important that we all, as Councillors and Council officers, do our best to ensure that due processes are followed.”

**3. URGENT BUSINESS**

There was no urgent business to discuss.

**4. DECLARATIONS OF INTEREST**

No declarations of interest were received.

## **5. IMPROVEMENT AND RECOVERY PROGRAMME PROGRESS REPORT - AUGUST 2023 OSC23-039**

*[Note: 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, Ian Johnson, Liam Lyons and Dale Roberts. Apologies from Executive members were given by Councillors Peter Graves and Ellen Nicholson].*

As part of the directions from the Secretary of State the Council was required to develop an Improvement and Recovery Plan ('the Plan'), to be agreed by the Commissioner team appointed by the Department for Levelling Up, Housing and Communities (DLUHC) and DLUHC. Once agreed it would be necessary for the Council to update Commissioners and DLUHC on the Council's progress against the Plan after three months, six months, and every six months thereafter. The Council would also undertake any practicable requests the Commissioner team deemed necessary throughout the recovery process.

A range of views were expressed about the recently concluded public consultation on the future of Council services. It was both recognised that there had been a large number of respondents but that the number equated to less than ten percent of the population. Views were expressed that those ten percent of respondents would influence the services provided to all in the Borough. As well as being completable online, paper copies had been provided throughout the Borough at community spaces to reach more residents and at localities more accessible by vulnerable residents. Officers restated a commitment to ensuring as many residents as possible would be able to access future consultations including vulnerable residents.

Officers commented that the consultation was informal and that any proposed changes to services would necessitate a formal consultation to users and potential users of that service. Formal consultations would be held once Council had received proposals from Officers on service changes at its meeting on 28 September.

The consultation had been developed with advice from external partners, including Councils, that had experience of public engagement.

The Committee agreed a request that future consultations include asking respondents to indicate their ward, where relevant.

The language used in reports would be considered to ensure that it was not a barrier to communication with residents. Nevertheless, as the reports would be submitted to the Commissioners and DLUHC they were required to be comprehensive. A glossary would be written to define the meaning of more technical language.

Officers confirmed that it was not possible to commit to protecting any service from any impact. Any proposals would be developed by Officers and submitted to Council for elected Members to decide.

Discussions were being held with other districts and boroughs on more effective delivery of services to residents by combining resources.

Member briefings would be held on key decisions where time allowed.

The Plan included an ambition to increase the number of digital Council customer transactions to eighty percent. As part of the development of a digital strategy to reach this goal a good strategy would ensure that it did not lead to digital exclusion. It was

anticipated that by allowing a greater number of people to access services digitally staff would be able to provide more support to those unable to access services digitally. In support of that, the Council had invested in a digital exclusion Officer.

Concern was raised at the meaning of a statement regarding changing election frequency in the Borough. The review of election frequency was a direction from Government that the Council was required to perform.

A report of the consultation would be produced and made public. Officers reiterated that the results of the consultation would impact the proposals developed.

The paper referenced the transformation fund which was specific to fund change at the Council by use of capital receipts. To be able to use capital receipts for the purpose the Council had sought permission from Government to use £3.2 million for the transformation fund.

Officers expected to provide quarterly reporting of progress on the Plan to the Committee.

It was explained that recommendations in the Council report were to ensure that decisions relating to the Plan could be made swiftly where necessary rather than always seeking full Council approval. Julie Fisher, Chief Executive, emphasised that the Plan did not seek to override the authority that the Executive was already empowered with in the Constitution.

The Committee agreed to submit a recommendation that resolution (iv) of the Council report be clarified regarding the authority to be delegated to the Executive.

Brendan Arnold, Section 151 Officer, summarised the progress made so far in balancing the budget and addressing the Council's debt. Emphasis was made that stakeholders including the Government needed to see evidence that the Council was doing everything within its power to reduce its burden on the public purse. Asset rationalisation would need to be considered. The Section 151 Officer considered that although the choices presented to Council would be difficult to take, they were investments in the future of Woking.

The Plan referenced giving more responsibility to Council staff. Question was raised that staff at all levels would be given the support required in exercising additional responsibility. The Chief Executive confirmed that staff would be empowered but given a clear governance framework within which to act.

There was concern that by shedding staff the Council would lose an element of necessary skill and capacity to effect the changes needed. However, Officers noted the significant portion of the budget that was dedicated to staff pay and to balance the budget, a legal requirement of local authorities, redundancies would be inevitable.

To adequately manage the Councils assets and investments capability and resource was being developed.

It was queried what the process would be if assets or investments required the Council to seek further loans. Officers confirmed that robust business cases with significant evidence would need to be presented to Government. It was anticipated that Government would first enquire whether the Council could self-fund by divestment of other assets.

Officers agreed to provide the Committee with the Improvement and Recovery Plan Risk Register to the Committee quarterly in accompaniment with each update Plan update. Each workstream within the Plan had its own Risk Register.

The Committee requested greater involvement in the development of community engagement with the Plan. Officers agreed to consider how the Committee could best be involved in the development of process and framework.

**RECOMMENDED TO COUNCIL That**

The meaning of resolution (iv) of the Council report be clarified that the authority being given to the Executive is specific to making necessary amendments to the Improvement and Recovery Plan.

**6. NEIGHBOURHOOD COMMUNITY INFRASTRUCTURE LEVY OSC23-040**

Brendan Arnold, Chief Finance and Section 151 Officer, provided a summary of the Community Infrastructure Levy (CIL) scheme. The scheme had paid out approximately £10,000 per year over the previous eight years.

The Section 151 Officer noted that there had been confusion regarding the definition of a separate account, as had been used to describe the CIL fund. Where it was commonly thought to mean a separate bank account, in actuality it meant a separate ledger account. It was considered normal national practice to keep CIL money, and other moneys collected by the Council, in such a manner. The Chief Finance Officer confirmed that a separate ledger would continue to be used as opposed to a separate bank account and that the outcome would have been the same if a separate account had been used previously.

The Council faced a £1.2 billion charge with no finances to cover. There had been no use of CIL money on capital expenditures.

The Council would honour all commitments to it under the CIL scheme including financial liabilities. There were, therefore, no legal ramifications from the current CIL financing situation. Officers considered that the developers would have no justification to apply to reclaim their money.

It was necessary, due to the Council's finances, to take a measured approach to CIL funding. Officers emphasised that such an approach did not equate to a pause or freeze of the CIL scheme. It was not yet possible to determine how much cash would be available to fund CIL applications.

The Chief Finance Officer considered that the next opportunity to release funds for the CIL scheme would be following the setting of the Council's budget at the meeting of the Council in February 2024.

New cash received was being kept separate so as not to contribute to the aforementioned £1.2 billion charge.

Officers confirmed that once cash was available to fund approved applications funding would be allocated using the pre-existing procedure.

The Chair asked that as the Section 114 Notice stated all statutory duties would be fulfilled and considered that would include CIL funding, for what reason was it not currently being funded. The Section 151 Officer undertook to reply outside of the meeting.

Officers had no intention of closing the CIL scheme.

A view was expressed that direct communication on the matter between the Council and neighbourhood forums should take place. The Committee agreed to request that Officers engage with neighbourhood forums on the subject. Councillor Lyons, Portfolio Holder for Planning and Regulatory, was committed to engaging with the neighbourhood forums.

*[Post-meeting Note: Shortly after the meeting, Cllr Lyons contacted the Chairman to advise him that Cllr Lyons had confused Pyrford Neighbourhood Forum with a different organisation, and that Pyrford Neighbourhood Forum had not in fact declined his invitation to attend one of their meetings as originally stated in the meeting. Cllr Lyons was looking forward to attending Pyrford Neighbourhood Forum on 11 September 2023]*

The Committee agreed that it would be helpful for Officers to publish a clear, digestible position statement on the Council website to summarise the position of the CIL scheme and the anticipated direction of its funding. Officers accepted the recommendation.

## 7. WORK PROGRAMME

The Committee mooted removal of several items from the Suggested Additions to the Work Programme in recognition of the workload of the Committee. It was deemed unlikely to proceed with inviting Affinity Water, South Western Railway and Royal Mail at Committee. A view was expressed that the Thames Water item should still be pursued given the fruitful outcomes from previous engagement with the utility company.

Councillor Brown suggested that the third parties could be invited to separate briefings, with discussion on whether these should be public to be held with Officers outside of the meeting. Any outcomes of such meetings would be reported at Committee.

Councillor Brown noted two items on the Executive Forward Plan that the Committee could perform scrutiny of prior to consideration by the Executive: Review of Fees and Charges and ThamesWey Business Plans.

The Committee also considered calling additional meetings to ensure sufficient capacity to consider scrutiny topics.

RESOLVED

That the Work Programme be noted.

The meeting commenced at 7.00 pm  
and ended at 9.52 pm.

Chairman: \_\_\_\_\_

Date: \_\_\_\_\_





## OVERVIEW AND SCRUTINY COMMITTEE – 11 SEPTEMBER 2023

### MATTERS ARISING FROM THE PREVIOUS MINUTES

#### Executive Summary

This report provides an update on matters arising from the previous meetings of the Overview and Scrutiny Committee. The details summarise the progress made on achieving the desired outcomes from decisions taken by the Committee and requests from individual Elected Members. Once an action has been closed and the outcome reported to the Committee it will be removed from future reports.

Actions arising from the Committee are managed through the Council's Action Management system which was developed to capture and monitor the actions arising from (i) meetings of the Council and (ii) Internal Audit Reviews.

This is a regular report that is brought the Committee and covers the actions identified at the previous meetings. The next version of this report, listing any actions previously identified together with the progress achieved shall be brought to the next meeting of the Overview and Scrutiny Committee on 16 October 2023.

#### Recommendations

The Committee is requested to:

**RESOLVE That** the report be noted.

The Committee has the authority to determine the recommendation set out above.
--

**Background Papers:** None.

**Reporting Person:** Councillor Josh Brown  
CllrJosh.Brown@woking.gov.uk

**Date Published:** 1 September 2023

Matters Arising from the Previous Minutes

Update on Actions Arising from the Overview and Scrutiny Committee held on 10 July 2023.

Minute 3		Matters Arising from the Previous Minutes
3.1	Action	<i>From the meeting of the Committee on 20 March 2023.</i> <i>Last update given at the meeting of the Committee 10 July 2023</i> To consider as an item for the Work Programme, inviting South East Coast Ambulance Service and Surrey Fire and Rescue to provide updates to the Committee.
	Progress	The Committee agreed to remove the item at its meeting on 10 July 2023.
	Responsible Person	The Committee / Beverley Kuchar / Mark Tabner
	Status	Completed
3.2	Action	Write to the CEO of Affinity Water asking that representatives attend a meeting of the Committee in person.
	Progress	Given the focus of the Committee in the coming months, it is suggested that this be closed and reconsidered as a Suggested Addition to the Work Programme at a future date.
	Responsible Person	Toby Nash
	Status	Ongoing
3.3	Action	Biannual Review of Complaints
	Progress	<i>From the meeting of the Committee on 10 July 2023.</i> Officers to consult with Members on information, statistics and complaints for the report to ensure all queries are satisfied and define those that are otherwise reported to other Committees and Working Groups.
	Responsible Person	Gareth John / Beverley Kuchar / Toby Nash
	Status	Ongoing

Matters Arising from the Previous Minutes (10 July 2023 & 14 August 2023)

Minute 6		Performance and Financial Monitoring Information
6.1	Action	The Committee requested that historic statistics on number of full-time equivalent staff be included going forward.
	Progress	Officers have drafted a table to be included in future editions of the Green Book that covers full-time equivalent staff numbers per month for the previous three years.
	Responsible Person	Human Resources
	Status	Completed
6.2	Action	Officers to provide an explanation for the high benefits overpayment collection figure.
	Progress	An explanatory note will be provided in the Green Book.
	Responsible Person	David Ripley
	Status	Completed
6.3	Action	Officers were asked to provide context for the reported visits to food premises by the Environmental Health team for the year to date.
	Progress	Officers confirmed that the figure was relative to the target set for each month, i.e. the number of premises visited was 100% of the target set for that month. Officers are reviewing the presentation of information in the Green Book so that it is clearer.
	Responsible Person	Emma Bourne
	Status	Completed

Matters Arising from the Previous Minutes (10 July 2023 & 14 August 2023)

6.4	Action	Officers to provide information on why the percentage of rising 18-year-olds was significantly lower than previous years.
	Progress	The number of attainers (16- and 17-year-olds) registering to vote has declined over the past several years across all Local Authorities in Surrey, declining at a similar rate to that seen in Woking. As of December 2022, there were 486 attainers on the electoral register. As comparison, there were 923 attainers on the register. As part of the yearly canvas this year electoral Officers will be raising awareness of the ability to register to vote with 16- and 17-year-olds and such will be promoted by social media.
	Responsible Person	Emera Chown
	Status	Completed
6.5	Action	Officers to provide information on the Council's ability to deliver affordable homes in light of its financial position.
	Progress	Officers are working towards this and will provide update in due course.
	Responsible Person	Louise Strongitharm
	Status	Ongoing
6.6	Action	The ThamesWey Group information to be updated to a more readable format, in line with that provided at Member briefings.
	Progress	Officers are assessing the suitability of the format for the Green Book.
	Responsible Person	Pino Mastromarco
	Status	Ongoing
6.7	Action	Officers to clarify the Council Tax target and benchmarking.
	Progress	The exact target for Council Tax is 98.5%, which Officers consider is achievable and has been achieved previously. Benchmarking is performed and Surrey-wide stands at approximately 98.4%.
	Responsible Person	David Ripley
	Status	Completed

Matters Arising from the Previous Minutes (10 July 2023 & 14 August 2023)

6.8	Action	Information on if an apprenticeship scheme was in place at the ThamesWey Group.
	Progress	A request for information has been sent to ThamesWey.
	Responsible Person	ThamesWey
	Status	Ongoing
6.9	Action	Officers to provide information on externally funded posts at the Council.
	Progress	Officers are working towards this and will provide update in due course.
	Responsible Person	Directors
	Status	Ongoing

Minute 8		External Assurance Review and Recovery First Steps
8.1	Action	The Chief Executive undertook to review an unsuccessful bid that was submitted to the Government in 2021 for funding.
	Progress	Attached to this report are the report from the then MHCLG (Appendix 1) and the Minister's response (Appendix 2).
	Responsible Person	Julie Fisher
	Status	Completed

Matters Arising from the Previous Minutes (10 July 2023 & 14 August 2023)

Update on Actions Arising from the Overview and Scrutiny Committee held on 14 August 2023.

Minute 5		Improvement and Recovery Programme Progress Report –August 2023
5.1	Action	A glossary of terms to be produced to accompany the Improvement and Recovery Report.
	Progress	Officers are producing a glossary of terms.
	Responsible Person	Lee Danson
	Status	Ongoing
5.2	Action	Officers to consider how the Committee could be involved in the development of the process and framework for ongoing community engagement on the Improvement and Recovery Programme.
	Progress	Officers are considering the manner in which the Committee could best contribute.
	Responsible Person	Lee Danson
	Status	Ongoing
5.3	Action	Future consultations to include questions on respondent Ward.
	Progress	Officers have agreed to consider this in future consultations.
	Responsible Person	Lee Danson
	Status	Completed
5.4	Action	The Improvement and Recovery Programme Risk Register to be supplied with all Programme progress reports received by the committee.
	Progress	Officers have confirmed that the Risk Register will form part of the progress reports.
	Responsible Person	Lee Danson
	Status	Completed

Matters Arising from the Previous Minutes (10 July 2023 & 14 August 2023)

Minute 6		Neighbourhood Community Infrastructure Levy
6.1	Action	Officers to communicate with neighbourhood forums directly.
	Progress	Officers have been in contact with neighbourhood forums.
	Responsible Person	Beverley Kuchar
	Status	Completed
6.2	Action	Officers to publish a formal statement on the website regarding Neighbourhood Community Infrastructure Levy.
	Progress	A statement has been published on the website.
	Responsible Person	Beverley Kuchar / Andy Denner
	Status	Completed





To: [REDACTED]

[REDACTED]

Cc [REDACTED]

From: [REDACTED]

17<sup>th</sup> May, 2021.

## **Exceptional Support for Woking District Council (WBC)**

### **1. Scope of this report.**

This report has been produced to review an application to MHCLG by WBC for Exceptional Support (ES) to deal with its significant financial challenges.

The report has been commissioned by MHCLG to be delivered via an LGA framework contract, to which I am an accredited supplier. I am an independent consultant specialising in Local Government Finance, I have been CIPFA qualified since 1990 and am a Fellow of CIPFA. I have 32 years' experience as a local government officer, 10 of them as Director of Finance. For the last four years I have worked as a consultant, with clients including CIPFA and the LGA, as well as individual Councils. I have conducted two previous reviews of Exceptional Support Applications.

The terms of reference agreed for these reviews are as below:

- **VFM:** an assessment of affordability and a review of the council's position. This includes a review of what existing resources the council may be able to deploy to mitigate pressures.
- **Securing the longer term financial sustainability of a council:** does the requested support and the authorities longer term plan seek to underpin the longer term financial position of a council.
- **Addressing the underlying drivers of risk or fragility:** does the requested support and the authorities longer term plan seek to address the underlying causes of pressures.
- **Eligibility:** Is the authority able to demonstrate why the measures in the generalised sector wide package did not provide enough financial support.

However in an email to the LGA commissioning this review ([REDACTED] of the LGA, 7<sup>th</sup> April, 2021) the following were raised for particular consideration:

- **Relative financial performance**

- How confident are you that the Council is suitably efficient in comparison to similar types of council?
- To what extent are the challenges being faced by the Council unique in comparison to similar types of council?

- **Budget gaps and pressures**

- How confident are you that the Council's assessment of its underlying drivers of financial fragility are comprehensive and accurate?
- What is the reviewer's assessment of what the underlying drivers of financial fragility are, and the adequacy of the Council's plan (or ability to plan) to move towards a sustainable position?
- Can the reviewer provide a view on whether the Council has adequately reflected in its current position the outcomes of the Spending Review and Provisional Local Government Financial Settlement.

- **Recovery plans**

- How confident are you that the Council's proposals would allow it to mitigate its pressures and to become financially sustainable?
- How significant would the impact on financial sustainability be if the Council did not receive each part of its requested support?

- **Capita assets and strategy**

- What is the reviewer's assessment of the scope for the Council to use current or future asset receipts to fund any capitalised pressure?
- How confident are you that the Council's capital strategy is necessary and affordable?

- **Risk exposure and resilience**

- How problematic is the Council's current level of exposure to commercial and investment risk?
- How confident are you in the Council's plans to limit its exposure to commercial and investment risk?
- How confident are you in the Council's current and planned reserves position, and are these levels providing sufficient resilience?

- Can the reviewer provide a view on how firmly committed individual earmarked reserves are? i.e. is there any scope for the Council to draw on these to further mitigate pressures?
- **Savings**
  - Has the Council done enough to bridge the funding gap through making savings / efficiencies?
- **Reserves**
  - Prior to the financial year 2020/21, does the reviewer consider that the Council held proportionate and financially prudent levels of reserves? To include consideration on the Council's loan repayment commitments
- **Financial planning**
  - How robust is the Council's financial planning and projections? In the reviewer's opinion, are they overly optimistic or pessimistic (or neither)?
- **Governance**
  - How robust are the Council's governance arrangements with regard to their Capital portfolio?
  - Does the Council demonstrate appropriate scrutiny / skills / accounting practices with regard to its Capital and investment strategies?
- **Resilience**
  - Does the Council have recourse to alternative means (other than EFS) to address its financial sustainability issues, either wholly or in part? For example, through drawing down on savings, selling assets, reducing services, or service transformation.
  - What is the reviewer's opinion of any value for money implications of any alternative options the Council could consider

These points appear to me to cover all the issues in the original brief, with the exception of Eligibility. I will therefore use them, plus Eligibility as a framework for analysis.

The report focuses on the General Fund in WBC (as opposed to the HRA).

The report has been produced to a tight timescale and is based on a high level desktop review of documents provided by MHCLG and WBC, and discussions with Woking's S151 Officer. Its findings are necessarily limited by this process.

## 2. **Context.**

It is important to put this report in the context of the point in time at which it is written:

Company Number 10567173

- The UK is still in the grip of a pandemic that is creating unprecedented pressures and uncertainty.
- England is just emerging from the third national lockdown period. This will create further pressure and uncertainty.
- The future impact of the pandemic, and the timescales for getting it under control are still uncertain, and a further wave of infection is predicted by some health professionals.
- The legacy of Covid on the economy, society and the spending and income for Councils remains unknown and impossible to predict accurately.
- The impact of Brexit is still unfolding.
- Even without Covid, Local Government Finance is in a period of huge uncertainty, facing significant possible reform of the overall system that was put on hold firstly because of Brexit and then again as a consequence of the pandemic. This makes planning, and the evaluation of a Council's position extremely difficult.

At the point of writing this report, the Local Government has a single year Settlement covering 2021/22, which while more generous than many had feared, still leaves massive uncertainty from 2022 onwards.

The position for MHCLG, WBC and this review is a moving target, in a context of unprecedented change and uncertainty. This review is based on a snapshot taken in early March/April 2021, using documents provided by MHCLG, supplemented by discussions and additional input from WBC

### 3. WBC's Ask of MHCLG

The ask from WBC is clarified in the latest Medium Term Financial Strategy which states:

*The potential Exceptional Support, based on current forecasts, and assuming that flexibility will be provided to enable Covid related losses to be met from capital resources is set out in the table below:*

<u>Exceptional Support</u>	£'000
2020/21	7,646 January Green Book
2021/22	4,743 Covid Provision adjusted for improvement in Rents
	<u>12,389</u>

This position has improved on previous figures shared with MHCLG based on the latest view on rental losses to WBC in 2021/22, which have improved on previous estimates.

It is understood by WBC that this would allow revenue losses to be capitalised over a maximum period of 20 years. WBC have estimated the costs as follows:

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£'000	£'000	£'000	£'000	
2020/21 Exceptional Support funded over 20 years (3.5%)	650	650	650	650	
2021/22 Exceptional Support funded over 20 years (3.5%)		403	403	403	
	<u>650</u>	<u>1,053</u>	<u>1,053</u>	<u>1,053</u>	3,809

The Benefit of this for the Council is summarised as:

*Over the MTFS period, the revenue reserves retained would be approximately £8.5m. This would provide the Council with more flexibility and allow longer for income to recover, or for more significant management decisions to be made. It would reduce the risk that a reduction in services is necessary to manage the, potentially temporary, lower income generated over this period.*

The £8.5m benefit is the difference between the Capitalisation Direction of £12.4m and the loan costs over the plan period of c£3.8m.

#### 4. The problem in WBC in 2021/22 and beyond

The problem in WBC is that the impact of Covid, and other pressures on its MTFS mean that it is predicting that by the end of the plan period in 2024/25 it will have reduced its overall general fund revenue reserves to a slightly negative position.

<b>GENERAL FUND REVENUE RESERVES AT 31 MARCH</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	34,178	24,386	16,429	9,690	3,841	-1,545

This is despite opening 2020/21 with a very healthy balance of over £34m, in an authority with a net revenue budget of £12.3m.

The proposition from the Council is that being allowed to capitalise the first two years of the deficit will allow reserve balances to be maintained at positive levels, c£7m, at the end of 2024/25. This will help the Council to avoid cuts to service provision.

The problem is not an urgent and pressing one – the Council is able to live within its means until 2024/25 albeit on a reducing reserves basis.

The overall picture does throw up a number of concerns:

- Unlike other Exceptional Support Applications I have dealt with the support does not lead to a position of ongoing stability – there will still be a deficit in 2025/26 that is not addressed.
- The Councils own forecast predicts a reduction in resources as a result of government funding reform – although the detail and timing remains uncertain. This suggests that the Council needs to address reducing its spend – a one off Exceptional Support package could deflect attention from the need to get budgets back into line with resources.

**5. Eligibility: Is the authority able to demonstrate why the measures in the generalised sector wide package did not provide enough financial support.**

Some parts of the picture in WBC are exceptional. It has embarked on very high levels of borrowing to enable regeneration projects in the Borough. Its long term borrowing stood at £1.3bn at the end of 2019/20, and its debt servicing costs in 2021/22 were budgeted at £15.4m – well above its annual budget of £12.3. Incorporated within this are lower levels of MRP than may ordinarily be expected.

The authority is also highly exposed to income losses through car parking, commercial rents and leisure operations. Looking at the CIPFA Resilience Index for 2021, Woking has the highest level of fees and charges as a percentage of total service spend when compared to other Districts. This has made it especially vulnerable to those income streams drying up due to Covid.

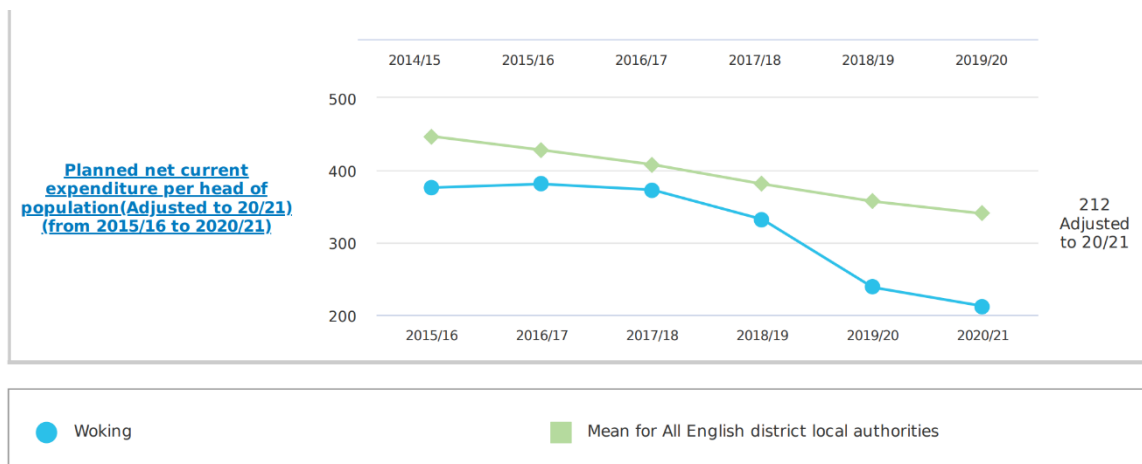
WBC’s loans are backed by a complex series of business plans, but the overall risk exposure is exceptional and the debt level much larger than in very many Councils of significantly bigger size than WBC. Delays in delivering on business plans are part of the predicted year on year use of reserves that WBC is predicting.

Overall however, I am not persuaded that the position in WBC is necessarily such as to warrant Exceptional Support. I have worked with a number of other Councils who face similar challenges to their reserve positions arising from service pressures, the impact of Covid and the lack of certainty on resources going forward. Most take the view that if they can manage over the next year until more clarity emerges they will make plans to be sustainable in the medium term, including any required savings that need to be delivered.

If Exceptional Support is available to protect against a problem three or four years ahead, I suspect a very large number of Councils would be making applications, and applications that left them in a more sustainable position than this one would appear to leave Woking.

**6. Relative financial performance**

Woking’s spend per head of population tracks below the average for all English District Councils.



At this very general level there is nothing to identify that the Council is inefficient. The Council does produce a sophisticated performance plan, but that does not benchmark with other Councils. As outlined above, the unusual characteristic in Woking is the size of its borrowing and the scale of its regeneration activity for a Council of its size, compared to other English Districts. In addition, it has very high income from fees and charges. It has therefore been able to support high levels of debt and spend, while keeping its net expenditure relatively low.

Woking has been protected from the level of financial pressures that most other Councils have faced since 2010 – it has been able to generate increased income to avoid the need for service reductions.

## 7. Budget gaps and pressures

Appendix One below summarises the most recent version of the Council's MTFS. The bottom line, Annual Use of Reserves is the in year deficit plus other reserve balances used. Note that in 2021/22, the negative figure of £3.397m is an underspend against a budgeted use of reserves of £9.562m leaving a net call in that year of £6.165m.

I am satisfied that the Council has understood and planned for the one year Settlement currently in operation. Like all Councils it faces enormous uncertainty about the outcome of possible reform to the Local Government Finance System, which it had recognised by planning for annual government funding reductions.

Woking has held this view for some time yet in the 2020/21 base budget only planned for £100k of savings, at a time when many Councils were still implementing significant savings plans to manage existing and predicted grant cuts. In the MTFS, Woking has introduced a £1m saving target in 2021/22, but this feels a little late to be taking this initiative and there are as yet no detailed plans that underpin it.

The MTFS takes into account costs driven by Covid, especially lost car park income. Inevitably this is based on assumptions that may or may not prove to be accurate. For example on car park income

2022/23	80% of pre-Covid budgeted activity/income
2023/24	90% of pre-Covid budgeted activity/income

Given that the base budget in 2021/22 for car parking was £7.9m, well over half the net budget, these assumptions will prove critical. Overall in my view the assumptions are prudent but not unreasonable.

The key underlying driver for the Council's costs is however the scale of its regeneration ambitions. Looking at the use of reserves in the MTFS, between the end of 2019/20 and 2024/25 the Council burns through £35.7m of reserves (including £4.8m of HRA reserves), of which £24.9m are used to balance the revenue programme, and the remaining £10.8m going on other purposes.

## 8. Recovery plans

The Council does not at this point have a plan that gets its MTFS back into balance.

The Exceptional Support requested buys time before the Council's reserves are exhausted. Economic recovery and the end of the pandemic will restore income streams, and the various regeneration projects can be completed. But the MTFS shared with me does not see a long term balanced position even if Exceptional Support is granted.

## 9. Capital assets and strategy

WBC has a large number of assets, some of which can potentially be sold to raise capital receipts, although the timing of any sale requires careful consideration – the current economic climate may not provide the best context to achieve good prices. As discussed in section 15 below, capital receipts, along with a reworking of the approach to financing the Capital Programme, could also bolster WBC's reserve position, and reduce the need for ES.

For both of these reasons WBC should review all of its assets to identify candidates for possible sale as a priority.

The Council has an ambitious capital strategy, and is heavily exposed to debt costs. Prior to Covid these appeared to be affordable, but the impact of the pandemic will mean this is much more challenging going forward.

Woking clearly felt that its capital strategy was needed to meet housing/economic development/sustainable place priorities – all Councils can identify extensive need to spend on projects. The key for a Council is to balance need, affordability and financial sustainability. Woking's expansive action to meet need are currently helping to put its finances under strain. It must now establish how it can return to a sustainable position as we emerge from the pandemic. ES does not in itself deliver this for WBC.

## 10. Risk exposure and resilience

The overall position in Woking is summarised in the 2021 CIPFA Resilience Index. This Index is designed to help Councils understand their relative risks. The graph below drawn from the Index shows WBC's position relative to other English Districts based on 2019/20 data. In the left hand panel, the vertical lines on each bar show relative risk with high risk to the left of the bar, low risk to the right.

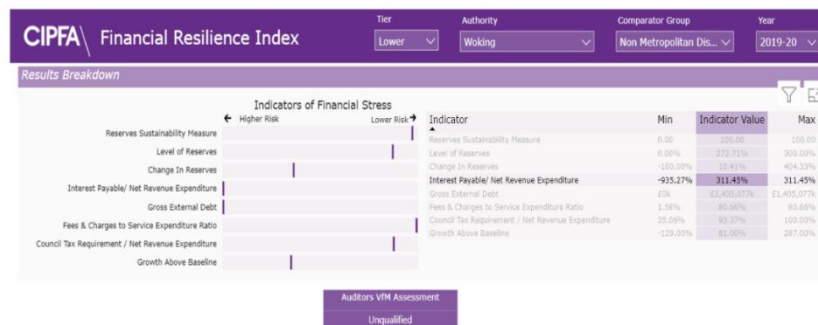
It is clear that Woking is exposed to risk as a result of high interest charges as a proportion of relative spend, and high external indebtedness. In both cases WBC is on the extreme end of the range. This reflects the level of borrowing WBC has incurred to fund its Investment Programme in the town.

Woking has low risk exposure because of its reserve balances as at 2019/20, the problem is that it exhausts these over the plan period, as per the Table above.



WBC also appears to have low risk exposure because of a high ratio of fees and charges to spend. When the Index was compiled, such exposure was seen as helpful as it reduced reliance on grant and exposure to changes in Local Government Finance. Ironically, Covid has turned that view on its head, as income streams such as car parking and rental have been devastated by the pandemic. So this too is a risk area for Woking, and at the extreme end of the range.

## Resilience Index 2021



The risks to WBC from Covid are mainly from lost car parking and commercial rent income as shown below in its analysis of 2020/21 losses:

### Forecast Covid Impact - 2020/21

	Total £'000	%
<u>Costs</u>		
Commercial Rents & NNDR	4,645	34%
Car Parks	5,377	39%
Housing	938	7%
Leisure	1,446	10%
Leisure mgt fee & direct income	762	6%
WN&M	137	1%
Marketing/Sanitiser/PPE etc	240	2%
Services covid spend	307	2%
	<u>13,852</u>	100%

The risks and resilience to WBC depend crucially on how rents and car park income return, exacerbated by the fact that the Investment Programme, which plans to regenerate the town, was planned to deliver increases to these income streams, and has been slowed down by Covid.

On Car parking WBC assumes a gradual pull back to 2020/21 levels in 2021/22 and beyond:

Quarter 1 (1 April – 30 June)	30% of pre-Covid budgeted activity
Quarter 2 (1 July – 30 September)	50% of pre-Covid budgeted activity
Quarter 3 (1 October – 31 December)	60% of pre-Covid budgeted activity
Quarter 4 (January – March 2022)	70% of pre-Covid budgeted activity
2022/23	80% of pre-Covid budgeted activity
2023/24	90% of pre-Covid budgeted activity

Income does not get back to something approaching pre Covid planned levels until 2024/25.

Similarly on commercial rents, the MTFs assumes a gradual recovery over the plan period, with an ongoing 10% vacancy level ongoing.

These assumptions do not appear unreasonable, but it remains impossible to be certain how quickly the economy will recover and when if ever behaviours, including car use and office occupancy, will return to pre covid levels. Similar issues face many other Councils, as many, especially Districts, will have significant exposure to car parking, rent and other income, and will not have a clearly sustainable MTFs at this point in time.

It should be noted that WBC does not have significant exposure to commercial property investment purchased out of area purely for yield.

I have reviewed the earmarked reserves held by WBC - see appendix Two for a full list. Under the current plan, reserves will be overdrawn to the tune of c£1.5m at the end of 2024/25, and many of the earmarked reserves will not be available for the purposes planned. In some, probably most cases this may be manageable but in others clearly not, as reserves are held for specific purposes eg the Insurance Reserves £0.186m. WBC's S151 Officer recognises this and agrees that the position in Appendix Two cannot be allowed to happen – it is indicative of the current planning assumptions and how they will work through if further action is not instigated (eg the ES is not approved).

## 11. Savings

The MTFs in Appendix One below contains a new line of “Productivity and Procurement” savings to help improve the position. The cumulative savings per annum planned are:

	<u>£m</u>
2021/22	1.0
2022/23	2.0
2023/24	2.5
2024/25	3.0

Even if this is delivered, the plan does not balance beyond 2024/25.

Savings rising to £3m per annum is on the face of it a very steep challenge, especially in an authority that has been protected from the worst impacts of grant cuts since 2010, and does not have a track record of savings implementation and delivery. The £3m would amount to a very high percentage of its net revenue budget of £12.3m in 2020/21, although there may be opportunities to make savings in areas already explored in other authorities.

At this stage the Council has no worked up plans for delivering on this programme, which will clearly have a significant lead time. I am also concerned that badging them as “productivity and procurement” may indicate a lack of willingness to make some fundamental reductions in spend to achieve a balanced position.

On the other hand, Woking’s high level of fees and charges income has supported high levels of discretionary spending that may give some opportunities for swift savings.

If this line of savings is not delivered, the MTFs is even further out of balance at the end of the plan period.

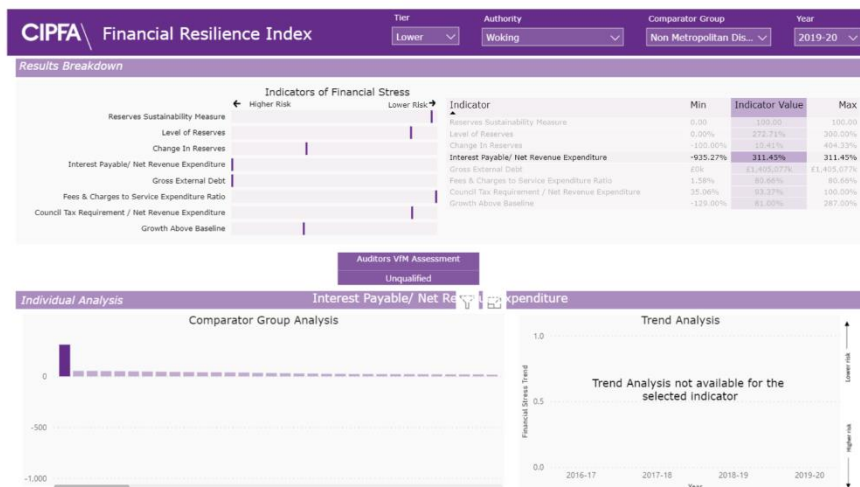
In my view, MHCLG should require much more detailed information about how and when these savings will be delivered before agreeing Exceptional Support.

**12. Reserves. Prior to the financial year 2020/21, did the Council hold proportionate and financially prudent levels of reserves? To include consideration on the Council’s loan repayment commitments**

Appendix Two is an analysis of the Council’s reserves.

At the end of 2019/20, as the pandemic began to gather force, the Council held £34m in revenue reserves, many for the specific purpose of mitigating risk. The analysis in section 10 above and reproduced below from the 2021 CIPFA Resilience Index demonstrates that the Council held relatively high reserves, but also was exposed to very high levels of debt servicing costs, measured by annual interest payable as a proportion of net revenue expenditure. The graph in the top left quadrant shows on this measure, and on gross debt, Woking is at the very high risk end of the range of District Councils.

Resilience Index 2021



Company Number 10567173

The level of reserves held to mitigate risk is ultimately a subjective judgement. WBC knew it was taking risk, and made mitigation. It is not alone in failing to predict the devastating impact of the pandemic.

Overall most commentators in 2020 would have thought Woking's debt levels were very high, exposing them to risk. This issue was under debate at national level, especially in the context of borrowing for commercial investments.

Ultimately the judgement can only be made from a detailed review of the business cases, risk assessment and benefits from the Councils major regeneration schemes for which the capital was borrowed. This is beyond the scope of this current review.

### **13. Financial planning**

The problem for WBC and all other Councils is that the lack of any clarity of impending Local Government Finance Reform, and the impact of Covid on spending and the economy make forward planning almost impossible with any accuracy. I have reviewed WBC's plans and projections and they appear reasonable as far as it is possible to make any judgements. They are broadly in line with assumptions made in other Councils that I have worked with recently.

### **14. Governance**

It is difficult to draw clear conclusions on Governance from a process primarily concerned with reviewing financial strategy, based on a desk top exercise and written reports.

I am aware of political debate in Woking about the size of its capital programme and associated debt, and it is clear that WBC is in an extreme position for a Council of its size.

The S151 officer has shared a summary of the Investment Programme Governance arrangements, which appears to be sensible and appropriate. It is reproduced at Appendix Three. However when reviewing the Executive and Council Report agreeing the revised Investment Programme in February 2021, which approved general fund capital spend of £180m in 2021/22, the only coverage of risk was the following paragraph:

*The project management arrangements provide for risk analysis as part of the improved control of Investment Programme projects; this seeks to minimise and manage risk. In corporate terms the main risk for the Council is in overstressing its capacity, this is recognised by Officers and from time to time it will be necessary to re-prioritise the programme to reflect the capacity of the Council.*

[section 14.5 of the Report]

Coverage of Investment Programme risk is also fairly thin in the Capital Strategy and Treasury Management Strategy. There is therefore a concern that the level of risk the Council is exposed to in its Investment Programme needs to be more fully understood. In practice, because many of the capital schemes are already committed, this is an issue for the future rather one that can help in the present.

In general, looking at the suite of financial reports to Council in February 2021, I am not convinced that the full urgency of the position, which must underpin a request for ES, was clearly communicated to Members.

For example from the Capital Investment and Treasury Management Report:

**6.0 Chief Finance Officer**

*6.1 Taking into account the factors set out in the Capital, Investment and Treasury Management Strategies the Chief Finance Officer (CFO) has confirmed that the Council's investment plans are affordable and there are sufficient reserves in place to manage the immediate risks.*

And from the Budget Report:

*Risk Management*

*18.4 As set out in the report the most significant financial risks relate to the financial consequences of the Covid-19 pandemic. In setting the budget for 2021/22 an allowance has been made for lost income or irrecoverable debts. This will need to be funded by reserves and has been taken into account when forecasting the Council's available resources going forward.*

*18.5 Expenditure which can be deferred, without impacting services, will be postponed until the exceptional support discussions with the government have concluded. If necessary budgets will be revisited at this stage, in light of the outcome and 2020/21 outturn.*

Given the overall position, I would have expected more action to be being prompted and agreed in this report. There is a concern that the ES application is deflecting attention from the need to make a response to the position outlined in this report.

I am aware that concerns have been raised about WBC's MRP policy by the Auditors and others. The 2019/20 audit is not yet concluded and it remains to be seen if the auditors make an issue of this. The S151 Officer is clear the policy complies with Regulations, and has sought advice on the matter from Treasury advisers.

**15. Resilience**

There are a range of actions that the Council could seek to undertake to improve resilience as an alternative to Exceptional Support at this stage. These fall into two broad categories:

- a) Taking action to reduce spend
- b) Exploring flexibilities within existing budgets to free up reserves and create resilience.

**15.1 Taking action to reduce spend**

The Council has taken action to reduce capital spend on some projects because of Covid. In my view a root and branch review of all spend is required, investigating any scope to cease or scale back capital projects. Such scope may be limited as much of the programme will be committed.

The Council should explore the scope to renegotiate or redefine its regeneration schemes to create further income for the Council. There may be an opportunity in particular in the £50m Housing project, where shifting the balance from social/affordable units to market rents or to build for sale may be able to generate a pay back that helps the Council to become sustainable.

All asset holding should be reviewed to identify scope for sale to generate capital receipts to help reduce the burden of capital financing costs.

There are also a number of fairly standard cost control/savings strategies that Councils in challenging positions adopt that should be considered. These include:

- A vacancy freeze.
- Measure to control drift in pay costs and establishment size
- Increased control over the placing of procurement orders
- Reviewing all non-essential or discretionary spend with a view to ceasing it.
- Reviewing fees and charges to maximise income
- Cease discretionary spend

These measures will be challenging for the Council, especially in the wake of the pandemic, but the financial outlook and the fact that they have applied for Exceptional Support implies they need to be considered.

## 15.2 Exploring flexibilities within existing budgets to free up reserves and create resilience.

The ES application is based on a strategy of bolstering reserves to give the Council time to adjust to the outcome of the pandemic and its impact on finances. There are a variety of ways the Council can seek to do this without recourse to ES.

Appendix Two is the Councils analysis of reserves. While many are required just to balance the MTFS some are expended over the period e.g.

Wolsey Place Reserve - £5.98m expended

New Home Bonus Reserve - £1.03m expended.

The Council should review spending of these reserves to establish if it is absolutely necessary or whether it can be capitalised and funded from borrowing or receipts instead, leaving the revenue reserve in place to add resilience. Discussion with the S151 Officer suggests there is scope in the two reserves above, and there may be others that could be looked at.

Refinancing capital spend from a reserve into borrowing would have the a better overall impact than a capitalisation direction of the same value. The interest rate to be applied is 1% lower. In addition, if the asset being funded has a life of longer than 20 years, this could create further flexibility by lengthening the MRP period and reducing the annual charge when compared to a capitalisation direction.

Further scope for Woking exists in refinancing its General Fund Capital programme. The current position is shown below.

	FINANCING SUMMARY - GF												TOTAL £'000
	CHARGE TO GEN. FUND (Revenue) £'000	BORROWING			CAPITAL RECEIPTS £'000	RESERVES					COMMUNITY FUND £'000	GRANTS & CONTRIBS £'000	
		GENERAL FUND £'000	HRA £'000	TO FUND EXTERNAL LOANS £'000		IT RESERVE £'000	HIP RESERVE £'000	GENERAL RESERVE £'000	MAJOR REPAIRS £'000	SECTION 106 £'000			
2020/2021	460	183,776	0	372,794	2,778	180	0	2,639	0	1,488	0	24,880	588,995
2021/2022	174	68,976	0	248,503	1,482	180	0	1,093	0	50	0	23,974	344,432
2022/2023	140	8,875	0	113,286	1,182	180	0	1,010	0	0	0	42,537	167,210
2023/2024	140	14,491	0	133,162	190	180	0	1,010	0	0	0	15,791	164,964
2024/2025	140	4,948	0	523,902	190	180	0	425	0	0	0	1,186	530,971
<b>TOTAL</b>					5,821	900		6,178		1,538			

Flexibility could be achieved by:

- Halting all non-essential and non-committed schemes.
- Using borrowing to replace capital receipts. These receipts could then be used to fund any revenue spend that falls within the definition of the capital receipts definition. They can also be used to fund MRP, freeing up those revenue resources to be added to reserves. This latter is only suggested as an exceptional approach, rather than as a routine practice.
- Revenue funding totalling c£7m some of which can potentially simply be switched into borrowing.
- Depending on the wording of S106 contracts, the payments to the Council may be revenue. If so the Council can add these sums to reserves and fund its obligations from borrowing or receipts.

It is likely that from a combination of these approaches significant flexibility can be achieved, which will impact on the need or size for any ES, with similar value for money impacts. In my view these approaches, by which the Council manages its own position, should be explored before ES is awarded.

## 16. Conclusions.

16.1 Although some elements of the financial position in WBC are exceptional, it does not have an immediate and pressing problem in its finances, rather it predicts that it may run out of resources in the medium term. Many other Councils are in this position and will need to rework their MTFs as the pandemic recedes, the economy recovers and more insight is gained to future reform of Local Government Finance. Woking is not in such a sufficiently different position to many others to warrant ES at this point.

16.2 As outlined in section 15, there are a variety of things that Woking should be pursuing to create flexibility and resolve problems for itself eg:

- develop a specific savings delivery plan,
- review the capital programme and cease or reduce schemes where possible,
- investigate possible sales of assets,
- review funding of its Capital Programme.

MHCLG should not approve an ES until this work has been completed, and a firmer view of the need for ES and the creation of a sustainable financial position in the longer term has been developed.

- 16.3 There is a concern that granting ES now may help delay making difficult decisions that are likely to be required to establish a sustainable MTFs going forward.
- 16.4 MHCLG should continue a dialogue with Woking, as it explores these issues. In a year's time the impact of Local Government Finance Reform and recovery from the pandemic will potentially be much clearer, and WBC will have had time and opportunity to implement some strategies to help improve its position. At that point a decision over ES, based on moving to a sustainable medium term position, can be reviewed.



**APPENDIX ONE****MEDIUM TERM FINANCIAL STRATEGY - MARCH 2021**

	2021/22	2022/23	2023/24	2024/25	TOTAL
	£'000	£'000	£'000	£'000	£'000
<u>In year Pressures</u>					
Remove use of Reserves 2021/22		9,562			9,562
Remove Business Rates pooling/Collection fund surplus/deficit		244		-68	176
General Service Pressures		725	725	725	2,175
Potential SCC Funding reductions			153		153
Land Charges transfer to Land Registry		80			80
<u>Funding and Council Tax</u>					
Reduce reliance on New Homes Bonus to zero		200			200
Government Funding reductions		794	448	432	1,674
<u>Investment Programme pressures:</u>					
Investment Programme projects		885	747	562	2,194
Town Centre Car Parks financing costs	-631	1,359	386		1,114
Increase in interest rate	117				117
Woking Gateway - loss of rents			350		350
York Road Project			160		160
Reduction in TEL/TCMK annuity interest		53	75	75	203
	-514	13,902	3,044	1,726	18,158
<b>Funded by:</b>					
<u>Economic Recovery</u>					
Car Parking	318	-1,225	-764		-1,671
Commercial Rents - removing provision for irrecoverable debts	-1,871	-1,939			-3,810
Commercial Rents - recovery of some vacant units			-250	-285	-535
Leisure income		-116			-116
	-1,553	-3,280	-1,014	-285	-6,132
<u>Other Contributions</u>					
Increase in Taxbase		-310	-80	-82	-471
Council Tax increase		-208	-214	-220	-642
Fees and Charges - Car Park income 10p a year from Oct 21	-200	-400	-400	-200	-1,200
Fees and Charges - New Car Park income	-130	-510	-530	0	-1,170
Less: car park operational costs (TBC)					
Investment in Housing		-687	-749	-749	-2,185
Productivity and Procurement Saving Target	-1,000	-1,000	-500	-500	-3,000
	-1,330	-3,115	-2,473	-1,751	-8,669
<b>In year cost pressure/saving</b>	<b>-3,397</b>	<b>7,507</b>	<b>-442</b>	<b>-310</b>	<b>3,358</b>
<b>Annual Use of Reserves</b>	<b>-3,397</b>	<b>4,110</b>	<b>3,668</b>	<b>3,358</b>	

**APPENDIX TWO**

APPENDIX TWO RESERVES AT 31 MARCH	2020	2021	2022	2023	2024	2025						
	£'000	£'000	£'000	£'000	£'000	£'000		Total Spend over period £000				
<b>REVENUE RESERVES</b>												
Investment Strategy Reserve	2,511	2,401	2,577	2,787	2,997	3,207		696				
Forecast use of reserves due to COVID		-7,646	-13,811	-17,921	-21,589	-24,947		24,947				
Housing Investment Programme Reserve	4,835	3,956	2,698	1,430	610	0		4,835				
Medium Term Financial Strategy Reserve	4,999	4,710	4,710	4,710	4,710	4,710		289	Risk Mitigation			
Provision for Flexibility Reserve	130	130	130	130	130	130		-	Funding Investment Programme Projects			
Freda Ebel Bequest	5	5	5	5	5	5		-	Specific bequest			
Community Fund	421	421	421	421	421	421		-	Funding Investment Programme Projects			
Insurance Fund	186	186	186	186	186	186		-	Risk Mitigation			
Environmental (CO2) Reserve	35	35	35	35	35	35		-	Funding Investment Programme Projects			
Wolsey Place Reserve	3,198	1,104	227	-676	-1,579	-2,782		5,980	Risk Mitigation/Budget support			
New Homes Bonus Reserve	1,113	1,114	907	632	357	82		1,031	Funding Investment Programme Projects			
Group Company Reserve	750	750	750	750	750	750		-	Risk Mitigation			
Woking Palace Reserve	35	35	35	35	35	35		-	Funding Investment Programme Projects			
Equipment Reserve	430	451	431	481	531	531		101	Funding Investment Programme Projects			
Peer grant Reserve	38	38	38	38	38	38		-	Funding Investment Programme Projects			
Business Rates Equalisation Reserve	4,025	4,025	4,025	4,025	4,025	4,025		-	Risk Mitigation			
Local Council Tax Support Scheme Hardship	48	48	48	48	48	48		-	Budget support			
Westfield Common Reserve	82	82	82	82	82	82		-	Funding Investment Programme Projects			
PFI Reserve	2,739	2,739	2,739	2,739	2,739	2,739		-	To manage implications of PFI			
Town Centre Management Agreement Res	470	412	354	296	238	88		382	Funding Investment Programme Projects			
Victoria Square Reserve	1,985	3,632	4,470	4,470	4,470	4,470		2,485	Risk Mitigation			
Sheerwater Reserve	71	-314	-700	-1,085	-1,470	-1,470		1,541	Specific Project funding			
Off Street Parking Reserve	2,000	2,000	2,000	2,000	2,000	2,000		-	Risk Mitigation			
Syrian Refugee Reserve	535	535	535	535	535	535		-	Specific Project funding			
Homelessness Support Reserve	264	264	264	264	264	264		-	Specific Project funding			
Dukes Court Reserve	3,273	3,273	3,273	3,273	3,273	3,273		-	Risk Mitigation			
<b>TOTAL</b>	<b>34,178</b>	<b>24,386</b>	<b>16,429</b>	<b>9,690</b>	<b>3,841</b>	<b>-1,545</b>		<b>35,723</b>	Check		-35,723	

## **APPENDIX THREE**

### **Investment Programme Governance – Woking Borough Council**

The Council has an Investment Programme which includes all Council projects – capital and revenue. The Investment Programme is approved by the Council in February as part of the budget setting process. Release of funds is following the completion of project documentation which must be approved by the Council's Corporate Management Group. This comprises a project mandate (initial summary) and project workbook covering all relevant considerations.

The Executive receives a quarterly project monitoring report which sets out the project progress and spend using a traffic light system. This report provides an update on the project and summary of the reasons for the project status. Separate arrangements for the larger projects/programmes are set out below.

The monthly monitoring publication 'Green Book' includes treasury pages which detail loans made to group companies and external organisations at the month end and at the previous month for comparison. It also provides key information on Thamesway Group performance.

#### **Group Companies**

The Council's Thamesway Group of companies work to a set of protocols (attached). The companies all have Independent, Councillor and Officer Directors. In January 2021 the Executive agreed to increase the number of Independent Directors on the company boards and a process to appoint additional Independent Directors has been completed.

The Group prepares business plans for the companies which are approved by Council at the end of the calendar year ahead of the Council setting its own budgets in February. A Members briefing is held to present the detail of the business plans.

#### **Significant Projects**

For the most significant projects there are Councillor working groups or oversight panels which are regularly briefed by the project teams:

- Victoria Square Oversight Panel
- Sheerwater Regeneration Delivery & Oversight Panel
- Housing Infrastructure Fund (HIF) Oversight Panel

The project teams also report to the Overview and Scrutiny Committee as requested.

Members briefings are held if there is a significant change or issue arising with the project. This provides the opportunity for questions to be asked including of external advisors to the projects.





Ministry of Housing,  
Communities &  
Local Government

Councillor Ayesha Azad  
Leader, Woking Borough Council  
By email

**Luke Hall MP**

*Minister for Regional Growth and Local Government*

**Ministry of Housing, Communities & Local  
Government**

Fry Building  
2 Marsham Street London  
SW1P 4DF

[www.gov.uk/mhclg](http://www.gov.uk/mhclg)

15 July 2021

*Dear Cllr Azad,*

### **FINANCIAL SUPPORT FOR WOKING BOROUGH COUNCIL**

I am writing in relation to Woking Council's request for exceptional financial support in respect of 2020/21 and 2021/22. I appreciate your continued co-operation with my Department throughout this process, and that of your officers.

The Secretary of State has now fully considered the request and this letter sets out his current position.

With respect to the financial years of 2020/21 and 2021/22, the Secretary of State has made the decision not to provide a capitalisation direction of £12.4 million to the Council as requested. The Council's request has been assessed against the principles of the scheme, and this decision reflects the Department's assessment of your overall financial position, including your current levels of reserves.

The Secretary of State understands that, while the Council is not facing an immediate unmanageable cost pressure, you believe that the Council may face pressures over the medium term. Our assessment based on the information the Council has provided, is that there are a range of actions that the Council could take to help manage its financial position in coming years and to move towards a more sustainable financial position, for example, a review of the Council's capital programme. Given this, he does not believe that there is a case for providing exceptional financial support to Woking at this point.

We are of course happy to continue to engage with the Council on these issues, and I understand that a meeting was held with the Department and your officers to discuss the position on 13 July.

**LUKE HALL MP**



OVERVIEW AND SCRUTINY COMMITTEE – 11 SEPTEMBER 2023

## FINANCE WORKING GROUP – 5 JULY 2023

### Executive Summary

At the start of the meeting, Councillor Tahir Aziz was elected Chairman and Councillor Adam Kirby was elected Vice-Chairman for the remainder of the Municipal Year. It was noted that the discussion held at the last meeting on 15 March 2023 had been superseded by the Section 114 Notice and the Government intervention through the appointment of Commissioners.

Brendan Arnold, Interim Director of Finance / Section 151 Officer took the Group through the PowerPoint slides from the Members Briefing held the previous day. Members were advised of the process for updating the Medium Term Financial Strategy (MTFS); the Budget Timetable; the current Business as Usual shortfall of £11m and the Deficit at £1.2bn; and the discussions taking place with DLUHC to explore its view on the financial support required by the Council, noting that the Council could not service its debt burden and therefore a write-off was needed. It had been agreed that the MTFS would be reported to Executive, Council and Overview and Scrutiny Committee once a quarter. There would also be a full day of work for the Overview and Scrutiny Committee to challenge the proposals and make recommendations thereon.

The Group was advised that at its meeting on 28 September, Council would receive a revised budget for 2023/24 taking into account a likely overspend in the current year and savings identified, the benefit of which would be received in full during 2024/25. A consultation and engagement process with local residents would commence on £4m of savings identified, leaving a further £4m to meet the overall requirement, of which some would not be achievable until 2025/26.

It was noted that 14 sound guiding principles had been agreed by the Executive to assist the Council take a coherent and structured approach to its recovery, and that the Investment Programme had been suspended on an indefinite basis due to being unaffordable. Only items in the Investment Programme would be approved which were funded externally, such as by the Government and supported by the Commissioners.

Members discussed the Neighbourhood Community Infrastructure Levy (CIL). Brendan emphasised that the Council would keep those existing agreements in force, however there was not a sufficient level of cash to support those commitments and so work would need to take place to consider how the ward priorities could be addressed in 2024/25 as the Council re-built its reserves. Members expressed concern that it had been thought the funds received from developers had been set aside and therefore ringfenced.

The Working Group also received the report 'Write-off of Irrecoverable Debt', which would be received by the Executive on a quarterly basis unless there were none, and the Work Programme for the year ahead that was amended to remove the Investment Programme due to its suspension. The items to be received at the next meeting of the Working Group were noted as:

- Medium Term Financial Strategy
- Revised 2023/24 Budget
- Draft Statement of Accounts (provisional)

It was agreed that the start time would be changed to 6pm for this meeting.

Councillor Kirby, as Vice-Chairman of the Overview and Scrutiny Committee, undertook to liaise with the Chairman, Cllr Brown, and Toby Nash to request that all Members of the Finance Working Group were invited to the all-day scrutiny event being arranged.

**Recommendations**

The Committee is requested to:

**RESOLVE That**

the report be noted.

The Committee has the authority to determine the recommendation(s) set out above.

- Background Papers:** None.
- Reporting Person:** Councillor Tahir Aziz  
Email: [cllrtaahir.aziz@woking.gov.uk](mailto:cllrtaahir.aziz@woking.gov.uk)
- Contact Person:** Councillor Tahir Aziz  
Email: [cllrtaahir.aziz@woking.gov.uk](mailto:cllrtaahir.aziz@woking.gov.uk)
- Portfolio Holder:** Councillor Dale Roberts  
Email: [cllrdaledale.roberts@woking.gov.uk](mailto:cllrdaledale.roberts@woking.gov.uk)
- Date Published:** 1 September 2023





## Overview and Scrutiny Work Programme

This Overview and Scrutiny Work Programme is published with the purpose of assisting the Council in its overview and scrutiny role. The Work Programme covers the following areas:

- Items for consideration at future meetings of the Overview and Scrutiny Committee.
- Scrutiny Review Topics proposed by Members of the Council for inclusion on the Work Programme.
- Topics identified for pre-decision scrutiny.
- The draft forward programme of work for the Executive.
- Details of the current Task and Working Groups under the Committee's remit.

The Work Programme is designed to assist the Council with its overview and scrutiny role by providing Members with an indication of the current work, topics to be considered for review, and items which the Executive expects to consider at its future meetings, so that matters can be raised beforehand and/or consultations undertaken with a Member of the Executive prior to the relevant meeting.

*Any changes to the Work Programme since it was last published have been highlighted in green.*

<b>The Committee</b>	
<b>Chairman:</b> Councillor Josh Brown	
<b>Vice-Chairman:</b> Councillor Adam Kirby	
Councillor H Akberali	Councillor A Caulfield
Councillor K Davis	Councillor A Javaid
Councillor R Leach	Councillor J Morley
Councillor L Rice	Councillor M Sullivan
<b>2023/24 Committee Dates</b>	
05 June 2023	10 July 2023
14 August 2023 (Extraordinary)	11 September 2023
16 October 2023	20 November 2023
22 January 2024	19 February 2024
18 March 2024	

### Recommendations

The Committee is requested to:

**RESOLVE That** the report be noted.

The Committee has the authority to determine the recommendation set out above.

**Background Papers:** None.

**Reporting Person:** Councillor Josh Brown  
Email: CllrJosh.Brown@woking.gov.uk

**Contact Person:** Toby Nash, Scrutiny and Democratic Services Officer  
Email: toby.nash@woking.gov.uk, Extn: 3056

**Date Published:** 1 September 2023

REPORT ENDS

## Suggested Additions to the Work Programme

Following the last meeting of the Committee, the Chairman and Vice-Chairman provided Officers with a list of items for consideration over the coming year. Where possible, these have been added to the Work Programme. Set out below are any ideas which have been suggested or requested but are yet to be included against a specific meeting of the Committee.

Topic	Proposed by	Officer Comment
Biannual Overview of Complaints Report	Chair and Vice-Chair (2021/22)	Following the meeting of the Committee on 21 February 2022 it was expressed by Members that the possibility of having this report appear at the Committee twice a year, as opposed to once a year would be beneficial.
Update on Company Governance Structure	Leader	The Committee would receive a report on the progress made to Company Governance Structure once sufficient progress had been made.
Review of Company Governance Structure	Chair & Vice-Chair (2022/23)	To be reviewed one year after the structure is in place.
Invite Thames Water	OSC	Following the meeting of the Committee on 23 January 2023 it was suggested that Thames Water be invited to attend a future meeting of the OSC once improvements to local treatment works had been completed.
Invite Affinity Water	OSC	To reinvoke Affinity Water following their agreement to attend first the January and then February meeting.
Community Grants Update	Strategic Director of Place	Following the changes to the handling of Community Grants, it is proposed that the Committee receive an update on how the process is working. It is proposed that this be received at approximately the September or October meeting.
Member Training Update	OSC	For the Committee to receive a report on the Member training programme, its effectiveness, and for the Committee to consider how it can be strengthened.
Invite Commissioners	Chair and Overview and Scrutiny Committee	Invite the DLUHC-appointed Commissioners to a future meeting of the Committee.
Commissioner-Officer Working Relationship	Chair	Understand how the relationship between the Corporate Leadership Team and DLUHC-appointed commissioners works and how effective it has so far been.
Scrutiny of definitions of statutory and non-statutory services	Chair and Overview and Scrutiny Committee	The Committee is interested in considering how Officers determined statutory and non-statutory services.
Invite South Western Railway	Chair	Woking has a large commuter population that relies on train services. It would be beneficial to invite representatives from South Western Railway to consider post-Covid services.
Invite Royal Mail	OSC	To discuss the servicing of routes in the Borough.
Brookwood Cemetery HS2 Funding	OSC	To review the financing arrangements for Brookwood Cemetery

**The Work Programme 2023/24**

**Overview and Scrutiny Committee Meeting – 16 October 2023**

**1 – Performance Management**

**1.1 Performance & Financial Monitoring Information.** For the Committee to consider the current publication of the Performance & Financial Monitoring Information (Green Book).

Consultation	Background Documents	Contact Person/Team
None	None	Councillor Brown

**2 – Matters for Consideration**

**2.1 Work Programme.** For the Committee to receive the updated Work Programme.

Consultation	Background Documents	Contact Person/Team
None	None	Councillor Brown

**2.2 Freedom Leisure Annual Review.** For the Committee to receive the annual performance review and survey.

Consultation	Background Documents	Contact Person/Team
None	None	Steve May

**3 – Working Group Updates**

**3.1 Working Group Update.** To receive an update from any meetings of the Working Groups under the remit of the Committee.

Consultation	Background Documents	Contact Person/Team
None	None	Chair of each Working Group

## Overview and Scrutiny Committee Meeting – 20 November 2023

### 1 – Performance Management

**1.1 Performance & Financial Monitoring Information.** For the Committee to consider the current publication of the Performance & Financial Monitoring Information (Green Book).

Consultation	Background Documents	Contact Person/Team
None	None	Councillor Brown

### 2 – Matters for Consideration

**2.1 Work Programme.** For the Committee to receive the updated Work Programme.

Consultation	Background Documents	Contact Person/Team
None	None	Councillor Brown

**2.2 Celebrate Woking.** For the Committee to receive a review of the year and receive the forward plan.

Consultation	Background Documents	Contact Person/Team
None	None	Riëtte Thomas

**2.3 Treasury Management Mid-Year Review.**

Consultation	Background Documents	Contact Person/Team
None	None	Section 151 Officer

**2.4 Housing Revenue Account.**

Consultation	Background Documents	Contact Person/Team
None	None	Louise Strongitharm

**2.5 Improvement and Recovery Programme Update.**

Consultation	Background Documents	Contact Person/Team
None	None	Lee Danson

**3 – Working Group Updates**

**3.1 Working Group Update.** To receive an update from any meetings of the Working Groups under the remit of the Committee.

<b>Consultation</b>	<b>Background Documents</b>	<b>Contact Person/Team</b>
None	None	Chair of each Working Group

**Overview and Scrutiny Committee Meeting – 22 January 2024**

**1 – Performance Management**

**1.1 Performance & Financial Monitoring Information.** For the Committee to consider the current publication of the Performance & Financial Monitoring Information (Green Book).

Consultation	Background Documents	Contact Person/Team
None	None	Councillor Brown

**2 – Matters for Consideration**

**2.1 Work Programme.** For the Committee to receive the updated Work Programme.

Consultation	Background Documents	Contact Person/Team
None	None	Councillor Brown

**2.2 Joint Waste Management Performance Review.**

Consultation	Background Documents	Contact Person/Team
None	None	Neighbourhood Services

**3 – Working Group Updates**

**3.1 Working Group Update.** To receive an update from any meetings of the Working Groups under the remit of the Committee.

Consultation	Background Documents	Contact Person/Team
None	None	Chair of each Working Group

## Overview and Scrutiny Committee Meeting – 19 February 2024

### 1 – Performance Management

**1.1 Performance & Financial Monitoring Information.** For the Committee to consider the current publication of the Performance & Financial Monitoring Information (Green Book).

Consultation	Background Documents	Contact Person/Team
None	None	Councillor Brown

### 2 – Matters for Consideration

**2.1 Work Programme.** For the Committee to receive the updated Work Programme.

Consultation	Background Documents	Contact Person/Team
None	None	Councillor Brown

**2.2 Freedom of Information Requests Annual Report.**

Consultation	Background Documents	Contact Person/Team
None	None	Monitoring Officer

**2.3 Annual Review of Complaints.**

Consultation	Background Documents	Contact Person/Team
None	None	Monitoring Officer

**2.4 Enterprise M3.** To receive a review of the work of the Local Enterprise Partnership.

Consultation	Background Documents	Contact Person/Team
None	None	Strategic Director of Place

### 3 – Working Group Updates

**3.1 Working Group Update.** To receive an update from any meetings of the Working Groups under the remit of the Committee.

Consultation	Background Documents	Contact Person/Team
None	None	Chair of each Working Group



## Overview and Scrutiny Committee Meeting – 18 March 2024

### 1 – Performance Management

**1.1 Performance & Financial Monitoring Information.** For the Committee to consider the current publication of the Performance & Financial Monitoring Information (Green Book).

Consultation	Background Documents	Contact Person/Team
None	None	Councillor Brown

### 2 – Matters for Consideration

**2.1 Work Programme.** For the Committee to receive the updated Work Programme.

Consultation	Background Documents	Contact Person/Team
None	None	Councillor Brown

**2.2 Annual Update on Climate Change.**

Consultation	Background Documents	Contact Person/Team
None	None	Green Infrastructure Team

**2.3 Annual Report of the Overview and Scrutiny Committee.**

Consultation	Background Documents	Contact Person/Team
None	None	Councillor Brown

**2.4 Safer Working Partnership – Community Safety Plan.** The Police and Justice Act 2006 gave local authorities responsibility for considering crime and disorder matters. In 2010 the Committee agreed that the Safer Working Partnership Plan would be brought forward annually for scrutiny.

Consultation	Background Documents	Contact Person/Team
None	None	Community Safety Team

**2.5 Improvement and Recovery Programme Update.**

Consultation	Background Documents	Contact Person/Team
None	None	Lee Danson

### 3 – Working Group Updates

**3.1 Working Group Update.** To receive an update from any meetings of the Working Groups under the remit of the Committee.

Consultation	Background Documents	Contact Person/Team
None	None	Chair of each Working Group

## The Draft Executive Work Programme

The following list sets out the draft forward programme of work for the Executive over the coming year. The programme is subject to additions and alterations and will be updated for future meetings of the Overview and Scrutiny Committee. The purpose of the list is to enable the Members of the Overview and Scrutiny Committee to identify those items they would like to scrutinise under the Committee's function of pre-decision scrutiny. The list includes those items for recommendation to Council as well as those for determination by the Executive.

### Executive – 14 September 2023

#### Matters for Consideration

- 1) Medium Term Financial Strategy (MTFS)
- 2) Victoria Square Woking Ltd – Funding Update
- 3) ThamesWey Housing Ltd (Sheerwater) – Funding Update
- 4) UK Shared Prosperity Fund (UKSPF) Working Group – Terms of Reference
- 5) Performance and Financial Monitoring Information
- 6) Financial Monitoring Report
- 7) Monitoring Reports - Projects

**Executive – 5 October 2023**

**Matters for Consideration**

- 1) Sheerwater Regeneration
- 2) Review of the Core Strategy
- 3) Climate Change Strategy
- 4) Working Environment Action (WEAct) – Recommendations and Responses
- 5) Victoria Arch - Housing Infrastructure Fund (HIF) Project
- 6) CIL – Application for Funding – West Byfleet Rec Tennis Court Enhancement
- 7) Confidentiality Protocol Annual Report
- 8) Performance and Financial Monitoring Information

**Executive – 16 November 2023**

**Matters for Consideration**

- 1) Improvement and Recovery Plan Progress Update
- 2) Review of Fees and Charges 2024-25
- 3) Climate Change Supplementary Planning Document (SPD)
- 4) Calendar of Meetings 2024-25
- 5) Draft Medium Term Financial Strategy (MTFS) and General Fund Budget 2024-25
- 6) Draft Housing Revenue Account Budget Update 2024-25
- 7) Draft Investment Programme 2023-24 to 2027-28
- 8) Write off of Irrecoverable Debt
- 9) Performance and Financial Monitoring Information
- 10) Financial Monitoring Report

**Executive – 18 January 2024**

**Matters for Consideration**

- 1) Performance and Financial Monitoring Information
- 2) Monitoring Reports - Projects

**Executive – 1 February 2024**

**Matters for Consideration**

- 1) Medium Term Financial Strategy (MTFS), General Fund, Service Plans, Budgets and Prudential Indicators 2024-25
- 2) Housing Revenue Account Budgets 2024-25
- 3) Investment Programme 2023-24 to 2027-28
- 4) Capital, Investment and Treasury Management Strategies
- 5) Performance and Financial Monitoring Information

**Executive – 21 March 2024**

**Matters for Consideration**

- 1) Improvement and Recovery Plan Progress Update
- 2) Regulation of Investigatory Powers Act 2000 – Annual Monitoring Report
- 3) Write off of Irrecoverable Debt
- 4) Performance and Financial Monitoring Information
- 5) Financial Monitoring Report

**Current Working and Task Groups Responsible to the Committee**

The table below provides a list of current Working and Task Groups established by the Committee, including an indication of the resource requirements and the anticipated completion date. Any updates on the progress of individual Working and Task Groups are included elsewhere on the Committee's agenda.

<b>Economic Development Working Group</b>	
<b>Remit:</b>	<p>The Economic Development Working Group shall comprise seven Members of the Council representing all Groups on the Council based on proportionality. The Elected Members to be appointed annually by the Overview and Scrutiny Committee in May.</p> <p>Members of the Working Group will be expected to gain the views of Councillors/ Officers/ other representatives with a view to reporting those views to the Working Group.</p> <p>Members of the Working Group may also be charged with specific areas to research and report back on to the Working Group.</p> <p>Members of the Working Group may be expected to present proposals to the Overview and Scrutiny Committee and, where necessary, prepare written reports.</p>
<b>Membership:</b>	Councillors Barker, Davis, Javaid, Morley, Mukherjee, Oades, Roberts.
<b>Resources:</b>	Officer and Councillor time.
<b>Date Established:</b>	11.03.09

<b>Finance Working Group</b>	
<b>Remit:</b>	<p>The Working Group has been established as a Standing Working Group to review financial issues as identified either by itself or the Overview and Scrutiny Committee. The Working Group will receive financial information, including reports to the Executive, to enable it to undertake effective scrutiny of the financial performance of the Council.</p> <p>The Working Group will receive reports on areas such as Treasury Management, Budget Process and Financial Forecast, Statement of Accounts, Investment Programme, Review of Fees and Charges, General Fund Budget, Update on Commercial Rents, Update on Irrecoverable Debt, and matters arising from the Green Book. Its Work Programme will be received at each Working Group meeting.</p>
<b>Membership:</b>	Councillors Akberali, Aziz, Davis, Kirby, Oades, Rice, Roberts.
<b>Resources:</b>	Officer and Councillor time.
<b>Date Established:</b>	25.05.06

<b>HIF Working Group</b>	
<b>Remit:</b>	<p>The HIF Working Group has been established following the decision on 23 May 2022 to taking on the responsibilities of the Aggregates Site Working Group and the HIF Oversight Panel.</p> <p>The Working Group shall comprise seven Members of the Council representing all Groups on the Council based on proportionality. The Elected Members to be appointed annually by the Overview and Scrutiny Committee.</p> <p>Members of the Working Group will be expected to gain the views of Councillors/ Officers/ Portfolio Holder / External Advisors and other representatives with a view to reporting those views to the Working Group.</p> <p>Members of the Working Group may also be charged with specific areas to research and report back on to the Working Group.</p> <p>Working Group Members may be expected to present proposals to the Overview and Scrutiny Committee and, where necessary, prepare written reports.</p>
<b>Membership:</b>	Councillors Akberali, Boote, Cosnahan, Dorsett, Johnson, Lyons, Sullivan.
<b>Resources:</b>	Officer and Councillor time.
<b>Date Established:</b>	23.05.22

<b>Housing Working Group</b>	
<b>Remit:</b>	<p>The Housing Working Group shall comprise seven Members of the Council representing all Groups on the Council based on proportionality. The Elected Members to be appointed annually by the Overview and Scrutiny Committee.</p> <p>Members of the Working Group will be expected to gain the views of Councillors/ Officers/ Portfolio Holder / External Advisors and other representatives with a view to reporting those views to the Working Group.</p> <p>Members of the Working Group may also be charged with specific areas to research and report back on to the Working Group.</p> <p>Working Group Members may be expected to present proposals to the Overview and Scrutiny Committee and, where necessary, prepare written reports.</p>
<b>Membership:</b>	Councillors Aziz, Boote, Cosnahan, Dorsett, Johnson, Lyons, Sullivan.
<b>Resources:</b>	Officer and Councillor time.
<b>Date Established:</b>	25.05.06

