

MINUTES
OF A MEETING OF THE
OVERVIEW AND SCRUTINY COMMITTEE

held on 28 February 2024

Present:

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

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

Also Present: Councillor A-M Barker

Absent: Councillors A Caulfield and A Javaid

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Caulfield and Javaid.

Apologies for absence had also been received from Councillor Roberts who had intended to attend as Portfolio Holder for items on the agenda.

2. MINUTES

RESOLVED

That the minutes of the meeting of the Committee held on Monday, 29 January 2024 be approved and signed as a true and correct record.

3. MATTERS ARISING FROM THE PREVIOUS MINUTES OSC24-010

The Chairman introduced the report on matters raised at previous meetings of the Committee, drawing the Committee's attention to actions undertaken subsequently.

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 made.

6. PERFORMANCE MANAGEMENT REPORT

Following a question raised by the Chair Officers noted that the graduate programme was supernumerary. The Council would honour the programme for existing graduates but could not continue to fund the programme for future graduates.

Officers confirmed that development of the Local Plan would not be impacted by the staff restructure as its activity had been factored into the requirements of achieving the minimum viable position.

Officers agreed to confirm separately how any backlog of planning applications was being handled.

The Committee discussed the inconsistent use of colours, brackets and negatives to represent values across the report. Eugene Walker, the Section 151 Officer and Interim Chief Finance Officer, confirmed that it was an intention to make the numbers consistent in future editions.

Officers agreed to provide an explanation as to why the inspection of food premises was significantly below target of 100%.

It was noted that within the risks several had crystallised and that it would be beneficial to separate them out as issues.

The Strategic Director of Communities confirmed that the Let's Rent scheme was an approved use of the homelessness prevention grant by Government. The Council had developed an action plan in conjunction with the Department for Levelling Up, Housing and Communities in recognition of the length of time some residents spent in temporary accommodation.

There had been an increase in the demand for the Council's homelessness prevention duties due to multiple factors including the cost-of-living crisis and landlords withdrawing from the sector reducing the number of rental properties available. It was recognised that the Council lacked sufficient throughput of tenants from temporary into permanent accommodation. 68 additional affordable properties were expected within the quarter in Red phase of the Sheerwater regeneration.

It was noted that the metric for the delivery of housing was a raw number per quarter but compared to a cumulative number which did not aid comprehension. Officers suggested that information on the number of properties delivered by the Council on a longer-term basis could be included in future editions of the Performance Management.

The Council was in the process of determining which historic tenancy rental arrears would need to be written off, particularly amongst former tenants. The accrual of arrears for current tenants had stabilised. Officers recognised that there was merit in considering how a corporate approach could be taken on handling debt.

It was requested that the exact length of Council Tax break before the Council became liable for Council Tax on a void property be confirmed.

The Strategic Director of Corporate Resources confirmed that changes to car parking fees was not to be considered at the March Executive meeting and would instead be considered in the new Municipal Year.

Electoral Services was overspent due to it being underbudgeted in the previous year but Officer confirmed that it had not increased in costs.

It was requested that the executive summaries include key achievements and concerns in future editions to aid review by Members.

Following a query by Members Officers offered to provide accounts receivable at a future meeting of the Finance Working Group.

7. FREEDOM OF INFORMATION REQUESTS ANNUAL REPORT - 2023 OSC24-011

Frank Jeffrey, Head of Democratic Services, introduced the item, noting that a significant number of Freedom of Information Requests (FOIs) were submitted by businesses. It was suggested that future editions of the report could include a category on entities that submitted the requests.

The systems used to monitor corporate complaints and FOIs did not automatically communicate.

The system was administered by Democratic Services which did not actively analyse similar requests. However, it was considered possible that individual teams did so. It was suggested that requests could be reviewed for repeat requests which could be published proactively.

RESOLVED

That the report be noted.

8. CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGIES AND MRP STATEMENT OSC24-014

Eugene Walker summarised the intention of the reports, realigning the Council from undertaking major developments to rationalising debt.

The Council continued to carry in its budget costs from historic investments in commercial loans and its asset portfolio.

The Treasury Management report set out the Council's approach to Minimum Revenue Position and prudential indicators.

Future capital receipts would be used to pay off debt with the exception of those in the Housing Revenue Account which would be applied to undertake works in the housing stock.

In response to a question from the Chair the Chief Finance Officer confirmed that there would be quarterly reporting on treasury management to aid monitoring of adherence to it. It was to be determined whether the Committee or Audit Committee would be the most appropriate recipient of the report. There would be separate reporting on asset rationalisation and debt repayment at regular intervals, the best practice approach was to be determined.

The Section 151 Officer considered that the sale of assets was preferential long-term as opposed to retaining assets and receiving their revenue to the Council in terms of handling debt.

As previously noted, all debt interest payments from Council companies had been suspended and work would be undertaken to determine levels of interest payments that were sustainable for each.

Although the Council had achieved savings of £8.5 million for the year, due to the commercial estate burden and historic investments the savings did not equate to right-sizing.

The Chief Finance Officer noted that the amount of short-term borrowing was too high for the Council but considered that the higher repayment rates for longer term loans would cost the Council more money if switched to.

When borrowing above a threshold from the Public Works Loans Board (PWLB) a premium or discount was paid dependent on the market rates which would impact total borrowing. An approach to refinancing and repaying loans would need to be discussed with Government at an appropriate juncture. However, the Government understood the Council's need to service its £274 million in short-term loans. The premium was built into the £64 million interest payment the Council owed in 2024/25.

It was commented that parts of the report contained highly technical language and Officers agreed to produce a Glossary of Terms to aid those reading it. It was further suggested that the Council aim to develop a general Glossary of Terms.

The report had identified that training was required for both Councillors and Officers. The Committee requested that Officers submit a paper that sets out plans for the training of Officers and Councillors.

RESOLVED

That the report be noted.

9. GENERAL FUND BUDGET AND COUNCIL TAX SETTING 2024-25 OSC24-015

The Section 151 Officer introduced the item.

The Council was expecting to receive confirmation of a capitalisation directive from Government which would allow the Council to set a balanced budget.

The Council currently had negative reserves. The General Fund Budget included provision for a reserve of £5 million for 2024/25 to help the Council respond to unexpected costs. The reserve was higher than might be set by other Councils, typically 10% of a Council's net budget, due to the relative increased level of risk facing the Council from its historic investments. There were additional earmarked reserves of £11 million.

It was a statutory requirement for the Section 151 Officer to produce a Section 25 statement indicating the robustness of the budget and adequacy of reserves.

The Government had placed an expectation on the Council to raise its proportion of Council Tax by 10%, an increase of 1.2% on a household's overall Council Tax bill. The

increase equated to £1 million additional revenue for the Council which alleviated the need to find an equivalent saving.

The Council operated a 100% Council Tax relief scheme for those on low incomes, which was not operated by all Councils. £100,000 of the additional revenue was being directed to relief schemes; £50,000 would be provided to Citizens Advice Woking to provide support to the community; £25,000 would be used to extend the Council Tax relief scheme; and £25,000 to replicate the household support fund.

The hardship fund would be carefully rationed and monitored.

In response to a query, the Strategic Director of Communities confirmed that the Service Level Agreement between the Council and Citizens Advice Woking (CAW) would be amended to ensure the additional funds were used for the purposes of hardship support. It was anticipated that CAW would operate a linking service connecting support services across the sector.

It was not possible to determine what Government would direct for Council Tax increases in future years.

If the historic debt issues were excepted from the budget, the Chief Finance Officer considered that the Council would be setting a truly balanced budget.

The Section 151 Officer confirmed that Community Infrastructure Levy funds would be honoured.

The Council received a very high amount of commercial income, relative to its overall budget and compared with similarly sized Councils. It was yet to be determined what would be an appropriate size but it was recognised that it should be reduced. This would consequentially lead to a drop in income. As such, discussions with Government would necessarily need to include sustainability of revenue as well as repayments of debt.

Historically, the Council did not operate proper profit and loss accounts for its commercial assets, this was now being brought in. A provision of £20 million had been approved at the previous Council meeting under the Capital Programme.

The Committee requested that recommendation (xviii) have the wording 'per annum' added to make clear that the £26.31 Council Tax increase for a Band D property was the additional cost for the whole year and not monthly. The recommendation was accepted by Officers who undertook to disseminate the wording most appropriately outside of the meeting.

RESOLVED

That the report be noted.

10. WORK PROGRAMME OSC24-009

The Committee agreed to remove the Annual Report of the Overview and Scrutiny Committee item from the Work Programme for the March meeting.

A vote was held and carried with unanimous support in which the Committee reiterated its intention to have the Commissioners join a future meeting and extended an invitation for the March meeting.

An item on Member Training, considered for a previous meeting of the Committee and dropped due to workload, was agreed to be readded to the suggested additions to the Work Programme.

It was agreed that an approach be considered for potential scrutiny of Community Asset Transfers be considered for the Work Programme.

A vote of thanks was recorded for the work of the outgoing Section 151 Officer, Eugene Walker, in recognition of the considerable work put into items at the Committee and at the Finance Working Group.

RESOLVED

That the Work Programme be noted.

The meeting commenced at 7.02 pm
and ended at 9.37 pm

Chairman: _____

Date: _____