

MINUTES  
OF A MEETING OF THE  
**RESOURCE AND FINANCE SCRUTINY COMMITTEE**

held on 10 September 2024

Present:

Cllr L Rice, Vice-Chair in the Chair	
Cllr S Greentree	Cllr S Oades
Cllr A Javaid	Cllr J Pearce

Also Present: Councillor D Roberts.

Absent: Councillors A Boote, G Cosnahan and P Pandher.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Amanda Boote and Councillor Pav Pandher.

**2. DECLARATIONS OF INTEREST**

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

The interests of the Strategic Director – Communities, Louise Strongitharm, and the Head of Transformation, Digital and Customer, Adam Walther, were referred to in the agenda but it should be noted that neither were present at the meeting.

**3. MINUTES**

RESOLVED

That the minutes of the meeting of the Resource and Finance Scrutiny Committee held on 9 July 2024 be approved and signed as a true and correct record subject to an amendment to include reference to late attendance at the meeting by the Chair, Councillor Boote.

**4. URGENT BUSINESS**

There were no items of Urgent Business under Section 100B(4) of the Local Government Act 1972.

## 5. WORK PROGRAMME RFSC24-010

The Members considered the Committee's work programme and the Vice-Chair drew attention to the list of suggested future items. It was noted that in February 2022 Members had suggested that the possibility of receiving the report on the overview of complaints twice a year and the Vice-Chair asked for an update. Officers undertook to bring a report to the next meeting of the Committee.

Reference was made to the scrutiny of definitions of statutory and non-statutory services, noting that the Local Government Association had published a document which outlined statutory services at different tiers of local government. The Strategic Director of Corporate Resources undertook to ensure that a copy of the document would be brought to the Committee at a future meeting for discussion, before being circulated to all Councillors for information.

A discussion was held on Officers sufficiently following up actions from Committee and responsibility being held by the appropriate Strategic Director.

It was noted that a report on Member development had been requested in February 2024. The Committee was advised that an annual report on Member learning and development was presented at Council each year. In this case, however, the Vice-Chair advised that the point had arisen during discussion of treasury management during which it was apparent that not all the Members had been able to understand the jargon used. An update at the next meeting was requested.

*[Post meeting note: the report on Member training was raised for the 2023/24 Overview and Scrutiny Committee work programme but removed due to workload. It was to consider the member development programme with a view to seek Members' views on the existing schedule of training. Separately, a point was raised on providing a plan for training to Members on financial management and terminology. Both of these points were raised at the February 2024 meeting. The training on financial management was provided by Officers at the start of the 2024/25 Municipal Year.]*

The importance of identifying those items for consideration by the Committee, and indeed other scrutiny committees, in the subsequent Municipal Year was highlighted, with the list to be discussed at the last meeting of the current Municipal Year. This would ensure the continuity of the Committee's workload, the Scrutiny Officer to include on the work programme/

A periodic review of the Council's risk register was raised and it was noted that it did not appear on the work programme for consideration. The Committee was advised that a paper reviewing the risk register was prepared by Officers every six months and could be brought to the Committee at regular intervals. It was agreed that the matter would be added to the work programme by the Scrutiny Officer.

In regard to the action tracker, the Vice-Chair noted that the report did not include the next action date and when each action was expected to be closed. It was further suggested that the actions should be linked to the relevant service, noting that one of the Officers named would be leaving the Authority shortly. The Committee supported the proposal to include updates, responsible party, and details of timescale in future versions of the action tracker. This would be actioned by the Scrutiny Officer.

RESOLVED

- That (i) the Work Programme be noted; and
- (ii) the following proposals be taken forward:
- a report on the overview of complaints be brought to the next meeting of the Committee;
  - the Local Government Association's publication on statutory services be brought to a future meeting of the Committee;
  - an update on a request to ensure greater awareness amongst Councillors of treasury management jargon be brought to the next meeting;
  - a list of those items to be considered by the Committee in the subsequent Municipal Year be prepared for the last meeting of the current Municipal Year;
  - the sixth monthly review of the Council's risk register prepared by Officers be brought to future meetings of the Committee and be added to the work programme; and
  - future versions of the action tracker be revised to include updates, responsible party, and details of timescale.

**6. LEGACY ADJUSTMENTS TO THE HOUSING REVENUE ACCOUNT (HRA) RFSC24-008**

This item was brought forward on the agenda with the agreement of the Committee Members.

The Strategic Director for Finance, Stephen Fitzgerald, introduced the report on the Housing Revenue Account (HRA), explaining that a review undertaken of the historic recharges between the General Fund and the HRA had identified discrepancies. The Executive at its meeting on 12 September 2024 would be asked to note the adjustments necessary to correct the recharges, including a cumulative adjustment of £2.9m to the benefit of the HRA and an additional impact on the General Fund of £782,000. In discussing the paper, the Members were advised that the underlying data was open to audit review.

The Strategic Director explained that the Council was not in a position to meet the interest payable on its debt of £2.1b and dealt with it through the capitalisation directive given by the Government. Within the overall position, the Council retained some liquid funds which could continue to be invested to gain interest for the benefit of the Authority.

There was a possibility that further issues would be identified as more work was done on historic actions, including the outcomes of the review commissioned through Grant Thornton. Any additional adjustments necessary would be brought to the attention of Members. Woking Borough Council was unique in terms of the magnitude of its debt and the complexity of the companies established as subsidiaries.

The Portfolio Holder for Economic Development, Resources, and Finance, Councillor Roberts, advised that it would take many years for the issues faced by the Council to be fixed through a variety of objectives including; better governance, better processes and better systems. It was thought likely that additional issues would be identified as the work progressed.

The Vice-Chair thanked the Strategic Director for the presentation.

RESOLVED

That the report be noted.

**7. CONTRACTS, PROCUREMENT, AND NEW LEGISLATION RFSC24-005**

The Committee considered a report which outlined the work being undertaken to improve the processes that were in place for procurement and project management. The work would look to incorporate the legislation changes which were expected through the Procurement Act 2023 in October 2024.

The Strategic Director of Corporate Resources, Kevin Foster, introduced each of the five specific workstreams undertaken so far, comprising the review and updating of policies and procedures, training, internal and external communications, contract register improvements and a review of procurement and data reporting systems. Work was also being undertaken to introduce greater monitoring of supplier and contract spend.

In response to a question, the Strategic Director confirmed that existing contracts would be reviewed as part of the work. The time taken to award a contract was criticised though the Committee Members were advised that long timeframes were not unusual across local authorities, with Officers often frustrated by the extensive requirements of the existing Procurement Act.

As part of the efforts to strengthen the Council's resources around procurement, the Council had entered into a shared service agreement for staffing and had joined the Orbis procurement partnership, a public sector partnership between East Sussex County Council, Surrey County Council, and Brighton & Hove City Council to provide 'back office' or business support services.

Councillor Javaid asked how Councillors could review the success of the work without having details of 'achievable' and KPIs for the contracts and how they had changed over the course of the past year. The Committee asked whether it could review a specific contract to see what improvements had been achieved over the year. The Strategic Director advised that such an exercise could be undertaken once the first element of the review had been completed, noting that each of the Scrutiny Committees were responsible for the contracts within the service areas they oversaw.

Concern was raised at the lack of substance in the report enabling effective scrutiny.

It was agreed that further discussion on the scrutiny of the performance of existing contracts would be held outside of the meeting.

RESOLVED

That the report be noted.

**8. COMMERCIAL PROTOCOL RFSC24-006**

The Members of the Committee considered a report which sought their views on the processes and arrangements in place for project management. A copy of the Council's Commercial Protocol, adopted in 2023, was attached to the report. The Protocol aimed to ensure that commercial activities and the use of commercial assets were aligned to the Authority's strategic priorities outlined in the Woking for All Strategy.

The Commercial Protocol was due to be reviewed and the comments of the Committee Members were invited. It was noted that, as part of the arrangements, commercial proposals were reviewed by the Commercial Governance Board, chaired by the Commissioners, to ensure all the steps had been taken to ensure the Protocol had been followed.

The Vice-Chair expressed concern that Members had not been advised of the activities of the Commercial Governance Board. It was suggested that Ward Councillors could in future be consulted on any asset proposals before they were presented to the Executive.

It was agreed that Officers would review the Protocol, noting the comments received, and present a revised Protocol at a future meeting of the Scrutiny Committee. The Strategic Director – Corporate Resources, Kevin Foster, advised that reports presented to the Executive and Council could be expected to have taken into account the Commercial Protocol to inform the recommendations.

**RESOLVED**

That the report be noted.

**9. IMPROVEMENT AND RECOVERY PROGRAMME UPDATE RFSC24-007**

The Members of the Committee were invited to comment on the six month Improvement and Recovery Programme Update for March to September 2024 which was due to be considered by the Executive at its meeting on 12 September 2024. The document was the fourth progress report to be prepared for the Commissioners and consisted of an outcome-based review of progress against the Improvement and Recovery Plan, a programme-based review of progress against the Plan and the high level risks of the Plan.

Councillor Greentree referred to the paper's reference to the terms of reference of Committees having been refreshed and advised that he considered such statements to be all-encompassing and a matter of opinion, arguing that in his opinion the terms of reference of all the Committees had not been refreshed and that there were no mechanisms to monitor the effectiveness of Committees. The Committee was advised that the terms of reference of the Committees had been reviewed as part of overall review of the Council's committee structure earlier in the year.

Councillor Oades added that the report did not include any figures and as such the progress could not be demonstrated. Section 5 referred to asset rationalisation and debt reduction and it was felt that the report should have included details of the assets sold, their target price and the value realised, together with any next steps. Officers advised that the report was intended to provide a general overview of progress achieved aimed at the Government appointed Commissioners, set around the success measures identified by the Commissioners to judge the performance of the Council. Detailed assessments of each of the workstreams were provided to the Commissioners through the monthly meetings of the Improvement and Recovery Board.

The Committee discussed the lack of metrics within the report, it was suggested that inclusion of metrics would allow for better scrutiny and greater transparency. The discussion particularly highlighted the need for Members and the public to have sufficient information provided in such updates to allow an understanding of the Council's progress, achievements so far, and adherence to timeframes.

The Strategic Director explained that the report before the Committee was a report to the Executive; should the Committee wish to review the progress of the Improvement and Recovery Plan at a more detailed level, with specific figures against each of the workstreams, agenda items could be added to the Work Programme. The Commissioners would have the opportunity to feed back on the report, and the Council would review its approach in the event any feedback was received.

The Portfolio Holder for Economic Development, Resources, and Finance, Councillor Roberts, suggested the Committee should seek to identify the level of information it wished to receive to be able to contribute towards the work being undertaken through the Improvement and Recovery Plan. The Vice-Chair considered that the report to the Executive was bland and confusing and that a presentation would have been of more value. The Officers took onboard the comments and added that a full Member briefing on the Plan, together with a presentation had been arranged for the following evening.

The Portfolio Holder advised that the report sought to provide the Commissioners with a clear indication of progress towards outcomes. Noting the comments of the Committee, it was suggested that some level of detail around tracking progress could be included in future reports, outlining what work had already been completed over the recent period and what work was still to be done. The Chair agreed that the report could be much improved to demonstrate clearly the extent of the good work done to-date.

**RESOLVED**

That the report be noted.

**10. PERFORMANCE MANAGEMENT REPORT RFSC24-009**

The Members of the Committee considered the Council's Performance Management Report for the first quarter of 2024/25. The Vice-Chair directed the Members to the Strategic Director's summary for the Corporate Resources Directorate and referred to the key performance indicator (KPI) for invoices paid within 30 days. The Vice-Chair asked why the Council did not achieve the target of 97% of invoices being paid within 30 days.

The Strategic Director – Corporate Resources, Kevin Foster, advised that there was a range of reasons why an invoice might not be paid promptly, including queries on the service delivery, delays in the transaction, staffing levels and workload issues. The requirement to pay within 30 days was set by the Government and was measured against the validated invoice date. The question was raised whether the Council could explore the possibility of receiving a discount from service providers for early payment of invoices.

The meeting commenced at 7.00 pm  
and ended at 9.01 pm.

Chair: \_\_\_\_\_

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