

BOROUGH OF REIGATE AND BANSTEAD

OVERVIEW AND SCRUTINY COMMITTEE

Minutes of a meeting of the Overview and Scrutiny Committee held at the Town Hall, Reigate on Thursday, 7 December 2017 at 7.30 p.m.

Present: Councillors B. Stead (Chairman), R. Absalom, R. Ashford, M. Blacker, M. Brunt, R. Coad, G. Curry, J. Ellacott, J. Essex, N. Harrison, R. Mantle, D. Ross-Tomlin, J. Stephenson and R. Turner.

Also Present: Councillors R. Mill, R. Renton, T. Schofield and C. Whinney.

36. MINUTES

RESOLVED that the Minutes of the meeting held on 7 September 2017 be approved as a correct record, with the following addition to the discussion of Item 5:

‘A Member requested that an update on progress against these issues be provided before the end of the financial year.’

37. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Committee Members: Councillor S. Parnall (Substitute: Cllr J. Ellacott)

Other Members: Councillors M. Selby and S. Walsh.

38. DECLARATIONS OF INTEREST

No declarations of interest were made.

39. PORTFOLIO HOLDER BRIEFING

The committee received a presentation from Councillor R. Renton, Executive Member for Housing and Infrastructure, which outlined a number of areas of the work of the Council to support people and communities within the borough. This included notes on the Council's work regarding Housing Services, the strategic partnership with Raven Housing Trust, Community Development, Family Support work, and the Syrian Vulnerable Persons relocation scheme.

There were no advance questions submitted on this topic.

Questions and comments related to:

- **Future housing prospects** and the potential for the Council to support increased provision of affordable housing in the borough, either in partnership with housing trusts or as standalone schemes. The committee was informed that a number of options were soon to be considered by the Executive and officers and that additional information would become available as any schemes progressed. The Committee was assured that any potential shared ownership schemes operated by the Council would not contain hidden charges.
- **Potential challenges of private rented accommodation** for residents receiving support or otherwise in a vulnerable position. The committee was assured that the Council sought to work closely with both residents and landlords to support satisfactory outcomes for all parties. It was noted that work to raise awareness of options and available support for residents and landlords was ongoing.
- **'Rogue landlords'** and the potential impact upon residents. It was noted that the vast majority of landlords were expected to be behaving appropriately, but that in an area the size of the borough there was clearly the potential for outliers. It was queried if the Council maintained a register of private landlords operating in the borough, in response to which it was identified that a list was maintained and that the status of any registration activities would be confirmed. The committee was assured that any reports regarding inappropriate conduct by landlords were investigated appropriately and that officers actively investigated potential illegal activities.
- **Women's refuges** in the borough and future potential risks to their funding as a result of the broader economic circumstances. The committee was assured that funding and support for these services was considered to be secure at the current time.
- **Community Development work** around the borough. Members were supportive of the work of the community development teams, with particular note to those operating in the Merstham area. Members also highlighted the value of Member engagement to support community development work in their areas.
- **Family Support work** in the borough and potential funding pressures. The Committee was informed that funding for family support was in place until 2020 and that discussions were ongoing with the county council for support beyond that. Members were appreciative of the role of OFSTED in monitoring the service.
- **Analysis of housing services positive outcome figures.** A clarification was provided regarding the classification of positive outcomes and performance was noted to currently be stable, with potential future changes following updates to legislation and related activities.

The Executive Member and Officers were thanked for the presentation.

RESOLVED that the portfolio holder briefing from Cllr R. Renton, Executive Member for Housing and Infrastructure, be noted.

40. BUDGET SCRUTINY PANEL REPORT

The Chairman invited Cllr N. Harrison, as Chairman of the Budget Scrutiny Review Panel, to introduce the report. Cllr Harrison thanked the Panel members, the supporting officers and other contributing Members for their work to support scrutiny of the proposed budget.

The Committee heard that 147 advance questions had been asked as part of the budget scrutiny process, and that the Panel had thoroughly explored not only the savings and growth proposals for 2018/19 but the full service and financial context in which the budget had been prepared.

Councillor Harrison highlighted:

- The Chief Executive's summary that the proposed budget was considered to be a good, balanced budget, reflective of Member ambitions to maintain services for residents in a challenging financial context. This was supported by the Committee.
- The continued uncertainty in the wider financial and political context, and the need for this to continue to be considered as part of financial plans.
- That the CPDF was projected to become depleted, but that there was the opportunity to provide support for it from reserves or additional income, if necessary.
- That the Panel continued to support the movement of longer term positions created by CPDF funding into the main revenue budget.
- That there were no significant projected cuts to services undertaken by the Borough Council.
- The conclusions of the panel, as identified in the report.

Member questions and comments related to the following:

- The possibility of considering new services which the Council could provide, if funding were to become sufficient. Members' attention was drawn to the refresh of the Council's 5 Year Plan currently being undertaken.

Clarification was requested regarding paragraph 20 of the report of the Panel. It was suggested that there was more than the one clawback agreement identified at the meeting of the Budget Scrutiny Panel in place. It was identified that was indeed believed to be the case, and officers apologised for the mistaken information provided at the meeting of the panel. It was noted that the number of clawback agreements in place would be confirmed, and this information provided to the Executive to inform their decision.

It was noted that the imposition of clawback agreements was a matter decided by the Planning Committee, rather than an Executive matter, within the bounds of the Council's policies. Operational matters regarding clawback agreements would therefore be considered by the Planning Committee as part of the planning process.

RESOLVED:

- i) That in response to the Service and Financial Planning (Provisional Budget) 2018/19 report, the following comments be submitted for the consideration of the Executive:
 - a. That the Overview and Scrutiny Committee thanks the Executive Member for Finance, Executive and Officers for preparing balanced budget proposals for 2018/19;
 - b. That the Overview and Scrutiny Committee considers the following to be achievable, realistic and based on sound financial practices and reasonable assumptions:
 - i. The provisional budget proposals for 2018/19 and Medium Term Financial Plan for 2018/19-2022/23
 - ii. Savings proposals totalling £1.93m
 - iii. Growth proposals totalling £1.30m
 - iv. Updated Capital Programme
 - c. That the Overview and Scrutiny Committee considers the potential impact of the savings and growth proposals on service delivery to be limited.
- ii) That the Executive be asked to consider the Council's approach to implementing clawback arrangements in the event that economic viability precludes affordable housing in granting planning permission. It was agreed that confirmation of the number of clawback agreements currently in place would be provided to the Executive.

41. QUARTERLY PERFORMANCE REPORT (Q2 JULY – SEPTEMBER 2017)

The Committee received a report that detailed the major variances on performance in relation to the Council's Key Performance Indicators, Revenue Budget Monitoring, Capital Budget Monitoring, Internal Audit and Risk Management.

The detailed performance information had been placed in the e-Members Room. The Committee had not received any advance questions relating to the performance report.

The Committee discussed the report, with questions and comments made regarding:

- **The potential events management company** and related budget. The Committee was informed that the potential for the creation of an events management company by the Council had been explored as an income generation option, but that that it had been decided that the option would not be pursued.
- **Recycling credits** and related future planning. The Committee was informed that budget plans had been developed allowing for the loss of recycling

credits, but that there was good progress being made in discussions with Surrey County Council on the topic.

- **GDPR implementation.** The Committee was assured that work supporting the forthcoming introduction of GDPR legislation was on track, and was being supported by a specialist officer. In response to a Member query, the Committee was informed that the Council did not currently expect to be involved with providing GDPR compliance support to voluntary sector organisations.

RESOLVED that:

- (i) The quarterly performance report be noted;
- (ii) The comments of the Committee be noted;
- (iii) No observations be made to the Executive.

42. PATHWAY FOR CARE

At the direction of the Chairman, the Committee considered Item 8: Dementia Support Services prior to considering Item 7: Pathway for Care, to support considerations around ease of process and support for Item 8. Minutes are recorded in agenda order for ease of reference.

The Committee received a verbal update on the Council's investment in the Pathway for Care company from the Chief Executive. The Committee was informed that the performance of the company since its last consideration by the Executive had been in line with expectations and that there were a number of positive prospects for the company. Negotiations regarding a potential major contract were indicated to be proceeding, and it was noted that another progress report would be provided in the spring of 2018.

It was noted that 26 questions had been submitted as part of the Advance Questions process. These questions and the responses provided to them were considered by the Committee.

The Committee discussed the update, advance questions and general considerations regarding the Pathway for Care company. Questions and comments were made regarding:

- **KPIs (Advance Question 1).** It was clarified that the KPIs regarding Pathway for Care cash flow and capital were considered by the Executive Health and Wellbeing Sub-Committee as part of the performance reports provided. The KPIs were indicated to be reviewed on a monthly basis and considered with reference to RAG grading.
- **Council expenditure on the Pathway for Care company.** A Member requested that information on the balance of the loan facility for Pathway and any other monies provided to Pathway by the Council be included in the Quarterly Performance Reports. The Committee was informed that the requested information could be provided.
- **Clarification of the extent of drawn down from the loan facility.** The Committee was informed that the draw-down from the loan facility by Pathway for Care to date was not exceeding £850k, and that at no point had the previous limits of the loan facility been breached other than to provide

emergency funding. It was clarified that whilst Pathway for Care may have received money from the loan facility totalling more than the limit, elements of this had been counterbalanced by money received by the Council from Pathway, and that the net use of the facility had therefore not breached the specified limits.

- **Availability of commercially sensitive information.** It was clarified that some information regarding the company's operations was confidential to the company rather than the Council, and that consideration by the Council in private would not therefore be sufficient to permit full consideration of all company information directly.
- **Liability in the event of financial failure.** It was clarified that Councillors bore no personal liability on behalf of the company resulting from their role as Councillors, and that the company would be responsible for any necessary payment of debts according to established seniority.
- **Future funding of the company.** The Committee was informed that the company directors did not anticipate needing to request any additional expansion to the loan facility. It was identified that if the company were to require additional funding and were not able to obtain it from current shareholders, it would need to either acquire additional funding from outside sources, or to cease trading.
- **Independent scrutiny of company finances (Advance Question 6).** The conditions under which the company would receive independent scrutiny by auditors of its finances were clarified.
- **The Council's Investment Strategy.** The Committee was informed that the Council was developing a general investment strategy, coinciding with the review of its five year plan. It was considered that the Investment Strategy was likely to include a portfolio of investments with different risk profiles, including both investments similar to the Pathway for Care company and in lower risk areas. The Committee was informed that Member guidance would form a key part of this process.
- **Subsidiary Companies.** It was clarified that Pathway for Care did not have any subsidiary companies, although the minority shareholder was noted to have its own subsidiaries.
- **Duty to the public.** The Committee emphasised the importance of due diligence when utilising public money. It also drew attention to the financial pressures facing the Council and the intention to maintain services for those within the borough.
- **Ownership of related intellectual property.** A Member raised a query regarding the ownership of the intellectual property around the technology used by the company. It was noted that this did not sit with Pathway.
- **Governance of current negotiations.** It was confirmed that the Council's approval for the final contract and associated structure of the company following completion of the current major contract negotiations would be considered by the Executive Health and Wellbeing Sub-Committee, which would make a recommendation to the Executive.
- **Future governance arrangements.** The Committee undertook significant discussion regarding governance arrangements for political oversight of Council investments in companies, how these might best serve the interests of the borough and what form these might take in future. Officers advised the Committee that commercial activities by local authorities were a relatively recent development and that there was yet to be an established standard

governance practice around them. The Committee recognised that political oversight should be focused on risk associated with investments rather than operational matters. The current governance arrangements were noted to be scheduled for review as part of a broader review of Council governance, with consideration to best serving the interests of the borough, Council and related parties.

A number of suggestions for potential governance arrangements were made by Members of the Committee, including the potential consideration of group leader or other member involvement, and any appropriate inclusion in the Overview and Scrutiny Committee work-plan. The Committee was advised that all potential governance arrangements around commercial activities would be considered as part of the governance review, and that Members would be advised as to any recommendations.

RESOLVED that:

- (i) The update on the Council's investment in the Pathway for Care company be noted;
- (ii) The advance questions and responses be noted;
- (iii) The comments of the Committee be noted;

43. DEMENTIA SUPPORT SERVICES

As noted in Minute 42, the Committee considered Item 8: Dementia Support Services prior to considering Item 7: Pathway for Care.

The Committee considered a report on services supporting dementia sufferers within the borough, which was introduced by Cllr Mill, Executive Member for Leisure and Wellbeing. The Committee was advised that supporting both residents with dementia and those caring for them was an area of considerable activity for the Council, and that support arrangements were constantly being updated. It was clarified that whilst the Council sought to assist all of its residents wherever possible, it was not a primary health care provider, and was therefore better placed to provide particular assistance to carers, rather than direct care to those with dementia.

There were no advance questions submitted on this topic.

The Committee discussed the report, with questions and comments made regarding:

- **Council representation on Reigate and Banstead Dementia Alliance Groups.** The Committee was informed that the Council was represented on the Alliance Groups by the Council's Health and Wellbeing Manager.
- **Use of Council facilities** by groups providing dementia support. The Committee was informed that a number of facilities were made available at a reduced cost for such groups, but that there was unfortunately not sufficient financial capacity to offer them for free use by all such voluntary sector groups.
- **The complexity of the issue.** Members indicated that they were aware that supporting residents and organisations with a wide range of requirements

and activities was a complex project, and that support for dementia related issues did not preclude the many other necessary areas of mental and general health support.

- **The financial pressures in the sector.** The Committee considered the financial challenges facing work to support dementia sufferers and carers in the area, following reductions in funding by Surrey County Council and the withdrawal of funding from local services by the Alzheimer's Society.
- **Coordination of services.** The Committee discussed the distribution of services across the borough. It was noted that, due to the disparate organisations providing support, there was overlapping or duplicated support in some areas and gaps in provision in others. The Committee indicated that it supported efforts by the Council to coordinate support activities in the borough and would welcome leadership actions by organisations with professional expertise in the area. The Committee was informed that officers would be working with a number of health and wellbeing organisations working in the borough, and would seek to encourage a coordinated approach and actions by relevant agencies and groups.
- **Future support provision.** The Committee was informed that the Council was currently undertaking a review and refresh of its five year plan and the feedback from all Members was welcomed regarding potential priorities for the Council to consider.

RESOLVED that the report on Dementia Support Services within the borough be noted.

44. SCHEDULE OF MEETINGS 2018/19

The Committee considered the proposed schedule of meetings for the 2018/19 municipal year. No comments were made on the proposed schedule and the Committee therefore referred the proposed schedule to the Executive for consideration.

RESOLVED that:

- (i) The proposed schedule of meetings be noted;
- (ii) No observations be made to the Executive.

45. EXECUTIVE

It was reported that there were no items arising from the Executive that might be subject to the 'call-in' procedure in accordance with the provisions of the Overview and Scrutiny Procedure Rules.

46. ANY OTHER URGENT BUSINESS

None

The meeting closed at 10.32 p.m.