

BOROUGH OF REIGATE AND BANSTEAD
OVERVIEW AND SCRUTINY COMMITTEE

Minutes of a meeting of the Overview and Scrutiny Committee held at the Remote Meeting on Thursday, 11 June 2020 at 7.30 pm.

Present: Councillors M. S. Blacker, G. Buttironi, J. C. S. Essex, R. J. Feeney, K. Foreman, N. D. Harrison (Chair), J. Hudson, N. C. Moses, S. Parnall, J. Paul, J. E. Philpott, K. Sachdeva, S. Sinden, R. S. Turner and S. T. Walsh (Vice-Chair)

Also present: Councillors

1. ELECTION OF CHAIR

The Committee elected a Chair for this Municipal Year 2020/21. Cllr N. Harrison was proposed by Cllr S. Parnall and seconded by Cllr S. Walsh.

RESOLVED that Cllr N. Harrison be elected Chair of the Committee for this Municipal Year 2020/21.

2. ELECTION OF VICE-CHAIR

The Committee elected a Vice-Chair for this Committee for the Municipal Year 2020/21. Cllr S. Walsh was proposed by Cllr N. Harrison and seconded by Cllr M. Blacker.

RESOLVED that Cllr S. Walsh be elected Vice-Chair of the Committee for this Municipal Year 2020/21.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were no apologies for absence.

4. MINUTES

The Minutes of the previous meeting on 20 February 2020 were approved as a correct record of the meeting.

5. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

6. TO AGREE A START TIME FOR MEETINGS OF OVERVIEW AND SCRUTINY

The Committee discussed its preferred start time for meetings for 2020/21. It was agreed to keep the start time to 7.30pm as Members who worked would find it difficult to attend meetings that started earlier.

7. INTERNAL AUDIT 2019/20 - ANNUAL REPORT AND OPINION

Members discussed the Internal Audit 2019/20 Annual Report and Opinion. Neil Pitman, Head of Internal Auditors, Southern Internal Audit Partnership (SIAP), gave an overview of the report and work carried out over the year. It was a positive report and reflected favourably on the organisation. The report concluded that Reigate and Banstead Borough Council's framework of governance, risk management and control was 'Adequate' and audit testing had demonstrated controls to be working in practice. This rating was good and one below the top rating of 'Substantial'. The report gave an overview of the reports across 15 review areas that SIAP undertook during the year. There were no 'Limited' or 'No' assurance levels.

The impact of Covid-19 on the Council would be fully considered in the 2020/21 Audit Plan. As regards the 2019/20 audit opinion, the only impact on the full delivery of the plan was to defer the audit of information security. This will be picked up in the 2020/21 plan. Work included an audit of the Main Accounting system with a focus on the processing of journals and timeliness of bank reconciliations. The review of programme and project management review acted as an advisory audit, effectively as a consultancy piece of work and focused on the governance arrangements following the establishment of a Programme Management Office (PMO) and development of the Project Management Framework. Annex 1 (Annual Report and Opinion) listed the individual audit reviews undertaken and opinions. Mr Pitman placed on record his appreciation to officers and Members of the Committee to enable the audit plan to be completed. This was the first year that SIAP were RBBC's Internal Auditors.

Members discussed the report and made the following comments:

- It was comforting to have no 'Limited Assurance' reviews which was unusual compared to other Councils and very positive.
- It was noted that this report came to this Committee as it had undertaken the responsibilities of the Audit Committee. Next year, a separate Audit Committee had been set up and this would now look at audit matters for the year ahead.
- Advance questions had been submitted by Members which included a question on why the audit of Programme and Project Management had not been given an assurance level. (This was because this was an advisory audit). Also, had a remediation programme and ongoing monitoring been agreed to update the policies and procedures notes and how many sets of policies and procedures needed to be updated? Officers said they would provide a written answer on the management actions and the timeline to complete these. The Committee asked for this to be added to the Action Tracker to monitor in the future. It would liaise with the Audit Committee on this action.
- Members had also asked how many high priority recommendations were raised in this year's audits and how many had yet to be implemented and were overdue? It was noted that there were 17 high priority management actions raised during the year which including 10 on Main Accounting.

Members were told that of 10 high priority actions in this area, five had been addressed and five due dates were yet to be reached. Two high priority actions had been implemented in the council tax area and the three refuse, recycling and street cleansing actions had been completed.

- Members asked whether the bank reconciliations were now up to date. Processes were now firmly in place and the report gave assurance that the Council was on track in this area.

Chief Executive, John Jory, thanked the Internal Auditors for the high quality of their work and said that reporting arrangements had been very sound, and the Council's work was better as a result of this.

RESOLVED that the Internal Auditor's Annual Report and Opinion 2019/20 be noted and the Committee's observations on the report be made to the Chief Financial Officer.

8. QUARTERLY PERFORMANCE REPORT Q4 2019/20 AND PROVISIONAL BUDGET OUTFURN REPORT Q4 2019/20

Members considered progress in the Council's performance for the fourth quarter in the year 2019/20, including Key Performance Indicators (KPIs) and risk management. Cllr V. Lewanski, Portfolio Holder for Corporate Direction and Governance, gave an overview of the report to the Committee. It noted that this was the last quarter 4 performance report based on the current KPIs and next quarter will have the new KPIs.

Members made the following observations and comments on the following areas:

- **Risk management** – strategic risks covered medium to long term impacts on the Council and it was not fully understood in Quarter 4 what impact Covid-19 would impose on the Council as an organisation (due to the timeline surrounding Covid-19). The new strategic risks for 2020-21 have been updated to reflect the impact of Covid-19.
- **Welfare reform and homelessness** – Strategic Risk 6 was on welfare reform. Members asked that given the Covid-19 response and the additional resources needed to accommodate homeless people in temporary accommodation, such as temporary units in Donyngs car park, would the Council have a moral responsibility for homeless people and the extra costs incurred? The Leader responded that it was following government guidance. It was a combined effort with the Council and the health authority to not only find accommodation for homeless people but deal with the issues that led to people becoming homeless such as addiction and mental health problems. The Director of People said a written update would be given to the Committee to give more detailed costs. Since lockdown on 23 March up to 5 June, the Council had placed 66 households in emergency accommodation and 35 directly due to government directives to house people due to Covid-19. Thirty-one of those were as a result of the Homelessness Reduction Act. There were significantly more single people than families with 17 families in total. However, with the courts closed and evictions stopped until August there were fewer families coming to the Council for help. There had been some successes with more difficult cases of rough sleepers. Members asked what the Council was doing to prepare once evictions restarted after 23

August when quite a few families could come to the Council for help. the Council was preparing for this scenario. Massetts Road at the moment was for families only but only at half occupancy to avoid the need of having shared bathrooms. The August extension enabled the Council to get Massetts Road to full occupancy by September and also increase work with local Housing Associations. It was also working with landlords to try and prevent eviction in the first place.

- **Financial sustainability and new commercial revenue** – Members had asked via the Advance Questions process to confirm the level of new commercial revenue targets (net of costs) included in the 2020/21 Plan. The Interim Head of Finance said that the 2020/21 Budget that was approved in February this year by Full Council included continuation of rental income from its property portfolio only. There is not forecast to be any new sources of commercial income. The Medium-Term Financial Plan in July will consider income targets for future years. It was noted that the rental income from Council properties was targeted to be £1.753m in 2020/21. Members asked if that income was on track. The Interim Head of Finance said that the new Property Services manager had been contacting all tenants to discuss options for deferring rent payments if needed. Negotiations continued with the Council's hotel tenant which was part of a national chain. Other areas of risk relating to income receipts that are under pressure due to Covid-19 were being addressed.
- **2019/20 Financial Outturn – Revenue Budget** – Members discussed this report. It was noted that the overall provisional outturn including Central items was £2.09m (11.9% lower than budget) and Service budgets were £470 (3.5%) higher than the management budget. Suspension/cessation of court hearings had led to a drop in income but this was expected to be recoverable over time once courts re-open. The Benefits paid and subsidy received budget was £573k over budget due £250k reduction in DWP grant over the last couple of years. The Finance service was £640k over budget due to additional work required during the 2018/19 audit of the Statement of Accounts, additional work relating to projects such as Project Baseball, Marketfield Way and Horley Business Park and the use of interim staff to cover permanent vacancies and to improve finance processes. As recruitment was now underway this cost should reduce later in the year. The fleet outturn was £221k over budget due to expenditure on spare parts to keep the ageing fleet running and high cost of repairs. Car parking was £170k under budget due to the reduced number of season ticket renewals tickets in March as a consequence of Covid-19. The delayed opening of the cinema and subsequent closure of the Harlequin theatre in late March due to Covid-19 meant it was £221k over budget. The Refuse and Recycling income was £703k higher than Budget for the year
- **Provisional Outturn for Central items** – this was £2.56m lower than budget due to a £1.212m lower than budget on pensions, unspent contingency budgets and the release of sums set aside in previous years that are no longer required. The underspend will be transferred to a reserve to help address unfunded Covid-19 budget pressure initially and any unspent balance will be used to rebuild reserves ready for the next pension fund revaluation in 2022. Interest on investments was higher than budgeted at £626k due to the £385k Greensands loan advanced during the year for purchase of land at Horley, and £240k interest from other combined investments. The Headroom Contingency budget showed an underspend of

£737k lower than budget because funds had not been required during the year.

The Portfolio Holder for Finance said the Finance team was now constantly monitoring the impact of Covid-19 on the Council's finances and by year end something like normality may have returned. Members asked about the recovery plan to reinstate income where receipts had dropped from services such as the Harlequin and leisure centres. It was noted that these areas were being monitored very closely but that lockdown plans remain in place. Additional costs are also being incurred to deliver the Council's response to the pandemic. Nevertheless, the substantial underspend from 2019/20 meant that the Council starts the year in a strong position. Members had asked before the meeting for more detail on the 2019/20 outturn figures for Revenues and Benefits and for Finance. A written answer would also be provided with a breakdown of the forecast financial implications of the Covid-19 crisis. The Committee was informed that the Recovery Scrutiny Panel would be looking into the financial implications in more depth and report back to the Committee.

- **Air Quality Monitoring capital budget** – Members asked for more information on the reasons why the unspent capital allocation for Air Quality Monitoring had been used to fund electric vehicle installation points. A written answer would be provided.

The Chief Executive said the report which looked back at 2019/20 showed a good performance by the Council in revenue and capital spending and the quality of service. It reflected a strong political leadership with the Leader now in the second year of office and ensured the Council performed to a higher standard. It was also a credit to the staff at the Council who had worked hard to deliver services and bring about a good financial outcome.

RESOLVED that the Committee's comments and observations regarding the Quarterly Performance Report Q4 2019/20 and Provisional Budget Outturn Report Q4 2019/20 be noted.

9. CONSTITUTION OF RECOVERY SCRUTINY PANEL AND EVALUATING OVERVIEW AND SCRUTINY PANEL

The Committee considered a report to set up the Recovery Scrutiny Panel and the Evaluating Overview and Scrutiny Panel which included a proposed timeline.

The nominations for the four Conservative Members of each Panel would be given to the Committee at a later date. The opposition Members for the Recovery Scrutiny Panel were as follows: Residents' Association – Cllr N. Harrison, Green Party – Cllr S. Sinden, Liberal Democrats – Cllr J. Philpott. The opposition Members for the Evaluating Overview and Scrutiny Panel were as follow: Residents' Association – Cllr R. Feeny, Green Party – Cllr J. Essex and Liberal Democrats – Cllr J. Philpott.

RESOLVED – that the Recovery Scrutiny Panel and the Evaluating Overview and Scrutiny Panel be constituted.

10. COVID-19 - RESPONSE TO DATE AND RECOVERY WORKSTREAMS

Members received a verbal update on the Council's response to the Covid-19 emergency and the Recovery workstreams from the Leader, Cllr M. Brunt, and Deputy Leader, Cllr T. Schofield.

The Leader praised the Council's workforce as all staff had gone above and beyond in response to the pandemic. This was changing the way and residents saw the Council as a more human face. This reflected well for the future. There had also been fantastic support from Members who were working hard in their communities. The Harlequin support centre had been set up and 1550 emergency food packages, 320 prescriptions deliveries and over 3000 hot meals had been cooked and delivered to vulnerable residents. This was despite not providing meals on wheels for 20 plus years. It was supporting local foodbanks and charities and 23,000 items had been distributed to existing foodbanks and charities. It was also supporting Voluntary Action Reigate & Banstead to coordinate the 900 new volunteers.

The Council was also supporting homeless people. This would not end when lockdown finishes as the Council has a responsibility for them. This also linked into its commitment to provide affordable housing and do more to deliver our homes ourselves.

The Leader reported that the Council has highest number of shielded residents in the county. It had contacted over 4,600 shielded residents to understand the support they need and made over 100 calls a week to residents to check in with them and provide a friendly ear. The impact had been huge. Volunteers had also been used including support from the YMCA. Members of staff had been making calls from their homes. The Customer Contact Team had been answering and assisting over 1,250 callers each week.

The back-office teams such as ICT and HR also had to adapt quickly as the Council moved 250 people from the office to working in a home environment almost overnight. The Council was also one of the first to get out business rates grants to local businesses and worked with suppliers to pay businesses promptly.

It was noted that there had been a huge amount of additional waste and recycling, described as 'like Christmas' every day and this was up by 30 per cent. The garden waste service had been suspended. The key reason was to ensure that the Council could maintain the essential services of refuse collections and recycling. RBBC collects paper and card weekly unlike other Councils who collect this fortnightly. Two crews were taken away from the garden waste service and were reallocated to other rounds. There was also a reduction in staff as some were unwell or self-isolating. The Council did successfully manage to maintain the rounds of waste and recycling without a break. The cleansing team were dealing with a massive increase in fly tipping incidents (275 incidents in the last week alone). A lot of rubbish had been left at our recycling sites including huge amounts of boxes and cardboard.

The Redstone Cemetery team worked hard to ensure they could cope with additional burials. There had not been a huge increase, but they had to make provision on that site in case there had been.

The Leader reported that more than 90 per cent of staff remained at work. They had demonstrated that staff can be effective while not working in the office. This was a future opportunity to look at where Council staff will work from in the future. There had been a reduction in journeys and subsequent pollution, with an improved quality of life.

The Leader concluded by saying that the crisis had demonstrated the best parts of local government through the boroughs and districts who were closest to residents and could be agile and respond quickly to the changing needs of residents.

Members made comments and observations on the following areas:

- **Redeployment of staff** – Members asked through the Advance Questions process how many staff had been redeployed and working on Covid-19 duties and how many on ‘business as usual’ duties and which services had been effectively curtailed or withdrawn? It was noted that ICT staff had largely stayed in their current roles. Some Planning staff had been redeployed to support the Harlequin and making welfare calls. Staff were returning to their usual roles. There were approximately 90 redeployments on a full or part-time basis. The Depot operations staff had largely remained on business as usual. Some redeployments had been made into the depot to support refuse collections. Some services had been curtailed due to government guidance. Members would receive a written response to give the full picture. Members thanked the staff at the Council and paid tribute to those making vital welfare calls. Members asked if the Leader could thank all the volunteers, for example in the north of the borough as the response had been fantastic. The Leader agreed and said the communications team had been planning how to mark a public thank you at the end of the pandemic. There had also been a lot of neighbour to neighbour help.
- **Local shops** – Members asked how the Council was supporting local shops back into operation and how could areas for cafes outside be doubled or tripled. However, parking spaces were still needed so there would need to be a balance in the towns. As more people work from home more than one day a week, the Leader talked about creating spaces in our town centres that people can use which brings them into local towns rather than into London.
- **Climate sustainability** – this strategy did not go to Executive or Council before lockdown. How would it be part of the new normal and part of the recovery workstreams? The Leader said work on climate sustainability had not stopped and recruitment for an environmental sustainability officer was continuing and should be a focus for the Council.

Deputy Leader, Cllr T. Schofield, gave an update on finances and the recovery workstreams. The Council had been providing financial assistance to households through reductions in their council tax. The Council has also provided money support advice about accessing Universal Credit. It had distributed over £21m of Government grants to 1,600 local businesses and had launched a further discretionary grant scheme for businesses that have not been able to access other support, with an additional £1.16m of funding available. In the most recent return to the Ministry for Housing, Communities and Local Government (MHCLG), the Council had reported that so far unbudgeted expenditure associated with the emergency response was £1.177m and there is a forecast reduction in service income receipts of £2.260m. Potential implications for precepting authorities

(including this Council) due to reductions in council tax and business rates was £7.270m. To date, the funding received from Government was £1.525m. Over the short term, the Council has sufficient contingency budgets and reserves to accommodate the pressures. Over the longer term any legacy impacts will need to be taken into account when updating the Medium-Term Financial Plan for 2021/22 onwards.

Members made the following observations and comments:

- **Precept returns from other authorities** – it was noted that by law the Council has to pay the full precept to Surrey Police and Surrey County Council even if this money is not collected. These authorities then return the money when the year-end position is confirmed. How would this affect the Council's working cash flow? It was noted that the Council was communicating these issues to the local MP and senior levels of government. Members were told that the level of council tax receipts had held up remarkably well so far and not many people had cancelled their payments. There were many people though who had asked for deferred payment plans.
- **Income receipts** – the forecast loss of income was just over £2m. Income from commercial rents was a relatively small percentage of this total and only a couple of tenants were having difficulty in paying. There was a potential future issue when the furlough scheme ended as there could be a rush of redundancies which may change office space requirements for some of the Council's tenants.
- **Recovery programmes and workstreams** – the Council had identified five workstreams to be part of the Recovery to define the 'new normal' and covering community business recovery. Teams in these workstreams were made up of a mix of Executive Portfolio Holders and Heads of Service working together to solve issues and bring together a vision of what the new council could look like. It was looking at a transition period up to July/August to go from an emergency response to transition out of lockdown for vulnerable residents. Then there would be a wider range of Council services brought onto a more 'normal' footing towards the end of the year. Implementing the changes was not going to be a quick fix. For example, there were some fundamental changes and demands placed on the ICT operation to provide the extra support and continue with a mix of remote and on-site working across the Council. It was agreed to circulate more information to the Committee when it was available, for example, on the plans for the Harlequin, supporting vulnerable members, including those made redundant, and supporting businesses. It was noted that signs and posters were being put up in the High Streets of the four main town centres to keep people at safe distances. Garden waste services was being restarted as well as the reintroduction of parking charges. The Benefits team were now starting to follow up on non-payment and deferred payment of council tax and NNDR. The Recovery Steering Group co-ordinated the work of the workstreams and agreed resources.
- **Cutting verges** – a proposal had been made to keep verges uncut to allow wildflowers to flourish. It was noted that the Council was starting to cut verges not just the sightlines on the roads. More information would be obtained from the Portfolio Holder.

In summing up, the Leader said he would continue to provide regular Member updates which were now held fortnightly. MPs were also briefed fortnightly. The Communications team had produced double the amount of material in the last few weeks than in last year which residents have appreciated.

Cllr M. Brunt welcomed the new Recovery Scrutiny Panel which would give direct feedback to the Committee. The Council will maintain its dedicated Covid-19 website and provide residents with information as it is available. It was also using social media channels to respond directly to comments. Members were a central part of the communications with residents and the Council would do more to make it easier for Members to share information and updates with residents.

Chair of the Committee, Cllr N. Harrison thanked both the Leader and Deputy Leader for attending and updating the Committee, and thanked the officers supporting them in this vital work for residents. The Overview & Scrutiny Panel would look forward to working with them.

11. OVERVIEW AND SCRUTINY COMMITTEE: ANNUAL REPORT 2019/20

Members noted the Annual Report of the Committee 2019/20 for recommendation of Council which included membership and attendance for the year.

RESOLVED that the Overview and Scrutiny Committee: Annual Report 2019/20 be approved to go to the next Full Council meeting.

12. LOCAL DEVELOPMENT FRAMEWORK SCRUTINY PANEL: NOTES FROM MEETING

Members reviewed the notes from the LDF Scrutiny Review Panel review of the public consultation responses of the Draft Supplementary Planning Documents (SPDs) Panel meeting in February.

Cllr P. Harp, Chair of the Panel, said Members had looked at the public responses to four SPDs which were on Affordable Housing, Barn and Farm Conversions, Historic Park and Gardens and Reigate Shop Front Design. The comments had gone to the Executive for approval at the next meeting.

RESOLVED that the LDF Scrutiny Review Panel review of the public consultation responses of the Draft Supplementary Planning Documents Panel meeting be noted.

13. FUTURE WORK PROGRAMME

Members discussed the Future Work Programme for the Overview and Scrutiny Committee for 2020/21 and considered the Action Tracker from the previous meetings.

It was noted that the audit reports had been taken out of the work programme following the agreement at Full Council to set up a new Audit Committee. As a result, there were fewer Overview and Scrutiny Committee meetings during the year. The Evaluating Overview and Scrutiny Panel would look at opportunities to

expand the work of the Overview and Scrutiny Committee. The Committee would continue to review the work of the Budget Scrutiny Panel and consider the Companies Performance updates.

Members asked for a progress update on the Trust Funds relating to the Reigate Baths Trust Fund and Commons Trust which had been raised at the Committee meeting in December. The Chair would follow-up with the Head of Legal and Governance.

The House of Commons report into the effectiveness of scrutiny and the follow-up government report was highlighted as a good report for the Evaluating Overview and Scrutiny Panel to review in its work. Reports from the Centre for Public Scrutiny were also highlighted. Work was ongoing to research other neighbouring authorities and their overview and scrutiny work.

RESOLVED that the Future Work Programme for 2020/21 and the observations of the Committee be noted.

14. 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 Committee Procedure Rules.

15. ANY OTHER URGENT BUSINESS

There were no items of urgent business.

The Meeting closed at 10.00 pm