

## **BOROUGH OF REIGATE AND BANSTEAD**

### **OVERVIEW AND SCRUTINY COMMITTEE**

Minutes of a meeting of the Overview and Scrutiny Committee held at the New Council Chamber - Town Hall, Reigate on Thursday, 17 June 2021 at 7.30 pm.

Present: Councillors M. S. Blacker, Z. Cooper, M. Elbourne, J. C. S. Essex, P. Harp, N. D. Harrison (Chair), A. King, N. C. Moses, S. Parnall, S. Sinden, R. S. Turner, S. T. Walsh (Vice-Chair), C. T. H. Whinney and J. Baker (Substitute)

Also present: Councillors V. Lewanski, T. Schofield

#### **1. ELECTION OF CHAIR**

The Committee elected a Chair for this Municipal Year 2021/22. Cllr N. Harrison was proposed by Cllr S. Walsh and seconded by Cllr J. Essex.

**RESOLVED** that Cllr N. Harrison be elected Chair of the Committee for this Municipal Year 2021/22.

#### **2. ELECTION OF VICE-CHAIR**

The Committee elected a Vice-Chair for this Committee for the Municipal Year 2021/22. Cllr S. Walsh was proposed by Cllr M. Blacker and seconded by Cllr S. Parnall.

**RESOLVED** that Cllr S. Walsh be elected Vice-Chair of the Committee for this Municipal Year 2021/22.

#### **3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Cllr M. Tary sent his apologies for absence and was substituted by Cllr J. Baker.

Apologies were received from Cllr G. Buttironi.

#### **4. MINUTES**

The Minutes of the previous meeting on 18 March 2021 were approved as a correct record of the meeting.

#### **5. DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

## 6. Q4 2020/21 PERFORMANCE REPORT

The Committee received reports giving an overview of the Council's performance for Quarter 4 2020/21, including Key Performance Indicator (KPI) reporting, as well as revenue and capital budget monitoring. The reports were due to go to Executive on 24 June.

Cllr V. Lewanski, Portfolio Holder for Corporate Policy and Resources, outlined the report to Members and reported that of the 12 KPIs that are reported on in Quarter 4, all were on target or within the agreed tolerance.

Members made comments and observations on the following areas and noted that there were five Amber ratings:

**Homelessness** – KPI 5 – the % of positive homelessness prevention and relief outcomes – showed a decrease compared to Quarter 3. However, overall, the Borough expected to see an increase in the number of positive outcomes in this area by the end of the year as those that approached the Council in Quarter 4 were supported by the Council's Housing team. The Committee asked for an update from the new Portfolio Holder for Housing & Support outside the meeting including what the Council was doing differently in the future to improve performance.

**Fraud** – Members were surprised by the high number of referrals from the National Fraud Initiative because of data matching of various government systems throwing up possible anomalies for investigation, rather than whistle-blowing notifications from the public. These figures were set out in the annual contextual target. This showed the number of fraudulent claims (148) for Single Person households claiming a discount on their Council Tax even though they were sharing a property. The Acting Head of Paid Service confirmed that robust action is taken against individuals making fraudulent claims.

**Affordable housing completions** – Members asked for a written answer giving a breakdown of the different types of definition included in affordable housing.

Cllr T. Schofield, Deputy Leader and Portfolio Holder for Finance and Governance, gave an overview of the financial reports for Quarter 4 2020/21. Due to COVID-19 it has been a challenging year with significant additional financial impacts that had been faced on Service income and expenditure budgets and on Collection Fund income forecasts for council tax and business rates. As at 31 March, the full year outturn was £17.852m against a management budget of £16.010m resulting in an overspend of £1.841m (11.5%). The primary reason for this overspend was that it included income losses as a result of the COVID-19 pandemic. The Central budget outturn at 31 March was £6.935m against a management budget of £9.702m resulting in an underspend of £2.767m (28.52%). This underspend was due to an underspend in Treasury Management and a forecast underspend in Budget Contingencies.

It was noted that the impacts of the pandemic on the budget had been monitored closely with every possible source of funding pursued, resulting in a position of relative strength. The unplanned expenditure on the Covid pandemic was £3.782m, offset by Covid funding of £7.735m, producing a Covid-related balance of £3.953m, which included government funding to offset the income losses in the Service budgets. There was capacity to carry funds forward for a new earmarked reserve

for Covid costs and reserves remained strong. It was noted that written responses to Advance Questions put forward by Members had been circulated.

Members made comments and observations on the following areas:

**Fees and charges review** – Members asked if there was consideration of increasing fees for dealing with planning applications as these had risen during the year and the fees did not always compensate the work that officers have had to do. It was confirmed that a thorough review of fees and charges across the Council would be part of the budget-setting process for 2022/23.

**Feasibility studies** – the details and outcomes of the spending on Feasibility Studies (Commercial Ventures) Reserve such as PV Solar Feasibility and CIPFA consultancy set out in the report were questioned. The Interim Head of Finance said that the Community Benefit Society feasibility study costs was part of the commercial work carried out to develop the Council's company structures. The CIPFA consultancy was to give advice on the criteria around rules on local government borrowing. Members asked for more detail on what improvements came out of some of the feasibility studies such as solar panels and housing developments. Further details would be provided outside the meeting.

**Refuse and recycling** – the spend on older vehicles was discussed. It was noted that the new replacement vehicles were purchased to help cut emissions and fumes, however, one impact of COVID-19 was the significant increase in the tons of waste and recycling due to residents working from home in the past year; this has meant that some of the older vehicles have had to be retained for longer than originally planned.

**Budget outturn variances** – the detail on the budget variances reported included the variances in the Place delivery budget. Further details would be supplied in a written response from the Interim Head of Finance. The differences between the management budget and the original budget were discussed.

**Collection Fund** – Members noted the written response to an advance question on the Collection Fund and asked about the impact of revenue losses and how this could impact revenue budgets over the next three years. It was confirmed that this was set out in the response with deficit recovery being spread over three years.

**COVID-19 grants** – it was identified that there were unspent COVID-19 grants at 31 March. Following the announcement that lockdown is to be extended, the deadline for paying grants has been put back a month and a communications campaign was ongoing to reach those businesses who had not yet claimed these grants.

**ICT** – it was noted that there had been substantial savings in ICT due to changed priorities because of the COVID-19 response. Several budgeted projects such as new Contact Centre Telephony and Harlequin ICT upgrade had to be delayed. However, other new projects were given a high priority such as introduction of remote access for staff and supporting remote Councillor meetings, but these were lower cost projects. Members asked if the move to more hybrid working would necessitate more expenditure at the same time as catching up with the delayed projects, resulting in extra costs in the current financial year. The Interim Head of Paid Service said a programme of work was looking at the Council's hybrid working

capability as well as projects such as cybersecurity and disaster recovery. This work will be shared with Members when it became available.

**Implications for 2021/22** – it was noted that no significant areas of concern had been identified so far with budget monitoring this year. The first quarterly budget monitoring report for 2021/22 will be presented to the Committee in September.

**Reserves** – Members queried the number of Reserve funds that had been set up, but Executive Members confirmed this was a conscious decision to create specific reserves for particular areas of risk. This was considered good practice rather than holding funds in a single general reserve.

**Commercial investment** – it was noted that this budget included the cost of buying land at the Reading Arch Road, Redhill site. Members requested, for the future, greater clarity in the layout of the reporting of commercial investments in Annex 2, section 2.

**Loss of income from charges** – Members welcomed the summary giving the income losses and revenue lost or recovered as set out in the Advance Questions responses.

**RESOLVED** that the Committee:

- 1) Notes the Key Performance Indicator performance for Q4 2020/21 as detailed in the report and Annex 1 and makes observations to the Executive as set out in the Minutes;
- 2) Notes the Revenue Budget outturn for 2020/21 and recommended budget carry-forwards as detailed in the report and at Annex 2 and makes observations to the Executive as set out in the Minutes;
- 3) Notes the Capital Programme outturn for 2020/21 as detailed in the report and at Annex 3 and makes observations to the Executive as set out in the Minutes;
- 4) Notes the forecast year-end Revenue Reserves position; including the new Reserves that have been established to manage COVID-19 funds.

## **7. REIGATE & BANSTEAD 2025 ANNUAL REPORT 2020/21**

Members received a report from Cllr V. Lewanski, Portfolio Holder for Corporate Policy and Resources, on the Reigate & Banstead 2025 Annual Report 2020/21. These reports are key tools to assess the Council's progress towards its corporate plan and equalities objectives. The new plan was adopted by the Council in January 2020 and this was the first annual progress report.

2020/21 was predominated by the pandemic and the report showed how the Council responded to the need to refocus council services to support residents and local businesses as they dealt with the challenges of COVID-19 and the associated lockdowns and restrictions, along with continuing its day-to-day work towards the objectives of the plan. The Council had made good progress against the success measures set out in Reigate & Banstead 2025 with its corporate priorities and played a central role to support the most vulnerable residents which was part of its Equality Objectives.

Members thanked officers and the Portfolio Holder for the reports and made the following comments and observations for the Executive before its meeting to discuss the reports on 24 June.

- **Affordable homes** – the objective to ‘Secure the delivery of homes that can be afforded by local people’ was discussed. Members asked for a definition of affordable housing and noted that there had been a decline in completing the overall number of affordable houses due to COVID-19 in 2020/21. It was noted that the government had consulted on a potential change to the threshold for developer contributions to affordable homes. This meant planning obligations on developers could only apply to schemes of 40 -50 homes, rather than those with 10 or more homes. Members asked if there would be an impact on the number of affordable homes. Officers confirmed that it was too early to see if this would take effect, but it could have quite a significant impact in the borough in the future, if implemented. Council schemes such as developments in Pitwood Park in Tadworth and Cromwell Road in Redhill were being used to boost affordable housing targets.
- **Environmental impact** – the objective to ‘Reduce our own environmental impact and support local residents and businesses to do the same’ was discussed. Members asked if more up-to-date data could be included as figures on CO2 emissions across the borough only went up to 2018. Also, Members asked what was being offset and how, after the Council switched 33% of its energy supply to renewables and offset the remainder in 2020/21. It was noted that the data on carbon emissions in the borough was taken from the latest national figures. A written response would be given on the offsetting question.
- **Demonstrating value for money and measuring performance** – one of the objectives was to confirm the borough’s reputation as ‘a great place to do business’. Members asked how this was measured against the £400k Economic Prosperity budget spent in 2020-21 to demonstrate value for money for residents. It was noted that some of successes listed were Covid-related rather than business-related, and some areas such as emptying bins and removing graffiti was business as usual. Portfolio Holder, Cllr Lewanski, confirmed that this section would be revisited to add more detail and look at value for money in this area.
- **Communication with residents** – Members noted the residents’ feedback set out in the report and that 35% at March 2021 did not feel well-informed about Council services. Members called for a sustained effort to improve this figure. For example, looking at other ways to engage with residents in the recently launched consultation on the Climate Change and Sustainable Construction Supplementary Planning Document that was not only a link to a long document but could demonstrate and give examples of what good looks like. The Executive Member, Cllr Lewanski agreed to raise this with officers.

The Committee noted the Equality Objectives Progress Report for 2020/21.

**RESOLVED** that the Committee –

- 1) Notes the Reigate & Banstead 2025 Annual Report for 2020/21 and makes the observations set out in the Minutes for consideration by the Executive.
- 2) Notes the Equality Objectives Progress Report for 2020/21.

## **8. O&S WORK PROGRAMME SCHEDULE 2021/22**

Members considered the proposed future work programme for the Committee. It was noted that the Key Performance Indicators (KPIs) would be reviewed towards the end of the current year 2021/22. The Companies Performance Update report would come to the Committee every six months. It was confirmed that items could be moved around or brought forward if needed.

**RESOLVED** – the Committee agreed the Overview and Scrutiny Committee’s Work Programme for 2021/22.

## **9. CONSTITUTION OF LOCAL PLAN SCRUTINY PANEL**

The Committee received a report to constitute the Local Plan Scrutiny Panel to review draft Supplementary Planning Documents (SPDs) 2021/22.

This included the Draft Climate Change and Sustainable Construction SPD. Members asked if this public consultation could include events to explain the good practice in addition to publishing the document. The Interim Head of Paid Service said these reports were shared widely through current communication channels, but officers would look at options to engage residents further.

**RESOLVED** – the Committee:

- 1) Agreed the Local Plan Scrutiny Panel 2021/22 with membership to be determined outside the Committee meeting;
- 2) Agreed the scope of the Local Plan Scrutiny Panel 2021/22 to consider the public consultation responses received on the Draft Supplementary Planning Documents on Climate Change and Sustainable Construction SPD and Horley Business Park SPD (when available).

## **10. OVERVIEW OF SCRUTINY**

Committee Members received an introduction to the purpose of overview and scrutiny and the work of the Committee from the Chair, Cllr N. Harrison, Vice-Chair, Cllr S. Walsh and Democratic Services Officer, Catriona Marchant.

Cllr Harrison encouraged new Members to develop their own areas of interest. He also noted that there was capacity to adopt new areas of work in the work programme.

Members asked for the Committee’s Action Tracker which set out items to be followed up from each meeting to be included for the next meeting. It was agreed that the updated flats recycling roll-out timeline and Charitable Trusts items would be added to the Action Tracker.

## **11. 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.

**12. ANY OTHER URGENT BUSINESS**

There were no items of urgent business.

The Meeting closed at 9.11 pm