

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 Wednesday, 10 April 2019 at 7.30 pm.

Present: Councillors B. A. Stead (Chairman), T. Archer, M. S. Blacker, R. W. Coad, G. R. Curry, J. C. S. Essex, N. D. Harrison, R. Michalowski, J. M. Stephenson, Mrs. R. S. Turner, J. F. White and Mrs. R. Absalom (Substitute)

Also present: Councillors R. Biggs, M.A. Brunt, and T. Schofield

75. MINUTES

RESOLVED that the minutes of the meeting held on 14 March 2019 be approved, subject to the following clarification:

- That the minute of the discussion regarding Item 4: Internal Audit Plan 2019/20 include a note to clarify that the members of the Committee supported the prioritisation of future reviews with regard to risks identified in recent and ongoing reviews.

76. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Committee Members: Mr J. Godden, Mr J. King, Mr D. Powell, and Mr A. Tarrant.

Others: None.

77. DECLARATIONS OF INTEREST

No declarations of interest were made.

78. EXTERNAL AUDIT PLAN 2018/19

The Committee considered the plan for the 2018/19 External Audit of the Council, as provided by the Council's External Auditors. It was identified that the external auditors had received information on previous external audits from the preceding external audit provider. It was identified that the audit would include consideration of potential risks including the completeness of expenditure, property valuation, management override of controls, pensions liability valuation, and value for money, and would be conducted in accordance with international standards on auditing.

The Committee considered and discussed the plan. There were a number of questions and comments relating to the following topics:

- **Materiality.** It was confirmed that the identified materiality level was assessed to be appropriate for the audit being undertaken, in line with established auditing standards and professional practices. In response to Member concerns regarding the level, it was also confirmed that all misstatements in excess of £110k would be reported, that all misstatements below this threshold considered to be material would be reported, and that the Council would be requested to correct any identified errors. It was identified that multiple related items below the threshold would commonly be aggregated with regard to consideration of materiality.
- **Group considerations and significance.** It was confirmed that, for the purposes of the audit, the subsidiaries and ventures of the Council were not considered to be significant as the values of each of the entities were all well below the standard 10% significance threshold. It was confirmed that any significant issues arising would be considered.
- **Completeness of Expenditure.** It was identified that plan identified that any significant downward movements in year on year accruals would be investigated, based on the significance of the assessed risks, but that the audit would consider any unusual movements in any direction.
- **Bank Balances and Trading Companies.** It was confirmed that a written response could be provided by the auditors, providing additional information on the detailed testing of bank balances and trading companies.
- **Management Override.** It was confirmed that management override of controls was considered to be a significant risk by auditing standards, and thus would be considered on this basis as part of the audit. It was confirmed that there were no identified reasons to believe that there was any greater risk of override in the case of the Council than in any other case.
- **Pension Liability.** It was confirmed that the identified pension liability was with direct regard to the Council.
- **Scope of the External Audit process.** It was confirmed that the planned audit would cover all relevant external audit matters, in line with auditing standards, and that the limitations of the scope of the audit identified in the plan were to clarify that the audit would not identify all issues outside of these matters.
- **Internal Controls.** It was confirmed that the audit would both consider management representations regarding internal controls, and consider risk areas directly, in line with standard audit procedures and assessed risks.

The Committee thanked the External Auditors, and supporting Members and officers, for the presentation of the plan for the 2018/19 External Audit of the Council.

RESOLVED that the plan for the 2018/19 External Audit of the Council be noted.

79. PORTFOLIO HOLDER BRIEFING

The Committee received a presentation from Councillor K. Foreman, Executive Member for Planning Policy, on the Planning Policy Portfolio, including information on the distinction between planning policy and planning applications, the development of local plans, and the Council's role in advising and consulting on other plans affecting the local area. Attention was drawn to the roles of evidence gathering, strategic planning, and consultation in developing local plans, along with the current status of the developing Development Management Plan.

The Committee considered and discussed the presentation. There were a number of questions and comments relating to the following topics:

- **Housing Targets and National Planning Policy.** A number of Members expressed concern at the new national approach to housing needs, which indicated a figure of over 1100 homes per year for the Borough, up from the current figure of 460. It was confirmed that the timings of the expected new National Planning Policy Framework were such that it would not initially be possible to have a new Core Strategy in place with regard to this issue. It was identified that guidance indicated both a requirement to meeting minimum housing needs, and to protect local considerations such as the greenbelt, and that it was as yet unclear how these requirements were expected to be balanced. Attention was drawn to the wider implications of significant increases to housing numbers, including effects on parking, traffic, and general infrastructure requirements, which did not appear to be addressed in corresponding national strategy. It was confirmed that the Executive Member for Planning Policy was also concerned regarding the indicated housing figure, and that the Council would be working to identify and agree the most appropriate available option for the Borough. It was identified that discussions were being undertaken with local MPs regarding discussion of the national policy.
- **The Development Management Plan – Main Modifications.** It was identified that the most significant modifications to the draft plan proposed by the inspector were judged to be the removal of the Redhill aerodrome site from safeguarding for development, the requirement for additional sites for accommodation of Gypsies, Travellers and Travelling Showpeople, the change to the phased release of land in favour of proactive forecasting to meet the needs of the 5 year housing supply, and an increase to the proposed density of development in identified Sustainable Urban Extensions.
- **Plan Development and Timescales.** It was identified that updating the various local planning documents was a continuous process, and that proper consideration of evidence and consultation requirements placed a limit upon the rate at which this could be undertaken. It was identified that whilst the planning policy team sought to anticipate forthcoming legislative requirements, changes in government and government policy would be expected to frequently disrupt existing expectations. It was identified that plans were updated as frequently as was practical within the associated limitations.
- **Consultation and Engagement.** It was confirmed that the public consultation on the DMP had received a considerable number of responses from individual residents, in addition to developers and local interest groups, and that these had been considered both in the development and inspection of the plan. It was identified that there would continue to be briefings for and engagement with all Members on developing planning policy following the elections in May 2019.
- **Redhill Aerodrome.** It was confirmed that the planning application for an additional runway at the aerodrome had been considered by the Planning Committee independently of any emerging planning policy designations. It was confirmed that the redevelopment of the site was no longer a supported policy, as was supported by the planning inspector in removing the site from land safeguarded for development.

- **Planning Guidance.** It was identified that the forthcoming Development Management Plan included consideration of matters not previously included in the Council's adopted planning policy, including additional material on parking standards to change from minimum to maximum and to take account accessibility and care ownership evidence. It was confirmed that consideration would be given to further guidance on this in the future, as well as topics of flooding and affordable housing.

The Committee thanked Councillor Foreman and supporting officers for the presentation, and thanked the planning policy team for their work in supporting the Council's planning policy.

RESOLVED that the portfolio holder briefing from Cllr K. Foreman, Executive Member for Planning Policy, be noted.

80. **SERVICE AND FINANCIAL PLANNING 2020/21 - PROCESS AND OVERVIEW**

The Committee considered an overview of the Council's Service and Financial Planning process for the 2020/21 financial year, including information on the timetable, approval process and scrutiny. It was identified that the input of the Committee was being sought at a more advance stage than had historically been the case, to allow identified scrutiny concerns to be effectively addressed through the planning process.

The Committee considered and discussed the report. There were a number of questions and comments relating to the following topics:

- **Scrutiny Engagement.** It was confirmed that consideration would be given to providing additional information to Overview and Scrutiny Committee Members on the developing budget proposals in advance of the publication of draft budget proposals in November 2019. It was also identified that there would once again be ongoing consultation with a budget advisory working group, constituted on a cross-party basis, along with the in-depth review of proposals by the Budget Scrutiny Review Panel.
- **Stakeholder Consultation.** It was suggested that it would be beneficial to undertake consultation on budget proposals with relevant stakeholders from the wider community, in addition to the mandatory consultation undertaken with the business community. It was confirmed that consideration on how best to engage with a broader range of relevant stakeholders would be undertaken as part of the early stages of the planning process.

RESOLVED that the overview of the Service and Financial Planning process for 2020/21 and the observations of the Committee, as identified in the minutes, be noted.

81. **OVERVIEW AND SCRUTINY COMMITTEE - ANNUAL REPORT 2018/19**

The Committee considered the proposed Annual Report of the Overview and Scrutiny Committee to Council, which set out the terms of reference and work of the Committee in the municipal year 2018/19, accompanied by a conclusion from the Chair, and information on attendance at meetings.

It was suggested that the information on attendance provided might benefit from accompanying information on representation of absent Committee members by substitutes, and it was agreed that this would be considered for future reports.

The Annual Report was approved by the Committee, and it was:

RECOMMENDED that the Annual Report of the Overview and Scrutiny Committee for the municipal year 2018/19 be noted.

82. 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.

83. ANY OTHER URGENT BUSINESS

Councillor R.S. Turner, the other members of the Committee, and the Chief Executive expressed their thanks to Councillor B.A. Stead for his longstanding service as a Councillor, and particularly his work as the Chair of the Committee.

The Meeting closed at 8.58 pm