

BOROUGH OF REIGATE AND BANSTEAD

OVERVIEW AND SCRUTINY COMMITTEE

Minutes of a meeting of the Overview and Scrutiny Committee held at the Remote - Virtual Meeting on Thursday, 10 September 2020 at 7.30 pm.

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

Also present: Councillors M. Brunt, V. Lewanski, T. Schofield

19. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies for absence were received from Cllr J. Hudson and Cllr J. Paul.

20. MINUTES

The Minutes of the previous meeting on 11 June 2020 were approved.

The Minutes of the additional meeting on 27 August 2020 on the call-in of the Executive decision on Environmental Sustainability were approved.

21. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

22. LEADER'S UPDATE

Members received an update on the work of the Council and future plans from the Leader, Cllr M. Brunt. Council services were largely back to normal operations, with some exceptions. Planning was underway for the expected second wave of the COVID-19 emergency response. The Committee's Recovery Scrutiny Panel had scrutinised the work of the recovery programme (set out in Minute 23).

The Leader highlighted ongoing work which included the following areas:

- Promoting the needs of the local economy with Surrey MPs who had been supportive in getting this message to the Treasury.
- Additional costs to the Council due to COVID-19 emergency response was predicted to be £3.024m at the end of the first quarter on 30 June. There was a projected £3.74m loss of income. Budget pressures were expected to be offset by Government grant; £1.16m had been received by the end of quarter 1. There was a forecast £317k reduction in commercial rent but the majority

of property rents continued to be collected. The forecast risk to the Collection Fund (business rate and council tax income shortfalls) was better than expected but the Council still had to pay receiving authorities like Surrey County Council and the police. *(Clerk's note – more detail was set out in Minute 24 on Q1 2020/21 financial performance reporting).*

- Homeless people were continuing to be supported while the housing team prepared for an expected rise in evictions in the autumn. Community centres had reopened, with COVID-19 safety measures in place. Storage had been found in Redhill to keep stocks of food and for food banks to have access to these to meet demand in the longer term.
- The Waller cinema and the café at the Harlequin in Redhill had reopened. Greenwich Leisure Limited were due to reopen the three swimming pools in the borough on 12 September with bookable slots for swimming.
- The garden waste service had restarted with an additional 500 garden waste bins provided for new subscribers to the service. The refuse and recycling teams were working on the frontline and given the support and protection they needed to deliver these services.
- Council Committee meetings would be held remotely until the end of the year with a comprehensive return to the Town Hall not expected until early next year. Staff were mainly continuing to work from home with a small number working in the council offices. Results from a staff survey and Member survey were being analysed. ICT had faced challenges but continued to focus on ensuring the network was maintained. The Leader praised the dedication of the ICT team and their support for staff and Members working remotely.
- The Marketfield Way development in Redhill was making good progress with the groundworks. Significant funding for the project had been secured from the Local Enterprise Partnership and government funding. Building work was continuing in Cromwell Road and at Pitwood Park after initial delays.

Members asked questions and made observations on the following areas:

Swimming pools – Members asked if the latest COVID-19 government guidance on restrictions to social gatherings “the rule of six” would affect the recent reopening of the Borough’s three swimming pools. It was noted that organised sports facilities which have carried out the required health and safety assessments were likely to be exempt from this rule.

Marketfield Way development – residents had suggested that the temporary fences round the development site in the centre of Redhill be replaced with professional-looking hoardings, including designs of what the future site might look like with a proposed multiplex cinema and shops. Members said this would give confidence to the business community about the town centre’s regeneration plans. Members asked for an update on the communications planned.

Proposed local government reorganisation – Members asked about proposals to create a unitary authority structure in Surrey. It was noted that the Government’s expected White Paper had been delayed until possibly October. Consultants KPMG were starting work on a business case to analyse the different options for Surrey’s 11 districts and boroughs. This report would be shared with all Members once completed.

Homelessness – as the furlough job scheme came to an end and the economic impact of COVID-19 continued, Members asked how the Council was getting ready to accommodate residents in need while maintaining social distancing rules. It was noted that accommodation was returning to allow near normal occupancy levels. Court evictions had been put on hold since March, but the Council was preparing and planning for an expected rise in demand once this was lifted.

RESOLVED – that the update from the Leader, Cllr M. Brunt, on the work of the Council and the observations of the Committee be noted.

23. RECOVERY SCRUTINY PANEL UPDATE

The Committee considered and discussed feedback from the Committee's Recovery Scrutiny Panel that had scrutinised the COVID-19 recovery work to date. The Panel met on 15 July 2020 and Panel Members had received an overview of the Council's recovery work from Executive Lead, Cllr T. Schofield. Five recovery workstreams had met regularly with lead Executive Members and relevant Heads of Service and these workstreams reported into the overarching Recovery Steering Group. A presentation given to Panel Members and Minutes from the Panel meeting were included in the Committee's agenda pack.

Members made the following observations and comments:

- **Furlough scheme** – Members asked how the Council was preparing for the end of the job furlough scheme with potential increases in unemployment. It was noted that the borough had the equivalent of 20,000 people who had been furloughed (out of a possible 60,000). The Council was focusing on how to respond to expected demand on its services. It was looking at the Government's Kickstart Scheme which provided funding for employers to create placements for young people claiming Universal Credit. The Economic Prosperity team had been working closely with businesses. The Money Support Service team was also supporting individual residents who were struggling to manage their finances.
- **Community centres** – it had been a challenging time for the Council's three community centres as the majority of users and some staff had been shielding. There was now a plan in place for a phased and safe reopening, with a podiatrist and health-related services offered on an appointment basis. Staff were also supporting users who were digitally excluded so they could take part in online bingo sessions to help lessen their sense of isolation. Staff were continuing to engage residents and community groups on future plans to make the centres vibrant community assets.
- **Social housing** – Members asked how rent collection was being handled by social housing providers such as Raven Housing Trust. Council staff were in regular contact with providers who were taking a sensitive approach to those residents who had genuinely built up rent arrears during lockdown.
- **Work of volunteers** – Members asked if the fantastic work and commitment of volunteers who supported vulnerable residents during the emergency response could be highlighted in the next edition of Borough News.

RESOLVED – that the comments and observations of the Recovery Scrutiny Panel set out in the Panel Minutes of 15 July 2020 to the Committee be noted.

24. Q1 2020/21 PERFORMANCE REPORT

Members considered the Performance Report for Quarter 1 (2020/21) which looked at Key Performance Indicator reporting, as well as revenue and capital budget monitoring for the three months from 1 April to 30 June 2020.

Cllr V. Lewanski, Portfolio Holder for Corporate Direction and Governance, gave an overview of progress on the Key Performance Indicator (KPIs). A cross-party member working group in the last financial year had developed the 2020/21 indicators which were approved by the Executive at its meeting on 25 June 2020. Cllr V. Lewanski thanked Members for their valuable input into updating the new KPIs. A new reporting template with additional narrative had been developed and was available at Annex 1.

Ten KPIs were reported on in Quarter 1 2020/21, six were on target and one (KPI 8 – Performance in Local Environmental Quality Surveys) could not be reported on due to resources focused on responding to the COVID-19 crisis.

The three red-rated KPIs were: KPI 6 – Net housing completions, KPI 7 – Net affordable housing completions and KPI 10 – Recycling performance (Q4 2019/20). Housing completions were off target due to the slowdown in the construction sector as a result of the COVID-19 pandemic. Despite this there were currently over 2000 units under construction and over 300 were affordable.

KPI 10 – the Council's recycling performance indicator that measures the percentage of household waste that is recycled and composted was affected by seasonable fluctuations and reduction in garden waste collected at the kerbside. However, it remained in line with the same quarter reported the previous year. Overall, the final year's recycling rate in 2019/20 of 54.2% was the Council's second-best reported rate.

Cllr N. Harrison thanked the projects and business assurance team for the new report format including the additional analysis in the report.

Members made the following observations and comments:

- **Housing completions** – it was noted that COVID-19 lockdown had effectively halted housing construction work for two months, so the red-rated status was to be expected. It was anticipated that this would improve in the next quarter of the year.
- **Recycling** – there was a downturn in recycling performance in quarter 4 2019/20 due to the seasonal variations in collecting garden waste. Due to the COVID-19 lockdown there had been significant increases in collection of food waste, mixed paper and card and mixed glass. There will be an impact to this KPI in quarter 1 due to the garden waste service being temporarily suspended. However, this is expected to improve in quarter 2 following the garden waste service restarting and the continued increase in mixed recycling materials. Members asked about increased public engagement and education so residents understood what can be recycled. It was noted that these were part of ongoing discussions with the Surrey Waste Partnership.

Members noted that the Borough Council target for recycling had increased to 60% which was set out in Surrey's Joint Waste Management Strategy. They asked for a written answer about the plan in place to meet this target, post COVID-19 recovery.

- **Flats recycling programme** – this work had been paused as the Waste and Recycling Service prioritised resources on frontline services during the Covid-19 pandemic emergency response. Discussions were underway with the Executive Member for Neighbourhood Services on restarting the programme to provide a full range of recycling services to residents in an additional 6,000 flats in the Borough. This would increase the amount of recycling.

Committee Chair, Cllr N. Harrison, expressed the Committee's thanks to the Head of Projects and Performance, Doula Pont, who was leaving the Council at the end of September.

Clerk's note: Cllr S. Walsh joined the meeting at 8.42pm.

Cllr T. Schofield, Portfolio Holder for Finance, gave an overview on the Revenue Budget and Capital Programme forecasts in Quarter 1. The Revenue Budget 2020/21 approved by Full Council in February 2020 was £24.46m. At the end of quarter 1, the projected full year outturn forecast was £24.22m against a management budget of £25.90m (including £1.44m one-off funding from the Corporate Plan Delivery Fund Reserve and Feasibility Studies (Commercial Ventures) Reserve). This resulted in an overall net underspend of £1.68m (6.5 percent) at the end of Quarter 1 (30 June).

It was noted that the Budget was approved prior to the COVID-19 pandemic and ensuing emergency response. The financial implications of COVID-19 on the Council were being closely monitored and set out in an annex to the report. They were also presented in more detail the Medium-Term Finance Strategy 2021/22 which was reported to Executive on 27 July 2020.

The additional unbudgeted cost to the Council of COVID-19 was predicted (at 30 June) to be £3.024m, including additional costs of the emergency response (provision of food and welfare calls), housing rough sleepers and remote working costs. There was also a projected £3.74m loss of income, compared to 2020/21 budget forecasts, including from Harlequin theatre ticket sales, planning fee income, garden waste charges and car parking income. It was noted that, while there was a forecast £317k reduction in income from commercial tenants, the majority of property rents continue to be collected.

These additional budget pressures were expected to be offset in part by Government grant; £1.16m had been received by the end of quarter 1.

The Capital Programme at the end of quarter 1 was forecast to be £30.4m below the approved expenditure for the year which as expected was largely slippage on construction projects, some of which was due to the impact of COVID-19 on the construction industry. It was expected that work would resume in quarter 2.

Members made the following comments and observations:

- **COVID-19 financial implications** – Members noted that as at 30 June, the net adverse financial impact, if no further government support is given, may be up to £3.024m, based on the forecast additional expenditure and income losses, less the announced Government grant at that date. Even if the Government provided the maximum support of 70% to reimburse the loss of non-commercial income, the Council would be left with a deficit in the region of £1.250m based on 30 June forecasts. The Committee requested additional summary reporting on the COVID-19 emergency response impacts in future reports. The Interim Head of Finance explained the annex to the report budget report set out the emerging picture (at 30 June) of the COVID-19 financial implications and that the situation continued to evolve as new Government announcements were made. It was noted that it was challenging at this early stage in the financial cycle to present a complete and accurate forecast of the full implications for this Council. Further consideration will be given to how the information is presented in the quarter 2 report.
- **Impact of COVID-19 on Collection Fund** – It was noted that the impact of business rate and council tax income shortfalls as a consequence of COVID-19 would be accounted for through the Collection Fund. This would eventually have an impact on the budgets of all precepting authorities (Surrey County Council, the Police and Crime Commissioner and the Government) as well as this Council in 2021/22 onwards. The forecast risk to the Collection Fund at 30 June was £10.137m income losses.
- **Feasibility Studies (Commercial Ventures) Reserve** – Members asked for a written response to give further information about the feasibility studies work carried out on Horley High Street Car Park and delivering change in Horley Town Centre. They also asked for confirmation of the sum allocated from the Reserve to Project Baseball.
- **Staff headcount** – it was noted that this year's budget allowed for an increased number of funded posts and Members asked for an update on progress in filling them. The Interim Head of Paid Service said the majority of new posts related to the transfer of staff at the three Community Centres that had been brought back in-house and the Harlequin theatre casual staff who transferred to permanent contracts at the start of the financial year. There was not currently a high number of vacancies in other services. Staff turnover was about 11 per cent currently which was similar to previous years of 10 to 12 per cent. This was considered a healthy level and was consistent with other boroughs and districts in Surrey. Leader, Cllr Mark Brunt, confirmed that Executive Members planned to review staffing requirements as part of service & financial planning 2021/22 discussions across each of the portfolios. It was noted that proposed local government reorganisation was likely to make it more difficult to recruit to vacant senior posts.

RESOLVED – that:

- (i) The Key Performance Indicator performance for Q1 2020/21 and observations of the Committee be noted;
- (ii) The Revenue Budget and Capital Programme forecasts at Q1 be noted; that the Committee's request for additional reporting on COVID-19 financial implications in the covering report be highlighted to the Executive at its meeting on 17 September 2020.

- (iii) The full year Capital Programme forecast at the end of Q1 of £30.48m (24%) below the approved Programme for the year be noted.

25. FIVE YEAR PLAN PERFORMANCE REPORT 2019/20

Members considered the progress made during the final year of the Council's 2015-2020 Five Year Plan. A final report to the Committee highlighted achievements in delivering the plan around three key themes: People, Place and Organisation. A new plan for the period 2020-2025 (Reigate and Banstead 2025) was adopted by Council on 16 January 2020 which will provide the framework for Council activity over the next five years.

Cllr V. Lewanski, Portfolio Holder for Corporate Direction and Governance, highlighted the extensive work carried out in 2019/20. In the People area (supporting residents to enjoy healthy and happy lifestyles), the Council had continued to work with residents to help them into employment, provided a range of services for older people and encouraged healthy lifestyles through the use of the Borough's leisure centres, parks and open spaces. Priorities for the Place area (to promote the Borough as a great place to live and work), included initiatives with existing and new businesses in the borough, ensuring public spaces were clean and attractive, and establishing a Development Management Plan to reflect the Borough's planning and housing needs. In the Organisation themed area, work continued to create a positive and supportive work environment, build improved communication and engagement with residents, as well as objectives to increase the value and income from the Council's properties and assets which had risen substantially since 2015.

Members noted the progress and achievements made by the Council in 2019/20 in the last year of the 2015-2020 Five Year Plan.

RESOLVED that the progress during the final year of the Council's 2015-2020 Five Year Plan priorities as set out in the report be noted.

26. TREASURY MANAGEMENT OUTTURN REPORT 2019/20

Members reviewed the Treasury Management Performance for 2019/20 and the outturn against the 2019/20 prudential and treasury indicators set out in the Annual Treasury Management Report (Annex 1).

Cllr T. Schofield, Portfolio Holder for Finance, explained that this report was part of formal reporting and regulatory requirements. The report confirms compliance with the requirements of the regulatory framework for treasury management and had been presented to the Executive meeting on 28 July 2020.

During 2019/20 none of the prudential limits were breached and, with the exception of compliance with the maximum exposure per institution, all decisions were taken in accordance with the Treasury Management Strategy. This one breach was due to the receipt of significant emergency COVID-19 Government funding at short notice which was invested in a single institution. This was being addressed by opening additional investment accounts with new institutions to spread the risk.

Members noted that the strategy and performance was on track. The report and recommendations would go to Council on 24 September 2020 for approval.

RESOLVED that:

- (i) the Treasury Management Performance for 2019/20 be noted;
- (ii) the outturn against the 2019/20 prudential and treasury indicators in the Annual Treasury Management Report (Annex 1) be noted and recommended for approval by Council.

27. ANNUAL GOVERNANCE STATEMENT 2019/20

Members considered and provided feedback on the Draft Annual Governance Statement 2019/20 as set out in Annex 1.

The Council was required to publish an annual statement on its corporate governance arrangements as part of the annual Statement of Accounts for 2019/20.

Cllr T. Schofield, Portfolio Holder for Finance, said that in future years the Draft Annual Governance Statement would be considered by the newly-formed Audit Committee. For 2019/20, the Audit Committee had asked Overview and Scrutiny to provide its comments because the Committee had oversight of risk and governance matters during that year. The Committee was asked to provide any feedback to be taken into consideration before it was signed by the Leader and Interim Head of Paid Service. The final statement would be presented to the Audit Committee for approval at its meeting on 26 November 2020 and included in the audited Statement of Accounts.

It was noted that there was a delay in publishing the Draft Statement of Accounts 2019/20 on the Council's website which was set by Accounts and Audit Regulations 2020 as 31 August 2020. The primary reasons for the delay were the competing demands on Finance team resources due to the pandemic, and the additional work that was carried out during this closedown to ensure that all matters raised in the 2018/19 audit were addressed, primarily in relation to fixed asset record-keeping and accounting. Members asked that this be referenced in the Annual Governance Statement.

Members also requested that the Committee's comments on Service and Financial Planning 2020/21, considered by the Budget Scrutiny Panel, and set out in Overview and Scrutiny Committee's Annual Report 2019/20 (approved by Council on 30 July 2020) be added to the Financial Planning and Management section of the Draft Annual Governance Statement. The text was that: 'The Panel recognised and appreciated the significant amount of work that had gone into preparing the service and financial plans for 2020/21 and concluded that the budget proposals were sound, balanced and achievable. However, concern was expressed that the overall increase in the Revenue budget is unsustainable in the long term, unless additional revenue income sources are brought on stream.'

RESOLVED that:

- (i) the delay to the publication of the Draft Statement of Accounts 2019/20, set out in the Minutes, be noted in the Draft Annual Governance Statement;
- (ii) the comments on Service and Financial Plans 2020/21 Budget in the Overview and Scrutiny Committee Annual Report 2019/20, set out in the Minutes, be included in the Draft Annual Governance Statement.

- (iii) the updated Draft Annual Governance Statement be recommended for signing by the Leader and Interim Head of Paid Service and for adoption by the Audit Committee at its meeting on 26 November 2020.

28. EVALUATING OVERVIEW AND SCRUTINY PANEL RECOMMENDATIONS

Members considered and discussed the findings and recommendations from the Evaluating Overview and Scrutiny Panel and the Minutes from the Panel meetings that took place on 14 July and 20 August 2020.

Panel Chairman, Cllr S. Walsh, thanked Members of the Panel for their input and discussions to review the principle and purposes of the Overview and Scrutiny Committee. Cllr S. Walsh set out eight recommendations that the Panel had put forward which included the use of time-limited scrutiny panels, scheduling additional meetings and actively reviewing the current work programme at Committee meetings.

The Panel had debated the role of overview and scrutiny and its role as a critical friend to the Council. It was highlighted that establishing smaller time-limited panels, when needed, to debate and report back to the Committee, would enable a more flexible and agile response. Current Panels included the Recovery Scrutiny Panel to focus on the Council's recovery work from the emergency response as well as the Budget Scrutiny Panel.

Panel Members had felt it was important to have focused and shorter meetings with clear recommendations, where necessary, to the Executive. It was also important to facilitate and encourage Members to evaluate and review information provided to the Committee such as performance data in advance of Committee meetings. Use of the Advance Questions procedure should be encouraged so that officers and Executive Members were given the opportunity to respond to Committee questions in a structured way.

In the discussion that followed, Members agreed that shorter and more focused Committee meetings would benefit debate but with a full agenda at each meeting this was not always possible. Members noted the recommendation to actively review the current work programme at each meeting. Communication on the role of overview and scrutiny was important as a reminder of its vital function in scrutinising Council activities. Members agreed that use of Advance Questions was an efficient way of giving officers and Executive Members a steer on areas of interest so they could prepare a fuller response.

Cllr N. Harrison, Committee Chair, thanked the Panel Members for their work and recommendations for improving the work of the Committee.

RESOLVED that the Minutes from the Evaluating Overview and Scrutiny Panel be noted and the recommendations from the Panel be approved.

29. FUTURE WORK PROGRAMME

The Work Programme for the Overview and Scrutiny Committee 2020/21 was considered by Members.

It was noted that the Environmental Sustainability strategy was scheduled to come to the Committee at its 9 December meeting. The Annual Community Safety Partnership Scrutiny item to review crime and disorder in the Borough could be considered separately at an additional Overview and Scrutiny Committee meeting in February.

Members had received a written response about ongoing work to trace legal documents regarding Trust Funds including the Reigate Baths Trust Fund and Commons Trust to identify what the funds can or cannot be used for. It was noted that it would be a long and complex process as work involved detailed examination of the trust deeds and consultation with the Charity Commission. Work was being progressed and an update on this would be given to the Committee in due course.

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

30. 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.

31. ANY OTHER URGENT BUSINESS

There were no items of urgent business.

The Meeting closed at 9.58 pm